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PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

SENATE—*Thursday, July 29, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Our Heavenly Father, let Thy gracious presence be felt in this place today. May every office, every Senator, every staff member, every employee experience Your love and grace today. Let every family, every spouse and child be blessed by Thee today.

Where there is sorrow, let there be joy; where there is despair, hope; where there is weakness, strength; where there is financial difficulty, grant encouragement and confidence; where there is fear, peace; where there is illness, let there be healing; where there is sin, forgiveness.

Gracious God, let everyone who is part of this great Senate family, experience a fresh regenerating touch of Thy power today. We pray in the name of the Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ANOTHER JANUARY 28

Mr. BAKER. Mr. President, I have just finished reading today's CONGRESSIONAL RECORD, and I want to first express my pleasure at the unseasonably warm and beautiful weather we are having on this January 28. Why, it feels like July outside. In fact, the weather is so nice, it makes me feel 6 months younger.

But come to think of it, there must be a mistake somewhere, because I have another CONGRESSIONAL RECORD with "January 28, 1982" printed on it. In fact, there is even a statement in the RECORD that I made on the floor that day about a "Year-End Report" by a Howard N. Baker. I am HOWARD H. BAKER, and I would still love to meet this man who I no doubt have so much in common with. He must exist someplace, because as we all know, the Government Printing Office does not make any mistakes.

Anyway, I want to take this opportunity to share with my colleagues a hobby of mine that I have kept to myself in the past, but now want to make public. I just love to predict things. Events, careers, whatever. And I want to make some of my more confident predictions on the floor this morning.

Since this is the end of January, we have some very big sporting events coming up, and I want to courageously declare that the New York Islanders will win the Stanley Cup, the Los Angeles Lakers will win the NBA Championship, and that, you will not believe this, Jimmy Connors will knock off John McEnroe and win Wimbledon. I know that these predictions are risky, but I am willing to speak out on the record. In addition, I believe that Prince Charles and Princess Diana will have a boy, and name it William, and that the Space Shuttle will have a series of dramatic successes.

On a more serious front, I see troubled waters. Waters leading to lands, islands. I see islands in trouble. Not in North America, though. Further south. In the South Atlantic. I think, the Falkland Islands. Yes, that is it, the Falkland Islands. I see trouble there real soon, and I am going to call Foreign Relations Committee Chairman PERCY today to notify him of my concerns.

I have other predictions, but I will not take up the Senate's time at this point. I think I will just go outside and enjoy the Sun before it gets colder. The GPO is predicting snow tonight.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the recognition of the two leaders under the standing order, Senators BRADLEY and CHILES will be recognized for not more than 15 minutes each on special order.

After the execution of the special orders, there will be a period for the transaction of routine morning business, to extend not past 10:30 a.m., in which Senators may speak for not more than 2 minutes each.

At 10:30 a.m. or at the expiration of the time for the transaction of routine morning business, whichever may occur first, the Senate will resume consideration of Senate Joint Resolution 58, the balanced budget tax limitation constitutional amendment. At that time, the pending question will be the Moynihan amendment, No. 1929.

Mr. President, today is Thursday, which is our regularly scheduled late evening. In view of the fact that there is a unanimous-consent order providing for the vote on final passage of this measure not later than noon on Wednesday next, it really is a function now of the convenience of Members to decide how late we stay tonight and how long we will be in session tomorrow, Monday, and Tuesday.

As I did on last evening, I urge Senators to consider that there are approximately 31 amendments we know of which remain to be disposed of, and the time allocated under the order for those amendments exceeds 50 hours, I believe. Therefore, if we are to avoid the last-minute traffic jam of amendments, it would seem desirable for Members to come to the floor today, even this evening and tomorrow, and offer those amendments and ask for their disposition by the Senate well in advance of the time for final passage on Wednesday.

I will confer with the minority leader as to the hour for our recess or

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

adjournment today, but I will be guided in large measure by the wishes of Senators to offer amendments. If they do not wish to offer amendments, we will go out at whatever hour we stop doing business. If Senators do not offer amendments, I caution that it will be at their own peril, because I do not plan to extend the time for debate past Wednesday noon.

Mr. President, I am prepared to yield to any Senator seeking recognition. I see the Senator from Wisconsin on the floor.

Mr. PROXMIRE. Mr. President, will the majority leader yield me 2 minutes?

Mr. BAKER. I yield.

Mr. PROXMIRE. I thank the majority leader.

THE GENOCIDE CONVENTION AND AMERICA'S IMAGE ABROAD

Mr. PROXMIRE. Mr. President, does the United States seek peace, freedom, and justice for all peoples around the world? Or does it use those ideals as bargaining chips to be traded for international power?

As an American, I believe, I hope, and I pray that the former is true. But when I ask how we look to the rest of the world, I am not surprised that the rest of the world is skeptical.

We sell deadly weapons to unreliable countries, with little hope of setting effective limits on their use. We provide aid to totalitarian regimes that tolerate, and may be partly responsible for, widespread political persecution and murder. We are involved in a nuclear arms race that threatens to destroy whole nations. And we have steadfastly refused to recognize the validity of an international treaty for the prevention of genocide.

Is it unreasonable, Mr. President, for other nations to wonder occasionally whether we do not base our international policies on the pursuit of our own power, rather than on a commitment to human rights?

A nation, like an individual, can sometimes lose touch with its own values, and misperceive its own actions. The action which is in a nation's own interest is seductive, and the process of finding a rationalization for that action is simple. All of us, as individuals, know that our belief in our own self-worth can easily persuade us of the righteousness of our intentions. Yet all of us also know that the wise words of a friend can quickly set us straight. It is just so with nations. Thus it is useful for a nation to ask, from time to time, how its actions and its reasoning appear to others.

On one issue the opinion of the world is clear, and that issue is the International Genocide Convention. This treaty has been ratified by 87 other nations, including our most respected friends and allies. These nations have indicated to us their conviction that ratification is the just and proper course. It seems likely that our insistence that all these nations are wrong, and that we alone are right, represents an obstinate misperception on our part, and a loss of touch with our own most cherished principles.

This Nation is wise enough to recognize the validity of others' opinions, and to profit from their counsel. If our reflection in the eyes of other nations has lost something of its shine, that is because our beacon of hope has grown a little dimmer. Let us act quickly to renew our commitment to peace, freedom, and justice for all. And let us demonstrate that renewed commitment by ratifying the Genocide Convention.

THE NUCLEAR TEST BAN: HE DID NOT TAKE A FIRST STEP

Mr. PROXMIRE. Mr. President, the announcement by the administration to step back from further negotiations leading toward a comprehensive nuclear test ban treaty disrupts almost 20 years of bipartisan dedication to this cause. Spanning every administration since the Kennedy years, including every President regardless of party affiliation, the slow but measurable movement toward a comprehensive nuclear test ban held out the promise of achieving a reduction in the intensity and direction of the arms race.

That is until now. Perhaps this interim period wherein the Reagan administration studies compliance and verification features is but a momentary pause. Perhaps it will set the stage for a more dramatic announcement later. Perhaps it is but a negotiating ploy.

However, if it is none of these and signals instead the intention of this administration to back away from a comprehensive nuclear test ban, then arms control will suffer, and the security of both the United States and the U.S.S.R. will suffer.

In no other set of negotiations have the Russians displayed an interest in onsite inspection. True, the scope of their interest was not made clear. But that crucial aspect of their foreign policy must be pursued with great determination, for in that lies the greatest degree of verification and compliance security.

The answers to the Soviet position on onsite inspection will not come from the United States studying the issue here at home. It will only come through the process of negotiations. And negotiations now have been stopped.

Theodore C. Sorensen quotes Senator Everett M. Dirksen so well on this issue:

I should not like to have written on my tombstone: "He knew what happened at Hiroshima, but he did not take a first step."

A step has been taken by the administration. But it is a step backward in time.

Mr. President, I ask unanimous consent that the article by Theodore C. Sorensen, in the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 25, 1982]

TEST BAN AND EPITAPHS

(By Theodore C. Sorensen)

Ronald Reagan last week, in a move speaking volumes about his sincerity in the current strategic arms reduction talks, threw out 19 years of bipartisan American support for a comprehensive nuclear test ban treaty. The military arguments he accepted have heretofore been consistently rejected.

It was 19 years ago today that American, British and Soviet negotiators concluded and initialed in Moscow a treaty banning all nuclear weapons testing in the air, sea and outer space. John F. Kennedy called it "an important first step—a step toward peace [and] reason," adding that it was "a journey of a thousand miles." When W. Averell Harriman, the chief American negotiator, was welcomed home by his Georgetown neighbors, one woman brought her baby, saying, "What you did in Moscow will make it possible for him to look ahead to a full and happy life."

Because the treaty permitted underground testing, it was indeed only a first small step toward slowing the nuclear arms race. Its text contemplated a future comprehensive ban. President Kennedy and Nikita S. Khrushchev, the Soviet leader, both hoped to resolve the one remaining obstacle to an underground-test ban—how to inspect suspicious seismic-disturbance reports. During these past 19 years, every President, regardless of party, actively sought an agreement between the United States and the Soviet Union to halt underground nuclear testing. For 19 years, arguments emanating from the Pentagon and nuclear-weapons laboratories about the need for more testing—to develop new weapons and enhance our confidence in existing weapons—were rejected by the White House.

Until last week.

With typical circuity, the Reagan Administration decision not even to negotiate for such a ban, once it had been involuntarily publicized, was attributed to a need to first redefine verification procedures for two interim, unratified, largely meaningless agreements that ban explosions over 150 kilotons. In truth, both superpowers can obtain all the test results they need below that threshold, which is 10 times the power of the Hiroshima bomb. Moreover, these interim agreements would both be rendered moot by a determined Presidential commitment to negotiate a comprehensive test ban. Because of new verification technology and procedures, such a pact seemed near in 1979 before it temporarily sank with the second strategic arms limitation treaty.

Opposition to a total ban from various military leaders and nuclear scientists in both Washington and Moscow over the last 19 years is not surprising. As Gen. Earle G. Wheeler testified regarding the 1963 treaty: "In the purest sense of the term, any agreement which limits the manner in which we develop our weapons systems represents a

military disadvantage." Most armed services commanders, trained and paid and obligated to provide the strongest possible combat force, invariably want more tests, more weapons and more certainty about the reliability of their existing weapons.

These same arguments were all advanced in 1963 against the Limited Test Ban Treaty, by both active and retired commanders and by concerned citizens ranging from Edward Teller to Phyllis S. Schlafly. But their arguments were overcome by answers that are equally valid today. The risks of an imperfect treaty were deemed less than the risks of an unabated arms race. A reduction in the tensions and economic burdens of the cold war as deemed worth the limitations on new weaponry. Preserving doubts in both the Kremlin and the Pentagon about the reliability of their respective stockpiles might someday stay a reckless hand. Establishing roadblocks to either superpower's development of destabilizing weapons might reduce future temptations to launch a surprise first strike. The Senate in 1963 listened, debated and approved the treaty by a vote of 80 to 19.

Unfortunately the ideology of those 19 is now in the saddle in Washington. The Reagan cold warriors advertise their plans for arms control with more hypocrisy than hope for success. They see no need for the superpowers to deter the spread of nuclear weapons by setting a good example. They want no part of a nuclear freeze, not even a mutual halt in testing warheads and weapons. Why should they? An Administration that can turn the clock back by decades on child labor and Social Security can easily go back to John Foster Dulles.

I would remind them of the statement of Everett M. Dirksen, the late Senate Republican leader, in switching to support the 1963 treaty, "I should not like to have written on my tombstone: 'He knew what happened at Hiroshima, but he did not take a first step.'" That first step in 1963 was impelled in part by a nuclear confrontation over Cuba the previous year. Let us pray that another such confrontation will not be required to produce the next step.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I ask unanimous consent that the time remaining to me and the time allocated to the distinguished minority leader under the standing order be reserved for our use at any other time during the course of this day.

The PRESIDING OFFICER (Mr. ARMSTRONG). Without objection, it is so ordered.

Mr. BAKER. Mr. President, the Senator from New Jersey is here. Is he prepared now to claim his time on special order?

Mr. BRADLEY. I say to the majority leader that I am.

Mr. BAKER. Mr. President, I yield the floor.

RECOGNITION OF SENATOR BRADLEY

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey (Mr. BRADLEY) is recognized for not to exceed 15 minutes.

RISKS TO THE INTERNATIONAL BANKING SYSTEM

Mr. BRADLEY. Mr. President, the worrisome prospect of a default by Poland on part or all of the some $27 billion it owes Western banks and governments has precipitated an important debate on the merits of economic ties between East and West. It is a debate that is critical to our foreign and economic policy. However, the sharp focus on East-West relations has eclipsed a problem also surfaced by the Polish debt crisis which could do even more far-reaching damage to the growth and stability of the Western World and its friends.

The bankers' struggle with Poland to protect their exposed financial assets drew attention to the potential vulnerability of an enormous, highly interdependent, international banking system which is remarkably short on lending rules and depository insurance. Unlike domestic financial transactions, a growing portion of international financial transactions occur outside the jurisdiction of any government's banking rules. They are unlimited by, for example, reserve requirements, interest ceilings, capital-to-asset ratios, and minimum depository insurance.

The most unchecked of international transactions are those denominated in currencies other than the currency of the country in which the bank is located. The best known market for transactions in external currencies is the so-called Eurodollar market, which was born in Europe, but now is used to describe the world market for dollar transactions outside the United States. Indeed, with the advent of international banking facilities here, the Eurodollar market includes certain dollar transactions within the territorial United States, but outside its direct banking jurisdiction. Further, with the expanding use of other currencies, such as the mark and the yen, as international transaction currencies, the market for all external currency transactions has become what is known as the Eurocurrency market. Although they are often called Eurocurrency transactions, these transactions in external currencies can, and do, take place wherever governments permit them, as is evidenced by the enormous growth of offshore banking in, for example, the Cayman Islands and Bahamas.

International banking expanded rapidly during the decade of the seventies. Today the Eurodollar market alone is estimated at nearly $1 trillion, though easy capital mobility renders any estimate uncertain.

The international banking system is strong, important to world growth—and potentially fragile. It is strong because its major institutional participants are large Western banks, who are able to draw on wealthy capital markets, run by experienced financial professionals and supported by a complex, but tightly woven interbank lending network. At the same time, the system is fragile because, like all banking systems, the international system in the last resort rests on its depositors' confidence in the soundness of its financial assets and general management. As the international banking system has expanded—financing the growth and trade of the world, especially the developing world—it has become increasingly important to maintain confidence in the system.

Also, as the extension of credit through the banking system has linked economies, the economic welfare of all nations has become even more interdependent. For example, because American banks lend heavily to German and other European banks, a Polish default that stirred suspicions about the viability of certain German banks would raise problems for American banks. No country, and especially no economic power such as the United States is immune to dangers of a vulnerable international financial system.

Because of the rising dependence of nations on the international banking system for growth and development, and because of the rising interdependence of national economies through financial transactions intermediated by the international banking system, the scarcity of rules and safeguards in the international banking system constitutes an unjustifiable weakness in the world economy. Poland's financial crisis is only the most publicized of the recent financial developments that should call into question the adequacy of safeguards in the international banking system.

The risks are increased by depressed growth in the world economy, raising the burden of payment and the cost of refinancing. For example, in recent years Brazil has paid more for its debt service and its oil purchases than it earns from all its exports.

Mr. President, because I believe it is time for us to begin to take steps with our partners in the OECD to provide for financial contingencies, emergency preparedness plan. I plan to make a series of statements over the next several weeks describing developments in the world financial system, calling attention to points of weakness in this system and raising options for strengthening it.

I hope my colleagues will join me when they feel moved to do so, for clearly what is at stake here is not just the welfare of some remote international banker but the health of small business and small independent banks across this Nation. One cannot isolate the United States from a crisis in the international financial order, and domestic business cannot be isolated

from the failure of our own international institutions.

Since 1 in 6 jobs in this country are related to exports and $1 in $3 of U.S. corporate profits come from overseas, the web of supplier and creditor relations ties us all to the health of the international financial system.

Mr. President, I have asked several administration officials and American bankers whether anyone has outlined potential sovereign state default scenarios, including a Polish default scenario, and whether anyone has formulated a contingency program to minimize the consequence damage to the free market economies. My strong impression is that such scenarios have not been fully detailed within our Government, or elsewhere, and that a thorough contingency program has not been developed. Nor do I know of any past or planned "fire drill" on how public and private economic institutions would cope with a sizable default and its repercussions.

I do not intend to raise undue alarm. The system has worked well to date, and I am aware of several measures that banks could take to protect their assets and maintain solvency. But most of them rely on ad hoc, not formal and tested arrangements. I am certain that the public's confidence in the financial system would be strengthened, not diminished, by knowing that their leaders have covered all bases to protect international bank deposits and assure that enough of the required currencies would be readily available to the banking system in the event of a large sovereign default. Assurance that we had a contingency plan would reduce the likelihood that we would have to use it. Having a contingency plan would strengthen our foreign policy options. The allied nations would have been better able to make a credible threat to cut credit to Poland, if Polish generals and Soviet Politburo members knew that our economies already were braced against the potential repercussions of a default. A contingency program is a prerequisite to a credible financial sanctions policy. Without it, our hands are tied by our own economic vulnerability.

No system is perfect, but I am convinced there are relatively simple actions we can take to better protect our economies.

Suppose the following occurs: Poland renounces its estimated $27 billion debt to Western banks and governments. The next day, speculation about the possible exposure of the Bank Fuer Gemeinwirtschaft, A.G. begins, and its Belgian affiliate seeks to refinance a portion of its loan portfolio. But it finds that potential lenders refuse for safety reasons and some depositors withdraw funds while some creditors call portions of their loans, or fail to roll over this short term credit. Soon perhaps the overseas affiliates of other German banks fall under suspicion. Smart money seeks a safe harbor elsewhere. Now the overseas affiliates of German banks find themselves significantly low on capital. Who do they turn to as their lender of last resort? It is understood that in 1975 the central bankers of 11 industrial nations agreed informally that parent banks would be held responsible for the losses of their foreign affiliates. If necessary, the central bank to the parent bank would act as the lender of last resort for that bank's overseas affiliates.

But could the Deutschebank alone cope with a large lender of last resort responsibility under such conditions? Could the central banks of other major industrialized countries cope? And since the agreement was informal, what real assurance do we have that major central banks would assume this responsibility? Moreover, what responsibility can we expect the monetary authorities of nonsignatory nations, such as Kuwait, to accept for the overseas affiliates of their nation's banks? Most importantly is an obscure agreement among bankers of a safe pillar upon which to rest the stability of the international banking system?

Now suppose that the financial markets also suspect a number of consortium banks to be overexposed in Poland, or overexposed from another major weak creditor. Some of these banks do not have a majority owner whose home central bank could be held responsible for last-resort lending. The 1975 central bankers' "agreement" reportedly suggests that consortium banks would be supported by the central banks of participant countries on a pro rata basis, but it did not spell out the terms because of legal constraints on some of the central monetary authorities. If during an emergency, the central banks of the participants each waited for the other to bear the primary risk by making the first move, who would save the consotrium banks?

Or, another possibility, what happens if parent banks defer capital infusions to their overseas affiliates because they are unsure of the domestic legal implications of transferring large sums of capital overseas. For example, I have been told that West German law requires German parent banks to subtract deposits held outside Germany from the parent's capital account. Since West Germany sets bank lending limits based on a loan-to-capital asset ratio, large capital transfers to overseas affiliates could force the German parent bank below its legal capital requirement. Even if German authorities eventually waived these lending limits, delay in covering the needs of overseas affiliates could spread anxieties about these banks and irreparably injure their commercial credibility. Have monetary authorities thoroughly explored for and ironed out such wrinkles in the system's ability to respond in an emergency?

Reports are that Brazilian banks hold some $1.5 billion of the Polish debt. Poland defaults. Many Western banks already consider themselves exposed to the limit in Brazil, which now owes the world some $80 billion. Aware of Brazil's Polish exposure, depositors in Brazilian banks might move their money elsewhere for safekeeping. At the same time, lenders to Brazilian banks might balk at refinancing the banks' loan portfolios until things sort out. Perhaps Brazil now looks to international financial institutions for help. But partly in response to new U.S. policies toward international financial institutions, World Bank lending to Brazil is limited because it is thought to be a country that now is considered "graduated." IMF credit is highly conditioned, and probably could not be negotiated in short time. Under this scenario, who would lend to Brazilian banks and thereby secure U.S. political and commercial interests in a solvent, stable Brazil?

Let us explore a financial emergency scenario further. The crisis of major sovereign default could become compounded by other events. Perhaps markets suspect that the banks of several countries are overexposed in Poland. Or, the precipitate loss of $27 billion shakes market confidences in Eurocurrency holdings. Nervous money rapidly returns to those domestic havens secured by reliable lenders of last resort. Maybe prospects of Polish insolvency alarms the creditors of a variety of large debtors in the East, or the developing world, and these creditors scramble to reduce their exposure, and in so doing push the debtors into bankruptcy.

Or. multinational corporations, who are the major depositors in the Eurocurrency market, now notice that certain currencies are especially vulnerable to Polish default. They have a responsibility to their stockholders to protect their companies' assets by moving into more secure currency positions.

An assortment of other hypotheses could be added to the scenario. The probable result would be to put financial markets in a state of chaos as money poured in and out of currencies and countries. Such movements could produce a run on a country, its currency, and perhaps the Eurocurrency system as a whole.

Do we know how the current system would cope? Specifically, would the existing arrangements among central banks for currency swaps and foreign exchange interventions be adequate? Are they equal to the task of supporting a currency under attack by an ava-

lanche of uncertainty in financial markets? Can they manage major currency shifts in a timely way? What events would trigger such action? Are private banks prepared to make large interbank swaps and loans in an orderly and timely way?

The problem of assuring the access of exposed banks to sufficient levels of foreign exchange that they need to cover liabilities particularly worries me. If liabilities in a particular foreign exchange, most likely dollars was large, the central bank would require rapid access to a large reserve of that currency. The Deutschebank may be able and willing to cover the deutsche mark liabilities of German overseas affiliates, but is it able and willing to cover all their dollar liabilities. Could the IMF help out on currency? Could foreign exchange be borrowed out of IMF quotas for this purpose? Would this be enough? Would the burden of IMF conditions on higher levels of borrowing make such borrowing inappropriate for banking emergency purposes?

My impression is that during a crisis several gaps in the system could develop. At best, there is uncertainty about how existing institutions would perform to close the gaps. A contingency program to increase certainty could be made up of many options. I plan to take these up in the weeks ahead.

However, I would like to mention one option today which I consider promising. There could be established a multilateral fund from which central banks could borrow the foreign exchange they need to cover endangered banks under agreed conditions. The fund would need authority to borrow from the central bank of the country whose foreign exchange was in high demand in order to reloan to the central bank in need. Of course, the fund would have to set rigorous conditions to deter anything but emergency use. It appears to me that the International Monetary Fund would be the appropriate agency to administer this fund, but there are alternative candidates.

In addition to the establishment of such a currency coverage fund, a financial contingency program might include first, a formal agreement clarifying and reaffirming the 1975 central bankers informal agreement on lender of last resort responsibilities; second, preparations to make foreign exchange interventions rapidly to stabilize a vulnerable currency; and third, preparations to coordinate the lender of last resort operations of the major industrialized nations.

The international banking system is critical to world growth and stability. Private international banks cannot be replaced by public institutions and their withdrawal from international lending would erode prospects for world economic progress. However, to function effectively, the system requires safeguards. I plan to draw attention to the hazards in the system in the hopes it continues to perform its crucial function in supporting world growth.

I yield the floor. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized for not to exceed 15 minutes.

THE CRIME CONTROL ACT OF 1982, TITLE IV—HABEAS CORPUS REFORM

Mr. CHILES. Mr. President, I rise once again to urge the Senate to take up legislation to reform the Federal habeas corpus statute. As Senator NUNN and I have continuously tried to demonstrate during the past 2 months of daily speeches to the Senate, reform of this statue is an essential component in any program to improve the efficient functioning of our courts.

In recent years, the use of habeas corpus petitions by State prisoners to challenge their convictions has become one of the most abused procedures in our judicial process. State prisoners have come to file habeas petitions in a routine fashion, almost as though such petitions were required. This, of course, is not the case. The writ exists to provide a person with a means to appeal a case if he feels he did not receive a full and fair trial in a State court. There are cases in which rights are violated. And it is important that we have a safeguard to insure that a person can get such a case reviewed. However, this does not mean that every person convicted in State court should be trying to get mileage out of this tactic. A habeas corpus petition is not supposed to provide a prisoner with a bonus opportunity to get off the hook; nor should it be a tactic that a prisoner can use to delay his sentence.

Prisoners have been inclined to file habeas petitions because they know that they do not have to raise a point of innocence in these petitions. All they have to do is to raise a legal technicality which might have affected the outcome of their trial. In effect, it provides a prisoner with the chance to attack a State court system without having to defend his own actions. In addition to this point, the fact that there is no time limitation on when a petition must be filed also encourages habeas abuses. A prisoner can wait years, even decades, before filing for habeas relief. Records indicate that the longer the time span, the more difficulty the State will have defending its conviction. This is because over the years, evidence is often lost and important witnesses often forget crucial details.

While the unwarranted and untimely nature of petitions poses serious problems, perhaps the most disturbing problem is that the Federal courts have gone to unnecessary lengths in reviewing these petitions. In recent years, Federal courts have examined almost every aspect of State court proceedings. Such action constitutes a relitigation of a case. What makes this so disturbing is that when Federal courts so easily call into question the decisions of State courts, they undermine the integrity of the State court system. A felon will have little concern for a State proceeding if he feels he can get a new trial in Federal court.

A recent case in Louisiana illustrates this point. Gary Tyler was tried and convicted of murder in the first degree. He was sentenced to death for his crime. On direct appeal to the Louisiana Supreme Court, the sentence of death was vacated but the judgment of guilt was affirmed. Tyler attempted to raise on appeal the propriety of a jury instruction to which his attorney did not object. The State supreme court declined to entertain the argument because counsel failed to comply with the State's longstanding "contemporaneous objection rule." The rule requires that any objections to be made at trial must be made when the alleged error occurred. It is a rule that has been honored in courts in the State system and in the Federal system for many, many years.

Tyler immediately filed a petition for habeas corpus in Federal court claiming that the judgment and sentence were constitutionally infirm because of the instruction given to the jury. The Federal district court denied relief because of Tyler's failure to object to the charge and his failure to establish "cause" as required by Wainwright against Sykes. Thus the court ruled that Tyler should have objected at trial to the instruction rather than later. The Federal court rejected Tyler's claim that "the cause of his trial counsel's failure to object to the jury charge was that his counsel was ineffective * * *" because that was the only basis for the claim that counsel was ineffective. A review of the entire record convinced the trial judge that counsel rendered effective assistance of counsel under the totality of circumstances.

Tyler then took his appeal to the U.S. Court of Appeals, Fifth Circuit.

After establishing that cause and prejudice had to be established under Wainwright against Sykes, the fifth circuit reversed the district court's order denying the writ of habeas corpus. The court concluded that the charge given to the jury had been prejudicial to Tyler. The court thus decided that oversight or ignorance of counsel satisfies cause, and failure to comply with the State's legitimate procedural rules did not preclude Federal habeas corpus relief. The court did say that if the State could prove that counsel was attempting to "sandbag" the trial, then, of course, Sykes would apply.

What the court failed to understand, among other things, is that no defense lawyer is ever going to admit to any court that he was deliberately attempting to build in an error or "sandbag" the trial. Further, it is almost impossible for a State to prove such a subjective matter. Defense lawyers always testify that they were unaware of a principle of law and it was an oversight.

Because of cases like Tyler, a precise statutory definition for cause must be enacted. We cannot allow a condition in which a minor error by a counsel can amount to a violation of the sixth amendment. In practical terms, Tyler means that defense counsels can get automatic reversals of convictions by deliberately failing to protect clients. If Federal courts continue to allow such a condition to prevail, no State court conviction will be safe from reversal.

The habeas corpus reform proposal that Senator NUNN and I included in our anticrime package addresses the problem outlined above. This legislation seeks to set our in statutory form a definition of the "cause and prejudice" standard laid down by the Supreme Court in the Wainwright against Sykes case. What both the Wainwright decision and this proposal stand for if the notion that deference ought to be paid to orderly court procedures, This reform is necessary in order to restore a sense of integrity to our State courts. In the process, it will also help to put finality back into our system of justice.

Mr. President, we have an opportunity to reform our criminal justice system to eliminate unnecesary appeals, and to give more finality to full and fair State court convictions. We can do this by acting on the pending legislation, S. 2543. However, time is running out. Unless we act now, we may lose the chance to restore credibility to the criminal justice system.

Mr. President, in closing, the highly regarded columnist James J. Kilpatrick wrote his syndicated column today on the subject of abusive habeas corpus petitioning, and the need for Congress to address this matter. The column is worthwhile reading, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

CONS' GAME HAS GONE ON LONG ENOUGH

(By James J. Kilpatrick)

What, if anything, does Congress intend to do about a crime bill? Time's a-wasting. Instead of exhausting its energies in a dumb-show exercise over a balanced budget amendment, Congress might better address itself in these next few weeks to an issue of substance—reform of our criminal law.

Now languishing on the Senate calendar are two bills of great merit. One is an omnibus bill sponsored by Strom Thurmond, R-S.C., and 43 others. The second is a bill of narrower scope sponsored chiefly by Lawton Chiles, D-Fla., and Sam Nunn, D-Ga.

Both bills deal with bail reform, murder-for-hire and drug offenses. Thurmond's measure also would mandate a new system of uniform sentencing procedures; it would create a new federal crime of robbery of a pharmacy, and it would provide stiff sentences for attempts on the life or person of high government officials.

The Chiles-Nunn bill deals with one important area untouched by the Thurmond bill. Sens. Chiles and Nunn would effectively put an end to the cynical game played by convicts in state and federal prisons through abuse of the writ of habeas corpus. This is a highly desirable provision and should be incorporated in whatever bill the Senate passes.

For a remarkable example of how the game is played, Nunn recently cited the case of Floyd Holzapfel. Back in December 1960, almost 22 years ago, Holzapfel pleaded guilty to the murders in 1955 of Florida Circuit Judge C. E. Chillingworth and his wife. He acknowledged that his plea was free and voluntary and that a confession he had signed in November was accurate. Holzapfel was sentenced to death, but this subsequently was commuted to life imprisonment.

Nine years went by. In 1969, the convicted murderer went into the Florida state courts with a petition to vacate the judgment. He contended that his confession was not voluntary, that he had not been informed of a right of appeal, that his confession had been made without an intelligent waiver of counsel, and, finally, that the Florida courts had no jurisdiction because the victims had been killed at some point offshore in the Atlantic Ocean. The case dragged on for two years before his motions were all denied.

In 1978, Holzapfel tried again in the state courts, this time with the additional claim that his court-appointed lawyer was ineffective. After a hearing on the merits of this new contention, his petition once more was denied.

In February 1981, Holzapfel filed a petition for a writ of habeas corpus in U.S. District Court in which he recited all of the complaints and errors he had alleged before and a few more besides. The state prosecutor has responded, Holzapfel has replied to the response, and only last month a federal magistrate transferred all the pleadings to another magistrate to determine if a hearing should be held on the merits.

Meanwhile, key witnesses have died, among them attorneys Hal Ives and Harry Hausen who could testify concerning the voluntariness of the confession. It would be difficult if not impossible to retry the accused more than 27 years after the crime was committed—but new trials have been ordered in other habeas corpus cases raising the same contentions.

Nunn and Chiles regard such proceedings as an abuse of process, and they are quite right. Their bill would require a prisoner first to present all his federal arguments in the state courts. Only in rare instances, when such claims could not be properly presented or a manifest injustice appeared to be in prospect, could the federal courts intervene under habeas corpus. And except in cases involving the retroactive application of some constitutional right that did not exist at time of trial, the petitioner would have to file within three years after a final state judgment.

All this may sound highly legalistic, but the two senators have a clear public interest in mind. The valid constitutional rights of persons accused of crime have to be protected, but our overburdened courts ought not to suffer the further heavy burden of the cons' game. For more than 300 years the Great Writ, as it is known, has protected us from the abuse of governmental power. Our Constitution says that it may not be suspended. But in law, as in most things, enough is enough.

Mr. CHILES. Mr. President, I yield now to the distinguished Senator from Georgia.

The PRESIDING OFFICER (Mr. HAYAKAWA). The Senator from Georgia.

Mr. NUNN. Mr. President, I again wish to express my complete concurrence in the statement made by Senator CHILES. He is absolutely right when he says the time for acting on the habeas corpus reform bill is long overdue.

This bill has been pending for quite a while. I think it is one of the most important criminal law measures that we will have to face in this Congress. I hope the Senate and the House will act on it this year.

So I agree with the sentiments expressed by my colleague and friend from Florida. I am hopeful that this constant series of speeches that we are making on the subject, bringing these matters to the attention of the Senate and the country, will eventually result in reform of this much-needed criminal law that is so abused today.

Mr. President, I also wish to say to the Senator from Florida again that I appreciate his strong support, assistance, cosponsorship, and leadership in getting passed the Labor Management Racketeering Act which passed yesterday afternoon and which I think is the most important reform in labor laws since the Landrum-Griffin Act.

Mr. CHILES. I certainly concur with the Senator from Georgia. As I told him yesterday, I knew the bill was going to pass. But I congratulate him today on his tremendous effort in shepherding this bill. It is interesting when you get to the floor with a bill and there is no opposition; there is not even the necessity of a rollcall vote; the bill just passes unanimously. When I think back, however, I realize

the hours that the Senator from Georgia put into the bill and the hours the staff worked on it. I wish to congratulate the staff from the Permanent Subcommittee on Investigations that worked long and hard on that bill. There were hours in preparation, hours in hearings, hours in study, and then hours spent bringing together the different parties on the last aspect of the effort. It should be noted that Lane Kirkland, the head of the AFL-CIO endorsed the bill, as well as the members of the Teamsters Pension Fund and the head of the Teamsters Pension Fund. All told, I think it goes to show the tremendous work that went into the project. Yes, this bill passed unanimously, but only because of those hours that the Senator from Georgia and the staff have put into it. I certainly congratulate them once again.

Mr. NUNN. The interesting thing is that we spent less time and received little attention and had there been more opposition to it, it would have received more attention and we would have spent more time on it. So I prefer the smooth course of unanimous consent and less attention. I thank the Senator from Florida.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10:30 a.m. with statements therein limited to 2 minutes each.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

A SPLENDID SERIES FROM WCBS-TV: PROJECT AGING

Mr. MOYNIHAN. Mr. President, WCBS-TV in New York City has produced a remarkable series of entertaining and informative programs entitled, "Project Aging." The series began on June 7, 1982, and followed with 3 weeks of specials and topical programs informing television audiences of the growing concerns of the older people of our society.

Focusing on the diminishing status of the elderly, "Project Aging" sought to enlighten its viewers of the critical situation facing so many older people today: mandatory retirement, a shortage of low-income, single-room occupancies, physical neglect, financial exploitation, and inadequate healthcare.

Ron Tindiglia, vice president and general manager of WCBS-TV, is the leading force behind "Project Aging." He has conveyed a tremendously important message with his production, one best described in the eloquent introduction to the Channel 2 Senior Action Handbook, produced in conjunction with the series.

Today, one in every ten Americans is over 65. By the year 2032, that number will be one in five. Instead of spending a few years in retirement, these people will spend decades—impacting critically on the nation's resources, Social Security funds, pension plans, housing, food, transportation and recreational services. In an effort to illuminate the concerns of older citizens as well as those of everyone facing the prospect of growing old, WCBS-TV initiated a three-week concentrated programming effort, Project Aging, in June of 1982.

Channel 2 explored the topic through an all-encompassing series of entertaining and informative programs, from a half-hour children's special to an hour-long primetime broadcast. In addition, special news reports, editorials, public services announcements and public affairs programs explored the aging process and the societal forces which perpetuate myths and stereotypes about older people.

I heartily congratulate Mr. Tindiglia for producing such an impressive and comprehensive series. I extend my congratulations to the entire staff of WCBS-TV who have committed themselves to public service and have made such a substantial contribution with their production of "Project Aging." And may I say, Mr. President, not for the first time. Last year, WCBS-TV dealt with an equally demanding question: The role of the first amendment of the Constitution of the United States. This year, WCBS-TV has made a special commitment to the cause of our elderly. WCBS-TV has shown a willingness to examine closely some of the most pressing questions of our day. Those who have labored on this project are to be congratulated. We look forward to more from them.

Mr. President, at this point I ask unanimous consent that the following WCBS-TV editorial samples be printed in the RECORD:

There being no objection, the editorial samples were ordered to be printed in the RECORD, as follows:

EDITORIALS ON "PROJECT AGING," PRESENTED BY SUE COTT, DIRECTOR OF EDITORIALS, WCBS-TV, NEW YORK.

ELDERLY CRIME VICTIMS

Many elderly New Yorkers are prisoners in their apartments—prisoners of fear. They fear venturing out even for simple errands in their neighborhoods. They fear being attacked and robbed in the hallway or in the elevator. And they fear the streets, fear being followed home and pushed in their front door and robbed—or worse.

The elderly are often the victims of such crimes in the city—the primary victims, according to Assemblyman Richard Gottfried. That's because, he says, they often are helpless to run or resist. Often are almost totally wiped out financially—especially if they are living on low fixed incomes, living day-to-day. Their cash and personal property can be taken in one swift, brutal attack, leaving them without their cane or crutches, without their eyeglasses or prescription drugs, leaving them more vulnerable than ever.

The crime victims compensation procedures in the state however do not, right now, cover the costs of these personal items. And a bill sponsored by Assemblyman Gottfried that would give elderly victims up to $250 toward the replacement of this property, has been passed by the state Assembly. A similar bill has been passed by the state Senate. Soon, it will be up to Gov. Carey to sign this legislation into law. We urge him to do so. It won't break his budget. It will cost the state only $80,000. It's the least that can be done for low-income elderly crime victims.

More, of course, should be done to help provide the city's elderly with protective devices such as window gates and new locks and with cash if they need help paying the rent after a robbery. And more escort services should be available to take them on their rounds. The city and the police department are providing such services for some but many more elderly New Yorkers need this help. And the city is strapped for cash.

That's why we hope businesses, banks, even grocery stores, in the neighborhoods where the elderly live make an investment in their community and help fund these services. We urge them to call the Department of Aging at 212-577-8447 to find out how they can help make life safer for older New Yorkers living in fear.

NURSING HOME ABUSE

What do you think the punishment would be if a nursing home attendant punched, kicked or slapped a 90-year old patient? What do you think it would be if the patient was stuck in the face with safety pins or choked with a towel?

Well, if there were no physical injuries, amazingly the attendant would not be prosecuted. That's how the law stands now. And New York State Deputy Attorney General Edward Kuriansky, after investigating some 1100 cases of abuse and neglect, has called for the law to be changed so that such assaults on elderly nursing home patients can be prosecuted and criminal penalties imposed—even when there's no physical evidence. And he wants elderly nursing home patients to come under the same criminal statutes that protect children and the mentally disabled.

Elderly people in nursing homes are usually totally vulnerable—often too frail and sick to defend themselves against physical abuse and often completely dependent for food, medicine and daily care on the very people who may be socking, slapping and kicking them.

So we support Mr. Kuriansky's call for stiffer penalties. Such penalties will not of course stop all of the petty meanness and callousness of some orderlies, attendants and nurse's aides in nursing homes, but it will make it easier to punish them for physically abusing patients.

Even most important, the Deputy Attorney General has called for legislation upgrading the caliber of the aides and orderlies in nursing homes. He wants them to complete a special training course in the care of the infirm elderly, have the state certify them and require licensed homes to hire only such employes. And that's basic.

Of course, you can't legislate kindness but we hope the state Legislature shows its humanity by acting quickly on these measures

so that thousands of our most helpless elderly citizens are better protected against inhumanity in nursing homes.

WELCOME TO THE HONORABLE INDIRA GANDHI, PRIME MINISTER OF INDIA

Mr. MOYNIHAN. Mr. President, there being a moment in the Chamber when we are not pressed with the constitutional amendment that is now being debated, I would like to take this opportunity to welcome Mrs. Indira Gandhi, the Prime Minister of India, to Washington as she was welcomed in New York a few days ago. While I cannot speak formally on behalf of the Senate, I am confident that in fact I do in this regard.

This state visit is surely an auspicious event for both our nations, two great republics, two democratic states, two societies which share so many things and yet are different in so many ways.

Our relations are seemingly fated to rise and fall in public perceptions even though there is in fact a basic continuum.

One of the facts that attach us one to the other, more in this time than has ever been the case in the past, is the very large number of citizens of the South Asian subcontinent, of India in particular, who have immigrated to the United States.

This is not a new immigration. The Indians began to arrive many years ago. They came first to the home State of the distinguished Presiding Officer (Mr. HAYAKAWA), California. A large number of Punjabi agricultural workers had migrated to Canada and, with the mobility that exists on our continent, they thereafter moved, over a generation or so, down into the area around Stockton, Calif., where they settled and prospered.

Indeed, at one time they had a representative from that community in the House of Representatives.

The first organized rebellion against British rule in India, in fact, was organized in California, in the Stockton area. It began in 1916, with the charter of a Japanese ship. An expeditionary force departed from California shores, seized the city of Singapore for several days—as incredible as that may seem—and made its way to the Punjab. There, much in the manner in which Irish nationalists at the time, they met with a populace that was more supportive of its young men serving on the western front in Europe than of any nationalist aspirations of the moment.

We, that is Americans, go back that far in the history of Indian independence and we come down to the present day, when the bulk of Indian immigrants are professionals of the very highest skills, doctors, nurses, and hospital technicians, in particular. Their loss is felt strongly in India. But they are allowed to go freely, it being a free country. And they are welcomed here. Indeed, they are invaluable in medical institutions throughout the Nation—not least in my own State of New York.

Indian merchant's too, are increasingly evident in New York City; There is a section of the garment district that is all but set aside for Indian textile importers and traders. There are large tracts in the Borough of Queens that have been settled by Indian citizens who have brought with them their rich and varied and intimidatingly complex religions—the principal, of course, being Hinduism itself, although the Sikh and Moslem communities are also represented.

Withal, our relations with India have been troubled in recent years, in the years since the Bangladesh war of 1971. That war, which became a war between India and Pakistan, began when the Government of West Pakistan sought with great brutality to impose its will on the people of East Pakistan, called by the people there Bengal; hence the name Bangladesh for the independent country it became.

No one has ever questioned, that the Pakistani Army committed atrocities against its own people in East Pakistan. Some 10 million Bengalis—Pakistani citizens of Bengal—were forced to flee their country and were taken in by India.

I ask Mr. President, how we might fare if Maine or North Dakota or the State of Washington were suddenly to find itself housing half the population of Canada, if we would do as well or as much as the Indians did. India fed the Bengalis, housed them, saw to their medical care, prevented the kind of epidemics which are so easily the experience of masses of persons living in makeshift quarters with uncertain water supplies. Ten million persons thrown together as refugees from war, and not an epidemic among them.

The United States, wrongly, to my mind, sided with Pakistan in that affair. In the end, the Indians invaded Bengal. They overcame the resistance of the armies of West Pakistan, secured the independence of Bangledesh, and they withdrew.

I do not say India is without blame; no government is without blame. But in the balance of things, they did what they had to do and did it well and returned to behind their own borders immediately after their military mission was settled.

That was, however, a great burden to our relationship, one which I could not but sense when I was sent to India as our Ambassador in 1973. One of the reasons I was sent was that, in the time of the Bangladesh war, I had been a member of the U.S. delegation to the General Assembly of the United Nations and had made to the President personally, as forcefully as I could, that the United States was taking a wrong position in the matter.

The involvement of the Chinese with the Pakistanis, and of the United States with the Chinese through the Pakistanis, was not then known to me.

In any event, it was my advocacy in 1971 of greater understanding for India that led to my being sent to India as Ambassador in 1973. Since that time, I have followed the affairs of the subcontinent with great interest and attention. I have sought to speak to the matter of our bilateral relations on the floor occasionally, when it has seemed to be particularly necessary.

In 1980, in this body, there was a well-intended and formidable effort by a number of Members to discontinue the supply of nuclear fuel to the Tarapur reactor in the north of Bombay. The reactor had been built by the U.S. Government as an AID project, part of the agreement for which was that the United States would supply fuel for a 30-year period, the expected life of the reactor.

In the interval, in fact in 1974, while I was resident in New Delhi, the Indians set off a "peaceful nuclear device" in the Rajasthan Desert.

Americans have wondered how could this have been done without some great measure of dissimilitude and even conspiracy. Surely, it is said, the Indians diverted some of the fuel or the machinery we supplied them for Tarapur. Of course, the plain answer is that India has the third largest work force of scientists and technologists in the world. Indians were students at the physics laboratory in Cambridge long before Americans made their way there, and they are in consequence as capable of doing serious work in physics as any nation is capable of doing.

They did not divert materials from Tarapur, which is under international safeguards. They got materials as best we know, from the Candu reactor, a Canadian reactor which they have. They could have built, and probably are building, reactors of their own from which to obtain such plutonium as they may wish to have.

Nevertheless, an effort was made on this floor in 1980 to stop a fuel shipment to Tarapur on grounds that the Indians had not complied with the Nuclear Non-Proliferation Act of 1978, because they had not, as they still have not, ratified the Nuclear Non-Proliferation Treaty.

As I argued then, the resolution to disapprove the sale—the real purpose of which was to compel India to sign the treaty—was doomed to failure. There was no possible way that an independent India would comply with a law enacted by this Congress as if it were a law enacted in Westminster in the days of the Raj. It does not matter

what the rights and wrongs would be, the fact of independence was paramount. My point was that if we desired ever to enjoy productive relations with India, even persuade it one day to sign the treaty, we would have to treat India as the sovereign nation it is. That argument may have had some effect on the decision of the Senate; it was decided, by the narrow margin of 46 to 48, to permit the sale.

Accordingly, I do very much welcome the announcement in this morning's paper that an arrangement has been worked out by the U.S. Government to enable the Government of India to obtain enriched uranium fuel from the Government of France for the Tarapur reactor which, one should know, provides the major part of the power used in the city of Bombay, a city the size of which is scarcely imaginable even to an American mind. Our own relations may now proceed on an amicable basis, because the Tarapur reactor will remain safeguarded and subject to inspection; there is not to be any reprocessing of fuel and the consequent obtaining of plutonium.

One congratulates the new Secretary of State, Mr. George Shultz. This is, apparently, his first precise diplomatic achievement and it is a notable one. It is an event in which both nations can take great satisfaction. All the parties involved, including, of course, the Indian Foreign Minister, are to be congratulated. I see them as having solved a problem which, were it not resolved, would bedevil our relationships for the remainder of this century.

Lastly, Mr. President, I would like to take note of a fact which cannot be avoided in our relations, which is that the Government of India has clearly been disappointed in its effort to use diplomatic means to persuade the Soviet Union to leave Afghanistan and end its invasion of that independent country.

Mr. President, it is the fact that the Government of India was much distressed by the naked aggression of the Soviet Union against Afghanistan. Yet, I would have to say, it is also the fact that for over 1,000 years the Indian subcontinent has been subject to a succession of invaders coming out of central Asia and making their way through the Khyber Pass onto the north Indian plain.

With the only exception being that of the British, all of the conquerors of India for 1,000 years have appeared first in the Khyber Pass. Now the "Great Game," as Kipling called it, between the British empire and the Russian empire has at last concluded and the Russians have won. They have won not only with respect to North India but, having seized the city of Herat, very much with respect to the Iranian Plain.

We now observe them building some 90 miles south of Herat an airfield from which they will be, with their fighter bombers, within range of the Persian Gulf.

Recall that Palmerston thought that a Persian attack upon Herat was an attack upon British India, and in 1834 set about raising the seige of that city.

Both the Khyber Pass and Herat have now been taken by the Russians. They have taken over the strategically vital places in Afghanistan. They will not leave save they leave behind them an entirely controlled government.

In consequence the Indians have no serious geopolitical choice save to seek to improve their relations with the West and in particular with the United States. This does not speak in any way unfavorably of that effort.

It is no more unfavorable an effort than that which President Nixon made, for example, when he went to China. It was hardly an ideologically compatible nation, but one which in the hard realities of world politics was better to have on our side than on the side of the Soviets, and which was much disposed in that direction anyway.

As between India and the United States, there is the greatest degree of compatibility of principles of government and general traditions of law, of personal individual freedom and tolerance; tolerance most particularly, it being a distinguishing quality of India today.

And so Mrs. Gandhi is here to reestablish a relationship broken off a decade ago. We wish the negotiators well. We welcome the Prime Mininster. If I may express a hope, it is that in the aftermath of this journey the Indian Government takes some effort to look at the restrictions they place upon the resident activities of American nationals in the subcontinent. Just as we welcome Indians here as immigrants or visitors or sojournists, so ought India welcome Americans.

I sought yesterday to see if I could establish just how many American businessmen are permanently resident in India today. I thought that it would be fewer than one-half dozen in a population of 638 million. Energetic young persons in our office checked here, checked there, and came back to me to say that the matter was in some dispute, that the Department of Commerce assured us that there were only 4 Americans in the country, whereas the Department of State felt there were as many as 20. The U.S. Chamber of Commerce reported there is not a large enough number of American businessmen in India to constitute a board of directors for an affiliate chamber of commerce they had hoped earlier this year to establish.

In any event, the number does not bode well for the immediate future of our bilateral relation. One would hope that our relations, now that they have so much improved, will not deteriorate. For that, it is necessary that exchanges be of benefit and appropriate to countries of our size and disposition.

Mr. President, I yield the floor, and I do so with particular thanks to the distinguished majority leader, who has enabled me to take the time of the Senate for the purpose of making these remarks of welcome to the Prime Minister.

MIDWESTERN WATER POLICY

Mr. ZORINSKY. Mr. President, the breadbasket States of America are standing upon a threshold to a new age of water management. Never before in history have people utilized water so well, nor had such raw potential to continue to surpass their own great achievements in this area. In 1925, Nebraska produced 230 million bushels of corn. In 1981, Nebraska produced over 800 million bushels of corn. Of this higher production level, 650 million bushels were grown on irrigated land.

Many factors share important roles in this agricultural expansion: Better hybrids, improved planting and harvesting methods, continuing research, and a highly developed Agricultural Extension Service which relays the information to the individual farmer. However, improved water utilization is our keystone to success. Nebraska is no longer a region of dryland farming and never need be again.

However, with the achievements in irrigation and water storage techniques has come the present challenge of using without destroying our precious water resources. Even though Nebraska does have generous supplies of both surface and ground water, we are depleting our ground water supply and may be overcommitting our surface water supply to the extent that we are facing a rather uncertain future. It is well known that ground water depletion is occurring at a rapid rate in our State and neighboring agricultural States. In some southern areas of the United States, the water level has been carelessly exploited and will not be useful again in our lifetime—if ever. When this occurs it is a tragic loss to the individual landowners, the States, and the country as a whole.

A continuation of this trend would be a loss to a world which will become increasingly dependent on American food and the land it grows on. My State of Nebraska is still blessed with an abundance of underground water as well as surface water from great rivers. These water sources support a level of agricultural production unimaginable to our forefathers who first settled the region. These same

water sources are finite. We do not have an unlimited water supply, but we do have enough time to manage water in such a way as to use and preserve it indefinitely for future generations.

The need is upon us for proper management and conservation of all water sources: Rivers, streams, and lakes as well as ground water. This necessity will demand a level of cooperation among farmers at the local and State level far greater than any yet reached in the agricultural industry. The next decade will be one of golden opportunity or lost opportunity for States and local communities to coordinate their own water management programs.

The next 10 years will also present a great challenge for neighboring States to reach agreeable solutions to the shared use of mutually owned water resources. This water sharing between States may be the most difficult goal to achieve. It will demand great effort by the States and a sincere priority by all for long-term preservation of our water resources, over immediate local interests.

Local communities and States must achieve better standards of water management or face the possibility of eventual Federal intervention. History has shown us that local and State problems that are not handled properly are eventually handled by and become the domain of the Federal Government. If interest groups cannot solve their problems at the State level, they will turn to the Federal Government with ever-increasing urgency as their problems grow. And the problem of water is growing. It will become a resource of increasing competition among every farm and agriculture group, every form of industry and commerce, every recreation and conservationist group, and every community in the Midwestern States.

What lies before us is not an easy task; but it is a task which, through local and State coordination, can be accomplished. It is also a task which the local sector and the States are far more capable of accomplishing than is the Federal Government. People at the local and State levels are directly involved in the problem. They have a far better appreciation of what is at stake. The States must be allowed to set the ultimate policy decisions on water management to insure the future prosperity of our country's agricultural base.

Achieving sound water management is the next great project for the Midwestern States. As midwesterners we know that water is definitely a national resource, and if we do not plan adequate water management at the local and State levels now, our agricultural communities will not be able to prosper and meet the demand for agricultural products in the future.

What should be the proper Federal involvement in water management? Cooperation between the Federal and State governments is an important factor in the implementation of large water and conservation projects. This is an historical fact and necessity.

The Federal Government should play a role of encouraging and supporting the preliminary studies for better water projects. The Federal Government can and should supply support of methods for resolving conflicts and reaching goals by State representatives. The Federal Government should continue its traditional role in this important issue; that role is one of cooperation in the overall effort while allowing policy goals to be made by the States themselves.

It is said that one of the most important functions of man is to be a steward of the land. The people of my State are stewards of the land. We can—and will—fulfill our destiny.

WASHINGTON NEWSPAPERS SUPPORT THEFT LAW ENACTMENT

Mr. PERCY. Mr. President, both the Washington Post and the Washington Times have now both editorialized in favor of the Motor Vehicle Law Enforcement Act of 1981 (S. 1676).

The bill, which I introduced last fall, has wide-ranging support in the law enforcement, criminal justice, and insurance communities. The bill has already been reported out of the House Telecommunications, Consumer Protection, and Finance Subcommittee.

In the Senate, it has been jointly referred to both the Commerce and Judiciary Committees. I am hopeful that both Senator DANFORTH and Senator MATHIAS will schedule early hearings on this bill, as the problem fails to show any sign of lessening in magnitude.

One large insurance company reported to me that motorists owning standard size 1982 automobiles are paying these rates for theft coverage only: New York City, $344; Chicago, $185; and Los Angeles, $90.

The $10 maximum cost of additional component identification called for in this bill is insignificant compared with the runaway cost of theft coverage now being paid by automobile owners throughout the United States. If this bill even reduces theft by 10 percent, it will be cost effective.

For the record, I wish to correct one technical error in the Washington Post editorial. The bill only set 14 as the maximum limit on the number of parts that would have to be marked. Realistically, to keep within the $10 limit for making parts, probably only four or five crash replacement parts sought by "chop shop" operators would be marked.

I ask unanimous consent that both editorials be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, I also commend the Truck Renting and Leasing Association for instituting a theft prevention program in Atlanta. The program is centered on blasting vehicle identification numbers on all primary component parts of 2,500 truck tractors.

Mr. President, I ask unanimous consent that a press release from the association announcing this innovative program be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

[From the Washington Post, July 17, 1982]

STOP CHOP SHOPS

Auto theft is on the rise, and it's taken a new turn. Kids used to steal cars to take joy rides, and 90 percent of those cars were eventually returned to owners. Now professional thieves are stealing cars to order so that the parts can be sold separately. Only 55 percent of the million cars stolen in 1980 were recovered. Stolen cars are brought to back-alley workyards—they're called "chop shops"—where two men can completely dismantle a car in 40 minutes. Then the component parts are ready for resale. A door in good condition can bring $300, a front end assembly up to $2,000.

Two major parts—the engine and the transmission—are hardly ever resold though, because, by law, they are required to be marked by the manufacturer with an individual vehicle identification number. The identifying number makes the part harder to sell and easier to trace.

Rep. William Green and Sen. Charles Percy (R-Ill.) have proposed that this identification system be extended. They want manufacturers to put the numbers on 14 other major auto parts, a step they believe would discourage theft, aid lawmen in identifying stolen property and help prosecutors convict thieves. Their bill has widespread support among consumer and law enforcement organizations, and the insurance industry and legitimate auto dismantlers and recyclers are behind it, too.

Justice Department officials had expressed support, but earlier this year the official administration position was announced by the Department of Transportation. The administration said it opposes the bill because adoption of the identification system would "cost too much" and would be an added burden on the beleaguered automobile industry.

This is a weak argument in light of the fact that pilot programs undertaken by Ford and GM added only $3 to $5 to the cost of every car. At most, supporters of the bill say, the new system could cost $10 a car. That seems a small price to pay for a simple and effective deterrent to crime.

[From the Washington Times, June 18, 1982]

STOP THAT CAR!

Today we take a position we will not take often: in favor of a proposal that would increase the involvement of the federal government in a particular sphere of American life. We support House Resolution 4325, the Motor Vehicle Theft Law Enforcement Act, a bill designed to curb a national epidemic of auto theft.

Auto theft costs American consumers $5 billion a year, more than triple the total in 1975. The stolen car racket is a business, a sophisticated network of distribution channels with economies of scale, accountants, and most of the other accoutrements of above-the-board commerce. Stolen cars are run through an assembly line, stripped of valuable front end parts, and spat out to dealers across the country.

One interesting fact: almost no one in the racket makes use of the engine block or transmission. These would seem to be among the most prized parts. Why, you ask. Well, probably because the engine block and transmission are stamped with serial numbers. Nobody wants to get caught with those, which can easily be traced back to their original owners and thus identified in court as stolen merchandise.

The auto theft bill now before the Energy and Commerce Committee would require car manufacturers to stamp a similar number on what are now the prime objects of auto theft: the door and front end assembly. Sounds bureaucratic and expensive, you say. No. The bill, according to auto manufacturers, would add between $5 and $10 to the cost of a new car. Lower insurance rates alone would probably spare consumers the cost.

In return, according to almost every law enforcement official that testified on the bill before a House subcommittee, the country could expect a significant decrease in what is becoming a major crime problem. Today, only 14 percent of all thefts result in an arrest, and of those arrested the conviction rate is—hold your breath—one percent.

Opponents of the bill say there is no "definitive evidence" to support the claim that stamping will reduce theft rates. Of course there isn't. We haven't tried it yet. Common sense, though, suggests that if numbering has prevented use of the engine block and transmission, it will do the same for other parts. Various communities now have registration programs for home items from TV sets to lawnmowers and these efforts, too, have worked.

Opponents also say that the auto industry is already overburdened with regulation, and we agree. The answer, though, is to get rid of other rules that are counter-productive and costly, not a simple and reasonable measure like H.R. 4325.

EXHIBIT 2

TRUCK RENTING AND LEASING ASSOCIATION STARTS THEFT PREVENTION PROGRAM

"A planned program of truck theft prevention is being tested by seven major leasing companies to head off thefts and recover stolen vehicles", stated Joe Glass, Risk Manager, Saunders Leasing System, Inc. Glass is Chairman of the Insurance, Safety and Security Committee of the Truck Renting and Leasing Association which has been investigating the problem for two years.

After numerous meetings with law enforcement officials, F.B.I. and district attorneys, the Committee voted to test a new concept in Atlanta. The key is to blast the Vehicle Identification Number (VIN) on all primary components in a manner in which it cannot be erased by the thieves. Marked parts usually include the glass, bumper, fuel tanks, doors, frame, drive train and valuable components of the engine.

Joe Glass explained that the numbers are blasted onto the vehicle with a small piece of equipment resembling a hair dryer. A complete kit of materials is supplied by the manufacturer including training.

The equipment is being sold by Digital ID Systems, 319 S. Cumberland, Park Ridge, IL 60068 and Equipment Theft Information Program, P.O. Box 571, Addison, IL 60101.

The theory behind the system is that a thief will avoid a truck if he knows that all components are well marked and can be identified as stolen goods if found in his possession. The obvious numbers and the decal on the vent window can be readily seen by the thief. What he does not know is how many hidden numbers are on the many components.

In addition to the VIN on the vehicle, a sign is placed on the parking lot fence to warn thieves that all trucks have been marked. Each truck will have a decal on it and a plate similar to a license tag warning that the vehicle is marked.

Joe Glass states that over 2,500 tractors will be marked by the seven leasing companies in Atlanta—Feld Leasing, Lend Lease, Leaseco, Leaseway, Rollins Leasing, Ryder Truck Rental and Saunders Leasing System. The project was started in March and is expected to be completed during the summer.

A phone number is being placed on the vent window so law enforcement officials can call immediately if they find an abandoned vehicle to determine if it has been stolen.

Atlanta was selected for this project as FBI records indicate that this is the third highest area of truck thefts in the country. At a meeting with the leasing companies, the local law enforcement officials encouraged the use of this concept.

The concept has been tried in the past eighteen months by National Car Rental on rental cars in several major cities. Donald Baker, Director of Loss Prevention and Security for Lend Lease states, "We've really reduced our losses and we definitely feel the marking of the vehicles has scared away a lot of thieves—the ring type people, the professionals that steal cars and cut them up and sell them."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, Senate Joint Resolution 58, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S. J. Res. 58) proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

AMENDMENT NO. 1929

The PRESIDING OFFICER. The pending amendment is No. 1929, by the Senator from New York (Mr. MOYNIHAN).

Who yields time?

Mr. MOYNIHAN. I yield myself 10 minutes at this time.

Mr. President, the amendment before the Senate is a simple one. It would add a new section 6 to Senate Joint Resolution 58, the proposed constitutional amendment, with the simple, single sentence: "No budget shall provide reductions in lawful entitlement benefits under the Social Security Act."

Mr. President, why do I offer this amendment and ask for its support? It is a very simple and forthright reason.

From the first days of the present administration, we have seen a series of sustained attacks upon the social security system. They begin with Mr. David Stockman's announcement that would see the largest bankruptcy in history on November 3, 1982, when social security would be unable to pay benefits. They extend through a proposal by the President on May 12, 1981, that would have provided over $100 billion in reductions in social security benefits over the next 5 years.

On May 20, by a vote of 96 to 0, we rejected any such reductions. Yet, in the following October, we saw this headline in the Washington Post: "Basic Social Security Benefits Fair Prey for Future Budget Cuts, Stockman Says."

Mr. President, I ask unanimous consent to have this article of October 2, 1981, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BASIC SOCIAL SECURITY BENEFITS FAIR PREY FOR FUTURE BUDGET CUTS, STOCKMAN SAYS

(By John M. Berry)

Basic Social Security retirement benefits should not be immune in future rounds of budget cuts, Office of Management and Budget Director David A. Stockman suggested yesterday.

Stockman, testifying before the House Budget Committee about the Reagan administration's latest round of spending cuts and tax increases, said some Social Security recipients are getting "windfalls" because of past congressional mistakes in setting benefit formulas. He argued that it would not be unfair to change future benefits and to do so without having a decade-long phase-in period.

However, the OMB director made no proposal for cutting Social Security, and President Reagan has dropped an earlier recommendation for trimming benefits, especially for persons retiring before age 65. Reagan instead wants to name a 15-member task force to report early in 1983 on ways to insure the financial soundness of the Social Security system.

Stockman's comment about Social Security was just one of several in which he indicated that, except for the military, no part of the budget is exempt from the search for

ways to bring federal spending in line with revenues. "The current budget outlook—in the absence of further policy actions—is for budget deficits of about $60 billion in each of the years 1982-1984," he warned.

Stockman said that quick passage of the $16 billion worth of spending cuts and tax increases proposed last week by Reagan is needed because of a "financial market crisis" and high interest rates due principally to huge Treasury borrowings caused by large budget deficits.

Questioned by committee Democrats what an "average citizen" should think at this point about Reagan's promises last winter not to make cuts in what the president called the "social safety net" programs, Stockman replied testily, "I would advise the average citizen not to take [such statements] as literally and as mechanically as you are in your questions."

The president never said that programs such as Aid to Families with Dependent Children, school lunch subsidies, food stamps, student loans and similar programs "cannot be reformed," he declared.

In the course of his often very blunt testimony, Stockman also turned aside criticism of proposed cuts in several other programs:

SCHOOL LUNCHES

It should not be necessary to continue subsidies for children of middle- and upper-income families to make sure lunches are available to poorer children, he said. Nutritionists who make that argument are being "uncreative." The present program is "grossly inefficient," and a way should be found to provide lunches for the needy "without spreading dollar bills across the countryside."

MEDICARE AND MEDICAID

"There are ample opportunities for running these programs more efficiently," Stockman said. In some states—such as New York, where average Medicaid benefits annually are about $1,900 compared with only $700 in neighboring Pennsylvania—"it appears too many people are hospitalized, too many people are institutionalized." Later he added, "We can save several billions out of Medicare without jeopardizing benefits for people who need it."

WELFARE

Because of income "disregards" and excessive allowances for certain expenses such as child care or commuting costs, some welfare recipients have income not at the poverty level or just above, but $20,000 or $30,000 a year, Stockman said. Again, tighter limits and other reforms are in order, he indicated.

AMTRAK

Congress decided earlier this year to increase the administration's requested subsidy for rail passenger service after Amtrak officials said the deep cuts proposed would have meant an end to all such service except in the Northeast Corridor from Washington to Boston. Asked about a renewed request for cuts, Stockman replied, "You can shut down Amtrak except in the northeast part of the country without any great loss. We're going to have to do it in a year or two anyway."

ENERGY CONSERVATION

Asked if it made sense to eliminate tax credits for insulation and weatherization expenditures or for solar heating while retaining the $1 billion break from the windfall profits tax on crude oil given some smaller royalty holders in the tax bill passed in August, the OMB director said it did not to him. "It doesn't seem to have any plausible economic rationale that I can see."

HIGHWAYS

In light of the general condition of the nation's roads, it makes little long-term sense to cut investments in this area because they would return a stream of benefits to the public over many years, Stockman agreed. But, he added, "Our problem now is one of short-term instability" in financial markets that must be resolved.

Stockman maintained that with a comprehensive reexamination of virtually all federal spending programs the budget can be balanced in 1984 as Reagan has promised. It is up to the legislators to decide exactly which reductions to make and what strategy to use to enact them. "We are interested in the bottom line," not the details, the director said.

Mr. MOYNIHAN. In December 1981, the President appointed the National Commission on Social Security Reform—of which I have the honor to be a member, suggested by our distinguished minority leader—to reach a bipartisan consensus on the condition of the funds and the needs for changes, if any. Then this spring we were faced with a proposal, from across the aisle, for a $40 billion reduction in social security. Once again, we had to throw that back.

Mr. President, I have served in the Cabinets or subcabinets of four Presidents. I think I have some sense of these matters, and I hope it is not self-serving to say that after a period of involvement with social security, I have learned the difference attitude can make.

I served in the administration of President Nixon, a man of conservative inclinations in social matters. That is in the tradition of his party. It was in the tradition of President Eisenhower, under whom he served as Vice President, but who, for example, added the disability insurance program to social security. President Nixon proposed a large expansion of social security benefits in the form of the family assistance plan. Without the least difficulty, he kept on as Administrator of the Social Security Administration, Mr. Robert Ball, a distinguished career official, a Democrat, a liberal, committed to the system and immensely knowledgeable about it. The President did not hesitate to keep him in that job. Why? Because he had no intention of tampering with that system.

This group is different. There are people in this administration—not all, by any means—but there are people who look to the dismantling of social security, who talk about bankruptcy, who repeatedly emphasize public opinion polls that find young persons uncertain about or disbelieving in the prospect of obtaining benefits. Those poll results surely have something to do with the fact that the officials in charge have told them the system will go bankrupt.

The National Commission on Social Security Reform had just been appointed when Mr. Svahn, the head of the Social Security Administration, announced what we would conclude. I take it of some import that shortly before Mr. Svahn's pronouncement Mr. Robert J. Myers, a Republican, resigned. He and Mr. Ball are the two most distinguished civil servants who have dealt with this most important of all Federal domestic programs. Mr Myers would not serve with those who run the system now.

A report in the Washington Post of December 1981 is headlined: "Republican Social Security Expert Quits in Anger." The subhead reads: "Myers Scores 'Disastrous' Meddling in Program."

Mr. President, I ask unanimous consent that this article by Mr. Spencer Rich, the distinguished journalist who covers these matters, be printed in the RECORD.

[From the Washington Post, Dec. 19, 1981]

REPUBLICAN SOCIAL SECURITY EXPERT QUITS IN ANGER

MYERS SCORES 'DISASTROUS' MEDDLING IN PROGRAM

(By Spencer Rich)

Robert J. Myers, a Republican and one of the most respected Social Security experts in the nation, has resigned as deputy commissioner of the program with some harsh words for the Office of Management and Budget for "disastrous" meddling and political and policy misjudgments on Social Security.

He was referring specifically to OMB decisions to ask Congress to repeal the Social Security minimum benefit for 3 million people already on the rolls and to increase the penalty sharply for choosing to retire at 62 instead of 65.

Myers had privately opposed these proposals as bad policy and bad politics, and had warned that they would undermine the administration's Social Security revision program.

The proposals ignited a storm of public protest and gave the Democrats an opportunity to batter President Reagan on Social Security.

In what is generally considered the worst political defeat of his term in office, Reagan eventually was forced to ask Congress to restore the minimum benefit for those on the rolls after it had repealed the minimum benefit at his request, and to withdraw his entire Social Security legislative plan. The bill restoring the minimum benefit cleared Congress last week.

Myers was chief actuary of the Social Security system from 1947 to 1970, then a long-time outside adviser to Republicans on the House Ways and Means and Senate Finance committees, which have legislative authority over the program. He became deputy commissioner for programs in March, and has been a major source of credibility for the administration on Capitol Hill.

In a letter of resignation this week to Health and Human Services Secretary Richard S. Schweiker, Myers said he supports the general principles and most of Reagan's legislative requests on Social Security and hopes to contribute to their enactment from outside the government.

He said he is leaving because it appeared there would be no long-range Social Securi-

ty bill, which is what he wants to work on, for several years.

But he added that, in developing legislation, there were too many "layers of clearance and review—not only as to major political issues, but also as to minor policy and technical points—at levels above the Social Security Administration. This occurs both in the department and in higher organizations, such as the OMB.

"In particular the latter agency (and especially its civil service employees) develops policy without regard to the social and economic aspects of the Social Security program—and even the political aspects. This was well exemplified by the disastrous results that occurred from the proposal to eliminate the minimum benefit for all persons currently on the rolls and also from the proposal to sharply increase the early-retirement reduction factor."

Sen. Daniel Patrick Moynihan (D-N.J.), a sharp critic of the president's Social Security cut proposals and a member of a newly appointed presidential commission on financing of the system, called Myers a man of "integrity and experience."

He said he was not surprised that Myers has "found it necessary to resign" because "it has been painfully clear that policymaking in the Social Security administration has been thoroughly politicized."

House Social Security Subcommittee Chairman J. J. (Jake) Pickle (D-Texas) said Myers' resignation is "bound to hurt" the Social Security administration and "should cause the administration to re-examine its reliance on deep cuts."

Mr. MOYNIHAN. Mr. President, at the first meeting of the Commission, we asked if we might be favored by a measure of silence by Mr. Svahn while we set about the task the President had required of us. Mr. Svahn indicated that he understood the point and would keep his peace, and he did, for almost 6 months.

Then, last Monday, July 27, as reported by the UPI, what did Mr. Svahn do but go before the American Society of Hospital Personnel Administrators and predict bankruptcy, doom, ruin, default, using the very simple measure we had passed by this Congress to enable borrowing between the social security funds to scare.

He said this, according to the lead:

For the first time Social Security will have to borrow up to $7 billion and Americans may eventually have to accept tax increases for the program or reduce benefits, the system's commissioner says.

It goes downhill from there.

He said "eventually, possibly by the year 2010, 25 percent of the gross U.S. payroll would be required to keep Social Security in its current form."

It would represent a 100-percent increase over the current Social Security tax rate . . .

Mr. President, not a single one of these statements, except the first, is warranted, and the first implies that we are borrowing from the Chase Manhattan Bank rather than transferring from one social security ledger in the Treasury Department to another. This is not explained by him. Why not explained by him? Because he is, I am sorry to say, one of those persons who really, basically, does not accept the social security system.

That view is found throughout this administration. Remember this is an administration that has proposed to abolish title IV of the Social Security Act. It is the "New Federalism," but they do not call attention to this aspect. They say they propose to turn welfare back to the States. They would more accurately say they are going to end an entitlement for dependent children under title IV. It has been part of the act since 1935, put there by Franklin D. Roosevelt and this Congress. And the administration means to rip it right out of the Social Security Act because it affects only children and children do not vote.

But, Mr. President, may I suggest to you how many children it does affect? A year-and-a-half ago I had the opportunity to work out some equations with great assistance from the Bureau of the Census and the Office of Population Studies at Princeton University. We attempted to forecast the incidence of dependency for children born in a given year, and projected that 32 percent of the children born in the United States in 1980 would receive some public assistance from social security title IV before reaching age 18.

I do not want to imply a greater degree of accuracy to my forecast than is attainable through relatively crude projections of this kind. But it gives the sense of the dimensions. Not 5 percent and not 10 percent, but probably one-third of the children of this country will be dependent on social security benefits under title IV before they reach their majority at age 18. We are told, "Let them find their way. Let them depend on the mercies of the State governments, one-third of whose unwillingness to make provision for such children led to the inclusion of title IV in 1935.

I wish I did not have to say these things. I wish I did not have to imply purposes which I cannot establish.

Yet, to paraphrase Abraham Lincoln's "Framing Timbers" speech, when you see on the side of the road a pile of framing timbers and the next time you pass you see rocks and brick, and then yet another time mortar being prepared, yet another time glaziers at work or stacking their materials, are you not entitled to suppose that a house is being built?

And if I may reverse Abraham Lincoln's image, if one day you see someone taking off the doors of a house already built, the next time you find large gaps in the roof, still later the windows appear to be broken, and later still the shutters have gone and the rain scoops have gone and the gutters have gone, are you not entitled to think that someone is taking a house apart?

That is what this administration is doing. And they know that this constitutional amendment would have the most devastating impact upon the availability of funds. They know that if there are no funds for a program and the Constitution does not permit Government to be in deficit then you cannot have the program.

Mr. President, I shall ask to have printed in the RECORD one more item, showing the procyclical nature of this amendment. This shows the effects of the amendment on the economy, as presented a few weeks ago here on the floor by the distinguished chairman of the Budget Committee, the Senator from New Mexico.

The Wharton Econometric simulation suggests that in fiscal year 1982 there would have been a $196.4 billion shortfall in outlays, and a $207.8 billion shortfall in fiscal year 1983.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary entitled "Effect of Amendment Policies on the Economy."

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EFFECT OF AMENDMENT POLICIES ON THE ECONOMY

Fiscal year	State of the economy	Compared to actual, the amendment would have required (or permitted)	
		Outlays to	Revenues to
1969	Expansion	Decrease	Decrease.
1970	Recession	Increase	Increase.
1971	Expansion	Decrease	Do.
1972	do	do	Decrease.
1973	do	Increase	Do.
1974	Recession	do	Do.
1975	do	Decrease	Increase.
1976	Expansion	do	Decrease.
1977	do	do	Do.
1978	do	do	Do.
1979	do	do	Do.
1980	Recession	do	Increase.
1981	do	do	Do.

Notes.—Procyclical = outlay decrease or revenue increase during recession; outlay increase or revenue decrease during expansion. Countercyclical = outlay increase or revenue decrease during recession; outlay decrease or revenue increase during expansion.

Mr. MOYNIHAN. Mr. President, given that shortfall there would be no possibility of maintaining a balanced budget without dismantling social security. That is something to which a significant number of persons involved in social policy in this administration seem to look forward to with satisfaction. There can be no question about their purpose.

The question is will this Senate associate itself with those purposes? Or will we tell the American people that we are going to do what we feel we must with respect to this amendment, but not at the expense of social security.

Mr. President, I ask unanimous consent to have printed in the RECORD the United Press International account of Mr. Svahn's extraordinary speech in Baltimore earlier this week and an article by Mr. William Hutton, executive director of the National Council of Senior Citizens, entitled "Will a Balanced Budget Hurt Social Security," which concludes of course that with-

out my amendment we will have no choice.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY NEEDS TO BORROW $7 BILLION

(By Carole Corlew)

BALTIMORE.—For the first time Social Security will have to borrow—up to $7 billion—and Americans may eventually have to accept tax increases for the program or reduced benefits, the system's commissioner says.

Commissioner John Svahn said the system's retirement program will be forced to borrow money from its disability insurance trust fund—up to $1 billion in October and $6 billion in November.

"It goes downhill from there," he said Monday in speaking to the American Society of Hospital Personnel Administrators.

Svahn said the biggest problem facing the system is that most of those who pay into it believe they won't collect benefits.

"Seventy percent of the American population doesn't believe Social Security will be here when they retire," he said. "It's that same group of people we are going to have to rely upon for payments to keep the system going."

He said eventually, possibly by the year 2010, 25 percent of the gross U.S. payroll would be required to keep Social Security in its current form.

It would represent a 100 percent increase over the current Social Security tax rate and be split between employees and employers.

He told the administrators talk of bankruptcy in the Social Security system had caused a number of non-profit groups such as hospitals to withdraw from the program, and said that was compounding the systems' problems.

He said of private concerns offering what seems to be cheaper alternative plans: "If it's such a good deal, how can they be making money?"

Social Security press spokesman Jim Brown said the system "can borrow enough to get through to make the July 3 (1983) payment. But after that there will not be enough to make payments on time."

Last December, President Reagan named a 15-member commission to study Social Security's financing and to report back by the end of this year with recommendations on what, if any, changes are needed.

Svahn told the hospital group, "Either you're going to have to start paying an awful lot more now . . . up to 25 percent . . . or we're going to have to expect less."

He said, "I am personally confident we can solve Social Security's problems," adding the system was never meant to be a sole source of income and changes were being planned.

"Social Security will be here. What format it will take is something that is much different. We'll know the answer to that in a year or so when Congress takes action."

[From the New York Daily News, July 18, 1982]

WILL A BALANCED BUDGET HURT SOCIAL SECURITY?

(By William R. Hutton)

Soaring Federal deficits are not good public policy. Agreed. But, believe it or not there are far worse evils that threaten our nation than a mounting federal debt.

We recognize the utter futility of an inflexible approach to budget planning and fear that the result will be the destruction of vital federal programs—including Social Security.

Balancing the federal budget is not so simple as it sounds. In order for the government to balance the budget, it must first be able to forecast exactly what its total incomes and expenditures will be for the following year. These figures, most economists agree, are virtually impossible to ascertain.

Suppose Congress approves a budget based on expectations of economic growth but, instead of a boom, the nation encounters a mid-year recession. While unemployment escalates, revenues drop, the need for social services increases, and Congress carefully constructed budget is thrown irretrievably off balance.

The Council of Economic Advisers recognized the dangers when it concluded in its study of the 1974-75 recession that, had a balanced budget requirement been in effect during those years, an additional 3.5 million Americans would have been jobless.

Basic human need programs, such as food stamps and Medicaid, would be decimated by a balanced budget amendment. The amendment's spending and revenue limitations would require monumental budget cuts—as much as $150 billion in the first year alone. Even the sacrosanct military budget would become a likely target for serious reductions.

The most prominent target of all, however, would be Social Security, the financial lifeline for millions of elderly. Though Social Security was meant to be an inviolate compact between the U.S. and its people, the Senate proposed last spring to cut benefits by more than $40 billion. The Reagan administration also favors cuts, including substantial benefit reductions for all future retirees.

A balanced budget amendment would not only permit Congress and the President to make these cuts, it would virtually demand that they do so.

Although such an idea may seem unthinkable to many Americans, they have yet to convey their fears to Washington. As the amendment now stands—with 60 co-sponsors in the Senate and 202 in the House—passage could occur within a week or two. Then the amendment would go on to the 50 state legislatures, where sentiment is running strong for ratification.

If the American people permit the amendment to succeed, a century of social progress will end, and an economic nightmare will begin.

Mr. MOYNIHAN. Mr. President, I withhold the remainder of my time.

Who yields time?

Mr. THURMOND. Mr. President, how much time is left?

The PRESIDING OFFICER. The majority leader would have 30 minutes under his control on this amendment.

Mr. THURMOND. Thirty minutes?

The PRESIDING OFFICER. Thirty minutes.

Mr. THURMOND. How much time is left to the Senator from New York?

The PRESIDING OFFICER. Eleven minutes, forty seconds.

Mr. THURMOND. Mr. President, I rise in opposition to this amendment. It represents an effort, in my judgment, not to improve the pending constitutional amendment but to try to encourage its defeat.

The amendment being offered by the distinguished Senator from New York suggests that the constitutional amendment, if passed, would result in a cut in social security benefits. Mr. President, this is simply not so, and any insinuation to that effect is false. No particular area of Federal spending is targeted in this proposed constitutional amendment. Congress will have to make those hard choices if this balanced budget amendment is adopted. These are hard choices which have not been made by Congress during the past 21 years, and I repeat, the budget has not been balanced but once in the last 21 years. We must take steps to bring this budget into balance.

Mr. President, this proposed constitutional amendment will not result, in my opinion, in cuts in social security benefits or entitlements. These other programs are set by statute. Congress will make these determinations. Surely if Senators feel strongly about this program or any other program they can, by a three-fifths vote, agree to incur a budget deficit to fund such programs.

Mr. President, I want to read this amendment. This amendment says:

No budget shall provide for reduction in lawful entitlement benefits under the Social Security Act.

Why was social security singled out? I am just as much interested in social security as the Senator from New York. I was a State Senator in 1935 when this program went into effect, and in Columbia, as a member of the Social Security Committee there in the State senate, I had a part in enacting this program in South Carolina.

I am interested in it; I am interested in our old people, in our senior citizens, and we want to see them treated right. As long as I am in the Senate I expect to see them treated right.

But why was social security singled out? Why not vocational rehabilitation? Why not medicare?

Mr. MOYNIHAN. Medicare is part of social security.

Mr. THURMOND. Why not any other program?

Why not soil erosion? All the programs the Government sponsors are important, according to the action Congress has taken. But this particular program is just singled out as one program.

If Congress, as I say, wants to give special attention to any one program it can do it. All it has got to do is for both bodies to vote by three-fifths, and this will be done. But to single out one program we think is unreasonable. We think it puts an emphasis on one program to the exclusion of other programs.

For those reasons, Mr. President, we oppose this amendment and we feel it ought to be defeated. I shall vote to defeat it.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, will the Senator permit me to intervene for a moment?

Mr. THURMOND. I yield to the majority leader.

Mr. BAKER. Mr. President, I see a messenger from the House of Representatives at the door seeking entry, and I yield now for that purpose.

MESSAGE FROM THE HOUSE

At 11:04 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4961) to make miscellaneous changes in the tax laws, and for other purposes; agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. CONABLE, Mr. DUNCAN, and Mr. ARCHER (for the entire bill and the Senate amendments and modifications committed to conference, with the exception of subtitle B of title I and title IV except for section 406(e) of that title and with the exception of section 395 of the Senate amendments and modifications committed to conference), Mr. DINGELL, Mr. WAXMAN, Mr. SCHEUER, Mr. BROYHILL, and Mr. MADIGAN (for the consideration of subtitle B of title I of the Senate amendments and modifications committeed to conference and subtitle C of title I of the Senate amendments and the modifications committed to conference and such parts of subtitle A of title I of the Senate amendments and modifications committed to conference that relate to amendments to the supplementary medical insurance program authorized under title XVIII of the Social Security Act and soley for consideration of section 395 of the Senate amendments and modifications committed to conference), Mr. MINETA, Mr. ANDERSON, Mr. LEVITAS, Mr. OBERSTAR, Mr. CLAUSEN, Mr. SNYDER, and Mr. HAMMERSCHMIDT (for the consideration of title IV of the Senate amendments and modifications committed to conference with the exception of sections 406(e) and 407(b) of that title), and Mr. FUQUA, Mr. GLICKMAN, and Mr. WINN (for the consideration of section 407(b) of title IV of the Senate amendments and modifications committed to conference) as managers of the conference on the part of the House.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 386. Concurrent resolution relating to adjournment to a date certain during remainder of the 97th Congress.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The Senate continued with the consideration of the joint resolution.

Mr. BAKER. Mr. President, I thank the distinguished manager of the bill for permitting me to do this. It was necessary to permit the messenger to arrive so that we could go forward with the conference on the tax portion of the reconciliation bill.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. THURMOND. I yield now as much time as the distinguished Senator from Arizona may require.

The PRESIDING OFFICER (Mr. MATTINGLY). The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise in opposition to the amendment by the distinguished Senator from New York.

No one has set a finer example in this body as being a protector and an advocate for the social security system than the Senator from New York, and I compliment him on that.

Mr. MOYNIHAN. I thank my friend from Arizona.

Mr. DECONCINI. I have followed his lead on many occasions on this floor, and will in the future.

However, I think this is a different situation, and I really regret that the Senator felt the necessity to bring social security into the balanced budget process, because it is difficult to set social security as being any more important than the veterans' benefits that are part and parcel of the obligation of Congress to fund, or the handicapped programs or the Federal retirees, or any other program.

This balanced budget amendment does not distinguish, it does not set aside, it does not favor nor does it discriminate against any particular program or the funding thereof. Certainly that includes social security.

This amendment merely says that Congress must adopt a balanced budget. If in their judgment there is need to have a deficit expenditure there is a procedure to do so. Anyone who will interpret this amendment by the Senator from New York as trying to save the social security system is incorrect. Social security has been saved, it will be saved in the future, thanks to the Senator from New York, the Senator from South Carolina and, I believe, the vast majority of the Senate, who are not going to turn their backs on social security. This amendment does not preserve or do anything that would not be done by this body.

We have had opportunities here, and I, for one, have continuously opposed any reduction. The administration offered its program, the budget reconciliation process of last year cut out minimum benefits, and I know the Senator from New York launched a vigorous effort to reverse that. I supported him on that. He was absolutely right. We know that Congress passed it over the objection of the Senator from New York and many others, and then we saw a reversal. Thank goodness the President of this country came to the same conclusion—maybe the Senator from New York enlightened him with his eloquence on this floor—that we should not reduce those benefits.

This constitutional amendment does not reduce anyone's benefits, social security or otherwise, and there is ample procedure here to insure that if the time of balancing the budget, and if the time of adopting the budget process here, if this amendment is passed and ratified, occurs that Congress can, if it sees fit, extend the deficit expenditures, and I believe what Congress will do is to act in the best interests of balancing the budget and maintaining its commitment to the social security fund and to infer otherwise, I submit to the Senator from New York, really is unfair to so many Senators who have continuously worked side by side with the Senator from New York to preserve that fund.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I yield myself 4 minutes, if I may.

I would like to respond to my friend, the distinguished President pro tempore, and my colleague and classmate from Arizona, Senator DECONCINI, by wishing to make clear that I do not infer any intention to any Member of this body to tamper with social security. I say to you it will be the ineluctable result of the rigid mechanism we put in place.

The President of the United States himself on May 4 said, "Social security cuts should not be used to balance the budget." Mr. President, they will be. I have put into the RECORD the Wharton econometric simulation of the effects of the balanced budget amendment. It shows that Federal outlays would have to be reduced by $196 billion this year, $207 billion next year if we had to comply with the balanced budget amendment today.

Now, to the nature of social security, I would say to my friend from Arizona, it is not like any other program. I would say to my friend from South Carolina it is not like soil conservation. Social security is a contributory social insurance system. It is paid for entirely out of contributions made by employees and employers. In return, they obtain benefits to which they are entitled, in the sense that they have entered into a compact with the Gov-

ernment that entitles them to such expectation.

Mr. President, may I read to you a passage from an amendment prepared for the distinguished Director of the Office of Management and Budget. This was not him confiding to a friendly journalist. This was his staff confiding to him in a memorandum listing 10 flaws in Senate Joint Resolution 58 so major that the Office of OMB concludes that the amendment should not be approved.

The last one reads:

In the real world, there is probably no way to rationally enforce an S.J. Res. 58 type outlay limit if actual fiscal year outlays exceed planned ceiling outlays to any appreciable extent.

This was their last and concluding hope: The system will break down, we will have a constitutional crisis, but we will get through it.

Mr. President, I ask unanimous consent, for the delectation of my colleagues, to have printed in the RECORD at this point the Office of Management and Budget memorandum to Mr. Stockman in opposition to the measure before us.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OMB LISTS 10 MAJOR FLAWS OF CONSTITUTIONAL AMENDMENT FOR BALANCED BUDGET

An OMB internal staff report on the pros and cons of a constitutional amendment to balance the budget details 10 specific flaws facing such an amendment the first five labeled "generic concerns." The last five specifically attacking the joint resolution passed last year by Senate Judiciary (S.J. Res. 58) and awaiting full Senate action. The OMB document, reprinted below, was first referenced in an Evans & Novak column last week. OMB's chief concerns:

1. The Constitution is "not an appropriate vehicle" for requiring a blanced budget and should not include a "potentially inflexible fiscal mechanism" that may not be easily adapted to changing economic circumstances;

2. An inflexible annual balanced budget policy tends to ignore the traditional "contractions and expansions . . . inherent in a free economy" and may therefore "create artificial policy choices;"

3. A blanced budget requirement would tend to drive up off-budget outlays, increase indirect fiscal spending and lead to other "novel budget devices" to circumvent the amendment;

4. A balanced budget rule would not be technically enforceable since in some cases an end-of-year overrun would not be known until 20 days after the close of the fiscal year; and

5. An annual balanced budget rule is "inherently biased toward higher taxes rather than lower spending."

The OMB memo detailed specific problems with the resolution, chief among them: 1. the tax limitation rule in the amendment—requiring that taxes not be increased by more than the percentage of GNP growth in the prior calendar—amounts to shifting indexing from the IRS code to the Constitution; 2. the amendment is unbalanced in that it requires a 60 percent vote in each House to create a deficit but only 50 percent of each House to raise taxes; 3. the resolution could have a bias against defense, since defense holds more of the budget's controllable outlays; 4. the amendment could require "draconian" budget cuts to be taken mid-year if economic projections turn out to be more optimistic than economic reality; and 5. the amendment provides no mechanism "to rationally enforce the outlay limit in the resolution" OMB illustrates this point by describing in detail how FY 82 budget outlays would have had to be cut if the amendment had been in effect last year.

The Administration to date has taken no public position on the proposed amendment—sources say this is primarily because the measure need not be signed by the President and therefore does not directly affect him—and sources this week indicated that it is unclear whether the Administration will take a firm stance. Some weeks ago it appeared Reagan planned to sit this one out, according to one source, but in the past several weeks numerous Administration officials, particularly in the Treasury Dept., have begun discussing the merits of such an amendment to the Constitution.

Congressional aides believe the amendment will enter front stage within the next two months, either because of the vote on the debt limit (some believe the amendment and debt limit may be linked as a means of getting the debt limit passed) or as more state legislatures vote for a constitutional convention—which Congress wants to avoid—but only a handful of state legislatures that have not voted on the measure are left in session. Congressional aides point out that if the debt limit bill is coupled with the constitutional amendment many congressmen will feel more comfortable by simultaneously voting for a balanced budget while they increase the debt ceiling, on the other hand, if the bills are coupled, it would take a two-thirds vote in each House to pass (a constitutional amendment requires a two-thirds vote for passage) and thus may hurt the chances for passing the debt limit, which would otherwise only require majority approval.

TEXT OF OMB PAPER ON PROBLEMS, OBJECTIONS TO BUDGET-BALANCING AMENDMENT

A. Generic concerns

1. The Constitution is not an appropriate vehicle for economic policy prescriptions (balanced budgets) nor should it be cluttered with potentially inflexible fiscal mechanisms that may not be appropriate to unforeseeable future circumstances.

2. An inflexible annual balanced budget policy rule may not be compatible with the business cycle "facts of life" which tend to produce automatic large deficits during recessions. During FY-82, the projected deficit increased by $40 billion due to the recession induced fall of receipts and rise of unemployment-related outlays. As written, S.J. Res. 58 requires a super majority (60 percent) to create an annual deficit—yet consensus opinion for several decades has held that recession-induced deficits are either desirable or at least tolerable.

Since business cycle contractions and expansions are inherent in a free economy, the proposed policy rule would create artificial policy choices and political conflicts on a recurring basis, i.e., whether in the face of a contracting economy to: raise taxes; radically reduce spending until recovery raises receipts; or achieve super-majorities to validate recession deficits.

3. A balanced budget requirement would exacerbate pressure for off-budget outlays, indirect fiscal spending and other novel budget devices outside the scope of any settled definition of "outlays." While S.J. Res. 58 covers conventional off-budget outlays such as those incurred by the Federal Financing Bank (FFB), it would not cover: loan guarantees ($87.7-billion in FY-82); schemes to mandate fiscal outlays by private sector entities such as: mandatory employer-provided health insurance; mandatory employer-provided pension benefits in lieu of Social Security expenditures; and tax subsidy induced outlays to the extent that leveraging features exceed revenue loss.

4. As a general matter, the annual outlay limitation needed to enforce a balanced budget rule would not be technically enforceable under the ordinary range of expense. Under a $100-billion annual outlay initiation, outlay overruns of the following magnitudes would not be technically realized until the final days of the fiscal year.

Overrun magnitude

Days before October 1:	*Billions*
24	$50
19	40
15	30
10	20
5	10

Under most circumstances, verification of a realized overrun would not occur until the monthly Treasury cash statement was issued 20 days after the close of the fiscal year. Under almost all circumstances, no remedial action could be taken to reduce outlays in the last month.

Enforcement of the ceiling within the fiscal year, therefore, would require either elaborate accounting rules to monitor annualized spending rates and trigger enforcement early: a de facto policy of non-enforcement which could generate political cynicism; or judicial intervention to force the creation of within-year compliance machinery.

On the margin, monthly cash flow prediction and management is nearly impossible due to dozens of volatile outlay accounts such as: Commodity Credit Corp. insurance funds like FSLIC, banking operations like Farmers Home Administration, and grant payments mechanisms like the Departmental Federal Assistance Financing System.

5. Due to the difference in lag-time between policy action and cash impact, an annual balanced budget rule is inherently biased toward higher taxes rather than lower spending because: cash flow changes owing to tax policy can be enacted, implemented and realized in three months (e.g., 5 percent income tax surcharge); cash flow changes owing to spending policy require three months to three years to enact, implement and realize in most cases—or even longer, and the inherent dynamics of Congress will delay action on the balanced budget rule until close to the applicable fiscal year—thus steadily strengthening the case for a tax increase rather than spending cut solutions to the rule.

B. Concerns specific to S.J. Res. 58

6. S.J. Res. 58 seeks to overcome this inherent bias by merging a balanced budget rule with a tax limitation rule. However, the specific tax limitation rule (no automatic increase in taxes in excess of the previous year's growth in national income) applies only in the limited case of an un-indexed tax system. This is shown by comparing the applicable revenue increase/national income relationships for the late 1970's and prospectively for the 1980's when indexing takes effect:

[In fiscal years]

	1976	1977	1978	1979	1980	Average annual growth rate
Old tax law						
Actual receipts	6.8	[1] 15.2	12.4	16.0	11.6	12.5
Base year GNP [2]	8.1	8.0	10.9	11.6	12.4	10.2
	1983	1984	1985	1986	1987	
Current tax law—ERTA						
Projected current law receipts	4.3	7.7	10.0	8.4	7.5	7.6
Projected base year GNP [2]	11.5	7.9	11.5	10.2	9.7	10.2

[1] Annual rate of growth.
[2] The base year GNP growth rate under S.J. Res. 58 is the growth in GNP during the preceding calendar year. For fiscal year 1983, for example, the receipt growth would be limited to the rate of growth in GNP (or some other measure of national income) during calendar year 1981.

The tax limitation rule proposed in S.J. Res. 58 is thus very limited: It amounts to shifting indexing from the IRS code to the Constitution.

7. The tax limitation and balanced budget rules in S.J. Res. 58 are seriously asymmetrical: deficit creation or increases require a super-majority (60 percent) and tax raising requires only an ordinary majority. Consequently, a 41 percent minority for tax raising will have Constitutionally granted parliamentary superiority over a 50 percent majority favoring a combination of spending cuts and/or deficits.

8. S.J. Res. 58 could, but would not necessarily, have a bias against defense. By fiscal year 1986 defense outlays will account for $311 billion of projected total controllable outlays of $442 billion (excluding undistributed offsetting receipts) or 70 percent. While entitlements could theoretically be cut, the 47 percent share of controllable outlays will always be the first target if outlay reductions are required to achieve the balanced budget rule or enforce the outlay ceiling during the fiscal year.

9. Differences in the budget and economic outlook between the initial submission of the President's budget and the actual fiscal year results have been substantial in recent years. To offset outlay increases attributable to economic factors once the budget year has started requires draconian program cuts.

Increase in outlays from the initial budget submission due to changed economic factors

Fiscal years:	*billions*
1980 (actual)	$27.1
1981 (actual)	32.3
1982 (estimated)	25.9

After even one quarter of the fiscal year has elapsed, the following annual rates of program reduction are needed (on average) to achieve a $10-billion reduction in current year outlays from controllable programs:

	Budget authority		
	Outlay cut	Program cut	Ratio
Defense	$10	$33	3.3:1
Defense (excluding military pay)	$10	$40	4.0:1
Non-defense	$10	$30	3.0:1

The table below illustrates that as the year progresses, increasingly more drastic program cuts are needed to achieve fixed outlay reductions.

ILLUSTRATIVE $10 BILLION REDUCTION IN DISCRETIONARY PROGRAMS

[In billions of dollars]

National defense	Beginning of year	¼ of year gone	½ of year gone	Total outlays
Controllable outlay	$117.4	$88.0	$58.7	$182.8
Percent of controllable outlays affected by $10-billion cut	8.5	11.4	17.0	N.A.
Budget authority deferred or rescinded associated with $10-billion outlay cuts	$17.4	$28.9	$52.0	N.A.
Civilian Programs:				
Controllable outlays	$71.5	$53.6	$35.7	$542.5
Percent of controllable outlays affected by $10-billion cut	4.0	18.7	28.0	N.A.
Budget authority deferred or rescinded associated with $10-billion outlay cut	$14.1	$24.1	$43.4	N.A.

10. In the real world, there is probably no way to rationally enforce any S.J. Res. 58 type outlay limit if actual fiscal year outlays exceed planned ceiling outlays to any appreciable extent. For instance, if the $695-billion outlay ceiling voted for fiscal year-82 is taken as a test case, the January re-estimate of $729.3-billion would present the following choices and options:

	Billion 1982
Outlay reductions necessary:	
Estimated fiscal year 1982 outlays	$729.0
Resolution outlay ceiling for fiscal year 1982	695.0
Outlay reduction necessary	34.3
To achieve necessary outlay reductions:	
Start from estimated fiscal year 1982 outlays, 2d-4th quarter	535.1
Exclude from candidate list of possible outlay reductions:	
(a) Debt service requirements	62.5
(b) Outlays from prior year obligations	90.2
(c) UI compensations	21.2
(d) CCC—dollars already out the door	5.1
(e) IRS on the grounds that massive RIFs would cause a revenue hemorrhage	8.0
(f) Veterans hospital funding on the basis of the impact of cutting in such a personnel-intensive operation	8.0
(g) Payments for federal prisons	8.0
(h) FAA air traffic control (again a personnel-intensive operation)	8.0
Subtotal items that must be excluded from candidate list of possibe outlay reductions	187.0
Remaining "available" outlays for reduction	348.1
Policy Iterations to Achieve reductions (48% of estimated total fiscal year 1982 spending):	
(a) Cancel general revenue payments beginning the 2d quarter	3.4
(b) Freeze all benefit indexes for the remainder of the year	5.1
(c) Medicare—limit the annualized level to three-fourths of the increase from 1981 to estimated 1982	1.8
(d) Medicaid—limit the annualized level to three-fourths of the increase from 1981 to estimated 1982	0.2
Subtotal	10.5
Remaining reductions needed	23.8
Remaining "available" outlays for reduction (gross of offsetting receipts)	156.8
Defense	(92.4)
Nondefense	(64.4)
Pro-rated 15.2 percent reduction in remaining outlays:	
Defense	14.0
Nondefense	9.9

Illustrative Impacts: Revenue sharing accounts for 43 percent of total revenue in Arkansas; Disruption of hospital cash flow (Medicare) could cause massive shut-downs; Dollar defense program cuts (TOA) of $46-billion would be needed resulting in grounding of ships, planes, and most other operations; Approximately 200,000 or about 28 percent of the federal non-defense workforce would be furloughed; and Most defense and civilian procurement and capital spending projects (highways, water projects, etc.) would be suspended or drastically reduced.

C. Remedial suggestions

1. Escape clause language for within fiscal year outlay overruns attributable to economic factors (e.g., higher interest rates or recession). The following language would permit an ordinary majority to increase the outlay ceiling (create or add to the deficit) in such cases: "Provided that, such excess of outlays over receipts may be increased by a majority vote of the whole number of both Houses of Congress, directly solely to that subject, at any time during the fiscal year to which the statement of receipts and outlays is applicable, to the extent that Congress determines that such excess is attributable to actual or expected economic conditions that differ from those on which such statement was previously based."

2. Require a super-majority (60 percent) for tax increases above the national income growth rate. This eliminates the asymmetry and provides a permanent Constitutional hurdle to raising the tax claim on GNP above the rate extant as its effective date. However, it may also raise the probabilities of governmental break-down over fiscal policy (i.e., deadlocked 41 percent minorities).

3. Line item veto power to enhance outlay ceiling enforcement.

4. Develop a package of statutory implementation tools to mitigate technical and structural flaws of S.J. Res. 58. This might include: Presidential COLA suspension powers modelled after pay plan two-House veto; enhanced recission powers (two-House veto); Independent Budget Concepts Commission to ensure that amendment not circumvented (non-binding moral force opinions); contingency stabilization fund to cover unavoidable deficits.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MOYNIHAN. I do thank the Chair for his courtesy.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, in closing, I just want to say again that I am sure this Senate will take steps to protect our senior citizens and protect the social security program. This program is vital to the people of this country. It is vital to our senior citizens. I, for one, and I am sure the entire Senate, will not stand for any steps being taken that is detrimental to this program. But this is no place to put that amendment on this constitutional amendment.

This constitutional amendment does not go into details. It does not include or exclude any particular program. And that is the way it ought to be. The Congress has to have the leeway to act upon these matters. Again I say the amendment is inappropriate and should be defeated.

I am willing to yield back my time, Mr. President.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. We are ready to vote.

The PRESIDING OFFICER. The Senator from New York has 7 minutes remaining.

Mr. MOYNIHAN. I thank the Chair for pointing that out. It may appear that I have spoken at great length but I have 7 minutes remaining.

Mr. THURMOND. I will not yield back my time unless the Senator yields back his. I understood he was willing to yield back his time.

Mr. MOYNIHAN. Mr. President, I would hope I had not given that impression. I think the well-being of 36 million Americans deserves 30 minutes discussion on the floor of the U.S. Senate.

I plead with my colleagues that we evidently know not what we do. I dare not believe, but I deeply suspect, that we are going forward with this matter because there is a belief in this body that the American people do not have the native wit to understand what a hoax is—the word "hoax" having been used by George F. Will in the Washington Post.

It is one thing to say there are matters that people do not know about. There are matters that any of us do not know about. Which of us knows all things that are knowable? But to suggest that there are things of central concern that the American people cannot understand and therefore can be deceived about, Mr. President, is to degrade democratic dogma. It goes to the heart of the question of our capacity for self-government and our ability not to be manipulated by symbols and half-truths.

On an unmarked ballot or with the yeas and nays taken in the dark, this amendment would not have a majority in this body, still less the constitutionally required two-thirds. An unmarked ballot would not pass; if the yeas and nays were taken in the dark, the vote would fail.

What are we to say of ourselves if we stand here and create a constitutional crisis, create it as surely for the latter part of this decade as if we had intended to invoke it?

I would reverse my point and say if there is anyone who wishes to see this amendment finally adopted by the States, he had better vote for the amendment I have before you, because I cannot imagine the States adopting the balanced budget amendment once the 36 million Americans receiving social security realize the consequences. They are dependent on it to an extraordinary degree, as are their children, and their children's children—social security is not just care for old persons. It is care for disabled persons. It covers virtually the entire population from birth to death. It was so intended. It is now becoming a mature system, almost half a century in place.

If I am disabled, absent my position in the Senate, in the ordinary course of working, I would be paid disability benefits. If I were to die, my wife would be paid benefits as a survivor, and were my children younger they would, too. They soon will have families of their own. They are covered by social security now against disability, against blindness, against handicapped conditions, which they happily do not have.

If you want this amendment to the Constitution, vote for this addition to your amendment, else your amendment will never be incorporated into the Constitution.

Mr. President, reserving the remainder of my time, I yield the floor.

Mr. THURMOND. If the Senator is willing to yield back his time, I yield back my time.

Mr. MOYNIHAN. Mr. President, I did not say that. I am reserving my time.

Mr. THURMOND. Mr. President, the Senator can continue to speak then.

Mr. MOYNIHAN. Parliamentary inquiry, Mr. President. If the Senator feels that he would wish to use the rather limited time he has remaining for responding and chooses not to speak, does time run equally or does time run at all or does time run on the bill as against the amendment?

The PRESIDING OFFICER. If no one has yielded time, the time will be charged equally.

Mr. MOYNIHAN. May I inquire how much time I have remaining?

The PRESIDING OFFICER. Yes, 2 minutes and 42 seconds.

Mr. MOYNIHAN. Mr. President, the 36 million people of whom I am speaking would, I think, wonder at the emptiness of this Chamber. I would like to note that there are three Members of the Senate present. Only three of us are discussing the fate of 36 million Americans who receive social security benefits and of the test of the population that is in one way or another protected by social security.

I observe the Senator from South Carolina, our distinguished President pro tempore, and, of course, the distinguished Presiding Officer is present but not technically on the floor, and my friend from Louisiana, the junior Senator from Louisiana. No one else has bothered to come to this debate.

I hope some of the associations of senior citizens observe that no one else has chosen to come. There are 3 people in this Senate of 100 who think the concerns of 36 million Americans are worth a half hour of their time.

That being the case, I ask unanimous consent to have printed in the RECORD at this point a statement entitled "Stop the Sneak Attack on Social Security," by the National Council on Senior Citizens.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 12, 1982]

BALANCED BUDGET AMENDMENT: STOP THE SNEAK ATTACK ON SOCIAL SECURITY!

Since Ronald Reagan became President, he's been trying to cut Social Security.

The Reagan Administration has already cut Social Security by eliminating the minimum benefit for future retirees, limiting the death benefit, and phasing out the student benefit. As a result of these actions, thousands of poor elderly people will have their benefits reduced, and tens of thousands of orphaned children will not get a fair chance to go to college.

On top of these cuts, the Administration and its allies in Congress passed a budget this year which will cut Medicare by $13 billion over the next three years.

The Reagan Administration wants to make even deeper cuts in Social Security. They have already endorsed a proposal in the U.S. Senate to cut Social Security by $40 billion over the next three years. But, so far, this Administration has been blocked by members of Congress who have listened to the outcry from the American people.

Now the Reagan Administration has launched a sneak attack on Social Security by supporting the so-called "Balanced Budget Amendment" to the Constitution.

This Constitutional Amendment won't balance the Federal Budget. After all, it's being sponsored by the same Administration that brought you a Federal Budget deficit of more than $100 billion.

The "Balanced Budget Amendment" will give the Reagan Administration the excuse it's been looking for to slash Social Security. Here's why:

The spending and revenue limitations in the Amendment would require $100 billion to $150 billion in Federal Budget cuts during the first year.

Where would the Reagan Administration make the cuts? They've already cut Medicaid, student loans, and other social services to the bone. They can't cut debt service on the National Debt. And they won't cut military spending.

That leaves programs for the elderly, such as Social Security, Medicare and the Older Americans Act, which President Reagan has wanted to cut all along. The Administration has already proposed cutting benefits by one-third for workers who take early retirement. And the Reagan Administration had proposed changing benefit formulas which would have reduced Social Security payments for all future retirees.

Social Security and Medicare are not hand-outs. They are a contract between the U.S. Government and the American people—a contract we've earned through lifetimes of hard work.

Don't let the Reagan Administration destroy Social Security and Medicare. Make your voice heard. Call or write your Senators today. Tell them to vote against the so-called "Balanced Budget Amendment", S.J. Res. 58, and save Social Security and Medicare.

National Council of Senior Citizens, 925 15th Street NW., Washington, D.C. 20005, (202) 347-8800.

Mr. MOYNIHAN. I hope the National Council of Senior Citizens will take note that there are three persons on this floor as we discuss their legitimate concerns and fears—fears responsibly shared by persons who have studied this matter. I do not know an authority on social insurance who thinks

that this amendment, Senate Joint Resolution 58, would not end up raiding the social security funds.

I wish I would not have to say this. I do not imagine anyone here wants it or possibly even believes it. But if the balanced budget amendment is put in place it would happen. Why inflict this wound upon the Republic? Why do this to ourselves?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MOYNIHAN. I thank the Chair. I wish there were more here to hear me but I do appreciate the time and attention of the Presiding Officer.

Mr. DOMENICI. Mr. President, I want to voice my objections to the amendment offered by my distinguished colleague on the Budget Committee, Senator MOYNIHAN. The Senator from New York would require that no budget can provide for reductions in lawful entitlement benefits under the Social Security Act. This provisin does not make sense—not for social security, not for any of the other entitlements in the budget. It turns the solution into the problem.

Social security and medicare benefits account for 29 percent of the fiscal year 1983 budget. The Senator from New York would put nearly one-third of our total Federal expenditures off-limits, despite whatever our financial situation might be.

I am sure the Senator would want to be fair to other Americans who receive entitlement benefits. Perhaps we should place all entitlement benefits off-limits to the budget process. Then one-half of the budget would be untouchable. Make no mistake about it—if we allow one group of beneficiaries to be exempt from the balanced budget process, sooner or later we will exempt the other groups.

This kind of controllability problem in entitlement programs is one of the chief reasons we are now debating a balanced budget amendment to the Constitution. We have not been able to get a handle on entitlement programs through the normal political process. The citizens of this country now want us to use extraordinary means to control the budget, and so we seek to amend the Constitution, the fundamental law of the land.

The amendment offered by the Senator from New York would turn the solution into the problem. I cannot support such an amendment, and will vote against it.

● Mr. LEVIN. Mr. President, I will vote for the Moynihan amendment because I believe it is reasonable we should not reduce social security benefits or any other benefits which people are entitled to by law unless we change the underlying law itself. As I understand the Moynihan amendment, it does not forever preclude alterations in benefit levels but it would have the effect of requiring us to change the basic Social Security Act in order to allow for any changes in benefit levels. That is an approach I can support and, accordingly, I will vote for this amendment.●

Mr. THURMOND. How much time remains, Mr. President?

The PRESIDING OFFICER. There are 19 minutes and 40 seconds remaining to the Senator from South Carolina. The time of the Senator from New York has expired.

Mr. THURMOND. Mr. President, I want to say that whether Senators are here in the Chamber at this time or not, I am sure they are just as interested in our social security system, they are just as interested in our senior citizens, as the distinguished Senator from New York. But this is not the place for that discussion. This is a constitutional amendment. We are not putting any programs in here, regardless of what they are. For that reason, I repeat it is inappropriate to include it in this constitutional amendment. I suggest now that the roll be called.

Mr. MOYNIHAN. Have the yeas and nays been ordered?

Mr. THURMOND. The yeas and nays have been ordered.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) is necessarily absent. I further announce that the Senator from Massachusetts (Mr. TSONGAS) is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 59, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—39

Baucus	Ford	Mitchell
Biden	Glenn	Moynihan
Bradley	Hart	Packwood
Bumpers	Hatfield	Pell
Burdick	Hawkins	Pressler
Byrd, Robert C.	Huddleston	Proxmire
Chafee	Inouye	Randolph
Cranston	Jackson	Riegle
D'Amato	Kennedy	Roth
Dixon	Leahy	Sarbanes
Dodd	Levin	Sasser
Durenberger	Matsunaga	Specter
Eagleton	Metzenbaum	Weicker

NAYS—59

Abdnor	Chiles	Garn
Andrews	Cochran	Goldwater
Armstrong	Cohen	Gorton
Baker	Danforth	Grassley
Bentsen	DeConcini	Hatch
Boren	Denton	Hayakawa
Boschwitz	Dole	Heflin
Brady	Domenici	Heinz
Byrd, Harry F., Jr.	East	Helms
	Exon	Hollings
Humphrey	McClure	Simpson
Jepsen	Melcher	Stafford
Johnston	Murkowski	Stennis
Kassebaum	Nickles	Stevens
Kasten	Nunn	Symms
Laxalt	Percy	Thurmond
Long	Pryor	Tower
Lugar	Quayle	Wallop
Mathias	Rudman	Warner
Mattingly	Schmitt	Zorinsky

NOT VOTING—2

Cannon	Tsongas

So Mr. MOYNIHAN's amendment (No. 1929) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, will the distinguished Senator from South Carolina yield to me?

Mr. THURMOND. I yield to the able majority leader.

Mr. BAKER. Mr. President, I do not want to make a pest of myself, but I do want to point out that we still have 30 amendments to dispose of and we have approximately 48 hours and 20 minutes of debate under the unanimous-consent order. So I congratulate the Senator from New York for calling up this amendment this morning and dealing with it.

Mr. MOYNIHAN. Mr. President, may we have order, so that we can hear the majority leader?

The PRESIDING OFFICER (Mr. EAST). The Senate will be in order.

Mr. BAKER. I urge other Senators to take account of the fact that today is Thursday, the regularly scheduled late day. I would be especially grateful if Members would call up their amendments and give the leadership on both sides some idea of how late we can stay and do productive work on this measure. It is my intention to stay as long as necessary tonight to accommodate the wishes of Senators in disposing of amendments.

I must say that I do not intend to give consent to extend the time for the vote on final passage past noon on next Wednesday. Senators should present their amendments today or tomorrow and try to dispose of them as soon as possible.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. BUMPERS. Does the length of time we stay in tomorrow have anything to do with how long we stay tonight?

Mr. BAKER. In all candor, I must say to the Senator from Arkansas that it is my plan to stay in tomorrow from 9:30 in the morning until approximately 3 in the afternoon; because if we are going to go out on Friday at a reasonable hour, any time past 3 will prevent Senators from Western States from catching the last airline connection.

What it will really do is determine how late we stay in on Monday and Tuesday and how much of a traffic jam we are going to have on Wednesday.

Mr. BUMPERS. As I understand it, there is an agreement now on the number of amendments and there is a time agreement on each amendment. Is that correct?

Mr. BAKER. Mr. President, that is not an exclusive agreement. Other amendments can be called up, unspecified amendments, and there would be an hour debate. The figure I gave—that is, 48 hours of debate remaining and 30 amendments—are the numbers for those of which we are aware.

Mr. President, I can see it coming right now. If we do all these things, we are going to have a terrible traffic jam on Wednesday. I urge Senators to stay in late today, if we can utilize the time properly.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. GLENN. Is there a time certain to vote?

Mr. BAKER. There is a time certain, not later than Wednesday at 12 noon and not earlier than Tuesday at 12 noon.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. LEAHY. I did not hear what the majority leader said about tonight.

Mr. BAKER. It depends on how much work we can do. Yesterday, we ran out of business about 5 o'clock. If we do that again, if amendments are not going to be called up, we will go out. But Members should know that if we do not take advantage of Thursday evening, we will have to have late evenings on Monday and Tuesday of next week.

Mr. LEAHY. Mr. President, I would like to advise the majority leader that I have 10 amendments. On the first one, there is a 2-hour time agreement; on the others, there is a shorter time. I advise the majority leader that I will do my best to cut down the time, especially on the first one, with the cooperation of the other side.

Mr. BAKER. Mr. President, the Senator from Vermont is invariably cooperative, and I am especially grateful to him for making this offer at this time. I hope other Senators will follow his good example.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I think it is appropriate to emphasize that at 5 o'clock yesterday afternoon, the distinguished majority leader urged Senators to bring amendments to the floor. It is now 12 o'clock the next day, and we have disposed of only one amendment in that length of time.

So I join the majority leader in urging that amendments be forthcoming. If they are not forthcoming, I do not think anyone can be blamed if Members are faced with having to have their amendments voted on without discussion, without debate, which is a very poor way to legislate.

Mr. BAKER. Mr. President, I thank the Senator from Virginia.

I really do not want to seem harsh, but I do not want to take anybody by surprise, either.

Frequently, when we run out of time, we give 5 or 10 minutes to explain the amendment, between votes. I must say that I will not do that this time. I will object to that, because there is adequate time in advance for Members to call up their amendments and deal with them well in advance of noon on Wednesday next. There will be objection to an extension of time beyond Wednesday noon, as the order provides.

I apologize for the harshness of these remarks, but I think it is essential. I thank all Senators.

AMENDMENT NO. 1915

(Purpose: To permit the Congress to use fiscal policy to prevent unacceptable levels of unemployment from occurring)

Mr. LEAHY. Mr. President, I call up my amendment No. 1915 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes an amendment numbered 1915.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 3, after the word "effect" and before the period, add the following: "or when necessary to prevent unemployment from exceeding 10 percent or 11 million unemployed, whichever is greater".

Mr. LEAHY. Mr. President, I commend the distinguished majority leader and the others who worked with him in setting a time agreement on this matter. I was privileged to be a part of the meeting. I think he did everything possible to accommodate those who had amendments, to give them adequate time to work out a time agreement, so that we would not be working under a cloture petition.

I join him in urging all others to move their amendments along because of the degree of comity we all have received from the majority leader. Because this is a serious matter, I especially hope we do that and that we get these matters disposed of and vote on them one way or the other.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. LEAHY. I yield.

Mr. BAKER. I thank the Senator for his remarks. He was indeed part of the group that negotiated this time agreement. He is aware, then, of the provisions that were made to protect the interests of all Senators and the inequity that will result if we do not dispose of these amendments regularly and in series, well in advance of the time for the vote on final passage.

Mr. LEAHY. I thank the Senator.

Mr. President, at the outset I want to make it clear that I will oppose the constitutional amendment as reported by the committee. I will have a series of amendments. In the beginning of the debate on the first of those amendments, I would like to speak of the rationale of my opposition to the constitutional amendment and in favor of my own amendments to it.

The proposed constitutional amendment reflects the public perception, which is reported regularly in public polls, that the Federal Government should balance the Federal budget.

Mr. President, I support a balanced budget. Everyone supports a balanced budget. I also recognized that at certain times—during recessions, for example—a strict requirement for a balanced budget is a prescription for wholesale economic disaster and depression.

The proposed constitutional amendment embodies the economic theories of a small group of economists—in fact, I might say a dwindling group of economists—who believe that excessive Federal spending and taxation have been the major causes of our economic problems in recent years.

In fact, it is fair to say that the seeds of this proposed constitutional amendment were planted the day after the inauguration when Presidential aides took down the portraits of Abraham Lincoln and Thomas Jefferson and replaced them with a portrait of that distinguished Vermonter Calvin Coolidge. In reality, it is impossible to establish a direct connection between deficits and the economic health of our Nation. The only period when the U.S. Government ran a surplus over an extended period of time was 1911 through 1930. You know what the thirties brought—the Great Depression.

By contrast, the period of the 1950's and 1960's were characterized by persistent deficits, but at the same time substantial economic growth.

Similarly, on the issue of inflation, both Council of Economic Advisers Chairman Weidenbaum and CEA member Niskanen have publicly stated that the evidence does not show any convincing relationship between inflation and deficits.

This does not mean that high budget deficits, especially today's abnormally high deficits, do not have serious negative economic consequences. Deficits can lead to excessive Government borrowing which competes di-

rectly with private sector investment needs. They can lead to high interest rates and, in fact during times of strong economic growth, to higher inflation.

I understand the Government borrowing plan in the coming year will take up too large a percentage of all the private savings of this Nation.

But it is critical to understand that deficits are essential in certain circumstances to avoid recessions or depressions.

For example, the Republican version of the Joint Economic Committee's annual report for 1982 stated:

> The ultimate result (of balancing the budget during a recession) could be the reemergence of a deficit requiring still further procyclical fiscal adjustment.

The greatest strength of our economic system is that there are hundreds of thousands of economic decisionmakers. Only those who make the most efficient decisions will survive.

However, this extreme diffusion of decisionmaking is also a market economy's greatest weakness. When confidence in the entire economic system is shattered or in great doubt, no rational individual businessperson will sustain economic demand by making new investments or purchases of goods. Each individual will minimize his own risks by reducing his purchases and investments. All these individual decisions combined will create a declining spiral of demand which will throw millions out of work and cause tens of thousands of business failures. Ultimately, the failure of demand means a depression.

Like so many others I have thought for many years that a depression could not occur in this country, that we had too many built-in brakes against it, that there are too many built-in safety nets. I think fewer and fewer Americans now hold that opinion. I think we have to believe that depression is not only possible but it could become a reality.

I submit that Congress must have the flexibility to respond to recessions, at times, to prevent devastating cyclical swings in the economy. As our distinguished former colleague and chairman of the Budget Committee, Senator Muskie has stated, we must "have time to pop the parachute before we hit the ground."

The Congressional Research Service issued a similar warning:

> Strict enforcement of a budgetary balance would compel a Hoover-like reaction, in which expenditures are reduced to match a drop in government revenues. If this were to happen, the stabilizing capacity of the federal budget would be severely impaired and comparatively mild recessions could blow up into major depressions.

Or, as Nobel Prize winner James Tobin stated:

> Should a Congress, observing that its budget has fallen into deficit because of unexpected recession, cut expenditures and/or raise taxes to restore budget balance? To do so is to intensify the recession. Herbert Hoover pursued this course in 1930-32, without notable success for either budget or economy.

In 1979, even though the budget was in deficit, conservative economists Michael Evans and Alan Greenspan both opposed balancing the budget at that point because of its effect on the economy.

Therefore, it is essential that the Federal Government continue to have the ability to fully utilize fiscal policy where it is essential to prevent recession or depression.

The dangers of the constitutional amendment to our economy are clear from a series of studies done by the Council of Economic Advisers in the late 1970's. These studies examine what would have happened to the U.S. economy if it had been forced into balance during recessionary periods.

These studies show that unemployment would have been increased by millions, and the country would have been thrown into a period of economic decline unprecedented since the Great Depression.

One study found that, in the 1973-75 period, the GNP would have declined by 10 percent—a massive decline—instead of the 2.6-percent decline actually incurred.

In 1975, unemployment would have reached 11.2 percent, instead of 8.5 percent. In 1976, unemployment would have reached 11.3 percent, instead of 7.7 percent. That is over 3.5 million more unemployed if the budget had been balanced.

And just this week, my colleague, Senator MOYNIHAN, asked Wharton Econometrics to determine the economic effects of balancing the budget in 1981. Here is what they found:

GNP would have dropped by almost 9 percent.

The unemployment rate would have increased by almost 50 percent—to 15 million unemployed people.

This is a staggering cost. It is wrong, it is extremely wrong, to throw 5 million Americans out of work so that a few politicians can wave a constitutional amendment at election time and pretend all our problems are solved.

Mr. President, that is not government by leadership. That is government by slogan, and I think the American people are growing awfully weary of that.

This amendment will also make Congress a pawn of the economic forces in the Nation and the world, rather than the protector of our Nation's economic health. Tight monetary policies of the Federal Reserve, OPEC price rises, international monetary fluctuations can all throw the budget seriously out of balance. These extraneous actions will force Congress to cut Federal spending whether the social or military needs of the country can be met or whether it causes a depression.

Let me give some examples of how extraneous economic conditions have forced the budget into a deficit.

In 1974, President Ford had just come into office. He convened a symposium of well-known economists brought in from all over the country. We had finished the fiscal year ending the previous July with the smallest deficit in a number of years, $4.7 billion. On the basis of the advice that he got from the economists, he said, "We will have a balanced budget in the next fiscal year."

This was in October. In December, the bottom fell out of the economy. President Ford found he had to submit in January not a balanced budget but a budget with a $52 billion deficit.

Even international currency speculation can destroy a balanced budget.

In 1978, Congress went out of session, and a continuing decline of the dollar caused the Federal Reserve Board to tighten monetary policy to raise interest rates in order to shore up international confidence in the dollar.

The result was to add $5 billion to the cost of interest on the Federal debt in the budget. So the deficit rose by $5 billion to $43 billion, and the Congress was not even in session.

No votes of Congress brought that about. It was simply the action of the Fed. I do not know what you do under a balanced budget constitutional amendment. Do you reconvene Congress? Do you call the U.S. marshals and put the Chairman of the Federal Reserve Board in jail because by his action he causes spending to go through the ceiling? What do you do in a case like that?

I am going to offer a series of amendments in just a minute.

I personally have serious misgivings about trying to change the proposed constitutional amendment. Trying to improve this constitutional amendment is like trying to teach a duck to sprint; the results just do not justify all the effort.

But the very real possibility that this amendment, flawed and dangerous as it is, may be approved by the Senate means that I must attempt to limit the damage.

The drafters of this constitutional amendment acknowledged the need for a national security waiver. In time of war, Congress is empowered to waive the restrictive provisions of the amendment. I have no objections to that, in fact, I agree with them on that. Mr. President, I submit that economic collapse constitutes an equally grave threat to our national security. As Dwight Eisenhower once said:

> If our economy should go broke, the Russians would have won even a greater victory than anything they could obtain by going to war.

I believe the dangers of depression and economic collapse are as great as the dangers of war.

I believe Americans care as much about going to work as to war.

I believe jobs are as vital to our national security as armaments.

For these reasons, I intend to offer a series of amendments which make it clear that Congress places an equal priority on the avoidance of war and depression.

I believe the dangers of depression and economic collapse are equally as great as the dangers of war, and I believe Americans certainly have as much interest in going to work as they have in going to war. I believe that jobs are as vital to our national security as armaments, and for these reasons I intend to offer a series of amendments which would make it clear that Congress places an equal priority on the avoidance of war and the avoidance of depression.

Nobody in this body, Republican or Democrat, wants war. Nobody in this body, Republican or Democrat, wants a depression. Well, let us show we are equally committed to avoiding both.

My amendments are to section 3 of Senate Joint Resolution 58, the waiver for national security section of the resolution.

The first amendment that I plan to call up will state that Congress may incur a deficit if it is necessary to prevent unemployment from exceeding 10 percent and 11 million unemployed.

I am beginning with this level of unemployment because I believe our present level of unemployment—over 10 million—is already completely unacceptable, certainly in the United States.

The autoworker in Detroit, the construction workers in the South, the black teenager just 10 blocks from where we stand today, who have been out of work for months, know that we already have an unemployment disaster.

The enormity of our present unemployment crisis can be seen in the fact that 10 million unemployed is the equivalent of shutting down completely all the following industries: Metal mining, all the coal mining, all the oil and gas extraction, all the crushed stone, all the highway construction, all the plumbing, heating, air conditioning, all the carpentry, electricians, roofers, railroads, trucking, airlines, public utilities, and telephone. Ten million people, that is what it takes to run all of that, and that is the number out of work today.

Just this week, my colleague from New York released a study showing that unemployment would increase by almost 50 percent—about 5 million people, if we had balanced the budget in 1981. That is as though we took all those people I mentioned before out of work and added on top of that every single workingman and woman in New England and threw them out of work, too, just for good measure.

Mr. President, if this amendment fails, I will follow with a series of amendments increasing the level of unemployment in the amendment by 2 percentage points until the point of 20 percent and 22 million unemployed is reached.

Quite frankly, if my colleagues are unwilling to even waive these provisions for 22 million people out of work, I am not just sure what they would waive for, and I do not know how much further I would be willing to go.

I believe the American public deserves to know how far we intend to permit the economy to deteriorate before we take the steps necessary to restore our economic health.

The economic theories of Coolidge and Hoover will not meet the economic realities of the 1980's. The American people want jobs, not nostalgia.

The moviemakers will provide us with nostalgia. We can even get it on television squeezed in between the ads. But the reality is, we want jobs. That is why I think this is a good amendment, Mr. President.

Incidentally, I ask for the yeas and nays on the amendment at this time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. I thank the Chair, and I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, the distinguished and able Senator from Vermont is a delightful fellow, but I really think he ought to know better than to try to put a detailed amendment like this into a constitutional amendment. He is a good lawyer. He has been a U.S. district attorney. He has had a big law practice. A constitutional amendment should not contain formulas and it should not contain details like he is trying to put in this amendment.

We just defeated an amendment a few moments ago in which there was an effort to try to prevent reducing the social security in any way. Well, I think the Senate here is strongly in favor of social security, but this is no place to put that amendment, and this is no place to put the Senator's amendment.

I want to say the amendment inserts into this constitutional amendment a percentage of unemployment as well as a fixed level of employment. We should not put economic details into this amendment. The Senate has already rejected other amendments similar to this, and I feel the Senate should reject this one.

If the levels of unemployment reach such proportions that they threaten the security of our Nation, I am confident Congress will vote by a three-fifths vote to take steps to correct that situation. In other words, if unemployment reaches a point where it imperils the Nation, Congress can act.

This specific provision in this amendment that they can do anything in the way of budgets if three-fifths of both bodies take action is in effect, and that is what they can do.

I say to my good friend that I am sure if unemployment reaches a stage where it is needed that the Senator or whoever brings up the amendment can get three-fifths of the Senate and three-fifths of the House to take the necessary action. But let us not complicate this constitutional amendment with details and formulas and specific programs. The constitutional amendment, I repeat, is no place for matters of that kind.

Mr. LEAHY. Mr. President, I must say that my good friend, the President pro tempore of the Senate, prompts me to say that one of the highlights of my life, as a Senator, is being able to be on the floor and actually have a chance to involve myself in debate with the distinguished chairman of the Judiciary Committee. I have listened very carefully to his words, as he knows, as I do on the Judiciary Committee and I do here.

I have read a great deal about him, and I consider him a good and close friend. But I say on this matter I must disagree with him. That probably does not come as an enormous surprise to the distinguished Senator. But I do not want to add a great deal of unnecessary detail to this amendment.

I point out that I am not talking about amending section 1, which could be overridden by a three-fifths vote. I am amending section 3. Section 3 already allows unlimited deficits in time of war, and I do not think we should tie our hands arbitrarily to prevent a depression any more than we should tie our hands arbitrarily to prevent ourselves from adequately defending ourselves in case of war.

Let me quote again Dwight Eisenhower, who said:

> If our economy should go broke, the Russians would have won even a greater victory than anything they could have obtained by going to war.

But I would like to ask my distinguished friend from South Carolina: In the proposed constitutional amendment, it speaks of the rate of increase in national income. There is no real definition in here, and I think if this is passed, the courts and economists will have a great time. It will certainly help their employment prospects trying to determine what the national income is.

I ask my friend from South Carolina, would he be willing to accept instead of my specific amendment if I simply changed that to say that we

could waive the provisions of this article for any fiscal year in which a depression is in effect? Would my friend care to respond to that?

Mr. THURMOND. Mr. President, I still think it is inappropriate to insert details in a constitutional amendment, as much as I respect the able Senator from Vermont. We feel that the Congress has that responsibility. The Congress can act; I am sure that Congress will act. It will take only a three-fifths vote of both bodies. If they want to spend more than we take in, if the expenditures are greater than the receipts, then, by a three-fifths vote, that can be done.

But I think it would be a mistake to burden down this constitutional amendment with details such as the distinguished Senator has recommended.

Mr. LEAHY. Mr. President, I understand that it should not be burdened with details, but I still am trying to find out what it means when it says the rate of increase in national income—I have read the debate and I have actually sat here and listened to more of this debate—can he tell me just what that term "national income" might mean?

Mr. THURMOND. Will the Senator yield?

Mr. LEAHY. Yes.

Mr. THURMOND. As the Senator will recall, we already defeated an amendment about national emergencies. That could be somewhat of a similar situation to what the Senator now suggests.

We still feel that this is no place for details. A constitutional amendment has to be stripped down, contain broad principles and limited to that. That is what we tried to do here.

Mr. DECONCINI. Will the Senator yield?

Mr. THURMOND. I yield to the able Senator from Arizona such time as he may require.

Mr. DECONCINI. Mr. President, I wish to compliment the Senator from Vermont, a longtime friend of mine and certainly one of the distinguished leaders here, who has demonstrated time and time again, and who has taken the lead many times in attempts to bring to the attention of this body, the economic peril that we are in and as it relates to unemployed Americans.

The Senator's point is something that we cannot ignore. Unemployment today is approaching 10 percent. We have big problems and I think we can really look at whether or not we are prepared to act forcefully and do something, whether it is a three-fifths vote or a majority.

I join the Senator and have joined the Senator in attempting to extend the unemployment compensation for an additional 13 weeks, even if that means spending more dollars than were there, because it is important to this country.

I think the point here has to be underscored that this amendment does not lock us in to the inability to handle economic crisis. As a matter of fact, there are two ways to do it. One is to raise taxes by a constitutional majority or the other is to adopt a budget by a three-fifths vote that would provide for the deficit. You would still have to raise the national debt ceiling perhaps in another vote, but there is the flexibility here to have the ability to take care of the unemployment problem if it should ever get—and God forbid, as the Senator from Vermont points out, nobody really wants unemployment to be in the figures that he has suggested it could be and I do not believe this body would turn its back on that many unemployed and I think we should not turn our back now.

Somewhere along the lines of unemployment, we are going to have to address it. If this were enacted, it would take a three-fifths vote. That is the purpose, to make it as a priority.

If unemployment should rise as high as the Senator from Vermont has indicated his level of threshold would be so this amendment would not apply, that is a priority. And I believe that the whole purpose of this amendment is to single out priorities, whether they are defense expenditures, whether they are social security, or whether they are unemployed Americans that need some assistance.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be evenly divided for the quorum call.

The PRESIDING OFFICER. Is there objection? Hearing none, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, first, what is the parliamentary situation as to the time of the Senator from Vermont, I ask the Chair?

The PRESIDING OFFICER. The Chair advises the Senator from Vermont that he has 31 minutes remaining and the Senator from South Carolina has 45 minutes.

Mr. LEAHY. I thank the Chair.

Mr. President, we have heard throughout this debate, over and over again, that we must have this constitutional amendment, we must have that straitjacket on our economic policy. In effect, we must write economic theory into the Constitution of the United States, something that the Founding Fathers did not anticipate, something that has been avoided for 200 years of our history. But it is proposed we now make an exception. We would make an exception for war.

Mr. President, I have heard statements here that seemed quite contradictory. If my colleagues will bear with me, let me outline what they are.

We have said that we must have a three-fifths majority to waive this balanced budget requirement for anything. We must have a three-fifths majority to waive the balanced budget to keep the social security system from going bankrupt. We must have a three-fifths majority, if we do not have a balanced budget, to keep senior citizens from being thrown out in the cold. We must have a three-fifths majority if we have a terrible calamity, natural disaster, floods, fires, tornadoes, whatever, if it is going to unbalance the budget. If we have people out of work and unemployment compensation has run out, we shall need a three-fifths majority for all those.

But, we are told, in the case of war, of course, that would be something where we would all rally around the flag—as, naturally, we would. That, we are told, is something automatic, people would vote 100 percent or virtually 100 percent to run a deficit to fight a war.

Yet proponents of this amendment do not seem sure of themselves, and they put a kicker in: In case of war, then you do not need that three-fifths majority, even though this is the one time they say everybody will band together for to vote for an unbalanced budget. We do not need it in case of war.

I ask my colleagues, I ask my friends: Is not depression as important to us as a war?

I ask my friends, quite frankly, having people out of work in a depression, trying to get them back to work—is that not as important, for example, as an undeclared war in Vietnam?

Mr. President, I ask the proponents of this constitutional amendment: What price do you place on the misery and the human suffering of a depression? What price do you place on the misery and human suffering of 10 million people out of work in the United States, the wealthiest, most powerful nation in the world—10 million people out of work now? What is the price on that? What is it?

Why does the one thing that we all agree is a danger to our country, war, have to have an exception; yet depres-

sion, the human misery of a depression, probably the greatest misery that could be caused within our borders, is going to need the extraordinary remedy of a three-fifths majority? Can anybody explain to me the logic of that?

Mr. President, I am perfectly willing to yield to anybody, anybody in this Chamber, the proponents of this amendment, who can tell me what the logic is that says we must have a three-fifths majority to overcome the human misery of a depression.

Mr. President, I hear nobody saying anything on that. Are we saying that it should be easier to go to war than to stop a depression? Does the U.S. Senate want to tell the American people that we want to make it a lot easier to go to war than we do to stop a depression? Is that the message we are going to send to 10 million unemployed Americans from this Chamber?

Mr. President, if that is the message that we want to send from the U.S. Senate, let me tell you, I want to be no part of that message. In fact, I do not want to even think that I can go back to my own State of Vermont and say I was part of that message. Because Vermonters are a careful and a cautious people. They would say that this is balderdash of the highest degree. They would see through that in a hurry.

Again I throw out the question, Mr. President: Do we want to make it easier to go to war than to come out of a depression? We have 10 million people out of work today. How many more is it going to take? How many more is it going to take before the U.S. Senate sends a message: You are as important to us as war?

The question is there, Mr. President. Again I shall yield to anybody who can give me the answer.

Well, Mr. President, to those who are unable to come forth with an answer, I quote one more time what Dwight Eisenhower said:

> If our economy should go broke, the Russians would have won even a greater victory than anything they could obtain by going to war.

Perhaps the only exception would be in the ultimate war, a nuclear holocaust, but certainly from what we see in the past I agree with him. The economic security of our country is as important to me, and I would hope to every Member of this Chamber, as our external security. They are inextricably woven. You do not have one without the other. Should we not be as concerned about stopping depression as we are about starting a war?

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, we are ready to vote anytime the Senator is.

I am willing to yield back my time if the Senator is.

Mr. LEAHY. I am sorry; I did not hear the Senator.

Mr. THURMOND. I am willing to yield back my time whenever the Senator is, and then, if it suits the Senator, we could take up another amendment of his, debate that, and then have back-to-back votes, if that suits him. If it does not suit him, we will vote now.

Mr. LEAHY. If my other amendment was of a different nature, I would be most happy to do that, but I hope that my colleagues would say 10 million people out of work is too much and would vote for this amendment.

The vote on this amendment, I tell my good friend from South Carolina, would depend upon which one of my other amendments I will bring up. So, unfortunately, I cannot stack them. I should be delighted to if they were not different.

Mr. THURMOND. Whatever the Senator desires, I will agree to do.

Mr. LEAHY. I am perfectly willing to have a vote at whatever time the distinguished Senator from South Carolina likes.

Mr. THURMOND. I yield back my time. If the Senator wishes to yield back, he can have a vote now.

Mr. LEAHY. I do not see anybody else who cares to speak. I am perfectly willing to yield back my time.

Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. THURMOND. The yeas and nays have been ordered. We can proceed to a vote.

Mr. LEAHY. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Vermont. The clerk will call the roll.

Mr. LEAHY. Mr. President, I advise Senators that the next amendment has a provision for only 10 minutes of debate, so there will be another rollcall vote very shortly after this one.

The assistant legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Alabama (Mr. DENTON), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), and the Senator from Nebraska (Mr. EXON) are necessarily absent.

I further announce that the Senator from Massachusetts (Mr. TSONGAS) is absent on official business.

The PRESIDING OFFICER (Mrs. HAWKINS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 25, nays 68, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—25

Biden	Hart	Moynihan
Bradley	Heinz	Pell
Bumpers	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Chafee	Kennedy	Sarbanes
Cranston	Leahy	Specter
Dodd	Levin	Weicker
Eagleton	Matsunaga	
Glenn	Metzenbaum	

NAYS—68

Abdnor	Ford	Melcher
Andrews	Garn	Mitchell
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Baucus	Grassley	Nunn
Bentsen	Hatch	Packwood
Boren	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Brady	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Helms	Quayle
	Hollings	Roth
Chiles	Huddleston	Rudman
Cochran	Humphrey	Sasser
Cohen	Jepsen	Schmitt
D'Amato	Johnston	Simpson
Danforth	Kassebaum	Stafford
DeConcini	Kasten	Stennis
Dixon	Long	Symms
Dole	Lugar	Thurmond
Domenici	Mathias	Wallop
Durenberger	Mattingly	Warner
East	McClure	Zorinsky

NOT VOTING—7

Cannon	Laxalt	Tsongas
Denton	Stevens	
Exon	Tower	

So Mr. LEAHY's amendment (No. 1915) was rejected.

Mr. THURMOND. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1912

(Purpose: To permit the Congress to use fiscal policy to prevent unacceptable levels of unemployment from occurring)

Mr. LEAHY. Madam President, I call up my amendment No. 1912 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes amendment numbered 1912.

Mr. LEAHY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 3, after the word "effect" and before the period, add the following: "or when necessary to prevent unemployment from exceeding 16 percent or 17.6 million unemployed, whichever is greater".

Mr. LEAHY. Madam President, this is an amendment very similar to the last one. It says in section 3 the requirement to balance the budget can be waived when necessary to prevent unemployment from exceeding 16 per-

cent or 17.6 million unemployed, whichever is greater.

It is written this way so that if 100 years from now our work force numbers differently, it is the 16 percent that would be operative.

Madam President, could I have order just for a moment here? If I could have order, we could get to a vote much quicker.

The PRESIDING OFFICER. The Senate is not in order. Senators desiring to carry on conversations should do so in the cloakroom.

(Mrs. HAWKINS assumed the chair.)

Mr. LEAHY. Madam President, 16 percent unemployed. It reminds me of what Herbert Hoover said in 1933:

> It would steady the country greatly if there could be prompt assurance that the budget will be unquestionably balanced.

What happened? The greatest depression. My good friend from West Virginia, the distinguished senior Senator from West Virginia, was here at that time and remembers the conditions of this country at that time, do you not?

Mr. RANDOLPH. Yes, I do remember those days of economic disaster. The Senator permits me to respond. I am grateful.

Mr. LEAHY. Of course, I would be honored.

Mr. RANDOLPH. I vividly recall those history-making hours on March 4, 1933, when President Franklin D. Roosevelt was inaugurated. The last of the so-called lame duck Congresses meant that we were sworn in on the 9th of March in the House of Representatives.

On that very day we approved, in the House of Representatives, the Emergency Banking Act. It passed without a single vote against it, not a single vote. The Senate passed the measure by a vote of 73-to-7. The admonition that you have just quoted of Herbert Hoover. I hold him, of course, in reverence, frankly, as I do the Presidency itself. But his philosophy then could not have given to America that mighty thrust with a nation determined to recoil from, in a sense, a devastating depression. President Roosevelt believed that action had to be taken on a broad and affirmative front in this country.

Let us recall that era. As an example, in the upper part of Michigan there were 2,200 farms that were having the process of foreclosure on them. The deputy sheriffs were coming in to take over the properties, and understandably those farmers were using, in a sense, firearms and saying in effect, to the officers of the law, "Do not come closer. Our home shall not be foreclosed on at this time."

I do not wish to be dramatic about this deplorable situation. One out of four persons was unemployed in America in 1933, 25 percent without gainful jobs.

Let me tell you this personal remembrance, The latter part of March 1933 was a period when Franklin Roosevelt was meeting and counseling with those Members of the House of Representatives and the Senate who had been elected, as I was elected, as a new Member in 1932.

On that night in late March there were seven of us who were called, as others had been called and would be called, to meet with the President of the United States.

We were escorted to the second floor of the White House. It was a dreary, cold evening. I remember the wood fire burning in the grate a few feet where we were gathered.

The President sat in a corner behind a large desk. He greeted us, of course, without rising. He could not physically do that and it was not necessary. We shook hands with the President and then settled ourselves in comfortable chairs.

The President emphasized the many faceted programs that were necessary, intended to bring America back from the brink of disaster. Frankly, we were already deeply steeped within it.

Let us remember that President Roosevelt, when he was elected, was not the only candidate for President, I say to my valued friend, Mr. THURMOND, from South Carolina, the chairman of the Judiciary Committee, the President pro tempore of this body, and to all Senators that we were not only faced with voting for a Democrat for President or a Republican for President; we were faced with voting for a Communist. The Communist Party ticket was alongside the Democratic and Republican tickets in 1932, and more than 1 million votes were cast for the Communist candidate for President in this Republic of yours and mine. People forget this, but it was a fact.

That night as we talked about the programs that were to come into being during the first 100 days of that administration, I remind you again of the serious situation, a tragic one, which was like a dark pall hovering over this country of ours. One of the Members at the White House and I shall not mention his name, a very fine gentleman, interrupted the President as we discussed the many bills that were pending or to be passed in those devastating days, to say: "Mr. President, I support your program. I believe in it. But Mr. President, you are trying to do too much too soon and the people cannot digest it, they cannot absorb it, and I am afraid that it may fail."

I recall so clearly that there was no sign of emotion on the face of the President, no smile, no frown. Approximately 5 minutes later I saw the President edge closer to the desk. He at that time wore glasses. He took them off and laid them down. He looked at the seven of us, not at the one Member that had questioned the swift action, and he said—I shall never forget the prophetic words: "But, gentlemen, do you realize we must act now? By acting now we will assuredly"—and I shall never forget that word "assuredly"—"make mistakes, but if we do not act now, pehaps just a little later, we shall not even be given the opportunity to make the mistakes."

I was not certain then, of course, that he was saying something that was 100 percent true, but I tell you today, almost 50 years later, that the truth was spoken that dreary night.

Mr. LEAHY. Madam President, if the Senator will yield——

Mr. THURMOND. Madam President, if the Senator will yield, I just want to say to the distinguished Senator from West Virginia that those were perilous times, 1932. We really had a depression. People were really in desperate circumstances. I was a delegate to the Democratic Convention in 1932 and voted for and worked strongly for Franklin Roosevelt, because I thought he was the man of the hour, and he was elected.

Of course, later, as time went by and conditions changed and the Democratic Party left the principles for which it originally stood, I changed parties. I did not leave the Democratic Party, the Democratic Party left me.

In my judgment, Franklin Roosevelt did a lot of good things while he was President. He did some things I did not approve of. I guess that is natural, but he did in closing the banks and many other things I can mention, those things that were most helpful to the country.

The distinguished Senator from West Virginia came along about the time I did during that depression, and he fully senses it, and he has recalled a period of history today here that is very important and should not be overlooked.

Mr. RANDOLPH. I am very grateful.

I do not want to indulge myself, but what I say is no play on words. Franklin Roosevelt could not walk because of his infirmity, and we know that. But I tell you he placed America on its feet. We needed Roosevelt. He gave to us the gallantry, the leadership of substance and vision and spirit which, perhaps, in our lifetime, will not be equaled.

The PRESIDING OFFICER. The Senator from Vermont's time has expired.

Mr. LEAHY. Madam President, will the Senator from South Carolina yield me 1 minute?

Mr. THURMOND. I would be pleased to yield to the Senator.

Mr. LEAHY. Madam President, we are going to be voting very shortly. I would just say that I agree with the Senator from West Virginia. Those were perilous times. These are perilous times.

My amendment speaks of 16 percent unemployment. That is the equivalent today of almost every person in the South being unemployed, including Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana. If that is not perilous, I do not know what is.

I yield back the remainder of my time and I urge the adoption of this amendment.

Mr. THURMOND. Madam President, this amendment is similar to the previous amendment offered by the able Senator from Vermont.

I would just make the point that I made on the previous amendment, that we should not put details in a constitutional amendment. The Senate has already rejected a similar amendment to this and rejected a similar amendment concerning social security.

If the unemployment situation should reach the point where it is hazardous to the country, this constitutional amendment will not prevent action from being taken. It merely says that the Senate and the House can do it by three-fifths vote and not a mere majority.

We think that is sound. We do not think there would be any question that you could get a three-fifths vote if that situation arises.

Madam President, I am willing to yield back my time.

Mr. LEAHY. Madam President, I ask unanimous consent that the distinguished Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I yield back the remainder of my time.

Mr. THURMOND. I yield back the remainder of my time.

Mr. LEAHY. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont (Mr. LEAHY). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. EXON (when his name was called). Madam President, on this vote I have a live pair with the Senator from Ohio (Mr. METZENBAUM). If he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Texas (Mr. TOWER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Ohio (Mr. METZENBAUM), are necessarily absent.

I further announce that the Senator from Massachusetts (Mr. TSONGAS), is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 29, nays 65, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—29

Biden	Hart	Matsunaga
Bradley	Heinz	Moynihan
Bumpers	Hollings	Pell
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Chafee	Jackson	Sarbanes
Cranston	Kennedy	Specter
Dodd	Leahy	Stafford
Eagleton	Levin	Weicker
Glenn	Long	

NAYS—65

Abdnor	East	Mitchell
Andrews	Ford	Murkowski
Armstrong	Garn	Nickles
Baker	Goldwater	Nunn
Baucus	Gorton	Packwood
Bentsen	Grassley	Percy
Boren	Hatch	Pressler
Boschwitz	Hatfield	Proxmire
Brady	Hawkins	Pryor
Byrd, Harry F., Jr.	Hayakawa	Quayle
	Heflin	Roth
Chiles	Helms	Rudman
Cochran	Humphrey	Sasser
Cohen	Jepsen	Schmitt
D'Amato	Johnston	Simpson
Danforth	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Lugar	Symms
Dixon	Mathias	Thurmond
Dole	Mattingly	Wallop
Domenici	McClure	Warner
Durenberger	Melcher	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Exon, against.

NOT VOTING—5

Cannon	Metzenbaum	Tsongas
Laxalt	Tower	

So Mr. LEAHY's amendment (No. 1912) was rejected.

Mr. BAKER. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1910

(Purpose: To permit the Congress to use fiscal policy to prevent unacceptable levels of unemployment from occurring)

Mr. LEAHY. Madam President, I call up my amendment No. 1910 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes an amendment numbered 1910.

Mr. LEAHY. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 3, after the word "effect" and before the period, add the following: "or when necessary to prevent unemployment from exceeding 20 percent or 22 million unemployed, whichever is greater".

Mr. LEAHY. Madam President, this amendment is somewhat similar to the last ones. I am saying once again that the balanced budget amendment could be waived in the case of 20 percent unemployment. This is what 20 percent unemployment would mean: It would mean we would have unemployed every single man and woman working in these industries—lumber, furniture, stone and glass products, fabricated metals, all machinery, motor vehicles, instruments, food—our whole food industry for the country; tobacco for the whole country; textiles, apparel, paper, printing, publishing, chemicals, petroleum, rubber, plastics, and leather—all of those for the whole country.

Madam President, we put an exception in this constitutional amendment which says that in case of a war, the constitutional amendment does not apply. I think that is fine. I agree with it. In case of a war, we should have this kind of economic flexibility.

But, Madam President, I ask my colleagues, should we not have the economic flexibility to prevent a depression? If 20 percent unemployment is not a depression, I do not know what is.

Should it not be easier to stop a depression than to go to war? That is the basic question, Madam President: Should it not be easier to stop a depression than to go to war?

How much human misery should we be able to countenance in this country in order to have government by slogan? That is exactly what we are going to have with this constitutional amendment unless there are some drastic changes made in it. We are simply going to have government by slogan. I can see the campaign brochures already printed up. That is what it is going to be, government by slogan—not government by compassion, not government by reason, not a government that puts people to work.

Madam President, I am perfectly willing, in the interest of time, to yield back my time on this amendment.

Mr. HEINZ. Madam President, if the Senator will yield, I should like to make an inquiry of the author of the amendment.

Mr. THURMOND. I yield to the distinguished Senator from Pennsylvania.

Mr. HEINZ. Madam President, I rise to ask the distinguished Senator from Vermont if he is going to continue to

offer amendments before Senator DOMENICI and I have a chance to begin, let alone complete, the coloquy that the Senator from Vermont and I discussed earlier. I am perfectly prepared to wait, but we would like some certainty as to what the Senator from Vermont intends.

Mr. LEAHY. Madam President, I tell my good friend from Pennsylvania that that was a mistake. I was going to yield to him for this time and I forget about it. I apologize for that.

I do say I shall be perfectly willing to arrange the schedule any way the floor managers of the bill prefer. I shall have one more amendment after this. If the distinguished Senator from Pennsylvania wants to go with that colloquy now or between this amendment and the next one, that is fine. It will be whatever the distinguished Senator from South Carolina would like. I am perfectly agreeable.

Mr. THURMOND. Madam President, in order to accommodate the distinguished Senator from Pennsylvania and the distinguished Senator from New Mexico and with the approval of the distinguished Senator from Vermont, I ask unanimous consent that we get off this amendment temporarily and allow a colloquy to take place among those parties.

Mr. LEAHY. Reserving the right to object, I shall not object, how much time are we talking about?

Mr. HEINZ. Probably 15 minutes.

Mr. LEAHY. Would the distinguished Senator from South Carolina be willing to amend his unanimous-consent request to show two things, that the colloquy not exceed 15 minutes and that it appear in the RECORD after the vote on this amendment? I have no objection.

Mr. THURMOND. Madam President, is the Senator through his presentation on this amendment?

Mr. LEAHY. Yes.

Mr. THURMOND. Madam President, the Senator from New Mexico thinks we had better vote, so I shall take just 1 minute on this amendment.

Let me state that this is another amendment by the able Senator from Vermont similar to his previous amendments. Again, I say we should not put details into a constitutional amendment. The Senate has already rejected several amendments along this line. I think it would be a great mistake to do that.

Again, I say if unemployment reaches a point where it is considered a danger to this country, this constitutional amendment does not prohibit taking action. The only thing that is necessary is for both bodies to vote by a three-fifths majority on whatever the Congress wants to do.

I am prepared to vote, Madam President. I yield back my time.

Mr. LEAHY. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LEAHY. I ask for the yeas and nays, Madam President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD (after having voted in the negative). Mr. President, on this vote, I have a pair with the distinguished Senator from Ohio (Mr. METZENBAUM). If he were present and voting, he would vote "aye." I voted "nay." Therefore, I withdraw my vote.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent. The Senator from Massachusetts (Mr. TSONGAS). is absent on official business.

The result was announced—yeas 29, nays 66, as follows:

[Rollcall Vote No. 269 Leg.]

YEAS—29

Biden	Hart	Matsunaga
Bradley	Heinz	Moynihan
Bumpers	Hollings	Pell
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Chafee	Jackson	Sarbanes
Cranston	Kennedy	Specter
Dodd	Leahy	Stafford
Eagleton	Levin	Weicker
Glenn	Long	

NAYS—66

Abdnor	Exon	Nickles
Andrews	Garn	Nunn
Armstrong	Goldwater	Packwood
Baker	Gorton	Percy
Baucus	Grassley	Pressler
Bentsen	Hatch	Proxmire
Boren	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Brady	Hayakawa	Roth
Byrd, Harry F., Jr.	Heflin	Rudman
	Helms	Sasser
Chiles	Humphrey	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Stennis
D'Amato	Kassebaum	Stevens
Danforth	Kasten	Symms
DeConcini	Lugar	Thurmond
Denton	Mathias	Tower
Dixon	Mattingly	Wallop
Dole	McClure	Warner
Domenici	Melcher	Zorinsky
Durenberger	Mitchell	
East	Murkowski	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUS RECORDED—1

Ford, against.

NOT VOTING—4

Cannon	Metzenbaum
Laxalt	Tsongas

So the amendment (No. 1910) was rejected.

Mr. HATCH. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1165

(Purpose: To permit the Congress to use fiscal policy to prevent unacceptable levels of unemployment from occurring)

Mr. LEAHY. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SYMMS). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes an unprinted amendment numbered 1165.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 3, after the word "effect" and before the period, add the following: "or when necessary to prevent a depression."

The PRESIDING OFFICER. The Senate will please be in order. Will Senators conversing in the well please retire to the rear of the Chamber so that the Senator from Vermont can be heard?

Mr. LEAHY. I thank the Chair for bringing the Senate back to its normal state of decorum, usually achieved by moving most Senators off the floor and into the cloakrooms.

Mr. President, this will be the last in a series of amendments. I will brief. Apparently, the majority of the Members of the Senate are willing to accept 10 percent unemployment, 16 percent unemployment, and 20 percent. We have gone through a series of amendments talking about whether we would countenance 10 percent unemployment before we would allow an unbalanced budget, whether we would countenance 16 percent unemployment before we would allow an unbalanced budget, whether we would countenance 20 percent unemployment before we permit an unbalanced budget. The majority of the Senate has said it would countenance that before it would allow an unbalanced budget.

My next amendment is very simple, Mr. President. We have said that we would automatically waive a balanced budget in case of war. I am proposing that we be allowed to waive a balanced budget in case of depression by the majority vote by which we declare a war. If it is necessary to keep us away from depression to have an unbalanced budget, we should be able to do that by a majority vote.

I know of no President, other than President Hoover, and I know of no economist who has said that in time of a depression we would be helped by

having a balanced budget. In fact, all say that that is a time when, indeed, we would have to change our goal of a balanced budget.

So, Mr. President, my amendment is very simple. What I am saying is that if we can have an unbalanced budget automatically in case of war, we can have an unbalanced budget automatically in case of depression. For many people, the human tragedy is almost as great.

Certainly, the security of our Nation is threatened by a depression. Certainly, the security and well-being of our people are threatened by a depression. Certainly the human suffering and tragedy is enormous in a depression.

Mr. President, I move the adoption of my amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I say simply it should be no easier to go to war than it is to stop a depression.

I am perfectly willing to go to a vote on this. I have tried to cure the problem that the distinguished Senator from South Carolina (Mr. THURMOND) had with my earlier amendment in speaking of numbers and being opposed to numbers in the Constitution. Instead I put concepts, and the concept is one of the most frightening that we can have in America, the concept of depression.

Let us vote against depression.

I am willing to yield back my time if the other side is.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield myself such time as I may require.

Mr. President, I call attention to the Senate again that this is a constitutional amendment and we should not put details into a constitutional amendment.

The Senate has already rejected amendments where attempts were made to single out certain economic circumstances.

Here, the situation is equivalent to other amendments where they gave numbers. It says in a depression. What some people might call a depression other people might not. What is a depression and when does it take effect, how serious is it, how long does it last?

Mr. President, I simply say this: If we have a depression Congress can take action by a three-fifths vote. Congress can appropriate such moneys as may be necessary to offset a depression or to assist in doing away with it if that can be done. In any event, both bodies of Congress, the Senate and the House of Representatives, can take action they feel will help to alleviate the economic effects of a depression.

If we go making exceptions here for one program or circumstances and another, then the constitutional amendment will not be an effective way to balance this budget.

We have followed a sound course here and the Senate so far, I think, agrees with the procedure we have followed, and we wish to continue that procedure. For that reason, I cannot support this amendment and hope it will be defeated.

Mr. LEAHY. Mr. President, the distinguished Senator from South Carolina speaks about concern for details. In the joint resolution proposed by the Senate it says "total receipts for any fiscal year set forth in the statement adopted pursuant to this article should not increase by a rate greater than the rate of increase in national income," and so forth and so on.

I defy 1 out of 100 people in this country to give the same definition of those terms or 1 out of 100 people in this body to say exactly what they mean.

But I will tell you this, Mr. President, that if we have a depression the people in this country will know it. If we have a depression it will not need any definition. I believe it should be no easier to go to war than it is to get out of a depression.

SEVERAL SENATORS. Vote.

Mr. THURMOND. Mr. President, I am just going to say in reponse again that there is no question in my mind if public opinion be so strong there would be no trouble to get three-fifths vote if it is warranted.

The distinguished Senator from West Virginia today pointed out that when President Franklin Roosevelt came into office in 1933 and advocated the emergency banking legislation, not a single House Member voted against it.

I am sure if we have a depression or if we have a situation that demands it, there will be no trouble to get a three-fifths vote, and that is all that will be required.

SEVERAL SENATORS, Vote.

Mr. LEAHY. Mr. President, I yield back my time.

Mr. THURMOND. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

On this question, the yeas and nays have been ordered, and the clerk will call the toll.

The assistant legislative clerk called the roll.

Mr. BOREN (after having voted in the negative). Mr. President, on this vote, I have a live pair with the Senator from Ohio (Mr. METZENBAUM). If he were present and voting, he would vote "yea." I have voted "nay." I therefore withdraw my vote.

Mr. CRANSTON. I announce that the Senator fron Nevada (Mr. CANNON) and the Senator from Ohio (Mr. METZENBAUM), are necessarily absent.

I further announce that the Senator from Massachusetts (Mr. TSONGAS) is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote or wish to change their vote?

The result was announced—yeas 30, nays 66, as follows:

[Rollcall Vote No. 270 Leg.]

YEAS—30

Bradley	Hart	Matsunaga
Bumpers	Heinz	Mitchell
Byrd, Robert C.	Hollings	Moynihan
Chafee	Huddleston	Pell
Cranston	Inouye	Randolph
Dixon	Jackson	Riegle
Dodd	Kennedy	Sarbanes
Eagleton	Leahy	Sasser
Ford	Levin	Specter
Glenn	Long	Weicker

NAYS—66

Abdnor	Exon	Nickles
Andrews	Garn	Nunn
Armstrong	Goldwater	Packwood
Baker	Gorton	Percy
Baucus	Grassley	Pressler
Bentsen	Hatch	Proxmire
Biden	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Brady	Hayakawa	Roth
Burdick	Heflin	Rudman
Byrd, Harry F., Jr.	Helms	Schmitt
	Humphrey	Simpson
Chiles	Jepsen	Stafford
Cochran	Johnston	Stennis
Cohen	Kassebaum	Stevens
D'Amato	Kasten	Symms
Danforth	Laxalt	Thurmond
DeConcini	Lugar	Tower
Denton	Mathias	Wallop
Dole	Mattingly	Warner
Domenici	McClure	Zorinsky
Durenberger	Melcher	
East	Murkowski	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Boren, against.

NOT VOTING—3

Cannon	Metzenbaum	Tsongas

So the amendment (UP No. 1165) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I rise to enter into a colloquy with my good friend from New Mexico.

The PRESIDING OFFICER. Who yields time to the Senator from Pennsylvania?

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from New Mexico and the distinguished Senator from Pennsylvania such time as they may require to carry on a colloquy.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank my good friend from South Carolina.

The PRESIDING OFFICER. Will the Senator suspend so we may restore order in the Chamber so that those Senators who may wish to hear the

colloquy may do so? Will the Senators carrying on a conversation in the well please retire to the rear of the Chamber so the Chair can hear the colloquy?

The Senator from Pennsylvania.

Mr. HEINZ. I commend the Senator from New Mexico on the amendment which he introduced to Senate Joint Resolution 58 and which the Senate passed 97 to 0 on Tuesday. There are a number of details which have to be worked out in the balanced budget amendment, and I think the place to spell these details out is in statute. One major complication to the balanced budget amendment which I would like to see resolved in later legislation is the problem of how to handle social security.

Mr. President, it occurs to me, as I think about how the balanced budget procedure is going to work, that there are going to be some serious consequences for social security financing if the Congress does not enact special provisions for handling this program.

Some have suggested that Senate Joint Resolution 58 needs to be amended to exempt social security from the provisions of the balanced budget amendment. However, in looking over the Senator's amendment and the projected context of the implementing legislation he intends to propose in the future, it is my opinion that Congress will have authority to set up special procedures for social security in statute at a later date.

I would like to take a moment to review the difficulty I see in lumping social security in with other programs in the balanced budget amendment, and ask the Senator from New Mexico if he agrees that his amendment and implementing legislation would assure the hands of the Congress will not be tied in responding to these difficulties.

Before he replies let me explain why I think there is going to be a problem. Taking for a moment just the cash benefits part of social security—the old age, survivors and disability insurance programs (OASDI)—we are talking about a program with a 75-year planning horizon. That means that at any particular time, we try to assure that the cash benefits are adequately financed for the next 75 years. This 75-year actuarial balance is a promise of sorts to those now paying tax contributions that there will be funds to pay them benefits when they are retired. Before next summer, the Congress will have to act to correct the long-run imbalance which currently exists in OASDI. When we do, the program will be balanced for the next 75 years, assuming our estimates for the future hold true. The fact that the program will be in balance over the long run does not mean, though, that it will be in balance in each of the next 75 years. Social security is a dynamic program. Constant changes in demographic and economic conditions necessitate the buildup of trust fund reserves in favorable times which can then be spent down in less favorable times. The use of these reserves enables the financing of the system to respond to changing conditions without annual statutory changes in payroll tax rates and benefit levels.

Now the balanced budget amendment is going to establish as the general rule that in each and every year receipts of the U.S. Government should grow no faster than national income, and that outlays should not exceed receipts. At the same time, social security's receipt and outlays will fluctuate depending upon a number of factors such as the relationship between workers and retirees and between wages and prices. In some years social security will have several, indeed many years in a row, of surpluses and in other years it will have many successive years of deficits and have to spend some of its reserves.

Trying to forecast budgets more than a few years ahead has its dangers. None of us can state with impunity what the future will hold. But I think there is one longrun phenomenon which we can all agree is likely to occur and which is going to have tremendous effects on social security's finances. This phenomenon is the aging of the "baby boom" generation. Like a rabbit swallowed by a snake, this generation will advance slowly through the age groups—first swelling the ranks of the workers, and then after about 2015, swelling the ranks of the retirees. Under current law, even with the longrun deficit we now have in social security, this demographic pattern will result in annual surpluses most likely beginning in the 1990's. Now we are going to do something to improve the financing of social security—and just about anything we do is, I think, going to have the effect of building up even larger surpluses. I would like to ask the chairman of the Budget Committee if he agrees with this assessment. Does he agree that it is likely that we are going to have to build up surpluses in OASDI during this relatively favorable demographic period?

Mr. DOMENICI. Let me say to my good friend from Pennsylvania, first, I compliment him for bringing the matter to the attention of the Senate. It is tremendously relevant. I would say, based on the work of the actuaries, that I agree with the Senator that this is a reasonable expectation. This is indeed likely to happen.

Mr. HEINZ. I thank my colleague from New Mexico.

The second point I would like to make is that these surpluses on an annual basis are going to appear very large within the context of the Federal budget. If you take just 1 year, the year 2010, for example—what you would find is that under the intermediate forecasts we would expect OASDI to spend under current law about $350 billion in constant 1982 dollars. If the Federal budget is 22 percent of GNP, the Federal budget will be about $1.5 trillion in that time, in 1982 dollars. It could be smaller.

Current estimates indicate that in that year, under present law, OASDI would take in $60 billion more in receipts than it would expend in outlays, adding this to a trust fund of more than $600 billion. If we do any of the things to put the social security system on a sound, long-term basis, frankly those numbers are going to be much larger. The surpluses could run as high as $120 billion to $125 billion a year. It seems to me that if we have annual surpluses this large there will be enormous pressures to spend these surpluses. In the 1960's we had surpluses in social security. My friend from South Carolina was serving in this body in those days and he well remembers that Congress did spend the money, not only in the 1960's but in 1972 we put through a 20-percent increase in social security benefits.

It seems to me not unreasonable to conclude that in a year like 2010 where there will be a lot of money accumulated with the constitutional amendment limiting the growth in receipts, and with outlays kept at the level of receipts there will be a tremendous incentive to use social security surpluses to allow outlays in other programs to expand.

With all programs balanced on the same ledger, it seems to me quite easy—all too easy—for Congress to decide to spend between $50 and $125 billion more each year for 10 or 20 years for nonsocial security programs than they have in receipts to cover those programs.

Let me ask the Senator from New Mexico, would he agree that this is indeed quite a real possibility?

Mr. DOMENICI. I think there are many of us who have seen what has happened to social security finances in the recent past who are rather anxiously waiting for the day we have these kinds of surpluses in social security. We have not had that kind of phenomenon in a while. Obviously, if we get the kind of reforms that the Senator from Pennsylvania and many others seek, that our President seeks, that the commission he has appointed seeks, we should get those types of surpluses at some point in time. It should be in the time frame the Senator has discussed.

I believe, however, that the Senator is suggesting that there is nothing in the balanced budget amendment to prevent the Congress from increasing spending in one account when receipts to another account increase—as long as total outlays and receipts of the

U.S. Government are in balance. That is my understanding also.

Mr. HEINZ. In other words, even though payroll tax revenues are strictly dedicated to the exclusive use of the trust funds, the excess in payroll tax receipts could encourage excess Government spending in other areas. Would the Senator agree with this logic?

Mr. DOMENICI. I believe the Senator may be correct, although it is quite likely that there would be considerable political pressure against digging the Federal Government into that type of hole.

Mr. HEINZ. I appreciate the Senator's comments. I would ask my colleagues to look at the period after 2015. By that time, it is likely that there will be substantial accumulated trust fund reserves on hand to offset the deficits that will begin occurring as the first of the "Baby Boom" generation retires. Again, picking one year 2025 we can see how the balanced budget amendment is going to create problems for social security when it begins to experience these annual deficits. In 2025, OASDI will spend about $450 billion in 1982 dollars—in the context of a Federal budget—if it is still about 22 percent of GNP—or close to $2 trillion. In that 1 year, OASDI will, under current law, have a deficit of over $100 billion and will have, if they have been allowed to accumulate, trust fund reserves of more than $230 billion. If Congress has enacted one of the proposals to reduce benefits by changing the benefit formula in social security, the reserves in the trust funds will be larger, and the deficit in that year will be smaller—perhaps $50 billion or less. Nonetheless, this will be a substantial deficit compared to the fiscal year 1982 OASDI deficit of about $5 billion in the context of a $740 billion Federal budget. Again, I would like to ask the Senator from New Mexico if he would agree that it is reasonable to expect, even with the changes in social security financing we hope to enact this year, that beginning sometime after the year 2010, OASDI is going to run annual deficits as it begins paying retirement benefits to the "Baby Boom" generation.

Mr. DOMENICI. Again, based on the work of the actuaries, I agree with the Senator that is a reasonable expectation.

Mr. HEINZ. When we get to that period of deficits, then, and OASDI has annual receipts lower than its annual outlays, unless we can consider distributions from the trust fund reserves in balancing receipts and outlays, it seems to me we are going to be in a bind. If in 2025 social security receipts are $40 or $50 billion less than outlays, and if the trust funds cannot be used as receipts in this accounting exercise, then we are going to have to cut either social security benefits by $40 or $50 billion, or we are going to have to cut some other programs by those amounts in order to have balanced budgets. Does the Senator from New Mexico agree that these social security deficits are going to make it difficult to balance the budget?

Mr. DOMENICI. Social security deficits that large would certainly complicate the problem of balancing the budget. Our experience in the budget process this year illustrates your point very well.

Mr. HEINZ. And would the Senator agree that it would be unfortunate to have to make cuts in the budget, when, in fact, social security could have built up substantial reserves precisely for the purpose of paying for benefits during these years?

Mr. DOMENICI. I agree with the Senator. Not only would it be unfortunate, but it would also probably create a political furor if that occurred.

Mr. HEINZ. I am concerned, then, that we find some way to assure that the balanced budget amendment does not interfere with the funding mechanism which is already in place for social security. It is my opinion that the Senator from New Mexico's amendment will help in this regard. I think it is important that we discourage future Congresses from using excess social security receipts to cover excess outlays elsewhere in the budget. Would the Senator agree that under the provisions of his amendment, the Congress will have the authority to adopt accounting procedures which specify that OASDI and HI outlays and receipts be totaled, and balanced, separately from other U.S. Government outlays and receipts?

Mr. DOMENICI. It is my judgment that my amendment gives Congress the authority to establish through statute accounting procedures to address the problem the Senator has described. I think this is quite feasible. I do not think this would in any way conflict with the intent of either the constitutional amendment or my amendment which the Senate has approved.

Mr. GORTON. Will the Senator yield?

Mr. HEINZ. I will in just a moment.

Now it seems to me another way to handle the problem with social security is to establish a special definition of receipts for use with the social security trust funds. As it stands in years when social security is experiencing surpluses, excess receipts are accumulated in the trust fund accounts and invested in securities. Then later when these "excess receipts" are needed to pay for benefits, the securities are redeemed. Now it is my understanding that on the balanced budget statement, according to the definitions used in the committee report accompanying Senate Joint Resolution 58, social security's "excess receipts" would be matched against outlays in the surplus years—providing the overall Federal budget with a windfall—and could not then be matched against outlays in the deficit years, when social security is actually using them to pay benefits. Now I would like to ask the distinguished chairman of the Budget Committee, whether, as a result of his amendment, the Congress could decide to change this around? Would the Congress have the authority to exclude these "excess receipts" from the definition of receipts in the surplus years and include them in the definition in the deficit years when they are actually being spent?

Mr. DOMENICI. My amendment gives the Congress the authority to decide through legislation on the definitions for terms used in the constitutional amendment. I am confident a way can be found to deal with the potential problem you have described—either through defining receipts as you suggest or through some other accommodation. I am certainly prepared to take a careful look at the Senator's suggestions when we consider implementing legislation.

Mr. HEINZ. I thank the Senator for his response because I think we will all be concerned about voting for something that would have a reverse effect, for example, in not allowing us to plan for the future. My understanding of the amendment the Senator from New Mexico has made to the constitutional amendment and based upon his colloquies here on the floor with others, is totally consistent with what he has just said to me.

When the time comes to draft legislation defining these terms, we can take a closer look at how this can actually be accomplished. But I appreciate the Senator's assurance that Congress will have the flexibility to address this problem in statute. I believe, then, that most of my concerns about the problems for social security in the balanced budget amendment can be resolved at a later date through statute.

I thank my colleague from New Mexico who has been extremely responsive. With his improvements in this amendment, I am sure we can solve this problem through the proper enabling legislation.

Mr. DOMENICI. Let me just add again that I think the Senator has served the Senate well in bringing this matter to our attention. I am sure there will be other kinds of trust funds and revolving funds which will come into existence during the life of our Constitution and this amendment. I think the notions we have raised here on the floor will serve well in interpreting the responsibility and the breadth of definitional authority that Congress will have.

Mr. GORTON. Will the Senator yield for a question?

Mr. HEINZ. I yield.

Mr. GORTON. I may have missed some of the nuances in this colloquy, but is either the Senator from Pennsylvania or the Senator from New Mexico asserting that by definitions in enabling legislation Congress could state social security taxes do not constitute receipts or social security benefit payments do not constitute outlays?

Mr. HEINZ. If the Senator will permit me to respond, the problem that we get into with social security is that under any of the alternative methods of dealing with the system that I have seen—and I have seen, in the last 5 months, about as many, as a member of the National Commission on Social Security, as any living human would want to see, and there are many more forming, I am sure, between now and the time we report back to our colleagues. The social security system, because of the way the baby boom moves through, earning on the one hand a lot of money for the social security system before they retire—building up a surplus therefore, before the year 2015, then afterward, if you will, living off that surplus that they necessarily have to build up in the system—if you count social security contributions to that reserve, as you would every other kind of receipt, it causes very serious kinds of problems. The one I referred to in the first instance was that it may cause Congress to overspend.

Mr. GORTON. Why would it make Congress overspend?

Mr. HEINZ. Because of the unified Federal budget. We will have the appearance of running a surplus even though those reserves that we have built up, the so-called surplus in the social security system, will be committed by the legislation to pay benefits in the years after the year 2015 or 2020.

Mr. GORTON. It would be more accurate to say, then, would it not, I ask the Senator from Pennsylvania, that it would allow the Congress to overspend because outlays may equal receipts?

Mr. HEINZ. The Senator is entirely correct, it would allow them. My fear, I say to my good friend, is that it would encourage them.

Mr. GORTON. I would have the same fear.

Mr. HEINZ. That is my fear.

Mr. GORTON. I am not sure how that could be prevented by statute.

Mr. DOMENICI. Mr. President, I shall answer the Senator's very direct question. The Senator's question was whether we were saying that social security taxes or social security payments would not be receipts and outlays.

My answer is I did not say anything that indicated that. Obviously, we have some accounting problems of a severe nature, with huge reserves that are going to be spent later.

All I said was that there are ways and means in terms of accounting, definitions and the like, that can indeed make this workable within the terms of the constitutional amendment.

Mr. GORTON. I thank the Senator from New Mexico. In that respect, I agree with him entirely. I assume he would make the same statement in connection with any other trust fund.

Mr. DOMENICI. The Senator is absolutely correct. In fact, I said at one point, that if this amendment becomes part of our Constitution, we may have some trust funds the Senator and I do not know about yet that will have a similar problem. This colloquy ought to help us with those too. There may be similar situations that we ought to be able to take care of by accounting so they do not prejudice their real purpose or the annual budgets in any way.

Mr. GORTON. The Senator is simply saying that by statutes creating and governing those trust funds, we can see to it that the trust fund is preserved, without automatically violating this constitutional amendment.

Mr. DOMENICI. The Senator is correct.

Mr. HEINZ. The Senator is correct. I would only add that one of the things that seems apparent to this Senator—and his veiw may be shared, I do not know—is that we have not seen any means, at least in the National Commission or the Finance Committee or the Aging Committee, to do what we do with the rest of the Federal budget, which is put it on a pay-as-you-go basis. We do not know how to do that. The demographics do not permit us a strict pay-as-you-go approach in social security, no matter which assumptions, current law or proposed, one accepts. Therefore, we have to have a method of dealing with the programs which, for good reasons, are not pay-as-you-go programs. I trust that is an answer to the Senator's inquiry.

Mr. GORTON. I thank the Senator from Pennsylvania.

The PRESIDING OFFICER (Mr. DURENBERGER). Who yields time?

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has no time with which to suggest the absence of a quorum.

Mr. MELCHER. Mr. President, I yield to the Senator from Rhode Island such time as he may require.

Mr. CHAFEE. I thank the Senator.

Mr. President, it is my judgment, after a great deal of consideration, that Senate Joint Resolution 58, an amendment to the Constitution altering Federal fiscal decisionmaking procedures, is not in the best interests of the country. Therefore, I oppose it.

The emotional and political wellspring of support for a constitutional amendment of this type is certainly powerful. The idea of a constitutional amendment for a balanced budget has had a great deal of appeal for me and for many of my constituents as well.

Part of the amendment's appeal, I believe, is the nearly irresistable yearning to find an external solution to events that we find difficult to control. Years of inflation, repeated cycles of boom and bust, and now a serious and perhaps prolonged recession, coupled with massive deficits, have fueled a quite comprehensible urge to look outside our current processes for a panacea.

But a constitutional amendment based on the premise that deficits are bad, accompanied by procedures requiring extraordinary majorities to allow these deficits, could further confuse and complicate congressional process. It could seriously damage the economy by reinforcing recessions rather than counteracting them. It is, in my view, simply unworkable. Because it is unworkable, it is a false promise to the American people that I cannot support.

Apparently, Mr. President, many of our colleagues take the view that it is safe to vote for the amendment, suggesting that while an amendment will perhaps pass the Senate, it probably will not pass the House and thus, no harm is done. Such logic does not cancel the inherent faults of the amendment.

As the senior Senator from Maryland has so aptly said, we should not use the Constitution as a figleaf to cover our embarrassment over the deficit. Neither should we use this resolution as a shield to protect ourselves from an irate electorate or as a mirror to deflect responsiblity for unbalanced budgets from ourselves and from our congressional institutions to the Constitution.

We cannot substitute mere words, even though constitutionally framed, for will. If we want to balance the budget, we can do so—not 7 years from now at the end of the ratification process—but this year, or next year, or at any time we decide to do so.

Mr. President, I should like to explore some specific objections to the resolution.

CONSTITUTIONAL ISSUES

I believe it is inappropriate to embody an economic theory in an amendment to the Constitution. I know that this is a risky statement. Proponents of the resolution will leap to point out that this amendment is not a theory, but merely a new fiscal procedure. They will cite the title of the resolution to demonstrate their point.

My rejoinder is that the amendment does indeed set forth procedures, but

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that these are based wholly on the theory, the hypothesis, that deficits are bad and that balanced budgets are good. Technically, it can then be argued that the amendment is procedural and that it therefore falls within the group of constitutional amendments dealing with procedures or the structure of government.

I am convinced, nonetheless, that it is accurate to charge that the amendment imposes on the Constitution the presumption that balanced budgets are always desirable; so desirable that to decide not to have a balanced budget requires a super majority.

One would expect, therefore, that there would be a substantial, if not nearly unanimous, consensus of professional opinion that the theory is valid. Such is not the case. A preponderance of economists oppose the idea that a balanced budget requirement be embodied in the Constitution. Some 200 professional economists, including six Nobel Prize winners, four former Chairmen of the Council of Economic Advisers, and 11 former presidents of the American Economic Association have expressed opposition to the resolution.

In my view, this amendment has likenesses to the 18th amendment providing for prohibition. Like the prohibition amendment, this amendment reflects a deep desire for reform but ignores the underlying realities of popular and institutional behavior. Arguing that it is "procedural" is like arguing that the Volstead Act merely set out the manner for closing saloons.

There is currently a very substantial majority in favor of this proposal. Apparently those in favor of it believe they have the votes to pass it next Tuesday or Wednesday.

I ask its authors how they would react to an amendment embodying the idea of socialized medicine, or that Government must be the employer of last resort, or that wage and price controls are necessary in times of inflation? All these notions have popular appeal. But as Anatole France once quipped, "if 50 million people say a foolish thing, it is still a foolish thing," I suspect the resolution's authors would fight such amendments to the last ditch, arguing, I feel sure, that embodying such popular economic and social ideas in the Constitution is wrong.

The balanced budget theory may be the favorite idea of the moment, but will it withstand changes of events and shifts of opinion through decades to come?

In short, this amendment does not meet the test laid down by Alexander Hamilton in the Federalist No. 34, when he wrote:

> Constitutions of civil government are not to be framed upon a calculation of existing exigencies, but upon a combination of these with the probable exigencies of ages . . . Nothing, therefore, can be more fallacious than to infer the extent of any power proper to be lodged in the national government for an estimate of its immediate necessities. There ought to be a capacity to provide for future contingencies as they may happen; and as these are illimitable in their nature, so it is impossible safely to limit that capacity.

A SPUR TO ECONOMIC DISLOCATION

Next, I am concerned that, in practice, the amendment could create unintended, dangerous economic dislocations.

Few would disagree that deficits are sometimes necessary, even desirable. The authors of the amendment admit this when they provide that Congress can itself override the balanced budget stricture by a three-fifths vote of the whole membership of both Houses. Sometimes deficits are desirable to finance our national defense, sometimes to counteract depression. I do not believe I have heard any Senator argue that we should have a balanced budget this fiscal year, given 9.5 percent unemployment and a stagnating economy.

The problem is that the amendment could require procyclical fiscal actions, actions that could worsen an economy already caught in a downturn.

The chairman of the Budget Committee has noted that his staff analyses "show that procyclical actions would have been required by this amendment during periods of recession." These analyses show that in the deep recession years of 1975 and 1980, the amendment would have required that actual outlays be reduced and actual revenues be increased.

Thus, the amendment in operation would have encouraged recession in those years. Worse, because of the hard realities of Federal budgets, the amendment would have made the recession much, much worse.

For example, in 1974, there was a major recession. The fiscal 1974 budget was almost in balance at a $4.5 billion deficit, and in 1976, the deficit was $66 billion. It would not have been enough merely to cut spending by $66 billion to achieve balance that year. According to a former Director of the Bureau of the Budget, Charles Schultz, spending would have had to be cut by $50 billion in 1975 and $100 billion in 1976 in order to reach balance.

Now, how is that possible? Why do you need to cut $100 billion just to trim $66 billion?

The reason is that as cuts are made, they reduce economic activity and, therefore, reduce revenues, further increasing the deficit, in turn requiring still more outlay cuts. Thus, as the economy ratchets down under the impact of spending cuts, more and more cuts must be made to achieve the elusive objective of budget balance.

Simulation of the effects of these cuts showed an unemployment rate of about 12 percent, a GNP drop of nearly 10 percent; thus, a true depression.

A BIAS TOWARD INCREASED TAXES

Another of the dislocating effects of the amendment is its bias toward increased taxes. An internal Office of Management and Budget memorandum reprinted in the biweekly publication, "inside OMB," on March 26 this year, explained this effect, which I confidently expect is not the intention of the authors of this amendment.

This OMB analysis showed that from fiscal 1976 to fiscal 1980, receipts grew at an average annual rate of 12.5 percent, whereas GNP grew at a rate of 10.2 percent. Were past trends to persist, therefore, the amendment might have the effect of curtailing the growth that prevailed during this period. As the chairman of the Budget Committee has pointed out, "Despite major tax reduction bills in 1977, 1978, and 1981, we would have had to make further tax cuts in 4 out of the last 6 years in order to comply with the amendment."

But, under current tax law, OMB projects receipts to grow from fiscal 1983 to fiscal 1987 at an average annual rate of 7.6 percent, compared to GNP growth of 10.2 percent. The reconciliation tax bill just passed by the Senate would somewhat increase the rate of growth of revenues, but not to the level of GNP growth.

Were the amendment now in force, therefore, there would be a strong bias not to decrease taxes but to increase them. Congress could provide for tax increases up to the level of national income growth in the prior fiscal year by a simple majority. It could raise taxes by more than the rate of growth in national income by a vote of 50 percent of the whole number of both Houses, as provided in section 2. And, the OMB memorandum points out, there will be a strong impetus to cover deficits by raising taxes because taxes can be raised more easily than outlays can be cut.

Thus, rather than opt to cut outlays—a difficult task at best as we have discovered through our budget resolution exercises this year and last—Congress could simply decide, year after year, to increase revenues.

The OMB memorandum's conclusion on this point I find to be quite telling. It should give the principal backers of this resolution, the National Tax Limitation Committee, and others, considerable concern because their primary purpose has been to limit the growth of government by limiting the growth of taxes. It is that the amendment is inherently biased toward higher taxes.

SPECIAL MAJORITIES COULD PRODUCE STALEMATE

The tax raising bias of the amendment, resulting in part from its special voting procedures, causes me to ex-

plore further the troubling question of the abandonment of the rule of simple majorities.

As background, I note that the resolution provides two extraordinary, or super majorities. The first, in section 1, provides that a vote of three-fifths of the whole number—that means three-fifths of 100 Members of the Senate, not three-fifths of those present or voting, and three-fifths of the total number of the House as well—is necessary to permit an unbalanced budget for the coming fiscal year.

Also, in section 2, as I noted earlier, a majority vote of the whole number of both Houses would permit receipts to rise faster than the rate of growth of national income in the prior calendar year.

Mr. President, our Constitution is very sparing in the requirement of extraordinary majorities. In the Constitution, you only need to have in excess of a simple majority on very few occasions. They are only on votes to override Presidential vetoes (art. I, sec. 7) to convict following an impeachment (art. II., sec. 2), to advise and consent to treaties (art. II, sec. 2), to propose constitutional amendments (art. V), and to resolve disputes over Presidential disability (25th amendment). Each of these can be seen to relate to congressional action affecting the executive branch—to issues pertaining to the separation of powers. One other, provided in the 14th amendment, requires a two-thirds vote to permit an individual who has rebelled against the United States to hold public office. In each case, the extraordinary majority of two-thirds is of those present, not the whole number.

Thus, a three-fifths majority of the whole as provided in section 1, is both extraordinary and it is also unprecedented because it is found nowhere else in the Constitution.

The majorities provided in the resolution would thus be difficult to obtain. Occasions when a seat or seats were unfilled would be relatively unusual, but an unfilled seat would be a negative vote in tallying the count under section 1 or section 2.

These unprecedented voting requirements would have another, surely questionable effect.

Mr. President, I have found nobody who is in favor of this amendment who can tell me the answer to this problem. Take the case of the Senate. Here, 41 Senators could block the will of 59 Senators without even bothering to vote. Fifty-nine Senators could not override the unbalanced budget requirement. Forty-one could sit on their hands, not vote, not even attend, and block the will of the 59 present on the floor trying to achieve something they believe in.

The presumption of this amendment is that while simple majorities suffice for such mere matters as the declaration of war, imposition of the death penalty, and all manner of measures affecting the rights and property of Americans, the majority cannot be trusted when it comes to the budget. Even in times of crisis a minimum of 60 votes must be found to authorize deficits, no matter how small, and no matter how urgent a majority of 59 might consider such deficits to be.

The requirement for this extraordinary majority has the potential of bringing the Government to a standstill. It is not too hard to imagine a situation in which a minority of 41 Senators refuses to vote for a deficit, but an equally determined majority of 59 refuses to vote to cut spending to balance the budget. The result would be stalemate—and chaos.

Nowhere does the Constitution provide a voting procedure that results in such a stalemate. Extraordinary majorities of two-thirds of those present are provided, but they cannot result in an impasse, as could the provisions of this amendment.

CAN IT WORK IN PRACTICE?

There is another series of objections to the amendment that have, to some extent, already been explored earlier in this debate.

These are problems stemming from the extraordinary difficulties that Congress would encounter in trying to keep revenues alined with outlays, or vice versa, during the course of a fiscal year.

The problem is that the Congress could in good conscience adopt a balanced statement of revenues and outlays for a given fiscal year and find quite early in that fiscal year that the estimates are very wrong.

Any Senator who has any experience with the Federal budget process knows that outlays and receipts vary widely with the state of the economy. Receipts increase or decrease in accordance with factors like the rate of inflation, the level of economic activity and levels of corporate earnings and personal incomes. Outlays vary based on economic trends, including unemployment. A 1 percentage point increase in unemployment alone results in a $20 to $25 billion decrease in revenues.

The senior Senator from New Mexico has pointed out that beginning with fiscal year 1980, we have had three straight years in which the original outlay targets set by Congress were $40 to $50 billion below the levels of outlays actually experienced during the fiscal year. These estimates were low not primarily because of congressional action to increase spending but principally because of higher levels of inflation unemployment, and interest rates than anticipated.

Is it conceivable that Congress could react to such huge swings in outlays and receipts while a fiscal year is in progress?

Nonetheless, Congress would be under a constitutional burden to maintain budget balance, and, indeed, there is the possibility that we could even be sued for permitting deficits.

Substantial outlay overruns might not be realized until near the close of a fiscal year, or even after a fiscal year is complete. Treasury publishes its monthly cash statement 20 days after the close of each month. We might not know until October 20 that the previous fiscal year was in deficit by billions of dollars. Yet obviously no remedial action could possibly be undertaken to correct such a deficit.

The OMB memorandum above-cited concludes that,

> In the real world, there is probably no way to rationally enforce an Senate Joint Resolution 58 type outlay limit if actual fiscal year outlays exceed planned ceiling outlays to any appreciable extend.

It concludes that if the $695 billion outlay ceiling voted for fiscal year 1982 is taken as a test case, the January reestimate of $729.3 billion would result in drastic cuts in revenue sharing, hospital shutdowns due to disruptions in medicare payments, grounding of ships and planes, and furlough of as much as a quarter of the Federal workforce.

Even were we to suppose that Congress could make, during a fiscal year, the changes in outlays necessary to create balance, I cannot conceive that the Senate would want to disrupt, perhaps destroy, ongoing Federal programs.

Is it really in the national interest to require extreme adjustments in Federal programs in order to accommodate wide fluctuations of outlays and receipts due to economic trends? What will happen to spending for programs for the elderly; for those who depend on Government assistance?

Because outlay cutbacks would be so very painful, there would be a strong tendency in Congress to vote to increase taxes in order to attempt to cover deficits. As I have discussed above, then, the amendment contains a bias for tax increases.

Mr. President, I ask unanimous consent that the excerpt from the OMB memorandum referred to be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

> 10. In the real world, there is probably no way to rationally enforce an S.J. Res. 58 type outlay limit at actual fiscal year outlays exceed planned ceiling outlays to any appreciable extent. For instance, if the $695-billion outlay ceiling voted for fiscal year 1982 is taken as a test case, the January re-estimate of $729.3-billion would present the following choices and options:
>
> [Dollars in millions]
>
> | Outlay reductions necessary: | *1982* |
> |---|---|
> | Estimated fiscal year 1982 outlays | $729.0 |

Resolution outlay ceiling for fiscal year 1982	695.0
Outlay reduction necessary	34.3
To achieve necessary outlay reductions: Start from estimated fiscal year 1982 outlays, 2d-4th quarter	535.1
Exclude from candidate list of possible outlay reductions:	
(a) Debts service requirements	62.5
(b) Outlays from prior year obligations	90.2
(c) UI compensations	21.2
(d) CCC—dollars already out the door	5.1
(e) IRS on the grounds that massive RIF's would cause a revenue hemorrhage	.....
(f) Veterans hospital funding on the basis of the impact of cutting in such a personnel-intensive operation	8.0
(g) Payments for federal prisons	.....
(h) FAA air traffic control (again a personnel-intensive operation)	.....
Subtotal—items that must be excluded from candidate list of possible outlay reductions	187.0
Remaining "available" outlays for reduction	348.5
Policy Iterations to achieve reductions (48 percent of estimated total fiscal year 1982 spending):	
(a) Cancel general revenue payments beginning the 2d quarter	3.4
(b) Freeze all benefits indexes for the remainder of the year	5.1
(c) Medicare—limit the annualized level to three-fourths of the increase from 1981 to estimated 1982	1.8
(d) Medicaid—limit the annualized level to three-fourths of the increase from 1981 to estimated 1982	0.2
Subtotal	10.5
Remaining reductions needed	23.8
Remaining "available" outlays for reduction (gross of offsetting receipts)	156.8
Defense	(92.4)
Nondefense	(64.4)
Prorated 15.2 percent reduction in remaining outlays:	
Defense	14.0
Nondefense	9.9

Illustrative Impacts: Revenue sharing accounts for 43 percent of total revenue in Arkansas; Disruption of hosptial cash flow (Medicare) could cause massive shut-downs; Dollar defense program cuts (TOA) of $46-billion would be needed resulting in grounding of ships, planes, and most other operations; Approximately 200,000 or about 28 percent of the federal non-defense workforce would be furloughed; and Most defense and civilian procurement and capital spending projects (highways, water projects, etc.) would be suspended or drastically reduced.

INCENTIVES TO AVOIDANCE

Mr. CHAFEE. Mr. President, a final category of objections has to do with incentives under the amendment for Congress to evade and avoid: To invent new and embellish old forms of off-budget spending; to shift Federal program costs to State and local governments, and to the private business sector.

The 1974 Congressional Budget Act made an attempt to bring all spending under the congressional budget process. It failed to the extent that loan guarantees are not incorporated in the budget resolution, and, similarly, they would not be included under the amendment. But loan guarantees have been a rapidly growing area of fiscal activity. In fiscal year 1982, the total of outstanding primary guaranteed loans was $309 billion. There would be increased incentive to use this technique of bypassing the budget.

Another avoidance device would be to create a Federal capital budget system that would remove from the amendment's scope a substantial portion of Federal outlays by treating capital costs as if they were not outlays.

We all do this in our States. I do not think there is any State that does not have a capital budget and an operating budget. The Capital budget is funded by the issuance of bonds. When a State builds a hospital, renews its roads, or builds a new prison, it issues bonds.

In the capital budgets used by many State and local governments, only the interest costs associated with bonds issued to pay for capital investments appear as expenditures in operating budgets.

This technique could easily be incorporated into the Federal budget. It has been estimated that as much as 20 percent of the Federal budget could be transferred to a capital budget and that had this capital budget been in effect for the last fiscal year, the deficit of $58 billion could have been converted to a surplus as much as $74 billion.

Another device would be the creation of revolving funds. Under this concept as now used in the Federal budget, only the losses of revolving funds are carried as outlays. It would be possible to find a number of very large programs, for example, social security, and to designate them as revolving funds. This device could substantially increase room for more spending.

It would also be possible for Congress to subvert the constitutional requirement for balance by shifting responsibilities for Federal programs to State governments, and by requiring the business sector to pay for programs that the Federal Government could not afford.

For example, Congress could easily decide to accomplish its spending objectives without violating increasing outlays by requiring that State and local governments pay for federally mandated programs. We know that in the resolution as reported, a then section 4 of the amendment would have attempted to prevent this potential abuse. That section was deleted in the star print before us.

Clearly then this problem was at one point of compelling concern to the committee, and I think it should be a concern to us and certainly it should be a concern to State and local governments because this Congress in the past has shown an alacrity to shift to the State and local governments programs that we do not want to pay for and this proclinity could be continued and accelerated.

I just wonder how many of the legislatures that have passed resolutions imploring the Federal Government to pass a constitutional amendment for a Federal balanced budget have understood the potential impact of their actions on their own fiscal well-being.

Congress could also shift costs, as I mentioned, to the private business sector. For example, in depressions or in recessions unemployment compensation payments increase dramatically just when revenues are falling. It would be very tempting for us to say we cannot afford that, that such costs would unbalance our budget; we would just have industry pay for it, just increase the unemployment compensation tax.

I have noted the strength of support for this resolution in the business community. They think it is a wonderful idea. I wonder if they have thought over carefully enough the potential costs that could be inflicted on them.

In my view the amendment portends badly for the business community.

Mr. President, I have just cited a few ways to get around this amendment. There are all kinds of other ways which I have not mentioned.

This amendment has a host of worthy objectives, but what it is trying to do is trying to substitute consitutional language for the will of this body, for the will of Congress. It is akin to the alcoholic who takes the cure by locking up his liquor supply—or at least half of it.

I have noted with interest the remarks of the chairman of the Budget Committee during the debate on July 13. I appreciate the candor with which he then explored the pitfalls inherent in the amendment and admitted its faults.

He shares my concern when he says on page 15944 of the CONGRESSIONAL RECORD that some of these pitfalls can be rectified in the amendment itself, but many of the pitfalls will be there.

That is my view as well. Even though a number of perfecting amendments have been offered and will be offered, the instrument itself, I believe, will remain fundamentally flawed.

I suggest we look at this amendment with a long perspective. As constitutional language it should be written to last through a span of time not measured in years, nor in decades, but in centuries.

Can this amendment withstand over the passing years the inevitable pressures to avoid and evade? I doubt it.

Fortunately, we have a large number of test cases to guide us, instances in which State governments have attempted to live under balanced budget rules, or rules which prohibit long-term borrowing.

According to the respected analyst and budget expert, Allan Schick, in a paper dated May 1979 for the Congressional Research Service, titled "The Effects of Constitutional Restrictions on State Debt," he states:

Although the constitutions of more than three-fourths of the States prohibit or restrict long-term indebtedness, the plain fact is that every State has incurred such debt.

He concludes that State experience offers meager support for the expectation that constitutional restrictions will constrain governmental borrowing.

In conclusion, Mr. President, I believe the amendment is fundamentally ill-advised and will not work.

It could operate in such a way as to worsen recessions. It contains a bias toward increased taxes. It gives a minority of 41 Members of the Senate the power to prevent a response to threats to our national security, short of war, and to prevent a response to national economic emergency. Its special voting procedures create the threat of stalemate, where action would be imposible.

It is unworkable because attempting to maintain a balanced budget in the face of a sudden drop in revenues would require slashes in programs for which there is tremendous support in this body and in the country.

It would encourage the creation of new budget devices to hide expenditures in off-budget agencies and accounts. It would act as an incentive to pass the costs of Federal Government to the States and local governments and to the private sector.

Because it is unworkable, I think the amendment would discredit the Constitution.

So I urge my colleagues to exercise restraint. We should not tinker with the Constitution but rather treat it with respect, reverence, and caution. We should not think of the Constitution as possessing some inherent power that can of itself defeat the ingenuity of Congresses and constituencies bent on evasion of its doctrines.

I am sure that there is, for every problem, a solution that is appealing in its apparent simplicity, irresistible in its appeal to popular feeling, and wrong. This is such a solution. Its objectives are understandable, but its theory is flawed, its mechanisms unworkable and its promise empty.

I strongly urge that my colleagues pause to reflect, then vote against this resolution.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. CRANSTON. I applaud the Senator from Rhode Island for a remarkably carefully thought out statement of the compelling reasons for opposing this constitutional amendment and as in his usual careful way he has made a very, very effective case.

The statement is a compelling argument against the adoption of Senate Joint Resolution 58. The Senator's words are ones of courage and principle. I was struck by Senator CHAFEE's conclusion, and I shall repeat it again for the benefit of our colleagues:

I am sure that there is, for every problem, a solution that is appealing in its apparent simplicity, irresistible in its appeal to popular feeling, and wrong. This is such a solution. Its objectives are understandable, but its theory is flawed and its mechanisms unworkable. Hence its promise is empty.

Mr. President, I say to every Senator who has not heard the Senator from Rhode Island: read Senator CHAFEE's remarks tomorrow when they appear in the RECORD.

I also urge all staff people who are following this debate and working on this issue to read this statement in the RECORD. The Senator from Rhode Island has made an excellent, sound, and most thoughtful case against the amendment to the Constitution proposed by Senate Joint Resolution 58.

In the Senator's remarks he points out Congress could get around this amendment, in effect, if it were enacted by shifting costs, for example to the private business sector.

In that connection, I would like to read briefly from a memorandum, which I will then have printed in the RECORD, that was prepared for me by Charles L. Schultze at my request. It is headed "Ways That the Budget Process Can Be Subverted As the Congress and the Executive Try To Find Loopholes in the Balanced Budget Amendment."

He suggests the following approaches, which are amplified in the memorandum. I will cite several. He states:

1. Under the amendment it is quite possible to have a deficit in the budget without a specific vote of the Congress, so long as neither the Congress nor the Executive tell anybody about it in advance.

2. Section 2 allows total receipts to grow no faster than the growth of "national income" in the prior calendar year; but the definition of "national income" set forth in the Judiciary Committee report allows a wide scope for juggling the numbers.

3. The amendment, over the years, will clearly encourage the Executive and the Congress to convert spending programs to regulations which mandate what ought to be governmental activities on private firms and individuals.

He gives these examples in his memorandum as ways to achieve that:

Replace Medicare with a mandated requirement on health insurance on private employers as part of their retirement programs.

Replace Medicaid with requirements that hospitals treat poor patients without charge.

Replace federal manpower training programs with mandated employer requirements.

Adopt measures like higher minimum ages and minimum hiring quotas for employers, as a means of replacing welfare programs.

Mandate that employers establish day care centers.

Establish private corporations under governmental sponsorship and guarantees to carry out public programs with the accompanying loss of public control.

Then, No. 4:

The limitation on revenue growth, contained in section 2 will stimulate much greater use of tax expenditures.

Mr. President, I ask unanimous consent that Mr. Schultze's memorandum be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

WAYS THAT THE BUDGET PROCESS CAN BE SUBVERTED AS THE CONGRESS AND THE EXECUTIVE TRY TO FIND LOOPHOLES IN THE BALANCED BUDGET AMENDMENT

(By Charles L. Schultze)

The following list gives some flavor of the ways in which the governmental process is likely to be subverted over the coming generations, as the Congress and the Executive develop sophisticated techniques to get around the straight jacket by the Constitutional amendment set forth in S.J. Resolution 58.

1. Under the amendment it is quite possible to have a deficit in the budget without a specific vote of the Congress, so long as neither the Congress nor the Executive tell anybody about it in advance.

According to Section 1 the Congress must adopt a "statement" of planned receipts and expenditures that are in balance. But if, because of a recession or other economic developments, revenues fall short of the "statement" revenues this is perfectly acceptable and no action need to be taken to "correct" the situation. Moreover, actual revenues may exceed "statement" revenues (whose growth is limited by Section 2 of the amendment) and no corrective measures need be taken.

This set of precedures obviously establishes very strong incentives for the Executive and the Congress never to be honest in choosing the economic assumptions or the revenue estimates on which the budget "statement" is based. It always pays to project revenues at, but no more than, the maximum growth under Section 2 regardless of economic growth and low revenues, using the leeway to raise taxes. Even if you see a recession coming, do not incorporate it in your economic assumptions.

2. Section 2 allows total receipts to grow no faster than the growth of "national income" in the prior calendar year; but the definition of "national income" as set forth in the Judiciary Committee report allows a wide scope for juggling the numbers.

The Judiciary Committee report says that Congress, by an ordinary majority vote, may specify any one of a wide variety of concepts of income in order to satisfy the amendment's requirements.

According to the Report the Congress may specify Gross National Product, Net National Product, and "some new measure determined by the Congress." In fact from year to year during the past there have arisen major differences in the rate of growth of these various "national income" concepts. For example, in 1970 national income rose by 4 percent while personal income rose by 7½ percent. In 1974 national income rose by 6.9 percent while personal income rose by 9.7 percent. At today's level of revenues the choice between these concepts could make a difference of up to $15 billion in the revenue ceiling.

The temptation will be very strong, to incorporate in each year's budget statement, that concept of "national income" which most nearly suits the political needs of the moment.

3. The amendment, over the years, will clearly encourage the Executive and the Congress to convert spending programs to regulations which mandate what ought to be governmental activities on private firms and individuals.

This will be a particular temptation with respect to unemployment compensation or other spending programs in which outlays rise during recession. The amendment makes no allowance for an increase in total budget expenditures due to the payment of unemployment compensation during recession. To avoid the problems that will periodically arise when other programs have to be cut during recession to make room for additional unemployment compensation, methods will be devised to take unemployment compensation off the budget. (This could be done, for example, by a law which mandated that individual employers pay unemployment compensation out of their own pockets, presumably after buying expensive insurance from private insurance companies.)

More generally, in order to stay within the straight jacket imposed by the amendment Congress will gradually convert public to private expenditures. (The fact that we are dealing with a Constitutional amendment which will be presumably enforced for generations means that very sophisticated techniques will eventually be discovered and gradually introduced to accomplish this purpose).

Replace Medicare with a mandated requirement on private employers as part of their retirement programs.

Replace Medicaid with requirements that hospitals treat poor patients without charge.

Replace federal manpower training programs with mandated employer requirements.

Adopt measures like higher minimum ages and minimum hiring quotas for employers, as a means of replacing welfare programs.

Mandate that employers establish day care centers.

Establish private corporations under governmental sponsorship and guarantees to carry out public programs with the accompanying loss of public control.

4. The limitation on revenue growth, contained in Section 2 will stimulate much greater use of tax-expenditures.

The use of tax-expenditures in place of regular expenditures doesn't help satisfy the balanced budget requirements of the amendment. But it does help satisfy the restriction on the growth of revenues imposed in Section 2 of the amendment. Some obvious examples are:

Low and moderate income housing subsidy through additional tax benefits.

Subsidies to employers for hiring the unemployed, for regional development or for other developmental activities now carried out by expenditure programs.

* * * * *

Mr. CRANSTON. Again I want to thank the Senator from Rhode Island for a very excellent statement.

Mr. CHAFEE. I am very grateful to the senior Senator from California for his generous remarks. I know he has worked extremely hard on this, and I commend him because when this started out it appeared to have the speed of a snowball going downhill. Everybody was suggesting that the deed was done, that all we had to do was just count the votes and move on to the next item of business.

I think people are having second thoughts on what is taking place here, believing that amendments to the Constitution should be treated with great care. I notice there are a host of constitutional amendments coming flooding onto this floor. It appears we are going to amend the Constitution just as we enact a law. I think any changes in the Constitution should be approached with extreme care and not rushed through.

Therefore, I think the debate, in which the senior Senator from California has been the principal opposition leader, has been very worthwhile, hopefully, some minds are being changed. At least I hope that more thought is being given the matter.

Mr. WEICKER. Mr. President, first of all, I would like to compliment the distinguished Senator from Rhode Island for a very eloquent statement on behalf of the Constitution of the United States. It is not a popular thing to advocate the Constitution these days. It is looked upon as something that can be dealt away in either large or small pieces and nobody will care. Indeed it seems to be the final receptacle in which to throw all the trash or all the "hot potatoes" that nobody else wants to handle here on the floor of the U.S. Senate.

What the Senator from Rhode Island is doing here is to emphasize to the American people the importance of that document and the principles it espouses. Our generation of Americans has dealt away everything so there will be nothing left for our children but this one last great statement of American ideals. That should remain intact.

We have proceeded to use up all the trust funds and all the moneys that previous generations of Americans carefully built up just so that we can enjoy the best of life in our generation regardless of the fact that we left nothing behind. We have been willing to go ahead and abuse in principle those matters that other generations, previous generations, of Americans were willing to fight and to die for just so that we could tiptoe off the stage with a little discomfort to our generation as possible.

Now this is the only thing that remains, the Constitution. I will grant you it is not a job, it is not something to take home, it is not dollars in your pocket. But in that document and what it espouses are the origins of the greatness of this country that has enabled a handful of people to achieve a greatness way beyond our numbers. That is its importance.

The Senator from Rhode Island has very courageously stepped forward so it might be understood what is being done here on the Senate floor.

Do you think when a man is up for reelection, as is the Senator from Rhode Island, that it is easy to make this type of statement? They can, I am sure, be translated politically into, "Oh, there is JOHN CHAFEE from Rhode Island, big spender. He likes to unbalance the budget. He likes big deficits." That is what is going to happen. That is the way it will be translated by some political opponent or some philosophical group.

Let me say that there is no man who espouses fiscal responsibility more consistently and more courageously than the Senator from Rhode Island, so let us record that point here right now.

What, in effect, the Senator is saying is that each Congress, each change of philosophy, each change of administration, each change of partisanship should determine what the economic policies are going to be. It might be fashionable to balance the budget in the year 1982, and maybe it is in the year 1984 that some great catastrophe occurs and we should unbalance the budget.

May I remind you that the present administration premised an entire economic game plan on a balanced budget, and only 1 year later premised the same economic game plan on an unbalanced budget. That occurred in the course of 1 year. So let us clearly understand what JOHN CHAFEE is fighting for right now. It is not any particular fiscal policy or any particular philosophy. It is rather that the Constitution of the United States should remain in place and that it should continue to mandate the type of government where the will of the people can be responded to in the short term, in the interim term or in the long term. I very much admire what he has said here, and I want to say so to his face. Unfortunately, what he has said does not make great election sense or political sense, but it makes great constitutional sense, and his are the words of a great American.

The Senator from Rhode Island has discussed the constitutional issue that would arise in the event the proposal succeeds. In a similar vein, I would like to ask the Senator if he thinks this proposed constitutional amendment is good law?

Mr. CHAFEE. First, I wish to thank the distinguished senior Senator from Connecticut for his very kind remarks. He has been very generous and I appreciate it.

In answer to his question as to whether this proposed amendment is good law, I think it is clear, Mr. President, that this is bad law, because it attempts to impose, as the Senator from Connecticut has said, a given economic idea into the Constitution.

I think the examples that the Senator from Connecticut used were telling; that this administration has changed its game plan dramatically in just 1 year.

So, in answer to the question of the distinguished Senator from Connecticut, it is bad law.

Mr. WEICKER. Mr. President, I might remind the distinguished Senator from Rhode Island that whenever we put Government on automatic pilot, we risk making it totally unresponsive to changed circumstances. For years, for example, the great need of much of the United States, certainly the crowded Northeast, was for highways, in terms of our transportation needs. So the highway trust fund was set up and put beyond the reach of Congress to make its annual appropriations.

So we put it on automatic pilot. All the money was going to be used to build highways. What do you think happened in Rhode Island and Connecticut, in the Northeast? We have the greatest highway systems in the world and we have absolutely nothing else—no bus systems, no mass transit systems, and yet the money flows in there and every time you want to solve a transportation problem you just build another highway.

For years, many of us were here advocating that that trust fund be allocated in a way that had some relation to the particular needs of a political subdivision. But the automatic pilot has been turned on. In Rhode Island and Connecticut we need bus systems, we need rail systems, we need mass transit systems. But still we set this mechanism in place. It is like the sorcerer's apprentice. It goes on and never stops—highways, highways, highways. So any automatic mechanisms ill-serves the needs of any particular generation.

My second question to my friend from Rhode Island is this: Many supporters of the bill argue that the failure of the Senate to adopt this resolution will lead to a State constitutional convention which may debate constitutional issues other than that which is before us today. I ask the Senator whether he thinks avoidance of such a convention ought to be an issue in this debate?

Mr. CHAFEE. Well, my answer is that clearly this body should not be held hostage to the threat that the States will force a constitutional convention to amend the Federal Constitution. Never in the history of this Nation since the adoption of the Constitution has there been a constitutional convention called by the States; it could do all kinds of mischief to the Federal Constitution.

Some suggest that we ought to get on and pass this constitutional amendment because the States, some of them—I believe the number is over 30—have moved for a constitutional convention. I think that should be irrelevant to this debate.

Mr. WEICKER. The Senator from Rhode Island has ably shown why the proposed constitutional amendment will not work in an economic sense. The Senator has also made some good points regarding the likelihood that the constitutional amendment will not work in the sense that the Congress will be able to escape the constraints of the amendment. I wonder if the Senator might elaborate on his earlier comments.

Mr. CHAFEE. Yes; briefly, in answer to that question, of course, one of the evasions is the off budget agencies.

The PRESIDING OFFICER. The time yielded by the manager of the bill has expired.

Mr. WEICKER. Mr. President, I ask unanimous consent that we may have 5 more minutes.

Mr. THURMOND. Mr. President, I yield the additional time to the Senators.

Mr. WEICKER. I thank the Senator.

Mr. CHAFEE. Mr. President, this spring there was, as you may recall, a move to take social security off budget. So that is one of the manners in which the constraints of the amendment could be evaded. I know that an ingenious and determined Congress can find others.

Mr. WEICKER. I wonder if the Senator feels that the impetus for a balanced budget might be better derived from the electoral process than from a constitutional amendment?

Mr. CHAFEE. Well, in answer to that question of the distinguished Senator from Connecticut, I would say that it is my belief—and I believe that he shares this—that when Congress wishes to do it, we can create a balanced budget. We can create a balanced budget this afternoon if we want. We do not need any special majorities. We do not need 60 votes. We can do it with 51. If there is the desire, we will do it. If there is not, it will not be accomplished.

So the answer to that is, yes; that clearly a balanced budget should be better derived from current processes than from a constitutional amendment.

Mr. WEICKER. Mr. President, I wish to commend the Senator from Rhode Island and add my comments in this regard. The American people do not get off the hook on this one. Twenty-nine percent is now a majority to elect the President of the United States, because Americans are too lazy to get off their duffs to participate even for 1 minute in the electoral process. Twenty-five percent a majority to elect a Senator; 20 percent a Congressman.

Now, this Government is going to be no better than the people who serve in it. This is not just an isolated debate on the Senate floor. What we are trying to do here is to find a cheap way out from our obligations as American citizens. What you need down here are men and women who are going to stand up and face the music and make the tough decisions. That is the proper procedure, not just some words written on paper.

In the absence of an active oversight process by the American people, the Congress has been criticized for its failure to oversee what is going on. Yet, the American people are not overseeing that portion of the Government over which they have a direct control—the executive and legislative branches of Government. They are not insisting that the tough decisions be made. They just feel if we write this amendment in then the Government can take care of itself.

Well, it cannot. There are many things this Government can do, but it cannot run itself. And there is no way you are going to change that by amending the Constitution.

So I wish to once again, in conclusion, express my admiration to the Senator from Rhode Island for stating so eloquently all that was the reason for creating this United States of America. I hope that, whether in this Chamber or outside, this is not a generation of Americans that is going to try to tiptoe off the stage with a few words. Rather it must perform those deeds of principle and of courage, which will always be required of men if their work product is to be excellent.

Well done, Senator CHAFEE.

Mr. CHAFEE. Mr. President, I thank the Senator very much. I appreciate his kind remarks.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, does the distinguished Senator from Washington wish to offer an amendment?

Mr. GORTON. He does.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 2005

(Purpose: To clarify judicial review under this article)

Mr. GORTON. Mr. President, I call up amendment No. 2005 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. GORTON), for himself and Mr. RUDMAN, proposes an amendment numbered 2005:

On page 4, between lines 8 and 9, insert the following new section:

"'Section 4. The judicial power of the United States shall not extend to any case or controversy arising under this article, except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 5.'".

Renumber the succeeding sections appropriately.

Mr. GORTON. Mr. President, it is my understanding that, under the unanimous-consent agreement, there are 4 hours of debate for a combination of two amendments which I have placed on the desk and the time is not allocated between those amendments. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GORTON. Mr. President, I should like to announce that, at the present time, I have no intention of bringing up the second of the two amendments on the same subject unless circumstances change in such fashion as the proponents or sponsors of this constitutional amendment should desire it to be brought up and that, as a consequence, I will use the bulk of my time on the amendment which is before us now.

The amendment which I have proposed is relatively short. It reads as follows:

The judicial power of the United States shall not extend to any case or controversy arising under this article, except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 5.

Unlike the two previous speakers, and unlike the proponents of a number of the amendments which have been considered in the course of the last 2 weeks, I would not characterize this as an unfriendly amendment to Senate Joint Resolution 58. It seems to me that the nature of Senate Joint Resolution 58 is an attempt to get at what I consider, unlike the two previous speakers, to be an extremely serious problem, a serious bias in the way in which fiscal policy is set in the United States in favor of ever-increasing spending.

For at least half a century there has ceased to be any real balance between the large number of special interests whose interests are directed at ever-increasing spending, as against the general public interest or taxpayer interest in limiting the growth of the Federal budget and of the tax burden on the American people.

I am in complete agreement with the proposition that this spending bias exists, and with the proposition that it is not simply a matter of will or self-discipline which will result in a balanced budget or in control over the growth of Federal spending. In other words, I believe that the fundamental direction of the sponsors of this resolution is correct and well-advised.

It is a very small step from agreement that there is a bias, which for all practical purposes is permanently ingrained in our political system, to the proposition that it is best corrected by requiring a supermajority—be that requirement 60 percent or two-thirds, or of those present and voting, or of the total number of Members of each house. It is a relatively small step to state that such a supermajority requirement is an appropriate cure for the bias which has afflicted us for the last half century or so.

As a consequence, I have no disagreement with pursuing this goal by creating a requirement of a supermajority for some fiscal decisions on the part of the Congress of the United States.

It is, however, something of a jump to the determination that we should enshrine that supermajority requirement into the Constitution, at least without having first experimented with it in the form of a statute. Nevertheless, I must say that I have some sensitivity for the arguments that only by placing such a requirement in the Constitution will we really seriously gain any control over Federal spending. In other words, while that is a debatable proposition, it seems to me that the sponsors of this resolution state their case relatively well.

(Mr. SPECTER assumed the chair.)

Mr. GORTON. There is, however, a fourth question which a Member of this body who is seriously concerned about the problems which this constitutional amendment addresses must address before he or she should be willing to vote for this specific resolution at this specific time.

We must keep very much in the forefront of our thoughts that it is the Constitution we are writing here. Our function as Members of the U.S. Senate is profoundly different in this debate from what it is in a debate over a tax bill, over a budget resolution, or over a statute dealing with social, political, or economic policies.

We are now asked to put into the permanent and almost unchangeable basic charter of our Nation a set of specific requirements relating to the budget. While it is appropriate to do so if the evil addressed is apparent enough, and I believe it to be so, we must take great care that we do not substitute one acknowledged evil for one which is equally great or perhaps even greater.

At the fundamental basis of the Government of the United States is the doctrine of separation of powers—that legislative powers should be exercised by the Congress of the United States; that executive powers and certain oversight through the veto power over the Congress should be exercised by an elected President of the United States; and that judicial powers should be executed or should be administered by an unelected and permanent and quite separate judicial branch of the Government of the United States.

Perhaps the greatest single debate over that separation of powers to occupy both liberals and conservatives, both Republicans and Democrats, over the last several decades, is the question of the exercise of the powers of the judiciary, and the extent to which the judiciary has placed itself in the middle of debates over social and political policies traditionally reserved to the Congress of the United States, to the President of the United States, and to the analogous authorities in the sovereign States of this country.

In fact, during the course of this Congress, Congress has engaged in extensive debate over whether the powers of the judiciary in a number of social areas—such as the busing of school children, prayer in public schools—should be somehow limited either by statute, if that is possible, or by an amendment to the Constitution.

It is, therefore, something of a paradox, in my belief, that a number of Members who have most fiercely opposed the intervention of the judiciary into these various social issues should now have proposed a constitutional amendment which is likely to reduce substantially the powers of the Congress of the United States and to add to the legislative authority of the Federal courts. It is to that subject which this amendment is addressed.

When this resolution was first laid down, I raised this question along with the question of whether the original form of Senate Joint Resolution 58 did not also shift powers from Congress to the President by the implied creation of a constitutional impoundment power in the President.

The distinguished Senator from New Mexico (Mr. DOMENICI), seeing the same defect and seeing a certain lack of flexibility in other requirements of the resolution, has caused three amendments to be adopted which add to the necessary flexibility of Congress in implementing this constitutional amendment should it be passed and ratified. The Senator's amendment successfully responds to the concern about any shift to powers from the Congress to the President to the point

that I am convinced there is either no change or at least no significant change, in the balance between the powers of the Congress of the United States and those of the executive.

The threat that we are vastly increasing the power of the Judiciary—that we are inviting the Judiciary into the business of writing budgets for the people of the United States—is a threat much more grave in my view than was the threat of constitutional Presidential impoundment implied in the language of the original section 1 of this resolution.

It is at that balance of powers that this amendment is aimed.

I wish to state categorically that it is designed simply to freeze into the Constitution the present separation of powers between the Congress and the executive on one side, and their authority over the spending policies of the United States, and the powers of the Judiciary.

This is, of course, not a problem which was entirely ignored by the Committee on the Judiciary and by the sponsors of this amendment. Mr. HATCH, the distinguished Senator from Utah, in a paper sent to his colleagues today, states that there is "no disagreement with the notion that the Federal courts should not be writing budgets under the constitutional amendment. The Judiciary Committee believes, however, that longstanding legal and constitutional doctrines, including justiciability, standing, and political questions, more than suffice to insure that this will not occur."

This statement sets the paradox of the opposition to this amendment. If, in fact, the judiciary of the United States does not now enter into the budgetmaking or appropriations or taxing process, then my proposal does no more than insure that this historical unwillingess on the part of the judiciary to involve itself in such questions continues to be the case and there should be no opposition whatsoever to the amendment.

The second argument made by opponents to the amendment is somewhat inconsistent with the first. It is in fact that the present set of rules which the courts have imposed on themselves is not adequate and that there are certain unnamed circumstances, some important questions, which will be raised by this amendment, into which the courts should intervene.

I am not sure that, as a matter of logic in dealing with a constitutional amendment, the proponents of the amendment should be allowed to have it both ways. Either they do not believe that there should be a shift in favor of the courts in the budgetmaking process or they do. One or the other consequence is absolutely inevitable. I wish to take them at their word that they do not wish any such shift in power and, therefore, I have suggested this amendment.

When Mr. HATCH says that doctrines of justiciability, standing, and political questions more than suffice to insure that this—that is, courts writing budgets—will not occur, he shows a far greater willingness to trust in the self-denying ordinances of the courts of the United States than I submit is warranted by the history not only of the last 20 or 30 years, but of the last century.

In addition, it seem to me that he shows that the staff of the Judiciary Committee has not carefully enough examined those doctrines of justiciability. For well over a century and a half, the political question doctrine caused the courts of the United States not to intervene in the subject of reapportionment and redistricting. Beginning some 20 years ago, the courts have not only intervened in that subject, but they have done so with such attention to detail that some 50 percent of all of the reapportionment actions during the last 20 years have been accomplished not by State legislators but by Federal district court judges.

With regard to standing, I submit that this amendment itself is an inevitable and unavoidable invitation to the courts to change their doctrine of standing as it relates to the fiscal policies of the United States. Where the present Constitution has very little to say and almost no direct restrictions to impose on the power of the Congress and of the President over the purse, this constitutional amendment, in order to be effective, includes detailed restrictions on the power of Congress in setting fiscal policies for the United States. In the recent landmark Supreme Court decision on the subject of whether the courts of the United States will deal with fiscal problems—in the case of *Flast* v. *Cohen* (392 U.S. 83 (1968))—the Court said, at the heart of its decision:

[W]e hold that a taxpayer will have standing consistent with Article III, to invoke federal judicial power when he alleges that congressional action under the taxing and spending clause is in derogation of those constitutional provisions which operate to restrict the exercise of the taxing and spending power. The taxpayer's allegation in such cases would be that his tax money is being extracted and spent in violation of specific constitutional protections against such abuses of legislative power.

Nothing could be clearer than that this joint resolution is or proposes to be a constitutional provision which operates to restrict the exercise of the taxing and spending power. In other words, the Supreme Court of the United States has said expressly that when this proposal becomes a part of the Constitution, the Court will entertain taxpayer suits to challenge the decisions of Congress pursuant to this constitutional proposal. What form will those taxpayer challenges take? Obviously, many forms.

They will take the form of alleging that the statement of receipts and outlays is inaccurate. Taxpayers will have all kinds of ability to make such a case to the courts of the United States.

Just this week we have heard, in the Senate Committee on the Budget, the testimony of the administration that the deficit for fiscal year 1983 will be approximately $114 billion. We have heard from the Congressional Budget Office that it may well be between $140 billion and $160 billion. And we have heard from some private economists that it may well be $180 billion.

If Congress were to set out a statement of receipts and outlays indicating that receipts would be such as to produce only the lowest of those three figures as a deficit, any taxpayer in the United States, pursuant to the holding in Flast against Cohen, would have the power to challenge that in the district court for the District of Columbia. The taxpayer could use economic experts to prove that the deficit instead would be $140 billion, $160 billion, or $180 billion, that the declaration by Congress was false, that the budget would not be balanced, and that Congress not having balanced the budget the district courts could do so itself. In fact, I think it is not at all an exaggeration to predict that every single year such challenges would be filed against every statement of receipts and outlays passed by the Congress of the United States—some stating that our statement of receipts was too high; some stating that it was too low; some claiming that outlays were too high, and some claiming that they were too low. The system would devolve into pure chaos.

Moreover, because those statements of receipts and outlays are not the only requirement set out in this constitutional amendment, similar challenges could be made to actual tax bills—such as the one which this body passed last Friday morning—and to appropriations bills, and to whatever estimates were made of the outlays of various Federal entitlement programs. I think it not at all alarmist to suggest that a substantial portion, perhaps more than half, of the powers of the Congress of the United States over the budget process of the United States would be transferred to the Federal courts, and not just to the Supreme Court of the United States. The fiscal year would be almost over by the time an appeal would have reached the Supreme Court of the United States. Such challenges would be heard essentially, time after time, by a single judge of the district court for the District of Columbia.

I ask in all candor of the Senator from South Carolina, the distinguished chief sponsor of this bill and

the chairman of the Judiciary Committee, who has fought during his entire career against the intervention of Federal courts in local and Federal decisionmaking processes, whether he views with equanimity the prospect that budgets of the United States will be written by the district court for the District of Columbia in the future under this amendment.

I also ask whether, faced with that proposition, it is sufficient simply to write in a Dear Colleague letter or even in a committee report that longstanding legal and constitutional doctrines, including justifiability, standing and political questions, more than suffice to insure that this will not occur.

I submit to him that not only is it likely that that will occur but that it will in fact occur.

I must say, Mr. President, that it was my original disposition to make this proposed constitutional amendment even more simple than it is now. I considered having it simply read, "The judicial power of the United States shall not extend to any case or controversy arising under this article," rather than stating exceptions.

Only in that fashion could it be absolutely clear, without any possibility of being misconstrued. And yet, although the sponsors of the resolution start from the proposition that they do not believe that there will be any judicial review whatsoever, they have persuaded me, in part at least, that there are certain elements within this constitutional amendment which may at some time be appropriate subjects for judicial review and so two sets of exceptions are laid out.

The first of those exceptions applies to the entire proposed new article and authorizes the courts of the United States, when they find a legitimate case or controversy, to define any or all of the terms used in the article itself—which is of course, a highly traditional judicial function even in nations without judicial review.

Second, because the distinguished Senator from New Mexico has prevailed upon the sponsors to agree to an amendment expressly authorizing the Congress to pass implementing legislation, we have stated that the judicial power of the United States, in an appropriate case or controversy, can be exercised to decide such a case or controversy directed exclusively at any such implementing legislation.

What does that mean? This means that the judicial power will extend to a determination of what constitutes an outlay.

Let us say the Congress of the United States in attempting to get around some of the straitjackets included in this proposal were to say that social security receipts and disbursements were not receipts and outlays, or that any other so-called off-budget item constituted neither a receipt nor an outlay.

The Supreme Court and the lower courts of the United States would, as they properly should, have the authority to determine that the meaning of "outlay" and of "receipt" in this constitutional amendment was all-inclusive and did in fact include those items.

Next, of course, the Congress is likely to pass detailed changes in the Congressional Budget Act of 1974 pursuant to this constitutional amendment. The constitutionality of that legislation would, as I believe it should, be subject to judicial review. But what will not be within the judicial power of the United States is the right to substitute the judgment of the courts for the determination of the Congress and the President in connection with the passage of a statement of receipts and outlays, or the right to reallocate either appropriations or taxes or receipts to suit their own judgment of what constitutes a balanced budget. Those are matters which are left not only to the discretion of the Congress at the present time but, far more importantly, are left to the will of the people of the United States expressed through the elective process—a process which by definition does not apply to decisions made by the courts of the United States.

This amendment, in short, seeks to accomplish a number of goals, each of which is consistent with and leaves intact the essential spirit of Senate Joint Resolution 58.

First, it insures that none of the powers of Congress over the fiscal process are transferred to the courts.

Second, it retains the current separation of powers among the three coequal branches of Government. Judicial review of the fiscal process set out in the amendment, if my amendment to this resolution were not adopted, would result in a reallocation of power among the branches and obviously a corresponding shift away from a democratic form of Government.

Third, this amendment would keep the Judiciary from becoming involved in the budget-making process. It retains the current situation in that respect.

Fourth, it insures that the courts do not become involved in writing or modifying the required statement of outlays of receipts.

Fifth, it retains for the courts their traditional role in defining the words and the terms of the Constitution.

Sixth, as I have already mentioned, it leaves the court with the authority to review the constitutionality of implementing legislation or to construe the meaning of that legislation.

Seventh, it prevents head-on confrontations between the judiciary and the Congress which, in the long run, would not be beneficial to either branch.

Finally, by precluding judicial review except in two narrowly defined circumstances, this amendment avoids giving the courts authority by implication to hear cases which they have traditionally declined to decide. Although I again must repeat, the amendment almost certainly changes the doctrine of standing in favor of authorizing taxpayer suits pursuant to the article as it is currently written.

Now, what does this amendment not do? The letters of the proponents of the constitutional amendment and the opponents to this suggestion to the contrary notwithstanding, this amendment does not in any way restrict the authority of the courts to exercise their judicial power over the constitutionality of legislative riders. They give examples such as the Hyde amendment, tuition tax credits or the constitutionality of various taxes such as severance taxes, because, of course, unless this constitutional amendment does something which the proponents have never once asserted that it does, it does not affect in the slightest the power of the Congress to pass such riders or such taxes and thus does not affect in the slightest the power of the courts to review the exercise of such powers.

There is not the slightest possibility that anyone could assert that an amendment such as the Hyde amendment is an outlay or a receipt or that its constitutionality depends on this article which is not now in the Constitution. Such authority as the Congress has and such restrictions on its authority as now exist are unaffected by Senate Joint Resolution 58. Thus, by definition, any such congressional authority is unaffected by a limitation on the judicial power which does not extend beyond the parameters of this particular constitutional amendment.

In other words, what we have here is a choice. If we are to accept the proposition of the proponents of the constitutional amendment that the courts do not now review the budget making process of the Congress and will not in the future, we should assure that a future majority of the Supreme Court of the United States which thinks differently does not make any such change.

We need only look at a history of the decisions of the Supreme Court of the United States to see what profound changes it has read into almost every section or article of the Constitution—most especially the 14th amendment.

If, in fact, the proponents of this amendment do mean to cause a substantial shift of power and authority from the Congress of the United States to the Federal court system of the United States, they should say so;

and they should tell us exactly what powers are being shifted. They should tell us how it is that the doctrine on standing, which the Supreme Court has already laid out in Flast against Cohen, will not allow a taxpayer lawsuit challenging any action taken pursuant to this article and permitting affirmative relief to be granted in any such action, thereby overruling the wisdom of Congress and of the President on the part of a single Federal district court judge, subject only to what is almost certain to be an ineffectual later form of review.

This amendment is a friend to this constitutional amendment. I must repeat now, in concluding, exactly what I said at the opening of my remarks: This is a Constitution we are writing. We are sailing into uncharted seas. We are attempting to remedy a real and a grave evil, a bias in favor of ever-increasing Federal spending and Federal taxation. We had better see to it, however, that we do not create an even greater evil—specifically, a movement away from responsiveness to the desires of the people of the United States and a movement away from the almost 200-year-old traditional authority of the Congress of the United States to make fiscal decisions.

We should try as best we can to see to it that the separation of powers—the balance of powers among the three great independent elements of the United States—is not affected in any way whatsoever.

That is what this amendment seeks to do. That is what this amendment, in fact, will do. I beseech my colleagues to adopt it.

I yield such time as he desires to the Senator from New Hampshire.

Mr. RUDMAN. I thank the Senator from Washington.

Mr. President, I do not think it is the merest of coincidences that the Senator from Washington and the Senator from New Hampshire are the sponsors of this amendment, which the Senator from Washington aptly describes as a friend of this constitutional amendment. I say it is not the merest of coincidences because the Senator from Washington and the Senator from New Hampshire had the pleasure of serving their States as attorneys general—the Senator from Washington, if my figures are correct, for close to 12 years, and the Senator from New Hampshire for approximately 7 years.

In those respective capacities, I believe I am correct in stating, from my knowledge of my colleagues in the Senate, that there probably are not two other Members of this body who have had the frustrations of dealing with what I believe to be excesses of the Federal judiciary in their interpretations of their powers under the 14th amendment.

I think it is very interesting that the language in this committee report directs itself to the very issue to which we are speaking. I should like to read from the report. I believe everyone should focus on this language, because this is the essence of what the Senator from Washington has stated very eloquently on the floor this afternoon. Let me read from that portion of the report of page 66, speaking on judicial review:

> Only as a final resort, and only under the most compelling circumstances (as, for example, when the practices of either the Congress or the Executive undermine the ability of the amendment to be self-enforcing), is there anticipated to be a significant role for the judicial branch.

Mr. President, after spending only 19 months here, my reservoir of idealism is relatively dry. As I look across what I have witnessed in this Chamber and the other Chamber over the past year and a half, it is not difficult to see circumstances—looking 5, 10, 15 years into the future, or even at a closer date—like this:

First, we will assume that the amendment has been adopted and ratified by the States.

Second, we will have a situation in Congress where either one or both Chambers will be unable to reach the supermajority called for, and, at the same time, unwilling to vote for a balanced budget, due to the political problems that exist.

How many times I have heard in the past 6 months how difficult votes are on this floor because this is an election year? When there is an election year, Mr. President, there is a premium on political courage, and there always has been. What happens in that circumstance? The budget is out of balance, the President may or may not sign it, and a taxpayer will go to a Federal district court and bring an action against Congress. That action will not necessarily be declaratory in nature. It could result in mandamus.

One may say that it is absolutely hard to believe that the courts of this country would order Congress what to do or what not to do. That may be true, but what they may do, in the event we do not meet our responsibilities, is bar all further spending of money, force pro rata reductions in appropriations bills, and this is what they properly could do without the language proposed by the Senator from Washington.

There are Members of this body who believe that this is probably the right thing to do, and they are entitled to their opinion, because the real question that arises is simply this: Would we rather have a constitutional crisis in this country or a political crisis? I would prefer a political crisis to a constitutional crisis, because in those areas where there have been constitutional crises, I submit that the results have not been as intended.

If this amendment is adopted, Congress will be in the unique position of being in violation of an amendment to the United States Constitution. I submit to the Members of this body, to the voters of this country, to the press, to the media at large, that that will be a serious position, precipitating, I believe, a political crisis, possibly lengthy in nature, but, in my belief, ultimately solved.

Mr. President, a very interesting column appeared in the Post on Sunday written by columnist George Will. The column is generally in opposition to the amendment. However, there is one section of Mr. Will's column which I think bears repeating, and I should like to read it into the RECORD. He says:

> Neither clairvoyance nor candor can be counted on in Congress or the Office of Management and Budget. So who will enforce what on whom if—when—the numbers are significantly wrong? Will the president control outlays by impounding appropriated funds? Will courts superintend the appropriations process?
>
> If the latter, will every taxpayer have standing to sue? No one can know until courts speak. And they will speak, because the amendment does not stipulate that controversies under it are not reviewable by courts. Were that stipulation made, the amendment would become a recipe for paralysis and lawlessness.

I disagree only with the last sentence of that excerpt. I think it would become a recipe for confirmation of this amendment.

I wish to recount some history for Members of the Senate. Because not all are lawyers, and those who are have been busy in many pursuits, some of the more recent judicial extravaganzas in the area of the 14th amendment may have been lost on them. Let me review some of the extravaganzas that 20 years ago people would have said would have been impossible.

In the State of Alabama—and I see my distinguished colleague, a former jurist of that State in the Chamber—the Federal court imposed its will, down to the last iota of detail, on the running of the State mental institution.

There are those who might say that the legislature of the State of Alabama and the elected officials in that State shirked their duty under the 14th amendment and that judicial retribution should be anticipated.

I submit to you, Mr. President, that should we ever submit the budget-making process of this country to the courts then we have for all intents and purposes reverted to a two rather than a three branch form of government.

Recently, in the U.S. District Court for the District of Wisconsin a court held specifically that certain sanitary facilities, and it spelled them out in the most laborious of detail, would have to be put in each cell.

In my own State of New Hampshire a Federal district court judge said that people working in the kitchen of the prison would have to wear hair nets.

That may seem a little ludicrous. But I am not stating it here in the Chamber to point out that it is ludicrous. I am making a point which should not be lost on anyone. The point is that given the opportunity, the Federal courts in this country have demonstrated their willingness to manage every phase and part of our lives.

There are those who teach in the law schools who say that legislatures, indeed, this Congress, have shirked their responsibilities in many areas, and the courts had to solve the problems.

I will not argue whether that is true or that is false. But the fact is that the Constitution is very specific as to where funds should be appropriated and how taxes should be raised.

I hope that the proponents of this amendment will consider that what the Senator from Washington and the Senator from New Hampshire are trying to do is to insure that 20 years from now, when we are all in our rocking chairs at the Old Soldiers Home, we will not look back on this day and say, "You know, they were right," as a Federal court impounds funds, assesses levies, and tells this Congress how it will act until it balances the budget.

I listened with interest to the Senator from Connecticut and the Senator from Rhode Island as they spoke here, I think, directly and well, and although I disagree with them on their feelings on this amendment, the fact of the matter is that in many ways what they said, was correct. But, there was one thing wrong with what they said, and what is wrong is that we are now facing a $1.150 trillion national debt. According to the Treasury, I believe the figures for this quarter are that the Federal Government will account for between 52 and 60 percent of every dollar in the credit markets, thus indicating to me that the Senator from Connecticut and the Senator from Rhode Island have great hopes for the courage of this Congress in the future but do not say too much about what happened in the past. This did not happen in a day. It happened over a 25- or 30-year period.

So let me conclude, Mr. President, by simply saying this: I wish that the Senator from South Carolina, the Senator from Arizona, and the Senator from Utah might find some way to accommodate what we believe is essentially a proper argument. Perhaps they have some modifying language, and this language of the Senator from Washington may not be the magic language, saying to the courts yes, you may in fact interpret, you may define, but you may not mandamus Congress or implement budgetary changes under this amendment. I hope there will be some way to reach some accommodation because I believe in the final analysis it will strengthen, not weaken, the amendment.

I have heard the argument that if we in fact tack this on we may face a problem in the other body, that in the other body this might just be enough to finally give them enough votes to kill this amendment. I hope that is not true.

But I submit to you, Mr. President, that that might be a better result than what I believe is foreseeable, probable, and in my view most certain if we do not in some way control the power to the judiciary in dealing with this particular amendment.

I thank the Senator from Washington and I thank the Chair.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. RUDMAN. I yield.

Mr. JOHNSTON. Mr. President, I wish to direct this question to both the Senator from New Hampshire and the Senator from Washington, the two coauthors of this amendment.

My question deals with the phrase "except for in" in the amendment, that is, the judicial power shall extend except for, and then the amendment goes on to describe cases or controversies seeking to define the terms used herein, et cetera.

Is it the intention of the authors by excepting these cases to grant jurisdiction to those or simply to leave the law as it is and to let a jurisdiction rise or fall, that is, to be granted or not to be granted in those cases according to whatever the rules are now or as they may be at that time?

Mr. GORTON. Mr. President, the latter statement of the Senator from Louisiana is correct. We carefully crafted this entire amendment to follow precisely the present language in the Constitution on the judicial power of the United States which is, of course, limited in article III to cases or controversies. It is thus the intention of the sponsors of the amendment, and I think the clear meaning of the amendment itself, that it will not in any way expand the nature of the cases or controversies which will be dealt with by the courts. That is to say, if the view of the sponsors from the Judiciary Committee is correct, and the Supreme Court does not change its rules on justiciability and standing, the courts will stay out of even some of these subsidiary issues.

As I said before the Senator from Louisiana reached the Chamber, I am thoroughly convinced that the detailed nature of Senate Joint Resolution 58 itself will be taken by the Court to overrule any inhibitions it may have had to granting taxpayer standing to bring a suit challenging actions under this article.

I also read a paragraph from the case of Flast against Cohen which seems to me strongly to indicate that such a case will be taken by the courts of the United States.

We certainly are not attempting in any way to suggest to the Court that it actually should take any case which it would not take in the present circumstances.

Mr. JOHNSTON. So that if there were the case or controversy seeking to define the terms used herein, that case would rise or fall insofar as judicial power extending to it or jurisdiction extending to it under the rules, the laws, the constitutional provision as they may relate to that case, but there would be no independent grant of jurisdiction by virtue of the except clause. That is perhaps repetitious. I wish to be very sure that is correct.

Mr. GORTON. The Senator is precisely correct.

Mr. JOHNSTON. Mr. President, will the Senator yield me 5 minutes?

Mr. GORTON. This Senator will be delighted to do so.

Mr. JOHNSTON. Mr. President, I thank the distinguished Senator from Washington and his distinguished colleague from New Hampshire.

Mr. President, I am inclined to endorse this amendment as a friend and as a coauthor of this amendment. I believe it strengthens this amendment and I come here as much inquiring as I do advocating.

It seems to me very clear that it would be a most pernicious and a most mischievous result to have in a court of the United States to mandamus or to issue any mandatory injunction with respect to how the Federal Government will spend its money.

We have already had courts dealing with those very questions. I recall when the States put in a so-called man-in-the-house rule with respect to AFDC, the courts involved themselves in that and said, "You may have no man-in-the-house rule."

There have been innumerable cases where the courts have involved themselves directly in the fiscal power of the United States, and most of the time that has been contrary to the will of Congress.

Mr. President, it was not too many years ago that the doctrine of Baker against Carr was enunciated by the court, which reversed over 100 years of judicial precedent. My colleagues will recall that that case established the one-man one-vote rule. Prior to that time the issue of the makeup of State legislatures, the makeup of legislative bodies, was considered to be a political question that was not justiciable by the courts. The courts said no matter how unequivocal representation would be they would simply not accept that jurisdiction.

Well, along comes Baker against Carr, and suddenly it is no longer a political decision but it is a decision which can be accepted and must be accepted by the courts.

The same thing is true, Mr. President, with respect to standing to sue. We had a vast expansion of the doctrine of standing to sue just since I have been in law school. The courts have gone to great lengths to grant standing in court to almost any conceivable situation, and according to the Flast doctrine referred to by the Senator from Washington, that now goes to virtually any taxpayer when the question is that pertaining to the public.

Indeed, I can think of any number of situations where people would have standing to sue. They might be a Member of Congress, they might be a taxpayer, they might be in a class that is on the receiving end of some Federal benefit, they might be, for example, recipients of social security whose benefits were being cut because of the operation of this amendment.

So, Mr. President, to say we can count upon the courts forgoing jurisdiction or withholding their judicial power by virtue of either precedent or because of the wording of this amendment, by virtue of the wording of the constitutonal amendment, unless the Gorton amendment is adopted, I think is to hope too much and to be totally unrealistic.

Mr. President, the Gorton amendment, as I read it, does precisely what everyone seems to want to do, and that is to say they want no mandatory injunction. Everyone seems to want no mandamus, but everyone would like for the court to be involved in the interpretation of the terms and rules of this amendment.

It seems to me that is precisely what this is doing, and I do not understand, frankly, why that is resisted by the authors of the amendment. I am sorry to have missed the earlier part of this debate, but it seems to me very clear, Mr. President, that we have no protection against judicial interference and the judicial enforcement of the balanced budget amendment unless we put this in.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. JOHNSTON. Mr. President, may I have 1 additional minute?

Mr. GORTON. I yield 1 additional minute.

Mr. JOHNSTON. I wonder if my distinguished friend from Arizona can tell me whether, first, he would like the result of having the court possibly order the manner in which the budget would be balanced or even ordering the Congress to do it and ordering some sanction such as not spending any money in the meantime unless they do, whether he wants that result, and if, as I imagine he does not want that result, what comfort he has in the present wording of the constitutional amendment that would prevent that result?

Mr. DECONCINI. Mr. President, I yield myself the necessary time to respond to the Senator from Louisiana. I thank the Senator for raising the question, and also the Senator from New Hampshire and the Senator from Washington for the amendment.

I think the amendment is worthy of debate. I lean often in this body since I have been here, as the Senator from Louisiana does, in putting some restrictions and some restraints on what the courts have done in interpreting actions of this Congress and past Congresses, and certainly the Constitution.

But I have some problems here. To answer the Senator's question, it seems to me we are opening the door for, perhaps, having a President interpret this constitutional amendment as indicating that he has authority to impound or to line-item veto or to take some action, and by adopting the amendment of the Senator from Washington I think we are taking a greater chance than we are in leaving it the way it is.

Second, no other constitutional amendment that I know of, that I have been able to ascertain, has any such prohibition. Maybe that is an argument for letting us start a new precedent, but I am fearful, and I am one who stands on the floor and argues that the courts have gone too far, but I think we are better off not to include this in here.

Mr. JOHNSTON. Mr. President, will the Senator further yield?

Mr. DECONCINI. I yield.

Mr. JOHNSTON. I have heard the argument that this might lead a President to interpret that this gave him the power to impound. But the courts would be authorized to exercise their power independently under the Impoundment Act rather than under any grant that he interprets as being contained under this constitutional amendment; is that correct?

Mr. DECONCINI. Let me get a copy of the amendment. It is my interpretation that the jurisdiction here would only be directed exclusively at implementing legislation adopted pursuant to section 5 and that would not go to the Impoundment Act and, in fact, this would exclude the ability of the court to apply any other laws or even take jurisdiction if, in fact, the President made such an attempt.

Mr. JOHNSTON. Well, the denial of jurisdiction under the Gorton amendment extends only to a case or controversy which arises under this article, and if the President undertook to impound then that case would not—and I ask this as a question—would not, would it, arise under this article? Rather it would arise under the Impoundment Act.

Mr. DECONCINI. No; I differ with the Senator from Louisiana because I believe if the President on a hypothetical decided that under the budget as passed here, if this were enacted and ratified, and then the President decided he had the power or authority to impound or did impound whether he had it or not, but he did, then I think the Gorton amendment would prohibit the court from either applying past decisions or to take it because of the extreme restrictions that it is only as to implementing legislation. That is my interpretation of it.

Mr. GORTON. Mr. President, will the Senator from Arizona yield?

Mr. DECONCINI. I yield.

Mr. GORTON. In a very narrow sense, I have to say to the Senator from Arizona and the Senator from Louisiana that the Senator from Louisiana is correct. If the President proposed to exercise impoundment authority and asserted as his only ground for such authority section 1 of this constitutional amendment, which, as it was amended by the Senator from New Mexico the other day, quite expressly does not authorize constitutional impoundment, under my amendment the courts would not be able to enjoin the President from engaging in that activity.

But the true answer to the Senator from Arizona is that it is simply impossible to imagine such a situation. Can you imagine, after we specifically here on the floor have denied to the President the impoundment authority under this article of the Constitution, that a President simply lawlessly is going to assert such authority, that he is simply going to deny the plain meaning of the Constitution of the United States?

I submit to the Senator from Arizona, first, that is not going to happen under any conceivable set of circumstances; and, second, that the reaction to the President's doing so would be so swift and so severe as to override any possible gain the President could exercise through that authority.

And, even more significantly, the argument made in the letter by Senator HATCH, but I gather expressing the views of the Senator from Arizona, says:

> If the President, for example, unilaterally declared that the proposed amendment invested him with impoundment authority, there would be utterly no recourse by Congress.

I say to the Senator from Arizona that this is nonsense. Congress has already dealt with exactly this kind of proposition by passing the Congressional Budget and Impoundment Control Act of 1974. If Congress passed such an act, the Court could enforce such an act.

Second, the Congress could pass appropriations bills—legislation which it almost certainly would pass—which internally prohibited impoundment. And when the President signed those bills he, obviously, would not defy his own terms.

Mr. DECONCINI. Mr. President, I say to the Senator that, No. 1, I do not know and I cannot say here that the Congress would have no recourse, because I believe we would, depending on the circumstances. But it is all hypothetical. It is hypothetical what the Senator from Washington is saying that the President, under no circumstance, would impound. But we have seen Presidents do it in the past. We have heard, from time to time, that they are about to do it again.

I think it would be foolish for us to come to a conclusion that some President in the future would not attempt to impound if they thought this was in the best interest of what they thought was necessary for the economic good of the country. And to hamstring us here, tie our hands, concerns me.

Mr. JOHNSTON. Will the Senator yield?

Mr. DECONCINI. I will yield in just a moment.

I am not adverse to attempting to find some solution to that, I say to the Senator from Washington, because I think he is on the right road. I wish I had a solution to offer him saying that this is the answer, because I know the Senator from Washington has spent many, many hours and days, perhaps, wording this.

But this does trouble me seriously and that is why, as worded, I am not comfortable with seeing us accept it.

I yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I say to my colleague that an impoundment by the President, even if expressly taken by the President under the authority of this amendment, would not make a case arise under this constitutional amendment.

Mr. DECONCINI. That is where the Senator and I would differ.

Mr. JOHNSTON. If it violates the Congressional Budget and Impoundment Control Act, which it would if it is an impoundment, it would arise under that act and it is not what the President says but rather what he does that would give the court jurisdiction and be the predicate under which the case would arise.

Mr. DECONCINI. If the Senator from Louisiana will yield, if I were the President and I decided I wanted to impound and the Gorton amendment was part of this constitutional amendment, I think that is what I would cite.

Mr. JOHNSTON. The Senator would cite it.

Mr. DECONCINI. Because I think it would cut off the court stopping me from doing it. That is my interpretation.

Mr. JOHNSTON. But when counsel went to court, he would say this case arises under the laws of the United States, specifically the Congressional Budget and Impoundment Control Act of 1974. Then the President would make a defense that it arises under this and the court would be able to make a determination that it did not.

Mr. DECONCINI. Or that it did. If the Senator will yield, if the court made the determination that it did arise under this, then the court would have to throw it out. That is the concern I have.

I wish to stress to the Senator that I would like to see something here directed toward some limitations of courts' participation. But I am just not comfortable with this language.

Mr. JOHNSTON. In an ultimate sense, of course, there is nothing you can really do to force the Executive, because the Executive is the Commander-in-Chief. As Andrew Jackson once said, the Chief Justice let him enforce his decision when he ordered the Federal Government to do something with the Indians down in Florida.

In an ultimate sense, we cannot deal with that. But we can deal with jurisdiction.

It seems to me we make a great mistake if we set the scene for courts to tell us how to balance the budget, either by cutting everything evenly or by cutting the national defense or whatever.

Mr. DECONCINI. Mr. President, I yield to the Senator from Alabama such time as he needs.

Mr. CHILES. Will the Senator yield on this same subject?

Mr. DECONCINI. It is on the same subject.

The PRESIDING OFFICER (Mr. ANDREWS). Is the Senator from Arizona yielding off the bill or is he yielding off the amendment?

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Alabama such time as he may require off the bill.

The PRESIDING OFFICER. The Senator from South Carolina yields to the Senator from Alabama time under the bill. The Senator from Alabama is recognized.

Mr. THURMOND. Mr. President, I yield to the Senator time on the amendment.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. As a matter of courtesy to the Senator from Florida, I will yield to him if he wishes to make a statement.

Mr. CHILES. I will wait until after the Senator finishes.

Mr. HEFLIN. Mr. President, it is with some reluctance that I rise to discuss this aspect of this amendment. I have not been familiar with the contents of the amendment offered by the distinguished Senator from Washington until only about an hour and a half ago and I feel I have not done adequate research to answer.

But there are questions that come to my mind immediately concerning this matter. I share a feeling that the Supreme Court of the United States should pursue a path of less judicial activism, and that, in many instances, their activism in the past has not been for the benefit of the Nation as a whole.

However, I look at the basis of a constitution in a democratic government, and in a legislative form of government and find that, basically, constitutional language is supposed to be brief, and is to be implemented with much more wordy legislation, but anyone who has ever attempted to draft legislation or draft constitutional language realizes that, in the course of human events, it is impossible to predict the controversies that will arise in the future.

Basically, our system has been one by which we set forth a principle in the Constitution and endeavor to implement that language with much more detailed legislation. Still, no legislation that I have ever seen, heard about, or read about ever comprehended what will happen in the future.

So, therefore, the courts have come forward to interpret language and statutes and the Constitution, to meet changing times and a changing society.

Our concept of government is similar to a three-legged stool. You have the legislative branch, the executive branch, and the judicial branch. Historically, that three-legged approach toward solving the problems that confront a democracy have worked well, with some exceptions.

Now we are here contemplating the constitutional principle of trying to obtain a balanced budget. Since 1945, the end of World War II, there have been many well-intentioned Presidents who wanted to do away with deficit spending and to have to have balanced budgets, but problems always arise.

So we are now placing in the Constitution, if this constitutional amendment is approved and ratified by the States, a principle. We will follow it with implementing legislation. The Gorton amendment would then say that the courts cannot, in effect, look at the implementing legislation, saying, "yes, the courts have the right to interpret the implementing legislation, but you must be completely blind to the language of the principle."

It seems to me that the language of the Constitution and the language of the implementing legislation have to be considered together, or, in the language of lawyers and judges, in pari materia. Now, if we act to cut off one

of the legs of the three-legged stool, it would mean that the stool cannot stand, and if it is a sitting stool, you cannot sit upon it.

It seems to me that if we move here and attempt to say that the judiciary cannot interpret what certain language means, we are really doing ourselves an injustice, and maybe cutting off our nose to spite our face.

Let us look at some of the language that is in the constitutional amendment as it now stands.

There is in section 1 the requirement of the adoption of a statement of receipts and outlays. Then, you have the language, amended yesterday, which now reads as follows:

> The Congress and the President shall, pursuant to legislation, or through the exercise of their powers under the first and second article, ensure that actual outlays do not exceed the outlays set forth in such statement.

I do not know exactly what that means. If a question arises, will we, by the adoption of this amendment, say that we will not have the benefit of judicial review and judicial interpretation?

Mr. RUDMAN. Will the Senator yield for a question?

Mr. HEFLIN. I would appreciate it if I could complete my remarks. Then I will yield.

The way this is written, it reads in part, "The Congress and the President shall, pursuant to legislation, or through the exercise of their powers under the first and second article."

The President's main authority that comes to my mind right now is the provision under Article II of the Constitution which imposes upon him the faithful execution of the laws. That phrase has been interpreted in a lot of different ways. Just to go back for a moment, in the Roosevelt days a lot of administrative agencies were created. The administrative agencies were delegated legislative power, or at least that was the charge. In the language, they were given rule and regulation power. Litigation developed pertaining to the question of whether that was an unlawful delegation of legislative power.

Then, we find that the court said that it was not, but it was really a fleshing out of the provision of article II that gave the President the right to faithfully execute the law. I just use that as an illustration. Suppose the President goes beyond what may be considered a proper parameter and takes action. This amendment would prevent judicial review of the action of the President under article II of the Constitution.

The way this is worded, the amendment that is offered, to me, is a jurisdictional issue in which there is a prohibition against jurisdiction and the judicial power taking authority and moving to consider matters in that regard.

I read a part of this again:

> The Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement.

I do not know the entire scenario of facts but it appears to me, if the Rudman and Gorton amendment is not in there, this provision is going to probably be subject to a lot of interpretations and litigation. Frankly, it seems to me that it is desirable that there be judicial review and possibly judicial restraint in regards to the powers exercised by the President and possibly Congress.

If you go back and look at the history of the development of Government, Government has been largely a battle to restrain the Executive. In history, if you will go back over the years, through development in England and other countries, right up to our country, you see reasons why we have put certain prohibitions in the Constitution which are primarily against the Executive, providing that they cannot do certain things.

We developed that Congress may exceed and the judiciary may exceed, but the history has been that parliamentarian types of government have continued to develop and given more and more power attempting to decrease the power of the Executive. That has been in keeping with our concepts of freedom, if you look back at the Executives who basically have, in certain instances, abused their authority. That was certainly true in England, starting with the Magna Charta and moving forward, with the idea that there should be more and more participation by people, through their representatives, and less power in the executive branch.

It seems to me that we are really, by restraining him, conferring almost unlimited power on the Executive to do what they might say they have a right to do under this provision dealing with insuring that actual outlays do not exceed the outlays set forth in such statement.

Now I turn to other sections of this, and I look at section 2:

> Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the year or years ending not less than 6 months nor more than 12 months before such fiscal year.

To me, that provision is subject to several interpretations. The way some groups wrote this up yesterday would indicate that you could go back 3 to 5 years in picking the base year. Some of the debate said you might go back up to 20 years in picking the base year.

I can see this provision, for example, as being the year or years like 1981 or a portion of 1981 and a portion of 1982, by referring to the year or years before such fiscal year.

I think this section is subject to several interpretations, and for us to deprive the people of America of the right of their judicial branch to declare what is meant after a careful review of the legislative history is something that, in my judgment, we really should not allow.

I see here, in section 3, that Congress may waive the provisions of this article from any fiscal year in which a declaration of war is in effect. Now, let us suppose war is declared on January 20 of a fiscal year, assuming that "fiscal year" means October 1 to September 30. That means that the provision against the previous year's proportionate taxation is waived. Does it mean that you are limited then, in regard to increased taxes for war, to the period from January 20 to the end of the fiscal year, or does it have retroactivity?

All of these are, to me, matters that definitely indicate that there ought to be a right of judicial determination.

I have often been frustrated in my service in the Senate in that, in making decisions normally, I have, in the past, read briefs, heard arguments, and felt that I have a pretty good comprehension of what might be the issues before us. I find that here, I am basically a hipshooter, and that Congress is basically a hipshooter; that we have to make decisions fast, and we sometimes feel as if we do not have our arms around them as much as we would like to have in this regard.

Mr. President, I would prefer, when it comes down to a review of the legislative history, to have the review performed by a body that studies everything that was said, that has arguments pro and con in regard to it. I think by doing this, we will have a better interpretation of the Constitution and any implementing acts that are passed pursuant thereto.

There are other problems that come to my mind, other than just language here. I do not think we ought to cut off the right of judicial power to consider the interrelationship between the Constitution and any implementing legislation. There are issues that could arise under the treaties of the United States. There are matters in which there have been certain commitments under certain treaties that could have some effect upon the overall situation dealing with the Constitution. But, if you are prevented at a threshold level from exercising judicial power dealing with these matters, you would be deprived of the right of the courts to interpret the language.

I do not fear as much as perhaps my distinguished colleagues who support this amendment that the courts are going to get into any budget writing. The experience of most people in regard to courts in the specificity of those matters is that the courts do not want to get into those areas. I think my colleagues are perhaps looking

through the eyes of other amendments and some other activities and activism, and really getting to a field into which I do not believe the courts will want to enter.

There is this issue regarding what happens when the revenues do not at least equal the anticipated statement. Under the constitutional amendment and under the implementing legislation, we will not know how much revenue will come in. We will have to make a guess, an anticipation. You then include your anticipation, and your anticipation is, of course, based upon certain assumptions that you make. If those assumptions prove wrong and revenue does not come in in the amount that was anticipated and that was contained in the statement of revenues and expenditures, you have the reverse of deficit spending. You have what is generally referred to as a situation in which you go into proration.

In my State, we have had a provision in our constitution that prohibits us from spending any more money than we take in. There is no escape valve, such as the three-fifths vote provided here. It therefore means that the legislature has to be extremely careful in the calculation of the anticipated revenues. If a mistake is made—and mistakes have been made in my State—the State goes into what is called proration. Toward the second, third, and fourth quarters, when that anticipated revenue fails to meet the amount contained in the budget or the statement, you have to cut back and reduce expenditures.

We have available here supplemental appropriations, but by a three-fifths vote. If we do not have the three-fifths vote, then we get into a situation like proration, and perhaps implementing legislation will set forth particular requirements. But in my State, litigation developed to the extent where it was necessary to consider the situation. The courts did a great service to the State of Alabama in the case of Abramson against Hard, in which they dealt with some essential services of State government.

Mr. JOHNSTON. Will the Senator yield for a moment?

Mr. HEFLIN. I would appreciate it if the Senator would let me finish; then I shall yield.

In that case, they looked at the situation. There were, for example, fixed amounts of salaries. Would the proration then apply to those fixed salaries? In some instances, there was a constitutional provision that said you cannot increase or decrease the compensation of an officer during his term of office. Questions arose about other salaries where there were fixed amounts: Would there be a corresponding proration in regard to salaries?

The courts involved rendered a great service to the State, and that case has been considered as one of the landmark cases dealing with our Government. It established pretty well that the obligation is upon the executive to make correct anticipations of revenues coming in.

Mr. President, all of these are matters that can develop in this situation. If we act to tie our hands by saying that judicial power cannot be exercised—which means, in effect, that there is a threshold barrier, and, if it involves this budget matter, the courts cannot take jurisdiction over it; we are allowing a situation to exist where there are too many dangers involved.

It may well be that something can be worked out along these lines. I would like, however, to see very careful consideration and a deliberate approach to this matter, rather than adopting something when we do not know what the end result would be.

Mr. President, I have before me a letter that was addressed to Senator STROM THURMOND, the chairman of the Committee on the Judiciary, from the Attorney General of the United States, dated May 6, 1982, concerning another matter.

This letter is from the Attorney General, William French Smith. He is certainly no activist, and, as we all know, the Attorney General for President Ronald Reagan. He ends the letter with this paragraph:

> The integrity of our system of Federal law depends upon a single court of last resort having a final say on the resolution of Federal questions. The ultimate result of depriving the Supreme Court of jurisdiction over a class of cases would be that Federal law would vary in its impact among the inferior courts. State courts could reach disparate conclusions on identical questions of Federal law and the Supreme Court would not be able to resolve the inevitable conflicts. There would also exist no guarantee through the Federal court review that State courts accord appropriate supremacy to the Federal law when it conflicts with the State enactments.

Now, under this amendment you are saying that the judicial power of the U.S. courts cannot be used, but, under the supremacy clause, that will not prohibit State courts from getting involved in interpretation. This could result in 50 different interpretations.

It may well be that that may be narrow, but let us look at the concept of New Federalism which involves a transfer to the States of certain programs, some 43 in number, including aid to dependent children, and, maybe and maybe not, food stamps.

Involved in that there is a transitional period of Federal financing through a Federal trust fund. I can see, under certain facts and circumstances, if this amendment is engrafted to this constitutional amendment, you could have budgetary problems entered into and decided by State courts.

Now, I do not think that that may arise in every instance, I do not raise it as an alarm, and I do not say absolutely that it will occur, but I think it is a matter that has to be carefully considered. We have to look very carefully at this language and its effect, and I feel that we would be making a mistake to adopt this at this stage without realizing the various consequences that may well become involved.

We know on the issues of outlays and receipts that this amendment may well prohibit the exercise of judicial powers over the constitutionality of legislative riders, such as the Hyde amendment, and over the constitutionality of other outlays which could, for example, involve tuition tax credits or the constitutionality of various taxes.

In my judgment—maybe I am a little too conservative—when it comes to the Constitution and it comes to drastic surgery on the Constitution, we had better go slow. This constitutional amendment has been studied very carefully over the last several years. It has been reviewed by many, many people. This issue came up and many people began to wave flags of caution. I feel today that we must continue to wave these flags of caution. It may well be that some appropriate language that will take care of the fears of the authors of the amendment can be adopted. I would, however, be very cautious in an area such as this, particularly with new constitutional language that has not been tried as the anvil of the judicial system, and would not take action which we may regret later.

I therefore feel that it would not be the best thing at this time to adopt or engraft this amendment to this resolution calling for a constitutional amendment.

Mr. RUDMAN. Will the Senator from Alabama yield for a question?

Mr. HEFLIN. Yes.

Mr. RUDMAN. The Senator from Alabama has spent a fair amount of time addressing a number of concerns. The one that may deal with the possibility of judicial restraint, which the Senator from Alabama evidently feels in certain cases might be permissible, is not one that I wish to debate. However, as to the first 5 or 6 minutes of the very interesting remarks of the former chief justice of the Alabama Supreme Court, I wonder whether or not I might pose this question. The Senator from Alabama seems to be deeply concerned that certain words, terms of art, phrases that are contained within the amendment might not be subject to interpretation by the court. I wonder if the Senator from Alabama might not agree with me that our amendment does in fact say, except for cases or controversies seeking to define the terms used herein?

It seems to me that we have taken care of the concern of the Senator from Alabama in that one narrow area

in that the court is fully free to interpret, to the extent it wishes, any term contained in the amendment.

Mr. HEFLIN. I do not think so. As I tried to point out, the Senator would allow for an interpretation, we will say, of the term fiscal year.

But I do not think that the Senator in his language would allow for an interpretation by the courts of the language, "The Congress and the President shall, pursuant to the legislation or through the exercise of their powers under the first and second articles, insure that actual outlays go on." I do not classify that as a term. I classify that as being a full statement, more than a couple of words, and it would in my judgment have to be tied not to an interpretation of that but to the action, first, of the President's authority under article II and, second, whether or not that action that he took comes within that article II, and it makes a relationship "in pari materia" to this sentence in this amendment.

This is an important point—interpretation of terms cannot be done in total isolation. The term itself often has to be defined circumstantially for its meaning varies. I believe this amendment would prohibit such interpretation, and do not believe that wise.

Mr. RUDMAN. I believe, if the Senator will yield for another question, that anything under article II would be essentially outside of this amendment. Second, I wonder if the Senator from Alabama might agree with me that the phrase within the amendment that states "or directed exclusively at implementing legislation adopted pursuant to section 5" does in fact take care of most of the objections raised by the Senator from Alabama.

Mr. HEFLIN. No, sir. The Senator raises the issue, and one has to interpret your language, of a court restraining themselves, saying that this language in the Constitution, the Rudman language, is, in effect, a threshold issue and a jurisdictional issue. Therefore, under the set of facts surrounding budgetary matters, we do not have the court jurisdiction necessary to rule pertaining to the exercise of Presidential authority under article II.

Mr. RUDMAN. I say to the Senator——

Mr. HEFLIN. I think really what you are doing here is you are foreclosing in budgetary matters a judicial interpretation of certain article II authority.

Mr. RUDMAN. It is quite the opposite, and I have the greatest respect for the distinguished Senator from Alabama.

Mr. HEFLIN. It might be a 5-to-4 decision, but I would like to have that decision made by a court that studied the legislative history thoroughly.

Mr. RUDMAN. We think the language allows that.

Mr. HEFLIN. There are many 5-to-4 decisions, and differences of opinion. To say, however, that you cannot have the right to make that determination is a very serious step, and I firmly believe we should be very cautious about it.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. THURMOND. I yield to the distinguished Senator from Utah such time as he requires.

Mr. HATCH. I thank the Senator from South Carolina.

Mr. President, as my friend and distinguished colleague from Washington knows, the differences between us on the proposed floor amendment are not, by and large, questions of substance. We share the view that the Federal judiciary should not become involved in the day-to-day controversies involved in deciding the budget. Neither of us wants the Federal courts to begin writing the budgets or deciding legislative procedures as a result of Senate Joint Resolution 58.

I believe that my colleague from Washington deserves great credit for having raised the issue of the judicial role under this balanced-budget amendment. It is an extremely important issue and one on which the committee has focused in great detail. It is perhaps the most difficult issue involved in this constitutional amendment.

The committee has chosen to say nothing explicit about this issue in Senate Joint Resolution 58—not because it is an insignificant issue but because we believe this treatment to be appropriate. On the one hand, this treatment insures that the Federal courts will not involve themselves in fundamental budget decisions, including "writing the budget," while not undermining their fundamental obligation under our system of government to "say what the law is," *Marbury* v. *Madison* (1 Cranch 137, 177 (1803)). We have concluded that, to make any more explicit statement, is probably to upset this balance, as well as to upset the equally delicate political balance that has been achieved in this amendment.

The role of the judiciary in enforcing the proposed constitutional amendment will be sharply limited under Senate Joint Resolution 58—by both the Constitution and by well-established judicial practices—for the following reasons. First, it is highly questionable that the courts would find most of the issues arising under the amendment to be "justiciable" in the sense of presenting the kind of "case or controversy" to which the judicial power attaches under article III of the Constitution. Second, there would rarely, if ever, be standing on the part of any individual or organization to challenge alleged breaches of the amendment. Although standing cases have expanded and contracted, I know of no standing case that would allow a deleterious suit to be brought under the Senate Joint Resolution 58. I suppose it is always a possibility that the court could find some fictional standing device to justify any suit it wants to, but it is only a possibility, not a probability, especially in light of the more than extensive legislative history we are making on this matter.

Third, even if standing were conferred—the courts would normally treat issues raised under the amendment as "political questions" to decided in the discretion of other branches of the National Government. It is explicit in the Constitution that these matters lie within the hands of the Congress of the United States. Courts would normally treat issues raised under the amendment as "political questions" to be decided in the discretion of other branches of the National Government.

Let me discuss these very briefly, and refer my colleagues to the more elaborate discussion in the committee report. First, there is the question of the justiciability of actions arising under the proposed amendment. "Justiciability" is a term that refers generally to the propiety of judicial involvement in a dispute. It is a "term of art employed to give expression to the dual limitation placed upon Federal courts by the case or controversy doctrine," *Flast* v. *Cohen*, 329 U.S. 83, 94–5 (1968), and arises out of the limitations of the role of the judiciary within our system of government.

I believe that it is extremely unlikely that the Federal courts would relish involvement in the kind of cases or controversies developing from the proposed amendment. In short, such cases or controversies would not normally be those "appropriate for judicial determination. *Aetna Life Insurance* v. *Haworth*, 300 U.S. 227, 240 (1937). Rather, they would be cases or controversies arising out of an appropriation and taxation process that is expressly committed to the legislative and executive branches under the Constitution. They would be cases or controversies arising from the allocation of public funds, matters that are clearly within the discretion of the elected, representative branches of Government. They would be cases or controversies where judicial involvement would lead the courts into areas which are principally reserved to other branches of the National Government, and in which conflict among the branches of Government would invariably be created. They are cases or controversies in which the possibility of effective and sure remedies would, effectively,

depend upon the determination of the judicial branch to maintain a continuing oversight role over the actions of the legislative and executive branches. I believe that it is clear that the Federal courts would, properly, be extremely reluctant to involve themselves in cases or controversies arising under the present amendment.

The second barrier is the "standing" barrier, another constitutionality derived limitation upon the judicial branch. The gist of the question of standing is whether the party seeking relief has, "alleged such a personal stake in the outcome of the controversy as to assure the concrete adverseriness which sharpens the presentation of issues upon which the court so largely depends for illumination of difficult issues." *Baker* v. *Carr*, 396 U.S. 186, 204 (1962). The personal stake or personal injury must be a direct and specific one, not a "generalized grievance" whose impact would be "plainly undifferentiated and common to all members of the public." *United States* v. *Richardson*, 418 U.S. 166, 177, 179–80 (1974). A plaintiff must allege some "particularized injury that sets him apart from the man on the street." Richardson at 194.

Since the gravamen of the proposed constitutional amendment is that Congress develop certain aggregate budget figures and abide by those figures, I believe that it would be exceptionally difficult for an individual or organization to claim "standing" under it. An alleged breach of the amendment would arise, not from the failure to appropriate funds for some individual program purpose, not from the wrongful appropriation for some individual program purpose, but from the violation of aggregate budget figures. Under this circumstance, I believe that it would be highly unlikely that an individual could demonstrate the sort of individualized or particularized injury that would justify standing. His interest, in this circumstance, would be the same as any other individual or any other taxpayer, the same as the average "man on the street" in the words of the Supreme Court in Richardson.

Even if the justiciability and standing barriers are overcome to judicial involvement in this amendment, there is a third barrier—the "political question" barrier. "Political questions" are those in which the courts forego their normal function of judicial review of constitutionality for a variety of reasons that make such review inappropriate. The basic factors considered by the Supreme Court in determining "Political Questions" have been laid out as follows:

First. Is there a textually demonstrable commitment of the issue to a coordinate political department?

Second. Is there a lack of a judicially discoverable and manageable standard involved in the issue?

Third. Can the issue be decided without a policy determination of a kind clearly for nonjudicial discretion?

Fourth. Can the court resolve the issue without expressing lack of respect for coordinate branches of government?

Fifth. Is there an unusual need to abide by political decisions already made?

Sixth. Is there a potential for the embarassment of government arising from differing responses by different departments to a single question?

It was the view of the full Judiciary Committee that the clear constitutional commitment to Congress to control Federal spending under article I, sections 8 and 9 is sufficient to insure that the courts will exercise maximum caution in interfering with congressional determinations under the proposed amendment. The process of developing a budget involves precisely the kinds of determinations for which legislatures are most capable and the courts least capable. The need to respond to public sentiment, the need to negotiate the demands of various and competing spending interests, and the need to make difficult policy determinations about public spending and revenue priorities are clearly factors that mitigate in behalf of legislative-branch rather than judicial-branch determinations. Further, it is extremely questionable that there are adequate standards for judicial manageability of the class of cases most likely to arise under the proposed amendment. Any examination of aggregate spending, taxing, and deficit figures produced by Congress would run up against the problem of uncovering differentiated injury to some party, while any deeper, more probing analysis, necessitating judicial inquiry into the process by which such numbers were produced, almost certainly would involve the courts in matters beyond their expertise—matters the determination for which are placed clearly and indisputably within a coordinate branch of government.

Mr. President, my point here then is that, whatever the intent of Congress, it is virtually certain that the judiciary would not be involved in writing the budget under this amendment. My second point—and one that is at least as important—is that the intent of Congress is utterly clear here. Congress does not want the courts to be involved in writing the budget. We have made that clear in the committee report, and we are making that even clearer as we discuss this issue. Whatever the merits of committee predictions on how this issue is likely to be treated by the courts, the Judiciary Committee and this body, as well, have made it unambiguous that it is not the intent of this amendment to involve the judicial branch in writing the budget.

Apart then from its superfluous nature, let me briefly summarize why I believe this amendment should not be accepted. I do not believe that it is appropriate to exclude the judicial branch from its legitimate role in this amendment. It is not appropriate, to set the precedent and preclude an independent branch of the National Government from performing even its proper function. While there is no one in this body who has been more concerned about so-called judicial activism than myself, that is a far different thing from saying that the courts do not have an essential role within our constitutional system of government.

In fact, our Founding Fathers set up this Government on three coequal branches of Government and if the amendment of the Senator from Washington should pass we would have two coequal branches and one not quite as equal as the others.

The proposed amendment states:

> The judicial power of the United States shall not extend to any case or controversy arising under this article, except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 5.

The proposed floor amendment would totally prohibit the Federal courts from exercising their proper functions, except in two vaguely defined circumstances.

Let me pose a few of the many questions that are raised by this proposed amendment. What happens if this amendment is ratified and the President decides suddenly that the amendment invests him with impoundment authority? There would be absolutely no recourse on the part of Congress, under the gentleman's amendment. What if the President decides that he has item veto authority, or that he has some other new authority as a result of the amendment?

For example, what if the President wants to prevent some social program that he disagrees with, or wants to prevent the military from spending as much as Congress has decreed it should. Will we not have some constitutional crises arise? I suspect we would.

Again, Congress would have absolutely no recourse. What happens if an impasse develops between Congress and the President on some controversy arising out of this amendment? We have seen these controversies develop in recent years in a variety of legal and constitutional contexts. Again, there is no recourse to the Federal judiciary which has traditionally provided a forum for these matters.

I emphasize again the great concern about impoundment. If the President one day decided that this amendment granted him impoundment authority, contrary to everything in the legislative history of this amendment, what

recourse would Congress have under that circumstance. This amendment would significantly upset the careful balance drawn by the Judiciary Committee on this issue.

That is only one concern. I have others. While the amendment is too broad in important constitutional respects in eliminating judicial review, it is—ironically—too narrow in other areas. The amendment would seem to establish the right to judicial review in all cases arising out of the implementation provisions of this amendment. In other words, the mere inclusion of an issue within the implementing legislation that Congress will have to pass serves to trigger the right of judicial review. Given the broad, expected scope of this legislation, it is unclear to me whether or not this provision would exclude many matters. To the extent that this amendment has to be fleshed out in its details by enacting legislation, the proposed floor amendment would not really exclude many matters from judicial review. It might, however, chill Congress from passing effective implementation legislation since the policy of this amendment seems to be: If the controversy arises from the Constitution, there is no judicial review; if, however, it arises from statute, it is subject to such review.

What kind of policy is that—where the courts are implicitly granted extensive authority over congressional enactment pursuant to a constitutional amendment but no authority with respect to the amendment itself? In other words, an issue is immune from judicial review until it is incorporated into a statute by Congress? What is the coherent policy involved here? Is this even a narrowing of the scope of judicial review permitted under this amendment? It is totally unclear to me.

Mr. President, I raise one other equally serious concern. Under the Constitution, the Federal courts, in particular the Supreme Court, frequently review cases or controversies arising out of legislative appropriations. For example, the court will review the constitutionality of a Hyde amendment, or it will review the constitutionality of a school busing rider, or it will review the constitutionality of a severance tax or a tuition tax credit. There are countless issues of this sort.

To the extent that these cases can be said to arise under this amendment, since they each involve the development of outlays and receipts under this amendment, a serious argument is raised as far as whether or not the courts will continue to possess judicial review authority. Suppose, for example, that Congress decided that it wanted to impose some form of severance tax on the States. Suppose that the States wished to challenge this and were met with the response by Congress that their authority to set levels of taxes and outlays was unreviewable under the Gorton amendment to the balanced budget amendment. How would this be resolved. Suppose Congress said that its authority under the amendment made its legislative riders unreviewable, the Hyde amendment and school busing, and so forth. Can the Senator from Washington or anyone else say with absolute assurance that his amendment would not require such a result?

Mr. President, in summary, I oppose this amendment because this amendment would upset the carefully-drawn balance developed by the Judiciary Committee on the difficult issue of judicial review. No one to my knowledge wants the courts to intrude into the budget process, and "write the budget." Under the present language of Senate Joint Resolution 58, they will not. On the other hand, the pending floor amendment would, on the one hand, go far beyond that policy by prohibiting judicial review over even such matters as impoundment while, on the other hand, allow greater judicial review by permitting such review the moment an issue was contained in congressional enactment legislation. The proposed amendment also raises serious questions about the continued ability of the Court to perform its proper functions in reviewing the constitutionality of issues arising in the context of controversies involving outlays or receipts.

I think really, in conclusion, one of the biggest worries I have if this amendment passes is: Will it be the amendment that really kills the constitutional amendment that so many of us want?

It very well may be even though the thoughts behind it are sincere and well-intentioned. I believe it would be better to make the historical record, the intent of Congress, as solidly as it has been made than to take a chance of adding this amendment to Senate Joint Resolution 58 with respect to the constitutional amendment. I also believe that if the Court wanted to, it could go through this language and do whatever it wanted to do anyway. So why take a chance of risking passage of Senate Joint Resolution 58 by insisting that this amendment come in with serious questions and issues it raised?

I ask the distinguished Senator from Washington: How do we respond to the concern that a unilateral exercise of Presidential impoundment under the amendment will allow Congress absolutely no judicial review?

Mr. GORTON. Excuse me, I did not hear the Senator.

Mr. HATCH. Let me repeat what I said. How do we respond to the concerns raised by some that under the Senator's amendment Congress would have absolutely no means of judicial review of Presidential impoundment?

Mr. GORTON. I regret the Senator from Utah was not on the floor either during the time of my original statement on my amendment or during the discussion which involved myself, the Senator from Arizona (Mr. DECONCINI), and the Senator from Louisiana (Mr. JOHNSTON) in which that precise point was raised.

I can only answer the Senator from Utah's question by saying that he has point out in his formal statement the delicious irony faced by the proponents of the resolution and the opponents of this amendment. The position seems to be a double one. First, there will not be a judicial review of anything in this amendment because of the doctrines of justiciability, standing and political question, and, second, that we darned well better have this wide open to judicial review or we will face a constitutional crisis.

Mr. HATCH. Mr. President, will the Senator yield on that point? We did not say there would not be any judicial review. We said it would be extremely limited because there may be areas in which the courts should properly be able to review matters that come up under the amendment. But this power will not be great enough to allow the courts to, in effect, write the budget or interfere with the actual budget process.

Mr. GORTON. I submit to the Senator from Utah that no question could be more clearly a political question that a confrontation between the Congress and the President of the United States over impoundment, and the Court, if it ever were to decline to deal with an issue on the ground of its being a political question, would do so because of the very point which the Senator from Utah has raised as a bugbear in this connection.

I would say two things: First, the mere assumption that a President of the United States would claim powers which are patently nonexistent in section 1 of this amendment, such as item veto authority or a constitutional power of impoundment, is to imply a totally lawless attitude on the part of the President of the United States.

Perhaps the Senator from Louisiana answered the question best of all by saying that a President who would exercise such lawless powers would likely also echo President Jackson's statement to Chief Justice Marshall, "The Court has made its decision. Now let it enforce it."

Such a President might well call out the Army to ignore a decision of the Courts's under such a blatant misuse of his powers. Of course, under such circumstances there would be redress. Under such circumstances it seems to me clear that the President of the

United States would have committed an impeachable act.

There is no shred of evidence in either the words of section 1 of the amendment, the resolution which has been drawn by the distinguished Senator from Utah, or in the debate in this body that the President is given any such powers.

If the President were to attempt to exercise them, he would do so in a lawless fashion, subjecting himself to impeachment.

Second, as the Senator from Louisiana very eloquently pointed out, any action which was brought to challenge such an impoundment would be brought under the Congressional Budget and Impoundment Control Act, which denies the right of impoundment, and, which one presumes under the set of circumstances outlined by the Senator from Utah, will continue to do so.

The President might well defend the action by saying, "No, I was not acting under the Budget Act, but under section 1 of this resolution." But the Court would certainly have the right to determine that a law implementing this act, fully subject to judicial review, prohibited such an impoundment.

So, in the first place, judicial review would be available under such circumstances. In the second place, Congress could easily defend itself by including in the very appropriations act which was subject to impoundment a prohibition against such impoundment. Third, even if we assume the President would deliberately violate his authority and misuse his office, that the President would be subject not only to the wrath of the voters but to impeachment by the House and by the Senate of the United States.

Mr. RUDMAN. Mr. President, will the Senator from Utah yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. GORTON. The Senator from Washington does not have the floor. The Senator from Utah has the floor.

Mr. HATCH. I will yield.

Mr. RUDMAN. I have the greatest respect for the position taken by the Senator from Utah. I understand both the political and practical reasons why the acceptance of this amendment is being resisted. Yet I do remember full well, long before I came to this body, watching the Senator from Utah on national television decrying the excesses of the Federal judiciary, and stating on numerous occasions that the Federal judiciary under the 14th amendment did things that no one ever anticipated they would do.

In that light, I want to ask the Senator from Utah this question: On page 66 of the report is the following language:

Only as a final resort, and only under the most compelling circumstances (as, for example, when the practices of either the Congress or the Executive undermine the ability of the amendment to be self-enforcing), is there anticipated to be a significant role for the judicial branch.

My question is simply this: Does the Senator from Utah agree with the Senator from New Hampshire that if there is a deadlock where we cannot get a super majority and yet we still have an unbalanced budget, that there is an invitation to the courts to come in and do it for us?

Mr. HATCH. No, I do not agree with that.

Mr. RUDMAN. Then I would like the Senator from Utah, if he does not agree with that conclusion, to explain to me what kind of circumstances and what events are anticipated under the language on page 66, because, let me say further in response to the Senator's statement, that the Senator from Washington and the Senator from New Hampshire are interested only in assuring that any action by the court is definitive and declaratory. We would like to avoid the possibility of mandamus against the Congress, against the President, in relation to this amendment.

Mr. HATCH. One illustration I can give you right off the top of my head, and I am sure there are others is, What if there is no vote at all? What if the Congress itself ignores it? What if the leadership in Congress ignores the constitutional mandate to come up with the proceeds and outlays? It may very well be that Members of Congress would have standing under that circumstance because they are being foreclosed from performing their duties as Members of the body. That may be a very good reason to not strip the courts of this power.

For example, I am on the Budget Committee. Under the Budget and Impoundment Act of 1974 we have to have a first budget resolution by May 15 and a second concurrent budget resolution by September 15. We have ignored that time after time.

I can see many ways that Members of this body might ignore this constitutional mandate in the same manner that they ignore their own statutory mandate to come up with the second concurrent budget resolution.

(Mr. GOLDWATER assumed the chair.)

Mr. BUMPERS. Mr. President, the Senator said Congress may choose to ignore if they did what?

Mr. HATCH. If they choose to ignore the mandate under this, I think Members of Congress may have a justiciable issue, because we are being prohibited from performing the constitutional mandate which we must perform.

Mr. BUMPERS. Let me explore that, and I will take time from either side because I am not sure how I am going to vote on this amendment yet. I am really curious about this.

Let me ask this question. There are a number of precedents, of course, that if you are going to bring a class action you have to be affected in some unique way other than the population as a whole.

Mr. HATCH. That is correct.

Mr. BUMPERS. In that case, the Senator mentioned that a Senator might have standing.

Mr. HATCH. Senators who may want to vote under the constitutional mandate.

Mr. BUMPERS. Let me ask the Senator this: If you were going to bring that as a Senator, what would you allege on your own behalf individually or as a class? How would you do that?

Mr. HATCH. We were not able to vote as mandated by the Constitution of the United States in derogation to our oath to support the Constitution.

Mr. BUMPERS. Mr. President, I say to the Senator that he is a Member of the body that has a right to do something about that. Would the court say, "Look, that is a political question. You are part of the political body and you have no standing here."

Mr. HATCH. There is that possibility, but I believe that this is one situation that has the potential of meeting the qualifications of justiciability, standing, and avoiding the political question. I believe the court might act in that illustration and I think it would properly do so.

Court action in this case would not tell Congress how to vote or allow the courts to enter into the budget process, but it would say that Members of Congress could vote.

Mr. BUMPERS. Mr. President, if I may take a couple of minutes on this and ask the sponsors to comment on my concern.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the Senator from Washington yield 2 or 3 minutes to me?

Mr. GORTON. The Senator from Washington will yield to the Senator.

Mr. BUMPERS. I have been laboring under the assumption, and I hope not a decision, that it would be difficult, virtually impossible, for anybody to bring a court action to challenge Congress inaction under this amendment. In other words, if Congress chose to ignore this amendment, the court has traditionally said this is a political question; nobody is going to be affected adversely any more than anybody else and, therefore, it is a political question and it is up to the voters to decide what they want to do about it in the next election.

Now, the thing that concerns me is, No. 1, the court reversed itself on the question of reapportionment which we had always assumed was a political

question. All of a sudden, the court said, "No, this is not a political question. It is a violation of due process. The one-man-one-vote rule must prevail, otherwise people, particularly those who are excluded in some unique way from reapportionment, are being deprived from due process."

Now, that is the only instance I can think of, just off the top of my head, where the court has changed its mind on what a political question is.

But my concern is this: How will the court interpret this amendment if it is defeated? As I understand the Senator from Washington, he is trying to say that courts shall not have jurisdiction over a challenge to Congress use or lack of use of this amendment. How would the court rule if we defeat this? They could say:

Congress has decided that they want the courts involved in this.

The Senator from Washington tried to put in the Constitution, in language without saying it, that this is a political question and, therefore, nobody should have standing to sue and the Senate rejected that contention. Therefore, questions brought to challenge Congress inaction is not political and, therefore, we will take jurisdiction over it.

Mr. GORTON. The Senator from Arkansas has brilliantly reached the heart of the question which is before us here today. The Senator from Arkansas is precisely correct in his interpretation.

I have found the last explanation of the Senator from Utah in this respect particularly disturbing. I strongly suspect the Senator from Arkansas agrees 100 percent with me.

This amendment, which the Senator from New Hampshire and I have offered, does no more and is designed to do no more than to put into the Constitution that political doctrine question: to retain the status quo which would prohibit a Member of the Senate of the United States from suing the Budget Committee because it did not pass a second budget resolution on a particular date required by statue, and, for that matter, to keep a taxpayer from suing the Congress of the United States from meeting such a specific date. That is precisely what I wish to do.

When I started writing this constitutional amendment, I thought the question was very, very clear. I thought that both the proponents of the resolution itself and I agreed on that goal and that we should not have that kind of interference, either by a Member of this body or by an outsider, over whether we met specified deadlines or specified requirements. That is the way I interpreted the report of the Judiciary Committee.

I now find two members of the Judiciary Committee—the Senator from Alabama, when he was here an hour ago, and the chairman of the subcommittee—saying, "By golly, we ought to have Senators able to sue their own body if we do not meet deadlines set out in this proposal." They have given us two totally contrary points of view. In one breath, they tell us, "Don't worry, the courts won't get into this bill." Then in the next, they say, "We darn well better let them in this field. We better encourage them to come into this field."

I say to the Senator from Arkansas that it is my considered opinion that, without my amendment, Senate Joint Resolution 58 itself changes those rules on political question and standing because it requires expressed deadlines and expressed methods of action in connection with the making of a budget which are not now in the Constitution, and that to rely on court-made doctrines on standing, justiciability and political question is a very, very weak reason to stand upon.

The Senator from Utah has said what I think will happen. Every single year we will have Members suing, and we will have taxpayers suing, that we have not met this deadline, that we have not met that deadline. They will say, "the President's figures on deficits are phony, and we should have adopted CBO's or Data Resources'," or the like.

It is that kind of suit which this amendment is designed to prevent. I do suspect that the Senator from Arkansas is correct that, whatever the opponents to the amendment say, the defeat of this amendment will be taken by the courts as an invitation to get into this field.

Mr. BUMPERS. Mr. President, let me ask the Senator this question: What if the Secretary of the Treasury took it upon himself to quit disbursing money on September 1 because to do so was going to unbalance the budget? Now, Congress has taken no action. Let us assume that I am a food stamp recipient and I am about to go hungry because of the Secretary going through with his threat.

Would I have, as a food stamp recipient, standing to sue and bring a mandatory injunction against the Secretary of the Treasury on the ground that Congress has not acted and, therefore, he does not have the right to take it upon himself to decide whether the budget is in balance or out of balance? How would the Senator answer that question?

Mr. GORTON. I must admit to the Senator from Arkansas that I am not sure what the answer to that question would be.

If I may rephrase the question to a certain degree, I believe that standing would be obtained by a citizen whose allegation it was that the statement of receipts and outlays was phony, that it was, in fact, out of balance and had not received 60 votes in this body, even though it was nominally in balance, and that, because no valid budget had been passed, the District Court for the District of Columbia should determine what distribution of appropriations should be made and to what programs.

I am convinced, under this resolution, without my amendment, that there very likely would be standing to bring such a lawsuit on the part of such individual.

The answer to the specific question asked by the Senator from Arkansas, which is really the opposite side of the coin, is, in my opinion, less clear.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I think the able and distinguished Senator from Utah has covered our side of the question in his usually capable manner, but I would like to offer a few arguments myself in opposition to this amendment.

Mr. President, let me first say that I know the Senator from Washington to be an able and competent lawyer. He is a former attorney general of his State of Washington. In that capacity, he has argued cases before the Supreme Court of the United States. I certainly respect the legal ability of the Senator and his sincere intent to make this a better amendment. But, I cannot support the amendment he has offered at this time.

Mr. President, as the chief sponsor of this proposed constitutional amendment, I have always taken the position that if changes can be made to improve the amendment, I will support them. That has already occurred in both the subcommittee and full committee markups of Senate Joint Resolution 58. This amendment is not necessarily locked in concrete on the less controversial provisions and as evidence of that we have been able to work out some modifications with the Senator from New Mexico, Mr. DOMENICI, chairman of the Senate Budget Committee.

The amendment being offered by the Senator from Washington goes beyond the limits of what I think can be accepted as a "clarifying" amendment. What the amendment of the Senator does, in my judgment, is restrict unnecessarily the judicial power of the U.S. courts in an area where constitutional precedents argue that no restrictions should be imposed. The Constitution does not mandate Congress to confer the entire jurisdiction it might. Justice Chase in *Turner* v. *Bank of North America*, 4 U.S. 8, 10 (1799) wrote:

The notion has frequently been entertained, that the federal courts derive their judicial power immediately from the Constitution; but the political truth is that the disposal of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this court, we possess it, not otherwise; and if Congress has not given the power to us, or

to any other court, it still remains at the legislative disposal. Besides, Congress is not bound, and it would, perhaps be inexpedient, to enlarge the jurisdiction of the federal courts, to every subject, in every form, which the Constitution might warrant.

Except for the original jurisdiction of the Supreme Court, which is set forth in article III, section II, two prerequisites to jurisdiction must be present: first, the Constitution must have given the courts the capacity to receive it, and second, an act of the Congress must have given the courts such jurisdiciton. Marbury against Madison, decided in 1803, give the court the capacity to hold legislation unconstitutional. Thus, unless Congress confers specific jurisdiction in certain areas, the courts would be restrained from exercising jurisdiction.

Mr. President, Senate Joint Resolution 58 was drafted purposely to be silent on the question of judicial enforcement. In general, I am opposed to the judicial exercise of jurisdiction in areas that should be the province of the legislature, such as education, morality, and funding and taxing matters. I do not want to invite the courts into a review of each and every provision and work of Senate Joint Resolution 58. The amendment being offered by the Senator from Washington purports to restrict judicial enforcement. I am sympathetic with that notion. At the same time, however, the very fact of injecting a judicial enforcement clause—in this case a judicial nonenforcement clause—into Senate Joint Resolution 58 may have the unfortunate effect of precluding a legitimate lawsuit by a citizen with judicial standing who wants to challenge the constitutionality of the failure of Congress to obey the provisions of Senate Joint Resolution 58.

Mr. President, I am generally opposed to expanding the jurisdiction of the Federal courts. I do not want to invite the courts into interpreting the meaning of each and every word of Senate Joint Resolution 58. I do not want to preclude, however, a lawsuit that seeks to ask for judicial relief for failure of the Congress to carry out its constitutional responsibilities to Senate Joint Resolution 58 once it is ratified. The best way to achieve that result is by leaving Senate Joint Resolution 58 silent on that point and, therefore, I must oppose the Gorton amendment.

Mr. President, no one has felt more strongly about Federal judges injecting themselves into a certain fields which I feel they should not be in than the Senator from South Carolina. On the other hand, it seems to me that you cannot take the Federal judiciary out entirely. I think it would be a mistake to do that. For instance, suppose the President of the United States attempted to impound $60 billion of defense funds or some other funds for water projects or anything else. If the judge could not decide whether that was an excessive use of presidential authority, it would absolutely bring things to a standstill. The Gorton amendment could lead to that kind of result.

Mr. President, I feel that we should just have a direct vote on this. I will yield back the remainder of my time if the Senator from Washington will yield back his remaining time.

Mr. GORTON. The Senator from Washington would like to briefly summarize.

I think it is unfortunate that the primary arguments made against this amendment were made without having heard its initial presentation, and especially the amplifications made on it by the Senator from Louisiana and the Senator from New Hampshire. The amendment itself is exceedingly clear. It is exceedingly clear not because of the brilliance in writing the English language on the part of the Senator from Washington, but because the sponsors have used the words of the Constitution itself to define what they intend and what they do not intend.

To say that somehow or another language taken from the Constitution itself, which says that the judicial power of the United States shall not extend to any case or controversy arising under this article, somehow or other limits the constitutional review of the powers of the President under Article 2, under the treaty powers, or the power of the Congress to pass something like the Hyde amendment, which certainly does not stem from this constitutional amendment, is simply to state an absurdity. It is not a real argument against the proposal.

We have already dealt with all of the other arguments against this proposal.

Clearly, what we are attempting to do is to put into the Constitution what the writers of this proposal on the Judiciary Committee say they intended, that we should not disturb the present separation of powers between the executive, the legislative, and the judicial authorities of this country. We are not depriving the courts of any power which they have at the present time. We are not adding to the powers which they have at the present time.

The resolution—unamended—will add substantially to those powers. It will inevitably result in budgetary decisions being made by the courts of the United States.

I plead with the Members of this body to remember that it is a Constitution which they are writing here this evening. They must write it with extreme care. They should not be accused by their successors in 10 years or 50 or 100 years or writing away the powers of elected Members of the Congress of the United States to make basic, fundamental, and final decisions about the spending and taxing policies of this Nation.

Mr. President, I ask unanimous consent that a brief analysis of this amendment and an editorial from the Washington Post of July 27, 1982, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANALYSIS OF MR. GORTON'S AMENDMENT TO SENATE JOINT RESOLUTION 58

New section 4: The judicial power of the United States shall not extend to any case or controversy arising under this article, except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 5.

"The judicial power of the United States shall not extend to" is intended to parallel the opening phrase of Article III, section 2, of the Constitution, and the opening phrase of the Eleventh Amendment. The use of the word "not" makes express Congress' intention to deny power to the judiciary. A denial of judicial power is found in the Eleventh Amendment, and is an exception to the express grant of power contained in Article III, section 2.

"Any case or controversy" is intended to identify in the broadest terms the suits to which the prohibition of judicial review applies.

"Arising under this article" is intended to parallel the words of Article III, section 2, of the Constitution. The words "this article" ensure that the limitation on judicial power contained in this section does not extend beyond this article to other parts of the Constitution.

"Except for cases or controversies" is intended to retain the dual limitation of justiciability in those instances where this section grants an exception to the otherwise general denial of judicial power. The requirement of justiciability remains a condition precedent to the exercise of judicial review even if the suit comes within one of the two express exceptions of this section.

"Seeking to define the terms used herein" specifies the first of two exceptions to the denial of judicial power contained in this article. The exception is intended to preserve for the courts their traditional role of defining the words of the Constitution.

"Or directed exclusively at implementing legislation adopted pursuant to section 5" specifies the second of two exceptions to the denial of judicial power contained in this article. The exception is intended to permit courts to pass upon the validity of legislation adopted by Congress pursuant to the directive of the article that "Congress shall * * * implement this article by appropriate legislation."

[From the Washington Post, July 27, 1982]

. . . TELL IT TO THE JUDGE

A number of sound arguments have been raised against the constitutional amendment to require a balanced budget besides the fact that no one (see above) has a clue how to achieve this noble goal. The amendment does not permit the flexibility government needs to adjust to different economic conditions. It tends to discourage honest budgeting and gives Congress and the administration an incentive to phony-up the numbers, so they can say there is no deficit when in fact there is. And there is the irony

that this amendment is proposed by a president who has been unable to present a budget that is balanced for this year—or for any year in the foreseeable future.

But for those who find these arguments unpersuasive, let us advance another, in the hope that it might lead them to show the caution that is appropriate when alterations in the Constitution are proposed. It is this: the constitutional amendment purporting to require a balanced budget would be an open invitation to the courts to intervene in the budgetary process—a process that even the most activist courts heretofore have left pretty much alone.

To understand why the courts would intervene, consider some of the language in the amendment, and ask whether or not reasonable people might interpret it differently:

"Prior to each fiscal year, Congress is required to adopt a statement . . . in which total outlays are no greater than total receipts." Economists and budget analysts will always disagree on what should be counted as "outlays" and "receipts"; remember the fuss last year when David Stockman proposed that certain "off-budget" items should be included in the budget? If the amendment is ratified, such disputes might end up in court.

"The Congress and the president shall ensure that actual outlays do not exceed the outlays set forth in such statement." Who is supposed to enforce this? The local sheriff? There is undoubtedly a federal judge somewhere willing to try.

"Total receipts . . . shall not increase by a rate greater than the rate of increase in national income." National income is an even more elusive concept than government outlays or receipts. It is determined by statistical methods, about whose validity resonable people can and do differ. Perhaps taxpayers who feel that the government's receipts and their own taxes have increased more rapidly than this clause allows would have standing to sue. Could a court then order taxes lowered? Which taxes? By how much?

"The Congress may not require that the states engage in additional activities without compensation equal to the additional costs." Anyone familiar with the assiduousness with which states lobby for greater federal aid and sue when they have the slightest hope of getting more will recognize that this clause will be the subject of hundreds of law-suits. States will argue again and again that their "compensation" is not equal to "additional costs" or that activities are "additional." The courts will decide whether they are right.

We find it odd that so many conservatives who have inveighed against judicial activism are supporting a constitutional provision that would spawn so much litigation over undeniably political issues—how the government raises and spends money. We wonder if they have reflected on the fact that most of the sitting federal judges were appointed by President Carter, and that there are among their number many whom conservatives would consider dangerous judicial activists. It is possible to imagine misguided lower court decisions that, though ultimately overturned, could in the meantime change congressionally established policy on taxes, defense and domestic spending. Is this what the president and others who rejoiced at the results of the 1980 election want?

● Mr. LEVIN. Mr. President, I will vote for the Gorton amendment because it makes clear that Senate Joint Resolution 58, the Balanced Budget Amendment, does not confer upon the Federal courts the jurisdiction over what are known as "political questions." The Supreme Court has consistently said that political questions, such as disputes between the coordinate branches of the Federal Government, are not within its jurisdiction to resolve.

This is, therefore, a different issue from the one which the Senate addressed earlier this year with respect to removing from the Federal judiciary the jurisdiction over school busing cases. In that instance, the issue was whether it was proper to remove from the courts jurisdiction over cases which the courts believe are legitimately within their jurisdiction. The Gorton amendment, on the other hand, states that the Federal courts will not have jurisdiction in an area which the courts themselves have refused to assert jurisdiction.●

Mr. GORTON. Mr. President, I yield back the remainder of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. McCLURE), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maryland (Mr. SARBANES); are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 51, as follows:

[Rollcall Vote No. 271 Leg.]

YEAS—45

Andrews	Ford	Matsunaga
Armstrong	Gorton	Mitchell
Baucus	Hatfield	Moynihan
Biden	Heinz	Murkowski
Bradley	Hollings	Nunn
Brady	Humphrey	Percy
Bumpers	Jackson	Pressler
Chafee	Jepsen	Quayle
Cohen	Johnston	Randolph
Cranston	Kassebaum	Roth
Danforth	Kasten	Rudman
Dixon	Levin	Specter
Dole	Long	Stevens
Eagleton	Lugar	Wallop
East	Mathias	Weicker

NAYS—51

Abdnor	Byrd, Harry F., Jr.	DeConcini
Baker	Byrd, Robert C.	Denton
Bentsen	Chiles	Dodd
Boren	Cochran	Domenici
Boschwitz	D'Amato	Durenberger
Burdick	Garn	Exon
Glenn	Kennedy	Schmitt
Goldwater	Laxalt	Simpson
Grassley	Leahy	Stafford
Hart	Mattingly	Stennis
Hatch	Melcher	Symms
Hawkins	Nickles	Thurmond
Hayakawa	Packwood	Tower
Heflin	Pell	Tsongas
Helms	Proxmire	Warner
Huddleston	Pryor	Zorinsky
Inouye	Riegle	
	Sasser	

NOT VOTING—4

Cannon	Metzenbaum
McClure	Sarbanes

So Mr. GORTON's amendment (No. 2005) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield such time as the distinguished Senator from Minnesota wishes.

Mr. DURENBERGER. Mr. President, when Senate Joint Resolution 58 was first reported to the Senate by the Judiciary Committee, it contained a section with the following language:

> The Congress may not require that the States engage in additional activities without compensation equal to the additional costs.

The resolution we are debating today no longer contains this language. I would like to enter into a brief colloquy with the Senator from Utah and others to clarify the reasons for removing this language from the resolution. Perhaps the Senator from Utah could begin this discussion by outlining the arguments for excluding this language from the resolution.

Mr. HATCH. Mr. President, the Senator from Minnesota, who has been a leader in the present effort, is absolutely correct on this point.

When Senate Joint Resolution 58 was first reported, it included the language he has just quoted. Subsequently, it was stricken from the legislation by the committee. In particular, there was concern expressed about it by the Senator from Kansas (Mr. DOLE), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Alabama (Mr. HEFLIN). Upon further reflection by the committee, it appeared that this language was not necessary because the Constitution does not give the National Government any general grants of authority to impose additional costs on the States. The concern was that this provision might actually imply greater existing authority than was the case. It was not the committee's intention in removing the language to imply that the Federal Government can impose costs on the States, but only to leave undisturbed the current balance of responsibilities between the

National Government and the States as reflected in the Constitution.

Mr. President, may we have order in the Chamber?

The PRESIDING OFICER. Will the Senate please be in order? If Senators wish to talk, will they please go to the cloakroom? It is difficult to hear.

Mr. DURENBERGER. I thank the Senator. One of the great strengths of the Constitution is that it creates a federal system of government carefully balancing the powers delegated to the National Government with the powers reserved to the several States. The powers of the National Government are limited by the Constitution. I am concerned that the legislative history of this resolution will be interpreted by some to justify an extension of those limited powers delegated to the National Government. I am sure that was not the intention of the committee. I would ask the Senator from Utah whether the absence of language denying the National Government the power to impose additional costs on the States without compensation can be interpreted in any way as a justification for imposing costs on the States and their subdivisions.

Mr. HATCH. I answer the Senator from Minnesota by saying that Congress need not be prohibited by this amendment from doing something that it has no power under the Constitution to do. That is why the language was dropped. The absence of language in this amendment specifically denying the National Government the power to impose costs on the States without compensation cannot be used to justify the imposition of such costs. No powers are extended to the National Government beyond those already contained in the Constitution. The provision in section 4 was deleted because it was superfluous, not because the intent of the policy was rejected.

Mr. DURENBERGER. The Senator from Utah will then agree that the committee has not removed this language because it believes that the National Government should be able to balance its budget by imposing costs on the States and their subdivisions without compensation?

Mr. HATCH. The language which the Senator from Minnesota has read into the RECORD was considered by the committee because we were concerned that some would be tempted to solve our budget problems by shifting costs to the States through new mandates and requirements. However, we are confident that the States are adequately protected by the limiting nature of the Constitution itself. The committee is most certainly not supporting a strategy that would balance the budget by shifting costs to the States.

Mr. DURENBERGER. There are, as the Senator from Utah knows, hundreds of programs that involve cooperation between the National Government and the States. These grant-in-aid programs involve direct appropriations of billions of dollars by the Congress for expenditure by State and local governments on activities ranging from highways to housing to school lunches to health clinics to insulation for homes. I am wondering whether the legislative history of this resolution in any way affects the powers of the National Government and the States to join in cooperative programs of this kind.

Mr. HATCH. No, the language had it been included would not have limited cooperative programs involving grant-in-aid appropriations by the National Government with program administration by the States and their subdivisions. The absence of the language also does not limit or affect this type of cooperation.

Mr. DURENBERGER. These grant-in-aid programs often have cost implications for the States and their subdivisions. The National Government often imposes regulations on the States as a condition of receiving funds under these grant-in-aid programs. The conditions range from simple mandates associated with a single grant to complicated cross-cutting requirements that apply to all State and local governments which receive assistance from the National Government. In what way are these grant-in-aid conditions affected by the legislative history of this resolution and the language which I read in the RECORD earlier.

Mr. HATCH. They are not affected. Receiving grants-in-aid from the National Government is an entirely voluntary activity on the part of the States and their subdivisions. They are in no way compelled to take these grants and can by the simple step of refusing the assistance also avoid the costs of the conditions attached.

Mr. DURENBERGER. I thank the Senator from Utah. He has been very helpful in clarifying the intentions of the committee and the legistative history behind the language that I read into the RECORD at the beginning of this colloquy. For myself, I want to make clear that we cannot tolerate a budget strategy that solves our problems by shifting costs to the States. That is no solution to the problem at all. I thank the Senator from Utah for his assistance in clarifying the intentions of the resolution and its impact on the States and their subdivisions.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Minnesota for bringing these important points to the attention of the Senate and for making such an excellent legislative record. I thank the Senator for his words.

Mr. ROTH. Mr. President, the balanced budget-tax limitation amendment, Senate Joint Resolution 58, contained a section when reported from committee that would have prevented the Federal Government from shifting the costs of Federal programs to State and local governments in order to balance the budget. This provision was removed during the floor debate on the amendment. While I was concerned that the provisions of section 4 were, in some cases, not defined as carefully and completely as possible, I do believe that every effort should be made to insure that we reach the goal of a balanced budget without burdening State and local governments with excessive new costs.

Section 4 of the resolution as originally reported read as follows:

> The Congress may not require that the States engage in additional activities without compensation equal to the costs.

The language of the section reflects the strong concern that the balanced budget amendment may introduce stronger pressures at the Federal level to shift a portion of its fiscal responsibilities to the States and local units of government through mandates imposed upon these governments.

In fact, this concern is valid because the Federal Government has been attempting to pass new responsibilities on to States and localities for several decades. State and local governments have become major targets for Federal regulation since the early 1960's. In this period, national controls have been adopted affecting traditional State and local functions ranging from automobile inspection and animal preservation to zoning practices and water treatment. In field after field, the power to set standards and determine policies has shifted from States and localities to Washington. Many aspects of policy—including budgetary priorities—and administrative procedures—including personnel practices—are now significantly influenced by Federal regulatory mandates. As the Advisory Commission on Intergovernmental Relations has stated:

> Some of the areas most heavily affected by increased intergovernmental regulation are, by tradition, among the most local of public concerns.

Until the constitutional revolution of 1937, questions of Federal-State relationships were regarded as weighty legal issues. In prior years, the Supreme Court had played a substantial—if largely negative—role in striking down both Federal and State statutes deemed improper under the allocation of authority contemplated by the framers. Duel federalism was basic doctrine, with the States' 10th amendment reserved powers often balanced against the enumerated powers of the Congress. As the ACIR has noted, however:

> Key decisions during the latter New Deal years declared the Tenth Amendment to be nothing more than "a truism" while the

scope of national authority to regulate interstate commerce and to spend for the federal welfare was vastly expanded. Thereafter, questions about the power of Congress vis-a-vis those of the states were regarded as primarily political or policy issues, rather than grave Constitutional concerns. Consequently, the legislative branch—not the judiciary—became the new "umpire" of federalism.

In the past, regulation of State and local governments was most often done through restrictions attached to grant programs. While these regulations were often overly restrictive and burdensome, they were usually related to the fulfillment of the goals of each particular grant program. In addition, compliance with these regulations could be paid for by State and local government, at least in part, with the grant funds to which the regulations applied.

Increasingly, there has been a tendency on the part of the Federal Government to impose new forms of regulations on States and localities which are more far-reaching and expensive than the strings traditionally attached to grant programs. More and more often, the Federal Government mandates, through direct order, that States or local governments take certain actions. Over 60 cross-cutting requirements currently apply to grants which have little to do with the goals of the grants themselves but cost State and local governments large amounts of money. In some cases, the Federal Government partially preempts State or local actions by establishing Federal standards and delegating administration to the States if they adopt standards equivalent to the national ones.

In effect, the Federal Government has moved from cooperatively working with States and their local governments to treating these governments like appendages of the Federal establishment.

Based on this historical record, it is clear there is a very real possibility that the Federal Government may take the easy way out and send its budget troubles to the other levels of government. This might be called "hot potato" federalism and I do not think it will do anything to improve government services to the citizens of our country. The goal of a balanced budget should not be carried in a bucket which leaks, drowning the other governments in the Federal system in a flood of costly requirements.

Mr. President, let us not kid ourselves about the ultimate costs of this cost shifting. State and local governments run on the same fuel that the Federal Government does: Taxes, the ultimate costs of shifting the responsibility of balancing the Federal budget to our States, towns, and counties through mandates will be higher costs for all our citizens. Some idea of the potential costs is provided by a study conducted by the Urban Institute which concluded that the annual costs of mandates in six Federal programs on seven committees studied ranged from a total of $6 to $51.51 per capita. Similarly, a study conducted in California found that the combined costs of Federal and State mandates on towns and cities ranged from 10 percent to 85 percent of local expenditures. There is no free lunch. We must pass a real balanced budget, not simply pass the costs on to the local government.

Mr. President, my committee passed last year the State and Local Fiscal Note Act and it has been signed into law. The act will require, beginning next year, that the significant costs of all Federal programs and policies on State and local governments be carefully assessed before passage by Congress. This law will provide Congress with the information it needs to determine the costs of Federal programs before it passes them on to other levels of government. Despite the fact that section 4 of Senate Joint Resolution 58 has been removed, I hope my colleagues will use the information provided by the Fiscal Note Act to insure that in fulfilling the goals of a balanced budget, we are not simply shipping our responsibilities to local governments and, more important, their taxpayers.

Mr. DOMENICI. Mr. President, I join my colleagues in clarifying with the managers of this joint resolution that one of the consequences of this balanced budget amendment is not to be a shifting of responsibilities from the Federal Government to State and local governments for the purpose of reducing Federal costs.

As originally reported by the Judiciary Committee, the article proposed for ratification as a constitutional amendment included a section which read as follows:

> The Congress may not require that the States engage in additional activities without compensation equal to the additional costs.

This section was deleted from the article by the committee in its amendment. I agree that this language is not appropriately placed in an amendment to the Constitution. I understand many of my colleagues also expressed reservations that this language had not received appropriate committee consideration and was ambiguous in its wording. For these reasons, it was deleted.

I think it should be clearly established in the legislative history on this resolution, however, that we agree with the intent of this original section. The Federal Government should not achieve a balanced budget by transferring its responsibilities, and, more specifically, the costs of those responsibilities to State and local governments. This is another potential pitfall of this amendment and one that would be counterproductive to its intent. If this amendment is ratified, we must assure this does not happen and, if necessary, consider appropriate legislation to address the problem.

Mr. THURMOND. Mr. President, I yield to the able majority leader.

Mr. BAKER. I thank the chairman of the committee.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The majority leader has the floor. Will Senators please listen?

Mr. BAKER. I thank the Chair.

Mr. President, it is 5 minutes to 7, and it is Thursday. This is supposed to be a late evening, and it is not yet late. I wonder if there are other amendments we can deal with this evening, because I have a terrible feeling that if we do not, we will regret it, come Monday, Tuesday, and Wednesday.

I ask the distinguished chairman of the committee and the ranking minority member if they are prepared to proceed this evening with other amendments to this resolution.

Mr. THURMOND. Mr. President, in response to the inquiry of the distinguished majority leader, we are ready to proceed with any other amendment anyone wishes to bring up.

Mr. DECONCINI. I do not believe anybody on this side is prepared to offer an amendment, although the Senator from Illinois may be prepared to call up an amendment for tomorrow.

Mr. DIXON. I am prepared to do that.

Mr. DECONCINI. But not to proceed to a vote tonight.

Mr. BAKER. I thank the Senator.

Mr. President, there are a number of Senators on the floor. I inquire of all Members whether or not any other Senator is willing to call up an amendment and have it disposed of this evening, before we go out.

Mr. President, I am fairly overwhelmed by the silence. [Laughter.]

Mr. DOMENICI. I could invent one.

Mr. BAKER. There is a clear balance between wanting to make progress and wanting to create trouble. I have no desire to do the latter, and I am about to decide that we cannot do the former. [Laughter.]

Mr. President, I gather that as soon as the Senator from Illinois calls up his amendment, we will go off the resolution. There is already an order for the Senate to convene to 9:30 in the morning, and I expect the Senate to continue to debate this resolution until perhaps the middle of the afternoon tomorrow.

I yield the floor, so that the Senator from Illinois may proceed, if he wishes to do so.

I must reluctantly make the statement that there will be no more record votes tonight.

AMENDMENT NO. 2001

(Purpose: To permit the President to disapprove or reduce an item of appropriations)

Mr. DIXON. Mr. President, I call up my amendment No. 2001.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois (Mr. DIXON), for himself and Mr. PROXMIRE, proposes an amendment numbered 2001.

Mr. DIXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, beginning with line 13, strike out through the end of the matter following line 14 and insert the following:

"'SECTION 5. The President may reduce or disapprove any item of appropriation in any bill or joint resolution, except any item of appropriation for the legislative branch or the judicial branch of the Government. If a bill or joint resolution is approved by the President, any item of appropriation contained therein which is not reduced or disapproved shall become law. The President shall return with his objections any item of appropriation reduced or disapproved to the House in which the bill or joint resolution containing such item originated. The Congress may, in the manner prescribed under section 7 of article I for bills disapproved by the President, reconsider any item disapproved or reduced under this section, except that only a majority vote of the Members of each House, duly chosen and sworn, shall be required to approve an item which has been disapproved or to restore an item which has been reduced by the President to the original amount contained in the bill or joint resolution.

"'SECTION 6. Sections 1 through 4 of this article shall take effect for the second fiscal year beginning after the ratification of this article. Section 5 of this article shall take effect on the date of the ratification of this article.'"

Amend the title so as to read: "A joint resolution proposing an amendment to the Constitution altering Federal budget procedures and authorizing the President to disapprove or reduce an item of appropriation.".

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DIXON. I yield to the distinguished majority leader.

Mr. BAKER. Inasmuch as this amendment is No. 2001, I ask, at some risk of personal assault, if it deals with "Space Odyssey" in any way. [Laughter.]

Mr. DIXON. Mr. President, I reserve the remainder of my time until tomorrow morning at 9:30, if it is satisfactory.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, the amendment has been laid before the Senate, and I understand, according to the statement made earlier, that no debate will occur on that measure tonight. If that is the case, and if no other Senator is now seeking recognition—and I see none—I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 7:30, in which Senators may speak.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, there are a number of housekeeping details that can be attended to now, but if any other Senator is seeking recognition for the purpose of a statement, I am prepared to yield the floor for that purpose.

Very well. Mr. President, I have a number of items that can be dealt with at this time by unanimous consent according to the calendar on this side of the aisle.

Mr. President, I invite the consideration of the distinguished minority leader to today's Calendar of Business, particularly Calendar Order No. 648, and ask if the minority leader is in a position to proceed with the consideration of that matter at this time.

Mr. ROBERT C. BYRD. Mr. President, I am prepared on behalf of the Senators on this side of the aisle to proceed.

Mr. BAKER. I thank the Senator.

OIL AND GAS LEASE W 61985

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate S. 2481, Calendar Order No. 648, a bill to provide for the reinstatement and validation of United States oil and gas lease numbered W 61985.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2481) to provide for the reinstatement and validation of United States oil and gas lease numbered W 61985.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment:

On page 2, line 7, after "long", insert "thereafter as said lessee shall pay the annual rental or";

On page 2, line 8, strike "oil and gas", and insert "oil and gas";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any decision to the contrary heretofore made by the Secretary of the Interior or his authorized agents or representatives and upon compliance with the next sentence of this Act, United States oil and gas lease numbered W 61985 shall be held not to have terminated by operation of law or otherwise on February 1, 1982, but shall be deemed to be in full force and effect and the terms of such lease extended for one year from the date on which the lessee received notice that the lease expired for nonpayment of rent, and so long as oil and gas is produced in paying quantities. Within thirty days after the receipt of written notice from the Secretary of the Interior of the amount of rental then accrued to the United States under such lease and unpaid by the last recordholder of such lease, the recordholder shall tender payment of the amount of rental. Notice shall be given by the Secretary within thirty days after the date of enactment of this Act.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, there is a second item on my calendar that is cleared for action by unanimous consent on this side, and I refer to Calendar Order No. 679, S. 2073, and I inquire of the minority leader if he is prepared to proceed to the consideration of this item at this time.

Mr. ROBERT C. BYRD. Mr. President, Senators on this side of the aisle are ready to proceed.

Mr. BAKER. I thank the minority leader.

MAIL SIZE AND WEIGHT LIMITATIONS

Mr. BAKER. Mr. President, I ask the Chair lay before the Senate S. 2073, Calendar Order No. 679, a bill to repeal outdated size and weight limitations now imposed on the U.S. Postal Service.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2073) to repeal outdated size and weight limitations now imposed on the U.S. Postal Service.

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, S. 2073 would repeal a discrepancy in the size and weight standards of parcels allowed to be sent through the U.S. mail and set a uniform standard that would

be applicable to all parts of the United States.

Currently, post offices in the larger communities of the Nation can accept parcels for delivery through the mails of up to 40 pounds and 84 inches in length and girth. However, small communities in rural areas of the Nation can accept larger parcels of 70 pounds and 100 inches in length and girth. This legislation would standardize the regulations to allow for the heaviest and largest parcels (70 pounds and 100 inches in length and girth) to be sent through the mail.

This discrepancy was enacted into law in 1951 to protect a specific company, the Railway Express Agency, who had offices located in the larger population centers of the Nation. Congress, not wanting the U.S. Post Office Department to compete with private firms in the parcel post business, limited the ability of the Post Office Department to transmit large packages. However, in the rural areas of the Nation, where the Railway Express Agency did not have offices, Congress did allow for larger packages to be sent through the mails. The Railway Express Agency ceased business in 1975, thus eliminating any possible need for these restrictive regulations.

This discrepancy between large and small communities has caused confusion and additional cost to the many businesses who provide merchandise to Americans through the mail. It is an unnecessary, expensive regulation that serves no useful purpose. There is no known opposition to this basically technical change in the law.

The report on the bill contains letters of support from the Postmaster General, the Parcel Shippers' Association, and the United Parcel Service. I might add, United Parcel Service is the largest competitor to the U.S. Postal Service in the parcel business. If anyone would have objections to this bill, it would be UPS. However, they do not. In fact, they support the bill. In addition, NASSTRAC wrote in support of the bill. Mr. President, I ask unanimous consent to have that letter printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. I might also add that this change in regulation has been part of every major postal legislation since 1976 that has passed either the House or the Senate. Unfortunately, or fortunately, depending on your point of view, the same piece of legislation has not passed both Houses during the same Congress. Therefore, this change has never been allowed to take place. I have introduced this separate legislation as one more attempt to repeal unnecessary and burdensome regulations that constantly frustrate the American public. I urge passage of this bill.

EXHIBIT I

NATIONAL ASSOCIATION OF SHIPPERS,
Cleveland, Ohio, May 17, 1982.

Re: S2073-U.S. Postal Service—Parcel Size and Weight

Hon. TED STEVENS,
Chairman, Subcommittee on Civil Service, Post Office and General Services, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR STEVENS: I am writing as President of NASSTRAC to voice our membership's support for S2073, which will make size and weight dimensions for parcels uniform, regardless of where they are mailed.

NASSTRAC is a national association of some 300 corporations which ship small shipments to the marketplace. This covers all types of commodities. This distribution is accomplished in a number of ways, including the United States Postal Service, United Parcel Service and Common Motor Carriers.

The Motor Carrier Act of 1980 made competition an increasingly important element in controlling the price shippers—and eventually the consumer—must pay to get goods to the marketplace. The present limitations remove the Postal Service from competition for a significant element of LTL shipments and provide a virtual monopoly on certain sizes of package shipments for United Parcel Service. The Postal Service should be permitted to compete for this business as an extension of the intended purpose of the Motor Carrier Act of 1980 to increase competition.

Congress enacted the original size and weight legislation restricting first-class post office parcels to 40 pounds and 84 inches in girth to protect the Railway Express Agency (REA). The REA went out of business in 1975. The law should now be changed to permit all post offices to accept packages up to the 70 pounds and 100 inches in length and girth permitted for small post offices now.

We applaud the introduction of this legislation and wish to go on record as fully supporting the provisions of S2073.

Sincerely,

JAMES H. EDLER, *President.*

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3682 of title 39, United States Code, is amended to read as follows:

"§ 3682. Size and weight limits

"The Postal Service may establish size and weight limitations for mail matter in the same manner as prescribed for changes in mail classification under subchapter II of this chapter.".

(b) The size and weight limitations for other than letter mail established by subsections (a) and (b) of section 3682 of title 39, United States Code, as in effect on the day prior to the effective date of this section, shall remain in effect until changed pursuant to section 3682 of such title, as amended, by subsection (a) of this section.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, in respect to Calendar Order No. 641, S. 2386, a bill to provide for the establishment of a system to collect data on the geographic distribution of Federal funds, I understand that I am prepared to proceed to consideration of that item at this time if it is agreeable to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, it is agreeable.

DATA ON GEOGRAPHIC DISTRIBUTION OF FEDERAL FUNDS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate S. 2386, Calendar Order No. 641.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2386) to provide for the establishment of a system to collect data on the geographic distribution of Federal funds.

The Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs with an amendment to strike out all after the enacting clause, and insert the following:

(1) "Director" means the Director of the Office of Management and Budget;

(2) "State" means any State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Government of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands; and

(3) "municipality" means any incorporated municipality that received Federal assistance under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221) for the appropriate fiscal year.

SEC. 2. (a) Beginning for fiscal year 1983, not later than one hundred and eighty days after the end of each fiscal year, the Director of the Office of Management and Budget shall prepare a report setting forth the total amount of Federal funds that were obligated for expenditure in or expended in each State, county or parish, and municipality of the United States during the preceding fiscal year. The report shall be in the form described in subsection (b) and shall be based on the data referred to in subsection (c).

(b) The Director shall specify in each report required by subsection (a)—

(1) the total amount of Federal funds that were reported obligated for expenditure in each State, county or parish, and municipality of the United States in each appropriate general category of Federal funds in the fiscal year preceding the fiscal year in which the report is made; or

(2) the total amount of Federal funds that were reported actually expended in each

State, county or parish, and municipality of the United States in each such category in the fiscal year preceding the fiscal year in which the report is made.

(c) The report required by subsection (a) shall be based on the data included in—

(1) the Federal assistance awards data system established as a result of the study referred to in the first sentence of section 6.

(2) the Federal procurement data system referred to in section 6(d)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(5));

(3) the central personnel data file of the Office of Personnel Management; and

(4) the records of the Defense Manpower Data Center (DMDC) within the Department of Defense.

(d) For the purposes of subsection (b), the general categories of Federal funds specified in each report required by subsection (a) shall include grants, loans, purchases and contracts, cooperative agreements, direct Federal payments to individuals, pay of civilian employees of the Government, military pay, annuities, retired or retainer pay, pensions, and disability compensation.

SEC. 3. (a) The Director shall prepare a report setting forth the total amount of Federal funds that were obligated for expenditure in or expended in each State during each fiscal year 1981 and 1982. The report shall be in the form described in subsection (b).

(b) The Director shall specify in each report required by subsection (a)—

(1) the total amount of Federal funds that were reported obligated for expenditure in each State in each appropriate general category of Federal funds in the fiscal year preceding the fiscal year in which the report is made; or

(2) the total amount of Federal funds that were reported actually expended in each State in each such category in the fiscal year preceding the fiscal year in which the report is made.

(c) For the purposes of subsection (b), the general categories of Federal funds specified in each report required by subsection (a) shall include grants, loans, purchases and contracts, direct Federal payments to individuals, pay of civilian employees of the Government, military pay, annuities, retired or retainer pay, pensions, disability compensation, and other large programs or categories where data are available such as NASA and the Corps of Engineers.

(d) The report required by subsection (a) shall be available no later than—

(1) ninety days after passage of this Act in the case of fiscal year 1981 data; and

(2) one hundred and twenty days after the end of fiscal year 1982 in the case of fiscal year 1982 data.

SEC. 4. (a)(1) The Director shall—

(A) prepare—

(i) printed copies of each of the reports required by this Act; and

(ii) computer tapes of such reports; and

(B) make the printed copies of the reports and the computer tapes available to the public for purchase at a price fixed under subsection (b).

(2) The Director shall transmit one of each of the printed copies of the reports required by this Act to—

(A) each Federal regional depository library;

(B) the Committees on Government Operations, the Budget, and Appropriations in the United States House of Representatives; and

(C) the Committees on Governmental Affairs, the Budget, and Appropriations in the United States Senate.

(3) The Director may at his discretion waive the fee required by section (1)(B) of this subsection.

(b) In carrying out subsection (a)(1)(B), the Director shall, based on the estimates made under sections (1) and (2) of this subsection, fix the price of each printed copy and each computer tape of the report so that the aggregate revenues obtained in each fiscal year under subsection (a) will cover the cost of carrying out the provisions of this Act (other than sections 6 and 7). The Director shall estimate—

(1) the cost of compiling the reports required by this Act; preparing the printed copies and computer tapes under subsection (a); and distributing the printed copies and the computer tapes of the report for each fiscal year; and

(2) the number of printed copies and the number of computer tapes of the report that will be purchased.

SEC. 5. Each head of any authority of the Government having custody of the data files and systems referred to in subsection (c) of the second section shall make available to the Director such information, administrative services, equipment, personnel, and facilities as the Director requires to carry out such section.

SEC. 6. The Director shall operate and maintain the Federal assistance awards data system established as a result of the study conducted by the Director under section 9 of the Federal Program Information Act (31 U.S.C. 1701 note). The Director may delegate to any authority of the executive branch of the Federal Government the responsibility for carrying out the first sentence of this section.

SEC. 7. (a) The Comptroller General, in consultation with the Congressional Budget Office and the Census Bureau, shall conduct an annual study to determine that—

(1) data sources used to compile the reports required by this Act are consolidated in a consistent manner without overlap; coverage of the tapes of expenditures specified in this Act is comprehensive; and data set forth in the reports required by this act are accurate;

(2) definitions of cities or other entities of local government employed to produce the reports required by this Act are adequate; and

(3) other such requirements and procedures as the Comptroller General considers appropriate to carry out the purposes of sections (2) and (3) of this Act are adequate.

(b) The Comptroller General shall make the report required by subsection (a) available to the Committee on Governmental Affairs in the United States Senate and the Committee on Government Operations in the United States House of Representatives.

SEC. 8. There are authorized to be appropriated to the Office of Management and Budget and its designated executive agency not to exceed $340,000 for the fiscal year ending September 30, 1983, $310,000 for the fiscal year ending September 30, 1984, $300,000 for the fiscal year ending September 30, 1985, and $250,000 for the fiscal year ending September 30, 1986, and $250,000 for the fiscal year ending September 30, 1987.

Mr. DURENBERGER. Mr. President, S. 2386 now before the Senate would establish a system to collect and compile data on the geographic distribution of Federal funds and to make reports of these data available to the public and interested public officials. It represents a bipartisian effort, and I want to commend the Senator from Tennessee (Mr. SASSER) and the Senator from Michigan (Mr. RIEGLE) for their leadership on this matter.

It was their original bills that brought to the Senate's attention the fact that the Office of Management and Budget had discontinued the most comprehensive report of the geographic distribution of Federal spending. This was the report put out by the Community Services Administration entitled "The Geographic Distribution of Federal Funds."

The Governmental Affairs Committee bill before us today combined the best of these two proposals and incorporated concerns of OMB regarding the administrative feasibility of compiling such a report and put them all together into a compromise. It is a compromise in the very best sense of the word, Mr. President. This legislation will produce a report equally comprehensive as the one discontinued by OMB; the data reported will be more accurate than that reported in the discontinued system; and the new system will cost the taxpayers less to produce.

The reason this legislation is necessary is simply stated. With the untimely withdrawal of the old "Geographic Distribution of Federal Funds" report, a significant gap was created in the information available to Congress and the public to make and evaluate public policy decisions. During a period of substantial budget cuts and at a time when the Nation is deliberating on a New Federalism initiative that would greatly alter the intergovernmental system, it is essential that Congress, State, and local governments, and the public have access to information that permits informed and rational decisions. With the discontinuation of the old system this information was no longer available. With the report required by the committee's bill now before us, this information will once more be available and, I might add, more accurate than ever before.

Mr. President, I have several technical amendments to offer at this time. They have been cleared by the Governmental Affairs Committee.

Thank you, Mr. President.

Mr. SASSER. Mr. President, passage of S. 2386, the bill to authorize the collection and reporting of data on the geographic distribution of Federal funds, is an important milestone in our efforts to provide timely and accurate information about our Federal aid system.

President Reagan proposed comprehensive revisions in our system of federalism in his state of the Union message last January. We are still waiting for that "New Federalism" plan of the President's to be sent to the Hill.

When we do get a look at the administration's New Federalism proposals, the Congress will want to judge it on the basis of information about "winners and losers" among the various States, regions, and localities receiving Federal aid through the programs that are to be incorporated under the New Federalism.

With passage of S. 2386, the Congress can be assured that they will have full and complete information about the New Federalism proposals. This information would cover the Federal aid programs included in the New Federalism proposals for 1981 and 1982.

And for 1983 and beyond the Office of Management and Budget will be required to provide detailed Federal fiscal information similar to that contained in the "Geographic Distribution of Federal Funds" which was published by the Community Services Administration through 1980.

In short, S. 2386 is essential to our intergovernmental system.

It will provide the Congress, and State and local officials all across the country, the information they need to judge present and future proposals to alter our Federal aid system.

This is very important. My own State of Tennessee might have had to raise taxes by as much as $700 million a year as a result of the original New Federalism proposal. Our Tennessee State Legislature made this preliminary estimate based on information provided by the "Geographic Distribution of Federal Funds" data system. Based on that finding, I would have found it very hard to support the administration's New Federalism proposals.

Thus far, the final version of the New Federalism is just a gleam in President Reagan's eye. But when the Congress does have a chance to review it, the information provided for in S. 2386 will give the Congress a basis to judge it fairly.

I commend Senator DAVID DURENBERGER, the chairman of the Subcommittee on Intergovernmental Relations, for the work he did in achieving compromises and shaping the committee version of the bill I originally introduced and which is now cosponsored by 15 of my colleagues. I am pleased that, with Senator DURENBERGER'S aid, this legislation has moved so quickly in the Senate.

I am pleased to note that my colleague in the House, Congressman BILL BONER of Nashville, has introduced the geographic distribution of Federal funds legislation in that body. I trust that the House will act with a speed to match that of the Senate in approving this bill.

I wish to confirm my understanding that the Office of Management and Budget agrees to supply the Congress with adequate data on the distribution of Federal outlays for those programs affected by the President's New Federalism proposal when it is finally presented. It is my understanding that OMB agrees to provide information on the distribution of Federal funds by State, and by county and city levels where necessary, to determine the amount of money to be passed through to these levels of government. We need to have this information for 1981 and 1982 if we are to assess the geographic impact of the New Federalism for the rest of the decade. We must have this historical yardstick at this crucial time in congressional decisionmaking.

The interim report covering 1981 and 1982 required by S. 2386 which OMB is to issue will account only for the distribution of funds to the States. While this may be useful for other purposes, its utility to the Congress in assessing the New Federalism proposals is limited.

The interim report will not provide complete information on salaries, and it will not provide data on Federal spending in localities.

So, there is a real information gap for those programs involved in the New Federalism proposal for the 1981 and 1982 period unless the Office of Management and Budget agrees to supply the factual information to fill it. This, as I understand it, is the agreement that the Senators supporting S. 2386 have with OMB.

Mr. DURENBERGER. The Senator's understanding is correct. The Office of Management and Budget has agreed that adequate data on the distribution of Federal funds necessary to evaluate the President's New Federalism proposal will be provided at the State level and at the county and city levels for 1981 and 1982 where local-level data will be necessary to determine and evaluate any passthrough provisions of the plan.

Mr. SASSER. I am pleased that OMB has agreed to supply this information to the Congress along with the New Federalism proposal.

We must assess New Federalism proposals very carefully. If the administration's original New Federalism plan had become law, my State of Tennessee might have had to raise State and local taxes by as much as $700 million per year according to preliminary estimates by the Tennessee General Assembly. Now, I certainly would have to request some modification to reduce this adverse impact on my State before I could support such a plan.

So, the data OMB has agreed to supply to the Congress on the distribution of Federal funds by State and where appropriate by county and city levels for 1981 and 1982 can be very, very important to us.

If the New Federalism policies proposed by the Reagan administration work as well as advertised, then a thorough analysis of the impact on various States and localities should be welcomed. On the other hand, if these policies have an adverse impact on certain States and communities, as the original proposal would have had in Tennessee, then both the public and the elected representatives of the public should know.

Mr. DURENBERGER. I agree with the Senator. I think that the agreement we have with the Office of Management and Budget to supply the geographic distribution data for 1981 and 1982 is crucial to our assessment of the New Federalism proposal. And it is critical to our support for S. 2386.

● Mr. RIEGLE. Mr. President, the Senate is now considering S. 2386, a bill to require the Director of OMB to prepare annual reports on the geographic distribution of Federal funds, This bill would insure that the Congress and the American people will continue to have reliable information on the distribution of Federal spending throughout the U.S. economy.

This information is especially important now that Congress is making major changes in Federal spending and is considering sweeping changes in the responsibilities of Federal, State, and local governments. Congress needs to know how these changes will affect different regions, different States, and different localities, I know that the public needs to understand the regional implications of policy changes that have been enacted and that are being proposed.

Since 1968, the United States has compiled data on the distribution of Federal outlays by State, county, and large city.

Reports entitled "Geographic Distribution of Federal Funds" have been published annually by the Community Services Administration for the Executive Office of the President. These reports have been an invaluable resource for Members of Congress and others who want to understand the regional impact of Federal activity.

For the past year, OMB has been hostile to the collection of such data. The data disprove OMB's claims that the Reagan budget cuts are fair to all regions. In fact, States in the Northeast and Midwest lost about $95 on a per capita basis as a result of the Reagan budget cuts last year, while Western States gained about $45 per capita. Late last year, the data for fiscal year 1981 was already prepared by Federal agencies and ready to be submitted. Then, on December 14, 1981, OMB simply ordered Federal agencies not to report the data for fiscal year 1981. A copy of that order is attached, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., December 14, 1981.

Memorandum for Assistant Secretaries/Directors for Management.
From: Edwin L. Harper, Deputy Director.
Subject: Discontinuation of the "Geographic Distribution of Federal Funds."

As a result of recent evaluations of certain reporting requirements, it has been decided to discontinue the compilation and publication of the "Geographic Distribution of Federal Funds," effective immediately. Data should not be submitted for Fiscal Year 1981.

The Office of Management and Budget will continue to assess existing reporting systems such as the Federal Aid to States and the Federal Assistance Awards Data System in addition to the various Census Bureau publications to determine the best approach for providing information on the geographic distribution of federal funds.

Mr. President, this order was brought to my attention on December 16. I was convinced that the OMB decision was a serious mistake, which, if unchallenged, would greatly harm the ability of Congress to understand the economic impact of congressional budgetary decisions in regions, States and localities.

I immediately contacted Senator SASSER, the ranking minority member of the Intergovernmental Relations Subcommittee, who has shown real leadership on this issue in recent years.

On December 17, 1981, Senator SASSER and I requested that GAO not only review the decision to terminate GDFF but also recommend legislative remedies to problems created by the OMB decision. My colleagues would find the GAO report very interesting. The GAO report says in part:

We generally agree with you and your colleagues that a need exists for a comprehensive and quality information system on the geographic distribution of Federal funds. Such a system would assist the Congress, the executive branch, and others in understanding and assessing how congressional budget decisions affect regions, States, and localities. An information base is especially needed today given the rapid changes being proposed in Federal budget policies and the associated redefinition of the Federal-State role in conducting programmatic activities. An information base similar to the GDFF would help policymakers and legislators at all levels of Government in assessing the effects of funding shifts between and among Federal program areas.

* * * * *

To date, the GDFF had been the only fully operational system that attempted to capture and report obligations of all Government administered funds at the local level. It reported data from approximately 32 Federal agencies, including the Departments of Defense and State and the Agency for International Development, on the following programmatic and administrative areas: (1) domestic financial assistance, (2) procurement activities, and (3) salary and expense payments to Federal employees. Given this system's scope and coverage, notwithstanding some of its known imperfections in data coverage and accuracy, it had been used as a significant resource for several years in assessing the regional impact of Federal spending. The elimination of the GDFF information system as directed by OMB in December 1981 has created a short-term gap (1 to 3 years) in the availability of these data. As a result, not only are these data currently not available for analytical purposes, but the effect of Federal spending over time can no longer be assessed (trends).

As indicated earlier, the elimination of the GDFF has created a short-term gap in the availability of Federal expenditure data at the local level. Accordingly, it should have been maintained at least until other executive systems are (1) fully operational, (2) integrated, and (3) approximate the current scope and coverage of the GDFF. Maintaining this system would insure the ability of the Congress, as well as others, to assess the economic effect of Federal budget decisions at the local level. During the maintenance period, the executive branch should explore alternatives for phasing our undesirable redundancy in data gathering and reporting activities. In doing so, it should remain sensitive to the continuous information needs of the Congress.

Currently, the executive branch operates and maintains two information sources that are similar to the GDFF. Additionally, it is in the process of implementing a third source which when fully operational will capture and report a significant amount of the budgetary data previously reported by the GDFF. Although these sources are more likely to report a more accurate and complete set of data in their specific areas, neither of the two operational sources nor the one being implemented will be capable of depicting a global view of Federal expenditure acitivities as did the GDFF. These other sources are highlighted below.

* * * * *

Given these differences, the status of the FAADS system, and the absence of GDFF, the Congress, the executive branch, and others will lose some ability in assessing the economic effect of congressional budgetary decisions in regions, States, and localities over the next few years.

On February 11, 1982, I introduced Senate Joint Resolution 146, which would have required OMB to make information available on the geographic distribution of Federal funds for fiscal year 1981 and fiscal year 1982. That resolution was cosponsored by Senators DURENBERGER and SASSER and 11 other Senators. The provisions of that resolution have been included in the bill now before the Senate.

Mr. President, I believe that Congress should be guided by three principles in this matter. First, the collection of data on the geographic distribution of Federal funding be congressionally mandated. Its continuation should not be subject to the changing whim of bureaucrats. Second, the accuracy and usefullness of the data should be improved on a regular basis. Third, the information should be widely available to the public.

The bill now before the Senate would carry out those objectives, and it reflects the GAO recommendations.

I urge the Senate to pass this bill today so that it can become law, without delay.●

UP AMENDMENT NO. 1166

Mr. BAKER. Mr. President, I send to the desk on behalf of the Senator from Minnesota an amendment to the committee substitute.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for Mr. DURENBERGER proposes an unprinted amendment numbered 1166.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, lines 22 and 23, strike out "incorporated municipality", and insert in lieu thereof, "subcounty unit of local government".

On page 6, line 7, after the word "States" insert, "in each appropriate general category of Federal funds".

On page 7, line 20, after the word "State" insert, "in each appropriate general category of Federal funds".

On page 8, beginning on line 18, strike out: "(d) The report required by subsection (a) shall be available no later than—

(1) ninety days after passage of this Act in the case of Fiscal Year 1981 data; and

(2) one hundred and twenty days after the end of Fiscal Year 1982 in the case of Fiscal Year 1982 data.", and insert in lieu thereof—

"(d) The reports required by subsection (a) shall be available no later than one hundred and twenty days after the end of Fiscal Year 1982."

On page 9, line 7, after the word "transmit" insert, "free of charge".

On page 9, following section 4(a)(2) insert, "(3) The Director shall also transmit free of charge, one computer tape of the reports required by this Act to the Committee on Rules and Administration of the United States Senate and to the Committee on House Administration of the United States House of Representatives.".

On page 9, line 16, strike out, "(3) The Director may at his discretion waive the fee", and insert in lieu thereof, "(4) Subject to subsection (b), the Director may, at his discretion, waive all or part of the fee".

On page 10, beginning on line 14, strike out all of Section 6, and insert in lieu thereof the following:

"SEC. 6. (a) The Director shall operate and maintain the Federal Assistance Awards Data System established as a result of the study conducted by the Director under section 9 of the Federal Program Information Act (31 U.S.C. 1701 note).

(b) In order to carry out subsection (a), the Director—

(1) may delegate to any authority of the executive branch of the Federal government the responsibility for carrying out subsection (a), and

(2) shall review any reports submitted to him by Federal agencies in the process of carrying out subsection (a) and may validate, by appropriate means, the processes by which Federal agencies prepared such reports.".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1166) was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(1) "Director" means the Director of the Office of Management and Budget;

(2) "State" means any State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Government of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands; and

(3) "municipality" means any subcounty unit of local government that received Federal assistance under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221) for the appropriate fiscal year.

SEC. 2. (a) Beginning for fiscal year 1983, not later than one hundred and eighty days after the end of each fiscal year, the Director of the Office of Management and Budget shall prepare a report setting forth the total amount of Federal funds that were obligated for expenditure in or expended in each State, county or parish, and municipality of the United States in each appropriate general category of Federal funds during the preceding fiscal year. The report shall be in the form described in subsection (b) and shall be based on the data referred to in subsection (c).

(b) The Director shall specify in each report required by subsection (a)—

(1) the total amount of Federal funds that were reported obligated for expenditure in each State, county or parish, and municipality of the United States in each appropriate general category of Federal funds in the fiscal year preceding the fiscal year in which the report is made; or

(2) the total amount of Federal funds that were reported actually expended in each State, county or parish, and municipality of the United States in each such category in the fiscal year preceding the fiscal year in which the report is made.

(c) The report required by subsection (a) shall be based on the data included in—

(1) the Federal assistance awards data system established as a result of the study referred to in the first sentence of section 6.

(2) the Federal procurement data system referred to in section 6(d)(5) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(5));

(3) the central personnel data file of the Office of Personnel Management; and

(4) the records of the Defense Manpower Data Center (DMDC) within the Department of Defense.

(d) For the purposes of subsection (b), the general categories of Federal funds specified in each report required by subsection (a) shall include grants, loans, purchases and contracts, cooperative agreements, direct Federal payments to individuals, pay of civilian employees of the Government, military pay, annuities, retired or retainer pay, pensions, and disability compensation.

SEC. 3. (a) The Director shall prepare a report setting forth the total amount of Federal funds that were obligated for expenditure in or expended in each State in each appropriate general category of Federal funds during each fiscal year 1981 and 1982. The report shall be in the form described in subsection (b).

(b) The Director shall specify in each report required by subsection (a)—

(1) the total amount of Federal funds that were reported obligated for expenditure in each State in each appropriate general category of Federal funds in the fiscal year preceding the fiscal year in which the report is made; or

(2) the total amount of Federal funds that were reported actually expended in each State in each such category in the fiscal year preceding the fiscal year in which the report is made.

(c) For the purposes of subsection (b), the general categories of Federal funds specified in each report required by subsection (a) shall include grants, loans, purchases and contracts, direct Federal payments to individuals, pay of civilian employees of the Government, military pay, annuities, retired or retainer pay, pensions, disability compensation, and other large programs or categories where data are available such as NASA and the Corps of Engineers.

(d) The reports required by subsection (a) shall be available no later than one hundred and twenty days after the end of fiscal year 1982.

SEC. 4. (a)(1) The Director shall—

(A) prepare—

(i) printed copies of each of the reports required by this Act; and

(ii) computer tapes of such reports; and

(B) make the printed copies of the reports and the computer tapes available to the public for purchase at a price fixed under subsection (b).

(2) The Director shall transmit free of charge one of each of the printed copies of the reports required by this Act to—

(A) each Federal regional depository library;

(B) the Committees on Government Operations, the Budget, and Appropriations in the United States House of Representatives; and

(C) the Committees on Governmental Affairs, the Budget, and Appropriations in the United States Senate.

(3) The Director shall also transmit free of charge, one computer tape of the reports required by this Act to the Committee on Rules and Administration of the United States Senate and to the Committee on House Administration of the United States House of Representatives.

(4) Subject to subsection (b), the Director may, at his discretion, waive all or part of the fee required by section (1)(B) of this subsection.

(b) In carrying out subsection (a)(1)(B), the Director shall, based on the estimates made under sections (1) and (2) of this subsection, fix the price of each printed copy and each computer tape of the report so that the aggregate revenues obtained in each fiscal year under subsection (a) will cover the cost of carrying out the provisions of this Act (other than sections 6 and 7). The Director shall estimate—

(1) the cost of compiling the reports required by this Act; preparing the printed copies and computer tapes under subsection (a); and distributing the printed copies and the computer tapes of the report for each fiscal year; and

(2) the number of printed copies and the number of computer tapes of the report that will be purchased.

SEC. 5. Each head of any authority of the Government having custody of the data files and systems referred to in subsection (c) of the second section shall make available to the Director such information, administrative services, equipment, personnel, and facilities as the Director requires to carry out such section.

SEC. 6. (a) The Director shall operate and maintain the Federal Assistance Awards Data System established as a result of the study conducted by the Director under section 9 of the Federal Program Information Act (31 U.S.C. 1701 note).

(b) In order to carry out subsection (a), the Director—

(1) may delegate to any authority of the executive branch of the Federal Government the responsibility for carrying out subsection (a), and

(2) shall review any reports submitted to him by Federal agencies in the process of carrying out subsection (a) and may validate, by appropriate means, the processes by which Federal agencies prepared such reports.

SEC. 7. (a) The Comptroller General, in consultation with the Congressional Budget Office and the Census Bureau, shall conduct an annual study to determine that—

(1) data sources used to compile the reports required by this Act are consolidated in a consistent manner without overlap; coverage of the types of expenditures specified in this Act is comprehensive; and data set forth in the reports required by this Act are accurate;

(2) definitions of cities or other entities of local government employed to produce the reports required by this Act are adequate; and

(3) other such requirements and procedures as the Comptroller General considers appropriate to carry out the purposes of sections (2) and (3) of this Act are adequate.

(b) The Comptroller General shall make the report required by subsection (a) available to the Committee on Governmental Affairs in the United States Senate and the Committee on Government Operations in the United States House of Representatives.

SEC. 8. There are authorized to be appropriated to the Office of Management and Budget and its designated executive agency not to exceed $340,000 for the fiscal year ending September 30, 1983, $310,000 for the fiscal year ending September 30, 1984, $300,000 for the fiscal year ending September 30, 1985, $250,000 for the fiscal year ending September 30, 1986, and $250,000 for the fiscal year ending September 30, 1987.

The title was amended so as to read: "A bill to require the Director of the Office of Management and Budget to prepare an annual report consolidating the available data on the geographic distribution of Federal funds, and for other purposes."

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELATING TO THE ADJOURNMENT OF CONGRESS

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate a message from the House on House

Concurrent Resolution 386 relating to the adjournment of Congress.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (H. Con. Res. 386) relating to adjournment to a date certain during the remainder of the 97th Congress.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The resolution (H. Con. Res. 386) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR STAR PRINT OF S. 2664

Mr. BAKER. Mr. President, I ask unanimous consent that S. 2664 be star-printed to reflect the following change which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS

Mr. BAKER. Mr. President, there are certain items on today's Executive Calendar which are cleared for action on this side by unanimous consent, and I invite the consideration of the minority leader to the following items on page 4 under New Reports: Department of State, International Bank for Reconstruction and Development, Inter-American Foundation, and International Monetary Fund.

Is the minority leader in position to consider all or any portion of those nominations at this time?

Mr. ROBERT C. BYRD. Mr. President, in response to the majority leader's inquiry, the minority is ready to proceed on these nominations and, in addition, page 6.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations under New Reports on pages 4 and 5, the nominations on page 6, nominations placed on the Secretary's desk in the Foreign Service.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. The nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Rutherford M. Poats, of Virginia, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

George R. Hoguet, of New York, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development for the term of 2 years.

INTER-AMERICAN FOUNDATION

Marc E. Leland, of California, to be a Member of the Board of Directors of the Inter-American Foundation for the remainder of the term expiring September 20, 1982.

INTERNATIONAL MONETARY FUND

Charles H. Dallara, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service nominations beginning Jay W. Gildner, to be Career Member Of The Senior Foreign Service, Class Of Career Minister, and ending Werner Sauer, to be Career Member Of The Senior Foreign Service, Class Of Counselor, Consular Officers And Secretaries, which nominations were received by the Senate on July 6, 1982, and appeared in the CONGRESSIONAL RECORD of July 12, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were considered and confirmed en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES-INDIA RELATIONS

Mr. GLENN. Mr. President, this week the Prime Minister of India will make her first state visit to the United States in 11 years. Mrs. Gandhi's visit provides a long overdue opportunity for some serious thinking about United States-Indian relations, and more broadly about United States policy toward south Asia.

In the 11-year period since Mrs. Gandhi's last visit, the Indian Ocean region—defined broadly as an arc of littoral states stretching from South Africa to Australia—has emerged as an increasingly volatile and vital region. The strategic alinement along the Indian Ocean littoral has in this period undergone profound changes, most of which from a U.S. perspective have been for the worse. Among our more serious reverses have been the collapse of our Indochina allies in 1975 and the subsequent increase in Soviet influence and presence in Southeast Asia, the 1979 triumph of the Iranian revolution, and the introduction of Soviet military forces into Afghanistan in December 1979. U.S. interests in this area—and in particular along the vital petroleum sea lanes—now depend on semifeudal monarchies which themselves face a serious external threat from a radical, resurgent Iran and internal threats engendered by too rapid change; on a precarious Pakistani military regime lacking the support of its own people; and, more fortuitously, on the association of Southeast Asian Nations' (ASEAN) emerging economic power.

INDIA'S STRATEGIC IMPORTANCE

I do not quarrel with the importance of our Persian Gulf connections or with our decision to arm Pakistan against the Soviet threat. However, I believe our strategic interests in the region would be served by an improved relationship with India—a country which is strategically, demographically, and economically the most important state in the arc. Although the United States and India have differences on a number of issues, including arms to Pakistan and the Indian Ocean zone of peace, we share a common, vital interest in the stability of the Indian Ocean region and in the independence of the littoral states. A strengthened United States-India relationship could help resolve the difference in approach toward this shared objective. Further, an improved United States-India relationship could provide a basis for cooperative approach in resolving global problems ranging from economic underdevelopment to the serious threat posed by the spread of nuclear weapons.

India, with nearly 700 million people, is very much an emerging economic, military, and diplomatic power. As measured by gross national product, India's economy is the world's 10th largest. Although traditional agriculture is the country's largest single sector, India has a growing, and increasingly sophisticated, modern sector which includes avionics, nuclear technology, and even satellites. In terms of numbers of professionals, India can claim to be the world's third scientific and engineering power.

In the last two decades, India's traditional agricultural sector has made almost unbelievable strides. From a chronic deficit situation, India now can feed itself and has acquired

modest buffer stocks against adverse weather.

With the world's third largest army, India is the leading military power of the Indian Ocean arc. The armed forces are professional, highly disciplined and equipped with near the state-of-the-art weaponry. Further, the Indian military unlike that of most Third World countries, has had the wisdom to stay out of politics.

India is a respected and moderate influence in international fora such as the United Nations and the nonalined movement. India is not a member of any particular bloc—for example, the Islamic bloc, the African bloc—and as such retains considerable freedom of action. Finally, unlike other Third World countries, India has the financial and human resources to maintain high quality diplomatic representation in a large number of capitals. This too enhances India's effectiveness.

Last, by certainly not least, I should point out that India has over its 35 years of independence shown a remarkable degree of political stability. India has discovered that only a democratic and politically free system can accommodate the country's 700 million people, who include adherents to 7 major religions, speakers of 14 official national languages, and members of numerous ethnic groups. India's success with democracy provides a natural affinity with our own country and should serve as a model for other Third World countries.

Indians believe their country's size, economic power, military strength, and political stability qualify it for a position of world leadership. I believe it would be in our interest to recognize India's importance and to encourage a constructive role in global politics.

UNITED STATES-INDIA RELATIONS

Unfortunately the recent history of official United States-India relations has not been particularly warm. Events such as the U.S. tilt to Pakistan in the 1971 war, the Indo-Soviet Friendship Treaty, India's 1974 nuclear explosion, India's initial tepid response to Soviet aggression in Afghanistan, and resumed U.S. arms sales to Pakistan have caused serious strains. These strains have tended to obscure a more basic common interest in the stability and independence of states along the Indian Ocean littoral and a common commitment to democracy and economic development.

Yet in spite of this history, there are clear signs both countries see a common interest in improved relations. Mrs. Gandhi has indicated her desire to move to a more balanced relationship with the two super powers. The Reagan administration, perhaps as a result of the successful Gandhi-Reagan encounter at Cancun appears to have a heightened appreciation of India's importance and is devoting considerable effort to laying the groundwork for a successful visit.

Improved relations could bring considerable benefits to both the United States and India. The Reagan administration would like to see a weakening of India's relationship with the Soviet Union and greater India understanding of the United States security interests in the region. Mrs. Gandhi would like greater United States appreciation of India's security interests and economic development needs. Both countries have a common interest in the removal of Soviet forces from Afghanistan, in better economic relations, and in avoiding a nuclear arms race on the subcontinent. The United States and India have had different approaches to some of these problems, including Afghanistan and nuclear nonproliferation, and certainly one objective of an improved relationship would be greater cooperation.

The value to India of relations with the Soviet Union—the key elements of which are a 20-year friendship treaty and a military supply relationship—has been seriously diminished by the Soviet invasion of Afghanistan. The threat to India posed by Soviet troops in Afghanistan is well understood by the Indian public and increasingly, by the Indian Government. As a nation with a claim to world leadership, India must recognize the political liabilities of a too close association with an imperialistic Soviet Union.

A U.S. policy which takes account of India's security concerns will enable India to move to a more balanced relationship with the two superpowers. Having fought three wars in 35 years—each in the Indian view initiated by Pakistan—India is understandably concerned over U.S. arms sales to Pakistan. While I believe it is in the United States and India's interest to strengthen Pakistan's ability to resist Soviet pressures from Afghanistan, weapons provided should be, to the maximum extent possible, defensive and should not be of such sophistication or destructiveness as to pose a serious threat to India. An India with diminished concerns over a Pakistani attack is one that can appreciate the value of a strong Pakistani buffer.

The United States should encourage the process already underway to improve Indo-Pakistani and Sino-Indian relations. Obviously, it is in our interest that countries with which we have friendly relations get along with each other. Again, a lessening of India's security concerns will strengthen its hand in its dealings with the Soviet Union.

We should also encourage India's efforts to diversify its weapons supply. The recent decision to purchase the mirage 2000, in spite of a hard sell for the Soviet competitor, is an indication of India's determination to diversify. If asked, we should be willing, on a selective basis, to sell U.S. weapons.

Finally, we should recognize that our overriding interest is in the Preservation of a stable, independent, and united India. U.S. policy should promote democracy and development in India, not merely because these are desirable objectives, but also because they are key components in India's stability.

UNITED STATES-INDIA COOPERATION

Mr. President, I believe the steps I have outlined will contribute to an improved United States-India relationship. I would like now to touch briefly on some areas of vital importance to both countries where we can and should cooperate.

First, the United States should work with India to seek a political solution in Afghanistan. Both countries share the same objective on Afghanistan—the withdrawal of all Soviet troops. Because of the value the Soviet Union attaches to its relationship with India, India may be able to exert significant influence on Soviet policy. India should make it clear to the Soviet Union that their continued presence in Afghanistan will involve increasing costs to that relationship. At the same time India could reiterate its offer of good offices to help find a political solution. Improved United States-India relations will help give India the confidence to take a more forceful role on Afghanistan, and with the improved relations, we should urge them to do so.

Second, the construction of a strengthened global nonproliferation regime requires Indian participation for long-term success. Both India and Pakistan seem set on a course toward acquistion of nuclear weapons. Given the recent history of conflict between the two, the risk that the weapons would actually be used is probably greater on the subcontinent than anywhere else. Through my own efforts, and that of others, the United States adopted a nonproliferation policy that has had a considerable impact in slowing the technical development of India's and Pakistan's weapons capabilities, thereby buying some important time. That does not mean however, that we have deterred the nuclear ambitions of those countries. Thus, while the denial of nuclear materials, equipment and technology can postpone a subcontinent nuclear arms race, it cannot avert such an event forever. The building of effective, long-term nonproliferation arrangements ultimately requires the cooperation of both India and Pakistan. For that reason, I hope that both countries will see fit to join the 115 nonweapon states that have signed the Nuclear Non-Proliferation Treaty, thereby sending an important signal around the world that would restore momen-

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tum toward a worldwide nonproliferation ethic—one in which the United States, India, and Pakistan would all have common interest in maintaining.

Third, the United States and India should work to strengthen economic relations and to increase scientific, technical, and educational contact. The United States is India's most important trading partner and with exports approaching the $2 billion level, India represents an important market for U.S. goods. India offers a virtually risk-free opportunity for U.S. investment and the government in recent months has taken steps to encourage greater private investment. United States universities have become the most important source of advanced training for India's scientific, academic, and administrative elite. Conversely, Indian scientists and other professionals are making important contributions, here and in India, to their fields. The investments we make in these exchanges strengthens the ties between our countries and contributes to our joint futures.

There are other areas for cooperation, including for example, a strong common interest in the preservation of the quality of the global environment. The areas I have discussed are illustrative of the potential of an improved United States-Indian relationship.

A stronger United States-Indian relationship will still leave many areas where our perceptions and interests diverge. Such differences are inevitable and should not obscure the vital areas of common interest.

Mr. President, Mrs. Gandhi's visit provides an opportunity to embark on a new relationship with the world's largest democracy. As the situation in the Indian Ocean region becomes increasingly perilous, the imperative for such a relationship increases. It is also commonsense that the United States cannot afford to ignore a nation that contains one-sixth of mankind and that has the economic, military, and political potential of India.

As important as Mrs. Gandhi's visit is, the followthrough will be even more critical. The visit should not be one of our periodic discoveries of India; rather it should be a first step in laying the foundation for a framework of coping long term with our common problems and aspirations.

INFLATION AND EXCESSIVE GOVERNMENT POWER ARE CAUSED IN LARGE PART BY EXCESSIVE GOVERNMENT SPENDING

Mr. SIMPSON. Mr. President, in connection with this debate on the "balanced budget" amendment, let me state that in my view both inflation and excessive Government power exist in large part because of excessive spending by the Federal Government.

The relationship between Government spending and Government power is obvious. The relationship between spending and inflation is perhaps less so. For this reason, Mr. President, I would wish to say a few words about inflation—inflation in terms of both its immediate and fundamental causes. The immediate cause of a true inflation, a general rise in prices, is the Federal Reserve Board's action in increasing the money supply faster than the American people increase their production of goods and services—in other words "too many dollars chasing too few goods." This occurs when the Fed instead of seeking the monetary goal of maintaining stable prices—that is, avoiding both inflation and deflation—pursues economic goals—lower interest rates, higher investment and productivity, lower unemployment and the like—through increasing the money supply, not only faster than the production of goods and services, but faster even than what is expected by those making the economic decisions. The greater rate is necessary to the achievement of these goals since what is being attempted is in effect to mislead people into thinking that the resources which Government uses are still available for private investment.

Therefore, although the immediate cause of inflation is the action taken by the Federal Reserve Board, the fundamental cause is related to the economic problems which the Federal Reserve's actions are intended to solve. That fundamental cause is really excessive Government spending—the allocation to Government of so much of the Nation's resources than an insufficient amount is left for private capital investment. Whether such spending is financed by debt or by taxes, the economic problems associated with high interest rates and reduced capital investment will tend to result, thus causing pressure on the Federal Reserve Board to inflate the money supply.

Since 1975, spending by the Federal Government has averaged 22.5 percent of the GNP. This is substantially higher than the averages of the three prior 5-year periods (19.9, 19.8, and 20.4 percent).

EXCESSIVE GOVERNMENT SPENDING IS CAUSED BY A BIAS IN THE POLITICAL PROCESS

Why have massive increases in Federal spending occurred? To some extent, of course, such increases result from a genuine shift in the will of the people—in the kind of services and control the American people want from their Government. There is another reason, however, which is not quite so democratic in character. In fact it is quite undemocratic.

The American political process is now biased in favor of spending. The reason is simple. Groups representing persons who benefit from a spending program lobby intensely and provide political support in return for favorable votes. Such groups are stronger, better organized, and more active than in the past. The average taxpayer, who bears the cost of such programs, loses relativity little from each program. In most cases, therefore, his lobbying effort against a program is weak or nonexistent and the likelihood of losing his political support as a result of a vote for the program is small.

The political advantage gained through support for a spending program is not offset by the political disadvantage that would result from votes to reduce other programs or increase taxes.

Such votes are seldom necessary. Why? Because additional revenue is available first, from borrowing and second, from the automatic tax increases which now occur as a result of the operation of the graduated tax system during period of rising dollar incomes ("tax bracket creep").

ELIMINATION OF THE BIAS TOWARD SPENDING REQUIRES THE CREATION OF CONSTITUTIONALLY MANDATED POLITICAL OBSTACLES TO BOTH DEFICIT SPENDING AND AUTOMATIC TAX INCREASES

The proposed constitutional amendment would reduce the bias toward spending by making deficit spending less available and by requiring that politicians be fully accountable for tax increases. Because real growth in spending would be difficult to achieve, priorities would have to be set and choices made.

Section 1 would require that any deficit budget be approved by three-fifths of the Members of each House of Congress by a rollcall vote. It reflects the view that a balance between expenditures and receipts should be the norm and an intentional violation of that norm should require a greater concensus in Congress than a simple majority. The new procedure would not differ significantly from the present budget process except for the three-fifths vote requirement and the inclusion in the budget of the billions of dollars of spending now regarded as "off-budget." We believe that a three-fifth's majority would be a sufficient obstacle to deficit budgets without removing totally the flexibility which many persons desire to retain. It should be noted here that the environment for such a vote would be quite different from that surrounding the vote on the debt limit. A vote on a deficit budget would occur at the planning stage when defeat of the proposal would still permit adjustments to be made, so that the Government would still be able to function in the spending year, although not at as high a level as if the deficit budget had been accepted. In contrast, a vote on increasing the debt limit is frequently taken in a crisis atmosphere when rejection would shut down the Government.

Section 2 would require that taxes and other receipts of the Federal Government would not automatically in-

crease as a share of the national income. It would require that Members of Congress and the President approve on the record any expansion of the Federal Government at the expense of the private sector.

If a majority of the people as a whole truly support an increase, a simple majority of their elected representatives, along with their President, would be able to accomplish such an increase. Unlike the norm of keeping expenditures no higher than receipts, which should require a "super-majority" to violate, there is no norm with respect to the taxes and other receipts which should go to Government. Furthermore, increases in taxes and other types of Federal receipts are usually politically unpopular. The requirement of a majority vote on the record would by itself offset the political advantages to increased spending.

Given current public opinion concerning deficit spending and tax increases, the amendment would have the effect of a spending limit. Spending advocates would no longer be competing solely against the taxpayer to increase the size of the Federal spending "pie." They would compete with each other for bigger slices of a "pie" of limited size, and would, therefore, have to show not only that their own programs would be beneficial, but that the benefits of other programs would not be as great. Too often today we are faced with a spending decision and the accompanying pressure from one group or other and we say "give 'em their 20 million bucks and get them out of town." I have been guilty of that myself on occasion. The amendment would relieve the pressure by forcing interest groups to scrap among themselves, not just with Congress.

The present political climate has somewhat moderated the growth of spending. However, spending restraint should not depend on the presence of economic problems as grave as those the Nation now faces. To solve these problems and prevent their recurrence, fundamental and permanent changes are needed in the political process through which spending decisions are made. Only a constitutional amendment can accomplish this.

THE PROCEDURAL REFORM CONTAINED IN THIS JOINT RESOLUTION IS PREFERRABLE TO AN EXPLICIT SPENDING LIMITATION

Mr. President, I am certain that some of my colleages will wonder why we did not simply limit Federal spending directly. Let me briefly explain. We do not believe it desirable to limit spending to any particular arbitrary fraction of the GNP or other similar measure, nor do we believe that requiring supermajorities for spending increases is justified.

First, it could be deemed "antidemocratic" to lock any particular economic theory or policy into the Constitution. If a majority of the people truly want increased spending, we are not aware of any principle which would justify our saying to them that they may not have it. We are simply attempting to correct a political process which allows increases to occur even when the people do not want them.

Second, such theories and policies may well be mistaken. For this reason, complex and detailed formulations are especially inappropriate.

Finally—and this is related to our concern that democratic principles not be violated—such an explicit spending limit may not be constitutionally appropriate. Provisions of the Constitution, including all amendments except the 18th amendment, either, first, establish the structure of Government and basic details of the political process used to establish the will of the national majority, or, second, restrict majority rule in order to protect individual rights or the rights of the States.

To prohibit a majority from spending more than some arbitrary amount does not seem to fall within either category.

The amendment does not seek to insure any particular level of spending, even though as individuals we have, of course, our own preferences. The goal is to eliminate the bias toward spending which exists in our political process without replacing it with new biases. Given public opinion today, I believe that sections 1 and 2 of the amendment would together act as the effective spending limitation which many Senators seek. At the same time a different result is possible in the future if the will of the people reflects different concerns and different priorities.

Surely we need a bit less of the kind of discussion that relates to the fact that if Congress "would only" exercise "self-discipline" and "will power," all would be well and we would have our fiscal and monetary house in order. That is a laugher. (No pun intended.) We flunked that test long aso. Now it is time to rein ourselves in. This amendment would seem to me the way to do just that. I urge its adoption.

IMPACT OF CUTS IN CHILDREN'S HEALTH PROGRAMS

Mr. CRANSTON. Mr. President, an article appeared in this morning's Washington Post describing in graphic detail the tremendous cost of cutting back on preventive health programs for children. The Post article deals with the lead screening program, one of many children's preventive health programs that were eliminated or reduced last year by the Reagan administration.

According to the Centers for Disease Control, over 33,000 fewer children were reported to have been screened for lead poisoning in the first quarter of fiscal year 1982, compared to 1981.

Mr. President, the cost of cutting back on this type of preventive health program is enormous. Although the effects of low-level lead poisoning are not readily apparent, they can very well reappear later as mental retardation, epilepsy, blindness, or cerebral palsy. An effective screening program is essential to prevent these tragic results. As one HHS pediatric consultant is quoted in the Post story:

If you stop screening, these children will not be found at an early stage of poisoning, and they will come in with coma and convulsions, the way we used to see them in the 50's and 60's.

Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 29, 1982]

AMID BUDGET SLASHES, PRIORITY SHIFTS—PERILS OF LEAD ARE STILL WEIGHING HEAVILY

(By Ruth Marcus)

Twenty years ago, hundreds of children were showing up in hospitals across the country wracked with convulsions, in comas, some even dying, poisoned by eating lead paint chips.

That doesn't happen much anymore. Since 1972, when the federal government launched a program to prevent lead poisoning, the percentage of screened children found to have dangerous levels of lead in the bloodstream has dropped from 11 to 4 percent.

But budget cuts and policy changes by the Reagan administration have caused even the government's own advisers to worry that the problem could return. Among the changes:

The $10 million-a-year lead screening program has been folded into a block grant to the states for maternal and child health services. The overall total was cut by 27 percent—to $373 million—for fiscal 1982, and the lead screening now must compete with programs for crippled children, adolescent pregnancy services, maternal care and others.

Next year the administration wants to fold that block grant into a giant $1 billion grant that would include the Women, Infants and Children (WIC) nutritional program for the poor. WIC alone cost the government $934 million this year, so the total funds available would be cut by $300 million.

The Housing and Urban Development Department, which is required by law to research the extent of lead poisoning in urban areas and ways to control it, has just RIFed its last researcher dealing with lead poisoning, even though a federal judge ruled last month that the agency is not adequately enforcing a law designed to remove hazardous paint from public housing units.

The Environmental Protection Agency has proposed allowing refiners to increase the amount of lead they can put in gasoline. Research has shown that lead in gasoline is emitted into the air, becoming a major contributor to lead poisoning.

The Occupational Safety and Health Administration has granted or proposed ex-

emptions from its lead standards for several industries, and is considering relaxing regulations protecting workers from lead exposure. Critics say those moves could have an impact on workers' children, through the lead dust carried home or the effect of exposure on fetal development.

The federal government's withdrawal from lead screening is "to deny many, many thousands of children the protection of these programs" when they need screening more than ever, said Kirk Johnson of the Center for Science in the Public Interest, a Ralph Nader group that has organized a National Coalition for Lead Control.

The number of children being screened may already have dropped. According to the Centers for Disease Control, 92,769 children were screened during the first quarter of this fiscal year compared with 126,049 in the like quarter last year, although the states may be neglecting to report screening rather than stopping it.

Dr. Herbert Needleman, a University of Pittsburgh psychiatrist who has conducted major research into the effects of lead poisoning, said, "It's highly unlikely that states are going to pick up the slack. When there's competition for block grant money, there's plenty of people who can yell louder than mothers of lead-exposed kids."

Johnson noted that some states have still been drawing on old grants and thus haven't been hit by the full impact of the cuts. But some localities have already been forced to cut back.

In Paterson, N.J., where lead poisoning is the seventh highest of any U.S. city, the screening office has fired two of its three health aides and reduced doctor's hours from six to two hours a week. The agency expects the number of children screened this year to drop from 3,800 to 2,000.

Akron and Cleveland have been forced to stop a door-to-door campaign informing parents about lead poisoning and urging them to bring the children in for screening. And in St. Louis, officials have slashed the screening staff in half and expect to screen only two-thirds as many children as last year's 18,000.

"If you stop screening, these children will not be found at an early stage of poisoning, and they will come in with coma and convulsions, the way we used to see them in the '50s and '60s," said Dr. Jane Lin-Fu, a pediatric consultant to the Health and Human Services Department, which administers the block grants.

Because the effects of low-level lead poisoning aren't readily apparent, "you can turn your head the other way and the disease will disappear," Lin-Fu said. "It will reappear later as mental retardation, epilepsy, blindness or cerebral palsy."

James Corrigan, associate director of the HHS office that administers the grants, said it was too early to tell whether the dire predictions would come true. "The states could spend their entire allotment on lead-based paint poisoning if they chose to do so, or they could cut it out," Corrigan said. "I have no information that the states will not do a bang-up job."

Although lead-based paint is no longer used for residential interiors. and the percentage of children with dangerously high levels of lead has dropped since screening started, experts insist that lead poisoning remains a serious problem.

For one thing, they note, an estimated 30 million houses in the country still contain lead paint. They point to research showing that children with even low levels of lead in their blood can suffer behavioral problems and learning disabilities. And they say any disease that still affects 4 percent of children under 5—and 18 percent of black children that age in inner-city areas—is near epidemic proportions.

"I do not think there are many childhood diseases that approach that number," said Dr. Vernon Houk, who headed the government's lead screening program before it was folded into the block grant.

The critics are also concerned about the removal of Dr. Irwin Billick, a HUD researcher who demonstrated a direct correlation between lead poisoning and lead in gasoline. Ellen Silbergeld of the Environmental Defense Fund charged that Billick was fired in retaliation for his research. Considering that the administration wants to put lead back in gasoline, "that was not welcome news," Silbergeld said. HUD officials denied trying to punish Billick.

"The research is not what helps the people in the houses, it's the actual elimination of hazards," said E. S. Savas, assistant secretary for policy development and research. Although no money is earmarked specifically, Savas said, HUD is "seeking out lead paint hazards and eliminating those hazards" as part of "routine maintenance activities."

But the confluence of the cutbacks has critics concerned. "If the administration goes ahead and relaxes all these regulations . . . the effect is going to be to pump more lead into the environment, yet less money to find high-lead kids and treat them," said HHS adviser Lin-Fu. "The net effect is going to be disastrous."

ILLINOIS IS TIED TO THE PRESIDENT'S FOREIGN POLICY DECISIONS

Mr. PERCY. Mr. President, in December 1981 and again last month, the administration put in place sanctions pertaining to our trade with the Soviet Union.

It is often alleged that our relations with other nations are abstract and have little relevance to Main Street. After all, they say, how can events thousands of miles away have an immediate impact on our own day-to-day lives and well-being?

The sanctions that have been imposed on the Soviet Union have brought home to my own State of Illinois the tremendous cost of following our policy of unilaterally seeking to limit trade. Although my State is heavily impacted by the current recession, unemployment is even greater in some parts of the State because of the loss of contracts that had been—or were about to be—negotiated with the Soviet Union.

The man on the street in Illinois is now keenly aware of the interrelatedness of the international economy. Foreign affairs, at least as they pertain to our relations with the Soviet Union, are followed with great interest in Illinois, where many cities throughout the State have as much as 25 percent of their work force dependent on exports.

Congresswoman LYNN MARTIN of Rockford, Ill. has recently circulated her "Report from Washington." It is an excellent analysis of the dependence of the Illinois economy on trade and the importance of foreign affairs to Illinoisans. As she points out in her column, "now Illinois is directly affected by foreign policy decisions."

Mr. President, I ask unanimous consent that Representative MARTIN's July 19 report back home be printed in the RECORD at the end of my remarks, and I commend it to my colleagues as an eloquent and insightful analysis.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT FROM WASHINGTON

(By U.S. Representative LYNN MARTIN)

Anyone who thinks Illinois has no particular interest in foreign policy should change that view. As American citizens, we've always been concerned about keeping a peaceful world and helping those nations who need help, but probably we've never been too concerned about the specifics of foreign pollicy. All that has changed because now Illinois is directly affected by foreign policy decisions.

Illinois farmers became aware of the effects of foreign policy during the grain embargo, which was lifted more than a year ago. Certainly, we in Illinois knew that refusing to sell grain to the Russians was a bad foreign policy move. The Russians bought their grain from other countries, so they didn't suffer from the embargo, but our farmers sure did.

Another effort to use economic sanctions against the Russians is currently underway, and once again, Illinois is apparently feeling the effects more than anyone else, possibly including the Russians.

Russia wants to build a natural gas pipeline from Siberia all the way across the continent to West Germany. Now, if you remember our Alaskan pipeline project, and look at the distance from Siberia to West Germany, you'll get an idea of the size of their pipeline project. Russia, lacking the technology or equipment to build this pipeline, has come to U.S. firms with offers. Just as many contracts were being negotiated and signed, Poland imposed martial law. The U.S. then imposed trade sanctions against Russia and all its satellite countries. This meant a ban on the sale by U.S. firms, or any equipment for use on the pipeline and a total ban on sale of American technology or "know how."

Illinois firms were hardest hit by this foreign policy decision because our companies make the heavy equipment needed for such a project. These firms were counting on sales to the Russians to keep their factories in production. So, foreign policy is hitting Illinois again, right in the pocketbook.

The sacrifice being made by Illinoisans would be worth something if either the pipeline or Polish repression were ended by these trade sanctions. Unfortunately, the pipeline preparations are continuing and the Poles are still under martial law.

We may be successful in delaying the pipeline construction, but not in halting it because Japan and Western Europe are eagerly stepping in with offers for their technology and equipment. The Russians, of course, are signing contracts with our allies. Is the delay of the pipeline worth the repercussions on the American people?

I suspect we're shooting ourselves in the foot again with this particular foreign policy decision. Worse yet, Illinois companies appear to be the sole this time.

THE VASCHENKOS AND CHMYKHALOVS

Mr. PERCY. Mr. President, on June 27, members of two families of Siberian Christians, the Vaschenkos and Chmykhalovs, marked the fourth anniversary of their uncomfortable and discouraging refuge in the U.S. Embassy in Moscow.

Last spring one of their number, Lydia Vaschenkos, was persuaded to end a hunger strike and return home to Chernigorsk with the promise that she could reapply for emigration from the Soviet Union. The Soviet Government has continued its cynical cruelty, however, toward these people who want only to live where they can practice their Christian religion freely. Once out of international sight again in Chernigorsk, Lydia was told she would have to wait a year before reapplying to emigrate, and more recently that the entire two families would have to return to Chernigorsk before any of them could be considered for emigration. In their heartbreaking frustration, Lydia and a sister have begun a new hunger fast in Chernigorsk, as have their mother and another sister still in our Embassy in Moscow.

These two tormented families should know that we continue to be concerned about their plight. On their behalf I again call upon the Soviet Government to change its attitude toward the Vaschenkos and Chmykhalovs. The prestige of the Soviet state could only improve by allowing their emigration.

HEALTH CARE COSTS

Mr. KENNEDY. Mr. President, last Tuesday, I brought to the attention of my colleagues the dramatic increases in health care costs last year, and the devastating effect of skyrocketing costs on the American people. The Boston Globe published an editorial yesterday which penetrates to the heart of the problem. The Globe observed:

What is truly outrageous about the costs of our medical system is that we spend nearly $300 billion and still leave too many Americans untreated or exposed to destitution to meet their own medical needs. There is nothing to indicate that the Reagan administration has any desire to find new initiatives except by expelling potential claimants and slashing programs. The country needs, and sooner or later will have to develop, a more comprehensive health system that even $300 billion has bought so far. Whether it is public or private is secondary to the fact that a nation that can spend 10 percent of its output on health should leave no one untended.

The administration and the Congress would do well to heed this message. Delay will only exacerbate this pressing problem. The time has come to summon the courage to meet the obligation of any decent society—quality, affordable health care for all Americans.

INDIAN-AMERICAN RELATIONS

Mr. KENNEDY. Mr. President, in today's Washington Post, my good friend and distinguished colleague, Senator DANIEL PATRICK MOYNIHAN of New York wrote an extremely thoughtful and interesting article on Indo-United States relations. Recognized as a leading authority in our country on Indian affairs, Senator MOYNIHAN was U.S. Ambassador to that country from 1973 to 1975.

This article calls our attention to an important event: The first visit of Mrs. Gandhi to our country in 9 years. America should listen to Mrs. Gandhi with open ears and open minds, for her government occupies an important position of world leadership and provides India with, as Senator MOYNIHAN so aptly put it, "decent and democratic rule."

I would like to commend Senator MOYNIHAN's perceptive words to the Senate, and I ask that his article, "Why Mrs. Gandhi Is Here," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY MRS. GANDHI IS HERE

(By DANIEL PATRICK MOYNIHAN)

With our usual haziness about things Indian, the press has generally reported that this week's visit of Prime Minister Indira Gandhi will be her first in "more than a decade."

It is, in fact, her first visit in nine years. The press is to be forgiven this lapse, however, for it may be that only I, a few New York State troopers and the Indian ambassador to the United States were aware the last visit even took place. Gandhi, as prime minister, had some business in Canada. On a summer morning, June 21, 1973, she flew down to Lake Placid to visit for an hour or so with an old friend, Lucille Kyle, who lived there in retirement. As American ambassador to India, I was on hand to meet here, as protocol required.

Just what the relationship between the two ladies had been I never did learn. Nor did I think the Indian ambassador knew, although he chatted knowledgeably as we hung about outside the Adirondacks cabin where the two old friends were drinking tea. The one thing we did know was that there was no question of the prime minister's visiting Washington now that she had made her way to North America.

How changed, changed utterly, were our relations then (and now) as compared with her visit in 1966. The contrast between these two past occasions tells so much about our two countries.

It was at the height of the Great Society and Lyndon Johnson's exuberance about the world. The monsoon had failed. Indians would starve. Save that America was going to feed them. And why not? There was plenty to go around, and no need for suffering, no need for poverty. America would do more. The Indians would pay for our grain shipments in rupees. A vast sum would be accumulated. A yet vaster undertaking would follow. In his toast at dinner in the White House, March 28, 1966, LBJ declared:

"So may we, Madam Prime Minister, with the permission of your government and the American Congress, launch a new and imaginative venture. We shall call it an Indo-American Foundation. I would propose that this foundation be established in India, and that it be endowed with $300 million in Indian currency owned by the United States. Other foundations all over the world will cooperate, I am sure, with an enterprise of this kind.

"I would suggest that this foundation be organized as an independent institution—with distinguished citizens of both our countries on its board of directors. I would propose that the new foundation be given a broad charter to promote progress in all fields of learning—to develop new teaching techniques on the farms and in the factories—to stimulate, if you please, new ways to meet old problems."

In the joint statement that concluded her visit, "Prime Minister Gandhi welcomed the President's proposal. . . ."

Looking back, it is hard to believe. The proposal was, in fact, to establish a commission *with an American executive director* to assume control of and pay for Indian higher education. With the best intentions in the world, we had proposed—and they had agreed—to have America take over, well, the modern Indian culture.

It was only on the plane back that the Indians had second thoughts. But consider what they thought of our relations that they could entertain the idea in the first place. It was a period of heart-thumping romance that bordered on the blind staggers. On both sides. In the 1950s, India surpassed all nations as the symbol of hope and progress among progressive academies. Just to have been there for a summer, much less to have *worked* on The Plan was, well, to get tenure at minimum and, likely as not, a vice presidency of the Ford Foundation (which built a headquarters in New Delhi almost as grandiose as those in Manhattan). When the Chinese came over the border in 1962, the Indians went directly to us asking for military aid, and our ambassador, John Kenneth Galbraith, went directly to the front with whiskey for the officers and cheers for the sepoys.

What happened? We fell out of love. Americans knew nothing of India. It is, in fact, as their travel posters proclaim, the most foreign of all lands. It *is*! Indians knew nothing of us, except as surrogate British with the transparently devious device of appearing to be generous, much as the British would occasionally suggest they were really mainly interested in the work of the missionaries.

Military aid to Pakistan began the breach. The Bangladesh war broke the relationship almost completely. It was coming anyway, but it gives no pleasure to state that, on that occasion, the Indians were right and we quite totally wrong. Not least because whatever other effect it would have, it would ineluctably have that one.

I was on the American delegation to the U.N. General Assembly in 1971 and protested our policy. This made it inevitable that I was sent to New Delhi in 1973. No longer a reward, but a dare of sorts, if you liked that

kind of thing. I settled the rupee debt—now amounting to a third of the Indian currency, and a preoccupation of their finance ministers. They got 16,640,000,000 rupees to use for good works of their own devising; we retained some 8 billion with which to fly Americans to conferences in Kashmir. Not a bad settlement if you recall that the Canadians, proportionately, sent as much wheat as we had in 1965-66, only they gave theirs away free and clear. (The Indians, meticulous in such matters, have let us dispose of our rupees exactly as we choose, especially on their airlines.) After that, there wasn't much to do but think of the future.

It is worth perhaps just a little something to know that an American ambassador left India in 1975 convinced that nothing would change until the event occurred which now has occurred and which accordingly brings the prime minister here. Which is to say that the Mongols have once again appeared in the Khyber Pass.

That is one thing that can be learned about Hindu India. For a thousand years it has been overrun by wave after wave of Central Asians making their way through Afghanistan, breaking out through the pass onto the North Indian plain. (The mountains there are known as the Hindu Kush, meaning Hindu killer, the fate of most of the slaves marched back into Uzbekistan.) The Great Game has concluded. The Russians have won. Their armor is now in the Khyber Pass. Of necessity, the ruler of India is in Washington.

We welcome her. If I had advice for my own government, it would be threefold. Assure India that we will not try to pass any more legislation—as tried in 1980 with respect to fuel for the Tarapur reactor—which in effect assumes that it will be obeyed in India as if it were a law enacted in Westminster in the age of the Raj. After a millennium of subjection, there is at last a unified and independent nation. No sacrifice will be too great for them in maintaining that independence.

Second, calling attention to the large and growing and altogether welcome number of Indian immigrants to the United States, ask if it were not possible to arrange for a few more Americans to reside and carry on their professions and businesses in India. When I left in 1975, there were fewer than one dozen American businessmen left. I doubt there are a half dozen left today. This has been the decision of the government of India, but it is a mistake for it to allow our relations, while cordial, to grow so thin.

On the other hand, do not talk free enterprise. The economy of India is not what the Indians say it is—socialism—but rather a variant of state capitalism. It is highly inefficient except for one thing, which is that it concentrates enough power in the hands of governments to enable government to rule. In the main, this is a decent and democratic rule, and that is to be valued above all things.

Third, promise little. It is much too soon for Indians to believe our promises, especially where arms are concerned. In any event, the balanced budget amendment will put an end to all foreign and military aid.

IS THE TEACHER-PROMOTED SCHOOL PRAYER "VOLUNTARY"? TWO MISSOURI RELIGIOUS LEADERS EXPRESS THEIR DOUBTS

Mr. EAGLETON. Mr. President, today the Senate Judiciary Committee begins hearings on Senate Joint Resolution 199, President Reagan's proposed constitutional amendment to reverse Supreme Court decisions on school prayer. I hope that the committee's hearings will take a serious and searching look at this proposal.

Specifically, I hope that the committee will look very, very carefully at the claim that the proposed amendment only pertains to voluntary school prayer and does not seek to have any schoolchild, in the President's own words, "forced or coerced or pressured to take part in any religious exercise."

In this regard, I commend to my colleagues, whether on the Judiciary Committee or not, two recent statements by religious officials in my home State of Missouri. I am often impressed by the extent to which my constituents, embodying the famed Missouri "show me" attitude, can cut through the rhetoric and posturing that surrounds a public issue and grasp the heart of the matter. Clearly, Rev. Charles Bayer and Rev. Reuben Koehler have done this on the school prayer question. They have not been content to accept at face value the characterization of teacher-led prayer as voluntary. Rather, they have done some independent thinking and have serious doubts about whether the term can ever be applied honestly to prayers that are prompted by Government officials, not deep, personal, and spontaneous religious conviction.

Writing in the St. Joseph Gazette, Reverend Bayer, who is pastor of the First Christian Church in St. Joseph, Mo., put the question of voluntary prayer in its proper perspective:

Every teacher is an authority figure. We want it that way—otherwise, classrooms would be chaotic. And when that teacher imposes his or her religious heritage on children—or the school board does—than the rights of a free people have been substantially subverted.

Reverend Bayer goes on to ask:

Can anyone really assume that a Mormon prayer in a Salt Lake City grade school could possibly be voluntary, or a prayer offered by a Moonie school they dominate, or a cultic petition by some new Jim Jones?

In answering this question with an implicit "No," Reverend Bayer reaches the same result as Reverend Koehler, conference minister of the St. Louis Association of the Missouri Conference, United Church of Christ. Replying to an editorial broadcast over KMOX-Radio in St. Louis, Reverend Koehler stated:

It is impossible to devise a prayer that is acceptable to all groups and any effort to do so trivializes prayer by robbing it of depth and meaning. If the prayer really contains the depth and meaning of my own religious beliefs, it will inevitably violate the religious beliefs of others whose faith preference is different from mine.

To Reverend Koehler, the kind of school prayer that the President's amendment would permit would force those who disagree with the content to absent themselves or to openly abhor what is being said. He finds the effort to label such prayers voluntary to be inconsequential.

Mr. President, it is obvious that both of these gentlemen believe very strongly in the value of prayer. I share that belief. But it is just as obvious that these religious authorities, again like me, have substantial doubts about whether there is any religious value in the rote recitation of a single prayer which, no matter how watered down it might be, would inevitably fail to express the religious feelings of some schoolchildren.

Beyond agreement of the dubious religious value of these all-purpose prayers, Reverend Bayer, Reverend Koehler, and I also share doubts about the consistency of these school prayer proposals with the freedom of religion guarantees embodied in our U.S. Constitution.

I commend the thought-provoking statements of Reverend Bayer and Reverend Koehler to my colleagues, and ask unanimous consent that the statements be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Joseph Gazette, June 6, 1982]

SCHOOL PRAYER, BUT NOT BY LEGISLATION

(By Charles Bayer)

I'll say it flat out! I believe in prayers in the public schools. I want children who attend the public schools to know that every breath they take, every idea they encounter, every friend they have, every meal they eat are gifts from God.

When children forget how to pray, forget they live only by the grace of God, forget the struggles of faithful men and women of history which provide a noble heritage, forget their religious roots, we are all in trouble.

I would not want to live in an anti-religious nation, where prayers were forbidden—including prayers in the public schools. I want a society where children, and adults, too, see prayer as a natural response to life. That is why I want prayers at Central High School. That is why I want prayers at Bode Middle School and Lake Contrary Grade School—and every other public school in St. Joseph. Prayer belongs in the classroom.

However, I am unalterably opposed to government sponsored or instituted prayer. That would be simply another incursion of government into the lives of a free people. We are not owned by the government. The government has certain clear functions which are spelled out in the Constitution, but government is not the whole of life. We do not belong to the government. We are a free nation of free people, and there are areas our founding fathers insisted the government keep out of. Religion is one of those areas. Neither Congress, nor any other governmental unit, has any business establishing, providing, offering or supporting religious ceremony. Nor has the government the right to take away from any citizen the freedom to exercise his or her religion.

The government should, therefore, stay out of the prayer business. State prayers are a violation both of the right of the free exercise of religion and the right of the people to have no religion.

Nor can we sidestep the issue by insisting that the government sponsor only voluntary prayer. Every teacher is an authority figure. We want it that way—otherwise classrooms would be chaotic. And when that teacher imposes his or her religious heritage on children—or a school board does—then the rights of a free people have been substantially subverted.

If there is one Jewish child in one grade school in one Alabama town, otherwise dominated by evangelical Christians, where one state-sponsored and paid-for prayer is provided, then the Constitution has been abridged. Or if there is one fundamentalist Baptist child in one grade school in Brooklyn, otherwise dominated by Orthodox Jews, where one state-sponsored prayer is provided, then the Bill of Rights has been violated.

Can anyone really assume that a Mormon prayer in a Salt Lake City grade school could possibly be voluntary, or a prayer offered by a Moonie in a school they dominate, or a cultic petition by some new Jim Jones?

Prayer is the responsibility of the church, the home and the synagogue, not the government. Nothing should prohibit the right of any child from pausing at the beginning of a school day, or a meal and saying, "Thank you, God." Nor should there be any rule against making the sign of the cross, or wearing a skull cap, or performing any other non-disruptive exercise. But providing for that devotional act, leading it, or even suggesting it, is not the government's business.

The president has again appealed to a dangerous albeit popular national emotion when he announced the sponsorship of a prayer amendment to the Constitution. That move ought to be soundly repudiated by every American who believes the government is already too much involved in the personal lives of American citizens.

Teach your children to pray, if that is what your religion demands. But don't expect or even allow any bureaucrat—even if that government official is a grade school teacher—to perform that function for you.

PRAYER IN THE PUBLIC SCHOOLS

(By Rev. Reuben Koehler)

(In reply to KMOX Radio's editorial of May 7, 1982, on the subject of prayer in the public schools, here with another view is Rev. Reuben Koehler, Conference Minister, St. Louis Association of the Missouri Conference, United Church of Christ.)

I can concur with KMOX Radio's reference to our history as a religious people though it missed one of the basic ingredients of prayer, namely the expression of thanksgiving for God's providential care. Where I differ with KMOX Radio is when it equates the level of American religious fervor with the presence or absence of prayer in the public schools.

We are a diverse nation in religious preferences. Our broad concepts of freedom of religion and separation of church and state prohibit governmental agencies, such as public schools, from fostering religious practices or beliefs. Experience teaches us that efforts to introduce religious practices into public schools generate the very interreligious tension and conflict that the First Amendment was designed to prevent. It is impossible to devise a prayer that is acceptable to all groups and that any effort to do so trivializes prayer by robbing it of depth and meaning. If the prayer really contains the depth and meaning of my own religious beliefs, it will invariably violate the beliefs of others whose faith preference is different from mine.

To say that the prayers in the school are voluntary is inconsequential. It causes those who disagree with the content to absent themselves or to openly abhor what is being said. It does not contribute to the sense of religious freedom which has been a valuable part of our American heritage.

I strongly affirm the need to be a prayerful people. To a person of faith, prayer is as needful as is food and water; but let's not make a mockery of prayer by making it an opening exercise to call the order of the day for a public institution. Let the churches and synagogues teach the value of prayer to every person they can reach and help make it a vital part of every person's daily discipline.

CAPTIVE NATIONS WEEK

Mr. PELL. Mr. President, in July 1959, Congress passed and President Eisenhower signed Public Law 86-90, which established Captive Nations Week. At that time, 26 nations were under the iron fist of totalitarianism. With great sadness, I note that the expansion of communism into Cuba and Southeast Asia and, more recently, the Soviet invasion of Afghanistan increased the number of such nations held in captivity.

Last week, during the 24th observance of Captive Nations Week, Americans paid tribute to the courage and strength of the more than 1 billion people subjugated by Communist rule. In ceremonies across the United States, Americans demonstrated support for the Afghan freedom fighter, the Lithuanian dissident priest, the Solidarity activists and the many others who, in the past and the present, have dared to challenge the forces of oppression. During this week, the American people also reaffirmed their commitment to freedom by demanding, loudly and firmly, liberty and self-determination for all those men, women, and children of the captive nations.

As a Foreign Service officer in Czechoslovakia shortly after the Communist coup of 1948, I saw firsthand how the Czech, and Slovak people were robbed of fundamental freedoms and basic human rights. During 1968, the Czechs and Slovaks, like the Hungarians before them, tried to regain these rights and humanize the Communist system under which they had lived for 20 years. The Soviet Union responded, as it did in Hungary in 1956, by brutally invading Czechoslovakia in clear violation of the United Nations Charter. On August 21, 1968, Soviet tanks and troops extinguished the flames of freedom and liberty which had begun to burn during the "Prague spring" and forcibly prevented the people of Czechoslovakia from shaping their own future.

Whereas no Russian soldiers were required to impose communism on Czechoslovakia in 1948, more than half a million Soviet-led troops were needed in 1968 to keep Czechoslovakia under Soviet domination. Mr. President, I believe that this fact says something about the continuing appeal of communism to those people who have been forced to live under it. Moreover, if we need further confirmation that the captive peoples want to get from under the yoke of Communist tyranny, we need only to look at the ongoing struggle of the Polish people for greater personal and political freedoms.

The movement to establish a Polish free trade union showed the determination of the Polish people to cast off the heavy burden of economic and political repression which they have carried for far too long. Courageously and doggedly, the Polish people, through Solidarity, sought to exercise basic freedoms of association and expression.

The historic agreement reached in September 1980 between Solidarity and the Polish Government to allow free trade union activity testified to both Solidarity's success and the willingness of the Polish Government, under the leadership of General Jaruzelski, to compromise. In the months to follow, however, that spirit of compromise faded, and with the imposition of martial law in December 1981, the Polish Government embarked upon a despicable and excessive campaign of repression against the Polish people.

The blatant denial of fundamental rights and freedoms by the Polish Government has not succeeded in breaking the spirit of the people of Poland. Support for Solidarity and its courageous leader, Lech Walesa, continues as does the determination of the Polish people to win, once and for all, the right to mold their own future.

Mr. President, it is the duty and the birthright of every American to support the struggle not only of the Polish people but of all those who live in the captive nations in order that they may, one day, have the liberty and independence which we have enjoyed for so long.

SECRETARY OF INTERIOR JAMES WATT

Mr. BOSCHWITZ. Mr. President, Secretary of Interior Jim Watt recently sent a much publicized letter to the Ambassador of the State of Israel. While some of the wording may have been ill-advised, it should not be misconstrued.

Secretary Watt has been among the most dedicated friends of Israel that I

have met and he has been most outspoken about the subject. Yet some of the press reports seem to imply otherwise. I believe it was in the spirit of support that he wrote the letter.

He has met during the course of this week with several groups. I ask unanimous consent to have printed in the RECORD a statement that was the result of a meeting that occurred this morning between Secretary Watt and a group from the Washington Jewish community.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON MEETING WITH SECRETARY WATT, JULY 29, 1982

Some members of the Washington Jewish community who have familiarity with American energy issues met with Secretary Watt of the Department of the Interior this morning at a meeting that had been arranged a number of weeks ago by Dr. Lawrence Goldmuntz, President of Economics & Science Planning, Inc. and Chairman of the Energy Committee of the American Jewish Committee.

This group supports the Administration's efforts to lessen American dependence on oil imported from unstable regions. In particular, the group agreed that accelerated leasing of the Federally controlled outer continental shelf is an important element of an American energy policy that decreases U.S. energy vulnerability. Such a program is being advanced by Secretary Watt. Environmental concerns were discussed with the Secretary and the group agreed that accelerated OCS leasing can and should be accomplished in an environmentally benign manner. We also urged that the Secretary conduct this program so as to stimulate competition in the domestic oil industry. This policy should have the support of the American people.

The group felt that accelerated leasing is only one element of a policy to limit American energy vulnerability. We urged that the Secretary and the Administration support such additional measures as: the filling of the Strategic Petroleum Reserve (as proposed in S-2332); the encouragement of production in those areas of the world that serve our strategic interests; and a tariff on imported oil to encourage fuel switching, conversion, and domestic production.

It was a cordial, constructive meeting and we welcome the opportunity to continue to work with the Secretary toward common objectives.

DR. LAWRENCE GOLDMUNTZ.

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 10:33 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 2317. An act to recognize the organization known as the National Federation of Music Clubs;

H.R. 6663. An act to delay the effective date of proposed amendments to rule 4 of the Federal Rules of Civil Procedure; and

H.J. Res. 494. Joint resolution with regard to Presidential certifications on conditions in El Salvador.

The enrolled bills and joint resolution were subsequently signed by the Vice President.

At 11:04 a.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4961) to make miscellaneous changes in the tax laws, and for other purposes; agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. CONABLE, Mr. DUNCAN, and Mr. ARCHER (for the entire bill and the Senate amendments and modifications committed to conference, with the exception of subtitle B of title I and title IV except for section 406(e) of that title and with the exception of section 395 of the Senate amendments and modifications committed to conference), Mr. DINGELL, Mr. WAXMAN, Mr. SCHEUER, Mr. BROYHILL, and Mr. MADIGAN (for the consideration of subtitle B of title I of the Senate amendments and modifications committed to conference and subtitle C of title I of the Senate amendments and the modifications committed to conference and such parts of subtitle A of title I of the Senate amendments and modifications committed to conference that relate to amendments to the supplementary medical insurance program authorized under title XVIII of the Social Security Act and solely for consideration of section 395 of the Senate amendments and modifications committed to conference), Mr. MINETA, Mr. ANDERSON, Mr. LEVITAS, Mr. OBERSTAR, Mr. CLAUSEN, Mr. SNYDER, and Mr. HAMMERSCHMIDT (for the consideration of title IV of the Senate amendments and modifications committed to conference with the exception of sections 406(e) and 407(b) of that title), and Mr. FUQUA, Mr. GLICKMAN, and Mr. WINN (for the consideration of section 407(b) of title IV of the Senate amendments and modifications committed to conference) as managers of the conference on the part of the House.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 386. Concurrent resolution relating to adjournment to a date certain during remainder of the 97th Congress.

ENROLLED BILL PRESENTED

The Secretary reported that on today, July 29, 1982, he had presented to the President of the United States the following enrolled bill:

S. 2317. An act to recognize the organization known as the National Federation of Music Clubs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3965. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Commodity Futures Regulations—Current Status and Unresolved Problems"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3966. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, a report on a decision made to convert the Installation Support Services at Fort Monmouth, N.J. to performance under contract; to the Committee on Armed Services.

EC-3967. A communication from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, notification of the inability of the Commission to render a final decision on the matter of the McCarty Farms, et al. against Burlington Northern Inc., within the specified 180-day period and proposing an extension until August 17, 1982; to the Committee on Commerce, Science, and Transportation.

EC-3968. A communication from the Secretary of Energy transmitting, pursuant to law, notice of an anticipated delay in the Department's report on annual energy conservation in Federal buildings; to the Committee on Energy and Natural Resources.

EC-3969. A communication from the Assistant Vice President of the Farm Credit Banks of Baltimore, transmitting, pursuant to law, the annual retirement plan report for the year ending December 31, 1981; to the Committee on Governmental Affairs.

EC-3970. A communication from the Assistant Secretary of Interior for Indian Affairs transmitting, pursuant to law, a proposed plan for the use and distribution of funds awarded to the Navajo Tribe by the U.S. Court of Claims in Docket 229; to the Select Committee on Indian Affairs.

EC-3971. A communication from the Secretary of Education transmitting, pursuant to law, final regulations relative to nondiscrimination on the basis of sex in education programs and activities receiving or benefitting from Federal financial assistance; to the Committee on Labor and Human Resources.

EC-3972. A communication from the Secretary of Education transmitting, pursuant to law, final regulations relative to National Direct Student Loan, College Work-Study, and Supplemental Educational Opportunity Grant Programs; to the Committee on Labor and Human Resources.

EC-3973. A communication from the Secretary of Education transmitting, pursuant to law, notice of proposed rulemaking for the 1983-84 family contribution schedules for the Pell Grant and campus-based programs; to the Committee on Labor and Human Resources.

EC-3974. A communication from the Secretary of Education transmitting, pursuant to law, final regulations for the National Direct Student Loan, College Work-Study, and Supplemental Educational Opportunity Grant Programs; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Special report on Allocation of Budget Totals For Fiscal Years 1982 and 1983 (Rept. No. 97-510).

By Mr. HATFIELD, from the Committee on Appropriations:

Special report entitled "Allocation To Subcommittees of Direct Spending and Credit Totals From the First Concurrent Resolution Fiscal Year 1983, and Revised Resolution, Fiscal Year 1982" (Rept. No. 97-511).

By Mr. THURMOND, from the Committee on the Judiciary, with amendments:

S. 1701. A bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of certain deceased individuals and in the location of missing children, and other specified individuals.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Robert G. Dedrick, of Illinois, to by Under Secretary of Commerce for Economic Affairs.

(The above nomination was reported from the Committee on Commerce, Science, and Transportation with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON:

S. 2786. A bill to disallow the Secretary of the Interior from issuing oil and gas leases, granting certain licenses and permits, and approving certain plans, with respect to a geographical area located in the Pacific Ocean off the coastline of the State of California, until January 1, 2000; to the Committee on Energy and Natural Resources.

By Mr. HELMS:

S. 2787. A bill to provide for an additional assistant Secretary of Agriculture to be appointed by the President; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY:

S. 2788. A bill to restrict the distribution of material involving the sexual exploitation of minors; to the Committee on the Judiciary.

By Mr. STAFFORD (by request):

S. 2789. A bill to terminate the authorization for Lake Brownwood Modification project, Pecan Bayou, Texas; to the Committee on Environment and Public Works.

By Mr. ZORINSKY:

S. 2790. A bill to make loans available to farmers for commodity storage facilities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 2791. A bill to provide for the acquisition by the United States of certain interests in lands owned by Alaskan Natives; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself, Mr. MURKOWSKI, Mr. HOLLINGS, Mr. PACKWOOD, Mr. INOUYE, Mr. JOHNSTON, Mr. GORTON, Mr. MITCHELL, Mr. HAYAKAWA, Mr. CRANSTON, Mr. THURMOND, Mr. CHILES, Mr. RUDMAN, Mr. COHEN, Mr. SARBANES and Mr. RIEGLE):

S. 2792. A bill to establish an Ocean and Coastal Development Impact Assistance Fund and to require the Secretary of Commerce to provide to States national ocean and coastal development and assistance block grants from moneys in the Fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MATSUNAGA:

S. 2793. A bill for the relief of Rogelio Baldos Valle Tabaco; to the Committee on the Judiciary.

By Mr. WEICKER (for himself and Mr. TSONGAS):

S. 2794. A bill to insure the intelligent and full utilization of marine resources; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 2786. A bill to disallow the Secretary of the Interior from issuing oil and gas leases, granting certain licenses and permits, and approving certain plans, with respect to a geographical area located in the Pacific Ocean off the coastline of the State of California, until January 1, 2000; to the Committee on Energy and Natural Resources.

PACIFIC COASTLINE OIL AND GAS LEASES

Mr. CRANSTON. Mr. President, Secretary Watt has, without regard to Federal law or the delicate balancing of competing interests required by Federal policy, sought repeatedly to lease to the large, multinational oil companies for exploitation every mile of coastline, wilderness, and other Federal lands he can get his hands on.

Certain beautiful, unspoiled and spectacular areas of the California coastline repeatedly have been threatened by actions of the Interior Department, and especially by the present Secretary of the Interior.

Mr. President, I am today introducing legislation to protect those areas from oil and gas drilling.

My bill would impose a moratorium on oil and gas drilling in these very select and beautiful areas until the year 2000.

Whatever energy resources these undersea lands now hold—and USGS estimates such resources to be minimal—would stay in place.

A new generation would again be free to choose between energy leasing and the other uses incompatible with oil and gas leasing to which these areas now contribute: resort beaches, commercial fishing and crabbing, marine mammal protection, and fragile environmental protection.

As Federal law requires, the activities of the Federal Government which have a direct effect on the coastal zone of a State must be consistent with the State's coastal zone management plan.

In each of these areas, the State of California, with the full support of county and local governments, and the people who live in these areas, as well as the millions of tourists who come to enjoy their spectacular beauty, has chosen to use portions of its coastal zone for purposes that would be denigrated by and inconsistent with oil and gas drilling.

Two Federal judges have imposed injunctions on attempts by Secretary Watt to lease tracts in two of the areas my bill would protect.

Neither judge, one appointed by a Democrat and one by a Republican, chose to ignore the plain mandates of Federal law.

I wish the Secretary could grasp the relatively simple notion that Federal law should be complied with.

But it is clear he cannot.

In the absence of a Secretary of the Interior willing to exercise careful and balanced judgment with respect to the Federal lands and resources he manages, it becomes necessary to enact legislation which will substitute the judgment of Congress for the one-sided actions of the Secretary of the Interior.

In northern California, my bill would preserve an area from the southern edge of San Luis Obispo County, beginning north of the area in which leases already have been granted, running northward to the Oregon border. No existing leases would be affected.

It would preserve all of the four northern geological basins and the scenic panoramic points at Mendocino headlands, the Point Reyes National Seashore, Bodega Bay, the Golden Gate National Seashore, the Farallone Islands, Santa Cruz beach, Monterey Bay, Big Sur, San Simeon and Morro Bay.

This covers the same area as does moratorium legislation introduced in the other body by Congressman LEON PANETTA.

There are insignificant quantities of oil and gas believed to be in these areas.

But one oil spill, one tanker accident, one blowout, could devastate some of these places, and severely damage the marine life, and the local industries which depend upon it.

The presence of drilling rigs and oil tanker traffic in these areas would be unsightly.

Secretary Andrus excluded portions of these areas from Federal leasing activities.

But Secretary Watt's first official action was to try to include them in lease sale No. 53, until he was stopped by the White House, at least until the November election.

Congress adopted legislation last year which prevented Interior from using appropriations to lease those tracts.

As a result, Watt excluded the tracts from lease sale No. 73, but included just about every other available tract in northern California—9 million acres in all.

The people who live in this area are angry and frustrated.

They have made their views known repeatedly.

The local officials, county government and State government constitute a united front against oil and gas leasing in this area.

But they do not understand why it is necessary to repeat their protests so often.

They have spent vital resources, precious funds, and staff time opposing lease sales in these areas year after year.

It is time for this pressure to go away.

This legislation is consistent with a rational, national energy policy.

It is even consistent with an aggressive offshore oil and gas leasing policy in those places where it makes sense.

I do not oppose such a policy—I support it.

I believe there are many alternatives to offshore drilling to relieve our dependence on imported oil—accelerated geothermal leasing in appropriate areas, development of renewable energy, increased energy conservation, and research, development and commercialization of new energy sources. Unfortunately, this administration has abandoned most of those alternatives.

In view of our national need to relieve our dependence on imported oil, I support offshore leasing—including leasing off the California coast—in areas where the potential returns are plentiful and the danger to the environment is minimal.

Southern California, too, has areas where oil and gas leasing does not make sense.

It, too, has local governments who have fought seemingly endless battles to protect sensitive areas from Federal intrusion.

My legislation includes two such areas in southern California.

The first is an area of near shore tracts stretching across the mouth of Santa Monica Bay.

The second is a 12-mile buffer zone of near shore tracts along the coastal beaches of Orange County and San Diego.

Mayor Tom Bradley urged me to expand the Panetta bill to include these southern California tracts.

This is a fight he has long and successfully waged, particularly with respect to the tracts around Santa Monica Bay.

I am delighted we could cooperate on working out the details of this legislation, which has his wholehearted support.

Mr. President, winning lawsuits and enacting legislation is the hard way to administer the Outer Continental Shelf, particularly when the U.S. Government has a Cabinet officer who is supposed to carry out these responsibilities.

But Mr. Watt is appallingly indifferent to the scenic beauty of the environment.

He is so partisan that he believes all who oppose his plans are Democratic liberals or environmental extremists and, of course, he never listens to what they have to say.

So, charged with custodial care of our national treasures, he acts as a puppet of the exploiters and destroyers.

As a U.S. Senator elected to his third term with the help of California conservatives as well as liberals, Republicans as well as Democrats, developers as well as environmentalists, I can assure Mr. Watt that the California coastline is precious to conservatives as well as liberals, Republicans as well as Democrats, developers as well as environmentalists.

My legislation would take these precious areas out of Mr. Watt's custody.

We have spent valuable time and energy trying to reason with him.

But his is a mindset which does not want to be confused by the facts.

Recently 29 Members of Congress, myself included, wrote to Secretary Watt urging him to conform his 5-year OCS leasing schedule to the intent and purpose of the OCS Lands Act; with State coastal zone management objectives as required by the Coastal Zone Management Act; and with a "good neighbor" policy toward affected States, as the professed policy of the Reagan administration

Our letter received an extraordinary reply, which makes clear why legislation such as this bill is necessary.

For such protests to come from an administration that has systematically dismantled a bipartisan energy policy is indeed ironic.

I ask unanimous consent that our letter to Secretary Watt and his response to me be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 9, 1982.

Hon. JAMES WATT,
Secretary, U.S. Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: We wish to express our deep concern with your plans for the five-year oil and gas leasing program on the Outer Continental Shelf (OCS). Many of us in Congress feel that the procedure and goals of the program are contrary to the best interests of our country. The OCS leasing plan you now support seriously undermines legislation passed by the Congress to assure efficient development of our natural resources while protecting the environment.

All the legislation relating to exploration of the OCS has been based on the premise that adequate additions to our nation's energy inventory can be achieved without jeopardizing the fragile coastal environment and without restricting the vitality of the diverse industries which depend on our ocean resources.

The OCS plan you have endorsed fails to appreciate this premise. It consistently underestimates the potential for significant damage to the envoronment. It precludes the appropriate and mandated participation of the states which will be directly affected by OCS leasing. It invites and unnecessarily encourages costly and time-consuming opposition by seeking to circumvent or ignore established procedures to bring about consensus on controversial points.

As the controversy around and criticism of your OCS program have increased, it is especially regretable that you have twice declined to appear before joint subcommittee hearings held by Chairmen Markey and Santini to explain your program. In contrast to your reticence, articulate and highly-qualified critics of your plan have provided ample reason for Congress to have grave reservations about the wisdom and motivations of the OCS five-year leasing plan. These critics have included citizen groups, technical experts, and representatives of all of the states who have a direct interest in protecting the United States coastline from missuse. Despite criticism submitted for the record on this issue, changes resulting from these critiques have been superficial and cosmetic.

Major legislation relating to the leasing of the OCS has been subverted in the process by which you have sought approval and implementation of your five-year plan. The proposed program does not comply with the Outer Continental Shelf Lands Act Amendments of 1978: it fails to define the areas being offered for lease as precisely as possible; it fails to appreciate the environmental sensitivity of different areas covered by the plan; and it fails to assure fair-market value compensation to the federal and state treasuries in return for industrial exploitation of public resources.

You have not shown that the leases scheduled in the plan meet the consistency rule of the Coastal Zone Management Act. You have repeatedly maintained that elements of your program will not "directly affect" a state's coastal zone despite federal court rulings and a congressional resolution to the contrary. You have virtually ignored the positions of the individual states regarding your OCS plan. Every state which testified before the joint subcommittee hearings held by Chairman Markey and Santini indicated that communication from your office on the controversial provisions of the OCS plan was not backed up by meaningful changes.

As Secretary of the Agency responsible for protecting our natural resources under the provisions of the laws passed by Congress, we ask you to take several immediate steps. First, bring your OCS plan into full compliance with the intent and letter of the Outer Continental Shelf Lands Act of 1978. Second, guarantee that lease sales conducted under the plan are consistent with state coastal zone management objectives, as required by the Coastal Zone Management Act. Third, promote a genuine and meaningful "good neighbor" policy with the affected states. Finally, provide Congress with the benefit of your personal views on these and other issues through committee testimony and other direct forms of communication.

We appreciate your attention to the concerns addressed in this letter.

Sincerely,

U.S. Senators Edward M. Kennedy, Paul E. Tsongas, and Alan Cranston.

U.S. Representatives Edward J. Markey, Don Bonker, Augustus F. Hawkins, Phillip Burton, Mervyn M. Dymally Nicholas Mavroules, Pat Williams, Austin J. Murphy, Robert T. Matsui, Julian C. Dixon, Jerry M. Patterson, George Miller, Fortney H. Stark, James Weaver, Sam Gejdenson, Barney Frank, Joe Moakley, Anthony C. Beilenson, Edward R. Roybal, Don Edwards, George E. Brown, Jr., Thomas P. O'Neill, Jr., John L. Burton, Henry A Waxman, James J. Howard, James D. Santini.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 21, 1982.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Last week was historic.

1. Iran invaded Iraq, threatening the delivery of crude oil so desperately needed by the consumers of the free world.

2. Israel was embroiled in a war concerning her own survival and a liberated Lebanon.

3. The Reagan Administration adopted a 5-year plan for exploring and developing the oil and gas reserves on the Outer Continental Shelf. Congress was given full opportunity to alter, change, or correct the plan and chose not to do so. In fact, not one subcommittee voted against any of the provisions let alone the entire plan. The carefully crafted plan will improve our national security, enhance our quality of life and environment, create jobs, and help America meet her commitments made in the Camp David Accords as well as commitments made to other foreign countries.

4. You, along with several other Democrat Senators and Congressmen, wrote a letter harshly criticizing our 5-year plan to reduce America's dependence on foreign, unstable and sometimes hostile suppliers of energy as if the consumers of America did not matter, as if the freedom of Israel were not important, and as if there were no concern about peace or war in the Middle East.

While I cannot understand or interpret your motives, let me give you a few facts:

The fact is that America is a huge user of energy much of it imported from unsecure foreign sources. Fossil fuels supply most of the energy this Nation must have for national defense, transportation, heating, jobs, and recreation.

The only alternative to our increased dependence on foreign fuel is to find increasing quantities of such fuels within and near our own shores and that is why we have an Outer Continental Shelf (OCS) program in conjunction with onshore leasing activities.

Eighty-five percent of America's untapped oil wealth is on publicly owned lands, two-thirds of that is offshore and much of the new oil is expected to be found off Alaska's coast.

The OCS represents 8 percent of total domestic oil production and 24 percent of domestic natural gas production. During the 1970's, despite rapidly increasing oil prices, OCS oil production dramatically declined. A decade ago OCS oil production was 50 percent greater than it is today.

This country's OCS program has an excellent environmental and safety record. New leasing will be carried out under rigorous environmental controls to insure that the record will continue and be enhanced.

The most dangerous way to bring oil to American shores is to put foreign crude on foreign tankers and point them toward the United States. Persons who have a genuine interest in the environment—and in jobs and national security—will support the OCS drilling program as the best and safest way of providing the fuel we need.

The issue is really very simple. America must have abundant supplies of energy if we are to secure our freedom and liberty, improve our environment and create jobs. Therefore, the Government must allow for the American development of new sources of energy whether it be from the Outer Continental Shelf, new coal fields, the public lands, the sun, the wind, the waves, or the atom.

The consumers of the world must also have adequate supplies of energy. The world's political leadership will secure with economic strength or military force the needed energy.

America must be prepared. It is much easier to explain to the American people why we have oil rigs off our coasts than it would be to explain to the mothers and fathers of this land why their sons are fighting on the sands of the Middle East as might be required if the policies of our critics were to be pursued.

Sincerely,

JIM WATT,
Secretary.

Mr. President, I urge my colleagues from other coastal States adversely affected by Watt's 5-year plan to join with me in enacting this legislation and to protect the sensitive areas of their own States with similar legislation.

Clearly, Secretary Watt requires more legislative direction than he has been willing to accept.

Mr. President, I ask unanimous consent that the bill be printed immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337), the Secretary of the Interior may not issue any oil and gas lease on any submerged lands located within the geographical areas described in section 2.

(b) Notwithstanding sections 11 and 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340 and 1351), the Secretary of the Interior may not grant any license or permit for an activity which both (1) affects the geographical areas described in section 2 and (2) involves drilling for oil or gas.

(c) Notwithstanding sections 11 and 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340 and 1351), the Secretary of the Interior may not approve any exploration plan, or any development and production plan, which both (1) provides for any activity affecting the geographical areas described in section 2 and (2) involves drilling for oil or gas.

SEC. 2. (a) The geographical areas referred to in the first section are:

(1) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Pacific Ocean off the coastline of the State of California with the boundaries of—

(A) on the north, the line between the row of blocks numbered N968 and the row of blocks numbered N969 of the Universal Transverse Mercator Grid System based on the Clarke Spheroid of 1866; and

(B) on the south, the line between the row of blocks numbered N808 and the row of blocks numbered N809 of the Universal Transverse Mercator Grid System based on the Clarke Spheroid of 1866;

(2) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Pacific Ocean off the coastline of Santa Monica Bay, State of California, which begins at the point of intersection of a seaward extension of the boundary line between Los Angeles County and Ventura County with the seaward limit of the California State Tidelands; thence due south to the midpoint of Block 39N-52W; thence diagonally southeast to the southeast corner of Block 35N-45W; thence due east to the first point of intersection with a line extended south from Pt. Fermin along the eastern boundary of the State of California Oil and Gas Sanctuary in effect on June 1, 1982; thence north along that line to the first point of intersection with the seaward boundary of the California State Tidelands; thence northwesterly to the point of beginning along the seaward boundary of the California State Tidelands; and

(3) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Pacific Ocean off the coastline of Orange and San Diego Counties, State of California, which begins at the intersection of the southern border of Row 34N with the seaward boundary of the California State Tidelands; thence due west to the northwest corner of Block 33N-35W; thence due south to the southwest corner of Block 31N-35W; thence diagonally southeast to the southwest corner of Block 21N-25W; thence due south to the point of intersection with the International Boundary Line between the United States and Mexico; thence easterly along said International Boundary Line to its first point of intersection with the seaward boundary of the California State Tidelands; thence northwesterly along the seaward boundary of the California State Tidelands to the point of beginning.

(b) The northern and southern boundaries of the geographical area described in subsection (a)(1) are marked on the map enti-

tled "United States Department of the Interior Bureau of Land Management Index of Outer Continental Shelf Official Protraction Diagrams Pacific Coast", dated March, 1982. The areas described in subsections (a)(2) and (3) are those areas contained on a map entitled "U.S. Department of the Interior Bureau of Land Management, Pacific Outer Continental Shelf Office, Southern California Offshore Area".

SEC. 3. This Act shall not affect the authority of the Secretary of the Interior to approve any plan, or to grant any license or permit, which allows scientific exploration or other scientific activities.

SEC. 4. This Act shall take effect on the date of the enactment of this Act and shall be effective until January 1, 2000.

By Mr. HELMS:

S. 2787. A bill to provide for an additional Assistant Secretary of Agriculture to be appointed by the President; to the Committee on Agriculture, Nutrition, and Forestry.

PROVISION FOR AN ADDITIONAL ASSISTANT SECRETARY OF AGRICULTURE

● Mr. HELMS. Mr. President, at the request of Secretary of Agriculture, John R. Block, I introduce a bill to provide for an additional Assistant Secretary of Agriculture to be appointed by the President.

This bill would authorize the President, with the advice and consent of the Senate, to appoint one additional Assistant Secretary of Agriculture, thus raising from six to seven the number of Presidentially appointed Assistant Secretaries at the Department of Agriculture. The bill would also repeal the provision of Reorganization Plan No. 2 of 1953 providing for the appointment by the Secretary of Agriculture, with the approval of the President, of an Administrative Assistant Secretary of Agriculture under the classified civil service.

The Assistant Secretary for Administration serves as principal adviser to the Secretary on administrative management and related issues and is the chief officer of the Department on such matters. Nine offices or agencies report directly to the Assistant Secretary for Administration. These include the Board of Contract Appeals, the Office of Administrative Law Judges, the Office of Minority Affairs, the Office of Personnel, the Office of Operations, the Office of Finance and Management, the Office of Administrative Systems, the Office of Information Resources Management, and the Office of Small and Disadvantaged Business Utilization.

The Secretary of Agriculture believes that the position of Assistant Secretary for Administration carriers as high a level of responsibility as the other Assistant Secretaries of Agriculture who are appointed by the President and that all of these positions should be accorded the same rank. The bill would accomplish that.

I emphasize, Mr. President, that this bill does not create a new position in the Department of Agriculture. It makes the present position of Assistant Secretary for Administration a Presidential appointment, rather than a career service position, as is presently the case. The Department reports that enactment of the bill will result in no cost to the taxpayers.

I ask unanimous consent that the transmittal letter from the Secretary of Agriculture, with attachments, as well as the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be hereafter in the Department of Agriculture, in addition to the Assistant Secretaries now provided for by law, an additional Assistant Secretary of Agriculture who shall be appointed by the President, by and with the advice and consent of the Senate, shall be responsible for such duties as the Secretary of Agriculture shall prescribe, and shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture.

SEC. 2. (a) Section 5315 of title 5 of the United States Code is amended by striking out "(6)" following "Assistant Secretaries of Agriculture" and inserting in lieu thereof "(7)".

(b) Section 5316 of title 5 of the United States Code is amended by striking out the item "Assistant Secretary of Agriculture for Administration".

(c) Section 3 of the Reorganization Plan Numbered 2 of 1953 (67 Stat. 633) is repealed.

SEC. 3. This Act shall take effect on its date of enactment except that subsections (b) and (c) of section 2 shall take effect upon appointment of a Presidential appointee to fill the successor position created by the first section of this Act.

SEC. 4. The number of executive level positions published pursuant to section 5311(b)(1) of title 5 of the United States Code is hereby increased by one.

DEPARTMENT OF AGRICULTURE
OFFICE OF ASSISTANT SECRETARY
FOR ADMINISTRATION,
Washington, D.C., July 22, 1982.

Hon. Jesse Helms,
Chairman, Senate Committee on Agriculture, Nutrition and Forestry, Washington, D.C.

DEAR MR. CHARIMAN: Enclosed per the request from your Committee's Chief of Staff for consideration of the Congress is a draft bill "To provide for an additional Assistant Secretary of Agriculture to be appointed by the President.

This Department recommends that the draft bill be enacted.

Reorganization Plan No. 2 of 1953 provides that an Administrative Assistant Secretary of Agriculture shall be appointed, with the approval of the President, by the Secretary under the classified civil service. This position is classified at level V of the Executive Schedule. The draft bill would create an additional Assistant Secretary of Agriculture, at level IV of the Executive Schedule, to be appointed by the President by and with the advice and consent of the Senate. The bill would also repeal the provision of the Reorganization plan relating to the Administrative Assistant Secretary.

The Assistant Secretary for Administration is one of the ten top-level policy officials who are responsible for assisting the Secretary of Agriculture in developing the polices and directing and managing the operations of the Department of Agriculture. These include a Deputy Secretary, and Under Secretary for International Affairs and Commodity Programs, and Under Secretary for Small Community and Rural Development, an Assistant Secretary assigned to handle governmental and public affairs, and five program Assistant Secretaries. This Department carries out its many complex programs at over 10,000 locations, in every one of the 50 States, in over 3,000 counties in every major metropolitan area, and in many foreign countries. The Department employs over 118,000 people.

The Assistant Secretary for Administration serves as principal adviser to the Secretary on all administrative management and related matters and is the chief officer of the Department on such matters. As recently reorganized, nine offices or agencies of the Department report to the Assistant Secretary for Administration. These include the Board of Contract Appeals, the Office of Administrative Law Judges, the Office of Minority Affairs, the Office of Personnel, the Office of Operations, the Office of Finance and Management, the Office of Administrative Systems, the Office of Information Resources Management, and the Office of Small and Disadvantaged Business Utilization.

We believe that the position of Assistant Secretary for Administration entails a very high level of responsibility comparable to those of the other Assistant Secretaries of Agriculture who are appointed by the President. This position is heavily involved in policy-making and plays an important role in implementing management improvement initiatives of the Administration. We believe, therefore, there is a strong need for the Assistant Secretarty for Administration to enjoy the full confidence of the Secretary in the performance of the important and sensitive responsibilities assigned to this position. We recommend enactment of the draft bill which would accord to all of those position the same rank.

Enactment of this proposal would result in no additional cost to the Department.

Sincerely.

JOHN R. BLOCK.
Secretary.

HISTORICAL NOTE ON THE POSITION OF ASSISTANT SECRETARY FOR ADMINISTRATION

President's Reorganization Plan No. 2 of 1953 created and Administrative Assistant Secretary to provide continuity in charges of Administration.[1] The Assistant Secretary (in accordance with section 3 of plan) was appointed "under the classified civil service[2] by the Secretary of agriculture, with the approval of the President." The salary for the position was initially set at GS-18 and later changed to Execitive Level V and codified in 5 U.S.C. 5316.

The title of the Administrative Assistant Secretary was changed to Assistant Secretary for Administration on August 4, 1964, by section 307 of Public Law 88-426 and codified in 5316.

With the enactment of CSRA in 1978, the Secretary of Agriculture designated the position as SES career reserved in accordance with the following provisions:

3132(b) "(3) Notwithstanding the provisions of any law position to be designated as a Senior Executive Service position (except a position in the Executive Office of the President) which—

"(A) is under the Executive Schedule, or for which the rate of basic pay is determined by reference to the Executive Schedule, and

(B) on the day before the date of the Civil Service Reform Act of 1978 was specifically required under section 2102 [3] of this title or otherwise required by law to be in the competitive service,

shall be designated as a career reserved position *if* (underlining added) the position entails direct responsibility to the public for the management or operation of particular government programs or functions. . . ."

In accordance with 5 USC 3132(b)(4) the position of Assistant Secretary for Administration was listed in the Federal Register as "career reserved" on January 18, 1980.

Attached—Historicl Notes on Agencies Reporting to the Assistant Secretary for Administration.

HISTORICAL NOTES ON AGENCIES REPORTING TO THE ASSISTANT SECRETARY FOR ADMINISTRATION

When the Department reorganization of 1953 was planned, Department agencies were grouped according to function. The following agencies were placed in the administrative group: The Office of Hearing Examiners, the library, the Office of Budget and Finance, the Office of Information, the Office of Personnel and the Office of Plant and Operations. (Secretary's Memorandum No. 1320, January 21, 1953). Congress approved the reorganization including the establishment of the position of Assistant Secretary for Administration. (Reorganization Plan No. 2 of 1953, effective June 4, 1953, 18 FR 3219). The position of Assistant Secretary for Administration, unlike the other Assistant Secretary position, was in the classified civil service. The list of agencies reporting to the Assistant Secretary for Administration was identical to the administrative grouping listed above. When the Office of Administrative Management was established, January 7, 1957, it reported to the Assistant Secretary for Administration. Certain functions were transferred from the Office of Personnel to the Office of Administrative Management (Secretary's Memorandum No. 1409). When this office (OAM) was abolished, December 8, 1961, responsibility for all matters concerning organization and placement of functional activities was assigned to the Office of Personnel. Responsibility for paperwork management, the maintenance of Secretary's Memoranda and Administrative Regulation, and records were assigned to the Office of Plant and Operations. Responsibility for Committee Management, penalty mail and User Charges was assigned to the Office of Budget and Finance. At the same time, December 8, 1961, the Office of Management and Appraisal and Systems Development was established, reporting to the Assistant Secretary for Administration. The new office was responsible for development of automatic data processing, operations research and related management techniques. (Secretary's Memorandum No. 1477). The Office of Management Service, reporting to the Assistant Secretary for Administration was established January 29, 1963. It was a further consolidation of management support activities begun in 1961 when a Management Operations Staff was established for Agricultural Economics. The new agency was to provide management support to all units reporting directly to the Secretary and those reporting through the Assistant Secretary for Administration. Agencies reporting through other Assistant Secretaries were not included. (Secretary's Memorandum No. 1529). The Office of Management Appraisal and Systems Development on July 28, 1966. It chief function was to promote and coordinate the use of computers by the Department and its agencies (Secretary's Memorandum No. 1599).

In a regrouping of Department agencies announced December 1, 1969, the National Agricultural Library was assigned to the Science and Education Administration (Secretary's Memorandum No. 1673).

The responsibility for overseeing the Civil Rights programs of the Department was assigned to the Assistant Secretary for Administration September 23, 1969 (Secretary's Memorandum No. 1662). The Office of Equal Opportunity was established November 16, 1971 reporting to the Assistant Secretary for Administration. The Civil Rights Staff which had been organized was consolidated into a new agency. (Secretary's Memorandum No. 1756). Equal Employment functions which had been in the Office of Personnel remained there.

On March 30, 1972, the Office of Information Systems was established reporting to the Assistant Secretary for Administration. It took over all of the functions and personnel of the Office of Management Improvement. (Secretary's Memorandum No. 1775).

The Office of Hearing Examiners became the Office of Administrative Law Judges, December 27, 1972 (37 FR 28475.) Secretary's Memorandum No. 1810, April 26, 1973.

The Office of Communications, and independent office whose head, the Director of Communications, was made a General Officer of the Department reporting directly to the Secretary, was established January 22, 1973. The Office of Information, with all of its functions, authorities and personnel, was transferred to the new agency. (Secretary's Memorandum No. 1798).

A Central Uniform Accounting System was developed in stages between 1972 and 1975. Responsibility for development and implementation was assigned to the Assistant Secretary for Administration who delegated it to the Office of Budget and Finance (Secretary's Memorandum No. 1776, April 6, 1972, Supplement No. 1, April 7, 1972, Supplement No. 2, March 1, 1973).

The Office of Audit was established reporting to the Assistant Secretary for Administration. Auditing activities formerly delegated to the Inspector General were delegated to the new office. (Secretary's Memorandum No. 1830, November 26, 1973). October 5, 1977, the Office of Audit was disestablished and its functions were assigned to the recently reestablished Office of the Inspector General, which reported directly to the Secretary. (Secretary's Memorandum No. 1927).

The Office of Safety and Health Management was established, reporting to the Assistant Secretary for Administration. Safety, health and medical functions of the Office of Personnel were transferred to the new agency (Secretary's Memorandum No. 1940, March 27, 1978).

The Board of Contract Appeals was reconstituted and merged with the Contract Disputes Board of the Commodity Credit Corporation on January 26, 1968 (Secretary's Memorandum No. 1630, 7 CFR 245.2). The Contract Disputes Act of 1978 (P.L. 95-563) mandated some changes in the Department's contract appeals procedures. The oversight of the Board was assigned to the Assistant Secretary for Administration in 1978.●

By Mr. GRASSLEY:

S. 2788. A bill to restrict the distribution of material involving the sexual exploitation of minors; to the Committee on the Judiciary.

BANNING CHILD PORNOGRAPHY

Mr. GRASSLEY. Mr. President, in recognition of the Supreme Court's recent decision in the case of New York against Ferber, I am introducing legislation that would more effectively combat child pornography.

In the New York case, the Court unanimously upheld a New York law that makes the production and distribution of any pictures of children under the age of 16 engaged in sex or lewd conduct a criminal act, whether or not the material is considered legally obscene. The Justices carved out a new exception to first amendment guarantees of free speech to deal more effectively with what has become a hideous national problem—a highly organized multimillion dollar industry that will continue to grow unless we direct our laws at the distributors of pornographic depictions of children.

I strongly agree with the Court's finding that the legal standard of obscenity, which follows the guidelines enunciated in Miller against California, does not reflect the most compelling interest of prosecuting those who promote the sexual exploitation of children. In Miller, the Court, in recognition of the dangers of censorship inherent in unabashedly content-based laws, fashioned a test to protect the "sensibilities of unwilling recipients" from exposure to pornographic material. But the Miller standard of obscenity bears no connection to the issue of whether a child has been physically or psychologically harmed in the production of a work.

In 1957, the Supreme Court settled in Roth against United States, the "dispositive question" of "whether obscenity is utterance within the area of protected speech and press." The Court determined that the "unconditional phrasing of the first amendment was not intended to protect every utterance." In the years since Roth, the Court has struggled with many obscenity cases with varying results. But the Court has, in Ferber, with no dissenting views, firmly resolved its position, that the governmental interest in protecting children is a compelling one. The care of our children is a sacred trust and one that should be subject to the most careful scrutiny that our laws can muster.

No discussion of this legislation would be complete without noting how harmful the use of children in pornographic materials is to the physiologi-

cal, emotional and mental health of the child. It should be noted that because the child's actions are reduced to a recording, there is a permanent record of the child's participation and the harm to the child is exacerbated by circulation. According to one study by the Academy of Child Psychiatry, sexually exploited children are unable to develop healthy affectionate relationships in later life, have sexual dysfunctions, and tend to become sexual abusers as adults. Another report by the Illinois Legislative Investigatory Commission emphasizes that sexual molestation by adults is often involved in the production of child sexual performances.

Mr. President, this bill, which I also intend to file as an amendment to S. 2572, the Violent Crime and Drug Enforcement Act of 1982, will amend section 2252 of title 18 United States Code by striking the word "obscene" in subsections (a)(1) and (a)(2). I urge all of my colleagues to support this legislation and put a stop to this most rampant form of child abuse.

By Mr. STAFFORD (by request):

S. 2789. A bill to terminate the authorization for Lake Brownwood Modification project, Pecan Bayou, Texas; to the Committee on Environment and Public Works.

LAKE BROWNWOOD MODIFICATION PROJECT, PECAN BAYOU, TEX.

● Mr. STAFFORD. Mr. President, on behalf of the administration, I am today submitting legislation that would terminate the authorization for the Lake Brownwood Modification project, Pecan Bayou, Tex. I ask unanimous consent that a copy of this legislation, together with a copy of a letter describing the basis for the legislation, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the authorization for the Lake Brownwood Modification project, Pecan Bayou, Texas, contained in Section 203 of the Flood Control Act of 1968 (82 Stat. 742), is hereby terminated.

DEPARTMENT OF THE ARMY,
Washington, D.C.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of legislation "To terminate the authorization for the Lake Brownwood Modification, Pecan Bayou, Texas."

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress from the standpoint of the Administration's program. The Department of the Navy recommends that the proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

Congress authorized the construction of a new dam and protective measures for the spillway at the existing earthen dam at Lake Brownwood, Pecan Bayou, Texas, in the Flood Control Act of 1968, Public Law 90-483. At the time of authorization, it was concluded that the existing dam and spillway at Lake Brownwood, which are owned and operated by the Brown County Water Improvement District No. 1, were inadequate for safe operation. Recent investigations of the existing dam, conducted pursuant to the National Dam Inspection Program, have confirmed that safety problems exist. However, recommendations forwarded to the Congress on 16 November 1976 with the report on the National Program of Inspection of Dams made it clear that the regulation of non-Federal dams on non-Federal lands is a state responsibility and that dam owners have the ultimate responsibility for safe structures. Accordingly, when local interests discharge their obligations by correcting the unsafe conditions at Lake Brownwood, there will be no need for additional work by the Federal Government.

In view of the absence of Federal interest in participating in Lake Brownwood modifications, and in order to eliminate the uncertainty created by the authorization for Federal involvement in the project, the Department of the Army recommends that the Authorization for Lake Brownwood Modifications be terminated.

COST AND BUDGET DATA

The enactment of this proposal will cause no increase in the budgetary requirements for the Department of the Army.

ENVIRONMENTAL AND CIVIL RIGHTS IMPACT CONSIDERATIONS

Enactment of the enclosed proposed legislation will not have any significant or civil rights impacts.

Sincerely,

WILLIAM R. GIANELLI,
Assistant Secretary of the Army
(Civil Works).●

By Mr. ZORINSKY:

S. 2790. A bill to make loans available to farmers for commodity storage facilities; to the Committee on Agriculture, Nutrition, and Forestry.

REINSTATEMENT OF GRAIN FACILITIES LOANS

● Mr. ZORINSKY. Mr. President, I am introducing today legislation to give farmers badly needed additional grain storage capacity for 1982 crops of wheat, corn, oats, barley, soybeans and high moisture forage and silage.

This bill corrects deficiencies in the grain storage loan program announced on July 14 by Secretary of Agriculture John Block.

The new program drastically restricts the loan program for these facilities and limits the eligible commodities to wheat, feed grains and rice. It reduces the repayment terms from 8 to 5 years. It cuts the loan limit in half and delays loan disbursement until after October 1, 1982.

These restrictions will result in very few loans being made. In fact, Mr. President, it appears the limitations are deliberately designed to assure that the funds allocated will never be used.

The October 1 date for providing loan money will be too late for the expected bumper harvest of grains this year. The legislation I am introducing will provide loan authority immediately upon enactment up to the $40 million in any fiscal year which is the level proposed by the administration.

The most punitive aspect of the administration's plan would deny loan funds to the majority of Nebraska farmers who already have storage facilities and who have entered into an agreement with the Commodity Credit Corporation to store grain up to 3 years.

Under the program announced by the Secretary, farmers who already have built storage capacity sufficient for 1 year's crop would not qualify for loans to build additional storage capacity. This limit on these loans penalizes those farmers who have tried to help strengthen market prices through their strong commitment to acreage reduction and the 3-year reserve program. My bill will eliminate this restriction. The bill's other provisions include:

Raise the limit on loans from $25,000 back to the $50,000 in effect when the program was suspended in February.

Reduce the farmer's equity requirement in new storage facilities from 30 percent to 20 percent.

Reestablish 8-year repayment terms.

Mr. President, I request that the bill be inserted in the CONGRESSIONAL RECORD at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Storage Facility Loan Act of 1982".

SEC. 2. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by inserting, immediately before the period at the end of the second sentence, a colon and a new proviso as follows: "And provided further, that, to enable producers of wheat, corn, oats, barley, dry edible beans, soybeans, and high moisture forage and silage to store their production of these commodities on the farms, where it can be stored at the lowest cost, the Corporation shall make secured loans to producers of such commodities, in areas in which the Secretary determines that there is a deficiency of storage facilities, to cover the costs of constructing, expanding, or remodeling on-farm storage facilities, including electrical, handling and drying equipment under the following terms and conditions—

"(1) the Corporation may make no such loan that would cause the total outstanding principal indebtedness for such loans at any time to exceed $40,000,000 in any fiscal year;

"(2) a producer may not receive loan funds authorized in clause (1) of this proviso in excess of $50,000;

"(3) subject to the loan limit established under clause (2) of this proviso, loans to

producers under this proviso shall be in amounts sufficient to cover not less than 80 per centum of the total construction, expansion, remodeling or equipment cost;

"(4) facilities for storage of commodities sufficiently large to handle the quantity of the commodities estimated to be produced by the producer involved during a three-year period shall be eligible for financing under this proviso;

"(5) a loan shall be repaid, at the option of the producer, over a period not less than eight years.

"(6) such other appropriate terms and conditions as the Secretary, by regulation, may prescribe."●

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 2791. A bill to provide for the acquisition by the United States of certain interests in lands owned by Alaska Natives; to the Committee on Energy and Natural Resources.

ACQUISITION OF CERTAIN LANDS ON KODIAK ISLAND

● Mr. MURKOWSKI. Mr. President, today Senator STEVENS and I are introducing legislation that provides for the acquisition by the United States of certain native owned lands or interests in lands on Kodiak Island in Alaska. The bill I am submitting for Senate consideration is similar to the proposal submitted by my good friend, the Congressman from Alaska, DON YOUNG. That bill has already been a subject of a House subcommittee hearing, and further consideration is likely.

The bill would help resolve an unsatisfactory landownership pattern that arises out of the way in which lands were apportioned between the United States and Alaska Natives under the Alaska Native Claims Settlement Act of 1971. The Claims Act helped resolve a conflict between native interests in Alaska and the United States. But like most comprehensive solutions there were instances in which the overall solution either did not work or it did not work as it was anticipated.

I believe we have such a situation on the Kodiak Bear National Wildlife Refuge with the substantial selection of lands by the Koniag Native Corp.

The 1971 Native Claims Settlement Act required that the bulk of the lands to be conveyed to the Alaska Natives come from the areas surrounding their villages. However, in some instances this directive produced unacceptable results. Within the Kodiak National Wildlife Refuge there exist five native villages established by Executive orders in the 1940's. Therefore, the Claims Act required these villages to take all, or large portions of their land entitlements on the refuge.

As a result, the Native Regional Corp. on Kodiak Island, Koniag, Inc., now owns or is entitled to receive title to over 300,000 acres of land on that refuge. As a result, Koniag has become, if not the largest, certainly one of the largest inholders on any national wildlife refuge in the United States. The natives, except for their immediate village areas, are unwilling inholders on the refuge. They would have preferred to take their entitlement elsewhere in locations where their economic objectives could be realized free of the inherent conflicts created by the existence of the wildlife refuge. It was a principal purpose of the 1971 Settlement Act to provide Alaska Natives with a land base which would give them the opportunity to achieve economic viability in the mainstream of American society. Inevitably, despite the best of intentions on both sides, the interests of the refuge and the native corporation were bound to conflict.

Koniag and the Fish and Wildlife Service have for some time been exploring exchange possibilities. They have worked closely in the development of principles for the determination of the value for refuge purposes of Koniag's holdings under an exchange.

I am told that there are no apparently viable opportunities for an exchange which will fairly compensate the natives for the surrender of their extensive holdings unless the search extends beyond available federally owned, on-shore economically viable lands in Alaska. This is certainly a matter that would be extensively explored as the Senate Energy and Natural Resources Committee considers this legislation.

The Native corporation has proposed an innovative solution. In exchange for the conveyance back to the United States of lands and interests in lands within and adjacent to the rufuge, they will receive certificates of value redeemable in bidding on competitive oil and gas lease sales, and in payment of rents and royalties on leases issued under the Outer Continental Shelf Lands Act.

The concept proposed by Koniag, though innovative, is not unprecedented. It is embodied in two recent acts of Congress. These are the Northern Cheyenne Indian Reservation Leasing Act (Public Law 96-401, October 9, 1980) and the Rattlesnake Recreation Area and Wilderness Act of 1980 (Public Law 96-476, October 19, 1980).

In each of these acts, in exchange for the conveyance to the United States of property interests—in those particular cases privately held mineral interests incompatible with retention of surface values, Congress provided that the owners would receive coal lease bidding right certificates.

The concept is also embodied in H.R. 9, the Florida Wilderness Act of 1982, which would designate as wilderness lands in certain national forests in Florida. H.R. 9 passed the House of Representatives on December 15 of last year, the Senate Committee on Energy and Natural Resources has concluded its hearings and the bill is now awaiting committee markup. Mineral interests in the form of phosphate preference right lease applications are privately held in a number of the areas that the bill would designate as wilderness. H.R. 9 provides that, in the cases of those preference right lease applications upon which a valuable discovery has been made, the owners are to have the option of exchanging their lease applications for monetary credits to be used for bidding rights, bonuses, rental, or royalty payments on any mineral leases held by the applicants, their successors or assigns. The value of the mineral interests to be surrendered is to be determined as though they were not within a wilderness.

Section 1302 of ANILCA authorizes the Secretary of the Interior to acquire native inholdings within the boundaries of wildlife refuges and other conservation system units in Alaska—except for those in national forest wilderness, and to provide in exchange other lands or interests in lands owned by the Federal Government. Questions have been raised whether section 1302 encompasses exchanges that would be completed through the use of certificates of value which in turn would result in issuance of OCS leases instead of by direct Federal conveyances of lands or interests in lands. In order to remove any doubt on that score, specific enabling legislation is desirable.

The issuance of certificates of value avoids the otherwise very difficult and time-consuming task of determining the values of the specific mineral interests to be provided in exchange for the lands to be given to the Government. With certificates of value, the marketplace would determine the value of the mineral leases to be issued by the United States in completion of the exchange since the holder of the certificates of value would have to be the high bidder in order to receive such a lease. And, of course, the issuance of OCS leases, which would complete the exchange, would be subject to all environmental and other stipulations and requirements applicable to OCS leases.

Finally, by widening the circle of potential bidders, competition in the sale of OCS leases would be enhanced.

This is a new legislative proposal to help settle some of the unresolved problems created by the Alaska Native Claims Settlement Act. It also speaks to the future developments on the OCS leases. These are matters previously considered by the U.S. Senate.

Allow me to make it perfectly clear that I am not wedded to the exact language or proposals embodied by this legislation. This bill is a foundation on which to provide the Senate Energy and Natural Resources Committee a vehicle to review the Claims Act with

respect to this specific problem. As we proceed with consideration, I feel we may find this proposal is the most viable one.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the purpose of this Act is to facilitate the achievement of the purposes of the Alaska National Interest Lands Conservation Act (94 Stat. 2374; 16 U.S.C. 3101).

SEC. 2. (a)(1) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall accept any conveyance to the United States by Koniag, Inc., Regional Native Corporation, of any interest in, or entitlement to, lands located within, or adjacent to, the exterior boundaries of the Kodiak National Wildlife Refuge which—

(A) were, or are to be, conveyed under the Alaska Native Claims Settlement Act (85 Stat. 688; 43 U.S.C. 1601 et seq.) to—

(i) any, or all, of the Alaska Native village corporations representing Akhiok, Old Harbor, Larsen Bay, or Kaguyak and Karluk, or

(ii) Koniag, Inc., as successor-in-interest to the Native village corporations described in clause (i), and

(B) are owned by Koniag, Inc.

(2) Any lands or interests in lands acquired by the United States under paragraph (1) shall become part of the Kodiak Natural Wildlife Refuge.

(b)(1) The Secretary shall issue a certificate of value to Koniag, Inc., in exchange for each conveyance to the United States by Koniag, Inc., which is described in subsection (a).

(2) The face value of any certificate of value issued under paragraph (1) shall be equal to the value of all interests in, or entitlements to, lands that are the subject of the conveyance with respect to which such certificate of value is issued. For purposes of the preceding sentence, the value of any interest in, or entitlement to, land shall be determined with regard to the value of such land as a wildlife refuge.

(3)(A) Except as provided in subparagraph (B), any certificate of value issued under paragraph (1) may be tendered to the Secretary by any person or entity who is qualified to bid and hold leases under the Outer Continental Shelf Lands Act (67 Stat. 462), as amended, and shall be accepted by the Secretary, as payment (in whole or in part) of—

(i) any deposit, bonus, or other cash payment in any competitive lease sale conducted under such Act, or

(ii) any rental or cash royalty on any lease issued under such Act,

until the aggregate amount of payments made with respect to such certificate which have been accepted as rental or royalty payments or made on any successful bid equals the face value of such certificate.

(B) No payment shall be accepted by the Secretary under subparagraph (A) with respect to any certificate of value issued under paragraph (1) if—

(i) such payment is tendered by any person or entity other than the person or entity to whom such certificate was issued, and

(ii) the Secretary has not recognized the assignment of such certificate under paragraph (4) to the person or entity tendering such payment.

(4) Certificates of value issued under paragraph (1) shall be assignable in whole or in part, but no assignment of a certificate of value shall be recognized by the Secretary until written notice of such assignment is filed with the Secretary in such manner as the Secretary shall prescribe by regulations.

(c) Any conveyance of land or of any interest in land to the United States under subsection (a) shall not affect subsistence uses of such land by Koniag members and their families. By agreement with the Secretary, Koniag, Inc., may retain interests in the nature of easements or rights-of-way in any land or interest in land conveyed to the United States under subsection (a). Any rights in such lands reserved under this subsection shall be exercised in accordance with such reasonable regulations as the Secretary may prescribe.●

By Mr. STEVENS (for himself, Mr. MURKOWSKI, Mr. PACKWOOD, Mr. INOUYE, Mr. JOHNSTON Mr. GORTON, Mr. MITCHELL, Mr. HAYAKAWA, Mr. CRANSTON, Mr. THURMOND, Mr. CHILES, Mr. RUDMAN, Mr. COHEN, Mr. SARBANES, and Mr. RIEGLE):

S. 2792. A bill to establish an ocean and coastal development impact assistance fund and to require the Secretary of Commerce to provide to States national ocean and coastal development and assistance block grants from moneys in the fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

OCEAN AND COASTAL DEVELOPMENT IMPACT ASSISTANCE BLOCK GRANT ACT

Mr. STEVENS. Mr. President, today legislation is being introduced in a bipartisan spirit by myself and 14 of my colleagues on Outer Continental Shelf oil and gas revenue sharing with coastal States. This is an idea which has been discussed for years in the Congress. A number of factors have recently converged that convince me that the time is right to implement the proposal. There is a myriad of coastal and ocean related issues which have been recognized over the years by the Congress, and which had previously received generous annual Federal support: fisheries research and management, coastal management effects, sea grant, coastal energy impact mitigation, port development, coastal energy development and research. The list goes on. Budgetary problems and the state of the overall economic health preclude us from continuing this support year in and year out at the previous levels. However, these issues will not go away and it would be irresponsible to assume otherwise, merely because Federal funding is withdrawn.

Additionally, the need to increase our utilization of the OCS is becoming ever more clear, in large part for the same reasons. The full harvesting of our fisheries within the 200-mile limit for the benefit of Americans, the decreased reliance upon foreign energy sources, the benefits of a more positive balance of trade situation resulting from a productive OCS; these have all been a policy position of both myself and this administration. Frankly I have some disagreements with the Secretary of the Interior over some of his specific OCS oil and gas decisions, but I find no fault with his overall thrust to see this vast resource become a growing part of our overall energy picture. With this renewed emphasis on the OCS comes also a heightened sense of responsibility that we shepard our use of it carefully to insure that it remains productive in all of its facets for generations to come.

Concurrent with the developments, the gradual compilation of national coastal and ocean policy over the years, the budget crisis which mandates we rethink Federal financing, and an increased attention and pressure to harvest and harness the OCS, thus we are seeing a new interest in true federalism. No longer is it considered obvious that the Federal Government must usurp, oversee, and duplicate programmatic responsibilities which other levels of government are perfectly capable of accomplishing. In the arena of ocean and coastal issues there has been a strong State tradition, to carefully plan and develop coastal areas. This is also recognized in the way in which the Congress developed the Federal role to work in tandem with States. This is fertile ground for fully implementing New Federalism.

No one can quarrel that the OCS represents a national resource. Fisheries management, energy development, and coastal development have larger than local or even statewide significance. However, Federal policy and programmatic oversight leaves plenty of room for State assumption of primary responsibility for on-the-scene priority setting and program design.

Were it not for the feared budget implications of the concept at this time, I believe OCS revenue sharing would appear to almost any objective observer to be an almost perfect opportunity to redefine the State/Federal relationship to the benefit of all parties. I will speak to this fiscal fear in a moment.

First, I would like to discuss this legislation. It has been crafted to accomplish the following.

By sharing a small portion of OCS oil and gas receipts with all coastal States, including the Great Lakes States, revenues are provided to the States, helping to make them a more viable partner in OCS and coastal development. This allows for the continuation of Federal policy setting while assuring that obstacles to devel-

opment can be removed and challenges to achieving balanced and reasoned growth can be met. It allows States to appropriately assess local conditions, and within broad guidelines, results in State priorities that are selected at their discretion. It recognizes that those States which are the most impacted by OCS activity should receive a commensurately larger share of the fund. It insures that all States have adequate resources to accomplish their part of the national interest in coastal matters. It also provides that affected local communities have a defined share of funds for their needs, while leaving the overall coordination of any States share with the State, however, it chooses to discharge this responsibility.

In short, the bill has been designed so that our OCS and coastal areas are utilized, neglecting none of the vast and varied resources that those areas contain. Oil and gas revenues will pay for this. The resulting ocean and coastal development impact assistance fund neither handicaps this resource from further and greater contribution to our Nation's energy needs, nor buys it a temporary free lunch detrimental to our other resources. I return now to the fiscal implications of this legislation.

I believe that there is no better way than the approach taken in this legislation to resolve the often competing and conflicting demands and needs which OCS development presents. OCS and coastal development must be balanced and responsive development. In order for this to occur, a basic program of research, planning, management, and capital development must be available in an orderly and dependable manner. To proceed otherwise is to fly in the face of reason.

Terminating Federal support to States for OCS impacts, and abdicating Federal ocean and coastal policy will not result in expedited development, balanced development, or responsible development. It will not result in more money to the Federal Treasury, nor will it decrease our dependence on foreign oil more quickly.

However, establishment of a properly constructed OCS revenue-sharing fund can accomplish these objectives. By investing a small portion of current revenues into the areas needed to solve existing problems and prepare for the future, this program can be the model for State/Federal equity, long-term fiscal prudence, balanced decisionmaking and the New Federalism.

Even considering OCS revenue sharing, OCS receipts in the future will exceed their current contribution to the Federal Treasury according to available estimates. If funds are shared according to the precepts of this legislation. I am even more optimistic that this will be the case. It is for this reason that I have not allowed concerns over an alleged net fiscal drain to dampen my enthusiasm for this bill. Federal and State governments would both share directly in the anticipated rise in OCS revenues.

I look forward to working to complete this important legislation so that we can establish a legacy of effective partnership with States as well as effective management and development of our important coastal and ocean resources.

Mr. THURMOND. Mr. President, I am pleased to cosponsor a bill being introduced today by my distinguished colleague and good friend from Alaska, Mr. STEVENS, which would give coastal States and territories a share in Federal revenues derived from oil and gas leases on the Outer Continental Shelf.

Under the Mineral Leasing Act of 1920, as amended, interior States are given a substantial share in revenues derived from mineral leases on Federal lands within their borders. Unfortunately, there is no similar provision giving coastal States a share in revenues derived from oil and gas leases off of their coasts.

The bill being introduced today would correct this inequity. It would establish a fund within the Treasury of the United States into which would be deposited 4 percent of all bonus revenues and 6 percent of all royalty revenues derived from oil and gas leases on the Outer Continental Shelf. Money in this fund would be distributed to coastal States and territories in the form of block grants pursuant to an allocation formula set forth in the bill for use for ocean and coastal energy impact assistance and resource management.

Mr. President, while I have some concerns over the specific allocation formula and the requirements for the use of block grants contained in this measure, I believe this bill provides a good starting point for the development of cooperative State and Federal participation in Outer Continental Shelf resource recovery. I call on my colleagues to carefully consider the merits of this proposal and my comments in support of it.

Mr. MURKOWSKI. Mr. President, today I am sponsoring legislation with 14 of my colleagues on the subject of Outer Continental Shelf (OCS) oil and gas revenue sharing with States. The proposed legislation would establish an Ocean and Coastal Development Impact Assistance Fund that would enable States to facilitate and prepare for necessary and appropriate ocean and coastal development.

As the pressures on our coastal areas increase due to population shifts, import and export opportunities, and a growing recognition of the productive resources available from the Outer Continental Shelf, it remains of paramount national importance that we provide the policy framework for responsible management of the oceans and coasts. We must insure that adequate fiscal incentives and resources are available to States so that they can assume their rightful role in researching, planning, and preparing for impacts which they will experience from development. Properly constructed, revenue sharing to States can turn ill-prepared, uncompensated risks into properly balanced and anticipated opportunities.

This legislation addresses that goal in several ways. Our Nation has an important need and opportunity to develop our Outer Continental Shelf. Long a fisheries resource, more recently one for oil and gas development, the Outer Continental Shelf is one of this Nation's greatest sources of resource harvest and extraction. In order to insure timely and responsible development of these resources, a productive and cooperative State-Federal relationship is essential. Without focusing on any one resource exclusively, and by properly preparing for the secondary impacts of development, an integrated research, management, and infrastructure program has been established by the States over the last decade within the context of national policy.

Of primary importance in a frontier area such as Alaska is the ability to receive the benefit of Federal financial support. By using a small portion of receipts from oil and gas activity in the Outer Continental Shelf, we can facilitate the development of our oil and gas resources and also insure that all our ocean and coastal resources receive proper consideration. There is a need to involve State government in this effort, and through the coordinated efforts of the State, to involve local governments as well.

To achieve this goal, the proposed legislation provides minimum funding for ocean and coastal development and management activities to all coastal States, including those bordering the Great Lakes, and to the Maritime Trust Territories. It provides additional funding for States based on impacts from and participation in OCS oil and gas development. It also financially recognizes those States which participate in the national coastal zone management program.

The funds are to be allocated for various ocean and coastal activities at a State's discretion, although a minimum percentage is to be made available through the States to local communities to address their needs.

The eligible activities for use of the funds by the States and local communities include first, fisheries research and management; second, coastal management efforts; third, assessment and mitigation of impact from OCS and other energy development; fourth, Sea

Grant program activities; and fifth, capital projects necessitated by all forms of coastal energy activity. These latter would include such items as coal transport facilities, port development, and schools and roads needed due to population increases. Under the legislation, States would have both the resources and the flexibility to determine what their coastal issues are, and how best to address them within the framework of existing national coastal and ocean policy.

All available estimates indicate that the proportion of OCS oil and gas receipts we are proposing to share with States will be part of new contributions above the current contributions of the OCS to the Treasury. Given the likelihood of that, under the bill, the OCS can be developed not only more safely, but also more quickly than is currently the case. Future receipts to the Treasury should not be adversely affected by the bill, and may even be enhanced.

A practical example of federalism with which we can all identify is the goal of this legislation. It is an approach such as this, which combines Federal policy and fiscal support with State management and programmatic control, that will result in resource development that is both responsive and responsible.

Mr. MITCHELL. Mr. President, today I join with Senators STEVENS, HOLLINGS, and others in proposing a new bill which would direct a portion of revenues resulting from Outer Continental Shelf drilling activities back to coastal States and communities.

This proposal, which is entitled the "Ocean and Coastal Development Impact Assistance Block Grant Act," draws substantially on legislation developed on the House side by Congressman WALTER JONES of North Carolina and NORMAN D'AMOURS, of New Hampshire. Earlier this year, I introduced in the Senate the Jones-D'Amours proposal. I am pleased that Senator STEVENS and Senator HOLLINGS—both leaders in the continuing effort to preserve and fully utilize our maritime resources—have seen fit to incorporate many aspects of the earlier bill into their more comprehensive initiative.

Essentially, the legislation provides for the establishment of a new fund—called the ocean and coastal development impact assistance fund. This fund would be capitalized with a small fraction—approximately 10 percent—of those new revenues derived from OCS drilling activities. In the first year, we estimate that the fund would amount to just over $500 million.

The moneys in the fund would be distributed to coastal States and territories, which, in turn, would use the money for a variety of purposes relating to the effective management, utilization, and protection of coastal and marine resources.

In addition, the States and territories could use their allocation of the fund to resolve the many problems which offshore OCS development and onshore coastal energy development are known to cause.

How much will coastal States receive? At a minimum, they will be allocated $4 million per year. If a State has an approved coastal zone management plan, it will receive an additional $2 million. Once the minimum shares have been distributed, the remaining dollars in the fund will be apportioned according to a five-part formula which takes into account OCS leasing receipts within 250 nautical miles of a State's coast; whether or not OCS resources are "first landed" on a State's coast; the amount of OCS production adjacent to a State's coast; and, in CZM States, the State population and length of State shoreline.

With its grant, a State will be expected to finance a wide range of activities. For instance, a State's grant may be used to support sea grant college activities, coastal zone management activities, coastal energy impact activities, research and development projects designed to benefit the marine environment, anadromous fish restoration projects; and fisheries promotion efforts.

The Stevens-Hollings bill will provide States with the funds they need to plan their activities in these important areas. Moreover, the proposal will set in place a truly reliable funding source. This is an important consideration. Many of our most valuable coastal programs have been rendered less effective in recent years because their funding levels have been in doubt much of the time. If we want to continue to build on the successes which these important endeavors have produced in recent years, we should be willing to establish a mechanism which will allow the program planners to concentrate on their program objectives, rather than on their next quarter's funding.

Mr. President, I am advised that the Committee on Commerce is prepared to hold hearings on the Stevens-Hollings proposal early next month. Not only would I urge my colleagues to consider consponsoring this excellent bipartisan initiative, I would urge all coastal Senators to consider sharing with the committee specific comments on the needs of their own coastal areas. I am convinced that if this legislation continues to be the subject of cooperation on the part of coastal State senators of both parties, we ultimately can produce a bill which improves on all previous drafts, and will receive widespread public support.

Mr. COHEN. Mr. President, I rise today in support of the Ocean and Coastal Development Impact Assistance Block Grant Act which Senator STEVENS, of Alaska is introducing today. This act would correct a long-standing inequity in the distribution of the proceeds of natural resources of the United States and, at the same time, provide a strong fiscal foundation for the continued development of our Nation's fisheries and protection for our coastlines.

The legislation introduced today would establish a fund in the Department of the Treasury which would be composed of 6 percent of the royalties and 4 percent of the bonuses derived from oil and gas production in the Outer Continental Shelf. The Treasury Department would then provide eligible States with $4 million annually out of the fund. States with an approved coastal zone management plan would receive an additional $2 million. The remainder of the moneys collected in any given calendar year would be distributed to eligible States according to several criteria including the length of the coastline of the State, the value of the royalties produced in the area offshore of the eligible State, the population along the coast of the eligible State, and so forth.

The act provides that the funds received by the States may be used for fisheries management, sea grant education programs, coastal zone management, and other purposes. The States are required to submit a plan for the use of the funds before they can be released to them. Within these sensible limitations, the act provides the States with a generous degree of flexibility in setting their priorities for coastal protection and development of their fisheries.

Mr. President, the coastlines of the United States and the natural resources lying off them are of immeasurable value to this country. They are the havens for a complex ecology which is important to our environment and which stimulates a myriad of commercial pursuits. With the budget reductions of the recent past, many of the long-term programs that are designed to generate innovations in such areas as fisheries development and environmental protection have been placed in jeopardy. Today's legislation would provide a certain source of funding for these activities and would do so in a most equitable manner.

At present, States with public domain lands receive one-half of the revenues from oil and gas production on those lands. This sharing of revenue is based, in part, on the belief that the States have a right to share in the proceeds of mineral wealth that is extracted from within their borders. The coastal States of this country bear the risk of the offshore production of oil and gas and yet receive no greater share in the rewards of that produc-

tion than land-bound States. This is simply unfair.

Mr. President, the Nation as a whole will benefit from the development of our ocean resources and the protection of our coastlines. It goes without saying, that the coastal States are best situated to these goals are achieved. I am pleased to join Senator STEVENS in supporting this bill and urge that it be given prompt approval.

● Mr. GORTON. Mr. President, I am pleased today to join in cosponsoring a bill which would establish an ocean and coastal development impact assistance fund, the contents of which would be allocated among coastal States and territories for Outer Continental Shelf and coastal development activities. Although the concept of revenue sharing is by no mens new, the logic of applying the concept in the situation of Outer Continental Shelf oil and gas revenues in increasingly apparent. As we introduce this legislation, coastal States are facting the prospect of locating funding for many important programs from other than Federal sources. At the same time, the Department of the Interior is proceeding on a significantly accelerated 5-year oil and gas leasing program. The pressures on coastal communities, and the need for locating a source of funding that would not place additional burdens on either the Federal budget, or on individual taxpayers, has never been greater.

The bill authorizes the Secretary of the Treasury to make annual block grants to coastal States and territories from the moneys in the fund. Under the formula contained in the bill as it currently stands, each coastal State would receive a minimum allocation of $4 million—with and additional $2 million if the State has an approved coastal zone management program. Allocation of these minimums, a formula would be used to allocate the remainder of the block grants, with varying consideration given to such factors as actual oil and gas activity shoreline mileage and coastal population. These block grants can then be used by the States for activities which include fisheries research and management, assessment and mitigation of impacts from Outer Continental Shelf activitie, sea grant, and coastal management. One important feature of this bill is that coastal States would be required to passthrough a minimum of 40 percent of the allocation to local communities, thereby insuring that the funds reach the actual individuals who are impacted by Outer Continental Shelf activities.

I am pleased to be a part of this bipartisan effort to insure continued funding for important ocean and coastal development activities, and to achieve equity for coastal States with inland States in terms of long-term equitable compensation for the effects of federally generated resource exploration and development. The State of Washington, the first State with an approved coastal zone management program, has a deep and longstanding interest in the programs which would receive funding under this bill. The coastal zone management program the sea grant program, commercial fisheries research and development all are programs which singifically contribute to the quality of life and to the enhancement of the economy of Washington State. I invite the support of my colleagues for this timely legislation.●

By Mr. WEICKER (for himself and Mr. TSONGAS):

S. 2794. A bill to insure the intelligent and full utilization of marine resources; to the Committee on Commerce, Science, and Transportation.

MARINE RESOURCE MANAGEMENT AND RESEARCH ACT

● Mr. WEICKER. Mr. President, today I am pleased to be introducing the Marine Resource Management and Research Act.

This legislation is based on the need of this Nation to intelligently utilize and protect our marine resources, which are so important to our national economy. We should provide for the continued and consistent funding and management of our marine resource management and research programs.

Mr. President, Congress has already declared that it is in the national interest to have effective management, beneficial use, protection, and development of the Nation's coastal zone. This area is important in meeting our demands for food, energy, minerals, national defense, recreation, waste disposal, and transportation. It also contains the world's fourth largest continental shelf and almost 20 percent of all foodfish in the world.

With the enactment of this legislation, there will be the establishment of a supplemental source of funds for these valuable marine resource management and research programs, the marine resource management and research fund, along with the development of the national coastal zone and fishery management plan. These two parts of the legislation will help meet our national desire for intelligent and full utilization of our marine resources.

The Coastal Zone Management Act has provided a valuable mechanism for achieving our goals of utilizing and protecting our marine resources by the coastal States. With the availability of Federal funding, these States have been able to examine the needs and uses of the marine resources. As a result, many of the States have developed coastal zone management plans in order to achieve effective management along with beneficial use of the coastal zone resources. Unfortunately, the Reagan administration has decided that Coastal Zone Management Act funding should be terminated at a time when such Federal involvement is crucial in assuring that our marine resources are utilized intelligently.

Another important mechanism for achieving our national desire for effective management and beneficial use of our marine resources is the acquisition and dissemination of knowledge. As you know, Mr. President, sea grant's mission has been to develop and protect the Nation's marine resources through application of academic enterprise. Because of this, it is well-suited for this vital role. Over the past 2 years, the present administration has tried unsuccessfully to eliminate the sea grant program. It is of tremendous value to the Nation that funds be consistently made available so that the sea grant program can continue to carry out its vital role.

Two other important programs within the National Oceanic and Atmospheric Administration are the anadromous fish grants and the commercial fish research and management grants. In the past, they have been quite beneficial in helping the States study our valuable coastal fish stocks. Along with stimulating research on the management of these foodfish, the commercial fishing industry has been aided in its development. While much has been achieved, there are still many areas concerning the coastal fish stocks and the commercial fishing industry that need to be examined. Rather than terminate these programs, as the administration desires, continued and consistent funding should be provided.

The fund will have as its source a small share of the revenues obtained by the Federal Government through the continued leasing of tracts of our Outer Continental Shelf for oil and gas exploration. Since all of the coastal States and territories assume most of the environmental and economic risks that are associated with offshore development, all of them should benefit from some of the funds that the Department of the Interior 5-year OCS leasing plan will be generating.

This will be achieved, Mr. President, by using the fund to provide partial support for the four key NOAA programs that I have just discussed. Using the revenues from the OCS tract leasing for fiscal year 1981 as the base year, the fund will receive 10 percent of the difference between the base year and each succeeding year. A maximum of $300 million may be paid into the fund by January 1 of each year.

Of the money that is appropriated from the fund each year, Coastal Zone Management will receive 30 to 40 percent, sea grant will receive 15 to 25 percent, and the anadromous fish grants and the commercial fish research and development grants will divide 10 to 20 percent. Congress would designate the actual percentage each year.

The fund would also provide a new source of funds for other marine resource education, management and research programs by the coastal States and territories. This new money would provide a further stimulus for opportunities for the States and territories, singly, or in groups, to do research and management that will be of benefit for our wise use of our marine resources. Examples of this would be research on the factors that regulate the abundance of coastal and estuarine fish stocks and the ability to manage our

valuable inland bodies of water, such as the Chesapeake Bay, Long Island Sound, and the Great Lakes.

The result of providing this vital source of supplemental funding, Mr. President, will be that the whole Nation will benefit from continued and consistent management and research of our marine resources.

The other key provision of this legislation is the development, by the Secretary of Commerce, of the national coastal zone and fishery management and research plan. It will establish guidelines for cooperative management and research by the coastal States of our Nation's coastal zone and coastal-dependent fishery programs. The resources in this area do not recognize State boundaries and need to be managed in a cooperative manner. The plan will also include measures that are necessary and appropriate for consistent conservation, management, and research of the entire coastal zone and of the coastal-dependent migratory species over their entire range.

Again, Mr. President, the entire Nation will derive benefits as a result of the cooperative and consistent manner that the marine resources will be managed and researched as guided by the plan.

In closing, I add that it is only fitting that Congress provide continued assistance and guidance to the coastal States and territories for their marine resources through the fund and the plan. As I stated previously, it is the coastal States and territories that assume the environmental and economic risks that are associated with offshore development, while it is the entire Nation that benefits from this development.

I urge the passage of this legislation.

I ask for unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Marine Resource Management and Research Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) marine resource management and research programs are important for the national economy, for the intelligent use of the resources, and for conflict resolution;

(2) intelligent and full utilization of marine resources requires a national investment not only of money but in people, ideas, and the capacity to implement policy;

(3) intelligent and full utilization of marine resources requires continued and consistent Federal funding of existing and future marine resource management and research programs;

(4) the Federal Government has leased to private industry many tracts for oil and gas exploration on the Outer Continental Shelf in the past and will continue to do so in the future;

(5) the Outer Continental Shelf leasing program is a large source of revenue for the United States Treasury after taxes; and

(6) coastal States assume most of the environmental and economic risks associated with offshore development.

(b) The Congress declares that it is the purpose of this Act to assure the intelligent and full utilization of marine resources by providing continued and consistent funding of marine resource management and research programs with the establishment of a supplemental source of funds, the Marine Resource Management and Research Fund.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "coastal State" means any State of the United States in, or bordering on, the Atlantic Ocean, the Pacific Ocean, the Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes, and includes the Commonwealth of Puerto Rico, the Virgin Islands, the Trust Territories of the Pacific Islands, and American Samoa;

(2) the term "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2(f) of the Submerged Lands Act (43 U.S.C. 1301(f)), and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(3) the term "Secretary" means the Secretary of Commerce;

(4) the term "coastal zone" means the same as defined by the Coastal Zone Management Act (16 U.S.C. 1453);

(5) the term "fish" means any species of living aquatic resources excluding aquatic mammals and birds;

(6) the term "marine resources" means those resources found in the marine and estuarine environments; and

(7) the term "coastal dependent migratory fish species" means all species that are dependent on near shore areas or estuaries at some time in their life cycle, such as those species that use estuarine systems for nursery grounds.

MARINE RESOURCE MANAGEMENT AND RESEARCH FUND

SEC. 4. (a) There is established in the Treasury of the United States a fund to be known as the Marine Resource Management and Research Fund (hereafter in this Act referred to as the "Fund").

(b)(1) Notwithstanding section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) and except as provided in paragraph (2), the Secretary of the Treasury shall pay into the Fund not later than each January 1, occurring more than 30 days after the date of the enactment of this Act, an amount equal to 10 percent of the amount by which all sums deposited in the Treasury of the United States pursuant to section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) during the last fiscal year of the Treasury of the United States ending before such January 1 exceeds all sums to such section during the fiscal year of the Treasury of the United States ending on September 30, 1981.

(2) The total amount paid into the Fund during any fiscal year pursuant to paragraph (1) shall not exceed $300,000,000.

(c) As provided in advance by appropriation Acts, the Secretary is required to use any sums paid into the Fund pursuant to subsection (b)(1) to supplement the funds necessary to—

(1) carry out the National Sea Grant College Program Act (33 U.S.C. 1121-1131);

(2) carry out the Coastal Zone Management Act (16 U.S.C. 1451 et seq.);

(3) carry out the Commercial Fisheries Research and Development Act (Public Law 88-309);

(4) carry out the Anadromous Fish Conservation Act (Public Law 89-304); and

(5) carry out other marine resource education, management and research programs as approved by the Secretary or the Congress and are consistent with the intent of this Act, such as research on factors that regulate the abundance of coastal and estuarine fish stocks.

(d) As provided in advance by appropriation Acts, for the fiscal year ending September 30, 1984, and for each fiscal year thereafter, a sum equal to not less than 30 percent and not more than 40 percent of the sums paid into the Fund pursuant to subsection (b)(1) of this section shall be designated by the Congress for use by the Secretary to supplement the funds necessary to carry out the Coastal Zone Management Act (16 U.S.C. 1451 et seq.).

(e) As provided in advance by appropriation Acts, for the fiscal year ending September 30, 1984, and for each fiscal year thereafter, a sum equal to not less than 15 percent and not more than 25 percent of the sums paid into the Fund pursuant to subsection (b)(1) of this section shall be designated by the Congress for use by the Secretary to supplement the funds necessary to carry out the National Sea Grant College Program Act (33 U.S.C. 1121-1131).

(f) As provided in advance by appropriation Acts, for the fiscal year ending September 30, 1984, and for each fiscal year thereafter, a sum equal to not less than 10 percent and not more than 20 percent of the sums paid into the Fund pursuant to subsection (b)(1) of this section shall be designated by the Congress for use by the Secretary to supplement the funds necessary to carry out the provisions of the Commercial Fisheries Research and Development Act (Public Law 88-309) and the Anadromous Fish Conservation Act (Public Law 89-304).

(g) As provided in advance by appropriation Acts, the Secretary shall make a portion of the funds not allocated by subsections (d), (e), and (f) available to an individual State or a group of States for other marine resource education, management and research programs as approved by the Secretary or the Congress and are consistent with the intent of this Act upon acceptance by the Secretary of a formal request by the individual State or group of States. The Secretary shall establish and make readily available to the States guidelines for formal requests by the States for such funds within one year after the enactment of this Act.

(h) Any funds not allocated for uses as authorized by this Act by the Secretary for any fiscal year shall return to the Fund and be available for use under this Act in subsequent fiscal years.

MARINE RESOURCE MANAGEMENT AND RESEARCH GRANTS

SEC. 5. (a) Subject to subsections (b) and (c), the Secretary shall for the fiscal year ending on September 30, 1984, and for each fiscal year ending after September 30, 1984, provide to the appropriate office funds established pursuant to section 4(a).

(b)(1) No coastal State may receive a grant for a fiscal year under the provisions of section 4(d) unless such coastal State has adopted and is implementing a federally approved coastal zone management program pursuant to the Coastal Zone Management Act (16 U.S.C. 1451 et seq.) and is making significant progress toward meeting the section 303(2) national coastal objectives, as determined pursuant to section 312 of the Coastal Zone Management Act, and unless such coastal State has submitted to the Secretary a report for such fiscal year which—

(A) specifies the allocation of the grant by such coastal State between coastal zone management activities, coastal energy impact programs, fishery programs, and resource development, enhancement, and management;

(B) describes each activity receiving a grant; and

(C) outlines a State coastal zone and fishery management and research plan emphasizing its consistency with the provision of section 6 of this Act.

(2) Each coastal State submitting a report under paragraph (1) shall hold at least one public hearing on each report before the report is submitted under paragraph (1) and shall provide other opportunities for the public to review and comment on the report before the report is submitted under paragraph (1).

(3) Proceedings of the hearings and other opportunities for public review and comment shall accompany the report when submitted under paragraph (1).

(c) The Secretary shall take a State's plan for coastal zone and fishery management pursuant to subsections (b) and (c) of section 6 into account when considering grant approvals provided under subsections 4 (d) and (f) of this Act.

NATIONAL COASTAL ZONE AND FISHERY MANAGEMENT AND RESEARCH PLAN

SEC. 6. (a) The Secretary shall, within one year after the enactment of this Act, submit to the President and the Congress a National Coastal Zone and Fishery Management Research Plan (hereinafter referred to as the "Plan") to establish guidelines for cooperative management and research of coastal zone and coastal fishery programs of the United States. The Plan shall include measures necessary and appropriate for the consistent conservation, management, and research of the entire coastal zone and of coastal dependent migratory fish species over their entire range.

(b) The coastal zone section of the Plan shall be consistent with the following objectives:

(1) management of coastal areas shall encourage cooperation among States;

(2) management of coastal areas shall address the impact of one State's program on adjacent programs; and

(3) management of coastal areas shall address the impact of such management on the fishing management provisions of subsection (v) of this section.

(c) The fisheries section of the plan shall be consistent with the following objectives:

(1) management and conservation measures shall address overfishing of coastal dependent migratory fish species and establish the optimum sustainable yield for each fishery along with determining the factors that regulate the abundance of the stocks;

(2) individual stocks of coastal dependent migratory fish species shall be managed according to their needs, and priorities shall be decided on the basis of a species' immediate danger of depletion;

(3) management and conservation measures shall apply to coastal commercial and recreational fisheries;

(4) the budgets for research, management, and enforcement, required under the terms of this Act, shall be based on a reasonable relation to the values and needs of the resource to be conserved; and

(5) coastal dependent migratory fish species shall be managed on a species-by-species basis.

(d) The Plan shall comply with management jurisdictions provided by the Fishery Conservation and Management Act of 1976 (16 U.S.C. 301).

(e) In preparing the Plan, the Secretary shall solicit views from the representatives of coastal States and a panel of scientists from Federal, State, and private institutions. Each such coastal State representative shall advise only with respect to the coastal zone and waters of his State.

(f) The Plan shall include recommendations for comprehensive studies of the various coastal dependent fish species and their environmental requirements and such other matters as may be necessary to carry out the Plan. Such recommendations shall also include a determination of—

(1) life histories of the various species;

(2) life histories of those species of marine life that impact on migratory fish species;

(3) habitat assessment including the identification of the important biological, physical, and chemical components and their role in the habits of the various species;

(4) identification of food sources and their effects on behavior, population dynamics, migratory habits, and distribution of the various species; and

(5) the probable impacts on the various species resulting from environmental modification.

(g) Prior to submitting the plan to the President and the Congress, the Secretary shall hold at least one public hearing on the Plan and shall provide other opportunities for the public to review and comment on the Plan. The proceedings of any hearing or other public review and comment shall accompany the Plan when submitted to the President and the Congress.

EFFECTIVE DATE OF THE PLAN

SEC. 7. (a) The Plan shall become effective on October 1, 1983, or as otherwise provided under subsection (b), unless disapproved under the terms of such subsection and, after it becomes effective, shall not be modified unless such modification is submitted to the President and the Congress under the terms of such subsection. Any such modification, unless disapproved by the Congress under subsection (b), shall take effect after one hundred and eighty days following the final date on which such disapproval could occur under the provisions of such subsection.

(b)(1) The Plan first submitted to the Congress under section 6 shall take effect as provided in subsection (a), unless during the first period of sixty calendar days of continuous session of the Congress after the date of such submission, either House adopts a resolution disapproving the Plan so recommended and submitted. For the purpose of this subsection the continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

(2) Paragraphs (3) through (9) of this subsection are enacted by Congress—

(a) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions described by this subsection; and they supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(3) If the committee, to which has been referred a resolution disapproving the Plan or modifications thereto submitted under this subsection, has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution with respect to the same Plan or modifications which has been referred to the committee.

(4) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereof is limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(5) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same regulations or modifications.

(6) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to such Plan or modifications, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(7) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(8) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to such Plan or modifications, and motions to proceed to the consideration of other business, shall be decided without debate.

(9) Appeals from the decisions of the Chair relating to the application of the rules of the Senate and the House of Representatives, as the case may be, to the procedure relating to a resolution disapproving such Plan or modifications shall be decided without debate.

(10) In the event the Congress disapproves such Plan, or any modification, during such sixty-calendar day period, the Secretary

shall, within ninety days thereafter, submit a revised Plan or modifications, as the case may be. Such revised Plan or modifications shall take effect after one hundred and eighty days following the final date on which a disapproval by Congress could occur under the provisions of this subsection unless, during the first period of sixty-calendar days of continuous session of the Congress after the date of such submission either House adopts a resolution disapproving such revised Plan or modifications.●

ADDITIONAL COSPONSORS

S. 1550

At the request of Mr. HELMS, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 1550, a bill to amend the Federal Election Campaign Act to prohibit the use of compulsory union dues for political purposes.

S. 1701

At the request of Mrs. HAWKINS, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1701, a bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of certain deceased individuals and in the location of missing children and other specified individuals.

S. 1840

At the request of Mr. DURENBERGER, the names of the Senator from Rhode Island (Mr. PELL), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 1840, a bill to amend section 170 of the Internal Revenue Code of 1954 to increase the amounts that may be deducted for maintaining exchange students as members of the taxpayer's household.

S. 2267

At the request of Mr. HEINZ, the name of the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 2267, a bill to amend the Internal Revenue Code of 1954 to allow the Secretary of the Treasury to waive the interest penalty for failure to pay estimated income tax, for elderly and retired persons, in certain situation.

S. 2585

At the request of Mr. CRANSTON, the names of the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 2585, a bill to provide that the Armed Forces shall pay benefits to surviving spouses and dependent children of certain members of the Armed Forces who die from service-connected disabilities in the amounts that would have been provided under the Social Security Act for amendments made by the Omnibus Budget Reconciliation Act of 1981.

S. 2648

At the request of Mr. PELL, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 2648, a bill to provide for the continuation of the National Diffusion Network.

S. 2675

At the request of Mr. PERCY, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2675, a bill to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia.

S. 2742

At the request of Mrs. HAWKINS, the names of the Senator from South Dakota (Mr. ABDNOR), the Senator from Oklahoma (Mr. BOREN), the Senator from New York (Mr. D'AMATO), the Senator from Arizona (Mr. DECONCINI), the Senator from Illinois (Mr. DIXON), the Senator from California (Mr. HAYAKAWA), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Nevada (Mr. LAXALT), and the Senator from Idaho (Mr. SYMMS), were added as cosponsors of S. 2742, a bill to establish the U.S. Capitol Page Board for supervision and education of congressional pages, and for other purposes.

SENATE JOINT RESOLUTION 188

At the request of Mr. INOUYE, the names of the Senator from Washington (Mr. JACKSON), and the Senator from Georgia (Mr. MATTINGLY), were added as cosponsors of Senate Joint Resolution 188, a joint resolution to authorize and request the President to designate March 1, 1983, as "National Recovery Room Nurses Day".

SENATE JOINT RESOLUTION 205

At the request of Mr. EAST, the name of the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of Senate Joint Resolution 205, a joint resolution to designate September 1982 as "National Sewing Month."

SENATE JOINT RESOLUTION 207

At the request of Mr. DOLE, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of Senate Joint Resolution 207, a joint resolution to authorize and request the President to designate the week of August 1, 1982 through August 7, 1982, as "National Purple Heart Week".

SENATE JOINT RESOLUTION 214

At the request of Mr. PERCY, the name of the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of Senate Joint Resolution 214, a joint resolution to authorize and request the President to designate the month of November 1982 as "National REACT Month."

SENATE RESOLUTION 428

At the request of Mr. HELMS, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of Senate Resolution 428, a resolution prohibiting the extension of waiver authority under section 402 of the Trade Act of 1974 with respect to Romania.

SENATE RESOLUTION 437

At the request of Mr. MOYNIHAN, the names of the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of Senate Resolution 437, a resolution relative to James G. Watt, Secretary of the Interior.

AMENDMENT NO. 1912

At the request of Mr. LEAHY, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of amendment No. 1912 proposed to Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

AMENDMENTS SUBMITTED FOR PRINTING

VIOLENT CRIME AND DRUG TRAFFICKING CONTROL ACT

AMENDMENT NO. 2006

(Ordered to be printed and to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill (S. 2572) to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will conduct a field hearing on, "The Future of Small Business in the Face of Urban Crime", on August 16, 1982, U.S. Court of International Trade, 1 Federal Plaza, 2d Floor Courtroom, New York, N.Y., beginning at 10 a.m. Senator D'Amato will chair the hearing. For further information contact Mike Haynes at 224-5175.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GARN. Mr. President, I am pleased to announce that the Senate Banking Committee will conduct markup sessions of financial reform legislation on Wednesday and Thursday, August 4 and 5, 1982.

The legislation which will be in the form of a committee print is a revised version of S. 1720, the depository institutions' competitive powers bill; S. 2531, the capital assistance bill; and S. 2532, the regulators' bill. As a package, the legislation is designed to address

the competitive and financial needs of depository institutions. The new statutory framework will benefit both individual and business consumers by promoting a stable and more competitive system.

Although the legislative package is large, the majority of the issues are noncontroversial and have been refined over several years. Many other provisions represent revisions to the three bills I introduced during the past year.

This legislation is vital. It begins the process of conforming banking laws to market realities and permits a more effective dual banking system.

In order to provide information regarding the print, I submit for the RECORD the title-by-title summary and the section-by-section analysis.

TITLE-BY-TITLE SUMMARY: "DEPOSITORY INSTITUTIONS AMENDMENTS OF 1982"

TITLE I: DEPOSIT INSURANCE FLEXIBILITY

Part A: FDIC amendments

The bill expands FDIC's powers to assist troubled banks by allowing either direct or merger-related assistance to prevent the closing of or to reopen any insured bank or when severe financial conditions threaten the stability of a significant number of banks or banks with significant financial resources and by expanding the forms of assistance. FDIC could also assist an FSLIC-insured institution or a bank or savings and loan holding company in acquiring a failing FDIC-insured bank.

This bill permits savings banks to convert from State to Federal charter and continue to be FDIC insured. The FHLBB would charter and regulate such institutions but FDIC, as insurer, would retain essentially the same powers over savings banks chartered under the bill as it retains over national banks.

The bill allows commercial banks and mutual savings banks with assets of $500 million or more which are closed or, in the case of mutual savings banks, are in danger of closing to be acquired. State consultation is mandated. The bill contains a tier approach giving a right to rebid first to an in-State bank of the same type whose initial bid was within 10 percent or $10,000,000, whichever is less, of the best offer received, then to any out-of-State bank of the same type or any other in-State depository institution whose initial bid was within such limits. The original best offer would only be accepted if a better reoffer is not received under this procedure. In addition, the future branching capabilities of an institution so acquired are limited to those of a national bank.

Part B: Federal Home Loan Bank Board amendments

The bill expands FSLIC's powers to assist troubled thrifts by permitting assistance when severe financial conditions exist and by increasing the forms of assistance to include deposits in the institution and a purchase of its securities.

The bill provides for emergency acquisitions of insured institutions that are eligible for FSLIC assistance. A tier bidding approach gives a right of reoffer first to an in-State insured institution or savings and loan holding company whose initial bid was within 10% or $10,000,000 (whichever is less) of the best offer received, then to any in-State depository institution or out-of-State insured institution whose initial bid was within such limits. The original best offer would only be accepted if a better reoffer is not received under this procedure. In the case of a State chartered institution, written approval of the state regulator is required within 90 days after the State chartered institution has exhausted its net worth. The future branching capabilities of an acquired thrift are subject to national bank branching restrictions.

The need for FSLIC assistance for troubled mutual institutions will be reduced by a provision authorizing FSLIC to permit any mutual thrift to obtain a Federal stock charter, notwithstanding any other law, as long as that institution is in receivership, has contracted to receive FSLIC financial assistance or is under threat of instability because of severe economic conditions.

Another provision allows the Bank Board to waive the requirement that institutions set aside a portion of net earnings to a reserve account. FSLIC is also permitted to use its secondary reserve exactly in the manner it uses the primary reserve.

The Bank Board is allowed to appoint the FSLIC as conservator or receiver of a State chartered insured institution regardless of any state action, upon a determination that the institution is in an unsafe or unsound condition to transact business, has substantially dissipated its assets, or had assets less than its obligations. The Bank Board must seek written approval from the relevant state official prior to exercising its receivership authority, but may act without such approval if the state fails to act in a timely manner or FSLIC is appointed receiver by a public authority of an institution in default.

Part C—National Credit Union Administration amendments

The National Credit Union Administration is given flexibility and authority to handle certain emergency situations. NCUA Board can approve mergers or purchase and assumption transactions between two insured credit unions if one of the credit unions is insolvent or in danger of becoming so, if an emergency is found to exist, and if other reasonable alternatives are not available. The Board may also authorize a purchase and assumption arrangement between a failing insured credit union and any federally-insured financial institution. This authority exists without any restrictions as to field of membership or geographic area and permits other federally-insured financial institutions to purchase or assume the assets of a federally-insured credit union.

Additionally the NCUA Board is authorized to act as a conservator of an insured credit union in order to protect the interests of the members, the assets of the credit union, and the share insurance fund. In the case of federally-insured state chartered credit unions, the state credit union supervisor must be consulted at least 24 hours prior to NCUA's exercise of this authority.

Part D—Sunset provision

The emergency provisions contained in Title I sunset 5 years after the date of enactment.

TITLE II—CAPITAL ASSISTANCE

This title establishes a program whereby Federally-insured financial institutions may exchange capital notes with the Federal insurance agencies to buoy up their net worth.

To qualify, institutions must 1) have net worth of less than 3%, 2) have incurred losses during the two previous quarters, 3) comply with the terms established by the insuring agencies (although no merger resolution may be required from an institution which after receipt of assistance will have positive net worth for at least nine months), 4) be solvent for at least six months, and 5) have at least 20% of their assets invested in residential mortgages or mortgage backed securities.

State consultation, as well as consultation with the appropriate Federal banking agency in the case of a commercial bank, will be required.

The initial formula will be as follows:

Net worth	Level of assistance
Less than 3 percent	30 percent of period loss.
Less than 2 percent	40 percent of period loss.
Less than 1 percent	50 percent of period loss.

The insuring agencies may change the formula but cannot provide more than 100 percent of period loss.

State law overrides 1) One provision ensures that the capital notes will be treated as net worth and that State chartered institutions can continue to operate and pay dividends. 2) As long as a qualified institution has notes outstanding, it will not be liable for any State or local franchise tax.

Statutory net worth for savings and loans is amended by deleting statutory minimum and requiring institutions to hold adequate reserves in a form satisfactory to the Federal Home Loan Bank Board.

TITLE III—DEPOSITORY INSTITUTIONS INSURANCE AND SERVICES

Part A—Form of charter: Demand accounts

Under this section, the Federal Home Loan Bank Board is authorized to charter Federal associations known as Federal Savings and Loan Associations or Federal Savings Banks. Their purpose shall be to provide thrift institutions for the deposit or investment of funds, and for the extension of credit for homes, and other goods and services. Existing limitations on the chartering of Federal Mutual Savings Banks and distinctions among Federal associations' investment authority are eliminated. Additionally, any institution that is a Federal Home Loan Bank member (or is eligible to become a member) is permitted to convert to a Federal Savings and Loan, a Federal Savings Bank, or a Federal Mutual Savings Bank. Conversion from stock to mutual form or mutual to stock form is also liberalized for institutions eligible to become Federal Home Loan Bank members.

Federal Associations are also given the authority to accept demand accounts (1) in connection with a corporate, commercial, agricultural, or business loan relationship, or (2) to effectuate payments to a corporate, commercial, business or agricultural entity from a non-business customer. Additionally, the statutory 30-day notice-of-withdrawal period for savings accounts (including NOW accounts) is eliminated in order to enable S&L's to be more competitive with commercial banks with respect to this account.

Finally, the existing prohibition against the issuance of capital stock by Federal S&L's is deleted, and an explicit grant of authority to issue such stock is substituted. This will permit the Bank Board to authorize Federal Stock S&L's on a *de novo* basis.

Part B—Investments

Federal associations' investment authority is expanded as follows:

Overdrafts.—Overdraft loans could be issued with respect to any transactions account, rather than only NOW accounts.

Real Property Loans.—Existing loan-to-value ratios are deleted for residential property. Non-residential real estate lending is increased from 20 percent of assets to 40 percent of assets.

Time Deposits.—Permits associations to invest in each other's time and savings deposits.

State Securities.—Permits investment up to 100 percent of assets in state and local obligations.

Consumer Loans.—Authorizes investment up to 30 percent of assets in consumer loans, including inventory and floor planning loans.

Personal Equipment.—Invest up to 10 percent of assets in tangible personal property to engage in leasing activities.

Education Loans.—Maintain 5 percent of assets limitation but broadens scope to include all educational loans.

Small Business Investment Corporations.—Restores investment authority up to 1 percent of assets.

Service Corporations.—Invest up to 5 percent of assets in service corporation subsidiaries. However, any new investments in such service corporations can only be made if the activity were deemed by the Bank Board to be closely related to and a proper incident of savings and loan associations. The explicit statutory requirement that a portion of the investment authority be used for community development purposes is deleted.

Commercial Loans.—Are phased in as follows: (1) for direct loans, up to 5 percent of assets of an S&L (7½ percent of assets of a savings bank) prior to January 1, 1984; 7½ percent of assets of an S&L or savings bank prior to January 1, 1985; 10 percent of assets for an S&L or savings bank thereafter; (2) for participations or purchases, 5 percent of assets of an S&L or savings bank prior to January 1, 1984; 7½ percent prior to January 1, 1985, and 10 percent thereafter.

Incidental Investments.—Clarifies authority to engage in activities or ventures determined by Bank Board to be coincidental to specific authority to raise capital or make investments.

However, Federal thrifts are made subject to anti-tying restrictions comparable to those applicable to bank holding companies. These provisions prohibit an association from conditioning an extension of credit on the purchase of a product from the association and authorize private law suits. With some limitations and grandfathering, interstate branching of Federal Associations is limited to those associations who qualify for the bad debt deduction. Further, the activities of single S&L holding companies would be restricted to only those permitted multiple S&L holding companies if the company's S&L subsidiary does not qualify for the bad debt deduction.

All interest rate differentials (not presently subject to faster phase-out schedules) are permitted to remain in effect until January 1, 1984, and are required to be reduced by 50 percent on such date and terminated on January 1, 1985. The Depository Institutions Deregulation Committee is required to authorize a new account comparable to money market funds not later than 60 days from enactment. Such account shall not be subject to transaction account reserves even though no minimum maturity is required if all transfers to third parties are prohibited and other transfers in excess of three per month are prohibited.

Part C—Preemption of due-on-sale prohibitions

Prospectively, federal law would preempt state laws which restrict the enforcement of due-on-sale clauses. Non-binding language would encourage lenders and borrowers to negotiate blended rates upon assumption of mortgages. There are approximately 14 states whose laws currently restrict the enforcement of due-on-sale. Those state laws would continue to apply to loans originated or assumed during a "window period": the window period begins on the date the state took action to prohibit enforcement of due-on-sale (the date the state legislature passed a statute, or the date the highest state Supreme Court handed down a decision restricting due-on-sale enforcement) and ends on the date the federal preemption becomes effective. Federal savings and loan associations and federal savings banks would be exempt from this window period restriction because they have had a due-on-sale regulation since 1976 whose application, in the face of inconsistent state law, was recently upheld by the Supreme Court.

A series of consumer protections restrict enforcement of due-on-sale under certain circumstances. The Federal Home Loan Bank Board, in consultation with the Office of the Comptroller of the Currency, has the authority to write rules and regulations, and issue interpretations.

Part D—Miscellaneous

These provisions are largely technical. Any institution which withdraws its membership is required to pay prepayment penalties in connection with debts it owes the Bank Board and is prohibited from reentering the system. The Bank Board is given the authority to determine the appropriate security for advances, and it is made clear that courts may only assess attorneys' fees against the Bank Board when the agency loses the case. Obsolete requirements are deleted and authority is granted to compensate members of the Federal Savings and Loan Advisory Council.

TITLE IV—PROVISIONS RELATING TO NATIONAL AND MEMBER BANKS

Part A—General provisions

The amendments to the laws governing national banks replace some of the rigid limitations imposed on national banks. They provide greater flexibility and the opportunity for more effective competition with less regulated institutions.

The lending and borrowing limits are amended. The amount a bank is permitted to lend to a single borrower is raised from 10 percent of unimpaired capital and surplus to 15 percent, plus 10 percent if the loan is fully secured. Real estate lending provisions are simplified. Rigid funding restraints are replaced by authority for the OCC to set limits on borrowing by rule or regulation.

The bill provides for federal chartering of bankers' banks. Bankers' banks are limited charter institutions which provide services to, and are exclusively owned by, depository institutions.

There is a mechanism for the orderly disposition of unclaimed property in the possession of the Comptroller of the Currency. This property was acquired from receivers of national banks closed during the Depression and consists of the contents of safe deposit boxes. It also allows state unclaimed property administrators to examine National bank records.

Formal approval for a bank name change or relocation of headquarters to any already approved branch within the same city, town or village is eliminated. Any other move would still require agency and shareholder approval, but the 30-mile limitation on such moves is deleted.

The special venue provision for national banks which permits a national bank to be sued only in the district in which its headquarters is located, is deleted, except with respect to closed banks or banks in receivership.

The bill increases the maximum allowable bankers' acceptances to 100 percent, or 150 percent if approved by the Fed. It also rewrites section 23A of the Federal Reserve Act in order to simplify it, close some loopholes and exempt transactions among sister banks.

The bill provides an exemption from reserve requirements for institutions with deposits of less than $5 million.

Part B—Financial Institutions Regulatory Act (FIRA) amendments

The Federal Financial Institutions Examination Council (FFIEC) has suggested that Congress amend certain provisions of FIRA. The agencies' several years of experience in implementing the requirements of FIRA have led them to recommend minor modifications to the law.

To provide greater flexibility, the dollar limitations on loans to executive officers for real estate and education are deleted. The $10,000 ceiling on loans for other purposes is replaced with a provision authorizing the bank agencies to determine an appropriate limit. The agencies are also authorized to set the threshold amount above which approval is required for insider loans. Certain reporting requirements are eliminated.

The bill permits a management official to be removed for a violation of the interlock prohibitions without the agency's having to prove financial loss or personal dishonesty. It also provides the Justice Department with a procedural mechanism for carrying out its responsibilities under the Interlocks Act.

The bill extends the prohibition against preferential loans to insiders of banks which maintain correspondent relationships to include the related interest of these insiders. The annual reporting requirement is also eliminated.

TITLE V—SECURITIES ACTIVITIES

Title V of the bill would amend the Glass-Steagall Act to permit the establishment of "bank securities affiliates", which would be permitted to (1) underwrite and deal in municipal revenue bonds and (2) organize, sponsor, operate, control, underwrite and distribute shares in investment companies, including mutual funds.

In addition, a bank securities affiliate could engage in any securities-related activity in which a bank can engage; however, the bill would not require that any existing bank securities activities be transferred to a bank securities affiliate.

The bill would also expressly authorize the formation of "savings association securities affiliates" and "credit union securities affiliates" which would be authorized to operate, sponsor, advise and distribute shares in investment companies. Such affiliates would be generally analogous to bank securities affiliates, but would be affiliated with savings and loan associations, mutual savings banks and credit unions.

The bill makes certain distinctions between (1) different sized institutions and (2) different categories of depository institutions, in terms of the permissible corporate relationships between depository institu-

tions and securities affiliates. These distinctions, which are indicated on the chart below, are intended to recognize the needs of smaller institutions and to provide equally for separation of new securities activities from the existing activities of such institutions.

Category of institution and relationship with "Securities Affiliate"

1. Bank, stock savings and loan, stock savings bank which (a) has assets exceeding $100 million or (b) is controlled by holding company: Bank holding company or savings and loan holding company may own securities affiliate or bank can invest in a bankers bank which owns a securities affiliate, but no bank may own more than 5 percent of a bankers bank which owns a securities affiliate.

2. Banks not covered by (1): May invest directly in "bank securities affiliate" or may invest in bankers bank which owns securities affiliate (but no bank may own more than 5 percent of such a bankers bank).

3. Stock savings and loans and savings banks not covered by (1): May invest directly in "savings association securities affiliate".

4. Mutual savings bank or mutual savings & loan, or credit union having assets exceeding $100 million: May invest directly in "savings association securities affiliate" or "credit union securities affiliate" but no participant may own more than 5 percent of the affiliate.

5. Mutual savings bank, mutual savings & loan, credit union having less than $100 million assets: May invest directly in "savings association securities affiliate" or "credit union securities affiliate", respectively.

Generally, restrictions on permissible transactions between a bank and its securities affiliate would be governed by Section 23A of the Federal Reserve Act (which would be amended by Section 411 of the bill) and by a new Section 23B of the Federal Reserve Act. These provisions are based upon proposed revisions of Section 23A recommended by the Federal Reserve Board and contained in S. 1720 and proposals in S. 2490, the Administration's bill.

New Section 23B of the Federal Reserve Act would apply to securities affiliates (and to other activities not now authorized), but not, generally, to existing bank affiliates and would impose additional safeguards on categories of transactions between a bank and its securities affiliate. Specifically, such transactions must be under circumstances not less favorable to those prevailing for transactions with non-affiliates. Additionally, specific provisions would limit the circumstances under which a bank could by securities from its securities affiliate, where the affiliate is a principal underwriter of the securities.

The bill would require that the Federal Home Loan Bank Board (in the case of savings and loan associations and savings banks) and the National Credit Union Administration (in the case of credit unions) adopt regulations imposing requirements comparable to Federal Reserve Act Sections 23A and 23B governing transactions between banks and affiliates, to govern transactions between nonbank depository institutions and related securities affiliates.

TITLE VI—USURY PROVISIONS

This title completes the process begun by the Depository Institutions Deregulation and Monetary Control Act of 1980 which eliminated state interest rate ceilings for mortgage transactions and permitted a temporary alternative federal rate for business and agricultural credit. These provisions eliminate all interest rate ceilings that apply to business, agricultural and consumer credit.

For business and agricultural credit, this title eliminates state usury laws and abolishes the three federal restrictions that were imposed by the usury provisions of the 1980 Act. Those restrictions that are eliminated are the federal alternative to state rate limits of 5% over the discount rate (plus any surcharge), the $1,000 threshold and the April 1, 1983 expiration date. States are given three years to override this preemption, however, those states that have already overridden the business and agricultural provisions of the 1980 Act would not be subject to the preemption.

The title also eliminates state laws that restrict the rate of interest and similar charges that may be charged for consumer credit transactions. State consumer protections are left in place and in addition, states are given a three year period to override the federal action. The federal rate ceiling that applies to federal credit unions is also eliminated.

TITLE VII—AMENDMENTS TO THE FEDERAL CREDIT UNION ACT

A large number of the credit union amendments in the bill relate to the internal operations of credit unions. As such, they are largely non-controversial and simply designed to afford credit unions and their boards of directors greater flexibility and authority in day-to-day operations.

Some amendments in this category would simplify the organizational process for credit unions by eliminating a requirement that subscribers gather collectively in order to certify their desire to form a credit union. Other amendments permit Federal credit unions to schedule annual meetings at any time during the year, chose their own titles for board officers, and convert from Federal to state charter based on a majority of those voting, rather than a majority of members.

A few amendments are designed to clarify and somewhat broaden the authority of credit unions to handle their own affairs. Boards of directors would be empowered to establish the par value of shares (although another amendment would protect consumers by insuring that the credit union pay dividends on all dollars over $5). The amount which directors and committee members can borrow without board approval is raised from $5,000 to $10,000.

Other amendments relating to internal credit union operations would make the establishment of a separate Credit Committee an option of the elected Board of Directors and would more clearly enumerate the powers of the Board of Directors.

Minor changes and clarifications in the real estate provisions of the Federal Credit Union Act account for five amendments in the legislation. These would give NCUA authority to allow first mortgage loans of more than 30 years, remove the "150% of media sales price" requirement, clarify the ability of a Federal credit union to refinance a mortgage, allow greater flexibility in second mortgage lending, and permit technical accounting changes in the way mortgage payments are collected.

Several amendments are aimed at clarifying or slightly modifying existing authority for credit unions. For example, one amendment makes clear that the definition of "member account" includes custodial accounts for insurance purposes and another clearly allows Federal credit unions to invest in investment funds whose portfolios are limited to permissible credit union investments.

In other provisions, credit unions are granted similar authority to savings and loans to invest in state and local Government obligations and to issue mortgage-backed securities. They also are given needed business flexibility by authorizing them to make deposits in any Federally insured, state chartered bank, rather than just state chartered banks located in the same state in which the credit union does business.

National Credit Union Administration activities and operations are addressed through a number of amendments. For instance, NCUA would be permitted to invest and receive the income from its operating fees. Another section would result in a GAO audit of NCUA on a fiscal year, rather than a calendar year, basis. This change is consistent with audits of other government agencies and has been supported by the General Accounting Office.

An amendment would provide for equal insurance treatment of state and Federal credit unions when both have funds deposited in a Federally insured credit union. Complex computations would be ended by another amendment eliminating partial year NCUA insurance premiums and rebates. Additionally the Board would be permitted to differentiate its regulatory treatment of corporate central credit unions (i.e. credit unions for credit unions) versus natural person credit unions.

Three amendments are included regarding the authority of the NCUA's Central Liquidity Facility. The Central Liquidity Facility would be authorized to make loans not exceeding 30 days to banks and other financial institutions and to acquire financial assets for the purpose of effective cash management. The Central Liquidity Facility also would be granted the status of Agent of the Federal Reserve System. Lastly, the NCUA Share Insurance Fund would acquire the ability to borrow from the Central Liquidity Facility if necessary.

TITLE VII—PROPERTY, CASUALTY, LIFE INSURANCE ACTIVITIES OF BANK HOLDING COMPANIES

This title amends Section 4(c)(8) of the Bank Holding Company Act of 1956 to generally prohibit a bank holding company from providing insurance as a principal, agent, or broker. There are six exemptions to this general prohibition, resulting in the prohibition being principally applicable to the underwriting or sale of property and casualty insurance products. The exemptions establish a grandfather date (October 7, 1981) for the continuation of previously authorized insurance activities, such as selling credit related property and causalty coverages, and permit bank holding companies to engage in, among other things, credit life, disability, and involuntary unemployment insurance activities and general insurance agency activities in towns of less than 5,000 people.

TITLE IX—MISCELLANEOUS

This title contains two amendments to the Truth in Lending Act. One amends the civil liability provisions of the Act by eliminating the $100 minimum statutory damage provision and by increasing the maximum damages in an individual action from $1,000 to $5,000. The other excludes "arrangers of credit" in order that the Act will not apply to real estate brokers.

This title makes industrial banks eligible for FDIC insurance and also qualifies state and local governments for NOW accounts. In addition, the bill resolves three specific situations that have arisen under the grandfather provisions of the Bank Holding Company Act and the International Banking Act.

SECTION-BY-SECTION ANALYSIS: "DEPOSITORY INSTITUTIONS AMENDMENTS OF 1982"

TITLE I—DEPOSIT INSURANCE FLEXIBILITY

PART A: FEDERAL DEPOSIT INSURANCE CORPORATION AMENDMENTS

Section 111: Assistance to Insured Banks

This section expands the FDIC's powers to assist troubled banks.

Present law allows the FDIC to provide direct assistance to a troubled bank (one that is closed or in danger of closing) only when the bank is essential to provide adequate banking service in the community. Present law allows the FDIC to give merger-related assistance only when such action will reduce the risk or avert a threatened loss to the Corporation. Under this bill, the FDIC may provide direct or merger-related assistance (a) to prevent the closing of any insured bank, (b) to reopen a closed bank, or (c) when severe financial conditions exist which threaten the stability of a significant number of insured banks or of insured banks possessing significant financial resources, if the FDIC's risk of loss would thereby be lessened.

With respect to direct assistance, present law permits the FDIC to assist by making loans to, or purchasing assets of, or making deposits in the insured bank. This section expands FDIC's power by authorizing FDIC also to purchase the securities of, to assume the liabilities of, and to make contributions to, any insured bank.

Merger-related assistance authority is expanded to include these same methods, as well as a guaranty to the assisting institution against loss by reason of the acquisition. Additionally, this section permits the FDIC to assist holding companies and FSLIC-insured institutions in acquiring failing FDIC-insured banks. Present law permits merger-related assistance only to FDIC-insured banks in acquiring failing FDIC-insured banks.

With respect to both direct assistance or assistance for a merger, the amount of FDIC assistance is limited to that necessary to save the cost of liquidation, unless the FDIC finds that the institution is essential to provide adequate banking service in its community, in which case the assistance limit does not apply. The FDIC is required to provide Congress, as part of its annual report, a summary of the total amount saved, or estimated to be saved, by FDIC's using the authority provided in this section.

Section 112: FDIC—Insured federal savings banks

This section provides for the conversion of State-chartered savings banks insured by the FDIC into Federally-chartered savings banks and, in effect, creates a new institution, the FDIC-insured, FHLBB-chartered savings bank.

First, it authorizes the FHLBB to authorize conversion from State to Federal charter, so long as such conversion does not violate State law. The FHLBB will be the primary regulator of the institution. The FDIC will insure the deposits of any Federal savings banks chartered under this section, until such time as the accounts are insured by the FSLIC. The FDIC is authorized to examine any Federal savings bank it insures.

Second, the FDIC, in certain circumstances, could, in effect, compel the Bank Board to charter a Federal stock savings bank, pursuant ot the Bank Board's rules and regulations. Such action would accomplish a conversion from mutual form to stock form when necessary to prevent a closing, to reopen a closed bank, or if the FDIC determines and the FHLBB concurs that severe financial conditions threaten the stability of the savings bank and such conversion is likely to improve the bank's financial condition. FDIC-initiated conversions from mutual form to stock form are authorized in these emergency situations, even if such action preempts State law.

FDIC approval is required before any Federal savings bank it insures can merge or consolidate with, or transfer assets to, or assume liabilities of, any bank, association, or institution that is not insured by the FDIC.

A Federal savings banks created under this section shall have the same authority with respect to investments, operations, and activities, and shall be subject to the same restrictions on branching, as would apply to it if it were chartered under any other provisions of the Home Owners' Loan Act of 1933.

Section 113: Conforming Amendments to the Federal Deposit Insurance Act

This section complements Section 112 as it contains technical and conforming amendments to the Federal Deposit Insurance Act necessary to cover the new institution, the FDIC-insured, FHLBB-chartered savings bank. It provides for FDIC access to examination reports and reports of condition, for removal of insurance in the event of unsafe or unsound condition, and that the FDIC shall be appointed receiver for a FDIC-insured Federal savings bank.

Additionally, this section amends the indemnification provisions of the FDI Act which require limited indemnification by FDIC to FSLIC when a FDIC-insured institution converts to a FSLIC-insured institution. Under this bill, the new institutions will be insured by the FDIC, until such time as the accounts are insured by the FSLIC. This section provides, therefore, that the indemnification requirement shall not apply to conversions, mergers, or consolidations after the effective date of this Act.

Section 114: Conforming Amendments to the Home Owners' Loan Act of 1933

This section contains amendments to the Home Owners' Loan Act of 1933 necessary to cover the newly-created Federal savings banks, including a provision requiring FDIC to be the receiver of closed FDIC-insured Federal savings banks.

Section 115: Conforming Amendments to the National Housing Act

This section contains amendments necessary to cover the new institutions, the FDIC-insured Federal savings banks. It provides an explicit basis for Federal savings banks to obtain deposit insurance coverage from the FSLIC. Also, it provides the FHLBB with the same supervisory powers with regard to a FDIC-insured federal savings bank that it has with respect to other federal associations.

Section 116: Extraordinary Acquisitions

This section allows closed insured banks with assets of $500 million or more; and insured mutual savings banks with assets of $500 million or more which are in danger of closing, to be acquired by out-of-State, as well as in-State institutions. Before authorizing such acquisitions, the FDIC is required to consult the appropriate State bank supervisor and may set aside objections only by unanimous vote of the Board.

In the case of a closed bank with total assets of at least $500 million, the FDIC as receiver may sell the assets of the closed bank and arrange for the assumption of its liabilities, and in the case of an insured mutual savings bank with assets of $500 million or more which is in danger of closing, the FDIC may sell its assets and arrange for the assumption of its liabilities. The latter acquisition may be accomplished only if the appropriate Federal or State chartering authority and the board of directors of the failing bank have specified that the bank is in danger of closing and have requested FDIC assistance.

The FDIC may solicit offers from any prospective purchaser it determines is qualified and capable of providing the needed assistance, including out-of-State banks and bank holding companies. If the lowest acceptable offer is not from an existing in-State bank or bank holding company, a rebidding formula is provided which requires the Corporation to solicit reoffers from original bidders, if their original offers were within 10% or $10 million, whichever is less, of the lowest acceptable offer. The lowest acceptable offer of all in-State banks of the same type and, in the case of a commercial bank, in-State bank holding companies have the first priority. The next priority is given to the lowest acceptable offeror of all other in-State depository institutions and holding companies and out-of-State banks of the same type and, in the case of a commercial bank, out-of-State bank holding companies.

Banks that are acquired under this section are permitted to retain existing branches, but otherwise shall be subject to national bank branching laws.

The FDIC must take into account the competitive implications of any sale when completing a transaction under this section. No sale may be made which would result in a monopoly or whose effect would be to substantially lessen competition, unless the FDIC finds the anticompetitive effects are clearly outweighed by the public interest in meeting the needs of the community to be served.

Section 117: FDIC Assessments

This section permits the FDIC to treat as an expense, and therefore deduct from assessments, the earnings it foregoes by extending assistance loans at rates below what the FDIC could have earned if interest had been paid on the loan during a calendar year at a rate equal to the average current value of funds to the United States Treasury for that calendar year.

Section 118: Waiver of Notice Requirements

Subsection (a) permits waiver of the notice and hearing requirements of the Bank Holding Company Act to allow the Federal Reserve to approve emergency, nonprecedential acquisitions of thrift institutions by commercial banks, subject to the approval of the thrift's primary Federal regulator. Subsection (b) defines the term "thrift institution" for purposes of the Bank Holding Company Act to include a Federal savings bank. Subsection (c) is an explicit exception to the Bank Holding Company Act's prohibition on interstate holding company acquisitions in cases involving emergency transactions authorized by Section 106 of the bill.

PART B: FEDERAL HOME LOAN BANK BOARD AMENDMENTS

Section 121: Federal Stock Savings Institutions

This section allows the FHLBB to authorize (or in the case of a Federally chartered association, to require) a mutual institution to become, or merge into, a newly-chartered, Federal stock association, regardless of other State or Federal law. These authorizations could be granted only with respect to: (1) an institution in receivership; (2) an institution that has contracted to receive FSLIC assistance; or (3) an institution the stability of which is threatened by the existence of severe financial conditions, provided the authorization is likely to improve its financial condition.

Section 122: Assistance to Thrift Institutions

Section 122(a) allows the FSLIC to provide assistance to insured institutions at a somewhat earlier point in their financial difficulties than is presently allowed under the threshold criteria that to receive aid, an institution must be in default or in danger of default. The amendment permits assistance in cases where severe financial conditions exist threatening the stability of a significant number of insured institutions, or of insured institutions possessing significant financial resources, where such assistance would reduce the threat to the FSLIC posed by institutions under such threat of instability. In addition, the amendment clarifies that assistance may take the form of deposits in the institution or of a purchase of its securities, as well as the current approach of making contributions or loans or purchasing the assets of the troubled institution. This section also allows the FSLIC to provide assistance to FDIC-insured institutions acquiring troubled FSLIC-insured institutions, and, in the case of extraordinary acquisitions authorized under Section 408(m) of the National Housing Act, to any acquiror.

Sections 122(b)-(g) provides the FSLIC with conservatorship/receivership powers over State-chartered insured institutions approximately equal to those which it now has with respect to Federal associations. While the FSLIC still could accept an appointment as receiver or conservator from a State authority, and operate according to its regulation, the FHLBB would be able to appoint the FSLIC as sole conservator or receiver of a State-chartered insured institution. This authority can only be exercised if the State official having jurisdiction over the institution gives written approval, except that such authority can be exercised without such approval if it has not been received within 90 days of notice by the Board to such official and the Board has responded to the State official's concerns. Under current law, such preemptive power exists only where an institution actually has been closed or a State receiver has been appointed for at least 15 days, where grounds exist identical to those required to appoint a receiver or conservator for a Federal association, *and* an account-holder has been unable to obtain a full withdrawal of this account.

Section 122 also clarifies the fact that when the FSLIC acts in its capacity as a receiver of a Federal association, it pays the credit obligations of that institution only in its capacity as receiver. The present statutory language raises the possibility that the FSLIC's insurance fund might be held liable for *all* the debts of a defaulted Federal association. Additionally, the amendment would allow the FSLIC, as receiver of a defaulted institution, to make such disposition of the defaulted institution as it determines to be in the best interests of the association, its savers and the Corporation itself. Currently, an anomalous situation exists whereby the ability of the FSLIC to make "such other disposition" of a defaulted S&L as is in the best interests of its insured members applies only to State-chartered insured institutions, and not to Federal associations.

Section 123: Emergency Thrift Acquisitions

This section allows the FSLIC, regardless of any other law (except antitrust law) to authorize an insured institution eligible for FSLIC assistance to merge with any other insured institution or an FDIC-insured bank, or to be acquired by any holding company. This would enable the FSLIC to arrange mergers of institutions across State lines notwithstanding interstate branching prohibitions, and to let holding companies acquire institutions other than in their home State, and without regard to normal activities restrictions.

Acquisitions have to be approved by the primary Federal supervisor of any acquiring company that is not an FSLIC insured institution. In addition, such acquisitions cannot be approved without the written approval of the State supervisor of any State-chartered institution, except that, if such approval is not given within 90 days of the institution reaching zero net worth, then the acquisition can proceed without such approval.

FSLIC may solicit offers from any prospective purchaser it determines is qualified and capable of providing the needed assistance. If the lowest acceptable offer is not from an existing in-State insured institution or in-State savings and loan holding company, a rebidding formula is provided which requires the Corporation to solicit reoffers from original bidders, if their original offers were within 10% or $10 million, whichever is less, of the lowest acceptable offer. The lowest acceptable offeror of all in-State insured institutions and in-State savings and loan holding companies have the first priority. The next priority is given to the lowest acceptable offeror of all other in-State depository institutions and holding companies and out-of-State insured institutions and out-of-State savings and loan holding companies.

Insured institutions that are acquired under this section are permitted to retain existing branches and other existing facilities (such as, remote service units), but otherwise shall be subject to national bank branching laws.

Section 124: Assistance to Federal Home Loan Bank Members

This section allows the FHLBB, upon its determination that severe financial conditions exist threatening the stability of member institutions, to waive the requirement of Section 16 of the Federal Home Loan Bank Act that a portion of net earnings of the FHLBanks be set aside semi-annually to a reserve account, and to allow the Banks to pay dividends from undivided profits.

Section 125: Borrowing Authority

This section allows the FSLIC to borrow from the FHLBanks, as long as the rate on the loan is not less than the FHLBank's marginal cost of funds and the loan is adequately secured.

Section 126: Insurance Fund Reserves

This section permits the FSLIC, when it determines extraordinary financial conditions exist increasing the risk to it, to terminate the payback of the secondary insurance reserve and to use the reserve exactly as it uses the primary reserve. The payback could continue thereafter, if otherwise authorized by law. Under present law, the FSLIC's secondary reserve (now approximately $700 million) is required to be paid back to insured institutions until such time as the aggregate of the primary reserve and the secondary reserve is not at least equal to 1¼ percent of the total amount of all accounts of insured members of all insured institutions. The secondary reserve at present may be used only to cover losses of the FSLIC, and only to the extent the primary reserve is not available.

Section 127: Federal Home Loan Bank Board Act

This section allows the FHLBB to delegate any of its functions, except those of promulgating regulations and performing adjudications. The Federal Reserve already has similar power under 12 U.S.C. § 248.

Section 128: Continuation of Insurance

This section provides that depositors who have accounts in a FSLIC-insured institution that merges into another such institution in which they have accounts will be able to have separate insurance for the two accounts for a period of six months. Authority to offer short-term dual coverage of this type already is possessed by the FDIC.

PART C: NATIONAL CREDIT UNION ADMINISTRATION AMENDMENTS

Section 131: Emergency Merger Authority

This section amends Section 205 of the Federal Credit Union Act to authorize the NCUA Board to approve a merger or consolidation of an insured credit union with another insured credit union without regard to the traditional common bond requirements of section 109 of the Federal Credit Union Act and without regard to requirements of state law, provided the Board determines that no other reasonable alternatives are available and the public interest would best be served if approval is granted. This section would also authorize the NCUA Board to allow the purchase and assumption of an endangered insured credit union by any other federally-insured financial institution.

Section 132: Board's Authority As Conservator

This section amends the administrative provision in Section 205 of the Federal Credit Union Act to permit the NCUA to exercise the options of taking possess and control of a federally-insured credit union when necessary to conserve its assets, protect the insurance fund, or to protect the interest of a credit union's member. The proposed conservatorship authority is similar to that available to the Comptroller of the Currency and Federal Home Loan Bank Board to prevent the liquidation of a credit union by allowing immediate control of operations with a goal of permitting the credit union to resume normal operations. Such conservatorship authority can also be used to prevent deterioration of a credit union's operations pending liquidation and thus lessen the likely impact of a liquidation on creditors, the share insurance funds, and the credit union's membership.

In the case of federally-insured state-chartered credit unions, this section requires that the state credit union supervisor be consulted at least 24 hours prior to the use of the authority given to the National

Credit Union Administration and that a written certification of the NCUA's determination be provided to the state supervisor as soon as possible.

PART D: SUNSET PROVISION

Section 141:

This section sunsets the emergency provisions of Title I five years after the date of enactment, which is the date upon which they become effective.

TITLE II—CAPITAL ASSISTANCE

The Capital Assistance Act of 1982 establishes a program authorizing the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation to purchase capital instruments from qualifying institutions, for the purpose of increasing the capital and, therefore, the net worth of such institutions. The form and nature of the capital instruments and the form of consideration given by the Corporations from such instruments are to be defined by the FDIC and FSLIC with respect to the institutions they insure. In making determinations with regard to whether a state chartered institution qualifies for assistance and the costs of such assistance, the state supervisor of the state in which the institution is located shall be consulted. In the case of a commercial bank, the appropriate federal banking agency shall also be consulted.

In order to qualify for assistance under the Act, institutions must:

Have net worth of 3 percent or less;

Have incurred losses during the two previous quarters;

Agree to comply with the terms and conditions established by the Corporations as a condition of receiving such assistance (except that the execution of a merger resolution or an agreement to reorganize shall not be required of institutions that will have a positive net worth for nine months or more after receipt of assistance);

Be able to remain solvent for at least six more months; and

Have at least 20 percent of their assets invested in residential mortgages or mortgage backed securities.

The Act sets forth an initial formula for the Corporations to follow, but permits them to alter the formula at any time. The initial formula authorizes the Corporations to purchase capital instruments as follows:

With respect to institutions with 2 percent to 3 percent net worth, the Corporations may purchase instruments in an amount equal to 30 percent of an institution's actual losses, so long as such losses are not the result of mismanagement or speculation in the futures market;

With respect to institutions with 1 percent to 2 percent net worth, the Corporations may purchase instruments in an amount equal to 40 percent of an institution's actual losses, so long as such losses are not the result of mismanagement or speculation in the futures market; and

With respect to institutions with 0 percent to 1 percent net worth, the Corporations may purchase instruments in an amount equal to 50 percent of an institution's actual losses, so long as such losses are not the result of mismanagement or speculation in the futures market.

In no event are the Corporations permitted to purchase capital instruments in an amount that exceeds 100 percent of any institution's actual losses.

The Act removes all obstacles that would prevent qualified institutions from receiving assistance under these provisions or from benefitting from such assistance. It makes clear that irrespective of any other Federal or State law, capital instruments purchased pursuant to the Act shall be deemed to be net worth. It preempts any State laws that would limit the ability of qualified institutions to issue capital instruments or to continue normal operations, including the receipt of deposits and the paying of interest thereon. Finally, qualified institutions that have capital instruments outstanding shall not be liable for any State or local franchise tax.

In addition, the statutory net worth requirement applicable to savings and loan associations under Section 403(D) of the National Housing Act is amended by deleting the statutory minimum and requiring institutions to provide adequate reserves in a form satisfactory to the Federal Home Loan Bank Board.

Section 313. Conversions of Federal Charters: This section would amend Sec. 5(i) of the HOLA to allow any institution that is a Federal Home Loan Bank member (or is eligible to become a member) to convert to a Federal S&L, a Federal savings bank, or a Federal mutual savings bank. As part of the conversion process (or thereafter), the converting (or converted) institution could change from the mutual to the stock form (or the reverse) and would be free to elect to designate itself as a Federal S&L, a Federal savings bank, or a Federal mutual savings bank, regardless of its previous denomination. Present law does not allow Federal stock savings banks, and does not authorize de novo charters of Federal savings banks or of Federal stock S&Ls. Moreover, current law does not permit state stock associations to obtain Federal stock charters unless they existed as stock entities before 1976, and forbids chartering of Federal stock associations in states that do not allow state stock institutions. Procedures for conversions back to state institutions would be changed slightly, making explicit provision for conversion to stock institutions, deleting an obsolete reference to the General Manager of the FSLIC and substituting the Bank Board's General Counsel, and striking obsolete provisions pertaining to Treasury or Home Owners' Loan Corporation ownership of Federal association shares. Persons aggrieved by final action of the Bank Board respecting a conversion would be provided the same right of review currently granted in such cases by Sec. 402(j)(4) of the National Housing Act. Because current law may allow Federal savings banks to engage in certain activities and make certain investments not authorized under this bill, revised Sec. 5(i)(4) would permit FSBs that converted prior to enactment of the bill to continue those activities or investments to the extent authorized by the Bank Board. These grandfathered rights would pass to the successor institution in the event of a merger or consolidation. Grandfathering also would continue to be extended to FSBs that convert to that status from state charters.

Section 314. Conversion from State Mutual to State Stock: This section would amend extensively Sec. 402(j) of the National Housing Act. That provision governs the now expired moratorium on mutual-to-stock conversions, and is substantially obsolete. Currently significant provisions that would be dropped include a burdensome annual report on conversion activity, and a prohibition against creation of Federal stock institutions in states where stock associations do not exist. As revised, Sec. 402(j) simply would retain current FSLIC jurisdiction over state mutual to state stock conversions involving insured institutions, and would preserve the existing judicial appeal procedure available to persons aggrieved by agency conversion decisions.

Section 321. Overdrafts. This section would amend Sec. 5(c)(1)(A) of the HOLA to provide that overdraft loans could be issued with respect to any transactions account of a Federal association, rather than only against NOW accounts, as is currently the case.

Section 322. Real Property Loans: This section would amend Sec. 5(c)(1)(G) of the HOLA to allow Federal associations to invest in each other's time and savings deposits. Currently, associations wishing to invest in time and savings deposits must utilize FDIC-insured commercial banks, except to the limited extent authorized under 12 U.S.C. Sec. 1730b. Additionally, this section authorizes loans on non-residential real property up to 40 percent of an association's assets.

Section 323. Time Deposits in S&Ls: This section would amend Sec. 5(c)(1)(G) of the HOLA to allow Federal associations to invest in each other's time and savings deposits. Currently, associations wishing to invest in time and savings deposits must utilize FDIC-insured commercial banks, except to the limited extent authorized under 12 U.S.C. Sec. 1730b.

Section 324. Governmental Securities: This section would amend Sec. 5(c)(1)(H) of the HOLA to allow Federal associations to invest up to 100 percent of their assets in obligations of or issued by State or local governments. Except for investments in general obligation securities, however, investments in obligations of or issued by any one issuer could not exceed $250,000 or 10 per centum of the total amount of the capital and surplus of the association.

Section 325. Commercial and Other Loans: This section permits thrift associations to make commercial and agricultural loans. The authority is phased in as follows—the aggregate amount of loans shall not exceed (i) for direct loans, 5 percent of assets for a savings and loan association (7½ percent of assets of a savings bank) prior to January 1, 1984; 7½ percent of assets of a savings and loan or a savings bank prior to January 1, 1985 or 10 percent of assets thereafter; and (ii) for participations or purchases, 5 percent of the assets of a savings and loan association or savings bank prior to January 1, 1984; 7½ percent of the assets of a savings and loan association or savings bank prior to January 1, 1985 or 10 percent of assets thereafter.

Section 326. Phase Out of Differential: This section phases out differentials for any category of deposit or account in effect on July 1, 1982 as new asset powers are phased in. The differential for such account shall remain in effect until January 1, 1984, reduced by 50 percent on January 1, 1984, and terminated January 1, 1985. The existing phase-out schedules for all interest rate differentials previously agreed to by regulation shall be maintained notwithstanding the above statutory phase-out schedule. No differential on any category of deposit or account shall be maintained on or after January 1, 1985.

Section 327. Money Market Account: This section requires DIDC to authorize a new deposit account comparable to those accounts offered by money market mutual funds effective not later than 60 days after the enactment of this subsection. By a "comparable account," it is meant a deposit

account with no maturity and emergency liquidity without withdrawal penalty. For the purpose of Sec. 19(b) of the Federal Reserve Act, such account shall not be subject to transaction account reserves if all third party transfers are prohibited and if other transfers in excess of three per month are likewise prohibited.

Section 328. Technical: This section amends existing Sec. 5(c)(1)(O) and Sec. 5(c)(4)(C) of the HOLA to remove from Sec. 5(c)(4)(C) existing authority for Federal associations to invest in certain insured land development loans and place such authority in Sec. 5(c)(1)(O). This is merely intended to permit an easier reading of Sec. 5(c), as the reorganization will place the land development loans in a provision dealing with other insured loans of similar type, and will leave revised Sec. 5(c)(5)(C) to deal solely with foreign assistance investments. In addition, in Sec. 5(c)(1)(O), the amendment would change the name of the "Urban Growth and New Community Development Act of 1970" to the "National Urban Policy and New Community Development Act of 1970." Sec. 5(c)(4)(C) of HOLA is amended in Sec. 330 of this Act to conform.

Section 329. Consumer Loans: This section would create a new provision of the HOLA authorizing investments in consumer loans, including inventory and floor planning loans. Without the authority to make loans of the latter two types, the effectiveness of the power to extend consumer credit is substantially diminished. Additionally, this section increases such consumer lending authority to 30 percent of assets. Under present law, such authority is limited to 20 percent of assets.

Section 330. Additional Investment Authorities: This section permits an association to invest in tangible personal property and engage in equipment leasing up to 10 percent of the assets of the association. Additionally, this section expands the scope of the current 5 percent-of-assets education loan authority to include any loan for educational purposes. At present, Federals may make such loans only for the purpose of paying for the expenses of university, college, or vocational education.

This section also permits Federal associations to invest up to 5 percent of their assets in their service corporations subsidiaries, instead of the 3 percent currently authorized. Unlike current law, such investment authority would be available only if the service corporation's activities were determined by the Federal Home Loan Bank Board to be closely related and a proper incident to the business of savings and loan associations as it evolves over time. This standard is intended to afford the Bank Board discretion to authorize activities as well as to the expanded commercial lending and other asset authority provided under Title III. The standard would also encompass operations incidental to closely related activities. The new statutory "closely related" standard would apply prospectively only, permitting continuing investment in service corporations engaged before date of enactment of Title III in activities authorized under regulations of the Board prior to the date of enactment of Title III. The amendment would also revise current law, by omitting the explicit statutory requirement that a portion of the investment authority be used primarily for community, inner-city, and community development purposes. In addition, the bill would clarify the status of subsidiaries of service corporations—so-called "second-tier" service corporations—by specifically stipulating that primary service corporations would be able to invest in such entities regardless of the state-of-charter and stock ownership restrictions that affect Federal association investment in service corporations chartered in their home state, and whose stock is available for purchase only by savings and loan associations headquartered in that state.

Finally, this section restores authority to Federal associations to invest in small business investment corporations that was inadvertently deleted in the course of the re-enactment of the provision in P.L. 96-221. This replaces authority to invest in certain state and local government obligations that is to be subsumed under section 324, supra.

Section 331. Tie-in Prohibitions. This provision applies the anti-tying restrictions to Federal thrifts in a manner comparable to the anti-tie-in provision applicable to bank holding companies under the Bank Holding Company Act of 1956, as amended. The provisions would prohibit an association from conditioning an extension of credit on the purchase of products from the association and authorize private law suits for parties aggrieved by any improper tie-ins.

Section 332. Incidental Activities: This section clarifies the power of the Federal associations to engage in activities and ventures incidental to the exercise of authority conferred under Sec. 5(b) or (c). For instance, questions have been raised as to the ability of Federals under current law to form joint ventures with investors to facilitate the sale of low-yield mortgages. Given the present power of associations to sell mortgages, new paragraph (8) would remove any doubt as to the authority of those institutions to enter into business relationships designed to facilitate such sale. That paragraph also would remove doubts as to the ability of Federals to engage in correspondent activities, and to issue money orders or cashier's checks.

Section 333. Liquidity Eligible Investments: This section would amend Sec. 5A(b)(1)(B) of the Federal Home Loan Bank Act (12 U.S.C. Sec. 1425a(b)(1)(B)) to specify that members of Federal Home Loan banks could use their investments in time and savings deposits in other members, or in institutions eligible to become members to help satisfy the statutory requirement that they maintain at all times a certain amount of liquid assets. Present law authorizes time and savings deposits to count toward satisfaction of this liquidity requirement only if the deposits are in Federal Home Loan Banks or commercial banks.

Section 334. Overlapping Jurisdiction: This section would ensure that FSLIC-insured institutions and institutions chartered by the Federal Home Loan Bank Board would continue to be exclusively governed by the Savings and Loan Holding Company Act with respect to acquisitions of control by other companies. Without this amendment, such insured institutions conceivably could be required to meet the requirements of both the Bank Holding Company Act and the Savings and Loan Holding Company Act, a burdensome and confusing result.

Section 335. Limitation on Branching by Federal Associations: This section would limit interstate branching by Federal associations to those which have an asset composition such that they qualify for the benefits of the so-called "bad debt deduction" under the Internal Revenue Code. Furthermore, retention of out-of-state branches would be contingent upon the Bank Board's determination that total assets attributable to branches in the foreign state are such that those branches, taken as a whole (assuming they otherwise were eligible), would qualify for the bad debt deduction. Federals with existing interstate branches would be grandfathered, and state institutions with interstate branches that convert to federal charters would likewise not be forced to give up their out-of-state facilities. In addition, Federals would be able to branch into those states that permit such penetration by out-of-state thrifts. The provision clarifies the fact that branches resulting from the extraordinary powers granted the FSLIC would not be affected by this limitation. Finally, the section would allow the Bank Board to give Federals up to two years to dispose of illegal branches.

Section 336. Limitation on savings and loan holding company activities: This section would limit the activities permissible for a savings and loan holding company and its non S&L subsidiaries when the company's S&L subsidiary acquires an asset mix such that it no longer qualifies for the bad debt deduction. The activities thereafter permissible would be those available to multiple savings and loan holding companies and their subsidiaries under 12 U.S.C. Sec. 1730a(c)(2). Affected companies would be given three years to either come into conformance or sell the S&L subsidiary.

Section 341. Due-on-Sale: Section 341(a)(1) defines a "due on sale" clause as a contractual provision authorizing a lender, at its option, to declare a mortgage loan payable if all, or any part, of the property securing the loan is transferred without the lender's consent.

Section 341(a)(2) defines the term "lender" to include state and federal chartered savings and loan associations, mutual savings banks, state-chartered banks, national banks, mortgage bankers and other HUD approved lenders, and transferees (such as FNMA and FreddiMac) of any of them.

Section 341(a)(3) defines a "real property" as a loan, advance or credit sale secured by a lien on real property, cooperative housing corporation, or a residential manufactured home.

Section 341(b) sets forth a federal preemption of state laws which prohibit the enforcement of due-on-sale clauses. Lenders may enforce such clauses according to their contractual terms, subject to certain consumer protection restrictions contained in subsection (d). Lenders are encouraged to permit assumption of real property loans and to negotiate blended interest rates. Nothing in this section prohibits such blended rate assumptions.

Section 341(c) provides that the federal preemption shall not apply to loans originated or assumed between the time the state took an action to restrict the enforcement of due-on-sale clauses, and the time the federal preemption became effective. For loans originated during this period, lenders have the right to make a customary credit check on assumptors, and applicable state law shall remain in effect. Loans originated by federal savings and loan associations and federal savings banks are not subject to this restriction.

Section 341(d) sets forth ten circumstances when due-on-sale clauses cannot be enforced. The clause cannot be enforced if the property is encumbered, if such encumbrance does not relate to occupancy of the property; or if a purchase money security interest in household appliances has been created. Transfers of property resulting

from death or divorce, transfers to a spouse or children, and transfers into an inter-vivos trust will not trigger enforcement of the clause. Enforcement of the clause is prohibited if a leasehold interest in the property is created which is less than three years, and which does not contain an option to purchase. Enforcement of due-on-sale clauses relating to transfers before the effective date of this Act is prohibited unless the lender, as a matter of law, had a right to exercise the due-on-sale clause.

Section 341(e) authorizes the Federal Home Loan Bank Board to issue rules and regulations, and to publish interpretations, to implement this section.

Section 341(f) postpones FreddiMac's due-on-sale enforcement policy from August 2, 1982 to the earlier of January 1, 1983 or the enactment of this legislation.

Section 351. Payment of Attorneys' Fees: This section would clarify that a court may assess attorneys' fees against the Bank Board only in the event the agency loses a lawsuit.

Section 352. Security for Advances: This section would strike the extensive and detailed statutory collateralization requirements appearing in Sec. 10 of the Federal Home Loan Bank Act, and give the Bank Board authority to prescribe what should constitute acceptable security. In addition, it would correct a technical omission connected with the recent liberalization by Congress of the stock-to-advances ratio that must be observed by HFLBank members.

Section 353. Deletion of Obsolete Requirements: This section would delete obsolete language in Sec. 6(c) of the Federal Home Loan Bank Act that operates to require a handful of Federal Home Loan Bank members to hold stock in excess of the one percent of aggregate loan principal level applicable to all other members.

Section 354. Compensation of Advisory Committee Members: This section would allow the Bank Board to compensate the members of the Federal Savings and Loan Advisory Council, subject to the limitations of the Federal Advisory Committee Act. This would be particularly useful in attracting public interest members of the FSLAC, who currently serve at a considerable financial sacrifice because of the inadequacy of the traveling expense reimbursement currently available to them.

Section 355. Withdrawals from Membership: This section would require an institution withdrawing voluntarily from FHLBank membership to pay prepayment penalties in connection with liquidating any indebtedness it owes the Bank, assuming the contract governing the indebtedness calls for imposition of such penalties. In addition, this section would prevent institutions leaving the FHLBank System from reentering, except in connection with receiving FSLIC insurance of accounts, and would set a deadline for applying for membership for current nonmembers and newly chartered institutions, beyond which the option of FHLBank membership no longer would be available, except, again, in connection with receiving FSLIC insurance of accounts.

TITLE IV—PROVISIONS RELATING TO NATIONAL AND MEMBER BANKS

PART A—GENERAL PROVISIONS

Section 401 amends 12 U.S.C. § 84 to increase and clarify the statutory lending limits affecting national banks. The revised provision increases the existing 10% single borrower ceiling to permit a national bank to make unsecured loans in an amount up to 15% of its unimpaired capital and surplus, plus an additional 10% on loans fully secured by readily marketable collateral. Existing statutory exceptions are simplified or deleted as unnecessary where absorbed by the new higher ceiling.

The Comptroller is granted specific authority to promulgate regulations to carry out the purposes of the section. For example, such rules may establish, as economic conditions and financial practices change, separate limitations on specific classes of loans. The Comptroller is also authorized to determine when and to what extent loans putatively made to one person may be attributed to another. Such authority is necessary to assure that banks may legally rely on the interpretive opinion letters of the agency. The revised section's effective date is delayed six months in order to provide sufficient time for the promulgation of rules and regulations.

Section 402 amends 12 U.S.C. § 82, which establishes borrowing limitations for national banks. Statutory limitations on the liabilities of national banks have remained essentially unchanged since original enactment of the National Bank Act in 1864. Since that time, however, the nature of the banking business—especially the manner in which banks are funded—has altered considerably. The rigid limitations of § 82 adversely restrain bank flexibility and competitively disadvantage national banks. Most states have no such statutory restraints upon state-chartered institutions. In lieu of the existing rigid statutory framework, the Comptroller is authorized to adopt appropriate standards and limitations by rule or regulation so as to permit commercial banks greater flexibility to adapt to changing funding patterns. The revised section's effective date is delayed six months to enable the OCC to promulgate such rules.

Section 403(a) amends 12 U.S.C. § 371 to simplify the statutory framework by which national banks are authorized to engage in real estate activities. The revised provision deletes existing rigid statutory standards and authorizes the Comptroller to promulgate regulatory standards affecting such conduct. A delay in the revised section's effective date has been provided to permit the promulgation of such regulations.

Section 403(b) is a conforming amendment to 12 U.S.C. § 92, which deletes the existing reference to the authority of national banks located in cities and towns whose population is less than 5,000 to act as brokers for real estate loans. The amendment clarifies the authority of any national bank, regardless of its location, to engage in activities such as procuring, for a fee, loan commitments from third parties or assisting state and local governments in placing funds made available through mortgage revenue bonds, so long as these activities are incidental to the business of banking.

Section 404(a) amends 12 U.S.C. § 27 to clarify the authority of the Comptroller of the Currency to charter a "bankers' bank," a bank which is limited to doing business with other depository institutions, their officers, directors, or employees and is owned by the depository institutions with which it does business. This section would also grant OCC express rulemaking authority regarding the chartering and operation of such banks. Such authority is necessary inasmuch as existing statutory restrictions appropriate for full-service commercial banks may prove incompatible with the operation of these institutions.

Section 404(b) amends paragraph seven of 12 U.S.C. § 24, which sets forth the powers of national banks, to clarify the authority of national banks to own stock in federally chartered bankers' banks.

Section 404(c) amends 12 U.S.C. §1818 to clarify that the enforcement powers of the OCC extend to national banks operating under a limited charter, for example as trust companies or bankers' banks. Because these banks may not receive retail deposits, they may be uninsured banks. As such, arguably, they may be beyond the reach of the cease and desist, removal, and other enforcement provisions which currently apply only to "insured banks" and other specified institutions.

Section 405(a) amends 12 U.S.C. §30 to delete the existing requirement for agency approval of a move by a national bank of its headquarters office to any approved branch location within the same city, town or village. The provision also eliminates the existing arbitrary 30 mile limitation upon any other relocation by a national bank of its headquarters but retains the need for agency and shareholder approvals of such a move.

The amendment also eliminates the requirements for Comptroller approval of name changes of national banks and substitutes a notice requirement. This change would effectively subject future name changes by national banks to existing trademark and tradename laws, including the federal Lanham Act and state statutory and common law principles of unfair competition.

Section 405(b) makes a conforming change to 12 U.S.C. § 22.

Section 406 amends 12 U.S.C. § 94, to provide that: (1) the existing special venue provision will be retained only in actions in which either a closed national bank or the FDIC, as receiver of such a bank, is named in the complaint, and (2) venue for such an action will lie in the appropriate federal, state, or local court where the bank's principal place of business is located.

Section 407 amends 12 U.S.C. § 95(b)(1) to authorize a national bank to either stay open or close, at its discretion, on a State-designated holiday, unless the Comptroller directs otherwise.

Section 408 provides for notice to potential claimants and final disposition of unclaimed property which has been held by the OCC for over forty years. This property is largely comprised of items recovered from safekeeping arrangements of national banks closed during the Depression.

The notice provided by the OCC shall contain the names of last known owners, names and locations of affected closed banks, and a general description of the various types of unclaimed property held in order to give owners or their heirs, perhaps unaware that such property exists, a final opportunity to obtain possession. The OCC shall informally determine the validity of any claim or claims and shall not be subject to legal liability for its determination or for any disposition of such property. Upon receiving adequate proof of a valid claim, the OCC shall deliver the property to the claimant.

Provision is made for disputes among two or more claiming persons as to lawful ownership, which disputes are to be resolved by the courts. Any actions against the United States or the OCC shall be determined by the U.S. Court of Claims. If there remains property for which no valid claim has been filed, it shall become property of the United States.

Section 409 is a technical amendment to the provisions of the Depository Institu-

tions Deregulation and Monetary Control Act of 1980 regarding those national banks affected by termination of the closed receivership fund.

Section 410 amends 12 U.S.C. 372 to increase the maximum allowable ratio of bankers' acceptances to capital and surplus from 50 percent (or, with the permission of the Federal Reserve, 100 percent) to 150 percent (or, with Fed approval, 200 percent). Banks would be allowed to subtract participations from the overall limit, thereby allowing smaller banks to buy bankers' acceptances.

Section 411 revises section 23A of the Federal Reserve Act which governs a bank's transactions with its affiliates. These changes, which are recommended by the Federal Reserve Board, have three primary purposes. First, the law is tightened in a number of areas where the present law contains potentially dangerous "loopholes." Second, a few areas of the law are liberalized, in a manner consistent with safe and sound banking practices. Most significant in this regard is the exemption for transactions between banks that are 80 percent or more owned by the same bank or bank holding company. Finally, section 23A is redrafted in a more logical fashion in order to ease compliance with, and enforcement of, the statute.

Section 412 exempts financial institutions with less than $5 million of total deposits from the reserve requirements of the Monetary Control Act of 1980.

Section 413 allows state unclaimed property auditors and examiners to review National bank records for the sole purpose of ensuring compliance with unclaimed property or escheat laws.

Section 414 amends 12 U.S.C. 29 to extend, under certain conditions, the period of time a national bank may hold real estate. A number of national banks have real estate holdings which were acquired many years ago in connection with debts previously contracted. In many instances, the laws of the states in which the banks are chartered would permit the retention of this real estate, provided that the real estate was valued at no more than a nominal amount. Because of this fact, and because much of the real estate had a very limited market and/or was difficult to value properly, the Comptroller of the Currency allowed these banks to continue to hold the real estate, if written down. This provision would provide a clear statutory basis for these specific banks to retain this specific real estate for such period of time permitted by state law.

PART B—FINANCIAL INSTITUTIONS REGULATORY ACT AMENDMENTS

Section 421 amends section 22(g) of the Federal Reserve Act by deleting current size limits on loans to executive officers of member banks of $60,000 for real estate loans and $20,000 for loans for children's education. The specific limitation of $10,000 on loans for any other purpose is replaced with a grant of authority to the bank supervisory agencies to set an appropriate limit based on current economic conditions.

Section 422 amends Section 22(g) of the Federal Reserve Act by deleting paragraph (9), which currently requires each member bank to file quarterly reports on all loans made by the bank to its executive officers. Inasmuch as examination procedures require the review of all insider loans, this burdensome reporting requirement is unnecessary.

Section 423 amends Section 22(h)(2) of the Federal Reserve Act by deleting the specific statutory figure of $25,000 above which loans to insiders must be approved by the board of directors. The bank supervisory agencies are authorized to set an amount in lieu of the statutory figure.

This section would also permit a bank to establish a loan or executive committee composed of members of the board of directors of the bank to approve such loans.

Section 424 amends 22(h)(6) (D) and (E) of the Federal Reserve Act to provide that the restrictions on loans by banks to their executive officers, directors and principal shareholders do not automatically apply to persons acting as officers, directors or principal shareholders of any subsidiary of the bank holding company of which the member bank is also a subsidiary.

Section 425 amends Section 18(j)(2) of the Federal Deposit Insurance Act to exclude a foreign bank that maintains a branch in the United States but to cover the insured branch. Under the International Banking Act of 1978 (P.L. 95-369), a foreign bank that has an insured branch is treated as a nonmember insured bank (12 U.S.C. § 1813(h)). Without the exclusion, a foreign bank would be subject to the provisions of Section 22(h) of the Federal Reserve Act, which are made applicable to nonmember insured banks as if they were member banks (12 U.S.C. § 1828(j)(2)). This exclusion is consistent with the exemption from Section 23A for foreign banks under the International Banking Act (2 U.S.C. § 1828(j)(1)) and with the requirement of that statute (12 U.S.C. § 3105(c)) that the Board submit to the Congressional banking committees a recommendation regarding limitations that should be placed on foreign banks regarding loans to their affiliates. The Board retains residual supervisory authority over all U.S. operations of foreign banks.

Section 426(a)-(c) amends the various civil money penalty provisions of the Federal Reserve Act, Bank Holding Company Act of 1956, Bank Holding Company Act Amendments of 1970, National Housing Act, Federal Credit Union Act, Federal Deposit Insurance Act, and Home Owners' Loan Act to confirm the authority of the respective supervisory agencies to compromise, remit, or modify any civil money penalty which is subject to imposition or has been imposed. Such authority is comparable to that already explicitly granted the Comptroller by Section 103 of FIRA, which added 12 U.S.C. § 93(b)(6).

Section 426(d) amends the civil money penalty provisions of the statutes affecting depository institutions to clarify that the assessment and collection of a penalty by the respective federal agencies is within the discretion of the agency. The amendment substitutes the word "may" for "shall" wherever that term now appears in the various civil money penalty provisions requiring the respective agencies to assess and collect fines.

Section 426(e) amends the civil money penalty provisions to insert needed flexibility by extending the period within which an appeal may be filed (from ten days to twenty days) and by commencing the running of the appeal period with the date of service of the order (rather than the date of issuance of the order).

Section 426(f) amends Section 5239 of the Revised Statutes. By substituting the word "Title" for the word "chapter," this amendment clarifies the civil money penalty authority granted to the Comptroller. It embodies the clear legislative intent to extend this enforcement authority to those provisions of the national banking laws currently covered by 12 U.S.C. § 93(a).

Section 426(g) is a conforming amendment which clarifies the OCC's authority to bring civil money penalty actions for violations of the national banking laws governing trust powers (12 U.S.C. § 92a).

Section 427(a) technically amends Section 407(h) of the National Housing Act regarding the Federal Savings and Loan Insurance Corporation's power to suspend certain persons from serving as directors or officers of an insured institution by changing "persons" to "person" and paragraph "(3)" to "(2)", which conforms the wording of (h)(1) to the substantially identical provision relating to the similar power of the Federal Home Loan Bank Board with regard to federally chartered savings and loan associations and mutual savings banks (12 U.S.C. § 1464(5)(A).

Section 427(b) corrects purely technical reference errors in section 8(b)(3) of the Federal Deposit Insurance Act.

Section 427(c) makes a technical amendment to add back two sections of the FDIA that were inadvertently eliminated by the amendments contained in Section 107(a)(1) of FIRA.

Section 427(d) makes a technical amendment to a section reference in Section 205(2) of the Depository Institution Management Interlocks Act ("Interlocks Act").

Section 428 authorizes the Attorney General to carry out his responsibilities under the Interlocks Act by using the existing procedural mechanisms under the Clayton Act.

Section 429 amends the Home Owners' Loan Act, the National Housing Act, the Federal Credit Union Act, and the Federal Deposit Insurance Act to explicitly grant the respective agencies power to remove a management official of a federally chartered or federally insured depository institution for a violation of the Interlocks Act. Although the Interlocks Act clearly contemplates the use of either removal or cease and desist proceedings, the required findings under the existing removal statutes may not permit use of such procedures in some cases. Section 212 will permit removal without agency determination that, in addition to violating a law or regulation: (1) the management official's illegal conduct has caused or will probably cause the bank to suffer "substantial financial loss or other damage," or has caused serious prejudice to the depositors' interests, or that the officer received financial gain due to such violation; and (2) the violation was one involving personal dishonesty or showing a "willful disregard" for the safety or soundness of the institution. Such considerations, although retained as relevent to other removal proceedings, are not relevant to the competitive considerations underlying the Interlocks Act. The amendment recognizes that the per se nature of an interlocks violation justifies removal without further inquiry.

Section 430(a) amends subparagraphs (A), (B), (C), and (D) of Section 106(b)(2) of the Bank Holding Company Act Amendments of 1970 to extend the prohibitions of those subparagraphs to cover the "related interests" of directors, executive officers, and principal shareholders as well as those persons themselves. Section 106(b)(2) currently prohibits the granting of preferential loans to those insiders of banks which maintain correspondent balances with the lending bank.

Section 430(b) deletes existing subparagraph (G) of Section 106(b)(2) of the Bank Holding Company Act Amendments, which currently contains extensive reporting requirements regarding loans to insiders from another bank with which the insider's bank maintains a correspondent banking relationship. These reporting requirements are eliminated because their costs of preparation are not justified by the benefits to the supervisory agencies from identifying potential lending abuses by this method. The examination process, coupled with an improved exchange of information among the bank supervisory agencies which is expected from the amendment of the Right to Financial Privacy Act in Section 217, should provide a more efficient method for detecting such abuses.

In lieu of the current subparagraph (G), the amended language defines the term "bank" as used throughout section 160(b)(2) to include mutual savings banks, the only banking institutions currently excluded from the restrictions regarding insider loans, and defines "related interests", "control of a company" and "company" to have the same meaning they have in 22(h) of the FRA.

Section 431 deletes Section 1817(k) of the Federal Deposit Insurance Act, which presently requires all insured banks to report annually to the appropriate federal supervisory agency a list of principal shareholders and executive officers and the aggregate outstanding indebtedness of these insiders and their related interests to the bank. Consistent with the changes to the reporting requirements regarding correspondent accounts, the elimination of this requirement will reduce a reporting burden whose benefits are not justified by the costs imposed. Areas of abuse will be adequately disclosed through the examination process, which includes a routine review of insider loans.

Section 432 makes a purely grammatical correction to Section 1006(b)(2) of the Federal Financial Institutions Examination Council Act of 1978.

Section 433(a) amends Section 1113 of the Right to Financial Privacy Act by adding a new subsection (k) to clarify that, other provisions of the statute notwithstanding, the exchange of financial records or other information regarding financial institutions is permitted among and between the five member supervisory agencies of the Examination Council.

Section 433(b) makes a purely technical grammatical change to section 1114(b)(2) of the Right to Financial Privacy Act.

Section 434 amends Section 8(q) of the Federal Deposit Insurance Act by deleting the requirement that an insured bank which assumes the liabilities of another insured bank (by merger, consolidation, assumption, or contract) notify each depositor of the bank. This burdensome requirement is considered unnecessary in that banks notify depositors of merger-type transactions as a matter of routine public relations.

TITLE V—SECURITIES ACTIVITIES

Title V of the bill would amend the Glass-Steagall Act to permit the establishment of "bank securities affiliates", which would be permitted to (1) underwrite and deal in municipal revenue bonds and (2) organize, sponsor, operate, control, underwrite and distribute shares in investment companies, including mutual funds.

In addition, a bank securities affiliate could engage in any securities-related activity in which a bank can engage; however, the bill would not require that any existing bank securities activities be transferred to a bank securities affiliate.

The bill would also expressly authorize the formation of "savings association securities affiliates" and "credit union securities affiliates" which would be authorized to operate, sponsor, advise and distribute shares in investment companies. Such affiliates would be generally analogous to bank securities affiliates, but would be affiliated with savings and loan associations, mutual savings banks and credit unions.

The bill makes certain distinctions between (1) different sized institutions and (2) different categories of depository institutions, in terms of the permissible corporate relationships between depository institutions and securities affiliates. These distinctions, which are indicated on the chart below, are intended to recognize the needs of smaller institutions and to provide equally for separation of new securities activities from the existing activities of such institutions.

Category of Institution and Relationship With "Securities Affiliate"

1. Bank, stock savings and loan, stock savings bank which (a) has assets exceeding $100 million or (b) is controlled by holding company: Bank holding company or savings and loan holding company may own securities affiliate or bank can invest in a bankers bank which owns a securities affiliate, but no bank may own more than 5 percent of a bankers bank which owns a securities affiliate.

2. Banks not covered by (1): May invest directly in "bank securities affiliate" or may invest in bankers bank which owns securities affiliate (but no bank may own more than 5 percent of such a bankers bank).

3. Stock savings and loans and savings banks not covered by (1): May invest directly in "savings association securities affiliate."

4. Mutual savings bank or mutual savings & loan, or credit union having assets exceeding $100 million: May invest directly in "savings association securities affiliate" or "credit union securities affiliate" but no participant may own more than 5 percent of the affiliate.

5. Mutual savings bank, mutual savings & loan, credit union having less than $100 million assets: May invest directly in "savings association securities affiliate" or "credit union securities affiliate", respectively.

Generally, restrictions on permissible transactions between a bank and its securities affiliate would be governed by Section 23A of the Federal Reserve Act (which would be amended by Section 411 of the bill) and by a new Section 23B of the Federal Reserve Act. These provisions are based upon proposed revisions of Section 23A recommended by the Federal Reserve Board and contained in S. 1720 and proposals in S. 2490, the Administration's bill.

New Section 23B of the Federal Reserve Act would apply to securities affiliates (and to other activities not now authorized), but not, generally, to existing bank affiliates and would impose additional safeguards on categories of transactions between a bank and its securities affiliate). Specifically, such transactions must be under circumstances not less favorable to those prevailing for transactions with non-affiliates. Additionally, specific provisions would limit the circumstances under which a bank could buy securities from its securities affiliate, where the affiliate is a principal underwriter of the securities.

The bill would require that the Federal Home Loan Bank Board (in the case of savings and loan associations and savings banks) and the National Credit Union Administration (in the case of credit unions) adopt regulations imposing requirements comparable to Federal Reserve Act Sections 23A and 23B governing transactions between banks and affiliates, to govern transactions between non-bank depository institutions and related securities affiliates.

TITLE VI—USURY PROVISIONS

This bill would amend Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 to extend the preemption of various state usury ceilings.

Business and Agricultural Credit

Section 602(a). Existing law preempts state rate ceilings in business and agricultural credit extensions of $1,000 or more, subject to an overall rate limitation of 5% over the Federal Reserve discount rate including any surcharges then in effect. This section eliminates that federal rate ceiling on business and agricultural purpose credit transactions. In addition, it eliminates the $1,000 threshold amount that now must be involved in order for the federal preemption provision to be available. The section also adds definitions that describe the types of credit to which this section applies. These definitions would assure that all credit not specifically covered by existing section 501(a) of Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 or by section 531 of the Title (which is added by Section 201 of this bill), would be covered by this section. In addition, "credit" has been defined to include all types of credit, which, of course, would include refinancings.

Section 602(b). This section makes the business and agricultural credit provision permanent, subject to the right of a state to reject the federal preemption within three years of the passage of this bill. State rejection of the federal preemption that has taken place since April 1, 1980 would still be effective. This bill would not reimpose federal preemption in those states that have rejected it. Under existing law, the agriculture and business purpose credit preemption will expire on March 31, 1983. In addition, this section contains certain transitional provisions that reflect existing provisions in the law. In a change from existing law, the section would add a transition provision that would apply if a state acted to reject the federal preemption. Under this change, the federal preemption will continue to apply to certain activities in connection with credit agreements entered during the preemption period so long as the credit is extended within eighteen months of the state law or certification rejecting the federal preemption.

Consumer Credit

Section 603. This section adds a new Part D to Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980. The new Part D consists of sections 531, 532, 533, and 534.

Section 531 preempts all state usury laws in connection with extensions of consumer credit made by a creditor. The sections depends heavily on the definitions contained in section 532. In effect, this provision does away with all rate ceilings and mechanisms that attempt to limit the rates or types of charges that may be assessed in connection with consumer credit transactions. The provision does not extend to state consumer

protection laws that deal with restrictions, limitations or prohibitions against certain types of creditor activity, which are unrelated to enumerated charges assessed in connection with credit transactions. That is true even if the state provision only applies to specific transactions that may be partially defined by the level or type of charges being assessed. For example, a state law providing that credit transactions with an interest rate in excess of 18% cannot be secured by real estate or a law that limits attorneys fees in those transactions would continue to apply.

Other state provisions that would not be affected by this provision include: state laws or regulations that restrict the use of the rule of 78ths in connection with calculating rebates upon the prepayment of credit transactions that involve a precomputed charge; provisions limiting or prohibiting the use of penalties that are imposed solely as a result of the voluntary prepayment in full of a credit transaction; provisions dealing with refinancing responsibilities when a transaction involves a ballon payment; and requirements that contracts use plain English.

In addition to these types of specific provisions, at a more general level the preemption does not extend to: state licensing provisions, even if an element of the licensing standard involves the type or level of charges assessed (for instance, a state requirement that persons extending credit at more than 18 percent must be licensed, would not be affected by the bill); state limitations on the amount or term of a credit transaction; or state limitations on specific charges for goods or services even though they may be sold in conjunction with an extension of credit (for example, state insurance regulatory provisions, including those dealing with permissible premiums for insurance sold in connection with credit extensions, would remain unaffected by the bill).

In effect, section 531 contains the preemptive language and therefore describes the extent of the federal preemption. As noted above, matters that do not fall within its scope are not preempted. This coverage, combined with the limitations in the "covered charges" definition contained in the next section, leave intact the states' consumer protection regulatory structure except as it relates to covered charges.

Section 532 provides a series of key definitions that are used in describing the preemptive effect and scope of the bill.

The term "covered charges" identifies the types of charges that are displaced by the bill, and, to an extent, it also limits the preemptive effect of the bill. It is divided into two parts reflecting the fact that certain charges are assessed for the use of credit while others may more appropriately be characterized as charges for specific services including payment mechanisms that may or may not involve extensions of credit. Both types of fees and charges are preempted under the legislation. Excluded from the definition are fees and charges that arise solely from the debtor's failure to comply with his or her obligations under the credit agreements. As a result, since the proceeding section preempts only "covered charges," state limitations on the maximum amount of late charges would not be affected.

The definition of "credit" is similar to that contained in the business and agricultural preemption provisions, simply to make clear that all credit as it is commonly known would be included. The coverage, of course, extends to all kinds of credit extensions, including those secured by any lien on real estate, as well as refinancings.

The term "creditor" refers to persons that regularly make extensions of consumer credit including mortgage credit. In effect, this provision will apply to virtually all persons who are engaged in extending consumer credit. The second sentence deals with the fact that in many states restrictions are tied directly to the interest rate of the credit transaction and licensing provisions. For example, a state may provide that any person who wants to extend credit at a rate in excess of an 8 percent rate contained in the general usury law must be licensed. A lender that wants to make a loan at a rate in excess of 8 percent, for instance 12 percent, must have a license to do so. Various restrictions, including certain "consumer protection" provisions may be required of those who obtain licenses in order to charge the higher rate. A total preemption would do away with the general usury law and thus the need for a creditor to obtain a license. Since the lender would not need a license, the lender would not have to follow the consumer protection provisions. For that reason the term "creditor" as used in the bill does not include persons who, but for this bill, would have to be licensed under state law in order to assess charges at a specific rate, of a nature or type, or in an amount or manner, unless that person complies with applicable state licensing requirements. In the example described above, the lender wishing to make a loan at a rate of 12 percent would still have to be licensed and thus follow consumer protection provisions required of licensees. This assures that consumer protections that apply only to licensed creditors will continue to be applied as they are now. For purposes of determining whether licensing would be required, the rates used would be those in effect in the state before the bill was adopted, subject, of course, to those rates later being changed by the states. Just as is now the case, those who must be licensed would conform to state law requirements as they are interpreted, implemented and enforced by state governments. Requirements relating to covered charges that are preempted by the bill, of course, would not be followed. Persons who are not required to be licensed (because of the type of credit they extend, the rates they charge for credit or otherwise) would not be affected in any way by this part of the creditor definition.

Finally, the term "extension of consumer credit" defines the types of transactions to which the provision will apply. It adopts the general test that all credit extended primarily for personal, family or household purposes is to be included in this preemption.

Section 533 gives the states the right to reject the federal preemption at any time within three years of the date that the bill becomes effective. This section also includes several transitional provisions that answer questions about transactions undertaken at the beginning of the preemption period and, in one case, after a state has rejected the federal preemption. The transitional provisions dealing with the beginning of the preemption period are drawn largely from provisions contained in current law in connection with the preemption of rate ceilings in business and agricultural credit. The transitional provision dealing with activities after the state rejects the federal preemption provides for a phasing-out of the federal preemption. It applies only in the case of open-end credit transactions and then only in connection with credit extended within an eighteen month period following the state action. This provision will allow for an orderly transition for creditors who have issued credit cards under the terms and conditions permitted by the preemption period, thus permitting them the time necessary to modify or eliminate those programs if required by the reimposition of usury ceilings. This section also provides that a state may, in addition to an outright rejection of the federal preemption provisions, provide that only certain types of transactions or charges are taken out from under the federal premption. It is anticipated that, in order to be effective, state provisions to displace the federal preemption must be clear and precise as to the areas in which the state law has replaced the preemption, with uncertainty being resolved in favor of continued preemption.

Section 534 provides authority to the Board of Governors of the Federal Reserve System to publish official Board interpretations regarding the coverage of the preemption provision. The authority is limited to official Board interpretations in order to permit creditors and other interested parties to have access to a non-judicial interpretative mechanism but to limit the role of the Board to those issues of significant concern to affected parties. As a result, it is anticipated that there will not be a significant regulatory impact due to the use of this interpretative power, which should be used only to resolve clear questions of coverage under the Act.

Federal Credit Unions

Section 604. This section amends the Federal Credit Union Act to bring it into conformity with the basic Congressional determination reflected throughout the bill that artificial governmentally-imposed rate ceilings are inappropriate. That conclusion is no less sound for federal ceilings than it is for state ceilings. Rates that may be charged by federally-chartered credit unions are set by federal law. This section reflects that federal as well as state imposed ceilings should be removed, with the rate structure for a particular credit union being determined by its own board. Without this amendment, federally-chartered credit unions would be the only type of creditor still subject to rate ceilings. Thus, this section assures that federal credit unions are not placed at a competitive disadvantage vis-a-vis other creditors.

TITLE VII AMENDMENTS TO THE FEDERAL CREDIT UNION ACT

Section 701. This section permits NCUA to insure custodial accounts by clarifying that the definition of "member account" includes custodial accounts for insurance purposes. This will permit federal credit unions to participate more effectively in the secondary mortgage market. In P.L. 95-22, Congress granted federal credit unions the power to sell their loans to third parties in order to take advantage of the secondary mortgage market (House Rep. 23, 95th Cong., 1st Sess. 12 (1977)). A financial institution's profit in the granting and sale of mortgage loans generally comes from loan servicing, and specially from holding the custodial accounts. However, institutional investors typically require that the custodial accounts be insured by the federal government.

Section 702. This section deletes the requirement that NCUA be audited on a calendar year basis and will result in audits by

GAO on a fiscal year basis consistent with audits of other government agencies.

Section 703. This section simplifies the organizational process in forming a new credit union. This section eases the credit union chartering process by allowing subscribers to appear before a witness competent to administer oaths but does not, as in the present law, require them to appear collectively.

Section 704. This section allows the board of directors to establish the par value of a share. Under existing law, par value of a share is set by statute at $5.00. In Section 724 of this Act, the credit union member's interest is safeguarded in that dividends are required to be paid on all funds in the regular share account once a full share has been purchased if the board of directors of the credit union exercises its authority under this section to increase the par value of the share above $5.00.

Section 705. This section would require the investment of NCUA excess operating fees by the Secretary of the Treasury which are deposited by the NCUA Board. The proceeds from these investments would inure to the benefit of the NCUA, not the Treasury. This is consistent with the present treatment of share insurance premiums. Since these operating fees originate from the regulated credit unions, any income from this investment should flow back to the agency and then to those credit unions in lower operating fees rather than the public at large.

Section 706. This is a technical amendment which relocates borrowing limits presently contained in 12 U.S.C. 1761c and Section 114 of the Federal Credit Union Act. The statutory limit on aggregate loans to an individual of 10 percent of the credit union's capital and surplus is maintained. The technical amendment places this section in a more appropriate part of the Federal Credit Union Act, but is made necessary due to Section 724 of this Act which makes a credit committee optional.

Section 707. This section gives NCUA the authority to permit federal credit unions to make first mortgage loans for more than 30 years. This allows federal credit unions to conform to industry mortgage practice by writing loans when the first payment is due more than 30 days after the date of disbursement. Additionally, this will permit the NCUA to develop alternative mortgage regulations which would permit the extension of maturity for adjustable rate loans.

Section 708. This section removes the "150 percent of the median sales price in the geographical area" restriction on federal credit union mortgage lending. The restriction appears to have been placed in order to prevent credit unions from financing luxury homes. (House Rep. 23, 95th Cong., 1st Sess. (1977)). In practice, the limitation is unnecessary and burdensome. It is unnecessary since credit unions do not receive applications for luxury home financing. Furthermore, it is difficult and costly to obtain reliable information on the median sales price—particularly in a time of creative financing.

Section 709. This section permits federal credit unions to refinance members' first mortgages so that the members can use their accumulated equity for their own purposes. At present, federal credit unions are prohibited from refinancing first mortgages since the loan must be to finance the acquisition of a residence.

Section 710. This section deletes the distinction between second mortgages made for the purposes of home improvement and all other second mortgages. Presently, second mortgages for home improvements may have maturities up to 15 years, but a maximum maturity of 12 years is applicable to all other seconds. The distinction has created problems in defining "home improvement".

Section 711. This section permits a federal credit union to make loans complying with the terms of a government agency which has made an advanced commitment to purchase the loan. Under present law, the federal credit union can make loans which are insured or guaranteed by a government agency. This expands their authority to those loans for which they have received advanced commitments.

Section 712. This section increases the amount which can be lent to a director or member of the supervisory or credit committees of a credit union without board approval from $5,000 to $10,000. Loans to such individuals above $10,000 would still require the approval of the board of directors of the credit union.

Section 713. This section specifies that partial prepayment of a mortgage loan be credited on the next monthly installment due date. Existing law states that a borrower may make a partial prepayment on any business day without penalty. The change permits federal credit unions to accept prepayments on mortgages in a manner consistent with the requirements of the secondary mortgage markets' institutional investor, particularly FNMA and FHLMC. Prepayments of all loans not secured by mortgages would continue to be credited on the business day that such prepayment is made.

Section 714. This section gives federal credit unions similar authority to invest in state and local government obligations to the same extent that savings and loan associations are permitted to invest in these obligations. This will permit federal credit unions to more actively support their communities.

Section 715. This section permits federal credit unions to invest in any open end management investment company registered with the SEC whose portfolio is restricted to investments in which credit unions can directly invest.

Section 716. This section provides a clear statutory basis for federal credit unions to issue mortgage backed securities. It places federal credit unions on a parity with federal savings and loan associations which were granted this authority in P.L. 95-630.

Section 717. This section permits federal credit unions to make deposits in any federally-insured, state-chartered bank rather than just state-chartered banks located in the same state in which the credit union does business. Under present law, there is an inconsistency since Section 707(7)(D) of the Federal Credit Union Act permits federal credit unions to invest in the shares or accounts in federally-insured mutual savings banks, but Section 107(8) of the Federal Credit Union Act only permits federal credit unions to make deposits in state-chartered mutual savings banks and other state-chartered banks operating in the same state as the federal credit union.

Section 718. This section permits federal credit unions to buy or sell travellers' checks or money orders or other similar money transfer instruments to its members for a fee. Present law permits federal credit unions to perform such services at cost. Additionally, present law may not permit a federal credit union to offer to its members the service of wire transfers or other modern substitutes for money orders or travellers' checks.

Section 719. This section permits federal credit unions to schedule their annual meetings at any time during the year. Present law statutorily requires them to hold such meetings in January, February or March.

Section 720. This section is a technical amendment made necessary by the elimination of statutorily prescribed titles for officers of the board in Section 721 of this Act and by Section 723 of this Act making the credit committee optional rather than statutorily required. Additionally, this amendment provides that board of directors can receive reimbursement for reasonable expenses incurred in the execution of their duties.

Section 721. This section permits federal credit unions to designate the appropriate titles for the officers of the board of directors.

Section 722. This section principally reorganizes and clarifies the duties of the board of directors. Some of the changes are made necessary by Section 723 of this Act which makes the credit committee optional. If the credit committee is not continued by a particular credit union or its powers are limited in the by-laws of that credit union, then the board of directors is given the authority to hire loan officers and establish credit policies. Additionally, the board of directors is given the power to establish the par value of shares consistent with the statutory change in Section 704 of this Act. The board of directors is also required to establish and maintain a system of internal controls within the credit union.

Section 723. This section amends Section 114 of the Federal Credit Union Act by granting federal credit union board of directors the ability to make a credit committee optional. If there is to be a credit committee for a particular credit union, then it can either be appointed by the board of directors or elected by the members of the credit union as provided by the by-laws. The right of appeal by a member on a loan decision is preserved. If there is no credit committee, the appeal would be directly to the board of directors.

Additionally, the last sentence of Section 114 of the Federal Credit Union Act is deleted since the sentence no longer has any meaning within the section. P.L. 95-22 removed the $2,500 limit on loans which were not adequately secured. Through an oversight, a clarification of what loans must be considered to be adequately secured was not stricken.

Section 724. This section provides that if a federal credit union's par value of shares exceeds $5.00 (the present statutory par value deleted by Section 704 of this Act), the credit union must pay dividends on all funds in the regular share account since a full share has been purchased—rather than only paying dividends on full shares.

Section 725. This section authorizes the board of directors, by a majority of a quorum of directors, of a federal credit union to adopt a policy of terminating the membership of any member based on inactivity in the affairs of a credit union. This section provides that written notice of such a policy and the effective date of said policy should be mailed to each member of the credit union not less than 30 days before the policy's effective date.

Section 726. This section gives the National Credit Union Administration more flexibility to design regulations for central credit unions which are otherwise consistent as opposed to credit unions whose members are natural persons. The separate regulations

which the National Credit Union Administration may establish for central credit unions must be consistent with the other provisions of the Federal Credit Union Act.

Section 727. This section allows approval for conversion from federal to state charter based on the affirmative vote of the majority of those members choosing to vote on the proposal rather than a majority of all members. The section also requires that each member be notified that the conversion issue to be voted on will be decided by a majority of those who vote.

Section 728. This section exempts for purposes of federal insurance premium assessment the funds of state-insured credit unions deposited in a federal credit union that exceed NCUA insurance limits. This will eliminate the inequitable insurance premium assessment of deposits from state-chartered credit unions which does not exist for federally-chartered credit unions.

Section 729. This section deletes the requirement in the present law that each new credit union be assessed a partial year premium during the year in which it is chartered and that each credit union liquidated receive a rebate on premiums paid. The computations required on both of these requirements are sufficiently complex as to exceed the cost of the benefits received. After consultation with GAO, the NCUA Office of the Comptroller concluded that that these requirements should be deleted on the basis that neither the agency nor the credit unions are receiving the intended benefits and that many man-hours are being expended in the process.

Section 730. This authority is intended to enable the fund to continue to function in the event of extraordinary economic conditions while additional support is legislatively authorized and approriated.

Section 731. This section authorizes the Central Liquidity Facility to extend credit to the NCUA Share Insurance Fund in a manner consistent with the authority contained in Section 730. The provision would enable the Facility to provide the Share Insurance Fund with interim liquidity, should circumstances require, until additional resources could be legislatively authorized and appropriated.

This section also provides a very limited expansion of CLF's investment authority to enable it to invest in short-term investments strictly for cash management purposes. Current investment authority is limited to government and agency securities, CD's and other deposits in federally-insured institutions, which restricts the CLF's ability to manage its future operations.

Section 732. This section would give the CLF specific authority to act as an Agent of the Federal Reserve System to funnel funds from the Discount Window to credit unions in the event that CLF reaches its borrowing limit and credit unions still have liquidity needs. Such an option might be used in exteme emergencies instead of having to request draw-down from the emergency line of credit at Treasury. The manner and extent to which this provision could be utilized would be entirely in the discretion and under the control of the Board of Governors of the Federal Reserve System.

TITLE VIII—PROPERTY, CASUALTY, LIFE INSURANCE ACTIVITIES OF BANK HOLDING COMPANIES

Section 801. This section amends Section 4(c)(8) of the Bank Holding Company Act of 1956 to generally prohibit a bank holding company from providing insurance as a principal, agent, or broker. There are six exemptions to this general prohibition, resulting in the prohibition being principally applicable to the underwriting or sale of property and casualty insurance products. The exemptions establish a grandfather date (October 7, 1981) for the continuation of previously authorized insurance activities, such as selling credit related property and casualty coverages, and permit bank holding companies to engage in, among other things, credit life, disability, and involuntary unemployment insurance activities and general insurance agency activities in towns of less than 5,000 people.

TITLE IX—MISCELLANEOUS

Section 901: Civil Liability. This section restricts statutory penalties only to situations where the creditor is in substantial noncompliance with the Truth in Lending Act. While the current $100 minimum statutory liability is eliminated, the maximum permissible penalty for individual actions is increased from $1,000 to $5,000. Actual damages would continue to attach to all violations of the Act.

Section 902: Definition of Creditor. This section amends the definition of "creditor" in the Truth in Lending Act to exclude "arrangers of credit", so that in other than open end credit transactions, the Act will apply only to professional extenders of consumer credit, namely, those who regularly extend consumer credit.

Section 903: Effective Date. The amendments contained in sections 901 and 902 would take effect at the same time as the amendments made by the Truth in Lending Simplification Act, except that the amendments to the civil liability provisions contained in section 901 would apply to those creditors who elect to comply with the Truth in Lending provisions, as amended by the Truth in Lending Simplification Act, prior to such effective date.

Section 904: Industrial Banks Eligibility for FDIC Insurance. This section permits industrial banks and like type institutions to be eligible for FDIC insurance.

Section 905: Amendment to the Bank Holding Company Act of 1956. This provision would authorize a one-bank holding company covered by the 1970 Bank Holding Company Act Amendments, which was required to divest its banking or impermissible non-banking activities as a result of that Act, but has not yet filed an irrevocable commitment to divest, to divest no later than December 31, 1983.

Sections 906 and 907: Applicability of, and Securities Activities Under, the International Banking Act of 1978. These are amendments to the International Banking Act of 1978 (a) to provide grandfather rights for the non-banking activities of foreign banks which had applied for but had not yet received approval to operate a U.S. branch on the date of enactment of the Act and (b) to permit a foreign bank to own up to 45 percent of a U.S. non-bank affiliate (the current limitation is 25 percent). These provisions are limited in scope and applicability and do not affect the underlying restrictions of the International Banking Act.

Section 908: NOW Accounts for Public Funds. This section permits financial institutions to offer NOW accounts to state and local governments.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WATER AND POWER

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Thursday, July 29, at 10 a.m., to hold a hearing to consider S. 1918, a bill to establish the Northeast-Midwest States Federal Hydropower Financing Authority.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FUTURE OF LEBANON

● Mr. PELL. Mr. President, so long as the situation in Lebanon remains highly volatile, attention will necessarily be focused on immediate needs and problems. At present, our highest priority should be given to efforts to establish a ceasefire, and avoid further bloodshed and devastation in West Beirut, to negotiate the departure from Beirut of the armed PLO fighters, and to the providing of medical care, food, and housing for civilians caught up in the conflict.

In the longer term, it will be essential that we and other nations work with the States in the region to find a way to insure a lasting peace in Lebanon. Clearly, all foreign forces must leave if the Lebanese are once again to control their own destiny.

Mr. Roger Eddé, a leading Christian Lebanese, met with me recently to outline a proposal of the Neutral Lebanon Movement for a neutral and disarmed Lebanon. Mr. Eddé has obviously given the plight of Lebanon a great deal of serious and constructive thought. When the present crisis is resolved and stability has been restored to Lebanon, the proposal for a neutral and disarmed Lebanon could be very relevant as a viable, long-term solution for Lebanon. Accordingly, I believe that the plan merits the attention of my fellow Senators.

Mr. President, I ask that a summary provided by Mr. Roger Eddé of the proposal of the Neutral Lebanon Movement be printed in the RECORD following my remarks.

The summary follows:

NEUTRAL LEBANON MOVEMENT

NEUTRAL AND DISARMED LEBANON

Neutral Lebanon Movement is a national response to the wars of the past seven years which have served to strengthen the resolve of the Lebanese people to survive as a nation within secure boundaries as a democratic and multidenominational state.

It is time to move boldly and quickly toward radical solutions in the Middle East which provide security for all states in the region. The unity and sovereignty of Lebanon can only be achieved if Lebanon becomes a permanently neutral and disarmed state. Neutrality guaranteed by the superpowers and assured by the presence on Lebanese soil of a multinational force.

Disarmed neutrality for Lebanon is a solution of last resort. Neutral Lebanon is com-

patible with Lebanon's history, its geographical location and its political tradition. Alignment abroad has brought disintegration at home. Only a disarmed neutral Lebanon can permanently end the cycle of violence which has claimed the lives of so many innocent victims.

1. A permanently neutral and disarmed Lebanon would require: the total departure of all foreign forces presently occupying Lebanon;

2. The complete disarmament of Lebanon within its internationally recognized boundaries, the Lebanese army transformed to fill the vacuum of the disintegrated internal security forces;

3. The international guarantee of Lebanon's permanent neutrality;

4. The establishment of a multinational force acceptable to all concerned parties in Lebanon to assure neutrality, including U.S. forces in the 25 mile area north of the Israeli border. The predominant role in the other parts of Lebanon could be played by French troops;

5. The enforcement of democratic procedures which would permit the free election of a credible Lebanese leadership.

Any further progress in the Middle East peace process is irreversibly tied to a stable and lasting resolution for Lebanon. This resolution depends on the re-establishment of Lebanon's territorial integrity and sovereignty. Lebanon, at the geographic heart of a region in a state of war since 1948, signed an armistice agreement with Israel that formally recognized the existing boundaries between Lebanon and Israel. The neutrality of Lebanon means peace and security for Israel in Lebanon without risking the exclusion of Lebanon from the Arab community until negotiations produce a comprehensive settlement of the Arab-Israeli conflict.

A disarmed neutral Lebanon would once again promote political democracy, cultural pluralism and peaceful coexistence among its many spiritual communities. Regional stability, economic development and security for all states, including Israel, would be enhanced by a disarmed neutral Lebanon.●

LABOR-MANAGEMENT RACKETEERING ACT OF 1982

● Mr. ROTH. Mr. President, I am delighted to voice my support for S. 1785, the Labor-Management Racketeering Act of 1982 which was passed by the Senate yesterday. This bill, of course, has been something that my able colleague from Georgia, Senator NUNN, has worked for most diligently and I congratulate him on its passage. I was an original cosponsor of S. 1785 and have tried to fully support the efforts of Senator NUNN and to utilize my staff on the Permanent Subcommittee on Investigations for the same purpose.

As you are aware, the Permanent Subcommittee on Investigations has spearheaded the legislative drive to amend certain provisions of our labor laws to focus on those individuals within labor and management who seek to corrupt or compromise the labor organizations and union funds essential to the workingmen and workingwomen of the United States. I want to underscore what I regard to be the important aspects of this legislation.

First, for decades, violations in the Taft-Hartley Act have been misdemeanors despite the very serious nature of some of these offenses. Investigations by our subcommittee, which in recent years have scrutinized the activities of corrupt labor and management officials relating to the Teamsters, the Longshoremen, and the Laborers, and this year the Hotel & Restaurant Employees Union, have clearly demonstrated that the level of corruption in some unions continues to be serious and that only severe penalties will stem the tide of these violations.

Second, our subcommittee investigations have disclosed numerous instances where disbarment under the current provisions of the law has proven to be an ineffective means of ridding unions of corrupt officials. Accordingly, I heartily support the provisions of S. 1785 which increase from 5 years to 10 years the maximum period of disbarment for a union official convicted of certain crimes. Furthermore, the provision that such disbarment occur upon the trial court's judgment of conviction, thereby removing the corrupt official from office, is critical.

Finally, the findings in recent hearings in PSI into the Teamsters' Central States Pension Fund and the Hotel & Restaurant Employees Union make it clear that the Department of Labor must play an aggressive role in the enforcement of labor laws.

As we move ahead with our bipartisan effort to investigate the Hotel & Restaurant Employees Union, we expect to call upon the Department of Labor officials to assist us in determining the extent to which the union may have been influenced by organized criminal activities. Mr. President, the record supporting this legislation is clear. We badly need some help for law enforcement authorities in this area, and I am encouraged by the passage of this bill.●

RADIO MARTI: FIGHTING THE RADIO WARS

● Mr. HUMPHREY. Mr. President, on July 27, 1982, the Senate Committee on Foreign Relations concluded hearings on S. 1853, a bill that would authorize funds for fiscal years 1982 and 1983 for Radio Broadcasting to Cuba, Inc., better known as Radio Marti.

This proposal has generated a great deal of debate, some of it quite heated. As one who is increasingly concerned about this Nation's information initiatives, I found an editorial which appeared in the July 28, 1982 Wall Street Journal to be of particular interest and relevance. I believe that the thoughtful comments made in that editorial deserve the careful attention of every one of my colleagues, members of their staffs, and readers of the CONGRESSIONAL RECORD. Therefore, I ask that the full text of the editorial be printed in the RECORD.

The article follows:

[From the Wall Street Journal, July 28, 1982]

FIGHTING THE RADIO WARS

This week the Senate Foreign Relations Committee held its second day of public hearings on the Reagan administration's plan to set up a broadcasting station called Radio Marti, based in Florida and beaming Cuban news to the island's inhabitants. The plan is running into criticism—from the committee, from parts of the press, and from some American broadcasters. it is startling and revealing that a plan for the dissemination of mere words should be driving the critics to such fear and vituperation.

America's overseas broadcasting network now has three major parts. There is the Voice of America, sending out U.S. and general news and commentary. There is Radio Free Europe, giving East Europeans news of their countries' domestic and foreign activities. There's Radio Liberty to perform the same function for the Soviet Union. Radio Marti is being designed on the model of the latter two stations.

You'd think that using a timetested model to spread the word about the failures of Fidel Castro's communism wouldn't generate much heat. But you'd be wrong.

The Castro regime, it is said, has more or less threatened that if Radio Marti begins broadcasting, the Cubans will jam the signal in a way that interferes with American radio stations. Some broadcasters believe that a proper response to this blackmail is to scrap the whole idea.

But other criticisms are more than technical. One argument is that the station would be useless except to employ loyal Reaganites. Cubans already have access to Miami radio stations, so the case goes, and are not likely to prefer the more ideological fare that Radio Marti would serve up to them. Another train of criticism is that the radio would be not insignificant but a little too significant. The radio, it is said, could be an ongoing irritant to U.S.-Cuban relations.

And finally, there is the possibility that Radio Marti may not live up to what critics think is a sufficiently high and objective enough standard of journalism. In that event the station would become that most reprehensible of products, U.S. "propaganda."

Most of these criticisms do not revolve around facts. The debate here is not about Radio Marti; it is over two fundamentally differing conceptions of American foreign policy.

If you think that foreign policy is a matter of "interests" rather than ideological slogans, if you think most debates between nations can be dealt with by finding the right formula or splitting the difference, if you think that in the long run a neutral, impartial view of events will triumph over lies forcefully told, then you're going to find Radio Marti quite unnecessary. If you think, however, that a large part of our foreign policy decline in recent years has been from our defeats in the ideological wars, that we are never going to recover unless we begin speaking up, and that such activism doesn't necessarily violate American cannons of truth and fair play, then the Cuban project seems worth it.

We've had years of the first version of foreign affairs, and it hasn't worked too well. The critics of Radio Marti might as well

quiet down and give the alternative a decent chance.●

COAST GUARD AUTHORIZATION ACT FOR FISCAL YEAR 1983 AND FISCAL YEAR 1984

● Mr. DOMENICI. Mr. President, S. 2252, as modified by the House amendment, authorizes $2.6 billion for fiscal year 1982 and $2.8 billion for fiscal year 1984, excluding an authorization for "such sums as necessary" for Coast Guard retirement benefits. The House amendment to S. 2252 exceeds the first budget resolution levels by approximately $1 billion over the 2-year period fiscal years 1983–84. The Coast Guard provides valuable services to our maritime and recreational boating community; yet, I believe the House amendment to S. 2252 is much too generous.

The Senate-passed version of S. 2252 also exceeds the first budget resolution by approximately $700 million over the 2-year period fiscal years 1983–84. S. 2252 passed the Senate by voice vote, and I did not raise objections at that moment because I believed the appropriations process would yield a level close to or at the budget resolution.

However, I now urge the Senate to reject adding approximately $300 million in budget authority and $200 million in outlays over 2 years to the levels adopted in the first budget resolution. Some Senators may say "But, the damage is already done. We are already over the budget resolution. What is the difference if we add a little more?"

It indeed does make a difference if we add another $300 million to the levels agreed to by the Senate. The Coast Guard authorization bill, in the past, has tended to be fully funded by the Appropriations Committee. By passing the House amendment to S. 2252, the Appropriations Committee will be subject to enormous pressures to provide the entire authorization level. If the House amendment to S. 2252 is adopted, it is likely that the Coast Guard appropriation will be a budget buster. I urge my colleagues to defeat the House amendment.

I ask that a memorandum on the Coast Guard authorization bill be printed in the RECORD.

The memorandum follows:

[Memorandum]

To: Senator Domenici.

From: Senate Budget Committee Staff/ Debbie Lipman.

Date: July 28, 1982.

Subject: Coast Guard Authorization Bill for fiscal years 1983–84.

The Senate-passed Coast Guard authorization bill, S. 2252, is over the First Budget Resolution by about $700 million in budget authority and outlays over two years (fiscal years 1983–84). The House amendment to S. 2252 adds about $300 million more in budget authority and outlays over two years to the Senate levels. Senators Packwood and Stevens want to adopt the House amendment in order to avoid a conference.

The following table compares the budget, Senate and House levels for the two largest and most important Coast Guard accounts, "Operations" and "Acquisition, Construction and Improvements (A.C. & I.):

BUDGET AUTHORITY

[In millions of dollars]

	Operations	A.C. & I.	Total
Fiscal year 1983:			
Budget	1,424	685	2,109
Senate	1,700	550	2,250
House	1,842	685	2,527
Fiscal year 1984:			
Budget	1,424	685	2,109
Senate	2,000	650	2,650
House	2,026	700	2,726

The Commerce Committee wants to accept the higher House levels because they believe the Coast Guard has been underfunded in past years and lacks full Administration support. A 1980 GAO study concluded that the Coast Guard is underfunded, underequipped and undermanned to perform all of its responsibilities created by congressional and executive actions.

David Stockman, and possibly Drew Lewis, likely would support the budget resolution levels, if asked for their opinion. The House levels represent a 63 percent increase between fiscal year 1982 and fiscal year 1984 for these two accounts. The Senate levels allow these two accounts to grow by 59 percent from fiscal years 1981–84. The A.C. & I. account more than doubled between fiscal year 1981 and fiscal year 1982 as a result of an additional $300 million appropriation in the Department of Defense bill. The Budget Resolution level assumes that the A.C. & I. account will continue to be funded at the fiscal year 1982 inflated level.●

LEGALIZING ILLEGAL ALIENS

● Mr. EAST. Mr. President, we cannot afford to give amnesty to millions of illegal aliens. Estimates of the increased welfare costs that would result from amnesty range from hundreds of millions to billions of dollars. For a fraction of such amounts we could double the manpower of the Immigration and Naturalization Service. Such an increase in manpower, combined with enforcement of reasonable sanctions against knowing employment of illegal aliens, could open hundreds of thousands, maybe millions, of jobs for unemployed American citizens.

As Americans learn of the amnesty proposals being considered in Congress, public opposition grows. Two recent editorials expressing concern about amnesty are, I believe, representative of public sentiment. The first editorial, by Phil Kent of the Augusta Chronicle-Herald, was published July 25, 1982, and bears the title, "The alarming cost of legalizing illegal aliens." The second editorial appeared in the July 26, 1982 issue of County News, the official publication of the National Association of Counties.

I ask that these editorials be printed in the RECORD.

The editorials follow:

[From the Augusta Chronicle-Herald, July 25, 1982]

THE ALARMING COST OF LEGALIZING ILLEGAL ALIENS

(By Phil Kent)

At a time when the Reagan administration is trying to cut government spending, it is ironic that some Republicans who should know better, coupled with Ted Kennedy-type Democrats who don't are pushing for a costly amnesty for illegal aliens in this country.

The Simpson-Mazzoli legislation (S. 2222 in the Senate and H.R. 5872 in the House of Representatives) contains a broad amnesty provision that needs to be deleted. In fact Sen. Jesse Helms, R-N.C. plans to offer an amendment to that effect.

The reasons for the Helms amendment, and for a threatened similar action in the House, appear irrefutable. Even the Reagan administration, which originally flirted with supporting the Simpson-Mazzoli amnesty, has now questioned such a blanket move.

One Washington-based group lobbying against amnesty, Conservatives for Immigration Reform, makes several points about the Simpson-Mazzoli amnesty provisions, which would impact upon upwards to 10 million illegal immigrants. The CIR, in a recent release, notes:

Under the Simpson version recently passed by the Senate Judiciary Committee, all illegal aliens in the United States prior to Jan. 1 of this year would be allowed to apply for adjustment to legal status. To prove that they were in America prior to that date, the aliens would have to produce evidence such as rent receipts, utility bills and affadavits. (Of course, it should be noted that these documents can be forged.)

The aliens, by receiving permanent resident status, would be allowed to bring in other family members and relatives. This move alone would take more jobs away from citizens and would further strain our social-services system.

As a matter of principle, every law-abiding citizen should object to legalizing the status of foreigners who have intentionally violated our laws. Amnesty would give the priceless reward of U.S. citizenship to those who sneak across the border, or stay and work in violation of their non-immigrant visas, while the illegal alien's honest cousin waits patiently in his native land for an immigrant visa allowing him to come to the United States legally.

There is a footnote to the burden on the welfare system noted by the CIR. A recent report by the U.S. Food and Nutrition Service says that in just one area—that of food stamp costs to the American taxpayer—the expense involved is mind boggling. The Senate Judiciary Committee-passed amnesty provisions would mean an estimated $218 million in food stamp costs in 1983, $521 million in 1984, $984 in 1985 and $1.041 in 1986.

The four-year food stamp grant total for "legalized" aliens comes to a whopping $2.764 billion.

The National Association of Counties also estimates that the proposed amnesty would increase state and local cash and medical assistance costs by more than $546 million in the first year of the program.

The Reagan administration, concerned about this burden, says that the total additional welfare cost for the Simpson-Mazzoli "legalization" could run over $10 billion in four years. So the administration wants to modify the Simpson-Mazzoli amnesty. But

even with a "modification," whatever poorly educated, semi-skilled aliens do receive amnesty will still unfavorably impact on our welfare system. The best way to protect the taxpayer is to have no amnesty at all.

Citizens desiring further information about this vital national debate should write for information from the CIR, 227 Massachuetts Ave., N.E., Suite 321, Washington, D.C. 20002. Our senators and congressmen should also be contacted. Unless concerned citizen pressure is brought to bear against amnesty, this country could soon be footing extra welfare bills for uninvited foreigners.

[From the County News, July 26, 1982]

COUNTY COMMENT—WHO PAYS BILL TO LEGALIZE ALIENS?

At NACo's annual conference held earlier this month, President Reagan announced his revised New Federalism package in which 35 federal programs would be turned back to states and localities. The $38.7 billion package includes a proposal for the federal government to assume full responsibility for Medicaid in return for state takeover of aid to families with dependent children (AFDC). The president promised that responsibilities transferred to states and localities would be "accompanied by the resources to pay them," and that no "winners or losers" would be created among the states.

Evidently, President Reagan's promises do not cover federal immigration policies. At the same time that the president was presenting his New Federalism package to 5,000 NACo delegates in Baltimore, U.S. Attorney General William French Smith was telling Congress about the administration's new proposal to legalize the status of illegal aliens now in the United States, which would shift billions of dollars in added welfare and health care costs to counties, cities and states.

The administration's legalization proposal would grant "temporary resident" status to 3 million illegal aliens who entered the United States between 1976 and January 1981. As temporary residents, they would be ineligible for any federal welfare benefits such as Medicaid, food stamps, supplemental security income (SSI) and AFDC.

In effect, legalizing the status of 3 million illegal aliens who would be ineligible for federal programs represents a swap of responsibilities in which the entire burden for aiding the individuals falls on states and localities. The courts have consistently ruled that, unlike the federal government, state and local governments cannot deny benefits to aliens. The added costs of assisting temporary residents will especially affect counties which provide general assistance and health care services to indigent persons ineligible for AFDC and Medicaid.

NACo firmly believes that Congress and the president should not legalize the status of illegal aliens, unless they are willing to accept responsibility for the costs of their decision to do so. Millions of illegal aliens are in the country today because of the federal government's failure to prevent their entry.

Furthermore, the president's New Federalism package should clearly recognize that immigration is a federal financial responsibility. Immigration accounts for over half of total U.S. population growth. Thus, any transfer of federal programs to states and localities should be accompanied by sufficient resources that are indexed for increased costs resulting from immigrants and refugees who enter as a result of federal policy.●

DEMOCRACY AND THE DIGNITY OF THE INDIVIDUAL

● Mr. PELL. Mr. President, I wish to draw the attention of my colleagues to the work and writings of Father Andrew F. Morlion, a Belgian Dominican priest, who has been working for many years to advance the cause of family and religious rights, particularly in Communist countries. Father Morlion, whom I came to know through Norman Cousins, the former editor of the Saturday Review of Literature, currently is president of the Committee of Human Relations for Peace, based in Rome.

Father Morlion recently sent me a paper which he wrote entitled "Why a Democratic Government Always Moves to the Center." In his paper, Father Morlion presents his view that political parties in democratic countries are basically infused with religious values, in particular respect for the dignity of the individual, even if those parties are not based formally on religious principles or are led by nonbelievers. I thought that my colleagues would be interested in Father Morlion's views, and I therefore ask that the full text of his paper be printed in full at this point in the RECORD.

The text follows:

WHY A DEMOCRATIC GOVERNMENT ALWAYS MOVES TO THE CENTRE

(By Andrew F. Morlion, O.P.)

There is, in many democratic countries, a constant struggle to conquer the government for the left or for the right. When we reflect on the nature and history of democracy we soon find that when a so-called leftist party succeeds in running the government, alone or in coalition, it soon shows that it cannot be merely leftist but must become a balanced centre left. The same happens when rightist parties are called to govern, alone or in coalition; when exerting responsibility they tend inevitably to be centre-right.

In fact, balanced centralism, which alternates various coalitions, is not only the true guarantee of democracy but also its vocation. The real notion of centrality is the priority over party differences of the deepest values of democratic conviction, the common denominator of all the parties which are genuinely democratic. A democracy which is not constantly clarifying and deepening the common denominator of its pluralism is a democracy which—perhaps unconsciously—is falling into civil war. If there are mass parties, which have the conviction that man must be at the service of the State and not vice-versa, then the more passionate struggles will always end by breaking out into violence through the assault on the state.

In the U.S. the state has always been considered a complex of services rendered to the citizen and for this reason communism never had mass appeal enough to be a real peril. The Democratic and Republican parties are both centrist although the first accentuates the duty to care for the poor while the second relies mainly on the dynamism of free enterprise and market.

We see that in general the democracies of the west are solid, insofar as in the struggle for power of the leftist and rightist parties there is always in the last issue a strengthening by the government of the common denominator of democracy over parties and divisions.

We must observe, however, that in some countries of Western Europe, democracy has succumbed for a shorter of longer period to fascist dictatorship. We must add that in Italy, France, Spain, Portugal, communist parties aspire to power through a massive popular vote, and large labor unions controlled by themselves. As they have not yet cancelled thirty or more years of Stalinist tradition they do not yet give complete guarantees of really democratic behaviour in a government coalition.

We must recognise that in several European countries, and even more so in Latin America, the democratic spirit has not yet matured as a central force. It is in these countries that there is an ever-recurring promise of 'a third way' between democratic (also socialist) capitalism and totalitarian collectivism. The promise, however creates a false problem because the third way does not need to be created, but is there already, and has simply to serve for further social progress of all democratic parties in their constructive competition.

In fact the first way which is the 'Manchester', or plutocratic form of capitalism, was constructed in the first political democracies. It has given way in nearly all countries because capitalist exploitation has become nearly impossible through universal suffrage and the growth of labor unions. These constitute the real majority over the so-called capitalists. Democracy has ceased to be capitalist or bourgeois, and has become essentially social, because productive property no longer gives authority to one owner but is divided amongst many co-owners: shareholders.

In the United States the Republican Party has especially stressed the central values of the democratic right to create and undertake, and the Democratic Party has never had any hesitation in its promotion of the essential freedoms coordinated with the common good.

The centre is not a superficially intermediary position between right and left but serves values which live in the depth of the human being. The most solid guarantee of democratic stability and creativity is, in fact, the conviction that the human person is central and supreme, in political as well as other life.

To show how authentic democracy adheres to the deepest values which are ethical and religious, I would like to cite examples from my country, Belgium; the ultimate answer given by a socialist leader who can certainly not be accused of being "clerical."

I will never forget a dialogue which I had with my friend Paul-Henri Spaak, one of the historical founders of the European Community. At the time he was Foreign Minister, and I went to visit him with a specific request from Alcide De Gasperi, who was the first President of the European Studies Institute, then affiliated to the International University of Rome, of which I was the founder.

Alcide, who was feeling the first signs of his last illness at the time, told me that he wanted to have as his successor at the Institute of European Studies a Presidential Council consisting not only of Konrad Adenauer and Robert Schumann, who were

christian democrats, but also of Paul-Henri Spaak, who was a socialist and a non-believer. Paul-Henri's acceptance was no less enthusiastic than that of the other two. I warned him then of a challenge: Some of your powerful friends in the party who are much given to dogma may make difficulties for you if you undertake to work for an organization which carries on its task under the motto "Pro Deo", in politics and economics, etc.

Paul-Henri's reply was decisive: "I'm a free man and I'm used to taking risks". I went on to probe a little further: "What is the basic reason for your acceptance?" Without even a moment of reflection, Paul-Henri replied paradoxically: "Because I want to see the unity of Europe, which is more profound than the divisions between capitalist, democracy and communism. We must unite all men who have a respect for mankind, even though we know that there are some who do not."

Then I put the real challenge to him: "As a good lawyer and a good spokesman for the people, you obviously had an impressive reply ready. But now I must ask you this: Why do you respect mankind?"

Paul-Henri's face then whitened with the effort of concentration. After a long silence he gave me one of his most profound intuitions: "I respect man because there is in him a spark of the divine, over and above all human powers—and that is what we call christianity."

What Spaak only vaguely saw, and manifested only when challenged, is the daily concern of the Christian Social party in Belgium and also of the Flemish Popular Party which is essentially Christian: the faith in the ineffable dignity of man with his inalienable rights, guaranteed by the creator as prime agent and ultimate beneficiary of political and socio-economic structures.

This does not mean that we intend to canonise the parties which are explicitly committed to Christian inspiration because all men and consequently all parties are imperfect and often unfaithful to their deeper inspirations. We do not deny that parties which do not show any link with Christianity can be in certain aspects better than the others in their programmes and also in their quality of leadership.

We can conclude that democracy as such will be stable and will grow in the measure that it strengthens its conviction concerning the deeper spiritual values of the common denominator of democracy.●

EDUCATION IN A POSTINDUSTRIAL SOCIETY

● Mr. GARN. Mr. President, in recent weeks, countless articles and news stories have appeared in the journals and other periodicals around our great Nation discussing one aspect or another of the implications of the high technology revolution that is taking place as silicone chips, microcomputers, robots, and the like are finding their way into the home and the workplace.

Most of the literature on the subject has called our attention to the prospects of explosive technological changes that lie ahead in the nature of work that will be performed on our farms and in our industries by things rather than people. Not very much thought seems to have been given to the impact on our educational systems of this new silicone era. Nor have we devoted a lot of attention to what this phenomenon portends to the function of the work ethic in the value systems of our young during their formative years.

My friend and colleague in the Senate from our great State of Utah, Senator ORRIN G. HATCH, has written a provocative article on the subject. His article, titled, "Education in a Postindustrial Society" was published in the June 1982 issue of American Education, the official publication of the U.S. Department of Education.

In his article, Senator HATCH calls our attention to some of the implications for education and for the function of the work ethic in our value systems of our new high technology revolution. He suggests that this new silicone or microchip era is not only changing the way we do things, but the way we feel about what we do.

Mr. President, as chairman of the Senate Committee on Labor and Human Resources, Senator HATCH is in a unique position to assess the impact of this new era upon the home, the family, and our educational processes. His insightful and well-reasoned article should be studied carefully by every Member of this body, as well as the American public. For this reason, Mr. President, I ask that the full text of Senator HATCH's article from American Education be printed in its entirety in the CONGRESSIONAL RECORD.

The article follows:

[From American Education, June 1982]

EDUCATION IN A POSTINDUSTRIAL SOCIETY

(By Orrin G. Hatch)

About a quarter of a century ago, the United States emerged as the first post-industrial society. We became the first nation ever to have the majority of its employed work force not engaged either in agriculture, extractive enterprise, or manufacturing industry, or a combination of all three. The majority of our workers, then and since, have been employed in service industries including trade, finance, real estate, education, research, administration, and government. The number employed in these endeavors continues to increase, with over 60 percent of persons employed in the past five years taking jobs in the service sector. At present, about one out of every five employed persons works for one of the more than 80,000 units of government we have in the United States.

Not only has there been a change of our employed work force from extractive or industrial to service, there has also been a change in the values and character of American society itself.

A postindustrial society is one that is organized around information and the codification of information in very complex systems, and the use of that information in guiding government, employers, and the public-at-large.

Daniel Bell, in modernating a blue-ribbon panel assembled by the House Committee on Science and Astronautics over a decade ago, remarked that ". . . there is another and even more important fact about a post-industrial society. It is not just a service society in terms of where people work; it is not just an information society on the basis of organizing the flow of knowledge; it is also a society uniquely dependent upon the compilation of Theoretical knowledge." [1]

Bell goes on to emphasize that not only has our society been (much more than others) always dependent upon information for its growth, but it is now a society uniquely dependent upon the codification of theoretical knowledge in assessing where we are and projecting where we want to go—within acceptable statistical probabilities. As a matter of fact, many of our international policies, including trade and defense, are based upon mathematical probabilities derived from theoretical models analyzed by computers.

A knowledge-based society is also increasingly dependent upon the application to learning of computer and other information technologies which have generated a variety of improvements in manufacturing and communication technologies, and which now, it would seem, will be depended upon to improve the quality of our educating systems, and particularly their ability to produce persons proficient in mathematics (which controls the programing of computers) and in language and communication skills.

While schools are our principal educating institutions, there is a host of other structures in which people learn. The home is still the most important of the educating influences in our society, and the potential application of computer and other technologies, such as television, already present in most homes, is limitless. These mechanisms hold vast potential for individualizing instruction and enhancing the home as a center for learning. All learning does not and need not take place in the regular classroom.

Changes in education, and particularly in people's attitudes toward education, are more evolutionary than revolutionary; improvements often take place with glacial slowness.

At a Columbia University seminar nearly two decades ago, Jerome Wiesner, then dean of the School of Science at Massachusetts Institute of Technology, concluded that there is usually a gap of 20 years or so between the discovery of a new scientific principle and its forceful impact on industry—or education. In the case of the transistor, for example, it took nearly that long. Some things move a little faster, and unfortunately many move much slower.

Modern computers are based on discoveries in physics and fundamental science that go back as much as half a century, and while it is often easy to get the impression that in most fields group research has replace the inquisitive individual working alone, the evidence is as convincing today as it was when Dr. Wiesner, speaking in the 60s, said that an original brilliant idea is ". . . still apt to be the product of one man's genius."[2]

[1] The complete report of the House Committee on Science and Astronautics, including the remarks attributed to Daniel Bell, is titled. "The Management of Information and Knowlege" a Compilation of Papers for the Eleventh Meeting of the Panel on Science and Technology, Committee on Science and Astronautics, U.S. House of Representatives (Washington, D.C.: Superintendent of Documents, 1970).

[2] For the full text of the remarks of Dr. Jerome B. Wiesner and Donald Michael, see "Technological Innovation and Society." Dean Morse and Aaron W. Warner, editors (New York, N.Y.: Columbia University Press. 1966).

The phenomenon of the time of which Wiesner spoke was, of course, the transister which made possible solid-state computers, more efficient and less costly television, and the moderately low-cost information storage and retrieval systems which have promoted computer-managed as well as computer-assisted instruction in the schools. Increasingly the small computer is finding itself part of the furnishing in the modern home. It is also becoming a tool with which youngsters in school are able to communicate in the solution of homework problems.

We are now entering a new technological age referred to by some as the "silicon age" or the "microchip era," because of the advent of a tiny slice of silicon that is capable of storing thousands of items of information (bits) on a wafer too small for the naked eye to see. It is now technically possible to store all of the information contained in the Encyclopaedia Britannica on the microchips a person could hold in the palm of his hand.

Moreover, as these storage capacities are integrated with the many diverse applications of modern television that are possible, the entire modern library, including classical music, plays, and theatrical events on tape, can be brought into the family room of the home. This could give rise to some awesome consequences, not only in teaching and learning but also in the potential for propaganda inimical to the perfection and perpetuation of our society. The storage and accessibility of vast amounts of information has also presented us with significant decisions to be made about protecting the privacy of families and individuals.

Technically it is now possible to codify and store information in memory systems whose space requirements are defined in terms of square inches instead of buildings. All of the great works of the opera, the stage and motion pictures that can be stored on a few microchips could be brought forth at any time in three-dimensional living color by computer graphics through the family television receiver in the home while the afternoon soap opera runs uninterrupted on the same television screen.

Without going into all of the technical details of the process, suffice it to say that it has been possible for a long time to transmit textual or instructional printing to the hearth and the home over a television receiver without interfering in any way with the television broadcast itself. This is done by utilizing some of the channel capacity available and not used by the "flying dot" which produces the picture during the "flyback period" when it returns from the end of one trip across the cathode ray tube to begin another pass across. On the average, one line of scanning (crossing) on the TV tube contains about 600 bits of information. The flyback takes about five lines to return and is thus capable of carrying 3,000 bits of information. Consequently, with 60 frames being scanned every second, there is spare capacity to transmit about 180,000 bits of information a second to auxiliary units without interfering in any way with the regular broadcast on the tube.

At a few locations in the United States a modified version of this mechanism is taking public response polls from viewers of public information programs. The extension of this process to organized learning in the home or in the classroom is limited only by the creative abilities of the persons designing the hardware and programs for information systems used in education.

There are other concerns about our knowledge-based society and the changes it is already bringing that are of real importance to those of us engaged in developing and executing public policy where education and training are concerned. What do such systems portend in forging value systems in our youth during their formative years? What should be the function of "work" as we have traditionally viewed it in the value systems of our youth?

Values inhere in human beings and in no other living things. And, when one speaks of "values" one must ask, "of value to whom?" Values take their origin in the capacity to have joy or misery. What people want, they value. Numerous, unpredictable illogical, vain—whatever they may be—human desires determine value.

The processes by which individuals achieve an education are of "value" only if the end result is consonant with the goals of the student. Traditionally, work or employment as the end result has figured prominently in the value systems of youth and adults. Moreover, another of our values in a democracy has been emphasis on further increases in the wealth or the purchasing power or our middle class as well as our economically disadvantaged.

Both of these functions in the development of value systems are changing. The traditional Protestant-Puritan work ethic is eroding, and rather than emphasis on further increases on material things, both youth and the great middle class seem to be placing greater emphasis on self-fulfillment or self-realization.

The Protestant-Puritan work ethic prevailed during the period when we were predominately an industrial nation with most of our workers engaged in activities associated with tangible goods or products in which they could take some measure of pride—something grown, built, extracted, or manufactured—and activity from which they achieved a sense of accomplishment and personal worth.

Today, even in production-oriented jobs in our knowledge-based society, employed individuals are more and more machine babysitters who know their jobs are going well if no warning lights appear on the process control panel. When something does go wrong, someone else fixes it—not a lot of challenge, fulfillment, or self—realization in that.

We have also reached the dubious distinction of being the only so-called civilized nation in the history of western civilization which has little economic use of our youth. Unless, of course, one considers the exploiting of them in entertainment and advertising as being "economic use."

Education systems, when the Protestant-Puritan work ethic prevailed, were also accompanied by the tangible instruments manipulated in learning—books, paper, pencils, tools—personal possessions of a sort. Now we have push buttons, input keys, quartz liquid crystal read-out displays, and the like on electronic objects that work for reasons not usually known or understood, and which often foster the feeling in the student that the output results are more often some sort of wizardry than the results of their own efforts.

The initial attitude of students exposed to modern implements of learning such as computer managed or assisted instruction, computer graphics, and the new automated learning resource centers is usually one of excitement and perhaps even fascination for those exotic electronic instruments. How to sustain this enthusiasm for learning and how to assist young people to focus on educating experiences which will pay off in rewarding jobs—which in turn will bring pride of accomplishment, fulfillment, and self-respect—remain difficult challenges for educational planners.

More and more, the types of things people do in our knowledge-based society are not considered work in the traditional Protestant-Puritan work ethic. That ethic says that after work comes the good life, an earned vacation, leisure, a stake in the hereafter, etc., always in that sequence.

In addition to the erosion of the opportunity to take pride in accomplishment or achieve fulfillment or self-realization which once flowed from this work ethic, today's "credit-card culture" tells youngsters that in the real world the sequence is reversed. Now the real scene is to enjoy first and pay later. Consequently, for increasing numbers of both young and old people, work, at best, becomes psychologically a punishment for having taken leisure or otherwise enjoyed oneself first.

Evidence is also mounting to suggest that increasing numbers of people are finding their fulfillment in gratifications that come from activities not at all related to the workplace. This may mean that more and more people no longer need the justification of work in order to comfortably enjoy leisure or other non-paycheck activities.

Leisure is usually associated with learning hobbies or other recreational activities. Social planners find it difficult to envision how the use of leisure will be taught or otherwise demonstrated for youth in their formative years in the home, as well as in an educational system that at present puts such a high priority on efficiency and which seems bent more on making third graders into fourth graders than in looking at the social implications of those processes.

Donald Michael suggests that the byproducts of this phenomenon, such as loafing, tranquility, cultivation of self, and contemplation, require a different type of home, school, and teacher model than we now have. How real or serious these considerations may be we simply do not know because we have not devoted either the time or the energy to study them adequately and set forth their implications into any context—social, economic, or technological.

In the revitalization of learning experiences in our highly technically-oriented knowledge-based society, we must consider all of the attitudes which condition the function of the work ethic in youngsters as they make deliberate choices about their educational endeavors.

These are indeed fascinating times. The potential for enhancing and enriching the lives of all of our people is infinitely greater than at any other time in recorded history. And the greatest barrier to using the fruits of our knowledge-based society continues to be our own lack of wisdom and imagination. This suggests that we must develop more people with the vision of the poets, and people who are not afraid of change and who are willing to implement in our education systems—the school, the home, and society in general—the genius of the human mind.

Person proposing change are frequently admonished to be realistic—some things simply will not change! Again, the vision of the poets should give us some signals. Alfred Lord Tennyson, in his poem, "Locksley Hall" written in the early 1840's, demonstrates the vision we need. In his poem he tells of people flying through the air and even going to the moon—he also predicted an increase in international trade—while

the realists at the time were greatly concerned about the ability of people to read at night in future years. You see, there was a dwindling supply of whale oil for reading lamps.●

RIGHT TO LIFE CHAMPION

● Mr. HUMPHREY. Mr. President, it is certainly common knowledge among the Members of this body that Senator JESSE HELMS, our distinguished colleague from the great State of North Carolina, is a champion par excellence of the rights of the preborn. Senator HELMS, over the years, has sponsored and supported a number of measures whose aim is to protect the life of the preborn.

Senator HELM's efforts have not gone unnoticed in my home State of New Hampshire. Recently, the board of directors and trustees of New Hampshire Right to Life Committee adopted a resolution commending Senator HELMS and I believe it appropriate that this resolution be printed in the RECORD. I therefore ask that the full text of the resolution be printed in the RECORD at the conclusion of these remarks.

The resolution follows:

[New Hampshire Right to Life Committee]

JULY 12, 1982.

RESOLUTION

Whereas, the primary goal of the N.H. Right to Life Committee is the passage and ratification of a Constitutional Amendment to provide mandatory protection and personhood to all human beings from fertilization, until natural death, regardless of age, health or condition of dependency;

Whereas, the Declaration of Independence states, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are Life. . . . That to secure these Rights, Governments are instituted among men. . . .";

Whereas, United States Senator Jesse Helms (R-N.C.) has introduced and supported legislation to restore personhood to the preborn children of this Nation,

Be it resolved, That the Board of Directors and Trustees of N.H. Right to Life Committee at its monthly meeting on June 18, 1982, commends Senator Helms for his leadership in defense of the inalienable right to life.

MARIE I. TAYLOR, *Trustee.*●

CBO ANALYSIS OF BUDGET IMPACT OF DISABILITY LEGISLATION

● Mr. HEINZ. Mr. President, I wish to insert in the RECORD at this time a letter dated July 22, 1982, from Alice Rivlin, Director of the Congressional Budget Office. Her letter provides a cost estimate for my bill, S. 2731, a comprehensive social security disability reform bill I introduced, along with Senator DURENBERGER, on July 14.

The need for this comprehensive reform of the continuing disability investigation process is widely recognized: Hearings before the Senate Finance Committee on August 5 will highlight this situation and review the various legislative options now before us.

At this time I hope my colleagues will review the figures provided by CBO on S. 2731: The initial costs are modest indeed and, in fact, decline in subsequent years. In my opinion, the costs estimated by CBO are very small indeed relative to the benefit of reforming the system so that all legitimately entitled disability beneficiaries continue to receive the benefits so vital to their livelihood:

The letter follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 22, 1982.

Hon. JOHN HEINZ,
Chairman, Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At your request and pursuant to section 202 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2731, the Disability Amendments of 1982.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2731.

2. Bill title: Disability Amendments of 1982.

3. Bill status: As introduced and referred to Senate Committee on Finance on July 14, 1982.

4. Bill purpose: To amend Title II of the Social Security Act to provide for the continued payment of disability benefits during appeal; to provide adjustment benefits and vocational training for individuals terminated from the disability program; to strengthen the reconsideration process; and for other purposes.

5. Cost estimate: The following table shows the estimated costs of this bill to the federal government.

TABLE 1.—ESTIMATED TOTAL COSTS OR SAVINGS RESULTING FROM S. 2731

[In millions of dollars, by fiscal year]

	1983	1984	1985	1986	1987
Function 600:					
Budget authority	3	−8	−19	−31	−47
Outlays	152	141	102	90	116
Function 550:					
Budget authority	3	.....	−3	−7	−10
Outlays	40	47	46	40	45
Total costs or savings:					
Budget authority	6	−8	−22	−38	−57
Outlays	192	188	148	130	161

The costs from this bill fall within budget functions 550 and 600. The budget authority is the net result of lower interest income on lower trust fund balances for the Disability Insurance (DI) and Hospital Insurance (HI) programs, and required additional budget authority for the Supplemental Security Income (SSI) and Supplemental Medical Insurance (SMI) programs.

6. Basis for estimate: This bill relates to individuals who have been or who are likely to be terminated from the social security disability rolls, and in some cases from the SSI disability rolls, as a result of the accelerated continuing disability investigations (CDI's) being performed by the Administration.

Very little data exists concerning the characteristics of those terminated from the DI rolls as a result of the CDI's, or concerning the appeals' or reversal rates of this group. The cost estimates given in the table below are based on the best data currently available. All provisions assume an effective date of October 1, 1982, unless otherwise noted.

Function 550—continued

TABLE 2.—ESTIMATED OUTLAY INCREASES FROM S. 2731, BY PROVISION

[In millions of dollars, by fiscal year]

	1983	1984	1985	1986	1987
Continued payment of benefits during appeal and expanded reconsideration appeals (sections 2 and 5):					
DI	90	50	20	.....	20
HI and SMI	30	30	25	10	10
Adjustment benefits (section 3):					
DI	20	20	5	.....	.....
HI and SMI	7	7	1	.....	.....
SSI	3	5	3	.....	.....
Termination of benefits based on medical improvement and gathering of medical evidence (sections 8 and 9):					
DI	18	39	55	70	80
HI and SMI	3	10	20	30	35
SSI	4	5	7	8	4
Expansion of vocational rehabilitation (section 11):					
DDI	25	25	10	10	10
SSI	2	2	2	2	2
Uniform standards, assisting the mentally impaired affected by CDI's, and other technical changes (sections 4, 6, 7, 10, 12):	(1)	(1)	(1)	(1)	(1)
Total [2]	192	188	148	130	161

[1] Less than $500,000.
[2] The total is less than the sum of the estimates for the individual provisions due to the interaction between provisions.

Sections 2 and 5—Continued payment of benefits during appeal and expanded reconsideration appeals.

Sections 2 and 5 of this bill are interrelated and are estimated together. Section 5 requires a face to face hearing at the first level of the disability appeals process (the reconsideration review). Under current law, a face to face hearing does not occur until the Administrative Law Judge (ALJ) review at the second hearing level of the process. Further, the time allowed for a beneficiary to request a review would be increased from 60 to 180 days (2 to 6 months). Section 2 requires benefits to be paid until a face to face hearing is held if the beneficiary so desires. If the appeal is lost, these benefits must be repaid.

The bill specifies that a face to face hearing at the reconsideration level must be implemented by the states on or before January 1, 1984. If not, DI benefits would be paid through the first evidentiary hearing at the ALJ level. These provisions would not affect SSI Title XVI benefits, since similar procedures are now in effect for that program.

It is estimated that the combined provisions of sections 2 and 5 would result in the payment of benefits for an additional 6 to 8 months—approximately equal to the time it takes to resolve a case at the ALJ level of appeal. This expanded time at the reconsideration level includes an additional 4 to 5 months to file and gather resources for the appeal, and an additional 2 to 3 months for a hearing to be held and resolved. This in-

crease in time for the reconsideration process occurs because the face to face hearing proposed in this bill would involve presenting new evidence, hiring attorneys and scheduling the hearings.

Assuming that all of those who appeal elect to continue to receive benefits through their hearing, it is estimated that approximately 17,000 Title II recipients annually will ultimately lose their appeals in 1983 through 1985, and be required to repay benefits. Thereafter, fewer recipients are assumed to be affected because it is expected that the number of CDI's and appeals will lessen in the outyears. It is assumed that repayment would occur in the year after the payments were made, and that only one-half of the required repayments would be made. These provisions are estimated to cost the DI trust fund $90 million in fiscal year 1983 and $180 million in the 1983 to 1987 period.

Because recipients who continue receiving DI benefits also receive Medicare, there are estimated to be $30 million in HI and SMI costs in 1983 and more than $100 million over the period. There are no repayment requirements for HI and SMI benefits for those who ultimately lose their appeals.

No administrative costs or savings for these provisions are included. It is assumed that resources will be transferred from the ALJ level of review to the expanded reconsideration review process.

This bill also requires that recipients terminated from the rolls be given clear notification of the reasons for the termination and of their rights. Similar provisions already exist in current law. Hence, it is not expected that this requirement will have a significant cost.

Section 3—Adjustment benefits.

Currently, terminated disability recipients receive benefits for the month of termination and for two additional months. This bill would extend benefits for two more months (for a total of four full months) for those who were removed from the disability rolls as the result of a CDI and who have been receiving benefits for 36 months or more. This provision would expire on January 1, 1985.

Costs are estimated to be $20 million annually in 1983 and 1984, and $5 million in 1985 for DI. There also would be added HI, SMI, and SSI costs for this provision. A share of the benefit payments continued during appeal that are not repaid, as estimated for section 2 and 5 of the bill, would be paid out under this section, thereby reducing the total costs of sections 2 and 5 shown above. These interaction effects are included in the total cost of the bill, but are not included in the estimates of the individual provisions.

It is estimated that this extended payment would go to approximately 17,000 DI beneficiaries in each full year it is in effect, and to 6,000 SSI only beneficiaries. It is assumed that about 40 to 50 percent of the disabled have been on the rolls for 3 or more years. It is not yet known, however, the percent of these long-term recipients who have already been subject to a CDI and terminated from the rolls. If most of the recently completed CDI's have been of long-term recipients, the percentage of future CDI terminations could be less than the 40 to 50 percent used here, and the costs of this provision, assuming no retroactivity, would be less than those shown.

Sections 8 and 9—Termination of disability benefits based on medical improvement and gathering of medical evidence.

These provisions would place the burden of proof on the Administration in assessing whether a beneficiary has shown medical improvement. No termination could be made without such proof.

It is not known how this provision would be implemented or defined. In addition, very little is known about the characteristics of those currently being terminated from the rolls or the reasons for either the initial terminations or the appeals or reversals. Thus, a number of assumptions were made in order to estimate costs for these provisions.

It is assumed that those currently appealing and winning reversals of their terminations are predominately those who show no medical improvement. Under current procedures, the condition of the beneficiary is compared to a set of medical listings and other guidelines to determine if the disability still exists. In 1979, these medical listings were updated. Some beneficiaries who previously qualified under the old listings are now being terminated as not disabled (or as improved) under the new listings. In addition to new listings, there are stricter evaluation guidelines in determining continued disability. The costs for this provision were estimated assuming that certain recipients would be reevaluated under the guidelines in effect at the time of their original disability determination, and hence would not be terminated from the rolls.

Prior to the issuance of the new regulations, 33 percent of CDI's resulted in cessations; after 1979, cessations rose to 40 percent of CDI's. Since the reviews in the 1977–1980 period occurred prior to the current tightened process, it is assumed that the resulting 20 percent increase in cessations were for those not meeting the new listings but previously found disabled under the old. It is therefore estimated that 15,000 initial terminations—some 20 percent of the total—meet the old disability listings but not the new. Using an appeals rate of 90 percent and a reversal rate of 80 percent for these terminations, approximately 3,000 cases annually over the 1983 to 1985 period are estimated to be affected by this provision. It is these 3,000 recipients who would remain on the rolls if medical improvement under the old regulations is required. Because the number of CDI reviews are expected to be lower after 1985, it is estimated that approximately one-half of the 3,000 would be affected in 1986 and 1987.

The costs to the social security disability rolls are estimated to be $10 million in fiscal year 1983 and $230 million over the 1983 to 1987 period. Because HI and SMI benefits also continue, there are approximately $100 million in additional Medicare costs over the period. While the provision does not affect SSI directly, some SSI costs result from the effect on concurrent DI and SSI beneficiares.

This bill would place the burden of proof concerning medical recoveries of disabilities on SSA. If the examination of a case does not indicate a clearcut decision, or if a treating physician's report is inadequate, SSA would order (and pay for) a consultative medical examination. It is estimated that these provisions would require a consultative exam in all cases where medical improvement is not sufficiently documented. SSA would have to fund an estimated 47,000 consultative exams in excess of those currently scheduled in 1983 and 1984, and slighty fewer thereafter. Evaluated at an estimated average of $160 per exam, costs are estimated to be $8 million in 1983, $9 million in 1984, and $5 million per year thereafter.

Section 11—Expansion of vocational rehabilitation.

This section has two separate vocational rehabilitation provisions pertaining to DI. The first expands the federal funding of vocational rehabilitation services to include additional evaluation services. This is expected by SSA to cost $10 million per year over the 1983 to 1987 period. The second provision allows up to $15 million in each of fiscal years 1983 and 1984 for evaluation and for placement services to individuals terminated from the DI rolls for medical reasons. If these two provisions have the effect of promoting recoveries above those currently assumed, then the costs may be offset by slightly lower DI payments in the outyears. No DI offsets have been included in this estimate.

The first of the two provisions also applies to SSI. The SSI costs are estimated to be $2 million per year over the 1983 to 1987 period.

Sections 4, 6, 7, 10, 12—Amendments codifying current SSA policy regarding cessations of benefits; requiring uniform standards of disability determinations; giving the secretary of HHS discretion in performing periodic reviews; and for other purposes.

These provisions are all of the nature requiring certain administrative actions relating to the reviews and terminations of disability cases. It is expected that compliance with these provisions can be achieved with little additional costs to the government.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Stephen Chaikind, Malcolm Curtis, and Janice Peskin.

10. Estimate approved by: C. G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).●

STEEL DUMPING

● Mr. SPECTER. Mr. President, I would like to bring to the attention of the Senate eight resolutions from the Counties of Allegheny, Crawford, Beaver, and Armstrong, the boroughs of Baldwin and Brackenridge, the city of McKeesport and the Greater Johnstown Committee, respectively, concerning the dumping of steel in this country. These resolutions urge our elected representatives to control illegally subsidized and dumped steel imports into the United States by actions such as import quotas or by other limitations under the Trade Act of 1974.

The impact of dumping has been disastrous on affected areas such as Pennsylvania, Alabama, Ohio, and West Virginia and has greatly contributed to high unemployment, plant closings, declining domestic production and increased unemployment compensation costs. This leads to greater Federal deficits and, ultimately, higher interest rates.

Mr. President, these eight resolutions and the similar ones I brought to the attention of the Senate on June 16 illustrate the severity of the dumping problem. This body can no longer afford the luxury of continuing our present cautious approach, for our trading partners are openly flaunting the international trade laws by selling

dumped and subsidized goods in the U.S. market, in the process throwing thousands of Americans out of their jobs.

The recent Commerce Department preliminary finding on subsidies confirmed that the Europeans and other producers are heavily subsidizing their steel industries, in one case by as much as 40 percent. Yet, for the past 1½ years these firms have been able to sell their subsidized steel in our markets, without fear of any sort of sanction.

Unemployment in the steel industry alone caused by dumped and subsidized products is as high as 20,000 workers. One analyst has estimated that over the past 7 years the American steel industry has lost at least $20 billion in terms of lost revenues, wages and benefits because of illegal trade practices.

U.S. steel firms are not the only ones that are being seriously injured by unfair trading. According to the domestic cement and typewriter industries, the Japanese are dumping their exports at margins of 60 percent and 17 to 60 percent, respectively. By supplying an estimated $230 million in subsidies to support an export loan for a subway car producer, the Canadian Government has, in effect, taken the contract away from a domestic producer.

On March 4, I introduced a bill, S. 2167, which grants direct access to American industries to the courts in antidumping cases. I feel that this bill will provide an effective disincentive for foreign firms to illegally take advantage of our open markets. At present, it is just too easy for other producers to "dump and run"—never being held accountable for the results of their actions or their blatant violations of international agreements.

I held the first hearing on S. 2167 on May 24, and in the most recent hearing on June 24 the administration contributed its comments. This bill has been very well received by industry representatives, legal scholars and elected officials. With unemployment in the steel industry hovering at 30 percent, I emphasize to my colleagues the urgency of expediting Senate consideration of this bill, which would make import quotas or other drastic measures unnecessary.

I submit the following resolutions for the CONGRESSIONAL RECORD.

RESOLUTION No. 82-4

Whereas, the County of Allegheny is one of the leading Counties in the United States in the production of steel; and

Whereas, the production of steel not only provides jobs for our citizens, but also affects the livelihood of millions of Americans as well; and

Whereas, it is of prime concern that foreign nations substantially have increased their steel production capacity through extensive subsidization, and have directed their steel shipments to the United States; and

Whereas, this illegal procedure has had a disastrous effect on operating levels and employment in the American steel industry, causing steel capacity to drop to 50 percent this month, and forcing 127,000 steelworkers to be laid off their jobs, or limited to a reduced work schedule; and

Whereas, local government officials have joined industry and labor leaders in urging an end to the influx of foreign steel;

Now, therefore, be it *Resolved* that Allegheny Valley North Council of Governments does hereby once again call to the attention of our Federal Government the fact that basic steel is an essential industrial material and a strategic resource necessary to our national defense;

And, be it further *Resolved* that we urge the establishment of quotas to control steel imports to the United States, and to impose steel import limitations under provisions of the Trade Act of 1974, and thus rightfully end this unfair and illegal practice that is strangling our domestic steel industry.

And, *Resolved* that copies of this Resolution be forwarded to the President of the United States, our two U.S. Senators, and the Congressional Delegation from Allegheny County.

RESOLUTION No. 6

Whereas, the County of Crawford is one of the many counties in the United States that uses steel; and

Whereas, the steel industry not only provides jobs for our citizens but also affects the livelihood of millions of Americans as well; and

Whereas, it is of prime concern that foreign nations substantially have increased their steel production capacity through extensive subsidization and have directed their steel shipments to the United States, the only free market in the world; and

Whereas, this illegal procedure has had a disastrous effect on operating levels and employment in the American steel industry, causing steel capacity to drop to fifty (50%) percent this month, and forcing 135,000 steelworkers to be laid off their jobs, or limited to a reduced work schedule; and

Whereas, local government officials have joined industry and labor leaders in urging an end to the influx of foreign steel;

Now, therefore, be it *Resolved*, that this Board of County Commissioners does hereby once again call to the attention of our Federal Government the fact that basic steel is an essential industrial material and a strategic resource necessary to our national defense;

And, be it further *Resolved*, that we urge the establishment of quotas to control steel imports to the United States, and to impose steel import limitations under provisions of the Trade Act of 1974, and thus rightfully end this unfair and illegal practice that is strangling our domestic steel industry.

And, further, that copies of this Resolution be forwarded to the President of the United States, our two United States Senators and our Congressman from Crawford County.

RESOLUTION No. 052182-7

Whereas, the health of the domestic steel industry is essential to the economic well-being of Beaver County and of consequence to the interests of the entire nation as a strategic resource necessary for our national defense; and

Whereas, American privately-owned steel producers, such as those operating in Beaver County, are now competing in the world-wide marketplace with foreign companies which are government-owned, subsidized or directed and do not have to meet the disciplines of our free-market system; and

Whereas, through the extensive use of the aforesaid subsidization and assistance, foreign steel companies have been able to substantially increase their production capacity and sell their products in the marketplace at prices lower than fair value in violation of United States trade laws and international agreements; and

Whereas, an ever-increasing flow of the aforesaid underpriced and unfair imports into our country, commonly known as "dumping," has seriously undercut the economic base of our basic steel industry; and

Whereas, due to the impact of such unfair dumping of foreign steel on our marketplace, the domestic steel industry has been forced to rollback production and curtail expansion and development, thereby resulting in massive lay-offs of the men and women making up its workforce; and

Whereas, the most recently released figures show unemployment in Beaver County to be at a rate of 10.6 percent and climbing, the highest percentage rate ever on record; and

Whereas, though our nation's steel industry has always favored development of open, fair, and mutually beneficial world trade, it now finds itself, as well as the rest of our economy, confronted by the problem of assuring that the aforementioned government-assisted foreign companies also compete fairly and legally; and

Whereas, in view of the unwillingness of foreign producers to trade fairly, the historic lack of enforcement of our trade laws, especially on the part of the present federal administration, and the devastating impact these considerations have had on the economic livelihood of our nation and, in particular, Beaver County, it is the belief of this Board of County Commissioners that the time has come for the federal government to take immediate action to establish quotas to control the aforesaid unfair steel imports.

Now, therefore, be it *Resolved* by the Board of Commissioners of the County of Beaver, a Fourth Class County under the laws of the Commonwealth of Pennsylvania, and it is hereby resolved:

1. That the Board of Commissioners of the County of Beaver memoralize the President of the United States and the Congress to impose steel import limitations for both carbon and specialty steel products under the provisions of the Trade Act of 1974.

2. That certified copies of this Resolution be immediately dispatched to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the United States Senators representing the Commonwealth of Pennsylvania, and the United States Congressmen representing the County of Beaver.

RESOLUTION FOR THE ESTABLISHMENT OF QUOTAS TO CONTROL STEEL IMPORTS

Whereas, The County of Armstrong contains facilities for the production of steel; and

Whereas, That production not only provides jobs for our citizens, but also affects

the livelihood of many Americans as well; and

Whereas, foreign nations substantially have increased their steel production capacity through extensive subsidization, and have directed their steel shipments to the United States, the only free market in the world; and

Whereas, This illegal procedure has had a disastrous effect on operating levels and employment in the American steel industry, causing steel capacity to drop considerably and forcing thousands of steelworkers to be laid off their jobs, or limited to a reduced work schedule; and

Whereas, local government officials have joined industry and labor leaders in urging an end to the influx of foreign steel;

Now, therefore, be it *Resolved* That this Board of County Commissioners does hereby call to the attention of all Federal officials the fact that basic steel is an essential industrial material and a strategic resource necessary to our national defense;

And, be it further *Resolved* That we urge the establishment of quotas to control steel imports to the United States, and to impose steel import limitations under provisions of the Trade Act of 1974, and thus rightfully end this unfair and illegal practice that is strangling our domestic steel industry.

And, *Resolved* That copies of this Resolution be forwarded to the President of the United States, our two U.S. Senators, and the Congressional Delegation from Armstrong County.

RESOLUTION No. 82-17

Whereas, Basic steel is an essential industrial material and, therefore, the domestic industry is a strategic resource necessary to national defense; and

Whereas, The United States can, and must, maintain an adequate level of self-sufficiency and production capability in basic steel, including a skilled and adequate labor force; and

Whereas, The economic base of the basic steel industry has been seriously eroded in recent years by the damaging flow of imports of steel and products containing these materials; and

Whereas, Under pressure of excessive imports, unemployment has climbed as high as forty percent in the steel industry during recent years; and

Whereas, American privately-owned steel producers compete in the marketplace with foreign companies which are government owned, subsidized, or directed and do not have to meet the disciplines of our free-market system; and

Whereas, The steel industry has always favored development of open, fair, and mutually beneficial world trade; it is not protectionist; and

Whereas, The problem of assuring that foreign companies compete fairly and legally confronts the steel industry, many other industries, and our entire economy. As the major openworld market, our nation faces industrial stagnation, reduced job opportunities, and a declining standard of living, unless new understandings and rules relating to trade can be developed with foreign governments; and

Whereas, The steel industry is experiencing massive layoffs due to the unfair dumping of foreign steel;

Now, therefore, be it *Resolved*, and it is hereby resolved that the Mayor and Council of the Borough of Baldwin, County of Allegheny, join the General Assembly of the Commonwealth of Pennsylvania and memorialize the President of the United States and the Congress to impose steel import limitations under the provisions of the Trade Act of 1974; and

Be it further *Resolved* that copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives and each Senator and Representative in Congress from Pennsylvania.

RESOLUTION No. 8-82

Whereas, the Borough of Brackenridge is one of the leading Boroughs in the United States in the production of steel; and

Whereas, the production of steel not only provides jobs for our citizens, but also affects the livelihood of millions of Americans as well; and

Whereas, it is a prime concern that foreign nations substantially have increased their steel production capacity through extensive subsidization, and have directed their steel shipments to the United States, the only free market in the world; and

Whereas, this illegal procedure has had a disastrous effect on operating levels and employment in the American steel industry, causing steel capacity to drop to 50 percent this month, and forcing 127,000 steelworkers to be laid off their jobs, or limited to a reduced work schedule; and

Whereas, local government officials have joined industry and labor leaders in urging an end to the influx of foreign steel;

Now, therefore, be it *Resolved* that the Mayor of Brackenridge and Borough Council does hereby once again call to the attention of our Federal Government the fact that basic steel is an essential industrial material and a strategic resource necessary to our national defense;

And, be it further *Resolved* that we urge the establishment of quotas to control steel imports to the United States, and to impose steel import limitations under provisions of the Trade Act of 1974, and thus rightfully end this unfair and illegal practice that is strangling our domestic steel industry.

And, *Resolved* that copies of this Resolution be forwarded to the President of the United States, our two U.S. Senators, and the Congressional Delegation from Allegheny County.

CITY COUNCIL RESOLUTION No. 1982-38

Whereas, basic steel is an essential industrial material and, therefore, the domestic industry is a strategic resource necessary to national defense; and,

Whereas, the United States can, and must, maintain an adequate level of self-sufficience and production capability in basic steel, including a skilled and adequate labor force; and,

Whereas, the economic base of the basic steel industry has been seriously eroded in recent years by the damaging flow of imports of steel and products containing these materials; and,

Whereas, under pressure of excessive imports, unemployment has climbed as high as forty percent in the steel industry during recent years; and,

Whereas, American privately-owned steel producers compete in the marketplace with foreign companies which are government-owned, subsidized, or directed and do not have to meet the disciplines of our free-market system; and,

Whereas, the steel industry has always favored development of open, fair, and mutually beneficial world trade; it is not protectionist; and,

Whereas, the problem of assuring that foreign companies compete fairly and legally confronts the steel industry, many other industries, and our entire economy. As the major open-world market, our Nation faces industrial stagnation, reduced job opportunities, and a declining standard of living, unless new understandings and rules relating to trade can be developed with foreign governments; and,

Whereas, the steel industry is experiencing massive layoffs due to the unfair dumping of foreign steel.

Now, therefore, be it *Resolved* by the City of McKeesport, in Council Assembled, and it is hereby resolved by the authority of the same, that the Mayor and Council of the City of McKeesport request the President of the United States and the Congress to impose steel import limitations under the provisions of the Trade Act of 1974.

Be it further *Resolved*, that copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives and each Senator and Representative in Congress from Pennsylvania.

RESOLUTION

Whereas, the unemployment rate of the Cambria-Somerset Area is 14.2 percent,

And whereas, the three basic steel industries in the Cambria-Somerset County Area, (Johnstown Works of Bethlehem Steel Corporation, Lorain Works of United States Steel Corporation, and the N. George Belury Wheel Plant—Abex Corporation of I. C. Industries, are collectively operating at approximately one-fifth their capacity,

And whereas, the import dumping by and countervailing duties assisting many foreign steel companies contribute to the distressed condition of our local steel industry as well as our local economy.

Now therefore be it *Resolved*, that the Greater Johnstown Committee, a consortium of business and professional leaders in this area, hereby urges the Government of the United States to take action in support of the major American steel companies to prevent or to offset the effects of both the dumping of foreign steel within this country and also the indirect subsidies paid to foreign steel companies by their governments enabling them to market their products here at non-competitive prices.●

A CITIZEN'S GIFT TO HIS GOVERNMENT

● Mr. EAGLETON. Mr. President, a constitutent of mine and dedicated Government employee, Louis C. Elsen, recently donated to the Federal Government a computer software system. Mr. Elsen developed his logical on-line users inquiry system (LOUIS) on his own time while serving as a technician in the 2199th Computer Services Squadron at Scott Air Force Base in Illinois.

In view of the millions of dollars in savings to the Government, which already has resulted from the implementation of Mr. Elsen's invention and in recognition of his service to his country, I ask that my letter of congratulations and relevent Air Force documen-

tation be printed at the appropriate place in the CONGRESSIONAL RECORD.

The material referred to follows:

U.S. SENATE,
Washington, D.C., July 29, 1982.

LOUIS C. ELSEN,
Computer Services Squadron,
Scott Air Force Base, Ill.

DEAR MR. ELSEN: I have recently learned that you have donated to the Federal Government the Logical On-Line Users Inquiry System (LOUIS) computer software system, which you developed on your own time while serving as a technician in the 2199th Computer Services Squadron. In view of the millions of dollars in savings which your invention has brought about in over twenty government agencies, I would like to congratulate you.

As a member of the Defense Appropriations Subcommittee, I find it gratifying to hear of a government employee who has developed a breakthrough in computer technology that the Air Force estimates will save the Department of Defense $238 million a year. It is also highly significant that you have elected to donate, license-free for exclusive government use, an invention which could have been sold to the government for a considerable sum.

In recognition of your service to the government, I am placing this letter and relevant Air Force Documentation about your invention and donation in the Congressional Record.

Regards,

THOMAS F. EAGLETON,
U.S. Senator.

DEPARTMENT OF THE AIR FORCE
Washington, July 22, 1982.

Mr. LOUIS C. ELSEN
Rural Route 2, P.O. Box 63
Red Bud, Ill.

DEAR MR. ELSEN: I received the letter and license agreement by which you have offered your LOUIS program to the United States of America as a gift.

Pursuant to 10 USC 2601, I accept with pleasure your gift of LOUIS and have executed the license agreement to that effect. The Air Force, and hopefully other Federal agencies, will achieve significant cost efficiencies through your gift's enhancement of the rapid data retrieval capabilities of our computer systems.

Thank you for your kindness and generosity.

Sincerely,

DAVID E. PLACE
General Counsel.

TEST DATA ON LOGICAL ON-LINE USERS INQUIRY SYSTEM (LOUIS) COST BENEFIT ANALYSIS

1. In December 1979, AFDSDC conducted a poll to obtain current information of inquiry usage throughout the USAF. The survey established the following figures:

a. There are approximately 790 inquiries run per week per site.

b. The majority of the time, the grades of the individuals developing inquiries were equivalent to Captain or higher.

c. Inquiries were run against data bases with an average file size of 5900LL.

d. The average time spent in developing each inquiry was approximately two hours.

2. The total number of DoD H60XX were extracted from the DETAIL OF INVENTORY OF U.S. GOVERNMENT COMPUTER SYSTEMS—TABLE 4 obtained from GSA. Although this list reflects a total of 158 sites, only AF installations were polled as a representative sampling.

3. The analysis of LOUIS by ADCOM, HQ, MAC, and HQ AFCC established the average time to generate, input, and execute a LOUIS inquiry to be five minutes or less.

4. Establishing the cost difference between LOUIS and TRS was accomplished by building an "average" data file of 590LL, then executing TRS and LOUIS inquiries recording the cost of each inquiry as calculated by the vendor's algorithm.

a. TRS was used in this comparison for the following reasons:

(1) It is more efficient than COBOL and WWDMS as shown in Attachment 3 of this DAR; this fact was also documented in a study published by AFDSDC in May 1977 H6000 world.

(2) It is easier to write an inquiry in TRS than in COBOL.

b. The Honeywell algorithm for calculating the cost of each inquiry was used because it incorporated memory usage, processor usage, disk usage, and terminal I/O usage. In addition to being thorough in measuring the expenditures of machine resources, it provided the actual cost of the resources expended by each inquiry. The average cost savings of LOUIS inquiries compared to TRS inquiries was $12.57.

5. Based on the preceding information, we can now calculate the savings of implementing LOUIS at an H6000 site.

The number of minutes saved in generating an inquiry	115
The number of inquiries run per site	790
Manminutes saved per week	90,850
Converted to manweeks	2,400
Manweeks saved	37.85
Cost of a captain for 1 week	$503.82
Cost savings per week (manpower)	$19,069.59
Converted to years	52
Manpower total	$991,618.68
Savings of running one LOUIS inquiry	$12.57
Number of inquiries run per week	790
Cost savings per week	$9,930.30
Convert to years	52
Machine savings per year	$516,375.60
Manpower savings per year	$991,618.68
Total potential savings per site per year	$1,507,994.30
Total DOD number of sites	158
Total potential savings if implemented at all DOD H60XX sites	$238,263,100.00

[From the St. Louis Post Dispatch, Jan. 2, 1981]

SCOTT EXPERT'S COMPUTER A BIG MONEY-SAVER

(By Jerri Stroud)

A self-taught computer expert at Scott Air Force Base has developed a computer system that is expected to save the Department of Defense $238 million in its first year of use.

Louis C. Elsen, a civilian employee with the 2199th Computer Services Squadron of the Air Force Communications Command at Scott, developed the LOUIS system, which really isn't named after himself, but stands for Logical On-Line Users Inquiry System.

"Any individual can, in plain simple English, tell the computer what he or she wants it to do—just as though the user was talking to a computer programmer," Elsen said.

The simplicity saves computer time—and that time is money. In addition, it provides answers to users much more quickly than other systems.

A person unfamiliar with data processing can get information from the computer in an average of five minutes using LOUIS. The system can be used to obtain information on personnel, budgets, finance, inventories, status of equipment, availability of communications circuits and other computer data files, he said.

The system has reduced the time required to obtain information in the last six months even though the number of computer inquiries has increased 500 percent. "Timing studies have shown that it is faster to use LOUIS than to sit down and try to read a large computer listing," Elsen said.

Elsen said he started working with computers after betting some friends that in two weeks he could solve a problem they had been working on for years. He was on active duty with the Air Force then, but he wasn't familiar with computers.

"They were pretty skeptical", he said. But within a week and a half he had learned the computer language and designed a working system. "My buddies contacted their commander and told him it was in the wrong career field. That's how I got started 13 years ago."

Since then, Elsen has taken a few practical courses on computer programming techniques and assembly language. But otherwise, he is self-taught.●

SENATOR SARBANES SALUTES MRS. ENOLIA McMILLAN

● Mr. SARBANES. Mr. President, this weekend the Baltimore branch of the NAACP will convene its second annual community leadership conference in Baltimore, saluting Mrs. Enolia McMillan, who has served as president of the branch with great distinction for more than 12 years.

Mrs. McMillan is one of the outstanding leaders in our community. In 1978, she succeeded Dr. Lillie M. Jackson, whose dedicated service in that post spanned more than 30 years. In her acceptance speech, Mrs. McMillan set forth her goals: "I accept the challenge of service, and will do all that I can to further the efforts of the NAACP," she told a capacity audience.

Among her important and constructive efforts were successful drives to increase membership, strengthen the NAACP's education, job placement, and crime control councils, and increase community and business involvement in the NAACP.

Born in 1904 in Willow Grove, Pa. Mrs. McMillan came to Baltimore in 1907. After graduating from high school in Baltimore, Mrs. McMillan

left home to attend Howard University in Washington, and then received an M.A. from Columbia University in New York before returning to Maryland to teach school. Until her retirement from active teaching in 1968, Mrs. McMillan was a greatly admired and respected teacher in the Baltimore schools.

Mr. President in honoring Mrs. McMillan as Solid Citizen of the Week in March of 1969, the Baltimore Afro-American outlined many of this outstanding woman's accomplishments up to that time. For the past 12 years she has built upon this distinguished record of public service, and I ask my colleagues to join in this tribute to this dedicated community leader.

I ask that the Afro-American tribute be reprinted in the RECORD at this point.

The article follows:

[From the Baltimore Afro-American, Mar. 8, 1969]

MRS. MCMILLAN PAVED WAY FOR MANY

Mrs. Enolia P. McMillan, has been an educator in the Maryland school system for over 42 years.

Hers was the lone voice, back in 1934, when she stood before the Colored State Teachers Association and read her thesis requirements from Columbia University, discussing the "inadequate salaries of colored teachers."

She is the Afro's "Solid Citizen of the Week."

Although Mrs. McMillan retired from the school system six months ago (September, 1968), she is still actively involved with children.

In her work with the Planned Parenthood organization, she does voluntary work in the "Children's Comprehensive Clinic," at John's Hopkins Hospital.

Mrs. McMillan explains her retirement:

"I retired because I wanted to have some time to do some of the things I like while there is still time.

"There are two things I really enjoy doing . . . I like to sew, I make my own clothes, and I like flowers . . . now I have time to work in my flower garden."

Mrs. McMillan continues, "I'm catching up on my reading and going back to my cooking. Now I have time to visit at length. I don't look at television a lot, but I can enjoy it more And I seldom get up before 8 a.m."

Mrs. McMillan took a "global tour" in 1966, visiting Japan, Hong Kong, Hawaii, Formosa, Thailand, Israel and other countries.

Last summer, she toured Europe: Spain, Portugal, Italy, France, London, England, Austria, Germany and Switzerland.

Last fall, she toured in the Carribean, stopping in nine ports. And later she motored across country where she stopped at Hoover Dam, Grand Canyon, Salt Lake City, Yellowstone National Park, Mexico and Los Angeles where she visited her brother.

The administrator, Mrs. McMillan spent the last five years of her career as an educator as vice-principal of Dunbar High School.

She was an administrative assistant of the Clifton Park Junior High School for two and a half years; she served for five and a half years as vice-principal of Cherry Hill Junior High School; and she spent seven years as principal of Pomonky High School in Charles County.

The teacher, Mrs. McMillan taught mathematics at Booker T. Washington Junior High School in Charles County; she taught for two years at General Henry Lee Junior High School No. 72; and she also taught at the Denton High School in Denton, Md.

The leader, Mrs. McMillan served for four years as president of the Maryland Teachers Association, and was instrumental in having the presidency of the American Teachers Association during 1939. The regions of the group included Maryland, Washington, Pennsylvania and New York.

Mrs. McMillan, was unanimously elected to the board of trustees of the Public School Teacher's Association (which was formerly all white) in November, 1948.

The recipient, Mrs. McMillan received the first Alpha Kappa Alpha (AKA) scholarship award from the Epsilon Omego Chapter, back in 1922, upon graduating from high school.

On June 25, 1938, she was awarded the medal of merit given annualy by the NAACP to the person within the association adjudged to have rendered the most outstanding service in furtherance of its program.

Mrs. McMillan won the award for her work in the NAACP campaign of inequalities in public education. The medal was presented at the 29th annual conference of the association in Columbus, Ohio.

On January 17, 1942, Mrs. McMillan, was cited on the AFRO Honor Roll as president of the State NAACP.

She was awarded the Romiett Stevens award in 1934, and because the award was insufficient to take care of her needs she declined it.

She was listed in the 1936 edition of Who's Who.

In 1957, she was awarded a certificate from the Kappa Chapter of Iota Psi Lambda Sorority in commemoration of National Negro History Week.

For three years, she received the "President's" award for outstanding sales accomplishments in her affiliation of World Book Encyclopedia.

The Christian, Mrs. McMillan, has been an active member of the Calvary Baptist Church for 47 years. Here she serves as administrative director of the Calvary Baptist Day Nursey, and served as director of Sunday school activities and also later as second vice-president of the Sunday School and Baptist Training Union Convention of Maryland several years ago.

Until the latter part of the fall, she was chairman of the trustee board of the church.

The member, Mrs. McMillan, is a member of the Executive Board of the NAACP, a member of Planned Parenthood, a trustee of the church, was formerly a member of the Advisory Board of the Ashland Ave. Family Planning Center; YWCA.

She was also a trustee of the Public Teachers Association, she served as Liaison Officer for the Municipal Employees Credit Union, and also served on the Urban League for three years.

Mrs. McMillan, was born in Willow Grove, Pa., the oldest of four children of John and Elizabeth Pettigen.

She attended the public schools of Baltimore and graduated from the Colored High School (known today as Douglass High School).

She received a bachelor of science degree in education from Howard University, graduating cum laude.

She also earned a master's degree in education from Columbia University in New York.

Further studies included two summers at Hampton Institute.

Mrs. McMillan is married to Betha D. McMillan of New York.

She is the mother of a son, Betha D. McMillan Jr., who teaches mathematics at Morgan State College.●

OMNIBUS VICTIMS PROTECTION ACT OF 1982—S. 2420

● Mr. DURENBERGER. Mr. President, I am pleased to join Senator HEINZ and Senator LAXALT in sponsoring the Omnibus Victims Protection Act of 1982. While we must continue aggressive measures to prevent crime and prosecute offenders, we cannot forget the victims of crime. Too frequently, the crime victim is left battered by the wayside as our justice system focuses its attention on the criminal. With the passage of the Omnibus Victims Protection Act, this need not be the case.

This bill is intended to reaffirm the purpose of our justice system—to protect our citizens against crime. Despite strong efforts, the system breaks down and crimes occur. Given this unfortunate reality, we need to recognize the duality of our justice system. Part of the process is to punish the felon to enhance deterrence against crime and hopefully prevent further offenses. Equally important, the system would help the victim during the aftermath of crime.

At a hearing held by the Special Committee of Aging, we heard firsthand accounts from elderly crime victims. Mr. President, there are few families in this country who have not been touched, either directly or indirectly, by some form of crime. Certain groups are more vulnerable than others. But the aging are by far the most vulnerable, and the reasons for that vulnerability are unlikely to change significantly.

Many seniors live in centralized housing developments, often in inner city areas where crime rates are higher. Elderly people are more likely to live alone, and the natural handicaps of age make seniors more vulnerable to crime. Statistics show that for reasons I find difficult to comprehend, criminals are more likely to use force on the elderly—and, of course, the elderly are more susceptible to injury. Because of their lower income, the elderly find it far more difficult to compensate for losses suffered at the hands of criminal elements.

For this segment of the population, statistics greatly understate the impact of the problem. They cannot measure the fact that senior citizens alter their lifestyles, sometimes drastically, in a direct response to the fear of crime. The fault, theft and the

threat of violent crime, is literally keeping many seniors captive in their own homes.

It is essential to recognize that preventing the crime is only one part of the challenge. Cushioning the impact of crime on the victim is another. When crime strikes the elderly its force is debilitating. Many elderly are poor, and ill-equipped to handle the loss of property or money due to theft. The violence and abuse of criminal assault strikes hardest on seniors, who are not as strong and not as quick to heal. Injuries suffered from violent crime may be the motivating force which sends an elderly person into a nursing home and ends the opportunity for independent living.

My concern for crime victims extends far beyond the elderly: This problem touches every American. Through the Omnibus Victims Protection Act we will protect witnesses who provide vital information to prosecute criminals. This bill will help provide restitution to victims for the loss of property or personal injury. This bill will protect victims and witnesses from intimidation and retaliation.

I hope my colleagues will carefully review this legislation and join me in supporting its passage.

ORDERS FOR FRIDAY

Mr. BAKER. Mr. President, I believe there is an order for the Senate to convene on tomorrow at 9:30 a.m., is there not?

The PRESIDING OFFICER. The Senator is correct.

ORDER FOR THE RECOGNITION OF SENATOR NUNN ON TOMMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order the distinguished Senator from Georgia (Mr. NUNN) be recognized on special order of not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF SENATE JOINT RESOLUTION 58

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders and the disposition of the time allocated to them under the standing order and the execution of the special order just provided for, there be a brief period for the transaction of routine morning business to extend not past 10:30 a.m. with statements limited to 2 minutes each, and that at the expiration of the time for morning business or the closing thereof, the Senate resume consideration of the Senate Joint Resolution 58.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROLLCALL VOTES TOMORROW

Mr. BAKER. Mr. President, on tomorrow it is anticipated that there will be rollcall votes. It is not anticipated, however, that the Senate will remain in late.

I anticipate that the last vote tomorrow afternoon will occur on or prior to 3 p.m.

ORDER FOR RECESS AT THE CONCLUSION OF BUSINESS ON TOMORROW UNTIL 11 A.M., MONDAY, AUGUST 2, 1982

Mr. President, while I have the floor, I ask unanimous consent that when the Senate completes its business on Friday it stand in recess until the hour of 11 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow, the Senate will convene at 9:30 a.m. After the recognition of the two leaders under the standing order, the distinguished Senator from Georgia (Mr. NUNN) will be recognized on a special order of not to exceed 15 minutes in length.

After the execution of the special order, Mr. President, there will be a brief period for the transaction of routine morning business to extend not longer than 10:30 a.m.

At 10:30 a.m., or earlier, if morning business is closed prior to that time, the Senate will resume consideration of Senate Joint Resolution 58, at which time the Dixon amendment, No. 2001, will be the pending question.

It is anticipated that there will be a rollcall vote on that amendment and perhaps others in the course of the day. I expect that the Senate will continue in session until midafternoon, I would estimate 3 p.m.

Mr. President, that concludes my requirements for the transaction of business. I inquire of the minority leader if he has any further matter to present.

Mr. ROBERT C. BYRD. I have nothing.

Mr. BAKER. I thank the minority leader.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I see no other Senator seeking recognition and I have no further business to transact. The minority leader has indicated he has no other matter to present to the Senate this evening. I, therefore, move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. on tomorrow.

The motion was agreed to; and, at 7:15 p.m., the Senate recessed until Friday, July 30, 1982, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 29, 1982:

INTER-AMERICAN FOUNDATION

Marc E. Leland, of California, to be a Member of the Board of Directors of the Inter-American Foundation for the remainder of the term expiring September 20, 1982.

DEPARTMENT OF STATE

Rutherford M. Poats, of Virginia, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

INTERNATIONAL MONETARY FUND

Charles H. Dallara, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

George R. Hoguet, of New York, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development for the term of 2 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

SENIOR FOREIGN SERVICE

Foreign nominations beginning Jay W. Gildner, to be a Career Member of the Senior Foreign Service, class of Career Minister, and ending Werner Sauer, to be a Career Member of the Senior Foreign Service, class of Counselor, Consular Officer, and Secretary, which nominations were received by the Senate on July 6, 1982, and appeared in the CONGRESSIONAL RECORD of July 12, 1982.

HOUSE OF REPRESENTATIVES—*Thursday July 29, 1982*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In earnest supplication we reach out to You, O God, with the prayer that Your grace will be sufficient in every need. Give to those in authority the spirit of wisdom and compassion that contributes to the common good; give to those who know the turmoil of conflict the healing and courage and hope of a better day; give to those who practice friendship and understanding in their daily lives the assurance that such kindness is a bond that brings people together in love. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 5380. An act to recognize the organization known as American Ex-Prisoners of War; and

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982 through August 7, 1982, as "National Purple Heart Week."

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I ask that I might have the attention of the Members in order that we could have a brief recitation of the program for the remainder of the day and the week.

It is planned that at the conclusion of the 1-minute rule, we would go back into the Defense Department authorization bill and complete that bill. We hope to be able to complete that bill at least before 3 o'clock, in order that we leave ample time to take up the supplemental appropriations bill later this afternoon.

When that is done, we would hope that we would then have completed the program for the week. We would come back on Monday with a great many suspensions, but no votes—no votes on Monday. On Tuesday we would take the reconciliation savings bill, the Post Office and Civil Service bill, for which a rule was adopted yesterday. Any further program to be announced later.

But I thought it important to get that much information to the Members today, in order that they can make their plans.

Mr. MICHEL. Mr. Speaker, would the distinguished majority leader yield for a question?

Mr. WRIGHT. Of course I yield to my friend, the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

Assuming the Defense authorization bill drags on, do I understand that no matter what, we would go to the supplemental appropriations bill after consideration of that Defense authorization, or would there be a terminal point at which the gentleman would make a decision as to whether to go over tomorrow? Should we not just have a clean-cut decision that no matter what, we are going to finish that business today and definitely the reward for that is nothing tomorrow?

Mr. WRIGHT. Well, that is my understanding.

The SPEAKER. If the gentleman will yield to me, we have already notified the chairman that we hope that he completes the bill by 3 o'clock. If he does not complete the bill by 3 o'clock, we would then rise, and we would go to the supplemental budget.

It is my understanding that the supplemental budget is expected to take a couple of hours. That would bring us to 5 o'clock. If we have completed the armed services bill, we would adjourn until Monday. If we have not, then we would go back to the armed services bill and have a night session until we finally complete it.

Mr. MICHEL. I thank the Speaker.

Mr. WRIGHT. Complete it today, in other words, by one means or another.

ADJOURNMENT TO MONDAY AUGUST 2, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING THAT HOUSE OF REPRESENTATIVES AND SENATE SHALL NOT ADJOURN SINE DIE OR FOR PERIOD IN EXCESS OF 3 DAYS IN ABSENCE OF A CONCURRENT RESOLUTION

Mr. WRIGHT. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 386) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentlemen from Texas?

Mr. WALKER. Mr. Speaker, reserving the right to object, do I understand that the resolution that the majority leader has sent to the desk for approval is a resolution that would say that the House would continue to meet after July 31 as provided for by law?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. WRIGHT. Yes; the gentleman is correct. Under the provisions of law, this has to be done every year. It is simply a matter of stating that we intend to be in session after July 31.

Mr. WALKER. And the Legislative Reorganization Act of 1946 would require otherwise, that we adjourn sine die on July 31.

Mr. WRIGHT. The gentleman is absolutely correct. In the absence of the passage of this resolution or one identical to it.

Mr. WALKER. It seems to me that when that law was passed, the purpose of it was to assure that Congress would have its work completed by July 31 and would have moved expeditiously on those items of priority before the Nation so that we would not have to have session into the fall. Was that not the purpose?

Mr. WRIGHT. Yes, I think that was the purpose. I was not a Member of

Congress in 1946. But as I read the legislative history that was the purpose then, and indeed Congress did usually adjourn at some time in the summer. In most cases it would complete its business then.

But in the past 20 years that has not occurred. We have not adjourned at that time or anywhere near that time. For one thing, we have passed subsequent legislation which anticipates later adjournments. There are laws that stipulate a second concurrent budget resolution, for example, and set a date in September for its consideration.

Such laws passed subsequent to that Reorganization Act of 1946 really have preempted it and obviated the expectation that we actually would adjourn on July 31.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, would it not be logical that maybe we might consider changing the law, then? We have been doing quite a bit of running over the laws. Last night we ran over the Constitution. Today we are going to go ahead and ignore this law. We have been ignoring balanced budget laws. We have been doing quite a job around here of ignoring the laws and going our own merry way.

Would it not be logical—and I agree with the gentleman that that has been the pattern—that maybe what we ought to do is go and change the Legislative Reorganization Act of 1946 and reflect what has happened over the last 20 years.

Mr. WRIGHT. I think the gentleman would be within his rights to introduce an amendment to that act if he thought of so doing.

Mr. WALKER. Mr. Speaker, further reserving the right to object, it seems to me it is not this gentleman's responsibility to do that. It is the responsibility of the people who are in leadership positions here in the House not to put the House in the embarrassing position of every year having to come back and raise questions about whether or not we are just going to exceed the law and move forward here.

The other thing, and the reason why I probably will not object to this, is because I understand the need to stay around here. We have got all kinds of things bottled up in House committees. We have bottled up the balanced budget amendment to the Constitution. We have bottled up the prayer amendment. We have bottled up all kinds of legislation. This House has not finished its work. We are in a position of having the American people take a look here and realize that we have spent a good part of this year doing nothing of substance, and that there is much of that substance still sitting in the committees.

So I understand why the leadership has to come forward with this particular action. But it does bother me that once again we are just kind of setting the law aside and going along our own merry way.

Mr. WRIGHT. I am delighted that the distinguished gentleman from Pennsylvania acknowledges that the leadership does have certain responsibilities.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Illinois, further reserving the right to object.

Mr. MICHEL. I thank the gentleman for yielding.

I am just going to make the observation that, notwithstanding that adjournment date of July 31 under the Reorganization Act, I would be rather reluctant to amend the law. I would like to think there just might be that day when we might control the flow of events around here, and then I would like to live up to the provision of that adjournment date of July 31.

Would it not be great if we could tell the gentleman from Pennsylvania that we do have our business completed by July 31, and spend those last 5 months out there with the people back home.

Mr. WALKER. Mr. Speaker, further reserving the right to object, I certainly agree with the gentleman on that. And it would be interesting to note that of those last 20 years when we have been unable to meet this standard as the majority leader has indicated, the Republicans have not been in charge of this place at any point during that 20-year period.

Mr. DAN DANIEL. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Reserving the right to object, I yield to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. I thank the gentleman for yielding.

We understand the desire of the leadership to complete the Defense authorization bill. We have now discussed this bill for 35 hours. It is not our intention to cut off anyone if we can prevent it.

But at the appropriate time, Mr. Speaker, we will ask that the debate on our authorization bill and all amendments thereto end at 2 o'clock in order that we can get on.

I do not believe anybody would object to that, because it seems to me we do not have many amendments left. It seems to me to give everybody sufficient time.

So at the appropriate time we will ask for the unanimous consent to do that.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The Speaker. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 386

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of section 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 84 Stat. 1193), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBER TO COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 543) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 543

Resolved, That Jean S. Ashbrook, of Ohio, be and hereby is elected to the Committee on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NO NEW AID TO EL SALVADOR

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I have been brought up in the tradition of a bipartisan American foreign policy. But I confess that this administration's approach to El Salvador makes that tradition difficult, if not impossible, to observe.

How in the world can we at this point certify more aid to El Salvador? I will give you one reason why we should not be doing this at this time. That reason is the unresolved murders of four American religious workers. One of these, Jean Donovan, lived in my State, the State of Connecticut. And yet since December 1980, there has been no real progress on solving the murders, no trial for the murders, no answers to the American families of these murdered religious workers.

Mr. Speaker, without these answers, there should be no new aid to El Salvador.

NEW CHILD LABOR REGULATIONS FOR 14- AND 15-YEAR-OLD CHILDREN—HOUSE JOINT RESOLUTION 551: HALT EFFORTS TO WEAKEN CHILD LABOR LAWS

(Mr. MILLER of California asked and was given permission to address

the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, Secretary of Labor Raymond Donovan has proposed new child labor regulations for expanding the employment hours of 14- and 15-year-old schoolchildren by increasing the hours to which they could work on school nights until 9 o'clock in the evening, and until 10 p.m. on nonschool nights. Donovan's proposed changes would expand weekly work hours for 14- and 15-year-olds from 18 hours a week to 24 hours during school weeks, and 36 hours at other times.

As we all know, unemployment is at a record high in this Nation. We have been awaiting the administration's first initiative to deal with unemployment and to find jobs for millions of unemployed Americans. We have now seen it.

Their answer to record high unemployment is to throw out 50 years of child labor regulations and allow 14- and 15-year-old schoolchildren, to work late into the evening in occupations which have long been classified as hazardous.

But more important, the Congress and the American people have been misled by the administration which told us that they had consulted with education groups with parent and teacher organizations on the promulgation of these regulations.

The fact of the matter is that no education groups were consulted, no parent organizations were consulted, no family organizations were consulted, no labor organizations were consulted. Who was consulted?

The amusement theme park owners in this country and the truck stop operators who want to employ 14-year-olds at a subminimum wage because it is cheaper than employing the 18- and 19-year-olds who are currently unemployed at the rate of 20 percent.

At hearings yesterday on this untimely and insensitive proposal by the Reagan administration, representatives of teachers, parents, and labor organizations, as well as an eminent researcher, condemned the plan to weaken child labor restrictions in the strongest terms possible. Prof. Ellen Greenberger of the University of California (Irvine) told the Labor Standards Subcommittee that the elongated working hours for 14- and 15-year-olds proposed by Secretary Donovan will "have a negative impact on schooling and family life and (will lead) to increased use of cigarettes, alcohol and marihuana."

It is obvious that no effect was made by the Labor Department to discuss these proposed changes with recognized national experts or members of organizations of affected groups and individuals. In particular, it is evident that these proposals were designed to benefit special interest industries, not to promote education or health of adolescents. These regulations deserve to be consigned to the dustbin of history, specifically the 19th century, from which they have inexplicably reemerged decades after we, as a nation, decided to protect children from unreasonable hours or labor.

This Congress, and the Nation, must speak out forcefully against these shortsighted efforts to weaken protections against child labor.

I would hope my colleagues would sign on to House Joint Resolution 551 of disapproval so that we can stop this child labor abuse by the Reagan administration.

□ 1015

RECONCILIATION UPDATE

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. PANETTA. Mr. Speaker, I would like to insert into the RECORD an update on reconciliation. As the Members may know, on Monday we adopted the first of a reconciliation savings by the Veterans' Committee, which was approved by a vote of 400 to 0, and surpassed the savings contained in their reconciliation instructions.

Next Tuesday the vote will come on the Post Office and Civil Service Committee, which will impact on about five committees relating to the 4-percent cap on COLA.

The Agriculture Committee today will report out its bill. It was directed to achieve savings of $779 million for 1983. They are going to report $1.3 billion in savings for 1983, so they have far exceeded their savings target in reconciliation for 1983, 1984, and 1985.

The Banking and Finance Committee on Tuesday also reported out its reconciliation legislation. It is expected to come to the floor next week.

The Energy and Commerce Committee reported out yesterday savings in the medicaid area. They will be going to conference with the Finance and Ways and Means Committees on the reductions that are included in that legislation.

Last, with regard to the Ways and Means, as a result of the action of Congress yesterday they will be going directly into conference on spending reductions to be included along with tax revenues.

That completes the report. I would like to commend the chairman and members of the various committees for their cooperation. It will be in the RECORD for the convenience of the Members.

The following is an update on reconciliation action:

RECONCILIATION UPDATE—REDUCTIONS DIRECTED UNDER RECONCILIATION FISCAL YEAR 1983

[In millions of dollars]

House committee	BA	O	Committee action
Agriculture	779	779	The Agriculture Committee met on July 27 and will continue to meet July 28, to consider the recommendations of the subcommittees with jurisdiction over the food stamp, dairy price support, and feed grain programs. Action by the 3 subcommittees include reductions of $206,000,000 in fiscal year 1983 in the food stamp program, changes in the dairy price support program, achieving savings of $730,000,000 in fiscal year 1983 and implementation of a paid grain diversion program, which costs in fiscal year 1983 but saves money in fiscal years 1984 and 1985. Preliminary estimates of provisions considered to date indicate that savings have been achieved well beyond the reconciliation instructions.
Armed Services	213	213	The Armed Services Committee has sent a letter to the Budget Committee stating its intention to comply with the 4 percent COLA for retired military personnel assumed in the 1st budget resolution. This would be contingent on similar action on civil service COLA.
Banking, Finance, and Urban Affairs	.....	695	On July 27, the Banking Committee reported H.R. 6812, which would reduce salaries and expense authorizations for the Departments of Treasury and HUD. In addition, the committee agreed to meet its reconciliation directive by including the Net Worth Guarantee Act (H.R. 6267) reported on May 11, 1982, and passed by the House. This bill would reduce 1983 outlays by $900,000,000 from the CBO baseline.
Energy and Commerce	514	675	The full committee has scheduled a markup for Wednesday, July 28 and reported out savings in medicaid of approximately $500,000,000.
Foreign Affairs	.....	2	The Foreign Affairs Committee plans no specific reconciliation action. It will defer the Foreign Service COLA to the Post Office and Civil Service Committee because the Foreign Service COLA is linked to the civil service system by law.
Merchant Marine and Fisheries	4	4	The Merchant Marine and Fisheries Committee indicated in a letter of July 23 that their action on meeting their reconciliation directive by capping Coast Guard COLA's is linked to the work of the Armed Services Committee and the Post Office and Civil Service Committee.
Post Office and Civil Service	.....	376	The committee on July 21 marked up H.R. 6785 which makes reconciliation savings of $33,000,000 by rounding down civil service annuities and changing retirement eligibility dates for voluntary retirements. No cap on retirement COLA was recommended. The Rules Committee on July 27 recommended a rule on H.R. 6862, which is a replacement for H.R. 6785. The rule would allow 1 amendment to provide for a 4-percent cap on COLA, to be offered by any Member. The bill may be considered on Thursday, July 29.
Veterans' Affairs	77	77	House passed H.R. 6782 on July 27, amending veterans' compensation, pension, and readjustment benefits programs. The changes will result in savings of $170,000,000 in fiscal year 1983.

RECONCILIATION UPDATE—REDUCTIONS DIRECTED UNDER RECONCILIATION FISCAL YEAR 1983—Continued

[In millions of dollars]

House committee	BA	O	Committee action
Ways and Means (revenues $20,900).	593	3,755	The Ways and Means Committee will meet on July 28 to decide whether to markup a revenue package or to go directly to conference with the Senate on the bill, which the Senate approved last week. However, the full committee did vote on July 15 to increase the Federal unemployment tax, which would raise $1,400,000,000 in fiscal year 1983. The committee also approved deficit reductions for fiscal year 1983 of about $5,300,000,000 in health and income security programs.

THE PRESIDENT'S CONVENIENT MEMORY

(Without objection, Mr. WRIGHT was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, last evening I could scarcely believe my ears when I heard the President of the United States responding to a question at the press conference. He said:

If you will recall, all last year we were talking about a sluggish economy, that no one should expect any sudden booms or anything.

The President's memory seems to be very flexible. He seems to remember things in ways that are convenient to him but unfactual. The truth is that he has repeatedly prophesied early recoveries which did not materialize.

On March 10 of last year Mr. Reagan said:

Our tax proposal will if enacted have an immediate impact on the ecomonic vitality of the nation.

That prophecy was contained in his budget message to Congress.

The President's tax cut was passed, of course, on August 4 of last year. Such impact as it had on the Nation's economic vitality was not benign.

In September of last year, the President said:

I am as convinced today as I was when we introduced the package that this economic plan is as good as money in the bank.

And in September, the President said:

I think as we pass October 1 * * * we are going to begin to see the effect.

All of this, of course, was wishful thinking. The economy began a steep decline.

Finally, on October the 19th of last year, the President said:

I think there is a slight recession and I hope a short recession.

On the first day of last November, Secretary Regan on "Face the Nation" said:

I don't think the unemployment rate will go over 8 percent.

Of course, today it is perilously near 10 percent.

The Washington Post of March 2 quotes the President as saying that the recession "has begun to level out." The Chicago Tribune of March 4 quotes him as saying the economy "is poised for recovery."

On the 3d of February, Secretary Regan could scarecely contain his enthusiasm. He said:

The U.S. economy is going to come roaring back in the late spring.

Well, the spring has grown very, very late. It is almost August, and the economy clearly has not come "roaring back."

The President should be more careful with the truth. To make errant predictions is perfectly human. To deny that one made them is something entirely different.

The President surely must know that Congress gave him each of the major things that he requested last year. Yet he constantly seeks to blame Congress because his own economic program is not working.

I could hardly believe any President would be so unfactual, let alone so ungracious as to say that the high deficits would not have occurred, "if we had been able to get the tax cuts implemented as we wanted them." He said that last night.

Error of opinion is something to which any of us may be prey. But a President really does have the responsibility to be more careful of facts.

CASTING ASIDE THE CONSTITUTION FOR POLITICAL EXPEDIENCY

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, last evening in the debate on the motion to send the Senate tax bill directly to conference, I made the point that we were casting aside the Constitution for purposes of political expediency.

Mr. Speaker, that is never a good reason for taking serious action. I would like to report this morning that it did not work.

The lead sentence in the story in the Washington Post, I quote:

The Democrat controlled House brushing aside constitutional issues in favor of political calculations yesterday voted 208 to 197 to accept without modification Senate-passed legislation to raise taxes by $98.5 billion over the next 3 years.

Mr. Speaker, it did not work. for my colleagues, my Democrat colleagues who voted last night out of political expediency, your fingerprints now are on this bill and I ask you, was it worth it?

To my Republican colleagues who made the same vote last night in favor of that motion, in the same article it quotes our minority whip as saying:

The bill that passed the Senate will have trouble on the Republican side of the House.

That procedure last night may well have killed the passage of a tax bill which did not help our President, which was the political expediency you were looking for on our side of the aisle.

Mr. Speaker, political expediency does not work. It did not work this time. We did not fool anybody.

DID CONGRESS KNOW WHAT IT WAS DOING LAST NIGHT?

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, in the debate last night on the tax bill, it was suggested by one of our colleagues that Members did not know what they were doing last year when they supported the tax bill, that those of us who voted for it supported it in some kind of blind allegiance to something or someone.

I reject that argument as absurd and untrue; but purely for the sake of argument, if you do accept it as correct, there is one important consideration, a fundamental difference between the tax bill of last year and the tax bill debated last evening. Last year's bill cut taxes three-quarters of a trillion dollars over the next 5 years. Many of us could almost buy that principle of reducing the burden of taxes on the American taxpayers by that amount sight unseen.

However, last night's tax bill raises taxes $100 billion over the next 3 years. Adoption of that legislation would return to the old theory of tax and tax and spend and spend that has resulted in high inflation, intolerable interest rates, and enormous deficits. Although I could not vote for that legislation in its present form under any circumstances, I object most to the procedure that gives us no opportunity to even read the bill, let alone study its provisions before we are asked to deal with it.

I regret the process that requires us to take a position on legislation we have never even seen. It is beneath the dignity of the greatest deliberative body in the world and will in the light of history be proven to be a tragic mistake. The American people and our governmental system deserve better. It may have represented a new low in legislative practice for this House.

UNISPACE CONFERENCE FOR A PEACEKEEPING SATELLITE

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, yesterday I introduced a resolution that requests the U.S. delegation to the upcoming Unispace 1982 Conference to look at a proposal for a peacekeeping satellite.

This is the second United Nations Conference on the Exploration and Peaceful Uses of Outer Space, and much has changed in space since the initial conference in 1967. I believe the time has come for a United Nations-operated satellite to be used to monitor worldwide military activities, including arms buildup, troop movements, and all other military actions.

This resolution is timely in light of recent criticism by the Soviet Union of our newly initiated reusable Space Shuttle as serving in an aggressive military space role, and the fact that the Russians are moving rapidly toward a permanently manned space station.

THE DEMOCRAT SOCIAL TAX INCREASE

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, in the last few days there has been much in the local press and the national press said by you and your colleagues about this tremendous Republican tax increase and this tremendous Republican tax bill.

Mr. Speaker, I want to remind you and many of your colleagues that you and your social-minded colleagues refused steadfastly to cut our budget, to cut the social programs. Then you beat your breast to take credit for all you have done, and are doing, for the poor by refusing to cut spending and balance our budget. Someone has to assume fiscal responsibility to pay for all those programs for which you so notably took credit.

Mr. Speaker, it is the fiscally responsible Republicans who have to bite the bullet and realize that somebody has to pay for all your fun and games. It has to be done through a tax increase; so let us not label this a Republican tax increase. Let us label it a tax increase necessary to pay for all the social programs as sponsored by the Democratic Party.

EVANS-CORCORAN AMENDMENT BEATEN BACK BY PARLIAMENTARY MANEUVERING

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, I rise today to protest the efforts of the leadership of the majority party to block mortgage revenue bonds for home purchasers, at the same time they are perfectly willing to continue big dollar corporate welfare programs. For months many Members have been trying to get a vote on the transfer of $1 billion from the Synfuels Corporation to the mortgage revenue bond program, but every attempt to consider the Evans-Corcoran amendment has been beaten back by parliamentary maneuvering.

The majority leadership gives us rhetoric about helping the small homebuilder and the prospective home buyer and protecting the American dream of homeownership, but their control of the legislative agenda prevents this House from even considering the Evans-Corcoran amendment for mortgage revenue bond financing.

If there is any real concern for the home purchaser, let us have a vote on mortgage revenue bonds for housing.

EVANS-CORCORAN HOUSING PROGRAM

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, we have heard very often in the past months of the plight of the American housing industry and of the denial to many young families of the American dream of homeownership. Unfortunately, very little improvement can be seen for the housing industry in the near future.

This industry has always played a vital role in leading the American economy out of recessions, and in light of this fact, I voted with a majority of the other Members of the House earlier this summer for an emergency housing stimulus program. I regret that savings could not be found so that this program could have been funded under the budget resolution. However, we now have the opportunity to act on a housing stimulus program which would generate an estimated 348,000 new housing starts over the next 18 months, without backing down on our commitment to reducing Federal spending. This program, sponsored by our colleagues, TOM EVANS and TOM CORCORAN, would reprogram $1 billion from the Synthetic Fuels Corporation to a mortgage interest rate buy down program administered through State housing development authorities under the Mortgage Subsidy Bond Tax Act.

In fairness to the American housing industry and to the American public, I urge the leadership to put aside partisan considerations, and to stop throwing up procedural roadblocks to consideration of this measure. Please allow the House to vote on this important legislation.

THE MORAL EQUIVALENT OF UN-COLA

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, a major television newscaster this morning reported that last night we cast the Constitution aside in order to play politics with tax legislation. The tax issue last evening became the moral equivalent of un-COLA. It was called by nearly everyone who spoke on the issue in the debate an unusual procedure; but it was more than unusual. It was unconstitutional and it was unconscionable.

Once the American people begin to really understand that law means nothing in this body, only politics and convenience move us, they will have every reason to react in disgust.

There can be no better example of our arrogance about the law, including basic constitutional law, than our "unusual" performance yesterday.

EVANS-CORCORAN AMENDMENT CAN GREATLY HELP AILING HOUSING INDUSTRY

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, I rise today to question the wisdom of this body on a matter of grave importance to our economy. This Congress has gone on record in support of special assistance to the housing industry so often it is difficult to recall each vote. Each assistance package we have considered has one common element: All involve new money, which the country simply does not have. Yet, due to the insistence of a few influential Members who demand that we continue to subsidize wealthy oil companies through the Synfuels Corporation, we have not been allowed to consider what I believe to be a most reasonable and worthy idea.

That idea, formulated by my colleagues Congressmen EVANS and CORCORAN, would transfer money already earmarked for synfuels to the ailing housing industry. In a series of events which began 4 months ago, the Congress as a whole has repeatedly been denied the opportunity to even consider this measure.

The Rules Committee has spurned the Evans-Corcoran amendment, as has the majority leadership on the floor. I can only speculate why so much attention has been devoted to this simple transfer involving no new authorizations. I think the majority is aware of how its feeble arguments against this initiative are perceived by the House. But, after all, if we cannot

vote on it, then they cannot be embarrassed by the outcome.

Mr. Speaker, the Evans-Corcoran amendment can greatly help an industry in need by stimulating housing construction without adding a dime to current budget authority. I find it difficult to answer to builders in my district that it is more important to subsidize Kuwaiti oil firms than to provide housing at home. I would bet if you took a moment to listen to your constituents, you would hear the same things.

□ 1030

LET'S MAKE THE FED ACCOUNTABLE

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, I am introducing legislation today that will make the Federal Reserve more accountable to the American people.

Over the past 3 years, extremely high and volatile interest rates have exacted a terrible toll from the auto industry, the housing industry, small business, farmers, and consumers.

When citizens of this country ask who is responsible for today's high interest rates, we must admit that the fault lies both with the past policies of the Congress and the Federal Reserve. But when we are asked who is accountable to the people for the actions of the Federal Reserve, we must answer "no one." It is unfortunately true that the average American has virtually no say in the decisions of the Fed that so directly affect our economic future.

The bill I am introducing today addresses this problem by extending to the executive branch greater responsibility for its economic policies. My legislation simply makes the term of the Chairman of the Federal Reserve Board concurrent with the term of the President who appoints them.

There are many advantages to this proposal. First, concurrent terms of the Federal Reserve Chairman and the President will allow the President to appoint his own Chairman of the Federal Reserve and will provide an administration greater flexibility—and greater effectiveness—in coordinating fiscal and monetary policy.

The bill will also permit the will of the people to be more precisely carried out by providing for a more thorough public review of Federal Reserve policies.

Of course, the greatest advantage of this proposal is that it will introduce accountability into the operation of the Federal Reserve. I hope my fellow Members will join me in returning economic power to the American people, where it belongs.

MEMBERS DENIED OPPORTUNITY TO CONSIDER EVANS-CORCORAN HOUSING ASSISTANCE

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I was extremely disappointed to learn today that the Evans-Corcoran housing assistance measure which our esteemed colleagues from Delaware and Illinois have been attempting to bring to the floor since March has once again been denied floor consideration. Parliamentary maneuvering and partisan politics have once again derailed our efforts to help American homebuilders and home buyers this year in a responsible fashion.

Mr. Speaker, a little earlier in this tawdry drama an urgent supplemental appropriation bill was pulled from the floor twice for fear that this bill might pass. Last week in a meeting with the authors of the bill the President gave a commitment that he would not oppose the bill. And yesterday in the Appropriations Committee our colleague from South Carolina (Mr. CAMPBELL) necessarily withdrew the proposal when a substitute bill involving new budget authority was proposed as a substitute.

In short, Mr. Speaker, Members of Congress have been denied the opportunity to consider this measure every time it has been proposed because its opponents know that it would pass. I maintain that this is a shabby way to do business, and the American people deserve better from their elected leaders.

Mr. Speaker, we should consider Evans-Corcoran on its merits and have an honest vote on it.

MEMBERS SHOULD BE GIVEN OPPORTUNITY TO VOTE ON EVANS-CORCORAN—UP OR DOWN

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, once again the House leadership has denied Members the opportunity to consider on its merits the Evans-Corcoran amendment. I do not think I have to go through with precisely what it does; many Members are familiar with the amendment that the gentleman from Illinois and I have been trying to offer since last March.

It made sense last March; it made sense in April; it made sense in May and June; it makes even more sense today. It makes more sense because the mortgage revenue bond program has been changed to make it more viable and it is even more critically needed today.

Mr. Speaker, we need to give Members of this body an up or down vote on whether or not they want to continue subsidies for major corporations, multinational energy consortia, or provide grassroots assistance to home buyers and homebuilders and hundreds of thousands of American workers who want to go back to work.

The Evans-Corcoran initiative will help restore vitality to our economy and give tens of thousands of citizens an opportunity to achieve the American dream of homeownership.

PERSONAL EXPLANATION

Mr. WEISS. Mr. Speaker, yesterday I inadvertently missed the vote on rollcall 223. Had I been present, I would have voted "yea." I ask unanimous consent that this explanation appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENERGY RESEARCH AND PRODUCTION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT ON AUGUST 3 AND 4, 1982, DURING THE 5-MINUTE RULE

Mrs. BOUQUARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy Research and Production of the Committee on Science and Technology be permitted to sit on August 3 and 4, 1982, while the House is meeting under the 5-minute rule. The purpose of these meetings is to receive testimony on technical solutions to the proliferation of weapons usable material. The minority has been advised of this request and have no objection.

The SPEAKER. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

CHICKENS HAVE LIPS?

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, last night President Ronald W. Reagan told the people that his economic program was working. Those of us who know the President very well know that he also believes that chickens have lips.

WE HAVE HAD ENOUGH NUCLEAR TESTING

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, I am pleased to join Congressman BEDELL in introducing a resolution calling on the President to request Senate ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosion Treaty and to resume trilateral negotiations to conclude a comprehensive test ban treaty.

Mr. Speaker, the United States and the Soviet Union themselves have tested more than 1,000 nuclear devices.

That is enough testing.

Achieving a comprehensive test ban treaty has been the goal of American Presidents for the past 23 years. Such a treaty would be an important first step toward halting the dangerous nuclear arms race between the superpowers and achieving a freeze and reductions in their arsenals.

Just as important, a comprehensive test ban treaty would greatly enhance our nonproliferation efforts. Plainly, we lose credibility in persuading nonweapons states to forgo nuclear arms as long as we continue to stockpile and test nuclear weapons.

By agreeing to a comprehensive test ban treaty the superpowers would take an important step in living up to their end of the bargain with the 1968 Nonproliferation Treaty. In that treaty the weapons states agreed to halt the arms race as soon as possible.

Ratification of the Threshold Test Ban and the Peaceful Nuclear Explosion Treaties will provide the framework for implementing a total ban on the testing of nuclear devices.

Mr. Speaker, I was disheartened to learn that the administration has decided to shelve negotiations on a comprehensive test ban treaty until the TTB and PNE treaties are renegotiated.

I hope my colleagues will join us in this resolution in urging the President to begin immediately negotiation to halt further nuclear explosions.

MR. PRESIDENT, GIVE ME A BREAK

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, last night I watched with amazement the Presidential news conference. I just want to read one of the questions and one of the answers. One of the reporters said, or asked, if the President had some sense of irony that:

> You were standing up there on the steps of the Capitol, presiding over the biggest budget deficit in history and telling the American people, in effect, there ought to be a law against what I'm doing.

Now listen to the answer:

> The budget deficits I don't think can be laid at an individual's door. We have, I could turn around and say how much less that deficit would be if the Democratic leadership that is now coining this nice little trust that you have just repeated, if they had given us all that we asked for last year and this in reductions in Government spending, but we have never gotten yet what we have asked for. If we had been able to get the tax cuts implemented as we wanted them, the full supply-side economic program. Now to turn around I can say back to them, all right then why don't you just give us what we've asked for. You give it to us now and let's see how big the deficit will be.

Let me tell you how big. They would be bigger, because the 10-10-10, the original Kemp-Roth costs more in revenue than what the President got.

Secretary Regan said we got 95 percent of what we want with the tax cut we passed in 1981. The budget cuts, the President got just what he wanted.

Mr. President, give us a break.

SEXUAL HARASSMENT IS NOT A JOKE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I was truly appalled to hear the exchange between the President and Sarah McClendon during the President's press conference last night. I was appalled not only because the President sought to evade an earnest and appropriate question concerning the findings of a task force that the President himself appointed to investigate legal equity for women, but also because the President thought it appropriate to joke publicly about one form of discrimination and abuse—the problem of sexual harassment. I can only question the intentions of the President in appointing a task force to investigate sex biases when he finds the subject of sexual harassment to be a cause for mirth.

Unfortunately, the President's behavior of last night is not the only reason to be skeptical about any meaningful findings that the task force might issue. I also question how much legitimate work that task force can accomplish with no permanent staff and a chairperson whose judicial expertise is in the area of land and natural resources.

Mr. Speaker, the Congress and the American people are tired of the President's insincerity and ineffectiveness in addressing the issue of discrimination based on sex. Yet the American public overwhelmingly recognizes that the issue is a serious one, and I remind the President that it is irresponsible for him to ignore the public conscience.

A SEXUAL HARASSMENT SCANDAL IN THE WHITE HOUSE?

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I was very dismayed when the President last night thought he could make fun of the very serious issue of equal rights for women. His very own appointee in the Justice Department, Brad Reynolds, does not think it is funny and presented to him a serious report about the status of women in his administration and about sexual harassment of women.

When the President was asked about it, rather than dealing with the report and its substance and saying what he was going to do to remedy the situation, he quipped that if he got into the details of the report it would be X-rated or R-rated and thought that his remark was terribly funny.

Now I really wonder what is going on in this administration with regards to women and sexual harassment if the President feels that if he discussed the report's details his comments would be X-rated or R-rated?

Maybe we ought to send the special prosecutor over to the White House because there may be a really incredible scandal. I'm surprised the President thinks the issue is so funny he cannot talk about it, or so serious he cannot talk about it and tries to quip it off.

I really think when the Department of Jusitice has reported to the President in Cabinet meetings about the seriousness of this issue, and he treats it so lightly, over half of America's taxpayers will not think it so funny.

WE MUST ASSIST HOMEBUILDING INDUSTRY

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, for quite a long time we all have recognized the extreme pressures placed on the housing industry by continued high interest rates. Although our efforts to turn the economy around from the tax-and-spend policies of the past 30 to 40 years have begun to take hold, as demonstrated by a marked slowdown in inflation, it is apparent the laws of supply and demand will not bring interest rates down to an acceptable level in the near term. Representatives EVANS and CORCORAN have proposed a possible short-term stimulus to carry the housing industry through this period until we can convince a majority in Congress to take the necessary steps to get the economy in order.

The Evans-Corcoran amendment proposed to repeal phase II of the Synfuels Act and thereby access $1 billion of those funds to give to the State housing finance agencies. It was antici-

pated that almost immediately 146,000 units of housing would move. The Evans-Corcoran initiative would assist the housing industry to speed the economic recovery while maintaining fiscal responsibility. Representatives EVANS and CORCORAN tried unsuccessfully to have this amendment attached to the urgent supplemental appropriations bill and they were blocked. They have again tried to at least have the amendment heard by the Rules Committee and again they have been blocked in their attempt to have it considered on the omnibus supplemental appropriations bill, H.R. 6863. The omnibus supplemental appropriation bill is being brought to the floor without going through the Rules Committee. Therefore no opportunity will be allowed for Representatives EVANS and CORCORAN to be heard in behalf of their efforts to try to help the American people and particularly the American homebuilding industry.

The only real cure for the housing industry is to bring down interest rates. Short of that, the opportunity to be heard on another proposal to assist the homebuilding industry should have been allowed.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1983

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6030) to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6030, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Wednesday, July 28, 1982, title VIII and title X, formerly title IX in the reported bill, were open to amendment at any point.

Are there any amendments to title VIII or to title X?

Mr. PRICE. Mr. Chairman, we are now in our seventh day of the authorization bill. We have had, I think, an adequate discussion on most of the items of concern and I believe we can finish in a reasonable time.

My calculations are that we have had over 35 hours of debate on the bill so far. I think a reasonable deadline for finishing the bill be acceptable to the Members of the House.

I therefore move that the debate on the bill and all amendments thereto conclude at 2 p.m.

□ 1045

The CHAIRMAN. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PRICE. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. WALKER. Mr. Chairman, I demand a division.

On a division (demanded by Mr. WALKER) there were—ayes, 22; noes, 12.

So the motion was agreed to.

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. A recorded vote has been denied.

PARLIAMENTARY INQUIRY

Mr. DICKINSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DICKINSON. The Chairman stated that the Committee would be in business, so to speak, for title VIII or title X. It is my recollection that we had just started with title IV and got unanimous consent to reopen title VIII, and title X at that point had not been reached.

The CHAIRMAN. The Chair will make the observation that title IX was renumbered by the Schroeder amendment and became title X.

Mr. DICKINSON. So there is no title IX?

The CHAIRMAN. Title IX of the reported bill is now title X.

Mr. DICKINSON. So there is no title IX. There is a title X, and we have reopened title VIII, if I am correct.

The CHAIRMAN. A new title IX was inserted by amendment, so there is now a title IX and a title X.

Mr. DICKINSON. There is a title VIII, there is a title IX, there is a title X, is that correct?

The CHAIRMAN. Title X is the last title in the bill.

Mr. DICKINSON. So an amendment to either title VIII or title IX or title X would be in order at this time?

The CHAIRMAN. Not title IX; just title VIII and title X are open to amendment.

Mr. DICKINSON. Well, I had an amendment that I would like to offer. I thought it was to title IX if there is a title IX.

The CHAIRMAN. If the gentleman's amendment was drafted to title IX it will be in order to title X.

Mr. DICKINSON. Mr. Chairman, I have an amendment at the desk which I would like to offer to title VIII.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON, I will be pleased to yield.

Mr. PRICE. Mr. Chairman, I wonder if we could resolve this and compromise and make it 3 o'clock.

The CHAIRMAN. The gentleman from Illinois is asking unanimous consent that debate be concluded at 3 o'clock as opposed to 2 o'clock. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Chariman, reserving the right to object, I do so to ask the Chairman whether or not, under the procedure that he is adopting here, we are going to have all amendments protected that have been at the desk and have been awaiting consideration.

Mr. PRICE. I think the Chairman could answer that question.

The CHAIRMAN. The Chair expects that we will continue under the 5-minute rule, and all amendments are protected.

Mr. WALKER. Further reserving the right to object, what we are doing here, though, is we have now set a time limitation. It is my understanding that there are a number of amendments left. If we do not have time limitations on each of the individual amendments, we could get to the point where there would be some amendments proceeding under the 5-minute rule that would not get offered, would not have an opportunity to be offered. Is that really the procedure we have adopted now?

The CHAIRMAN. The Chair will make the observation that after all debate time has expired, other amendments could be offered, but could not be debated.

Mr. WALKER. Further reserving the right to object, so this gentleman now understands that we have adopted here on the floor a gag rule on all of those amendments that come to the final title of the bill.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be glad to yield under my reservation.

Mr. DICKINSON. It is difficult for me to understand how the gentleman would characterize or classify what we have done as a gag rule. We have been on this bill 5 days—the Chairman says 7 days.

The Chairman has asked that debate be limited to 2 o'clock, which is 4 hours from now; and has now made it 5 hours.

How does the gentleman get off calling this a gag rule? Does he have something to say that just cannot be suppressed and he has got to get out?

Mr. WALKER. I would say to the gentleman that my problem is that many of us, because of the character or our amendments, had to wait for the final title.

Mr. DICKINSON. We have been on the bill for a long, long time. What is this gag rule? Is the gentleman limited in some way?

Mr. WALKER. I will be glad to yield to the gentleman for a statement, but my point is, further reserving the right to object, my point is simply this: Some of us by the character of our amendments could not offer our amendments because the Committee decided to go through and have the amendments title by title. Those of us left to the end of the bill thereby are being limited in our ability to offer our amendments because of the way in which this bill was considered.

The CHAIRMAN. The Chair will make an observation that pending is the unanimous-consent request by the gentleman from Illinois to extend from 2 o'clock to 3 o'clock the time for debate.

Does the gentleman understand that?

Mr. WALKER. Yes; I do understand that, Mr. Chairman, and I am trying to get some idea as to what the parameters are of the debate we are going to conduct, because under the previous motion we did not have a chance to discuss that. I am trying to find out how many of the amendments already at the desk are going to be permitted to be called here under the 2 o'clock or 3 o'clock time.

The CHAIRMAN. The gentleman understands, though, that the Committee has every right to limit debate on any amendment which is pending? The Committee has that right.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Further reserving the right to object, I yield to the gentleman from Mississippi.

The CHAIRMAN. Does the gentleman object?

Mr. WALKER. Reserving the right to object——

Mr. JOHN L. BURTON. Regular order.

The CHAIRMAN. Regular order has been demanded. Does the gentleman intend to object?

The Chair hears no objection.

PARLIAMENTARY INQUIRY

Mr. STRATTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STRATTON. Would it be in order to propose that the time between now and 3 o'clock be controlled one-half by the Chairman and one-half by the ranking minority Member?

The CHAIRMAN. The Chair would make the observation that that would be very difficult with all the amendments which may be offered.

Mr. STRATTON. Then in what way are Members who want to discuss various amendments protected on the opportunity to speak in favor or against them?

The CHAIRMAN. The gentleman would be protected under the 5-minute rule unless there is a further limitation.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 25, after line 25, insert the following new section:

REDESIGNATION OF FEDERAL EMERGENCY MANAGEMENT AGENCY

SEC. 803. The agency known as the Federal Emergency Management Agency is hereby redesignated as the Civil Disaster Agency. Any reference to the Federal Emergency Management Agency in any law, regulation, or other document shall be considered to be a reference to the Civil Disaster Agency.

Mr. DICKINSON. Mr. Chairman, I think that this is a noncontroversial amendment. For years now, we have talked about the Civil Defense Agency. This conjures up an image in peoples' minds of people walking around with tin fallout helmets with "CD" on them and directing people to fallout shelters. The fact is, the Civil Defense Agency as we have known it is really in the business of civil disaster. I would like to have it redesignated as the Civil Disaster Agency. It does not cost anything. It certainly lends to the support of the agency. What we are trying to do is say that now here is an agency that is in the business of assisting agencies, communities, and areas, if they have a local disaster.

In my own district, for instance, when Hurricane Emily came through, Hurricane Agnes came through, the Civil Defense Agency, as it was designated, came down. But, we also had the Red Cross, we had the Salvation Army, we had HUD, we had SBA, we had the National Guard; we had the regular Army. All these people came in and they were supposed to be coordinated and overseen by the so-called Civil Defense Agency.

All I want to do is to give an accurate discription so that we can get more popular support, and just designate it as the Civil Disaster Agency because that is what it is. It is not here only for fallout shelters. It has a much broader connotation, and much broader charter. If we go down the things that are included in their budget between local and civil defense, radiological defense, nuclear protection, fallout shelters, research, emergency operating centers, when Mount St. Helens blew up, for instance, it was a civil disaster which was coordinated by this group. I just think it would make more sense and would have more public support, and for that reason I would like to see it redesignated.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman for yielding. I wish to compliment him on offering this amendment redesignating the title, which is far more apt. For many years we had dual use by Executive order in this country. Last year the law was changed to provide for statutory authority for dual use to deal with attack preparedness as well as natural disasters. That is the law today, and certainly the title is far more apt.

I wish to say to the gentleman that we on this side have no problem with the amendment and accept it.

Mr. DICKINSON. Let me say that I certainly thank the chairman of the Military Construction Subcommittee that has jurisdiction over this, and we have discussed this a number of times.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I would like to question the gentleman a little bit more about the civil disaster component, because we in Colorado had the great honor during the Great Depression to have the gentleman who was then head of civil defense interpret "disaster" to mean economic disasters as well as natural disasters, and so he allowed army equipment, like tents, blankets, et cetera, to be used to help the massive members of unemployed, children, who came to Denver looking for work and camped out. His actions were controversial at the time. I think the man was ahead of his time.

The gentleman, I am sure, by changing the title of this Agency, would include that kind of disaster—economic disaster—to the scope, for economic disasters affect citizens just as acutely as natural disasters do.

Mr. DICKINSON. In response, let me say that what I am doing in relabeling this organization is not changing the definition or the scope of its responsibilities. Whatever is in place now will continue in place. We are not talking about fallout shelters for radiological fallout. We are talking about a myriad of things that they already do. Let us label it what it is. It is not just defense. We are talking about disasters, and I think when people adequately understand what the organization does there will be more money and support for it. We are not changing the scope, the charter or anything

that is in place. We are just putting a new label on it.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say that I have no huge problem with the change of the name of this organization. I agree that the word "civil defense" produces bad vibrations. People turn off with the program before they even know what the program is. It has a poor connotation.

□ 1100

The only reservation I would have is that I am not sure that this is absolutely the best title. I would prefer that we spend a little money on a study and find out precisely which words most aptly describe this particular activity and give it the most favorable connotation.

A few years ago we had "Defense Civil Preparedness Agency," and then we replaced that with the "Federal Emergency Management Agency." There were several others before them. I am not sure that the "Civil Disaster Agency" is going to be a big improvement, but I have no serious objections. Maybe we have got to keep trying until we get it right.

Mr. DICKINSON. Mr. Chairman, the reason I came up with this is that we do not have to change the logo. It is still "CD," and everything has been printed. It is still "CD," but instead of being the Civil Defense Agency, it is the Civil Disaster Agency. People understand what it is, and my amendment labels it more accurately.

So, Mr. Chairman, if the gentleman can support it—and I know he has been a great supporter of civil defense—I would appreciate it.

Mr. PEYSER. Mr. chairman, will the gentleman yield?

Mr. DICKINSON. I yield to my friend, the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I want to compliment the gentleman from Alabama (Mr. DICKINSON) because I do think that part of what he suggested is that the initials are the same so we do not need to go about spending money for that.

I would like to suggest also that the rocord shows that we suggest the Civil Defense Agency finish up all of its stationery first so we do not need to start issuing a lot of new stationery.

Mr. DICKINSON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKEY: Page 25, line 12, strike out "$252,340,000" and insert in lieu thereof "$144,530,000".

Page 25, line 13, strike out "$32,198,000" and insert in lieu thereof "$26,430,000".

Page 25, line 14, strike out "$156,340,000" and insert in lieu thereof "$85,670,000".

Page 25, line 16, strike out "$63,802,000" and insert in lieu thereof "$32,430,000".

Mr. MARKEY. Mr. Chairman, the massive civil defense expenditure this administration has proposed is a stunning example of throwing away money in the name of national security. The administration wants to spend $4.2 billion on a 7-year civil defense program that just plain will not work.

The first installment for this grandiose and ill-conceived plan is a $123 million increase for fiscal year 1983.

The administration's nuclear civil defense program is based on the "Strangelovian" notion that we can fight, survive, and win a nuclear war. Nothing could be further from the truth. The administration's civil defense program is premised on the belief that the Soviet civil defense program will work. Nothing could be more farfetched.

Finally, the administration's program assumes a "Fantasy Island" world after a nuclear attack. Nothing could be more dangerous to assume.

The intent of my amendment is quite simple. Instead of a 95-percent increase in nuclear civil defense over the fiscal year 1982 level, as the administration has proposed, this amendment would bring the spending in line with that passed by Senate Armed Services Committee and the full Senate. And even by cutting $108 million from this massive increase, we would still be increasing spending by 6 percent over last year's level.

Let me be clear. Civil defense in theory is a wonderful idea, but we have to be realistic. In this nuclear age, where a nuclear conflict will result in megadeaths and megadestruction, civil defense will only be a band-aid over the nuclear holocaust. Both the United States and the Soviet Union have enough nuclear weapons to destroy each other completely. Once a nuclear war begins, there is no escape from ultimate destruction.

The administration is talking out of both sides of its mouth on the issue of nuclear war. On the one hand, it assumes that it is possible for us to prevent nuclear war. On the other hand, it wants to spend billions of dollars for a civil defense program that would supposedly be a key ingredient to fighting and winning such a war.

The administration states that nuclear civil defense now "complements" our strategic offensive forces. Nuclear civil defense is supposed to insure that somehow or other, according to the Pentagon's strategy, the United States "must prevail and be able to force the Soviet Union to seek earliest termination of hostilities on terms favorable to the United States." This is absurd. There will be no winners in a nuclear war, and we should not concoct an unrealistic civil defense plan to delude the American people into thinking that there will be winners.

Nuclear civil defense proponents will argue that if a nuclear war should occur, we need nuclear civil defense to save millions of lives, but nuclear civil defense is a program riddled with illogical assumptions and unworkable details. The most implausible and dangerous assumption surrounding nuclear civil defense is that a nuclear war could be limited and controlled. This theory assumes that once a nuclear exchange begins, both sides can rationally limit the damage. Do we really believe we can have such a calm and collected war?

Nuclear civil defense proponents claim that casualties can be minimized and more than 80 percent of the population can be saved through this massive civil defense program. This is pure fantasy. Nuclear war would leave us, no matter what program we have in place, with complete destruction as a society. The 80-percent survival figure ignores the total devastation that would come from nuclear war.

First, it assumes that there will only be death from the blast effects of bombs. It omits all other deaths from bombs, burns, fallout, starvation, and disease. In short, the 80-percent survival figure is a fraud, nothing more, nothing less.

Medical care would be largely unavailable. Sixty-eight percent of all American physicians are located in 71 urban areas, all likely to be targets in a large-scale nuclear attack, and if we think the population or the percentage of the general population dying would be high, it would be higher for physicians.

Food supplies would be destroyed or made radioactive. Most crops are grown in areas near ICBM targets. Even those food supplies that would survive would be nearly impossible to transport to people since the Nation's transportation system of railroads, highways, and airports would be rendered nonusable.

A large-scale nuclear attack would immediately destroy 50 to 90 percent of U.S. industrial capacity. Think about this. We hear that 80 percent of the population could survive. Yet only a small portion of the economy would continue to function.

So what do the civil defense planners base their rosy survival projections on? Here are some of the specifics of the current civil defense plans that are supposed to save so many lives.

Part of the Federal Emergency Management Agency's budget is for public training and education.

Here's what a recent FEMA public information film envisions for a post-nuclear attack world. The film shows people ducking behind trees to avoid

blast effects. Then these people emerge from the trees to put out fires with pails of water. Supposedly, buckets of water will be enough to deal with firestorms of 800 degrees centigrade with winds of over 100 miles per hour.

This program is not public education, it is public pacification.

In order to keep the economy functioning during evacuation and after attack, FEMA has identified 4 million "key" workers in essential industries. And what does the privilege of being a key worker entail? The task of leaving your families behind and commuting into the dangerous risk area for work shifts during the evacuation period.

You can imagine how popular this plan will be.

Do not worry about survival after relocation, FEMA tells us, because they've found "protected" shelter space for nearly all Americans. But where is this protection? Mostly in urban downtown areas where the bombs will land.

For example, the hallway between rooms 401 and 411 Cannon House Office Building is a fallout shelter. This will certainly be a comfort—at least until the building is flattened when the first bombs hit.

What of the effects of radiological disease after attack? Of course, FEMA's death estimates do not include these numbers. But maybe they are planning to follow the advice of the Department of Energy. In a 1980 study that agency suggested a way to minimize the impact of radiation. They recommended sending the elderly out of shelters to search for food and water.

Has anyone informed the elderly of their vital role after a nuclear attack?

FEMA planning assumes a functioning society after a nuclear attack. Postattack housing will be a problem. Do not worry, the Department of Housing and Urban Development will establish "rent guidelines * * * which will conform to rental schedules for comparable accommodations."

With possibly up to 80 to 90 percent of urban housing destroyed, this should not be too difficult. Worried about postattack investments? The Federal Reserve System plans to encourage banks to continue selling U.S. savings bonds.

And before heading out to your host area, be sure to drop off your emergency change-of-address cards at your local post office. Never mind that no one will be left to pick up these cards.

The lunacy of these plans glosses over an important point. Survival means nothing without a way to protect people before, during, and after an attack. Such plans do not exist, and because of nuclear war's devastation, they cannot exist.

FEMA's survival figures assume a flawless evacuation.

It just will not happen that way.

FEMA assumes that every American will be willing to leave his home and all his possessions, risk total separation from family members and friends in order to prove a point to the Soviets.

Yet even in a natural disaster, in which lesser damage would occur, FEMA has admitted that 20 to 30 percent of the populace would refuse to cooperate.

The success of FEMA's program requires an infallible procedure—but problems abound. There would be tremendous difficulty in moving prison inmates, the elderly, the sick, and the handicapped. Can you imagine the traffic jams our cities will have?

What about cars breaking down? Or running out of gas? Who will be brave enough to stay in a risk area and pump gas? Who will stay at stores to sell the needed evacuation materials such as food and medicine? Would busdrivers be willing to transport people back and forth from risk areas to host areas? Would police officers and firemen stay in place to keep order, rather than try to evacuate to save their lives?

Given all of these problems, successful evacuation is little more than a dream.

But what if we could evacuate everyone?

Would that solve our problems?

Never.

Maybe we can evacuate. But we cannot escape.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. MARKEY) has expired.

Mr. MARKEY. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. WALKER. Mr. Chairman, reserving the right to object, I do so because we do have a time limitation, and I feel constrained, because of that time limitation and the number of amendments, to object to all requests for extensions of time.

So, therefore, Mr. Chairman, I do object.

The CHAIRMAN. Objection is heard.

Mr. BRINKLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, for the benefit of my colleagues and for the benefit, I think, of civil defense and the country, I am going to make my formal statement available for the Members, but I will simply respond during my 5 minutes to the gentleman from Massachusetts (Mr. MARKEY) and then read the law under which we are now operating.

For example, the gentleman from Massachusetts (Mr. MARKEY) says that the law will not work. Well, I say to the Members of this House of Representatives that the law is working, and for the benefit of the gentleman, Massachusetts Executive Order 144 establishes that all emergency responses and safety matters are under the coordination of civil defense, including training of emergency personnel. It goes on to list the cities involved and those areas addressed in the past. For example, Lynn, Mass., the fire in November of 1981 was dealt with by civil defense; also the Salem fire in December 1981; the Fall River fire of April 1982; the Ludlow-Springfield power outage in 1982; and the 1978 blizzard. This is the workaday world in which we live. Civil defense, in the dual role which it occupies, works, and it works today.

The second red herring that is brought before this House of Representatives is the idea that civil defense is equated with the winability of a nuclear war. That is not the position of this committee; it is not the position of this country.

I should like to refer once again to the DSG printout which refers to the arguments against the Markey amendment, and it says this.

"They apparently believe that a nuclear war is winnable," referring to the Soviet Union. But in a paper dated Soviet Press Selected Transactions, translated and distributed by the Directorate of Soviet Affairs, Air Force and Intelligence Service, it says:

> Leonid Brezhnev pointed out in his reply to a Pravda correspondent on 21 October, 1981, "anyone who starts a nuclear war in the hope of winning it has thereby decided to commit suicide."

Neither our adversaries nor this country believe that a nuclear war is winnable. Mr. Chairman, this point of view should be rejected.

I will turn now to a press account of day before yesterday, when title VIII was passed over, and it says:

> Civil Defense opponents called the last-minute maneuvering "sleazy," and got an agreement from House Speaker Tip O'Neill to bring the amendments up.

I have spoken to the gentleman from Massachusetts, and we, of course, together would like to correct the impression that this may have left, because it was just a fact of life that the titles were going so fast and neither one of us could get over here in time to introduce or to defend the amendment which the gentleman was to offer.

In the few minutes I have left, let me say it is extremely important, and I think, critical to this bill to point out what the law now is, and I read portions of the United States Code annotated, section 2251, "Congressional declaration of policy":

> It is further declared to be the policy and intent of the Congress that the responsibility for civil defense shall be vested jointly in

the Federal Government and the several States . . .

And it goes on to say:

* * * attack-related civil defense objectives * * * to provide relief and assistance to people in areas of the United States struck by disasters other than disasters caused by enemy attack.

I will turn now to the definitions, and this will conclude my 5 minutes.

The definition of "natural disaster" is this: It means "any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, or other catastrophe in any part of the United States * * *."

And it says, "'civil defense' means all those activities and measures designed or undertaken to minimize" those effects.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, the gentleman certainly makes a strong point there about civil defense covering tornados and cyclones. In my State last year we had more people killed than in any other State from those causes, and if it had not been for civil defense, we would have had a lot more killed.

Mr. Chairman, I congratulate the gentleman from Georgia (Mr. BRINKLEY) and I ask the Members to vote against the amendment.

Mr. SKELTON. Mr. Chairman, I move to strike the last word, and I rise in opposition to the Markey amendment.

Mr. Chairman, it seems rather ironic that those who on other occasions support humanitarian projects and humanitarian legislation are in this instance fighting and objecting to an attempt to save human lives and protect American lives.

What this amendment attempts to do is to cut from approximately $1 per American to approximately 50 cents per American for protection for the coming fiscal year and defense against natural disasters and the unthinkable nuclear holocaust.

Is a dollar too much to ask for the life of one American? I certainly think not.

As was pointed out so eloquently by the gentleman from Georgia (Mr. BRINKLEY), this is not a mere defense against a nuclear attack. It is a defense against those acts of nature, such as hurricanes, cyclones, tornados, and floods. Since I have been in Congress for 6 years, the city of Sedalia, Mo., has had two killer tornados.

□ 1115

My district in the Independence area has had one killer flood.

Civil defense meant a lot to us and it will mean a lot to us in the future. That is why we must have a strong civil defense as a dual purpose.

It also serves as a deterrent.

I think our friends that propose this amendment really are talking to the wrong people. They really should be talking to the Soviets because they have a civil defense. Whether it works or not does not make any difference. They believe it works. If they believe it works, they feel that they have a strategic advantage against us.

We must have a civil defense that is workable, one that will help serve as a deterrent, because if we do have one that does work it will serve just as much as a deterrent as the ICBM missile silos that we have throughout the various parts of the country.

Mr. DELLUMS. Will my distinguished colleague yield to me for a moment?

Mr. SKELTON. I yield to the gentleman from California.

Mr. DELLUMS. I thank my colleague for yielding.

I would simply like to set the record straight. As I understand the Markey amendment, he has $144.5 million in the budget, which is a 13-percent overall increase from fiscal year 1982, which was $132 million.

If you take a 7-percent assumption on the inflation rate, the gentleman has offered an amendment that is a 6-percent real growth increase over and above 1982.

So what are we talking about here?

Mr. SKELTON. What you overlook, sir, is the fact that this is the beginning of a multiyear plan which is going to put into effect a strong civil defense, civil disaster program, which will help us immeasurably, not just for 1 year but over a period of years, not just as a deterrent but as a defense, and also to help us protect Americans against natural disasters.

We need a great deal more help in that area. Many communities are without warning systems. Many communities are without communication systems. Many communities are without proper education to guard against those things that could come in the night, those tornadoes, those disasters that we cannot help.

Fortunately, and I mentioned Sedalia, Mo., fortunately we had warning systems that worked and saved literally hundreds of schoolkids' lives because they were adequately warned.

But most communities do not have this. This will help put that plan into effect.

Mr. DELLUMS. Will the gentleman yield briefly to me further.

Mr. SKELTON. I yield to the gentleman.

Mr. DELLUMS. I recall that the gentleman is a very ardent supporter of civil defense and the crisis relocation program. The gentleman has argued eloquently, although in a very different position than mine, in favor of a nuclear civil defense system. Now the gentleman is talking about natural disasters.

I would simply suggest that $144.5 million is more than adequate to address the problems of natural disasters.

That is not what the Armed Services Committee has placed this money in the budget for, and I think we ought to zero in on what the reality is. That is, the civil defense program that in some way we magically believe that we can defend Americans and the American people from a nuclear disaster.

Mr. SKELTON. Please understand that the law passed has a dual purpose. The first purpose was, of course, to help protect against the nuclear attack and to serve as a deterrent. But the dual use that the law was passed for is the one that helps every day against the floods and the disasters such as that.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I do not know the source of the information the gentleman has used. It is certainly not from our experts in FEMA or in Defense.

He dismisses the Soviet system with the wave of a hand, and many experts feel that the Soviet system is excellent.

That is the whole point of the debate. If they do not have a system to protect their population we do not need one either.

No one knows what would happen if there was an all-out nuclear war. We cannot even predict what the economy is going to do next month.

I would also like to do away with all nuclear weapons too and have a nuclear freeze, but that is not going to happen tomorrow, if it ever happens.

I would like to ask the gentleman on his own time later what he would advise his family and friends if the Soviets began walking out of their cities in a time of crisis and we do not have any plan at all to help our people.

I will ask the gentleman that on his own time.

The gentleman from Massachusetts' amendment will not provide an adequate civil defense program for America. It is just going to keep us muddling along like we have been doing ever since John F. Kennedy left office.

The magic of the $252 million program or appropriation is that it represents the first year of a 7-year comprehensive program for civil defense.

President Reagan is the first President since John F. Kennedy to propose such a program. The gentleman's amendment would serve to postpone for one more year any program that would give the American people as good a plan as the Soviets have.

One of the arguments for the amendment is that it would be viewed by the Soviets as an escalation in preparedness if we spent $252 million for civil defense. That is nonsense. All we are doing is copying what the Soviets have been doing for 10 years.

Everyone brings up the problem of rush hour traffic in large cities, and the fact that we cannot evacuate our cities. Their whole program is based on evacuation. We can do it as well as they can. We have more vehicles; we have better highways. So the nuclear scales stay balanced.

Others suggest a nuclear war would be over in minutes, so it is silly to have a program for civil defense.

My colleagues, that is the least likely scenario. That is not going to happen because if it does then both sides lose 150 million of their citizens.

Another argument is that it costs too much and we cannot afford it. This is minuscule in cost compared to what we spend to destroy other people and other nations. We are going to be spending about $300 billion a year average for the next 3 or 4 years on a Defense budget that is an offensive budget actually. Only $3 billion of that, one-tenth of 1 percent over 7 years, will be spent to protect the American people. I do not think that is excessive at all.

Others argue that our crisis relocation plans are imperfect, that the cities have been rejecting our plans and the people have been rejecting the plans that the cities have devised.

I say no administration since John Kennedy and hardly any Congress since John Kennedy has done anything to help improve our civil defense system. We have cut it every year and I imagine the gentleman from Massachusetts has joined in the cuts to civil defense every year. But even at that, only 1 in 100 plans has been rejected.

So the people that are out there working in civil defense, the professionals, have had no encouragement whatsoever from Washington.

Mr. Chairman, I feel that civil defense is completely compatible with the nuclear freeze concept. I would like to do away with all nuclear weapons, as I am sure everyone in this House would. But realistically we know that it is not going to happen tomorrow.

In the meantime let us buy a little insurance. Let us balance the nuclear scales. Let us prevent nuclear war by giving the American people as good or as bad, but the same civil defense system that the Soviets have given their people.

The case for civil defense in my estimation is clear. We should be as strong as our adversary if we are going to prevent war.

We are told by our experts that we enjoy rough equivalency in weaponry. That means we have equal destructive capability. But if they have a good civil defense system, and I think they do, and I think they think that they do, which is even more important, they can protect their people and we cannot protect ours, and it makes a mockery of the strategic balance that must be maintained if we are going to maintain peace.

It gives to the Soviets a huge advantage in any kind of confrontation.

No one knows, Mr. Chairman, just how superior their system is. But if they just think their system is superior it gives them the same kind of an advantage.

We do know, however, if we quantify the situation, that they are trying 10 times harder in civil defense than we are. Where we have 10,000 full-time people in civil defense, they have over 100,000 people working full-time in civil defense. Where we spend roughly $100 million on civil defense, they have been spending more than $1 billion on civil defense for the last 10 years.

When it comes to casualties, the experts I took to—the people in FEMA, the doctors, the Ph.D.'s, the physics majors—that have been studying civil defense and nuclear problems for most of their adult lives tell us that we would lose about 150 million Americans with our lack of a system, with our nonsystem, and the Soviets would lose about 15 million.

The CHAIRMAN. The time of the gentleman from New York (Mr. MITCHELL) has expired.

Mr. MITCHELL of New York. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DELLUMS. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, in this constricted debate on a terribly important matter I would simply like to state my posture.

No. 1, the crisis relocation program is lunacy. It is another step in developing war fighting capability. It is another ingredient in a recipe for nuclear disaster, and I think it ought to be rejected.

Mr. Chairman, I would like to quote two American citizens as they have viewed this matter. First I would quote Dr. Paul Warnke, the former Director of the Arms Control and Disarmament Agency.

He states:

There is no civil defense against a strategic nuclear attack. I just make that categorical statement. The Soviet Union is spending more money, as we calculate it, on civil defense, quite a bit more money than we do. The fact that they may be wasting money is not any reason for our wasting money.

We also ought to recognize that the Soviet Union faces a set of threats that we don't face. They face, for example, the fact that the People's Republic of China has a few ICBM's. You could have an effective civil defense against the kind of an attack that China could mount, but there is no defense against our 10,000 strategic warheads. We have no defense against their 7,000 strategic warheads.

To further quote Mr. Paul Warnke:

There is no credible scenario in which we and the Soviet Union could fight a nuclear war and have either one of us be declared the winner. Either one of us might come out somewhat better than the other, but we would be worse off than Uganda or Bangladesh. We would no longer be recognized as superpowers. In fact, the question is, would we be recognizable as a national entity.

I think that it is terribly imperative that the American public understand the facts about nuclear weapons and nuclear war. Once they do so, then I think that we will find that our strategic nuclear plans are very substantially revised and very substantially cut back.

I would like now to quote from Dr. Jack Geiger, a physician and cofounder of Physicians for Social Responsibility:

Our major civil defense plan at the moment . . . is the so-called crisis relocation plan, calling for massive evacuation of people from the cities. It is more than absurd, although it is based on a series of absurd assumptions. It is also dangerous . . . There is also a nasty irony, because of the despairing attempt at the misleading, inhumane lying that civil defense plans present. It is true, I will concede to the civil defense planners, that if all of this worked, that if all of these absurd assumptions somehow held together, some lives would indeed be saved . . . .

The risks that have to be weighed against that fact are: Number one, that you risk precipitating millions of deaths against none by having civil defense plans and causing the war to break out in the first place; and secondly, by their refusal to recognize what life would be like in the post-attack period. This is all in the medical literature now. There would be epidemics, trillions of flies, millions of corpses. The flies, the mosquitoes, the cockroaches are all enormously more radiation-resistant than mammal.

The San Francisco area, when I did that calculation, would have 300,000 to 400,000 human corpses left, breeding maggots, decaying. The birds would be dead, so they could not eat the insects. It is hard to write a better scenario for an epidemic.

A final quote from Dr. Jack Geiger:

The information that I have presented today concerning the consequences of a nuclear attack is an understatement, because I have only talked about the consequences of one bomb over New York, or one bomb over Los Angeles, or one bomb over San Francisco. The reality is that, in a population-targeted attack, the rule of thumb is one megation for every 500,000 people. Thus the New York metropolitan area would get 33 weapons of this kind. Los Angeles would get 16 weapons of this kind, and so on. What I have given you is a hypothetical illustration that falls far short of the reality.

To plan for destruction on that level is to deny to ourselves that what we are talking about is human beings and to make distinctions that deny humanity. There are no capitalist babies or communist babies. When we burn them up, they are all just babies. There will be neither rubles nor dollars left in the rubble. All of the economies and the people's lives who depend on them will suffer in the same way.

We are talking about events on a scale that pose a new moral problem that mankind, I think, has not faced before, certainly in recorded human history, and that is the moral question of whether we have the right to end the species. Indeed, the survival of mankind as a species is now on the line, and we are the new endangered species that should be added to the endangered species list.

□ 1130

Mr. KRAMER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Massachusetts.

The real issue in this debate, really, is: What does an American President do if the Soviet Union, in a time of confrontation or crisis, evacuates its cities in the 4 days it takes to implement its civil defense plan? In that situation, an American President is left with virtually inflexible and unfortunate choices. Our strategic doctrine now is totally based on offensive retaliation. We have put all of our eggs in that basket, and we have no capability of protecting the American homeland either against attack from missiles or bombers, nor any defense protecting us from massive loss of lives and destruction of the American people.

Now, I agree with the gentleman from Massachusetts, insofar as he says that a nuclear war is not winnable and is not survivable. I agree with that. But what we are talking about is a preattack scenario. I would suggest that the statistics now show that if the Soviet Union were to successfully implement its civil defense plan, in a first strike in that situation, with we being virtually without any preevacuation plan whatsoever, we would lose 150 million American lives, as the gentleman from California pointed out, in terms of the targeting of Soviet weapons, and the Soviet Union in such a first strike, if they had implemented their civil defense plan, would lose 15 million lives.

I suggest, with those ratios, with 10 Americans for each Soviet citizen, an American President would have no choice but to virtually surrender to the Soviet Union in the event that they implemented their evacuation plan. That is what this debate is all about.

What we are talking about here is giving us a strategic deterrent capability so that if the Soviets implement their plan, we can do likewise and not risk the massive 10 to 1 ratio loss that would otherwise take place if we do not have an adequate civil defense plan.

Now, the gentleman from New York, the gentleman from Missouri and the gentleman from Georgia have done a great service to their country by trying to put into place a plan that, over 7 years, will give us the capability of matching the Soviet Union in terms of their civil defense plan and thus give us the strategic deterrent that will prevent that nuclear confrontation from ever taking place.

But as long as the gentleman from Massachusetts and the gentleman from California oppose counterforce weapon capability, either the Trident II or the MX that would not allow the United States to target Soviet military targets, our only response is against Soviet populations; and thus we have put ourselves in a strategic box where we only have the capability of relying on offensive retaliatory capability.

What this country needs is a mix between offensive and defensive capability, and an important part of that mix, an important part of the homeland defense doctrine, is the ability to offset the Soviet evacuation of their cities. It is just that simple.

What we are doing, in giving a 10 to 1 advantage to the Soviet Union in population losses, is putting an American President in an inflexible box which allows him only to abdicate to the Soviet Union. I do not think that any of us want to allow ourselves to get into that situation.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from California mentioned the Physicians for Social Responsibility. I am sure they are well intended. They are a group of 12,000 physicians who are trying to prevent a nuclear war. But I would point out that there are 467,000 other physicians who do not belong to this group. The problem with their thinking is that they omit the Soviets from their plans. And that is the whole question: How good is the Soviet system? The Physicians for Social Responsibility operate in a vacuum. If the Soviets do not have a system, then we do not need one, obviously. If they have a good one—and they do, so should we.

The CHAIRMAN. The time of the gentleman from California (Mr. KRAMER) has expired.

Mr. DOWNEY. Mr. Chairman, I ask unanimous consent that the gentleman from California (Mr. DELLUMS) may be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Markey amendment.

Mr. EDWARDS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Chairman, I rise in support of the amendment being offered by the gentleman from Massachusetts (Mr. MARKEY) to title X of the Defense Department authorization bill. This amendment would reduce the authorized funding for fiscal year 1983 civil defense programs from the $252 million proposed by the President, to $144 million, the level already accepted by the Senate.

It has been estimated that it would take between 3 and 7 days to evacuate most high-risk cities. Yet does anyone honestly believe the Russians will give us that much warning of an impending nuclear attack? Nor have I heard of any nuclear weapon which takes that much time to reach its destination after firing. A shelter provides protection for up to 2 weeks after the attack. Yet the area may remain contaminated for many months or even years. Even more ludicrous is the fact that the evacuation centers for many of the major cities are not even outside the blast zones.

There is no way to survive a nuclear war. The most prudent plan is to prevent a nuclear war from ever becoming a possibility and that is where our efforts shall be directed. Congressman MARKEY's amendment drives home the point that to continue to spend funds to try and develop a way to survive a nuclear war is an exercise in futility.

Mrs. SCHROEDER. Mr. Chairman, Colorado is filled with people who are very sophisticated in the military area, and I want to say that in both Boulder and Denver, the area that I represent, they have turned down the civil defense evacuation proposed. They understand what a joke it is. They understand it does not deal with earthquakes and floods. What they are being asked to do is to fund an illusion, and that illusion is that nuclear war is winnable. They feel like it is Muzak that they are trying to play into our ears to make us all go to sleep and not understand.

In fact, the comedians in Denver have found that the greatest way to get laughs is to go around to the nightclubs and read from the plan. I will insert it in the RECORD at this point:

CRISIS RELOCATION—GUIDANCE FOR RESIDENTS OF THE DENVER METROPOLITAN AREA IN THE EVENT OF A THREATENED NUCLEAR ATTACK

SOME BASIC REMINDERS

Vacation cabins

If you have a vacation cabin or friends or relatives outside the Risk Area where you would prefer to stay, go there as soon as the evacuation appears imminent. After the evacuation starts, it may be difficult to deviate from assigned routes to designated relocation areas.

"Buddy-up" on cars

If you have room, you are encouraged to take additional passengers when you relocate. If you know of anyone without transportation, contact the civil defense office. Telephone 575-2616.

Fill car with fuel

Before you leave the Denver area, fill the fuel tank of your vehicle. Most Host Areas can be reached with a single tank of gasoline. If not, refueling stops will be available along the route to your Host Area. Do not take extra portable fuel cans!

Firearms

You are not encouraged to take firearms to the Host Area. Should you do so, they may be impounded, but will be returned to you after the crisis is ended.

Alcoholic beverages

The use of alcoholic beverages in the Host Area will be strictly limited, and you are not encouraged to carry alcohol into the Host Area.

Pets

If you have house pets, take your pets and enough food for them for a two week stay. Be advised that your pet may be placed in a temporary kennel or other pet shelter while in the Host Area. If you decide not to take your pets with you, leave them food, water, and shelter for fourteen days. Do not allow your pet to run loose in the Risk Area.

Before you leave home

Close all curtains and drapes;

Turn all home heating and appliance thermostats to lowest setting;

Unplug all electrical appliances and lamps;

Perishable foods should be taken with you or disposed of;

Turn off all lights;

Close all water faucets and taps; and

Lock all doors and windows. Police patrols will continue to safeguard your property.

If attack warning signal comes before you leave home

If the "Attack Warning" signal sounds you will need to take shelter immediately near your home or place of work. Location of shelters are published by your local County Office of Emergency Preparedness.

WHAT TO TAKE WITH YOU

Prepare to take with you those things that you would take on a two week vacation trip, plus those items suggested in the checklist. Take food for at least three days, and, if you require special medications, take at least a two weeks supply.

If you do not have a private vehicle and will be using public transportation to relocate, plan to take as many items as can be carried in two large suitcases.

If you plan to relocate in a campertrailer, take as many supplies as you can safely transport.

Items to take with you during relocation

Clothing and bedding.—*work gloves, *work clothes, *extra underclothing, *outwear and hats, (depending on season), *rain garments, *extra pair of shoes, *extra socks or stockings, sleeping bags, and/or blankets and sheets, and ground cloths or air mattress.

Baby supplies.—*necessary outer and undergarments, *diapers (disposables recommended), *feeding bottles and nipples, *milk, formula or special foods, *baby foods, *lotion, *blankets and sheeting, *a few toys, and baby carrier.

Personal, safety, sanitation, medical supplies.—*transistorized AC/battery operated radio, extra batteries, *flashlight, extra batteries, *bath soap, *toothbrush and toothpaste, *shaving articles, *sanitary napkins, *liquid soap or detergent, *towels and washcloths, toilet paper, emergency toilet, garbage can, and newspapers.

Food and utensils.—take at least a three day supply of food (particularly canned or dried food requiring little preparation), water, thermos jug of plastic bottles, eating utensils, bottle and can openers, plastic or paper plates, cups, napkins, pan, plastic and paper bags, *candles and matches, *plastic drop cloth, first aid kit, and *special medication for 14 days (insulin, heart tablets, etc.).

Important papers.—*social security card, *deeds, *insurance policies, *stocks and bonds, *will, *savings account books, and *credit cards, checks, and currency.

Tools for constructing a fallout shelter.—pick ax, shovel, hand saw, hammer, broom, ax, crowbar, nails and screws, screw driver, wrench, rope, plastic sheeting, and pail.

*Items to take if you use public transportation.

ON THE ROAD AND IN THE HOST AREA

What to expect on the road

Traffic will probably be heavy and move slowly on most of your route—Please be patient!

Should traffic come to a stop—remain in your car and listen to your radio for official instructions. If it appears the stop will be lengthy, turn off your engine to conserve fuel. Do not get out of line or try an alternate route.

If your car develops mechanical trouble or runs out of fuel, move it to the side of the road, raise the hood and wait for assistance. Emergency services will be available on all designated evacuation routes to assist stalled cars. Do not abandon your car unless advised to do so by competent authority.

Traffic control points will be established at selected key intersections. Each control point will be manned by qualified personnel who can answer your questions or provide help in case of any mechanical problems, etc.

Lodging facilities

Denver Metropolitan Area residents being relocated to host communities, will generally be lodged in public buildings that have been designated as congregate care facilities. In general, living conditions will be austere, but remember it will only be temporary, so be patient and cooperate. Families will be kept together, of course.

What to expect in the those areas

Traffic control points will guide you to the areas to which you are to relocate. Upon arrival at the host community, you will be directed to a reception center from which you will be directed to a registration center.

At the registration center you will be asked to register yourself and your family, and to indicate whenever you will be staying with friends or relatives in the Host Area or whether you will need other shelter. If you need other shelter from the elements, you will be assigned a place to stay in a congregate care shelter. Other instructions regarding semi-commercial living will be issued at the registration center, including information regarding medical care, feeding schedules and possible work schedules.

From the registration center you and your family will proceed to the congregate care shelter at which you will stay while in the Host Areas. There is no assurance at this time as to how long the crises will continue, so plans have been made for a relocation period of up to two weeks. While in the congregate shether, you may be asked to perform certain necessary housekeeping tasks.

Redistribution of vital life support material such as foods, fuels, medical supplies, water, and power by various state agencies will have begun in order to assure the existence of such supplies in the Host Areas.

You will asked to help prepare the the host community for the potential attack. For the most part this help will be of the same nature as your normal day to day task, and will be for your benefit as well as the benefit of the host community.

Sources of public information

Listen to the radio and television for official announcements concerning evacuation. During the relocation official information will be broadcast over the radio. Take a portable radio with you to the Host Area. Newspapers in the Host Area will probably be available to keep you informed on the events taking place including your home area.

Do not use the telephone for other than emergency calls.

WHEN THE CRISIS IS OVER

When to leave the host area

You will be notified by the Governor and the local officials of your Host Area when it will be safe to return home.

To minimize or avoid chaos on the highways, special instructions will be issued which must be followed.

When you arrive at your home

Care should be taken when you arrive home so that your health is not endangered. The water supply may have become contaminated from lack of use or minimal treatment. Until you have been advised the water is safe, boil any that is to be used for human consumption.

It may be necessary to take extra precautions with waste material until the area has reestablished the sewer system.

Food will probably have to be carried back in your car. Before eating it, be sure that the food is fresh, particularly raw meat. Wash all fresh vegetables, and clean all utensils prior to use.

NOTE.—Prepared by the Denver Planning Office for the Office of Emergency Preparedness.

Mr. MARKEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Massachusetts, who has done such a wonderful job.

Mr. MARKEY. I thank the gentlewoman for yielding.

Mr. Chairman, first of all, let me make this point very clear: We are not talking about earthquakes, hurricanes, or tornadoes in this budget. We are

talking about the extra $100 million for fiscal year 1983 that the Reagan administration is asking for nuclear war civil defense planning. These are just some of the ways this increase will be spent: Radiological defense (a 200-percent increase from the fiscal year 1982 level); nuclear attack civil preparedness (a 320-percent increase), which includes crisis relocation planning, national shelter surveys, packaged ventilation kits, and industrial preparedness. These programs alone comprise $50 million in the administration buildup. These are not dual use programs. They are not used for hurricanes, earthquakes, and other kinds of natural disasters. They are part of a plan to fight and win a nuclear war. That is what this amendment is all about.

And what kind of plans has FEMA put together for this? And believe us, we are planning for this. Here is the FEMA plan: In the event of a nuclear war, there are three places where you can be. Either you can be in the blast area, where the bomb actually goes off, you can be in a host area, where people out in the rural areas are hosting you while the nuclear war is going on, or you can be caught in between.

So FEMA has put together a plan for what happens to those people in between in a nuclear war. And what they call it is the car-over-trench plan, a Federal plan in case you are ever caught in between a host area and a blast area.

Now, what do you need in case of a nuclear war and you have to take care of yourself? Well, remember back in grammar school in the fifties, the early sixties, you had to put your head under your desk? We now put it under a car. That is how far we have progressed in 30 years. We have developed a new, more sophisticated way of creating the illusion that nuclear war is survivable.

Looking at the chart to my right, we can see what we need for this plan. Well, we need an automobile with 44 inches inside the tires. If you have a car with less width than that, this is not the plan for you. This is not going to protect you against nuclear war.

What else do you need? You need a pick and a long-handled shovel. You need plastic sheeting, 10 or 12 bed sheets worth of plastic sheeting. You need nine sandbags. Your basic, readily available household item in case of nuclear war: 9 sandbags, 50 feet of strong string or cord—not 40 feet, not 30 feet. You should have 50 feet available in case of nuclear war. You need a yardstick, you need work gloves, you need stakes, four, preferably. And then you will sit in an area of 28 inches by 40 inches for about 30 days before you can peek out behind the left rear tire to figure out whether or not the fire storm has ended, whether or not the radiation has finally subsided.

Now, what is the problem? The problem is that we are being told that there is some way in which you can escape. This is not a plan that gives you a method of escape. What we are talking about here is a nuclear war which will result in destruction of the entire country.

This map illustrates the areas that FEMA has put together as the most likely sites for the destruction of the United States in the event of a first-strike Soviet attack. The black target areas can be considered large holes in the ground, because that is what they would be after a nuclear attack. Two-thirds of the American population live in a target area.

Now, people will say, "That is all right, because all of this white space is out here where I can drive my automobile and park it and build my car-over-trench in order to protect myself."

The problem with that is something which is called radiation. We may be able to run, but we cannot hide.

The blast will not be the only thing that kills people. Radioactive fallout of 100 rems will also cause serious injuries and in some cases death. A 1,000 rems will kill you.

According to the Arms Control and Disarmament Agency, the area marked in red represents how much of the United States would be hit with fallout of 100 rems or more. The people in these areas would face serious injury or even death.

Now let us look at the areas that will be hit with 1,000 rems or more. In these areas, marked by vertical and horizontal stripes, people will face certain death.

Evacuation, you say? I say, Where are they going to evacuate to?

The CHAIRMAN. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has expired.

Mr. LEACH. of Iowa. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there have been basically two arguments presented for going forth with a $4.2 billion civil defense program over the next 7 years. One is that it is humanitarian. The second is that the Soviets have built a system which we should duplicate.

I would like to comment on both. One, it is not humanitarian to advance the notion that a nuclear war is winnable.

Second, with regard to the Soviet system of civil defense, let me quote Adm. Noel Gaylor, the former Commander in Chief of all United States Forces in the Pacific. He recently told the other body, and I quote:

Civil defense won't work against nuclear attack. There are not only enough nuclear warheads for direct hits at every military target, every city or village, but also for every relocation area in the United States or the U.S.S.R.

To match a dumb strategy with a dumb strategy is itself dumb. As the first generation in the history of the world capable of destroying ourselves, we must recognize that the application of modern science to weaponry development has outstripped the capacity of governments to cope with potential casualties.

There is only one solution to the danger of nuclear war and that, of course, is prevention. Let us not delude the American people into thinking that a nuclear war is survivable and therefore more thinkable. Let us bring sanity back to the defense budget and accept the Markey amendment.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

Mr. Chairman, there are both pluses and minuses when you meet with the CIA, and I met with the CIA just 2 months ago, where I had to sign off on not revealing the specific information, and I am not revealing that at this time. But it certainly is, I think, fully revealable that in their estimates the effectiveness of the Soviet defense mechanism against nuclear attack is minimal. It would save some lives, undoubtedly, but the overall effect in the Soviet Union would be an absolute disaster. And for us to go into the same thing makes no sense at all.

Mr. LEACH of Iowa. Mr. Chairman, the logic involved is a little bit like if the Soviets were to produce 100,000 Lee Enfield rifles today, that we should match that because they have done it. Those rifles are outdated. Their civil defense system is outdated.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

I have a quote here from the CIA that says that with a week or more to evacuate their cities and develop their fallout protection, casualties in the Soviet Union would be reduced to the low tens of millions, about half of which would be fatalities.

That is 15 million fatalities as opposed to 150 million American fatalities that the CIA says that we would suffer.

For the Members who do not want a civil defense plan, I would like to ask: What do you do when the Soviets begin implementing theirs, when they begin walking from their cities?

Do you have a substitute program? We want to prevent nuclear war. As a substitute program, what would you advise your loved ones? What do you

tell your constituents? Just to stay home and get blown to smithereens?

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Here is the scenario: Moscow, Leningrad begin to empty out. Our satellities pick up a caravan of tens of thousands of cars emptying out of all of the urban areas of Europe.

Now, at this point the United States, no longer being subject to a window of vulnerability, since it is not a surprise attack, we are being given warning, we put all of our submarines on alert, all of our bombers on alert, all of our ICBM missiles on a hair trigger, on a launch on warning, and now, rather than the United States being subject to a window of vulnerability first strike attack in which we are only left with 3,700 missiles or warheads under the window of vulnerability theory, we now have 9,500 nuclear weapons aimed at the Soviet Union, ready to go off the minute the first weapon is aimed at the United States.

So now the Soviet Union is in a position, rather than using a surprise attack and not evacuating their cities, have decided to evacuate their cities, give us notice, and we can put all of our ICBM's, all of our subs, all of our bombers on alert to go in. Instead of just kidding all of the major population areas, we now, with those 9,500 bombs, level the entire country and leave absolutely no living thing within it.

That is what happens in the event the Soviet Union evacuates their cities. And if a Soviet Premier thinks that somehow or other he weakens us by doing that, we would have to be dealing with a lunatic in the Soviet Union, and nothing will protect us in that instance because that is the only instance under which any leader of either country will ever detonate such a catastrophe upon civilization.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, the scenario that the gentleman from Massachusetts presents is foreign to my ears. I have heard many briefings on civil defense, secret briefings, all kinds of explanations of what would happen. And that is not what would happen. If there is an all-out nuclear war, we will lose 150 million Americans, because people like the gentleman from Massachusetts will not support a civil defense program.

Mr. BEDELL. Mr. Chairman, it was my original intent to delete all funding for civil defense authorizations but I now rise in support of the Markey amendment and urge my colleagues to join us in reducing funding for this authorization from the requested $252.3 million to the $144.3 million already approved by the Senate. This level of funding represents a more realistic approach to civil defense because it does provide civil defense managers with needed dual purpose moneys for projects such as those that would protect vital U.S. communications networks in the event of crisis or confrontation.

As you know, since entering office, President Reagan has dedicated himself to the complete revitalization of U.S. civil defense procedures and safeguards in the event of a nuclear war. This grandiose project consists of five program areas includes funding for crisis relocation, fallout protection, blast shelters, industrial protection and continuity of government—all noble goals. In reality, however, are any of these projects truly feasible in the event of nuclear war?

I think not. The entire program is predicated on two outrageous assumptions: first, that a nuclear war would be limited in scope; second, that such a war would be survivable and, ultimately winnable.

I find it extremely ironic that an administration dedicated to the elimination of Government waste, fraud and abuse would dare to propose such an absurb program for congressional approval. Indeed, in my mind, the entire project is synonymous with waste, fraud, and abuse.

Obviously, the program is a wasteful expenditure of valuable tax dollars. The administration reports that program costs will approach $4.2 billion over the next 7 years but other estimates made by the Office of Management and Budget suggest that $10 billion is a more appropriate estimate. In an era of fiscal restraint and during a period of massive cuts in Federal assistance to essential social programs, how can we, as leaders, approve such an expenditure?

I also believe the program to be fraudulent. Webster's defines fraud as deceit, trickery, and intentional perversion of the truth. To me, much of this civil defense effort falls within this definition. Do we realistically think that populations relocated away from anticipated nuclear targets will be any safer from the deadly effects of nuclear radiation? Do we really believe industries could be relocated and key personnel protected from nuclear attack? Do we really believe that a nuclear war can be both waged and survived? Or, would the living truly envy the dead?

Finally, I find this program to be an abuse of both our own intellect and that of the public. As elected Representatives, we bear a special responsibility to our constituents to provide for a greater "public good." Is the public better served by the continuing nature of the nuclear arms race? Is the public's confidence in their leaders enhanced by a program that suggests our possible intention to wage a nuclear war with the Soviet Union? Or, would the public prefer that we reduce funding for civil defense, while at the same time seeking real and verifiable reductions in the world's nuclear arsenals?

In my mind, the path is clear. I intend to support my colleague from Massachusetts and I once again urge you all to join us in stopping this most unconscionable example of Government waste, fraud, and abuse.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my real purpose for doing this is to ask unanimous consent for a time limitation. I suggest that 30 minutes would be an adequate time—because I think otherwise we are not going to get to any other amendment—and that the time be equally divided between the proponents and the opponents of this amendment.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto end in 30 minutes, the time to be equally divided between the proponents and the opponents of this amendment.

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The CHAIRMAN. The question is on the motion offered by the gentleman from Florida (Mr. BENNETT).

The motion was agreed to.

The CHAIRMAN. The gentleman from Massachusetts (Mr. MARKEY) will control 15 minutes, and the gentleman from Georgia (Mr. BRINKLEY) will control 15 minutes.

The Chair recognizes the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. DYSON).

Mr. DYSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts, which would reduce the money authorized for civil defense from $252 million to $144 million.

Some people today question the practical wisdom of moving forward with what the House Armed Services Committee believes to be a responsible program for civil defense. Chairman BRINKLEY's subcommittee on military installations and facilities has been looking hard at exactly what civil defense can and cannot do. It cannot be obtained cheaply, but a strong civil defense program is vital to this Nation's security, now more than ever.

President John F. Kennedy once said, "If you make a mistake in domestic affairs, you lose the economy. If you make a mistake in foreign affairs, you lose your life."

If we make the mistake today in Congress of not authorizing adequate funding to develop a strong civil de-

fense program, we risk losing the lives of the citizens of the United States. We risk losing the insurance of protection that we hold so valuable and with which we, as representatives of the American people, have been entrusted.

With the inevitable development of nuclear proliferation, we owe the citizens of this Nation an adequate civil defense program to protect them in the event of the outbreak of nuclear war.

I urge you to authorize the requested $252 million for the development of a strong nuclear civil defense program in fiscal year 1983—for the security and the protection of the American people and our entire Nation.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. DYSON. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, the gentleman yields to me under his time allocation of 3 minutes.

Mr. Chairman, the argument has been made with reference to this civil defense program that it is pure 100-percent nuclear related. That argument must be rejected. You see this coin? It has two sides to it. And that is the very nature of civil defense. It is a dual-use system. They cannot be separated, because in the natural disaster realm there is the exercise and the practice for that day when attack may come.

There have been some choice adjectives used by the proponents of this amendment; that it is a joke in Colorado. But ask the people there who serve in that area. I do not think that they will tell you it is a joke.

Lunacy, they say, outrageous and ridiculous. Why is that so when we spend $1,140 per capita on offensive weapons? That is 1,000 times the amount we are spending for civil defense.

Civil defense is protective in nature. It does not hurt people. It helps people.

Crisis relocation, it works. If there is a disaster, people are going to leave the cities. Now, people are going to leave the cities whether you have a plan or not. If you have a plan, certainly, like in the medium town of Columbus, Ga., the one-way streets northerly would be freed up for such traffic under an existing plan, for the hospitals, for the prison population, and for the citizenry.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, I want to offer my strong endorsement of the amendment of the gentleman from Massachusetts, and particularly point to both the cogent arguments that the gentleman made as well as those of the gentleman from Iowa (Mr. LEACH), to wit, that this is a ludicrous and somewhat deceptive program. We cannot base our civil defense program on the concept of a survivable nuclear war. Therefore, I commend the gentleman from Massachusetts (Mr. MARKEY).

I would also like to clarify again for the record that the amendment of the gentleman from Massachusetts (Mr. MARKEY) does not touch the civil defense funds nor the disaster funds. This is solely targeted, as I understand it, to those funds identifiable for crisis relocation; is that correct?

Mr. MARKEY. Yes. We are only talking about the new monitoring to be included in this budget for the nuclear crisis relocation program, that is correct.

Mrs. ROUKEMA. I thank the gentleman. It is unworkable, ludicrous, and somewhat deceptive. I thank the gentleman for his effort.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, someday I think we will get away from the notion that because the Soviets are doing something we should do it. If we saw the Soviet Union providing their population with lead suits, I am convinced there would be people over here saying there is a lead suit gap, and we need to outfit Americans so that they can be safe wherever they go. That is preposterous nonsense, and it is not something that I think we should do. Because the Soviets are trying to provide for civil defense does not mean we should.

Take a look at the Soviet Union. They have been invaded by Mongol hordes, by the Turkish Beys, by Napoleon, by Hitler.

Every nuclear weapon in the world, in the world, save their own is aimed at the Soviet Union.

As the gentleman from California so ably pointed out, their modest civil defense, which I frankly think will not work in any case, is dedicated to a Chinese attack, not an American attack.

When the two 747's collided in 1977 at Tenerife Airport, there were more severe burn victims from the crash of those airplanes than there were beds in the United States of America to accommodate them. One nuclear weapon over one city will produce tens of thousands of severe burn victims. We could not possibly hope to solve the problem of saving those people with a civil defense program.

When I was in the Soviet Union, I asked one of their ranking officials, "What about this civil defense program?"

And he took Pravda and put it over his head, and he said, "This is our civil defense system, this is how I think it will work."

As far as I am concerned, spending this amount of money to do this for us is a charade, and is bringing us closer to nuclear war, not preventing it.

Mr. BRINKLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I have listened very carefully this morning to the debate; arguments have been made. I watched the charts and a map of the United States showing the fallout area that is so extensive.

It is a terrible subject to discuss. None of us likes to even think about this.

The fact of the matter is no one really knows finally what will happen is the event of a nuclear war. Before World War II, there were estimates made of what conventional bombs would do to the great cities of Europe—London, Paris, Berlin, and so forth. And these comments today remind me somewhat of the comments made in the House of Commons back in the 1930's. Projections of course were way off. There is no doubt about the fact that nuclear weapons are far worse. There would be substantial loss of life. There would be millions of dead. But I think we ought to at least make some modest preparations to save what lives we can.

A Gallup poll was taken last month. The American people must know something. The poll showed 3 to 1 they want us to go forward—only 19 percent were opposed. I think we ought to listen to them. We ought to give ourselves every opportunity to save as many people as we can.

I recall a conversation I had with a colleague of mine in this body—I will leave his name unsaid today—several years ago. "Nothing can be done," he said. He said, "This city is doomed in a nuclear attack."

I said, "What are you going to do?"

He said, "I am not going to do anything."

I said, "Fine, you stay, because I am leaving town."

Mr. MARKEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Chairman, I rise in support of the Markey amendment. If people want to "save" people from nuclear war, then they should work to stop the arms race. They should not fund this deception, because it invites the arms race.

I see on the floor today many other Members who have fought against the arms race throughout their careers in the House, and each of us has been committed from the beginning to the question of a nuclear weapons freeze.

We are committed to the proposition that the Reagan administration is doing too much planning for nuclear war and not enough to avoid it. This latest push—to spend $4.2 billion on a wild-eyed nuclear civil defense

scheme—is simply the latest and most ludicrous example.

This plan would elevate to policy the fantasy of a "winnable" nuclear war. It holds out a cruel and false hope that by sleight-of-hand the administration can eliminate the horror and death of nuclear war. Worse, by making the idea of nuclear war plausible, we make war itself possible.

We all know that we are at the most dangerous moment of the nuclear era. I say this because if the next round of nuclear weapons is deployed, verification problems will be infinitely more difficult under any kind of strategic arms treaty. Likewise, any futher attempt to negotiate or ratify such a treaty will become more difficult.

And if such new generations of nuclear weapons are deployed, the first strike capability of these weapons raises the risk of those weapons being launched by accident, because of a perceived intention on the other side to fire them at the other side. And we will begin to get into a hair-trigger state because the only defense in this situation is to be in a "launch-on-warning" posture, which I think is incredibly dangerous to the entire human race.

Around this Chamber there are many of us who believe that we can reduce the possibility of nuclear war by decreasing existing arsenals and more tightly controlling the export of nuclear technology and material. But unfortunately, there are those within the administration who believe they can play games with weapons as meancing as those that are in our arsenals today. There are those who have chosen, as a matter of national policy, to pursue nuclear agitation and then hand us the crazy evacuation plan now under consideration.

This kind of nuclear madness will only provoke the other side to respond in kind, to which then we would find no end on either side. This nuclear madness leads to cockeyed plans to build a civil defense system that will not work. I say that because the premise upon which this plan is based is dead wrong. No one wins a nuclear war. No one is immune from the overwhelming death and destruction of such a war. No one can truly hide from this reality.

The Reagan civil defense program can be viewed in only one way—as an expensive provocation which does nothing to enhance our national security. It would spend billions of dollars to build disaster shelters at a time when too many of our citizens cannot afford housing. It would stockpile disaster food when our poor, hungry and jobless are walking the streets at record rates.

In 1983, 40 percent of all spending cuts in the Reagan budget will come from programs such as social security, unemployment insurance, child nutrition, and food stamps. What sense is there to a nuclear evacuation plan when faced with these budget realities? The people I talk to in my district in Oregon do not think that is rational and they are right.

Since there is no leadership coming from the administration, it is in our hands here to create a climate in which we can reduce the chance of nuclear war. That is why we should support amendments like the one before us today. That is why we continue to fight for a freeze on nuclear weapons. There is no other way to insure our "survivability."

This question is the most important one we have probably ever had before us, and the question really boils down to this: Do we or do we not want to put an end to history's greatest risk to the survival of the human race itself?

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Chairman, I commend the gentleman from Massachusetts (Mr. MARKEY) for his leadership on this important issue.

Mr. Chairman, we should be very clear what we are talking about here. We are not talking about tornadoes, floods, or fires. The amendment deals only with the proposal that says that if we get tens of millions of Americans convinced that they can commute their way out of nuclear war, that we will somehow be better off.

What this proposal ought to be called is the Traffic Jam and False Expectation Creation Act of 1982, because that is what it is going to do. It is going to convince people, some of them, that if they all get in their cars and go on crowded roads to somewhere else, that we will somehow have made them safer from nuclear war.

The proponents of this are suffering from a peculiar disease known as Brezhnev envy. The symptoms of Brezhnev envy are feeling that if the Russians are doing it we ought to do it, too.

We are told we should not look at this as a 1-year plan, but as a multiyear plan like the Russians. What is next, a 5-year plan for American agriculture? Just because the Russians act stupidly is no reason for us to act stupidly as well.

The point we are trying to make is that this nuclear evacuation scheme simply will not work. And the American people know it will not work. When the people in the town of Brookline which I represent are told they have to all go to New Hampshire, at once, when they could not get to Copley Square in Boston if the Red Sox were playing, we have left the realm of reality. Perhaps this would work if we could get the Russian military to coordinate their schedule with the Red Sox.

But I do not think in fact you are going to see that degree of coordination. The nuclear evacuation schemes simply will not work. People are being told if they all go from here to there simultaneously, somehow we will be better off if nuclear war comes. We should not pretend we can humanize nuclear war.

We are not denying the desirability of minimizing the loss of life. But we do deny that these schemes will save lives. The nuclear evacuation schemes is flawed in a basic way. It is not evil. It is not obscene. It is silly. And the Government of the United States ought not to be silly with the taxpayers money. I hope the Markey amendment is adopted.

Mr. BRINKLEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I hope on the gentleman's time the gentleman from Massachusetts (Mr. MARKEY) will tell us what he would advise his loved ones and his constituents to do if the Soviets begin emptying their cities, thinking their civil defense system is a good one, during a period of crisis. I would like to ask the gentleman also would he recommend a blast shelter program for Americans that would cost about $115 billion.

It appears to me that these gentlemen are saying everything is hopeless, and we should surrender. They make no recommendation whatsoever for survival. All they do is criticize plans of people trying to put together something that will help prevent war and save American lives.

If we want peace, Mr. Chairman, we have got to maintain the nuclear balance. We actually have three choices. One choice is surrender, and it appears some people would prefer to do that. Another is to build bigger and better and more sophisticated weapons to kill more of the enemy. And the third option is far less expensive, and more humane, that is, to provide a program that will save American lives.

If we just spend $3 billion more over the next 7 years, according to our experts, we can save 100 million American lives in the event of a nuclear war, but better still, we can prevent one.

This chart is the synopsis of a study developed at President Carter's request, an interagency study. The vertical scale represents the percent of people who would survive an all-out nuclear war. The horizontal scale represents the options we have for survivability. If we do nothing, option A, we lose 80 percent of our American population. If we go with the plan we have today in this all-out nuclear war, 40 percent of the population will survive. If we go with D prime, which is President Reagan's program, with enhancements, we save 85 percent of our

American people. That is all we are trying to do, to provide a system for Americans as good as the ones the Soviets have.

It is a way to prevent war. If there is a better way, I would like to know it.

I would like to get rid of all nuclear weapons also, but it is not going to happen tomorrow as we know.

I would suggest that each of my colleagues, who is going to vote on this, take a hard look at civil defense. I do not know whether you are hawks or doves. But this is one defense measure that I feel everyone can support.

As has been mentioned, it is not destructive, it is passive, it is inexpensive, it is preventive, and in my estimation, Mr. Chairman, it is long overdue.

I would urge my colleagues to vote against the amendment.

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Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, to my good friend, the gentleman from New York who was just up here, I say that we do have a plan for survival in the world and that plan starts with an immediate nuclear freeze, which hopefully this Congress will vote for in the next couple of weeks. That is the first step.

Let me point out something else in the area of priorities. This civil defense plan costs over $4 billion. Yet, today the Department of Education announced that over 500 colleges were being cut off from Federal support because they were in default of less than 20 percent of that amount of money. This is going to affect hundreds of thousands of students in our country who frankly are a much greater defense for us than any cockamamy plan like this. I would like to say that over 20 years ago I served with a group that was studying a plan for evacuating New York City in the event of a nuclear attack and after a year, the whole plan was junked because it was so unworkable and was going to create so many deaths in the evacuation process, they figured they might as well take their chances with a bombing.

The real thing to do is not to talk about building bomb shelters for nuclear warfare. It is to stop nuclear warfare and no one on this floor is talking about surrendering anything in the United States.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MAVROULES).

Mr. MAVROULES. Mr. Speaker, I thank the gentleman from Massachusetts for giving me these 2 minutes.

I find it quite painful to once again get up and speak in opposition to a position taken by members of my committee, whom I support perhaps 90 or 95 percent of the time in committee.

Let me just read for you and for the record the Senate report on title VIII—Attack Related Civil Defense, and just one paragraph:

> The committee believes that in a time of great demands on limited Federal budgetary resources, the massive increase in civil defense expenditures proposed by the administration cannot be justified. While the committee appreciates the disparity between Soviet and U.S. investment in this area, and feels there may be grounds for concern that, should the U.S.S.R. develop a truly effective and comprehensive protection system for its people, strategic stability could be jeopardized, the committee "—the Senate—" is persuaded that other, competing requirements have a higher priority for these funds at this time.

The point I make is that last evening, I, along with most of you and all Americans listened to President Reagan once again say and blame the U.S. Congress and the Democratic party, "If only they had given me everything I wanted."

Let me just caution each and every one of us who serve in the U.S. Congress that if we continue to give to the President of the United States everything that he is seeking, then time is certainly going to run out.

If you truly believe that we can survive a nuclear attack, when you are talking missiles, we are talking about thousands and thousands of bombs hitting the United States and thousands of bombs hitting the Soviet Union.

If you truly believe we can survive that kind of attack, then, of course, the amendment has no merit.

I do not believe we can. We could be using these funds for more important things, such as education and helping the middle-income people of this country.

I want to thank the gentleman for bringing to the attention of the House this very important amendment.

Mr. BRINKLEY. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to the amendment.

I would like to maybe point out what the gentleman in the well just said about all this money seems to go to nuclear protection. It does not. Two-thirds of the money goes to civil defense will go to the State and local governments.

I am not very proud of it, but my State probably has more natural disasters than any other State in the Union. We have had bad hurricanes; we will have tornadoes, more people will be killed in Mississippi by tornadoes than in most other States.

My point is that this amendment will take away from the natural disasters of our different States and that is where most of the money goes; so I would be awfully careful and hope we will vote down the amendment.

Mr. BRINKLEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, we have had some discussion here in the direction of levity about the fact that it would be difficult to evacuate some areas. I am sure it would be. I am sure there would be great problems in some areas; however, there are some areas, a large number of areas, where many lives could be saved and much could be done.

All of us have experiences in life of a particular nature. My own life includes times when with very little difference, everything could have been lost. That is true of nations, it is true of people through history.

It is important today that we protect the American people from whatever may happen or can happen to us. It is important not only for the individuals involved, but it is also important for the security and future of mankind and of this Nation.

Therefore, I say just because some people may be hurt in a traffic jam, it has been laughed at here today, that is not to put disparity upon the life of any individual; it is not to put disparity upon the survival of a great nation like ours. Saving one life may be the saving of mankind; so I favor myself the committee's approval.

Mr. MARKEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in support of the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania (Mr. FOGLIETTA).

Mr. FOGLIETTA. Mr. Chairman, I rise in favor of this amendment. The gentleman from Massachusetts (Mr. MARKEY) is attempting to bring some sanity to this whole question of civil defense. Listening to the arguments against the civil defense amendment, I do not hear any recognition of the length of time it will take to evacuate our cities. We will not have 4 or 5 days to evacuate Philadelphia. Nuclear war will not have a long leadtime warning. Nuclear war-fighting theory relies on surprise. We cannot get our commuters out of the city during rush hour. How can we possibly expect to evacuate 3 million people safely?

Civil defense is a deception. It is a deception being inflicted on the American people. In my home city of Philadelphia, the city government has rejected the civil defense plan as unrealistic, unworkable, and ludicrous. The American people know that you cannot survive a nuclear war in any realistic way. Why cannot we recognize that as well?

This amendment is a crucial step in the right direction. We cannot protect ourselves from nuclear war by planning out relocation schemes. There are no places on the east coast where you

could move 3 million Philadelphians and have them not be in another "Hot Zone." And if you move them, what signals are you sending the Russians? Evacuating our cities is a signal that we are preparing for nuclear war, that we are considering the fighting of nuclear war. This only heightens the danger of that war breaking out.

Mr. Chairman, I commend the gentleman from Massachussetts for his amendment, and urge its adoption.

Mr. BRINKLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. Mr. Chairman, this morning we have had individuals suggesting that because the Soviets do something that we should not. I think in so many areas that is a correct policy.

The Soviets have certainly moved toward the concentration of all their educational system under one center. I think we should not follow that lead.

The Soviets have certainly moved toward collectivization of virtually every segment of that society. I think we make a great mistake when we follow that lead.

For the last 22 years we have been operating under a civil defense policy that can be honestly characterized as MAD, under the acronym of MAD, for mutual assured destruction.

Beginning with the McNamara period, it was our policy that our people, undefended, would act as hostages to our good behavior and the Soviet citizenry, undefended, would act as hostage to their good behavior.

In the dusty pages of Project Rand, dated in 1960, we read: "Hardening of civil defense instead of deterring an enemy might make a preemptive attack by him more likely," suggesting that we should not move toward civil defense; but interestingly, the very next sentence of that Rand Report is:

What conclusions could we draw if the Russians initiated a really large scale effort in the construction of deep shelters?

That is exactly what they have done. They have destabilized that concept of MAD, mutual assured destruction, because they have opted for a massive civil defense deep-shelter evacuation program.

Now, in the 19th century there were those who felt that the wooden ships offered adequate protection on the high seas until someone came up with an ironclad ship and one ironclad could conceivably defeat an entire fleet of wooden ships. Defensive measures changed the policies of war.

Then in World War I, prior to that conflict, there were great academic thinkers that said that the war could only last for 3 days because of the development of the machinegun, that so many people would be killed that they would run out of troops in three days. Then someone dug a trench. We moved into trench warfare and World War I lasted not 3 days, but for years.

Prior to World War II there were some great academic thinkers that said the war could only last 2 weeks because of long-range strategic bombers that would wipe out population centers, wipe out the industrial areas; but then we found with the dispersion of industy and sheltering of people that World War II ground on, not for 2 weeks, but for years.

We have visited countries of Ireland, Norway, Israel, and Switzerland. All of these countries have enacted an active civil defense program. Even Ireland has a per capita greater civil defense effort than that of the United States. In Oslo, there is Norway, certainly not noted for any bellicose ideas, there is an active civil defense program.

Civil defense is a defensive program that works.

For those whose scientific understanding goes to "Godzilla," "Planet of the Apes," or "On the Beach," this might sound like a nightmarish thing, but civil defense is necessary and long overdue.

The Soviet manuals show that they do not believe that nuclear war is unthinkable. Given the real world situation, the people of this country need a realistic civil defense and for this reason, I strongly oppose this amendment.

PARLIAMENTARY INQUIRY

Mr. MARKEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARKEY. Mr. Chairman, is it not my right as the maker of the amendment to make the concluding statement on the pending amendment?

The CHAIRMAN. The Committee has the right to close.

● Mr. MOFFETT. Mr. Chairman, I strongly support the amendment offered by my colleague from Massachusetts, which would cut $108 million from the enhanced civil defense program.

The administration's claim that their civil defense program would allow 160 million Americans to survive an all-out nuclear war is utter nonsense. During a hearing I chaired last April, we heard testimony from several witnesses—including civil defense officials—which raised serious doubts as to the feasibility of the proposed civil defense plans, and especially the crisis relocation plans. And even if the administration's plans are effective, their casualty estimates do not even begin to take into account the long-term political, psychological and ecological effects of an all-out nuclear war.

I am not opposed to Federal efforts to prepare for and deal with emergencies. The floods which recently devastated my home State of Connecticut demonstrated the serious need for such Federal assistance.

The proposal we are debating now, however, has nothing to do with floods, hurricanes, or other such disasters. This proposal calls for spending $252 million—the first installment of a $4.2 billion program—to prepare for nuclear war. The majority of this funding will go to hardening our communications against electromagnetic pulse, preparing relocation plans and fall-out shelters, radiological defenses, and other activities that will be of little or no use in dealing with day-to-day disasters.

It makes no sense to spend such a vast sum of money—especially when we are witnessing dramatic cutbacks in vital programs such as child nutrition and aid to the elderly—on a program which has so little to offer. An all-out nuclear war is not like an isolated disaster, such as a tornado or a hazardous material spill. A nuclear war would bring death and destruction on an unprecedented scale, and would leave behind dangerous long-term consequences on human health, the ecology, our global climate, threatening the future of life itself on this planet. There is no effective response to nuclear war; prevention is the only answer. If nuclear war is the cancer which threatens our survival, civil defense is the laetrile which offers only the illusion of survival.

I would like to insert in the RECORD, for the reference of my colleagues, a statement made before my subcommittee by Dr. Jeffry Klugman, professor of psychology at Yale University, regarding the administration's efforts to plan for a nuclear war.

STATEMENT BY JEFFRY KLUGMAN, M.D.

Albert Einstein said "the splitting of the atom has changed everything, save our mode of thinking and thus we drift toward unparallelled catastrophe." Although I am not a credentialed expert on defense, I am an expert at analyzing modes of thinking, at looking for hidden assumptions and contradictions. Therefore, I want to analyze our official mode of thinking about nuclear war, and the role of civil defense.

Civil defense planning for nuclear war does serve an important function. That function has nothing to do with saving lives, the biggest justification for the program, or strengthening deterrance, another official justification. Instead, civil defense is a psychological defense. Its most important function is to contribute to the system of belief that allows most citizens, including public officials, to deny the realities of nuclear war, and to avoid the anxiety of thinking about the deaths of ourselves and our families, the destruction of our nation and of our civilization, the possibility of the extinction of humanity, and even the possibility of the end of all life.

Anxiety, fear, and pain are nature's way of telling us something important. They are calls for attention, and we ignore them at our peril. You may recall the crash of an Air Florida plane in Washington, D.C., not long age. Seventy-eight people died. If you read the transcripts of the conversation between

the pilot and co-pilot, then you know that they were worried. They spoke of the ice on the wings and, during the take-off, noticed that the instrument readings were wrong. Earlier that day, another plane pulled out of line for a second de-icing. The Air Florida crew said things like "That de-icer stuff is a waste. It just gives you a false sense of security." Ignoring their anxiety, they continued their take-off, killing themselves and most of the people in their charge. Compare those pilots to the leaders of our nation, but remember that the government's denial reflects our denial—that is, the denial of the citizenry as a whole.

Approximately once a week over the past few months, I have spoken to groups about the threat of nuclear war, and its medical effects. My talk upsets people. A woman told me that she nearly fainted. A man burst into tears. The one time I get laughs is when I talk about FEMA and civil defense plans. People instantly see the logistical impossibilities of evacuation plans, and their ignorance of human nature. Civil defense is comic relief.

Have you ever tried to drive through Hartford on a Friday afternoon? It's difficult. Much of the population of the State of Connecticut is supposed to drive through Hartford during an evacuation. Imagine getting in your car and trying to get gasoline, imagine the traffic jams, the desperate hitchhikers, the cars stalled or out of gas, the fear and the anger. During the Cuban missile crisis, John Kennedy refused to evacuate himself, let alone anyone else, for fear of causing a panic. I think his assessment was accurate.

Evacuation is simply unworkable. I shall therefore just mention, but not detail, the problems of successful evacuation. More deaths and injuries would occur if an attack came during an evacuation. Prolonged evacuation, either in a prolonged crisis, or after the destruction of a war, would leave evacuees with no economic base and no means of support. Strategically, evacuation itself would be a provocative act, because it implies preparation for launching an attack.

Let's take a look at the post-attack world. For most of us, there would be no post-attack world. We would be dead. For people elsewhere, here is the situation: food will be maldistributed, and perhaps fought over. There will be no fuel, no transportation, no electricity, therefore no pumps and limited or contaminated water. There will be no way to sow or reap the next crop. Sanitation will be poor.

Malnutrition lowers disease resistance. Radiation lowers disease resistance. Insects are radiation resistant, and can carry disease. There will be millions of rotting corpses, no drugs, little medical care, poor sanitation. All this provides a setting for epidemics. Cholera, plague, malaria, typhoid, typhus, and yellow fever are all possible. Usually mild diseases like GI infections, hepatitis, influenza, meningitis, and TB will be fatal in a setting of reduced resistance.

Forest fires will denude the Earth, setting a scene for floods. Dust clouds may affect the climate. Nitrous oxides produced in the nuclear explosions may deplete the ozone. A National Academy of Sciences study predicted that if 10 percent of the arsenals that will be available in 1985 are exploded over as short period, the ozone will be depleted by 70 to 80 percent in the Northern Hemisphere, and 30 to 40 percent in the Southern Hemisphere. A 20 percent depletion will let in enough ultraviolet light to blind all eyes. Mammals, birds and insects will all go blind and die, as will flowering plants that require insect pollination. Micro-organisms in the upper layer of the ocean, which form the base of the ocean food chain, may be scorched and die. A collapse of the ecosystem is possible. Human extinction is possible. The end of all life is possible.

The awareness of these possibilities has caused Connecticut citizens to join together to try and avert this disaster. Over 60 towns in Connecticut have had or will have town meetings or city council resolutions calling for an immediate freeze on the testing, production and deployment of nuclear weapons and their delivery systems. Connecticut's state legislature was almost unanimous in both houses in endorsing that proposal, and Connecticut's Congressional delegation is the first to be unanimous in calling for an immediate freeze. Knowing our dependence on defense contracts has produced an awareness that plans for the conversion of defense industry to civilian use are essential. It has also made us aware that defense business is cyclical, inflationary, and less creative of jobs than any other way to spend money.

Connecticut is more and more aware of how the arms race hurts us in the present, and threatens to destroy us in the future. Civil defense plans do not reassure us.●

● Mr. RODINO. Mr. Chairman, I rise in strong support of Congressman MARKEY's amendment to reduce authorized funding for civil defense purposes, and I want to commend him for his leadership in confronting the whole problem of nuclear war and ways to prevent it.

The administration's proposal for $252 million for civil defense for fiscal year 1983 is only the first installment of an incredible, 7-year, $4.2 billion program for nuclear attack preparedness. It represents a 95-percent increase over fiscal year 1982 levels. Moreover, the estimate of $4.2 billion appears to be an unrealistic figure, for both the Office of Management and Budget and the former Chairman of the Joint Chiefs of Staff estimated that costs would grow to over $10 billion. This $4.2 billion figure also ignores the potential costs for blast shelters planned to protect essential industries and workers.

The Senate wisely recognized the senselessness of the administration's proposal and reduced the authorization to $144 million. This amendment would do the same and it deserves overwhelming support.

The administration appears to be proceeding on the assumption that a nuclear war can be limited and that a large proportion of our population can survive. Most reputable experts refute this, for beyond the deaths of millions of people, all the basic necessities of life would have to be salvaged and reconstructed. Where, for example, would we grow our food, with the pall of nuclear poison covering the land? And who would grow it, if some uncontaminated ground could be found? And who would transport it to the hypothetical concentrations of surviving people?

An exercise in civil defense was carried on earlier this year, the 4-day mock war labeled "Operation Ivy League." This disclosed that it would take 5 days of warning time and 3 days of activity to evacuate the city of Amarillo, Tex., with a population of just 125,000. Can we seriously believe that civil defense plans can save the millions of Americans in our great cities an urban areas?

To authorize the massive increase sought by the administration for such a dubious and impractical civil defense system is an incredible waste of funds, at a time when crippling cuts in programs essential to the health and well-being of our society are being made.

Mr. Chairman, I urge my colleagues to support this amendment to fund the civil defense program at the more reasonable and realistic level of $144 million.●

● Mr. MOAKLEY. Mr. Chairman, I rise today in support of the Markey amendment to reduce authorized funding for fiscal year 1983 nuclear civil defense.

H. L. Mencken once said that "there is always an easy solution to every human problem—neat, plausible and wrong," Mencken's perception appears to ring true concerning the Reagan administration's civil defense program. It is very neat in theory, obviously plausible to this administration, and dead wrong. The administration is calling for $4.2 billion for a 7-year so-called nuclear civil defense program, designed to teach the American public how to survive a nuclear war. Total costs of the program could be over $10 billion.

To begin with, Mr. Chairman, let me just express my disgust and concern with the mentality of this proposed authorization. It is quite clear that civil defense in the nuclear age is nothing more than a contradiction of terms. This country will never be closer to the reality of nuclear disaster than when we accept such a holocaust as being both survivable and winnable. Instead of civil defense being and doing what its name implies, it would be transformed into yet another escalating weapon. Along with counting missiles and bombs, we will be ranking survivability statistics. But more importantly, an all out civil defense program could result in deceiving the public into believing nuclear war is not the end all that it is. Let us face it, once those missiles are launched, a controlled or "limited" conflict becomes an unrealistic concept.

Further, how can we expect that the same leaders who lacked the sense, judgment, and diplomacy to prevent nuclear war, will suddenly insure the limiting of nuclear usage? To expect a nuclear exchange to be managed with cool logic and exquisite precision is pure folly. It should be noted, as

FEMA, the Federal Emergency Management Agency, which would administer the Federal civil defense program, must concede, a nuclear war must not come too soon nor too late for its plans to work. An attack during an evacuation might result in even more deaths than if the population remained in place.

The administration's proposed nuclear civil defense initiative consists of five programs: Crisis relocation, fallout protection, blast shelters, industrial protection, and continuity of government. Perhaps most absurd of these programs is crisis relocation. FEMA assumes that a nuclear war would occur only after a period of rising tensions. Thus, there would be time for entire urban populations to relocate—with conservative estimates targeting this span at 7 to 9 days. However, we all know that in this age of instant global communications, such a time period prior to disaster is unlikely. Of course, any advance notice could only be predicated upon a President willing to admit possible disaster to this country—most likely creating mass panic.

But assuming, just assuming, that there was advance notice—what then? The availability of supplies and equipment needed to support an evacuated population and the immediate construction of nuclear refugee camps is doubtful. The Center for Defense Information, in a recent publication, reports that—

> Two thousand shelters for 10,000 people could require 300,000 to 500,000 logs. It will be impossible for a typical family of four people to get any significant portion of the materials and supplies needed into a family automobile. The competency to build effective shelters is also in doubt. Severe weather conditions would probably exacerbate these problems.

Mr. Chairman, I do not know about the rest of my colleagues but, I, for one, would be hard pressed to find even one good-sized log back in South Boston to put in my car.

What is truly ironic about this whole nuclear civil defense program is that in a time of fiscal restraint when many valuable and essential social programs are being cut, an initiative as useless and potentially destructive as this is seriously being considered. Mr. Chairman, the money that is being requested for civil defense could be more prudently and wisely spent elsewhere.

Several years ago, many of us in Congress realized the need for a national effort to prevent fires. Those of us in Massachusetts have and continue to be plagued by arson, which recently took historic Lynn. In order to help gather more information and provide better technical assistance to the States, the U.S. Fire Administration was established which is administered by FEMA. This agency has been establishing a data bank of fire information from across the country in an effort to gain a better understanding of both the cost and degree of fire damage done to this Nation each year.

The administration is advocating that funding be ended for the Fire Administration next year. If it is successful, funding will be halted just when data being collected by the Fire Administration reaches the point where it can be a valuable resource. The administration is advocating a halt to funding of this program despite the fact that thousands of lives are lost and tens of thousands of innocent people are severely injured. It is extremely bothersome to me that in the same agency, proposed funding for civil defense has increased so dramatically. It certainly appears that priorities are twisted.

Mr. Chairman, in conclusion, let me again urge my colleagues to support the Markey amendment to reduce authorized funding for fiscal year 1983 nuclear civil defense from $252 million to $14 million. It is a modest but necessary action. This amendment brings the civil defense program to a more realistic emergency planning basis. Rather than devote our energies to preparing for nuclear war, let us, instead, work to prevent such a holocaust from ever occurring.●

● Mr. MINETA. Mr. Chairman, I would like to support the amendment to reduce civil defense funds. I do this partically because several communities in California, including Sunnyvale, Cupertino, and San Jose, have chosen not to participate in crisis relocation and nuclear war disaster plans and have written me to express their views on this issue.

Most of the communities in my district and in California have been actively involved in emergency preparedness efforts over many years in regard to natural disasters, such as earthquakes. Recently several of these communities have been called upon to participate and plan for the evacuation of entire cities in the event of nuclear war.

In addressing that specific component of disaster preparedness planning, these communities have decided that crisis relocation planning efforts are illogical expenditures of public funds and have no reasonable likelihood of working. This sentiment is shared by the members of the communities, the emergency preparedness staffs, and associations, such as the California Conference of Local Officers. Not only do they consider the expenditure of funds for this form of planning as a frivolous use of public funds, but they also believe it supports the motion that nuclear war is survivable. These communities, as am I, are deeply concerned that this attitude of nuclear survivability will only result in continuing the buildup of nuclear arms.

For these reasons and many others, I am in favor of reducing civil defense funds.●

● Mr. OTTINGER. Mr. Chairman, I rise in support of the Markey amendment to reduce fiscal year 1982 civil defense funding from $252.3 to $144.3 million. I commend the gentleman from Massachusetts for offering this important measure.

On March 29, 1982, the Reagan administration announced a 7 year, $4.2 billion program to relocate up to two-thirds of the American people in the event of imminent nuclear attack. The plan identifies 400 high-risk areas in large urban areas or near military bases, and would temporarily relocate 145 million residents of these high risk areas to safer, congregant care centers.

The notion that it is possible to provide adequate civil defense against nuclear war is foolish. It ignores the countless studies which detail the devastation of a nuclear explosion. If the initial blast heat and burst of radiation does not destroy us, then the deadly radioactive particles carried by winds will. It will be impossible to protect against the disease and suffering of epidemic proportions which would make effective medical intervention impossible.

But the worst aspect of the program is its design to make credible that nuclear war is fightable, winable, survivable. In keeping with the administration's new defense guidance prescribing planning for protracted nuclear wars, this civil defense program shows the administration is serious about contemplation of nuclear warfare.

Nuclear weapons are no longer viewed as a deterrent to the Soviets, but as a part of our own design.

Far from preventing nuclear war, the President's civil defense program and the policies which his administration has formulated in this regard can only make nuclear war more likely. It undermines completely the credibility of the administration's arms control proposals.

At a time when over 75 percent of the American people favor an end to the arms race and the buildup of nuclear weapons, the Reagan administration would continue to foster programs that will send a message to our potential adversaries that we are preparing for nuclear confrontation. This money should be redirected into programs to prevent nuclear war—not hasten it.

The Markey amendment would reduce civil defense funding in fiscal year 1983 by over $100 million to cover only the agency's disaster relief functions. I urge my colleagues to support this amendment.●

● Ms. FERRARO. Mr. Chairman, I rise in strong support of the Markey amendment to reduce the funding level in this bill for civil defense and to

stop the absurd march to throw money away on a plan that, if we are lucky, will only be a waste of money, and, if we are not lucky, could create a false sense of security leading to a nuclear disaster.

In considering this amendment and the President's plan to relocate civilian populations in the event of nuclear attack, I contacted some local officials in New York City to get some appreciation of the scope and practicality of any plan to evacuate the city. The general reaction from city officials was expressed in terms like "insane," and "absurd." In fact, the city council has approved a resolution denouncing the proposed crisis relocation plans and resolving not to accept any crisis allocation funds.

Let me share with you some of the practical considerations of any attempt to relocate the population of New York City. First of all, on an average business day, you are talking about moving 15 million people off Manhattan. That is about twice the number of people normally leaving the city during rush hour—and rush hour in New York City in normal situations can be difficult enough. If you double the number of people involved, and add the pressure of an imminent nuclear attack, you have a formula for disaster.

But in addition to the simple practical problems, there are several special case kinds of situations that must be addressed. For example, what do you do about the 75,000-plus patients in health-care facilities in the city on any given day? There is simply no possibility that adequate numbers of ambulances and other special vehicles would be available to move those people, of whom about half, or almost 40,000, are senior citizens confined to nursing homes or other special health-care facilities for the elderly.

Another special problem would involve getting almost 1 million school children out of the city from almost 1,000 schools. The potential for panic in getting children home in an orderly fashion is great, as the city's streets and subways would be jammed far beyond their capacities to handle passengers and vehicles.

The administration's crisis relocation plan is absurd. It would be laughable if it did not pose such potentially disastrous consequences. We cannot, in good faith, vote for funds for a plan which would give the American people the false idea that nuclear war is survivable and therefore acceptable. We also cannot afford to waste $108 million in these times of ravaged budgets for domestic programs for health, education, nutrition, and economic development on a plan that can only increase the chances of nuclear war without contributing anything to the safety and security of our people. I urge approval of this amendment.●

Mr. MARKEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as the debate draws to a close, I would like to clear up again a few of the misconceptions.

First, we are not talking about earthquakes, hurricanes, tornados. We are only talking about the additional money put in this budget for the enhanced civil defense nuclear war fighting plan. That is all, crisis relocation in the event of nuclear war. And we still include a 6-percent real growth for the civil defense program for hurricanes, earthquakes, fires.

What we are talking about here is not surrender. We are talking about a nuclear war which results in the only areas of the United States which are not uninhabitable after a full scale Soviet attack being Minnesota, the Rocky Mountains, and the Everglades. Those will be the vacation spots after a nuclear war.

The Soviet Union will be in the exact same situation. Eighty percent of their population is in the same kind of concentrated areas as ours is. There is no escape for either side. The radiation is just as deadly as the blast. Let us get that through our minds. You cannot run from nuclear war. There is no escape.

What we are talking about is not public education. We are talking about public pacification. We are talking about surviving the unsurvivable. We are talking about winning the unwinnable. There is no such an animal when you talk about nuclear war.

The President 2 months ago vetoed a $3 billion housing bill, saying that it was inflationary; but, rather than provide real homes for people to live in, he has a $4 billion project to build fallout shelters that will in no way offer them any protection whatsoever against what he claims he is protecting them from.

What we are talking about here. Mr. Chairman, is a deception of the public. We are trying to continue the myth that there is such a thing as a survivable nuclear war. It is time that we level with the American people about those dangers.

What we are talking about is throwing a hundred million dollars down a rathole. It will do this country no good. The corresponding money spent by the Soviet Union will do them no good.

The specifics of this program are irrational. They are unworkable.

What we are talking about is exclusively the buildup by the Reagan administration of that portion of the civil defense budget relating to nuclear war preparedness, nothing more and nothing less.

It is my hope, Mr. Chairman, that as this debate winds down and people come over here to vote, that they understand that the only issue, and the issue as it is drawn is very clear, is whether or not we want to mislead the American people into believing that there is such a thing as survival of nuclear war; whether it is better that we spend our money on trying to win a nuclear war or trying to prevent a nuclear war; whether the best investment for our dollar is going to be at the negotiating table trying to get the Soviet Union and the United States to put a freeze on nuclear weapons and a reduction in their stockpiles; or whether we are going to talk about the mindless buildup of the nuclear arsenals of both sides and give them the false hope that there is some way in which 80 percent of the American public is going to survive a holocaust which is going to level this country and make it unlivable for a generation.

□ 1215

I hope, Mr. Chairman, as those Members come over here and as they begin to decide whether or not they are going to vote on this issue, that they understand that the misinformation which has been spread, that the attempt by the administration to have us be deluded into thinking there is such a thing as surviving a nuclear war is the worst kind of illusion.

None of us oppose money for floods, earthquakes, hurricanes; put the money in for it. If you want to, put it in directly and make the argument for it. But this kind of beclouded argument that this has a dual purpose is nothing but a misnomer.

These things are fallout shelters, they are radiological detection devices, they are only devices which serve the purpose of making it possible for us to fight that final nuclear war.

I hope, Mr. Chairman, that as we conclude the debate that all parties concerned understand what we are voting on, that we are not talking about anything more than letting people understand that there is no escape from nuclear war, that the only prevention is to insure that neither side ever begins the process of detonating their nuclear weapons, because once that begins, society as we know it has ended.

Mr. BRINKLEY. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. FIEDLER).

Ms. FIEDLER. Mr. Chairman and my colleagues, in listening to the debate there is something that strikes me that we are talking in theory here. But if any one of us on this floor should ever face a terminal illness, we would move heaven and Earth to do whatever we could to preserve and protect and prolong our own lives.

I am strongly against the Markey amendment because I believe that it negates the hope for the future, not only of the present generation but future generations, and I hope that we

pass the proposal without that amendment.

Mr. MITCHELL of New York. Mr. Chairman, will the gentlewoman yield?

Ms. FIEDLER. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentlewoman for yielding.

I would suggest that the gentleman from Massachusetts never did answer my question about what he would advise his family and constituents if the Soviets begin walking from their cities during a period of crisis.

Mr. BRINKLEY. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I wish to compliment the author of the amendment, Mr. MARKEY, for his compassionate and intelligent point of view. We respect that.

At the same time, Mr. Chairman, I wish to point out that Mr. MARKEY is not authority in this field. He has spoken of misrepresentation, misunderstanding, misinformation. But I would like to submit to this House that it is he who misunderstands and inadvertently misrepresents.

Here is the book. It cannot be separated. Civil defense relates to nuclear and attack preparedness. And it also relates to natural disaster. It is dual use, and therefore we should ask ourselves the question: When there is trouble at home in Georgia or Massachusetts, or California, or Colorado, should that earthquake come, who do you go to?

The answer: We go to the civil defense authorities. It is to them that we go.

The crisis relocation has $14.3 million. That is all. The $252 million is for the entire program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. MARKEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 163, noes 240, not voting 31, as follows:

[Roll No. 226]

AYES—163

Addabbo	Burton, John	Deckard
Albosta	Burton, Phillip	Dellums
Alexander	Chisholm	DeNardis
Annunzio	Clinger	Dicks
Aspin	Collins (IL)	Dingell
AuCoin	Conable	Dixon
Barnes	Conte	Donnelly
Bedell	Conyers	Dorgan
Beilenson	Coughlin	Downey
Biaggi	Coyne, James	Dunn
Bingham	Coyne, William	Dwyer
Boland	Crockett	Edgar
Brodhead	D'Amours	Edwards (CA)
Brown (CA)	Daschle	Erdahl
Evans (IA)	Leach	Rose
Fascell	Lehman	Rosenthal
Fazio	Leland	Rostenkowski
Fenwick	Long (MD)	Roukema
Ferraro	Lowry (WA)	Roybal
Findley	Luken	Russo
Fithian	Lundine	Sabo
Florio	Markey	Scheuer
Foglietta	Martin (IL)	Schneider
Foley	Martinez	Schroeder
Ford (MI)	Matsui	Schumer
Forsythe	Mattox	Seiberling
Frank	Mavroules	Sensenbrenner
Frenzel	McHugh	Shamansky
Frost	McKinney	Shannon
Garcia	Mikulski	Sharp
Gejdenson	Miller (CA)	Simon
Gibbons	Mineta	Smith (IA)
Glickman	Minish	Snowe
Gradison	Mitchell (MD)	Solarz
Gray	Moakley	St Germain
Green	Mottl	Stark
Gregg	Nowak	Stokes
Guarini	Oberstar	Studds
Gunderson	Obey	Swift
Hall (OH)	Ottinger	Synar
Harkin	Panetta	Tauke
Hawkins	Patterson	Traxler
Heckler	Paul	Udall
Heftel	Pease	Vento
Hertel	Petri	Walgren
Hollenbeck	Peyser	Washington
Howard	Porter	Waxman
Jacobs	Pritchard	Weaver
Jeffords	Pursell	Weiss
Jones (NC)	Rangel	Wirth
Kastenmeier	Ratchford	Wolpe
Kennelly	Reuss	Wyden
Kogovsek	Richmond	Zeferetti
LaFalce	Ritter	
Lantos	Rodino	

NOES—240

Akaka	Daub	Holland
Anderson	Davis	Holt
Andrews	de la Garza	Hopkins
Anthony	Derrick	Horton
Applegate	Derwinski	Hoyer
Archer	Dickinson	Hubbard
Ashbrook	Dougherty	Huckaby
Atkinson	Dreier	Hughes
Badham	Duncan	Hunter
Bailey (MO)	Dyson	Hutto
Bailey (PA)	Eckart	Hyde
Barnard	Edwards (AL)	Jeffries
Benedict	Edwards (OK)	Jenkins
Benjamin	Emerson	Johnston
Bennett	Emery	Jones (OK)
Bereuter	English	Kazen
Bethune	Erlenborn	Kemp
Bevill	Evans (DE)	Kildee
Bliley	Evans (GA)	Kramer
Boggs	Evans (IN)	Lagomarsino
Bolling	Fary	Latta
Boner	Fiedler	LeBoutillier
Bonker	Fields	Lee
Bouquard	Fish	Lent
Bowen	Flippo	Levitas
Breaux	Fountain	Lewis
Brinkley	Fowler	Livingston
Brooks	Fuqua	Loeffler
Broomfield	Gaydos	Long (LA)
Brown (CO)	Gephardt	Lott
Broyhill	Gilman	Lowery (CA)
Burgener	Gingrich	Lujan
Butler	Goldwater	Lungren
Byron	Gonzalez	Madigan
Campbell	Goodling	Marlenee
Carman	Gore	Marriott
Carney	Gramm	Martin (NC)
Chappell	Grisham	Martin (NY)
Chappie	Hagedorn	Mazzoli
Cheney	Hall, Ralph	McClory
Clausen	Hall, Sam	McCollum
Coats	Hamilton	McCurdy
Coelho	Hammerschmidt	McDade
Coleman	Hance	McDonald
Corcoran	Hansen (ID)	McEwen
Courter	Hartnett	McGrath
Craig	Hatcher	Mica
Crane, Daniel	Hefner	Michel
Crane, Philip	Hendon	Miller (OH)
Daniel, Dan	Hightower	Mitchell (NY)
Daniel, R. W.	Hiler	Molinari
Dannemeyer	Hillis	Mollohan
Montgomery	Roe	Taylor
Moore	Roemer	Thomas
Moorhead	Rogers	Trible
Morrison	Roth	Vander Jagt
Murphy	Rousselot	Volkmer
Murtha	Rudd	Walker
Myers	Santini	Wampler
Napier	Sawyer	Watkins
Natcher	Schulze	Weber (MN)
Neal	Shaw	Weber (OH)
Nelligan	Shelby	White
Nelson	Shumway	Whitehurst
Nichols	Shuster	Whitley
Oxley	Skeen	Whittaker
Parris	Skelton	Whitten
Pashayan	Smith (AL)	Williams (MT)
Patman	Smith (NE)	Williams (OH)
Perkins	Smith (NJ)	Wilson
Pickle	Snyder	Winn
Price	Solomon	Wolf
Quillen	Spence	Wortley
Railsback	Stangeland	Wright
Regula	Stanton	Wylie
Rhodes	Staton	Yatron
Rinaldo	Stenholm	Young (AK)
Roberts (KS)	Stratton	Young (FL)
Roberts (SD)	Stump	Young (MO)
Robinson	Tauzin	Zablocki

NOT VOTING—31

Bafalis	Ertel	O'Brien
Beard	Ford (TN)	Oakar
Blanchard	Ginn	Pepper
Bonior	Hansen (UT)	Rahall
Brown (OH)	Ireland	Savage
Clay	Jones (TN)	Siljander
Collins (TX)	Kindness	Smith (OR)
Dornan	Leath	Smith (PA)
Dowdy	Marks	Yates
Dymally	McCloskey	
Early	Moffett	

□ 1230

The Clerk announced the following pairs:

On this vote:

Mr. Moffett for, with Mr. Rahall against.

Mr. Ford of Tennessee for, with Mr. Pepper against.

Mr. Clay for, with Mr. Bonior of Michigan against.

Mr. Dymally for, with Mr. Smith of Pennsylvania against.

Mr. AKAKA changed his vote from "aye" to "no."

Mr. HERTEL changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NICHOLS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding for purposes of colloquy. I understand that the Armed Services Committee has recommended the authorization of the administration's request for an end strength of 783,000 active duty positions for the Department of the Army for fiscal year 1983. Is that correct?

Mr. NICHOLS. The gentleman is correct.

The PANETTA. I thank the gentleman.

I wish to commend the gentlemen and other members of the committee for their efforts to reduce expenditures in the spirit of the budget resolution while maintaining the integrity of the Armed Forces. I am, however,

concerned by the Senate's recent decision, during its consideration of defense authorizations for fiscal year 1983, to reduce by 5,200 positions the end strength for the Army. Specifically, I am deeply disturbed by the decision in the Senate Armed Services Committee to target the U.S. Army Combat Development Experimentation Command—CDEC—for drastic reductions in personnel positions. As the gentlemen are aware, CDEC is a tenant unit located at two bases within my district: Fort Ord and Fort Hunter Liggett, Calif. The mission of the command is to conduct force development tests and experiments, in a combat simulated environment, to provide high resolution data on the performance of both troops and military equipment under combat conditions. This testing is essential to improving the Army's combat effectiveness.

Gentlemen, if the Senate's decision to cut drastically the end strength of CDEC is to prevail, then the Army will be forced to sacrifice a significant portion of its testing capabilities. At the present, the CDEC project at Fort Hunter Liggett is the Army's only test site with both the facilities and expertise to carry out accurately the platoon scale testing demanded by the Department of the Army. The need for fine-grained field experimentation is recognized; it provides insights into the processes which occur in small unit combat actions. These experiments have in the past provided valuable data on small unit organization and tactics in addition to testing the effectiveness of weapons systems.

I cannot overemphasize the potentially devastating consequences of the failure of either military equipment or training on the battlefield due to insufficient testing.

Mr. Chairman, I am asking you today for your assurances that in conference with the Senate you will reject any ill-advised end strength reductions in CDEC. In closing, I feel compelled to add that I believe it should be the Army's responsibility to determine where personnel cuts should be implemented if they are in fact needed.

Mr. NICHOLS. I share the gentleman's concern over the potential loss of a program as important as CDEC. I wish to thank the gentleman from California for expressing his interest in the Army's test capabilities, and I want to assure him that in conference with the Senate I will certainly support preserving the Army's flexibility in any end-strength reductions he is concerned about.

Mr. PANETTA. I thank the gentleman.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding. As the gentleman well knows, I have an amendment pending, but I think by a colloquy at this point we might expedite deliberations.

I would later today rise to offer an amendment which would permit citizens of the U.S. Trust Territory of the Pacific Islands—Palau, the Marshall Islands, and the Federated States of Micronesia—to enlist in the U.S. military.

The amendment reads as follows:

Title IX, General Provisions, add the following new section:

SEC. 902. (a) Any individual who is a citizen of the Trust Territory of the Pacific Islands, as defined in title 53 of the Trust Territory Code in force on January 1, 1979, and is a citizen of Palau, the Marshall Islands or the Federated States of Micronesia, is entitled, if otherwise qualified therefor, to enlist in any of the Armed Forces of the United States without regard to the citizenship of such individual.

(b) This authorization shall expire for Palau, the Marshall Islands or the Federated States of Micronesia respectively when any new political relationship is established between that particular political entity and the United States.

I would like now to take a minute to explain the purpose of this amendment to my colleagues, because I realize that most of them do not have the opportunity to observe closely the activities of the U.S. trust territories afforded to me as a member of the Insular Affairs Subcommittee of the Interior Committee.

For the last 13 years the Government of the United States has been involved in negotiations with the Micronesian governments of Palau, the Marshall Islands, and the Federated States of Micronesia to determine the future political status of these entities vis-a-vis our country. Last fall, both the American and Micronesian negotiators initialed a document which, if approved, would replace the current U.S./U.N. trusteeship relationship with one of "free association." Several issues remain to be resolved, however, and a lengthy approval process, including a Micronesian plebiscite and a joint resolution by this Congress, must take place before this agreement takes effect. Mr. Chairman, there is no way of estimating how long it will be before the status of the Micronesian islands is finally resolved.

One aspect of the negotiations which has never been controversial, however, is the anticipated right of qualified Micronesian citizens to enlist voluntarily in the Armed Forces of the United States. Section 341 of the draft compact specifically addresses this right and has already been initialed by both sides. The principal question, then, is when such authority will go into effect.

Citizens of another group of islands in Micronesia, the Northern Mariana Islands, voted in 1975 to become a Commonwealth of the United States, a status similar to that of Puerto Rico. That status took effect for all practical purposes in 1976, although their U.N. trusteeship will not be officially terminated until the Micronesian status negotiations are concluded and ratified by both sides. To accommodate those who may wish to enlist in the U.S. military before that point—at which time citizens of the Northern Marianas would technically be U.S. nationals—the Congress passed, and the President signed into law, Public Law 96-351, authority for citizens of Northern Mariana Islands to enlist in the Armed Forces of the United States.

The citizens of the other island groups in the territories—Palau, Yap, Truk, Ponape, Kosrae, and the Marshall Islands—do not currently have the option of enlisting in the U.S. military.

Mr. Chairman, the islands comprising the Trust Territory still, for the most part, do not have in place the basic infrastructure necessary for the type of social, political, and economic development to which they aspire. We have given this lack of capital improvement a great deal of attention in the Interior subcommittees headed by my distinguished colleagues, Mr. WON PAT and Mr. SEIBERLING, and by my distinguished colleague, Mr. PHILLIP BURTON, before them. One of the major contributors to this shortcoming is the lack of personnel trained to execute the planning, construction, operation, and maintenance of an infrastructure. While educational gains have been made in recent years to help alleviate this situation, and many more citizens of the territories hold degrees from American universities than ever before, we have also witnessed the unfortunate situation of students who come to this country and chose to remain here rather than return to their island homes.

Mr. Chairman, I believe that the U.S. military provides enlistees with many basic, usable skills, the type which is so desperately needed in the territories. By permitting qualified citizens of the territories to enlist in our Armed Forces we are giving them the chance to learn, at no additional cost to the Government, the skills which will benefit both that citizen and the territory from which he comes.

Let me stress at this time the difficulty currently associated with higher education in the territories. The Marshall Islands, Palau, and the Federated States of Micronesia alone consist of over 2,200 islands, with only 125,000 people spread over an area roughly the size of the continental United States and extending along the equator from the international date line to the Philippines.

Mr. Chairman, this entire area contains only one institution of higher education—the College of Microne-

sia—which is a 2-year institution. While some young people are able to pursue their education in Fiji or the Philippines, most go to Hawaii or mainland United States. I am sure that my colleagues understand that, for an area of which the median income is approximately two-thirds that of the poorest State in this country, the pursuit of higher education is reserved only for the lucky few.

Permitting qualified citizens to enlist in the military would put education and training within the reach of any bright and ambitious young person who chooses to pursue that career, regardless of family income.

I would be stating only half the case for my amendment, however, if I failed to mention the benefits which would accrue to this country if enlistment were permitted to these people. We are all aware of the strategic importance of this region to our Nation; unfortunately, we have at times taken this area for granted, and our influence there has suffered, and will continue to suffer, without adequate attention on the part of this administration and this Congress. In this vein, I would like to recommend to my colleagues two recent articles in U.S. News & World Report which address this concern. The first appeared in the March 22 issue of this year and is entitled "South Pacific: Russia Eyes an 'American Lake'"; the second, from the July 19 issue, is called "Russians in Pacific—U.S. Pushes Back;" the latter was reprinted in the CONGRESSIONAL RECORD of July 16 by our distinguished colleague in the other body, Mr. STEVENS. Mr. Chairman, our presence in this region since World War II has been largely one which demonstrated good will and mutual benefit. Certainly this area is one of critical strategic importance to our defense interests, but in recent years this relationship has shown some strain. I maintain that the consequences of ignoring these problems would be devastating for our defense effort. My amendment simply attempts to forge one small additional link in this region.

Mr. Chairman, the Department of Defense has tentatively chosen to oppose this amendment for reasons which I believe are both shortsighted and inconsistent with their present policy. DOD maintains that the interim status of the territories means that its citizens are not citizens of this country, and that as such these people would not be eligible for the programs and benefits for which other enlisted personnel and veterans are eligible, and that this situation would render the Department liable to suit by any disgruntled enlistees from this region. But Mr. Chairman, this flies in the face of current enlistment policy, which permits green-card holders to enlist.

The Department further gave as a reason for opposition the fact that all the services are currently approaching or exceeding their recruitment quotas, and that there is therefore little or no need to recruit these faraway places. Mr. Chairman, I submit that it flies in the face of this country's opportunity ethic to deny anyone the chance to improve his or her status in life for the reason that the competition may be a little stiff.

Mr. Chairman, this has come to me only 10 days ago. I think therefore, it deserves further consideration. It deserves further consideration next year, the voters of our two respective districts being willing. Would the gentleman be able to provide me some assurances that the distinguished subcommittee under his leadership would have an opportunity to look at a bill being offered by this gentleman?

Mr. NICHOLS. Let me say to the gentleman that none of us know exactly what next year will bring, but it would certainly be my intention to hold some hearings soon after the next Congress convenes to discuss this whole issue. The gentleman knows that the Department of Defense has some concerns about it at this point, and I assure the gentleman that would be my intention.

Mr. BEREUTER. If the gentleman would yield further, as this is a matter of some urgency. Does the gentleman think we might be able to hold such hearings early next year?

Mr. NICHOLS. That would be my intent.

Mr. BEREUTER. I thank the gentleman, and I will, therefore, not trouble the body by offering my amendment at a later point today.

AMENDMENT OFFERED BY MR. DOWNEY

Mr. DOWNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWNEY: At the end of the bill add the following new section:

REVISION OF CERTAIN AUTHORIZATION AMOUNTS

SEC. 1012. (a) Notwithstanding the amount set forth in section 102(c) for the Trident submarine program, the amount authorized to be appropriated in such section for the Trident submarine program shall be deemed for all purposes to be $1,481,000,000. Notwithstanding the amount set forth in section 201(a) for the Navy (including the Marine Corps), the amount authorized to be appropriated in such section for research, development, test, and evaluation for the Navy (including the Marine Corps) shall be deemed for all purposes to be $5,659,508,000. None of the funds appropriated pursuant to either such authorization (or any other authorization of appropriations in this Act) may be obligated or expended for the purpose of equipping any Trident submarine to carry, operate, or fire a Trident II (D-5) missile or for research, development, test, or evaluation of the Trident II (D-5) missile.

(b) Notwithstanding the amount set forth in section 201(a) for the Air Force, the amount authorized to be appropriated in such section for research, development, test, and evaluation for the Air Force shall be deemed for all purposes to be $10,435,196,000. Of such amount, $26,000,000 is available only for the Axe missile program.

Mr. DOWNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, and that I be given 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York (Mr. DOWNEY) is recognized for 10 minutes.

Mr. DOWNEY. Mr. Chairman, I would be happy to explain this amendment in some detail. My amendment zeroes the research and development money for the Trident II missile for research and development purposes. That is in title II and is $366.7 million. It also zeroes the $305 million for the Trident II modifications for the 10th Trident submarine.

□ 1245

That is a savings of $671.7 million. It also adds to the R. & D. section $26 million to procure the Axe missile. That $26 million that I have put in is for a weapon system that was designed as a marvelous multiplier missile. It uses the first stage of a Trident missile, and it uses components from other forces. It is a missile designed to destroy runways and airfields, and it would be over the next 10 years at a total cost of over $2 million for 300 missiles. It is a weapon system that I think is worth buying.

In total, my amendment, zeroing the Trident II missile and the modifications, plus adding the Axe missile, would mean a $645 million spending reduction in 1983.

Now, there are three reasons principally why I think we should zero the Trident II missile program. The first has to do with spending and cost effectiveness. The second reason has to do with force requirements, and the third, and the most important reason has to do with crisis stability and nuclear weapons strategy. Let me deal first with cost.

The Trident II missile is expected to cost $8 billion in R. & D. development over the next several years. We have a total acquisition cost without inflation—and we all know inflation usually drives up the cost of these programs—of $21.8 billion. Now, add to that $21.5 billion in development and R. & D. costs and $6 billion to modify the Trident submarine force, and we have a very, very expensive addition to the Trident submarine program that I do not believe is necessary.

Let me state at the outset that I am a strong proponent of the Trident sub-

marine missile force. I think it is an important leg of our deterrent. I am a strong supporter as well of the Trident I missile. If we were to forego the Trident II missile program—and I would urge us to take this course—we would be able next year to buy one more Trident submarine equipped with Trident I missiles. We would ultimately free up enough money to purchase, but not operate, an additional 14 Trident I submarines. It is possible for us, if we decide not to buy the Trident II missile but keep the Trident I missile and the Trident I submarine without modifications, to have some 30 Trident submarines and Trident I missiles, which I would support.

Now, the second argument—and I happen to think that is a far more cost effective way of providing for a secure deterrent—is that it would increase the Soviet defense planner's ASW problems in terms of finding and locating submarines.

With respect to the force requirements, which I think are also important, there is no need for the Trident II missile. The Trident II missiles will be capable of a fairly short warning attack on Soviet hard target points. It will be able to destroy silos and it will be able to destroy command and control bunkers. We already have this ability existing on the B-52 with the SRAM missile, which is capable of hitting hardened targets. We will have the capability of hitting hardened targets with cruise missiles.

I am not a supporter of the MX missile, but I understand it is going to go ahead despite my opposition, and it will also have the ability in a time-urgent manner to attack hard targets. That can be done with the MX, and if we did not go ahead with the MX, we could have the same capability of hitting hard targets with the Minuteman with the AIRS guidance system.

So the ability or the requirement for a land based, highly-accurate system is one that we already have in other systems, and it is not an ability we will be foregoing.

The third and the most important reason, I say to my colleagues, for opposing this weapon has nothing to do with cost, although that is an important factor, and it has nothing to do with force requirement, although that is important. It has to do with the whole notion of crisis stability and the whole notion that the best nuclear arsenal is the nuclear arsenal that is not used. The minute our weapons must be used or the Soviets' must be used, we have lost the game of deterrence; we have visited upon ourselves the greatest destruction known to mankind. So it is important that Soviet missiles stay in their silos and our missiles stay in our silos.

I think that some historic reference with respect to what has happened with each escalating step of the arms race is necessary to understand the Trident II in perspective. In 1968 and 1970 we had a MIRV capability. We were the ones that were about to flight test it. Both the United States and the Soviet Union decided—the United States, because it wanted to maintain its lead, and the Soviet Union, because it wanted to catch up—that there would be no flight test bans on MIRV. What that meant was that we started flight testing multiple, independently targetable reentry vehicles, and as the Soviet land-based missiles' accuracy would improve, they eventually became vulnerable, and they if they did it, ours would become vulnerable. And the Soviets, seeing that we had this advantage, decided in a pell mell way, to rush forward and do MIRV. Now we have MIRV and the Soviet MIRV. That technology is out of the bag.

As a result of our rushing to this new technology, the Soviets followed us quickly, and as a result of that, we are less secure and they are less secure. We are closer to nuclear war, and they are closer to nuclear war.

What Trident II will enable us to do—and this is the most difficult thing for some of us who always believe there is peace through strength and exploiting every new weapon system and that is the way to insure peace—and what we will get with the Trident II is the ability to strike the Soviet land-based missiles, their bomber bases, and their submarines in port simultaneously with short warning. If we add to this capability a depressed trajectory, we will have the ability to simultaneously strike two legs of their triad with high accuracy in under 8 minutes.

If we have this capability, I know some of you say, "terrific; this is just what we want; this will restore the balance; this will put us first." It will not work, I say to my colleagues. It will not work because it will force the Soviet Union to act, or if the Soviets were to acquire this weapon system first, it would require us to go to a posture of launching on warning. It would require the Soviets in a period of crisis to not be confident that if they did not launch first, that they would have any weapons to respond to us if they decided to launch first. It puts them on the " hairiest" of hair triggers.

In the last 20 years we have had some hundreds of crisis alerts, thinking that the Soviets were going to launch at us. Because we had the time afforded by the 30 minutes or so that it takes an ICBM to be launched from the Soviet heartland and hit the United States, because we had the time to go to the computer and sort that out, we have avoided an accidental nuclear war.

If we deploy the Trident II missile, we will be robbing the Soviet Union—and believe it or not, we do not want to rob the Soviet Union—of warning time, of that critical warning time. We will not be getting a system that does anything more than we can already do with existing systems, and we will be spending a great deal of money to reduce the capability of the Trident submarine force, which we could expand if we did not have to build this system.

So there are three reasons, and one is the cost. It is expensive.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

Mr. DOWNEY. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. STRATTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DICKINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have listened intently to the remarks of the gentleman who offers the amendment, and I really cannot see any reason for the amendment except that instead of really proposing the so-called Axe that the amendment would authorize, what we are doing really is killing the Trident II or the D-5 missile that is to be produced for our Trident submarine.

Now, the gentleman served for several years on the Armed Services Committee, and he is very knowledgeable. He speaks with authority on many subjects. But if you will examine what he would propose to do, whether it be with this amendment of other amendments, he is against the B-1, he is against the Trident, he is against the MX, and he is against most any system coming down the line. He has a better alternative which would, in effect, kill the system we are talking about. He is talking about this Axe system we already have, which is nothing more than a conceptual design. We have the MRASM cruise missile that will destroy runways, and take out airfields and this is what the so-called Axe would do.

The Department of Defense has not asked for this; the Air Force has not asked for this. I do not know of anybody who thinks this is a good weapon system except the proponent of the amendment. He says that we will take out the Trident and try a new concept, but that concept is still on a piece of paper.

I think we would be very shortsighted on the Armed Services Committee and very shortsighted as Members of the House to kill a weapon system that has been studied and that is needed and accept a conceptual weapons system that may or may not be ef-

fective. We even have an alternative system that will do what Axe would propose to do, and that is take our airfields.

The statement has been made—and erroneously—that there is no additional range for the Trident II and the D-5. This is just not so. The Trident II would have a range of between 4,000 and 6,500 nautical miles. If you gave the Trident I the same capability, you would have to offload the payload. It has about 4,000 now. The Trident II would have about 6,500 nautical miles, with more of a payload, between 300 and 500 kilotons, as opposed to 100 kilotons.

So what we are doing, I think, is playing the shell game—where is the pea under the shell? In effect, we are trying to kill a program. We have already passed that title, and this is an interesting little maneuver. We are trying to kill a program by offering to title X what should have been offered before. That would kill the Trident missile program by adding something new that the Defense Department has not asked for and the Air Force has not asked for. It would be more costly and less effective, and like most additions, it is a misdirection.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. Mr. Chairman, I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, let me just say that the gentleman is correct in pointing out that I oppose the B-1 and the MX. They are turkeys, and I have no intention of wasting the taxpayers money on them.

Mr. DICKINSON. The gentleman has opposed most every weapon system coming down the pike, including this one. If the gentleman wants to just disarm the United States, he should say so, but he is not really doing much for the Government or the House with this amendment.

Mr. DOWNEY. Mr. Chairman, if the gentleman will yield, I am a strong supporter of the cruise missile program, the neutron bomb, the F-16, the Trident submarine program, and many more and have historically supported the authorization bills, but that is of little relevance.

I think the point that needs to be made with respect to Axe, as the gentleman has pointed out, with MRASM, Axe would provide at least 10 times the payload those missiles would provide.

The gentleman also suggested that the offloading of warheads would be required for the Trident I missile and with the Trident II. This is correct. We have to go from 14 to 8. I have also pointed out that I would favor having a little more money taken from the Trident II missile and put in the Trident submarine to be used to buy additional Trident submarines and Trident I missiles.

In fairness of position, I would ask the gentleman what opposition would he have to having more submarines? We would be able to buy those submarines if we do not have the Trident II missiles, and I would strongly support that.

□ 1300

The CHAIRMAN pro tempore (Mr. AuCoin). The time of the gentleman from Alabama (Mr. Dickinson) has expired.

(At the request of Mr. Downey and by unanimous consent Mr. Dickinson was allowed to proceed for 2 additional minutes.)

Mr. DICKINSON. Let me say we tried to buy an additional submarine this year but because of the budgetary constraints we had to eliminate the second Trident submarine.

You are suggesting that we do it next year. My position is if we are going to spend the money, if we are going to put in the inventory the weapons systems we need, we are going about it in a backward way, in my opinion.

Let us procure the submarines if in fact we need them, and I think that we do. It was a trade off in this budget consideration between an aircraft carrier and the second Trident submarine, as the gentleman knows.

So we are under budgetary constraints. We only have so many dollars to go. The Department of Defense, the Air Force, the Navy, everybody has agreed on the way that this committee is proposing that we go.

Now the gentleman comes up with a great idea that nobody has supported. I just do not think this is the smart way to go.

Mr. DOWNEY. If the gentleman would yield further, let me make one point. The reason we had to forgo the second Trident boat was because we had to spend $305 million additional modifying it for the Trident II missile. It is this missile that is squeezing your budget.

What I am suggesting to the gentleman is you can have the boat and 10 additional boats over the next 15 years if you forgo the Trident II missile system program completely.

So it is not a question of not buying the boats. I want the boats and we can have far more of them if we forgo the purchase of this missile.

Mr. DICKINSON. I think the gentleman has proven my point and we all understand it. The gentleman is really not for the Axe, you are just trying to ax the Trident II missile. I am not for it and I yield back the balance of my time.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Trident I missile was developed in a way in which it could be carried on both the Trident and the Polaris submarines. The Trident submarine was designed to carry the Trident I missile and the larger Trident II missile. What we are doing in this bill is to fulfill what the Trident program was intended to do, which my good friend from New York said he favored.

The Trident submarine was designed to carry ultimately Trident II missiles. The Trident I tube was made so that the same missile could be carried on a Polaris and Trident submarine. That is the reason why it was built the way it was.

So the gentleman should have objected way back yonder when we were planning the Trident submarine because that was inherent in the construction of the Trident submarine, that it would carry ultimately the Trident II. It is 84 inches in diameter as opposed to 74 inches in diameter for the Trident I missile.

It is interesting to note that the very brilliant gentleman from New York (Mr. Downey), and we all enjoy listening to his conversation, generally comes here to do in some program. He very seldom comes here to suggest a program that he favors, unless it is one that nobody has studied and nobody has approved.

This is distressing to me because we have something here which has been vigorously supported by everybody who has studied the matter; namely, the Trident II. It is something we can get now for which we made a substantial sacrifice earlier in the bill to get.

It will give us greater power in the future. It will be more cost effective, contrary to what the gentleman says.

When you are as bright as the gentleman from New York is, it is easy to come to the well of the House and to impress people with your brilliance, because he is brilliant. The problem is, however, there are a lot of things that are lost in the shuffle. One of them I have already mentioned.

I am going to yield to the gentleman, but at this point I would also ask unanimous consent for 5 additional minutes.

(By unanimous consent Mr. Bennett was allowed to proceed for 5 additional minutes.)

Mr. BENNETT. You have generally opposed the things, which you now say would be a great substitute for the Trident II missile like the MX, and the air-dropped bombs, and things of that type, which you have generally opposed, if I remember correctly. Maybe I am wrong. Maybe you have some votes that would indicate that you support the B-1 and the MX and the other methods of delivering these things.

The question of crisis stability is complicated. I would simply say that if the Russians are real worried about the Trident II, that is a pretty good indication that perhaps we ought to get it.

I would like to say that the one place that we have real superiority in the field of nuclear war is, of course, the Trident submarine. The other methods in the triad are more conjectural or more doubtful. But the Trident submarine is in fact a very good weapon in the field of strategic deterrence. It is a deterrent.

It is not going to win a war. It is just going to deter things from happening, nuclear war, and we ought to bear that in mind.

The great problem this country is facing today is really not so much in nuclear deterrence or nuclear war, but it is in having adequate conventional weapons available.

But the gentleman, incidentally, in his conversations said he would like to get 30 Trident submarines. I would say to the gentleman that I am the chairman of the Seapower Subcommittee and I assure you that I would not favor 30 Trident submarines. It is nice for the gentleman to come up here and off the cuff advise the country that he would like to pick a different type of weapon for the Trident submarine and he would like to pick a different type of Axe facility, something that has never been studied in the committee, never been brought out of the committee, and that he would like to do differently in these things.

But the bottom line is we are dealing here with the most reliable part of the triad and we are not trying to buy 30 submarines. We are trying to buy something much less than that in numbers.

I certainly would not approve of that number because I do not think we should put that kind of money in strategic weapons. I think we should put that kind of money in conventional weapons.

Mr. DOWNEY. Will the gentleman yield?

Mr. BENNETT. So I yield to the gentleman at this point.

Mr. DOWNEY. I thank the gentleman for yielding and I thank him for his compliment.

In all fairness to my previous record, which supports national security at least as well as anyone else's, I would prefer that the whole question of whether or not we should build the Trident II missile be placed on the missile's merits and not on what programs I have supported and what turkeys I have opposed.

Does the gentleman appreciate the fact that forcing the Soviets to go to a launch on warning is a dangerous position for both countries, not just the Soviet Union but also for the United States? We can worry the Soviets right into blowing us to perdition.

If we precipitate nuclear war, what have we gained with this additional increment in our capability?

Mr. BENNETT. I do not think that we would precipitate nuclear war.

Mr. DOWNEY. If the Soviets had off our coast a missile that was capable of simultaneously destroying our ICBM's and bombers and remaining submarines in port, would that not strike the gentleman as a dangerous and destabilizing situation for our own country?

Mr. BENNETT. I think that they probably have it now or are certainly capable of having it.

Mr. DOWNEY. In all fairness to the gentleman, the Soviets do not have the capability to simultaneously destroy our land-based missiles and our bomber forces because they do not maintain that many alert submarines and their submarine missiles are not that accurate.

Mr. BENNETT. That is your opinion against mine. I like mine better.

Mr. DOWNEY. I do not doubt that the gentleman likes his better. It is a fact, however, that the CIA and the DIA may not agree with the gentleman's position.

Mr. BENNETT. I think they do.

Mr. DOWNEY. Let us assume that they do, which they do not, but for the purposes of argument. Is it wise for the United States, and does it strengthen our security to put the Soviets on a hair-trigger alert? Does it make sense for them to have a policy where they know that we are capable fully of destroying their land-based missiles and their submarines and their bombers that are on the field, and they have to use it or lose it? Does that make sense?

Let me ask the gentleman, does that make sense for us to have an ability to destroy the Soviet Union in 6 minutes, which may require them to attack us first?

Mr. BENNETT. The gentleman asks the question of whether it makes sense. I do not really think that we could do all you think that we could do by the Trident II. It would be going in that direction and it would be a real deterrent, but I do not share your sanguine attitude. I think the gentleman over-states the capabilities of Trident II missile

Mr. DOWNEY. Let me ask the gentleman with respect to costs, we wrote Secretary Weinberger a letter about the costs and he said, assuming a force of 20 Trident submarines, that prior year costs are sunk, and remaining acquisition costs for Trident I force missile submarines and bases is projected to be about $21 billion.

Then he said that a 20-submarine Trident II force acquisition cost is estimated to be $42.5 billion.

That means that by going from the Trident I to the Trident II missile is going to double the cost of the acquisition of the submarines and the missiles for a marginal increase in capability.

That is an enormous, an enormous cost increase for such a marginal improvement.

Mr. BENNETT. I would like to get my time back at this point.

I would say that I would question the conclusions made there with regard to the dollars. The gentleman is not comparing like things. But I would say that after all of the straining and all of the effort made in the Office of Mangement and Budget and the committees of Congress to cut down the costs, believe me, it was not a pleasurable thing for me to ask to cut out a Trident submarine in this bill.

□ 1310

I think amendments in this bill so far have cut out of the Navy 22 ships, that is, deactivated 22 ships. We have cut out $1 billion or $2 billion, almost $2 billion of Navy strength at a time when we need to strengthen our Navy. So I think that we have done enough damage to the Navy at this point. The gentleman is a very brilliant person. I greatly admire the gentleman and I have no personal umbrage toward him at all, and I am glad that we have men of his caliber in Congress. At the same time, the gentleman should not feel badly if Members who have sat in the committee which the gentleman abandoned—the gentleman got off of the committee—and who have listened to thousands of hours of testimony, a lot of it secret, believe they are in a better position to evaluate the veracity, the accuracy, the likelihood of success of the various weapons systems.

It just still comes down to the bottom line that the gentleman is asking this Congress, without a single subcommittee approving the Axe system, to approve that very expensive system, which nobody from the Department of Defense or any branch of the service has said they want, the gentleman is asking that that tremendously expensive system be built. That is part of the gentleman's amendment. The gentleman's amendment is not just to strike the Trident II. The amendment is to add a very expensive system which nobody has recommended, which no committees have said they are favorably inclined toward.

So in conclusion I would like to say that I think we have done all of the harm we ought to do to the Navy in this bill. We have cost the Navy about $2 billion. We have taken out one Trident submarine, and I think the gentleman voted for that. It was a record vote, so I am sure the gentleman did. And we have done a lot of things like

deactivating 22 ships. I think we have done enough harm to the Navy, and we ought to leave this Trident II intact.

Mr. EMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would like to point out that there are 16 remaining amendments, and we have 165 minutes remaining before the agreement is up, which means that each Member will have just about 10 minutes on each amendment. So I do hope that we can move along rapidly with disposing of these amendments one by one. It was my understanding that the gentleman was proposing another amendment. Is that not correct?

Mr. EMERY. No. I am here to debate in opposition the amendment offered by the gentleman from New York (Mr. DOWNEY).

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. DOWNEY), concerning the Trident II missile system.

The gentleman from New York proposes canceling the Trident II program in favor of the Axe missile, a tactical missile to be used against the Warsaw Pact airfield. He claims that $2 billion would buy us an impressive antiairfield capability in Europe, against the overwhelming Warsaw Pact tactical air superiority in that region. I say that this sounds like a good idea and that we should examine the Axe missile. However, this fact in no way justifies the gentleman's attack on the Trident II missile.

The Trident II is intended to be a major step forward in the modernization of the sea-based leg of the strategic Triad. The Trident II will provide up to 60 percent more range than the Trident I missile, although the Trident I's range could be extended at the expense of warhead yield and target coverage. The Trident II D-5 missile, when deployed in 1989, will provide a hard-target kill capability for SSBN's, for the first time ever. This is necessary, in light of the increased hardness and proliferation of Soviet command and control centers, as well as missile silos. The Trident I C-4 missile has too low a warhead yield to achieve these desired effects in the event of a war. Also, the demonstrated Soviet ABM capabilities mandate that we have a missile like the D-5 with maneuvering reentry vehicle (MaRV) and penetration aids (PENAIDS) capabilities. The C-4 missile is not as able to accommodate these necessary upgrades in the SLBM force. Finally, with the cost of the Trident submarines well known to all the Members, there is no reason to fill those expensive SLBM tubes with a lesser missile than the D-5. It is simply not cost-effective to depend on the C-4 missile for the duration of the force.

In his "Dear Colleague" letter, the gentleman makes a truly extraordinary hyperbolic statement. He says that the "Trident II is probably the most destabilizing, undesirable, cost-ineffective weapon ever proposed for production." In fact, that honor probably belongs to the Soviet SS-18 missile, which is one of the central talking points in the START negotiations with the Soviet Union. There are 308 SS-18's aimed at us right now; there are no Trident II's aimed at anyone. In addition, while we debate the obvious merits of the Trident II, we know that the Soviet Union is testing the SS-N-X-20 SLBM for the Typhoon submarine, the world's largest submarine. Mr. Downey is incorrect when he says that the SS-N-X-20 is not as accurate as the Trident II. The fact is that we do not know very much about the accuracy of the Soviet SLBM and what little we do know cannot be discussed in an open forum here on the floor of the House. The issue is not germane to Trident II.

The gentleman also makes the claim that the Trident II does not have a longer range and, thus, a larger operating area than the Trident I missile. The Navy officially tags the Trident II range at 4,000-6,500 nautical miles, carrying RV's with yields of 300-500 kilotons. The improved-accuracy C-4 missile has about a 6,000-nautical-mile range, with RV's of only 100 kilotons yield. Thus, the Trident II range is longer, and its accuracy is intended to be about twice that of the Trident I's accuracy at 4,000 nautical miles. It is unfortunate that the true accuracy and single shot kill figures for Trident II are classified, because they are very impressive, indeed.

The philosophical question that troubles the gentleman is whether or not it is somehow moral to possess a hard-target kill capability at sea. I would simply say that the Soviet planners are not kept awake at night by such questions. I suppose we could ask the same question about the Soviet SS-18, which is now more accurate than the Minuteman III missile. Does not this situation contribute to crisis instability, tempting us to adopt a launch-on-warning or launch-under-attack posture? That's what we have been told. But we have no intention of embarking upon such a dangerous path. This is a threat that we face now, but we are not overreacting in some rash fashion. By the same token, I would not expect the Soviet Union to overreact to the Trident II deployment, Marshal Ogarkov's dark threats notwithstanding.

I would like to conclude by addressing a couple more of the points that the gentleman made in his "Dear Colleague" letter. First, he wonders whether or not the Soviet Union will react to the Trident II deployment by making their missiles mobile. First of all, that would be a SALT II violation against the prohibition on mobile missiles, although the reports of SS-16 deployments seem to indicate that they are willing to stretch the interpretation of that prohibition. Just as the B-1B and the Advanced Technology Bomber—or Stealth—are designed to stress Soviet resources and technology, so, too, is the Trident II missile designed to put Soviet hard targets at risk, while making the Soviet antisubmarine warfare task a virtual nightmare, by forcing them to search vast expanses of ocean for the silent SSBN's. Thus, the Trident II development and deployment is perfectly consistent with the accepted policy of deterrence through strength and technological advancement.

One final note about arms control is in order. We in this body should be under no illusions that the Soviet Union is not paying very close attention to the debate on H.R. 6030. They must be truly amazed that we can contemplate cutting vital weapons systems, while we are trying to maintain a credible negotiating position in Geneva. Programs like the MX, the B-1B, and the Trident II missile must be supported strongly by the Congress and the American people, now as never before. If we are not going to give Ambassador Rowny and his team strong backing for the START position, we might as well call them all home. A vote for the Downey amendment is a vote against a credible nuclear deterrent and a vote against a START treaty that contributes to world stability and U.S. security interests. I strongly urge the defeat of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. DOWNEY).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. BENNETT. Mr. Chairman, I make the point of order that a quorum is not present.

RECORDED VOTE

The CHAIRMAN pro tempore. Does the gentleman from Florida (Mr. BENNETT) demand a recorded vote?

Mr. BENNETT. I do, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Florida (Mr. BENNETT) demands a recorded vote.

All those in favor of taking this vote by a recorded vote will please stand and remain standing until counted.

Mr. EMERY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair has not been counting for a

quorum. The Chair will now count for a quorum.

Does the gentleman from Maine (Mr. EMERY) insist on his point of order?

Mr. EMERY. Mr. Chairman, I do not insist on my point of order if there is a sufficient number standing for a vote.

The CHAIRMAN pro tempore. The point of order is withdrawn.

The Chair will have to recount on the number of Members standing who wish to take this vote by a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 89, noes 312, not voting 33, as follows:

[Roll No. 227]

AYES—89

AuCoin	Gejdenson	Ratchford
Bedell	Gephardt	Reuss
Beilenson	Gray	Richmond
Benjamin	Harkin	Rodino
Bingham	Heckler	Rosenthal
Bolling	Heftel	Rostenkowski
Bonker	Howard	Roybal
Brodhead	Jacobs	Russo
Burton, John	Kastenmeier	Sabo
Burton, Phillip	Kennelly	Savage
Chisholm	Kildee	Scheuer
Collins (IL)	Kogovsek	Schneider
Conyers	Lehman	Schroeder
Coyne, William	Leland	Schumer
Crockett	Lowry (WA)	Seiberling
Daschle	Lundine	Shannon
Dellums	Markey	Solarz
Dixon	Martinez	Stokes
Donnelly	Matsui	Studds
Dorgan	McHugh	Vento
Downey	Mikulski	Walgren
Eckart	Miller (CA)	Washington
Edgar	Mitchell (MD)	Waxman
Edwards (CA)	Moakley	Weaver
Evans (IN)	Nowak	Weiss
Fenwick	Oberstar	Williams (MT)
Ford (MI)	Obey	Wirth
Forsythe	Ottinger	Wolpe
Frank	Pritchard	Wyden
Garcia	Rangel	

NOES—312

Addabbo	Byron	Dreier
Akaka	Campbell	Duncan
Albosta	Carman	Dunn
Alexander	Carney	Dwyer
Anderson	Chappell	Dyson
Andrews	Chappie	Edwards (AL)
Annunzio	Cheney	Edwards (OK)
Applegate	Clausen	Emerson
Archer	Clinger	Emery
Ashbrook	Coats	English
Atkinson	Coelho	Erdahl
Badham	Coleman	Erlenborn
Bailey (MO)	Conable	Evans (DE)
Bailey (PA)	Conte	Evans (GA)
Barnard	Corcoran	Evans (IA)
Barnes	Coughlin	Fary
Benedict	Courter	Fascell
Bennett	Coyne, James	Fazio
Bereuter	Craig	Ferraro
Bethune	Crane, Daniel	Fiedler
Bevill	Crane, Philip	Fields
Biaggi	D'Amours	Findley
Bliley	Daniel, Dan	Fish
Boggs	Daniel, R. W.	Fithian
Boland	Dannemeyer	Flippo
Boner	Daub	Florio
Bouquard	Davis	Foglietta
Bowen	de la Garza	Foley
Breaux	Deckard	Fountain
Brinkley	DeNardis	Frenzel
Brooks	Derrick	Frost
Broomfield	Derwinski	Fuqua
Brown (CO)	Dickinson	Gaydos
Broyhill	Dicks	Gibbons
Burgener	Dingell	Gilman
Butler	Dougherty	Gingrich
Glickman	Luken	Roemer
Goldwater	Lungren	Rogers
Gonzalez	Madigan	Rose
Goodling	Marks	Roth
Gore	Marlenee	Roukema
Gradison	Marriott	Rousselot
Gramm	Martin (IL)	Rudd
Green	Martin (NC)	Santini
Gregg	Martin (NY)	Sawyer
Grisham	Mattox	Schulze
Guarini	Mavroules	Sensenbrenner
Gunderson	Mazzoli	Shamansky
Hagedorn	McClory	Sharp
Hall (OH)	McCollum	Shaw
Hall, Ralph	McCurdy	Shelby
Hall, Sam	McDade	Shumway
Hamilton	McDonald	Shuster
Hammerschmidt	McEwen	Simon
Hance	McGrath	Skeen
Hansen (ID)	McKinney	Skelton
Hartnett	Mica	Smith (AL)
Hawkins	Michel	Smith (IA)
Hefner	Miller (OH)	Smith (NE)
Hendon	Mineta	Smith (NJ)
Hertel	Minish	Snowe
Hightower	Mitchell (NY)	Snyder
Hiler	Molinari	Solomon
Hillis	Mollohan	Spence
Holland	Montgomery	St Germain
Hollenbeck	Moore	Stangeland
Holt	Moorhead	Stanton
Hopkins	Morrison	Staton
Horton	Mottl	Stenholm
Hoyer	Murphy	Stratton
Hubbard	Murtha	Stump
Huckaby	Myers	Swift
Hughes	Napier	Synar
Hunter	Natcher	Tauke
Hutto	Neal	Tauzin
Hyde	Nelligan	Taylor
Jeffords	Nelson	Thomas
Jeffries	Nichols	Traxler
Jenkins	O'Brien	Trible
Johnston	Oxley	Udall
Jones (NC)	Panetta	Vander Jagt
Jones (OK)	Parris	Volkmer
Kazen	Pashayan	Walker
Kemp	Patman	Wampler
Kindness	Patterson	Watkins
Kramer	Paul	Weber (MN)
LaFalce	Pease	Weber (OH)
Lagomarsino	Perkins	White
Lantos	Petri	Whitehurst
Latta	Peyser	Whitley
Leach	Pickle	Whittaker
Leath	Porter	Whitten
LeBoutillier	Price	Williams (OH)
Lee	Pursell	Winn
Lent	Quillen	Wolf
Levitas	Railsback	Wortley
Lewis	Regula	Wright
Livingston	Rhodes	Wylie
Loeffler	Rinaldo	Yatron
Long (LA)	Ritter	Young (AK)
Long (MD)	Roberts (KS)	Young (FL)
Lott	Roberts (SD)	Young (MO)
Lowery (CA)	Robinson	Zablocki
Lujan	Roe	Zeferetti

NOT VOTING—33

Anthony	Dowdy	McCloskey
Aspin	Dymally	Moffett
Bafalis	Early	Oakar
Beard	Ertel	Pepper
Blanchard	Ford (TN)	Rahall
Bonior	Fowler	Siljander
Brown (CA)	Ginn	Smith (OR)
Brown (OH)	Hansen (UT)	Smith (PA)
Clay	Hatcher	Stark
Collins (TX)	Ireland	Wilson
Dornan	Jones (TN)	Yates

□ 1330

The Clerk announced the following pairs:

On this vote:

Mr. Moffett for, with Mr. Pepper against.

Mr. Ford of Tennessee for, with Mr. Smith of Pennsylvania against.

Mr. Bonior of Michigan for, with Mr. Jones of Tennessee against.

Messrs. DICKINSON, LAGOMARSINO, and DINGELL changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I appreciate the distinguished chairman of the Seapower Subcommittee yielding.

I had intended to offer an amendment to this bill calling for a study of naval surface ship vulnerability in light of the Falkland Islands incident; but the chairman and I have had a discussion about this and he tells me that his committee is prepared and that he plans to hold hearings this year on the question of surface ship vulnerability and that we will be able not only to have witnesses from the Department of Defense, but witnesses outside of government who have raised questions about the survivability of ships in light of these cruise missile attacks.

Mr. BENNETT. The gentleman can rely upon the fact that such hearings will be held along the lines the gentleman suggests.

Mr. SYNAR. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Oklahoma.

Mr. SYNAR. Mr. Chairman, when President Reagan proposed that we go ahead with plans to procure 100 modified B-1 manned bombers, I was, frankly, skeptical. I was concerned that this plane might become outdated before it was delivered and that we might be better off waiting until the "Stealth" program could be implemented. I was concerned that the B-1 aircraft proposed and then cancelled by President Carter was not so significantly superior to our existing B-52's as to warrant production—particularly at a cost of $22 billion, with "Stealth" looming on the horizon.

But since I do not consider myself an expert on these matters, and because many of my colleagues on the Armed Services Committee are enthusiastic supporters of the plane, I began an extensive study of the modified B-1, or B-1B, and what realistic alternatives there might be to production of this aircraft. After assessing the future viability of our B-52 fleet; after trying to predict when "Stealth" might be available; and after analyzing the critical need for a more modern manned penetrating bomber, I concluded that it is absolutely essential that we proceed with the B-1B as quickly as possible.

We have heard much during the debate on the B-1B about the possible obsolescence of the plane once "Stealth" technology has been per-

fected and employed. What this argument ignores is the tremendous future potential for the plane after its role as a penetrating bomber has been exhausted. Just as we are putting the B-52 fleet to good use as cruise missile launchers, we will be able to put the B-1B to other important uses if and when it is superseded by "Stealth." One such use which is particularly intriguing is the deployment of B-1B's in a naval defense role.

As a result of my research, I am convinced that additional consideration must be given to alternative uses for our long range bomber fleet if we are to maximize their potential value to our national defense effort. It is for that reason that I offer this amendment.

My amendment simply directs the Secretary of Defense to analyze the feasibility of using long range manned bombers, equipped with antiship missiles, to defend our naval forces in vital sealanes such as the United Kingdom-Greenland-Iceland Gap. While I believe the B-1B holds great promise in this role, my amendment in no way limits the Secretary's study to the B-1B. His report would presumably include consideration of all bombers which could be equipped with antiship missiles, like the Harpoon, to attack hostile naval forces in the defense of shipping lanes.

The amendment requires that the Secretary submit this report to both the Armed Services and Appropriations Committees of the House and Senate by March 1, 1983. This timing would allow those committees to consider his report prior to any action they would be required to take on the fiscal year 1984 budget.

I should point out here that the idea of using manned bombers in a naval role is by no means a new one. The Pentagon has looked at this issue several times in the past. My concern, however, is that the question may never be completely and objectively addressed so long as interservice squabbling and turf fights cloud the debate. This should not be a Navy-Air Force debate. The issue should be evaluated on its merits in the context of a coordinated, synergistic national defense policy. I am confident that the Secretary will analyze this issue from that perspective, and that the Congress will benefit from the thorough, objective review he will undertake.

There is consensus among the American people, and therefore within the Congress, to commit a considerable percentage of our national wealth to the defense of our country. We must do everything in our power, therefore, to insure that we maximize that investment. We must guarantee that we make the fullest use of the weapons systems we procure. It is in that spirit that I urge my colleagues to support this amendment.

Thank you, Mr. Chairman. I yield back the balance of my time.

Mr. SYNAR. Mr. Chairman, as the gentleman knows, my amendment would simply direct the Secretary of Defense to analyze the feasibility of using long-range manned bombers equipped with antiship missiles to defend our naval forces in vital sealanes such as the United Kingdom, Greenland, and the Iceland Gap.

This report would presumably include consideration of all bombers which could be equipped with antiship missiles, like the Harpoon, to attack hostile naval forces in the defense of shipping lanes.

Having visited with our distinguished chairman, he has given me assurances that we will have hearings later this year on this very important subject.

Therefore, I will not be offering my amendment.

Mr. BENNETT. The gentleman can count on the fact that such hearings will be held.

Mr. Chairman, I have had an opportunity to study the gentleman's amendment. My concern about the amendment is that it would as a matter of law direct the Secretary to do a study to evaluate the use of manned bombers for certain missions currently assigned to naval surface forces. My concern is that studies are costly and that such questions can be more effectively addressed through the hearing process. I share the gentleman's concern that we must insure that these missions are done in the most cost-effective manner possible. The gentleman should be commended for bringing this to the attention of the House. Let me further say that my well-known support for naval forces and large nuclear-powered aircraft carriers is based on past testimony and evidence that these forces are cost effective. I recognize, however, that these questions must be periodically readdressed. Since the gentleman withdraws his amendment, I agree to hold a hearing on this topic during the consideration of the fiscal year 1984 defense authorization bill, if not before. I am aware that the Department of Defense has addressed this issue in some studies in the past and these studies, along with any additional information that might be necessary, will be considered by the committee during hearings.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, let me respond, if I may, to the gentleman from Washington that just spoke.

□ 1340

The chairman and I requested of the Department of Defense a full so-called readout of lessons learned in the Falklands war. We have been assured that this would be forthcoming both as to the efficacy of missiles against ships and the long-range bombers, B-52's, that will be used in control of sealanes, as has just been discussed. This is a matter that will be brought up under Chairman BENNETT's subcommittee or the Investigations Subcommittee. It is already in motion. It has been agreed to.

I just wanted to assure the gentleman (Mr. DICKS) that we are very much concerned and this has already been done.

Mr. BENNETT. The gentlewoman from Rhode Island (Mrs. SCHNEIDER).

Mrs. SCHNEIDER. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN pro tempore. The gentlewoman will suspend. The gentleman from Florida has the time.

Mr. BENNETT. I have the time, Mr. Chairman. I yield to the gentlewoman.

The CHAIRMAN pro tempore. The gentleman is yielding to the gentlewoman from Rhode Island for debate only.

Mrs. SCHNEIDER. Mr. Chairman, I ask unanimous consent that my amendment which would essentially carry through the context of H.R. 3464, which passed the House by 365 to 21 votes last November under suspension be accepted.

The amendment was accepted in S. 2248 and, in short, would insure the naval ship——

The CHAIRMAN pro tempore. The gentlewoman will suspend.

The gentlewoman will have to offer her amendment on her own time.

Mr. BENNETT. Mr. Chairman, can she not do that on my time? If she can, I yield for that purpose.

The CHAIRMAN pro tempore. The gentleman from Florida has the time. It is not timely for the gentlewoman to offer her amendment.

Mr. BENNETT. Mr. Chairman, I yield to the gentlewoman.

The CHAIRMAN pro tempore. For the purpose of offering an amendment. It is not timely.

Mrs. SCHNEIDER. I am offering that amendment.

The CHAIRMAN pro tempore. The gentlewoman is not recognized to offer that amendment at this time. The gentleman from Florida has the time.

Mr. BENNETT. I yield to her if she desires to offer it, to offer the amendment.

Does the gentlewoman offer the amendment?

Mrs. SCHNEIDER. Yes, I certainly do.

The CHAIRMAN pro tempore. The gentleman will please suspend.

The Chair will state that the gentlewoman will have to seek her own time to offer the amendment. The gentleman cannot yield for that purpose.

Mr. BENNETT. I yield back the balance of my time.

AMENDMENT OFFERED BY MR. HILLIS

Mr. HILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILLIS: At the end of the bill, add the following new section:

RESTRICTION ON PURCHASE OF FOREIGN-MADE MOTOR VEHICLES

SEC. 1012. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2394. Restriction on purchase of foreign-made administrative motor vehicles

"The Secretary of a military department may award a contract or agreement for the purchase of administrative motor vehicles that are to be used outside the United States or Canada only to the lowest responsible bidder from the United States or the host nation. This section does not apply to contracts or agreements for an amount less than $50,000.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2394. Restriction on purchase of foreign-made administrative motor vehicles.".

Mr. HILLIS. Mr. Chairman, I am offering this amendment on behalf of myself and Congressman HERTEL of Michigan who serves with me on the Armed Services Committee.

This amendment is similar to the amendment I offered last year to the Defense authorization bill for fiscal year 1982. As you may recall, that amendment prohibited the Secretary of the Army, Air Force, or Navy from purchasing foreign made administrative vehicles without the expressed permission of the Congress. That amendment was adopted by the House by a vote of 231 to 187.

The amendment I am offering today would require the Secretary of the Army, Air Force, or Navy to award a contract for the purchase of administrative vehicles to be used outside the United States to the lowest responsible bidder located in either the United States or host nation. Contracts of less than $50,000 would be exempt from the provisions of my amendment.

An example of how my proposal would work would be if the Department of the Army desired to purchase administrative vehicles for use in West Germany, the Secretary of the Army would be required to accept bids from West German and U.S. manufacturers. The contract would be awarded to the lowest responsible bidder. The Secretary could not limit the contract to just West German manufacturers nor accept bid from a third country.

The same would be true if the vehicles were to be used in England except the bids would be limited to British and U.S. manufacturers.

The vehicles in question are noncombat vehicles. You might call them utility or all-purpose vehicles. Most, as I understand it, are small pickup trucks.

In 1977 the Department of the Army and the Department of the Air Force decided to replace their fleets of administrative vehicles. The replacement of the entire fleet involves 18,000 vehicles and will cost about $300 million. To date about 6,300 vehicles have been purchased. It was decided at that time that the vehicles should be purchased from manufacturers located in the country in which they were to be used, referred to as the host country.

Mr. Chairman, I realize that when we are selling large quantities of military equipment to our NATO allies, basic fairness demands that they have a chance to sell something to us. I do not quarrel with that. But they buy equipment from us ordinarily because they do not produce it or because they cannot produce it as cheaply as we can sell it to them. In other words, we have to compete for European defense market sales.

It is not, therefore, unreasonable to allow European host nations to compete with U.S. manufacturers for U.S. contracts for administrative vehicles which will be used in European countries. But the keyword is "compete." I believe it is manifestly unfair to award sole-source contracts to European manufacturers without even allowing U.S. manufacturers to compete.

The Hillis-Hertel amendment does not seek preferential treatment for the U.S. auto industry. It does not seek to preclude purchases from European manufacturers. It simply guarantees evenhanded, fair, and open competition between United States and host nation producers.

The Armed Services Committee has over the last several months been concerned about our defense industrial base. We have had numerous hearings and heard from expert witnesses. It was concluded that our industrial base has weakened to such a degree that it would adversely impact on our ability to sustain a prolonged major conflict.

Certainly automobile manufacturing with the associated steel, glass, and textile industries is a very important part of that industrial base. I realize that the procurement of these 18,000 vehicles is not going to substantially strengthen our industrial base. But these vehicles do illustrate how our procurement policies are inconsistent with U.S. interest. I think we need to illustrate to the Department of Defense, by passing this amendment, that it is the intent of Congress that U.S. manufacturers be given a fair opportunity to compete for defense contracts. It is a change in attitude by the Department of Defense that I seek and that will strengthen our industrial base.

I offered my amendment last year out of a concern that the Depeartment of Defense was pursuing a policy inconsistent with congressional efforts to assist the U.S. automobile industry. Arguments were made then, as they have been this year, that my amendment would violate the Trade Agreements Act of 1979. We are usually told during debates on these matters that the administration is concerned about the continuing slump in auto sales and working to develop solutions. However, it opposes efforts to help the auto industry to compete against what I consider unfair competition. The Special Trade Representative's Office seems to be saying that other trade considerations mandate that nothing of any substance can be done to improve our competition disadvantage. At the same time we see other countries continue the policies of restricting imports through a variety of very effective trade and nontrade barriers.

The result is that U.S. industries are left with a competitive disadvantage time and time again. It seems to me that either other nations are in violation of the GATT agreement, or that GATT has a built in anti-American slant to it. Certainly, we rarely seem to benefit from the specific provisions of the agreement.

Mr. Chairman, Congressman HERTEL and I are not trying to be unreasonable in offering this amendment. Nor do we desire to see our international agreements ignored. In fact, it would appear that by opening up the bids to more nations, in this case to the United States, we are furthering the spirit of GATT, not violating it. If that is not the case, then there certainly is something wrong with the agreement that needs close examination.

It is time that this Congress tells the Department of Defense that we will no longer tolerate U.S. manufacturers being excluded from bidding on DOD contracts. By adopting my amendment we will put an end to the existing "buy-foreign" policy and insure an open and fair bidding system.

I urge the House to vote as it did last year and adopt my amendment.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. HILLIS. I am happy to yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. Chairman, I rise in support of the Hillis amendment and I do so as a matter of basic fairness.

Unlike many of the so-called buy America amendments, the Hillis amendment is not protectionist in nature. It does not attempt to mandate that the United States must procure U.S.-manufactured administrative vehicles for use primarily in Europe. It simply precludes a sole source award to a foreign manufacturer in which

U.S. manufacturers do not even have the right to compete.

The amendment provides that in cases where the Defense Department is procuring administrative vehicles to be used outside the United States or Canada, there has to be a bidding competition confined to U.S. manufacturers and those of the host nation.

There is some question as to whether or not this amendment would violate the Trade Agreements Act of 1979 by restricting procurement to United States and host nation manufacturers. But, in the absence of this amendment, procurement would be even more restrictive since it would result in a sole source procurement from the host nation.

All the amendment of the gentleman from Indiana does is to guarantee that U.S. manufacturers would have the right to compete. It is a good amendment and I urge its adoption.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a similar amendment was offered last year by the gentleman from Indiana which would preclude purchasing outside of Conus, or the continental United States, by the Department of Defense. I opposed it at that time.

This is a different amendment. It does allow competition within a host nation. So long as we are able to compete on an equal footing, I see nothing wrong with it, and insofar as this Member is concerned, I would support it.

I yield back the balance of my time.

Mr. HERTEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as cosponsor of the amendment I rise in support. We are talking about the hardest hit industry in this country as far as unemployment, the auto industry. We see from General Motors, Chrysler, Ford, American Motors, and Volkswagen we have a total of 235,229 Americans in the auto industry unemployed.

If we look at the other related industries that the sponsor spoke about, the gentleman from Indiana (Mr. HILLIS), we see that unemployment in those industries is as follows:

Industry	Unemployed	Percent unemployed
Metal stamping	19,000	14.5
Iron and steel foundry and forgings	39,000	10.8
Metal mining	7,000	4.9
Rubber and plastics products	80,000	10.8
Screw machine	11,000	10.7
Electric machine and equipment	326,000	17.0
Blast furnace and basic steel	41,000	8.4
General hardware	14,000	7.5
Nonelectrical machinery	83,000	6.8
Fabricated and textile products	20,000	11.6
Rubber products	28,000	9.6
Aluminum and aluminum products	16,000	7.7
Total	684,000	

□ 1350

What we are talking about in the Hillis amendment here is that American contractors can build American trucks and cars for the American armed services. "Buy American."

In the Second World War Detroit was the arsenal of democracy. They did a perfect job. They have the know-how. They have the background in this country to do the job, and there is no reason at all why we have to have foreign sources in this area.

Many of my constituents and people all around this country were very upset when they found 2 years ago that the Department of Defense was going to be buying Datsun Japanese trucks and cars with our tax money. That really was the genesis of this amendment last year. It was taken out in conference, as was pointed out.

This amendment, as it is reworded, would still prohibit the Japanese from having that kind of business with the Department of Defense in the future. The American companies would have a chance to bid, and I am confident, to win those contracts. This amendment is supported by the United Auto Workers and the automotive industry in this country. I ask for its support. Vote "yes" for the Hillis-Hertel amendment. Vote "yes" for American jobs.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. HERTEL. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Chairman, I appreciate the gentleman yielding. I just wanted to briefly add my strong support of the efforts of the gentleman from Michigan and my colleague from Indiana.

We have a critical situation in this Nation. We are being asked to spend more money on national defense. I support much of that effort, but I think that the money ought to be spent at home to every extent possible to create jobs for people who are out of work.

AMENDMENT OFFERED BY MR. GIBBONS TO THE AMENDMENT OFFERED BY MR. HILLIS

Mr. GIBBONS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GIBBONS to the amendment offered by Mr. HILLIS: Strike out all after "SEC." in the matter proposed to be inserted by the amendment and insert in lieu thereof the following:

1012. None of the funds appropriated pursuant to the authorizations of appropriations in this Act may be used by the Secretary of a military department to make a contract or agreement for the purchase of administrative motor vehicles that are to be used outside the United States or Canada and that are manufactured outside the United States or Canada unless the contract or agreement is awarded through competitive bidding without a differential in favor of foreign manufacturers. This section does not apply to contracts and agreements for an amount less then $50,000 or to contracts and agreements in existence on the date of the enactment of this section.

Mr. GIBBONS. Mr. Chairman, I feel sorry for Detroit. I feel sorry for anybody that shot themselves in the foot, and I hope that we can try to save them from making a worse mistake here now.

Have you ever thought how ridiculous it would be if you had a part landed at Antwerp, and you had to get it to northern Germany or Denmark and you were going to use one of these vehicles and you had to drive the part to the Belgian border, unload it, put it in a Dutch truck and drive it across the Netherlands and put it perhaps in a German truck, or then perhaps put it in a truck made in Denmark, if they make any in Denmark? I think Members can see how ridiculous this is.

Second, we have an obligation that is entered into. Every Member in this Chamber except six—and I do not think they are still around—voted for it in 1979. SAM STRATTON did, but as Members know, Mr. STRATTON already wants to turn this into a welfare bill. Anyway, we have a solid obligation we entered into, and if we breach that obligation we gain access for $25 billion more of American exports.

Because of that I am just trying to make Mr. HILLIS' amendment comply with the contract and the obligation that we have. Now, I want to help Detroit, but you know, they are invalid I know, but this is about as far as we can go. We do not want to turn our Armed Forces into a ridiculous looking thing, because you have to transfer from truck to truck to truck when you are trying to get across Europe. NATO stretches over 13 countries. That would put an inestimable logistics problems upon trying to service 13 different makes of trucks or light administrative vehicles.

So, all my amendment provides for, it tries to help Mr. HILLIS and tries to get as much of the confusion out of his amendment as possible. It says you can bid; foreigners do not get any preference, and this does not apply or abrogate any of the agreements we already have, any of the contracts we have already entered into. I do not know what could be fairer than that.

Mr. HERTEL. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. Yes.

Mr. HERTEL. Mr. Chairman, I thank the gentleman from Florida. Let me ask the gentleman about the amendment specifically that he has to the Hillis amendment. He is stating that the effect of it would be, in fact, as I spoke before, that the Hillis amendment would prohibit the Japanese from bidding on DOD contracts to be used in Europe—Army trucks

and vehicles. That would not allow the Japanese——

Mr. GIBBONS. I know the gentleman is only interested in Detroit, but we got a concession from the Japanese to allow us to bid in their Government procurement market. That is a concession that is worth inestimable billions of dollars to America; not just a few little old trucks or something like that to Detroit. If you want to throw that away for your constituency, that is your right, but all I am saying is, you do not give any preference to anybody; you do not have to buy Japanese trucks; you do not have to buy anybody's trucks, but you bid and you do not throw away the rights we have got and you do not make Uncle Sam Uncle Welsher on a deal.

Mr. HERTEL. Mr. Chairman, since the gentleman referred to my constituency, would he yield further?

Mr. GIBBONS. I would be glad to.

Mr. HERTEL. I thank the gentleman for yielding. I certainly am concerned about the people in the Detroit area in Michigan, but as I pointed out, the auto industry in this entire Nation——

Mr. GIBBONS. We have been through that. I will not yield any further. Just get to the question and leave out the editorials.

Mr. HERTEL. What the gentleman from Florida is saying honestly to the House is, if they vote for his amendment, the Japanese have a chance to bid and the DOD might purchase Japanese trucks. That is the difference in the gentleman's amendment and the Hillis amendment.

Mr. GIBBONS. What I am saying is, if we do not open up under an obligation we have—I do not think the gentleman was here to vote for it, but SAM STRATTON voted against it, one of six—if we welch on that deal, then they do not have to follow it. We have got access into their market for 25 billion dollars' worth of Government procurement. It is a very important opportunity for us. The gentleman is trying to throw it away on the Hillis amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Gibbons amendment.

Mr. Chairman, the gentleman from Florida (Mr. GIBBONS) has explained the situation quite clearly. The amendment of the gentleman from Indiana was described by at least two speakers as not being protectionist. In my judgment, that is a misdescription.

It is indeed protectionist because it does not allow a company, outside the United States or the host country, to bid on certain contracts for Defense Department equipment. That means, of course, that Defense Department equipment in those countries is likely to cost more than is necessary; and that is exactly what the gentleman from Florida said.

In addition, he stated that in our recent trade negotiations we opened up Government procurement possibilities around the world for American firms to the extent of about $25 billion. As soon as we begin to close our markets, which we will do if we accept the Hillis amendment, those new openings will be closed to U.S. manufacturers and exporters abroad.

Therefore, we will be paying a little more on those contracts. We may preserve a few jobs in certain areas of the United States, but, in return we will have to give up other jobs in other parts of the United States. There will be a trade off of a job or two lost for every job gained.

Mr. Chairman, we have seen already a literal flood of "Buy America" provisions in this bill. Slowly but surely we are sealing up the defense procurement in our country against any kind of foreign bidding. As we do that, slowly but surely we seal up foreign markets against American exports.

The problem does not relate to defense alone. It relates to all kinds of Government procurement in every department, in every country. It refers frequently to publicly owned public utilities in other countries. We are not going to be judged abroad by a ratio of their defense purchases against out defense purchases.

□ 1400

We will be judged, by their government procurement as compared to our Government procurement. When we are judged that way, we are going to lose markets abroad, and jobs at home. So all the Hillis amendment will do is move some jobs from somewhere else in this country. It may be your district that is affected by the job loss.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for yielding.

I understand the gentleman's explanation certainly, but the gentleman must be aware that the Hillis amendment is a very carefully crafted and moderate amendment. There are other amendments pending to the bill which would go much further. One of them, for example, by the gentlewoman from Maryland (Ms. MIKULSKI) would simply say that no funds can be expended for the purchase of administrative motor vehicles manufactured outside the United States.

The Hillis amendment, on the contrary allows another country to come in. Does it not make sense for us to go with the more moderate amendment rather than the more extreme amendment, which, if the Hillis amendment is voted down, will, I think, undoubtedly occur?

Mr. FRENZEL. Mr. Chairman, the gentleman makes a good, practical point. The Hillis amendment is indeed less harmful to our ability to export than a full prohibition on the purchase of foreign supplies for the Defense Department. It may be a little less obnoxious than a full restriction, but to describe it as not protectionist is, in my judgment, to misdescribe it.

I concur in the gentleman's evaluation that it is not as bad as an amendment as could have been drawn, but I submit that it is a bad amendment for American interests, and that it will raise American defense costs in total.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, I dare say that we will find the same kind of amendment, perhaps an even more extreme amendment than the amendment offered by the gentleman from Indiana (Mr. HILLIS), when we go over to the other side. So it seems to me we ought to take the rational, moderate, intelligent approach that the gentleman from Indiana (Mr. HILLIS) has proposed.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his contribution and his evaluation.

In my judgment, we should pass the Gibbons amendment, which would put us in the very best bargaining position of all against the Senate.

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I think we are bringing into clear issue here a number of things. One of them, of course, is free trade versus protectionism. I do not think that really applies in this particular instance.

The earlier speaker in the well made a point about transferring something from a French truck to a Belgian truck and to a Dutch truck, and so forth, as they moved across Europe. That is not true. They either purchase the administrative vehicle in the host country or, buy low bid, from a U.S. manufacturer. And it would be easier supported, I might say, by the military or the Army Air Force that has a vehicle if it is that kind of an arrangement.

The difference here is that it allows Japan to compete for U.S. purchases that are going to be used in NATO. It would be much more difficult to support these in the field, and it forces the Armed Forces to carry an inventory of Japanese parts. It would be much more difficult to support those vehicles in the event of a war or mobilization.

I think we could almost describe this amendment, if we wanted to use the term, as the Datsun amendment because it does open it up to the Japanese manufacturers.

Now, there is great trouble today in the areas of GATT and negotiations

are going on all over the place. We, in our country, have bent over backward in most instances to honor our obligations to GATT.

There is strong evidence that, with the steel dumping that is going on in the United States today, we are the only country paying any attention to GATT in the steel industry. So let us not just take this out of context, that it is going to topple the whole house of GATT if we do not accept this amendment that has been offered as a substitute for my amendment. It is only one in a whole series of issues in the GATT controversy.

Mr. Chairman, let me close on this question. Just how many American administrative vehicles has the Japanese Government bought in their defense effort? I think we all know the answer to that.

With that, Mr. Chairman, I will yield to my colleague, the gentleman from Michigan (Mr. HERTEL).

Mr. HERTEL. Mr. Chairman, I thank the sponsor of the Hillis amendment for yielding.

I am cosponsoring that amendment because, as he says, of the effects it would have. It is a fairness amendment that makes sense, and the reason it was taken out of the conference last year was because of the treaty not being operative with the Hillis amendment.

The problem is that the amendment before us now would totally gut the Hillis amendment and we would be back to the status quo. As my colleague pointed out at the close of his remarks, the fact is that the Japanese spend less than 2 percent of their budget on military defense, and we are not going to have any quid pro quo with them.

The gentleman from Florida referred before to the fact that we have this chance to bid with the Japanese, but they have never been fair with us in any other economic context in the last 10 years. I do not expect any contracts from the Japanese Government in that context, and I see no change now.

The fact is that the Japanese companies have been accused and found guilty of dumping steel in this country. They have been dumping cars in this country. They have been dumping cars in this country at contrived prices, and they have been hurting our economy, killing our economy.

What is wrong with using the American taxpayers' money for American vehicles? What is wrong with preference for Americans?

We are not talking about someone else's money. We are talking about Americans who have to pay the cost of unemployment in several different ways. If we in this Congress and if we in this country are not going to have preference for the American worker, then who is going to have preference for the American worker? The Japanese Government is not going to show preference to our people. The other governments have not shown preference to our people.

We get our own money back when we employ people in this Nation and when we raise the level of employment.

So I say, because of the fact that this amendment would gut the Hillis amendment and make it worthless, that we have to defeat this amendment. The issue is, as my colleague said, do we want Datsun trucks and cars to be bought by the Department of Defense, or do we want a chance for American trucks and cars to be bought by the Department of Defense? The issue is American jobs.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I want to commend the gentleman from Indiana (Mr. HILLIS) for his amendment.

I think one thing we have overlooked here is that there is a direct linkage between the defense of the free world and trade and the trade overhead that has been manifested in our projection of power throughout the world, including the tremendous naval projection of power which in fact guards most of Japan's sealanes, especially in the Middle East, from which they draw their lifeline of oil.

We have made many efforts to inspire some reciprocity on the part of the Japanese in our trade. Right now a Ford Escort that gets to Datsun in Yokohama and costs about $7,400 goes up to about $11,000 before it gets to the showroom floor.

Beyond that, we have made many efforts to inspire the Japanese to increase their defense level to something above the 1 percent they now spend.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HILLIS) has expired.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana (Mr. HILLIS) may be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. GARCIA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from Florida (Mr. GIBBONS) to the amendment offered by the gentleman form Indiana (Mr. HILLIS).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. HILLIS).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: At the end of the bill, insert in the following new section:

REDUCTION IN NUMBER OF ACTIVE DUTY MILITARY PERSONNEL STATIONED OUTSIDE THE UNITED STATES

SEC. 1013. (a) Except as provided in subsection (b), after September 30, 1986, the number of active-duty military personnel stationed in locations outside the United States and its territories and possessions may not exceed 250,000.

(b) The prohibition in subsection (a) does not apply during any period with respect to which the President has submitted a report pursuant to section 4 of the War Powers Resolution (50 U.S.C. 1534) citing the circumstances described in section 1543(a)(1) of such resolution.

Mrs. SCHROEDER. Mr. Chairman, the amendment I am offering would require a cut in half in the number of American troops stationed abroad over the next 4 years. As the chart behind me shows, we currently have a shade over half a million soldiers and sailors stationed in foreign nations. The lion's share of them are in Germany. In fact, nearly 250,000 of the 500,000 are in Germany. The second largest contingent (47,849) is in Japan, including Okinawa; the third largest (40,055) is in Korea, and the fourth (25,527) in Great Britain. By region of the world, slightly more than two-thirds of our troops abroad are in Europe. Another quarter are in East Asia and the Pacific, leaving less than 1 in 12 elsewhere.

My amendment does not specify where the reduction should take place and does not specify the rate at which the reduction will occur. Indeed, there is an escape provision built into the amendment that allows for a temporary increase above the ceiling where one of the circumstances specified in the War Powers Act occurs. Under the War Powers Act, the President must report to Congress within 48 hours after he commits U.S. troops "into the hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances;" or "into the territory, airspace or waters of a foreign nation, while equipped for combat, except for deployments which relate solely to supply replacement, repair or training of such forces" or "in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation."

My amendment would permit more than 250,000 troops stationed abroad where the President has sent a report up to Congress under the War Powers Act. So, there is no possibility that my amendment, if adopted, would hinder our ability to meet crises around the world.

Clearly, the intent of the escape clause is to give the President the ability to deal promptly with crises and emergencies. It is not meant to allow the President to escape the limitation just be sending a report to Congress. Rather, there must be a serious need for our troops abroad. Further, the escape clause is meant to provide for a temporary increase above the ceiling, not a permanent ignoring of the cap.

Let me explore some of the reasons for this amendment. Much of the amendment reads like the Mansfield resolution, which gained increasing support in the other body in the late sixties, culminating in the Vienna negotiations of mutual troop reductions. The Mansfield resolution was drafted initially in 1967 as an amendent to Senate Resolution 99 of April 4, 1951, endorsing an expansion of our military forces in Europe. Senator Mansfield argued that troop reductions in Europe were a shift in military policy without any change in the basic commitment of this country to the Atlantic Alliance.

This amendment does not just apply to troops in Europe. It says there should be a reduction worldwide of troops stationed abroad. The arguments for and against withdrawing ground troops from Korea are rather different from those on the withdrawal of troops for Europe. On the other hand, the situation in Japan is remarkably similar to the situation in Europe.

Let me focus initially, therefore, on the Atlantic Alliance. The first point is that the North Atlantic Treaty of 1949 did not envision NATO as primarily a military organization. It was not until the invasion of South Korea in June 1950 that NATO shifted inexorably from a political alliance to a military command. Now, the political and economic components of NATO are nonexistent and the military aspect is preeminent. There is no reason that NATO cannot return to its roots. James O. Goldsborough wrote in the New York Times magazine of May 9, 1982:

> The solution for NATO is to make a historical retreat. Those Americans who would abandon Europe because Europe does not view the world through the same prism as the Reagan Administration are forgetting that the alliance, at the beginning, was not a military pact. The late American diplomat Charles Bohlen wrote in his memoirs: "I do not believe that anyone envisaged the kind of military setup that NATO evolved into and from which de Gaulle withdrew in 1966."
>
> Conceived as a treaty whose essential purpose was to demonstrate that the United States would automatically stand by Europe in any conflict, the alliance did not become primarily military in character until more than a year after its inception. It was the Korean War that militarized NATO, a change of perspective condemned by Charles Bohlen as "not a wise policy."
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> In Europe, the metamorphosis was opposed by West German Chancellor, Konrad Adenauer, and, later by President de Gaulle, both of whom believed the alliance should be primarily political in nature and should extend its influence beyond Europe. But American Presidents, beginning with Dwight D. Eisenhower, opposed demilitarizing NATO or widening its sphere of influence. The reasoning was that the United States would be in a better position to control the Europeans if it kept the alliance military, and better able to protect its spheres of interest outside Europe if it kept the Europeans from extending their reach.
>
> Perhaps the time has come to return to some of those earlier, untried ideas. The military power through which the United States was able to dominate European politics during the cold war no longer suffices; the notion of Europe as a regional power with no outside interests can no longer be sustained. Today it is in the United States' interest to have Europe participate with us in areas, such as the Middle East and the Persian Gulf, where common interests are involved. It may also be in our interest to have Europe participate in areas, such as parts of Africa, where our influence is weak. It is certainly in our interest to have Europe do more in its own defense.

The problems current in the Atlantic alliance are so numerous and so well-known that their recitation is unnecessary. The root cause is what is interesting. With the possible exception of Great Britain, the Europeans do not look at the world in the same way as the Reagan administration does. They do not believe that détente has been a failure. They believe that trade with the Soviet Union and Warsaw Pact countries is healthy and leads to peace. They believe that domestic, social needs have to take precedence over military armaments. They are also no longer convinced that the United States is superior to them, militarily, economically, or, most important, morally.

While the leaders of Germany seem to love the presence of a quarter of a million U.S. troops on their soil, a visit to Germany will convince observers that the feeling of the German people is decidedly mixed. Frictions on the street abound. Glimpsing a green U.S. Army license plate evokes contempt among most Germans. While they like our soldiers there as a living and breathing buffer against a Soviet attack, they also have a bad taste in their mouths from the fact that the U.S. deployment looks a lot like a continuation of the post-World War II occupation of Germany. And, frankly, a number of my colleagues have suggested that we should not withdraw our troops from Germany for that reason. Fortunately, our official reason for being there has nothing to do with the requirements of the surrender in 1945.

The figures on contributing to NATO and on defense spending as a percentage of gross national product are also well-known. We spend 5.5 percent of our gross national product on defense and more than half of that on the defense of Europe. Germany spends slightly over 3 percent. All of our European allies taken together spend around 3.5 percent on average. We have increased our contributions by the 3 percent figure agreed upon in the late 1970's. The Germans have increased by only around 2.4 percent. In terms of soldiers, we have 1 out of 107 citizens in uniform. By contrast, Germany has 1 out of 125. Great Britain has 1 out of 163.

In a speech to the Brussels meeting of the alliance last October, the chief of politico-military operations division of the Germany Ministry of Defense said:

> The German Federal Government advocates a comprehensive security concept that places the same weight on domestic security as it does on economic security. Stated in other words, this means that Alliance security has to be founded on the adequate division of resources and a fair sharing of burdens among the member countries, and that economic stability and social justice are conditions precedent to maintaining NATO's defence capability and to fulfilling the commitments undertaken by the alliance.

He goes on to say:

> Therefore, the cry for boosting defence expenditures to the detriment of the social budget is subjected to criticism on the part of the public at large. In the light of the many and various demands made on the State and the never ceasing pressure exerted on the defence budget, an additional contribution for the benefit of the alliance is conceivable today only at the expense of foregoing the implementation of other projects. In view of her economic situation and the social circumstances prevailing in the Federal Republic of Germany, our country has reached her financial limits in respect of her defence contribution and the other direct and indirect expenditure in support of NATO. In future the defence budget cannot be excluded from necessary economy measures as well.

How familiar this language is. Perhaps we ought to stop berating our European allies for their failure to contribute an adequate share to the Atlantic alliance. Maybe we should consider the possibility that their view of the world is more valid than that of our administration. National defense has far more to do with economic stability and domestic social harmony than it has to do with Pershing II missiles and Trident submarines.

Still, the European allies are on a border with the Warsaw bloc. They are 3 or 4 minutes away from nuclear devastation, rather than 30 or 40 as we are. They have no domestic supplies of gas and oil and have to depend on imports from unstable parts of the world. If they are satisfied with their level of defense expenditures, it is strong evidence that we are being excessive.

One reason the European allies feel secure is because they know that Uncle Sucker is there to protect them. William Greider wrote an excellent piece in the Washington Post last July entitled, "Let's Tell Our Allies Uncle Sucker is Dead." Greider argues that we are being sandbagged by our allies

and ought to wise up. While he is concerned about charges that such a position is isolationist, he is equally concerned that the post-World War II internationalism has gone overboard:

The new internationalism which followed World War II produced wonderous results—the rebirth of Western Europe and Japan—but it also developed the hubris of empire, the delusion that the United States must take responsibility for everything, every burden, every battlefield. In the Middle West, the idea of imperial American always seemed kind of dumb. With all the natural blessings this nation enjoys, who needs an empire?

Those of us who support a reduction in our troops abroad should meet the charge of isolationism head on. The basic policy choice is between our continuing to serve as the Lone Ranger for the world and our moving toward increased cooperation and power sharing with our allies. Currently, we take the position that we are solely responsible for the preservation of peace and the containment of communism. We treat our allies as inferiors who cannot assume significant defense burdens, cannot make basic defense decisions, and cannot involve themselves in East-West relations in the Third World. My amendment envisions a new sharing of responsibility between us and our allies. It foresees us working with allies as equals who have the ability to understand economic, political, and military relations and who can contribute to our own policy formulations. Now, I wonder, which is the isolationist position? It seems to me that our current role of being Wyatt Earp for the world is far more isolationist than joining in a partnership with our allies.

Ronald C. Nairn argued in the March 26, 1982, Wall Street Journal that we have to question whether Europe is even a vital area of the world for us now:

There is an ancient foreign-policy maxim suggesting it is vital that Western Europe not fall under the domination of one power. This is basically a British concept. It makes sense for them. Today, however, this concept, though important, hardly has vital significance for the U.S. . . . Today's vital region for the U.S. is not even the Panama Canal. It is the security of NORAD, SAC bases, logistical support for missile submarines, airborne command posts, and the like. An overall territory as vital gives way to a condition that is vital, and that condition is first to deter and in the event respond to the capacity of the USSR to destroy the U.S. or vice versa. Of these two conditions, immunity from nuclear blackmail is probably the more important. Thus the critical conditions of deterring nuclear war or preventing nuclear blackmail (we cannot talk of "winning" a nuclear war because no one knows how to define such a victory) is the indispensable definition of a superpower. The integrity of European geography is not singularly important to this condition. It is certainly not vital. And no amount of tinkering with NATO will alter this fact. Indeed NATO (and alliances in general) tends to exacerbate today's danger by multiplying the ways wars could start without offering the means for tomorrow's commensurate benefit: Deterring nuclear war and preventing nuclear blackmail.

Mr. Nairn may overprove his point. It remains true, however, that Europe is not as vital to our national interest as it was after World War II and that the hot spots in the world are not in Europe. Rather, our conventional military commitments are more likely to occur in the oil rich Persian Gulf. Which brings me to an important work which came out just last week. Jeffrey Record, writing for the Institute for Foreign Policy Analysis at the Fletcher School, argues that the time is ripe to create a new division of labor between the United States and our allies. Essentially, he argues that large conventional ground forces fighting on the plains of Europe is an unlikely contingency. What we need, he believes, is a more mobile Navy and a greater ability to land troops in hostile environments. He believes that the Europeans should provide their own territorial defense, supplied in part with American equipment, and that we should have material propositioned for use in Europe. He quotes Leonard Sullivan, Jr., saying:

The retention of American active forces . . . primarily to reinforce NATO, instead of equipping existing European reserve forces to accomplish the same mission must be the most flagrant example of waste, fraud and freeloading in alliance security efforts.

Record listed example after example of the European's refusal to cooperate with NATO efforts, particularly in areas of siting of nuclear weapons. He demonstrates how we face military challenges of a greater nature elsewhere in the world. And, Record recites the dismal results of Operation Gallant Knight conducted in 1980 which proved that we had little ability to answer a Soviet invasion of Iran. Record concludes that we must greatly increase our power on the seas and for ambitious attacks, while downgrading our conventional Army forces.

You will note that there are very cogent strategic and political arguments for reducing our commitment of ground troops on the territory of our allies which can be made from the left or the right which have nothing to do with the economics of the situation. When you look at our ravished national budget and our ailing economy and figure out the cost of these commitments, it seems to me the balance shifts strongly in favor of my amendment. The Congressional Budget Office recently prepared some costs estimates for the Defense Appropriations Subcommittee of the Senate on the withdrawal of Army troops from Europe. Obviously, there is a large cost difference depending on whether you decommission units withdrawn or move them elsewhere, depending on whether you leave equipment behind for the Europeans or take it with you, and depending on how large a naval and marine buildup is undertaken. If 70,000 troops are withdrawn from Europe and decommissioned, there would be an annual savings of $1.9 billion a year, and a one-time savings of $6.6 billion. According to CBO, we spend $3.2 billion in Germany for defense in 1980 and $5.9 billion in Europe as a whole. These figures do not include the cost of troops stationed in the United States, but committed to NATO.

It is impossible to place a precise price tag on this bill. Based on the CBO numbers, my amendment could free up over $30 billion in the first year and nearly $8 billion for each future year. We could cut the defense budget by this amount or we could use some of the money for other purposes, like a stronger Navy. My amendment does not decide that issue.

The findings in the first section provide a good summary of what I have said. Finding one says that the military strength of this Nation is dedicated to protecting our national security, preserving the liberties of the American people, and maintaining world peace. Finding two says that to implement these principles, the United States has deployed and maintained large contingents of active duty troops on the territory of our allies in Europe, Japan, and Korea. Third, our allies in each of these places are in substantially better shape, both economically and militarily than they were when these troops were first deployed. Fourth, the capacity of our allies to resist aggression has greatly improved since the original deployment.

Finding number five says that our allies have not contributed a fair amount to the common defense, forcing us to pay an extra large share. Sixth, relations between Eastern and Western Europe have improved recently, through increased trade and travel. Seventh, keeping our troops deployed in foreign lands is highly expensive. Eighth, relations between our troops and host country nationals are often terrible. Ninth, deploying our forces in foreign lands detracts from our ability to meet crises elsewhere in the world.

Tenth, we should pursue a new division of labor with our allies whereby the allies meet their own territorial defense needs and we deal with strategic and common needs. And finally, we must reduce the Federal budget to revitalize our economy.

One final point. We have heard a lot said about what we do on this floor sending messages to our allies. Frankly, one of my primary interests in offering this amendment was to send a message. The message is: The Atlantic alliance has to be transformed. Our

defense treaty obligations to Japan have to be rethought. Our commitment in Korea is not eternal. It is time to start thinking about the economic, political, and military relations of the United States in the future.

I urge support of the amendment.

[From the Denver (Colo.) Post, July 28, 1982]

TIME TO DROP MYTHS OF A PAST ALLIANCE

"We no longer speak the same language. There is a remarkable incomprehension, and that, is grave. The United States seems totally indifferent to our problems. It is the major ally and the world's biggest country and we don't even talk anymore." This gloomy prognosis in the New York Times came from the French foreign minister, who talked about relations between the United States and France as being in a stage of "progressive divorce."

The issue was the French decision to go ahead with offering economic support to the Soviet Union's desire to build a natural gas pipeline from Dr. Shivago country to the suburbs of Paris. The Reagan administration is convinced that for Western European countries to aid the building of any such economic link not only makes the European peninsula strategically dependent on Russia for future energy supplies, but also guarantees a weakening Russian economy a multibillion-dollar infusion of income in future years.

The French, the British, the West Germans all believe that they can do business with Russia, that their own economies depend on that business and that the U.S. is once again stricken by a grave paranoia, more pronounced under Reagan, about the exact nature of the Soviet threat.

The problem is not that either side is wrong. The problem is that their fundamental interests have diverged. Yet they keep on acting as if in some way those interests are still common. The differing attitudes toward the pipeline, or toward what is more vital to us out West is the export of wheat to Russia, is that Europeans didn't think economic sanctions really do the Russians much damage. They think there is more chance of learning to live with Russians by trading with them than by imposing varying degrees of boycotts or embargoes on them, which methods never work anyway. Some third party is always ready to buy materials and reship them. That was the reason the wheat boycott of Russia wasn't worth a damn; someone else just bought the wheat from us and shipped it on to Moscow, with a markup.

Secretary of State Alexander Haig walked the plank because he was convinced the old NATO alliance with the West European powers was still the keystone of our future life, and that if they didn't like our pipeline or trade policies, we should compromise in the name of the alliance.

However, the alliance is based on the idea that if Russia attacks Western Europe, we'll respond with a mutually extinguishing nuclear exchange that will blow up New York or San Francisco, or Moscow or Minsk. The key problem is that such underlying thinking behind the old alliance is dead, but, no one knows it. We still keep troops in Europe and even propose to give them "tactical" nuclear arms. Naturally, if the Russians attack troops thus armed, we're into a nuclear exchange.

Not only do we keep the troops in Europe and all the hardware to go with them, we also pay for most of it. Europeans have been enjoying a policy in which we pay for the defense while they scold us about insisting on its necessity.

Rep. Patricia Schroeder, D-Colo., a member of the House Armed Services Committee, was to have introduced Tuesday an amendment to the defense appropriations bill which would mandate a progressive withdrawal of U.S. troops from overseas, including Western Europe. No doubt this particular amendment will go nowhere, though it is in the tradition of the Mansfield amendment of the 1960s which proposed the same thing.

There have been other similar attempts. In 1971, Colorado Republican Sen. Peter Dominici proposed that the president should consult with our allies in NATO to withdraw from Europe "a substantial portion of the military personnel" without denigrating our ultimate commitment to the NATO alliance. It was never voted on.

Schroeder realizes that keeping the troops abroad is hugely expensive, keeps us from having troops available to deploy to hotter spots such as the Middle East, and is a symbolic attachment to an alliance that has outgrown its central meaning.

The Schroeder initiative is not isolationist. It is independent. It wants the United States to fulfill its global obligations, including keeping in force a deterrent that would keep the Russians from attacking us at any time.

But it also wants the U.S. to be basing its military strategy on flexible deployment from this continent to spots where we're in trouble. It doesn't call for a decrease in our military strength, but rather for a redeployment to basing that its the facts of the 1990s and not the 1960-80s.

The French foreign minister is absolutely right. We don't speak the same language anymore. We'll be better friends in the long run to rethink our global strategies, remake friends, keep up our basic strength vis-a-vis the Russians which probably means nuclear weapons based on seapower, and to get rid of the embarrassing vestiges of the old romance symbolized by garrisons of U.S. soldiers in Europe. The Europeans don't really want them there anyway.

Representative Schroeder is to be congratulated for inheriting the old mantle of Senator Mansfield and periodically reminding us that we are living by the myths of the past alliance, and not by the realities of what should be a new and more flexible independence.

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Mr. NICHOLS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment by the gentlewoman from Colorado (Mrs. SCHROEDER). The amendment calls for a substantial reduction in the number of troops stationed overseas. Analysis of the proposal highlights the disadvantages of this approach.

The amendment simply places a limitation of 250,000 on the number of active duty service members that may be stationed overseas after September 30, 1986. The amendment does not indicate where the troops are to be withdrawn or the schedule for withdrawal. The total reduction would reduce the number of troops overseas by approximately 50 percent.

Without knowing the specifics of the withdrawal, it is difficult to provide a specific analysis of the impact. However, some representative examples are helpful in evaluating the amendment—particularly from the perspective of costs. The amendment would not save any money according to analyses performed by the Congressional Budget Office and the Department of Defense.

The Congressional Budget Office considered the one-time cost and recurring cost of withdrawing troops from Europe. They first assumed that the troops are withdrawn to the United States and that pre-positioned equipment is procured and situated in Europe (POMCUS). If one division—20,000 troops—returned to the United States, this would result in a one-time additional cost of $2.8 billion but an annual recurring saving of $100 million. If a corps—70,000 troops—were withdrawn, the one-time additional cost would be $10.4 billion with an annual recurring savings of $330 million. Because POMCUS would be provided under this scenario, the warfighting capability would be affected very little. However, the costs are substantial.

The costs could be reduced by deciding not to provide POMCUS. Reducing the strength in Europe by one division would then result in a one-time cost of $870 million and an annual savings of $120 million. Withdrawing a corps would result in a one-time cost of $3.5 billion and an annual savings of $400 million. Under this scenario reinforcements would be slowed by several weeks or more because of the inability to move heavy and bulky military equipment overseas quickly.

The Department of Defense evaluated a similar range of alternatives and estimated the cost of restationing one corps and five tactical fighter wings in the United States plus the procurement of the capability to rapidly deploy in the event of an emergency. The cost in fiscal year 1983 would be $2.6 billion and over the next 5 years the cost would amount to $19.7 billion.

Savings could accrue under a scenario where active duty end strength is reduced by the amount of the troop withdrawal. Such an alternative, however, would delay reinforcements by several months or more. In addition, there is no provision in the gentlewoman's amendment to require end-strength reductions.

Basically, the effect of the amendment is to increase defense costs substantially in the near term or to reduce the warfighting capabilities by delaying reinforcements by weeks or months or to both increase costs and reduce capabilities.

Mr. Chairman, I strongly urge the defeat of this amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Texas.

Mr. WHITE. As a matter of fact, at one time our country did reduce the number of troops we had in Europe. This was a unilateral reduction.

At the same period of time the Soviets and the Warsaw Pact countries increased their numbers; is that not a fact?

Mr. NICHOLS. The gentleman is exactly correct.

Mr. WHITE. This signal you speak about would be certainly detrimental to our defense efforts and negotiation efforts which are underway.

Mr. NICHOLS. That is certainly the way I view it.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to point out to my colleagues that the primary purpose of our troops overseas and our support of NATO is to protect the United States. We believe that in unity there is strength.

This amendment would have a devastating effect on our foreign policy. If we just take Europe, for example, first of all we would be reneging on our commitment to provide 10 divisions within 10 days in case of war. Then, too, if we reduce our strength in NATO certainly our allies will want to reduce their strength.

I would like to point out to my colleague that at the present time we are already way behind the Soviets as far as quantities are concerned.

In total military the Soviets are ahead 1.5 to 1; in main battle tanks, 3.3 to 1; antitank guided weapon launchers, 3 to 1; artillery mortars, 3 to 1; armored personnel vehicles, 3 to 1.

The only place we are ahead is in attack helicopters and we have a 1.7-to-1 ratio there.

So we already have too few people in NATO to really do the job we should. We will exacerbate an already dangerous situation.

It also would be perceived by our potential enemy, the Soviet Union, as a lack of interest in our defense, a lack of will. It will appear to be a trend toward isolationism or a "Fortress America" mentality.

It would be encouragement to the Soviet Union to spread their influence even further than they have.

So I do not think it is a good idea at all for strategic reasons. But it is not even good as far as the economy is concerned.

As the chairman pointed out, this program in the first year would cost over $2 billion. During the entire course of the program it would cost us something like $20 billion.

I am sure there are very few Congressmen who want to increase the budget by $20 billion and in the process seriously weaken our security.

□ 1420

The only way you can save money with this program is to bring the troops back to the United States and send them home, chase them out of the Armed Services.

So I urge a "no" vote.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words, and I yield to the very distinguished member of the Committee on Foreign Affairs, the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Chairman, I have great respect for my very good friend, the gentlewoman from Colorado, the author of this amendment, and I have no doubt that she means very well. But it seems to me that the adoption of this amendment would have the gravest consequences not only for America's interests but for the preservation of peace around the world.

At a time when there are 100,000 Soviet troops on the march in Afghanistan, when there are 185,000 Vietnamese troops on the march in Cambodia, and when there continues to be substantial Cuban forces in Angola and Ethiopia, it is not the time for us to reduce by 50 percent the number of American troops stationed overseas.

There are other Members here who can speak with greater expertise than I to the precise military consequences of the withdrawal of these forces from Europe and Asia. But let me offer a few judgments about the political and diplomatic consequences of the adoption of this amendment.

For one thing, it would eliminate whatever chances we have of achieving an agreement with the Soviet Union within the framework of the mutual and balanced force reduction negotiations which are still underway in Europe.

Surely, it is in our interest to bring about a reduction in the number of Soviet troops in Eastern Europe. But we will have no chance of doing that if we unilaterally cut by up to half the number of American troops stationed in Western Europe.

Second, at a time when we are experiencing some real tension and trouble in our relations with our NATO allies as a result of the pipeline decision and other differences that have developed in recent months between us, the adoption of this amendment would be seen by our European allies as a retreat from our commitment to the alliance. And it would be much more likely to exacerbate the accommodationist tendencies which have already developed in Western Europe, leading eventually to the Finlandization of Western Europe, than it would be to lead to a much greater commitment on the part of our European allies to their own defense.

In Asia, where we have a very precarious balance of power on the Korean Peninsula and where in fact North Korea has substantially greater air, armor, and artillery than South Korea, the withdrawal of American forces from below the 38th parallel could very well tempt North Korea to make another effort to reunify the Korean Peninsula under its control.

POINT OF ORDER

Mr. JOHN L. BURTON. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. JOHN L. BURTON. Mr. Chairman, the amendment deals with reduction of troops in Europe and not below the 38th parallel.

Mr. SOLARZ. Mr. Chairman, I can speak to that. The gentleman is uninformed about the amendment, which would require a reduction of American Forces stationed outside the continental United States, without reference to what part of the world they would come from.

Mr. JOHN L. BURTON. Mr. Chairman, would the gentleman let the gentlewoman from Colorado clarify what the gentleman mistakenly mistook my mistake for?

The CHAIRMAN. The time is controlled by the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I decline to yield. The gentleman is making an excellent statement, and I think he should be free from harassment.

Mr. SOLARZ. Mr. Chairman, I will be happy to yield to the author of the amendment.

Mrs. SCHROEDER. I thank the gentleman.

Mr. Chairman, I want to point out that the important thing that I do in the amendment is to allow the military to make the decision from where the troops are removed. And I do not think the military is going to take them out of Korea. They feel very strongly about that. So I think that we are baiting a bit. I give maximum flexibility to DOD to figure out where the allies are strongest and can withstand the cut.

Mr. SOLARZ. Mr. Chairman, I would say to the gentlewoman that when you are going to require a reduction of 50 percent of American troops stationed abroad, the military will undoubtedly feel obligated to make reductions across the board. They might reduce by more in Europe than in Asia, but there would inevitably be some reductions in Asia as well.

The gentlewoman says we ought to retain some residual flexibility to respond to crises elsewhere in the world. I would point out that it is closer to the Persian Gulf from Japan and from

Europe than it is from the continental United States. So even in those terms, we would be in a better position to respond to unanticipated developments, were we to keep our forces abroad, than were we to bring them home.

But, finally, the main point I want to make is the adoption of this amendment would have profound political consequences for our relationships with our allies in both Western Europe and Asia. It would be seen by them as a retreat from our responsibility to come to their defense in case of an attack.

And while I fully agree that we ought to prevail upon our allies to do more, this is not the way to do it.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was really shocked by the last presentation of my distinguished colleague.

Mr. Chairman, it is my intention to yield what remaining time I have, in a few seconds, to my distinguished colleague, the gentlewoman from Colorado.

I would first rise in support of the amendment. I think the gentlewoman is doing us a very important service here.

No. 2, the only place that you are really going to save substantial amounts of money is when you begin to address the personnel issues. Budget spends money; money buys troops; troops carry out missions; missions are carried out in regions of the world. It seems to me that we in this body have a profound obligation and responsibility to begin to rethink the nature of our role in the world.

I would challenge my colleague. I do not believe that the problems of the world lend themselves to a military solution. The problems of the world are economic, political, and social, and they have to be solved in that context. Building more bombs and building more weapons and placing more troops overseas is not going to address the human problems. The root cause of the problems is not addressed by creating greater potential for war.

Someone suggested that there is a potential great danger in NATO. I would suggest to my colleagues that it is the view of this country that the probability of war between the United States and the Soviet Union in Central Europe on a scale of 1 to 10 is somewhere between 0 and 1. Now, if any other Member of this body can bring any evidence to the floor to sustain any other conclusion than that, then I will back away from that position, and I certainly do not believe that my colleagues can do it.

I would make one other comment. All of this madness is around beating up on Third World countries. That should not be our business here. We should be about the business of trying to address the human misery.

Mr. Chairman, I yield to the distinguished gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. I thank the gentleman for yielding.

Mr. Chairman, I want to thank the gentleman from New York for making my point. As you notice, all of the hot spots that he mentioned—Angola, Ethiopia, Vietnam, and Afghanistan—are not on the chart.

So what I am saying is that there has been a shift in the balance of power, and we are deployed as we were after World War II. When World War II was over I was 4 years old. The world has changed. We ought to be recognizing that.

I want to make another point. The Congressional Budget Office says we will save $30 billion in the first year if we do this. We always bring our troops back. So paying the ticket back costs the same whether you are bringing them back on rotation or whether you are bringing them back permanently. The figures come from whether and what size of infrastructure you build to keep them here. That is very varied. You can get all sorts of figures. But almost everyone agrees there is substantial savings, plus the money is being spent internally.

Finally, we have seen lots and lots of questions about what is going on in the world. The Council on Economic Priorities in New York compared the performance of 13 major industrial nations over the last 20 years. They found that the United States was first in defense expenditures and last in productivity and capital improvement.

□ 1430

Japan was last in defense expenditures and first in productivity and capital improvement.

I think we have to take these into account. We will be stronger if our allies will be stronger.

Our allies are not going to vote to increase their taxes and build up their defense as long as Uncle Sugar is there to pick up the tab. They would rather spend it on schools and on programs for their own people. And they have better medical care, housing programs, and job programs than we do.

Now, what we have to do is say to them we are protecting your interests in the Persian Gulf, is it too much to ask to protect your own interests in your own backyard a little more. If they just increase their soldier-to-civilian ratio to ours, all the troops would be there in just Western Europe.

So all we are saying is we want to be equal partners. We are no longer asking to be the Wyatt Earp of the Earth. We will take care of it all for you. We are asking an equal partnership. And I think the whole free world will be much stronger. We are only 3 percent of the population on this planet, and we cannot keep the whole free world free by ourselves.

We have said over and over again to our allies, "Do more." They nod their head and say, "Amen, Charlie," and they do not do it.

As you know, last year they even classified some of the records of what some of our allies did, because they did not increase, and they did not really want to admit they did not increase.

I also want to point out that many people did not vote for the Congressman from California's substitute.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I think it is a conservative amendment. I think that it is a modest token attempt to get back to sanity in our defense policies.

I, for one, do not accept the notion that Russia is somebody not to worry about, not to be concerned about. I do not ignore their military buildup. I do not advocate being wise and frugal in defense spending because we can, or because we should increase welfare spending. I think excessive welfare spending is a serious problem.

But I do advocate saving money in the military, because I think we can be stronger militarily, and I think we can be stronger economically as well. And the day will come when we will be forced to do something about the runaway spending in both areas.

I would like to read a quote.

> The key to all the problems before this Congress lies in the size of our military budget. That determines the taxes to be levied. It determines the number of boys to be drafted. It is likely to determine whether we can maintain a reasonably free system and the value of our dollar, or whether we are to be weakened by inflation and choked by Government controls which inevitably tend to become more arbitrary and unreasonable.

It sounds like it came from a left-wing liberal. But it happens to have come from Mr. Republican, Robert Taft, who said that unwise spending in the military can lead to our downfall.

Not only that. I believe we have a defensible position where we should do something differently in foreign policy from other well known conservatives and Republicans.

When Eisenhower was commander of NATO forces, he said:

> The large scale permanent commitments of American troops to relatively fixed positions outside the continental limits would be costly beyond military returns.

The day has come when it is costly beyond military returns.

Shortly after leaving office, Dwight Eisenhower said:

> For eight years in the White House I believed that a reduction of American strength in Europe should be initiated as

soon as the European economies were restored. I believe the time has come for withdrawing some of those troops.

That was more than 20 years ago. The time has come where we should at least draw back for our own benefit, or our own self-protection, and for the benefit of building up our strength and our national defense, not to weaken it.

It seems to me that we are on a course of self-destruction. The West now has loaned the Eastern bloc $95 billion. What have they done with it? They built up their military might. And what do we do? We say the Soviets are saber rattling and therefore we must do something, we must build up our military. But the loans continue to the Soviets, and yet all we can say is we must build more weapons.

I say why not think about cutting back on some of these expenditures. Why should we just say, well, it is the fear of the Russians rather than the unwise policy that we pursue in this country.

And what happens when we build the weapons and provide the ammunition and the things necessary to defend Europe? What do we hear from the Europeans? Nothing but complaints. "Build the neutron bomb but keep it on your shore. But put your troops in the middle in case there is an invasion so we can be guaranteed of your commitment to our defense."

But then when we send the President over there we have 300,000 people demonstrating against the presence of the United States in that country. And what do we do?

Then we go on and we plead and beg on our knees and say, "Please do not trade with the Soviets." Well, where are they getting the money to do these things, to build a pipeline? Indirectly through all our subsidies, indirectly because we loan money carelessly, both to the Soviets and also because we allow the Germans and other European nations to spend a lot less on their national defense.

I believe we could stand a lot more removal of troops. But I think this is a token start. But I think that it has to be incorporated into some wise choices in other areas. For instance, since the Second World War ended, we have literally given away $2.3 trillion, if you add up all the money and the interest paid on it. That is suicide, it is destructive, it is masochistic. We are destroying ourselves and perpetuating this even today by proposing new foreign aid programs.

Staying in NATO, and continuing to stay with NATO will commit us in the next 10 years to $2¼ trillion. Where are you going to get the money? We do not have any money. We are over $100 billion in debt every year. We have a trillion dollars national debt. And we are committing $2¼ trillion to the defense of Europe, in the next 10 years and all it does is weaken our own national defense.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PAUL) has expired.

Mr. PAUL. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Reserving the right to object, Mr. Chairman, and I do so to make the point that if the gentleman gets additional time, it is going to be time coming out of the time that is running toward 3 o'clock in the afternoon when all time for amendments is going to be shut off. We are at a time when many of us are not going to be permitted to offer our amendments.

We have run the course on this. I shall not object, because I do not think it would do any good at this point. But it is exactly the point that was raised earlier on the debate.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GARCIA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I will not take the entire 5 minutes.

I am a new Member of this Congress; this is my first term. I have not been involved in this debate previously. But I recall living in North Dakota and reading the comments of our neighbor, Senator Mansfield, when he was talking about the need to reduce troop strength in Europe back in the sixties. I always thought he made some good points.

I thought when I came to Congress that we would be talking in Congress about a series of choices we would have to make, choices for the country's future, choices about the country's economy, choices about this country's preparedness.

And I think a lot of the people who are called conservatives on the floor of this House make a lot of sense about the necessary choices we are supposed to make day after day after day.

This measure and measures like it that come to the floor of the House and that talk about this country's contribution in troop strength around the world provide a great place to make critical choices about our economy and critical choices about how we spend our money.

Mr. Chairman, we have a substantial Federal deficit. We have some very serious economic troubles. The fact is we are not going to be able to compete in the international market as effectively as we should if our trading partners and our competitors are spending half the percentage of the gross national product that we are on defense. We are going to get the pants beat off us in the international marketplace if we continue to pay the bill for the defense umbrella that protects the Japanese, the West Germans, and others.

I am not an isolationist; I think I am a realist. I think this Congress ought to start making some choices. Why, if this country is willing to spend this kind of money on defense, are our allies not willing to do the same? Because they know we will do it for them. Because this Congress has not had the will to decide that it will cut back in troop strength in Europe. As a result, Europe drains this country's economic energy.

What I would like to close with, Mr. Chairman, is simply to say this.

We face the most serious decade in terms of economic choices and economic priorities that this country has ever faced. We have got to decide what it is we can do in that decade with our public money.

We cannot do everything. We can only make a series of choices and one of the choices, it seems to me, is not to continue bank rolling over 300,000 troops in Europe when the European countries and our trading allies will not make the same kind of commitment that we have made.

Mr. Chairman, I think that clearly when we face the kind of economic difficulty we are facing, we have to believe that our public sector versus private sector investments have to become more in line with the public and private sector investments that our trading partners and allies are making.

□ 1440

If we are saying that we are willing to take money out of the pockets of taxpayers in this country, put them in the public coffers, and use them to plant troops in Western Europe for the next 10 years, then we are dead wrong. If we say to our allies, instead of taking the money out of the taxpayers' pockets in your country, you go ahead and take that money and invest it in the private sector, rebuild your plants, refurbish your industries, and beat us in the international trading market, then we are dead wrong.

We should joint Mr. Greider in his editorial when he said, "Tell Them Uncle Sucker Is Dead." Let us tell them that Uncle Sucker is dead. Let us tell them that we are not going to start making that kind of contribution for the future.

Let us ask them to start picking up the bill for that defense umbrella that the American taxpayer has been un-

fairly asked to pay year after year. This is the time to begin making those sensible choices.

I favor the amendment the gentlewoman from Colorado has offered.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. DORGAN of North Dakota. I would be happy to yield to the gentleman from Texas.

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding and I compliment the gentleman on his statement.

I would like to point out to support the gentleman's position that in 1945 we produced 50 percent of all the goods in the world. In 1982 we manufactured and produced 20 percent. In 1992 it is estimated that it will be only 10 percent.

The gross national product now in Europe is larger than that of the United States, and yet we continue the subsidies.

In 1950 when Europe was very weak, we had a total, a fantastic number of 124,000 men in Europe. Today we have 337,000. It makes no sense at all.

Mr. DORGAN of North Dakota. Mr. Chairman, if I might reclaim my time and just note one other fact; our neighbor to the north, Canada, has 3,000 troops in NATO. This country has over 300,000 troops. The U.S. population is only 10 times larger than Canada, but has 100 times as many troops in NATO.

You can go through country after country, you see the same kind of relationship. The taxpayers of this country are asked to pick up the bill for a defense umbrella around the world. It is unfair and it is going to sap this country's economic strength to compete in the world marketplace in the years ahead.

● Mr. HAGEDORN. Mr. Chairman, I strongly support Mrs. SCHROEDER's amendment to reduce the number of U.S. Military personnel stationed overseas.

For too long, we have been contributing more to our allies defense than they themselves are willing to commit, and our efforts to persuade them to rectify this situation have gone largely unheeded.

While we spend more than 6 percent of our GNP on our own and allied defense, Japan, the world's second largest economy, spends less than 1 percent on their own defense. Yet the Japanese continue to heavily subsidize their exports and impose protective trade barriers, making it difficult if not impossible for American firms to compete fairly in both domestic and foreign markets. The result is a $18 billion trade deficit with Japan.

Our NATO allies, who allocate an average of 3.6 percent of their GNP's for defense and are dependent on a strong U.S. commitment for their security, have not only refused to stand with us on the Soviet gas pipeline issue, they have loudly and openly criticized us for our position. Should we continue to station the present level of troops in Europe to protect our allies from Soviet aggression when they are working hand in hand with the Soviets on this project and pouring valuable amounts of Western currency into the Soviet coffers?

I believe the answer to that question is clearly "no"!

It is clear that our allies need a more decisive indication of our resolve on the matter of allied defense burden sharing and that is why I am supporting the Schroeder amendment.●

PREFERENTIAL MOTION OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. WALKER moves that the Committee do now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. WALKER. Mr. Chairman, I think we have had a very valuable debate on some vital issues here today. I am disappointed that now we are nearing the time when we will no longer be able to consider any other issues.

We allowed several hours of debate this morning. It is obviously insufficient time to consider the vital issues that are before us.

Now, I did not agree with everybody who brought their issues to the floor. As a matter of fact, I voted against I think most of the amendments that have been offered; but it has been very valuable debate and it has been debate that has taken place in pretty strict adherence to the 5-minute rule, primarily because I started objecting here earlier today, and I must say that I am sorry I had to object to the gentleman from Massachusetts who was making a point on something he felt very strongly about and particularly because I had to object to the gentleman from New York who for many years has stood strong on this floor for civil defense and was not permitted to make his full argument because I objected.

I apologize to both of them for that, but I was trying to make the point that we had to stay within the 5-minute timeframe.

POINT OF ORDER

Mr. JACOBS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. JACOBS. Mr. Chairman, I make a point of order that the gentleman is not speaking to his motion.

The CHAIRMAN. The Chair will observe that debate on this motion can range over the entire bill and procedure thereon.

The gentleman will continue.

Mr. WALKER. I thank the Chair.

I just make the point that we did stay within the 5-minute time rule and still cannot complete our debate on some very vital issues here today.

Now, that disappoints me, because the issue that I had sought to bring to the floor later today was the balanced budget. I had brought the balanced budget to the floor on several issues, on NASA, on the urgent supplemental that came up here a few weeks ago, and the National Science Foundation.

I think that the Defense Department should be treated the same way. I was prepared to raise some arguments that would show that it was, indeed, a prodefense vote, the vote on the balanced budget matter; but I am not going to be given a chance to have that amendment discussed on the floor because of the time constraints here. That disappoints me.

It seems to me that in the future we ought to look very carefully at the idea of time constraints when we consider these bills, because it does mean that vital issues, issues vital not only to this body, but to the American people, do not get the full consideration that they deserve.

PARLIAMENTARY INQUIRY

Mr. HARTNETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARTNETT. Mr. Chairman, my parliamentary inquiry is, is it the understanding of this Member that this committee will rise at 3 p.m. and will debate what I understand to be the supplemental appropriations bill, but upon completion of debate on the supplemental appropriations bill, we will return to this bill?

The CHAIRMAN. The Chair cannot respond to that inquiry.

Mr. HARTNETT. I asked a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. It is not up to the Chair to move to rise. The manager of the bill handles that.

Mr. HARTNETT. I am asking, Mr. Chairman, is it not the understanding of the Chair, as it is of this Member, that we will return to this bill immediately upon concluding our debate on the supplemental appropriations bill and amendments can be taken up and can be debated; that is what I am asking, Mr. Chairman.

The CHAIRMAN. The question should be raised with the majority leader with respect to the schedule.

Mr. HARTNETT. Mr. Chairman, if the gentleman will yield further, I would like to ask of the majority or the chairman of the Armed Services Committee or his designee, is it not correct that after we have completed debate upon the supplemental appropriations bill, we can return to this bill; amendments can be offered and can be debated and it was my under-

standing that we would debate this bill today until it is completed.

Mr. PRICE. Mr. Chairman, if the gentleman will yield, I tell the gentleman that it is the committee leadership intention to continue until we finish the bill.

Mr. WALKER. Well, then, I think this gentleman needs some clarification. I was under the impression that when we got the time limit earlier today for 3 o'clock that we did limit the bill, that all amendments to the bill were to be completed by 3 o'clock and that there would be no debate permitted after that, that the committee would rise and go to final passage of the bill at that point. Is that not correct, are we going to come back to the bill later on in the evening?

Mr. PRICE. Well, the gentleman is basically correct, except those amendments that have been printed in the RECORD, those Members have the privilege of bringing them up.

Mr. WALKER. But that does not protect anybody whose amendment is not printed in the RECORD then; so I am correct that at 3 o'clock we are going to end debate on the bill and go directly to final passage, which would preclude a number of amendments.

The CHAIRMAN. If the gentleman will permit, the Chair states that it does not preclude the offering of amendments. It does, however, preclude the opportunity to debate the amendments.

Mr. WALKER. I thank the Chair for that clarification. The Chair is exactly right. They can be offered, but there would be no chance for debate on them at all.

Mr. DELLUMS. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I find myself in an interesting and precarious position.

I would first like to congratulate the author of the privileged resolution, even though I rise in opposition to it, because I think my distinguished colleague has raised an important and significant point.

We have debated this bill over several days, then, we get down to the last day and suddenly somebody decides that irrespective of the significance of the remaining amendments that there needs to be a time constraint. I think that that is totally absurd and I think the gentleman is perfectly correct in that regard. His balanced budget amendment needs to be debated. The gentlewoman from Colorado has a 5-percent across-the-board amendment that needs to be debated.

This gentleman from California has an amendment that simply says let us not purchase the Pershing missile until you find out whether or not the thing works. Most of my colleagues voted for a missile that exploded 7 seconds after detonation a few days ago. If it had exploded in Europe with a nuclear tip, it would have killed 1.5 million Europeans.

We are precluded from our ability to debate this question. We always get to this point. These are very significant issues that ought to be debated.

I simply use this tactic to congratulate my distinguished colleague on the other side of the aisle. He and I rarely agree ideologically, but we certainly agree on process, and that is if we cannot debate these matters on the floor of this Congress, where can we debate them; in the cloakroom, in the coffee shop?

The Members ought to be debating the issues here so we can have an appropriate and intelligent debate.

Mr. PRICE. Mr. Chairman, will the gentleman yield to me?

Mr. DELLUMS. I will certainly yield to the gentleman.

Mr. PRICE. I call the gentleman's attention to the fact that we have been on this bill for at least a solid week. We have debated this over 35 hours. No bill has been better debated or had more time consumed in debate, no other bill than this bill.

Mr. DELLUMS. I would reclaim my time and simply point out that this is a $177 billion bill. It is the largest single bill that we are going to bring to the floor of the Congress and 35 hours may be significant in some people's minds. That is a value judgment.

I simply say that we ought to be debating this issue until we resolve it.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to my colleague, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

I think it also needs to be pointed out that under the procedures under which we debate the bill, the fact is that those who had amendments in the final section were not permitted to offer those amendments during the 7 days of debate.

Mr. DELLUMS. Exactly.

Mr. WALKER. So therefore we were limited to only the time that was given us in this 1 day of debate when that particular section was opened up; so the fact is that we have not had a chance during the 7 days.

□ 1450

Mr. DELLUMS. The gentleman is exactly correct. There are a number of people who have amendments after the last title of the bill, and we read the bill by title.

The gentleman is perfectly correct. He is precluded from offering his amendment until the end of the bill, and at that time is when the leadership of the committee decides willy-nilly they are going to constrain the debate and I think that is inappropriate and that it is unfair to those persons who have amendments in the last part of the bill. If you happen to have amendments in the first titles of the bill you have an extraordinary amount of time.

I yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Pennsylvania (Mr. WALKER).

The motion was rejected.

The CHAIRMAN. For what purpose does the gentleman from New York rise?

Mr. STRATTON. Mr. Chairman, we have a pending motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER), do we not?

The CHAIRMAN. We have an amendment.

Are there further amendments?

AMENDMENT OFFERED BY MR. ECKART TO THE AMENDMENT OFFERED BY MRS. SCHROEDER

Mr. ECKART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKART to the amendment offered by Mrs. SCHROEDER: At the end of subsection (b) of the matter proposed to be inserted by the amendment, insert the following new sentence: "The prohibition in subsection (a) does not apply with respect to a member of the North Atlantic Treaty Organization during any year for which such nation has increased its defense spending by at least 3 percent in real terms over the preceding year, in which case the limitation prescribed in subsection (a) shall be increased by the number of active-duty military personnel stationed in such country."

Mr. ECKART. Mr. Chairman, I think my colleague from North Dakota raised a very relevant point, and that is: Where ought these military reductions, if any, take place?

In the course of providing military coverage to our allies, the umbrella if you will, that our services provide throughout the world, what ought to be the commitments of our Nation's allies in support of that? I think it goes without exception that we provide a substantial amount of assistance, our American taxpayers' dollars, to other countries that then use their share of the gross national product that they save by being provided military protection courtesy of the American economy to, in effect, bomb our own economy.

The amendment I offer as an amendment to the amendment of the gentlewoman from Colorado today very simply says that no country which is a member of the North Atlantic Treaty Organization, which does not live up to their previously agreed-to decision in 1978 to have at least 3 percent real growth in their defense expenditures, shall have a pro rata reduction in the military personnel of the United States in their country.

Mr. Chairman, let me give you a bit of history about how this occurred. Under the Nixon administration, dis-

cussions were begun with our NATO allies to have them assume a larger share of defense expenditures. That continued under the Ford administration where, in 1975, the NATO nations agreed then to increase their share of defense spending to 5 percent per year in real growth.

That proved to be unacceptable. So under the Carter administration in May 1977, a long-term defense spending program was negotiated between the United States and NATO.

In May of 1978, a NATO summit of defense ministers approved the recommendation that each NATO country will assume at least 3 percent real growth in defense spending concomitant with the need to relieve the American taxpayers of this burden, as well as asserting a larger share of the costs to be borne by those who would have the benefits of our military protection.

On the average, Mr. Chairman, the European allies are expending substantially less, either as a percentage of real growth, as a percentage of their gross defense product, or as a percentage of manpower on defense than the American taxpayers are forced to bear.

Secretary of Defense Weinberger, in his report last March, contended that NATO allies have met the spirit of the 3-percent real growth but I contend that they have not, in fact, met the actual requirements.

Now, whether we look at it in terms of real growth, or whether we look at it in terms of a percentage of the gross defense product, very few of our NATO allies are meeting that requirement. The result is the American taxpayers must pay the freight for our allies unwillingness to cooperate.

Mr. Chairman, what I am simply saying is that if, in fact, we are going to provide protection to our NATO allies, they ought to be assuming their fair share of that cost. They ought to pay their fair share of the military help our taxpayers provide.

I will yield to the gentleman from Indiana in just a moment.

I believe the gentlewoman from Colorado has struck a fairly responsive chord. I believe the point she raises, in fact, is a valid one. It may perhaps go too far. I am simply saying that we ought to hold our NATO allies' feet to the fire, to have them perform what they have promised to perform, have them help relieve American taxpayers of an inordinate burden that we are currently experiencing, and I think ultimately help the American economy by freeing up American resources that are currently being spent to protect our allies.

Mr. HILER. Mr. Chairman, will the gentleman yield to me?

Mr. ECKART. Mr. Chairman, I would be happy to yield to the gentleman from Indiana at this time.

Mr. HILER. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for his amendment. In this battle over the defense authorization bill, I voted for the MX, the B-1, binary weapons, and with the committee right down the line because we need to send certain signals to the Soviets. I think it is time to send a signal to our NATO allies that no longer is America going to be the Uncle Sam that contributes and pays for their defense while they turn around and stab us in the back with the pipeline, with the grain embargo over Afghanistan, when the Soviets have the heavy foot on Poland. They say it is not their sphere of influence.

I think that it is high time that the United States live up to its commitment under the Marshall plan, which was that we would help pay for the West European economic development and provide for their defense while their economies grew and prospered so they could take over their own defense.

Well, the time has come that we now need to move out of Europe and let the NATO allies pay for their own defense. I think until such time as they evidence a willingness to pick up the increased cost, the gentleman is right on the mark.

I support his amendment and urge its passage.

Mr. SAWYER. Mr. Chairman, I rise in support of the gentlewoman's amendment.

The CHAIRMAN pro tempore. The gentleman is recognized. The Chair will state that the gentleman from Michigan (Mr. SAWYER) is recognized for 3 minutes.

Mr. SAWYER. I thank the chairman.

Mr. Chairman, I just want to say I nornally never speak on the floor except for matters that come from my subcommittee, and I feel I know a little more about than the average Member, and rarely is it on anything that I feel that way.

Also, very rarely do I have the pleasure of agreeing with the gentlewoman from Colorado, whom I admire but with whom I seldom agree.

I also say that I have voted in favor of about every defense bill that has come up here, the B-1, even the gas manufacturing, the Navy buildup, and so forth, and I served in the Navy myself and certainly I am not anything but a little bit hawkish. But I think there is a limit.

I think we have reached the limit that our economy can take in giving free rides to our European and Asiatic allies in that they have not picked up defenses that their economies and populations are totally able to pick up. It would be like my little city of Grand Rapids deciding that the police forces of Lansing and Saginaw and Kalamazoo were inadequate and, therefore, our taxpayers are going to give them a 25- or 30-percent increment. Pretty soon it gets to the point where they think they are doing us a favor letting us have our police forces there—which is happening to us in Europe—and pretty soon we break our own city's economy.

I think we have done that on a national basis. I think it is time we say: "Look, you are back on your feet. You have 350 million people in Europe. You have an economy in the aggregate bigger than ours. We are going to give you a fair length of time to take over. We are not going to get out of there tonight, but we are taking our people back home and we are rebuilding our economy and not just giving you a free ride to compete the pants off us internationally."

We are protecting Japan's pipeline, 90 percent of their oil pipeline, with two big battle groups in the Indian Ocean where we only get 5 percent of our oil, giving them a free ride. They are sinking my State, they are sinking the economy of the United States with their ability to build their industries, and I say let us give them fair notice, let us not be isolationists, but let us not police the world because we just cannot do it and survive economically, and it is the economy that defends us.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. ECKART) to the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ECKART. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1500

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Ohio (Mr. ECKART) for a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. SCHROEDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 87, noes 314, not voting 33, as follows:

[Roll No. 228]

AYES—87

Addabbo	Gephardt	Paul
Albosta	Gray	Petri
Applegate	Gregg	Pursell
Atkinson	Guarini	Railsback
AuCoin	Hagedorn	Rangel
Benjamin	Harkin	Richmond
Biaggi	Hawkins	Rodino
Bonker	Hiler	Rosenthal
Brodhead	Howard	Rostenkowski
Brown (CA)	Huckaby	Roybal
Brown (CO)	Hughes	Russo
Burton, John	Jacobs	Savage
Chisholm	Jenkins	Sawyer
Coats	Kastenmeier	Scheuer
Collins (IL)	Lehman	Schroeder
Conyers	Leland	Schulze
Crockett	Lowry (WA)	Schumer
Dellums	Lujan	Seiberling
Dixon	Lundine	Shannon
Donnelly	Martin (IL)	Stokes
Dorgan	Mattox	Traxler
Edgar	McEwen	Volkmer
Edwards (CA)	Miller (CA)	Walker
Fazio	Miller (OH)	Washington
Ford (MI)	Minish	Weaver
Forsythe	Mitchell (MD)	Weber (MN)
Frank	Mottl	Weiss
Garcia	Murphy	Wyden
Gaydos	Ottinger	Wylie

NOES—314

Akaka	Chappell	Edwards (AL)
Alexander	Chappie	Edwards (OK)
Anderson	Cheney	Emerson
Andrews	Clausen	Emery
Annunzio	Clinger	English
Archer	Coelho	Erdahl
Ashbrook	Coleman	Erlenborn
Aspin	Conable	Evans (DE)
Badham	Conte	Evans (GA)
Bailey (MO)	Corcoran	Evans (IA)
Bailey (PA)	Coughlin	Evans (IN)
Barnard	Courter	Fary
Barnes	Coyne, James	Fascell
Bedell	Coyne, William	Fenwick
Beilenson	Craig	Ferraro
Benedict	Crane, Daniel	Fiedler
Bennett	Crane, Philip	Fields
Bereuter	D'Amours	Findley
Bethune	Daniel, Dan	Fish
Bevill	Daniel, R. W.	Fithian
Bingham	Dannemeyer	Flippo
Bliley	Daschle	Florio
Boggs	Daub	Foglietta
Boland	Davis	Fountain
Boner	de la Garza	Fowler
Bouquard	Deckard	Frenzel
Bowen	DeNardis	Frost
Breaux	Derrick	Gejdenson
Brinkley	Dickinson	Gibbons
Brooks	Dicks	Gilman
Broomfield	Dingell	Gingrich
Broyhill	Dougherty	Glickman
Burgener	Downey	Goldwater
Burton, Phillip	Dreier	Gonzalez
Butler	Duncan	Goodling
Byron	Dunn	Gore
Campbell	Dwyer	Gradison
Carman	Dyson	Gramm
Carney	Eckart	Green
Grisham	Matsui	Sabo
Gunderson	Mavroules	Santini
Hall (OH)	Mazzoli	Schneider
Hall, Ralph	McClory	Sensenbrenner
Hall, Sam	McCollum	Shamansky
Hamilton	McCurdy	Sharp
Hammerschmidt	McDade	Shaw
Hance	McDonald	Shelby
Hansen (ID)	McGrath	Shumway
Hartnett	McHugh	Shuster
Hatcher	McKinney	Simon
Heckler	Mica	Skeen
Hefner	Michel	Skelton
Heftel	Mikulski	Smith (AL)
Hendon	Mineta	Smith (IA)
Hertel	Mitchell (NY)	Smith (NE)
Hightower	Moakley	Smith (NJ)
Hillis	Molinari	Snowe
Holland	Mollohan	Snyder
Hollenbeck	Montgomery	Solarz
Holt	Moore	Solomon
Hopkins	Moorhead	Spence
Horton	Morrison	St Germain
Hoyer	Murtha	Stangeland
Hubbard	Myers	Stanton
Hunter	Napier	Staton
Hutto	Natcher	Stenholm
Hyde	Neal	Stratton
Jeffords	Nelligan	Studds
Jeffries	Nelson	Stump
Johnston	Nichols	Swift
Jones (NC)	Nowak	Synar
Jones (OK)	O'Brien	Tauke
Kazen	Oberstar	Tauzin
Kemp	Obey	Taylor
Kennelly	Oxley	Thomas
Kildee	Panetta	Trible
Kindness	Parris	Udall
Kogovsek	Pashayan	Vander Jagt
Kramer	Patman	Vento
LaFalce	Patterson	Walgren
Lagomarsino	Pease	Wampler
Lantos	Perkins	Watkins
Latta	Peyser	Waxman
Leach	Pickle	Weber (OH)
Leath	Porter	White
LeBoutillier	Price	Whitehurst
Lee	Pritchard	Whitley
Lent	Quillen	Whittaker
Levitas	Ratchford	Whitten
Lewis	Regula	Williams (MT)
Livingston	Reuss	Williams (OH)
Loeffler	Rhodes	Wilson
Long (LA)	Rinaldo	Winn
Long (MD)	Ritter	Wirth
Lott	Roberts (KS)	Wolf
Lowery (CA)	Roberts (SD)	Wolpe
Luken	Robinson	Wortley
Lungren	Roe	Wright
Madigan	Roemer	Yatron
Markey	Rogers	Young (AK)
Marlenee	Rose	Young (FL)
Marriott	Roth	Young (MO)
Martin (NC)	Roukema	Zablocki
Martin (NY)	Rousselot	Zeferetti
Martinez	Rudd	

NOT VOTING—33

Anthony	Dowdy	Marks
Bafalis	Dymally	McCloskey
Beard	Early	Moffett
Blanchard	Ertel	Oakar
Bolling	Foley	Pepper
Bonior	Ford (TN)	Rahall
Brown (OH)	Fuqua	Siljander
Clay	Ginn	Smith (OR)
Collins (TX)	Hansen (UT)	Smith (PA)
Derwinski	Ireland	Stark
Dornan	Jones (TN)	Yates

□ 1520

The Clerk announced the following pairs:

On this vote:

Mr. Rahall for, with Mr. Pepper against.

Mr. Dymally for, with Mr. Jones of Tennessee against.

Mr. Ford of Tennessee for, with Mr. Bonior against.

Mr. Clay for, with Mr. Smith of Pennsylvania against.

Messrs. VENTO, BENEDICT, OBERSTAR, and DE LA GARZA changed their votes from "aye" to "no."

Mr. HAGEDORN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

I would like to be recognized for the purpose of asking the gentleman the purpose of the committee rising and what we might reasonably expect for the rest of the day.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the chairman of the committee.

Mr. PRICE. The purpose of the motion is for the next hour or two the Committee on Appropriations will have the floor and will work on a measure. After that we will return and complete our bill.

Mr. DICKINSON. Is it my understanding, then, that you will move that the Committee on Armed Services will rise?

Mr. PRICE. That is right.

Mr. DICKINSON. After which the Committee on Appropriations will bring forth this urgent supplemental and then our committee, at some subsequent time today, say an hour or two later, will come back?

Mr. PRICE. That is correct.

Mr. DICKINSON. And then what might the membership expect, if the gentleman could help me here; what might we reasonably expect in terms of being in session today?

As I understand it, all debate has been terminated and we have left then only those amendments that were printed in the RECORD.

Mr. PRICE. That is right.

Mr. DICKINSON. There are, as I understand it, still some 17 amendments.

Mr. PRICE. It should be around a half an hour or 45 minutes.

Is the gentleman under the impression there are 17 amendments?

Mr. DICKINSON. That is my understanding.

Mr. PRICE. There are only about seven amendments.

Mr. DICKINSON. Seven amendments and 10 minutes each would be 70 minutes.

□ 1530

Mr. PRICE. Well, say, 45 minutes, or so. We would hope that we would not have to debate every amendment.

Mr. DICKINSON. I would hope so too.

Mr. PRICE. As a matter of fact, we do plan to accept several.

Mr. DICKINSON. If I have the time, I yield to the majority leader and inquire if he could tell us what he envi-

sions the program for the rest of the day to be.

Mr. WRIGHT. The gentleman is essentially correct. I do not know how many amendments remain to be attended, but all debate has ended on the bill and all amendments thereto, save and except for any amendments that may have been printed in the RECORD, in which case, under the rules, 10 minutes is allowed for debate on each of those amendments. No other debate is permitted under the unanimous-consent agreement previously adopted.

So inasmuch as we had made a general agreement on both sides of the aisle this morning that debate on this bill would conclude at 3 o'clock and we would then consider the supplemental appropriation bill.

Upon completion of that bill, we will return to this defense authorization bill, and complete it tonight.

Mr. PRICE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the Chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6030) to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL 6 P.M. TOMORROW, FRIDAY, JULY 30, 1982, TO FILE REPORT ON H.R. 4374, SHIPPING ACT OF 1982

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until 6 o'clock p.m. on July 30, 1982, to file a report on the bill, H.R. 4374, the Shipping Act of 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORTS ON H.R. 6666 AND H.R. 6786

Mr. FARY. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight Thursday, July 29, 1982, to file reports on H.R. 6666 and H.R. 6786.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. STANGELAND. Reserving the right to object, Mr. Speaker, I do so to inquire of the gentleman from Illinois if he could state the subject matter of these bills.

Mr. FARY. If the gentleman will yield, H.R. 6786 authorizes the appropriation of $4.5 million to the Architect of the Capitol to complete the purchase of property located in Washington, D.C., a parcel of land bounded by Ivy, Canal, and E Streets Southeast.

H.R. 6666 would amend the joint resolution of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building.

Mr. STANGELAND. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT TOMORROW, JULY 30, 1982, TO FILE REPORTS ON H.R. 6156, CLARIFYING JURISDICTION OF SECURITIES AND EXCHANGE COMMISSION, AND H.R. 6011, ALABAMA WILDERNESS ACT OF 1982.

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow, Friday, July 30, 1982, to file reports on the bill, H.R. 6156, to clarify the jurisdiction of the Securities and Exchange Commission and the definition of security, and for other purposes, and on the bill, H.R. 6011, the Alabama Wilderness Act of 1982.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Speaker, reserving the right to object, I do so only to ask the chairman whether or not this has been cleared with the minority. Has it been cleared with the gentleman from Virginia (Mr. WAMPLER) of the minority?

Mr. DE LA GARZA. If the gentleman will yield, yes. It has been cleared, not with the gentleman from Virginia (Mr. WAMPLER), but with the staff of the majority and the minority.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 6068, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6068) to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts? The Chair hears none, and, without objection, appoints the following conferees: Messrs. BOLAND, ZABLOCKI, MINETA, STUMP, ROSE, GORE, ROBINSON, WHITEHURST, and YOUNG of Florida; and, for matters falling within the jurisdiction of the Committee on Armed Services, Messrs. PRICE, STRATTON, and DICKINSON.

There was no objection.

REQUEST FOR PERMISSION TO OFFER AMENDMENTS TO H.R. 6863 IN COMMITTEE OF THE WHOLE

Mr. KEMP. Mr. Speaker, I ask unanimous consent that when H.R. 6863 is open to amendment in the Committee of the Whole, it shall be in order, clause 2 of rule XXI notwithstanding, for the gentleman from Maryland (Mr. LONG) to offer one amendment on page 23, a copy of which is at the desk, and for me to offer a substitute for that amendment, a copy of which is at the desk.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WHITTEN. Mr. Speaker, I object.

Mr. CORCORAN. Mr. Speaker, reserving the right to object—maybe the gentleman from Mississippi or the gentleman from Massachusetts would want to listen to this inquiry. As I understand that request of the gentleman from New York, there is the implied recognition that in the bill, H.R. 6863, there are numerous instances where rule XXI is violated, and I just wonder, are we going to get a number of requests like this?

PARLIAMENTARY INQUIRY

Mr. KEMP. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KEMP. Has there not already been an objection from the chairman?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WHITTEN. Mr. Speaker, I object.

The SPEAKER pro tempore. The Chair hears an objection from the chairman of the committee, the gentleman from Mississippi (Mr. WHITTEN).

Objection is heard.

SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House of yesterday, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6863) making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. CORCORAN. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman of the Appropriations Committee with respect to his request, first of all, regarding the amount of time for debate. How much time will there be to debate the bill, H.R. 6863?

Mr. WHITTEN. If the gentleman will yield, 1 hour of general debate. Then it comes up under the regular order, of course.

Mr. CORCORAN. And how will that hour be divided?

□ 1540

Mr. WHITTEN. Of course under the usual recognition by the presiding officer. The 1 hour was divided equally between the gentleman from Massachusetts (Mr. CONTE) and myself.

Mr. CORCORAN. I thank the chairman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6863, with Mr. BROWN of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the indulgence of our friends on the Armed Services Committee. I realize to interrupt the proceedings we are going through was not easy. I had hoped that our friend would get through. But it becomes necessary that we move ahead with the supplemental appropriations bill.

Because of the delay in agreeing on the budget resolution and the other actions incident to that, we are some 2 months or more behind time. As the Members will remember earlier, we were delayed in the Appropriations Committee in bringing up our bills.

This year we were prohibited from moving out appropriation bills to the floor on May 15 because of the delay in agreeing to the budget resolution. We have been delayed 2 months. The committee has proceeded as promptly as possible to execute its responsibilities under section 302 of the Budget Act so that the bills for fiscal year 1983 can be drafted in the subcommittees, considered by the full committee, and presented to the House.

In this connection, the committee calls attention to the fact that hearings on six of the fiscal year 1983 bills were completed by the end of April and that hearings on five other 1983 bills were completed in May. The uncertainties and delays associated with the budget resolution obviously have cost the House valuable and irretrievable time in considering the appropriations business of the session.

The committee continues to be anxious to produce the required appropriations, but in view of the lateness of the budget resolution and the uncertainties associated therewith, acknowledges that there is no longer adequate time remaining to preclude the necessity for a massive continuing resolution perhaps covering all of the Government when the current fiscal year expires on September 30.

Just yesterday we marked up 3 of the 13 regular appropriation bills for fiscal year 1983. Another bill was marked up this morning. I anticipate that prior to the August recess we may have as many as 9 of the 13 bills through subcommittee markup. We will continue to do our best under these severe circumstances.

As of close of business today there are only 31 working days remaining until the beginning of the new fiscal year on October 1.

So we bring to the floor a bill today which is delayed from its normal time. The bill that we bring before the Members today represents a forward step in trying to wind up the business of appropriations for fiscal year 1982 and take up in turn the regular bills for the coming fiscal year.

The bill before the Members represents our efforts in the committee, and I thought the committee worked its will rather rapidly, all things considered. But for the information of my colleagues, the bill as reported is approximately $1.4 billion below the amounts requested by the administration. The President requested a total of $15,702,932,000. We recommend a total of $14,355,319,924. Not only that, but the bill before us has more than 100 program activities and 200 pay accounts across the Government.

But I call this body's attention again to the fact that 85 percent of the funding recommended in this bill is mandatory. The $6.2 billion for pay increases is mandatory. So is the $5 billion for the Commodity Credit Corporation. Other mandatory amounts, including civil service retirement payments—$303 million—annuitants health benefits—$304 million—and State medicaid grants—$142 million—total $820 million. Overall mandatory funding in the bill is $12 billion, leaving only $2.35 billion is discretionary spending.

So I think the Committee on Appropriations has done a good job with that which is within our control. So overall, that is the bill that we have before us. It includes military pay and many other things that we are going to be faced with soon.

Mr. Chairman, the Appropriations Committee has acted responsibly and will continue to do so. We have been under the President's budget requests for 37 out of the past 39 years. Last year we exceeded the budget request only because of increased military spending. Last year when the President asked us to cut appropriations by $15.1 billion we actually reduced appropriations by some $14.3 billion. We went along with an unprecedented 94 percent of his request.

We have held the line in the section 302 allocation for this fiscal year. We have stayed within the totals called for by the budget resolution. We have in some instances shifted some of the funding between various departments and agencies, but we have not exceeded the total. We are willing and able to stay within the total this coming year, as we have this year. Most of the problems with the subcommittee allocation have their origins in the budget resolution itself—and not with the Budget Act.

So with all of that, I will not take a whole lot of time. The report is rather complete. It may not suit those who believe that the agreement of the Budget Committee was sufficient to make appropriations. We have reserved the right of the committee to rearrange the amounts that are in the budget resolution under the section 302 allocation process.

I think by and large we have done a fine job of providing for the various activities that face us. There is some difference of opinion. but overall, we came out rather good.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support H.R. 6863, the general supplemental for the 1982 fiscal year.

The bill contains 325 individual accounts, and totals $14.4 billion in new budget authority, consisting of $10.3 billion in appropriations, $264.9 million in rescissions, and $5 billion in borrowing authority, and $665.5 million in appropriations for debt reduction.

The bill also contains $560 million in changes in other forms of obligated authority through reappropriations, transfers, changes in limitations, deferrals, and disapprovals of deferrals.

The bill is under the revised budget ceilings by an estimated $3.4 billion in budget authority, and $1.4 billion in outlays.

The bill is $1.3 billion in budget authority less than the President's requests, but I point out to my colleagues that this reduction consists of a cut of $2.3 billion in defense, military construction, and foreign aid, and an increase of $1 billion in other programs.

Outlays in fiscal 1982 from new budget authority in the bill are estimated at $2.7 billion, $1.3 billion below the level of outlays estimated from requested budget authority.

Fiscal 1982 outlays for defense, foreign assistance, and military construction are below the estimates by an estimated $1.3 billion, while 1982 outlays for other programs are above the estimates by an estimated $388 million.

The Office of Management and Budget has criticized the combination of cuts and increases recommended by the committee, and contends that national security and international assistance programs were cut "to finance" domestic spending.

The President has the authority and duty under section 3 of article II of the Constitution to communicate to the Congress "such measures as he shall judge necessary and expedient." The President has specific authority under law to transmit to the Congress any proposed supplemental appropriations which "in his judgment * * * are in the public interest."

The committee has a general responsibility to the House to examine each proposal on its merits, and the committee has several specific standards that applied to supplementals.

Supplementals are to be used to fund pay costs under existing law, and to provide funds for emergencies or other critical and unanticipated requirements. Supplementals should not be proposed where Congress has previously denied the request, unless the circumstances and justifications have changed sufficiently to constitute a new proposal.

The committee cannot presume to impose its standards in the evaluation of proposed supplementals, and making recommendations to the House.

The program supplementals proposed for defense totaled $2.4 billion, of which an estimated $2 billion was to restore funds previously denied by the Congress, or to start new programs which should and could have been proposed for consideration in the defense appropriations bill for fiscal 1983.

These proposals were not proper supplementals by the committee's standards, and funds were denied on that basis, not to "finance" other programs.

The committee denied a proposed supplemental of $104 million to initiate construction of facilities at Ras Banas, Egypt, to support U.S. forces in the Persian Gulf.

Funding for this activity was denied in fiscal 1982, and again in this bill, on the basis of inadequate cost estimates, the lack of an agreement with Egypt on the facility, and unresolved questions of operational feasibility, not to "finance other programs."

Of $76 million requested for the maintenance of family housing—a program the committee strongly supports—we recommend $30 million, the amount which in our judgment can be prudently obligated during the remainder of the fiscal year, and not an amount which was to cut to "finance other programs."

Funds for international assistance were denied in large part because members of the subcommittee and the full committee on both sides of the aisle could not reach an agreement consistent with last year's compromise on the balance between military and economic assistance, not to "finance other programs."

I hope that such an agreement has now been reached, and will be consummated by amendments to be offered later today.

The OMB's position on this bill represents a persistent misconception of how the appropriations process operates, and how the members of the committee apply their concept of the public interest.

It is really very simple.

We listen to the testimony, we listen to our constituents, then we sit down in our subcommittees with our pads and pencils and markup the bill.

Whether the administration's views are represented in a bill will depend on the effectiveness of the justifications, of the testimony, and of all of the usual forms of political persuasion—at the subcommittee level.

Yet the OMB persists in imposing on the appropriations process such cosmic issues as defense versus nondefense spending, and control of the Federal deficit, and in contending these issues through letters from the director, black notebooks filled with computer printouts, and outlay estimates through the year 2000, all hurled like thunderbolts after the subcommittees have acted.

The level of funding for a particular account will depend on how effectively the administration persuades the subcommittee to agree with it request.

And the problems caused by an excessive Federal deficit are in turn caused by revenues and entitlements, not, as the OMB must know, by discretionary appropriations.

Why these misconceptions persist is a subject for another time and place.

I describe them here and now only to explain my most reluctant disagreement with the administration.

I live in the legislative world as it is, not as the OMB misconceives it.

And I work under a Constitution that we established to provide for the common defense and the general welfare, not to promote one at the expense of the other.

That means that I support this bill as reported.

I will try to avoid a legitimate veto by opposing major add-ons, as I successfully opposed three multibillion-dollar housing amendments in the full committee.

But if this bill retains its general shape and size, I will support it, and will vote to override a veto, because, very simply, the bill reflects my concept of the public interest.

Mr. Chairman, at this point I would like to review some of the specific recommendations of the committee.

□ 1550

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am happy to yield to the gentleman.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding. I want to commend the gentleman in the well for his most clairvoyant and clear explanation of the defense portion of the supplemental. That which was absolutely necessary, the committee included in the bill; that which was not authorized, and that which was not urgent, the committee has left out.

The gentleman in the well has very clearly and concisely described the de-

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fense portion of the supplemental and should be given full support.

Mr. Chairman, our approach to the defense portion of this supplemental bill was quite straightforward. Supplementals are to be used to fund increased pay costs voted by Congress earlier in the fiscal year, and to provide additional funding to meet emergency situations or to meet critical unanticipated requirements. Unfortunately, the administration submitted $2.4 billion in program supplemental requests, the vast majority of which do not meet these criteria. Some of the program requests would provide funds to restore reductions directed by Congress last year, while others would start new nonurgent programs which should be considered in the regular annual appropriations bill. Many of the program requests have not been authorized for funding in this fiscal year. For these reasons, we recommend the deletion of most of the requests for program supplementals. The program supplementals we recommend for funding are generally pay related or mandatory in nature, such as postal rate increases, health benefits, increased utility costs, and so forth.

Mr. Chairman, we recommend the appropriation of $5.6 billion in new budget authority and transfer authority of $197 million in the bill before you today. This represents a total reduction of $2.1 billion below the budget requests of $7.8 billion. Of the $5.6 billion recommended for appropriation in this bill, $5.2 billion is associated directly with increased pay costs and most of the remaining $400 million is indirectly related to pay or other mandatory cost increases.

In title I, the defense program chapter of the supplemental bill, the request amounted to $2.4 billion including transfers of $37.2 million, plus $43.9 million to liquidate contract authority and obligations. The bill recommends a total of $469.5 million, including transfers of $101.9 million, plus the amount budgeted for liquidation of contract authority. The recommendation represents a reduction of almost $2 billion from the request. In addition, the committee did not recommend a request to reappropriate $343.7 million in lapsing funds for the shipbuilding account.

In title II, the defense pay portion of the supplemental bill, the request amounted to almost $5.4 billion. The committee recommended a total of $5.3 billion in new appropriations and transfers. Almost $42 million of the recommended reduction is already available to the Air Force in excess moneys that will be used to fund a portion of the pay increase in that amount.

Mr. Chairman, I think the defense chapter of this bill represents the best efforts of the committees and I recommend its adoption.

Mr. CONTE. I want to thank my good friend, the gentleman from New York.

I might say that the gentleman from Alabama, the ranking minority member on the Defense Appropriations Committee, agrees with what has been done here on the defense appropriations bill; so we have full agreement of everyone on that subcommittee.

I will try to avoid a legitimate veto by opposing major add-ons, as I successfully opposed three multibillion-dollar housing amendments in the full committee, and if someone on that side does not raise a point of order, I certainly will raise a point of order on some of these add-ons that will be tried here; but if this bill retains its general shape and its size, I will support it and I will vote to override a veto, because very simply this bill reflects my concept of the public interest.

Mr. Chairman, at this point I will submit other explanations of the other subcommittee actions taken by our full Appropriations Committee.

CHAPTER IX

The Labor/HHS/Education chapter of this general supplemental is the result of much hard work and—in this midsummer heat and humidity—honest-to-goodness sweat. It is no easy task balancing the human needs of our people against the requirements of fiscal restraint. The way to approach these programs, though, is not to turn a blind eye to these human needs. Now, more than ever, these programs must be evaluated with care, and the balance carefully struck, fine-tuned, and polished.

The chairman of the subcommittee, the gentleman from Kentucky, for whom I have great respect, did a good job of examining the administration's requests with fairness and objectivity. A close examination was called for, because some of those requests were made back in February, and there has been a lot of water under the bridge since then. For example, there was a request for funds to finance the costs of a reduction in force scheduled for April that has since been canceled.

So, by looking closely at the requests, and weeding out areas where funds were no longer needed, or not yet needed, we gained a little flexibility, and turned our attention to some areas of real need.

We included $210 million for title V: Older Americans Community Service Employment. As you will recall, the House recently expressed its will on this program by voting 407–4 to maintain the program at a level of 54,200 jobs or more. Similarly the Senate voted overwhelmingly, 89–6, to maintain the program. These funds will do just that, by restoring forward funding, which, I might add, is required in the authorization passed by this Congress last December. I might also say that this adds zero in outlay to the 1982 budget.

We included $140 million for Pell grants and $29 million in supplemental equal opportunity grants. Mr. Chairman, these sums would bring the 1982 appropriations for these programs just part way up to what the House passed in the regular Labor-HHS-Education appropriations bill last fall. If the House were to seek the full level it agreed to last fall, this supplemental would call for $325 million instead of $169 million. And I will say that there are strong arguments in favor of the higher level. The $169 million represents a compromise that was worked out by the committee as a responsible way to repair some of the big holes in the safety net for those least able to afford an education.

We included $26.5 million for special education for the handicapped; $15 million of that sum is for personnel preparation. Mr. Chairman, the special education program of the Department of Education has done a survey which reveals that we have a national shortage of 60,000 special education teachers in this country. By inadequately funding programs like these, we risk being pennywise and pound foolish. These funds just bring three important special education programs up to 1981 levels, less 4 percent.

We included $6 million for child immunization. This program is operating at a level that is $2.3 million lower than last year while the cost of vaccines continues to rise dramatically. It makes no sense to put the health of our children at risk. With this money, the program can add 20 positions, and expansion of 25 percent over current staffing. A little money will go a long way.

This chapter also includes $142 million for medicaid payments, $43 million to begin purchase of the new Social Security Administration computer system, $10 million for alcohol, drug abuse, and mental health research, $17.5 million for HMO default payments, $4 million for herpes research, $1 million for tuberculosis control, an $11 million transfer from previous years funds for impact aid, $11 million for railroad retirement dual benefits, and $160 million in requested pay supplementals, including transfers and trust fund moneys.

I would also add that there is some language in the report concerning funding for the Women's Educational Equity Act programs in the Department of Education that the Women's Congressional Caucus was concerned about.

All in all, the subcommittee put together a package that meets the needs of the agencies and addresses some of the critical funding problems affecting our young, our college-bound and our

older Americans. It came out of the subcommittee just $43 million over the request of $655 million. In full committee, another $148 million was added to fix a one-time problem in chapter I, Compensatory Education for the Disadvantaged. I am less comfortable with this figure. In the context of the whole bill, however, I can support it. Clearly, though, we have reached the limit. There is no more room for add-ons in this chapter. We may already be challenged on this bill, and we can go no further. I urge your support for the committee's actions for Labor, Health and Human Services, and Education and I also urge you to hold the line.

LABOR-HHS-EDUCATION ITEMS IN H.R. 6863

DEPARTMENT OF LABOR

Title V Older Americans Community Service Employment. The bill includes $210 million to restore full forward funding for the program through July 1983, as required by law. This will maintain the program at a level of 54,200 jobs.

Labor-Management Services Administration. The bill provides $1 million by transfer to maintain and improve computerized targeting systems in direct support of enforcement efforts in the pension and welfare benefits program and the labor-management standards enforcement activity.

Occupational Safety and Health Administration. The bill approves reprograming of $3.8 million for grants to States for occupational safety and health compliance.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Childhood immunization program. The bill includes $6 million to the program, which is currently at a level $2.3 million below last year, despite the rapid increase in the cost of vaccines. This supplemental would add 20 positions back into the program, for a total of 80.

Tuberculosis. The bill adds $1 million to the $2.3 million currently available in fiscal year 1982. The decline in tuberculosis has turned around; 24,712 new cases were reported in 1981. In Massachusetts, the level of tuberculosis has increased for the first time since 1954.

Venereal disease prevention and control. The bill adds $4 million to the program, for a total that is still $4.6 million less than last year. The supplemental is for herpes research, which is an incurable disease affecting 20 million Americans, and which inflicts severe harm on newborn infants.

ADAMHA research. The bill includes $10 million for research conducted by the National Institutes on Alcohol, Drug Abuse, and Mental Health. Current funding would permit only 218 grant awards, down from a historic average level of 500. In mental health, approximately 70 percent of approved projects are unfunded. This supplemental would permit 100 more grants in the three institutes.

Adolescent family planning. The bill provides $10.3 million to fund this program, which was enacted by Congress last fall, but not funded under the continuing resolutions.

Health maintenance organizations. The bill provides $17.5 million to pay obligations resulting from losses in HMO projects previously funded by the Government.

Medicaid. This bill provides $142 million in additional money for the Federal share of State medicaid programs.

Social Security Administration. This bill provides $43 million from the social security trust funds to begin funding the new computer system scheduled to replace the current outmoded, inadequate computer system.

DEPARTMENT OF EDUCATION

Title I Compensatory Education for the Disadvantaged. This bill provides $148 million to fix a one-time problem caused by confusion over whether funds will be allocated to the States according to 1970 or 1980 census data.

Handicapped education. The bill provides $15.7 million for personnel development, $7.2 million for early childhood education, and $3.6 million for innovation and development to bring these programs within 4 percent of 1981 levels.

Impact aid. The bill transfers $11 million to provide additional funds for "super A's" out of unused 1976 funds.

Pell grants. This bill provides $140 million in order to reduce the level of statutory ratable reductions affecting all recipients, including those eligible for the maximum grant awards.

Supplemental equal opportunity grants. This bill includes $29 million to bring the estimated total number of recipients under this program to 550,000.

Title III institutional aid program. The bill includes $5 million to allow approximately 23 more grants to assist developing institutions, including historically black colleges and institutions.

Higher education facilities loan and insurance fund. The bill includes nearly $10 million to pay existing obligations under this program.

College housing loans. The bill includes a provision requiring the Department to fund $75 million in new direct loans. Over 250 colleges from 46 States and territories have submitted applications. This has no budgetary impact, as these loans are funded out of the existing revolving fund.

Special institutions. The bill provides $200,000 for the American Printing House for the Blind, $1 million for the National Technical Institute for the Deaf, $2 million for Gallaudet College, and $5.8 million for Howard University.

Inspectors General. This bill provides $430,000 to hire additional auditors to reduce the backlog of pending audits.

RELATED AGENCIES

Railroad Retirement Board. The bill provides $11 million to pay the full amount of dual benefits in August and September.

U.S. Soldiers' and Airmen's Home. The bill provides $796,000 in operation and maintenance funds and nearly $1 million in capital outlays, the latter to reduce a backlog of needed repairs, out of the home's permanent fund.

PAY SUPPLEMENTAL

The bill provides the requested pay supplementals in the following amounts:

Department of Labor—$21.3 million by transfer.

Department of Health and Human Services—$130.2 million including $7 million by transfer and $76 million from trust funds.

Department of Education—$5.2 million.

Related agencies—$5 million including $660,000 from trust funds.

ELDER SERVICES OF THE MERRIMACK VALLEY, INC.,
Lawrence, Mass., July 27, 1982.

Hon. SILVIO O. CONTE,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN: We are taking this opportunity to thank you for your support of Title V of the Older Americans Act (the Senior Aides Program). The almost unanimous vote of both branches of Congress last December is significant of the real feeling of the Congress. On that day the body of Congress demonstrated its understanding of the value of the Senior Aides Program. The President at that time also signified his understanding by signing the reauthorization of the Older Americans Act for another three years. In those days of December 1981, the millions of Older Americans across the Nation were led to believe they had elected the true champions for the causes of elders' problems and concerns, that the President had demonstrated a safety net had been spread, and that the elderly truly need not fear.

The bills thus far submitted to the President relative to the Senior Aides Program have not met with his approval. The program is slated for termination on September 30, 1982. Should this come to pass, it will result in the loss of a Federal program that has demonstrated its economic value, a program that has returned to our Nation far more than its cost. The Older Americans—who are incapacitated, who are lonely and homebound, who have lost all family ties, who no longer can adequately care for themselves, who depend to a large degree on the services, care and aid provided by the Senior Aides—will be forced to turn to other more costly service providers or will be condemned to even more costly institutionalization.

The present providers of these services, the Senior Aides, are themselves elderly and low-income, and must be so in order to be eligible for the program. Although they must be at least 55 years old, the average age of the Senior Aides on this program is almost 70. What shall become of them? Will they also be asked to seek relief from the welfare

agency? Will they be added to the growing list of unemployed? They would much prefer to earn their own support while serving the even less fortunate elders.

Both branches of Congress have once again demonstrated their concern for and its understanding of the service value of the Senior Aides Program. In recent days the Senate passed S-340 and the House passed H-278 asserting their desire for the continuance of the program. For this, we again thank you. However, even more is needed to continue this viable program. We are asking for your support for forward fundings in order that the Senior Aides Program will continue without interruption our services to the Nation's needy elders.

We would urge you to advocate with your fellow Congressmen in favor of the Senior Aides Program, recalling to them that:

1. The Senior Aides Program has amply demonstrated its cost effectiveness. It has returned to our Government many times its cost by making it unnecessary to provide other types of welfare assistance.

2. It has provided care and services which have successfully permitted the elders to remain in their own homes rather than suffer the indignities of institutionalization at much higher costs.

3. That many of these elderly, low-income Senior Aides have come from Welfare, Supplementary Security Income or Unemployment rolls to which they would necessarily return should the Senior Aides Program be terminated.

May I look forward to your continued support?

Most Respectfully,

DANIEL MADIO,
Director, Senior Aides of the Merrimack Valley.

EAST BOSTON, MASS.,
May 28, 1982.

Hon. SILVIO CONTE,
Washington, D.C.

DEAR MR. CONTE: Thank you for your continued support, and signing of "House Resolution" #278. Your tenacity will help insure the continuance of the Title V Senior Aide Program, from which I am able to augment my Social Security check.

Very truly yours,

Mrs. C. LOCKE.

WEST ROXBURY, MASS.,
June 1, 1982.

Hon. SILVO CONTE,
U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR SIR: I want to thank you for signing House Resolution #278, and I want to also ask your support for the Senior Aides Program funding problem which as yet has not been resolved.

This program means so much to me and to the rest of the Senior Aides and to the people whom we serve.

Thank you again for your past support and looking forward to your future help and your success.

Very truly yours,

ROSE H. DERANEY.

WENATCHEE, WASH.,
May 26, 1982.

Representative SILVIO CONTE,
Longworth House Office Building, Washington, D.C.

HON. SILVIO CONTE: I am writing to "thank you" for working on our behalf to maintain Title V. for senior employment.

I realize you are not from Washington state, but you are working for us all anyhow. So many times we do not think to say "thanks" when we feel things are going our way, we only gripe when we are dissatisfied with what you are doing for us. Anyhow I do say a BIG thanks for working for us seniors.

On a limited income (my Social Security is $330 per month) so my position with the S.C.S.E.P. makes all the difference in the world to me so far as getting along financially is concerned. With prices of everything soaring and out limited income; it is imperative that we be able to work as long as we are physically able and can give the employer a fair return for what we receive.

Again I say thank you for your labors for us.

Sincerely,

VURNA J. COUCH.
WEST ROXBURY, MASS.

Hon. SILVIO CONTE.

DEAR CONGRESSMAN: Being a "Silver Haired" legislator from Mass., bless you, thank you for your help, and work on behalf of the elderly, the "Older Americans" Act Title V. The elderly thank you.

Yours truly,

HARRY A. BINDER.

BOSTON, *July 12, 1982.*

Hon. SILVIO CONTE,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN CONTE: I am writing to thank you for your continued support for Title V of the Older Americans Act. As you know, Congress passed the Older Americans Act and President Reagan signed the Older Americans Act, including provisions for the Senior Aides Program at a strength of 54,200 participants, across the country into law. There was strong bi-partisan support for this categorical program.

The purpose of the Title V Program (Senior Community Service Employment Program) is to employ low-income people, 55 years of age or older into meaningful community employment. The Senior Aides Program allows tax users to become taxpayers. Therefore, I hope you will not forget the Senior Aides Program/Title V of the Older Americans Act during your preparation of the fiscal year 1983 budget.

Again, thank you for your past support and I hope we can continue to count on you in the future.

Sincerely,

CAROL MARCUS STANTON,
Employment/Volunteer, Unit Coordinator.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES

In the Department of Housing and Urban Development and Independent Agencies chapter, the committee is recommending $600 million for the Government National Mortgage Association's special assistance functions fund. Of this amount $400 million is necessary to continue the process begun in the urgent supplemental to "buy out" the pipeline of approved section 8 projects. The administration requested and the Congress agreed in the urgent supplemental to rescind assisted housing funds which effectively has terminated the section 8 new construction and substantial rehabilitation programs. However, there are projects in communities across the country which have received section 8 approval but have not been able to go to construction because of the prevailing high interest rates. The Ginnie Mae funds will provide the affordable financing necessary to get these already approved projects under construction. The remaining $200 million is for the so-called targeted tandem program which provides financial assistance to unsubsidized housing to be constructed in cities and counties which meet UDAG criteria for economic distress.

Other recommendations by the committee in this chapter include formally rejecting the proposed rescission of $21.8 million for the Solar Energy and Conservation Bank; denying several small supplemental requests for FEMA and the Selective Service System which the committee does not feel could be utilized effectively with less than 3 months remaining in the fiscal year; and approving a transfer of funds within the Veterans' Administration to provide a $6 million program level for the nurse scholarship program in fiscal years 1982 and 1983.

The committee has also included language forestalling the implementation of new Department regulations for the section 202 housing for the elderly and handicapped program, which regulations the committee feels are untimely given the status of fiscal year 1982 section 202 program.

LENOX, MASS.,
January 25, 1982.

DEAR REPRESENTATIVE: Thank you for supporting the section 5 of the Old Americans Act.

I am employed under that section and losing my job would be terrible.

Hope we can still keep things going and with your help I know we will.

Thanks again—keep up the good work.

A Senior Aide who needs her job.

DOROTHY CLERE.

CIVIC CENTER,
Westminster, Calif., July 14, 1982.

Congressman SILVIO CONTE,
House Appropriations Committee, Rayburn House Office, Washington, D.C.

DEAR CONGRESSMAN CONTE: I wish to thank you for your support in the recommendation for Title V funding in the proposed Budget for 1983. At this time I would again ask for your support to restore "Forward Funding," to Title V to cover the period of October 1, 1982 to June 30, 1983.

As you are aware, without the "Forward Funding," Senior Aides will have to be laid off, placing hardships upon their financial situation once again. In turn, host agencies, who have felt the budget tightening in many areas already, will lose vital and needed services also.

Please support "Forward Funding," and urge your fellow constituents to do the same. Give the elderly of this nation a chance to live with the dignity and honor they so richly deserve.

Sincerely,

CHARLENE LENT,
Community Services Supervisor.

COMMISSION ON AFFAIRS
OF THE ELDERLY,
Boston, Mass., July 26, 1982.

Hon. SILVIO O. CONTE,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN CONTE: Thank you very much for your support of the Senior Aides/Title V Program. It was pleasing to see House Resolution No. 278 passed by such an overwhelming margin.

We hope you will approve the Spring Supplemental Budget which will ensure the continuity of the program by providing forward funding. As you are aware, a break in the program would result in payless paydays for thousands of Senior Aides as well as loss of service to clients and agencies who have come to depend on the Senior Aides.

Again, thank you for your continued support for the Title V/Senior Aides Program.

Sincerely,

CAROL MARCUS STANTON,
Employment/Volunteer, Unit Coordinator.

PITTSFIELD, MASS.,
January 27, 1982.

Hon. SILVIO R. CONTE,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN CONTE: I wish to thank you for supporting the Title V Employment Program for Elder Americans.

Please continue to support this program, as it's termination would cause great hardship for myself and other elders employed under this Title V program.

Sincerely,

ROSEMARY A. WOOD.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. NATCHER).

Mr. NATCHER. Mr. Chairman, chapter IX of H.R. 6863, the supplemental appropriations bill for 1982, includes additional appropriations of $800,154,000 for various programs of the Departments of Labor, Health and Human Services, and Education and related agencies. Title II of the bill includes additional appropriations of $56,864,000 for increased pay costs for these departments and agencies. The funds in this bill will bring the total amount appropriated for 1982 for these Departments and agencies to $87,062 million. This total is less than the amount included in H.R. 4560, the 1982 Labor-Health and Human Services-Education appropriation bill which passed the House on October 6 of last year. H.R. 4560 is still pending in the Senate. It has not been taken up by the other body, so of course, it has not been enacted into law. Instead, we have funded the programs of the Departments of Labor, Health and Human Services, and Education in a series of continuing resolutions and supplemental appropriation bills.

H.R. 4560 included $29,996 million for discretionary activities. This figure, adjusted for advances, was the exact amount allocated to our subcommittee under the budget resolution. It was well below the amount authorized in the reconciliation bill. The continuing resolution is based on the lower of the House passed or Senate reported bills for each program or activity—less 4 percent. Because of massive cuts in the Senate committee bill, this results in a funding level for discretionary programs which is $2,657 million below the House passed bill. In addition to the continuing resolution, Congress has approved and the President has signed three supplemental appropriation bills involving activities under our subcommittee jurisdiction, which provided $316 million for various discretionary activities. The bill before us today includes $705 million for discretionary programs. If this amount is approved, Labor, Health and Human Services and Education discretionary activities will still be funded at a level of $1,636 million below the level approved by the House last fall and below the level required by last year's budget resolution.

The following are some of the key programs for which funds are included in the supplemental appropriation bill which we are considering today.

OLDER WORKERS EMPLOYMENT

The subcommittee recommends an appropriation of $210.6 million to continue the older workers employment program under title V of the Older Americans Act. The administration proposes to terminate this program on September 30. We believe that title V has been a highly successful program and that it deserves to be continued. The funds in this bill will carry the program at its current operating level of 54,000 jobs until June 30, 1983.

DISEASE PREVENTION

The bill includes an additional $11 million for the Center for Disease Control in Atlanta. This consists of $6 million for the childhood immunization program, $4 million for venereal disease control, and $1 million for tuberculosis control. We felt that these programs had an urgent need for additional funds that could not wait until next fiscal year. These programs suffered substantial reductions in the continuing resolution.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

A supplemental of $10 million has been recommended for alcohol, drug abuse, and mental health research. This restores a portion of the funds originally approved by the House for these programs last October.

The committee believes that the need for these funds is critical. This conclusion is based on both the high personal and financial costs associated with these problems and the critical juncture at which this research program now stands. Recent discoveries, particularly in the neurosciences, have brought the scientific community to the brink of great breakthroughs in our knowledge of the brain. Solutions, or at least more adequate treatment procedures, for problems such as schizophrenia, senility, substance abuse and depression are now within the realm of possibility. Notwithstanding this promise, the existing budget for research is $16.6 million below the 1981 level. This results because of reductions made last fall by the Senate Appropriations Committee. We believe that the evidence in support of this small increase is overwhelming and we recommend it to the House.

MEDICAID

The bill includes a reduction of $410.8 million in the President's request for the medicaid program. This is not a paper cut. The President requested $552.8 million for the grants to States account when he submitted his budget on February 8. 1982. That was more than 5 months ago. The committee as part of its review of this matter asked the Department of Health and Human Services to update this estimate based on the most current information from the States. On July 15, 1982, the Assistant Secretary for Management and Budget officially notified the committee that the President's request was no longer accurate and that no more than $342 million would be required. In addition, the backup materials provided to us indicated that more than $200 million of the $342 million related to older, prior year claims which are currently being reviewed by the HHS General Counsel. It seems unlikely that these disputed claims would be settled or paid this year. The committee has, therefore, included a total of $142 million for medicaid which it believes is the maximum which will actually be required this year.

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

With regard to programs under the Department of Education, the committee recommends a supplemental appropriation of $148,000,000 for grants to local school districts for the education of disadvantaged children authorized by title I of the Elementary and Secondary Education Act. This would provide additional funds for fiscal year 1982 only, to avoid uncertainties resulting from the census data used in determining title I allocations for the coming school year.

The committee understands that new data from the 1980 census may be available in time for distributing the 1982 appropriation for the title I program. However, these new data are still incomplete. The Secretary of Education should have begun to distribute the funds soon after July 1, so there has already been a month's delay in notifying school districts of their title I amounts for the school year which will soon begin.

To allow the Secretary to move ahead with the allocation of title I funds, and at the same time to give the school districts some assurance of

the amount of their allocation, the committee has included the amount necessary to give school districts their allocation under the 1970 census or the 1980 census, whichever is higher.

EDUCATION FOR THE HANDICAPPED

The committee has also provided an additional $26,500,000 for three programs relating to the education of handicapped children. The current amounts under the continuing resolution for special education training, early childhood, and innovative projects are below last year's funding by as much as 50 percent. In fact, these programs were cut below the amounts originally requested by the President. The amount recommended by the committee will restore these programs to about the 1981 funding level.

STUDENT ASSISTANCE

For student assistance, the committee bill includes $140 million in supplemental funds for the Pell grant program and an additional $29,000,000 for supplemental opportunity grants. Additional funds are necessary for Pell grants to carry out the intent of Congress in setting a maximum grant of $1,800 for fiscal year 1982. Without additional funds, the maximum grant would be $1,674 which the committee feels is too low. For supplemental grants, the current appropriation is $91.6 million below the amount approved by the House in the 1982 appropriation bill. The committee recommendation will partially restore this reduction.

COLLEGE HOUSING LOANS

Under the college housing loan program, the bill includes language directing the Secretary of Education to carry out the intent of Congress by operating this program at a level of $75,000,000 in new loan commitments. The administration has requested bill language designed to prohibit the making of new loans, which the committee has not approved.

RAILROAD RETIREMENT

The January budget from the administration proposed to abolish the Railroad Retirement Board. This can only be accomplished by amending the law through the substantive committees; the administration has never submitted a bill to accomplish that. Evidently, the Office of Management and Budget now intends to weaken the Board through substantial staff reductions. The subcommittee does not agree with this approach. Language has been included on page 75 of the bill to insure that the Board's staffing is not reduced below the current full-time equivalent ceiling—1,578. The committee expects the Office of Management and Budget to abide by this language.

We also recommend a supplemental appropriation of $11 million to restore railroad retirement and dual benefit payments to full entitlement levels for the August 1 and September 1 checks. It is unfortunate that these benefits were reduced by 15 percent in the continuing resolution. Some 400,000 railroad retirees are counting on these benefits.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take this opportunity to commend the gentleman from Kentucky, not only on that amendment, the railroad amendment, but other amendments.

□ 1600

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Pennsylvania, Mr. JOE MCDADE.

Mr. McDADE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of H.R. 6863 making supplemental appropriations for fiscal year 1982 and to urge its approval. I especially commend the action of the Interior and related subcommittee to you for your support.

If you read the report you will see that we walked a very fine line here in adding funds for programs that could be cleaned up now and were of significant priority that we could not wait until the regular bill. Where we found programs that could wait because of delays in planning or lack of information we put off funding until the regular bill. The result is that we bring you a chapter including supplemental appropriations of $268 million, with rescissions of $30 million, increases of $73 million and a bill that is $44 million above the President's budget.

Mr. Chairman, much of our chapter has to do with the preservation and the restoration of Federal property damaged by nature. You will see funds of firefighting activities in both the Interior Department and the Forest Service. You will note we had to rebuild facilities destroyed by fire at the Merrit National Wildlife Refuge at Hyde Park, the home of President Franklin Roosevelt and at Wolf Trap Park. We also provide additional funds to the Fish and Wildlife Service to do a better job with their fire prevention activities.

The committee also funded programs that have left our lands scarred and eroded as the result of other natural causes. At Sandy Hook we are trying to save the beach there as an integral part of the Gateway National Park. We have immediately committed funds to begin the highest priority hardship acquisitions in the Land and Water Conservation Fund. These projects are budgeted by the administration in fiscal year 1983. We are doing this with old money by rescinding funds sitting idly by in Interior. We will save $30 million in the regular fiscal year 1983 bill by approving the budget item now and millions more by settling these cases now.

We have also given the go-ahead to funding all the projects for which planning has been completed under the rural abandoned lands program; $13 million is provided because our committee believes that if we clean up these projects we can make major improvements in the delivery systems for the RAMP program as part of our 1983 bill.

The committee has also been forced to add $17 million for the installation of sanitary facilities for Indian housing. While funds have been budgeted and approved to build the housing, it is left to our committee to provide the sewage hookups. These items are never budgeted and it falls to our committee to either provide the money or watch our investments in badly needed housing stand idly by; $17 million added to the $22 million provided in the regular bill will allow us to complete all the sanitation facilities for the 5,074 units of Indian housing already completed or in construction.

Mr. Chairman, our subcommittee has produced an excellent bill which if supported will lay the groundwork for many improvements in our 1983 bill.

Mr. CONTE. Mr. Chairman, I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, most of chapter VII is noncontroversial. Two transfers totaling $8.5 million have been recommended within the Veterans' Administration. The limitation on HUD's data processing services has been modified and $260,222,000 has been included in title II for increased pay costs. The largest amount recommended in chapter VII is $600 million for the Government National Mortgage Association's tandem programs. Of the total amount recommended, $200 million is earmarked for 100-percent section 8 assistance projects that cannot be financed through the use of financial adjustment factor funds. This additional mortgage purchase authority will complement actions taken in the 1982 Urgent Supplemental Appropriations Act to "buy-out" the section 8 pipeline.

Another $200 million is for section 8 projects where not all units receive a subsidy, the so-called 20-percent projects. This will assist approximately 5,000 units.

The remaining $200 million is for the targeted tandem program. This will provide assistance for 5,000 units of unsubsidized housing located in cities and counties which meet the fiscal and economic criteria of the urban development action grant pro-

gram. It is the committee's intention that the targeted tandem authority be distributed on the basis of the chronological firm commitment date.

Mr. Chairman, in addition to the provisions of H.R. 6863 which relate to programs within the jurisdiction of the Subcommittee on HUD-Independent Agencies, there are several other provisions of this bill which will provide necessary funding for programs which I consider important and which I strongly support. Among those programs are the community service employment for older Americans, student financial assistance, and compensatory education for the disadvantaged.

TITLE V OLDER WORKERS EMPLOYMENT

As my colleagues know, the Congress has gone on record, as recently as last week, as supporting an effective title V older workers employment program. The title V program has provided nearly 100,000 senior citizens with job training and employment referral services. In the current fiscal year, 54,200 low-income seniors have been provided with a job by the program. The title V program has historically been forward funded and H.R. 6863, by appropriating $210.57 million will insure that the current level of jobs is available through June 30, 1983. These jobs allow senior citizens to continue to make valuable contributions to their communities and to maintain their self-sufficiency. In spite of the fact that there was no budget request for the title V program, Congress tried to put the money for fiscal year 1983 in the urgent supplemental appropriations bill. The President's veto of the two urgent supplementals containing the funds makes it necessary that we try again.

TITLE I COMPENSATORY EDUCATION FOR THE DISADVANTAGED

H.R. 6863 contains needed funds for two important education programs. By providing $148 million for the compensatory education for the disadvantaged program (title I) the bill will insure that the problem created by the decision of Secretary of Education Bell to use 1970 rather than 1980 census data in allocating title I funds is resolved. The additional funds will allow title I allocations for the coming school year to be made on the basis of either the 1970 or 1980 census data, whichever yields the higher allocation. This procedure will protect those school districts which would have received more title I funds to assist in the education of their economically or educationally disadvantaged students if the 1980 census data was used from the harm that will be produced by continued use of the 1970 census data. The title I program is of considerable assistance in providing a quality education to millions of young Americans. It is important that title I funds go to those areas that are most in need of them. The inclusion of additional title I funds in this bill will help achieve that result.

FEDERAL STUDENT AID

I am pleased that the legislation now before us provides additional funds for Federal student aid programs. I continue to believe that our investment in the education of our young people can only pay dividends in the future. Nothing could be more shortsighted than to reduce educational opportunities at a time when the continued growth of our country depends on an educated populace. H.R. 6863 will provide an additional $169 million for Pell grants and supplemental educational opportunity grants, an amount that might very well make the difference between many needy and deserving students attending, or not attending, college in the fall. The Appropriations Committee has taken a responsible step in making these funds available, even in the absence of a budget request from the administration, and I urge my colleagues to endorse that action.

Mr. Chairman, H.R. 6863 contains funding for over 100 program activities and 200 pay accounts across the Government. While the bill is below the amount requested by the President, we have reserved the right to make independent judgments about the specific programs that most need supplemental funds. I believe that the bill merits the support of the House and I urge its approval.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the gentleman for yielding me this time.

Mr. Chairman, I do think it is important at this point to point out to the membership that there are also some problems in this bill. We have heard all the good things that are in it. I say to my colleagues there are also some problems.

For example, on page 23 of the bill we are in the process of spending $600 million that has not even been authorized by this Congress. So we now have another unauthorized appropriation going through this body.

We also have not heard much mention of the fact that we are spending an additional $43 million for the legislative branch primarily in salaries and expense increases so that is another major item that some Members may want to reflect on as we take up this particular piece of legislation.

I think there are some severe problems with this bill. I think it goes beyond the budget in several instances.

I also take this moment to point out that I do intend to offer some amendments to the bill going to the issues of school prayer, discriminatory quotas, and balanced budget. At an appropriate time in the consideration of the bill, I will be putting forward those particular amendments in hopes that this Congress will have a chance to address these matters which are of vital concern to large segments of the American population.

Mr. Chairman, I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. I thank my friend from Massachusetts for yielding.

Mr. Chairman, I sought this time and appreciate being given the opportunity to comment on the bill before us because I think, as was indicated by our colleague from Pennsylvania, there are some questions that are raised by the legislation, not only from a policy standpoint but also from a procedural standpoint.

The first issue I would like to address is the procedural aspect of this legislation. I think as a matter of fairness some Members of the House have been denied the opportunity to even appear before the Rules Committee to try to persuade the members of that committee to provide a rule within which the emergency supplemental bill could be considered that would permit the offering of legislation in the form of amendments that would address problems of considerable concern to many of the Members.

My colleagues will not be surprised, I am sure, to learn that one of those amendments to which I refer is the so-called Evans-Corcoran amendment.

We sent out a "Dear Colleague" letter which you may have received already today which points out the rather checkered procedure of this unfortunate amendment, shall we say.

Mr. Chairman, under the legislation that is before us, I can expect, as my good friend from Massachusetts has already pointed out, he would offer a point of objection under rule XXI were we to offer that particular amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I would be happy to yield to my friend, the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

Mr. Chairman, so that my position is clarified, it is not that I oppose the gentleman's amendment, but as I said in full committee, and as I said to the gentleman and to Mr. EVANS when they tried this before, in private conversation, that they are waiting on the other side for the gentlemen's amendment, as they did in full committee.

Mr. AUCOIN had a substitute. They have the votes.

Then it gets over in the other body, and there is a gentleman over there from Indiana who is going to up the ante over there because he is not going to let the House have their way.

Then we have another veto. Last time we had three vetoes on this bill. There are so many good programs here.

Mr. CORCORAN. I certainly appreciate what our good friend has said, and I certainly would not quarrel with any element of his comments except to say that I wish I were in his position rather than mine, because if you are in his position, you will find that by our preliminary estimate there are some 43 instances where there is, in my judgment, the potential violation of rule XXI, where the recommended legislation from the Appropriations Committee does contain legislation on an appropriation bill.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

Mr. CONTE. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. Chairman, if the gentleman will yield further to me, those amendments will not bring forth a veto. I have the veto message right here, that is, the original message. It was not just a question of money. His veto message was that this is a bailout, and he opposes any bailout.

So we will get a veto on this thing. Sure, there are some things in here, and most likely some will raise points of order, but they will not invite a veto.

Mr. CORCORAN. If I may continue, and I appreciate again the comments of my friend from Massachusetts, but the point is that the veto has already been exercised as an option by the President, and I would hope the Members of this body and the other body would be responsive to the indications of that veto, and that is that the amount of money involved was excessive.

So I do not think it makes any sense for a gag rule to be imposed procedurally on the House in terms of dealing with our legislation.

I think it is very important legislation, not only from the standpoint of the housing aspect, but just in this morning's paper we saw again where the U.S. Government's borrowing is going to increase substantially. In fact, it is going to be, between now and the end of the calendar year, $100 billion, which is more money than the United States Government has ever borrowed in its history during a comparable period of time.

The other aspect of our amendment is to put a moratorium on any synfuels projects. There are two projects in the synfuels legislation awaiting decision. Indications are that the decision will be favorable. That means that the Government almost within minutes after the ink is dry on it will have to go out into the credit markets again, borrow some $5 or $6 billion and put further pressure on the rest of the American people who need money and want to borrow money for individual purposes or for business purposes.

Moreover, I think we need to involve the Congress in this decisionmaking process.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CORCORAN. Mr. Chairman, will the gentleman from Massachusetts (Mr. CONTE) yield me an additional minute?

Mr. CONTE. Mr. Chairman, I yield 1 more minute to the gentleman from Illinois.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I will, Mr. Chairman, in just about 30 seconds.

Unfortunately, the Congress has to be involved in dealing with this emergency problem. The reason I say that is that the Synthetic Fuels Corporation is an independent corporation. Even if I were successful, along with others, in persuading the administration to postpone these aforesaid projects until interest rates get down to affordable levels, as is our objective in the amendment, the fact is that as soon as that happened there would be members on this committee who would immediately cry out about impoundment of funds and all the other associated problems. So the Congress needs to be involved in order to give a signal to the administration that we will cooperate in the moratorium on these projects.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. CORCORAN. I yield to my good friend, the gentleman from Delaware, who has been a stalwart supporter in this effort.

Mr. EVANS of Delaware. I thank the gentleman for yielding to me.

Mr. Chairman, I associate myself with the remarks of the gentleman in the well.

Our initiatives, Mr. Chairman, would accomplish the twin objectives of some assistance for home buyers and some builders and workers who need to go back to work. Also, by putting a moratorium on the Synfuels Corporation and on new projects, there would be downward pressure put on interest rates rather than the upward pressure that we have.

Mr. CORCORAN. I would hope if they can get legislation on an appropriation bill that we can, too.

□ 1610

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Chairman, the Interior chapter includes supplemental appropriations of $268,582,000, recissions of $54,200,000, a reappropriation of $3 million and transfer of $991,000, for a net increase over the budget estimates of $44,682,000.

The administration had proposed supplementals of $194,600,000 for fiscal year 1982. This included $135,900,000 for fire supplementals, $21 million for the resettlement and relocation of the people of Bikini Atoll, and $6,200,000 for improvement of the royalty management program in the Department of the Interior. The subcommittee recommended those supplementals and added $9 million for reconstruction of the Wolf Trap Farm Park for the Performing Arts, and $2 million to restore the F.D.R. Home National Historic Site at Hyde Park, N.Y., both of which were destroyed or damaged by fire.

The subcommittee also recommended $17 million for construction of sanitation facilities for Indian housing units which are under construction by BIA and HUD in fiscal year 1982, but without the necessary central sanitation facilities to make them habitable.

Rescissions of $24,200,000 had been proposed by the administration, including $16,200,000 for the national petroleum reserve in Alaska, and $8 million for the Federal inspector for the Alaska gas pipeline. In addition to agreeing to these rescissions, the subcommittee also recommended rescission of $30 million in annual contract authority under the land and water conservation fund. The subcommittee has recommended this amount be appropriated for land acquisition, to be used for payment of anticipated deficiencies for land condemnation cases on which court action has been completed or is pending.

The subcommittee has developed a sound, balanced recommendation. I recommend its adoption and would urge that no amendments be offered.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 6863, making supplemental appropriations for fiscal year 1982, which includes $210,572,000 for the older Americans community service employment program under title V of the Older Americans Act.

Last week the Congress overwhelmingly indicated its support for this program, which provides 54,200 job slots for low-income senior citizens. Through the employment generated by this program, communities are provided with manpower for nutrition centers, hospitals, libraries, and schools, while participants earn salaries to supplement their incomes.

Giving these older Americans the opportunity for work not only puts their experience to good use but makes it possible for State and local governments to use their human capital to provide services at an expanded

level. The average participant—a low income female over 65 with less than a high school education—would have little chance of finding employment in the private sector. Without the title V program these people would be forced to subsist on welfare payments, kept against their will out of the productive sector of our economy.

Mr. Chairman, the supplemental funds authorized in H.R. 6863 would provide funding for the program through June 30, 1983, re-engaging the forward-funding mechanism required in the authorizing law. Currently, projects funded under this title are being told by the administration that they will terminate on September 30, 1982, and to assume they will cease to exist at that time.

The Congress must act to commit funds for continuation of the older Americans community service employment program in order to dispel the uncertainty which now exists as to its future and to allow program administrators to plan for next year.

Mr. Chairman, I am also pleased to note that H.R. 6863 contains additional funds for compensatory education for the disadvantaged, commonly known as title I. The $148 million to be added would allow the Secretary of Education to fund States on the basis of either 1970 or 1980 census data, whichever is higher. I applaud the committee for providing this equitable approach which avoids determining the merits of 1980 census data use.

This bill includes in addition a $169 million supplemental for student financial assistance, $140 million for the Pell grant program and $29 million for the supplemental educational opportunity grant program. Both of these programs allow low income students access to an equal educational opportunity and are particularly important as tuition costs continue to rise.

I urge my colleagues to join me in support of this supplemental appropriation.

● Ms. FERRARO. Mr. Chairman, I rise in support of the supplemental appropriations bill and I ask for unanimous consent to revise and extend my remarks.

As you know, Mr. Chairman, the Reagan administration has refused to fund the older workers job program—title V of the Older Americans Act. The elimination of this program would mean the loss of 54,000 federally financed jobs nationwide. And, if I may point out, this is the only federally financed older workers job program left in existence.

I would, therefore, like to commend the Appropriations Committee for its leadership in this area. The supplemental bill before us today would continue the title V program at its current level of 54,000 job slots through June 30, 1983. I was delighted to learn that the committee recognizes, as the administration apparently does not, that title V is a very effective program that deserves to be continued.

In February, I held hearings in New York on the title V program for the House Select Committee on Aging, Subcommittee on Retirement Income and Employment. At that time, Janet Sainer, commissioner of the New York City Department for the Aging, testified on the importance of this program in New York. Last year, in New York City, 800 older people lost their jobs when CETA was eliminated. Within the same year another 800 older workers became unemployed with the demise of the title X program. This number would have been much greater if the city had not picked up some of the positions. If the title V program does not continue, another 900 older men and women will lose their jobs. This time New York City will not be able to pick up the positions.

Commissioner Sainer testified that if the program is eliminated over 100 frail elderly who receive essential home care services, because of disability or illness, would require institutionalization. Recent studies have revealed that it now costs over $24,000 a year to institutionalize one person for 1 year in New York City.

The title V program also allows older Americans to continue to be productive, taxpaying citizens. In fact, as we found out at the February hearing, the title V program was responsible for taking people off of the welfare, medicaid, and food stamp rolls. Considering all these factors, the program is obviously cost effective.

The refusal to fund the title V program is just another indication of the fiscal shortsightedness and callousness of the Reagan administration. For the President to try to save money by eliminating this program is just outrageous and shameful.

I ask all of my colleagues to support this program and to support this bill before us today. We must send a message to the older Americans of this country that they have not been forgotten and that we in the Congress care about them.●

● Mr. RATCHFORD. Mr. Chairman, I rise in support of H.R. 6863, the fiscal year 1982 supplemental appropriations bill. This legislation contains several important provisions which are vital to the continued operation of various Government departments and programs.

Of particular importance to me and to hundreds of older residents of the State of Connecticut is the provision of $210,528,000 for title V of the Older Americans Act. Title V, known to many as the senior aide program, is a crucial employment program for many low-income older Americans. The program has been a great success for several years now, and should be continued with full funding.

As you know, Mr. Chairman, it has been a difficult battle to keep the title V program alive. The current administration had requested no funding for senior aides for the rest of the current fiscal year, and planned to merge title V with a number of other employment programs in the upcoming fiscal year. Included with this merger was a substantial cut in funding.

In fact, the administration's 1983 budget proposal would cut about 480 of the 650 title V jobs in the State of Connecticut.

The title V program is forwarded-funded so that plans can be made to employ senior aides most effectively. This supplemental funding would allow the title V program to continue at its current level through June 30, 1983.

Mr. Chairman, I have heard from hundreds of residents throughout the Fifth District of Connecticut, people who benefit from the senior aide program and strongly believe it ought to continue. I know from my experiences as a former commissioner on aging in the State of Connecticut that the title V program is extremely valuable to older residents throughout my State.

The importance that so many older Americans attach to this program was made clear earlier this week, Mr. Chairman, when the House debated and overwhelmingly approved a resolution to express our commitment that the title V program be maintained at current levels. I was pleased to join in that debate and to work with my colleagues on the Select Committee on Aging—Chairman CLAUDE PEPPER, and Congressmen BIAGGI, BURTON, and RINALDO—in urging the Appropriations Committee to support full funding for title V.

Mr. Chairman, the title V program exemplifies the good results that can be had from an effective Federal program. Title V has been an effective, worthwhile program, and should be maintained and strengthened. I urge others in this Chamber, the Senate, and the White House to pledge their support to continuing full funding for title V.●

● Mr. DASCHLE. Mr. Chairman, I rise in support of H.R. 6863, particularly because of the provision it makes for $210.6 million for the senior community service program, title V of the Older Americans Act. Funding title V is of particular importance at this time, given the unbending opposition of the administration to the continuation of this program. The House has already gone on record in strong support of these programs, as witnessed by its overwhelming passage of House Concurrent Resolution 278, which called for funding of these programs at least at current levels. If my col-

leagues will remember, this resolution was passed by a vote of 407 to 4 only this past July 20. I am particularly concerned that we pass this supplemental because it will continue necessary funding for the Green Thumb program in my State. As you may know, this program, administered through the Farmer's Union, provides much needed employment to senior citizens throughout rural America, as well as assisting operations such as senior citizens centers by supplementing their staffs with personnel which would otherwise be impossible to hire. The arguments of the administration that these senior citizens programs, such as Green Thumb, can be assumed under other programs simply does not stand up to any examination of the past history of employment programs. We need to earmark these funds for senior employment programs, and I would urge all my colleagues to support H.R. 6863, to send a strong signal to the administration that, despite its opposition, this Congress is not going to turn its back on our senior citizens.●

● Mr. FRENZEL. Mr. Chairman, I have voted against three consecutive urgent supplemental appropriations bills. Because H.R. 6863 is far in excess of what the administration has requested in a number of spending categories, I shall vote against it, too.

The committee has made cuts in foreign assistance and defense which deny the President the money he thinks he needs. It has added, beyond his request, a number of its own favorite spending programs.

One of those earmarks spending for interstate substitution in the Twin City area in Minnesota, so I do not oppose the whole bill. Also the committee should be congratulated for rejecting a number of amendments calling for unnecessary spending. Unfortunately, it did not reject quite enough.

I think this supplemental exceeds the agreements for fiscal year 1982 spending which we adopted in the continuing resolution of last December. I usually do not complain when the committee reduces administration requests, and I shall not on this bill.

Nonetheless, too much of this bill was unrequested. I shall vote against it in the hope that the committee will do better on its second try.●

● Mr. SIMON. Mr. Chairman, I want to add my strong support for the general supplemental bill now pending before the House. Mr. WHITTEN, the chairman of the full Committee on Appropriations, Mr. NATCHER, chairman of the Subcommittees on Labor, Health and Human Services, and Education, and Mr. YATES, chairman of the Subcommittee on Interior appropriations have done yeoman's work in bringing this important bill before the House.

I want to call the Members' attention to several portions of the bill which provide increased funding and legislative authority for student assistance and other higher education programs. The bill includes an additional $169 million for student assistance programs—$140 million for Pell grants and $29 million for supplemental educational opportunity grants—bringing total expenditures in this area in fiscal year 1982 to $3.352 billion. The $140 million for Pell grants is especially important in order to avoid reductions in the $1,800 maximum award level for the poorest students which this House has agreed to on three prior occasions. Early action by the Congress on this supplemental can make these funds available to students for registration in September.

The bill also contains carryover authority for $8.4 million for the title III, institutional aid program. This will permit funding to go to the historically black colleges and universities under provisions established in the education amendments of 1980. The bill also includes about $5.2 million in supplemental title III funds for other colleges and universities assisted under title III. This restores funding deleted from the fiscal year 1982 continuing resolution.

Finally, the bill also includes specific language directing the Department of Education to make available $75 million in new loan commitments under the college housing loan program. Although Congress has repeatedly made its will known in this area, we recently learned that the Department was considering disregarding our earlier instructions and limiting new loan commitments to $10 million. As the Members know, this is not a new appropriation but a simple recycling of funds being repaid to the Federal Government by colleges and universities.

I hope the Members of the House will understand the importance of the above provisions and their relationship to our continuing commitment to educational opportunity and excellence.●

● Mr. FUQUA. Mr. Chairman, I rise in strong support of the supplemental appropriations legislation, H.R. 6863, being considered by the House of Representatives today. This bill contains valuable funding for many needed programs and services and deserves strong bipartisan support from the Members of this Chamber.

Of particular significance to me is the inclusion of $4 million for the construction of the National Fishery Research Laboratory in Gainesville, Fla. This lab was established in 1977 and is the result of joint efforts of the U.S. Fish and Wildlife Service and the University of Florida's Institute of Food and Agricultural Sciences (IFAS). The university has established an aquatic weed research center and maintains strong research programs in cooperation with Federal agencies. The university has provided the land for the new lab and IFAS experts will be able to work in conjunction with the experts from the Service. The agreement has been to everyone's benefit and personnel are already working closely together.

This new lab will perform work not being conducted by any existing facility. The lab is designed to identify and determine the distribution, status, and impact of all exotic fish species established in U.S. waters. This work is important to all of the States, not just Florida. The lab will assist in the development of effective regulations to stop the introduction and establishment of additional harmful fish species. The latest introduction of piranha into Arizona highlights the importance of this work. The lab will also evaluate new species of fish for possible introduction and this work will be critical in determining if a new species can coexist or will pose potential problems.

I commend the Interior Appropriations Subcommittee for their diligent work and commitment to insuring that this work is performed. I urge my colleagues to vote in favor of this bill.●

● Mr. GILMAN. Mr. Chairman, I supported the amendment that would have been offered by the gentleman from California (Mr. FAZIO), which in effect places a 1-year moratorium at the Department of Defense on commercial industrial type activities.

The committee in its report accompanying H.R. 6030, has outlined an array of problems associated with the contracting out problem. Indeed, the Committee on Post Office and Civil Service's Subcommittee on Human Resources, of which I am a member, conducted comprehensive hearings on the effects of contracting out. We found that contracting out was not always cost-effective, and that in many instances functions and the general mission of an agency could be better served by performing functions in-house.

At my request, the General Accounting Office reviewed several functions which the Department of the Army decided would be better performed by contract. GAO found clearly that in one instance, a Department of Army comparison of in-house versus contract costs used incorrect figures in reaching that conclusion.

Accordingly, I support this effort to place a 1-year moratorium on contracting out pending a thorough review, as proposed by the committee, of contracting out procedures and ways to assure that contracting out is cost-effective and that it best serves the interests of the taxpayers and the Department of Defense.●

● Mr. McEWEN. Mr. Chairman, I would like to call the attention of this Chamber to a matter of grave concern for the State of Ohio and for all States engaged in roadbuilding plans. This is the inclusion of a provision in the supplemental appropriations for transportation that disallows the use of Federal funds for the Federal Highway Administration's implementation of its final rule on work to be done under the noninterstate resurfacing, restoration, and rehabilitation (3R) program. This prohibition could possibly bring to a halt all 3R work currently in progress nationwide.

Mr. Chairman, this rule was developed after close deliberations between the FHWA, individual States and the American Association of Highway and Transportation Officials (AASHTO). The rule gives the States practical options for handling nonfreeway 3R work. The application of these standards to facilities which adequately serve the public would be an extravagant waste of the taxpayers' time and money in this period of conservative fiscal necessity.

I urge my colleagues to consider the implications of this rule on the Nation's transportation network. I respectfully request the Members of the House to return this provision to the Appropriations Committee for more careful and thorough deliberation.●

● Mr. DERWINSKI. Mr. Chairman, I want to commend my colleagues on the committee for having the foresight to provide an additional $20 million to the U.S. Postal Service for the revenue forgone subsidy. Earlier this year, during our consideration of the previous urgent supplemental legislation, the Senate added through amendment, $62 million for this subsidy. This additional funding was provided to establish some sort of continuity to the postage rates paid by libraries, small newspapers, and nonprofit mailers. This continuity is important as many of these organizations plan out their postal budgets far in advance and in recent years this had become extremely difficult due to the many changes affecting the postal subsidies. Unfortunately, when this previous measure went into conference, $20 million was taken out of the bill and only $42 million was provided to the revenue forgone subsidy. The measure before us now simply restores that which was already approved by the Senate.

The urgent supplemental approved by the President on July 19 provided the funding for the Postal Service to reduce the mailing rates for these organizations from step 16, which is the highest step in the phasing schedule adopted under the Postal Reorganization Act, to step 13, a more moderate and acceptable level. The measure before us now provides us with a method to insure that the Postal Service maintains the postal rates for these groups at that level for the balance of this fiscal year. That maintenance is absolutely necessary to give our libraries, small newspapers, and nonprofit organizations an opportunity to plan their budgets and prepare, as we are, for the next fiscal year.

The Federal Government is undergoing some tremendous changes and many of the worthwhile social programs provided by it in the past are having to be curtailed. The President is calling for a national voluntary effort on the part of all Americans and the groups involved here, who receive the bulk of their funding through direct mail efforts, are the ones who for the most part will be asked and relied upon to pick up the slack and work with us in the future to see that all Americans receive the social services they desire.●

● Mr. BIAGGI. Mr. Chairman, I rise in support of H.R. 6863, the supplemental appropriations bill for 1982. I wish to limit my comments to the provision which provides $210 million in desperately needed funds to insure that the title V community service employment program for older Americans does not end.

Hopefully, today marks the end of a long national nightmare for the 54,200 older workers who rely on title V for employment. These individuals had been heartened by the fact that Congress overwhelmingly passed—and the President signed into law—a 3-year authorization of the Older Americans Act in December of last year. Included in this authorization was an extension of the title V program. In fact, the 1981 amendments actually provided for a 14-percent increase in authorizations for the act.

Yet less than 2 months later, President Reagan in his initial budget proposal for fiscal year 1983 recommended no funding for the title V program. This prompted an outcry on the part of senior citizens around the Nation who saw this as a cruel and indefensible example of budget cutting.

While the President's February budget was disposed of without approval by either the House or the Senate—the funding situation for title V remained in limbo because of the forward funded nature of the program. In order to assist in orderly planning for this program and its participants, the program year for title V runs on the same schedule as the old fiscal year—from July 1 through September 30. Current funding in the program is supporting title V programs through the first quarter of the program year—until September 30. It is essential that the remaining money for the last three quarters of the program year be provided in this supplemental for 1982. Otherwise, the program expires on September 30 as we failed to provide the additional $210 million in the recently passed urgent supplemental for 1982 and this legislation before represents the last legislative vehicle to accommodate this funding need.

Title V is a sound investment of the Federal dollar. In my home State of New York there are an estimated 54,200 older workers who in turn provide some 4.2 million hours of community service in this program. They work in senior citizen centers delivering meals. They work in libraries and they work in hospitals with the aged, the mentally ill and the disabled. Clearly, this is also a cost-effective program with little overhead. For example, State and area agencies on aging keep their administrative costs to an average of 10.5 percent—well below the 15 percent allowed under law.

I urge adoption of this legislation so that we can assure these 54,200 older workers that their jobs are secure and that we do recognize them as a valuable component of our work force—a component we intend to keep.●

● Mr. TRAXLER. Mr. Chairman, I rise in support of H.R. 6863, the supplemental appropriations for fiscal 1982. This bill is coming forward at a very difficult time, and it is my sincere hope that my colleagues will support it.

I want to take a few minutes today to talk about one specific matter in the report accompanying this bill. In the section of the report describing our committee's action on the Department of Agriculture, some language was included regarding the operation of certain pilot school lunch projects by USDA. This language was offered to enforce the original intent that we had when this project was first funded in fiscal 1981.

In summary, this pilot project is an attempt to determine if the school lunch program can be run more effectively by giving schools cash or letters of credit in lieu of the commodities that they are currently receiving. This is a subject of some disagreement, and we felt that it was prudent that the matter be appropriately reviewed before any further legislative action was taken on it.

Under this project, 30 school districts will operate as they currently do under the lunch program; 30 others will receive all letters of credit in lieu of their normal commodity support, and yet another 30 will operate with cash in lieu of the basic commodity support.

The problem is that USDA is acting as if we had given them authority to provide cash or letters of credit for the value of the bonus commodities, which is something that we definitely did not do. In the report that accompanies the fiscal 1981 supplemental appropriations bill, we directed that the Depart-

ment may either "withhold, charge for, or earmark in some fashion the value of bonus commodities which may be received by those school districts." This language did not mean that the schools should get extra cash or extra letters of credit. It meant that the impact of bonus commodities provided to the schools should be separately accounted for, or that the bonus commodities should be withheld entirely.

The report language provided by our committee reminds the Department that it does not have the authority that it claims it does. They may give bonus commodities and not a substitute.

Given that the stories of surplus commodities have received great attention in recent weeks, we want to see these commodities used in an efficient way. We do not want them bottled up in some warehouse where they will rot—especially not when the provision of these commodities to schools can do some good.

Furthermore, under the way the school lunch program is supposed to operate, bonus commodities are not supposed to be a normal component. It is for this reason that we want bonus commodities separately accounted for, not transformed into a different medium. The Department should not treat the bonus commodities as a normal component of the school lunch program, and by designing the study in the impermissible way that it has, it is acting as if these bonus commodities will always be there. The purpose of the study is to determine alternative methods for the lunch program and their respective feasibilities. It is for this reason that the study concentrate on the basis of the lunch program, and not its collateral components.

Second, during the course of our hearings on the fiscal 1983 agricultural appropriations bill, Assistant Secretary Mary Jarrat testified that the study can be completed in 2 years, and by implication, for this reason it is not necessary to run this pilot program beyond the end of the study term. Our report notes this fact, and directs the Department to not make plans for continuing the project beyond the 1983-84 school year unless the projects are extended by Congress.

This report language is essential for maintaining the original intent of our 1981 appropriation action. The Department has yet to provide sufficient justification for the actions in wishes to take in contradiction to the directives provided by our previous action. Answers to questions that have been submitted to the Food and Nutrition Service by myself and the Subcommittee on Agricultural Appropriations have been nonresponsive, and the action of the Department has, in fact, been in contradiction to the recommendations issued by a large number of a Department-appointed advisory panel which is supposed to oversee this project. Many of the panel members have become so frustrated with the Department's inattentive ear to their concerns that these members doubt whether or not the advisory panel has any real value at this point.

I am hoping that the House can support the Agricultural Appropriations Subcommittee and the full Appropriations Committee on this matter. In an effort to return to days of responsible decisionmaking, we want this study to be a credible one. It is for this reason that we believe this report language is so essential, and why this report language will continue to be enforced in each of our subsequent agricultural appropriations measures.●

● Mr. MORRISON. Mr. Chairman, I would like to take this opportunity to express my deep satisfaction for the inclusion of a provision to H.R. 6863, the supplemental appropriation for fiscal year 1982 which recognizes an inequity that exists in the Pacific Northwest and other portions of our Nation. There are 580 dedicated civilian Corps of Engineers employees who are performing duties comparable to their counterparts in the Bureau of Reclamation and Department of Energy for significantly lower wages. I commend the committee for recognizing the extreme urgency for this provision and the entire body for their keen judgment in the preservation of this provision and the wise passage of the entire bill.●

● Mr. STOKES. Mr. Chairman, I want to express my strong support of H.R. 6863, making supplemental appropriations for fiscal year 1982. This bill contains funding for a number of high priority and valuable programs and deserves swift approval by the Congress.

I want to commend, Mr. NATCHER, chairman of the Subcommittee on Labor-HHS-Education Appropriations for his responsiveness in addressing some critical funding problems associated with several programs identified in the Labor-HHS-Education section of the bill. In the education area, this bill provides an additional $140 million for the Pell grant program, which is the cornerstone of Federal efforts to help needy college students meet the increasing costs of a higher education. With these supplemental funds, a total of $2.4 billion would be available for Pell grant awards in the 1982-83 academic year—an amount which is still $107 million below what was originally recommended by the House last year in H.R. 4560. The additional funds will not be sufficient to completely prevent reductions in the maximum grant award of $1,800 contemplated last fall by the Congress, but they will insure that the lowest income and the most needy students receive maximum assistance. Similarly, H.R. 6863 includes supplemental funds of $29 million for the supplemental educational opportunity grants (SEOG) program, which suffered a $77 million budget reduction under the fiscal year 1982 continuing resolution. The additional moneys provided in this bill are urgently needed for students entering college in the fall and will help maintain a strong Federal commitment to equal educational opportunity.

H.R. 6863 also recommends $148 million in additional funding needed for those school districts which participate in the title I—compensatory education for disadvantage children—program. Because of uncertainty over whether 1970 or 1980 census data will be used in distributing title I moneys this fall, hundreds of school districts across the country do not know what their title I allocation will be for the upcoming school year. Many school districts could potentially suffer an unanticipated loss of title I funds which could disrupt already planned programs and activities for the 1982-83 school year. The additional $148 million will insure that each school district will receive a title I allocation which is the higher of its allotment using either 1970 or 1980 census data.

I am pleased that the committee has taken the initiative to restore $211 million to the fiscal year 1982 budget to guarantee the continuation of the highly successful title V—community service employment program for older workers. This program provides wages for 54,000 senior citizens who act as home health aides, energy auditors, staff for senior centers and nutrition programs, and in other community service capacities. The provision of these services allows older persons to remain in their own homes and communities rather than forcing them into costly and impersonal institutions. Further, the title V program provides a sense of independence and economic stability to a sector of our population which wants and needs to work. The supplemental appropriation of $210 million will help give the elderly in this Nation an opportunity to live and work with dignity and honor.

Additionally, many Members of Congress, like myself, have heard terrible stories of hardship from some of the 400,000 railroad retirees whose dual benefit payments under the railroad retirement system were cut by 15 percent under last year's continuing resolution. Under H.R. 6863, these benefits are restored to the full entitlement level for the remainder of the current fiscal year. The committee has also undertaken action to insure that the Railroad Retirement Board field offices remain open and active.

Finally, I would like to comment on one other very important provision of this bill, which is particularly important to my congressional district. A

total of $20 million is recommended in interstate transfer grants-highways funding for high priority substitute highway projects in the Cleveland area. Cleveland, like other urban areas, has a great need for these funds which finance bridge and road repair projects. A portion of the funds recommended for the Cleveland metropolitan area—$12.15 million—is slated for the reconstruction and rebuilding of the so-called Tower City bridges. The reconstruction of these bridges is a key element in the Tower City project, a major urban revitalization effort in Cleveland, encompassing the development of new retail space, a hotel and office building, and the renovation of the main regional transit station in the heart of the city. Because of the major impact that the overall Tower City project will have on Cleveland's economy, and because of the significant number of new jobs that will be created, this project has been accorded one of the highest priorities by the city of Cleveland. The $12.15 million was included in earlier versions of the fiscal year 1982 urgent supplemental bill; however, these bills were vetoed by the President.

H.R. 6863 contains a number of other provisions which are vitally important to my own hometown, Cleveland, as well as to the entire Nation. The committee has developed a supplemental appropriations bill which is limited in scope but balanced in its approach. I strongly urge its approval by the Congress.●

Mr. WHITTEN. Mr. Chairman, I have no further requests for time.

Mr. CONTE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

AUTHORITY TO BORROW

As authorized by section 301 of Public Law 95-279, $5,000,000,000 shall be available to the Commodity Credit Corporation for necessary expenses in carrying out its authorized programs, to remain available without regard to fiscal year limitations: *Provided,* That not less than $500,000,000 of this amount shall be available for export credit loans as authorized by the Charter of the Commodity Credit Corporation and the export authorities conferred upon the Corporation by the Corporation's charter shall be controlling without restriction.

Mr. PEYSER. Mr. Chairman, I offer an amendment.

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONTE. The gentleman offered the amendment so quickly, can we raise a point of order on this section after we get through with this matter?

The CHAIRMAN. If the gentleman from New York will withhold his amendment, yes, it would still be in order to raise a point of order.

PARLIAMENTARY INQUIRY

Mr. CORCORAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CORCORAN. Mr. Chairman, my parliamentary inquiry is simply this: With respect to the provisions providing $500 million in this legislation, would clause 2 of rule XXI apply?

The CHAIRMAN. The gentleman is correct.

Mr. CONTE. Mr. Chairman, that is the question I asked, and I hope the Chair is going to give me an opportunity to raise that point of order.

The CHAIRMAN. The point of order should be disposed of before the amendment becomes pending.

POINT OF ORDER

Mr. CONTE. Mr. Chairman, I raise a point of order on that section.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CONTE. On line 10, not less than $500 million of this amount shall be available for export credit loans, and so forth, is forcing the agency to spend a minimal amount.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard?

Mr. WHITTEN. Mr. Chairman, this is simply an earmarking of a given amount that is appropriated in the bill, and it is within the rule.

Mr. Chairman, this goes back to the charter of the Corporation, the Commodity Credit Corporation. That being true under that charter, it has authority to do this, and we are just directing that it use the authority that already exists. So, it is a directive for the proper use of funds in line with the authorization which is granted in the charter of the Commodity Credit Corporation.

Mr. CONTE. The gentleman should have worded his language as "not to exceed $500 million." Furthermore, in line 13, "* * * and the export authorities conferred upon the Corporation by the Corporation's charter shall be controlling without restriction." That requires a positive act by the agency, and therefore a point of order lies against it.

Mr. WHITTEN. I present the statement of the section that makes the authorization to which this applies. It appears in title 15, on page 1203, and is section 1692 where it first appears.

In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act [31 U.S.C. 841 et seq.], the Corporation is authorized to use its general powers only to—

(a) Support the prices of agricultural commodities through loans, purchases, payments and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other Government agencies, foreign governments and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for agricultural commodities.

That being the authority they have, it is simply a matter of advising what to do within the authority already granted.

The CHAIRMAN (Mr. BROWN of California). The Chair is ready to rule.

The Chair has heard the point of order and listened to the arguments on both sides. It is the Chair's intention to sustain the point of order on the grounds that this is not a negative limitation on an expenditure, but is a legislative direction to the agency involved.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 2, on line 6, insert the following:

"As authorized by section 301 of Public Law 95-279, $5,000,000,000 shall be available to the Commodity Credit Corporation for necessary expenses in carrying out its authorized programs, to remain available without regard to fiscal year limitations: *Provided,* That not more than $500,000,000 of this amount shall be available for export credit loans as authorized by the Charter of the Commodity Credit Corporation.".

Mr. WHITTEN. Mr. Chairman, may I say that the Commodity Credit Corporation was established for the purposes as spelled out in the charter which I just read. This is an appropriation which is requested by the President to add to the capital stock of that Corporation.

The law authorizes an increase of $5 billion in the total capital of the Corporation. May I say that the Corporation was set up years ago under the laws of Delaware, and later was chartered by the Congress as an entity of the U.S. Government. It has obligations that are fixed in the charter. The corporation is operated as a revolving fund and has operated as such for many years. As we all know, with regard to agriculture, we are absolutely dependent upon maintaining our exports. Sales by the Corporation, in

order for them to make them, must be either as a result of the credit extended or at the prices offered.

The point of all this is, the corporation does have this authority, and this $5 billion is necessary and recommended by the President to increase the capital stock of the Corporation so that it can discharge its functions. What we have in the language here would be that of this money, $500 million would be available for export credit loans.

□ 1620

I, therefore, urge that we go along with it because otherwise the reaction would be terrible across the board, because our farm program would have to be shut down. Our exports would be severely limited. The Corporation is a revolving fund and anything it sells, the money goes back to the Corporation as part of its assets. These assets are used for the purpose of performing its essential function of keeping our agricultural commodities moving in world trade and to operate our domestic farm programs. I repeat again these additional funds are requested by the President as being absolutely essential.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. WHITTEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Does the gentleman from New York (Mr. PEYSER) wish to reoffer his amendment?

Mr. PEYSER. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 2, line 15, immediately before the period insert the following: ": *Provided further*, That no funds appropriated or otherwise made available under this chapter shall be available for price support loans for agricultural commodities for which the interest rate is not guaranteed payable at a rate of not less than 9 percent per year and for which the aggregate interest owing at the time of default is payable without regard to the value of the collateral."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Mississippi (Mr. WHITTEN) reserves a point of order on the amendment, and the gentleman from New York (Mr. PEYSER) is recognized in support of his amendment.

Mr. PEYSER. Mr. Chairman, I offer this amendment because it gives us an opportunity to recoup nearly $1 billion through the Commodity Credit Corporation. I think that kind of money is very important to all of us.

The Members may recall that just a few months ago we voted $5 billion for the Commodity Credit Corporation to make up losses that they had had over the last 2 years, and included in those losses for the year of 1980–81 was approximately $2 billion $600 million in interest that was not paid on loans that had been forfeited.

Now, it seems to me to be a very basic principle that when a loan is made, the interest should be paid, and that the taxpayer should not have to end up paying the interest on a loan that was made and that started out calling, for 14 percent interest.

It seems to me this ought to be an amendment that many in the agricultural field would be interested in. What my amendment says is that the interest rate must be paid on those loans, but at a rate of not less than 9 percent. Now, the going rate of interest right now is 14 percent, the problem is that on so many of these loans no interest is paid because they are forgiven.

What I am saying is that I have used 9 percent interest because 9 percent interest happens to be the same rate of interest that is charged on a guaranteed student loan. It seems to me that is an equitable amount of money, so that when someone makes a loan under Commodity Credit, they are stating basically that they are guaranteeing to pay this rate of at least 9 percent at the end of the year, because the loan can only be made for 1 year under the Commodity Credit Corporation. Incidentally, if this had been in effect 2 years ago, it could have saved us over $1 billion because that is the interest that we lost by not charging at least 9 percent.

Mr. Chairman, it is a very simple amendment. I do not think it creates a hardship. I do think it creates equity for everyone who borrows from the Government. That is all this amendment does. It establishes a rate of not less than 9 percent. The current rate today is 14 percent, but that does not, as I say, really mean anything because the 14 percent is not paid.

Mr. Chairman, it is just as simple as that, and in the interest of time I will not continue to belabor the point. I hope that this amendment will be accepted.

POINT OF ORDER

Mr. WHITTEN. Mr. Chairman, I will insist on my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTEN. Mr. Chairman, as I mentioned earlier, the Commodity Credit Corporation was set up as a corporation and given the right and the power to sell and to buy and do all those kinds of things a corporation would. It was set up as a corporation for that purpose, to do all the things an average corporation can do.

I respectfully submit that the language the gentleman from New York (Mr. PEYSER) has offered is not in that charter. Those decisions are left to the officers of the Corporation.

I respectfully submit that the amendment provided that no funds shall be used for which an interest rate of not less than 9 percent is charged on default of its own commodities. That gives affirmative direction and is, therefore, legislation since it applies to the Corporation.

The amendment also requires the Department to determine—and I quote to you—"the aggregate interest owing at the time of default." That is not required in the law. That determination is not required, and, therefore, that provision is legislation.

The amendment also requires that the value of the commodity be determined at the time of default. That is not in the charter and required under law. Commodity value is determined at the time of sale, not at the time of default. That requirement is not required by law and would also be legislation.

Therefore, Mr. Chairman, I ask that this point of order be sustained.

The CHAIRMAN. Does the gentleman from New York (Mr. PEYSER) wish to be heard on the point of order?

Mr. PEYSER. Yes, Mr. Chairman, I would like to be heard.

The charter of the Commodity Credit Corporation does provide for an interest payment. It provides for an interest payment, and all I am doing is stipulating that the interest payment shall not be less than a certain percent. So I do not believe I am changing anything in the charter that is not already in the charter.

I am simply stipulating a figure and a word that says, "guaranteed," because in the present situation, with the interest rate that they call for in the Corporation, there is nothing there that says they have to pay it, and they do not. Not paying it is costing $1 billion. So, Mr. Chairman, I feel that I am not at all violating the charter or adding to the charter. I am simply establishing a rate.

I thank the Chair.

The CHAIRMAN (Mr. BROWN of California). The Chair is prepared to rule.

The gentleman from Mississippi (Mr. WHITTEN) has made a point of order against the amendment essentially on the grounds that it requires additional determinations to be made by the Commodity Credit Corporation. While it is drafted as a limitation, the amendment does require the Commodity Credit Corporation to undertake computations and additional duties not now demonstrably required by law. The amendment would require procedures to be put into effect that are not now required.

The Chair, therefore, sustains the point of order.

The Clerk will read.

The Clerk read as follows:

CHAPTER II

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

PERIODIC CENSUSES AND PROGRAMS

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $100,000 of the proposed deferral D82-225 relating to the Department of Commerce, Bureau of the Census, "Periodic censuses and programs" as set forth in the message of February 5, 1982, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I raise a point of order against this section of bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WALKER. Mr. Chairman, in clause 2 of rule XXI, it states that legislation in an appropriation bill is not appropriate. This is a disapproval of a deferral, which is legislation in an appropriation bill, therefore, I think, Mr. Chairman, it is subject to a point of order against it under clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman from Mississippi (Mr. WHITTEN) desire to be heard on the point of order?

Mr. WHITTEN. Mr. Chairman, we have no argument that it is.

Mr. SMITH of Iowa. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SMITH of Iowa. Mr. Chairman, I will point out that there are three or four deferrals in here, and obviously, that is true. We could report separate bills and take up the time of the House, but all we are doing here is avoiding that. The Committee is in full agreement on both sides of the aisle. This is just avoiding taking up the time of the House with a number of separate bills. So there is no need for it. We just put that in here to do it in an easier way.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Iowa (Mr. SMITH).

The point that this gentleman from Pennsylvania is making is that they are inappropriate in a bill which makes appropriations under the rules of the House, and I am simply trying to sustain the rules.

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. WALKER) insist on his point of order?

Mr. WALKER. I insist on my point of order, Mr. Chairman.

The CHAIRMAN. The Chair sustains the point of order.

Mr. WHITTEN. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Mr. Chairman, the California rice industry and many others concerned with commodity prices in the United States are concerned that the administration might follow a policy that would allow the CCC to sell rice for export at below the target price thereby undermining the private sector sales for this commodity. We had prepared an amendment to preclude that today; however, the administration has just provided us with a written CCC sales policy that has generally allayed our fears. I will place that in the RECORD.

RICE SALES POLICY—NEWS RELEASE

The minimum CCC sales price for rice in Commodity Credit Corporation's Monthly Sales List for August, is no less than the higher of the market price or $11.40 per hundredweight. The $11.40 is 140 percent of the 1982 loan rate for rice which is $8.14. Offering will be f.o.b. at the warehouse in which the rice is stored for unrestricted use.

Mr. Chairman, they have also told us that they will not make any foreign sale of rice, restricted or unrestricted, at a price below the announced standard of 140 percent of the 1982 loan rate which is $8.14. Is this the normal policy and is it your understanding?

Mr. WHITTEN. Mr. Chairman, we were advised to that effect. Of course, they set the policy, and I take their word for it.

Mr. FAZIO. Mr. Chairman, I appreciate the gentleman's assurances, and I thank him for yielding.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT REVOLVING FUND

During fiscal year 1982, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $30,000,000. The unobligated balances in the Economic Development Revolving Fund shall be available for necessary expenses of protecting the Government's liability in federally guaranteed loans made prior to October 1, 1981, under the authority of title II of the Trade Act of 1974, as amended, including defaults of loan guarantees and care and protection of collateral and such other costs as may be necessary to protect the Government's investments.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I raise a point of order against this section of the bill.

Under clause 6, rule XXI, reappropriation of moneys is not permitted that go beyond public works in process. It is my feeling that in this instance the rules are being violated and that this particular section of the bill does violate clause 6 of rule XXI.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard?

Mr. WHITTEN. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order and the Chair upholds the point of order.

The whole paragraph is stricken.

The Clerk will read.

The Clerk proceeded to read chapter II.

COMMERCE, JUSTICE, STATE AND THE JUDICIARY

Mr. CONTE. Mr. Chairman, chapter II of the bill, providing supplemental funding for the Departments of Commerce, Justice, State and for the Judiciary, contains $97.5 million in new budget authority. This is $22.6 million below the President's budget requests.

The chapter includes in several places language requested by the President to clarify the intent of Congress in regard to the operation of departmental programs during fiscal 1982. This language is necessary because these Departments are funded under a continuing resolution which extended outdated operating instructions in effect in fiscal 1981. In most cases, the language in this bill is identical to language included in the fiscal 1982 House-passed appropriations bill which got hung up in the Senate.

The chapter also includes $10 million in unrequested funding for the U.S. participation in the 1984 Louisiana World Exposition and $20 million in unrequested pay costs for the National Oceanic and Atmospheric Administration. This latter item is provided in lieu of a requested reprograming for these pay costs which would have resulted in reducing the polar orbiting satellite program from a two-satellite to a one-satellite program.

A transfer is provided in the amount of $3 million from the coastal energy impact fund to the coastal zone management program for the newly approved program for the State of New York. An appropriation of $2.5 million is included for the Patent and Trademark Office to provide 172 positions to begin to reduce patent pendency from 25 months to 18 months.

The committee has included several requested appropriations for the Department of Justice, including the FBI, the Drug Enforcement Administration, and the Federal Prison System for operations of the southern Florida task force to combat the serious problem of drug-related crime in that area.

The committee has not included the requested $35 million for the construction of two alien detention centers in Virginia and Oklahoma pending further consideration of this request by the authorizing and appropriations committees.

We have included nearly $50 million for enhanced security at overseas State Department posts. The requested package contains $10 million for the protection of U.S. officials in an attempt to avoid further attacks and assassinations, and $18 million for im-

proved facility security, including public assess control, perimeter fencing, and the construction of safe havens.

The committee has not approved the President's $10 million request for radio broadcasting to Cuba pending action on the authorization bill.

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that the balance of chapter II be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, I reserve the right to object to ask the chairman, is it his intention to go ahead and read the bill chapter by chapter and ask for unanimous consent to have that chapter opened at that particular time, and not open the entire bill?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Mississippi.

Mr. WHITTEN. That is right. It is just for this chapter.

Mr. MILLER of California. It is just for this chapter II at this point?

Mr. WHITTEN. That is correct.

Mr. MILLER of California. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. WALKER. Mr. Chairman, reserving the right to object, I am just double checking. I am sorry that I was involved in a conversation. The gentleman is just getting permission for this chapter II; is that correct?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. That is correct.

Mr. WALKER. Mr. Chairman, I thank the gentleman and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there points of order to the remainder of chapter II?

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I do have a point of order against a provision on page 6.

The portion of the bill to which the point of order relates is as follows:

BUSINESS LOAN AND INVESTMENT FUND

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $2,500,000 of the proposed deferral D82-233A relating to the Small Business Administration, "Business Loan and Investment Fund" as set forth in the message of May 18, 1982, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

SURETY BOND GUARANTEES REVOLVING FUND

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D82-234 relating to the Small Business Administration, "Surety Bond Guarantees Revolving Fund" as set forth in the message of February 5, 1982, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WALKER. Mr. Chairman, on page 6 both under the business loan and investment fund and under the surety bond guarantees revolving fund, these are disapprovals of deferrals under clause 2 of rule XXI. That constitutes legislation on an appropriation bill and, therefore, is not allowed.

Mr. WHITTEN. Mr. Chairman, the point of order is conceded.

The CHAIRMAN. The point of order is conceded. The Chair sustains the point of order.

The two paragraphs referred to are stricken.

Are there additional points of order on this chapter?

Are there amendments to this chapter?

If not, the Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

The limitation contained in section 728 of the Department of Defense Appropriation Act, 1982, is increased to $8,000,000.

The limitation contained in section 747 of the Department of Defense Appropriation Act, 1982, is increased to $31,000,000.

Appropriations or funds available to the Department of Defense may be transferred to fiscal year 1982 Department of Defense appropriations for research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law.

All obligations incurred in anticipation of the appropriations and authority provided in this Act by the Department of Defense for pay and allowances for military personnel are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act.

None of the funds available to the Department of Defense during the current fiscal year shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, on page 17 under Administrative Provisions now being read by the Clerk, I raise a point of order against those sections, that they are legislation on an appropriations bill and therefore violate clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman make his point against all four paragraphs on page 17 in that section?

Mr. WALKER. That is correct, Mr. Chairman.

Mr. WHITTEN. Mr. Chairman, I would point out that the Clerk had read the first two sections.

We would concede the point of order to the remainder.

The CHAIRMAN. The gentleman from Mississippi is correct, the first two paragraphs of that section had been read and hence the gentleman's point of order comes too late with regard to those two sections.

Mr. WALKER. In that case, Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman withdraws his point of order.

The Clerk will read.

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CONTE. Mr. Chairman, what are the rules of the House in regards to staff being here when the bill is debated?

The CHAIRMAN. The procedure is that the committee reporting the bill is permitted to have limited staff on the floor.

Mr. CONTE. I thank the Chair and hope the rules will be abided by.

The CHAIRMAN. The Clerk will read.

DEFENSE

Mr. CONTE. Mr. Chairman, in the Defense chapter $5.6 billion of the $7.8 billion request is approved. In general, the pay supplemental is approved and the program supplemental request is denied. For the most part, the program request did not meet the criteria for a supplemental. The items are not urgent and in some cases were requests for funds previously denied by Congress. If nothing else, the supplemental should send a clear message to the Defense Department that we mean what we say as to the criteria for supplemental requests.

The military construction chapter approves $55 million of the $215 million requested. This includes approval of $9.8 million in pay. In the program supplemental request, it was, in general, denied due either to a lack of authorization or for failure to meet the urgent criteria; or, as in the case of facilities in Egypt, because the planning and agreement issues are faulty.

In total, the Defense portion of this supplemental approves $5.6 billion and denies $2.4 billion from the request.

Mr. McDADE. Mr. Chairman, H.R. 6863 contains a provision which I cosponsored in the Defense chapter that directs the defense fuels supply to procure domestic coal and coke for use at U.S. military bases in Western Europe.

This amendment applies to roughly 53 such bases in the NATO Alliance.

This amendment seeks to insure that the Pentagon solicits these bids from domestic suppliers only. We have obtained information from the Department of Defense that foreign coal producers are stockpiling and dumping thousands of tons of coke and coal which they will use illegally, and in violation of the GATT, to undercut the legitimate bids of American producers.

Should they be successful we will lose another contract to foreign suppliers with the resultant loss of some 500 jobs in Pennsylvania. Last year we lost a significant portion of the procurement to the West Germans. Needless to say further losses could be devastating.

This amendment is the cleanest, cheapest, most direct way to solve this problem once and for all. Months of negotiations over shipping costs, minimum purchases, and other details have come to naught. The issue is now whether or not we are going to allow the West German Government to subsidize its coal procurement or whether this Congress is willing to step in and stop it.

We have asked the Special Trade Representative to step in and give us relief by exempting anthracite coal from the GATT. Some 50 exemptions have so far been granted. He has refused. We asked the Special Trade Representative to give us a differential exempting those higher costs of shipping on American-flag vessels. Again he refused. This is the only recourse available to keep our coal procurements in place.

This procurement makes up 10 percent of our entire production. Its loss will cost us at least 500 jobs and many millions more in lost shipping fees, taxes and other revenues to the Government.

I am grateful for the support this amendment has received and I am grateful the Congress is moving forcefully to protect the jobs of coal miners and shippers in the United States.

The Clerk read as follows:

LEBANON EMERGENCY RELIEF

(TRANSFER OF FUNDS)

For expenses necessary to carry out the provisions of section 495J of the Foreign Assistance Act of 1961, $50,000,000 which shall be derived by transfer from the Department of State, "Migration and Refugee Assistance", to remain available until expended.

□ 1640

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

Mr. MILLER of California. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman's rights will be protected.

The Clerk will report the amendment.

The Clerk read follows:

Amendment offered by Mr. LONG of Maryland: On page 23, after line 7, insert the following:

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC SUPPORT FUND—CARIBBEAN BASIN INITIATIVE

For, an additional amount for Economic Support Fund, $350,000,000, to remain available until expended. *Provided*, That these funds shall be allocated as follows: not less than $20,000,000 for the Eastern Caribbean; not less than $41,000,000 for the Dominican Republic; not less than $10,000,000 for Haiti; not less than $50,000,000 for Jamaica; not less than $10,000,000 for Belize; not less than $70,000,000 for Costa Rica; not more than $10,000,000 for Guatemala; not less than $35,000,000 for Hunduras; not more than $75,000,000 for El Salvador; not less than $2,000,000 for the American Institute for Free Labor Development; not less than $2,000,000 for the Inter-American Foundation; and $25,000,000 unallocated. *Provided further*, That these funds shall be obligated and expended only in accordance with the terms and provisions of H.R. 6755 as reported to or passed by the House of Representatives. *Provided further*, That the Agency for International Development shall provide to the appropriate committees of the Congress a report on the domestic economic policies of countries receiving assistance under this appropriation.

Military Assistance

For an additional amount, $2,000,000, to remain available until September 30, 1984. *Provided*, That no funds in this chapter or funds previously made available in Public Law 97-121 shall be used for the Special Requirements Fund.

Foreign Military Credit Sales

For an additional amount, $50,000,000.

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from California (Mr. MILLER) reserves a point of order, and the gentleman from Mississippi (Mr. WHITTEN) reserves a point of order.

POINT OF ORDER

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. I rise to press my point of order, Mr. Chairman, that this is the authorization of appropriation of funds for which there has been no authorization, and it is a violation of clause 2 of rule XXI of the House.

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) wish to be heard on the point of order?

Mr. LONG of Maryland. Mr. Chairman, it is my understanding that there is no authorization, that the amendment is vulnerable on the matter of a point of order. I think that no rule was obtained because of the effort on the part of the committee to try to get a supplemental through in an expeditious time.

I think the chairman can probably explain more fully on that matter.

I want to compliment, let me say, the efforts that have been made by the gentleman from New York (Mr. KEMP), the ranking minority member, to reach an agreement. We have reached an agreement. We have done a good job on it, I think, and we would have had a very, very good amendment to present to the committee.

The CHAIRMAN. Does the gentleman from New York (Mr. KEMP) wish to be heard on the point of order?

Mr. KEMP. I do, Mr. Chairman.

Mr. Chairman, I would ask the indulgence of the committee at least to explain that this is the product of long negotiations involving a very fragile coalition of Members on both sides of the aisle who have worked with President Reagan to enact an initiative to assist our neighbors in the Caribbean/Central American region to develop democratic institutions, and ideals—goals we share with all parts of the regions. Those countries are faced with not only immediate military threats. Mr. Chairman, but also very severe economic difficulties, which may well deepen if the President's Caribbean Initiative and that fragile agreement that has been worked out were to go down on a point of order.

Mr. Chairman, this Caribbean Initiative would provide support to countries desperate for democracy.

DOMINICAN REPUBLIC

The largest democracy in the Caribbean has just held its fifth free election spanning a period of 16 years. This period included two peaceful transitions, in 1966 with the election of Joaquin Balaguer and again in 1978 with the election of Antonio Guzman. The election this May of the moderate Jorge Blanco is an indication of Dominican determination to emphasize economic, social and political freedoms. Support for continued economic and political progress of this nation which our own Marines prevented from falling victim to Communist takeover should not be denied.

EL SALVADOR

The election in El Salvador was held during a period of extreme adversity. Depite threats by Communist forces and the daily dangers of travel in the outlying areas, over 90 percent of all eligible voters turned out. The election was generally regarded as honest and accurate.

HONDURAS

Another nation under threat of armed aggression, the Honduran people have just elected Roberto Suazo Cordova. President Suazo, on his recent visit to the United States appealed to President Reagan to support democratic forces in Central America in their fight against Communist insurgents.

The best know political story in the Caribbean is Jamaica. Following the economic destruction of Michael Man-

ley's Socialist policies, the Jamaican people threw out the Socialists in 1980, sending to their Parliament the largest majority in history. Prime Minister Seaga has moved quickly to alter incentive-destroying policies. Jamaica has, perhaps, the best chance for rapid economic success, given its relatively well-developed financial institutions and industrial base. Also, it has been the recipient already of substantial interest throughout the international community.

All the nations of the region, however, are making efforts to restore prosperity. Belize, struck by seven severe hurricanes since 1955, is making efforts to reform its agricultural prices to spur production. It is also applying for membership in the IMF and making structural adjustments to make that application successful. Costa Rica, an economy once the pride of Central America is working hard to come back from an economic collapse which required it to suspend payment on its debt last year. Our assistance will enable it to meet the exchange requirements needed to restructure its debt and begin recovery.

In Guatemala, President Efrain Rios Montt, a Christian fighting communism, has disbanded all secret military operations, he has made the military and civilian security forces totally responsible for their actions and established a system of military justice. President Montt has even created a militia not unlike the militia that answered our own call for liberty to combat insurgents who would destroy the fabric of society in his nation. Can we not support this effort? Can we not provide a bare $10 million of economic support for a nation which is valiantly trying to bring excesses under control and to establish a system of law and justice?

Mr. Chairman, these are the countries we wished to assist. We came to the House with a clear offering to these neighbors that the people of the United States would support them in their struggle to adopt our institutions. The very terms under which the trade and investment incentives contained in the President's program are themselves incentives to adopt the system in which we believe.

There are many Members of this body who have individual problems with aspects of my amendment, but it seems to me that it should be considered, the will of the House should be carried out, and we should not arbitrarily or capriciously, deny this body the chance to deal with the Caribbean Initiative of the President in conjunction with the effort that is being made to try to move through the Ways and Means Committee and other committees the type of trade and investment incentives that are so necessary to provide some alternative, I would say to my friends who object to this, to communism. This is the first comprehensive regional American foreign assistance initiative since the Marshall plan, and I would just hope that we do not kill it here on the floor today simply on a point of order.

Ironically, the very Members who objected to the offering of this amendment were here in the Chamber last year encouraging us to appropriate more economic and development assistance and less military assistance. Yet when we bring to them a carefully drafted amendment which offers an absolute minimum of military assistance for important and desperate allies combined with major economic assistance to our closest neighbors, they turn their backs.

I am struck by the irony. Our opponents today were anxious on last year's supplemental to appropriate $500 million for IDA VI. They spoke of the need for assisting the poorest nations; they spoke of providing basic human needs. Do they not think that Guatemala is a nation in need? Would they deny that tiny Belize, struck by a crippling series of natural disasters and desperately trying to build the human capital of its people, is not deserving of assistance for basic human needs? Would they deny that Dominica, where Prime Minister Eugenia Charles valiantly withstood Communist attempts to violently overthrow her government, should be helped?

Mr. Chairman, these are developing nations; poor nations. They are the very nations that we have been repeatedly asked to support. Yet we cannot come before this House and supply close allies in Latin America with assistance. We cannot even offer an amendment which would give small relief to the Hispanic and black people who are our closest neighbors. It is sad for our Nation when such attitudes prevail against nations which have the closest cultural and familial ties with a large and increasing sector of our own Nation. It is with regret that I will say to my Hispanic and black American friends that I could not help their families and friends to establish in their native lands the freedom and prosperity which they have found here.

But, I say to my colleagues, we will not be deterred from offering the opportunities of expanding markets, free trade and economic prosperity to these vital friends. Indeed, with President Reagan's leadership in exporting American ideals I hope that we can bring before the Congress a similar initiative for Africa and all other regions. The ideas of democratic capitalism is America's strongest weapon against totalitarian aggression.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I rise in support of the point of order and to respond to my colleague, the gentleman from New York, a member of the committee.

May I say that there is no question in anybody's mind about this being an important measure. But let me call attention to the fact that because it is an important measure, it should be fully debated and considered by the House in the regular legislative process.

Dealing with the appropriations first would be a case of putting the cart before the horse. It should not be done in this case.

This is an important issue, as the gentleman said. It is an addition to our foreign policy in a new area. Certainly it should go through the regular process of being authorized by law before we get the appropriation. For that reason, the point of order was made.

Mr. MILLER of California. I insist on the point of order, Mr. Chairman.

Mr. OBEY. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, while the gentlemen who are raising the point of order are certainly within their rights, I would hope that they would withhold, for one very simple reason.

I think it is quite clear, if you take a look at the proceedings of the full Appropriations Committee yesterday, that when the gentleman from New York (Mr. KEMP) originally made his amendment which, if adopted, would have included this matter in the bill as it came out of committee, the gentleman from New York (Mr. KEMP) was assured by every member of the subcommittee who spoke that if an agreement could be reached between Mr. KEMP, the administration, and various members of the committee who were on the other side of the issue that he would be supported in his opportunity to attach that amendment on the House floor, and I think it would be most unfortunate and certainly against the spirit and certainly against the impression that was left in the committee if, on a technicality, the gentleman from New York is not allowed to proceed.

Mr. WYLIE. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I did not object to the unanimous-consent request to bring this bill up today, but I now think that the Members of the House should vote against the bill.

I, frankly, am disgusted by the position in which we are placed. Now, the gentleman from Mississippi made a valid point of order, and his point of order, I think, should be sustained. There are several areas of this bill where many of us would like to be able to express ourselves but we cannot, be-

cause we are told it is legislation in an appropriation bill. The House does not have an opportunity to work its will like it has in the past. The gentleman from Pennsylvania pointed out that there is $43 million additional in here for the legislative branch.

Whatever happened to the authorization in the appropriations process? Here we are, appropriating on 12 different departments for the rest of the year, and we are continuing programs in their present forms without any opportunity to talk about it in the various authorizing committees, and I am just completely disgusted by the whole process. I do not like it. I think the gentleman from New York makes a valid point.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I would like to say that I agree with the gentleman. But let me explain our situation.

Some years ago I was asked to go before a reorganization committee and discuss the 2-year budget cycle. But the problem we have here is that various legislative measures have not yet been enacted into law, and in some instances the legislative committees have yet to act.

I was here when we did not have annual authorization very much, and we moved rather smoothly. But in time it got to where you have annual authorizations, and it takes so long for them to act that it is squeezing the Appropriations Committee tighter and tighter. I am not complaining; I am explaining. We just simply do not have the time. And the reason they are in here without authorizations is because the authorization committees have not been speedy enough. I realize they have their problems with the budget ceiling, too, and other things. But the fact that it is here is because the authorizing committees have been unable to get them out. We have plenty of reasons why we cannot be here, and perhaps they do.

□ 1650

But they just have not got them out in time for us to act upon them.

Mr. WYLIE. Since I came to the Congress, we have had the authorization process.

Mr. WHITTEN. The problem is that 10 months have gone, and we still have not got many of the authorizations. So we either move or stand by. I agree with the gentleman. I have the same complaint he has.

Mr. WYLIE. I do feel there ought to be some pressure on the chairmen of the various authorizing committees then to work on the authorizing legislation.

Mr. WHITTEN. They probably have their reasons, as we do.

Mr. JOHN L. BURTON. Mr. Chairman, may I be heard very briefly on the point of order. I did not know the rules of the House could be suspended by unanimous consent of one committee's subcommittee. I insist on regular order and a ruling.

The CHAIRMAN. The Chair is prepared to rule.

Does the gentleman insist on his point of order?

Mr. JOHN L. BURTON. I insist on the point of order, Mr. Chairman.

The CHAIRMAN (Mr. BROWN of California). The gentleman makes a point of order there is no authorizing legislation which would authorize the appropriations represented in the amendment by the gentleman from Maryland.

The gentleman from Maryland concedes that point and the Chair upholds the point of order.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is a lot in this bill that I want. But I am going to vote against it. And the reason I am going to do that is because I really feel very deeply that there has been a violation of good faith, given what has just occurred on the previous amendment.

In the Foreign Operations Subcommittee we have been trying to reach a rational agreement between groups of people who feel very deeply on opposite sides of the Caribbean Initiative and on opposite sides of the El Salvador question.

When the gentleman from New York (Mr. KEMP) tried to offer an amendment in the full committee, adding money for the Caribbean Initiative, he also at that point planned to offer another amendment adding a specified amount of military assistance, I stood up in that committee, the gentleman from New York stood up in that committee, the gentleman from Maryland stood up in that committee, every member of the subcommittee who spoke at that time made a commitment to the gentleman from New York that if he would withdraw his amendment, and if we could reach an agreement with him and the administration on those two items, that there would be no problem in adding this item when we got to the floor.

No member of the committee, no member of the committee, I repeat, no member of the committee when that comment was made dissented from that statement. And I just very deeply feel that we should not be treating each other this way.

I do not happen to be very fond of certain portions of the gentleman's amendment. But I also am not very fond of creating a situation in which the Senate will have total say over how we are going to apportion the money to the various countries within that region. This amendment would have been quite different than the other amendments that are going to be offered today, because anybody who was in that committee, if they were listening, understood what the understanding was.

And it just seems to me that while I do not often agree with the gentleman from New York, he had a right to expect today that his amendment would be considered on its merits.

I do not fault individual Members of the House who exercise their rights under the rules, because they were not part of that understanding. But I do believe that the general assumption was that the committee would go to the Rules Committee and obtain a rule under which the gentleman's expected rights would have been protected.

I very much regret that this happened.

And because of that fact, even though there are a good many items in this bill that I want, I will vote against the whole blessed thing.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

I want to say that in the 12 years I have been in this body, in the Congress, I have enjoyed the friendship of many Members on both sides of the aisle, we have had our differences. And the gentleman has never risen higher in the eyes of this gentleman than he has today.

I want to say to the gentleman from Wisconsin how much I appreciate his honor and integrity. I do not doubt anyone else's position. But the point that is being made by the gentleman from Wisconsin is simply this: That there had been an agreement, there had been a coalition, there had been a willingness of both sides of the aisle to come together and work on an initiative that, for the first time in almost 30 years, was going to direct American foreign assistance to a part of the world in which there are very serious economic and military problems—part of the world which President Reagan had wisely chosen as a starting point for a new foreign policy based on exporting democracy, free enterprise, and hope for the future. And the gentleman helped shape that consensus, as did the gentleman from New York (Mr. MCHUGH) as did the gentleman from Pennsylvania (Mr. GRAY), as did the gentleman from California (Mr. DIXON), and now the gentleman from Maryland (Mr. LONG). Both conservative and liberal sides of the Foreign Operations Subcommittee of Appropriations had come to an agreement to move forward on this very important initiative.

We were talking about Jamaica, Belize, Costa Rica, Honduras, Guate-

mala, Haiti, Dominican Republic, and the Eastern Caribbean islands as well as El Salvador. That single point of disagreement would have come to a head, and there would have been a debate. We would have settled our small issue without jeopardizing the entire program for assisting our developing neighbors.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(At the request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. OBEY was allowed to proceed for 5 additional minutes.)

Mr. KEMP. If the gentleman will continue to yield, we were talking about countries like Haiti. Haiti has tremendous economic problems. Its people cannot find jobs so they migrate to the United States and to the Dominican Republic. They would rather stay with their families if we would grant development assistance to help them. That is the type of assistance we are talking about—economic assistance. Of the $402 million in this amendment, I would say to my liberal friends, and I do not use that word pejoratively, I say to that side of the aisle, of the $402 million only $52 million was going in military assistance, and this was directed primarily to the Sudan, the only African nation to support Camp David. We are offering the type of humanitarian economic assistance which you gentlemen have long supported.

Mr. Chairman, let me conclude by saying I appreciate the gentleman very much. I apologize for trespassing on his time. But he has said something that is quite eloquent. I want him to know how much I appreciate the good-faith effort he has made. I think we will be back at another time. I do not think you can kill a good idea, and I think this is a good idea, and it is not mine, and it is not anyone over there. It is good for America.

Mr. OBEY. I thank the gentleman.

I would just like to make this observation. I do not really want to get into the substance of an amendment which is not before us. But I do want to say that on process, I just do not like at all what has happened here today. This subcommittee has the messiest political job to do of any subcommittee on the Appropriations Committee, with the possible exception of the Legislative Appropriations Subcommittee. And it just seems to me that it does a disservice to all of us who gain nothing politically out of service on this subcommittee when the committee's job is handled in this manner. And I very much regret it.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

The gentleman and I have had our differences down through the years, but we have been very close personal friends. I want to echo the sentiments of my good friend from New York, Mr. JACK KEMP.

It was at my request in the full committee that the gentleman from New York withdraw his amendment, because members of the Subcommittee on Foreign Operations did not have an agreement. I was hoping that they could hammer out an agreement. And in all good faith, the gentleman in the well, the gentleman from New York (Mr. MCHUGH); the gentleman from California (Mr. DIXON); the gentleman from Pennsylvania (Mr. GRAY); and the gentleman from Maryland (Mr. LONG) finally worked out an agreement here today.

I just feel hurt that the gentleman from New York has not been given the opportunity to offer that amendment after he pulled his amendment in the full committee. He probably could have passed it, maybe not, but then we could have gone to the Rules Committee and gotten a rule waiving points of order which this committee has done many, many times.

But I want to commend the gentleman from Wisconsin; one, for his statesmanshiplike manner and conduct in this matter, and two, the way he kept his word. I think that is one of the finest honors we can have in this House.

□ 1700

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I say that our colleagues who have spoken have worked hard in a very controversial area. It has been very controversial back through the years and those proponents of this new policy make a good case about it, but all of these arguments and all of the agreements between the two sides of the subcommittee do not waive the requirement that a new program of such far-reaching effect should first be authorized.

Now, I do not have any real reason to know why the authorization committee has not brought legislation to the floor of the House. I would presume it is because the matter is controversial. Whatever the reason is, it has not done so and any agreement that might have been reached certainly did not go to the fact that we would be waiving the rules which call for authorization before we step out into a completely new field.

Particularly that is true when before our committee is a request for finding jobs for people that are unemployed. Some $20 billion now is being paid out in unemployment compensation. There are many domestic programs that need attention and the tax bill of yesterday, which I happened to vote against, is not yet law, and there are many, many other things that need to be worked out.

So I have no apology for the position I take. The rules are there. They are intended to be carried out and this is no way to go into such a controversial area. Insofar as I am concerned, there was never any agreement, and so I just say let us not put the cart before the horse. We had better get into this properly, through the authorization process if we are going to do it. We had better do it on a sound basis with full understanding, because if we do it through this shortcut basis, we will have more trouble in the long run and so will they.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

You know, I could believe the Congressman from Mississippi, my good chairman, if this never happened before.

Now, I have been on this committee for 24 years, Mr. Chairman. I have seen the gentleman do this many times when programs had been reported by the authorizing committee. This was reported by the authorizing committee. I would point out that the amendment provides:

Provided further, That these funds shall be obligated and expended only in accordance with the terms and provisions of H.R. 6755 as reported to or passed by the House of Representatives.

We have done that many times, have we not?

Mr. WHITTEN. The bill has not passed through the Congress, therefore it is not authorized. The point of order would stand on the basis it is not the law of the land, it is not authorized.

Mr. CONTE. It passed the committee, the Foreign Affairs Committee. I would ask the gentleman from Michigan (Mr. BROOMFIELD), has it passed the gentleman's committee?

Mr. WHITTEN. It has not passed the Congress. It is not in the law.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman. My question is, Has it passed the Foreign Affairs Committee?

Mr. BROOMFIELD. Yes. We passed it and it is in the Rules Committee.

Mr. CONTE. Mr. Chairman, we have passed bills subject to the provisions in authorizing legislation.

Mr. WHITTEN. How about the Ways and Means Committee? They have a large part of this, too. Will my good friend yield to me?

The CHAIRMAN. The gentleman from Massachusetts has the time.

Mr. CONTE. I yield to my good friend, the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I would like my friend, the gentleman

from Massachusetts, to repeat the language if he would for the benefit of all our colleagues, which says that the money must be spent in terms and conditions subject to the authorizing committee.

Mr. CONTE—

Provided further, That these funds shall be obligated and expended only in accordance with the terms and provisions of H.R. 6755 as reported to or passed by the House of Representatives.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend.

Mr. WHITTEN. In my checking on the matter, the committee has reported it to the House and my information now is that the Ways and Means Committee, which also has some jurisdiction, has not reported to the House; but be that as it may, it is not authorized by law. There may be sound reasons behind this issue, but they should be aired during the authorization process, and should be supported by the Congress; so I have nothing further to say.

Mr. CONTE. Mr. Chairman, if I may reclaim my time, the part going to the Ways and Means Committee is the trade part of the bill. It has nothing to do with this. This is the economic assistance part.

I have no objection to the gentleman offering a point of order, but you cannot as chairman of the committee or a member of the committee come here and say you cannot go along with this because of this and that, when we have done it that way many, many times. I wish I had the time to research it and I would show the gentleman.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Is it not true that in the very next section of the bill that we are considering we have precisely the same situation which arises, that we have a matter placed in the appropriations bill which has not cleared the authorizing committee and, therefore, would be subject to exactly the same point of order?

It also constitutes legislation on an appropriation bill, so that in fact in this very same piece of legislation that we now have on the floor it is subject to precisely the same point of order that the chairman has just defended in terms of the Caribbean Basin Initiative; is that not true?

Mr. CONTE. You know, there is an old saying: "You can fool some of the people some of the time, but you can't fool all the people all the time." That is what we are doing here.

Now, let us face it, I would respect anyone saying they are against this or are raising a point of order because they do not believe in it.

Mr. WHITTEN. We have honest differences of opinions on some matters. I reserved a proper point of order. It was made by the gentleman from California (Mr. MILLER) and the gentleman uses that right himself.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

I would just remind those who are speaking that it was the gentleman from California who raised the point of order. Had he not done so, I would have done so and I think the debate that has gone on indicates full well why those of us who are concerned about the provisions of the Caribbean Basin Initiative want it brought to the floor through the authorizing process so that we can have our voices heard. Going about it this way, I think, is one way of trying to circumvent the process in order to get a closed rule on, as the chairman said, an important and very controversial piece of legislation.

Now, I regret that we had to raise a point of order. There is no doubt that there are some of those countries that need money. If there is one country that needs economic aid it is Costa Rica. I would be glad to do anything I could to help this country, but I will tell you, I do not like the layout of the funds here. You know, here we give Jamaica $50 million, but we give Haiti $10 million—Haiti $10 million, and Jamaica $50 million?

Then, of course, is the issue of El Salvador. We had the certification 2 days ago on Tuesday, which most knowledgeable people recognize as nothing more than a blatant whitewash of the human rights situation in El Salvador. Yesterday 84 Members of Congress in 1 day signed on a resolution asking that that certification be made null and void.

Then what would we do today? We would come in and appropriate, not authorize, but appropriate at least $75 million for El Salvador. I think if anything that would send absolutely the wrong signal to El Salvador. This is the wrong time for this.

What I believe the forces of D'Aubisson and the military down there would say is, "Look, we can do whatever we want. We can get away with anything, because all they will do, they will just talk a little bit up there, but we will still get our money."

That is why I would have raised the point of order on this, because I think it ought to come from the authorizing committee so that we have our chance on the floor to debate it and to try to change the amounts that are in it that I think ought to be changed.

I think more ought to go to Costa Rica. Perhaps, less ought to go to the Dominican Republic.

There are a lot of things we would like to do, but we are precluded from doing them. That is why I would have raised the point of order. That is why I think the debate has shown the necessity of what the chairman of the Appropriations Committee has said. It is a controversial piece of legislation, one that ought to be openly debated under an open rule and open to amendments.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, the issue really is whether or not we are going to follow the rules of the House. It is another issue whether we want to give money to the nun-killers in El Salvador.

I think what we are talking about here is really the rules of the House and the fact that we should have a chance to get into a discussion on this whole thing.

I would say to my good friend, the gentleman from Massachusetts, Mr. SIL CONTE, I think the whole part and parcel of the bill is going to be what the Ways and Means Committee is going to do with textiles, what they are going to do with sugar; that is what makes it controversial. That is why a short cut was needed.

I hope my good friend, the gentleman from Wisconsin (Mr. OBEY), does not hold it against us because we just happened to go by the rules of the House.

□ 1710

Mr. HARKIN. If I may reclaim my time——

Mr. JOHN L. BURTON. I would be happy to give it back.

Mr. HARKIN. Mr. Chairman, I just say to other people on the other side that there are other provisions in the bill that do the same thing. Perhaps they are not controversial. But if they are controversial, if the gentleman would like to raise a point of order against any other amendments that come to the bill that are in violation of clause 2 of rule XXI, anybody on the floor is free to raise a point of order on any part and on any amendment that would be in violation of clause 2, rule XXI.

Mr. Chairman, I yield back the balance of my time.

Mr. McDADE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think we are seeing really a tragedy occur this afternoon in this House because we saw the agreement that was reached and discussed with honorable men working to try to achieve an honorable end, that is, to advance American interests around the world and to protect people who are threatened by oppression and suppression around the world. They did so in good faith. I find it most regrettable.

I asked my good friend, the ranking member on the Foreign Affairs Com-

mittee, to read the language of the amendment which my colleague from New York would have offered, and I want to read it to you once again, despite the numbers that are in the appropriations item. I want to call this to the attention of my friends who are raising the point of order at a time when the world is in flames:

Provided further, That these funds shall be obligated and expended only in accordance with the terms and provisions of H.R. 6755, as reported to or passed by the House of Representatives.

My good friend, the ranking member of the Foreign Affairs Committee, said that this bill is pending now in front of the Rules Committee waiting to be acted upon. We can change authorization levels on this floor, we can debate that bill, and under the provisions of what we got in the amendment offered by the gentleman from New York, that would apply.

So if you are trying to get at the question of El Salvador—I will yield to the gentleman but first I want to finish my statement. You raised the point of order. I want to finish my statement. You can get your time.

What you have done is, you have prevented us from trying to engage in initiatives with all of the countries mentioned in here, including, as my friend pointed out, the one nation that said to the PLO, "Get out of Beirut and we will let you come into our country." Only one country has done that, and we are trying to provide them some kind of financial assistance.

I would think you would agree with that. Let me ask my friend from California, do you disagree with that?

Mr. MILLER of California. Does the gentleman yield to me?

Mr. McDADE. Yes. Do you disagree?

Mr. MILLER of California. Mr. Chairman, I did not know the Sudan was in the Caribbean.

Mr. McDADE. There are a number of items in here.

Mr. OBEY. Mr. Chairman, will the gentleman yield to me?

Mr. McDADE. I would be delighted to yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I would like to say, in light of what was said on El Salvador, this Member is not interested in supporting nun killers in El Salvador. I have absolutely no use for Mr. D'Aubisson; I think he is a fanatic, a fool, a shorsighted man—and vicious besides.

But the fact is that if we had been able to achieve this agreement today, it would have in fact eliminated all supplemental military assistance for El Salvador in this, and I think that would have been a very significant victory for those on this side of the aisle, at least, who are interested in reducing by the greatest extent possible aid to El Salvador, as is this Member.

Mr. McDADE. I want to say to my colleague who has been on this committee for a long time, I want to commend him, too, as well as the gentleman from New York (Mr. KEMP) and all the members of this subcommittee. We have been here a long time, and I think last year was the first time we had a foreign aid appropriation bill—in how many years?

Mr. KEMP. Three years.

Mr. McDADE. In 3 years was the first time the House enacted a foreign aid bill.

All of these Members were working in good faith to try to bring a bill to the floor, to let the authorizing committee come out and participate specifically in this language: Provided further, that these funds——

Mr. MILLER of California. On that point, on that point, Mr. Chairman, would the gentleman yield?

Mr. McDADE. Yes.

Mr. MILLER of California. I think the gentleman is being less than candid with the Members of the House and the members of your committee, because if you will read that language——

Mr. McDADE. Mr. Chairman, I reclaim my time.

Mr. MILLER of California. If you read that language——

Mr. McDADE. Mr. Chairman, I reclaim my time.

Mr. MILLER of California. Does it bother you to read the language to the House?

Mr. McDADE. I reclaim my time.

Mr. KEMP. Regular order, Mr. Chairman.

The CHAIRMAN. The House will be in order.

Mr. McDADE. There is no intention on the part of the Member of Pennsylvania—and I must say that I resent my colleague from California saying that I am less than candid.

Mr. MILLER of California. Read the language.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. McDADE) has the time.

Mr. McDADE. Mr. Chairman, I have confidence in my colleagues who have some expertise in the area that we are trying to deal in. It is the committee system that lets us function. My colleagues on both sides of the aisle who reached an accord, who were prepared to bring this amendment to the floor, worked long and hard on this bill. They know what they are doing. They know what the issues are as well as anybody else.

I think it highly regrettable that we see this thing knocked out on a point of order when there is an opportunity for the House to debate.

Mr. HARKIN. Mr. Chairman, will the gentleman yield to me?

Mr. McDADE. I yield to my friend from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

Mr. Chairman, I just wish that the gentleman would provide me on the Agriculture Committee that same benefit. If we bring an Agriculture Committee bill to the floor, since we know what we are doing in agriculture, that no one else would ever raise any amendments or objections to it.

I would just point out to the gentleman one phrase that bothers me. It says, "as reported to or passed by the House."

Mr. MILLER of California. Exactly.

Mr. HARKIN. So it could be just as reported to the House, so those of us who might want to change some of those figures and add amendments would be precluded from doing so.

Mr. McDADE. Let me say to my friend, I disagree with that. I do not think you would be precluded. I think if you just insert the language, "notwithstanding that provision of law," that would take care of it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. HARKIN and by unanimous consent, Mr. McDADE was allowed to proceed for 3 additional minutes.)

Mr. McDADE. Mr. Chairman, let me say to my friend from Iowa, if he finds that section objectionable, he could strike it in the authorizing bill. It is coming up later than this bill. It will be a bill that follows it in sequence, and it will, of course, take preference.

If the gentleman wanted to change that language or put in a provision on the amount that you would authorize and insert the language, and it was the will of the House to do so, to say "notwithstanding any other provision of law," that would be the will of the House. I say to my friend, I cannot believe that he would believe that well-intentioned members on both sides of the aisle on this subcommittee would be trying to lay a trap for any member of the authorizing committee. We have not been trying to operate that way. I think it casts undue aspersions on the House to suggest it. If the will of the House was to strike the word "or" or put in different figures, yours would be the subsequent act and yours would prevail. The gentleman could do it in a million ways, let me say to my friend. All you would need is a majority to do it.

Mr. HARKIN. All I understood is, when it says "reported to the House," it means that all they would have to do would be to report it to the House; we would not have the ability to discuss it or amend it at that time. That is the way the amendment read. That is what I objected to, and why the point of order was raised.

Mr. McDADE. Let me say to my friend, if he brought out the authoriz-

ing legislation here and just inserted a sentence that changed the law by changing the numbers and saying, "notwithstanding any other provision of law," that would be the end of it and the gentleman would have changed anything that is in there.

Mr. KEMP. Mr. Chairman, will the gentleman yield to me?

Mr. McDADE. I would be happy to yield to my friend from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding to me, and I appreciate his comments.

Let me say once more to my friends on the other side of the aisle, this is going to be the only supplemental appropriation we have this year. There is a sense of urgency behind the President's Caribbean Initiative and the very modest security assistance supplemental contained in my amendment. I think the gentleman from Pennyslvania, as well as my friend from Massachusetts, has made a very important contribution to the debate.

Mr. Chairman, the fragile compromise that was worked out was in fact a significant reduction from the President's original request. To those who are worried about assistance to El Salvador, I would point out that the original administration supplemental request for El Salvador would have provided $128 million in ESF and $35 million in military assistance. These funds would have covered the shortfall. However, in an attempt to be responsive to Members, the administration agreed to scale back the ESF request and to eliminate the MAP request. Therefore, the amendment being offered—$100 million in economic assistance—contains just 66 percent of the projected shortfall.

The recent elections in El Salvador were a sign of hope for the success of democratic ideals and individual liberty over guerrilla terrorism and insurgency. Ninety percent of the eligible voters cast ballots. More than voting for a particular party or political point of view, Salvadorans were demonstrating their faith in democratic institutions and their desire to remain free. But those elections would not have been possible without direct security assistance from the United States to the Government of El Salvador to meet the military threat from Cuban and Nicaraguan backed insurgents seeking to destabilize the government and terrorize the populists. And that newly elected democratic government will not be able to serve the people of El Salvador without continuing U.S. economic support structured to maximize individual incentives and the strength of the free market system.

While I am not especially fond of quoting the Washington Post, I believe that yesterday's editorial is well worth noting:

We believe it continues to be worth the American while to pursue a better society in El Salvador and to try to keep the country from going the Nicaraguan or Cuban communist way. The frustrations are not so great—not yet, anyway—that the United States should throw in the towel before its Salvadoran friends do. Having in mind both the staggering difficulty of simultaneously conducting a revolution and a war and the likely nature of the regime that might follow the current one, we feel the President was right to make the certification, as unavoidably political as his judgment is. With the continuing aid he acquires a greater opportunity, and obligation, to steer El Salvador in the direction of justice and peace.

Mr. Speaker, the Washington Post is right. The United States cannot stand by and watch this nation fall to the Communist insurgents. Is there a single Member who believes that the human rights situation would be improved if the Communists become stronger? Is the evidence for this in North Korea, in Vietnam, in Kampuchea, in Cuba? Moreover, do any of you believe that the level of human rights in Nicaragua has been improved by a government which set about to eliminate the Mesquito Indians and which has totally destroyed the entire private property system of the nation? By allowing my amendment to fall by reason of a point of order, I assure you we will not be advancing the cause of human rights in El Salvador—or any where else—but we risk setting it back.

Let me turn for a moment to the security assistance supplemental part of my amendment. When the gentleman from Pennsylvania brought up the Sudan, and quite eloquently, he was talking about that part of the bill which was devoted to military assistance, a total of $52 million out of a whole package. $350 million was to go to economic assistance and $52 million to military assistance, of which $25 million was earmarked for Sudan.

You say, well, what is the hurry? The chairman has said we should not really hurry through this. Well, what are you going to tell the Sudanese? Sudan's strategic location and its support for Camp David make its stability and security of key importance for the United States. There has recently been a tripartite agreement signed by Libya, South Yemen and Ethiopia, posing a direct threat to President Numieri not only militarily but economically.

The President submitted a supplemental security assistance request for $186 million in FMS loan guarantee authority and $115.5 million in new budget authority. When the subcommittee met to consider this request, the majority decided at that time to deny any supplemental funds for fiscal year 1982. Since then, both sides of the aisle have been working with the administration to reach an acceptable compromise between the requested $301.5 million and the subcommittee mark of zero.

The amendment I would have offer today for $52 million in new budget authority is the result of that compromise effort. While it is not as inclusive a sum as I would have liked, it does represent the most urgently needed moneys for five countries of vital importance to the United States: Somolia, Sudan, Honduras, Portugal and Costa Rica. I am very sad, and deeply concerned, that a point of order might jeopardize the security of these vital allies.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. McDADE) has again expired.

(On request of Mr. KEMP and by unanimous consent, Mr. McDADE was allowed to proceed for 2 additional minutes.)

□ 1720

Mr. KEMP. It is not my time, so I will respect the gentleman's desire to answer questions.

Mr McDADE. I yield to my friend from New York.

Mr. KEMP. I mentioned the cuts in military assistance, the cuts in economic assistance. I realize that there is a debate between levels of assistance for different countries, say, Costa Rica and Haiti, but I think the House Foreign Affairs Committee and the Appropriations Committee, plus Mr. McHUGH, Mr. OBEY and the gentleman that I have mentioned on both sides of the aisle, have come to a reasonable compromise, which is embodied in my amendment.

One last point. I just am deeply sorry—to see the vital initiative, the product of careful deliberations and conscientious efforts on both sides of the aisle, be scuttled by a point of order. This is a tragedy. I think is it a tragedy to kill this initiative at this point in the history of the Caribbean, and Central America, particularly as the United States is attempting to enhance harmonious relations with our neighbors following the sad Falklands conflict. If Latin America and Central America do not get some signal that America cares, I think we will lose their good will and lose our once proud reputation as a responsible, reliable ally.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield.

Mr. O'BRIEN. May I take the time to ask a question of my colleague from New York? I thank the gentleman for yielding.

I wish to address the question to the gentleman. If I understand the story correctly, probably the heart of the dispute lies in El Salvador, but none of the aid that goes to El Salvador under this compromise is anything but economic.

Mr. KEMP. That is true.

Mr. O'BRIEN. In my view, the heart of the dispute concerns human rights in El Salvador. By any stretch of the imagination can the gentleman make a case for improving conditions by refusing them $100 million in economic aid?

Mr. KEMP. May I just have 1 second? The subcommittee just voted $5 million recently to Nicaragua to keep pluralism alive in Nicaragua. I personally disagreed with that, because I am afraid that the Sandianistas long ago killed pluralism in Nicaragua. But the irony should not escape us, that Congress can provide economic assistance to Nicaragua, while withholding it from our closest friends in the hemisphere, whose well-being depends so much on our help.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. WILSON and by unanimous consent, Mr. MCDADE was allowed to proceed for 2 additional minutes.)

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Indiana.

Mr. MYERS. Mr. Chairman, I thank the gentleman for yielding. Are we going anyplace? We are not going to change the laws. We will all have an opportunity later on to make the same arguments because the Members all know that it is going to be added by the other body. The only difference is, we are not going to be able to write it. We have done it to ourselves again, by the rules. I am not objecting to the rules, I do not disagree. However, it is a moot question this afternoon because it is all going to come back. We are going to have a chance to vote on it when it comes back from conference as sure as God made little green apples. We have got more legislation this afternoon. We have got a defense authorization bill after we finish this bill, so let us get on with the work.

PARLIAMENTARY INQUIRY

Mr. HARKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. HARKIN. Mr. Chairman, under the rules under which we are operating, would it be permissible at this point for the gentleman from New York to offer his amendment on Sudan at this point?

The CHAIRMAN. The bill is being read for amendment. The Clerk cannot anticipate the nature of any amendments.

Mr. HARKIN. So parliamentarily, he could offer his amendment and see if anyone would raise a point of order about it.

Mr. WHITTEN. Mr. Chairman, I would ask that we might proceed. As has been shown here, I was not any party to any agreement that we would waive any points of order or authorize anything in the world. I want to make that plain. Everybody has acted in good faith apparently, but it is apparent that if the point of order had not been made by one Member, it would have been by another because of the fact this is not authorized and needs to be fully discussed.

We have an area here that once started by waiving the House rules and do not know where we would stop. So I would just hope that we might proceed because there are plenty of folks to make points of order. In addition the Armed Services Committee has been interrupted in the authorization bill and they are awaiting floor time tonight.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. KEMP. I would like to make a comment in reference to a previous question. I am not going to offer it, and I will tell the gentleman why. The original request I had offered in committee was for $200 million in emergency security assistance for that part of the world, in both North Africa and the Middle East which was rimmed by the hostilities—Sudan, Somalia, Portugal, the southern flank of NATO Turkey, and Honduras in the Caribbean as well as Costa Rica.

I worked out an agreement with Mr. MCHUGH and Dr. LONG to scale down that security assistance from $200 million to $50 million as a bedrock figure of urgent and very necessary security assistance, so as far as I am concerned there is no agreement. I will continue to work with my colleagues on both sides of the aisle, but as far as I am concerned $25 million for Sudan is just not enough. Now that the agreement is dead, I would like to go back and reconsider and see if we could do something and be more positive in terms of meeting some of the needs of the world.

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the McHugh-Kemp amendment.

The Caribbean Basin Initiative is an important step forward in our efforts to help our neighbors in the Caribbean and Central American area address their longstanding political, social, and economic problems. While helping to strengthen stability and promoting economic development, the CBI will thereby help protect our own political, economic, and security interests in the region.

Putting our humanitarian interests aside for a moment, it is clear that the Caribbean and Central America has greatly increased in its importance to U.S. interests. With nearly half of our trade, two-thirds of our imported oil and many of our strategic minerals transmitting the region's sealanes, this area has become vital to our own self-interest. Furthermore, we are not immune to the violence and unrest that has been taking place as millions of the area's citizens flock to our shores.

The compromise package worked out by the Foreign Affairs Committee was a good-faith effort to meet the concerns of the broad bipartisan coalition that gave it near-unanimous support. The McHugh/Kemp amendment best reflects that compromise which was designed so individual country programs complement each other.

The President places the highest priority on this legislative initiative, which is essential to improved relations with our good neighbors in this part of the world.

I urge all of our colleagues to support this amendment, to keep the CBI package together and to support U.S. interests in the Caribbean-Central American region.

Mr. CONTE. Mr. Chairman, chapter VI of the bill, providing funding for foreign assistance programs, is more notable for what it does not contain than what it does recommend. It provides $1 million in new budget authority, $166 million below Presidential requests considered by the committee. The bill also denies the request of $186 million in foreign military sales loan guarantees, and consideration of the President's Caribbean Basin Initiative request of $350 million has been deferred to floor action today.

While it does not involve new budget authority, the chapter provides $50 million by transfer to Lebanon for relief and rehabilitation assistance, as requested by the administration and authorized by Congress. The committee has directed that $6.5 million of this assistance be made available to the American University Hospital in Beirut due to the serious financial crisis facing them due to the violent conflict surrounding the campus. It is our hope that this aid, together with continued and expanded assistance from private donors and Arab countries, will enable these important institutions to remain open.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AMENDMENT OFFERED BY MR. O'BRIEN

Mr. O'BRIEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN: Page 23, after line 19, insert the following:

HOUSING PRODUCTION ASSISTANCE PAYMENTS

For mortgage interest assistance payments, $1,000,000,000, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to in this heading as the "Secretary") shall make commitments to enter into and enter

into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements contained under this heading.

(2) The aggregate amount of payments made pursuant to contracts entered into under this heading shall not exceed $172,000,000 per annum.

(3) The authority to make commitments to enter into contracts under this heading shall terminate on September 30, 1983.

(4) The Secretary may establish, consistent with the provisions of this heading, such criteria, terms, and conditions relating to homeowners and mortgages, loans, or advances of credit assisted under this heading.

(5) In making available assistance under this heading, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(b) Payments under this heading may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only with respect to dwelling units purchased at the time the contract is entered into under this section and only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit; except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this heading shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this heading.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this heading which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under subsection (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this heading may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this heading, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began on or after the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in subsection (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortizaton provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this paragraph, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of paragraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such paragraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this heading in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted pursuant to this heading, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this heading, other than any amount provided under paragraph (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this paragraph, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretray shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the prop-

erty to the extent that the Secretary provides for such recapture. Amounts recaptured under this paragraph shall be deposited in the fund described in paragraph (e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to the terms and conditions contained under this heading not later than 30 days after the enactment of this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (d).

Mr. O'BRIEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Chairman, I reserve a point of order on the amendment.

POINT OF ORDER

Mr. HANCE. Mr. Chairman, I am making a point of order.

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

Mr. HANCE. Mr. Chairman, I make a point of order against the amendment because it provides for an appropriation for an unauthorized program in violation of clause 2, rule XXI, because the authorization for this program is contained in H.R. 6294, the Single Family Housing Protection Act of 1982. That bill passed the House on May 11 of this year. In the Senate that bill was referred to the Committee on Banking, Housing, and Urban Affairs. Similar legislation was reported from the Senate Committee on Banking, Housing, and Urban Affairs on April 27 of this year, and the full Senate has not considered the separate authorization yet.

The authorization for this program has not been signed into law. The amendment therefore violates clause 2, rule XXI, and I would respectfully ask for a ruling from the Chair.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard?

Mr. O'BRIEN. I would like to be heard on the amendment.

The CHAIRMAN. The gentleman requests that the gentleman from Texas reserve his point of order?

Mr. O'BRIEN. Precisely?

The CHAIRMAN. Does the gentleman reserve his point of order?

Mr. HANCE. I reserve the point of order.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. O'BRIEN. Mr. Chairman, I thank the Chair and I thank the gentleman. I really do not know who is the designated hitter here, but I will proceed in any event.

This amendment deals with the housing situation, and I really suggest that this is the amendment that was offered by our colleague from California (Mr. PATTERSON), Mr. AUCOIN, and indeed Congressman BOLAND. It appeared in the House on two occasions. It carried by overwhelming majorities. The only competition that was offered to that particular amendment, if memory serves, failed on a technicality, and that was the Evans-Corcoran bill.

□ 1730

Let me suggest that when we got into the committee, what happened was rather startling because the two bills had a champion and both combatants came out of the corners swinging, and somehow or other it seemed to me that they both threw the fight and many of us did not really have a chance to vote on either one of the two amendments. I, for one, had cosponsored both.

This is the Patterson-AuCoin-Boland amendment. It has twice won in the House, and the nearest challenger has lost beforehand.

I would like to urge it on the Members because even this morning in the Wall Street Journal it was stated that housing starts slumped 15.3 percent in June, and it seems there is going to be no real increase in aid and comfort for the developers unless we give it to them, with the interest rates as high as they are.

Mr. Chairman, I would like to suggest to the Members, without belaboring the question, that it is a good amendment. Our debates do not enhance the situation the builders find themselves in. It has been tested on votes in the House, and my candid opinion is that it would survive a veto, and, Mr. Chairman, I would intend to support it in that way.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas (Mr. HANCE) insist on his point of order?

Mr. HANCE. I insist on my point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas makes a point of order that the amendment is unauthorized by law.

Does any other Member desire to be heard on the point of order?

If not, the Chair is prepared to rule.

The Chair upholds the point of order.

The Clerk will read.

The Clerk read as follows:

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $600,000,000, notwithstanding section 333(a)(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

POINT OF ORDER

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania (Mr. WALKER) rise?

Mr. WALKER. Mr. Chairman, I raise a point of order against this particular section of the bill.

I suppose I could use as my justification the very eloquent speeches of the gentleman from Mississippi of just a few moments ago, because indeed this section of the bill does not have an authorized amount. It has not been authorized by the proper authorizing committee, and indeed it states, notwithstanding the section of the Omnibus Budget Reconciliation Act, and it also constitutes legislation in an appropriation bill, which is a violation of clause 2, rule XXI.

The CHAIRMAN. Does the gentleman from Massachusetts (Mr. BOLAND) desire to be heard on the point of order?

Mr. BOLAND. Mr. Chairman, the committee concedes the point of order.

The CHAIRMAN. The point of order is conceded, and the paragraph is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

CONSTRUCTION

For an additional amount for "Construction", $17,680,000, to remain available until expended: *Provided*, That $9,000,000 for reconstruction of the Filene Center at the Wolf Trap Farm Park for the Performing Arts shall become available for obligation only upon enactment of authorizing legislation: *Provided further*, That notwithstanding any other provisions of law, the Park Service, using the United States Army Corps of Engineers, shall begin providing hydraulic fill to the Sandy Hook area of the Gateway National Recreation Area within 60 days after enactment of this legislation.

The CHAIRMAN. I move to strike the last word.

Mr. HOWARD. Mr. Chairman, I rise to commend the Subcommittee on the Interior and the full Committee on Appropriations for approving $6 million in emergency funds to correct a critical erosion problem at the Sandy Hook portion of the Gateway National Recreation Area. Last February I convened a meeting of the responsible Federal officials and committee staff at Sandy Hook and we thoroughly reviewed the options that were available to prevent a breach of the peninsula by storm action. Specifically, we reviewed the report of a committee of scientists which recommended a sand replacement project as the least expensive and most opportune alternative.

The beaches and other attractions at Sandy Hook draw more than 2 million visitors each year. All would be denied entrance if the erosion area is not replenished. There are vital Federal installations at the tip of Sandy Hook, including a Coast Guard station, a fish and wildlife marine laboratory, an

Army Reserve unit; as well as a marine science consortium that serves 19 colleges and universities—and a host of activities by nongovernmental public interest groups—whose access would be cut off were Sandy Hook isolated by the sea.

I am pleased to be able to report to the House that the Corps of Engineers has agreed to work with the Park Service in making available some 800,000 to 1 million cubic yards of sand which will be dredged this fall from Ambrose Channel, the main ship channel to lower New York Bay. This material will be pumped directly into the critical erosion area. I urge my colleagues to support this much needed appropriation.

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1982 by 18 U.S.C. 4601-10a is rescinded.

The Clerk read as follows:

Amendment offered by Mr. MURTHA: Page 27, line 6, strike "18" and insert "16".

Mr. MURTHA. Mr. Chairman, this is a technical amendment to correct a printing error. The amendment strikes title "18" and inserts title "16." It is title 16 U.S.C. 4601-10(a) which provides annual contract authority. It is not title 18, which is a title covering the Criminal Code.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURTHA).

The amendment was agreed to.

Mr. CONTE. Mr. Chairman, for the Department of Interior and related agencies, the committee is recommending a total of $268.6 million in program supplementals, $54.2 million in rescissions, and $33.3 million in pay supplementals for a net increase of $48.9 million over the administration's request.

Increases over the administration's requests include $8.2 million for priority projects in the Fish and Wildlife Service, $8.6 million for emergency maintenance projects in the national park system, $30 million for land acquisition in court-awarded land condemnation cases involving the national park system, $13.2 million for the abandoned mine reclamation fund, and $17 million for the Indian Health Service for the installation of water and sewer facilities for housing presently under construction.

Language included in the bill would transfer to the Secretary of Interior from the Department of Energy authority for research and development programs relating to coal mine technologies, prohibit the Department of Energy from proceeding with planned reductions in force in the fossil energy headquarters pending congressional action on the fiscal year 1983 request, prohibit the expenditure of funds for oil, gas, or geothermal leasing in the watersheds of the cities of Seattle and Tacoma, Wash., permit the Secretary of Interior to enter into contracts with State and local governments for fire assistance on lands managed by the Department of Interior and allow the $242.5 million limitation on timber road construction funds provided in the fiscal year 1982 Interior appropriations bill to remain available until expended.

Additionally the committee has approved the administration's $9 million request for the reconstruction of Wolf Trap, subject to enactment of the necessary authorizing legislation.

The CHAIRMAN. The Clerk will read.

The Clerk continued to read chapter VIII.

Mr. BOLAND. (during the reading). Mr. Chairman, I ask unanimous consent that the balance of chapter VIII be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order to the remainder of the chapter?

Are there any amendments to the remainder of the chapter?

If not, the Clerk will read.

The Clerk proceeded to read chapter IX.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that chapter IX be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

POINT OF ORDER

The CHAIRMAN. Are there any points of order with regard to this chapter?

Mr. BIAGGI. Mr. Chairman, I raise a point of order against the language in the paragraph entitled "Community Service Employment for Older Americans."

The CHAIRMAN. Will the gentleman refer to the page and line numbers?

Mr. BIAGGI. On page 34 of the bill, line 6, after the appropriation figure of $210,572,000, beginning with the words, "of which" and continuing through line 12 of the same page and ending with the word "Act."

The portion of the bill to which the point of order relates is as follows:

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older American", $210,572,000, of which $168,457,600 shall be for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of the Older Americans Act of 1965, as amended, and $42,114,400 shall be for grants to States under paragraph (3) of section 506(a) of said Act.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BIAGGI. Mr. Chairman, this is a clear example of legislating on an appropriations bill which is expressly prohibited under clause 2, rule XXI of the House. Very simply, Mr. Chairman, this language clearly changes the application of existing law for the title V program through the appropriations process. The committee bill ignores the language in the authorizing statute, section 506 of the Older Americans Act as amended, by changing the current formula for distribution of funds to national contractors, increasing it to 80 percent with the remaining 20 percent to be provided to the States. Under current law, as reaffirmed by last year's reauthorization of the Older Americans Act, the distribution of funds between national contractors and States is 76 percent and 24 percent, respectively.

The CHAIRMAN. Does the gentleman from Iowa (Mr. SMITH) desire to be heard on the point of order?

Mr. SMITH of Iowa. Yes, Mr. Chairman. I resist the point of order.

Mr. Chairman, I point out that under the legislation that the gentleman refers to there is an attempt made apparently to say that if more than a certain amount is appropriated, then the Secretary shall reserve part of that for another purpose. It does not prohibit the Congress from making the appropriation.

Therefore, I say that this is not subject to the point of order not to include it in the bill. It may be that it requires the Secretary to do something later, but it does not prohibit including it in the bill.

The CHAIRMAN. Does the gentleman from New York (Mr. BIAGGI) desire to be heard further on the point of order?

Mr. BIAGGI. Mr. Chairman, clearly the provisions of the existing law are spelled out. The formula is in 80-20 under this language, and it changes the existing law of 76-24. Clearly, it is a perfect illustration of legislation under the appropriating process.

The CHAIRMAN (Mr. BROWN of California). The Chair is prepared to rule.

The gentleman from New York (Mr. BIAGGI) makes a point of order that the language on page 34, line 6, sets aside for national grants or contracts a figure which is excess of that specified in the law as being permissible for national grants or contracts.

Under the precedents it is not in order in a general appropriation bill to

direct that certain funds therein shall be distributed without regard to the provisions of the authorizing legislation.

The Chair is of the opinion that the law cited by the gentleman from New York (42 U.S.C. 3056d) is inconsistent with this appropriation allocation. This language has the effect of contravening the distribution formula on that law. The Chair upholds the point of order.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On Page 34, line 6, after "$210,572,000" insert the following: "*Provided*, That not more than $42,114,400 shall be for grants to States under paragraph (3) of section 506(a) of the Older Americans Act of 1965 as amended.".

□ 1740

Mr. SMITH of Iowa. Mr. Chairman, this will make sure I think that all of this money can be spent.

I am very much for this program. The members of the subcommittee are very much for this program. We have constantly put in more money than is requested or that this program would receive without the support of those who support this amendment so that we can get more jobs for retired people.

I think that this amendment is very necessary to make sure that all of this money is spent, that all of it is used to get the maximum number of jobs that we can, and they need these jobs, and they need them in this supplemental.

I ask that the amendment be passed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. SMITH).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read Chapter X.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the balance of chapter X be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There is no objection.

The CHAIRMAN. Are there any points of order with regard to the provisions of chapter X?

Are there any amendments of chapter X?

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, chapter X of the bill, providing supplemental appropriations for the legislative branch, contains $7.4 million in new budget authority, or $7 million below budget requests.

Included in this chapter are funds for gratuities in connection with the recent deaths of two Members of the House of Representatives, $6 million for allowances and expenses which were authorized last year, and $1.2 million for necessary expenses of the Capitol Powerplant. The committee has denied requests of $4.5 million for the purchase of additional land south of the House Office Buildings and $42.2 million for additional personnel for the Government Accounting Office.

As noted in the report, legislative branch agencies will be absorbing 27 percent of the amounts necessary for pay cost of living adjustments which went into effect last October, as compared with an absorbtions rate of only 14 percent in the executive branch.

Finally, section 303 of the bill is a general provision which would impose a ceiling on outside earnings of all Members of Congress, House and Senate, of 30 percent of the congressional salary. Under this provision, which was regrettably dropped from the urgent supplemental bill, the ceiling would be $18,198.75, the same as the existing limitation on House Members. The Senate currently has no limit in effect.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read chapter XII.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the balance of chapter XII be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order against chapter XII?

If not, are there any amendments to chapter XII?

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the transportation chapter provides program supplementals in the amount of $383,645,000 in new budget authority, $32,400,000 in transfers and a $37,500,000 deferral disapproval. It also provides increased pay supplementals in the amount of $167,475,000 in new budget authority and $15,023,000 in transfers.

This chapter makes available $30,500,000 for operating expenses for the beleaguered Coast Guard—this country's last line of defense. I know that the Appropriations Committee, as well as the entire House of Representatives, has been working diligently to provide the necessary funding for this forgotten branch of the military services. I expect that this additional money will facilitate the functioning of the Coast Guard as it continues to carry out the requirements placed upon it by not only the Congress but the executive branch.

As regards the Federal Aviation Administration, this bill provides a supplemental appropriation of $55,645,000, together with a transfer up to $10,000,000 for the operation account. This level of funding includes a budget request of $48,000,000 for additional overtime for air traffic control centers and tower personnel. These amounts, plus the $57,500,000 currently being held in reserve for air traffic controller pay increases to be made available when the authorizing legislation is passed, will provide a total of $123,145,000 for FAA operations.

Under the Federal Highway Administration interstate transfer grants—highways account, the bill provides $197,000,000 for highway projects substituted for interstate highway segments.

A total of $30,000,000 in new budget authority is made available to the Federal Railroad Administration to be utilized for various programs.

For the Urban Mass Transportation Administration, there is allocated $29,500,000 for discretionary capital grants for urban mass transportation. In addition, $22,000,000 is recommended for interstate transfer grants—transit, of which $10,000,000 is for the Red Line extension project in Boston, Mass.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read chapter XIII.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that chapter XIII be considered as read and open to amendment at any point?

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order against chapter XIII?

Are there any amendments to chapter XIII?

If not, the Clerk will read.

The Clerk continued to read.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the balance of title II be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order against title II?

Are there any amendments to title II?

The CHAIRMAN. The Clerk will read.

The Clerk continued to read.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the balance of title III be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order to title III?

PARLIAMENTARY INQUIRY

Mr. MILLER of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MILLER of California. The question is under title III, under general provisions of this act, whether or not at this point amendments that had heretofore been ruled out of order could again be offered.

The CHAIRMAN. The Chair is unable to rule on any amendment until it is offered.

The gentleman from California (Mr. MILLER), in other words, poses a hypothetical question that is not appropriate for the Chair to answer.

Are there any points of order to title III?

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 79, after line 16, add the following new section:

"SEC. 303. No part of any appropriation contained in this Act shall be used in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any ratio, quota, or other numerical requirement related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to (1) the hiring or promotion policies or practices of such individual or entity, (2) the admissions policies or practices of such individual or entity, or (3) the contracting and subcontracting policies or practices of such individual or entity."

Mr. WALKER. Mr. Chairman, this is the same amendment that I offered on a number of occasions that has been adopted by this House on numerous occasions beginning in 1977.

In fact, this particular amendment has been offered on six different occasions to appropriation bills since that time and has been adopted each time.

What it is trying to do is make very clear the case that we ought to have strong affirmative action in this country, but that affirmative action should not in any way be tied to the use of quota-based systems.

This was never envisioned by any civil rights leaders who were instrumental in putting the Civil Rights Act of 1964 into place. In fact, when the Civil Rights Act was put into place Congress made the law quite clear that each individual in this country should be judged on his or her merit and ability to do a job or to go to school; not on the basis of race, not on the basis of creed, and not on the basis of color.

However, in carrying out the mandate of that act, Federal agencies have disregarded congressional intent, have disregarded what was plainly the law of the land, and have begun to devise programs that judge people solely on the basis of color, creed, and race.

I think, Mr. Chairman, that it is very clear that the people across this country, black Americans, white Americans, do not in any way support the use of quota-based systems. All Americans know that quotas are the kind of thing that have long led to major problems among our people, and no American wants to be judged on the basis of some quota into which he or she has been placed.

What this amendment does is simply say to the agencies that are involved in this supplemental appropriation bill, "You shall not use these moneys to implement quota-based systems."

I would hope this House will approve this amendment as it has done on several occasions in the past.

□ 1750

Mr. WHITTEN. Mr. Chairman, I think this amendment has appeared in a number of bills, and personally I have no objection to the amendment.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am not going to take a lot of time. I wish our colleague, the gentleman from Maryland (Mr. MITCHELL), were here on the floor. He can say it better than I do. I am very fond of my dear friend, the gentleman from Pennsylvania. We disagree on quite a few things, and this amendment is one of them. What it will do, which may not be his intent—and I am sure it is not—is to stifle affirmative action. It will tell people that you cannot do this and you cannot do that, so by God you better not do anything. I would hope that the committee would, for once, vote it down.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I share the gentleman's concern about this amendment. I do not think that anybody wants a rigorous quota system, but we certainly want affirmative action. I think that the tendency of this amendment is to deny to many people the kind of consideration that every individual should receive. Affirmative action goes one step beyond that, and so should we. I think affirmative action should be emphasized. I do not think that this is a wise amendment.

Mr. JOHN L. BURTON. I thank the gentlewoman for her contribution.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I think the amendment goes a little too far. What it will also do, in our Small Business Act, is do away with set-asides, the 8(a) program, so many programs which are so necessary for our small business, and it will negate what we did last night on the limitations on the Maybank language.

Mr. JOHN L. BURTON. I thank the gentleman for his contribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WALKER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-two Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1800

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Pennsylvania (Mr. WALKER) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 79, after line 16, add the following new section:

SEC. 303. No funds appropriated under this act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

Mr. WALKER. Mr. Chairman, the issue in this particular amendment is the school prayer issue. It is an issue that the House has addressed on several occasions previously, as I have offered this amendment to the Department of Education bills and to appropriation bills in the past.

Let me explain why I think it is appropriate to do so in this bill and in other bills.

The Supreme Court made it very clear at the time that they outlawed mandatory school prayer that voluntary prayer was perfectly appropriate.

That option has existed since the early 1960's. But the edict at that time came down from the Court but was interpreted by people differently.

Many schools did not implement voluntary school prayer because they felt there was a problem in any kind of a program that suggested that prayer should be in the schools.

Now we have recognized and there have been a number of efforts here in Congress and across the country on the propriety of encouraging school districts to go to purely voluntary school prayer programs. We have said that we think that purely voluntary efforts are all right.

By putting the language I am suggesting in this amendment into this bill what we are saying to departments such as the Education Department and to the Justice Department is that they are not to interfere in any school districts where they have implemented a voluntary prayer program.

It simply says that if they dicide to do that themselves, no action by the Federal Government should be there to deter them from so doing. It in no way imposes a school voluntary prayer program on them. It simply says that we will not interfere if you decide that a voluntary program of prayer is something that you want to do in your school district.

I think that this amendment, which has been adopted on several occasions in the past, is precisely the kind of thing that can lead to many more school districts adopting a prayer effort who presently fear Federal action if they would implement such a program. Many of them would now go ahead and have a program knowing that the Federal Government would not be out there attempting to bludgeon them if they simply allow their children to pray in school.

So, Mr. Chairman, I would ask for the approval of this amendment which will recommit us to the idea that voluntary prayer in school is what this Congress believe is a right and proper thing.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. WALKER. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 79, after line 16, add the following new section:

SEC. 303. No funds appropriated under this act may be expended in violation of section 7 of Public Law 95-435.

Mr. WALKER. Mr. Chairman, I am offering this amendment which should be very familiar to the Members of the House at this point, too. This is the balanced budget amendment which we have dealt with on several occasions.

It simply says that the supplemental appropriation bill that is before us should comply with the law of the land that requires a balanced budget. That law, as I have said on many occasions before, is section 7 of Public Law 95-435. And it seems to me that in light of some of the controversies that surround this particular bill, this is a bill that the Members may want to decide that here is an appropriate place to finally say that we are going to do something about upholding the law of the land.

I sometimes wonder about the people across this country viewing the spectacle of this House of Representatives day after day refusing to uphold the law of the land that we ourselves passed in 1978 and have regularly reaffirmed since. I wonder how they view the spectacle of this House of Representatives turning down voluntary school prayer a minute ago and not even being willing to vote on it.

I wonder how they view the spectacle of turning down a bill that was aimed at doing something about discriminatory quotas in this country without even a vote. Because you see on those issues; 75 percent of the American people say that they are opposed to discriminatory quotas, 80 percent of the people favor voluntary school prayer, and 80 percent of the people favor a balanced budget.

What this House has done here this evening in the course of the last few minutes is said to the American people we do not care, we do not even want to vote on the issues that you are quite concerned about. And I say to my colleagues that is a spectacle that the American people are going to remember for a long time.

□ 1810

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say with regard to the preceding amendment on school prayer, I am very much in favor of that. However, it is presently carried as a part of the continuing resolution under which several Government departments and agencies are operating. These funds will be consolidated with funds already in the departments, so I think the other provision on prayer in school, public schools, will be protected under the pending continuing resolution.

Insofar as the present amendment is concerned, the law that is cited by the author, the gentleman from Pennsylvania (Mr. WALKER) overlooks an amendment to that act, which reads as follows. It is section 7, Public Law 95-435, as amended by Public Law 96-389, and it now reads:

The Congress reaffirms it commitment that beginning with fiscal year 1981 the total budget outlays of the Federal Government shall not exceed its receipts.

I am for a balanced budget and I think most everyone here is; but in order to balance the budget, you must look at the entire budget, not just one small part of mandatory appropriations. Over 85 percent of this bill is mandatory, most of it to fund military and civilian pay raises that the Congress approved for last October 1.

The language I quoted in the present law is a sense of Congress type of provision, without any specific enforcement procedure. It merely reaffirms a congressional commitment. The provision is directed toward outlays. Of course, the Congress appropriates budget authority; outlays are largely controlled by the executive branch.

Sooner or later we are going to have to tangle with the Budget Committee and its action on the Budget Act. They tried to get us to control outlays when it is beyond our control, because it is in the hands of the executive branch.

The bill we have before you today is currently $2 billion below the President's request. It is within the budget resolution ceiling and within our own committee section 302 allocation.

So I see no need of adopting this amendment in view of the attitude of the Congress and the fact that we are living within our means. But I want to reiterate that outlays are largely controlled by the executive branch and sooner or later we are going to have to fix it where we are not blamed for the actions of the executive branch.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

We have debated this many, many times here on the floor. In fact, at one time I offered an amendment which repealed this section and it was repealed by the House. Unfortunately, it is back in here again; but it is an unworkable amendment and I think the gentleman from Pennsylvania agrees with me; but more than that, what this amendment does and what it says is that the administration, our administration, is violating the law. They sent this supplemental up. This is their supplemental. Ninety-nine percent of it belongs to this administration. There are a few changes but it is just saying the administration is in violation of the law.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman.

Mr. WALKER. Well, I would say to the gentleman, what it says, far more importantly, though, is that this Congress is violating the law. We are the ones who implemented the law in the first place. We are the ones with the responsibility for appropriating. We are the ones with the responsibility for authorizing. The whole responsi-

bility lies here in the Congress to either do as the gentleman very honorably tried to do, and that is repeal the law, or we ought to comply with the law.

Now, if we want to go through the exercise of repealing the law, I think we ought to bring it out here and vote on that; but if we are not willing to repeal the law, and I am not, then we ought to try living up to it, and that is what this particular amendment is aimed at doing.

Mr. CONTE. I am surprised that no one has brought lawsuits against the executive branch under that section of the law. I think a good case could be made that the law is being violated. I have no disagreement with the gentleman, but to do it this way here I think is wrong. It puts the onus on the administration and I hope that this amendment is defeated.

Mr. JOHN L. BURTON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as one who supported the amendment of the gentleman from North Carolina (Mr. NEAL) on the Export-Import Bank that made us balance the budget in a nongermane amendment, I feel that I ought to support this now.

I think that it is good to tell the National Rifle Association that we are not going to spend $16,000 worth of money for the promotion of rifle practice until we have a balanced budget. The NRA ought to know that and ought to live by it, and if they come in here with their guns, so be it, because that is their right under the second amendment, as long as they are long guns for prepared militia and not short guns, Saturday night specials.

I think we can stop making neutron bombs, stop some of this civil defense business, stop some of the atomic weapons that we are making in here until we have a balanced budget.

It is a good signal to the rest of the world and I think we ought to give them a signal.

I think it will be a good signal to the Botanic Garden that they ought to cut back on those plants and flowers until we have a balanced budget.

I think it is going to be a terrific signal to the IRS that they ought to cut back on their expenditures and stop auditing people until we have a balanced budget.

I think it is definitely a signal to Ronald Reagan and those guys at the White House that they should not spend $775,000 on salaries and expenses until we have a balanced budget.

We ought to tell them that special assistant to the President, whoever he or she may be, and it is probably a he because the salary is so high, that they should not have that $48,000 for 2 months until we have a balanced budget.

The time is now, the place is here. We are a society of laws and not men and women and, by God, BOB WALKER and I stand for a balanced budget and not 1 cent of a supplemental until that budget is balanced.

And if you vote for that Republican tax increase you will be helping to balance it quicker.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROWN of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 6863) making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER (during the vote). I hope Members are aware that we are going back to the Department of Defense authorization and completing it this evening; so if we can expedite it, we can get out of here at a reasonable hour. There will be no session tomorrow, but we want to complete it tonight.

The vote was taken by electronic device, and there were—yeas 282, nays 111, not voting 41, as follows:

[Roll No. 229]

YEAS—282

Addabbo	Fowler	Nowak
Akaka	Frank	O'Brien
Albosta	Frost	Oberstar
Alexander	Garcia	Ottinger
Andrews	Gaydos	Panetta
Annunzio	Gejdenson	Parris
Applegate	Gephardt	Patman
Aspin	Gilman	Pease
Atkinson	Gonzalez	Perkins
AuCoin	Goodling	Petri
Bailey (PA)	Gore	Peyser
Barnes	Green	Pickle
Bedell	Guarini	Porter
Beilenson	Gunderson	Price
Benedict	Hamilton	Pritchard
Benjamin	Hammerschmidt	Pursell
Bereuter	Hance	Quillen
Bethune	Harkin	Railsback
Bevill	Hawkins	Rangel
Biaggi	Heckler	Ratchford
Bingham	Hefner	Regula
Bliley	Heftel	Rhodes
Boggs	Hertel	Rinaldo
Boland	Hightower	Ritter
Bonker	Hillis	Roberts (SD)
Bouquard	Holland	Robinson
Bowen	Hollenbeck	Rodino
Breaux	Hopkins	Roe
Brinkley	Horton	Rogers
Brodhead	Howard	Rose
Brooks	Hoyer	Rosenthal
Brown (CA)	Hutto	Rostenkowski
Burgener	Hyde	Roth
Burton, Phillip	Jacobs	Roukema
Byron	Jeffords	Roybal
Carman	Johnston	Rudd
Chappell	Jones (NC)	Russo
Chappie	Jones (OK)	Sabo
Clausen	Kastenmeier	Santini
Clinger	Kazen	Savage
Coelho	Kennelly	Sawyer
Coleman	Kildee	Scheuer
Collins (IL)	Kogovsek	Schneider
Conte	LaFalce	Schumer
Conyers	Lantos	Seiberling
Coughlin	Leach	Shamansky
Courter	LeBoutillier	Shannon
Coyne, James	Lehman	Sharp
Coyne, William	Leland	Shaw
Crockett	Lent	Simon
D'Amours	Livingston	Smith (IA)
Daniel, Dan	Long (LA)	Smith (NE)
Daschle	Long (MD)	Smith (NJ)
Daub	Lowry (WA)	Snowe
Davis	Lujan	Solarz
de la Garza	Lundine	Solomon
Deckard	Madigan	Spence
Dellums	Markey	St Germain
DeNardis	Marks	Stanton
Derrick	Marlenee	Stark
Dicks	Martin (IL)	Staton
Dingell	Martin (NY)	Stokes
Dixon	Martinez	Stratton
Donnelly	Matsui	Studds
Dorgan	Mavroules	Swift
Dougherty	Mazzoli	Synar
Downey	McClory	Tauke
Duncan	McCollum	Traxler
Dunn	McCurdy	Trible
Dwyer	McDade	Udall
Dyson	McGrath	Vander Jagt
Early	McHugh	Vento
Eckart	McKinney	Walgren
Edwards (AL)	Mica	Wampler
Edwards (CA)	Michel	Washington
Emery	Mikulski	Watkins
English	Miller (CA)	Waxman
Evans (IA)	Mineta	Weber (OH)
Evans (IN)	Minish	Weiss
Fary	Mitchell (MD)	White
Fascell	Mitchell (NY)	Whitehurst
Fazio	Moakley	Whitley
Fenwick	Molinari	Whitten
Ferraro	Mollohan	Williams (MT)
Fiedler	Morrison	Williams (OH)
Findley	Mottl	Winn
Fish	Murphy	Wirth
Fithian	Murtha	Wolf
Flippo	Myers	Wolpe
Florio	Napier	Wyden
Foglietta	Natcher	Yatron
Foley	Neal	Young (FL)
Ford (MI)	Nelligan	Zablocki
Forsythe	Nelson	Zeferetti

NAYS—111

Anderson	Gingrich	McDonald
Archer	Glickman	McEwen
Ashbrook	Goldwater	Miller (OH)
Badham	Gradison	Montgomery
Bailey (MO)	Gramm	Moore
Barnard	Gregg	Moorhead
Bennett	Hagedorn	Nichols
Broomfield	Hall (OH)	Obey
Brown (CO)	Hall, Ralph	Oxley
Broyhill	Hall, Sam	Patterson
Burton, John	Hansen (ID)	Paul
Butler	Hartnett	Roberts (KS)
Campbell	Hendon	Roemer
Carney	Hiler	Rousselot
Cheney	Holt	Schroeder
Coats	Hubbard	Schulze
Conable	Huckaby	Shelby
Corcoran	Hughes	Shumway
Craig	Hunter	Shuster
Crane, Daniel	Ireland	Skelton
Crane, Philip	Jeffries	Smith (AL)
Daniel, R. W.	Jenkins	Snyder
Dannemeyer	Kemp	Stangeland
Derwinski	Kindness	Stenholm
Dickinson	Kramer	Stump
Dreier	Lagomarsino	Tauzin
Edgar	Latta	Taylor
Edwards (OK)	Leath	Thomas
Emerson	Lee	Volkmer
Erdahl	Levitas	Walker
Erlenborn	Lewis	Weaver
Evans (DE)	Loeffler	Weber (MN)
Evans (GA)	Lowery (CA)	Whittaker
Fields	Luken	Wilson
Fountain	Lungren	Wortley
Frenzel	Martin (NC)	Wylie
Gibbons	Mattox	Young (MO)

NOT VOTING—41

Anthony	Ertel	Pashayan
Bafalis	Ford (TN)	Pepper
Beard	Fuqua	Rahall
Blanchard	Ginn	Reuss
Bolling	Gray	Richmond
Boner	Grisham	Sensenbrenner
Bonior	Hansen (UT)	Siljander
Brown (OH)	Hatcher	Skeen
Chisholm	Jones (TN)	Smith (OR)
Clay	Lott	Smith (PA)
Collins (TX)	Marriott	Wright
Dornan	McCloskey	Yates
Dowdy	Moffett	Young (AK)
Dymally	Oakar	

□ 1830

Messrs. ERDAHL, EMERSON, and BROYHILL changed their votes from "yea" to "nay."

Messrs. CHAPPIE, AKAKA, ATKINSON, MURPHY, and McCOLLUM changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the consideration of H.R. 6863, the bill just passed, and that I may include extraneous and tabular matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

RESIGNATION OF MEMBER FROM ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER laid before the House the following communication from Hon. CHARLES B. RANGEL, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 29, 1982.

Hon. THOMAS P. O'NEILL, JR.
Speaker, House of Representatives, The Capitol.

DEAR MR. SPEAKER: This is to inform you of my desire to resign from the Advisory Commission on Intergovernmental Relations. While my tenure as a member of the Commission has been most informative, I feel that my pressing duties in Congress and in my district have left me with insufficient time to devote to the Commission. Therefore, I would like to make my resignation from the Commission effective as soon as possible.

Very truly yours,

CHARLES B. RANGEL.

The SPEAKER. Without objection, the resignation was accepted.

There was no objection.

RESOLUTIONS DISAPPROVING DEFERRAL OF CERTAIN BUDGET AUTHORITIES

Mr. MURTHA. Mr. Speaker, on behalf of Chairman YATES of the Subcommittee on Interior of the Committee on Appropriations, I call up the resolution (H. Res. 474) to disapprove the historic preservation fund deferral, and ask unanimous consent for its immediate consideration in the House, and the House Resolutions 475, 476, 479, 493, and 494, disapproving the deferral of certain budget authorities, may also be considered in the House and ask for their immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the first resolution.

The Clerk read the resoluting as follows:

H. RES. 474

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $781,000 for historic preservation fund, Department of the Interior (deferral numbered D82-240), as transmitted by the President to the Congress on March 18, 1982, under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER. Under the rule, the gentleman from Pennsylvania (Mr. MURTHA) is recognized for 1 hour.

Mr. MURTHA. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania (Mr. MCDADE) for the purpose of debate only, pending which I yield myself such time as I may concern.

Mr. Speaker, I bring to the House, House Resolutions 474, 475, 476, 479, 493, and 494 to express the disapproval of the House of Representatives to the deferral of budget authority relating to programs in the Department of the Interior and the Department of Energy.

Three of the disapproval resolutions relate to activities of the National Park Service, including the historic preservation fund for $781,000; the land and water conservation fund for $2,821,000; and the urban park and recreation fund for $858,000. Two of the disapproval resolutions relate to the U.S. Fish and Wildlife Service. One is for $400,000 for land acquisition and one is $600,000 for construction and anadromous fish. The sixth resolution overturns the deferral for the strategic petroleum reserve of $52,860,000. In the aggregate the six deferrals total $58,320,000.

Each of the National Park Service deferrals would use money appropriated in fiscal year 1982 for specific program purposes to pay for Federal administrative expenses in fiscal year 1983. For historic preservation this would mean that each of the States would have fewer resources to carry out their role in nominating properties for inclusion on the National Register and to process Tax Act certifications.

The land and water conservation fund deferral has been declared unauthorized by the General Accounting Office under section 1001(4) of the Impounded Control Act. Since the administration disagrees with the GAO declaration, it is necessary for the House of Representatives to reaffirm the Congress decision to make the funds available to the States.

The urban park resolution to disapprove the deferral makes the full amount appropriated in fiscal year 1982 available to help revitalize American cities. The program provides a balance in the Nation's recreation opportunities by giving access to park facilities to the urban young and old who might not have the financial ability to visit the treasures of the national park system.

The U.S. Fish and Wildlife Service deferrals were designed to take funds away from ongoing land acquisition and construction programs in order to pay for increased fiscal year 1982 pay costs. The committee decided that it is better to provide for pay costs in the general supplemental than to disrupt land acquisition in the Bon Secour National Wildlife Refuge and construction projects in Arizona, New Jersey, and California.

The strategic petroleum reserve deferral involves the largest amount of money. The administration's proposal is to delay construction of the Big Hill, Tex., permanent underground storage site for 1 year. Administration witnesses testified, however, that the delay would increase costs by $625 mil-

lion. Of this, $95 million is associated with inflation in construction costs and $530 million is associated with anticipated higher oil costs by delaying the availability of storage capacity. The committee believes that every effort should be made to accelerate permanent storage capacity rather than to delay.

The Appropriations Committee reported these resolutions by a voice vote on July 22, 1982.

Mr. Speaker, I recommend that these deferral disapproval resolutions be approved.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. McDADE. Mr. Speaker, I rise in support of the deferral disapproval resolutions before you today. They total $58.6 million in budget authority for activities—$52 million of which overturns one item, the strategic petroleum reserve.

This deferral would delay the construction of the Big Hill, Tex., permanent storage site by 1 year. The proposed delay was represented to us by OMB as an economy move. We could save $52 million in budget authority in fiscal year 1982 by agreeing to it today. However, witnesses conceded that this delay would cost the taxpayers $625 million in total increased costs, $95 million in inflated construction costs, and $530 million in extra costs for oil. It was obvious that we would be penny-wise and pound-foolish to agree to this deferral.

Frankly, if you read the papers and watch television you can see the eruption of a new war in the Persian Gulf—it is clear that our oil supplies are not yet stable. Our Nation's security is too important to play budget games with the strategic petroleum reserve.

Three of the remaining deferrals apply to the historic preservation of urban parks and recreation programs of the National Park Service. They propose to take program funds provided by Congress and convert them into administrative funds.

One of these deferrals proposes to take $2.8 million in previously appropriated funds from the States and transfer them into administrative expenses. The Comptroller General has ruled that such action is a violation of the Budget and Impoundment Control Act and is illegal. The administration disagrees, so we must act this way because we believe the funds should, by law, be made available.

The remaining deferrals take program funds from the Fish and Wildlife Service and convert them into pay costs. They will disrupt land acquisition activities in the Bon Secour National Wildlife Refuge as well as construction projects in Arizona, California, and New Jersey. The committee has specifically requested these funds be used for construction and acquisition and rejects this request outright.

Mr. Speaker, these actions coming late in the year will have little or no effect on our ability to affect the fiscal year 1982 budget. They will keep six congressionally approved programs alive and well and they will save us considerable money if we go forward with them now. I urge your approval.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

□ 1840

The resolution was agreed to.

RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (LAND AND WATER CONSERVATION FUND)

Mr. MURTHA. Mr. Speaker, I call up House Resolution 475, recommending that the House of Representatives express its disapproval of proposed deferral D82-239, and I ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. RES. 475

Resolved, That the House of Respresentatives hereby disapproves the proposed deferral of budget authority in the amount of $2,821,000 for Land and Water Conservation Fund, Department of the Interior (deferral numbered D82-239), as transmitted by the President to the Congress on March 18, 1982, under section 1013 of the Impoundment Control Act of 1974.

Mr. MURTHA (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution was agreed to.

RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (URBAN PARK AND RECREATION)

Mr. MURTHA. Mr. Speaker, I call up House Resolution 476, recommending that the House of Representatives express its disapproval of proposed deferral D82-238, and I ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 476

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $858,000 for Urban Park and Recreation Grants, Department of the Interior (deferral numbered D82-238), as transmitted by the President to the Congress on March 18, 1982, under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania (Mr. MURTHA).

Mr. SAM B. HALL, JR. Mr. Speaker, will the gentleman from Pennsylvania yield to me?

Mr. MURTHA. I yield to the gentleman from Texas.

Mr. SAM B. HALL, JR. When the gentleman from Pennsylvania is talking so fast and putting these amendments through, I just want to ask the question of whether or not there is anything in here dealing with pay raises in what the gentleman is doing here today.

Mr. MURTHA. There is nothing dealing with the pay raise, I would say to the gentleman from Texas.

Mr. SAM B. HALL, JR. I thank the gentleman.

Mr. MURTHA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (STRATEGIC PETROLEUM RESERVE)

Mr. MURTHA. Mr. Speaker, I call up House Resolution 479, recommending that the House of Representatives express its disapproval of proposed deferral D82-10A, and I ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 479

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $52,860,000 for strategic petroleum reserve, Department of Energy, to delay phase III development of the reserve during fiscal year 1982 (deferral numbered D82-10A), as transmitted by the President to the Congress on February 8, 1982, under section 1013 of the Impoundment Control Act of 1974.

The resolution was agreed to.

RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (U.S. FISH AND WILDLIFE SERVICE)

Mr. MURTHA. Mr. Speaker, I call up House Resolution 493, recommending that the House of Representatives express its disapproval of proposed deferral D82-247, and I ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. RES. 493

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $400,000 for land acquisition, United States Fish and Wildlife Service, Department of the Interior, during fiscal year 1982 (deferral numbered D82-247), as transmitted by the President to the Congress on June 2, 1982, under section 1013 of the Impoundment Control Act of 1974.

Mr. MURTHA (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution was agreed to.

RESOLUTION DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (CONSTRUCTION AND ANADROMOUS FISH)

Mr. MURTHA. Mr. Speaker, I call up House Resolution 494, recommending that the House of Representatives express its disapproval of proposed deferral D82-246 and, I ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. Res. 494

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $600,000 for construction and anadromous fish, Department of the Interior (deferral numbered D82-246), as transmitted by the President to the Congress on June 2, 1982, under section 1013 of the Impoundment Control Act of 1974.

Mr. MURTHA (during the reading). Mr. Speaker, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Chair recognizes the gentleman from Pennsylvania (Mr. MURTHA).

Mr. McDADE. Mr. Speaker, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Pennsylvania.

(Mr. McDADE asked and was given permission to revise and extend his remarks.)

Mr. McDADE. Mr. Speaker, I rise in support of these resolutions and urge their adoption.

I yield back the balance of my time.

Mr. MURTHA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

GENERAL LEAVE

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the resolutions just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1983

Mr. PRICE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6030) to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6030) with Mr. AUCOIN, Chairman pro tempore, in the chair.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, title X, formerly title IX, and title VIII in the reported bill were open to amendment at any point.

All time for debate on the bill under the 5-minute rule had expired.

Are there further amendments to title X?

AMENDMENT OFFERED BY MR. HARTNETT

Mr. HARTNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARTNETT: At the end of the bill add the following new section:

ONE-YEAR RESTRICTION ON TRANSFER OF NAVAL VESSELS TO FOREIGN COUNTRIES

SEC. 1013. Notwithstanding section 7307(b) of title 10, United States Code, during the one-year period beginning on the date of the enactment of this Act no naval vessel may be sold, leased, granted, loaned, bartered, transferred, or otherwise disposed of to another nation unless specifically authorized by law.

The CHAIRMAN pro tempore. Is the gentleman's amendment printed in the RECORD?

Mr. HARTNETT. No, Mr. Chairman, it is not.

Mr. Chairman, I ask unanimous consent to have 1 minute to explain my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HARTNETT. Mr. Chairman, I thank my colleagues.

I yield to the Chairman of the Seapower Subcommittee.

Mr. BENNETT. Mr. Chairman, we on this side have inspected this amendment and approve it. We would agree to it.

Mr. HARTNETT. I thank the gentleman.

I want to reclaim the balance of my time to say that this amendment would strictly make it unlawful for the Navy to sell any ships to a foreign port without first being approved by this Congress, or to a foreign country without first being approved by this Congress.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding.

Our side has examined the amendment and we accept it as well.

Mr. HARTNETT. I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. HARTNETT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEJDENSON: At the end of the bill add the following new section:

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. . None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

Mr. GEJDENSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DAN DANIEL. Will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, I would say to the gentleman that we have examined this amendment, and we have no objection to it.

Mr. GEJDENSON. I thank the gentleman.

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The CHAIRMAN pro tempore. Has the gentleman's amendment been printed in the RECORD?

Mr. GEJDENSON. Yes, it is, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Connecticut (Mr. GEJDENSON) is recognized for 5 minutes in support of his amendment.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by my colleague the gentleman from Connecticut (Mr. GEJDENSON) which would prevent the Department of Defense from contracting-out firefighting and base security functions at military installations and facilities. I commend the gentleman for this initiative and for the legislation H.R. 5728, he introduced, of which I am a cosponsor, from which this amendment is drawn.

The Committee on Post Office and Civil Service's Subcommittee on Human Resources, of which I am a member, held extensive hearings on the contracting-out issue last Congress. Through these hearings, I came to recognize that there is an array of problems associated with contracting out, including the fact that not all such contracting has proved to be cost-effective.

The specific functions that the gentleman's amendment addresses, firefighting and security functions, are particularly sensitive positions, which I believe current evidence indicates should be exempted from contracting out.

These critical functions should not be casually turned over to private contractors who might not perform such jobs with the same sense of mission and concern which characterizes our Federal firefighters and security officers' approach to their jobs. Moreover, as the gentleman has indicated, such functions are inherently governmental in nature, and base commanding officers should maintain direct control over important base functions on which the safety and security of personnel and costly facilities depend.

I was pleased that the Senate recognized these concerns and adopted a similar amendment to the Senate Defense Department authorization bill for fiscal year 1983.

Accordingly, I urge my colleagues to support this well-reasoned amendment to maintain the integrity of the critical firefighting and security functions at our Nation's military facilities.

Mr. GEJDENSON. I thank the gentleman.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Connecticut, concerning the contracting out of firefighting and security services at military installations.

As a member of the House Armed Services Committee, I am very familiar with this issue, and I introduced a bill similar to Mr. GEJDENSON's amendment which would have prohibited the contracting out of firefighting and security services at the Portsmouth Naval Shipyard, which is in my congressional district. The Portsmouth Yard is an excellent example of why certain critical services should not be contracted out. This yard overhauls nuclear submarines, at the rate of about five at any one time, and there is an ever-present danger of fire or security breaches. We currently have a work force at this yard which handles the many threats of this nature in a very professional fashion, and this is the case at many other military installations all across the country.

The central issue here is whether or not the negligible savings from contracting out justify the employment of private firefighting and security services which may be of uncertain quality and reliability. First and foremost, contractor personnel would be permitted to strike; Government employees cannot. Second, the commander of an installation would have uncertain control over personnel which are not statutorily under his command; Government employees have an absolute requirement to obey the orders of the base commander. Finally, I have seen evidence that OMB Circular A-76 is subject to abuse: One supervisor at the Portsmouth Yard said that the contractor who bids $1 lower than the Federal employees bid gets the contract. The cost saving requirement is 10 percent, not $1, but OMB has been lax in policing this process.

Mr. Chairman, I am a proponent of the cost-effective, mission-effective contracting out of noncritical services at military installations all across the country. There are great cost savings and efficiencies to be derived from this approach, if it is properly administered. However, I absolutely oppose contracting out the very services that keep our military secrets and facilities safe from harm or compromise. For this reason, I have cosponsored and am strongly supporting the amendment of the gentleman from Connecticut.

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Mr. Chairman, I wish to associate myself completely with the remarks of the gentleman from Connecticut, (Mr. GEJDENSON). The services performed by firefighters and security personnel at Military installations across this country are too vital to even consider contracting out to the private sector. By contracting out these workers, we are increasing the possibility of some catastrophe occurring on our military bases.

A catastrophe is more likely to happen on a base where carefully trained firefighters and security personnel who have worked at their jobs for many years are replaced by persons completely new to the surroundings. Instead of one or two new workers per year requiring training, contracting out means dozens of people learning their duties from scratch at one time. Even then, contracted out employees are replaced more often as private industry often cuts costs by putting in new employees at lower wages. All of these possibilities point to a work force with little experience on their particular base, unlike the Government workers who have been at the base because they enjoy the security of long-term employment and are familiar with their place of employment. It seems obvious to me that the contracting out of firefighters and security personnel increases the danger of some catastrophe occurring on military installations.

There is another cause for concern in contracting out: the lack of control over employees of the private sector. As a commander of a military base, I know I would be disturbed with the fact that I could not have complete control of the firefighters and security personnel on my particular base. That is the unfortunate situation that exists under contracting out. Of course, we realize that in most situations, contracted-out workers would obey the military commander. However, it is the possibility of noncompliance which concerns me and should concern my colleagues. Any time there is an emergency at a military base involving expensive weaponry and equipment, there should not be one bit of doubt as to who is in control of the situation and who should be obeyed. It would comfort me to know that firefighters and security personnel on our military installations answer to the base commander directly, and depend on the U.S. Government for their paychecks. A more direct, centralized control of these men and women means safer military installations.

Frankly, I am also frightened by the possibility of strikes by privately contracted workers that may endanger the entire military base where they are employed. Everyone knows that

Government workers are not permitted to strike. Such a course of action by private sector employees could hamper some vital part of our national security system. Although I am a strong supporter of the worker's right to strike, I cannot agree with that right when it jeopardizes our national defense.

Mr. Chairman, frequently the Department of Defense contracts out firefighters and security personnel to lower the number of civilians they employ. It is seen as a great cost cutting scheme. Unfortunately, this great scheme backfires on DOD and it ends up paying out more money than previously expected. DOD falls into the trap of saving some dollars initially as the new contracted out employees replace those experienced Government workers with higher salaries. I have already covered the dangers of replacing so many experienced firefighters and security personnel with inexperienced workers. However, after the first year, the contractor may raise its price, and in time the Government may actually lose money with this contract.

To summarize my complaints, our military installations in the United States are placed in great jeopardy by contracting out their firefighters and security personnel, and the U.S. Government does not necessarily save any money in the long run. Please support the gentleman from Connecticut in this bid to prohibit the contracting out of firefighters and security personnel by the Department of Defense.

Mr. WHITEHURST. Mr. Chairman, I strongly support the amendment offered by the gentleman from Connecticut. Earlier this year I joined with him in introducing similar legislation to prohibit the contracting out of firefighting and security functions at military installations and other facilities where functions related to the development, manufacturing, and testing of nuclear weapons takes place.

From the start it has been inconceivable to me that these critical services should be candidates for A-76 contracting out. I can think of nothing more important, or an essentially governmental function than the security of nuclear components and military facilities or the safety of defense personnel and surrounding civilian communities. How do you write a statement of work for a request for proposal for the effective handling of a nuclear accident? Too much is at stake to pursue near term savings at a risk of potential disaster.

Two days of joint hearings by the Rediness and Military Personnel and Compensation Subcommittees of the Armed Services heightened these concerns. On the one hand, we saw the professionalism, dedication, and concern by Federal firefighters and security guards who are highly trained with a proven performance record. On the other hand there seemed to be a relative insensitivity on the part of OMB and DOD witnesses regarding the inherent risks involved in converting these essential functions.

I have always been partial to the adage "if it isn't broken, don't fix it." In this instance it ought to be "if it is essential and critical, don't contract it out."

I urge your support for the Gejdenson amendment.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, on Tuesday an amendment was adopted which goes beyond the Armed Services Committee's recommendations on contracting out. This amendment added to the bill language specifically prohibiting any studies of the feasibility and potential cost saving of contracting with a private firm for needed services.

In my opinion, the committee's action and the ban on new studies are an overreaction to problems more relevant to the administration of this program rather than its basic premise. At best, these restrictions are imprudent. To kill a program in an avowed effort to restore rationality and/or orderly administration is less than rational in itself.

The committee not only called for a 1-year moratorium but also deleted the moneys to continue studying commercial activities under the program to discern what is most economically performed by the private sector and indirectly, what should or should not be performed either due to national security considerations or plain economics.

The Fazio amendment incorporated in the bill an absolute ban on any studies in the next fiscal year. A study is usually the first step before any arrangement can be made with a private contractor, thus no new contracting out can take place in 1983 and future contracting out will be delayed and severely disrupted.

In addition to ignoring the proven savings in dollars and operational efficiency, we have removed DOD's flexibility to turn to the private sector to procure needed expertise, including thousands of commercial activities. The Department itself has testified against restrictions on contracting-out and Secretary Weinberger has stated previously that "these actions are not in the best interests of the Department or the Nation."

The pending amendment would prevent the use of the private sector for firefighting and base security services. This is in spite of the fact that DOD has contracted for firefighting and base security services for a number of years. In fact, a contractor has been providing fire protection services to the Eastern Test Range for almost 30 years. During this time, there has never been a serious accident to personnel or equipment and facilities.

The most prevalent criticism of contracting-out deals with the impediments contractors are thought to impose on our Nation's war readiness position. Most functions currently performed by Government personnel are thought to be inherently governmental functions, and therefore, cannot be performed efficiently or reliably by contractor personnel. What is overlooked is that private business participation in our war effort provides virtually the entire "war machine" of manpower and hardware. Contractors provide airlifts, fuelings, base contruction, depot level maintenance, oftentimes improving readiness by allowing military personnel to perform more direct readiness duties.

I urge my colleagues to oppose this ill-advised action, and to support efforts to remove from the DOD authorization bill, the ban on contracting-out studies. Already the explicit ban on studies combined with the 1-year moratorium and the deletion of funds will impose unnecessary constraints on the Secretary of Defense's discretion. Such restrictions ignore proven cost savings and will unquestionably expand the role of Government into duplicating the performance of commercial functions already developed and available in the private sector.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BADHAM. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I request unanimous consent to revise and extend my remarks. I rise to strongly oppose the amendment offered by the gentleman from Connecticut (Mr. GEJDENSON) which would prohibit the Department of Defense from contracting Federal firefighter and security functions at military installations.

As my colleague may recall, this is not the first time that Federal firefighters have tried to put a permanent lock on their jobs. A similar amendment was offered last year to the Defense Department appropriation bill. I was pleased that the House, in its eminent good judgment, rejected that amendment. The Federal firefighters are a persistent lot, however, and are at it again, parading before Congress a litany of myths about why their jobs should not be contracted, even if it proved that the private sector could perform these functions more effectively and at significant savings to the taxpayer.

As the ranking Republican member of the Committee on Post Office and Civil Service, I have witnessed, year after year, not only the sporadic attempts to hamstring the Government's legitimate contracting oper-

ations, but also the routine introduction of a bill to shorten the workweek of Federal firefighters without reducing their premium pay. Neither the Ford nor Carter administration could accept such a costly proposal. Indeed, hearings before our committee revealed that salaries paid to Federal firefighters exceeded the national average pay for municipal firefighters by 12.7 percent at the entry level and approximately 20 percent at the maximum. So as my colleagues can see, it is understandable why the firefighters would fiercely defend the highly lucrative positions they now enjoy.

The firefighters have attempted to cloak their pecuniary interests by stating that the functions that they, and security personnel perform, are too sensitive to contract out, and that Federal employees are better motivated to perform their job more effectively and satisfactorily than their private sector counterparts. There is little evidence to support those claims. In fact, Federal contracts generally require continuous training of personnel and the availability also of backup forces. In addition, the private contractor's job literally depends on performance.

Supporters of this amendment also argue that private sector employees may strike. They fail to acknowledge the recent incidents involving Federal employee "sick-outs" or again the backup personnel that a private contractor must maintain to assure continuous performance of the contract. The PATCO debacle speaks for itself.

Mr. Chairman, I believe that the contracting-out procedures we now have in place under OMB Circular A-76 generally permit us to assure an effective cost comparison between in-house personnel and the private sector. While Federal firefighters and security officers are dedicated and hard working in most cases, I see no reason why their functions should not be contracted if the private sector can perform these operations more effectively and save the taxpayers considerable sums of money.

Accordingly, I urge my colleagues to reject this plum for a special interest group and insure instead that the Defense Department be permitted to rely on contractors where the private sector can do the job better and cheaper.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GEJDENSON).

The question was taken; and on a division (demanded by Mr. DERWINSKI) there were—ayes 69, noes 33.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. GINGRICH

Mr. GINGRICH. Mr. Chairman, I offer an amendment, which has been printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. GINGRICH: At the end of the bill, add the following new section:

REPORT ON VISTA 1999 TASK FORCE REPORT

SEC. 1014. (a) The Secretary of Defense shall conduct a full and complete study and evaluation of the recent report and recommendations by the Chairman of the VISTA 1999 task force entitled "Vista 1999, A Long-Range Look at the Future of the Army and Air National Guard". Such study and evaluation shall include but not be limited to the following:

(1) A detailed evaluation of the study's findings, conclusions, and recommendations.

(2) The views of the Chief of the National Guard Bureau on the "Vista 1999" study.

(3) Any plans and recommendations for implementation of the contents of the "Vista 1999" study.

(b) This report shall be provided to the Committees on Armed Services of the House of Representatives and Senate no later than February 1, 1983.

Mr. GINGRICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN pro tempore. The amendment offered by the gentleman from Georgia (Mr. GINGRICH) has been printed in the RECORD, and the gentleman is recognized for 5 minutes in support of his amendment.

Mr. GINGRICH. Mr. Chairman, this is an amendment based on a report on Vista 1999, a long-range look at the future of the Army and Air National Guard done in March 1982. It simply requires that the Secretary of Defense look carefully at the recommendations of that report and at the possibility of dramatically more of our work being done by the Army and Air National Guard.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, on this side we have examined the amendment, and we have no objection to it.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, we have looked at this, and I have also discussed it with the chairman of the subcommittee that deals with this. I think it is a good amendment, and we certainly have no objection to it.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I have been talking to the gentleman about his amendment for several days. I commend the gentleman for asking for this study, and I support what the gentleman is doing.

Mr. HOLLENBECK. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New Jersey.

Mr. HOLLENBECK. Mr. Chairman, I also rise in support of this amendment.

Mr. Chairman, I rise in strong support of the amendment offered yesterday by the chairman of the Government Operations Committee, the gentleman from Texas, to create a strong and truly independent Inspector General within the Department of Defense. I am pleased that it passed. There could be no stronger need and no better time than now, as we consider legislation authorizing an unprecedented $180 billion for the Department of Defense, to extend to the Defense Department this proven and well-respected tool for improving fiscal accountability and ferreting out waste and fraud in the Pentagon.

Mr. Chairman, in 1978, the Congress took what is acknowledged to be one of the most cost-effective and sensible actions in our country's history: We created an Office of Inspector General for almost every Federal department and agency, except for the Department of Defense. In May of last year, the House of Representatives through the efforts of the distinguished chairman, passed legislation creating an Inspector General in the Department of Defense. Unfortunately, the Senate has not yet considered the act, and as a result we still do not have anyone at the Pentagon who has enough independence an power to strike fear in the hearts of anyone tampering with tax dollars—whether the wrongdoer is military, civilian, contractor, or lobbyist. Instead, we now have 18 separate organizations and 18,000 people in various services who work on small parts of the puzzle, a confusing situation in which no one is fully responsible or accountable.

Nowhere in Government is a responsible and totally independent Inspector General needed more than at the Defense Department. Mr. Chairman, we are spending at the rate of almost a billion dollars a day, Monday to Friday of every week for Defense Department activities. Every day without an Inspector General is a missed opportunity to save million of dollars. Clearly, action is needed now, before more money is misspent and before we agree to approve spending increases. Mr. Chairman, waste and mismanagement is not, unfortunately, a thing of the past in the Department of Defense. There are many, many opportunities still available to institute meaningful reforms in procurement and contracting procedures, and to eliminate entirely, duplicative and unnecessary programs. The General Accounting

Office in over 100 reports in the last year has illustrated in irrefutable fashion the enormous savings that are possible. A Congressional Republican Study Committee Report in 1981 also cited several General Accounting Office reports which estimate that the Pentagon could save several billion dollars annually. Complementing these findings are the recommendations made by the Northeast-Midwest Congressional Coalition to save several billion in defense dollars and the literally dozens of recommendations made by such noted authors as Walter Pincus of the Washington Post, and William Kaufman, and others that note several ways to safely reduce defense spending.

Mr. Chairman, these instances of waste and abuse are documented. They were made a matter of public record, and as a result, in some cases at least, we in Congress were able to do something. Imagine what we could accomplish if we invested in an Inspector General the resources and authority needed to perform meaningful investigations and to bring his findings to the attention of the President, the Congress, and the American people.

Mr. Chairman, this amendment provides an ideal opportunity to let our military planners know that someone is watching them and that the Congress and the taxpayers expect them to carefully monitor and streamline and eliminate wasteful defense spending. I urge its adoption.

And further, Mr. Chairman, I regret that an agreement to end all debate on the defense authorization bill precludes me from engaging in a colloquy with the distinguished chairman on the subject of NATO cost-sharing. In light of the growing consensus that our allies are not assuming their fair share of the financial and military burden of defending NATO and Japan, I think it is appropriate at this time that we put ourselves, that is the Congress, on record in support of that section of the Senate authorization bill, section 1108, which expresses the belief that our allies are not contributing as much as they should for the common defense.

Mr. Chairman, I think it is important that the U.S. Congress send a signal to our allies that the current imbalance in the levels of effort is an intolerable situation which cannot be allowed to continue indefinitely. Earlier this week I received assurances from the Chairman that he shares my concerns and that they should be contributing more. The Chairman communicated to me his intention to give very careful consideration to the inclusion of section 1108 in the conference with the Senate on the Defense Authorization Act. I take this opportunity to urge his continued attention to this serious issue, and to reiterate my support for the inclusion of section 1108 in the conference report to accompany the Department of Defense Authorization Act for fiscal year 1983.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Georgia (Mr. GINGRICH).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: At the end of the bill, add the following new section:

STUDY ON FOREIGN LANGUAGE REQUIREMENTS

SEC. 902. (a)(1) The Secretary of Defense shall conduct a study on the feasibility of requiring each cadet and midshipman at the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy and each member of the Senior Reserve Officers' Training Corps program to study at least one foreign language for not less than two years and to increase existing requirements for foreign language study at such academies and in such program.

(2) The Secretary shall include in such study consideration of the desirability and feasibility of paying a bonus to each member of the Armed Forces stationed in a foreign country who is proficient in the native language (other than English) of such country.

(b) A report on the study conducted pursuant to subsection (a) shall be submitted by the Secretary of Defense to the Congress not later than the date occurring 12 months after the date of the enactment of this section.

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. Has the gentleman's amendment been printed in the RECORD?

Mr. SIMON. Yes, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Illinois (Mr. SIMON) is recognized for 5 minutes in support of his amendment.

Mr. SIMON. Mr. Chairman, I believe this is a noncontroversial amendment which is acceptable to both sides. It simply asks that the Defense Department study a very real problem, and that is the language deficiencies in the Armed Forces.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Alabama.

Mr. NICHOLS. This is virtually the same amendment offered last year that was accepted by the House?

Mr. SIMON. That is correct.

Mr. NICHOLS. We have no objection on this side, Mr. Chairman, and we support it.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Alabama.

Mr. DICKINSON. Does this have to do with requiring bilingual ability of those in the Academy?

Mr. SIMON. This asks for the Defense Department to look at the academies, look at our ROTC programs and see what we ought to be doing, perhaps, to encourge more foreign languages.

Mr. DICKINSON. But this is really just mandating a study?

Mr. SIMON. It mandates a study and asks the Defense Department——

Mr. DICKINSON. That is all it does?

Mr. SIMON. That is all it does.

Mr. DICKINSON. I have no objection to it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. SCHNEIDER

Mrs. SCHNEIDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHNEIDER: Page 26, line 22, insert at the end of the bill:

RESTRICTION ON CONSTRUCTION OF NAVAL VESSELS IN FORIEGN SHIPYARDS

SEC. 1017. (a) Chapter 633 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 7309. Restriction on construction of naval vessels in foreign shipyards

"(a) Except as provided in subsection (b), no naval vessel, and no major component of the hull or superstructure of a naval vessel, may be constructed in a foreign shipyard.

"(b) The President may authorize exceptions to the prohibition in subsection (a) when he determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date the notice of such determination is received by Congress.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"7309. Restriction on construction of naval vessels in foreign shipyards.".

Mrs. SCHNEIDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Rhode Island?

There was no objection.

The CHAIRMAN pro tempore. Has the gentlewoman's amendment been printed in the RECORD?

Mrs. SCHNEIDER. Yes, Mr. Chairman, it has been printed in the RECORD.

The CHAIRMAN pro tempore. The gentlewoman from Rhode Island (Mrs. SCHNEIDER) is recognized for 5 minutes.

Mrs. SCHNEIDER. Mr. Chairman, I am not going to take much of the committee's time. This amendment is the text of my bill, H.R. 3464, which passed the House last November by a 365 to 21 vote under suspension. The amendment has been accepted in S. 2248 and, in short, it will insure that our naval shipbuilding industrial base is strengthened and thousands of jobs kept in this country by requiring that naval ships and their major hull and superstructure components are procured from U.S. shipyards.

Mr. BENNETT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHNEIDER. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, we have inspected this amendment on this side, and we are in favor of the amendment.

Mrs. SCHNEIDER. I thank the gentleman.

● Mr. ANDERSON. Mr. Chairman, it is with great reluctance that I rise to support the gentlewoman's amendment. Her motivation is certainly commendable: to prohibit U.S. naval vessels and major components of the hull or superstructure from being built in foreign shipyards. There is no more ardent supporter of this policy goal than myself. However, I find the language in the amendment allowing the President to authorize naval vessels to be built in foreign shipyards, if he determines that such construction would be in the "national interest," disturbing. I ask you, "Should we ever build any naval vessel in any foreign yard?"

We need a strong and viable naval shipbuilding industry to meet the critical needs of national defense. The shipbuilding industry will not be helped by permitting ships to be built in foreign yards.

Proponents of the "presidential language" have argued there is no need to worry. "After all", they say, "the law provides a 30-day period in which Congress could overturn a decision they don't like." I reject this notion as naive. We all know how glacially slow Congress can be.

I would be much happier if this amendment did not contain this discretionary authority for the President.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Rhode Island (Mrs. SCHNEIDER).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. COLLINS of Illinois: At the end of the bill add the following new section:

LIMITATION OF PROCUREMENT OF RATIONS PACKAGED OUTSIDE THE UNITED STATES

SEC. 1018. None of the funds appropriated pursuant to authorizations of appropriations in this Act may be used for the procurement of combat rations for the Armed Forces unless such rations were packaged inside the United States.

Mrs. COLLINS of Illinois (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

The CHAIRMAN Pro tempore. Has the gentlewoman's amendment been printed in the RECORD?

Mrs. COLLINS of Illinois. Yes, Mr. Chairman.

The CHAIRMAN pro tempore. The gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

□ 1900

Mrs. COLLINS of Illinois. Mr. Chairman, this amendment if offered to close what I consider to be a widening loophole in the Buy American provision of the 1982 Defense Appropriations Act.

As a result of this loophole thousands of U.S. jobs are being jeopardized in the food packaging industry.

The Department of Defense is in the process right now of replacing traditional canned food, or C rations, used by the armed serivces with a new form of combat field rations contained in light weight flexible retort packages or pouches. Consistent with the Buy American provisions of the DOD Appropriations Act, which has been in effect since 1940, DOD has traditionally restricted all phases of combat rations procurement to firms operating in the United States.

Recently, however, DOD decided that this was not going to be the case any more and as a result we find American firms being unable to garner a larger share of subcontracts for the production of combat rations. In addition, the share we have has been threatened by this decision.

An appeal was made by an American firm to ask the DOD to reconsider its narrow interpretation of the Buy American provisions. The DOD overruled an earlier decision originally made by the Defense Personnel Support Center, and, thereby, is likely to permit foreign companies to do this packaging. Because they felt so strongly about the issue, the Buy American issue, the Defense Logistics Agency requested the General Accounting Office to interpret the provision. GAO supported DOD's decisions on the ground that the legislative history of the defense appropriations, Buy American provision was unclear with respect to the inclusion of packaging as opposed to growing and processing food. And I think this is a specious argument to say the very least.

At a time when we find ourselves faced with many jobs being let out of the United States, I think we should do nothing to encourage the exportation of jobs for American workmen. In fact, the General Accounting Office decision ignores the very language on which the Buy American provision was based, and that was by Senator O'Mahoney of Wyoming in 1939 when he said the exportation of jobs for American workmen should not be permitted.

I fully agree with that. The GAO ignores this language in upholding the decision to contract. Congress cannot allow this decision to stand because, in addition to opening the doors for foreign competition in the packaging of our combat rations, thereby jeopardizing potential jobs for American workers, there are serious national security reasons for clarifying the Buy American principle for food packaging.

In the event, for example, of military mobilization, DOD estimates that it will require approximately 18.9 million cases of combat rations for the first 6 months and 5.4 million cases per month thereafter. Suffice it to say that a shortfall in combat rations could leave our military in a critical situation.

It should be obvious, therefore, that it is absolutely essential and within our national interests to develop and maintain facilities for all phases of combat ration production on U.S. soil.

Therefore, I urge my colleagues to vote for this amendment.

Mr. CONYERS. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentlewoman for yielding.

I support the amendment.

Mr. Chairman, in what little discussion we have had on the issue of nuclear proliferation during debate of the Department of Defense authorization, we in this Chamber seem to be missing what is actually going on in the world outside. We have been arguing pragmatically about nuclear superiority, the calculus of deterrence, the millions of deaths that would result from the detonation of thousands of nuclear warheads, with little or no focus on the justification of this awesome destruction.

The people listening to us outside are aware that our dialog fails to weigh the ultimate questions of human existence which are the concern of all moral and religious leaders. And because of our failure to discuss moral values, people are afraid.

They are thinking about their own deaths and those of their children and of generations yet unborn. They are sensitive to the unintended callousness of our debate. Here, in Europe and all

over the world people do not want to die in a nuclear war. But in this Congress, in the Soviet Union and in parliaments of other countries debate over the preparation for war continues. They hear us talking about Pershing II missiles and "winnable" nuclear wars and some of them are thinking that we are out of touch with reality. The reality is this: There is no national objective that is morally worthy of risking the destruction of civilization in a nuclear holocaust.

This is what the street demonstrations are all about, both here and in Europe. This is what the people in the millions are trying to tell us and I believe that they are right.

Here in Washington, Bishop John T. Walker of the National Cathedral has said:

It is alarmingly clear that a nuclear war will have no winners, that the ecosystem of this fragile planet, our island home in space, will be forever destroyed should mankind be so stupid as to unleash the nuclear demons. At such a time, our nation should be leading the world in efforts to find alternatives to military solutions. But what are we doing?

We are increasing our military spending to $1.7 trillion over this five year period. The House Budget Committee chairman recently observed that if you spent $1 million dollars every day since the birth of Christ you would have spent only half of what is being proposed for military spending in these five years in the United States alone. Most of that stupendous amount is slated for a new generation of nuclear weaponry and the capacity to fight a continuing nuclear war.

But what are we in Congress actually doing? We say that we want to preserve the basic economic and political institutions of the American free enterprise system. Yet we want to produce the very weapons that may ultimately destroy these institutions. As John K. Galbraith has pointed out:

If there is a nuclear exchange, large or, as some imagine, limited—what is called free enterprise or capitalism will not survive. Nor will free institutions. All will be shattered beyond recovery.

More than a century ago, Thomas Hobbes addressed the possible end of civilization, in the following words:

There will be no arts, no letters, no society . . . and the life of man, solitary, poor, nasty, brutish, and short.

This is the future that we legislators offer to the people of the United States and the rest of the world if we do not fight to control nuclear weapons now and finally do away with all nuclear weapons, here and elsewhere.

The acceleration of the preparations for an unwanted nuclear war as represented in the pending DOD authorization bill carries heavy cost in terms of social deterioration. The increases in spending for nuclear weapons, item by item, represent money that is being cut from domestic civilian programs of all kinds, from nutrition for infants to the funding of graduate education.

The amendment to the DOD authorization bill that I have introduced would cut funds for the procurement of new nuclear weapons delivery systems and warheads for 1 year while nuclear arms reductions are being negotiated. The cuts would not affect the funding for the maintenance of existing nuclear weapons systems nor research and development of the new nuclear weapons systems.

The savings for the 1-year halt would amount to $10.5 billion. This saving is enough to restore most of the cuts in the social programs affecting small children. Very truly it can be said that we are taking milk from the mouths of small children and transforming it into nuclear weapons.

We must carefully ponder the morality of this exchange and its effects—the degradation of our society in the name of national security. Yet what kind of security are we buying? With each new weapons system we are making the hair trigger on the final nuclear disaster more delicate—we are buying less security and not more.

In contrast, we are not prepared to take the lesser risks of negotiated nuclear arms reduction but are prepared to risk everything in an escalating arms race before beginning seriously to negotiate.

The choice before us—continued escalation versus an immediate move to arms reduction should be based on our perception of ethical and religious values. It profoundly disturbs me that the moral implications of our awesome choices have received so little discussion in this debate.

Mrs. COLLINS of Illinois. Mr. Chairman, I yield back the balance of my time.

Mr. FAUNTROY. Mr. Chairman, I rise in support of my distinguished colleague from Illinois, Congresswoman CARDISS COLLINS, who, has offered this meritorious amendment to the Department of Defense Authorization Act of 1983, "that no funds appropriated pursuant to authorization of appropriation in the act be used for the procurement of combat rations for the armed forces unless such rations were packaged inside the United States."

This amendment deserves the support of this body both on the economic grounds that it protects the jobs of American workers and on national security grounds related to our ability to supply our armed forces in the event of circumstances requiring quick mobilization.

The amendment offered by my colleague from Illinois is very much needed and I urge its passage.●

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, unfortunately this is another one of those Buy American things that does not do what the author would like it to do and what it purports to do.

Now, this is an amendment that is really and basically aimed at one Canadian company. I have here a letter that was sent by the Canadian Ambassador. He was talking about this company that manufactures this packaged food used by the U.S. armed services.

Condensing it and boiling it down to its very essence, he said, "We view the new amendment offered by Mrs. Collins as running contrary to the spirit of the Canada-United States defense production sharing agreement. Moreover, it ignores the fact that Canadian industry is considered to be an integral part of the North American defense mobilization base. Under two recent Canadian Government contracts for combat rations," and that is what we are talking about, "all of the packaging materials were purchased in the United States which represented an expenditure of some $800,000 of Canadian Government funds in the United States. The imposition of a nontariff trade barrier such as the Collins amendment would clearly distort the bilaterial arrangements our respective governments have maintained for decades in making purchases of defense articles."

Mr. Chairman, everybody is concerned about unemployment in the United States. My State, according to U.S. News & World Report and other reporting publications, shows that my State is second in unemployment in the United States.

I am concerned about jobs. But what we are doing here, this particular amendment would affect about 150 jobs. But the adverse effect that it would have on our relations with Canada could be very negative in nature. It could cost us a great deal more jobs if we are going to start building barriers between us and our neighbors. The 150 jobs are important, 200, or whatever would be involved. I do not say they are not important.

What I am saying is that if we start one of these tariff barriers wars, so to speak, between this country and another country, whether we are talking about Canada, Mexico, Japan, or as was earlier offered, Germany, West Germany, it helps in a particular place perhaps, but overall it costs us jobs.

What people do not understand is that when we start dictating who is going to buy what and where it has be bought, the United States has an advantage in ratio over what we sell to what we buy in defense overseas of about 8 to 1 in this country.

These little packages are in fact packaged in Canada, and perhaps they do have an adverse effect in one place in this country. But when we start throwing up this trade war business, these tariffs, what we do is lose American jobs all over this country.

It is not smart. It is not pro-United States. It is not saving jobs. It is costing us jobs.

So we can take a short-term view and say we would like to help right here at home we have a problem. But in the long run we are losing hundreds and thousands of jobs to protect one little industry.

Perhaps if it was in my hometown I would be doing the same thing. But I am trying to look at the broad picture by saying it does not help, it hurts.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. I thank the gentleman for yielding.

Let me just say in response to that that I do not favor the exportation of American jobs, whether they be 200 or 2 million jobs. I think those jobs are needed here. And it is not just in one little particular location. We are talking about jobs he exported from Minnesota, we have two companies in Minnesota where jobs will be lost, one in Texas, two happen to be in Chicago, one in Washington State, one in Ohio.

The CHAIRMAN pro tempore. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

Mrs. COLLINS of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 1 additional minute.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Illinois?

Mr. RHODES. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The question is on the amendment offered by the gentlewoman from Illinois (Mrs. COLLINS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. PORTER

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: At the end of the bill add the following new section:

USE OF CERTAIN GIFTS TO THE UNITED STATES MILITARY ACADEMY

SEC. 902. (a) Under regulations prescribed by the Secretary of the Army, the Superintendent of the United States Military Academy may (without regard to section 2601 of title 10, United States Code) accept, hold, administer, invest, and spend any gift, devise, or bequest of personal property of a value of $20,000 or less made to the United States on the condition that such gift, devise, or bequest be used for the benefit of the United States Military Academy or any entity thereof. The Secretary of the Army may pay or authorize the payment of all reasonable and necessary expenses in connection with the conveyance or transfer of a gift, devise, or bequest under this section.

(b) This section applies with respect to any gift, bequest, or devise made on or after the date of the enactment of this Act for the purpose described in subsection (a) and applies to any such gift, bequest, or devise made before the date of the enactment of this Act with respect to which the Secretary of the Army has approved application of this section rather than section 2601 of title 10, United States Code.

□ 1910

Mr. PORTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. The Chair asks the gentleman if his amendment, as written, has been printed in the RECORD, or has there been a modification?

Mr. PORTER. No, Mr. Chairman, it is not, but I would ask unanimous consent that I have 45 seconds to explain the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. DICKINSON. Mr. Chairman, reserving the right to object, I do not want to do this, but I know that there are a number downstream that will be in the same situation, and I am constrained to object, although I support the amendment.

The CHAIRMAN pro tempore. Objection is heard.

The question is on the amendment offered by the gentleman from Illinois (Mr. PORTER).

The amendment was agreed to.

● Mr. PORTER. Mr. Chairman, this amendment permits the Superintendent of West Point under regulations to be prescribed by the Secretary of the Army to accept gifts, devises or bequests of personal property of a value of $20,000 or less made to the United States for the benefit of the Academy and administer them as small trusts not subject to 10 U.S.C. 2601.

The impetus for the amendment arose with a scholarship gift fund established with the history department of the Academy in 1968 by Col. Robert Keats (U.S.A. Retired) in memory of his son, Capt. Robert G. Keats, who was killed in action in Vietnam.

This gift consists of a small sum, under $20,000, made available to the history department for the teaching of courses in the history of the military arts. After 11 years of administering the trust successfully, the Inspector General's office in 1979 ruled that this small amount, and all other similar gifts, would have to be administered under the provisions of 10 U.S.C. 2601 et seq., a common trust fund provision requiring extensive DOD supervision and rules.

Mr. Keats—and I am sure there are many like him—intended that the trust in honor of his son be held and administered by the Academy, in a personal way, to provide for needs specified by the chairman of the military history department not otherwise provided by appropriations. To take this small but important gift into the great bureaucratic morass, Mr. Keats felt, would impersonalize it and undermine the purposes for which the trust was established.

The amendment leaves discretion in the donor to have his trust handled in accordance with 10 U.S.C. 2601 if he or she so wishes. But for those who wish to leave a small gift to the Academy—similar to a gift to a private college or university—and have it administered by the Academy personnel, there at West Point, in a personal manner, the amendment also provides this avenue. I urge its adoption.●

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: At the end of the bill add the following new section:

PROHIBITION OF CERTAIN WASTEFUL DEFENSE EXPENDITURES

SEC. 902. (a) The Secretary of Defense shall take such action as may be necessary to ensure that during fiscal year 1983 teletype is not used for routine, low-priority messages of the Department of Defense.

(b) The Secretary of Defense shall prescribe regulations to require that during fiscal year 1983 each individual provided a meal in the dining room of the Secretary of Defense in the Pentagon is charged an amount for that meal sufficient to pay for the full cost of that meal, including overhead and related personnel costs.

(c) Enlisted members of the Armed Forces may not during fiscal year 1983 be assigned to duty as personal aides to general and flag officers.

(d)(1) Except as provided in paragraph (2), during fiscal year 1983 the Department of Defense may not provide veterinary care for pets of members of the Armed Forces or their dependents.

(2) The Secretary of Defense may by regulation authorize exceptions to the prohibition in paragraph (1) in cases of hardship. In any case in which veterinary care is provided pursuant to such an exception, a fee shall be charged in an amount determined pursuant to regulations to be sufficient to provide reimbursement for the cost of the care provided:

Mr. GARCIA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN pro tempore. The Chair will ask the gentleman, has his amendment been printed in the RECORD, or has it been modified?

Mr. GARCIA. Yes, Mr. Chairman, it has been printed.

The CHAIRMAN pro tempore. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. GARCIA. Mr. Chairman, I believe the amendment is particularly appropriate at this moment, because we are toward the end of this bill. We have been at it for almost 40 hours, if not 40 hours. I think that there have been some discussions held here as it pertained to what exactly is in this package.

At the same time, Mr. Speaker, that we are presently cutting care to the elderly and to the poor, the Federal Government is paying for the veterinary care of pets for military personnel.

At the same time, Mr. Speaker, that we cut money for food stamps and lunches for schoolchildren, the taxpayers are paying for meals served in the Secretary of Defense, Caspar Weinberger's private dining room.

At the same time that we cut education aid denying young men and women the opportunity to make it in society, we are paying for personal servants for 300 senior officers in the armed services.

At the same time that we claim that only the needy should be helped and only the most worthwhile programs should be spared, we allow military teletype to be used for routine low-priority messages of the Department of Defense, all of this at the taxpayers' expense.

My amendment would end the subsidies for free meals in Secretary Weinberger's dining room, for personal servants, for veterinary care, and insure that teletypes are not used for low-priority messages.

The amendment would not impair in any way our defensive capabilities as a nation.

Let me give you an example. For every meal that is served in the Secretary of Defense's dining room, and I might add that last year there were approximately 30,869 meals served at a cost of $3.97, with an additional subsidy of $16.05; in other words, every one of those meals were subsidized to the tune of $16.

In terms of telecommunications, one telecommunication that was sent over the teletype service took 76 days elapsed time between the time they received the message and the time that the other party decided to respond.

It also went so far as to transfer a monthly report showing the installations' retail and services department sales and inventories.

It seems to me that at this particular moment when so many people are being asked to sacrifice, that I believe that the Secretary of Defense, I believe that the pets—originally veterinary care was solely and strictly for the purpose of taking care of animals where there was a possibility of a communicable disease between a human and an animal; but today they manicure them, they shampoo them; again all of this at taxpayers' expense.

Mr. NICHOLS. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from New York (Mr. GARCIA).

On the surface, the gentleman's amendment certainly is appealing. He may garner a number of votes because he claims to eliminate excessive spending. However, I must point out to the Members that these claims are exaggerated. Let me address each of the issues, in turn.

First, enlisted aides are not personal servants for senior military and naval officers. Enlisted aides perform tasks related to the official duties of senior military officials that these officials would have to perform themselves in their absence. They schedule appointments; assist in planning, preparation, and conduct official functions and receptions; and provide administrative assistance.

The issue of enlisted aides has been the subject of considerable concern in the past. The Committee on Armed Services addressed the issue in depth during consideration of the fiscal year 1976 Defense Authorization Act. As a result, the number of enlisted aides and the regulations governing their use were substantially tightened.

To remove the aides entirely would "save" some money that would be devoted to their salary. However, the duties would still need to be performed and, if done by the general or flag officer, would detract from his or her primary defense duties. Basically we would be replacing a lower-paid individual who performs these functions with a higher-paid individual—and most importantly, other official defense matters would not be performed for lack of time.

Second, the amendment would prohibit, except in the case of hardship, care for pets of military personnel by military veterinarians. Let me point out that the number of veterinarians in the military is determined based on military requirements alone. Whether pets are treated or not, the same number of veterinary officers would be required. The utilization of veterinarians in peacetime is based on two purposes: First, to protect the health of service members by detecting, preventing, and controlling infectious diseases carried by animals; and second, to provide veterinary personnel a means of maintaining their competence.

With regard to protecting the service member's health, it should be noted that military installations enclose huge areas on which domestic and wild animals reside. Control of disease on these installations is the responsibility of the veterinary officers. Adequate control must necessarily include pets of military personnel residing on the installation.

With regard to maintaining skills, caring for a range of animals with various diseases and injuries benefits the military services because it develops the diagnostic, therapeutic, and surgical skills needed to treat military animals, such as working dogs, and to perform public health functions during wartime.

Finally, I note, most importantly, that all supplies or medication used is at no cost to the taxpayer; the service member is charged full cost.

Third, telecommunication systems are designed to meet mission requirements. "Routine traffic" is carried on all systems. The term simply means transmission and disposition precedence—not content of the message. Current Department of Defense policy requires that routine, low priority messages be sent by nontelecommunication means when mission constraints allow. These alternate means are not cost-free I might point out. Annual reviews are conducted to insure that the most efficient method of communication is used. CBO says no savings.

Fourth, the Committee on Armed Services has taken action with regard to the price of meals in the executive messes in the Pentagon. We have directed the Secretary of Defense to survey prices of meals in similar establishments in the Washington, D.C., area and charge comparable rates in the future. I do not believe the charge should be more than that because these facilities are used to conduct official business.

All in all, Mr. Chairman, I do not believe that the amendment will save any money but it will have an adverse effect on the operation of the Department of Defense. I therefore urge my colleagues to reject the amendment.

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. Certainly, I yield to the gentleman.

Mr. DOUGHERTY. Mr. Chairman, I rise to oppose the amendment.

I would like to point out the most difficult parts of the opening sentence where the Secretary of Defense is not permitted to send low-priority teletype communications. The way it is written, I would read that would apply to all the branches within the Department of Defense. Having served some time as a communications officer in an infantry unit, this would mean, in effect, that you could not go out on combat exercises and have as a means of qualifying your people who work teletype machines and as a means of training your personnel for preparedness in case of conflict that they could not as a matter of training send out low-priority or priority messages.

Now, that to me, Mr. Chairman, goes contrary to the best purposes of having a communications operation in

the service and providing training for those personnel.

Therefore, the amendment should be rejected.

Mr. NICHOLS. Mr. Chairman, I thank the gentleman.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Virginia (Mr. DAN DANIELS).

Mr. DAN DANIEL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition ot the amendment of the gentleman from New York (Mr. GARCIA).

While it is very true that we should look for savings wherever they can be found, the items which would be eliminated by this amendment do not represent waste or abuse, but are perfectly valid expenditures.

Our committee has looked into the matter of use of teletypes for low-priority messages and we have found that the present system is not wasteful; instead, it is the most efficient method for transmitting messages. To prohibit use for this purpose would result in additional clerical and postal costs, and would encourage message senders to upgrade the category of the message so that the teletype might be used. The effect would likely be a washout; one cost element might drop; another would most certainly rise.

Insofar as the use of private dining facilities is concerned, these rooms are not provided simply as perks. They are used for meetings with foreign dignitaries and by top officials who must discuss sensitive matters at working meals. It would certainly not be appropriate for such conversations to be held in a public cafeteria, and their use represents a more efficient use of time by those who use them.

Personal aides is another item the gentleman would strike. Personal aides are not assigned in wholesale lots. Ten years ago, there were 1,722; today there are only 300, and they are assigned on the basis of the function of the individual assisted, not simply on the basis of ranks. Members of the Joint Chiefs of Staff and other ranking officers have responsibilities which can be likened to chief executives, to mayors of large towns, and yes, even to Members of Congress. Just as an employer would provide staff to handle the more-mundane chores, so too should the armed services. If these functions are not performed inhouse, they would have to be contracted out.

And finally, there is the matter of veterinary care. The purpose of these doctors is registration of animals and the prevention of disease transmission. They must be available for that purpose, even if the services ban all pets from the premises.

These are small items, and they are deserving of close scrutiny just as larger items are. But upon such examination, it becomes obvious that each category is a valid one, and that no good purpose would be served by this amendment.

I urge its defeat.

□ 1920

Mr. MONTGOMERY. Mr Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I would like to point out to the Committee that the gentleman from Alabama mentioned that there had been a reduction in enlisted aides. The reduction has been from, in 1972, 83 percent; that is, from 1,722 where there are now only 300 authorized enlisted aides. And this is on a voluntary basis. These personnel do not have to serve in this job. They volunteer for it. I think that is an important issue to come up here this afternoon.

Mr. NICHOLS. Mr. Chairman, I submit that this amendment ought to be voted down.

I would say just one other thing about the veterinarians: They are there to look after the health of that military community, to look after the meat, to inspect the meat. The shots that they give to the dogs and to the cats, and so forth, are completely incidental to the purpose which they serve.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. GARCIA).

The question was taken; and the Chairman pro tempore announced that the "noes" appeared to have it.

Mr. GARCIA. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count for a quorum.

One hundred sixteen Members are present, a quorum.

Mr. GARCIA. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DOUGHERTY

Mr. DOUGHERTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOUGHERTY: At the end of the bill add the following new section:

PROHIBITION ON HOMEPORTING UNITED STATES NAVAL VESSELS IN JAPAN

SEC. 1019. Effective at the end of the 180-day period beginning on the date of the enactment of this Act, no United States naval vessel may be assigned to a homeport in Japan.

Mr. DOUGHERTY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Has it been printed in the RECORD?

Mr. DOUGHERTY. Yes, Mr. Chairman, it has.

The CHAIRMAN pro tempore. Without modification?

Mr. DOUGHERTY. Without modification.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DOUGHERTY. Mr. Chairman, I take this time only to submit for the RECORD some documents that I have in support of the amendment. It is my intention to then ask unanimous consent to withdraw the amendment.

The amendment that was offered, Mr. Chairman, dealt with the homeporting of an American aircraft carrier in Japan.

I would simply say that since drafting the amendment we have had an opportunity to discuss this at length with the Defense Department, and I would urge my colleagues to read the data that will be included in my statement.

Mr. Chairman, like many of my colleagues, I have been very disappointed with the inadequate level of defense spending in Japan in recent years. At a time when our Government is criticized in some quarters for renewing the strength of our military forces around the world, the Government of Japan has refused to commit themselves to the same necessary goal. The nation of Japan is highly dependent upon our military forces for its national defense. Unfortunately, the cost to the United States to provide this defense is very high, and our country's budget has already been stretched thin.

As everyone knows, the Japanese economy is not exactly suffering at this moment, and it seems that some higher percentage of its national budget could be devoted to strengthening defense. It could bring needed relief to the Armed Forces of the United States. I realize that Japan's leaders wait for a consensus of their people before taking major policy steps. However, in this case the Government has a responsibility to shape the future of its defense policy.

I cannot believe that the Japanese Government is totally incapable of influencing public opinion in its country. The elected leaders must attempt to educate their constituents to the very real dangers facing them from the Soviet Union. At the same time, they must convince their citizens that the United States cannot remain the prime defender of the entire Western World, as it was after World War II. The United States needs help from its allies in sharing the cost of national defense, especially from those allies

who have sufficient funds to afford the costs.

At this time, I am offering an amendment that will flatly prohibit the United States from homeporting any naval vessels in Japan. It allows those ships stationed there, already, 180 days to withdraw. This amendment sends a strong message to our ally that all nations must contribute to improving their own defense. The Japanese cannot continue to maintain their national security at the overwhelming expense of the United States.

While I am addressing the issue of homeporting, I would like to add briefly that I am displeased with the number of items purchased in Japan by the Department of Defense for those ships now homeported here. With the millions of American workers unemployed at this time, I feel that maximum efforts should be made to buy as many products as possible from American firms. Any extra costs of shipping American products overseas will be more than balanced by the additional men and women who would then retain their jobs in the United States.

Again, Mr. Chairman, my feelings that our ally should spend more for defense are very strong, and I hope that my colleagues will support my amendment prohibiting U.S. ships from homeporting in Japan.

I include within the RECORD copy of correspondence received from the Navy on homeporting and a copy of an issue brief by the House Republican Conference on Allied Defense Burden Sharing:

DEPARTMENT OF THE NAVY
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., May 26, 1981.

Hon. CHARLES F. DOUGHERTY,
House of Representatives,
Washington, D.C.

DEAR MR. DOUGHERTY: In response to your request for information on dollars spent by the Navy in Japan to purchase products, the attached materials is forwarded.

Sincerely,

D. A. RITCHHART, CAPTAIN, U.S.
NAVY DIRECTOR,
Congressional Liasion

DEPARTMENT OF THE NAVY, OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D.C., May 24, 1982.

MEMORANDUM FOR THE CHIEF OF LEGISLATIVE AFFAIRS

Subj: Congressional Request for Information.

Ref: (a) OLA Memo LA-51-247A:mm of 11 May 1982.

Encl: (1) Dollars Spent by the Navy in Japan to Purchase Products.

1. Reference (a) forwarded a request from Representative Charles F. Dougherty (R-PA) for information (by product) on the dollars spent by the Navy in Japan to purchase products.

2. Enclosure (1) is forwarded in response to this request for delivery to Representative Dougherty.

Very respectfully,

KELSEY S. STEWART

(By direction of Director, General Planning and Programming Division).

NAVY AWARDS TO JAPAN BY FEDERAL SUPPLY CLASS

FSC description	Actions	Amount (thousands)
Fiscal Year 1981		
Airport service roads	7	$631
Ammunition storage buildings	1	49
Fuel storage buildings	4	5,225
M-R highways roads streets	3	459
M/R miscellaneous buildings	68	6,699
M/R other residential buildings	8	853
M/R other warehouse buildings	3	62
M/R troop housing	3	76
Recreational buildings	8	398
A/E—Drafting engineering	6	207
A/E—Inspection	3	158
A/E construction/hwys-roads	1	12
A/E construction/other non-b	1	17
A/E construction/utilities	1	69
Abrasive materials	1	103
ADP services/data entry	1	13
ADP systems development and pr	1	14
Architect/engineer—General	73	1,954
Bags and sacks	4	151
Bearings, antifriction, unmoun	15	369
Beverages, nonalcoholic	10	258
Brooms, brushes, mops, and spo	14	341
Cabinets, lockers, bins, and s	2	107
Cable cord and wire assemblies c	1	24
Cameras, motion picture	1	22
Cameras, still picture	2	44
Centrifugals, separators, and pr	2	30
Chemical analysis instruments	1	17
Chemicals	1	20
Construction/all other non-bld	1	33
Construction/ammunition storag	2	32
Construction/other admin. and ser	5	188
Construction/other airfield st	2	72
Construction/other warehouse b	2	1,636
Construction/pollution abateme	1	16
Construction/sewerage and waste	1	21
Construction/troop housing	1	49
Converters, electrical	1	13
Custodial—Janitorial	7	757
Draperies, awnings, and shades	4	176
Electrical and electrnic prpts. me	1	136
Electrical control equipment	1	20
Electrical hardware and suppli	1	45
Equip. testing svcs/marine equi	1	11
Fiber optic cables	2	113
Fire fighting equipment	1	13
Fire protection	1	29
Floor coverings	1	22
Food service	2	367
Fruits and vegetables	8	240
Fuel oils	2	285
Garbage collection	9	766
Gardening implements and tools	1	20
Gases compressed and liquefied	23	468
Household furnishings	2	32
Household furniture	2	364
Indoor and outdoor electric li	3	44
Inspection service/aircraft	1	54
Installation of eq/communicati	1	20
Installation of eq/guided miss	2	88
Landscaping—Groundskeeping	8	539
Laundry and dry cleaning	11	243
Lease-rental of eq/adp equip	7	327
Lease-rental of eq/office mach	9	579
Lease-rental of eq/office supp	21	661
Lease-rental of eq/pumps and com	1	17
Lectures for training	2	23
Liquid and gas flow liquid level	1	18
Lumber and related basic wood	1	12
Maint-repair of eq/adp equip	4	600
Maint-repair of eq/aircraft	122	5,298
Maint-repair of eq/aircraft co	87	1,697
Maint-repair of eq/clothing	1	16
Maint-repair of eq/communicati	7	1,133
Maint-repair of eq/furniture	10	212
Maint-repair of eq/household f	18	238
Maint-repair of eq/marine equi	1	49
Maint-repair of eq/miscellaneo	1	10
Maint-repair of eq/office mach	3	56
Maint-repair of eq/ships-sml c	554	14,679
Maint-repair of eq/vehicles-tr	12	287
Maint-repair—Alter/airport run	3	688
Maint-repair—Alter/ammunition	1	24
Maint-repair—Alter/educational	1	384
Maint-repair—Alter/elct and co	5	182
Maint-repair—Alter/epg—Other	2	191
Maint-repair—Alter/family hous	10	10,989
Maint-repair—Alter/fuel supply	7	145
Maint-repair—Alter/heating and c	8	40
Maint-repair—Alter/hospitals	1	180
Maint-repair—Alter/office buil	3	60
Maint-repair—Alter/other admin	12	204
Maint-repair—Alter/other airfi	6	532
Maint-repair—Alter/other hospi	2	28
Maint-repair—Alter/other non-b	121	21,962
Maint-repair—Alter/other utili	17	961
Maint-repair—Alter/radar and nav	2	46

NAVY AWARDS TO JAPAN BY FEDERAL SUPPLY CLASS DESCRIPTION—Continued

FSC description	Actions	Amount (thousands)
Maint-repair—Alter/sewerage	1	19
Maint-repair—Alter/water suppl	1	36
Marine architect and engineering	5	76
Mgt services/data collection	1	24
Mgt services/program review-de	1	70
Miscellaneous construction mat	1	24
Miscellaneous electrical and e	2	162
Miscellaneous items	1	37
Miscellaneous office machines	1	18
Miscellaneous prefabricated st	1	49
Motor charter for persons	1	11
Motorcycles, motor scooters a	1	18
Nails, keys, and pins	1	18
Nonferrous metal scrap	1	67
Office supplies	1	19
Oils and greases cutting lubrica	1	35
Oper of govt fac/fuel storag	1	367
Optical instruments	1	26
Other adp services	1	57
Other architects and engineering	2	36
Other cargo-freight services	7	313
Other housekeeping services	16	426
Other research and development	2	490
Paints, dopes, varnishes	19	873
Photographic projection equipm	2	35
Pipe and tube	1	59
Plastics fabricated materials	1	21
Power conversion equipment ele	1	29
Radio and television communtion	3	65
RDTE/other defense	1	35
Reproduction	2	32
Roofing and siding materials	2	48
Scaffolding equipment and conc	1	19
Self-contained air conditioning	1	13
Self-contained refrigeration u	7	332
Solid fuel handling services	1	83
Sound recording and reproducing	2	32
Stationery and record forms	3	69
Stevedoring	7	147
Tech rep services/aircraft co	2	16
Tech rep services/aircraft gr	1	220
Tech rep services/marine equi	1	20
Tech rep services/ships-sml c	1	13
Teletype and facsimile equipme	1	14
Textile fabrics	1	39
Trucks and truck tractors	10	888
Tuition fees	15	521
Vessel charter for persons	1	130
Vessel charter for things	1	38
Visible record equipment	1	24
X-ray equip and supplies medical	2	62
Final total	1,562	[1] 93,897
Fiscal year 1982 (through Mar. 31, 1982)		
Airport service roads	1	14
M/R miscellaneous buildings	11	483
M/R other warehouse buildings	3	59
M/R troop housing	1	16
A/E—Inspection	1	70
ADP services/data entry	1	127
ADP supplies and support equipme	1	19
Architect/engineer—General	13	226
Architectural and related meta	1	17
Bars and rods, nonferrous base	1	42
Bearings, antifriction, unmoun	7	211
Beverages, nonalcoholic	5	152
Brooms, brushes, mops, and spo	2	39
Custodial—Janitorial	3	992
Food service	2	336
Gases compressed and liquefied	2	53
Kitchen equipment and applianc	1	12
Landscaping—Groundskeeping	1	320
Laundry and dry cleaning	6	182
Lease-rental of eq/adp equip	9	1,115
Lease-rental of eq/office mach	12	778
Lease-rental of eq/office supp	21	688
Lease-rental of eq/pumps and com	1	15
Lease-rental of eq/vehicles-tr	2	75
Maint-repair of eq/adp equip	3	283
Maint-repair of eq/aircraft	31	1,482
Maint-repair of eq/aircraft co	21	262
Maint-repair of eq/communicati	1	911
Maint-repair of eq/furniture	4	102
Maint-repair of eq/guided miss	1	28
Maint-repair of eq/household f	10	160
Maint-repair of eq/office mach	5	65
Maint-repair of eq/office supp	1	16
Maint-repair of eq/ships-sml c	50	1,814
Maint-repair of eq/vehicles-tr	6	128
Maint-repair—alter/hospitals	1	49
Maint-repair—alter/other indus	1	11
Maint-repair—alter/other non-b	15	1,517
Maint-repair—alter/other utili	3	76
Miscellaneous vehicular compon	2	29
Oper of govt fac/fuel storag	1	295
Oper of govt fac/other util	1	95
Other adp services	2	44
Other cargo-freight services	5	183
Other housekeeping services	9	146
Other salvage services	1	22
Paints, dopes, varnishes	6	322

NAVY AWARDS TO JAPAN BY FEDERAL SUPPLY CLASS DESCRIPTION—Continued

FSC description	Actions	Amount (thousands)
Paper and paperboard	1	16
Printing, duplicating, and boo	1	17
Stationery and record forms	1	16
Tech rep services/aircraft co	1	20
Trucks and truck tractors	1	30
Tuition fees	15	450
Vessel charter for persons	1	124
Final total	309	14,754

[1] The above breakdown is for contracts exceeding $10,000. An estimated additional $12.7 million in contracts under $10,000 was awarded during FY 1981 for which a product breakdown is not available in the data base.

Allied Defense Burden Sharing

BACKGROUND

Following World War II, the United States imposed limits on the defense capabilities of Japan and Germany. Additionally, we discouraged other European allies from rebuilding their defenses so that they might concentrate on economic recovery instead. The U.S. stepped into the military vacuum that was thus created and obligated itself to provide for the defense of these nations.

In the intervening 30 years, however, the economic growth of the U.S. has not kept pace with that of its major allies, while its global commitments have expanded. As a result, we have come to expect a greater willingness on the part of our NATO allies and Japan to carry more equitable shares of the Free World's defense burden. Throughout the 1960s our policy was, in large part, to arrange for the "reimbursement" of the costs of our maintenance of troops and material in Europe and the Far East. The development of the Nixon Doctrine in 1969 brought a change in policy. The U.S. now encourages its allies to make improvements in their own defense capabilities.

To that end, in 1977 the United States sought and received commitments from its NATO allies to increase their defense spending by 3 percent (in real terms) each year for five years. That commitment was reaffirmed in 1979 and again last year. Japan has indicated that it would increase its defense spending at a rate of 7.8 percent (even so, that nation's defense spending would still remain below one percent of its GNP).

ADMINISTRATION POSITION

The Reagan administration is urging our major allies to improve their military capabilities by spending more on their own defense and by spending more efficiently. To date, this "encouragement" has taken the form of "quiet diplomacy" rather than any suggestion of a cutback in our own commitment to the common defense.

FACTS

The United States accounts for about 35 percent of the total GNP of the industrialized Free World, but it carries roughly 60 percent of the common-defense burden.

The U.S. spends more on defense than all the European allies combined.

The U.S. spends in excess of 5 percent of its gross domestic product (GDP) on defense—slated to rise to about 6 percent by the mid-1980s—whereas the Europeans, on average, spend only about 3.6 percent of their GDP and the Japanese, less than 1 percent.

Allied per capita national defense expenditures range from $71 to $410, compared to $644 for the U.S.

During the past decade, the U.S. accounted for 65 percent of total NATO defense expenditures and has maintained 45 percent of the alliance's total active duty military personnel, even though our GNP and population represent but 56 percent and 38 percent respectively of NATO's as a whole.

The U.S. bears virtually the entire burden of nuclear deterrence of Soviet aggression in Europe, providing over 99 percent of the 6,000 nuclear weapons assigned to NATO's theater nuclear forces.

Japan ranks last or next to last on all Department of Defense measures of burdensharing used in a survey of NATO and Japan. By the same standards, Canada makes the smallest contribution of any NATO country except Luxembourg.

Denmark holds first place among the allies in economic performance per capita, but ranks eighth in military spending per capita and 11th of 14 in military personnel as a percentage of the labor force.

The Japanese have statutorily limited their "self-defense force" to 250,000 men.

Chancellor Helmut Schmidt has publicly declared that "no German soldier will serve on foreign soil."

There have been steady increases in Soviet defense spending of 4 to 5 percent a year in real terms over the last several years.

The Warsaw Pact nations outnumber the NATO allies in the following areas: bombers by more than 4 to 1, fighters by more than 3 to 1, interceptors by more than 2 to 1, warheads by nearly 2 to 1, surface-to-air missile launchers by nearly 2 to 1, surface-to-surface launchers by nearly 2 to 1, antitank guns by 2 to 1, and main battle tanks by at least 1.5 to 1.

Secretary Weinberger has stated that the numerical superiority of the Warsaw Pact conventional forces is no longer outweighed by higher quality on the NATO side.

The Republican Party Platform states: "In pledging renewed United States leadership, cooperation and consultation, Republicans assert their expectation that each of the allies will bear a fair share of the common defense effort and that they will work closely together in support of common Alliance goals. Defense budgets, weapons acquisition, force readiness, and diplomatic coordination need to be substantially increased and improved."

QUESTIONS AND ANSWERS

Q. Why is there so much concern about allied defense spending when the NATO nations have committed themselves to a 3 percent annual real increase?

A. The commitment is there but the spending isn't. The 1977 promises—and subsequent reaffirmations—of real increases in defense budgets of 3 percent for a period of five years were taken in good faith. But, in most cases, these increases were, and still are, long overdue.

After a decade of declining real Western military spending, the NATO allies, on average, have failed to meet the 3 percent objective in all three years of its existence. The non-U.S. average showed real increases of 2 percent (1978), 2.5 percent (1979), 2 percent (1980).

Belgium, Germany, Norway, and the United Kingdom all failed to reach the 3 percent mark in 1980 and Denmark, Italy and the Netherlands, actually reduced real spending on defense. And things may worsen before they improve. Germany, citing rates of inflation and unemployment less than half those that have beset the U.S., is planning a 1982 defense budget that could well result in a real decline in defense spending.

Q. Why is there so much emphasis on an arbitrary spending figure when there are other considertions in assessing the defense commitments of our allies?

A. Of course, such things as the extent of a nation's dependence on foreign oil, its assistance to other allies, and the number of U.S. troops it hosts are important considerations, but direct defense spending is the one element of defense that is essential to every allied nation's efforts. As such it does serve as a relatively accurate barometer of a nation's commitment to common defense goals.

In addition, the failure to meet a freely given commitment year in and year out sends a dangerous signal to the Soviet Union. The lapse can easily be viewed as a weakening of our collective resolve and portending widespread shortfalls in meeting NATO force goals.

Moreover, the United States did not foist the 3 percent goal on our allies. It was a figure agreed to by all parties, voluntarily and after thorough evaluation of their own abilities. In addition, upon reconsideration in 1980 and 1981, our allies recommitted themselves to the same goal. Although the United States cannot require that Europe match our own rearmament program (even though some allies can better afford comprable expenditures), we certainly must insist that our allies do what they have agreed to do.

Q. Aren't the spending shortfalls due entirely to budgetary restraints and not to a lack of resolve?

A. Even if we give our allies the benefit of the doubt and assume that their hearts are in the right place even if their checkbooks are not, how do we excuse their reluctance to support us in other, nonfinancial, ways?

For example, the long-range theater nuclear force modernization program calls for the modernization of allied nuclear forces through deployment of 572 new missiles in Europe beginning in 1983. Although an allied initiative and designed solely for Europen defense against the growing Soviet force of SS-20s and Backfire bombers, the U.S. has agreed to finance virtually all of it. All the allies have to do is accept the weapons.

But that has not been the case. After formally agreeing to the program, the Netherlands has virtually reneged on its pledge to accept their share of the missiles, and Belgium and Germany have attached to their final acceptance a host of political conditions that may be impossible to meet.

The same sort of thing is true with Japan. One need only whisper the rumor of the presence of a nuclear weapon on board a U.S. naval vessel in Japanese waters to precipitate demonstrations against the U.S.—as if we were the threat and not the Soviet Union.

Q. What happens if Japan and the NATO countries continue to renege on their promises to increase their real defense spending? Can't the U.S. just take up the slack?

A. One lesson the United States has learned in its involvement in foreign wars is that we cannot commit substantial military resources on behalf of allies less willing to defend themselves than we are. In spite of the enormous commitment the U.S. has made in Western Europe and the Far East, we can defend our allies only with their wholehearted support. Without such support—and there are some who say it is absent—the hundreds of thousands of U.S. servicemen now deployed abroad would be in serious jeopardy in the face of all-out

Communist aggression. We cannot allow our allies to leave us in a situation where this is possible.

Q. If we push our allies too hard, won't they be driven into the Soviet camp?

A. If they don't know who the real enemy is by now, it is unlikely that letting them renege on their commitments will make them any more aware of the threat. Those who are aware will not be offended if we prod them a little to counter it more steadfastly.

The fact is, our insistent that our friends carry their share of the load will strengthen the common-defense effort, not weaken it. How long can nations that are fulfilling their commitments—often at great national cost—be expected to continue doing so if they can look across their borders and see others shortchanging the alliance and having their shortfalls covered by the U.S.? The alliance will remain strong only if we treat all out allies on an equal basis.

Q. If our allies prove recalcitrant, couldn't we just pull our forces out and bring our boys home?

A. We could, but would such a move be in our national interest?

If, for example, we have a national stake in keeping our troops in Europe that transcends the interests of our allies, then the size of their defense burden really has nothing to do with the presence of our troops on their soil. We should keep them there no matter what our allies do to shoulder their share of the load.

In fact, a good case can be made for maintaining our presence in Europe. For one thing, obviously it is worthwhile to keep any potential battlefields beyond our shores. If we withdraw from Europe, we assure that our soldiers won't have to fight abroad—but we have done nothing to ensure that they won't have to fight on this side of the Atlantic.

In addition, if we keep our defense commitments to NATO and Japan, but withdraw our troops, we are left with but one means of meeting those commitments: nuclear force. Obviously, it would not be in our best interest to put ourselves in the position of having to wage strategic nuclear war to counter a conventional attack on Western Europe or Japan.

Q. Isn't it possible that there might be a time when it would be in our best interest to reduce our manpower commitments abroad?

A. The U.S. has never been in a position to defend Europe or any other region all by itself. We have always relied on philosphically and militarily committed allies in our efforts to thwart totalitarian aggression. What our allies do—or do not do—directly affects our ability to protect our own national interests. If the point is reached at which our allies, lack of action actually threatens our national interests and the safety of our troops abroad, then the time to reconsider our commitments to other nations will have come.

We should not be expected to throw our men and treasure into battles we know we cannot win. Our first line of defense must be a line that can be defended—and we certainly cannot defend nations that do not have the will to defend themselves.

Q. Do we have any other option?

A. There is much we could do beyond the current gentle nudgings of the State Department. The administration has propounded "linkage" with Communist nations. Why not "linkage" with our allies? It is feasible and has been suggested by some stratetic analysts. Linking U.S. force levels to allied military performance would be a logical first step, since the wartime fate of our own men stationed abroad is being progressively endangered by the reluctance of our allies to invest in their own defense.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

PARLIAMENTARY INQUIRY

Mr. GLICKMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. GLICKMAN. Mr. Chairman, would it be in order for a substitute amendment to be offered to the gentlewoman's amendment after it is read?

The CHAIRMAN pro tempore. A proper substitute is in order.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: at the end of the bill add the following new section:

REDUCTION IN TOTAL AUTHORIZATION

SEC. 1020. Of the total amount authorized to be appropriated by this Act for fiscal year 1983, the maximum amount that may be obligated or expended is the total amount appropriated pursuant to such authorizations or $168,250,000,000, whichever is less.

The CHAIRMAN pro tempore. Has the gentlewoman's amendment been printed in the RECORD?

Mrs. SCHROEDER. It has not.

Mr. Chairman, I ask unanimous consent to speak for 1 minute to explain my 5-percent, across-the-board cut.

Mr. MONTGOMERY. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

● Mrs. SCHROEDER. Mr. Chairman, my amendment captures the stated desire of so many of my colleagues to reduce defense spending to balance the budget. During debate on the budget resolution, and out on the campaign trail, many of my colleagues have spoken about the need to reduce our defense spending to balance the Federal budget. When President Reagan said, last night, that he did not feel bound by the budget figures for outyear expenditures in defense, Representatives and Senators of both parties expressed anger.

The evidence is clear: This administration lacks the will or power to limit defense spending. If we think defense spending has to be limited, we have to do it. Pious statements about controlling defense spending on the stump will ring hollow indeed unless we vote to slow its growth.

My amendment says defense spending can be no higher than the lesser of the amount we vote to appropriate or $168.25 billion. How did I arrive at this figure? It represents a 5 percent across-the-board cut in the total in the bill now, which is $177.1 billion. In dollar terms, the cut is $8.85 billion.

I believe that every penny of this amount can be cut out of waste, fraud, abuse, or mismanagement at the Pentagon. Last year, I offered an amendment to cut $8 billion out of the defense budget which was waste, fraud and abuse. This figure was far less than the $30 billion in waste documented in GAO studies, Republican study group studies, and described by OMB Director David Stockman. I have seen no evidence that the amount of waste and abuse in the Pentagon is any less this year than last year. Indeed, more money is being spent at the Defense Department, so it is likely that more is being wasted.

The bill before us represents a 66-percent increase in defense spending since 1981 and a 36-percent increase from last year. If my amendment were adopted, we would have a 57-percent increase since 1981 and a 29-percent increase since last year. Is that not enough?

Mr. Chairman, this is the real balanced budget vote of this Congress. If you believe in a balanced budget, you should vote for this amendment.●

AMENDMENT OFFERED BY MR. GLICKMAN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MRS. SCHROEDER

Mr. GLICKMAN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN as a substitute for the amendment offered by Mrs. SCHROEDER: At the end of the bill add the following new section:

REDUCTION IN TOTAL AUTHORIZATION

SEC. 1012. Of the total amount authorized to be appropriated by this Act for fiscal year 1983, the maximum amount that may be obligated or expended is the total amount appropriated pursuant to such authorizations or $175. billion whichever is less.

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

Mr. LEVITAS. Mr. Chairman, reserving the right to object, I would ask the gentleman if he would explain the amendment that he is referring to.

PARLIAMENTARY INQUIRY

Mr. STRATTON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. STRATTON. Has the amendment been printed in the RECORD.

The CHAIRMAN pro tempore. The amendment is not in the RECORD?

Mr. GLICKMAN. It is not in the RECORD.

The CHAIRMAN pro tempore. Debate is therefore not in order.

Mr. STRATTON. I think the gentleman would have to ask unanimous consent to proceed for 1 minute.

Mr. GLICKMAN. No. Mr. Chairman, I asked unanimous consent that the amendment be considered as read.

Mr. LEVITAS. And I reserved the right to object so I could find out what his amendment says.

Mr. GLICKMAN. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

Mr. DICKINSON. Mr. Chairman, I demand the regular order. I object.

Mr. GLICKMAN. Mr. Chairman, I think the amendment has to be read.

The CHAIRMAN pro tempore. The gentleman will suspend.

The Clerk concluded the reading of the amendment.

Mr. GLICKMAN. Mr. Chairman, I ask unanimous consent on this 1 percent amendment to speak for 10 seconds.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, this is a 1 percent across-the-board cut, a responsible cut of $1.7 billion from a $177 billion budget. I think most Members can support it as reasonable.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN) as a substitute for the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. GLICKMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count for a quorum.

RECORDED VOTE

Mr. GLICKMAN. Mr. Chairman, on this 1 percent vote, I would withdraw my point of no quorum, and I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 136, not voting 60, as follows:

[Roll No. 230]

AYES—238

Addabbo	Biaggi	Conable
Albosta	Bingham	Conyers
Anderson	Boland	Coughlin
Andrews	Bonker	Courter
Applegate	Brodhead	Coyne, James
Aspin	Brown (CA)	Coyne, William
Atkinson	Brown (CO)	Craig
AuCoin	Broyhill	Crockett
Barnes	Burton, Phillip	D'Amours
Bedell	Clinger	Dannemeyer
Beilenson	Coats	Daschle
Benjamin	Coelho	Daub
Bereuter	Coleman	Davis
Bethune	Collins (IL)	Deckard
Dellums	Ireland	Ritter
DeNardis	Jacobs	Roberts (KS)
Derrick	Jeffords	Roberts (SD)
Dicks	Johnston	Rodino
Dingell	Jones (OK)	Roe
Donnelly	Kastenmeier	Rose
Dorgan	Kennelly	Rosenthal
Downey	Kildee	Rostenkowski
Dreier	Kindness	Roukema
Dunn	Kogovsek	Rousselot
Dwyer	LaFalce	Roybal
Eckart	Lantos	Russo
Edgar	Leach	Sabo
Edwards (CA)	Lee	Santini
Emerson	Lehman	Savage
Erdahl	Leland	Scheuer
Erlenborn	Levitas	Schneider
Evans (DE)	Long (LA)	Schroeder
Evans (GA)	Lowry (WA)	Schulze
Evans (IA)	Lujan	Schumer
Fascell	Luken	Seiberling
Fazio	Markey	Shamansky
Fenwick	Marlenee	Sharp
Ferraro	Martin (IL)	Shaw
Findley	Martin (NC)	Shuster
Fish	Martinez	Simon
Fithian	Matsui	Smith (IA)
Florio	Mazzoli	Smith (NE)
Foglietta	McCollum	Smith (NJ)
Foley	McDade	Snowe
Ford (MI)	McEwen	Snyder
Forsythe	McKinney	Solarz
Fountain	Mica	St Germain
Fowler	Mikulski	Stangeland
Frank	Miller (CA)	Stark
Frenzel	Miller (OH)	Stokes
Frost	Mineta	Studds
Garcia	Minish	Swift
Gejdenson	Mitchell (MD)	Synar
Gephardt	Moakley	Tauke
Gilman	Moore	Traxler
Glickman	Morrison	Udall
Goodling	Mottl	Vento
Gore	Murphy	Volkmer
Green	Myers	Walgren
Gregg	Neal	Walker
Guarini	Nowak	Wampler
Gunderson	Oberstar	Washington
Hagedorn	Ottinger	Watkins
Hall (OH)	Oxley	Waxman
Hamilton	Panetta	Weaver
Hance	Patterson	Weber (MN)
Harkin	Paul	Weiss
Hawkins	Pease	Whittaker
Heckler	Perkins	Williams (MT)
Hefner	Petri	Williams (OH)
Heftel	Peyser	Wirth
Hertel	Pickle	Wolf
Hiler	Porter	Wolpe
Hollenbeck	Pritchard	Wortley
Hopkins	Pursell	Wyden
Horton	Railsback	Wylie
Hoyer	Rangel	Yatron
Hubbard	Ratchford	Zablocki
Huckaby	Regula	
Hughes	Rinaldo	

NOES—136

Akaka	Corcoran	Hansen (ID)
Alexander	Crane, Daniel	Hartnett
Annunzio	Crane, Philip	Hendon
Archer	Daniel, Dan	Hightower
Ashbrook	Daniel, R. W.	Hillis
Badham	de la Garza	Holland
Bailey (MO)	Derwinski	Howard
Bailey (PA)	Dickinson	Hunter
Barnard	Dougherty	Hutto
Benedict	Duncan	Hyde
Bennett	Dyson	Jeffries
Bevill	Early	Jenkins
Bliley	Edwards (AL)	Jones (NC)
Boggs	Edwards (OK)	Kazen
Bouquard	Emery	Kemp
Breaux	English	Kramer
Brinkley	Fary	Lagomarsino
Brooks	Fiedler	Latta
Broomfield	Fields	Leath
Burgener	Gaydos	LeBoutillier
Byron	Gingrich	Lent
Campbell	Goldwater	Lewis
Carney	Gonzalez	Livingston
Chappell	Gradison	Loeffler
Chappie	Gramm	Long (MD)
Cheney	Hall, Ralph	Lowery (CA)
Conte	Hall, Sam	Lungren
Madigan	Obey	Staton
Mavroules	Parris	Stenholm
McClory	Patman	Stratton
McCurdy	Price	Stump
McDonald	Quillen	Tauzin
McGrath	Rhodes	Taylor
McHugh	Robinson	Thomas
Michel	Roemer	Vander Jagt
Molinari	Rogers	Weber (OH)
Mollohan	Rudd	White
Montgomery	Sawyer	Whitehurst
Moorhead	Shannon	Whitley
Murtha	Shelby	Whitten
Napier	Shumway	Wilson
Natcher	Skelton	Young (FL)
Nelligan	Smith (AL)	Young (MO)
Nelson	Solomon	Zeferetti
Nichols	Spence	
O'Brien	Stanton	

NOT VOTING—60

Anthony	Ertel	McCloskey
Bafalis	Evans (IN)	Mitchell (NY)
Beard	Flippo	Moffett
Blanchard	Ford (TN)	Oakar
Bolling	Fuqua	Pashayan
Boner	Gibbons	Pepper
Bonior	Ginn	Rahall
Bowen	Gray	Reuss
Brown (OH)	Grisham	Richmond
Burton, John	Hammerschmidt	Roth
Butler	Hansen (UT)	Sensenbrenner
Carman	Hatcher	Siljander
Chisholm	Holt	Skeen
Clausen	Jones (TN)	Smith (OR)
Clay	Lott	Smith (PA)
Collins (TX)	Lundine	Trible
Dixon	Marks	Winn
Dornan	Marriott	Wright
Dowdy	Martin (NY)	Yates
Dymally	Mattox	Young (AK)

□ 1940

Mr. DAUB changed his vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. BADHAM. Mr. Chairman, may I make a parliamentary inquiry?

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BADHAM. Mr. Chairman, I would like to inquire of the Chair as a parliamentary inquiry as to where we are now. Is it correct that we have amended the Schroeder amendment by the Glickman amendment and the next vote will be taken on whether or not we do cut?

The CHAIRMAN pro tempore. The Chair will state that the last vote was the Glickman substitute to the Schroeder amendment and that amendment did pass. The Schroeder amendment, as amended, is now pending.

The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER), as amended.

□ 1950

The question was taken; and on a division (demanded by Mrs. SCHROEDER) there were—ayes 164, noes 79.

RECORDED VOTE

Mr. BENNETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 135, not voting 64, as follows:

[Roll No. 231]

AYES—235

Addabbo	Frenzel	Paul
Albosta	Frost	Pease
Anderson	Garcia	Perkins
Andrews	Gejdenson	Petri
Applegate	Gephardt	Peyser
Aspin	Gilman	Pickle
Atkinson	Glickman	Porter
AuCoin	Goodling	Pritchard
Barnes	Gore	Pursell
Bedell	Green	Railsback
Beilenson	Gregg	Rangel
Benjamin	Guarini	Ratchford
Bereuter	Gunderson	Regula
Bethune	Hagedorn	Rinaldo
Biaggi	Hall (OH)	Ritter
Bingham	Hamilton	Roberts (KS)
Boland	Hance	Roberts (SD)
Bonker	Harkin	Rodino
Brodhead	Hawkins	Roe
Broomfield	Heckler	Rose
Brown (CA)	Hefner	Rosenthal
Brown (CO)	Hertel	Rostenkowski
Broyhill	Hiler	Roukema
Burton, Phillip	Hollenbeck	Roybal
Clinger	Hopkins	Russo
Coats	Horton	Sabo
Coelho	Hoyer	Savage
Coleman	Hubbard	Sawyer
Collins (IL)	Huckaby	Scheuer
Conable	Hughes	Schneider
Conte	Ireland	Schroeder
Conyers	Jacobs	Schulze
Coughlin	Jeffords	Schumer
Courter	Jones (NC)	Seiberling
Coyne, James	Kastenmeier	Shamansky
Coyne, William	Kennelly	Sharp
Craig	Kildee	Shaw
Crockett	Kogovsek	Shuster
Dannemeyer	LaFalce	Simon
Daschle	Lantos	Smith (IA)
Daub	Leach	Smith (NE)
Davis	Lee	Smith (NJ)
de la Garza	Lehman	Snowe
Deckard	Leland	Snyder
Dellums	Levitas	Solarz
DeNardis	Long (LA)	St Germain
Derrick	Lowry (WA)	Stangeland
Dicks	Lujan	Stark
Dingell	Luken	Stokes
Donnelly	Markey	Studds
Dorgan	Marlenee	Swift
Downey	Martin (IL)	Synar
Dreier	Martin (NC)	Tauke
Dunn	Martinez	Traxler
Dwyer	Matsui	Udall
Eckart	Mazzoli	Vander Jagt
Edgar	McCollum	Vento
Edwards (CA)	McDade	Volkmer
Emerson	McEwen	Walgren
Erdahl	McKinney	Walker
Erlenborn	Mica	Wampler
Evans (DE)	Mikulski	Washington
Evans (GA)	Miller (CA)	Waxman
Evans (IA)	Miller (OH)	Weaver
Fascell	Mineta	Weber (MN)
Fazio	Minish	Weiss
Fenwick	Mitchell (MD)	Whittaker
Ferraro	Moakley	Williams (MT)
Findley	Moore	Williams (OH)
Fish	Morrison	Wirth
Fithian	Mottl	Wolf
Florio	Murphy	Wolpe
Foglietta	Myers	Wortley
Foley	Neal	Wyden
Ford (MI)	Nowak	Wylie
Forsythe	Oberstar	Yatron
Fountain	Ottinger	Zablocki
Fowler	Panetta	
Frank	Patterson	

NOES—135

Akaka	Bailey (PA)	Bouquard
Alexander	Barnard	Bowen
Annunzio	Benedict	Breaux
Archer	Bennett	Brinkley
Ashbrook	Bevill	Brooks
Badham	Bliley	Burgener
Bailey (MO)	Boggs	Byron
Campbell	Hunter	Nelson
Carman	Hutto	Nichols
Carney	Hyde	O'Brien
Chappell	Jeffries	Obey
Chappie	Jenkins	Oxley
Cheney	Johnston	Parris
Corcoran	Jones (OK)	Patman
Crane, Daniel	Kazen	Price
Crane, Philip	Kemp	Quillen
Daniel, Dan	Kindness	Robinson
Daniel, R. W.	Kramer	Roemer
Derwinski	Lagomarsino	Rogers
Dickinson	Latta	Rousselot
Dougherty	Leath	Rudd
Duncan	LeBoutillier	Shannon
Dyson	Lent	Shelby
Early	Lewis	Shumway
Edwards (AL)	Livingston	Skelton
Edwards (OK)	Loeffler	Smith (AL)
Emery	Long (MD)	Solomon
English	Lowery (CA)	Spence
Fary	Lungren	Staton
Fiedler	Madigan	Stenholm
Fields	Mavroules	Stratton
Gaydos	McClory	Stump
Gingrich	McCurdy	Tauzin
Goldwater	McDonald	Taylor
Gonzalez	McGrath	Thomas
Gradison	McHugh	Watkins
Gramm	Michel	Weber (OH)
Hall, Ralph	Molinari	White
Hall, Sam	Mollohan	Whitehurst
Hansen (ID)	Montgomery	Whitley
Hendon	Moorhead	Whitten
Hightower	Murtha	Wilson
Hillis	Napier	Young (FL)
Holland	Natcher	Young (MO)
Howard	Nelligan	Zeferetti

NOT VOTING—64

Anthony	Ford (TN)	Oakar
Bafalis	Fuqua	Pashayan
Beard	Gibbons	Pepper
Blanchard	Ginn	Rahall
Bolling	Gray	Reuss
Boner	Grisham	Rhodes
Bonior	Hammerschmidt	Richmond
Brown (OH)	Hansen (UT)	Roth
Burton, John	Hartnett	Santini
Butler	Hatcher	Sensenbrenner
Chisholm	Heftel	Siljander
Clausen	Holt	Skeen
Clay	Jones (TN)	Smith (OR)
Collins (TX)	Lott	Smith (PA)
D'Amours	Lundine	Stanton
Dixon	Marks	Trible
Dornan	Marriott	Winn
Dowdy	Martin (NY)	Wright
Dymally	Mattox	Yates
Ertel	McCloskey	Young (AK)
Evans (IN)	Mitchell (NY)	
Flippo	Moffett	

□ 2000

The Clerk announced the following pair:

On this vote:

Mr. Blanchard for, with Mr. Smith of Pennsylvania against.

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. MIKULSKI

Ms. MIKULSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. MIKULSKI: At the end of the bill, add the following new section:

PROHIBITION OF PURCHASE OF FOREIGN-MADE MOTOR VEHICLES

SEC. 902. None of the funds appropriated pursuant to authorizations of appropriations in this Act may be obligated or expended for a contract or agreement entered into after September 30, 1982, for the purchase of administrative motor vehicles manufactured outside the United States.

PARLIAMENTARY INQUIRY

Mr. DICKINSON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. DICKINSON. Mr. Chairman, is it my understanding that a unanimous-consent request is pending?

The CHAIRMAN pro tempore. The Chair will advise the gentleman that there is no unanimous-consent request pending.

Mr. DICKINSON. If I understood the chairman, this amendment was not printed in the RECORD.

The CHAIRMAN pro tempore. This amendment has not been printed in the RECORD.

Mr. DICKINSON. In order for anyone to speak to the amendment, it would have to be by unanimous consent.

The CHAIRMAN pro tempore. Such a request would have to be made.

Mr. DICKINSON. Since the Chair had recognized the gentlewoman, I did not know what the parliamentary situation was.

If such a request is made, I will reserve my objection.

The CHAIRMAN pro tempore. Does the gentlewoman from Maryland (Ms. MIKULSKI) make a unanimous-consent request?

Ms. MIKULSKI. Mr. Chairman, I ask unanimous consent for 30 seconds to explain my amendment and to revise and extend my remarks.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Maryland?

Mr. DICKINSON. Mr. Chairman, reserving the right to object, this is very unpleasant for me, but I have had four members at least come to me and say, "Please do not object because I just want to speak for x amount of time."

I said I have to treat them all the same. If they are not in the RECORD, they had ample notice to print them.

Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

● Ms. MIKULSKI. Mr. Chairman, as H.R. 6030, the Defense Department authorization bill, comes to the floor for renewed consideration, I am offering an amendment to assure that funds that are appropriated for the purchase of land vehicles by the Defense Department are not used to buy foreign-made vehicles.

In March of this year I discovered that the Defense Department had purchased over 3,500 Mitsubishi trucks for use in the various branches of the U.S. military. At a time when unemployment among auto workers is running at record levels, I find this fact an outrage.

GSA which purchased the trucks, claimed that it was bound to accept the lowest bid for the vehicles, which, in fact, they did, However, I find it counterproductive for this country to buy foreign-made trucks when this country's unemployment rate in those industries is so dismal.

At the most elementary level, it would also seem to be poor defense policy for this country to purchase foreign trucks. Does it honestly make sense for the United States to be dependent on Japan for spare parts if we become involved in military conflict? Do we really want to make any aspect of our foreign policy hostage of another country's industry? I do not think that any Member of this body would like to see our defense posture altered in any way by a dependency on foreign suppliers of military material.

I hope that you will join me in supporting this important amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Maryland (Ms. MIKULSKI).

The question was taken; and on a division (demanded by Ms. MIKULSKI) there were—ayes 44, noes 109.

So the amendment was rejected.

□ 2010

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: Page 26, after line 21, insert a new section 902.

The Secretary of Defense is hereby authorized to establish a Military Preparedness Grain Reserve to be used in the event of a national defense emergency.

The Secretary shall acquire food and feed grains from sources in the United States in an amount no less than the amounts purchased from United States grain supplies by the Union of Soviet Socialist Republics in calendar year 1982, subject only to funds being available. The Secretary is also authorized to construct storage facilities for the Grain Reserve.

There is hereby authorized to be appropriated the sum of $2,000,000,000 to carry out the provisions of this section.

The CHAIRMAN pro tempore. The Chair will ask the gentleman, has the amendment been printed in the RECORD?

Mr. WEAVER. Yes, it has, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman is recognized for 5 minutes.

Mr. WEAVER. Mr. Chairman, grain prices are falling every day. This is bankrupting and hurting our farmers, but it is helping somebody else. Those low, cheap, bargain basement prices are a bonanza for the Soviet Union. The Soviet Union is in our markets buying our grain at prices of $1 and $2 and sometimes $3 a bushel below the cost of production. We are subsidizing the Soviet Union.

Five years ago I offered the national grain reserve to the farm bill at that time, and it was approved overwhelmingly by this House and it is now called the most successful new farm program in 50 years.

I ask you now to do a very simple thing, create a military preparedness grain reserve to take the grain that we may need in a future emergency and store it, so that the Russians do not get it.

Now, how many here want the Russians to get our grain? How many guns is it worth to the Soviet Union to get our cheap grain?

Well, I can tell you, the subsidy between the difference of the cost of production to our farmers and what they buy it for is financing their entire army of occupation in Afghanistan.

I say to the Member, does he want to subsidize the Soviet Union with the single most important commodity there is in the world, food?

The Soviets have had four disastrous crop years and so we are supplying the grain in order that they can put more of their economy into gun production.

The Reagan administration is the most hypocritical, the most asinine administration imaginable, because they are about to approve more grain sales to this country that you call and we call and I call our primary adversary, for whom this whole bill of $175 billion is made to defend ourselves against.

William Clark, the President's adviser, has said, "To force our principal adversary, the Soviet Union, to bear the brunt of its economic shortcomings should be our policy." Yet we are helping the Soviet Union with our grain sales.

I ask you, how can we tell Europe to stop the pipeline while we go on and sell the Soviets billions of bushels of grain that they desperately need? How long can we go on with this hypocrisy? How long can this House stand up for this kind of hypocrisy to sell the Soviets the most desperately needed commodity they can have at prices below the cost of production?

So I ask for a vote for my amendment so our military preparedness reserve will have the grain, not the Russians.

Mr. DICKINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I will only take a minute.

I have great respect for the gentleman who just offered the amendment, the gentleman from Oregon (Mr. WEAVER), but this amendment is way out of place. It does not belong in a military procurement bill. It will cost $2 billion. We have just taken $1.8 billion out of our funding. I do not know where the money is coming from.

We should vote down the amendment.

Mr. DICKINSON. Mr. Chairman, in opposition to the amendment, which I assume is offered in all seriousness, let me say this. I have a letter here from the Assistant Secretary of Agriculture. What the gentleman is trying to do is to put the Secretary of Defense in the job of the Secretary of Agriculture.

Now, we already have 400 million bushels of wheat in the International Emergency Reserve. That is already there to date.

We already have farmer-owned reserves of 621 million bushels and 1.5 billion bushels in feed grain. A disaster reserve on top of this is 75 million bushels.

We do not even have a cavalry that can eat wheat any more. That is gone.

What the gentleman would do is not put the Secretary of Agriculture in the business, but put in the Secretary of Defense.

The amendment is unnecessary.

□ 2020

The CHAIRMAN pro tempore. All time has expired.

The question is on the amendment offered by the gentleman from Oregon (Mr. WEAVER).

The question was taken; and on a division (demanded by Mr. WEAVER) there were—ayes 7, noes 122.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment that I know the committee will be disappointed to learn is not printed in the RECORD.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 26, after line 22, insert the following new section:

SEC. 902. No funds appropriated under this act shall be expended in violation of section 7 of Public Law 95-435.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer what may very well be the last amendment.

The Clerk read as follows:

Amendment offered by Mr. WEISS: At the end of the bill add the following new section:

LIMITATION ON EXPENDITURES FOR MILITARY BANDS TO FISCAL YEAR 1982 LEVEL

SEC. 902. During fiscal year 1983 not more than $92,800,000 may be spent for support of military bands under the jurisdiction of the Department of Defense.

Mr. WEISS. Mr. Chairman, I ask unanimous consent that I be given 30 seconds to explain the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. DICKINSON. Mr. Chairman, reserving the right to object, as distasteful as it is, I will object.

The CHAIRMAN pro tempore. Objection is heard.

The question is on the amendment offered by the gentleman from New York (Mr. WEISS).

The question was taken; and on a division (demanded by Mr. WEISS) there were—ayes 37, noes 118.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: At the end of the bill add the following new section:

REINSTATEMENT OF RENEGOTIATION ACT OF 1951

SEC. 1020. (a) Section 102 of the Renegotiation Act of 1951 (50 U.S.C. App. 1212) is amended by adding at the end thereof the following:

"(f) CERTAIN AMOUNTS RECEIVED AFTER OCTOBER 1, 1976.—Notwithstanding the provisions of subsection (a), the provisions of this title shall not apply to contracts with Departments, or related subcontracts, to the extent of the amounts received or accrued by a contractor or subcontractor during the period beginning on October 1, 1976, and ending on the date of the enactment of this subsection.".

(b) The last sentence of section 102(c)(1) of such Act (50 U.S.C. App. 1212(c)(1)) is amended to read as follows: "for purposes of this title, the term 'termination date' means September 30, 1987.".

(c) Section 105(a) of such Act (50 U.S.C. 1215(a)) is amended by inserting after the sixth sentence thereof the following: "The Board shall renegotiate all contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor.".

(d) Section 105(f) of such Act (50 U.S.C. App. 1215(f)) is amended—

(1) in paragraph (1), by inserting ", or $5,000,000 in the case of a fiscal year ending after the date of the enactment of the Renegotiation Act Amendments of 1981" after "June 30, 1956" each place it appears therein;

(2) in the second sentence of paragraph (3), by inserting "the $5,000,000 amount," after "the $1,000,000 amount,"; and

(3) in the last sentence of paragraph (3), by striking out "$1,000,000"' each place it appears therein and inserting in lieu thereof "$5,000,000".

(e) The amendments made by this section shall take effect on the date of the enactment of this Act.

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas (Mr. GONZALEZ)?

There was no objection.

● Mr. GONZALEZ. Mr. Chairman, my amendment would reinstate the Renegotiation Act of 1951, and bring back into active life the Renegotiation Board, which expired in 1979.

The reason for this amendment is clear, and the case for it compelling.

We are now embarked on a military arms procurement program that will cost somewhere between $1 and $1½ trillion. In the pending bill alone we will authorize procurement of about $180 billion. About two-thirds of that procurement will be on the basis of sole source contracts—that is, contracts that are not let on any competitive basis. We know that in these hundreds and hundreds of millions of dollars worth of procurement, there will be contracts that for one reason or another allow grossly excessive profits.

There is a basic difference between military procurement and almost any other kind of Government activity. This is not just a difference of degree. Military purchases are, of course, very big. But size is not the problem. The problem is that military procurement is extremely complex, involving the newest kinds of technology, and involving, more often than not, a contract that is not let on the basis of any kind of competition at all. There is a difference between building an office structure and building a tank or an airplane or a ship. There are many companies that can put up an office building. There are very few that can design or build a complex weapons system. It is the very nature of a major military weapons system that—once selected—that system will be built on the basis of a negotiated contract.

Once an airplane design is chosen, there is only one company that will build that airplane. Once a tank design gets selected, there will only be one prime contractor for that tank. Once a ship design is settled on, there will be one contractor for that type of ship. So by its very nature, military procurement involves contracts that are negotiated, not contracts that are based on the lowest price offer.

Without the pressure of competition, even the best of procurement systems will occasionally produce grossly excessive profits. The Renegotiation Act is intended to compensate for the lack of competitive discipline in major military procurement—to give the Government a chance to reduce excessive profits, to give taxpayers an opportunity to save needless expenditures, and to give the Nation the best possible defense at the lowest reasonable cost.

I am not against profits. I am only against profiteering. The act provides us a proved and workable tool to curb wanton waste in military contracts.

In its last years of operation the Renegotiation Board was terribly hamstrung by lack of personnel, and terribly hedged about by congressional restrictions. Yet, in spite of that handicap, the Renegotiation Board in its last 5 years identified about $38 million per year in excessive profits. In its last 12 months the Board found $82 million in excessive profits.

Today, at a time when military contracts are far greater in size and number than they ever have been, and at a time when we can certainly expect that two-thirds of Pentagon contracts will be noncompetitive, there is an immense need to restore the Renegotiation Act. This is the only possible way that we will have to discover and—far more important—stop excessive profit taking by military contractors.

At the time of the last inauguaration, there was an immense spurt in the stocks of the major military suppliers. The speculators on Wall Street foresaw in the Reagan administration's unprecedented military buildup, a chance for unprecedented profit. They had evey right to expect that—because they also knew that the Federal Government has no means whatever to stop profiteering on monstrously large military contracts.

My amendment gives the taxpayers at least a small device to use against those who take undue advantage of military contracts, those who realize unconscionable profits in the name of national defense, those who do little but do it at great cost.

The Renegotiation Act, if reinstated, would not just give us an agency that would count the horses that have left the barn; it would be an agency that would bring some of the horses back. Those who deal fairly with the Government need fear nothing from the reinstatement of the Renegotiation Act. Those who deal unfairly, however, need to know that we are placing a cop on the corner.

I urge adoption of my amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas, (Mr. GONZALEZ).

The amendment was rejected.

Mr. WEISS. Mr. Chairman, I strongly oppose H.R. 6030, the Department of Defense authorization. This bill would provide $177.1 billion in fiscal 1983 for fault-ridden weapons systems, saber-rattling policy proposals, and military planning that justifies our worst fears. Still $80 billion more for the Pentagon will be added by the Congress this year via other legislation, bringing the total for the military to more than $258 billion.

The premise underlying H.R. 6030, which apparently is shared by the President and a majority of the Armed Services Committee, is that increased military spending translates into enhanced military strength which, in turn, provides better national security. This approach is wrong and can only lead us toward war. Real national security and world peace depend on our own economic strength, an immediate freeze and the eventual eradication of

nuclear weaponry, strict and disarming agreements on conventional weapons, and cooperative international strategies for defense. The bill before us offers none of these.

Real national security is impossible in a world ruled by swelling arsenals of nuclear weapons and the Reagan administration's militaristic global policies. Congress can send a message to the American people, and to the White House, that doomsday is not inevitable and that the needs of people to eat, be educated, and live safely with their families can be met. There is no better place to do that than here today by opposing this defense spending bill.

For the second year in a row Congress is considering a vast increase in our defense dependence. H.R. 6030 would raise defense spending to almost $70 billion more than just 2 years ago. At this rate, even assuming the most optimistic economic outlook, we will spend at least $1.6 trillion for the Pentagon between fiscal 1981 and fiscal 1986. More likely, with more accurate assumptions including some from the Pentagon, that total will reach $2.43 trillion. Compare this to the more than $52 billion in nondefense discretionary and entitlement cuts made by the Republican budgets last year and this year.

THE NEED FOR DEFENSE

Our Nation's Armed Forces must be fully equipped, well-trained, and thoroughly prepared. I would enthusiastically support a defense budget that did this. But H.R. 6030 unnecessarily exceeds what is needed to maintain such a force.

Under this bill we would:

Continue the MX missile system, which we know would violate existing arms accords, which has no acceptable basing mode, and which is certain to cost taxpayers tens of billions of dollars above and beyond the billions already wasted;

Proceed with the volatile and dangerous plan to place 572 new nuclear warheads in Europe, although the plan has caused serious strains in the NATO alliance and makes Europe a nuclear playground for superpower hostilities;

Push the arms race to new heights with "space weapons" in conflict with several international agreements on the use of space solely for peaceful purposes; and

Authorize another year of waste with the XM-1 tank which cannot run in the desert, does not start in cold weather, and remains many years behind schedule and billions of dollars above cost; and with the B1-B bomber which will be rendered useless soon after it is deployed by the Stealth bomber currently under development.

The list goes on and on.

ECONOMIC STRAINS

Our economy will come under the tugs and strains of what virtually all observers agree are the counterproductive effects of a defense dependent society. Economic recovery will remain an illusion until we reverse the priorities of the current administration and free ourselves from our evergrowing reliance on military expenditures for economic stability and growth. Domestic strength, maintained by full employment, independent industries, and an end to rising inflation rates, will elude our grasp so long as our capital, human, and natural resources are siphoned off to military-related activities.

Several studies have compared the percent of gross national product used for military purposes to the growth in manufacturing productivity in leading industrialized nations. One looked at the years 1960 to 1977 and found consistently that the larger the portion of GNP used for defense, the lower the growth rate.

Japan, for example, devoted the lowest GNP percentage to defense, nine-tenths of 1 percent, and had the highest annual growth rate, 8.8 percent. At the other end of the scale, the United States put 7.6 percent of its GNP to defense and had the second lowest growth rate of only 3.4 percent annually.

Last year's defense authorization, representing as it did a sudden shift in the allocation of resources, also led to economic problems which are inherent in such a dramatic change. Soon after that bill's passage, parts delivery bottlenecks, natural resources shortages, and upward inflationary pressures all quickly became evident. Very few new jobs were created because the need was greatest for specialized, highly skilled technicians, of which a shortage already existed. The vast majority of workers gained nothing.

Indeed, defense outlays are a notoriously poor source of job creation. The arms buildup begun in the late 1970's provided revealing information on this, according to an analysis done by Employment Research Associates. In the late 1970's every time the military budget went up $1 billion, 10,000 jobs and potential jobs disappeared in the United States as compared to the same money spent for nonmilitary purposes, the ERA study found. At the same time only 21 States actually gained in the number of jobs created from defense increases, while the other 29, including New York, Michigan, Ohio, Florida, Iowa, Nevada, and Arizona, had net job losses.

Specifically, $1 billion spent on military projects such as the MX missile system produces an estimated 17,000 jobs. The same money spent on health care would produce approximately 48,000 jobs, on education approximately 62,000 jobs. With nationwide unemployment at 9.5 percent and showing signs of continuing its climb, no priority can be higher than putting Americans back to work. But the defense spending bill before us would cost jobs, not create them.

The "fat" defense spending measure we passed last year also revealed the inability of military-related industries to keep pace with the Pentagon's zeal to spend money. A primary problem has been increasing backlogs in subsystem production for defense contractors. A study completed last summer by the Pentagon's Defense Science Board found that the delivery span for vital aluminum forgings had slowed from 20 weeks to 120 weeks, while the delivery waiting time for aircraft landing gear more than doubled from 52 weeks to 120 weeks over 3 years. A review undertaken by the Council on Economic Priorities determined that unfilled defense orders totaled $63 billion in early 1981, up 30 percent from 1980 and 80 percent from 1978. At the same time, new and more lucrative contracts tend to supercede the urgency for meeting unfilled orders, thus worsening the delivery lag.

As demand for scarce resources grows and supply remains virtually constant, prices are distorted upward. At the same time, the rise in production costs of civilian products coupled with the growing consumption by defense without marketable returns forces inflation up. The U.S. economy is weakened and our national security—measured in terms of our ability to maintain economic stability both at home and in relations with our trading partners—is less certain.

COOPERATIVE DEFENSE STRATEGIES

The recent dispute that resulted from the President's decision to seek to stop the Soviet pipeline project underscored the President's problems with our European allies that began really with the groundswell cry in several nations against the NATO Euromissiles plan. This 1979 NATO decision to place 572 new nuclear warheads in Europe was initially met with resistance by several nations' leaders. By 1981 opposition had spread throughout Europe, and largely due to public pressure at home and fear of cracks in the NATO alliance the Reagan administration agreed to begin talks with the Soviet Union on the Euromissiles.

Historically, we have sought to implement cooperative defensive strategies with our allies. Currently the United States is involved in 29 such agreements, the NATO alliance most prominent among them. This alliance is responsible for a significant margin of international security for the democratic world both in the number of strategic weapons and in strategic planning capability.

NATO nations outspent Warsaw Pact countries in the 1970's by $207 billion on military goods and possess 3,200 more strategic nuclear weapons. A renewed commitment to NATO-provided security, backed by a clear and consistent foreign policy, would provide a more stable world situation and be much less costly than a continued arms race.

Arms control and disarmament efforts must be foremost among our concerns. A nuclear freeze should be initiated. SALT II should be ratified. Neutron weapons should not be deployed, and all nations possessing nuclear weapons should be urged to adopt a policy of "no first use" of their weapons.

We do not need further refinement and modernization of our already redundant nuclear arsenal; we need a clear-cut commitment to avoid using them so long as others do. Instead of a new 5-year program for fighting nuclear war, such as that put forth by Defense Secretary Caspar Weinberger, we must channel our efforts toward methods of reducing and ultimately eliminating nuclear weapons.

This defense authorization bill before us is bloasted with evidence of lack of concern for Americans and for a stable world environment. It is long past time to end our obsession with bigger and better military weapons systems and focus instead on peace. Our great and unending stream of knowledge and talent must be concentrated on avoiding war, not generating ways in which to fight it.

● Mr. FRENZEL. Mr. Chairman, twice during this debate, I have expressed my concern about the spending levels in this bill. I expected the budget resolution numbers to be ceilings, not floors.

I am pleased the House accepted a 1-percent cut. But, I really think the defense budget has more to give than 1 percent.

At a time of severe recession, soaring deficits, and other economic distress, I feel compelled to vote against a bill with such an enormous spending growth. Defense enjoys a special, privileged status, which I acknowledge. It should not have a blank check.●

● Mrs. SCHNEIDER. Mr. Chairman, as we approach a vote on final passage of the Defense authorization bill for fiscal year 1983, I think it is important that we stop and examine our national security responsibilities and the ability of this vehicle to meet them.

We are charged by the Constitution with providing an Army and a Navy to provide for the common defense. We owe it to the citizens of our country to produce an efficient, effective Defense Establishment which can, with assuredness, deter or repeal armed attack on our shores and protect our vital interests abroad. In doing so, it is imperative that we develop a national security posture which enjoys a broad basis on public support. Public support is important for several reasons, but chief among them are the extraordinarily high cost of national defense, which, after all, is paid for with tax dollars, and the fact that a great many Americans are called on to risk their lives in carrying out our national security functions.

Mr. Chairman, the American people will pay any price it takes to provide a national defense which is effective and which they can believe in. Yet, I have the feeling, which I am sure is shared by many of our colleagues, that current defense policies do not enjoy the public support which they ought to be able to earn. The fact is that the average American today just does not feel as though current practices result in a dollar's worth of defense for every dollar spent. We have no overall defense strategy which is understandable to Americans—and I submit that national security is too important to be left solely to the experts. The result is that the average American is left with the feeling that his or her Government is not planning at all, and that leaves the Government with a serious lack of credibility.

It seems odd, Mr. Chairman, that we can outline the New Federalism in easily understandable terms, but that we have no real answers available to address what this country is doing to prepare for future defense needs. I do not need to remind my colleagues that the 21st century is only 18 years away. We owe it to this country to create a coordinated, well-planned future for the national security of our country.

Despite the fact that World War II occurred during the first half of this century, we continue to predicate our decisions on its lessons. While it is important to learn from history, it is vital that we temper its precepts with a look to the future. For example, we have voted to fund two new nuclear aircraft carriers with virtually no discussion, and certainly no direction, to follow-on strategy after these vessels outlive their usefulness. We are building a bomber which might have made sense in the 1960's, but which will only be on line some 48 months before it is overtaken by Stealth technology, and at a cost of $21 billion. We are forging ahead with $1.45 billion for nine MX missiles, and we have no place to put them. We are spending nearly half a billion this year to reactivate World War II battleships, and we are funding a tank that gets an amazing one-quarter mile per gallon. Is it any wonder that many Americans are a little perplexed with trying to figure out what our grand defense scheme is? The simple fact of the matter is that most people figure that our admirals and generals can have whatever it is they want, with little regard to real mission requirements and cost effectiveness.

In addition to an overall national security strategy, Mr. Chairman, the national Defense Establishment could gain a great deal of credibility by breathing a little imagination and innovation into defense planning. Unfortunately, our system of rewarding officers for not rocking the boat has not done much for this problem. Our military personnel are our first, best line of resources for ways in which to develop effective strategy at a reasonable cost, and, perhaps equally as important, stop the continuous waste of tax dollars through bureaucratic inefficiency and duplication. Yet seldom are we presented with alternatives, leaving us with the poor choice of heavy spending for unproven systems or no defense at all.

Unfortunately, despite the $175 billion in funds authorized by this bill, the national security of our country may be the real loser. Any time this much money is committed, the public is owed a clear strategy and plain understanding of what goals we have set and how we are going to accomplish them. Without these criteria, credibility could suffer to the point where a backlash of public opinion against adequate attention to defense could easily result. Further, we cannot allow ourselves to suffer under the illusion that because we are spending a lot on defense that we are getting a lot of defense. On the contrary, even the supporters of many systems debated on this floor over the past week and a half have offered their reasoning based on a better than nothing basis.

In short, Mr. Chairman, while I plan to vote for this bill on the basis of the necessary items for the serious responsibility of national defense that it does contain, I am deeply concerned over those systems in the bill which we do not need. I expect and would hope that we can improve our fiscal year 1983 effort during consideration of the appropriations bill. In the meantime, I urge all my colleagues to remember the serious shortcomings of this bill and our defense policy in general—a lack of overall goals and direction, designing of missions for systems instead of vice versa, a paucity of new ideas and thoughtful alternatives, and the tragic but resultant lack of public knowledge and enthusiasm—in order that we can begin to straighten them out.

Thank you, Mr. Chairman.●

● Mr. CONYERS. Mr. Chairman, we in this Chamber are missing something that is going on in the world outside. In what little debate we have had on the DOD authorization, we have been arguing pragmatically about nuclear superiority, the calculus of deterrence, thousands of nuclear warheads and millions of deaths without discussing the ultimate justification of this threatened destruction.

The people listening to us outside are aware that our dialog fails to weigh the ultimate questions of human existence which are the concern of all moral and religious leaders. And because of our failure to discuss moral values people are afraid.

They are thinking about their own deaths and those of their children and of generations yet unborn. They are sensitive to the unintended callousness of our debate. Here, in Europe and all over the world people do not want to die in a nuclear war. But in this Congress, in the Soviet Union and in parliaments of other countries debate over the preparation for war continues. They hear us talking about Pershing II missiles and "winnable" nuclear wars and some of them are thinking that we are out of touch with reality. The reality is this: There is no national objective that is morally worthy of risking the destruction of civilization in a nuclear holocaust.

This is what the street demonstrations are all about, both here and in Europe. That is what the people in the millions are trying to tell us and I believe that they are right.

Here in Washington, Bishop John T. Walker of the National Cathedral has said:

It is alarmingly clear that a nuclear war will have no winners, that the ecosystem of this fragile plane, our island home in space, will be forever destroyed should mankind be so stupid as to unleash the nuclear demons. At such a time, our nation should be leading the world in efforts to find alternatives to military solutions. But what are we doing?

We are increasing our military spending to $1.7 trillion over this five year period. The House Budget Committee chairman recently observed that if you spent $1 million dollars every day since the birth of Christ you would have spent only half of what is being proposed for military spending in these five years in the United States alone. Most of that stupendous amount is slated for a new generation of nuclear weaponry and the capacity to fight a continuing nuclear war.

But what are we in Congress actually doing? We say that we want to preserve the basic economic and political institutions of the American free enterprise system. Yet we want to produce the very weapons that may ultimately destroy these institutions. As John K. Galbraith has pointed out:

If there is a nuclar exchange, large or, as some imagine, limited—what is called free enterprise or capitalism will not survive. Nor will free institutions. All will be shattered beyond recovery.

More than a century ago, Thomas Hobbes addressed the possible end of civilization, in the following words:

There will be no arts, no letters, no society . . . and the life of man, solitary, poor, nasty, brutish, and short.

This is the future that we legislators offer to the people of the United States and the rest of the world if we do not fight to control nuclear weapons now and finally do away with all nuclear weapons, here and elsewhere.

The acceleration of the preparations for an unwanted nuclear war as represented in the pending DOD authorization bill carries heavy costs in terms of social deterioration. The increases in spending for nuclear weapons, item by item, represent money that is being cut from domestic civilian programs of all kinds, from nutrition for infants to the funding of graduate education.

The amendment to the DOD authorization bill that I have introduced would cut funds for the procurement of new nuclear weapons delivery systems and warheads for 1 year while nuclear arms reductions are being negotiated. The cuts would not affect the funding for the maintenance of existing nuclear weapons systems nor research and development of the new nuclear weapons systems.

The savings for the 1-year halt would amount to $10.5 billion. This saving is enough to restore most of the cuts in the social programs affecting small children. Very truly it can be said that we are taking milk from the mouths of small children and transforming it into nuclear weapons.

We must carefully ponder the morality of this exchange and its effects—the degradation of our society in the name of national security. Yet what kind of security are we buying? With each new weapons system we are making the hair trigger on the final nuclear disaster more delicate—we are buying less security and not more.

In contrast, we are not prepared to take the lesser risks of negotiated nuclear arms reduction but are prepared to risk everything in an escalating arms race before beginning seriously to negotiate.

The choice before us—continued escalation versus an immediate move to arms reduction should be based on our perception of ethical and religious values. It profoundly disturbs me that the moral implications of our awesome choices have received so little discussion in this debate.●

The CHAIRMAN pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. AUCOIN, Chairman pro tempore of the Committee of the Whole House on the State of the Union reported that that Committee, having had had under consideration the bill (H.R. 6030) to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes, pursuant to House Resolution 525, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. PAUL. Yes; I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. PAUL moves to recommit the bill, H.R. 6030, to the Committee on Armed Services.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. FRANK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 290, nays 73, not voting 71, as follows:

[Roll No. 232]

YEAS—290

Addabbo	Billey	Corcoran
Akaka	Boggs	Coughlin
Albosta	Boland	Courter
Alexander	Bouquard	Coyne, William
Anderson	Bowen	Craig
Andrews	Breaux	Crane, Daniel
Annunzio	Brinkley	Crane, Philip
Applegate	Brodhead	Daniel, Dan
Archer	Brooks	Daniel, R. W.
Ashbrook	Broomfield	Dannemeyer
Aspin	Broyhill	Daschle
Atkinson	Burgener	Daub
Badham	Byron	Davis
Bailey (MO)	Carman	de la Garza
Bailey (PA)	Carney	Deckard
Barnard	Chappell	DeNardis
Barnes	Chappie	Derrick
Benedict	Cheney	Derwinski
Benjamin	Clinger	Dickinson
Bennett	Coats	Dicks
Bereuter	Coelho	Dingell
Bethune	Coleman	Dorgan
Bevill	Conable	Dougherty
Biaggi	Conte	Downey

Dreier	Jones (NC)	Porter
Duncan	Jones (OK)	Price
Dunn	Kazen	Quillen
Dwyer	Kemp	Railsback
Dyson	Kennelly	Ratchford
Eckart	Kildee	Regula
Edwards (AL)	Kindness	Rinaldo
Edwards (OK)	Kogovsek	Ritter
Emerson	Kramer	Roberts (KS)
Emery	Lagomarsino	Roberts (SD)
English	Lantos	Robinson
Erlenborn	Latta	Roe
Evans (DE)	Leath	Roemer
Evans (GA)	LeBoutillier	Rogers
Fary	Lee	Rose
Fascell	Lent	Rostenkowski
Fazio	Levitas	Roukema
Fenwick	Lewis	Rudd
Ferraro	Livingston	Santini
Fiedler	Loeffler	Sawyer
Fields	Long (LA)	Scheuer
Findley	Long (MD)	Schneider
Fish	Lowery (CA)	Schulze
Fithian	Lujan	Schumer
Foglietta	Luken	Shamansky
Foley	Lundine	Sharp
Fountain	Lungren	Shaw
Fowler	Madigan	Shelby
Frost	Marlenee	Shumway
Gaydos	Martin (IL)	Shuster
Gejdenson	Martin (NC)	Simon
Gephardt	Martinez	Skelton
Gilman	Matsui	Smith (AL)
Gingrich	Mavroules	Smith (NE)
Glickman	Mazzoli	Smith (NJ)
Goldwater	McClory	Snowe
Gonzalez	McCollum	Snyder
Goodling	McCurdy	Solarz
Gore	McDade	Solomon
Gradison	McDonald	Spence
Gramm	McEwen	St Germain
Green	McGrath	Stangeland
Gregg	McHugh	Stanton
Guarini	Mica	Staton
Hagedorn	Michel	Stenholm
Hall (OH)	Miller (OH)	Stratton
Hall, Ralph	Minish	Stump
Hall, Sam	Molinari	Swift
Hamilton	Mollohan	Synar
Hance	Montgomery	Tauzin
Hansen (ID)	Moore	Taylor
Hawkins	Moorhead	Thomas
Heckler	Morrison	Traxler
Hefner	Murphy	Udall
Heftel	Murtha	Vander Jagt
Hendon	Myers	Walker
Hertel	Napier	Wampler
Hightower	Natcher	Watkins
Hiler	Neal	Weber (OH)
Hillis	Nelligan	White
Hopkins	Nelson	Whitehurst
Horton	Nowak	Whitley
Howard	O'Brien	Whittaker
Hoyer	Oxley	Whitten
Hubbard	Panetta	Wilson
Huckaby	Parris	Wolf
Hughes	Patman	Wortley
Hunter	Patterson	Wylie
Hutto	Pease	Yatron
Hyde	Perkins	Young (FL)
Jeffords	Petri	Zablocki
Jeffries	Peyser	Zeferetti
Jenkins	Pickle	

NAYS—73

AuCoin	Forsythe	Moakley
Bedell	Frank	Oberstar
Beilenson	Frenzel	Obey
Bingham	Garcia	Ottinger
Bonker	Gunderson	Paul
Brown (CA)	Harkin	Pritchard
Brown (CO)	Hollenbeck	Pursell
Burton, Phillip	Kastenmeier	Rangel
Collins (IL)	LaFalce	Rodino
Conyers	Leach	Rosenthal
Coyne, James	Lehman	Roybal
Crockett	Leland	Russo
Dellums	Lowry (WA)	Sabo
Donnelly	Markey	Savage
Early	Marks	Schroeder
Edgar	McKinney	Seiberling
Edwards (CA)	Mikulski	Shannon
Erdahl	Miller (CA)	Smith (IA)
Evans (IA)	Mineta	Stark
Florio	Mitchell (MD)	Stokes
Studds	Waxman	Wirth
Tauke	Weaver	Wolpe
Vento	Weber (MN)	Wyden
Walgren	Weiss	
Washington	Williams (MT)	

NOT VOTING—71

Anthony	Ford (TN)	Nichols
Bafalis	Fuqua	Oakar
Beard	Gibbons	Pashayan
Blanchard	Ginn	Pepper
Bolling	Gray	Rahall
Boner	Grisham	Reuss
Bonior	Hammerschmidt	Rhodes
Brown (OH)	Hansen (UT)	Richmond
Burton, John	Hartnett	Roth
Butler	Hatcher	Rousselot
Campbell	Holland	Sensenbrenner
Chisholm	Holt	Siljander
Clausen	Ireland	Skeen
Clay	Jacobs	Smith (OR)
Collins (TX)	Johnston	Smith (PA)
D'Amours	Jones (TN)	Trible
Dixon	Lott	Volkmer
Dornan	Marriott	Williams (OH)
Dowdy	Martin (NY)	Winn
Dymally	Mattox	Wright
Ertel	McCloskey	Yates
Evans (IN)	Mitchell (NY)	Young (AK)
Flippo	Moffett	Young (MO)
Ford (MI)	Mottl	

□ 2040

The Clerk announced the following pairs:

On this vote:

Mr. Ford of Michigan for, with Mr. Rahall against.

Mr. Pepper for, with Mr. Reuss against.

Mr. Smith of Pennsylvania for, with Mr. Richmond against.

Mr. Fuqua for, with Mr. Moffett against.

Mr. Bonior of Michigan for, with Mr. Ford of Tennessee against.

Mr. Mattox for, with Mrs. Chisholm against.

Mr. Jones of Tennessee for, with Mr. Clay against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PRICE. Mr. Speaker, pursuant to the provisions of House Resolution 525, I call up from the Speaker's table the Senate bill (S. 2248) to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PRICE

Mr. PRICE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PRICE moves to strike out all after the enacting clause of the Senate bill, S. 2248, and to insert in lieu thereof the provisions of the bill, H.R. 6030, as passed, as follows:

That this Act may be cited as the "Department of Defense Authorization Act, 1983".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for procurement of aircraft, missiles, weapons and tracked combat vehicles, and ammunition and for other procurement for the Army as follows:

For aircraft, $2,541,600,000.

For missiles, $2,898,500,000.

For weapons and tracked combat vehicles, $4,707,700,000.

For ammunition, $2,410,600,000.

For other procurement, $4,509,500,000.

AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 102. (a) AIRCRAFT.—Funds are hereby authorized to be appropriated for fiscal year 1983 for procurement of aircraft for the Navy in the amount of $11,424,500,000.

(b) WEAPONS.—Funds are hereby authorized to be appropriated for fiscal year 1983 for procurement of weapons (including missiles and torpedoes) for the Navy as follows:

For missile programs, $3,068,600,000.

For the MK-48 torpedo program $144,300,000.

For the MK-46 torpedo program $141,200,000.

For the MK-60 torpedo program $151,400,000.

For the MK-30 mobile target program, $19,400,000.

For the MK-38 mini-mobile target program, $2,300,000.

For the anti-submarine rocket (ASROC) program, $10,100,000.

For the modification of torpedoes, $89,300,000.

For the torpedo support equipment program, $66,900,000.

For the MK-15 close-in weapons system program, $118,700,000.

For the MK-75 76-millimeter gun mount program, $10,700,000.

For the MK-19 gun mount program, $400,000.

For the 25-millimeter gun mount program, $400,000.

For the modification of guns and gun mounts, $19,700,000.

For the guns and gun mounts support equipment program, $17,500,000

(c) SHIPBUILDING AND CONVERSION.—Funds are hereby authorized to be appropriated for fiscal year 1983 for shipbuilding and conversion for the Navy as follows:

For the Trident submarine program, $1,786,000,000.

For the CVN nuclear aircraft carrier program, $6,795,300,000.

For the SSN-688 nuclear attack submarine program, $1,443,400,000.

For the battleship reactivation program, $417,400,000.

For the aircraft carrier service life extention program, $699,500,000.

For the CG-47 Aegis cruiser program, $3,134,400,000.

For the LSD-41 landing ship dock program, $417,000,000.

For the LHD-1 air-capable amphibious ship program, $55,000,000.

For the FFG-7 guided missile frigate program, $706,400,000, of which $40,000,000 is available only for the installation of an X-band phased array radar.

For the mine countermeasures (MCM) ship program, $371,600,000.

For the T-AO fleet oiler ship program, $320,000,000.

For the ARS salvage ship program, $84,000,000.

For the TAKRX fast logistic ship program, $322,600,000.

For the TAHX hospital ship program, $300,000,000.

For service craft and landing craft, $162,100,000.

For outfitting, post delivery, cost growth, and escalation on prior year programs, $1,091,500,000.

For ship contract design, $97,200,000.

For the manufacturing technology program, $25,000,000.

(d) OTHER.—Funds are hereby authorized to be appropriated for fiscal year 1983 for other procurement for the Navy in the amount of $3,933,300,000 of which—

(1) the sum of $568,900,000 is available only for the ship support equipment program;

(2) the sum of $1,477,600,000 is available only for the communications and electronics equipment program; and

(3) the sum of $787,200,000 is available only for the ordnance support equipment program.

(e) PROCUREMENT, MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 1983 for procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons) in the amount of $1,984,900,000.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 103. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for procurement of aircraft and missiles and for other procurement for the Air Force as follows:

For aircraft, $17,243,400,000.

For missiles, $6,333,300,000.

For other procurement, $5,656,700,000.

(b) Of the funds authorized to be appropriated in this section for aircraft for the Air Force, the sum of $186,100,000 is available only for contribution by the United States as its share of the cost for fiscal year 1983 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

(c) Of the funds authorized to be appropriated in this section for missiles for the Air Force, the sum of $1,141,900,000 is available only for the Advanced Intercontinental Ballistic Missile (MX) program. Of such amount, $259,900,000 is authorized for basing and deployment and may not be obligated until the President completes his review of alternative MX missile system basing modes and notifies the Congress, in writing, of the basing mode in which the MX missile system will be deployed and 30 days of session of Congress have expired after the receipt by Congress of such notice. For the purpose of determining days of session of Congress under the preceding sentence, there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment sine die.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 104. Funds are hereby authorized to be appropriated for fiscal year 1983 for procurement by the Defense agencies in the amount of $863,400,000.

CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 105. Effective on October 1, 1982, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended by striking out "fiscal year 1982" both places it appears and inserting in lieu there of "fiscal year 1983".

PROHIBITION ON CONSTRUCTION OF NAVAL VESSELS IN FOREIGN SHIPYARDS

SEC. 106. None of the funds appropriated pursuant to an authorization of appropriations in section 102 may be obligated or expended for the construction or conversion of a naval vessel, or a major component of the hull or superstructure of a naval vessel, in a foreign shipyard.

CONSTRUCTION OR CONVERSION OF NEW HOSPITAL SHIP IN UNITED STATES SHIPYARD

SEC. 107. The T-AH hospital ship for which funds are authorized to be appropriated by section 102 shall be constructed in a United States shipyard or, if such ship is converted from an existing ship, shall be converted in a United States shipyard from a ship built in a United States shipyard.

PROHIBITION OF ACQUISITION OF 9-MILLIMETER HANDGUN

SEC. 108. None of the funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended in connection with the purchase of a 9-millimeter handgun for the Armed Forces or to carry out any activity concerned with evaluating the feasibility or desirability of purchasing a 9-millimeter handgun for the Armed Forces.

ENHANCEMENT OF NORTH AMERICAN AIR DEFENSE COMMAND LOW LEVEL RADAR CAPABILITIES IN FLORIDA

SEC. 109. The Secretary of the Air Force, using funds available under section 103, may acquire one tethered aerostat radar set (of the type currently in use at Cudjoe Key, Florida) for deployment at Kennedy Air Force Station, Florida. Concurrently with such procurement, the Secretary shall provide for necessary improvements to the radar set to be acquired and the existing set at Cudjoe Key, Florida. Such improvements and the operation and maintenance of such radar sets may be provided using funds available under this Act.

SECURE COMMUNICATIONS EQUIPMENT

SEC. 110. The Secretary of Defense is authorized to procure secure telephone communication systems, including equipment and related items, during fiscal year 1983 for the Department of Defense and other government agencies and entities to support a national program to provide secure telephone service. Of the funds authorized to be appropriated pursuant to this title, not more than $50,000,000, may be used to provide secure telephone equipment and related items to the Department of Defense and other government agencies and entities in support of such a national program. Equipment provided to government agencies and entities outside the Department of Defense under the authority of this section and such related services as may be necessary may be furnished by the Secretary of Defense without reimbursement.

PROHIBITION ON PROCUREMENT OF BINARY CHEMICAL MUNITIONS AND RELATED PRODUCTION FACILITIES

SEC. 111. None of the funds appropriated pursuant to the authorizations of appropriations in this title may be obligated or expended for procurement of binary chemical munitions or for production facilities for such munitions.

SEC. 112. (a) It is the sense of the Congress that the President should continue to promote actively negotiations among the member countries of the Ad Hoc Working Group on Chemical Warfare of the Committee on Disarmament established by the United Nations General Assembly and meeting in Geneva, Switzerland for the purpose of drafting a treaty for the complete, effective and verifiable prohibition of the development, production and stockpiling of all chemical weapons and for their destruction.

(b) Press vigorously in every appropriate forum for a full explanation of outstanding allegations concerning Soviet and Soviet proxy use of chemical weapons in violation of international law.

(c) Communicate to the government of the Union of Soviet Socialist Republics the earnest desire of the government of the United States for a comprehensive, verifiable ban on chemical weaponry and its willingness to participate in negotiations toward this end.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces for research, development, test, and evaluation in amounts as follows:

For the Army, $3,651,741,000.

For the Navy (including the Marine Corps), $6,026,208,000.

For the Air Force, $10,409,196,000 of which $1,000,000 is available only for research, development, test, and evaluation of the C-17 cargo transport aircraft.

For the Defense Agencies, $2,219,730,000, of which $57,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary for increases in salary, pay, retirement, and other employees benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

(c) Of the total amount authorized to be appropriated in this section for research, development, test, and evaluation for the Air Force related to the basing of the MX missile system, $715,000,000 may not be obligated until the President completes his review of alternative MX missile system basing modes and notifies the Congress, in writing, of the long-term basing mode in which the MX missile system will be deployed and 30 days of session of Congress have expired after the receipt by Congress of such notice. For the purpose of determining days of session of Congress under the preceding sentence, there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment sine die.

LIMITATION ON FUNDS FOR THE ARMY

SEC. 202. Of the amount authorized in section 201 for the Army, not more than $259,744,000 is available for the Ballistic Missile Defense Systems Technology program.

LIMITATION ON FUNDS FOR THE NAVY

SEC. 203. (a) Of the amount authorized in section 201 for the navy (including the Marine Corps)—

(1) $23,000,000 is available only for the Firebrand Aerial Target program;

(2) $15,000,000 is available only for the phased array radar improvement program for the Mark 92 fire control system;

(3) $117,000,000 is available only for the development, test, evaluation, and initial deployment of the 5-inch semi-active laser guided projectile and the Seafire electro-optical fire control system;

(4) $39,900,000 is available only for the Medium Range Air-to-Surface Missile (MRASM) system;

(5) $27,615,000 is available only for the Vertical Launching Anti-Submarine Rocket system;

(6) $138,595,000 is available, subject to subsection (b), only for the DDG-X (DDG-51) ship program;

(7) $1,100,000,000 is available only for Surface Warfare programs; and

(8) $5,555,000 is available only for the Intermediate Water Depth Mine program.

(b) None of the funds appropriated pursuant to the authorization of appropriations in section 201 for the Navy may be obligated or expended for the DDG-X (DDG-51) ship program until the Secretary of the Navy has submitted to the Committees on Armed Services of the Senate and House of Representatives a plan for the deployment of the 5-inch semi-active laser guided projectile and Seafire electro-optical fire control system concurrently with the deployment of the DDG-51 lead ship.

LIMITATION ON FUNDS FOR THE DEFENSE AGENCIES

SEC. 204. (a) None of the amount authorized in section 201 for the Defense Agencies is available for the High Energy Laser Technology, Alpha, and Large Optics Demonstration Experiment (LODE) programs of the Defense Advanced Research Projects Agency, and, of the amount authorized in such section for the Defense Advanced Research Projects Agency, $50,000,000 is available only for research, development, test, and evaluation of short wavelength laser technology.

TITLE III—OPERATION AND MAINTENANCE AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Army.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $16,697,100,000 for expenses, not otherwise provided for, for the operation and maintenance of the Army as follows:

(1) For general purpose forces, $6,129,145,000

(2) For intelligence and communications, $911,868,000.

(3) For central supply and maintenance, $4,906,339,000.

(4) For training, medical, and other general personnel activities, $3,587,108,000.

(5) For administration, $1,039,204,000.

(6) For support of other nations, $123,436,000.

(b) Navy.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $21,545,000,000 for expenses, not otherwise provided for, for the operation and maintenance of the Navy and the Marine Corps as follows:

(1) For strategic forces, $1,775,212,000.

(2) For general purpose forces, $10,604,659,000.

(3) For intelligence and communications, $930,902,000.

(4) For central supply and maintenance, $5,942,966,000.

(5) For training, medical, and other general personnel activities, $1,806,858,000.

(6) For administration, $484,208,000.

(7) For support of other nations, $195,000.

(c) Marine Corps.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $1,481,500,000 for expenses, not otherwise provided for, for the operation and maintenance of the Marine Corps as follows:

(1) For general purpose forces, $864,292,000.

(2) For central supply and maintenance, $359,561,000.

(3) For training, medical, and other general personnel activities, $186,669,000.

(4) For administration, $70,978,000.

(d) Air Force.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $17,278,100,000 for expenses, not otherwise provided for, for the operation and maintenance of the Air Force as follows:

(1) For strategic forces, $3,085,928,000.

(2) For general purpose forces, $3,745,598,000.

(3) For intelligence and communications, $1,418,292,000.

(4) For airlift and sealift, $1,205,813,000.

(5) For central supply and maintenance, $5,458,958,000.

(6) For training, medical, and other general personnel activities, $1,968,882,000.

(7) For administration, $387,822,000.

(8) For support of other nations, $6,807,000.

(e) DEFENSE AGENCIES.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $5,673,640,000 for expenses, not otherwise provided for, for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments) as follows:

(1) For general purpose forces, $343,208,000.

(2) For intelligence and communications, $1,903,274,000.

(3) For central supply and maintenance, $1,377,576,000.

(4) For training, medical, and other general personnel activities, $1,699,005,000.

(5) For administration, $350,577,000.

(f) ARMY RESERVE.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $704,900,000 for expenses, not otherwise provided for, for the operation and maintenance of the Army Reserve as follows:

(1) For mission forces, $433,310,000.

(2) For depot maintenance, $7,741,000.

(3) For other support, $263,849,000.

(g) NAVY RESERVE.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $644,600,000 for expenses, not otherwise provided for, for the operation and maintenance of the Navy Reserve as follows:

(1) For mission forces, $389,925,000.

(2) For depot maintenance, $103,775,000.

(3) For other support, $150,900,000.

(h) MARINE CORPS RESERVE.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $51,115,000 for expenses, not otherwise provided for, for the operation and maintenance of the Marine Corps Reserve as follows:

(1) For mission forces, $27,434,000.

(2) For depot maintenance, $1,515,000.

(3) For other support, $22,166,000.

(i) AIR FORCE RESERVE.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $761,400,000 for expenses, not otherwise provided for, for the operation and maintenance of the Air Force Reserve as follows:

(1) For mission forces, $537,829,000.

(2) For depot maintenance, $100,375,000.

(3) For other support, $123,196,000.

(j) ARMY NATIONAL GUARD.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $1,151,900,000 for expenses, not otherwise provided for, for the operation and maintenance of the Army National Guard as follows:

(1) For training operations, $193,028,000.

(2) For logistical support, $871,547,000.

(3) For headquarters and command support, $79,307,000.

(4) For medical support, $8,018,000.

(k) AIR NATIONAL GUARD.—Funds are hereby authorized to be appropriated for fiscal year 1983 in the total amount of $1,744,400,000 for expenses, not otherwise provided for, for the operation and maintenance of the Air National Guard as follows:

(1) For operation of aircraft, $525,250,000.

(2) For logistical support, $287,237,000.

(3) For training support, $928,245,000.

(4) For servicewide support, $3,668,000.

(l) NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY.—There is hereby authorized to be appropriated for fiscal year 1983 the amount of $875,000 for the expenses of the Secretary of the Army, upon the recommendation of the National Board for the Promotion of Rifle Practice, under section 4308 of title 10, United States Code, and the expenses of the Secretary of the Army under sections 4309 and 4313 of such title.

(m) CLAIMS, DEFENSE.—There is hereby authorized to be appropriated for fiscal year 1983 the amount of $172,500,000 for payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions).

(n) COURT OF MILITARY APPEALS, DEFENSE.—There is hereby authorized to be appropriated for fiscal year 1983 the amount of $3,210,000 for salaries and expenses for the United States Court of Military Appeals.

GENERAL AUTHORIZATION OF APPROPRIATIONS FOR PAY RAISES, FUEL COSTS, AND INFLATION ADJUSTMENTS

SEC. 302. There are authorized to be appropriated for fiscal year 1983, in addition to the amounts authorized to be appropriated in section 301, such sums as may be necessary—

(1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in section 301;

(2) for unbudgeted increases in fuel costs; and

(3) for increases as the result of inflation in the cost of activities authorized by section 301.

RESTRICTION ON LONG-TERM LEASES OF VESSELS FOR THE NAVY

SEC. 303. (a) None of the funds appropriated pursuant to an authorization of appropriations in section 301 may be obligated or expended in connection with a long-term lease of a vessel for the Navy if the lease includes a substantial termination liability unless and until (1) the Secretary of the Navy has notified the Committees on Armed Services and on Appropriations of the Senate and House of Representatives of

the proposed lease, and (2) a period of 30 days has elapsed after the date on which such committees receive such notification. Any such notification shall include a description of the terms of the proposed lease and a justification for entering into such a lease rather than obtaining the vessel involved by acquisition.

(b) Subsection (a) does not apply with respect to the lease of a ship if the ship was being leased by the Navy on September 30, 1982.

T-5 REPLACEMENT TANKER PROGRAM

SEC. 304. None of the funds appropriated pursuant to authorizations of appropriations in this title for the Navy may be obligated or expended for any activity in connection with the lease of any vessel associated with the T-5 Replacement Tanker Program which has a main propulsion system or any other major component not built in the United States.

RESTRICTION ON PURCHASE OF COAL FOR MILITARY BASES IN EUROPE

SEC. 305. None of the funds appropriated pursuant to authorizations of appropriations in this title may be used to purchase coal or coke for use at United States military installations in Europe other than coal or coke mined in the United States.

LIMITATION ON STUDIES OF CONTRACTING-OUT OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS

SEC. 306. (a) Funds appropriated pursuant to an authorization of appropriations in this title may not be obligated or expended in connection with any study begun after September 30, 1982, of the benefits or feasibility of contracting for performance by contractor personnel of any commercial or industrial type function or activity of the Department of Defense being performed by the Department of Defense personnel on September 30, 1982.

(b) Of the total amount of funds authorized in this title, $567,600,000 is available only for salaries and other costs for the employment of and performance of functions by direct-hire civilian employees of the Department of Defense in excess of 947,000 such employees.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. (a) The Armed Forces are authorized strengths for active duty personnel as of September 30, 1983, as follows:

(1) The Army, 783,800.

(2) The Navy, 564,200.

(3) The Marine Corps, 194,600.

(4) The Air Force, 595,700.

(b)(1) The authorized fiscal year end-strengths prescribed by law for active-duty personnel of the Army, Navy, Marine Corps, and Air Force may each be increased by not more than one-half of 1 percent if the Secretary of Defense determines that such increase is in the national interest.

(2) The authority provided by this subsection shall expire on October 1, 1983.

QUALITY CONTROL ON ENLISTMENTS INTO THE ARMY

SEC. 402. Effective on October 1, 1982, section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1981" and "September 30, 1982" and inserting in lieu thereof "October 1, 1982" and "September 30, 1983", respectively.

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS

SEC. 501. (a) For fiscal year 1983 the Selected Reserve of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 407,400.

(2) The Army Reserve, 258,700.

(3) The Naval Reserve, 105,500.

(4) The Marine Corps Reserve, 38,300.

(5) The Air National Guard of the United States, 101,100.

(6) The Air Force Reserve, 66,000.

(7) The Coast Guard Reserve, 12,000.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. Within the average strengths prescribed in section 501, the reserve components of the Armed Forces are authorized, as of September 30, 1983, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 14,419.

(2) The Army Reserve, 8,251.

(3) The Navy Reserve, 12,038.

(4) The Marine Corps Reserve, 678.

(5) The Air National Guard of the United States, 5,158.

(6) The Air Force Reserve, 479.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 percent of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. (a) For fiscal year 1983, the table in section 517(b) of title 10, United States Code, shall be deemed to read as follows:

Grade	Army	Navy	Air Force	Marine Corps
E-9	265	156	132	6
E-8	1,244	329	441	56.

(b) For fiscal year 1983, the columns under the headings "Army", "Air Force", and "Marine Corps" in the table in section 524(a) of such title shall be deemed to read as follows:

Army	Air Force	Marine Corps
1,351	281	95
671	267	40
234	170	21.

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTH

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1983, of 1,050,060.

(b) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Personnel employed in an overseas area on a part-time basis under a nonpermanent local-hire appointment who are dependents accompanying a Federal civilian employee or a member of a uniformed service on official assignment or tour of duty shall also be counted as prescribed by section 3404 of that title. Whenever a function, power or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end-strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial- and industrial-type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1983 in the Budget of the President submitted for such fiscal

year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1983, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 78,311.
(2) The Navy, 66,930.
(3) The Marine Corps, 20,435.
(4) The Air Force, 48,769.
(5) The Army National Guard of the United States, 18,052.
(6) The Army Reserve, 14,579.
(7) The Naval Reserve, 1,000.
(8) The Marine Corps Reserve, 2,971.
(9) The Air National Guard of the United States, 2,328.
(10) The Air Force Reserve, 1,351.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve component authorized in subsection (a) for fiscal year 1983 shall be adjusted consistent with the manpower strenghts authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

EXTENSION OF REDUCTION IN NUMBER OF STUDENTS REQUIRED TO BE IN A UNIT OF THE JUNIOR RESERVE OFFICERS' TRAINING CORPS

SEC. 702. Section 602 of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1087), is amended by striking out "August 31, 1982" and inserting in lieu thereof "August 31, 1983".

TITLE VIII—CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SECS. 801. Funds are hereby authorized to be appropriated for fiscal year 1983 to carry out the provision of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251), in total amount of $252,340,000, as follows:

(1) For salaries and expenses, $32,198,000.
(2) For State and local assistance, $156,340,000.
(3) For emergency planning and assistance, $63,802,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. Notwithstanding the second proviso of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260), $60,000,000 of the amount authorized to be appropriated by the first section of this Act is available for appropriations for contributions to the States under section 205 of such Act (50 U.S.C. App. 2286) for personnel and administrative expenses.

REDESIGNATION OF FEDERAL EMERGENCY MANAGEMENT AGENCY

SEC. 803. The agency known as the Federal Emergency Management Agency is hereby redesignated as the Civil Disaster Agency. Any reference to the Federal Emergency Management Agency in any law, regulation, or other document shall be considered to be a reference to the Civil Disaster Agency.

TITLE IX—FORMER SPOUSES' PROTECTION

SHORT TITLE

SEC. 901. This title may be cited as the "Uniformed Services Former Spouses' Protection Act".

PAYMENTS OF RETIRED AND RETAINER PAY

SEC. 902. (a) Chapter 71 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1480. Payment of retired or retainer pay in compliance with court orders

"(a) in this section:

"(1) "Court" means—

"(A) any court of competent jurisdiction of any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Island, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

"(B) any court of the United States (as defined in section 451 of title 28) having competent jurisdiction: and

"(C) any court of competent jurisdiction of any foreign country with which the United States has an agreement requiring the United States to honor any court order of such country.

"(2) 'Court order' means a court's final decree of divorce, dissolution, annulment, or legal separation, or a court ordered, ratified, or approved property settlement incident to such a decree (including a final decree modifying the terms of a previously issued decree of divorce, dissolution, annulment, or legal separation, or a court ordered, ratified, or approved property settlement incident to such previously issued decree), which—

"(A) is issued in accordance with the laws of the jurisdiction of that court;

"(B) provides for—

"(i) payment of child support (as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)));

"(ii) payment of alimony (as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c))); or

"(iii) division of property (including a division of community property); and

"(C) specifically provides for the payment of an amount, expressed in dollars or as a percentage of disposable retired or retainer pay, from the disposable retired or retainer pay of a member to the spouse or former spouse of that member.

For purposes of this definition, 'final decree' means a decree from which no appeal may be taken or from which no appeal has been taken within the time allowed for taking such appeals under the laws applicable to such appeals, or a decree from which timely appeal has been taken and such appeal has been finally decided under the laws applicable to such appeals.

"(3) 'Disposable retired or retainer pay' means the total monthly retired or retainer pay to which a member is entitled under the provisions of this title (other than chapter 61 of this title), title 14, section 3(a) of the Act of August 10, 1956 (70A Stat. 619; 33 U.S.C. 857a(a)), or section 221(a) of the Public Health Service Act (42 U.S.C. 213a(a)) less amounts which—

"(A) are owed by such member to the United States;

"(B) are required by law to be, and are deducted from the retired or retainer pay of such member, including fines and forfeitures ordered by court-martial, Federal employment taxes, and amounts waived in order to receive compensation under title 5 or title 38;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and to the extent such amounts withheld are not greater than would be authorized if such member claimed all dependents to which he was entitled;

"(D) are withheld under section 3402(i) of the Internal Revenue Code of 1954 (26 U.S.C. 3402(i)) if such member presents evidence of a tax obligation which supports such withholding;

"(E) are deducted as Government life insurance premiums (not including amounts deducted for supplemental coverage); or

"(F) are deducted because of an election under chapter 73 of this title to provide an annuity to a spouse or former spouse to whom payment of a portion of such member's retired or retainer pay is being made pursuant to a court order under this section.

"(4) 'Member' means a person who is or was appointed or enlisted in, or conscripted into, any of the uniformed services, and includes a former member.

"(5) 'Secretary concerned' has the meaning given that term by section 101(5) of title 37.

"(6) 'Spouse or former spouse' means the husband or wife, or former husband or wife, respectively, of a member who, on or before the date of a court order, was married to that member.

"(7) 'Uniformed services' has the meaning given to that term by section 101(3) of title 37.

"(b) For the purposes of this section—

"(1) service of a court order is effective if—

"(A) an appropriate agent of the Secretary concerned designated for receipt of service of court orders under regulations prescribed pursuant to subsection (h) or, if no agent has been so designated, the Secretary concerned, is personally served or is served by certified or registered mail, return receipt requested;

"(B) the court order is regular on its face;

"(C) the court order or other documents served with the court order identify the member concerned and include the social security number of such member; and

"(D) the court order or other documents served with the court order certify that the rights of the member under the Soldiers' and Sailors' Civil Relief Act of 1940 were observed; and

"(2) a court order is regular on its face when the order—

"(A) is from a court of competent jurisdiction;

"(B) is legal in form; and

"(C) includes nothing on its face that provides reasonable notice that it is issued without authority of law.

"(C)(1) Subject to the limitations of this section, a court may treat disposable retired or retainer pay payable to a member for pay periods beginning on or after June 26, 1981, either as property solely of the member or as property of the member and his spouse in accordance with the law of the jurisdiction of such court if the spouse was married to the member for a period of not less than 10 years during which the member performed at least 10 years of service which is creditable in determining the member's eligibility for retired or retainer pay, or equivalent

pay, as a result of his service in any of the uniformed services.

"(2) Notwithstanding any other provision of law, this section does not create any right, title, or interest which can be sold, assigned, transferred, or otherwise disposed of (including by inheritance) by a spouse or former spouse.

"(3) This section does not authorize any court to order a member to apply for retirement or retire from the uniformed services at a particular time in order to effectuate any payment under this section.

"(4) A court may not treat the disposable retired or retainer pay of a member in the manner described in paragraph (1) unless the court has jurisdiction over the member by reason of (A) his residence, other than because of military assignment, in the territorial jurisdiction of the court, (B) his domicile in the territorial jurisdiction of the court, or (C) his consent to the jurisdiction of the court or unless the marriage was performed in the territorial jurisdiction of the court.

"(d)(1) Not later than 90 days after the effective service of a court order with respect to a member who is entitled to receive retired or retainer pay, or, in the case of a member who, on the date of the effective service of a court order with respect to such member, is not entitled to receive retired or retainer pay, not later than 90 days after such member first becomes entitled to receive retired or retainer pay, the Secretary concerned shall, subject to the limitations of this section, pay to the spouse or former spouse of the member the amount of disposable retired or retainer pay specifically provided for in the court order.

"(2) Payments under this section shall not be made more frequently than once each month, and the Secretary concerned shall not be required to vary normal pay and disbursement cycles for retired or retainer pay in order to comply with any court order.

"(3) Payments from the disposable retired or retainer pay of any member pursuant to this section shall terminate in accordance with the terms of the applicable court order, but not later than the date of the death of the member or the date of the death of the spouse or former spouse to whom payments are being made, whichever occurs first, and in the case of a former spouse, shall terminate with respect to alimony or a division of property (including a division of community property) upon the remarriage of the former spouse before the age of 60.

"(4) If a court order described in paragraph (1) provides for a division of property (including a division of community property) in addition to an amount of disposable retired or retainer pay, the Secretary concerned shall, subject to the limitations of this section, pay to the spouse or former spouse of the member, from the disposable retired or retainer pay of the member, any part of the amount payable to the spouse or former spouse under the division of property upon effective service of a final court order of garnishment of such amount from such retired or retainer pay.

"(e)(1) The total amount of the disposable retired or retainer pay of a member payable under subsection (d) shall not exceed 50 percent of such disposable retired or retainer pay.

"(2) In the event of effective service of more than one court order which provide for payment to a spouse and one or more former spouses or to more than one former spouse from the disposable retired or retainer pay of one member, such pay shall be used to satisfy, subject to the limitations of paragraph (1), such court orders on a first-come, first-served basis. Such court orders shall be satisfied (subject to the limitations of paragraph (1)) out of that amount of disposable retired or retainer pay which remains after the satisfaction of all court orders which have been previously served.

"(3)(A) In the event of effective service of conflicting court orders under this section which assert to direct that different amounts be paid during a month to the same spouse or former spouse from the disposable retired or retainer pay of the same member, the Secretary concerned shall—

"(i) pay to that spouse the least amount of disposable retired or retainer pay directed to be paid during that month by any such conflicting court order, but not more than the amount of disposable retired or retainer pay which remains available for payment of such court orders based on when such court orders were effectively served and the limitations of paragraph (1) and subparagraph (B) of paragraph (4);

"(ii) retain an amount of disposable retired or retainer pay that is equal to the lesser of—

"(I) the difference between the largest amount of retired or retainer pay required by any conflicting court order to be paid to the spouse or former spouse and the amount payable to the spouse or former spouse under clause (i); and

"(II) the amount of disposable retired or retainer pay which remains available for payment of any conflicting court order based on when such court order was effectively served and the limitations of paragraph (1) and subparagraph (B) of paragraph (4); and

"(iii) pay to that member the amount which is equal to the amount of that member's disposable retired or retainer pay (less any amounts paid during such month pursuant to legal process served under section 459 of the Social Security Act (42 U.S.C. 659) and any amounts paid during such month pursuant to court orders effectively served under this section, other than such conflicting court orders) minus—

"(I) the amount of disposable retired or retainer pay paid under clause (i); and

"(II) the amount of disposable retired or retainer pay retained under clause (ii).

"(B) The Secretary concerned shall hold the amount retained under clause (ii) of subparagraph (A) until such time as that Secretary is provided with a court order which has been certified by the member and the spouse or former spouse to be valid and applicable to the retained amount. Upon being provided with such an order, the Secretary shall pay the retained amount in accordance with the order.

"(4)(A) In the event of effective service of a court order under this section and the service of legal process pursuant to section 459 of the Social Security Act (42 U.S.C. 659), both of which provide for payments during a month from the retired or retainer pay of the same member, such court orders and legal process shall be satisfied on a first-come, first-served basis. Such court orders and legal process shall be satisfied out of moneys which are subject to such orders and legal process and which remain available in accordance with the limitations of paragraph (1) and subparagraph (B) of this paragraph during such month after the satisfaction of all court orders or legal process which have been previously served.

"(B) Notwithstanding any other provision of law, the total amount of the disposable retired or retainer pay of a member payable by the Secretary concerned under all court orders pursuant to this section and all court orders pursuant to this section and all legal processes pursuant to section 459 of the Social Security Act (42 U.S.C. 659) with respect to any member may not exceed 65 percent of the disposable retired or retainer pay payable to such member.

"(5) A court order which itself or because of previously served court orders provides for the payment of an amount of disposable retired or retainer pay which exceeds the amount of such pay available for payment because of the limit set forth in paragraph (1), or which, because of previously served court orders or legal process previously served under section 459 of the Social Security Act (42 U.S.C. 659), provides for payment of an amount of disposable retired or retainer pay which exceeds that amount available for payment in accordance with the limits of paragraph (1) and subparagraph (B) of paragraph (4), shall not be deemed to be irregular on its face solely for that reason. However, such order shall be deemed to be fully satisfied for purposes of this section by the payment to the spouse or former spouse of the amount of disposable retired or retainer pay available for such payment in accordance with the limits of paragraph (1) and subparagraph (B) of paragraph (4).

"(f)(1) The United States and any officer or employee thereof shall not be liable with respect to any payment made from retired or retainer pay to any member, spouse, or former spouse pursuant to a court order that is regular on its face if such payment is made in accordance with this section and the regulations prescribed pursuant to subsection (h).

"(2) No officer or employee of the United States who, under regulations prescribed pursuant to subsection (h), has the duty to respond to interrogatories shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or because of, any disclosure of information made by him in carrying out any of his duties which directly or indirectly pertain to answering such interrogatories.

"(g) Any person receiving effective service of any court order under this section shall, as soon as possible, but not later than 30 days after the date on which effective service is made, send a written notice of such court order (together with a copy thereof) to the member affected by such court order at his last known address.

"(h) The Secretaries concerned shall prescribe uniform regulations to administer this section within the uniformed services.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1408. Payment of retired or retainer pay in compliance with court orders.".

SURVIVOR ANNUITIES

SEC. 903. (a) Section 1447 of title 10, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(6) 'Former spouse' means the surviving former husband or wife of a person who is eligible to participate in the Plan.

"(7) 'Court' has the meaning given that term by section 1408(a)(1) of this title.

"(8) 'Court order' means a court's final decree of divorce, dissolution, annulment, or legal separation, or a court ordered, ratified, or approved property settlement incident to such a decree (including a final decree modi-

fying the terms of a previously issued decree of divorce, dissolution, annulment, or legal separation, or of a court ordered, ratified, or approved property settlement agreement incident to such previously issued decree).

"(9) 'Final decree' means a decree from which no appeal may be taken or from which no appeal has been taken within the time allowed for the taking of such appeals under the laws applicable to such appeals, or a decree from which timely appeal has been taken and such appeal has been finally decided under the laws applicable to such appeals.

"(10) 'Regular on its face' has the meaning given to that term by section 1408(b)(2) of this title.".

(b)(1) Section 1448(a) of such title is amended—

(A) in paragraph (3)(A) by inserting "or elects to provide an annuity under subsection (b)(2) of this section," after "for his spouse,"; and

(B) in paragraph (3)(B) by inserting "or elects to provide an annuity under subsection (b)(2) of this section," after "for his spouse,".

(2) Section 1448(b) of such title is amended to read as follows:

"(b)(1) A person who is not married and does not have a dependent child when he becomes eligible to participate in the Plan may elect to provide an annuity to a natural person with an insurable interest in that person or to provide an annuity to a former spouse.

"(2) A person who is married or has a dependent child may elect to provide an annuity to a former spouse instead of providing an annuity to a spouse or dependent child if the election is made in order to carry out the terms of a voluntary written agreement entered into with a former spouse (without regard to whether such agreement is included in or approved by a court order).

"(3) In the case of a person electing to provide an annuity under paragraph (1) or (2) of this subsection by virtue of eligibility under subsection (a)(1)(B), the election shall include a designation under subsection (e).

"(4) Any person who elects under paragraph (1) or (2) to provide an annuity to a former spouse shall, at the time of making such election, provide the Secretary concerned with a written statement, in a form to be prescribed by that Secretary, signed by such person and the former spouse setting forth whether such election is being made pursuant to a voluntary written agreement previously entered into by such person as a part of or incident to a proceeding of divorce, dissolution, annulment, or legal separation, and if so, whether such voluntary written agreement has been incorporated in or ratified or approved by a court order.".

(c) Section 1450(a)(4) of such title is amended—

(1) by inserting "former spouse or other" before "natural person"; and

(2) by striking out "if there is no eligible beneficiary under clause (1) or clause (2)" and inserting in lieu thereof "unless the election to provide an annuity to the former spouse or other natural person has been changed as provided in subsection (f)".

(d) Section 1450(f) of such title is amended to read as follows:

"(f)(1) A person who elects to provide an annuity to a person designated by him under section 1448(b) of this title may, subject to paragraph (2) of this subsection, change that election and provide an annuity to his spouse or dependent child. The Secretary of Defense shall notify the former spouse or other natural person previously designated under section 1448(b) of this title of any change of election under the first sentence of this paragraph. Any such change of election is subject to the same rules with respect to execution, revocation, and effectiveness set forth in section 1448(a)(5) of this title.

"(2) Any person who, incident to a proceeding of divorce, dissolution, annulment, or legal separation, enters into a voluntary written agreement to elect under section 1448(b) of this title to provide an annuity to a former spouse and who makes an election pursuant to such agreement may not change such election under paragraph (1) unless—

"(A) in any case in which such agreement has been incorporated in or ratified or approved by a court order, the person—

"(i) furnishes to the Secretary concerned a certified copy of a court order which is regular on its face and modifies the provisions of all previous court orders relating to the agreement to make such election so as to permit the person to change the election; and

"(ii) certifies to the Secretary concerned that the court order is valid and in effect; or

"(B) in any case in which such agreement has not been incorporated or ratified or approved by a court order, the person—

"(i) furnishes to the Secretary concerned a statement, in such form as the Secretary concerned may prescribe, signed by the former spouse and evidencing the former spouse's agreement to a change in the election under paragraph (1); and

"(ii) certifies to the Secretary concerned that the statement is current and in effect.

"(3) Nothing in this chapter authorizes any court to order any person to elect under section 1448(b) of this title to provide an annuity to a former spouse unless such person has voluntarily agreed in writing to make such election.".

MEDICAL BENEFITS

SEC. 904. (a) Section 1072(2) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(F) the unremarried former spouse of a member or former member if, on the date of the final decree of divorce, dissolution, or annulment, that former spouse had been married to the member or former member for a period of at least 20 years during which period the member or former member performed at least 20 years of service which is creditable in determining that member's or former member's eligibility for retired or retainer pay, or equivalent pay, as a result of his service in any of the uniformed services and if that former spouse does not have medical coverage under an employer-sponsored health plan.".

(b) Section 1076(b) of such title is amended by inserting at the end thereof the following: "A dependent described in section 1072(2)(F) of this title may be given medical and dental care pursuant to clause (2) without regard to subclause (B) of such clause.".

(c) Section 1086(c) of such title is amended by inserting after clause (2) the following new clause:

"(3) A dependent covered by section 1072(2)(F) of this title.".

COMMISSARY AND EXCHANGE PRIVILEGES

SEC. 905. The Secretary of Defense shall prescribe such regulations as may be necessary to provide that any unremarried former spouse described in subparagraph (F) of section 1072(2) of title 10, United States Code (as added by section 904), is entitled to commissary and post exchange privileges to the same extent and on the same basis as the surviving spouse of a retired member of the uniformed services.

EFFECTIVE DATE AND TRANSITION

SEC. 906. (a) The amendments made by this title shall take effect on the first day of the first month which begins more than 120 days after the date of enactment.

(b) Subsection (d) of section 1408 of title 10, United States Code, as added by section 902(a), shall apply only with respect to payments of retired or retainer pay for periods beginning on or after the effective date of such amendments, but without regard to the date of any court order. However, in the case of a court order that became final before June 26, 1981, payments under such subsection may only be made in accordance with such order as in effect on such date and without regard to any subsequent modifications.

(c) The amendments made by section 903 of this title shall apply to persons who become eligible to participate in the Survivor Benefit Plan before, on, or after the effective date of such amendments.

(d) The amendments made by section 904 of this title and the provisions of section 905 of this title shall apply in the case of any former spouse of a member or former member of the uniformed services only if the final decree of divorce, dissolution, or annulment of the marriage of the former spouse and such member or former member is dated on or after the effective date of such amendments.

(e) For the purposes of this section—

(1) the term "court order" has the same meaning as provided in section 1408(a)(2) of title 10, United States Code (as added by section 902 of this title);

(2) the term "former spouse" has the same meaning as provided in section 1408(a)(6) of such title (as added by section 902 of this title); and

(3) the term "uniformed services" has the same meaning as provided in section 1408(a)(7) of such title (as added by section 902 of this title).

COMMUNITY PROPERTY STATES

SEC. 907. Nothing in this title or the amendments made by this title shall overrule or require the modification of any State law or State court decision in any State which treats marital property as community property.

TITLE X—GENERAL PROVISIONS

TRANSFER AUTHORITY

SEC. 1001. (a)(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this Act between any such authorizations (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $1,500,000,000.

(b) The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for higher priority items than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1002. (a) The Secretary of Defense should conduct a test program during fiscal year 1983 in accordance with this subsection to test the effect of exempting certain contracts of the Department of Defense from the provisions of section 2892 of title 10, United States Code and paying a price differential under such contracts for the purpose of relieving economic dislocations. Under such test program, the Secretary of Defense may exempt from the provisions of such section any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal year 1983 if the contract is to be awarded to an individual or firm located in a Labor Surplus Area, as defined and identified by the Department of Labor, and if the Secretary determines—

(1) that the awarding of such contract will not adversely affect the national security of the United States;

(2) that there is a reasonable expectation that bids will be received from a sufficient number of responsible bidders so that the award of such contract will be made at reasonable cost to the United States;

(3) that the price differential to be paid under such contract will not exceed 3 percent; and

(4) the value of such contract, when added to the cumulative value of all other contracts awarded under the test program, will not exceed $5,000,000,000.

(b) Not later than April 15, 1983, the President shall submit a report to Congress on the implementation and results to that date of the test program authorized by subsection (a). The report shall include an assessment of the costs and benefits of the test program.

IMPROVED OVERSIGHT OF COST GROWTH IN MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 1003. (a)(1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 139a. Major defense acquisition programs: control of cost growth

"(a) In this section:

"(1) 'Major defense acquisition program' means a Department of Defense acquisition program that is not a highly sensitive classified program (as determined by the Secretary of Defense) and—

"(A) that is designated by the Secretary of Defense as a major defense acquisition program; or

"(B) that is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than $200,000,000 (based on fiscal year 1980 constant dollars) or an eventual total expenditure for procurement of more than $1,000,000 (based on fiscal year 1980 constant dollars).

"(2) 'Program acquisition unit cost', with respect to a major defense acquisition program, means the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, the acquisition program, divided by (B) the number of fully-configured end items to be produced for the acquisition program.

"(3) 'Major contract', with respect to a major defense acquisition program, means (A) each prime contract under the program, and (B) each associate or Government-furnished equipment contract under the program (i) that is one of the six largest contracts under the program in dollar amount, or (ii) that, with other contracts under the program, represent at least 90 percent of the total contract cost for current contracts under the program, whichever represents the greater dollar amount.

"(b)(1)(A) The Secretary of Defense shall submit to Congress at the end of each fiscal-year quarter a report on current major defense acquisition programs. Except as provided in subparagraph (B), each such report shall include a status report on each defense acquisition program that at the end of such quarter is a major defense acquisition program. Reports under this subsection shall be known as Selected Acquisition Reports.

"(B) A status report on a major defense acquisition program need not be included in the Selected Acquisition Report for the second, third, or fourth quarter of a fiscal year if such a report was included in a previous Selected Acquisition Report for that fiscal year and there has been no change in program cost, performance, or schedule since the most recent such report. In addition, the requirement to report on a particular major defense acquisition program in any quarter may be waived with the approval of the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

"(2) Each selected Acquisition Report for the first quarter of a fiscal year shall include (A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title, (B) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted, and (C) such other information as the Secretary of Defense considers appropriate. Selected Acquisition Reports for the first quarter of fiscal year shall be known as comprehensive annual Selected Acquisition Reports.

"(3) Each Selected Acquisition Report for the second, third, and fourth quarters of a fiscal year shall include—

"(A) with respect to each major defense acquisition program that was included in the most recent comprehensive annual Selected Acquisition Report, the information described in paragraph (4); and

"(B) with respect to each major defense acquisition program that was not included in the most recent comprehensive annual Selected Acquisition Report, the information described in paragraph (2).

Selected Acquisition Reports for the second, third, and fourth quarters of a fiscal year shall be known as Quarterly Selected Acquisition Reports.

"(4) Information to be included under this paragraph in a Quarterly Selected Acquisition Report with respect to a major defense acquisition program is as follows:

"(A) The program acquisition unit cost.

"(B) The quantity of items to be purchased under the program.

"(C) The program acquisition unit cost.

"(D) The current procurement cost for the program.

"(E) The current procurement unit cost for the program.

"(F) The reasons for any changes in program cost, program unit cost, procurement cost, or procurement unit cost or in program schedule from the previous Selected Acquisition Report.

"(G) The major contracts under the program and the reasons for cost or schedule variances under those contracts since the last Selected Acquisition Report.

"(H) The completion status of the program (i) expressed as the percentage that the number of years for which funds have been appropriated for the program is of the number of years for which it is planned that funds will be appropriated for the program, and (ii) expressed as the percentage that the amount of funds that have been appropriated for the program is of the total amount of funds which it is planned will be appropriated for the program.

"(I) Program highlights since the last Selected Acquisition Report.

"(5) Each comprehensive annual Selected Acquisition Report shall be submitted within 30 days after the date on which the President transmits the Budget to Congress for the following fiscal year, and each Quarterly Selected Acquisition Report shall be submitted within 30 days after the end of the fiscal-year quarter. If a preliminary report is submitted for the comprehensive annual Selected Acquisition Report in any year, the final report shall be submitted within 15 days after the submission of the preliminary report.

"(c)(1) the estimate of the program acquisition cost for a major defense acquisition program as shown in the Selected Acquisition Report in which such program is first included the baseline program cost for the program, and the estimate of the program acquisition unit cost for that program as shown in such report is the original unit cost baseline for the program.

"(2) The estimate of the program acquisition unit cost of a major defense acquisition program in the Selected Acquisition Report in which such program is first included or in the most recent comprehensive annual Selected Acquisition Report, whichever is later, is the current unit cost baseline for that program. The most recent estimate at any time of the program acquisition unit cost of such program is the current unit cost of the program.

"(d)(1) If after the submittal of a Selected Acquisition Report establishing the current unit cost baseline for a major defense acquisition program the program manager for that program at any time finds that there is reasonable cause to believe—

"(A) that the current unit cost of the program has increased by at least 15 percent above the current unit cost baseline; or

"(B) that cost variances or schedule variances of a major contract under the program have resulted in an increase in the cost of the contract of at least 15 percent above the cost of the contract as of the time the contract was made;

the program manager shall submit a report to the Secretary concerned stating such finding.

"(2) If after the submittal of the Selected Acquisition Report establishing the current unit cost baseline for a major defense acquisition program the program manager for the program has submitted a report to the Secretary under paragraph (1) with respect to that program and the program manager for that program then finds that there is reasonable cause to believe—

"(A) that the current unit cost of the program has increased by more than five percent above the current unit cost as shown in the most recent report submitted to the Secretary concerned with respect to that program under this subsection; or

"(B) that cost variances or schedule variances of a major contract under the program have resulted in an increase in the cost of the contract of at least five percent above the cost of the contract as shown in the most recent report submitted to the Secretary concerned with respect to that program under this subsection;

the program manager shall submit a report to the Secretary concerned stating such finding.

"(e)(1) When a report is submitted to the Secretary concerned under subsection (d) with respect to a defense acquisition program and the Secretary has not submitted a report to Congress under this subsection with respect to that program since the submittal of the Selected Acquisition Report establishing the current unit cost baseline for the program, the Secretary shall determine whether the current unit cost of the program has increased by 15 percent or more above the current unit cost baseline of the program. If the Secretary determines that there has been such an increase, the Secretary shall submit a report to Congress containing the information described in subsection (f).

"(2) When a report is submitted to the Secretary concerned under subsection (d) with respect to a defense acquisition program and the Secretary has previously submitted a report to Congress under paragraph (1) with respect to that program since the submittal of the Selected Acquisition Report establishing the current unit cost baseline for the program, the Secretary shall determine whether the current unit cost of the program has increased by 5 percent or more above the current unit cost of the program as shown in the most recent report submitted to Congress under this subsection. If the Secretary determines that there has been such an increase, the Secretary shall submit a report to Congress containing the information described in subsection (f).

"(3) Reports under this subsection shall be known as Program Cost Assessment Reports. Any such report shall be submitted not later than 30 days after the date on which the Secretary concerned receives the report from the program manager that is the basis for the submittal of such report.

(f) Each Program Cost Assessment Report under subsection (e) with respect to a major defense acquisition program shall include the following:

"(1) The name of the major defense acquisition program.

"(2) The date of the preparation of the report.

"(3) The program phase as of the date of the preparation of the report.

"(4) The baseline program cost in constant base-year dollars and in current dollars.

"(5) The current program cost in constant base-year dollars and in current dollars.

"(6) The completion status of the program (A) expressed as the percentage that the number of years for which funds have been appropriated for the program is of the number of years for which it is planned that funds will be appropriated for the program, and (B) expressed as the percentage that the amount of funds that have been appropriated for the program is of the total amount of funds which it is planned will be appropriated for the program.

"(7) The base year.

"(8) The dates of the Selected Acquisition Reports that established the original unit cost baseline and the current unit cost baseline.

"(9) The current change and the total change, in dollars and expressed as a percentage, in the program acquistion unit cost, stated both in constant base-year dollars and in current dollars.

"(10) The quantity of end items to be acquired under the program and the current change and total change, if any, in that quantity.

"(11) The following contract performance assessment information with respect to each major contract under the program:

"(A) The name of the contractor.

"(B) The phase that the contract is in at the time of the preparation of the report.

"(C) The percentage of work under the contract that has been completed.

"(D) Any current change and the total change, in dollars and expressed as a percentage, in the contract cost.

"(E) The percentage by which the contract is currently ahead of or behind schedule.

"(F) A narrative providing a summary explanation of the most significant occurences, including cost and schedule variances under major contracts of the program, contributing to the changes identified and a discussion of the effect these occurances will have on future program costs and the program schedule.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"139a. Major defense acquisition programs: control of cost growth.".

(b) Section 811 of the Department of Defense Appropriation Authorization Act, 1976 (10 U.S.C. 139 note) is repealed.

(c) Section 139a of title 10, United States Code, as added by subsection (a), shall take effect on January 1, 1983, and shall apply beginning with respct to reports for the first quarter of fiscal year 1983. The repeal made by subsection (b) shall take effect on January 1, 1983.

OVERSIGHT OF DEFENSE EXPENDITURES

SEC. 1004. (a) Concurrent with the submission of the budget to Congress for fiscal year 1984, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report concerning the strength requested in such budget for civilian personnel for the Defense Contract Audit Agency, Defense Audit Service and the Defense Criminal Investigative Service. Such report shall state the number of such personnel at the end of fiscal year 1982, the number at the time the report is submitted, and the number requested in that budget and shall include a justification for the number requested. The report shall also include the opinion of the Secretary of Defense as to whether the number requested is sufficient for those agencies to accomplish their functions with respect to the reduction of waste, fraud, and abuse in defense expenditures during the next fiscal year, particularly in light of any increases (in real terms) in the levels of appropriations requested in that budget for operations, procurement of new equipment, and for research, development, test, and evaluation.

(b) The Secretary shall include in the report under subsection (a) information concerning the savings in defense expenditures achieved by the Defense Contract Audit Agency, Defense Audit Service and Defense Criminal Investigative Service during fiscal year 1982, including a statement for each agency of the amount of such cost savings achieved as a percentage of the number of dollars spent by such agency during such year.

LIMITATION ON STRATEGIC WEAPONS

SEC. 1005. (a) None of the funds appropriated pursuant to authorizations of appropriations in this Act may be used for the procurement, testing, deployment, or operation and maintenance of any strategic nuclear weapon or nuclear weapon system, or of a launcher for a strategic nuclear weapon or nuclear weapon system, if that procurement, testing, deployment, or operation and maintenance would contravene existing strategic arms policies of the United States as declared by the President in his Memorial Day address of May 31, 1982, as follows: "As for existing strategic arms agreements, we will refrain from actions which undercut them so long as the Soviet Union shows equal restraint.".

(b) The limitations set forth in subsection (a) shall not apply after the date that is thirty days after the date on which the President transmits a report in writing to Congress (1) containing the President's certification that it is in the supreme national interest of the United States that such limitations no longer apply, and (2) setting forth the reasons for the certification.

DESIGNATION OF ESTONIA, LATVIA, AND LITHUANIA ON DEFENSE MAPS

SEC. 1006. None of the funds appropriated pursuant to an authorization of appropriations in this Act may be used to prepare, produce or purchase any map showing the Union of Soviet Socialist Republics that does not—

(1) show the geographic boundaries of Estonia, Latvia, and Lithuania and designate those areas by those names;

(2) include the designation "Soviet Occupied" in parentheses under each of those names; and

(3) include in close proximity to the area of the Baltic countries the following statement: "The United States Government does not recognize the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union".

WAIVER OF AUTHORIZATION REQUIREMENT FOR CERTAIN PREVIOUSLY APPROPRIATED FUNDS

SEC. 1007. The provisions of section 138(a) of title 10, United States Code, requiring that funds may not be obligated or expended by the Armed Forces for certain purposes unless such funds have been specifically authorized by law shall not apply with respect to the obligation or expenditure of funds appropriated for fiscal year 1982 before the date of enactment of this Act for the following purposes.

(1) Procurement of aircraft for the Army.

(2) Procurement of aircraft for the Air Force.

(3) Procurement of missiles for the Air Force.

(4) Operations and Maintenance for Defense-wide activities.

LIMITATION ON DEFENSE FUNDS FOR SPACE SHUTTLE

SEC. 1008. Notwithstanding any other provision of law, during fiscal year 1983 the Secretary of Defense shall not transfer funds to the Administrator of the National Aeronautics and Space Administration to

pay any part of the cost of placing Department of Defense payloads into orbit by means of the Space Shuttle except in accordance with laws in effect on July 1, 1982, and interagency agreements made pursuant to such laws.

PRIOR NOTIFICATION TO CONGRESS ON FOREIGN SOLE SOURCE PROCUREMENTS

SEC. 1009. Subject to the provisions of Chapter 138 of title 10, United States Code (relating to North Atlantic Treaty Organization mutual support), none of the funds authorized to be appropriated in this Act may be used to enter into a prime contract for the purchase of a major article of equipment essential to the national defense from a manufacturer outside the United States that makes the United States dependent on that manufacturer as a sole source, unless the Secretary of Defense shall have notified the Committees on Armed Services and Appropriations of the House and Senate, in writing, and thirty days shall have elapsed from the date of receipt of such notification.

ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT

SEC. 1010. (a) Section 12 of the Military Selective Service Act (50 U.S.C. App. 462) is amended by adding after subsection (e) the following new subsection:

"(f)(1) In order to receive any grant, loan, or work assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), a person who is required under section 3 to present himself for and submit to registration under such section shall file with the institution of higher education which the person intends to attend, or is attending, a statement of compliance with section 3 and regulations issued thereunder.

"(2) The Secretary of Education, in agreement with the Director, shall prescribe methods for verifying such statements of compliance filed pursuant to paragraph (1). Such methods may include requiring institutions of higher Education to provide a list to the Secretary of Education or to the Director of persons who have submitted such statements of compliance.".

(b) The amendments made by subsection (a) of this section shall apply to loans, grants, or work assistance under title IV of the Higher Education Act for periods of instruction beginning on or after July 1, 1983.

INSPECTOR GENERAL ACT AMENDMENTS

SEC. 1011. (a)(1) Section 2(1) of the Inspector General Act of 1978 is amended by inserting "the Department of Defense," immediately before "the Department of Education,".

(2) Section 11(1) of such Act is amended by inserting "Defense," immediately before "Education,".

(3) Section 11(2) of such Act is amended by inserting "Defense (including the Departments of the Army, Navy, and Air Force)," immediately before "Education,".

(b) Section 9(a)(1) of such Act is amended by redesignating subparagraphs (C) through (M) as subparagraphs (D) through (N), respectively, and by inserting after subparagraph (B) the following new paragraph:

"(C) of the Department of Defense, the offices of the department referred to as the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse;".

(c) Section 8 of such Act is amended to read as follows:

"SPECIAL PROVISIONS

"SEC. 8. (a) In addition to meeting the requirements of the first sentence of section 3(a) of this Act, no individual who is a member of the Armed Forces of the United States (whether in an active or reserve status) may be appointed to be the Inspector General of the Department of Defense.

"(b) The provisions of section 1385 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of Defense to carry out the purposes of this Act.".

(d) Section 5 of such Act is amended by adding at the end thereof the following new subsection:

"(e)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(2) Nothing in this subsection or in any other provision of this Act shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.".

(e) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

(f) Within one year after the date of enactment of this section, the Inspector General of the Department of Defense (appointed pursuant to the amendments made by this section) shall submit to the Secretary of Defense and to the Congress a recommendation on whether the office of the Department of Defense referred to as the "Defense Contract Audit Agency" should be transferred to the Office of the Inspector General of such Department (as established by such amendments).

RESTRICTION ON PURCHASE OF FOREIGN-MADE MOTOR VEHICLES

SEC. 1012. (a) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2394. Restriction on purchase of foreign-made administrative motor vehicles

"The Secretary of a military department may award a contract or agreement for the purchase of administrative motor vehicles that are to be used outside the United States or Canada only to the lowest responsible bidder from the United States or the host nation. This section does not apply to contracts or agreements for an amount less than $50,000.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2394. Restriction on purchase of foreign-made administrative motor vehicles.".

ONE-YEAR RESTRICTION ON TRANSFER OF NAVAL VESSELS TO FOREIGN COUNTRIES

SEC. 1013. Notwithstanding section 7307(b) of title 10, United States Code, during the one-year period beginning on the date of the enactment of this Act no naval vessel may be sold, leased, granted, loaned, bartered, transferred, or otherwise disposed of to another nation unless specifically authorized by law.

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. 1014. None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

REPORT ON VISTA 1999 TASK FORCE REPORT

SEC. 1015. (a) The Secretary of Defense shall conduct a full and complete study and evaluation of the recent report and recommendations by the Chairman of the VISTA 1999 task force entitled "Vista 1999, A Long-Range Look at the Future of the Army and Air National Guard". Such study and evaluation shall include but not be limited to the following:

(1) A detailed evaluation of the study's findings, conclusions, and recommendations.

(2) The views of the Chief of the National Guard Bureau on the "Vista 1999" study.

(3) Any plans and recommendations for implementation of the contents of the "Vista 1999" study.

(b) This report shall be provided to the Committees on Armed Services of the House of Representatives and Senate no later than February 1, 1983.

STUDY ON FOREIGN LANGUAGE REQUIREMENTS

SEC. 1016. (a)(1) The Secretary of Defense shall conduct a study on the feasibility of requiring each cadet and midshipman at the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy and each member of the Senior Reserve Officers' Training Corps program to study at least one foreign language for not less than two years and to increase existing requirements for foreign language study at such academies and in such program.

(2) The Secretary shall include in such study consideration of the desirability and feasibility of paying a bonus to each member of the Armed Forces stationed in a foreign country who is proficient in the native language (other than English) of such country.

(b) A report on the study conducted pursuant to subsection (a) shall be submitted by the Secretary of Defense to the Congress not later than the date occurring 12 months after the date of the enactment of this section.

RESTRICTION ON CONSTRUCTION OF NAVAL VESSELS IN FOREIGN SHIPYARDS

SEC. 1017 (a) Chapter 633 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 7309. Restriction on construction of naval vessels in foreign shipyards

"(a) Except as provided in subsection (b), no naval vessel, and no major component of the hull or superstructure of a naval vessel, may be constructed in a foreign shipyard.

"(b) The President may authorize exceptions to the prohibition in subsection (a) when he determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the ex-

ception authorized until the end of the 30-day period beginning on the date the notice of such determination is received by Congress.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"7309. Restriction on construction of naval vessels in foreign shipyards.".

USE OF CERTAIN GIFTS TO THE UNITED STATES MILITARY ACADEMY

SEC. 1018. (a) Under regulations prescribed by the Secretary of the Army, the Superintendent of the United States Military Academy may (without regard to section 2601 of title 10, United States Code) accept, hold, administer, invest, and spend any gift, devise, or bequest of personal property of a value of $20,000 or less made to the United States on the condition that such gift, devise, or bequest be used for the benefit of the United States Military Academy or any entity thereof. The Secretary of the Army may pay or authorize the payment of all reasonable and necessary expenses in connection with the conveyance or transfer of a gift, devise, or bequest under this section.

(b) This section applies with respect to any gift, bequest, or devise made on or after the date of the enactment of this Act for the purpose described in subsection (a) and applies to any such gift, bequest, or devise made before the date of the enactment of this Act with respect to which the Secretary of the Army has approved application of this section rather than section 2601 of title 10, United States Code.

REDUCTION IN TOTAL AUTHORIZATION

SEC. 1019. Of the total amount authorized to be appropriated by this Act for fiscal year 1983, the maximum amount that may be obligated or expended is the total amount appropriated pursuant to such authorizations or $175,300,000,000, whichever is less.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6020) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill, S. 2248, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and, without objection, appoints the following conferees: Messrs. PRICE, BENNETT, STRATTON, WHITE, NICHOLS, BRINKLEY, MOLLOHAN, DAN DANIEL, DICKINSON, WHITEHURST, SPENCE, BEARD, MITCHELL of New York, and Mrs. HOLT, and as additional conferees Messrs. BOLAND, MINETA, and ROBINSON from the Permanent Select Committee on Intelligence, only when differences regarding intelligence-related activities are under consideration. And as additional conferees solely for consideration of section 1011 of the House amendment and modifications committed to conference: Messrs. BROOKS, FOUNTAIN, FASCELL, HORTON, and ERLENBORN.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF S. 2248

Mr. PRICE. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendments to the Senate bill, S. 2248, the Clerk be authorized to make necessary technical corrections, including section numbers, punctuation and cross references, as may be necessary to reflect the actions of the House in amending the bill H.R. 6030.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REQUEST FOR REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 521

Mr. BROWN of Colorado. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 521.

The SPEAKER pro tempore. Has the bill been reported?

Mr. BROWN of Colorado. No, it has not.

The SPEAKER pro tempore. The Chair will have to advise the gentleman from Colorado that there is information that the bill has been reported by the committee, and if that is true, the gentleman's name cannot be removed at this juncture.

Accordingly, the action previously taken is vacated.

□ 2050

CONFERENCE REPORT ON S. 2332, ENERGY EMERGENCY PREPAREDNESS

Mr. SHARP. Mr. Speaker, I call up the conference report on the Senate bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 23, 1982.)

The SPEAKER pro tempore. The gentleman from Indiana (Mr. SHARP) will be recognized for 30 minutes, and the gentleman from California (Mr. DANNEMEYER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SHARP).

Mr. SHARP. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the United States, along with its allies, remains dangerously dependent on imported petroleum for the maintenance of its economic well-being. The fact that U.S. imports of oil have declined over the recent past should not blind us to our continued vulnerability to substantial petroleum shortages. That decline has occurred because of the lower demand for oil, brought about by the recession and some improvements in conservation, and because of the selling off of private oil stockpiles due to current interest rates.

When the United States recovers from its present economic stagnation, oil demand once again will increase significantly. We will be forced back into the international petroleum market, forced to compete for supplies with other recovering industrialized nations, and forced once again to face the specter of the potentially disastrous consequences of our continuing petroleum vulnerability.

Mr. Speaker, last March the Congress attempted to come to terms with the problem of foreign oil dependence when it passed the Standby Petroleum Allocation Act of 1982. Unfortunately, the President disagreed with our approach and could not be persuaded to support that legislation.

Since that time, both Houses actively have sought to reach a bipartisan agreement on legislation which would address various petroleum-related aspects of energy emergency preparedness. We have not attempted to provide the President with authority to allocate oil during a severe emergency, since it was primarily this grant of authority which led to his veto of S. 1503. I believe we have achieved a good bill under the circumstances and hope that the House will see fit today to approve our efforts.

S. 2332 amends the Energy Policy and Conservation Act in a variety of

ways which the conferees hope will result in increased U.S. preparedness for petroleum shortages. Among other things, the proposed measure would extend to December 31, 1983, the expiration date of the antitrust defense granted to U.S. oil companies participating in the International Energy Agency's oil sharing system. This system would be utilized by participating countries in the event of a major oil supply disruption. All existing safeguards for overseeing oil company participation have been maintained. In addition, the legislation makes clear that the antitrust defense and the ability of U.S. oil companies to share oil internationally extends only to those instances contemplated by the allocation and information provisions of the international energy program agreement signed by the United States in 1974.

The bill also requires that the President submit to Congress a description of the present legal authorities which he could use to respond to substantial petroleum shortages. Additionally, the President must submit a listing of energy emergency response procedures which he would consider using to actually implement these legal authorities.

The measure before us today requires the President to fill the strategic petrolum reserve at a rate of 300,000 barrels per day unless he transmits to the Congress a finding that to do so would not be in the national interest and an explanation of why that would be the case. If such a finding has been transmitted, the President would be required to fill the SPR at a rate of at least 220,000 barrels per day unless funds available through the appropriations process make it practicable to achieve a higher fill rate.

In addition, the bill clarifies the authority of the Secretary of Energy to store oil in various interim storage facilities and makes available for interim storage up to 10 percent of SPR petroleum account funds. The bill also requires the President to submit to the Congress by December 1, 1982, a new drawdown plan for the strategic petroleum reserve. While the plan itself would not be subject to congressional veto, any subsequent amendments would undergo the congressional approval process.

S. 2332 mandates the continued collection by the Energy Information Administration of data on the pricing suppiy and distribution of petroleum products by product category, at the wholesale and retail levels, on a State-by-State basis. While the data collected must be of the same type as was collected prior to the expiration of the Emergency Petroleum Allocation Act, S. 2332 does not specify the format upon which such data would be collected, thus allowing for the consolidation of information forms and increased efficiency.

Finally, the measure before us today requires the President to submit to the Congress four reports regarding various aspects of energy emergency preparedness. The first such report would analyze the impact on consumers and the economy of reliance on free market pricing and allocation of petroleum supplies during shortages. The second report would describe the possible crisis situations which could necessitate the distribution of SPR oil and would as well set forth the alternative strategies which could be used in response to those situations, including an examination of the methods by which SPR oil would likely be priced and distributed. Finally, the third and fourth reports would examine the potential economic costs and benefits of establishing regional petroleum reserves and a strategic alcohol fuel reserve.

While S. 2332 by no means will insure that the United States and its allies would be able to withstand another severe petroleum shortage without substantial economic dislocation and public suffering, it is nonetheless a step in that direction. As a product of a bipartisan consensus, the bill seeks to establish what the conferees believe to be the minimum necessary level of protection against the threat of petroleum-related crises. I urge its acceptance by this body.

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the provisions of S. 2332 as embodied in the conference report, together with existing law and executive branch policies, will maintain our position of readiness in the event of an oil supply disruption. It is important to once again applaud the excellent track record of this administration in terms of filling the strategic petroleum reserve, which remains the cornerstone of our preparedness efforts.

By the end of fiscal year 1982 in September, the Department of Energy anticipates that the SPR will have 277 million barrels of oil. This is based upon a June 30, 1982, volume of 264 million barrels plus 9.4 million barrels under contract for delivery in fiscal year 1982 and 3.6 million barrels of additional oil purchases which are planned for fiscal year 1982. This will result in a fill rate for the whole of fiscal year 1982 of 220,000 barrels per day on an average annual basis.

At the minimum rate of 220,000 barrels per day contained in S. 2332 as reported from the conference committee, we will have 357 million barrels in the SPR by the end of fiscal year 1983, 437 million barrels by the end of fiscal year 1984 and 517 million barrels by the end of fiscal year 1985.

All of this should be compared with what we were doing in the previous administration. During 1979, only 63,562 barrles per day were put in the SPR. The same figure for 1980 was an even smaller 44,109. The record of the Reagan administration on this issue warrants the maximum amount of flexibility and discretion in the hands of the Department of Energy. Under the circumstances, we have provided flexibility in S. 2332. Frankly, we did not provide as much as I would have preferred, but the essential thrust has been preserved in comparison to the original Senate bill, which locked the executive into a rate of 300,000 barrels per day.

This is also a proper forum for the purpose of reviewing our present oil import situation. We are currently importing around 4 million barrels per day while we are consuming around 14 to 15 million barrels per day. When the recovery from the recession occurs, it is expected that our crude oil imports will rise by 500,000 barrels per day. This is not an unexpected event or a cause for alarm. Oil imports are our marginal source of supply. It is only natural that the economy will use more oil when the recovery sets in.

All of us are concerned about events in the Middle East and how they might affect our access to Arab-OPEC oil at affordable prices. Our dependence on Persian Gulf oil and petroleum products is at record lows. For the first 4 months of 1982, total imports of crude oil averaged 4.5 million barrels per day. For the first 3 months of the year, imports from the Persian Gulf were only 18 percent of our total imports, or 837,000 barrels per day. Saudi Arabia alone accounted for 709,000 barrels per day of our Persian Gulf imports.

With an SPR of 265 million barrels of oil, and at current rates of consumption, we have more than 300 days of Persian Gulf-OPEC supply on hand. In addition to the protection provided by the SPR, it is clear that there are several countries eager to increase their imports and they would offset any reductions from Persian Gulf nations. Throughout all of the debate over SPR fill rates, it is important to keep in mind that we have on reserve only what we presently have in the SPR. Increasing the fill rate by legislation today will not make us any more prepared for events which might occur in the existing Middle East climate. We are ready, however, because the administration has aggressively filled the SPR.

The bill before the House is a modest one. I do not want to understate or overstate its importance. However, at a point at which we are about to take final action on a piece of legislation, it is instructive to reflect back upon past energy policy decisions of

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the Congress. We tend to think that the passage of legislation or the implementation of a program will solve our problems while at the same time producing the desired result. A commentary reprinted in the December 25, 1977, Washington Star around the time another energy conference report came before Congress presents a tongue-in-cheek statement on the limits of legislation. I would like to insert that article at the conclusion of my remarks. Just as we cannot reverse the physical laws of nature in shaping energy legislation, as noted by the author of the op-ed piece, so, too, can we not ignore the equally valid laws of a free market. To the extent that energy legislation interferes with the market, it reduces the ability of the market to perform efficiently. The market cannot be stopped, just as we cannot legislate away friction, but negative consequences flow from legislative interference.

I am confident that the legislation before the House today will not cause undue interference in the energy marketplace. I offer these comments, however, with the knowledge and expectation that other energy issues will be before this Congress and the 98th Congress that will convene in January. One of those issues must be the decontrol of natural gas wellhead prices, which is the best insurance policy against oil supply disruptions we could purchase.

[From the Washington Star, Dec. 25, 1977]

LET'S IMPROVE THE LAWS OF NATURE

(By Henry Petroski)

DOWNERS GROVE, ILL.—After much debate in Washinghton among House and Senate conferees, Congress is putting the finishing touches on the new energy bill. The compromise legislation will have far-reaching effects on the American way of life, according to reliable congressional resources who are visiting here during the holiday recess.

The bill would do the following:

AMEND THE LAW OF GRAVITY

It is proposed that beginning Oct. 1, 1980, falling bodies will no longer accelerate at 32 feet per second per second. The legal rate will be lowered by increments until a new rate of 22 feet per second per second is established in 1984. This means that matter will be attracted to Earth with about two-thirds the present pull of gravity, thus requiring less energy for us to climb hills, pitch hay, pump water, etc. New sports records are being counted upon to distract the population during the period of adjustment.

LIBERALIZE CONSERVATION LAWS

The present Law of Conservation of Energy—the First Law of Thermodynamics—places strict requirements on energy accounting procedures. The new bill relaxes these requirements so that energy systems may be operated on a deficit basis. Power plants will be able to operate at 1000 percent efficiency, and there will be free lunches for everyone.

ABOLISH ENTROPY

This measure repealing the Second Law of Thermodynamics—the law that requires the entropy, or unavailable energy of the universe, to always increase—will make available vast amounts of energy tied up in heretofore Irreversible thermodynamical systems. A non-technical spinoff of this action will be a reversal of society's declines.

LOWER THE BOILING POINT OF WATER

If, as required by this provision of the energy bill, steam can be generated at 150 degrees instead of 212 degrees Fahrenheit, it will take less energy to run the turbines in power plants. Also, coffee will perk in less time, and commuters will be able to sleep a bit longer in the mornings, thus reducing morning electricity consumption.

OUTLAW ROLLING FRICTION

This is one of several measures intended to reduce the gasoline consumption of wheeled vehicles. The House-Senate conference committee considered outlawing all friction until it was pointed out that such a move would make stopping rather difficult.

POSTPONE GOING METRIC

The present system of measurement will be maintained until a three-foot meter can be developed. This will reduce nationwide the commuting distance by almost 10 percent.

DEREGULATE TIME

Daylight Savings Time is to be abandoned. Under the new bill, clocks will run faster during hours of peak energy use and slower during periods of low energy demand. By this move Congress hopes to achieve an overall reduction in total United States power needs.

ADMIT OPEC NATIONS TO STATEHOOD

This move will immediately reduce our dependence on foreign oil and make the United States energy independent.

IMPOSE IMPORT QUOTAS ON WEATHER

This measure is expected to reduce the number of winter cold fronts, all of which originate outside the continental United States.

REQUIRE MANDATORY PERSONAL INSULATION

Local service stations will be required to provide low-interest loans to individuals desiring to have their blood streams weatherized, thus preventing frostbite during winter and heat prostration during summer months, without need for heat or air conditioning in homes and places of work. All infants born after July 1, 1980, will be required to be so weatherized at birth.

Mr. SHARP. Mr. Speaker, I have no requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MORE PHONY NUMBERS FROM THE REAGAN ADMINISTRATION

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the August 2 issue of Business Week contains an editorial entitled "A Deficit Time Bomb Is Ticking," which states that administration economists are now predicting that the deficit could top $200 billion in the last year of President Reagan's term. And Alice Rivlin testified recently that the Congressional Budget Office now believes that the deficit for fiscal 1983 will be between $140 and $160 billion even if there is some economic recovery later this year.

That is not what the administration has been telling Congress, however. The midyear report which OMB will submit to Congress contains the same unrealistic economic assumptions, and thus the same sort of estimates showing declining deficits, that we have become accustomed to from this administration. "'Our first priority is to get the budget resolution through Congress,' says Lawrence A. Kudlow, the OMB's chief economist. 'The last thing we want to do is throw a monkey wrench into the process by coming out with a huge new deficit forecast that starts a new debate on economic policy.'"

Translation: "Our minds are made up—don't confuse us with the facts."

Mr. Speaker, that is the sort of illogical and ideological reasoning which has produced record-high bankruptcies, record-high interest rates, and record-high unemployment in this country. A new debate on economic policy is exactly what we do need in this House.

The full text of the editorial follows:

[From Business Week, Aug. 2, 1982]

A DEFICIT TIME BOMB IS TICKING

When the Office of Management & Budget releases its July reestimates, the report will depict a fairy-tale budget outlook in which the federal deficit will decline from the $112 billion expected this year to $60 billion in fiscal 1985. But in private discussions, Administration economic aides are painting a far bleaker picture. Internal projections show that the deficit, rather than declining, will rise each year and could top $200 billion by the end of President Reagan's term, a prediction that is sending shock waves through the top echelons of the White House.

Deficits of that magnitude could swamp the entire Reagan economic program and extinguish any nascent economic recovery (page 16). But for a number of reasons, the White House will not go public with the dire numbers now. During negotiations with congressional leaders over a fiscal 1983 budget, the Administration promised to make its July economic assumptions consistent with the Congressional Budget Office forecast. That means the new budget estimates assume that a recovery began this spring and that the economy will grow at an improbable 4½ percent to 5 percent rate in the second half. The forecast also assumes an inflation rate for this year and next of about one percentage point higher than the 6½ percent now expected.

Everybody now admits that these assumptions understate the deficit, but OMB officials feel that this is not the time to change forecasts. "Our first priority is to get the budget resolution through Congress," says Lawrence A. Kudlow, the OMB's chief economist. "The last thing we want to do is throw a monkey wrench into the process by

coming out with a huge new deficit forecast that starts a new debate on economic policy."

But the internal numbers are so frightening that a new policy debate is already under way. At issue is what can be done to eliminate the so-called structural deficit. In the past, large budget shortfalls generally occurred only as a result of recession. But Reagan's program has reduced tax rates much faster than it has slowed the growth of federal spending. This year spending will total about 24 percent of gross national product, while receipts will be about 19 percent of GNP. By 1984 the revenue share will fall below 18 percent, while spending is likely to remain close to 24 percent.

The long-term implications of a deficit that continues to mushroom through a recovery are truly horrific. If nominal GNP in fiscal 1984 is $3.7 trillion, the deficit would then total $220 billion. "The recognition [on the part of financial markets] of this gap is the major reason for our high interest rate problem today," says Kudlow. "We feel an urgent need to get spending and taxes back to around 20 percent to 21 percent of GNP."

That, however, will be an immense task. Balancing the budget in 1984 at 21 percent of GNP would require cutting spending by $90 billion and raising taxes by $65 billion that year—and that is assuming that all of the budget cuts and tax increases now before Congress pass intact. No one seriously expects that the budget could be balanced as early as 1984. But even making modest progress toward that goal will require substantial changes in existing fiscal policy.

Many key Reaganites now say that the tax cuts enacted last year went too far. As a result, they are busy thinking up new schemes to raise revenues without repealing Reagan's cherished third-year individual income tax cut. Possibilities include reexamination of a comprehensive energy tax, which could generate upwards of $20 billion in revenues over three years, and repeal of personal tax indexation, which could raise $32 billion in 1985–86. A more exotic idea is a major overhaul of the individual income tax, based on the "flat-tax" idea, but it is doubtful that a political coalition exists for such a plan. "More revenue-enhancement will clearly be needed next year," says one Reagan adviser.

The White House staff is already girding for another review of spending for entitlement programs and defense. But before they can begin to enlist Congress in another antispending campaign, they must persuade Reagan to go along with a major midterm change in fiscal policy and to abandon the supply-side notion that big tax cuts will eventually pay for themselves. Given Reagan's legendary faith in his own program, that is not going to be an easy task.

A RESOLUTION TO PREVENT NUCLEAR TESTING

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BEDELL. Mr. Speaker, in 1963, the United States and the Soviet Union agreed to the Limited Test Ban Treaty. As you know, this agreement prohibited nuclear testing in the atmosphere, outer space and the world's oceans and has played an important role in mutual efforts to control nuclear armaments. Our nations then moved on to complete negotiations on the Threshold Test Ban Treaty of 1974 and the Peaceful Nuclear Explosion Treaty of 1976. Together, these treaties effectively regulated all underground nuclear testing and established important verification procedures relevant to nuclear arms control.

Last week, President Reagan announced his intentions to seek significant changes in the TTBT and PNET agreements. In my opinion, this action undermines the President's earlier declarations to seek "deep reductions" in both the United States and Soviet nuclear arsenals and seriously jeopardizes future prospects for meaningful arms control agreements with the Soviet Union.

For that reason, I am today introducing a resolution with several of my colleagues in the House that would require the President to request Senate consent to ratification of both the Threshold Test Ban and Peaceful Nuclear Explosion Treaties and to resume trilateral negotiations toward the conclusion of a verfiable comprehensive test ban treaty. An identical version of this resolution is also being introduced in the Senate today. I urge you to join us in this bipartisan effort.

H.J. RES. 556

Where the United States is committed in the Limited Test Ban Treaty of 1963 and in the Non-Proliferation Treaty of 1968 to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time;

Whereas a comprehensive test ban treaty would promote the security of the United States by constraining the United States-Soviet nuclear arms competition and by strengthening efforts to prevent the proliferation of nuclear weapons;

Whereas the Threshold Test Ban Treaty was signed in 1974 and the Peaceful Nuclear Explosion Treaty was signed in 1976, and both have yet to be considered for ratification by the full Senate;

Whereas the ratification of the Peaceful Nuclear Explosion Treaty and the Threshold Test Ban Treaty will ensure the effectiveness and full implementation of significant new verification procedures and so make completion of a comprehensive test ban treaty and further progress in strategic arms control more probable;

Whereas a comprehensive test ban treaty must be adequately verifiable, and whereas significant progress has been made in detection and identification of underground nuclear explosions by seismological and other means;

Whereas a comprehensive test ban treaty, to be effective, must ban nuclear explosions for peaceful purposes as well as nuclear weapons tests;

Whereas presently negotiations are not being pursued by the United States toward completion of a comprehensive test ban treaty;

Whereas substantial progress had been made in past negotiations on important elements of a comprehensive test ban treaty, including prohibition of nuclear explosions for peaceful purposes, as well as effective and unprecedented verification measures in the areas of seismic monitoring and on-site inspection; and

Whereas the past five Presidents have supported the achievement of a comprehensive test ban treaty: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That at the earliest possible date the President should—

(1) request Senate consent to ratification of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties, signed in 1974 and 1976, respectively; and

(2) resume trilateral negotiations toward conclusion of a verifiable comprehensive test ban treaty.

ISRAELI ACTION IN LEBANON PROVIDING OPPORTUNITY FOR ELIMINATING A NEST OF TERRORISM

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, while many members of the media are busy condemning Israel for its actions in Lebanon, it must be pointed out that the Israeli Government has given us for the first time in more than a decade, the chance to eliminate a nest of terrorism which has actively supported, encouraged, and conducted terrorist activities against not only Israel, but against freedom-loving nations all around the world.

Within the past decade, the military arm of the Palestine Liberation Organization has been transformed into a quasi-army, organized in battalion and brigade formations, supported by Soviet-supplied guns, rocket launchers, mortars, and tanks. At the same time, the PLO has been providing protection and training for such worldwide terrorist organizations as the Red Brigade, the Japanese Red Army, the Baadar-Meinhoff Gang, the IRA, the Iranian Mujaheddin, the Sandinista, and other radicals from Central America, Turkey, Asia, and Africa.

Much of the criticism of Israel's involvement in Lebanon has dealt with Israel's motives, the death of Lebanese civilians and prospects for a more lasting peace. But it is worth examining the nature of the enemy which Israel has faced and the history leading up to these most recent events.

In 1964, the PLO was formed for the sole purpose of bringing about the total destruction of Israel and to replace it with a Palestinian Arab State. As stated quite explicitly in the PLO's so-called "National Covenant," and revised in 1968, its purpose is "the elimination of Zionism in Palestine." This remains the purpose today, as the PLO's National Covenant has been formally reaffirmed again and again.

In 1970, the PLO, expelled from Jordan, moved its terrorist bases to Lebanon, a weaker country whose gov-

ernment lacked the means to successfully resist it. Moving into Lebanon, the PLO captured whole villages and regions from the indigenous Lebanese population. The terrorists drove Lebanese from their homes and converted the southern portion of the country into a vast armed camp for strikes against Israel, making, among other things, arms depots out of churches, mosques, hospitals, and schools.

After the outbreak of civil war in Lebanon, brought about in no small part by the PLO itself, there was no strong central national authority for Israel to hold accountable for the terrorist actions of the PLO. Instead, Israel found it necessary to take actions against the terrorists themselves. This was a difficult problem, in the moral sense, because the PLO has systematically located its facilities in the heart of civilian populations. Israeli reprisals inevitably, no matter how carefully planned and targeted, would cause some civilian casualties.

For this reason, Israel exercised considerable restraint in Lebanon, doing everything conceivable to seek diplomatic solutions through the great powers, the United Nations, and such government as can be said to exist in Lebanon. When in 1978 Israel did undertake a substantial reprisal—the Litani operation—it quickly withdrew again in favor of a U.N. peacekeeping solution. UNIFIL proved to be inadequate and futile.

The record now clearly shows that diplomatic efforts were ineffective and were exploited by the PLO as a time to stockpile large amounts of Soviet-built-and-supplied tanks, artillery, rockets, rifles, and other arms in preparation for still larger operations against Israel. International security and diplomatic efforts failing, it became inevitable that Israel take some action, under the self-defense provision of article 51 of the United Nations Charter.

Mr. Speaker, I join with those who mourn the deaths of the many innocent civilians caught up in the present tragedy in Lebanon. But I have no tears for Arab governments and others who condone and encourage the stationing of terrorists along with their firing ranges and armories within civilian camps, schools, mosques, and residential areas, so that when the inevitable retaliation erupts, the loss of innocent lives can be exploited for propaganda purposes.

Since entering Lebanon, Israeli troops have uncovered PLO arsenals, emplacements, and bases in such places. According to Newsweek magazine, June 14, Israeli soldiers in one engagement, were even attacked by PLO fighters disguised as hospital patients.

The positioning of military personnel and equipment in such areas deserves the contempt of the civilized world, and appropriate international agencies should move to outlaw such cruel and cowardly tactics.

Peace in Lebanon now—and in the not too distant future throughout the Middle East—will be speeded when Lebanon is rid of all foreign armies and private militias and when Lebanon is helped to become once again a strong sovereign state determining its own destiny and able to safeguard the lives of its citizens.

Once terrorism is removed and tranquility returns, it will be easier for both Israelis and Palestinians to sit together at the negotiating table and begin negotiations to begin a search for peaceful coexistence in the Middle East. At the same time, we must reemphasize our commitment to the Camp David peace process, and strongly urge other countries in the area, now relieved of the PLO's veto power, to join in and support that process.

DAVID VODOVOZ'S FIGHT FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WEBER) is recognized for 10 minutes.

Mr. WEBER of Ohio. Mr. Speaker, today I am sharing with all my colleagues the plite of David Vodovoz. David is one a growing number of Jews that hope and pray to cast off the yoke of oppression of the Soviet Union for a life of freedom and dignity.

In clear violation of the Helsinki Agreement which the Soviets signed, David has repeatedly been denied permission to emigrate to Israel since 1972. The reason given for the refusal is his army service, which he completed over 10 years ago, in 1970.

In October 1978, while driving to the center of town in Kishinev, he was stopped by the police who requested his papers. David provided the requested documents, whereupon the Soviet police official presented himself with a birthday gift, the gift of beating a Jew. David reacted in a manner that we who enjoy the freedoms of our democracy take for granted. David came home bloodied and bruised. He immediately did what you and I would do, he reported the episode to the public prosecutors in both Kishinev and Moscow. That effort proved to be futile. Disregarding the obvious physical evidence, both officials, excused the complaint because there were no witness to the incident and they refused even to investigate—nothing could or would be done.

That did not deter David, however, from frequent involvement in Jewish activities with other Kishinev refuseniks. Now even when he was blatantly warned by the KGB. I quote from the report recovered by the National Conference on Soviet Jewry; the KGB said,

> If you will not be careful, you may be involved in a car accident.

David did remain active in disregard of the warning, and in May of 1981 the accident occurred. Fortunately, David was not seriously injured. David continues to fight for the freedom to emigrate, both for himself and his family, in the hopes of being able to rejoin his parents who went to Israel in 1973 and the belief that men should be free to choose their own destiny, without the fear and threat of oppression.

ASSUMABLE MORTGAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, today I am introducing a bill that will require the Secretary of Housing and Urban Development to continue the historic practice and policy of making FHA home mortgage insurance available only for mortgages that are assumable.

As my colleagues know, the FHA insured, fixed rate, and assumable mortgage has been the key instrument to mass housing construction and mass homeownership. As my colleagues also know, the emergence of punitively high interest rates, and the persistence of those high rates, has in the past few years caused lenders to abandon the assumable mortgage. They reason that old mortgages at low interest rates must be converted to new mortgages at higher rates. This may be good for the lenders, but it has also killed the real estate market. Without an assumable loan, less than half the homes sold in the last year or so could have been sold.

The historic policy of the FHA mortgage insurance program has been to extend mortgage insurance only for mortgages that are assumable. However, the policy could be changed by a simple act of discretion by the Secretary of Housing and Urban Development. There is no law that mandates assumable FHA insured loans; it is merely a historic policy.

My bill puts into law what has been the longstanding practice and policy for FHA insured loans. It will not cure the problems created by the Supreme Court decision on State laws that have the effect of assuring that mortgages will be assumable. It will, however, restate the determination of Congress to see that the fixed rate, assumable mortgage does not become a dead relic. It will require the Department of Housing and Urban Development to continue the time tested and immensely successful pattern that has up until now so well served homebuilders and home buyers. It will not, sadly, undo

the carnage of high interest rates that exist today. Even so, it lays the foundation for a healthy home sales market when interest rates do come down to a level that is somewhere close to reason and reality.

□ 2100

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

● Mr. REUSS. Mr. Speaker, yesterday's RECORD lists me as "not voting" on the Solomon amendment, as amended, to H.R. 6030, the Defense Authorization Act. I did vote "no" on that amendment.●

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, during the past several days, as we have debated the Department of Defense authorization for fiscal year 1983, I have listened to hour upon hour of debate in this Chamber—debate centering on the spending of over $175 billion for one department of the Federal Government. Members who are otherwise outraged at the size of the Federal Government have protested loudly at the slightest hint that we would cut any item out of this huge chest of war toys for the Pentagon and the White House.

I cannot believe that Members of this body believe they can justify spending almost $180 billion this year for so-called national defense, while they can callously deny food stamps to tens of thousands of families; while they can cut health and nutrition programs to millions of children and elderly; while they can reduce education funding so that the next generation will suffer permanent damage; and while they sit back and watch as whole cities are devastated by unemployment, inflation, and industrial malaise.

The only justification for this outrageous imbalance of Federal priorities lies in the belief in the basic Reagan foreign policy promise: that the very existence of the United States is imminently threatened by the Soviet Union. If you buy that argument, then I guess you buy the whole package of hysteria over submarines and aircraft carriers, MX missile-basing and moving whole populations to safe areas when the bombs start to fall.

If you do not buy this scenario, if you doubt at all that the only threat to our national survival is the armed might of the Soviets, then you can only make sense of this headlong rush to greater and greater armaments if you consider the motivations of military and corporate greed that brought this bill here before us today.

Even the Department of Defense readily admits that the United States' present military capability is such that we can destroy the world several dozen times already. And so can the Soviets. We have learned to live with that knowledge.

But now, this administration is trying to convince the Congress and the American people that the only true salvation from this spectre of annihilation is to increase the arsenals geometrically, so that at some point we can achieve complete parity with the Soviets in each military sphere. Then, and only then, they tell us, can we feel safe.

Mr. Chairman and my colleagues, we all know that this is folly. We will never achieve one-to-one parity with the Soviet Union on every weapon we each have; and neither will they. We have more of some weapons, they have more of others—but it still comes out, on the bottom line, to enough firepower to destroy each other and virtually everything else on this planet.

What that principle of parity does, however, is place our two nations each on a deadly treadmill—constantly striving to outdo each other and catch up with expensive new war toys. And our people pay the price—higher taxes, more denials of needed domestic services, higher deficits, and more unemployment.

The only winner in this $1½ billion armaments madness is the profit-hungry military-industrial complex that grows bigger and bigger, richer and richer, from our own stockpiles and our country's role as arms merchant to the world.

My colleagues, what has happened to our basic American commonsense?

When will the Members of this body open their eyes to the fact that our security will only come when we face and solve the problems of poverty, unemployment, lack of education, poor health care, and other concerns of our people? An informed, employed, and healthy dedicated populace is our first and last line of defense.

When will we have the courage to stand up and say "Enough is enough—we won't stand still while our Nation is destroyed from within"?

I urge my colleagues to take that stand today, and to vote against this misguided bill.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am informing the House today of a U.S. Export-Import Bank proposal to help finance the purchase of U.S. goods and services for a $3.5 billion coal development project in Colombia.

The Eximbank proposes to grant a direct credit of $375 million and a financial guarantee of $50 million to Carbones de Colombia (Carbocol), which plans to purchase some $500 million in equipment and services from U.S. suppliers.

Carbocol will develop the project jointly with a Colombian affiliate of the Exxon Corp. International competition for supply contracts has been vigorous, with at least 12 countries offering government-backed financing in an effect to make sales.

The coal development effort is to be the largest industrial development project in Colombia's history. It will include a coal mine producing 15 million metric tons per year and will require the opening of a new port facility.

This Eximbank financing notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Under section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, the Eximbank must notify Congress of proposed loans or financial guarantees, or combinations thereof, of $100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD copies of the Eximbank proposal, including details about the Colombian project and the financing arrangements. I would welcome any comments or questions my colleagues might have regarding this proposal. The Eximbank material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., July 12, 1982.

Hon. STEPHEN L. NEAL,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Eximbank has submitted a statement to the Speaker of the House of Representatives and the President of the Senate in accordance with the provisions of Section 2(b)(3)(i) of the Export-Import Bank Act of 1945. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

NANCY S. PIGMAN,
Congressional Relations Officer.

Enclosure.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., July 13, 1982.

Hon. THOMAS P. O'NEILL JR.,
The Speaker of the House of Representatives, U.S. Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of

1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Colombia.

A. DESCRIPTION OF TRANSACTION

1. PURPOSE

Eximbank is prepared to authorize a direct credit in the amount of $375 million and a financial guarantee in the amount of $50 million to Carbones de Colombia, S.A. (Carbocol) to assist in financing the export to Colombia of goods and services of United States manufacture or origin totaling $500 million for the construction of a coal development project located in the Cerrejon region of northeast Colombia. The project includes a 15 million metric ton per year coal mine and related infrastructure consisting of a 150 KM railroad, coal handling equipment and a new port development.

This project will be developed as a joint venture between Carbocol and Inernational Colombia Resources Corporation (Intercor), a wholly owned affiliate of Exxon Corporation. Carbocol and Intercor will each be responsible for half the project costs. Intercor will be the operator of the project. Carbocol's share of total costs will be funded from equity contributed by the Government of Colombia and from borrowed funds, including the Eximbank financing.

The total cost of the project is estimated at $3.448 billion with potential foreign costs for equipment and engineering services of $1.5 billion, including United States costs estimated at $938.7 million, part of which will be the subject of the Eximbank financing. The construction period is estimated at 55 months with physical completion set for December 1986. Full design capacity is expected to be reached in December 1989.

2. BACKGROUND

The project is the largest industrial development in the history of Colomiba and competitio has been intense from official foreign export credit agencies to induce Carbocol to source equipment from their respective suppliers. Government export credit agencies of Japan, Canada, the U.K., France, Germany, Holland, Belgium, Brazil and Sweden are offering highly competitive financing terms, and official governmental support is also reported from Italy, Mexico and Spain. Earlier Eximbank efforts to achieve a common line on interest rate were unsuccessful, and financing terms have become an important factor for Carbocol in selecting procurement sources.

The tendency toward U.S. procurement which might be anticipated from the roles of Intercor, as operator, and Morrison-knudson Construction Company (M-K), as construction manager and engineer, has been offset by the fact that most of the foreign procurement will be funded by Carbocol borrowings. As a result Carbocol has assumed a greater role in the procurement process by tying procurement decisions to availability of attractive financing.

In an effort to maximize U.S. procurement for the project Eximbank issued a preliminary commitment on November 12, 1981, as amended on February 8, 1982, to Carbocol offering financing terms which become progressively more attractive depending on the amount of procurement made in the United States up to a maximum of $850 million. In response to that offer Carbocol has applied for a credit based on $500 million of U.S. procurement which amount qualifies for the most attractive terms offered under Eximbank's preliminary commitment covering procurement from $400 million up to $850 million. Although Carbocol at this time has applied for financing based on procurement of only $500 million, it has requested Eximbank to extend the preliminary commitment for the additional $350 million until September of this year. Eximbank proposes to approve such extension so that on appropriate application by Carbocol Eximbank will be in a position to increase its financing for the additional U.S. procurement.

IDENTITY OF THE PARTIES

Carbocol is a government-owned Colombian corporation established in 1976 to promote the development of the Colombian coal industry. It is under the control of the Ministry of Mines and Energy and is owned by five other Colombian government agencies as follows:

	Percent
Proexpo—export promotion agency...	41.1
Ecopetrol—state oil company.....	31.4
I.F.I.—State oil company	22.1
Ingcominas—mine research agency ...	2.7
Ecominas—mine exploitation agency	2.7
Total.....	100.0

The Government of the Republic of Colombia, acting through its Ministry of Finance, will guarantee the payment of all indebtedness owed by Carbocol to Eximbank and the private lender guaranteed by Eximbank.

4. NATURE AND USE OF GOODS AND SERVICES

A summary of the U.S. goods and services for which the Eximbank financing will be requested is attached to this letter as Appendix A, not all of which will be eligible for financing. There will be no single dominant U.S. supplier, but rather numerous suppliers for the variety of equipment that will be required. M-K, in addition to its role as construction manager and engineer for the project, will also act as exporter of record and assume the responsibility for marshalling the some 380-odd separate purchases from the individual suppliers.

Since procurement involves hundreds of U.S. suppliers with no single prime supplier the resulting effect on employment in the United States can only be estimated. Using U.S. Department of Commerce data on employment impact, Eximbank estimates that the project has the potential for maintaining 12,500 man years of employment throughout the United States. In addition, follow on purchases of spare parts are estimated to be $36 million per year over the life of the financing.

B. EXPLANATION OF FINANCING

1. REASONS

The proposed Eximbank direct credit of $375 million and financial guarantee of $50 million will facilitate the export of $500 million of U.S. goods and services with a possible additional $350 million of U.S. procurement if Carbocol avails itself of the balance of the preliminary commitment which Eximbank proposes to extend as noted above. The favorable impact on U.S. employment resulting from these exports would not be possible without the Eximbank financing terms offered to meet intensive foreign competition.

The Carbocol project will start exporting steam coal in the mid-1980s, primarily to Western Europe. Given the rapid growth projected for West European steam coal demand and the preference of the buyers for diversified, stable sources of supply, there appears to be only limited potential for the displacement of U.S. steam coal sales by sales from the Carbocol project. On the other hand, the benefits to U.S. output and employment and to the U.S. trade balance resulting from the $500 to $850 million of U.S. equipment and services exports should outweigh any costs associated with potential "lost" U.S. coal exports. Therefore, the Carbocol project is expected to have a net beneficial impact on the U.S. economy.

2. THE FINANCING PLAN

The total cost of U.S. goods and services to be exported from the United States for the project is estimated to be $500 million based on the present application of Carbocol with a possible increase of an additional $350 million, which will be financed as follows:

[Dollars in millions]

	Present application	Potential application	Percent[1]
Cash payment	$75,000	52,500	15
Eximbank credit	375,000	262,500	75
Financial guarantee	50,000	35,000	10
Total	$500,000	$350,000	100

[1] Percent of U.S. costs.

The financial guarantee of Eximbank will be available to a commercial bank or the Private Export Funding Corporation (PEFCO) which will extend a credit on behalf of the U.S. suppliers at the same interest rate as that borne by the Eximbank credit.

(a) *Eximbank Charges.* The Eximbank Credit will bear interest at the rate of 12 percent per annum, payable semiannually. Commitment fees will be charged on the undisbursed portion of the Eximbank Credit at the rate of ½ of 1 percent per annum and on the undisbursed portion of the credit guaranteed by Eximbank at the rate of ⅛ of 1 percent per annum. A guarantee fee of ½ of 1 percent per annum will be charged on the disbursed and outstanding amount of the credit guaranteed by Eximbank. A credit application fee of 2 percent of the amount of the Eximbank Credit will be payable by Carbocol in six semiannual installments beginning six months after the execution of the Credit Agreement. Any unpaid balance of the fee will bear interest at the rate of 12 percent per annum, payable semiannually.

(b) Principal indebtedness incurred by Carbocol under the Eximbank Credit and the credit guaranteed by Eximbank will be repaid by Carbocol in thirty approximately equal semiannual installments beginning July 10, 1990. The credit guaranteed by Eximbank will be payable out of the early installments and the Eximbank Credit will be payable out of the later installments.

If the total Carbocol procurement of U.S. goods and services is less than $400 million, the repayment terms will be shortened and the percentage of U.S. costs financed by the Eximbank Credit will be reduced.

Attached is additional information on Eximbank activity in and economic data on Colombia.

Sincerely,

WILLIAM H. DRAPER III.

Attachments.

APPENDIX "A"—POTENTIAL U.S. SUPPLIED EQUIPMENT AND SUPPLIES

[Dollars in millions]

Major area and equipment type	Number	Carbocol/ Intercor estimated cost,[2]	Eximbank estimated cost [1]
Mine:			
27 yd [3] electric shovels	17	$89	$99
170-ton dump trucks	152	201	225
Blast hole drills	19	20	22
4.5 yd [3] backhoes	6	6	7
Bulldozers, 400 hp	17	7	8
Bulldozer with rippers, 400 hp	37	17	20
Rubber tired bulldozers, 300 hp	18	5	6
Scrappers (30 yd [3])	7	4	5
Front end loaders, 23 yd [3]	9	13	14
Motor graders	13	4	5
Water trucks	11	16	18
Electric substation (with cable)	17	3	4
Coal loading and preparation	1	5	6
Miscellaneous		11	12
Cranes	14	2	3
Forklifts	13	1	1
Buses	90	5	6
Pumps		2	2
Total mine		411	462
Railroad:			
Locomotives (3,000 hp)	8	10	11
Coal cars (100 ton)	214	18	20
Tank cars	41	4	5
Flat cars	12	1	1
Railroad maintenance equipment		2	2
Rails	[2] 27,000	33	38
Wood railroad ties	363,000	18	20
Control system		6	7
Total railroad		92	104
Electric power: Power distribution		6	6
Supply and distribution:			
Supply and distribution		2	2
Support generators		5	6
Total electric		13	14
Port:			
Tugboats	4	25	28
Motor launch (pilot boats)	2	1	1
Coal unloading system		4	5
Stacker/reclaimer		22	25
Conveyors		20	23
Bulldozers		2	2
Shiploader		9	10
Total port		83	94
Total communications and navaids		15	17
Shops:			
Remelt center (foundry)		2	2
Large equipment rebuild		15	16
Small equipment rebuild		2	2
Equipment tooling		2	3
Total shop		21	23
Total aircraft (727 or 737 type)		28	30
Grand total		663	781

[1] Prices are estimated f.o.b. port
[2] Tons.

POTENTIAL ENGINEERING CONTRACTS TO U.S. FIRMS

[Dollars in millions]

Contract value	Value	Value
Dredging	$40	$47
Coal pier	50	59
Commodities pier	60	71
Small boat pier	5	6
Total contracts	155	183

APPENDIX B.—COLUMBIA (ECONOMIC DATA AND EXIMBANK ACTIVITY)

[Dollar amounts in millions]

	1980	1981	1981–80 (percent)
Income, investment, production, employment:			
GNP at current prices	$33,508	$36,653	9.4
GNP at constant 1975 prices	$11,401	$11,766	3.2
Per capita GNP, current prices	$1,218	$1,276	4.8
Fixed investment	$7,533	$8,691	15.4

APPENDIX B.—COLUMBIA (ECONOMIC DATA AND EXIMBANK ACTIVITY)—Continued

[Dollar amounts in millions]

	1980	1981	1981–80 (percent)
Indies (1977=100):			
Industrial production	$115	$112	−2.3
Agricultural production	$118	$122	+3.1
Money and prices:			
Money supply	$4,508		
Long-term foreign borrowing	$327		
Discount rate (percent)	30	30	0
Indies (1975=100):			
Wholesale prices	$290.8	$360.7	24.0
Consumer prices	$297.3	$379.0	27.4
Balance of trade and payments:			
Current account balance	−618	−1,197	
Balance of trade	−328	−1,456	
Exports, to	4,092	3,127	
Imports, to	4,420	4,583	
Eximbank exposure (as of the end of April 1982, Eximbank exposure in Colombia involved):			
Short term		$49.9	
Medium term		$48.9	
Credits and Financial Guarantees (Includes $85.4 undisbursed)		$166.8	
Subtotal		$265.6	
Additional potential:			
Pending credit applications		$23.3	
Outstanding PC's		$489.9	
Pending PC Applications		$92.0	
Referenced transaction		$425.0	
Subtotal		$1,030.2	
Total estimated potential		$1,295.8	

A TAXING MISTAKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, it is a sad day for the U.S. House of Representatives when our tax writing committee renounces its legislative reponsibilities in favor of a tax bill drafted and passed by the Senate.

Simple constitutional direction ought to make this body renounce the action of the Ways and Means Committee. Article I, section 7 clearly states that:

All bills for raising revenue shall originate in the House of Representatives. . . .

In this specific instance, by allowing the Senate to take away our task, we have shirked our responsibility.

However, Mr. Speaker, we have done much more than ignore the dictate of our Constitution; we have forfeited an opportunity to correct past mistakes. It is a dark day for the House of Representatives when our leaders justify the decision to take the Senate tax bill the way it is by saying "There is no constituency for tax reform." I know that statement is without basis—and so do the majority of my colleagues. I do not share that cynicism and do not agree that the American people are pleased when we ignore the opportunity to clean up the tax mess left behind by the 1981 tax legislation.

Like many of my colleagues on this side of the aisle, while I oppose certain features of the Senate bill strongly, I also find much to support in the Senate tax bill; it is time to close loopholes and make those who escape taxes pay their fair share. But I do not endorse a policy which calls for accepting the Senate bill on purely political grounds. I believe that the House, and especially our Ways and Means Committee, could craft an improved bill, reflecting the need for a more fair distribution of tax burdens. And, I believe that we ought to withstand the pressures from special interest groups to protect their special loopholes. The policy foisted upon us today by the Ways and Means Committee gives us no opportunity to challenge those groups and improve our tax laws accordingly.

Mr. Speaker, no one in this Chamber disputes the need for strong measures to bring our national economic crisis under control. I believe that we have a majority in this body ready and willing to support a tax bill which removes some of the worst aspects of last year's tax bill and improves upon longstanding inequities in the Tax Code. I do not underestimate the political courage that would be required to craft such a bill and pass it.

I do know, however, that so long as we use partisan politics as the means to pass tax legislation—as was the case last year—or to avoid crafting new tax legislation—as is currently the case—we fall below the standards set for us by the electorate.

I cannot agree that the Ways and Means Committee's decision to circumvent full House consideration of the tax bill serves the national interest.

Lately it seems as if members of both political parties have forgotten that politics is a method for making policy in a representative democracy, not a goal in itself.●

THE 1992 FLORIDA-COLUMBUS EXPOSITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, on August 2–3, Miami, Fla., will be host to a delegation from the permanent council of the Organization of American States, who will arrive in south Florida to inspect the Virginia Key site for the proposed 1992 Florida-Columbus Exposition.

It is significant that the OAS delegation will be in Miami on the date historians record as Columbus' departure on the first voyage which led him to the Americas. His landing point was a Caribbean island some 300 miles from Miami. The 500th anniversary of that event is, therefore, of tremendous importance not only to Miami and Florida, but to the nations of the Caribbean, Central and South America.

Not only is Miami the cultural and business gateway to the Americas, but it has strong links to the Spanish and

Mediterranean nations, so that for historical as well as cultural reasons, the proposed 1992 Florida-Columbus Exposition is an idea whose time has come.

I would like to point out to our colleagues that as far as the U.S. Government is concerned, a formal recommendation to the Bureau of International Expositions (BIE) will be made by the President following the submission of applications to the Commerce Department on September 1.

The BIE, which is a 35-nation international treaty organization to which the United States belongs, has given tentative 1992 date reservations to Chicago and to Seville, Spain.

However, I must point out to our colleagus that the U.S. recommendation to the BIE has yet to be made and it will be made on the basis of a rigorous selection process in the Department of Commerce and, finally, by recommendation of the President.

I am confident that by every objective standard, Miami will submit a proposal on September 1 which will assure an outstanding exposition. The visit of the OAS to Miami on August 2-3 underscores the fact that Miami is making a serious and well-considered effort.

Mr. Speaker, I know that our colleagues would be interested in the viewpoint of the Miami press corps, which has been covering the Florida-Columbus Exposition in detail. I, therefore, would like to bring to our colleagues' attention a television editorial from TV Channel 10 (WPLG) broadcast on July 26, and the "Inside Business" column from the Miami Herald of July 19, 1982, by Larry Birger.

The material follows:

[From the Miami Herald, July 19, 1982]

MIAMI IS THE RIGHT SITE FOR 1992 WORLD'S FAIR

(By Larry Birger)

Could there be a real, live, honest-to-goodness, A-No. 1 universal-category world's fair in Miami in 1992?

On the first blush, I have to admit, I thought the idea was far-fetched. I not only thought there was a slim chance for Miami to get such a fair but also wondered who would want to start working toward something a dozen years away?

It's now two years later, and I've done a 180-degree turn. I am convinced the plan has considerable merit, and I sincerely believe Miami is the logical location for a fair celebrating the 500th anniversary of the discovery of America.

I'm certain that because of Miami and Florida's solid and growing ties to the Caribbean and Latin America, it's a must for the nation to celebrate Expo 500 here rather than in a city like Chicago, which also wants the 1992 world's fair. Outside of having held a Columbus exposition in 1892, Chicago really has a far less legitimate claim than Miami.

Obviously, Chicago would draw a considerable crowd, as would any major American city sponsoring a world's fair. But how many Latins would Chicago attract when compared with Miami, which has become their watering hole and their investment mecca in the United States?

HISPANIC HERITAGE

How many times have we heard executives of international banks and multi-national companies say the reason they established an operation here was the fact that Latins don't want to travel to New York or Chicago? Visitors from Central and South America would rather come to Miami because of the Hispanic heritage, the language, the climate and the symbiotic relationship between Miami and the Latin lands.

As Randy Coleman, president of Expo 500, the group trying to bring the fair here, says: "We have the historical, geographic and political ties to the Americas. People from every country in the Americas live in Miami. We're a bilingual city, Chicago is not."

Leslie Pantin Sr., who is chairman of the Greater Miami Chamber of Commerce's Columbus Exposition Committee, says it is estimated that as many as 55 million people would be attracted to a world's fair that has the global sponsorship of the Bureau of International Expositions.

I believe that Miami would do even better because it has become one of the world's crossroads. More airlines—70—now fly in and out of Miami International Airport than any air terminal in the world. There are few cities that attract as many foreign visitors as Miami.

It's almost getting to be a cliche to hear someone say they set up shop In Miami because the access to Latin America was greater from here than from any point in the hemisphere. If that's so, it's also easier for Latins to come here and, after all, it would almost be their exposition.

Beyond that, with all the hotel and tourist facilities in place, Florida is far ahead of any other travel destination in the United States when it comes to providing accommodations for a world's fair.

With the accommodations being built in the remainder of the decade, the state will be in even better shape to handle the visitors.

There is a problem, of course. Miami is a dark horse. The Windy City is $2 million and a year ahead in its planning and has won tentative approval from the U.S. Commerce Department.

But I don't think it's too late if Florida marshals its forces.

OAS GROUP

A committee of the Organization of American States will be here August 2-3. A good presentation to that group will go a long way toward selling the Latins. And there's no reason why we can't change the minds of the Commerce Department.

Failing in that, Miami and all of Florida's tourist interests should unite to sponsor a first-rate Columbus-oriented fair of their own. The visitors we could attract from Latin America alone would virtually assure its success. It's not too late to start getting ready. After all, it's only a decade away.

A WORLD'S FAIR FOR MIAMI

(Broadcast presented by Norman Davis, area vice president)

Miami is being urged as host city for a World's Fair in 1992 which would celebrate the 500th anniversary of Columbus' discovery of the Americas. It's a bold, positive look to the future. It will not be easy to arrange.

Present thinking is to base the fair here on Virginia Key, which fronts on the ocean south of Government Cut. The principal theme would cultural, but huge trade expositions also would be involved. The sponsors are predicting 50 million visitors over a 6-month period and the injection of 3 billion dollars into the regional economy.

Chicago is also competing for the official World's Fair designation for 1992, and the Miami-Chicago competition will be resolved by the Reagan administration.

Miami is an absolute natural for a celebration of Columbus and the New World. Columbus' first landfall was just beyond that horizon, in the Bahamas. Miami already is the symbolic capital city of the New World. The Hispanic population already here, and the commercial and cultural ties with the two Americas, are extremely powerful arguments for South Florida.

A World's Fair on this site 10 years from now could be greatly profitable—and great fun. The idea needs strong support, including political support. Not 10 years from now but today.●

EFFECTS OF H.R. 6863 ON THE BUDGET

(Mr. JONES of Oklahoma asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. JONES of Oklahoma. Mr. Speaker, I include the following material:

COMMITTEE ON THE BUDGET,
Washington, D.C., July 29, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is an advisory letter to inform the House of the fiscal year 1982 current level of spending and revenues compared to S. Con. Res. 92, the Revised Second Budget Resolution.

On July 14, 1982, the last official current level letter was sent to the House reflecting the following completed action as of July 13, 1982:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	777,672	734,100	628,400
Current level	768,674	730,667	628,600
Over resolution by			200
Under resolution by	8,998	3,433	

Since the time of this last report the urgent supplemental has been enacted. In addition, the House will soon consider the Supplemental Appropriation bill for 1982. Assuming the urgent supplemental and the passage of the reported Supplemental Appropriation bill, the current level would not exceed the revised second budget resolution. The new current level of spending reflecting these two bills would be:

[In millions of dollars]

	Budget authority	Outlays
Appropriate level	777,672	734,100
New current level	774,273	732,689
Over resolution by		
Under resolution by	3,399	1,411

Attached is the CBO advisory letter which provides the backup documentation on the revised current level totals.

Sincerely,

JAMES R. JONES,
Chairman.

Attachment.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 28, 1982.

Hon. JAMES R. JONES,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request, this is to advise you what effect the House reported bill, Supplemental Appropriations, 1982 (H.R. 6863) would have on the estimated current level of 1982 budget authority and outlays under the scorekeeping concepts used for Section 311(b) of the Congressional Budget Act.

[In millions of dollars]

	Budget authority	Outlays
Current level total including H.R. 6863, as reported	774,273	732,690
Second budget resolution as revised by Senate Concurrent Resolution 92	777,672	734,100
Amount over (+)/under (−) resolution	−3,399	−1,410

Sincerely,

JAMES BLUM
(For Alice M. Rivlin, Director).●

ANDY GLICK—AN OUTSTANDING PAGE

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I take this 1 minute only for one reason and that is that I think the House should note, and I regret I was not aware of this earlier, I would have done it when there were a great number in attendance, but tonight is the last night of service of an outstanding young page, Mr. Andy Glick, who has been here, and lately has been assigned directly to the Speaker's dais or the Speaker's service.

His 2 years of performance as a page here have been outstanding. His supervisor, Mr. Don Anderson, reports that he looms large as one of the outstanding performing pages that the House has had the honor and the privilege of having them render his services. He will return to his home city and then in the fall enter Brandeis University.

I wish him God speed in his future endeavors, and express the heartfelt thanks of I am sure everybody in this House for his service and one more demonstration of the 99.999 percent of the pages who have served this House.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. PEPPER (at the request of Mr. WRIGHT), for July 26 through July 29, on account of official business.

Mr. SENSENBRENNER (at the request of Mr. MICHEL), from 4:30 today through the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CHENEY) to revise and extend their remarks and include extraneous material:)

Mr. WEBER of Ohio, for 10 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. REUSS, for 5 minutes, today.
Mr. CROCKETT, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WHITEHURST, prior to the vote on the Gejdenson amendment to H.R. 6030, in the Committee of the Whole today.

Mr. BROOMFIELD to revise and extend on the McHugh-Kemp amendment.

Mr. WEISS to revise and extend on H.R. 6030 prior to the rollcall vote today.

(The following Members (at the request of Mr. CHENEY) and to include extraneous matter:)

Mr. MCGRATH.
Mr. COATS.
Mr. WEBER of Ohio.
Mr. LEE.
Mr. STANGELAND.
Mr. PURSELL.
Mr. FORSYTHE.
Mr. PAUL in two instances.
Mr. PORTER.
Mr. LIVINGSTON in two instances.
Mr. JAMES K. COYNE.
Mr. GINGRICH.
Mr. CAMPBELL.
Mr. ROBERTS of South Dakota.
Mr. TAYLOR.
Mr. LAGOMARSINO.
Mrs. FENWICK.
Mr. MORRISON.
Mr. GRADISON.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. WASHINGTON.
Mr. BAILEY of Pennsylvania in two instances.
Mr. OBERSTAR.
Mr. COELHO.
Mr. LEHMAN.
Mr. FAUNTROY.
Mr. AUCOIN.
Mr. EDGAR.
Mr. MINETA.
Mr. BLANCHARD.
Mr. PEASE in two instances.
Mr. FORD of Michigan.
Mr. PHILLIP BURTON.
Mr. WYDEN.
Mr. SOLARZ.
Mr. LANTOS.
Ms. OAKAR.
Mr. VENTO.
Mr. MINISH.
Mr. BONER of Tennessee.
Mr. MOFFETT.
Mr. EDWARDS of California.
Mr. TRAXLER.
Mr. HUBBARD.
Mr. RATCHFORD.
Mr. APPLEGATE.
Mr. ZEFERETTI.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5380. An act to recognize the organization known as American Ex-Prisoners of War;

H.R. 6663. An act to delay the effective date of proposed amendments to rule 4 of the Federal Rules of Civil Procedure; and

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982 through August 7, 1982 as "National Purple Heart Week."

ADJOURNMENT

Mr. GONZALEZ. Mr. Chairman, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 1 minute p.m.) under its previous order, the House adjourned until Monday, August 2, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4471. A letter from the Assistant Secretary of Defense (Facility Requirements and Resources), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4472. A letter from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting a notice of the decision to convert to contractor performance the installation support services at Fort Monmouth, N.J., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4473. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the corporation's annual report for calendar year 1981, pursuant to section 17(a) of the Federal Deposit Insurance Act; to the Committee on Banking, Finance and Urban Affairs.

4474. A letter from the Secretary of Housing and Urban Development, transmitting the Department's report describing the results of its analysis of the policies and procedures relating to the establishment of fair market rents for section 8 new construction and substantial rehabilitation projects, and the approval of exceptions to such rent limits for specific projects, pursuant to the instruction contained in Conference Report No. 96-1420 accompanying the Housing and Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

4475. A letter from the Secretary of Agriculture, transmitting the annual report on horse protection enforcement, pursuant to section 11 of Public Law 91-540; to the Committee on Energy and Commerce.

4476. A letter from the Secretary of Energy, transmitting notice of delays in the completion of the report to Congress on annual energy conservation in Federal buildings, due by August 15, 1982, pursuant to section 550 of Public Law 95-619; to the Committee on Energy and Commerce.

4477. A letter from the Deputy Secretary of Energy, transmitting notice of a delay in submitting the annual report on the progress of State authorities and nonregulated utilities in implementing the regulatory and ratemaking standards established by the Public Utility Regulatory Policies Act, as required by sections 116(b) and 309(b) of the act; to the Committee on Energy and Commerce.

4478. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the proposed lease of defense articles to Turkey (Transmittal No. 13-82), pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4479. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4480. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4481. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4482. A letter from the Secretary of the Interior, transmitting the fourth annual report on Redwood National Park, pursuant to section 104(a) of Public Law 95-250; to the Committee on Interior and Insular Affairs.

4483. A letter from the Executive Director, National Ski Patrol System, Inc., transmitting the audit report of the organization for the year ended June 30, 1982, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

4484. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a special report from the Chief of Engineers, Department of the Army, on a proposed modification to the Davenport, Iowa, local protection project (H. Doc. No. 97-218); to the Committee on Public Works and Transportation, and ordered to be printed.

4485. A letter from the Comptroller General of the United States, transmitting a report on selected programs of the Commodity Futures Trading Commission, (CED-82-100, July 15, 1982); jointly, to the Committees on Government Operations and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 6812. A bill to limit the salaries and expenses of certain offices within the Department of the Treasury and the Department of Housing and Urban Development; with an amendment (Rept. No. 97-683). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6666. A bill to amend the joint resolution of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building (Rept. No. 97-684). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6786. A bill to amend Public Law 96-432 relating to the U.S. Capitol Grounds to authorize additional funds for the acquisition of certain property for addition to the U.S. Capitol Grounds (Rept. No. 97-685). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6113. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972; with amendments (Rept. No. 97-562, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 2276. A bill for the relief of Mohammad Ismail Khan, Hashmat Ismail Khan, and Murad Ismail Khan; with an amendment (Rep. No. 97-679). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 2277. A bill for the relief of Siraj Yoosuf Patel, Farida Fatima Siraj Patel, Humaira Siraj Patel, Faysal Siraj Patel, and Fahd Siraj Patel; with amendments (Rep. No. 97-680). Referred to the Committee of the Whole House.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 2520. A bill for the relief of Emanuel F. Lenkersdorf; with an amendment (Rep. No. 97-681). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. S. 191. A bill for the relief of Tessie and Enrique Marfori. (Rep. No. 97-682). Referred to the Committee of the Whole House.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED

Under clause 5 rule X the following action was taken by the Speaker:

Consideration of the bill H.R. 6046 by the Committee on Foreign Affairs extended for an additional period ending not later than August 3, 1982.

PUBLIC BILLS AND RESOLUTUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DE LA GARZA (for himself, Mr. FOLEY, Mr. BOWEN, Mr. RICHMOND, Mr. HARKIN, Mr. BEDELL, Mr. FITHIAN, Mr. PANETTA, Mr. HUCKABY, Mr. DASCHLE, Mr. STENHOLM, Mr. VOLKMER, Mr. JEFFORDS, Mr. COLEMAN, Mr. SKEEN, Mr. ALEXANDER, Mr. ANTHONY, Mr. DORGAN of North Dakota, Mr. MARLENEE, Mr. STANGELAND, Mr. HAGEDORN, and Mr. GLICKMAN):

H.R. 6892. A bill to provide changes in legislation to meet reconciliation requirements of the first congressional budget resolution—fiscal year 1983—for the House Committee on Agriculture; to the Committee on Agriculture.

By Mr. BAILEY of Pennsylvania:

H.R. 6893. A bill to amend the Internal Revenue Code of 1954 to provide an extension of certain provisions relating to members of the Armed Forces missing in action; to the Committee on Ways and Means.

By Mr. BROOKS (for himself, Mr. ENGLISH, and Mr. HORTON):

H.R. 6894. A bill entitled the "National Archives and Records Administration Act of 1982"; to the Committee on Government Operations.

By Mr. BROWN of Colorado (for himself and Mr. KRAMER):

H.R. 6895. A bill to provide that persons who cultivate certain uncultivated land susceptible to excessive soil erosion in a manner which fails to prevent such erosion may not receive certain Federal assistance with respect to such land or agricultural commodities grown on such land, and for other purposes; to the Committee on Agriculture.

By Mr. COATS:

H.R. 6896. A bill to provide that the terms of the Chairman and Vice Chairman of the Board of Governors of the Federal Reserve System shall be concurrent with the term of the President of the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. FENWICK (for herself and Mr. HOWARD):

H.R. 6897. A bill to establish a supplemental insurance fund administered by the Secretary of Energy to pay the costs of necessary remedial action following damage to nuclear powerplants, including certain remedial action at the Three Mile Island facilities in Pennsylvania, to require participation in such fund by the licensees of nuclear

powerplants as a condition for the licensing and continued operation of such plants, and for other purposes; jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. FRANK:

H.R. 6898. A bill to provide for the time in which to appeal to the Court of Appeals for the Federal Circuit from a determination of the U.S. International Trade Commission; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 6899. A bill to mandate the Secretary of Housing and Urban Development to make assumable certain mortgages and loans insured by the Secretary under titles I and II of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HAGEDORN:

H.R. 6900. A bill to expand the export of agricultural commodities, to improve the ability of the United States to neutralize the effects of export subsidies offered by competing foreign countries or organizations, and for other purposes; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. HOWARD (for himself and Mrs. FENWICK):

H.R. 6901. A bill to provide a national program for the financial participation by electric utilities owning, operating, or constructing a nuclear electric generating unit in the cost of decontamination of Three Mile Island Nuclear Generating Station Unit No. 2 in Pennsylvania; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. JEFFORDS:

H.R. 6902. A bill to amend the Tariff Act of 1930 to provide that there shall be no imposition of countervailing duties on an import of merchandise in the United States if the benefits of such import to industries in the United States exceed the injuries of such import to industries in the United States; to the Committee on Ways and Means.

By Mr. MAVROULES (for himself and Mr. MITCHELL of Maryland):

H.R. 6903. A bill to amend the Small Business Act to provide that, for purposes of the waiver of the $500,000 limitation on disaster loans, the owner of a building which contains the principal place of business of at least one-third of the private employers in a downtown business district shall be treated as a major source of employment; to the Committee on Small Business.

By Mr. MICHEL:

H.R. 6904. A bill to comply with reconciliation pursuant to the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, 97th Congress); jointly, to the Committees on Agriculture, Foreign Affairs, Banking, Finance and Urban Affairs, Energy and Commerce, Post Office and Civil Service, and Merchant Marine and Fisheries.

By Mr. OBEY (for himself, Mr. OBERSTAR, Mr. WILLIAMS of Montana, Mr. FAZIO, Mr. DOWNEY, Mr. HOWARD, Mr. DICKS, Mr. MURTHA, Mr. MINETA, Mr. LOWRY of Washington, Mr. UDALL, Mr. SEIBERLING, Mr. DORGAN of North Dakota, Mr. RATCHFORD and Mr. SABO):

H.R. 6905. A bill to amend the Budget and Accounting Act, 1921, to require the President to submit balanced budgets to the Congress; to the Committee on Government Operations.

By Mr. OBEY (for himself, Mr. OBERSTAR, Mr. WILLIAMS of Montana, Mr. FAZIO, Mr. DOWNEY, Mr. HOWARD, Mr. MURTHA, Mr. MINETA, Mr. LOWRY of Washington, Mr. UDALL, Mr. SEIBERLING, Mr. RATCHFORD, Mr. DORGAN of North Dakota, and Mr. SABO):

H.R. 6906. A bill to amend the Budget and Accounting Act, 1921, to require the President to submit balanced budgets to the Congress, and for other purposes; to the Committee on Government Operations.

By Mr. PARRIS:

H.R. 6907. A bill to prohibit the setting of certain gill nets and purse seine nets in the inland waters of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. SENSENBRENNER:

H.R. 6908. A bill to amend title 39, United States Code, to provide the same reduced postal rates for third-class mail of chambers of commerce as are provided for third-class mail of qualified nonprofit organizations; to the Committee on Post Office and Civil Service.

By Mr. SNYDER (for himself, Mr. JONES of North Carolina, and Mr. BIAGGI):

H.R. 6909. A bill to establish the grade of commodore in the U.S. Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PASHAYAN (for himself and Mr. HANCE):

H.J. Res. 555. Joint resolution proposing an amendment to the Constitution requiring a three-fifths vote for borrowing money; to the Committee on the Judiciary.

By Mr. BEDELL (for himself, Mr. MARKEY, Mr. LEACH of Iowa, Mr. SIMON, Mr. BEILENSON, Mr. HARKIN, Mr. OTTINGER, Mr. MOFFETT, and Mr. MOAKLEY):

H.J. Res. 556. Joint resolution to prevent nuclear testing; to the Committee on Foreign Affairs.

By Mr. BINGHAM:

H.J. Res. 557. Joint resolution designating September 12, 1982, as "B'nai B'rith Day"; to the Committee on Post Office and Civil Service.

By Mr. TAUKE:

H.J. Res. 558. Joint resolution designating September 22, 1982, as "American Businesswomen's Day"; to the Committee on Post Office and Civil Service.

By Mr. MINISH:

H. Con. Res. 387. Concurrent resolution expressing the sense of the Congress that no new withholding tax should be imposed on interest and dividends; to the Committee on Ways and Means.

By Mr. PERKINS (for himself, Mr. ERLENBORN, and Mr. GOODLING):

H. Con. Res. 388. Concurrent resolution disapproving certain regulations submitted to the Congress on July 29, 1982, with respect to the Education Consolidation and Improvement Act of 1981; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. D'AMOURS introduced a bill (H.R. 6910) for the relief of Maj. Bradford S. Goodwin, Jr., U.S. Army; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 835: Mr. LANTOS.

H.R. 1641: Mr. LANTOS.

H.R. 2280: Mr. MAZZOLI.

H.R. 3008: Mr. MOAKLEY.

H.R. 3298: Mr. GUNDERSON.

H.R. 4285: Mr. TAUZIN, Mr. SCHEUER, Mr. DE LUGO, and Mr. HENDON.

H.R. 5192: Mr. LAFALCE.

H.R. 5254: Mrs. SCHNEIDER.

H.R. 5437: Mr. MAZZOLI, Mr. MCCOLLUM, Mrs. KENNELLY, Mr. LEBOUTILLIER, and Mr. ZABLOCKI.

H.R. 5559: Mr. MCCOLLUM, Mr. ZABLOCKI, Mr. ADDABBO, Mr. MAZZOLI, Mr. ROE, Mr. HAGEDORN, Mr. HORTON, Mr. RUSSO, Mr. BEVILL, Mr. STARK, Mr. LEBOUTILLIER, Mr. MINISH, Mr. DORNAN of California, and Mr. DOUGHERTY.

H.R. 5717: Mr. PEASE, Mr. ROBERTS of South Dakota, Mr. SENSENBRENNER, Mr. DOUGHERTY, and Mr. D'AMOURS.

H.R. 5918: Mr. CLINGER.

H.R. 6045: Mr. MCKINNEY, Mrs. COLLINS of Illinois, Mr. CLAUSEN, and Mr. RATCHFORD.

H.R. 6136: Mr. WHITLEY, Mr. SMITH of New Jersey, Mr. DENARDIS, Mr. HOWARD, Mr. MILLER of California, Mr. FROST, Mr. ROBERTS of South Dakota, Mr. STENHOLM, and Mr. BROWN of Ohio.

H.R. 6170: Mr. JAMES K. COYNE and Mr. BAFALIS.

H.R. 6190: Mr. BINGHAM, Mr. MINETA, Mr. HORTON, and Mr. BONER of Tennessee.

H.R. 6358: Mr. BAFALIS.

H.R. 6433: Mr. BADHAM.

H.R. 6463: Mr. WHITTAKER and Mr. SHARP.

H.R. 6465: Mr. THOMAS and Mr. ROE.

H.R. 6467: Mrs. BOGGS, Mr. ASPIN, Mr. FOUNTAIN, Mr. COELHO, Mr. MONTGOMERY, Mr. MOTTL, Mr. ENGLISH, Mr. MINISH, Mr. WHITTAKER, Mr. MURPHY, Mr. HEFNER, Mr. JONES of North Carolina, Mr. ROE, Mr. ECKART, Mr. CROCKETT, and Mr. MCCOLLUM.

H.R. 6508: Mr. MCCLORY, Mr. HUGHES, Mr. MCCOLLUM, Mr. RAILSBACK, Mr. HYDE, Mr. SUNIA, Mr. SMITH of New Jersey, Mr. MARRIOTT, Mr. WORTLEY, Mr. FORSYTHE, Mr. MCKINNEY, Mr. EDGAR, Mr. MITCHELL of New York, Mr. HORTON, Mr. HOWARD, Mr. CLINGER, Ms. MIKULSKI, Mr. BEARD, Mr. BIAGGI, Mr. DENARDIS, Mr. OTTINGER, Mr. VENTO, Mr. PORTER, Mr. MITCHELL of Maryland, and Mr. SANTINI.

H.R. 6617: Mr. BEILENSON, Mr. SMITH of Pennsylvania, Mr. STOKES, Mr. MINISH, and Mr. ROYBAL.

H.R. 6660: Mr. MOLLOHAN, Mr. RAHALL, Mr. MADIGAN, Mr. STATON of West Virginia, Mr. MORRISON, and Mr. CONTE.

H.R. 6731: Mr. OTTINGER.

H.R. 6788: Mr. MICA, Mr. HILLIS, Mr. MCEWEN, Mr. DUNN, Mr. SMITH of New Jersey, Mr. NAPIER, Mr. NELLIGAN, Mr. GRAMM, Mr. EDWARDS of California, Mr. MOTTL, Mr. LEATH of Texas, Mr. MURPHY, Mr. WON PAT, Mr. BRINKLEY, Mr. SAM B. HALL, JR., Mr. WYLIE, Mr. SAWYER, Mr. SOLOMON, Mr. JEFFRIES, Mr. SMITH of Alabama, Mr. SMITH of Oregon, Mr. SILJANDER, Mr. SHELBY, Mr. HEFNER, Mr. JENKINS, and Mr. BONER of Tennessee.

H.R. 6789: Mr. DASCHLE, Mr. MARLENEE, and Mr. ROE.

H.R. 6793: Mr. DASCHLE, Mr. BEREUTER, and Mrs. SMITH of Nebraska.

H.R. 6794: Mr. WEAVER.

H.R. 6806: Mr. ROBERT W. DANIEL, JR.

H.J. Res. 456: Mrs. ASHBROOK, Mr. MCDADE, Mr. LEACH of Iowa, Mr. REGULA, Mr. BROWN of Ohio, Mr. MCEWEN, Mr. MOFFETT, Mr. KRAMER, Mr. MOTTL, Mr. BETHUNE, Mr. SWIFT, and Mr. MARKEY.

H.J. Res. 465: Mr. FAZIO.

H.J. Res. 485: Mr. NEAL, Mr. DE LA GARZA, and Mr. ZABLOCKI.

H.J. Res. 496: Mr. RATCHFORD, Mr. WHITEHURST, Mr. TAUKE, Mr. PORTER, Mr. WALGREN, Mr. ROBERTS of South Dakota, Mr. SKEEN, Mr. BEDELL, Mr. FLORIO, Mr. LEACH of Iowa, Mr. ROBINSON, Mr. STANTON of Ohio, Mr. STRATTON, Mrs. FENWICK, Mr. LUNGREN, Mr. HYDE, Mr. EDGAR, Mr. MINISH, Mr. RINALDO, Mr. GUARINI, Mr. RODINO, Mr. JAMES K. COYNE, Mr. ARCHER, Mr. JONES of Tennessee, Mr. GREEN, Mr. BARNES, Mr. BURGENER, Mr. HUNTER, Mr. QUILLEN, Mr. WEAVER, Mr. WIRTH, and Mr. MCEWEN.

H.J. Res. 498: Mr. ERDAHL, Mr. FOGLIETTA, Mrs. HOLT, Mr. GEJDENSON, Mr. FORD of Tennessee, Mr. WON PAT, Mr. DECKARD, Mr. PASHAYAN, Mr. HERTEL, Mr. FORSYTHE, Mrs. HECKLER, Mr. FAUNTROY, Mr. WALGREN, Mr. RODINO, Mr. FRENZEL, Mr. SMITH of Pennsylvania, Mr. MINETA, Mr. FISH, Mr. HUGHES, Ms. MIKULSKI, Mr. FAZIO, Mr. SCHEUER, Mr. O'BRIEN, Mr. ALEXANDER, Mrs. ASHBROOK, Mr. HYDE, Mr. ANNUNZIO, Mr. LUNGREN, Mr. BAILEY of Pennsylvania, Mr. BOLAND, Mr. BOWEN, Mr. DONNELLY, Mr. PEPPER, Mr. MAVROULES, Mr. ADDABBO, and Mrs. KENNELLY.

H.J. Res. 503: Mr. NOWAK and Mr. SMITH of Alabama.

H.J. Res. 538: Mr. ARCHER, Mrs. ASHBROOK, Mr. ATKINSON, Mr. BADHAM, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. BENEDICT, Mr. BENNETT, Mr. BEREUTER, Mr. BEVILL, Mr. BLILEY, Mr. BRINKLEY, Mr. BROWN of Ohio, Mr. BROYHILL, Mr. BURGENER, Mr. BUTLER, Mrs. BYRON, Mr. CAMPBELL, Mr. CARMAN, Mr. CHENEY, Mr. CLAUSEN, Mr. COATS, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COURTER, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. ROBERT W. DANIEL JR., Mr. DANNEMEYER, Mr. DAUB, Mr. DAVIS, Mr. DERWINSKI, Mr. DICKINSON, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DREIER, Mr. DUNCAN, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. ERLENBORN, Mr. EVANS of Georgia, Ms. FIEDLER, Mr. FIELDS, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. GINGRICH, Mr. GOLDWATER, Mr. GRADISON, Mr. GRISHAM, Mr. HAGEDORN, Mr. SAM B. HALL JR., Mr. HANCE, Mr. HANSEN of Idaho, Mr. HANSEN of Utah, Mr. HARTNETT, Mr. HIGHTOWER, Mr. HILER, Mr. HILLIS, Mrs. HOLT, Mr. HUBBARD, Mr. HUCKABY, Mr. HUNTER, Mr. HUTTO, Mr. JEFFRIES, Mr. JOHNSTON, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEATH of Texas, Mr. LEBOUTILLIER, Mr. LEE, Mr. LENT, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOTT, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNGREN, Mr. MCCLORY, Mr. MCCOLLUM, Mr. MCDONALD, Mr. MCEWEN, Mr. MCKINNEY, Mr. MARLENEE, Mr. MARRIOTT, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MOLINARI, Mr. MONTGOMERY, Mr. MOORE, Mr. MORRISON, Mr. MYERS, Mr. NAPIER, Mr. NELLIGAN, Mr. OXLEY, Mr. PARRIS, Mr. PASHAYAN, Mr. QUILLEN, Mr. RAILSBACK, Mr. REGULA, Mr. RHODES, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROBINSON, Mr. ROEMER, Mr. ROGERS, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mr. SHAW Mr. SHELBY, Mr. SHUMWAY, Mr. SHUSTER, Mr. SKEEN, Mr. SMITH of Alabama, Mr. SMITH of Oregon, Mr. SNYDER, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STANTON of Ohio, Mr. STATON of West Virginia, Mr. STUMP, Mr. TAUZIN, Mr. TAYLOR, Mr. THOMAS, Mr. TRIBLE, Mr. VANDER JAGT, Mr. WALKER, Mr. WEBER of Minnesota, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WOLF, Mr. WORTLEY, Mr. WYLIE, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska.

H. Con. Res. 292: Mr. FASCELL.

H. Con. Res. 361: Mrs. FENWICK.

H. Con. Res. 362: Mr. GILMAN, Mrs. FENWICK, Mr. DORNAN of California, and Mr. SILJANDER.

H. Con. Res. 364: Mr. BONKER and Mr. MURPHY.

H. Res. 430: Mr. BAILEY of Missouri, Mr. DAVIS, Mr. OXLEY, and Mr. VENTO.

H. Res. 485: Mr. COELHO, Mr. JAMES K. COYNE, Mr. ECKART, Mr. GREEN, Mr. PEPPER, Mr. PORTER, Mr. RANGEL, Mr. RINALDO, and Mr. SCHEUER.

H. Res. 514: Mr. DASCHLE, Mr. MARKEY, Mr. PEPPER, Mr. FORD of Tennessee, Mr. BARNES, Mr. MINETA, Mr. AKAKA, Mr. BAILEY of Missouri, Mr. WAXMAN, Mr. LENT, Mr. FAUNTROY, Mr. WON PAT, Mr. HORTON, Mr. FRENZEL, Mr. WHITE, Mr. VOLKMER, Mr. BEVILL, Mr. WYDEN, Mr. WEISS, Mr. SUNIA, Mr. DYMALLY, Mr. WOLPE, Mr. HUGHES, Mr. CORCORAN, Mr. FAZIO, Mrs. SCHNEIDER, Mr. ROSENTHAL, Mr. SYNAR, Mr. RITTER, Mr. TAUZIN, Mr. SWIFT, Mr. SHAMANSKY, Mr. LUNDINE, Mr. NELSON, Mr. HOLLENBECK, Mr. BROWN of California, Mrs. HECKLER, Mr. MURTHA, Mr. MOTTL, Mr. MCHUGH, Mr. OBERSTAR, Mr. MAVROULES, Mr. MATSUI, Mr. MARTIN of North Carolina, Mr. MARRIOTT, Mr. KEMP, Mr. HUTTO, Mr. HEFNER, and Mr. KOGOVSEK.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

542. By the SPEAKER: Petition of Board of City Commissioners, Dothan, Ala,. relative to H.R. 4928 and H.R. 4929, "Public Employee Pension Plan Reporting and Accountability Act"; jointly, to the Committees on Education and Labor and Ways and Means.

543. Also, petition of the Eighth Congressional District, Watertown, Mass., relative to Israeli invasion of Lebanon; to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5203

By Mr. LEVITAS:

—Page 47, line 17, strike out "as soon as possible (allowing" and insert in lieu thereof "not later than 1 year after the effective date of this paragraph (including".

H.R. 5320

By Mr. CORRADA:

—Page 30, line 22, strike out "and" and after such line insert the following new paragraph (and redesignate the succeeding paragraph accordingly):

(10) supporting entrepreneurial skills training programs (to be jointly funded with prime sponsors), and providing assistance for facilitating and participating in loan guarantee arrangements (including arrangements with the Small Business Administration) to enable participants in such programs to acquire startup equipment and materials necessary for entrepreneurial self-employment; and

EXTENSIONS OF REMARKS

SENATOR MUSKIE'S REMARKS ON FOREIGN POLICY

HON. NORMAN Y. MINETA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. MINETA. Mr. Speaker, I would like to congratulate the Center for National Policy for recognizing the significant contributions of the Honorable Edmund S. Muskie by awarding him their first Distinguished Public Service Award. Further, I would like to call my colleagues' attention to Senator Muskie's thoughtful remarks on foreign policy upon that occasion.

REMARKS OF THE HON. EDMUND S. MUSKIE, RECIPIENT OF FIRST DISTINGUISHED PUBLIC SERVICE AWARD, CENTER FOR NATIONAL POLICY

I am deeply moved and honored by this award. It is of particular significance to me that a man I deeply admire—my predecessor as Secretary of State, Cy Vance—is Co-Chairman of the Center for National Policy. He is an all-too-rare example in our system of a public servant who resigned—on grounds of principle—from high office.

And, without that example, I could not have resigned from the Senate—on grounds of duty, I assure you—to become Secretary of State!

Be assured that in and of itself this award does not transform a politician into a statesman. If Harry Truman was right, I would have to be dead for 10 years to accomplish that.

As Secretary of State, I took great consolation from my political career. It served me well in dealing with my counterparts from parliamentary democracies. I felt little need to become a diplomat . . . and those of you who know me recognize the challenge such a transition would have been.

The Nation's foreign policy machinery recently experienced a traumatic breakdown. Mark Russell may want to re-evaluate his observation: "Who would have thought, between Secretaries of State Kissinger and Haig, the one with the accent would be the one we can understand?" For I never understood Al Haig better than on the day he resigned. He cited no issue of principle, only the pervasive indictment that our highest policymakers had shifted from the careful course of "consistency, clarity and steadiness of purpose."

Succinct and all-encompassing, I could not have said it better myself. I might have been blunter: If we are not going to hell, then where the hell are we going, Mr. President?

After reading over the weekend the talking paper Secretary-designate Haig prepared for his January 6, 1981, meeting with the President-elect, I more fully appreciated the limitations of my own power at the State Department. The Haig paper provided a novel concept of "Cabinet Government"—one department, indivisible, under God! On reflection, I have decided that I was far too modest when President Carter called. I asked only for the moon!

Many of us have resorted to looking for small signs of hope that the Administration wasn't really serious after all about its foreign policy directions. Maybe the President didn't really mean it when he rejected the Law of the Sea treaty because he thought "that when you go out on the high seas, you can do what you want." Maybe our backing away from the China policy of the past two Administrations is really a wallposter rumor. Or maybe we aren't really serious about violating SALT II provisions with something called "Dense Pack."

Then the other day my worst suspicions were realized: Herbert Hoover was resurrected as the patron saint of the Commerce Department, presumably as a Republican symbol of fiscal responsibility. I began at that moment to take the President at his word on foreign policy!

To add to your anxiety, my historical research reveals that President Hoover in 1932, in Geneva, proposed a 30 percent overall reduction in offensive armaments. If I told you my real feelings about all this, there might be a run on banks tomorrow and new shovels issued for civil defense. So I won't! But don't wait until the President starts parting his hair down the middle!

Seriously though, I find little comfort or humor in Secretary Haig's confirmation of our government's ineptitude abroad. Let us be clear in one point: we don't want Ronald Reagan remembered in foreign policy the way Herbert Hoover was in domestic policy. Yet, I think Ted Sorensen is right when he argues that the Democratic Party's search for new directions has focused almost entirely on domestic policy.

This is more than a personality or a party problem. Our Nation is seen to frequently by our friends—and enemies—as inconsistent, unclear and lacking in steadiness. And the unkindest cut of all: we stand accused of acting in a manner contrary to our own interests.

Rather than looking for scapegoats or making excuses, we should step back and examine the collective political process through which the attitudes of our people are formed, and on which our Nation's decisions are based. That is more difficult, but infinitely more cleansing.

I want to talk about American maturity—and American lack of maturity—in international affairs. Most of all, I want to talk about the quality of the dialogue we are carrying on among ourselves and with our global co-habitants. I am worried that we are talking around problems rather than to them, trying to put desire in place of fact, shibboleth in place of practical problem-solving.

We must begin with faith in the wisdom of the American people. Our people have never been afraid of hard choices when the facts are put before them plainly. They do not expect to be talked down to. They are capable of sacrifice, of long-term commitment, if the necessity is explained by credible leadership. They do not want public relations "victories" for their Presidents so much as they want, for their country, competence and vision and compassion on the job. Phil Geyelin had it right the other day when he argued that what we are beginning to see as a wave of criticism of Reagan is not the "denigration of the Presidency," but the public registering its great disappoint with performance.

Thomas Jefferson said in 1820: "I know of no safe depository of the ultimate powers of the society but the people themselves, and if we think them not enlightened enough to exercise their control in a wholesome discretion, the remedy is not to take it from them but to inform their discretion."

We are at a time in our national history when maturity is to be expected. But familiar elements of immaturity are now being reflected in our political discourse. They are evident in a willingness to declare—quixotically—either our independence from, or our dominance of, the rest of the world. Neither is a viable option today, yet we waste so much energy debating the highly improbable.

Some of us may be too idealistic, some of us too cynical, or too selfish. The maturing of American foreign policy requires us to look at certain facts about ourselves and others.

Trying to see the world as is is, if I may use a homely analogy, requires a pair of bifocals. One set of lenses gives us the world in terms of our ideals, the other in terms of power. These are the lenses of idealism and realism, if you will.

We have had debates in the United States about Wilsonianism, about morality in foreign policy. There was a time not long ago when many Americans believed we had lost our moral bearing. Accusations of Realpolitik gone mad were heard widely.

The American people support the proposition that there must be a moral element, a very large moral element, in our foreign policy. If the distinction between repressive "authoritarian" and "totalitarian" regimes means something to the Reagan Administration, it is nevertheless a distinction without a difference to many.

We do believe in freedom, in democracy, we do care what happens to ordinary people, in all lands. We are, frankly, outraged by what happens to the common people in places like Poland, Argentina, South Africa, Afghanistan, Cambodia, and Lebanon. Any American leader—and any foreign leader—who turns his back on this reality of American foreign policy is in for a surprise . . . and a change.

Listen to Cyrus Vance: "Championing human rights is a national requirement for a nation with our heritage. Without this moral strength . . . it would be impossible to have anything called a 'foreign policy' at all."

Yet, the spectacles of realism have their uses, too. We live in a world of nation-states, and our duty is to defend American interests—simultaneously, one hopes, with the interests of our friends and allies. We need to be aware, looking at the world as it is, that Great Power rivalries will not go away . . . that the role of power will not soon be replaced on the international scene . . . that being strong is still a prerequisite to being free and independent.

But just as contrived perceptions about a weak America do not make America weak—even though perceptions can be dangerous—chest-beating rhetoric does not make Amer-

ica strong. We are never so ineffective in the eyes of the world as we are when our rhetoric exceeds our capacity to act, or goes beyond the better judgment expected of us.

What I fear most about the current Administration is that an old aphorism of Dr. Ben Jonson might come true. He said of public men: "They must create strange monsters, and then quell them . . . to make their art seem something."

It is only in putting the idealistic and the power-oriented views together that we can come to grips with the world and see our own interests more clearly. In that light, several things need to be said about some important foreign policy problems which transcend ideological fixations.

The most troublesome, most vital concern is our relationship with the Soviet Union. Yet this relationship is the most difficult to handle politically.

When we speak of our relations with the other nuclear super-power, what end do we have in mind? When the President speaks about the Soviet Union, he reminds me of the Roman Senator, Cato the Elder, who ended all his speeches with the ringing injunction, "Carthage must be destroyed!" And so it was.

But this is the nuclear age. Ending the competition by eliminating Russia will not work.

Nor can we compel their alien system to change its stripes, or to collapse, by any sudden and immense outpouring of public funds on defense spending—and by peddling arms indiscriminately. The only rational conclusion, therefore, is to carefully try to negotiate a drawdown in the balance of terror so as to avoid armed disaster.

Now, I acknowledge that the cry "Carthage must be destroyed!" sounds more like a screaming eagle than the admonition: "We must be strong enough and wise enough to keep the peace." But we have to recognize that our security is tied to that of the Soviets. We don't want our ultimate fate, and theirs, to be the same—a radioactive ash heap.

Those in the Reagan Administration—especially the President—who now conduct the START negotiations, bear an extraordinary burden before history for having been party to scuttling the SALT process. The current government will have run its course by 1984, and the American people will be entitled to ask: What have they done to build a framework that offers more substantial restraints on the arms race? It will not do to reject the fruits of years of bargaining—turning the 1980's into the "lost decade" of arms control—and to offer nothing more than a propaganda cover for an effort to "win" the next round in the race.

(On the home front, we are seeing Presidential support for a balance-the-budget constitutional amendment serve as a fig leaf for record deficits.)

Those who have caused the arms race to run free now face one test: the prompt negotiation of far-reaching limitations. They will discover soon enough that they have not re-invented the wheel. "How the West was won" is not the way to save Western civilization.

(I am encouraged by Mr. Schultz' testimony yesterday: "An approach to the Soviet Union limited to the military dimension will not satisfy the American people. We must also make it clear that we are prepared to establish mutually beneficial and safer relationships on the basis of reciprocity.")

We must also think long and hard about the policy gap that is developing within the Atlantic Alliance in regard to dealings with the Soviet Union. Historically, we have had our disagreements with the European Allies in peripheral areas—Vietnam and the Middle East come to mind. But never before have our views been so divergent when considering policy toward our principal adversary.

It was the United States, not Europe, that led the West in formalizing detente with the U.S.S.R. The Nixon Administration never intended detente as a policy of appeasement, it was never meant to be a substitute for a tough, realistic approach. It was instead a pragmatic effort to define the competition in terms acceptable to us.

True, detente was oversold to the American people. It was not a magic formula for a new generation of peace.

But detente made sense because it offered the West some leverage over Soviet conduct, provided the necessary tension was maintained between competition and cooperation. And, if we believe in the superiority of democratic systems, over time it could have worked to undermine the rigidities of totalitarianism.

Is it the policy of the current Administration to bring about a major crisis in the Alliance simply because, to most Europeans, an easing of tensions still makes sense? Are we to judge a country's fidelity to principle on the basis of a narrow U.S. view of Western interests?

The threat to Western unity today is not, in my view, the result of nations pursuing their economic interests. Who is to say whether grain sales or energy purchases are of greater consequence?

The threat to Western unity lies in the failure to accommodate to pluralism. The threat lies in creating unrealistic standards and in seeking to enforce them by untenable means. It is the epitome of hypocrisy for an Administration which espouses the inviolability of the marketplace to seek to disrupt it in Europe.

This is not to argue that the market place should be the sole—or even the primary—determinant of Western interests. We cannot be so relaxed about Soviet intentions as to leave ourselves highly vulnerable to their unilateral action. It is essential that other countries recognize this as well, if they are to protect themselves against potential blackmail.

At this moment in the Middle East, we are facing serious dilemmas as we seek to protect American interests. This, too, may be the result of immaturity: the Administration's initial reluctance to accept an achievement of American policy—Camp David—apparently because it was a legacy of the other party. It stands out even now as President Carter's greatest contribution to history, and for which his country will honor him.

Valuable months were lost and the initiative slipped from our grasp. No more than casual interest was expressed in moving beyond Sinai withdrawal to autonomy talks. Without our influence, the parties reverted to their national tendencies. When the peace process stalled, it was replaced by anxiety, insecurity, and aggressive behavior.

The Reagan Administration constructed a policy of "strategic consensus" on the myth that concern over Soviet influence outweighed historic regional divisions. As we have done so many times in the past, we allowed anti-Soviet preoccupations to obscure a sense of states' primary interests. And we failed to exercise leverage in behalf of our own interest: the maintenance of peace in a vital region.

One sad result is that, in the case of Israel, we hear serious public discussion for the first time about the differences between our respective national interest outweighing the similarities. But there is some wisdom to be extracted from the current tragedy.

Our relationship with Israel has rested on no firmer foundation than a moral one. We have needed no further justification. Though others, such as the vibrancy of her democracy and the influence of her strength, are also valid. Nothing can erase our moral commitment, but harm has been done. Doubts have been raised.

It behooves both our countries to work to contain our differences and to remove the doubt. Israel can do this by leaving Lebanon with all deliberate speed. And the United States can contribute by once again becoming an active partner in the peace process.

Finally, I must comment on the management of foreign policy, or the lack thereof. For the disarray we find here is also a sign of an immature approach.

The role of government is to govern. The American people—especially now that Secretary Haig is gone—have a right to know who is in charge.

I cannot recall in modern times hearing so often the excuse that the President cannot comment because he has not kept up with events while traveling in Air Force One! How many times have we seen him on the evening news caught by surprise by news from abroad? It is almost as if he is saying to us: "How was I to know, I am only playing the part of President?"

The situation reminds me of a "Peanuts" cartoon I was told about the other day. Lucy was using metaphor to explain life to Charlie Brown:

"Charlie, on the great oceans are large ships that carry many passengers. On each ship there is a sundeck, and on that sundeck the passengers arrange their deck chairs. Some place them facing forwards so they can see where they are going. Some place them facing backwards so they can see where they have been. Now Charlie, on the great ship of life, which way will you face your deck chair, forwards or backwards?"

To which Charlie replied: "I can't even get mine unfolded."

I think it is time our President got his foreign policy deck chair unfolded. Even now, the President acts at times as if he is not associated with the U.S. government—let alone the head of its executive branch. It is as if he is the good spirit disembodied from the evil flesh of government. So much for the value of the experience of governing that largest state in the union!

This is serious work for serious people. I am afraid I must agree with Norman Podhoretz who recently wrote that President Reagan "has yet to address himself with an equivalent seriousness and energy to the international situation [compared to the domestic economy]."

Let that one sink in for a while.

The Haig resignation reminds us that there are some old problems in foreign policy management still around. But the more serious problem for the United States is the coming to power in the White House of people who represent a discontinuity in assumptions about the nature of the postwar world and our role in it—when compared with previous Administrations. The only way I know how to cope with this—and I will admit to a paradox, if not a contradiction—is more strenuous efforts at bipartisan consultation. The War Powers Act requirements provide a timely proving ground this

week as the executive and legislative branches consider sending Marines into Lebanon. Can Warren Christopher's proposed "compact in foreign affairs" between the branches function in a situation where there is a clear danger of "imminent involvement in hostilities" and the President should want—not just be required—to share the decision on troop commitment with Congress? I hope so. George Shultz' experience should help the President work across the lines in a government where separate institutions share power and in which constitutional law has a central place. There are more years of experience, and collective wisdom, in Congress than can ever be assembled in a four-year Administration.

President Reagan can succeed if he understands that many who did not work for his election are prepared to work for his success as President of all the people. I appeal to him, in the year of the F. D. R. centennial, to study what President Roosevelt did in 1940 in reaching out to construct a bipartisan foreign policy. Reach out now, because the going will get tougher.

As we worry about perceptions of weakness—as we fret about our vulnerabilities and focus on our deficiencies—we would do well to look at ourselves as a nation the way FDR looked upon himself as a man.

Despite his crippled condition, he stood as a confident symbol of what this land ought to be. Haynes Johnson recently wrote from Campobello: "The FDR legacy most worth remembering involves a state of mind. . . . Millions of Americans never thought of him as crippled. Instead of becoming an object of suffering and weakness, he became the symbol of optimism and strength for a nation experiencing its gravest challenges at home and abroad."

To those here tonight who have embarked, as I have before, on the long road to the White House: have confidence in our people . . . inform their discretion . . . speak to them forthrightly about the realities. And as you campaign for our highest office, remember FDR's advice: "The future lies with those wise political leaders who realize that the great public is more interested in government than in politics."

Thank you.●

IN HONOR OF THE AMERICAN CHORALE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. EDGAR. Mr. Speaker, it is with great pleasure that I announce the successful completion of the 1982 European tour of the American Chorale. The group returned this week from a goodwill concert tour of England, Scotland, and Wales. It performed contemporary, mostly American, pieces that ranged from sacred work to show music and jazz.

The American Chorale is under the auspices of the American Youth Symphony, Band and Chorus. The AYSBC and its related organizations are dedicated to the development of American youth and the furtherance of worldwide peace and understanding. The students strive for this admirable goal through the performance of music. On this visit, the American Chorale shared American standards and customs while, at the same time, exposing the participating students to British society and values.

The AYSBC has received numerous awards and honors both in the United States and abroad. The group has been given nine George Washington Medals of Honor presented by the Freedoms Foundation at Valley Forge. Awards have also been bestowed by 10 European governments and the U.S. Congress.

Mrs. Nora Burridge was selected as the director of the American Chorale due to her success as associate conductor of the Delaware Valley Symphonic Band European concert tours of 1975, 1978, and 1981. Mrs. Burridge is an honors graduate of the Pennsylvania State University in music education and she received a master of music history degree from Temple University. Presently, Mrs. Burridge teaches music appreciation and serves as chairman of the music department at Ridley South Junior High School in Ridley Park, Pa.

I am proud to invite my colleagues to join me in congratulating this group of talented young musicians as they return from a highly successful and enjoyable tour.●

RIGHTS OF THE DISABLED

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. COELHO. Mr. Speaker, I would like to share with my colleagues an editorial which appeared in the Fresno Bee concerning the guidelines affecting the rights of the disabled. Section 504 of the Rehabilitation Act of 1973 is the major Federal law prohibiting discrimination against disabled persons. It guarantees that all handicapped individuals must have equal opportunity to participate in programs receiving Federal financial assistance.

As I understand, the Reagan administration is conducting an intense review of the section 504 guidelines. I am deeply concerned about many of these proposed changes which are circulating through the various agencies for review and comment. I feel these revisions, if implemented, could endanger the civil rights protections which were hard won by the disabled community over the recent years.

[From the Fresno Bee, May 1, 1982]

RIGHTS OF THE DISABLED

It's been largely because of federal regulations that agencies that serve the public now provide ramps and lifts for those confined to wheel chairs, sign interpreters or telecommunications devices for the hearing-impaired and a host of smaller accommodations so that the disabled public can also be served. Before those regulations went into effect, much of the disabled population—estimated at 1.5 million in California, 35 million nationwide—simply could not use many of the education, health, welfare, and transportation services the rest of the population takes for granted. And if the Reagan administration succeeds in making the changes in the regulations that it recently proposed, it will be pushing the disabled back into that unfair situation.

Under the civil rights provisions of the 1973 Rehabilitation Act, any agency that receives federal funds must accommodate the disabled. The regulations that have been written to enforce that act are not rigid: A school need not put in an elevator when it has a student in a wheel chair; but it must at least arrange his or her classes and activities to be on the first floor. A federally funded agency need only make "reasonable accommodations" for disabled employees. Under the federal rules, local transportation jurisdictions need not equip buses and subways for the disabled; they need only make some, undefined "special effort" to serve them. Yet apparently even this is too much for the Reagan administration.

The Justice Department in January proposed to change the definition of "disabled person" so that only those who can be accommodated "without burden" by the agency involved will be protected by the Rehabilitation Act. Under existing regulations, an agency must show that it is adequately able to serve the disabled. With the proposed changes in regulations, the burden of proof would be shifted to the disabled clients themselves, who would have to show that accommodating them would not cost too much. It's a shift that could spell the end of accommodation.

The Justice Department's January proposal would also significantly reduce employment protections for the disabled. The proposed regulations would continue prohibitions against hiring discrimination, but would no longer require federally funded agencies to take the extra step of "reasonably accommodating" disabled employees. And without this, nondiscrimination is virtually meaningless.

This month the Office of Management and Budget went even further. It suggested new regulations that delete any mention of employment protections. And it proposed that agencies receiving federal funds should not have to accommodate disabled clients who the agencies feel "could not make a productive contribution to society." The disabled client, thus, would be in the position of having to demonstrate that he or she is worthy, literally, of getting in the door.

These are drastidc reactions to a few admittedly absurd—and well-publicized—cases perpetrated under the existing Rehabilitation Act. The truth is that the case of the school that hired a full-time interpreter for one hearing-impaired student, or the county that activist disable groups asked to rebuild an entire courthouse facade to accommodate wheel chairs, are aberrations. The existing federal regulations do not require such costly and inefficient solutions to the access problem.

Reform of the Rehabilitation Act's regulations to reduce confusion about its limits, to curb the excessive demands that are sometimes made in its name, could be useful. The administration, however, has gone much further, proposing virtually to eliminate the only legal tools the disabled now have for wrenching changes from the agencies that are supposed to serve them. Nothing that

has happened under the Rehabilitation Act justifies such a draconian step.●

SWAN SONG FOR CLINCH RIVER

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. AuCOIN. Mr. Speaker, the Clinch River breeder reactor is back for another round of funding. And its supporters stand ready to dig ever deeper into the Federal coffers to keep this nuclear Edsel alive.

But, there is simply no compelling reason to develop this reactor. The Clinch River breeder reactor was originally designed to meet a sharp rise in demand for nuclear-generated electricity and a critical shortage or uranium to fuel that demand. That was a decade ago. Today, things have changed.

Breeder reactors are not going to be needed in the foreseeable future for either nuclear fuel or electrical energy. Domestic uranium reserves have almost doubled in the last 10 years and electrical growth rates have dropped below 3 percent annually—a trend that is expected to continue. The Department of Energy's own blue-ribbon Energy Research Advisory Board ranked the Clinch River breeder reactor as a low-priority item.

The cost overruns on the project are astounding. When the Clinch River breeder reactor project was initially conceived, it was going to cost $400 million. Today, the price tag is more than $3 billion and key components of the reactor, such as steam generators, are coming in years late and 1,000 percent over cost.

Even the utility industry has given up its front-row seats in the cheering section. When the project was first borne, the utility industry contribution was placed at 50 percent. That investment commitment has now dropped to less than 10 percent which leaves the American taxpayer to shoulder 90 percent of the cost.

The administration has bought into the project over the objections its own Budget Director, David Stockman. In fact, Mr. Stockman, admitted that the inclusion of the Clinch River project in the administration's budget last year was a concession to the Senate majority leader, HOWARD BAKER. "I just got out of the way." Stockman said. I can only say that millions of elderly citizens whose health care funds were cut would wish that Mr. Stockman would make such concessions for them instead.

It is too bad for America, too, that Mr. HOWARD BAKER's pet project was not solar or renewable energy; why is it that political backscratching never seems to benefit the causes that will do the Nation the most good?

The Clinch River breeder reactor is not only an economic boondoggle, it is a technological dinosaur and a threat to public safety. Contracts have been signed for steam generators despite warnings by the General Accounting Office that these generators are safety risks and require more testing.

The President's zeal for funding this project flies in the face of his so-called free market energy philosophy. While the administration has abandoned support for energy conservation, renewable energy, and alternative energy sources in the name of Adam Smith's invisible hand, it has conspicuously requested the Nuclear Regulatory Commission to exempt the reactor from standard licensing procedures to expedite construction.

The Clinch River breeder reactor will not lessen our dependence on foreign oil demand. U.S. oil demand is largely for transportation, not electricity. If the $2.5 billion required to finish the project were instead spent on insulating American homes, we would save the equivalent of 48 million barrels of oil each year for the next 25 years, without risking the dangers that lurk in the proliferation of plutonium for nuclear weapons and bombs.

Last year, we failed to bury Clinch River by only 20 votes in the House and just 2 votes in the Senate. This year I urge my colleagues to join me in singing a swan song for Clinch River.●

NATIONAL PARKINSON'S DISEASE WEEK

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. COATS. Mr. Speaker, House Joint Resolution 531, introduced by Congressman CLAUDE PEPPER, designates the week beginning October 24, 1982, as "National Parkinson's Disease Week." I am cosponsoring the legislation because I feel it is important that we nationally recognize the ongoing efforts to combat this disease.

Parkinson's disease is a disabling disorder of the centeral nervous system. The chief symptoms are tremors and slowness of movement. The patient may also be disabled by stiffness of the muscles and have difficulty in initiating movement.

Parkinson's disease is common but because it is not contagious and often not diagnosed, it is not known exactly how many people are affected. However, it is estimated that as many as 1½ million people in the United States suffer from Parkinson's disease.

Unfortunately, the cause of the disease is still unknown. Biochemical studies show that there is a deficiency of a substance necessary for transmission of nerve impulses but researchers have not been able to determine what causes this deficiency.

It takes a great deal of strength and willpower for any patient and his family to fight a disease which cannot be cured. For this reason, one of the most important therapeutic treatments is emotional support in meeting the stress of the illness, is comprehending its nature, and in carrying on courageously in spite of it. Particularly for Parkinson's disease, the severity of the symptoms are considerably influenced by emotional factors and can be aggravated by anxiety, tension, and unhappiness.

I would urge my colleagues to support House Joint Resolution 531 as a way of showing Parkinson patients that we care enough to recognize the many obstacles they must overcome and we encourage efforts to find a cure for this disease.●

HUNTINGTON WOODS: CELEBRATING 50 YEARS OF CIVIC INNOVATION AND COMFORTABLE LIVING

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. BLANCHARD. Mr. Speaker, on August 22, 1982, the community of Huntington Woods, Michigan will celebrate the 50th Anniversary of its incorporation as a city.

Huntington Woods has long been recognized as a unique and innovative community, not only in the Detroit area, but throughout Michigan as well. A major example of city government innovation credited to Huntington Woods is the adoption of the commission/manager plan for local government. Huntington Woods is one of the first communities in Michigan to operate under this plan, adopted as a charter in 1932 at the time that Huntington Woods was incorporated as a city.

Huntington Woods owes a great deal of its growth and success as a city to the charter which brought about the commission/manager form of government. Under this charter, control of the city lies with the manager and four commissioners, all of whom are elected on a 4-year basis. The mayor and commissioners are responsible for the adoption of city policies based upon the desires and needs expressed by the citizens of the community. Also, it is the responsibility of the major and city commissioners to appoint a city manager. It is the duty of the city manager to implement the policies and objectives of the city commission, and to accept responsibility for the task of daily city administration.

In addition to the commission/manager plan, another unique aspect of

Huntington Woods is the public safety department. The Huntington Woods Public Safety Department is actually a combined police and fire department, and members are trained in both police work and firefighting. Huntington Woods is one of only a few cities in the United States with a combined police and fire department, and like the commission/manager plan, this arrangement has proved successful over the years.

The success of these programs and other community service has been vital to a city like Huntington Woods which has experienced substantial growth.

Since its incorporation into a city in 1932, Huntington Woods has grown from a village with 160 homes and about 500 people to a city with 2,469 homes and 6,937 people, according to 1980 census figures. The Huntington Woods residents take pride in the fact that their city was able to meet the increasing demands caused by this growth, and in addition, even provide new services. Among the more recent services are free snow removal from streets and sidewalks, community meeting rooms, a library, seven tennis courts and a swimming pool. There are also a number of civic organizations available for residents, including the Women's Club, the Study Club, the Optimists Club, the Men's Club, and the Seed and Sod Club to name only a few.

I know that the citizens of Huntington Woods take pride in the accomplishments of their city government and also in the strong sense of community awareness and involvement present in their community. It is in the spirit of this strong sense of community pride that I join the city of Huntington Woods and its residents in the celebration of the city's 50th anniversity.

Mr. Speaker, with this tribute I would also like to include an article that appeared in the Detroit Free Press and a press release form WQRS-FM that explains further why the wonderful community of Huntington Woods is such a desirable place to live.

[From the Detroit Free Press, Nov. 6, 1978]

CHOICEST? HUNTINGTON WOODS

(By Cathy Trost)

The hottest town on the suburban circuit these days is not one of the Bloomfields or Pointes but little Huntington Woods, where homes can sell in less than one hour by word of mouth with no haggling over prices.

The reasons for this popularity, residents say, are superb city services, reasonable taxes, proximity to jobs in Detroit and "just a nice community feeling."

"My decision to move to Huntington Woods was made because it struck me that we got more for our money there than most other areas," said John Szurpicki, an aeronautical engineer whose wife and seven children live in one of the town's oldest homes: the Baker farmhouse, which stood on the original dairy farm that developed into Huntington Woods.

The south Oakland County town, lying between Woodward and Coolidge, Ten Mile and Eleven Mile, measures hardly more than a square mile. There are fewer than 8,000 residents and many of them move from house to house in Huntington Woods as their families grow larger.

"The people who live there just don't want to move away," said real estate agent Barbara Reiner. "Last week we had a listing for a three-bedroom ranch, $69,900, that was gone in less than two hours. It sold for price and terms, no bargaining."

The South Oakland County Board of Realtors listing book, for example, now has nine Huntington Woods homes listed, as compared with more than 100 for Oak Park, a neighboring suburb with 38,000 people. Half of the Huntington Woods properties were sold by the time the book came out.

"We're seeing a lot of young professionals asking for Huntington Woods," Ms. Reiner said. "In order to go out to West Bloomfield the prices they'd have to pay are exorbitant. It's still high in Huntington Woods but they can get in there for $65,000 or $70,000."

When the city manager took a new job recently, three neighbors were at his house saying "I have a friend who wants to buy your house" before it even hit the market. Most people don't bother to advertise in the newspaper and some don't even post for sale signs in the front yard.

Taxes are comparable to those of surrounding suburbs but the little extras are what people say keeps them coming back: guaranteed, once-a-week garbage pickup that doesn't cost extra as in some cities, free snow removal from streets and sidewalks, police services like scheduled surveillance of houses when owners are on vacation and a reserve corps that patrols on weekend nights, and a cultural center with a library, seven tennis courts and a swimming pool (residents pay $45 a year to belong).

There also is a whole array of civic organizations: the women's club, the women's study club, the residents association, the Optimist Club, the men's club, the junior women's club, the seed and sod club—"These are the kinds of things," says Jack Olsen, Huntington Woods mayor, "that give the community a sense of identity and bring people together."

"It may sound flaky as the devil but people really go for those things," says one long-time resident. "The good thing about Huntington Woods is that you can get involved or as uninvolved as you want to be."

Just a couple of miles from the Detroit border, Huntington Woods has escaped the urban flight that border towns like Ferndale and Hazel Park have been fighting.

"There's absolutely no feeling of fear at all," says Mayor Olsen. "I don't want to seem pious but that doesn't register with the people of Huntington Woods. They're not that way.

"One of the things that has kept Huntington Woods such a nice place is the constant infusion of families and nice people, intelligent and diverse. One of the charms of this town is you don't see a lot of homes that look alike and you don't see a lot of people that are specifically alike."

The biggest problem confronting residents, says the mayor, are local roads that need resurfacing and rebuilding. A proposal on the election ballot Tuesday is for a $3.8 million bond program that would cost the average homeowner about $125 a year to fix the roads.

"It's the kind of community where there's just a lot of spirit," says Huntington Woods Police Sgt. Gerald Jeffrey, a 14-year resident. "I think it's got kind of a hometown, small town atmosphere but it's still close to the big city."

"A SPECIAL PLACE IN TIME"—HUNTINGTON WOODS, MICH.

Although Huntington Woods is one of our smaller area communities, WQRS wishes to award a "Special Place in Time" in recognition of its cultural programs. One of the most recent was to secure a set of stained glass windows for the library, with the assistance of a grant from the Michigan Council for the Arts. This artwork was created by the Glass Department of Detroit's Center for Creative Studies under the direction of Herb Babcock. These windows now provide an enriching, inspiring experience.

The Huntington Woods Art League has sponsored an Annual Art Fair and auction for twenty years; and, during the summer, regular "Concerts in the Park" at Lincoln and Scotia are scheduled with the cooperation of the Detroit Federation of Musicians' Concert Band for area residents.

Timeless FM-105 salutes the City of Huntington Woods; it has earned a "Special Place in Time."●

PERSONAL EXPLANATION

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LEE. Mr. Speaker, due to official business, I was unable to cast my votes on rollcall Nos. 223, 224, and 225.

Had I been present, Mr. Speaker, I would have cast a "nay" vote on rollcall 223, A motion to table House Resolution 541; I would have voted "nay" on rollcall 224, a motion to go to conference on a House bill, H.R. 4961, with a Senate amendment; and I would have voted "nay" on rollcall 225, the motion to instruct our House conferees on the revenue package mandated by the first concurrent budget resolution.●

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1983

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mr. MATSUI. Mr. Chairman, I would like to express my support for the amendments adopted today by the House of Representatives that will provide important and long overdue protections for the former spouses of retired military personnel and their families. I refer to the Schroeder amendment to the Defense authorization bill, H.R. 6030, with amendments offered by Congressmen BILL NICHOLS and KENT HANCE.

As you know, on June 26, 1981, the Supreme Court ruled in McCarty against McCarty that a State court

could not consider a military pension as part of the property to be divided in a divorce settlement. This action created grave consequences for military spouses in the eight community property States, including California. Courts in those States, which had frequently awarded a share of the military pension in divorce settlements, were prohibited from doing so.

Although military spouses may be awarded alimony, only 4 percent of the 4.5 million divorced women in this country receive alimony, and only 22 percent receive child support, although in 98 percent of the cases, wives are awarded custody of the children. Thus, after years of serving on the military "team," a divorced wife may be left with little to show for her lifetime commitment.

I have heard from dozens of women in the Sacramento area who are now faced with poverty and the humiliation of having to accept welfare.

The amendment, as passed today, would remedy the severe effects of the McCarty decision while protecting the rights of military retirees. Congresswoman SCHROEDER'S legislation is based on S. 1814, by Senator ROGER JEPSEN, that was unanimously reported by the Senate Armed Services Committee on July 14, 1982. Under S. 1814, the effects of the McCarty decision would be overturned and the power of State courts to consider military pensions as community property restored; the service secretaries could direct payment of portions of retired pay for alimony, child support or distribution of property to a former spouse; limited health care benefits would be extended to unremarried former spouses married 20 years or more; and a retired service member would be allowed to voluntarily provide his former spouse the annuity from a survivor benefit plan.

S. 1814 would also protect the rights of the service member. It would not create a right or entitlement for divorced spouses to military retired pay; it would limit the amount of disposable retired pay that could be given a former spouse to 50 percent; and it would prohibit a State court from directing a service member to retire at a certain time in order to provide retired pay benefits to a former spouse. Congresswoman SCHROEDER'S amendment as modified by the amendments of Mr. NICHOLS and Mr. HANCE would extend further protections in a military divorce. Former spouses married 20 years or more would be allowed continued commissary and exchange privileges and extended health care benefits. Although the amendment would set up additional restrictions on the pension rights of former spouses, these restrictions would not apply in community property States such as California, where State law would remain in effect.

I believe this legislation is an important step forward in assuring equity for former spouses and children of retired military personnel. Rather than allowing military spouses to be unfairly singled out and prohibited from sharing in pension rights, the House of Representatives has recognized their vital contribution to the national defense effort and taken action to insure them equality of treatment with spouses of other Federal retirees.●

THE LEGACY OF HOLOCAUST SURVIVORS

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. McGRATH. Mr. Speaker, I want to call the attention of my colleagues to the efforts of Second Generation of Long Island, Inc., and Yale University to preserve the memory of the Holocaust.

Second Generation of Long Island is 1 of 38 groups in the United States and Canada devoted to preserving the living memory of Holocaust survivors for future generations. Under an agreement with Second Generation, the Sterling Library Archives of Yale University will house interviews of the Holocaust survivors, with the goal of preservation, dissemination of information, and corroboration of data.

As painful as memories of the Holocaust may be, it is imperative that we, as a civilization, remember it and what brought it about. We owe this to future generations. I applaud Second Generation and its president, Syd Mandelbaum, Yale University, and all others associated with this important project.

At this point in the RECORD I include the following article:

[From the Nassau Herald, July 8, 1982]

FIVE TOWNS GROUP RECORDS HOLOCAUST SURVIVOR LEGACY

The Sterling Library Archives at Yale University will house videotape interviews of Holocaust survivors under a newly formed affiliation with the Five Towns-based Second Generation of Long Island, Inc. The group, which was formed a year ago to preserve the memory of the Holocaust, has forwarded the first four stories to the school, in the prototype program. Each testimony is recorded in triplicate; one for preservation, the second for dissemination of information and corroboration of data, and the third stays on Long Island, relates Syd Mandelbaum, president of the organization.

The concept of Second Generation was conceived last year in Jerusalem during the gathering of survivors in Israel, which Mr. Mandelbaum attended with his father. He recounts, "The obligation of the 'Legacy of Remembrance' was passed to the second generation. We pledged to remember and we are fulfilling that pledge through our videotaping project. Our goal is to preserve the living memory of survivors and enable them to bear witness for future generations. We want to preserve a picture of life as it was in Europe before, during and after the Holocaust. This project has a special urgency because many of the survivors are elderly. Once they are gone, there will be no one to tell their stories."

Second Generation is seeking to record the sagas of 300 to 500 individuals within the next five years. Twenty survivors have completed preliminary talks and will relate their memories to the cameras, which are operated by trained Second Generation teams, during July and August. Nine tapings have been completed since the inception of the project, which is headed by two psychologists and two social workers who are professional interviewers. The group has published a kit that includes an interview guide and questionnaire.

The committee is asking survivors to come forward to tell their stories. Mr. Mandelbaum, a resident of Cedarhurst, expresses particular interest in survivors who reside in the Five Towns. Funds currently are available for 40 recording sessions. Each testimony costs $500 in materials, and the group has launched the "Adopt a Survivor" campaign to raise money.

Local particpants in the videotaping project include: Sarah Ducorsky, coordinator of documentation; Doris Simon, videotape project coordinator; Stuart Sherman, secretary; Dr. Etta Blinchik, psychologist; and Jerry Gross. video service. Other board members in the organization, which has a mailing list of 75 that includes 40 active individuals, are: Ruth Stern, secretary; Dennis Ducorsky, treasurer; Mira Rosenfeld, educational coordinator, Paul Rosenfeld, liaison; Linda Marshak and Anne Mayer, membership.

Second Generation is one of 38 groups in the United States and Canada. There also are branches in Israel and Belgium. Affiliates are the Yale University, Friends of Video Archives of Survivor Testimonies, the International Network of Children of Jewish Holocaust Survivors and Yad Vashem, the Holocaust museum in Jerusalem.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. DERWINSKI. Mr. Speaker, this year marked the 24th observance of "Captive Nations Week," which serves both as a reminder of the need for vigilance and dedication in maintaining our personal freedoms and also as a catalyst for reaffirming our efforts to achieve human rights and peace on an international basis.

The strong support that still flourishes in our country for the spirit of "Captive Nations Week" is evidenced by the many and diverse local observances that are held to mark this anniversary. I would like to bring the attention of the Members to some of the following expressions of support: the first is a press release from the Captive Nations Committee of Massachu-

setts, followed by an article that appeared in the Pilot, the official newspaper of the Archdiocese of Boston, Mass.; an article that appeared in the Daily Herald, in Mount Prospect, Ill., "Group Working for Freedom in Countries That Have None"; and a proclamation by the mayor of the city of Tulsa, Okla., the Honorable James M. Inhofe, and a proclamation by the mayor of the city of Philadelphia, the Honorable William J. Green.

The articles referred to follow:

[Press release of the Captive Nations Committee of Massachusetts, July 12, 1982]

CAPTIVE NATIONS WEEK—OBSERVANCE SET FOR JULY 17

BOSTON.—The annual observance of the "Captive Nations Week" will be held on Saturday, July 17, 1982, starting at 12:00 noon, at the historic Faneuil Hall, Faneuil Hall Square, Boston.

The invocation will be given by the Most Reverend Lawrence J. Riley, Auxiliary Bishop of Boston. Principal speakers will be: Dr. Ewa Teresa Brantley, professor of international law at the Fletcher School of Law and Diplomacy, Tufts University and Steven Erlanger, assistant national editor of the Boston Globe.

The cultural program will include folk dancing by the dance group of the Ukrainian American Youth Association and Vietnamese folk dance group. Jan Milun, a well known Polish singer, will sing.

Invitations to attend the ceremony have been extended to the Governor and other public and civic officials. The general public is invited to attend.

The observance is sponsored by the Captive Nations Committee of Massachusetts and support from Afghan, Cuban, Estonian, Hungarian, Latvian, Lithuanian, Polish, Ukrainian and Vietnamese organizations in Massachusetts.

President Ronald Reagan, Governor Edward J. King, and Massachusetts State Legislature designated the week of July 17-24 as "Captive Nations Week" in the nation and in Massachusetts respectively. The "Captive Nations Week" was established by U.S. Congress in 1959.

According to Orest Szczudluk, chairman of the Captive Nations Committee of Massachusetts, "The purpose of the Captive Nations Week is not only to remember captive nations under Communist Russian domination, but also to reinstate our support for their freedom and national self-determination."

[From the Pilot, Official Newspaper of the Archdiocese of Boston, Mass., June 25, 1982]

WITH CARDINAL'S SUPPORT—CHURCHES OBSERVE CAPTIVE NATIONS WEEK

Captive Nations Week will be observed at Boston's Faneuil Hall on Saturday, July 17, during a program of speeches combined with singing and dancing by ethnic groups. Originally proclaimed by President Eisenhower in 1949. Captive Nations Week is the result of a Congressional resolution, passed that year, mandating the annual proclamation of the event.

Orest Szczudluk, Chairman of the Captive Nations Committee of Massachusetts, headed a delegation that visited Cardinal Medeiros at his residence on June 10.

His Eminence was asked to extend his support, as in past years, to the Committee's Captive Nations Week observance.

His Eminence again did pledge his spiritual support and that of the Archdiocese, during the hour-long audience, and then proceeded to discuss not only the evil and morally bankrupt nature of communism but, at the request of some of the delegates, the state of the Church and the degree of religious persecution suffered by people of all faiths in their particular countries.

During the week starting July 17-24, prayers will be offered in the churches of the Archdiocese in memory of the victims of Communist oppression and for the deliverance of all captive peoples.

The delegation, composed of Latvian, Estonian, Ukrainian, Cuban and Polish representatives, was joined this time by Andrew Eivas, a Lithuanian-born former U.S. Army Captain, who represented the Free Afghanistani Alliance. He was in Afghanistan not long ago.

His Eminence listened to Eivas, description of the cooperation in a spirit of true solidarity that exists between the Muhavvaddeen, or Afghanistani Freedom-Fighters and the Western Christian organizations delivering Bibles to Soviet Army prisoners now in Afghan hands. For the most part these prisoners are draftees from Captive Nations such as Ukraine and the former Baltic Republics.

[From the Daily Herald, Mount Prospect, Ill., July 3, 1982]

GROUP WORKING FOR FREEDOM IN COUNTRIES THAT HAVE NONE

(By Richard Chin)

Although many Americans take the Freedom in their country for granted, Des Plaines resident Ilmars Bergmanis said the Fourth of July will mean more to him than "noise in the street and picnics in the park."

Bergmanis said he will be thinking about how the freedom in America compares to the "slavery and subjugation" of his native country, Latvia.

Bergmanis is chairman of the Chicago Captive Nations Committee, the local chapter of a nationwide group working for the freedom of nations under Communist domination.

He said there are now 30 "captive nations" around the world, compared to the 22 nations under Soviet or Communist domination in 1959 when President Dwight D. Eisenhower signed the Captive Nations Week Resolution.

The resolution established the Captive Nations Committee to promote the third week in July as Captive Nations Week.

"During Captive Nations Week, Americans should realize our devotion to the ideal of government by consent, a devotion that is shared by millions who live in nations dominated today by a foreign military power and an alien Marxist-Leninist ideology," according to a proclamation signed by President Ronald Reagan last July.

Bergmanis said the Chicago Captive Nations Committee is planning a rally July 18, 12:15 p.m., in the Daley Plaza in Chicago in support of Captive Nations Week.

He said his chapter of the Captive Nations Committee is the most active one in the country because of a large number of people from eastern European countries who live in the Chicago area.

Last month, the group protested at the Billy Graham Center at Wheaton College to express opposition to Billy Graham's statement during a recent trip to Moscow that "there is a measure of religious freedom" in Russia.

Bergmanis said the group's members also try to import Western literature and newspapers to Soviet-controlled countries, and they support radio broadcasts into Communist nations like Radio Free Europe, Radio Liberty and Voice of America.

He said with help from free countries, the poeple in Communist nations will slowly free themselves from foreign domination.

"It's very difficult. We, of course, stress the fact that slavery cannot exist for long, that freedom will prevail," he said. "No nation has ever lived very long based on slavery and subjugation."

He said most Americans "are taking this country's independence too lightly." He believes the country is still fighting a cold war against the Soviet Union, and United States should build up its military might instead of trying to negotiate an arms control agreement with the Soviets.

"To the Soviets, it means nothing. If they will feel strong, they will attack first," he said. "They'll never pass up a chance to take over the rest of the world."

Bergmanis, 51, said when his own native country, Latvia, was forced to become part of the Soviet Union after World War II. To escape Soviet domination, his family fled to Germany and then came to the United States.

"There were millions and millions of people who did not want to go back to the homelands after the Soviets took over after the second World War" he said.

After the war, the Soviets deported about 500,000 people from Latvian labor camps in Siberia, he said, and most of them died building mines and railroads for the Soviets. The Soviets are still "gradually destroying the Latvian culture and the heritage of Baltic states," he said.

After moving to the United States Bergmanis was drafted into the U.S. Marine Corps during the Korean War. He later graduated from the University of Nebraska and worked at variety of jobs around the country before settling in Des Plains in 1969 with a job as financial specialist for the U.S. Department of Health and Human Service in Chicago. He said his involvement with Latvian organizations led to his work with the Captive Nations Committee.

PROCLAMATION—CITY OF TULSA, OKLA.

Whereas, the aggressive imperialistic politics of Russian Communists have oppressed and enslaved the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Romania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Servia, Croatia, Slovenia, Tibet, Cossakia, Turkestan, Vietnam, Cambodia, Laos, Afghanistan, Cuba, Nicaraqua, Grenada, Angola, Mozambique, Guinea Bissau, and others; and

Whereas, these criminal puppet governments deny their freedom loving citizens the liberty and justice they so humbly seek; and

Whereas, it is the duty of all patriotic Americans to support courageous independence movements in these captive nations; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their

sympathy with and support for the just aspirations of the captive nations:

Now, therefore, I, James M. Inhofe, Mayor of the City of Tulsa, Oklahoma, do hereby proclaim the week of July 18-24, 1982, as "Captive Nations Week" in Tulsa, Oklahoma, and call upon our citizens to join with others in observing this week by offering prayers and dedicating their efforts for the liberation of the oppressed and subjugated peoples all over the world.

CITY OF PHILADELPHIA—PROCLAMATION

The imperialistic policies of Communism have led to the subjugation and enslavement of millions in Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Rumania, East Germany, Bulgaria, China, Armenia, North Korea, North Vietnam, Cuba, and other countries.

The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war.

The freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States for support in achieving their freedom and independence.

Therefore, I, William J. Green, Mayor of the City of Philadelphia, do hereby proclaim the week of July 18-24, 1982 as "Captive Nations Week" in Philadelphia, and urge all citizens to join in observing this week by offering prayers for the peaceful liberation of subjugated peoples everywhere.●

EVANS-CORCORAN HOUSING INITIATIVE

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. STANGELAND. Mr. Speaker, I would urge you and our colleagues to allow the House to take a direct vote on the Evans-Corcoran housing initiative.

This proposal would provide grassroots support for middle- and low-income families who need lower interest rates in order to buy a home.

Mr. Speaker, this initiative would take $1 billion, which has already been authorized and allocated for other purposes, but which has not been spent in years past.

There is a clear need to help families to fulfill the American dream of home ownership, just as there is a need to bolster the badly sagging home building industry.

It is clear that this proposal would help to speed our economic recovery.

Mr. Speaker, we should have an opportunity to have a recorded vote on this crucial proposal which could help so many millions of Americans.

If the House leadership denies us this opportunity, they are also denying hope for families and unemployed construction workers.

Let us have a chance to stand up and be counted on the Evans-Corcoran initiative.●

DEDICATION TO MILLS

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. BROWN of Colorado. Mr. Speaker, two active women, Mrs. Harold Kester and Mrs. Charles Jones, with the Daughters of the American Revolution in Loveland, Colo., have brought to my attention their efforts to achieve public recognition for Enos A. Mills, an important figure in the history of Colorado.

In a mountain meadow at Longs Peak, on June 26, 1982, the Namaqua Chapter of the Daughters of the American Revolution in Loveland dedicated a marker to honor Enos Abijah Mills. The bronze marker is embedded in an earthstone, pedestal monument, 5 feet by 6 feet by 4 feet, and is inscribed:

Enos A. Mills, Father of The Rocky Mountain National Park, Internationally Known Naturalist, Author, Lecturer and Nature Guide, Placed by Daughters of the American Revolution, 1982.

The site is near his original cabin, now a museum, south of Estes Park.

Mr. Mills was born on a farm near Pleasanton, Kans., April 22, 1879, and came to Colorado alone, at age 14. He worked in mining camps and on ranches but his fascination with nature led him to become a top-notch scientific observer. His self-taught study and amassing of facts brought many concerns for the future. He found himself called upon for "tell it like it is" lectures.

Writing was difficult for him but he became a reporter for newspapers and wrote for magazines. Many of his books are in libraries. His photographs of wild life are outstanding. He was a famous nature guide. The present trail to the top of longs Peak Mountain was laid out by him and constructed at his own expense. His greatest joy was getting people to enjoy nature according to their own interest.

His walking tours all over the country and in Europe made him a champion of beautiful natural resources. He felt that the Rocky Mountains were especially rich in scenic resources and to save some for a park occupied his best efforts for 7 years. Lecturing throughout the East, lobbying in Washington and visting newspapers brought about the bill, passed by Congress on January 26, 1915, creating a 25-mile expanse into the Rocky Mountain National Park.

He died in 1922. The Namaqua Chapter of the Daughters of the American Revolution felt that recognition of Mr. Mills was long overdue and should be acknowledged not only by a marker but by public attention to this interesting part of Colorado's heritage. There were 182 people at the dedication.●

NUCLEAR FREEZE PETITION

HON. HAROLD WASHINGTON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. WASHINGTON. Mr. Speaker, I would like to submit for my colleagues' perusal a nuclear freeze petition signed by 3,225 faculty and administrative personnel of Chicago area higher education institutions. The petitions were circulated by the Chicago Area Faculty for a Freeze on the Nuclear Arms Race (CAFF), a group of educators from 40 Chicago area institutions. CAFF has been diligently working to educate Chicago area residents on the imperativeness of a freeze on the nuclear arms race. They are part of a growing number of concerned citizens who believe this issue too important to be left to the horse-blinder mentality of the military estalishment of this country. I commend this concern and the work of the CAFF.

The petition follows:

THE NUCLEAR ARMS RACE POSES A GROWING THREAT TO HUMAN CIVILIZATION

We, members of the higher education and research community, believe this is the time to take action.

Our work of teaching and research is directed to the future, but the mounting risk of nuclear holocaust puts the future in doubt.

Nuclear weapons offer no solution to the political, economic, and ideological conflicts between the United States and the Soviet Union.

Spearheaded by the nuclear arms race, world military expenditures now total $550 billion per year, while global economic, social and environmental problems go unremedied.

Therefore, we call on all members of the higher education and research community in the United States and other nations to press all governments for an immediate and complete freeze on all further testing, development, production and deployment of nuclear weapons:

And, as Americans, we call on our Congress and President to propose to the Soviet Union and all other governments an immediate and complete freeze on the nuclear arms race.●

BALTIC STATES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mr. CONTE. Mr. Speaker, I am honored today to join my colleagues in commemoration of 60 years of American recognition of the independent governments of Estonia, Latvia, and Lithuania.

These three nations differ in language and culture, but share a common history. In the chaos of

World War I and the Russian Revolution, they succeeded in freeing themselves of Russian domination. The Baltic States set up free and democratic governments, which we recognized in 1922 as the legitimate Governments of Latvia, Estonia, and Lithuania.

For two decades the Baltic States were free; but trapped between Hitler's Germany and Stalin's Russia, these courageous but small nations fell victim to invading Soviet armies in June of 1940. During the war they suffered all the cruelties of Nazi and Soviet occupation, and since then have been subject to the brutalities of Soviet oppression. The Soviet regime has systematically attempted to submerge the cultural identities of the Baltic States into one Soviet Russian monolith.

Events have consistently shown that the spirit of freedom is not dead in the Baltic States despite over 40 years of repression, and appreciation of the rich national cultures of these three countries is strong. Mr. Speaker, I believe that our continued recognition of the free governments of the Baltic States is a ray of hope in the lives of these oppressed people, since we represent freedom in the eyes of the world. We must pledge ourselves today to maintain our own freedoms, which we so often take for granted. Also, we must use this occasion to recommit ourselves to insuring the future freedom of the Baltic countries and fostering their spirit of liberty.●

LT. FRANK BAKER

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, I am pleased today to recognize the 27 years of outstanding service which Lt. Frank Baker provided to North Huntingdon Township as a member of its police department.

I applaud his outstanding career from patrolman to lieutenant. His foresightedness and technical expertise have enabled the North Huntingdon Township Police Department to develop and grow in order to meet the needs of a changing community.

I am confident that Frank's dedication, initiative, and morale will be sorely missed by the department and community alike as he retires. The type of service which Frank's career exemplifies is needed in all areas where we seek to serve and protect the public.

All too often in this modern age we avoid our responsibilities as citizens and fail to acknowledge the painful sacrifice of public service. Lt. Frank Baker's dedication to duty and service has earned him our highest respect and our greatest admiration.●

TESTIMONY OF CHARLES GORDON

HON. WALTER E. FAUNTROY

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. FAUNTROY. Mr. Speaker, on July 14, Representative JULIAN DIXON sponsored a special congressional briefing on his bill (H.R. 3524), which I have cosponsored, to repeal the section of the immigration law being used to exclude foreign lesbians and gay men from our country. Mr. Gordon, a former general counsel for the Immigration and Naturalization Service, and now professor at the Georgetown University Law School, was the lead witness at the briefing and is universally recognized as one of the most learned authorities on immigration law in our country. During his testimony, Professor Gordon pointed out an unacceptable feature of the Simpson-Mazzoli immigration reform and control bill, specifically provisions which would effectively end Federal judicial review of administration decisions relating to the exclusion of aliens, no matter how arbitrary such a decision may be.

As a black Member of Congress, I am particularly sensitive to any legislation which would restrict the jurisdiction of Federal courts in their ability to protect minorities. Section 123 of the Simpson-Mazzoli bill provides that—

Not withstanding any other provision of law, there shall be no judicial review of a final order of exclusion or a final order respecting an application for asylum; nothing in this section shall be construed as limiting the rights of habeas corpus under the constitution.

This is clearly a court-stripping provision, one that has caught the attention of those of us who have been concerned about the lack of due process accorded to Haitian asylum applicants who have only received fair hearings in the Federal courts.

There is no question in my mind that section 123 has been inspired by those who seek to exclude access to due process on the part of the first large group of black refugees to our country, the Haitians. I point this out to make the point that court-stripping provisions such as those represented by section 123, threaten the rule of law and the protection of rights under law of all minorities.

At this point, I submit the testimony of Professor Gordon to my colleagues:

TESTIMONY OF CHARLES GORDON

Representative Dixon, other Members of Congress, and guests; my name is Charles Gordon. I am a former General Counsel for the Immigration and Naturalization Service, Adjunct Professor at the Georgetown University Law School, co-author of one of the most widely used textbooks on immigration law, and currently practicing law here in the District of Columbia. I am grateful for your invitation to appear at this special Congressional briefing.

In my statement this morning I want to discuss the legal background for our government's express policy that people who are homosexual may not enter this country, to explain some of the problems created by that policy, and to suggest that it is the responsibility of Congress to end that policy once and for all.

The Immigration and Nationality Act which prevails today is the culmination of a century of restrictive immigration legislation. From 1880 on, the grounds for excluding aliens constantly expanded. In 1952, the McCarran-Walter Act, 66 Stat. 163, added an exclusion for "aliens afflicted with psychopathic personality, epilepsy, or a mental defect." The Public Health Service stated at the time that it would interpret this classification to include homosexuality and sexual perversions such as sexual sadism, fetishism, pedophilia, and so on.

The broad outlines of the McCarran-Walter Act grouped this "psychopathic personality" exclusion with a number of other exclusions for "physical and mental defect or disease." The Act required that aliens suspected of having any of the specified "diseases or defects" be detained at the border to permit examination by a medical officer of the Public Health Service. The Act also provided that in any exclusion proceeding brought under these grounds, the sole basis for decision would be the certificates of the examining officer that the alien has one of the specified "diseases or defects."

In 1962, the U.S. Court of Appeals for the Ninth Circuit invalidated a deportation order on the grounds that the term "psychopathic personality" was unconstitutionally vague as applied to a homosexual alien. *Fleuit* v. *Rosenberg*, 302 F. 2d 652. This decision was later affirmed by the U.S. Supreme Court on other grounds. Congress retorted in 1965 by amending the McCarran-Walter Act to add an exclusion for "sexual deviation" so as "to resolve any doubt," 79 Stat. 919. As it happened, this 1965 amendment ultimately proved to be unnecessary. The Supreme Court in 1967 upheld the "psychopathic personality" clause as a basis for the deportation of a homosexual alien. *Boutilier* v. *Immigration and Naturalization Service*, 387 U.S. 118.

It is worth noting that, even then, doubts were being raised about the wisdom of the policy of excluding foreign homosexuals. In his dissent from the Court of Appeals in *Boutilier*, Judge Moore declared: "The majority upholds the deportation of a young man who arrived in this country in 1955, who has worked hard and gainfully ever since, who is respected in his work, and most of whose close relations—including his mother, his stepfather, and three of his five brothers and sisters—reside in this country." 363 F. 2d at 496.

Justice William Douglas, dissenting from the Supreme Court decision in the same case, asserted that it was simply "not credible that Congress wanted to deport everyone and anyone" who was homosexual, "no matter how blameless his social conduct had been nor how creative his work nor how valuable his contribution to society." 387 U.S. at 129-130.

Within 10 years after Congress added "sexual deviation" to the specified grounds for exclusion because of "physical or mental defect or disease," this policy was being effectively undermined by developments outside the legal arena. First, the American

Psychiatric Association decided to delete homosexuality from their official list of mental disorders. You will hear more about this later this morning from Dr. David Kessler of the APA. In the wake of that move, the Surgeon General in 1979 announced that the Public Health Service would no longer certify aliens as excludable solely because of their homosexuality. That PHS policy remains in effect today.

Caught in a classic dilemma, the Immigration and Naturalization Service in 1980 stated that it would continue to exclude homosexual aliens even in the absence of the required medical certificate, but only where aliens make unsolicited and unambiguous declarations that they are homosexual. INS can thus on the one hand assure Congress that it is upholding the letter of the law, and on the other hand assure advocates of gay rights that foreigners are free to enter the country so long as they do not volunteer that they are homosexual.

Unfortunately, INS's solution to its dilemma not only avoids confronting the underlying legal issues, but also creates additional practical problems of enforcement.

First, no matter how lax, any enforcement of a law excluding homosexual aliens from our shores is bound to generate wave after wave of litigation, not only from nationals of other countries, but also from our own citizens whose First Amendment interests are at stake. Mr. Greg Day, President of the Board of Directors of the San Francisco Lesbian and Gay Freedom Day Committee, will testify later this morning about two recent victories in Federal court involving the rights of both homosexual foreigners and homosexual Americans.

Second, the INS policy presents a clear danger of unequal enforcement of the law. There are a number of celebrated foreign artists, authors, musicians, and so on who have made rather unmistakable assertions of their homosexuality, yet INS has never tried to keep any of these figures out of this country—no doubt fearing to provoke a popular backlash against the whole policy. Enforcement of the law only against foreign homosexuals who are not so well known obviously smacks of politics and manipulation.

Third, INS inspectors apparently have varying interpretations about how much they can do in order to obtain a supposedly "unsolicited" admission of homosexuality. For example, Mr. Phillip Fotheringham, a gay man with dual British and Canadian citizenship, has filed a complaint with INS alleging that he was excluded because a lengthy and tiring interrogation led him to state his homosexuality. His case revealed a major loophole in the present INS policy. Even though immigration officers are not allowed to question any alien about homosexuality if there are no other grounds for detaining him or her, these officers are permitted to initiate and press the question of homosexuality on any entering foreigner whom they wish to quiz about other matters.

Fourth, the INS solution does not affect the visa process which remains entirely free of judicial review. Each year overseas consular offices deny same 500,000 applications for visas to enter the United States. INS never sees these people. But visa applicants are nevertheless required to deny that they are "sexual deviants." A false answer can lead to prosecution for fraudulent entry and/or deportation, or other unfortunate consequences.

Let me note that this is not a remote or hypothetical circumstance. The U.S. District Court for the Northern District of Texas recently denied Richard Longstaff citizenship, in part because his homosexuality demonstrated that he had falsely answered the question on his visa application when he entered this country. In contrast, the U.S. Court of Appeals for the Fourth Circuit held last year that a Virginia man, Horst Nemetz, must be granted citizenship even though he is a homosexual. The court did not consider how Mr. Nemetz entered the United States. 647 F.2d 432.

I would suggest that the way out of the current legal morass is clear. Last year the Select Commission on Immigration and Refugee Policy recommended that Congress review and overhaul the present grounds for exclusion specified in the Immigration and Nationality Act. The Commission's distinguished Chairman, Father Theodore Hesburgh, cogently argued that "All exclusions should be such as to protect public safety, national security, public health (as defined in modern times), and public welfare (including some public charge provision). The rest are extraneous and offensive." Since the exclusion of lesbians and gay men under the current law clearly serves none of the legitimate aims of national immigration policy outlined by Father Hesburgh, this exclusion deserves to be branded as "extraneous and offensive." It is now the responsibility of Congress to undo the damage being done to this day by the arbitrary exclusion of homosexuals. This aim can be accomplished by enacting a thorough revision of the grounds for exclusion, such as has been proposed in draft language prepared by the Select Commission's staff, or by the passage of legislation introduced by Representative Dixon and 29 cosponsors (H.R. 3524) to repeal the portion of the current immigration law used to exclude homosexual aliens.

Thirty years' experience with the McCarran-Walter Act have conclusively demonstrated the error of attempting to bar homosexual aliens from our country. The attempt has proved by and large to be unenforceable; and where it has been successful, the result—as you will hear ample evidence of from later witnesses—is only individual cases of injustice and family grief.

Before closing, I want to take advantage of the opportunity presented by this briefing to call your attention to the potentially severe effects of two key provisions in the Immigration Reform and Control Bill, more popularly known as the Simpson-Mazzoli Bill, which is currently pending before Congress. These provisions would certainly have an adverse impact upon homosexual aliens and, indeed, on many other foreigners who would like to visit the United States.

I direct your attention, first, to an insidious and generally overlooked provision in Section 121 of the Simpson-Mazzoli Bill (S. 2222 and H.R. 6514), which would give a single immigrant inspector the right to summarily refuse entry to an applicant who does not "present the documentation required for entry" and "does not have any reasonable basis for legal entry." This ambiguous language could be used by overzealous immigration inspectors to turn back entry applicants on the basis of an unreviewed and unreviewable finding of inadmissability, even if the applicant claims to be a returning resident or an American citizen. Section 123(b) would even preclude judicial review of the immigration inspector's summary determination.

If enacted, this would discard a laudable policy, codified in our laws since 1903, which generally guarantees to each entry applicant a fair administrative hearing before he or she can be barred from the U.S. I can perceive no sound or reasonable basis for abandoning that enlightened policy.

I direct your attention, second, to Section 123 of the Simpson-Mazzoli Bill, which provides that: "Notwithstanding any other provision of law, there shall be no judicial review of a final order of exclusion or a final order respecting an application for asylum; nothing in this section shall be construed as limiting the right of habeas corpus under the Constitution."

If enacted, lesbians and gay men from abroad may be robbed of any meaningful recourse to Federal courts to seek redress for an arbitrary exclusion ruling by the administrative machinery. This provision goes much further in curtailing judicial review. It is basically another example of the "court-stripping" mania currently sweeping Congress.

The most notorious of the proposed court-stripping legislation would restrict or abolish Federal judicial review in cases involving public school desegregation, government-sponsored "voluntary" prayers in public schools, and abortion. It has been gratifying to see so many fine organizations rallying over the past few months to oppose any and all court-stripping proposals, recognizing these plans for the assault on judicial freedom and independence that they are. I hope that these distinguished groups—such as the American Bar Association, the Baptist Joint Committee, the Anti-Defamation League, and the Leadership Conference on Civil Rights—will mobilize fully against the threat posed by the court-stripping provisions of the Simpson-Mazzoli Bill.

By all accounts of both friends and foes, Section 123 was inspired by the wave of applications for political asylum filed in Federal courts by Haitian refugees. Little, if any justification has been offered by opponents for restricting judicial review of exclusion determinations. No one has argued that the courts are clogged with cases involving INS exclusion findings. But on the other side of the fence, opponents of Section 123 have been trying to modify the court-stripping language only as it applies to asylum cases, and have thus far made no efforts to preserve judicial review of exclusion cases. I see no need for any restriction on judicial review of exclusion cases. If it ain't broke, don't fix it. Thank you for your attention.●

NOTIFICATION TO SEEK RESTRICTIVE RULE

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. ST GERMAIN. Mr. Speaker, this is to notify Members that when the Committee on Banking, Finance and Urban Affairs appears before the Committee on Rules to request a rule for the consideration of H.R. 6812, I shall seek a rule which prohibits amendments, except for one amendment which would permit the Department of Housing and Urban Development to add the up-front payment of FHA mortgage insurance premiums to mortgages, not withstanding the statutory ceilings on mortgage amounts.●

BURTON LETTER TO VALERY KRYLOV

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. PHILLIP BURTON. Mr. Speaker, on July 19, 1982, Valery Krylov stood before the Soviet Consulate in San Francisco with members of the Bay Area Council Jewry to call attention to the plight of his wife, Tamara Belopolskaya.

Tamara Belopolskaya is in the midst of a fast because she has been denied the right to leave the Soviet Union and join her husband.

Valery Krylov, her husband, announced on July 19 that he would join her in that fast.

I am placing in the RECORD at this time a letter which I sent to Valery Krylov as he commenced his fast. I share it with my colleagues so that they too might offer support to this couple who seek only basic human rights guaranteed by the Heksinki accords.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 19, 1982.

Mr. VALERY KRYLOV,
Bay Area Council on Soviet Jewry, San Francisco, Calif.

DEAR MR. KRYLOV: As you commence your fast to call attention to the plight of your wife, Tamara Belopolskaya, I want to assure you that you and she touch the consciences of people the world over.

Your personal plea for the right of your wife to leave the Soviet Union and to join you is a plea for justice, a plea for humanity, a plea for basic human rights to which decency demands a response.

I and my wife, Sala, join with you in spirit and await the day that we may greet both you and your wife personally in San Francisco.

Sincerely,

PHILLIP BURTON,
Member of Congress.●

REAGAN ATTEMPTS TO SUBVERT LABOR LAWS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. FORD of Michigan. Mr. Speaker, the Reagan administration has launched a wide-ranging attack on the Nation's labor laws. This attack has not been open and subject to national debate. Rather, it has taken place under cover, by bureaucratic subversion of the laws.

This attack has struck long-established laws which are fundamental to our American sense of what is right and wrong, including the administration's most recent victim, the child labor laws.

For almost half a century, the United States has outlawed the most abusive forms of child labor and has regulated businesses to prevent the exploitation of children in the workplace through long hours, late night hours, and employment in hazardous occupations. It was long ago decided that children should devote their early years to school and education, that their future should not be shortchanged for a paycheck.

Just 2 weeks ago, however, the Reagan Labor Department set out to subvert this national agreement by issuing proposed regulations that would greatly lengthen legal work hours for children, permit them to work in jobs previously banned as too hazardous, and give the Labor Department the power to exempt certain businesses from the law altogether.

At a time when 17 million Americans are unemployed or underemployed, when the unemployment rates for white and black teenagers between the ages of 16 and 19 are at record highs, Secretary Donovan's proposal to weaken the restrictions on hiring 14- and 15-year-olds is an outrage. Apparently, the President and Secretary Donovan are more interested in expanding the already huge pool of cheap, unskilled labor than they are in finding job opportunities for the 1.8 million unemployed teenage older brothers and sisters of these children.

Worst of all, however, the administration has paid no heed to the law's mandate to allow child labor only where it will not interfere with their schooling or their health and well being. Mr. Donovan has made no showing that 14-year-olds can work 24 hours a week at jobs in steam laundries, bakeries, and tobacco warehouses without detriment to their school performance. What future will there be for the 14-year-old child who works 4 hours a night after a day of school, clocking out at 9 p.m., to take a bus home from her job? When will she do her schoolwork? How alert will she be in class the next day? How does Mr. Donovan respond to studies which show that long work hours are associated with low grades and increased drug abuse among teenagers?

Mr. Speaker, I ask you and all of my colleagues to join with GEORGE MILLER and me in opposing this outrageous attempt to turn back the clock, to send this Nation back to the 19th century. Representative MILLER intends to introduce a joint resolution to prohibit the Secretary of Labor from promulgating these regulations. I urge you to add your name as a cosponsor of the Miller resolution and to reaffirm your commitment to the child labor laws of our Nation.

I would also like to make my colleagues aware of a recent court decision which has blocked another of Secretary Donovan's attempts to repeal our labor laws by bureaucratic fiat.

Last week, the U.S. District Court for the District of Columbia stopped Secretary Donovan's illegal attempt to repeal the Davis-Bacon Act through regulatory amendments. After 50 years of consistent interpretation, Mr. Donovan sought to rewrite the regulations which implement the law—without regard to the purposes Congress sought to achieve when the law was enacted—in order to obtain questionable cost savings for construction contractors and the Government.

As my colleagues know, the Davis-Bacon Act, by requiring Federal contractors to pay the prevailing wage for construction work, insures that the Federal Government will not be a party to wage busting and will not interfere with traditional craft distinctions in the construction industry. Without directly changing the law, Secretary Donovan's regulations would have totally undermined traditional construction craft distinctions, lowered wage scales, and weakened protections against kickbacks and under payments of workers. By Secretary Donovan's own estimate, the changes would have cost construction workers over $600 million years in reduced wages.

Fortunately, the AFL–CIO Building and Construction Trades Department took Secretary Donovan to court before these illegal regulations could take effect. And fortunately, our constitutional system of checks and balances has worked to prevent this bureaucratic usurpation of congressional power. I salute the leadership of Building Trades and their lawyers for this timely and effective intervention in behalf of the Nation's construction workers.

It is important for my colleagues to understand that the blame for this unlawful action by the Labor Department must lie with the President. The Davis-Bacon Act is not an insignificant law, beneath Mr. Reagan's notice. It is the single most important law protecting construction workers, one Mr. Reagan the candidate pledged not to repeal. He has honored the letter of that pledge, but he has most assuredly violated the spirit of that pledge. His administration's attacks on our labor laws are Mr. Reagan's attacks. I think the myth of Mr. Reagan's sympathy for the working man has been buried just as deeply as his commitment not to fight inflation with unemployment and his commitment to a balanced budget.

Finally, Mr. Speaker, let me point out that the two examples of the Reagan administration's attacks on our labor laws I have just described are only the most recent of a disgraceful series of attacks. The Labor Department is subverting the prevailing wage laws which protect service workers employed by Federal contractors;

they are seeking to undermine important OSHA health standards such as the lead and cotton dust standards, the OSHA cancer policy, and the toxic chemical labeling standard; and they attempted to repeal the regulations which prohibit the operation of sweatshops in the garment industry.

In short, Mr. Speaker, I believe it is safe to say that no administration in American history has ever engaged in so unrelenting a campaign against protections for the workingman as this one.●

PALESTINIAN INSIGHT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. WYDEN. Mr. Speaker, I would like to share with my colleagues an interesting article which appeared in today's Washington Post by a good friend of mine, Dr. Ralph Nurnberger.

Dr. Nurnberger's article puts the complex problem of the Palestinian question in historical and numerical perspective. I think Dr. Nurnberger's article is a helpful tool as we in the Congress search for ways to bring permanent and just peace to the Middle East.

The article follows:

THE FATE OF THE PALESTINIANS

(By Ralph D. Nurnberger)

World attention has been focused on the fate of the 6,000 PLO terrorists in West Beirut. Underlying the issue of their final destination is the question of where the Palestinian people should go, whether or not a "Palestinian state" should be established. Unfortunately, this question is often phrased in such a manner as to imply that Israel alone is responsible for finding a solution.

To understand the "Palestinian question," it is essential to analyze the history of the issue. The problem stems from the fact that approximately 600,000 arabs left what is now Israel in the late 1940s. Most left during and after the War for Israeli Independence (1947-48), largely at the urging of Arab nations, which pledged that they could return to their homes when the Zionist state was destroyed. These Palestinians sought to escape the fighting and find refuge with their Arab brethren. This figure should be compared with the approximately 600,000 Jews who were expelled from various Arab states and immigrated to Israel.

The Arabs who left Israel in the 1940s were only a small fraction of the approximately 40 million refugees worldwide who were forced to find new homes in the same time period. The Palestinians are virtually the only people who have not yet been fully absorbed and assimilated in their new homelands. The reason is that the Arab nations preferred to keep the Palestinians as "refugees" as an act of policy. They decided to leave the burden of caring for Arab refugees with the world community in general to be handled by the United Nations Relief and Works Agency.

When discussing the problem of the Palestinians, it is important to remember that the majority already are permanently settled and have homes, jobs, etc., within historic Palestine. Approximately, 500,000 live in Israel; 1,000,000 live in the West Bank and Gaza; 1,200,000 live in Jordan; and 300,000-400,000 live in Lebanon; of these, approximately 120,000 can still be categorized as refugees and live in "camps." (Even UNRWA admits that its statistics "do not necessarily reflect the actual refugee population owing to factors such as unreported deaths and births, false and duplicate registrations and unreported absences from the area of UNRWA operations. The agency presumes that the refugee population present in the area of UNRWA operations is less than the registered population.") In addition, 200,000 are in Syria, and 200,000 are scattered around the world.

With the exception of those living in camps in Lebanon, it is unlikely that the remainder would be very eager to leave their homes. The Palestinians in the camps are largely undereducated and unskilled; they are the victims of Arab propaganda and political designs. While these people could be absorbed by the Arab states, those nations have continued to utilize them as political pawns.

For the most part, the people in the camps do not trace their ancestors back to the West Bank or Gaza but to Israel proper. Thus, even if a "Palestinian state" were to be established in the West Bank, these refugees would not be able to return "home." They do not feeel an affinity for the West Bank nor does their propaganda indicate that they would be satisfied with this territory. Furthermore, the West Bank is simply not large enough nor does it have the productive capacity to handle such a massive influx of people.

A final point is that Jordan is already a "homeland" for the Palestinian people, Jordan was part of traditional Palestine; the majority of the present day population are Palestinian Arabs. Palestinian refugees were granted citizenship in Jordan and many government leaders are Palestinians.

In sum, Palestinians already live throughout the Arab world and have citizenship in Jordan. They form the majority of the Jordanian population. The refugee issue ought to be settled in accordance with the plans set forward at Camp David, possibly resulting in some form of confederation of the West Bank and Jordan. Obviously this would involve bringing Jordan (and, one hopes, other "moderate" Arab states) into the peace process. The solution to the question is complicated, but possible. It would involve the participation and good will of the Arab nations. Now that the PLO has been removed as a military power in the region, a force capable of blackmailing Arab nations into support, it is possible that Jordan and Saudi Arabia will finally be willing to negotiate with Israel.

(The writer, a lecturer in diplomatic history and international relations at Georgetown University, is legislative liaison for the American Israel Public Affairs Committee.)●

SUPPORT FOR MODIFICATION OF MAYBANK

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. PURSELL. Mr. Speaker, yesterday the House of Representatives passed by a comfortable margin an amendment which will continue for 1 year a test program by the Defense Logistics Agency. This amendment, which modifies the conditions of the so-called Maybank provision, has received my strong support and yesterday I made comments again supporting it.

In spite of arguments to the contrary, modification of the Maybank provision is not a wasteful guarantee for uncompetitive industries in high-unemployment areas. The decline in U.S. economic activity is not confined to one State or one region of the country. Unfortunately, unemployment is a serious problem in most areas of the United States. To provide for the social and economic well-being of the unemployed, the U.S. spends billions of dollars in unemployment compensation and health assistance. The staggering costs of unemployment compensation and health assistance greatly overshadow the costs of continuation of the test program by Defense Logistics Agency.

Also diversification of defense procurement practices is of significant national importance. The opportunity presented by the Stratton amendment will assist with meeting our growing economic and military needs without costs to either the overall budget or the defense budget. By spreading procurement opportunities throughout the United States, we can actually achieve cost savings in nonstrategic goods by insuring competition. Contracts can only be set aside if enough bids are submitted to provide both competition and reasonable prices.

Finally, virtually the entire State of Michigan is economically depressed. Continuation of the test program will assist Michigan employers in providing employment possibilities. I strongly support this action and am pleased by the passage of the amendment by Mr. STRATTON.●

WORLD LOAN RESPONSIBILITY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. PAUL. Mr. Speaker, on July 7 the New York Times carried a fascinating article by Karin Lissakers on the imminent crisis in the banking in-

dustry stemming from international loan difficulties. In her words, the German position on dollar-demoninated loans "would make the Fed the lender of last resort for all international banks with Eurodollar loans on their books—loans that now total more than $1 trillion.

"The Fed," Lissakers writes, "can ignore the German argument, but it cannot ignore the fundamental issue. While the direct East European loan exposure of the U.S. banks is a relatively modest $7 billion, their indirect exposure through the interbank market is enormous. American banks have not only made loans to Poland and the rest, they have also made loans to other Western banks that have in turn lent to Eastern Europe."

Those who have warned about a cash inflation have usually focused their attention solely on domestic banking failures. Lissakers points out that the whole house of paper could easily be toppled, not just from Oklahoma City, but from Bonn, Paris, or London.

ECONOMIC SCENE—WORLD LOAN RESPONSIBILITY

The Polish debt crisis has once again raised the question of who stands behind the offshore transactions of private commercial banks when large loan losses may threaten their solvency. In 1974, after the Eurocurrency market was virtually paralyzed by the collapse of a small West German bank, Herstatt, which was heavily involved in foreign exchange speculation, the central banks of the major industrial countries announced that each of them would come to the rescue of any bank in its jurisdiction if that bank's liquidity problems threatended to destabilize international financial markets.

The central bankers were deliberately vague about the details of this so-called Basel concordat, not wishing, they said, to give the commercial banks the impression that they would be bailed out whatever their folly. Supervisory responsiblity for foreign branches was assigned to the home country of the parent bank while foreign subsidiaries were to be supervised where they did business. But the central banks left open the question of whether these allotted supervisory responsibilities included keeping a failing bank afloat as the "lender of last resort."

German bank loans to Poland—the biggest chunk of Polish debt—were booked mostly through the Luxembourg subsidiaries of German banks. A number of these loans were denominated in dollars. The Bundesbank is having a row with its banks about consolidating the Luxembourg subsidiaries with their parents to make them subject to German inspection and regulation.

Perhaps for that reason, the German authorities have taken the position that any liquidity problems arising from the dollar loans of these German subsidiaries in Luxembourg should be the responsibility of the United States Federal Reserve, not the Bundesbank. This would make the Fed the lender of last resort for all international banks with Eurodollar loans on their books loans that now total more than a trillion dollars.

The Fed can ignore the German argument, but it cannot ignore the fundamental issue. While the direct East European loan exposure of United States banks is a relatively modest $7 billion, their indirect exposure through the interbank market is enormous. American banks have not only made loans to Poland and the rest, they have also made loans to other Western banks that have in turn lent to Eastern Europe.

European banks have some $40 billion out to the East bloc. European banking authorities have assured the United States that none of their banks would be rendered insolvent by having to write off the Polish loans. But a simultaneous default or even extended payment arrearages by Poland, Rumania and Hungary, for example, could be a different story (and may explain why European central banks have lent Hungary $510 million in the last month).

If some European banks experience liquidity problems because the Communist countries are not paying on time, United States banks could become involved via the intricate web of interbank loans, revolving credits and overnight placements that link the global capital market.

This interbank market increases the efficiency of the world economy by allowing the excess savings in one part of the globe to move swiftly to borrowers in another. And the intermediation of a chain of banks between the depositors and ultimate borrowers spreads the risk of international lending. "Wholesale" lending by banks to other banks, in fact, accounts for 70 percent of the Euro-currency market.

But many banking experts have come to regard the interbank market as the Achilles' heel of the international financial system. For if the interbank market can swiftly transmit funds from one part of the system to another, it can just as rapidly transmit—and spread through the system—the problems of any one bank.

The market can lose confidence in a bank that is known to have large loan losses. The bank then may find that deposits that were routinely renewed at maturity are now withdrawn, and other banks close off needed lines of credit. Suddenly the bank cannot meet its obligations to other depositors and banks from which it has borrowed; banks that were counting on these payments in turn find themselves scrambling for funds to cover the unexpected shortfall and so on along the chain.

The result is sudden contraction of the market. Herstatt's collapse instantly caused the Euro-currency market to shrink by 50 percent.

Swift intervention by a central bank to cover the obligations of an insolvent commercial bank can isolate the problem and keep a single failure from rippling through the system. But no central bank may answer the bell in the absence of prior agreement on who is responsible.

Citibank's Walter Wriston said in 1979, "Whether we like it or not, mankind now has a completely integrated, international financial and informational marketplace capable of moving money and ideas to any place on this planet in minutes." The machine is also capable of stopping. Mr. Wriston and his colleagues—whether they like it or not—need the kind of government regulation and support that prevent abuse of the system when everybody is happy and keep the wheels turning when everyone is sad.●

BALTIC NATIONS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mrs. HECKLER. Mr. Speaker, 60 years ago the United States officially recognized the free Baltic governments of Estonia, Latvia, and Lithuania. At that time, these three nations had celebrated 4 years of their independence from czarist Russia.

But their freedom was short-lived. In 1940, the Soviet Union rolled over these small nations, violating the nonaggression pacts they had signed, ending their brief era of freedom, and designating them as Soviet republics.

The United States has never acknowledged the Soviet takeover. Indeed, we still recognize the legations of these governments as being the legal representatives of Estonia, Latvia, and Lithuania—nations which once were free and must regain their freedom.

That is why we rise again today—to keep that flame of freedom alive. These three nations along the Baltic Sea have longstanding traditions of democracy. In over 40 years of Soviet domination and tyranny, they have maintained their commitment to freedom, despite all the Soviet attempts to obliterate it.

The Baltic peoples have preserved their religious and cultural identities. Although thousands have become political prisoners, more and more of their countrymen and countrywomen rise to take their places. We must focus the attention of the world on their struggle.

As a member of the Ad Hoc Congressional Committee on the Baltic States and Ukraine, and as a cosponsor of H. Res. 256, reaffirming our commitment to the independence of these brave nations, I call upon all of my colleagues in the House of Representatives to pay tribute to Estonia, Latvia, and Lithuania. By such tribute, we pledge that they will not be forgotten.●

SAFE HARBOR LEASING MORE COST EFFICIENT THAN LEVERAGED LEASING

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, we are now considering the pros and cons of safe harbor leasing as opposed to leveraged leasing. I would like to include the following facts comparing the two methods of financing into the RECORD.

Few industries have more massive capital formation and investment needs in the years immediately ahead than do the U.S. airlines. Two basic options are available for financing the new technology aircraft which are substantially quieter and more fuel efficient. These are safe harbor leasing and leveraged leasing. The following example illustrates the clear economic advantage of safe harbor leasing assuming the purchase of a B-757 aircraft costing $50 million, leased over an 18-year period.

Under leveraged leasing the cost of a B-757 is $50 million, the lease/finance charge $73,111,000, the option purchase price $12.5 million and no money would be received from sale of tax benefits. The total cost of financing one plane by leveraged leasing is $135,611,000. On the other hand, safe harbor leasing as provided in the 1981 Tax Act would cost a total of $113,097,600 for each plane. The lease finance charge would be $78,097,600 but the option purchase price would be at no cost and $15 million would be received from sale of tax benefits. Thus the leveraged lease method of financing will cost $22.5 million more per aircraft for financing charges than safe harbor leasing.

CONCLUSION

Using safe harbor leasing to finance the purchase of a $50 million aircraft would save an airline $22.5 million versus using leveraged leasing.

The Nation's airlines, from 1982 through 1985, have some 400 aircraft on order or option which could be affected. These orders and options amount to $15 billion.

Retention of safe harbor leasing is critical if the airlines are to proceed with the planned purchase of these billions of dollars worth of aircraft.

Tens of thousands of manufacturing jobs would be lost if airlines are forced to cancel or defer delivery of these aircraft.

The new technology of the aircraft on order is badly needed to replace an aging airline fleet, provide quieter aircraft as required by law, and replace inefficient older jets with new ones which are 30 percent more fuel efficient.

The ability of airlines to finance currently planned aircraft not only this year but in the years ahead is dependent on retaining safe harbor leasing. If airlines are forced to go to more expensive leveraged leasing, they would be unable to purchase the 400 airplanes planned, with a corresponding loss of thousands of jobs and further erosion of the United States competitive position in the world aerospace market.●

VIEWERS' GUIDE TO THE TELEVISED PROCEEDINGS OF THE U.S. HOUSE OF REPRESENTATIVES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LEHMAN. Mr. Speaker, many subscribers of cable television in our congressional district are interested in the coverage of the House of Representatives. Sometimes the procedures on the floor of the House can seem quite complicated. To help viewers, we are therefore including in the RECORD a portion of a publication entitled "Viewers' Guide to the Televised Proceedings of the U.S. House of Representatives." This was originally produced a number of years ago by the House Broadcasting System, but is now out of print.

I am pleased to note that another publication entitled "Gavel to Gavel" is now available for viewers of cable television. Persons interested in obtaining a copy of this new guide can write to the Roosevelt Center for American Policy Studies, 316 Pennsylvania Avenue SE., suite 500, Washington, D.C. 20003. My office also has several copies available.

I am hopeful that this information will help to clarify for viewers the legislative process that takes place on the floor of the House.

The guide follows:

HOUSE CHAMBER AND SEATING OF MEMBERS

The House of Representatives meets in the Capitol in a room called the Hall of the House of Representatives, but commonly known as the House Chamber.

The presiding officer (usually the Speaker of the House) sits in the front of the Chamber at a desk elevated on a rostrum. Also on this rostrum are seats for the Parliamentarian, the Sergeant at Arms, the Clerk of the House, and a number of clerks and pages.

Each person on the rostrum has a defined role in the flow of activity in the Chamber. For the Officers of the House these duties are prescribed by House Rules. For the staffs of these Officers—the clerks and pages—the duties represent extensions of their supervising Officer and have come about primarily as legislative activity increased through the years.

Members of the House sit on the benches placed in a semi-circle around the rostrum. A central aisle divides the seats used by Democratic Members (on the left) from the seats of the Republican Members (on the right). This division gives rise to a common Congression phrase "My respected colleague across the aisle" which is a polite way of saying "from the opposing party." Seats are not assigned; Members sit wherever they choose, sometimes even among Members of the opposite party. Many Members have favorite seats.

In the center of each party's seats stand the leadership and committee tables. During debates in which the respective party leaders have an active interest they are seated at these tables. Also, the committee chairman (and ranking minority Member on the Republican side), committee members, and staff specialists sit here when a bill from the committee is being considered.

Above the Chamber is the gallery. The section of the gallery behind the Speaker's rostrum is reserved for the press—reporters and journalists representing newspapers directly above the Speaker's chair, periodical press to the left, and radio and television network personnel to the right. Most of the gallery seating is for the public and staff.

THE SPEAKER AND OFFICERS OF THE HOUSE

The Speaker of the House is the elected presiding officer. The Speaker may call Members of his own party to the Chair at various points during the daily sessions. Also, he may designate a Speaker pro tempore (for the time being) by letter for up to three days (or up to ten days in case of his illness). For longer periods and in order to execute the Speaker's signatory power, the Speaker pro tempore must be elected by resolution.

The Speaker's position is powerful, by Rule and by tradition. As a head of the Majority party, he helps to decide when the House should consider each bill. During debate, he recognizes Members who wish to speak, decides points of order (see Parliamentarian) and maintains order in the House (see Sergeant at Arms). Since the Speaker is also a Member of the House, he may vote on all questions but does so rarely except to break a tie or to add the prestige of his vote to the question.

The Speaker must leave the Chair and designate another Member to preside when the House resolves itself into the Committee of the Whole House on the State of the Union. The House conducts much of its business in this hybrid form. The "Committee of the Whole" is a parliamentary device with its own rules, more restrictive than those which govern the House, which enable it to expedite consideration of major bills.

The Parliamentarian is seen to the left of the Speaker. His function is to advise the presiding officer and Members of Congress on parliamentary questions. In addition, he prepares compilations of the precedents of the House, and, under the Speaker's direction refers introduced legislation and other communications to the appropriate committees. It is the Speaker who will announce decisions on points of order, but usually his announcement will reflect the Parliamentarian's advice, and very rarely is a Parliamentarian's counsel rejected.

Another person vital to the conduct of business is the Sergeant at Arms who must enforce House Rules and maintain decorum in the Chamber. In his keeping is the Mace, prime symbol of parliamentary power and authority.

Beside him sits the Speaker's Page, actually on the staff of the Doorkeeper, but assigned especially to serve the Speaker's communication needs during each day's session.

If you watch the beginning of a day's session, you will see the Chaplain of the House (or a visiting clergyman) offer a prayer from the Clerk's lectern. The action is mandated by the Rules of the House and must take place before any business is conducted. The prayer is not official business, thus even a request for a quorum call cannot displace the opening prayer.

To the right of the Speaker is seen the formal seat of the Clerk of the House. As the chief administrative and fiscal officer, he has a multitude of responsibilities relat-

ing to operation of the House. His roles in the Chamber comprise taking all votes and certifying passage of bills, processing all legislation introduced, and overseeing recordkeeping for all House activities including daily debates and floor proceedings. It is also the Clerk who presides over each new Congress until a Speaker is elected. He is assisted in the Chamber by several clerks with specific duties. These clerks operate within the framework of the Clerk's defined role, thus they can be considered extensions of a single Officer. For example, it is a duty of the Clerk to read each item of business to the House when it is brought up for consideration.

Actually, this function is performed by Reading Clerks who sit on a lower level of the rostrum and read from the Clerk's lectern in the center of that level. As a further note, the formal seat of the Clerk, is, during a session, usually occupied by the Timekeeper who is really on the staff of the Parliamentarian.

The Timekeeper's job encompasses the critical function of watching, computing, and reporting on time use during House activities (i.e., making sure "the gentleman from Indiana" who was granted one minute to express an idea, does not use 70 seconds or is not deprived of some of his time).

To the right of the Clerk's seat you will see two Documentarian Pages (like all pages, they are part of the Doorkeeper's staff). These pages provide to those on the floor copies of all items or supplementary materials needed for work throughout the day's session. They also transport input from the floor to the reading Clerks, and operate the legislative lights and bells signal system which alerts Members away from the Chamber concerning actions such as votes, quorum calls, or adjournment.

Also among the people you will see are the Doorkeeper and members of his staff who deliver official messages to the House (e.g., messages from the President and Senate) and escort official visitors. The Doorkeeper is the Officer of the House who supervises the Cloakrooms adjacent to the Chamber, makes arrangements for Joint Sessions and Joint Meetings of Congress, and issues all House gallery passes.

The middle level of the Speaker's rostrum is occupied by the Clerk of the House in the person of his agents—the Journal Clerk, Tally Clerk, and Reading Clerk(s). Also, this level houses the Clerk's lectern from which business is read to the House and other actions are announced.

To the left of the Clerk's lectern is seen the Tally Clerk. He supervises votes and quorum calls, relying now most of the time on the Electronic Voting System (see p. 25) which he controls through a computer terminal set into his area of the worktable. Committees file with the Tally Clerk the Conference and House reports they produce; by him are compiled the daily House Calendar, and Members' individual voting records.

To the extreme left, you see the Journal Clerk, responsible for maintaining the official record of proceedings as required of each House by the Constitution.

Reading Clerks use the seats seen to the right of the lectern. Among their duties are reading (see Readings of Bills) each item of business brought up for consideration by the House, preparing the "true copy" of bills to be considered (word for word these versions of bills will be accepted or rejected and an error—which can be devastating—must be corrected by separate action of the House). These members of the Clerk's staff serve as messengers to the other House of Congress, carrying decisions and messages in strict accordance with House Rules and traditions governing interaction of the two bodies.

The lowest level of the rostrum is occupied by a changing cast of House personnel whose duties center on the keeping of the various records of House action.

To the right are Reporters of Debates; stenographers whose verbatim notes are used to prepare the account of debates published in the *Congressional Record*. Each Reporter works approximately 15 minutes at a time, then is replaced so that his notes can be reviewed and transcribed.

In the center, the Clerks to the Official Reporters work busily on a huge book on the leaves of which they assemble, by number, all pieces of documentation (e.g., transcripts, speech texts, pairs lists) that represent the day's proceedings. These collected items also become part of the text of the Congressional Record.

At the left of center are seats which may be used by staff of several bodies that need to have representation on the floor at certain times, e.g., representatives of the Enrolling Digest Office charged with tracking major actions for the House Digest. The last seat seen to the left is used by the Bill Clerk, in whose charge is the Hopper—the box-like device into which bills are placed upon introduction (one could well think of this as the National Suggestion Box). The Bill Clerk receives not only bills and resolutions being introduced but also other items like lists of co-sponsors and texts of amendments to be published in the Congressional Record.

THE ELECTRONIC VOTING SYSTEM

On January 23, 1973, the House of Representatives for the first time voted by means of a computer-based electronic voting system. This system was designed to reduce the length of time required for a quorum call or recorded vote and to improve the accuracy of the process. Before 1973, the rollcall of Member's names, repeated twice as the House Rules demand, took at least 35–45 minutes to complete.

Using the electronic system the process is usually completed in 15 minutes. In addition, the system provides information display and recordkeeping abilities to support other aspects of House business.

Forty-four voting stations are attached to the backs of benches located throughout the Chamber. Each station has three pushbuttons for vote options: Yea (with a green light), Nay (with a red light), and Present (with an amber light). A fourth, blue light is illuminated whenever the station is "open" (ready for use during a vote period).

Members vote by inserting unique identification cards in open vote stations, pressing the button to indicate their vote preferences, and if they wish, reinserting the cards to change or verify votes, in accordance with established procedures of the House.

TYPES OF VOTES USED IN THE HOUSE

Recorded Vote—Any vote in which the positions of the Members are recorded may be called a recorded vote, but the term specifically applies to a vote which, in the House, is demanded by ⅕ of a quorum (44) or, in the Committee of the Whole, by ¼ of a quorum (25). The "yeas and nays" are available only in the House when the demand is supported by ⅕ of those present (not premised on a quorum). An "automatic rollcall" is available only in the House when objection is raised and the absence of a quorum is noted. The difference is in the manner of obtaining rather than recording the vote.

Standing Vote—A nonrecorded vote used in both House and Senate. A standing vote, also called a division vote, is taken as follows: Members in favor of a proposal stand and are counted by the presiding officer. Then Members opposed stand and are counted. There is no record of how individual Members voted. In the House, the presiding officer announces the number for and against. In the Senate, usually only the result is announced. A "division vote" derives its name from the early practice of the Commons wherein they divided to different sides of the room to be counted.

Teller Vote—In the "teller vote" the Members pass up the center aisle from the "well" toward the main door between two Member tellers (from opposing sides of the question) who count (tell) them as they pass. In the House, "tellers" are ordered upon demand of ⅕ of a quorum. This is 44 in the House, 20 in Committee of the Whole.

The House also has a recorded teller vote procedure, under which the individual votes of Members are made public just as they would be an a yea-and-nay vote. (See Recorded Vote.)

Voice Vote (viva voce)—In either House or Senate, Members answer "aye" or "no" in chorus and the presiding officer decides the result.

Without Objection (Unanimous Consent)—Used in lieu of a vote on noncontroversial measures. If no Member voices an objection, motions, amendments or bills are thus passed in either the House or the Senate.●

VISIT TO LEBANON

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. DERWINSKI. Mr. Speaker, in the "Personal Views" section of the July 26th Chicago Sun-Times, David V. Kahn reports of his recent visit to strife-torn Lebanon. David Kahn is a Chicago attorney and president of the midwest region of the American Jewish Congress.

As I believe that his column speaks for itself and does not need any further elaboration from me, I wish to insert it at this point for the Members' perusal:

[From the Chicago Sun-Times, July 26, 1982]

LEBANESE WERE OVERJOYED TO SEE ISRAELIS

(By David V. Kahn)

"This may be the only war," observed the young Israeli soldier, "in which the refugees run *toward* the invading forces rather than away from them."

He hitched a ride with us 10 days ago as we left Lebanon for Jerusalem, and was recounting some of his experiences. He had driven a tank through the entire eastern campaign along the road from Metulla to Lake Qaraoun.

"It was amazing," he said. "The people came out in droves, shouting welcomes, inviting us into their homes." As the cam-

paign progressed, the soldiers encountered growing numbers of Lebanese streaming south from Beirut and other northern points, returning to the homes from which they were driven by the PLO several years ago.

It was almost a month after the fighting had stopped. Nabatiya, a town reduced to about 10,000 Lebanese under four years of PLO oppression, had suddenly mushroomed again to 40,000. I was traveling in the region with a small group of officers of the American Jewish Congress, accompanied by Simcha Dinitz, former Israeli ambassador to the United States, and several Israeli military officers. We visited the Lebanese cities of Tyre, Sidon, Damour, Aley, Baabda and the Christian sector of east Beirut as well as Nabativa.

In all of these areas we made extensive contacts with local citizens and went off on our own in addition to attending official briefings. We met and talked with many of the recently returned residents—and those who had stayed. Always it was the same:

The people were overjoyed at the coming of the Israelis. In the last few years the PLO had oppressed these Shiite Moslems and Christians and committed unspeakable crimes and depredations. The Syrians were equally hated. A major concern of these people: The PLO and Syrians might somehow return.

By some marvelous coincidence, our hitchhiker was the son of a Chicago lawyer and had immigrated to Israel during the 1970s. He had engaged in awesome battles; in one, 30 Israeli tanks encountered and put out of commission some 150 Syrian tanks.

"If you carry a message to my friends in Chicago, tell them that for me the fear is not so great," he told me. "You see, I am the driver at the bottom of the tank, so I can't see what the enemy is doing."

He confirmed what we had been told at all levels of Israeli army command. Each soldier had strict orders to do everything possible to keep civilian casualties to a minimum. The soldiers knew these orders would cost Israeli lives, and they did. There has been no movement to change the orders.

Make no mistake. What the Israelis call "Operation Peace for Galilee" is an all-out war. People are killed in such a war, and buildings destroyed. The Israeli soldiers fight hard and are certainly not always gentle with their enemy. But the ex-Chicago tank driver and the citizens of Lebanon give us pause to reflect: Have we in America been properly and accurately informed about this war?

Thoughtful and well-researched articles are now beginning to appear that demonstrate the reported casualties were incredibly inflated—by as much as 10 times or more. And it is now clear that the PLO had huge stores of armaments for offensive purposes.

Try to remember: Was there significant background reporting during the first two weeks of the war? Something setting in perspective that the Arab nations, with the late exception of Egypt, regard themselves at war with Israel? Were there reminders that the PLO is unremittingly dedicated to the annihilation of Israel by any means?

Israel's response to the shellings and attempted assassinations and its final campaign to remove the PLO from a bordering country have been represented as acts of wholesale carnage and attempted genocide. In the wake of these charges, Israel is now constrained to point out that "only" several hundred Palestinian and Lebanese civilians were killed. Lost in the torrent of words and pictures is the recollection, never especially sharp, that in the six years before the Israelis came in, more than 100,000 were killed and 300,000 wounded in Lebanon. These were the casualties the Syrians, PLO, Christians, Moslems and Druze inflicted upon each other.

War is a horrible business. There is no shame in opposing war and violence in principle. But what is the principle of selection that makes war available to everyone except the Israelis? What is the process that requires Israel to assume the guilt for the destruction and violence of others?

Our Chicago-born Israeli has no difficulty perceiving that the PLO must be resisted and removed—better not by force, but by force if need be. I am beginning to think he sees things more clearly in the bottom of his tank than the lot of us on the outside.●

AMERICA'S FOREIGN POLICY MUST COMPLETELY BE RE-EXAMINED (HOW CAN WE SOW SO MUCH AND REAP SO LITTLE)

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. PORTER. Mr. Speaker, the United States was fashioned out of a revolution against oppression and colonialism. We established a democratic republic and structured political and economic systems based on personal freedom and the opportunity of upward mobility for every person.

We have lived our dream of liberty and freedom for over 200 years, not perfectly to be sure, but always working toward perfection. We have ended slavery, expanded personal freedom, extended suffrage, and fought against discrimination. Our free economy, though from time to time having its problems, as now, has outproduced every other on Earth and provided the American people with a standard of living that is unsurpassed.

Nor has there been a nation more compassionate toward others less fortunate, indeed, more compassionate towards its enemies, than ours.

Yet when we look at our chief competition for the hearts and minds of mankind, we find in the Soviet Union an economy that does not—and never will—work, a repressive and meanspirited society in which the state comes first and the individual last, one in which the personal freedoms to speak and write and worship and travel, which we take for granted in America, simply do not exist.

How is it then, in the contest to capture and lead the spirit and aspirations of the common people of the world—people emerging from centuries of oppression and hunger—that we always seem to be losing. How is it that in the United Nations it is our country that is continually depicted as the great devil?

How is it that we found the virulent anti-Americanism of Ayatollah Khomeini to be so largely shared by the average citizens of Iran, a country to whom we had given much and for whom we had had a genuine affection? How can we sow so much and reap so little?

These questions I have been asking myself for a long time are ones I have repeatedly and publicly put to former Secretary of State Alexander Haig, Security under Secretary James Buckley, AID Director Peter McPherson, Peace Corps Director Loret Ruppe and many other of our foreign policy leaders who have come before the Appropriations Foreign Operation Subcommittee on which I am privileged to serve.

Is it too often we have supported those perceived as despots at home without regard to the aspirations of the common people? Is there too much envy of what we have achieved? Have we failed to communicate what we stand for? Do Americans abroad, including our business interests, undercut the meaning of our country to others? Do leaders of aspiring countries fear the personal freedom that we stand for?

Whatever the answers may be, one thing is certain–we must step back for a few moments from putting out all the fires around the world and direct our attention to this central basic problem of our foreign relations. If we don't, all that we attempt to do year after year will continue to show the same poor harvest.

It seems to me that the entire foreign policy of the United States must be reexamined and redefined. What we are doing, we are clearly not doing well. Surely with so much to offer on our side and so little on the other, the contest for leadership among emerging peoples should be no contest. Unfortunately, the contest is very real.●

REMOVING A THREAT TO NATIONAL SECURITY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. FORSYTHE. Mr. Speaker, on July 28, my statement "We Have Gotten the Shelf Off of the Shelf" appeared in the CONGRESSIONAL RECORD, and concerned itself with the importance of the administration's new OCS 5-year leasing schedule which became final on July 21 of this year.

In that statement I made reference to various newspaper articles that supported the 5-year program, explained its provisions, and outlined the fact that the biggest hindrance to the orderly accelerated development of domestic energy resources has been our own Federal Government. In a 1980

article by Mr. William Raspberry of the Washington Post entitled "Getting the Shelf Off of the Shelf," Mr. Raspberry correctly identified one of the major energy problems of that time as the administration and stated:

The problem, astonishingly, is not that we cannot produce virtually all of the oil we need domestically. The problem—at least a major part of it—is the rules and regulations that keep us from exploiting our vast domestic resources.

He closed his article with a quote that related the energy crisis to a sinking ship and stated:

The boat is sinking, and while some of us are in the bottom, bailing like hell, the Department of the Interior is hanging curtains in the wheelhouse.

This, of course, was reference to the restrictive and prohibitive rules, procedures, and regualtions of the last administration.

On July 23, 1982, the Washington Post published an editorial favorable to the administration's 5-year OCS leasing schedule entitled "Going Offshore With Mr. Watt." As the editorial points out, "There is good reason to accelerate offshore drilling" and that "all safeguards remained in force." There have been many allegations against the proposed new program, just as is the case with anything that is new and with which there is no experience. As the Post editorial points out, however, all safeguards do indeed remain in place and, as pointed out in a New York Times article of December 24, 1981, neither 1 billion acres nor anything near that number of acres are going to be leased by the Department of the Interior; but as correctly pointed out in the article;

Under the new approach, all of the acreage will be available for industry consideration, but only specific tracts will actually be offered.

Mr. Speaker, this 5-year OCS leasing schedule is an extremely important program for this Nation's economy and national security. More significantly, it is a major step toward decreasing our dependence for large portions of our domestic oil needs on unstable and uncontrollable foreign sources, many of whom have other than our best interests at heart.

Mr. Speaker, I would like to insert the above-mentioned articles into the RECORD at this point. Thank you.

GETTING THE SHELF OFF THE SHELF

Sometimes you get the feeling the country is going stark, raving mad.

America's growing dependence on imported oil is eroding the value of the dollar, skewing the balance of trade, crippling the domestic economy and feeding unemployment.

The problem, astonishingly, is not that we cannot produce virtually all the oil we need domestically. The problem—at least a major part of it—is the rules and regulations that keep us from exploiting our vast domestic resources.

A letter from the Department of Interior's Bureau of Land Management (BLM) to a western oil company illustrates one aspect of the problem:

"This is in response to your request for a variance regarding the sage grouse strutting-nesting complex stipulations attached to the above-mentioned lease and well site.

"At this time, available data suggest that noise form around-the-clock drilling operations tend to suppress sage grouse strutting activities. Combined with the fact that the proposed lease and well site is located within the nesting habitat associated with two strutting grounds, we feel the variance should not be granted in order to protect this resource.

"Since there is a lack of research data on this problem (noise effects on sage grouse strutting, etc.), the Bureau is proposing a research study to determine these effects. However, because of our planning system and budget requirements, we do not anticipate starting the fieldwork for at least three years. After this study has been completed, the data may show that variances of this type may be granted."

Another example: a Chevron oil drilling program in Utah involved several sites that were covered with snow. Under ordinary circumstances, engineers simply would have removed the snow and gone ahead with the drilling.

But BLM procedures required an archeological inspection of each site to determine if Indian artifacts or other archeological materials were present.

Chevron, in order to prevent surface damage, undertook to melt the snow using hot water. But the hot water caused erosion, and BLM ordered a halt. Then Chevron turned to flame-throwers to melt the snow, but this, too, was ruled out by BLM on the ground that an endangered variety of locoweed might have been present.

The result was a delay until warm weather melted the snow.

"As it turned out," Chevron later reported, "no archeological information was found and the locoweed species was not endangered.

Stories of leaving major oil reservoirs unexploited out of deference to sage grouse and locoweed and the California bluntnosed leopard lizard can be counted on to spark public incredulity and outrage. But endangered species are only part of the picture. Much of the obstruction to development of domestic oil resources stems from federal, state and local laws designed to protect the environment. And a good deal of it is the result of federal procrastination that has no obvious basis in the law.

According to Rep. Edwin B. Forsythe (N.J.), one of the major obstacles to fuller exploration is "arbitrary land-use and leasing policies, as well as the publication [by the executive branch] of regulations that go far beyond the intent of statutes."

He cites U.S. Geological Survey reports estimating outer-continental-shelf (OCS) reserves of some 32 billion barrels of oil and 116 trillion cubic feet of natural gas—more oil than in the lower 48 states and Alaska combined.

But only 2.5 percent of the American OCS is currently under lease, as compared with over 40 percent of the world's outer continental shelf. We get only 9 percent of our oil from our OCS, while the rest of the world gets 22 percent of its oil from the worldwide OCS.

Federal officials say these figures don't matter, since many of the oil fields already under lease aren't being exploited.

Forsythe acknowledges as much, but contends that this has "absolutely nothing to do with energy production." What is important, he says, is that areas of high oil and gas potential be made available for development, "and this just has not occurred."

Forsythe and nine other congressmen, mostly Republicans, have introduced a joint resolution that would require the administration to stick to the specific requirements of federal law and court orders in deciding which oil lands to open to exploration, "instead of interpreting statutes and court orders to fit their policies."

That, without the enactment of a single new law, would more than double the OCS production, offsetting $326 billion in the U.S. balance of payments, Forsythe contends.

He insists that he isn't opposed to vital environmental concerns, but he does believe the present safeguards fail to take account of the American energy crisis. He would agree with Mack Wallace, a member of the commission that regulates oil and gas exploration in Texas, the source of a third of our domestic production:

"The boat is sinking, and while some of us are in the bottom, bailing like hell, the Department of the Interior is hanging curtains in the wheelhouse."

GOING OFFSHORE WITH MR. WATT

The Interior Department's plan for offshore oil exploration is not necessarily a bad one, despite Secretary James G. Watt's excessive enthusiasm for it. Mr. Watt keeps lathering it up in rhetoric that he borrows from the oil industry, and that alone is enough to make most other people suspicious. But there's good reason to accelerate offshore drilling. As for the impact on the environment, the protective laws are sharp and strong. As Mr. Watt has already discovered, if he does not uphold them, the courts will do it for him—vigorously.

In the past, the government has accepted oil companies' proposals for drilling sites only in designated areas. Mr. Watt is now inviting the companies to propose sites almost anywhere in the coastal waters. In those cases where the department chooses to go ahead with the proposal, it will then begin the usual process of preparing an environmental impact statement and notifying state governments. All of those safeguards remain in force. The idea of entertaining proposals anywhere has incensed some of the coastal states. But it serves the useful purpose of establishing a reliable inventory of the sites where the industry's technical work points to promising prospect.

Offshore oil is one of those splendid issues that invites everyone to work up a fine of righteous wrath, and Secretary Watt's choice of words always encourages that reaction. But it's important to remember that the future of offshore production is a good deal less than the assured bonanza, merely waiting to be tapped, that the secretary's exhortations might lead an incautious listener to suppose.

Currently, about one-eighth of this country's domestic oil comes from the offshore wells, nearly all of them in the Gulf of Mexico. For the past several years that flow has been slowly falling. The eastern Gulf which oil geologists once rated as extremely hopeful has produced almost nothing. There's been a good deal of drilling along the length of the Atlantic coast line, with little to show for it. There has been one important find in the Pacific, at Santa Barbara. But the Gulf of Alaska, advertised several years ago as endlessly rich in prospects,

has been an enormously expensive disappointment so far. It is precisley the diminished hope for large discoveries offshore that makes the case now for widening the search.

WATT ALTERS OFFSHORE PLAN, ORDERING CURB OF LEASE SITES

(By Philip Shabecoff)

WASHINGTON.—Interior Secretary James G. Watt has ordered a major refinement of his heavily criticized offshore oil and gas leasing program in an apparent effort to reduce opposition without sacrificing significant energy potential.

In an internal memorandum issued last week, Mr. Watt directed that the leasing program focus on those offshore tracts determined by the United States Geological Survey, or by industry or state governments, to have a high potential for oil and gas development. Only those tracts would be offered for leasing.

Mr. Watt's original approach called for making nearly a billion offshore acres available for leasing over the next five years, and in huge planning areas, some the size of California.

Under the new approach, all of the acreage will be available for industry consideration, but only specific tracts will actually be offered.

MORE CONCENTRATED PLANNING

The new approach, according to one high-ranking Interior Department official, could reduce the actual acreage leased by as much as a third. The official, who asked not be identified, said the refinement would enable the department to concentrate its planning, including environmental assessment, on those areas where drilling was most likely to take place.

Environmental groups and some state governments have been sharply critical of Mr. Watt's offshore leasing policies, saying the scope and pace of contemplated development of the outer continental shelf would make it impossible to safeguard the environment and economies of coastal areas adjacent to drilling operations.

The offshore program has generated political opposition and substantial litigation. A more selective approach could serve to reduce that opposition.

Sarah Chasis, a staff attorney for the Natural Resources Defense Counsel and one of the leaders of the environmentalists' attacks, said today that if the reports about Mr. Watt's contemplated change were true, it would be a "substantial improvement."

Particularly welcome, she said, would be the ability to focus environmental analysis on small areas. Also, state and local governments would have more of an opportunity to examine the consequences of the lease sale programs for their areas, she said.

In general, the refinements ordered by Mr. Watt appeared to be designed to reduce the controversy surrounding the offshore program by making the lease sales somewhat more manageable.

In a related development, the Interior Department today proposed an 692,000-acre lease sale off Southern California that was met with little enthusiasm by state officials.

Charles E. Brandes, director of projects coordination in the Governor's Office of Planning and Resources, said that the proposed lease sale contained a number of sensitive areas that the state had asked be excluded.

He said it represented "a continuation of Mr. Watt's indifference to environmental concerns."

Mr. Brandes said that the state had asked that a buffer zone around a Federal marine sanctuary and shipping lanes to Los Angeles and Long Beach be excluded from the proposed sale and that both requests had been deferred.

The proposal defers leasing in waters within six nautical miles of the Santa Barbara Channel Islands. Although the Interior Department announcement does not say so, a marine sanctuary that environmentalists had asked be excluded is within the deferred area.

But Mr. Brandes asserted that the decision did not reflect any environmental concern, only a desire to await for a time when including the marine sanctuary in the leasing program would not cause political problems.

However, the Interior Department official said there were no plans at this point to include it in future lease sales

The official also noted that the production of offshore United States oil wells is expected to be about 280 million barrels for 1981, well below the 400-million-barrel level of 1971.

MID-ATLANTIC BIDS REJECTED

ATLANTIC CITY.—The Interior Department, saying the bids "weren't high enough," has rejected 48 of the oil industry's 98 bids to search for oil and natural gas off the mid-Atlantic coast.

The Bureau of Land Management, which conducted the Dec. 8 lease sale in New York, announced today that it had accepted high bids totaling $331.9 million on 50 nine-square-mile tracts.

The industry offered high bids totaling $424.9 million on 98 tracts. A total of 253 tracts were offered in the sale, the third for areas off the mid-Atlantic coast.

An agency spokesman, Barbara Karlen, said the 48 rejected tracts are generally located in the northern portion of the sale area, more than 100 miles east of Atlantic City in water ranging from 3,000 to 7,000 feet deep.

She said scientists for the United States Geological Survey believed the rejected tracts were worth much more than the industry bid.●

STRATEGIC TRADE ACT

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mrs. BYRON. Mr. Speaker, on July 28, I introduced the Strategic Trade Act of 1982. I am taking this opportunity to briefly express the reasons behind this important piece of legislation, and to explain the major provisions of the act itself.

Taxpayers in the United States are called upon each year to fund high-technology research and development through Defense Department programs. A clear example of this is the current intensive effort on the part of the DOD to develop a technology called very high speed intergrated circuits (VHSIC). This extremely advanced technology should result in electronic microcircuits that operate at speeds greatly in excess of current devices. Research in this area is being conducted by the Department of Defense through projects at six private electronics corporations. These six "team leaders" will conduct $175 million worth of research to develop VHSIC components. A major military use of these devices will be to vastly upgrade the capabilities of "smart" weapons in their mission to recognize and defeat armored targets.

Note that this represents a significant nonnuclear deterrent to the Soviet tanks that threaten the security of our allies in Western Europe.

But consider the civilian use of this advanced technology: VHSIC is expected to greatly increase the capability of civilian-sector computers and related products. Indeed, a recent Newsweek article quoted one of the officials of a VHSIC team-leading company as indicating that his company would have had difficulty justifying research into VHSIC had they not been able to identify a civilian commercial market for the devices. When these civilian-sector goods come onto the market, we must be certain that these goods, embodying the high technology paid for by the U.S. taxpayer, do not migrate to the Soviet bloc to be used against us. We must insure that this remarkable advance in technology is neither used directly by the Soviets to upgrade their weapons nor compromised by Soviet analysis of VHSIC in order to devise countermeasures to its use in our weaponry.

VHSIC is an example of the type of technology transfer that the Strategic Trade Act is designed to control. All too often, the Soviet bloc gains military capabilities through the export of U.S. products that embody advanced technology. As many recent examples point out, we need to more closely control the export of technology lest we find ourselves facing our own technical advances on the battlefield.

The export-licensing process for civilian-sector goods and technology includes review of tens of thousands of license applications yearly at the Department of Commerce. Using guidelines developed by the Department of Defense, many of these applications are forwarded to the DOD for review. The purpose of the DOD review is to insure that the national security aspects of the proposed export have been properly addressed; in short, to determine whether the country of destination will derive a military benefit from the exported product or technology. The DOD technical expertise and military analysis must be focused on this review process.

There are many subtleties to this export review process; the country of ultimate destination may not be the

first country to receive the export after shipment, the consignee may not be a reputable firm which could be expected to honor restrictions on retransfer, the technology may be so esoteric that only a military expert well versed in the field could determine military applications of the technology, and so on. Because the concept of international trade implies that the country on each side of the trading bargain needs what the other side is willing to offer, for example, goods in exchange for other goods or money, it goes without saying that the Soviets and their satellites need the Western technology that they purchase. Review of export licenses necessarily includes a complex set of line drawings as to how much benefit the Warsaw Pact gains from each export, benefit in terms of being able to expend their in-country resources on other military projects rather than developing the technology they seek to import.

The thrust of the Strategic Trade Act is to enhance the DOD role in the export licensing process. By providing an identifiable, funded agency within the DOD, we can expect a more thorough review of high-technology exports. This National Security Controls Agency will be responsible for developing detailed guidelines in their consideration of license applications. Eight offices within the Licensing Division of the Agency will be responsible for the critical review and analysis of applications to export such items as computers, electronics, and capital goods. Through a more careful review, the DOD and the Government as a whole will be in a position to protect the tax dollars spent to develop the technology that defends our Nation.

In addition to creating this review agency, the Strategic Trade Act enhances the concept of national security controls on the export of goods and technology. This basis for control of exports has long been recognized; the act refines the circumstances under which the argument that "the device is available from foreign sources" could be used to override a denial of licensure on national security grounds. This legislation recognizes the importance of national security controls in the overall Western trading community, not just the U.S. sources, and therefore requires that instances of foreign availability be positively dealt with through government-to-government negotiations, with the purpose of eliminating the foreign source. Only when these negotiations have failed can a U.S. export applicant use the assertion of foreign availability to override an export control based on national security. In my mind, this gives proper credence to the finding that an export threatens the security of the entire Western alliance, and that export of the particular commodity should be controlled not only by the United States, but also by our allies.

The Strategic Trade Act of 1982 is a complex, technical bill designed to reorient many facets of the current export policies and procedures. To provide my colleagues with an introduction to the act's provisions, a section-by-section outline is provided:

OUTLINE OF THE STRATEGIC TRADE ACT OF 1982

Section 1. Title.

Section 2. Findings. Along with reiterating some of the findings of the current Export Administration Act, this section adds new findings concerning the need to more closely control the export of national security technology. In particular, the need to improve the Department of Defense's review and analysis process is identified

Section 3. Policy. This section strengthens the policy on United States participation in the Multilateral Export Controls Coordinating Committee (CoCom). Also, when a foreign source of a national security sensitive technology is found, the policy is stated that the US will take all reasonable action to eliminate such source from a friendly country. In order to give proper context for this policy, substantial sections from the current EAA are repeated in this section.

Section 4. Definitions. Provides expanded definitions of "technology," "export of goods," and "export of technology."

Section 5. National Security Controls Agency. This is the major section of the Act, which creates an agency within the DOD to coordinate the review of proposed exports from the national security viewpoint. The Agency consists of a Director and various divisions organized along functions to be performed and commodity export areas. The intent of the Act is to centralize and systematize the DOD review of export applications, so that careful scrutiny can be applied along national security lines. Exporters would continue to submit export applications to the Secretary of Commerce; the effect of this Act would be to coordinate and expand DOD's role in the review of these applications.

Section 6. Delegation of Authority. Allows delegation of authority by the President only to agencies headed by individuals appointed with the advice and consent of the Senate.

Section 7. National Security Controls. Substantially restates the extant control mechanisms, but substitutes the Director of the National Security Controls Agency for the previous Secretary of Commerce. Also, the section expands the foreign availability consideration process. Includes wording suggested by GAO to streamline the review of applications referred to DOD.

Section 8. Violations. This section adds some new penalties for corporations and allows increased administrative actions in violation cases.

Section 9. Enforcement. The jurisdiction of the courts is expanded. New sections are added in the area of disclosure of documents obtained during investigations.

Section 10. Exemptions. This section restates the extant exemptions and public participation aspects.

Section 11. Effect on Other Acts. The EAA of 1979 is preserved to the extent that it is not inconsistant with the current Act. Civil Aircraft Equipment provisions are specifically restated.

Section 12. Authorization of Appropriations. Money will be authorized by this Act; amounts for the next two fiscal years are included.

Section 13. Effective Date. Will take effect upon the signing by the President, to replace the EAA, the authorization of which expires at the end of fiscal year 1983.

Section 14. Savings Provisions. Actions initiated prior to the effective date of the Act are saved.●

PERSONAL EXPLANATION

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. ZEFERETTI. Mr. Speaker, I was absent for rollcall vote No. 222 to H.R. 6030, Defense Authorization Act for Fiscal Year 1983. Had I been present I would have voted "aye."●

THE FATE OF THE PALESTINIANS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. AuCOIN. Mr. Speaker, at the root of worldwide reaction to Israel's military actions in Beirut is the complex and tragic problem of the Palestinian refugees.

Today's Washington Post contains a column analyzing the reasons why a solution has remained elusive after 35 years. And its author, Ralph Nurnberger, outlines possible options that could lead to a solution. I commend Mr. Nurnberger for making an insightful contribution to the search for peace.

Here is the article:

THE FATE OF THE PALESTINIANS

World attention has been focused on the fate of the 6,000 PLO terrorists in West Beirut. Underlying the issue of their final distination is the question of where the Palestinian people should go, whether or not a "Palestinian state" should be established. Unfortunately, this question is often phrased in such a manner as to imply that Israel alone is responsible for finding a solution.

To understand the "Palestinian question," it is essential to analyze the history of the issue. The problem stems from the fact that approximately 600,000 Arabs left what is now Israel in the late 1940s. Most left during and after the War for Israeli Independence (1947-48), largely at the urging of Arab nations, which pledged that they could return to their homes when the Zionist state was destroyed. These Palestinians sought to escape the fighting and find refuge with their Arab brethren. This figure should be compared with the approximately 600,000 Jews who were expelled from various Arab states and immigrated to Israel.

The Arabs who left Israel in the 1940's were only a small fraction of the approximately 40 million refugees worldwide who were forced to find new homes in the same time period. The Palestinians are virtually

the only people who have not yet been fully absorbed and assimilated in their new homelands. The reason is that the Arab nations preferred to keep the Palestinians as "refugees" as an act of policy. They decided to leave the burden of caring for Arab refugees with the world community in general to be handled by the United Nations Relief and Works Agency.

When discussing the problem of the Palestinians, it is important to remember that the majority already are permanently settled and have homes, jobs, etc., within historic Palestine. Approximately 500,000 live in Israel; 1,000,000 live in the West Bank and Gaza; 1,200,000 live in Jordan; and 300,000-400,000 live in Lebanon; of these, approximately 120,000 can still be categorized as refugees and live in "camps." (Even UNRWA admits that its statistics "do not necessarily reflect the actual refugee population owing to factors such as unreported deaths and births, false and duplicate registrations and unreported absences from the area of UNRWA operations. The agency presumes that the refugee population present in the area of UNRWA operations is less than the registered population.") In addition, 200,000 are in Syria, and 200,000 are scattered around the world.

With the exception of those living in camps in Lebanon, it is unlikely that the remainder would be very eager to leave their homes. The Palestinians in the camps are largely undereducated and unskilled; they are the victims of Arab propaganda and polticial designs. While these people could be absorbed by the Arab states, those nations have continued to utilize them as political pawns.

For the most part, the people in the camps do not trace their ancestors back to the West Bank or Gaza but to Israel proper. Thus, even if a "Palestinian state" were to be established in the West Bank, these refugees would not be able to return "home." They do not feel an affinity for the West Bank nor does their propaganda indicate that they would be satisfied with this territory. Furthermore, the West Bank is simply not large enough nor does it have the productive capacity to handle such a massive influx of people.

A final point is that Jordan is already a "homeland" for the Palestinian people. Jordan was part of traditional Palestine; the majority of the present day population are Palestinian Arabs. Palestinian refugees were granted citizenship in Jordan and many government leaders are Palestinians.

In sum, Palestinians already live throughout the Arab world and have citizenship in Jordan. The form the majority of the Jordanian population. The refugee issue ought to be settled in accordance with the plans set forward at Camp David, possibly resulting in some form of confederation of the West Bank and Jordan. Obviously, this would involve bringing Jordan (and, one hopes, other "moderate" Arab states) into the peace process. The solution to the question is complicated, but possible. It would involve the participation and good will of the Arab nations. Now that the PLO has been removed as a military power in the region, a force capable of blackmailing Arab nations into support, it is possible that Jordan, and Saudi Arabia will finally be willing to negotiate with Israel.●

ISRAELI-PLO CONFLICT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. HUBBARD. Mr. Speaker, as the Congress and the entire country are concerned about recent actions involving Israel and the Palestine Liberation Organization, a constitutent of mine, Dr. Wayne Sheeks, from Murray State University at Murray, Ky., has written me on June 22 a letter which poses significant questions to our country's leaders. I would like to share Dr. Sheeks' letter with my colleagues at this time.

The letter follows:

MURRAY STATE UNIVERSITY,
Murray, Ky.

DEAR CONGRESSMAN HUBBARD: I am very surprised and disappointed that our President, Secretary of State and apparently Congress have condoned the savage Israeli attack on innocent people in Lebanon. Why is it that our leaders in Washington lash out at Soviet, PLO, and Cuban aggression but never raise a finger at blatant Israeli aggression? I cannot but conclude that this administration is duplicitous when it comes to the Middle East problem.

Until now I have been a supporter of President Reagan and an avid supporter of Secretary Haig—but not anymore. Secretary Weinberger is the only one to condemn the Nazi-like Israelis.

Respectfully,

WAYNE SHEEKS,
Professor of Philosophy.●

NOT DEAD YET

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. GINGRICH. Mr. Speaker, although most things have changed since 1897, it seems the Associated Press still has room for improvement.

Responding to an AP article in 1897, Mark Twain sent a cable to London reading, "The reports of my death are greatly exaggerated."

In 1982, the AP has "greatly exaggerated" the death of one of our former colleagues, William H. Harsha. Its also interesting that AP claims Mr. Harsha took his congressional seat in 1950. I thought that date was 1960.

I would like to share the following with you:

LAKE RENAMED HARSHA

BETHEL, OHIO.—The Army Corps of Engineers has renamed East Fork Lake in Clermont County for the late U.S. Rep. William H. Harsha.

Harsha, a Republican from Portsmouth, who died earlier this year, represented Ohio's 6th Congressional District from 1950 to 1981.●

CHANGE IN THE CLEAN AIR ACT

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. APPLEGATE. Mr. Speaker, I am strongly denouncing the recent action by the U.S. Senate's Public Works and Environment Committee calling for "arbitrary and extreme" changes in the Clean Air Act. Specifically, these changes mandate drastically reduced amounts of sulfur dioxide in the air in about one-half of the country. The provision must now go to the full Senate for approval.

In amending the Clean Air Act, the Senate committee passed legislation that would reduce sulfur dioxide (SO_2) by 8 million tons below the 1980 actual levels, estimated to be between 16 and 21 million tons. The reduction would have to be achieved over a period of 12 years in the 31-State region of the country that is east of the borders of the Mississippi River. The provision also places a cap on SO_2 emissions at that level from that time on.

I am in favor of a healthy environment and believe that certain constraints should be enforced, but these excessive standards will be highly inflationary as a result of the tremendous costs associated with their implementation with no guarantee that the scientific phenomena known as acid rain will be eliminated or even reduced. To date there is no substantive scientific documentation indicating that SO_2 emissions are the direct and major source of acid rain. It is for this purpose that I have supported the accelerated 5-year study into the true causes and effects of acid rain, so as to know what course of action would be proper to take.

These provisions are an adaptation of the so-called Mitchell bill, S. 1706, a bill introduced last year in the Senate by Senator GEORGE MITCHELL of Maine, which basically called for a 10-million-ton reduction over 10 years in the same geographic area as that embodied in the legislation encountered above. Under this latter proposal, Ohio Power, a divison of the American Electric Power system found that, between now and 1990 in higher electric bills, increases in Ohio utility costs alone would amount to more than $500 million each year. In addition, the passage of this bill would close the rest of Ohio's and many other Appalachian States' deep mines because of its high sulfur content coal; thereby adding 12,000 to 15,000 to the ranks of the unemployed.

I regret very much that the Senate has taken the action it has without waiting for the results of the ongoing studies. Their actions are strongly spontaneous, ill conceived, and ex-

tremely costly to the American consumer. Hopefully this action will be reversed in the full Senate.●

CAREY CRONAN

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. RATCHFORD. Mr. Speaker, this body, this city, and the State of Connecticut lost a valuable friend Sunday with the passing of Carey Cronan.

Carey's 34 years in Washington were full of the experiences that make his profession so rewarding. And the journalism trade similarly profited from having Carey as one of its finest members.

I have heard it repeated so often that Carey Cronan exemplified the traditional newspaperman. His work in Europe during World War II and three and and half decades in Washington gave Carey an enormous storehouse of history, from major national events to little-known anecdotes.

In Washington, Carey was always a most professional journalist. I know that from my experiences in working with Carey, and I know that past and present Members of Congress from Connecticut feel the same way.

His work was greatly valued in Connecticut, too. When I was a member of the General Assembly in Connecticut, I always looked for Carey's columns in the Bridgeport Post and Telegram. His work was always informative, interesting, and well composed.

Mr. Speaker, Carey Cronan was one of those people who possess several rare gifts at once. He was great to work and talk with, and his efforts have left their impression on everyone who read his work. His professional shoes will be difficult to fill, and the manner and warmth he brought to the world are irreplaceable.●

THE ILL-CONCEIVED BALANCED-BUDGET AMENDMENT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. OTTINGER. Mr. Speaker, appearing on the op-ed page of last Sunday's New York Times was a letter to the editor by one of my constitutents, Robert Funicello, who is a trustee of the village of Mamaroneck, N.Y. He writes on the subject of the balanced budget amendment.

I offer this letter for my colleagues' enjoyment and background as we debate the balanced-budget issue in the Congress.

The article follows:

[From the New York Times, July 25, 1982]

SENATOR HATCH TO THE AID OF 'STUPID' MAJORITIES

To the Editor:

Prof. Burke Marshall's article "Budget Rule: No" and Senator Orrin G. Hatch's "Budget Rule: Yes—Politicians Need It" on your July 16 Op-Ed page show convincingly that those in favor of the balanced-budget amendment to the Constitution are antimajoritarians who mask their fear of majority rule behind a pose of fiscal responsibility and the false claim that their amendment will make government more responsive to the people.

Professor Marshall marks the amendment for what it is: ". . . antimajoritarian, reflecting a deep distrust . . ." of the capability of the majority of the people, through their duly constituted representative government, to make sound fiscal policy.

The amendment's proponents want to rig the fundamental rules of the Federal Government so that, regardless of who is elected to office by the people, Federal fiscal policy will be conservative unless a substantial Congressional majority votes to the contrary.

Senator Hatch admits his distrust of representative government by arguing that the amendment is necessary because it will make it harder for politicians to mislead ". . . the victims of these economic ills [who] are not sufficiently sophisticated . . ." and are "ill informed" and therefore do not realize that their plight is due to the sort of fiscal policies the Senator opposes.

Bluntly put, Senator Hatch is saying that the majority of the citizenry is too stupid to prevent lying politicans from selling them out on fiscal policy. He wants to save the majority of the people from themselves.

One need not be opposed to conservative fiscal policy to recognize the threat the balanced-budget amendment poses to the continuing vitality of our constitutional form of government.

If a majority of the Congress and the President favor fiscally conservative policies at this point in the history of the Republic, then let them adopt and implement such policies. But if, after a time, the people do not care for these policies and then elect a majority of representatives to adopt new and different policies, let us not have provisions in the Constitution that allow a minority to prevent the majority from doing the people's will.

If today Senator Hatch and others are permitted to tilt the constitutional system to favor one set of economic and social policies, we can expect a never-ending procession of well-intentioned know-it-alls who will come forward to write their own versions of economic and social truth into the Constitution, converting that document from the policy-neutral flexible divisor of governmental powers and individual rights it has always been into a social and economic manifesto that will rapidly come to be out of step with the nation's changing needs.

The balanced-budget amendment is the purest folly and should be discarded as quickly as are most pronouncements coming out of Washington in the hot summer of an election year.

ROBERT FUNICELLO,
Mamaroneck, N.Y., July 19, 1982.●

DECAY OF AMERICA

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. MINISH. Mr. Speaker, when we travel back to our home districts, we often hear our local officials express concern over the condition of public facilities. Everything from roads to water and sewer systems to public buildings are mentioned as needing immediate attention. Yet, as the story often goes, the costs of these projects are beyond the capabilities of local treasuries.

We do not have to return home to understand how pervasive these conditions are in this country. Last week, local newspapers carried stories of a water main break which left the residents and businesses of Jersey City, N.J., without water for a week. At the base of Capitol Hill, Union Station stands as a sad reminder of the extravagance which can be caused by the needless decay of public buildings. Moreover, we need only drive on the interstate highways which transect this city to appreciate the increasingly dangerous condition of our national road system.

This week, in their August 2 edition, Newsweek magazine termed this phenomenon the "Decay of America." The Newsweek article does a very good job of synopsizing the problem of infrastructure decay in this country, and I recommend it to all Members as an excellent source of information.

Unfortunately, the "Decay of America" is not a terminology with relevance only to public facilities. It also has a great deal of significance for industry in this country. Foreign competition, improved manufacturing techniques, a diminished demand for traditional products, and high labor costs are factors which have placed numerous businesses at a disadvantage in both domestic and world markets. During the last decade, we have become all too familiar with the scenario of major corporations, teetering on the edge of bankruptcy, turning to Congress in a last gasp effort to secure the financial assistance critical to their existence.

As the economy continues to lag, several experts have predicted that many corporations will have to secure large capital infusions in order to return to a competitive position.

I and several of my colleagues believe that the Federal Government will have to play an active role to stem the process of infrastructure decay in this country and return many of our industries to a competitive stature. To this end, I have introduced legislation calling for the establishment of a National Development Bank, and Mem-

bers of this body and the Senate have offered bills which call for the reinstitution of the Reconstruction Finance Corporation. These legislative initiatives seek to establish an institution which would offer the financial backing necessary to accomplish the rehabilitation of deteriorated public facilities and to bolster promising businesses.

To insure that this idea receives appropriate congressional attention, the Subcommittee on Oversight and Renegotiation of the Banking Committee will begin a series of hearings September 15 on the condition of our Nation's infrastructure, the industrial base, and the role the Federal Government can play in stabilizing these cornerstones of our economy.●

GIVE POLICE A CHANCE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. AuCOIN. Mr. Speaker, everyone knows you can not fight a war on crime with words.

Everyone knows you cannot win without getting tough.

Everyone, except maybe the President. Hear what he told police chiefs he is going to do about crime:

> We'll use the "bully pulpit" of the Presidency to remind the public of the seriousness of the problem.

That policy seems meant for the 1940's, before indiscriminate violence became commonplace, before the use of heroin became epidemic, before frightened Americans became prisoners in their own homes.

Yet the Reagan policy is being applied to the 1980's, when the problem is of crisis proportions. To me, it seems the wrong policy. It is too weak. It has no teeth. And without teeth it is not going to work.

Last year, we forced the administration to keep in the budget enough funds to fight drug smuggling. This year, the administration opposed the Justice Assistance Act, a bill that puts crime fighting money where it will do the most good, do it faster, and without a lot of redtape. Now that the House has passed the bill, I urge the administration to drop its opposition. When someone is robbed every 55 seconds and someone is gravely assaulted every 49 seconds, it is time to act. This bill gives the police a chance.●

REAGAN'S "SCIENTIFIC SELECTIONISM"

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. VENTO. Mr. Speaker, the Reagan administration is on record in strong opposition to our efforts to control acid rain.

Despite overwhelming public support for the Clean Air Act and other effective environmental protection laws, the administration is pushing H.R. 5252, the industry-backed bill which fails to address the acid rain or toxic pollution problems and—in fact—weakens our existing clean air standards.

Now the administration has adopted a new strategy to further its policy of opposing controls on acid rain. I call it "scientific selectionism." It is a variation on the classic survival-of-the-fittest theory. Only in this instance, it is survival of the scientific data that fits the administration's ideologies. The administration is apparently rejecting all scientific evidence which goes against its pet theories, including those involving acid rain. When scientific data does not support its theories, the administration seeks other sources until it obtains the answers it wants. Narrow ideologies are being allowed to govern national (even international) problem solving.

The National Academy of Sciences has been an accurate, non-partisan source of scientific data, including important and worthwhile information on acid rain. Its findings do not, however, agree with White House policies. Unfortunately, this may mean serious problems for the future of the academy's work. According to reports received by my office, and newspaper articles, the National Academy of Sciences is being cut off from further funding for acid rain research.

The real irony is that this is happening at the same time administration officials are proclaiming that more acid rain research is necessary.

At the recent acid rain conference in Stockholm, the United States once again took a position against acid rain controls, arguing that there is no scientific evidence that reductions in sulfur dioxide emissions will result in a decrease of acid rain.

The administration is also reported to have rejected a plan for a joint review of acid rain data by the Academy and the Royal Society of Canada. This rejection is a retreat from the agreement signed by the United States and Canada while President Carter was in office. Under the "Memorandum of Intent," the two countries would bilaterally review the scientific data and reports, and issue a treaty on the acid rain problem. The importance of such an international partnership should not be underestimated. In addition to the obvious benefits of shared scientific wisdom, it is impossible for either the United States or Canada to solve acid rain problems alone. Controlling acid rain on one side of the border depends on controlling it on the other side.

Yet the administration is rejecting Canadian cooperation, opting for a unilateral approach instead. Mr. Speaker, everyone is entitled to their own political philosophy, but not their own scientific data. The administration's method of "scientific selectionism" must be halted. It can not run from the facts and it can not hide from the truth. It is high time this administration faces up to the fact that acid rain does exist and immediate action must take place for its control.●

PERSONAL EXPLANATION

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LIVINGSTON. Mr. Speaker, yesterday during several House votes I was unavoidably absent. Had I been present, I would have voted:

"Nay" on the Simon substitute to the Solomon amendment to the defense authorization bill, rollcall No. 221.

"Yea" on the Solomon amendment as amended by Mr. HARTNETT to the defense authorization bill, rollcall No. 222.

"Nay" on the motion to table the Rousselot resolution to refer the tax bill back to the Senate, rollcall No. 223.●

LEBANESE WELCOMES PLO DEFEAT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LEHMAN. Mr. Speaker, yesterday, my colleague, Representative CHARLES WILSON of Texas, testified before the House Foreign Affairs Subcommittee on Europe and the Middle East. Congressman WILSON is the first Member of Congress to go to Lebanon since the outbreak of the present conflict. In his testimony, he stated that he had seen the Lebanese overwhelmingly welcome the Israelis as a liberation army. He spoke of additional Israeli casualties due to the precautions taken to safeguard civilian lives. He witnessed traffic jams comprised of thousands of Lebanese who, as refugees in their own land, were in the process of returning to the southern

Lebanese villages they had been forced out of by the PLO over the last 7 years. Valued only as a sacrificial shield of protection, the Lebanese had begun to tell their PLO horror stories.

Among the observers corroborating Representative WILSON's account was a group of concerned citizens from Miami. Their report, published in the July 23 issue of the Miami News, presents a picture significantly different from the misleading press reports created in the PLO propaganda office during the early days of the war.

I urge my colleagues to read their account which I believe represents a responsible and more balanced view of the Lebanon war.

LEBANESE GLAD OF PLO DEFEAT, TRAVELERS SAY

(By Ellis Berger)

Many people in Lebanon view Israeli armed forces in their country more as a liberating army than one of occupation, say several prominent Miami Jewish community leaders who spent three days inspecting the embattled Middle East.

Their visit, at the invitation of Israeli Prime Minister Menachem Begin, was sponsored and paid for by the Greater Miami Jewish Federation. The 11 Miamians were part of a 140-member contingent from 24 U.S. cities to make the hurried trip.

Five of the Miamians were interviewed at federation offices, 4200 Biscayne Blvd., upon their return last night.

"We went to Israel and Lebanon," said Federation President Norman Lipoff, "because a lot of what we've been hearing has been disturbing to us.

"What we found in the areas of Lebanon we visited were people who were greatly relieved to be rid of the PLO domination in their area. The Lebanese people view the Israeli defense force as a liberating army."

The group was not allowed to enter Beirut, where the fiercest action has taken place.

Because of the federation's role as a staunch supporter of Israel, its members are probably more critical than the average person about loss of civilian lives and destruction of non-military property, Brodie said.

But he said the group came away convinced that Israel had kept such abuses to an absolute minimum, and had suffered more casualties of its own because of its precautions, he said.

"I don't think we talked to any Lebanese who resented Israel's actions," Lipoff said. "However, we did get the impression they would like everyone out, Syria, the PLO, and even Israel when its assignment is finished and they can create their own government."

Lipoff and others in the party said they talked with Lebanese civilians who, while wanting their country free of foreign armies, welcomed Israel's crushing defeat of PLO forces.

Lipoff and the others said Lebanese civilians and Israeli Army officers told them the PLO had taken over parts of Lebanon by force, indiscriminately slaughtered civilians, and extorted "protection" money from businessmen.

Myron Brodie said the group met Lebanese who told them they had not lived in their home villages for seven years—since being driven out by the PLO.

"We saw roads jammed with cars and trucks of Lebanese returning to their villages once the PLO were driven out," said Brodie, federation executive vice president.

News media reports of destruction have often been exaggerated, the group said. The town of Sidon, for example, had been reported bombed out and destroyed in many news accounts.

"But except for several blocks, where there was destruction, the rest of the town appeared very normal," Lipoff said. "There were people on the beach, the stores were full of merchandise, people were walking around town. We felt as safe as in Miami."

Group members said they believed Israel suffered more casualties fighting the PLO guerrillas—entrenched in populated areas—than it did against the regular Syrian army forces because the Israeli soldiers were so careful to keep civilian casualties down.

"You couldn't ask for a war to be fought more humanely," said Attorney Howard Scharlin.

The group admitted their reports may appear biased, but they insisted they came away with an accurate picture of the conflict and its aftermath.

"Some of us are fairly well trained in interrogating people," said Attorney Aaron Podhurst. "We had a free hand in talking to civilians and army privates and believe we came away with the basic truth."

Podhurst said the Lebanese people treated the group "like the tourists we must have appeared to be."●

EXCISE TAX ON CIGARETTES

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. GRADISON. Mr. Speaker, the decision of the House to go directly to conference with the Senate on the tax bill disturbs me greatly, for many reasons. In particular, I am very concerned about the unfair provisions in the Senate bill concerning the excise tax on cigarettes.

The Senate bill would raise the tax on cigarettes by 8 cents a pack, a 100-percent increase. I certainly understand the need to raise revenues, and I realize that it would be very difficult to meet the revenue targets outlined in the budget resolution without some increases in excise taxes. But it is patently unjust to single out cigarettes to bear most of the burden. If the Ways and Means Committee had decided to fulfill its constitutionally mandated role, I would have offered an amendment to reduce the tax increase on cigarettes, and replace the lost revenues with increased taxes on alcoholic beverages. Such an amendment would have produced a much fairer distribution of the burden of tax increases.

Now that the committee has decided not to try to improve the Senate bill and has taken away from me the opportunity to amend the excise tax provisions, I have written to the House-Senate conferees on the tax bill and have asked them to consider my proposal. I would also urge my colleagues in the House to support a reduction in the cigarette taxes, and to let the conferees know that it is unacceptable to single out cigarettes for excise tax increases.●

SELF-EVIDENT TRUTHS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. EDWARDS of California. Mr. Speaker, Celia Eckhardt, wife of our former colleague Bob Eckhardt, in May delivered the commencement address at Hampshire College in Amherst, Mass. It is an excellent and thought-provoking speech which I believe my colleagues will find of great interest. At this point, I insert for the RECORD excerpts from Celia's remarks:

"WE HOLD THESE TRUTHS TO BE SELF-EVIDENT * * *"

Being asked to speak here on so precious an occasion was for me like being asked to accept the Pulitzer Prize. I know there will be men and women today, standing behind similar podia throughout America, who will be wittier, and who will say things more profound than I. But I know just as surely that not one of them is more flattered and pleased to be where she is than I am at this moment.

The glee I felt when Adele called with your wonderful invitation gave way eventually to a kind of relish at what appeared an unusual opportunity to preach for a quarter of an hour, to tell you firmly, if gently, how you should live your life. And my pleasure at the prospect made me understand why bishops seldom give up their mitres: invested with such authority one feels a swelling pride at the chance to pass the heritage to the next generation.

But finally I realized that preaching is no longer possible. I thought back to my own graduation from the University of Texas in 1957. And I saw that the world you enter now is stunningly different from the world we thought we inherited only a short quarter century ago. I know I can't speak for every parent here, but I think I speak for more than my region when I say that for those of us who were white and middle-class the future seemed safely predictable.

Although the United States had dropped two atomic bombs on Hiroshima and Nagasaki—or perhaps we had—it seemed unthinkable that any nation would use such weapons again, and therefore most of us assumed a future at peace. McCarthyism had not been as regretted in the Southwest as in some other parts of the country, and neither I nor most of my peers understood the warning it sounded about the fragility of democracy. We had a president named Eisenhower who played perhaps too much golf, and sometimes rather mangled his sentences. But he'd commanded the Allied forces in World War II; he was a man of unquestioned integrity; we looked forward to a succession of presidents of similar stature and to a future of domestic calm and prosperity.

I hope you can forgive us our naivete, our smugness, our sheer lack of imagination.

Still—how recently they've come: these extraordinary events that changed American culture forever. It was only 25 years ago—not long, really, before many of you were born—that federal troops were sent into Arkansas to make sure a handful of black teenagers could safely attend Little Rock High School with their white neighbors. It was less than 15 years ago that women began to come together in New York City and sparked the movement that came to be known as women's liberation. It was for the most part during this past quarter century that men and women who are homosexuals began to insist on their right to play their civic and professional parts along with their more conventional peers. In short, vast numbers of men and women stood up to the dominant culture, and said: We no longer accept the diminished humanity you would accord us. They fought, as Martin Luther King would put it, "a degenerating sense of 'nobodiness,'" and in making common cause with others like them, they knew the joy of self-discovery.

The processes by which this transformation of human consciousness took place were sometimes angry, often painful, and inherently untidy. But they pointed out the gulf between America's egalitarian claims and the cultural powerlessness in which the majority of its people have always lived. To the extent that large numbers of people gained a sense of their own individual worth, and claimed their right to a creative voice in our national life, these transformations reaffirmed the value of the democratic experiment in America.

At the same time, however, there were ominous changes that have worked to counteract that dramatic progress. The crucial one is of course the proliferation of nuclear weapons throughout the world, and the recently intensified hostility between the United States and the Soviet Union that channels a shocking proportion of our wealth into the machinery of death. We now engage in what a distinguished scientist from MIT has called a "cosmic masculinity contest." You come as young adults into a world so dangerous and so fragile that we your parents must feel a kind of shame that we can offer you nothing better.

Nor can we boast how well we've managed our politics. The presidents we elected after Dwight D. Eisenhower have ranged from mediocre to corrupt—not one of them genuinely distinguished in either intellect or character. And this is true in large part because concentrated wealth increasingly controls our economy and our politics. . . . And unless we organize a people's revolt they will complete the destruction of political democracy in America.

How very hard that people's movement will be to build. Because for a varity of reasons we're less inclined than ever to talk sense to one another. One reason is that television dominates our national discourse: 98% of American homes now have it, and we turn it on a stunning average of six hours a day. It leaves people passive; it isolates us from each other. It turns public speech into salesmanship, cant, and gobbledegook. It soils our imaginations and corrupts our minds the way toxic wastes pollute our physical space. We forget how to think.

And the conclusion is clear: Without your commitment, and the commitment of many like you, to an equitable society; without your belief that you are diminished if the humanity of any American is abused or denied; without your willingness to be an active citizen, the 200-year-old democratic experiment will be pronounced a failure.

For such a renewal of citizenship we need inspiration. And it is there in our past. Bits and pieces, at least, are there, though we find, I think, no whole, rounded wisdom. I'd like to use a recent controversy to suggest how we have to separate the wheat from the chaff.

Some months ago the principal of Mark Twain Intermediate School in Fairfax County, Virginia, took the book "Huckleberry Finn" off its mandatory reading lists. One of his administrators, John Wallace, had argued that the book presents black people in a degrading fashion, and he wanted to protect his students, most of them black, from images that show their ancestors to be feckless, fawning, and so on.

I believe in literature. I consider "Huckleberry Finn" an important book. I'm a longtime member of the American Civil Liberties Union, which fights censorship. and yet I heard the pain in John Wallace's voice and know it is crucial that black people feel and assert what Dr. King called their "somebodiness." So I read the book again.

I'd read it last 20 years ago, and I remembered that wonderful moment when Huck comes paddling back to Jackson's Island with the news that two men suspect a runaway slave is there and are coming after him. He lands, sets a camp fire to divert them, races to the cave where Jim is hiding, and yells "git up and hump youself, Jim! There ain't a minute to lose. They're after us!" They weren't after Huck, you see, but he'd cast in with Jim, and from then on the pronoun is always "we." I remembered Jim's wonderful dignity, his good sense, his love for Huck and his deaf little daughter. I remembered that Jim gives up his freedom to save Tom Sawyer's life. Tom has been shot in the leg, you may recall, and Jim comes out of hiding to help the doctor remove the bullet because he thinks that otherwise Tom will die.

Most of all, I remembered the great scene where Huck confronts his conscience about what he's done to help a runaway slave, and writes a letter to Miss Watson to tell her where Jim is. And then he begins to think about their times together and Jim's kindness to him. "Somehow I couldn't seem to strike no places to harden me against him," he says, "but only the other kind." And he goes on thinking. And Mark Twain writes as follows:

"and then I happened to look around, and see that paper.

"It was a close place. I took it up, and held it in my hand. I was a trembling, because I'd got to decide, forever, betwixt two things, and I knowed it. I studied a minute, sort of holding my breath, and then says to myself:

"All right, then, I'll go to Hell"—and tore it up. It was awful thoughts, and awful words, but they was said. And I let them stay said; and never thought no more about reforming. I shoved the whole thing out of my head; and said I would take up wickedness again, which was in my line, being brung up to it, and the other warn't. And for a starter, I would go to work and steal Jim out of slavery again; and if I could think up anything worse, I would do that too; because as long as I was in, and in for good, I might as well go the whole hog."

It's one of the great moments in literature—a celebration of human fellowship that defies all law and social custom—a hymn to the love and trust between a black man and a white boy. Nobody who's ever read that passage could, I think, forget it.

At the same time, I remembered "Huckleberry Finn" as a deeply flawed book. The last third is a regression from the high themes of freedom and dignity to the silliness of Tom Sawyer. Jim, you will recall, is captured and chained on the Phelps plantation somewhere on the lower Mississippi. Tom Sawyer arrives, and though he knows Miss Watson freed Jim on her deathbed, he keeps that crucial piece of information to himself. He plays games at Jim's expense—devising schemes out of the old romances that fill his imagination to free a man who's already free: Jim's cabin prison is filled with snakes and rats and spiders; he's made to scratch foolish lines on a rock; he's dressed as a woman to make his escape.

Because the civil rights movement has made me sensitive in ways I was not 20 years ago, this time round I saw abundant reason for Mr. Wallace to regret its descriptions of black people. While Jim is made ridiculous at times in the book, the other blacks—along with most of the whites, I must add—are merely vehicles for Mark Twain's own amusement. He forgets his great vision in his relish for the highjinks of a boy.

Nevertheless, I want to pose the question Mr. Wallace raises in another way. How would 19th century American literature fare if we decided to junk whatever portrayed women inadequately or unfairly? In all that literature there is no female Huck Finn. There is no female Jim. There is no female Ahab, or Ishmael, or Natty Bumpo. The only significant woman in the classic 19th century American fiction is a convicted adulteress—Hester Prynne in Hawthorne's "The Scarlet Letter." If women cannot muster the courage to read books that ignore them, that use and diminish them, and that often treat them shabbily, they will discard virtually all American literature and historical writing up to the recent past.

Such a wholesale repudiation of our culture is a jesture we cannot afford. We need everything we can find that embodies genius and creativity, that celebrates, however fitfully, human fellowship, and that tells us truths, however painful or indirect. But neither can we read and teach our tradition with the old reverence. We have to study ours precisely as a culture that violates its egalitarian pretensions. And we have to analyze that discrepancy between profession and performance in order to know better how to make a just society.

In fact we can take "Huckleberry Finn" as a peculiarly apt metaphor for what has happened in America. Samuel Clemens had another side than the one that created the friendship between Huck and Jim, and shared their quest for freedom. He liked being famous. He loved being rich. He relished making people laugh. He was a showoff, a clown, and sometimes a fool. The part of "Huckleberry Finn" that lets us down comes from the part of Samuel Clemens that was like Tom Sawyer. And it is the Tom Sawyers who have for the most part controlled America.

The problems we have in sorting out what is best in our cultural heritage begin, at least, with Thomas Jefferson's magic words "We hold these truths to be self-evident, that all men are created equal." It was not self-evident to Thomas Jefferson, however, that his words applied to anyone but white men like him. Nor did he show us how to live according to those ideals of equality. He lived as an aristocrat, a slave-owner, and a man who had decided notions about the proper place of women. For 200 years Amer-

ica has been stained by this discrepancy between words and cultural realities. In the 1820s and '30s, Frances Wright was viciously attacked by both press and pulpit because she believed what Jefferson wrote, and believed that "men" meant "women" as well. She was crucified for daring to say, though in feminist phrase, almost exactly what Martin Luther King said at the Lincoln Memorial 130 years later: "I have a dream that one day on the red hills of Georgia the sons of former slaves and the sons of former slaveowners will be able to sit down together at the table of brotherhood." For that sentiment, and his courage in preaching it, Martin King was killed, as you know, 15 years later in Memphis, Tennessee.

I don't stand here and presume to ask for your martyrdom. I cannot finally tell you how you ought to live. But I can say I truly believe the richer life lies in defying the tawdriness that has overtaken so much that is good in this country. The joyous life is to be lived in brotherhood and sisterhood with those who celebrate that stubborn, embattled strain in our tradition that testifies to the somebodiness of every man and woman. The significant life is to be found in destroying the public influence of those who now run America, who like Tom Sawyer play games that disregard human needs and human feelings, who play according to rules in old books long since discredited, who use people merely as instruments for their own love of power and display, who want you to believe that selfishness and the common good are one and the same.

Nobody in America has ever got power without fighting for it, and I ask you now to join us in the fight. To make equality real in this country—to hold out against the greed and warmongering and sheer stupidity that have such weight today—may well require all the old Roman virtues, and the Judaeo-Christian ones combined. A sense of humor will always help. But most of all a sense of humility before the complex realities of our time. In the words of a woman immersed in the elemental facts of birth and death, a 17th century French midwife called Louise Bourgeois, "Undertake, till the last day of your life, to learn, which to do readily requires a great humbleness, for the proud do not win the hearts of those who know secrets."

Bless you.

God speed.

And thank you very, very much.●

PRINTING COSTS SCANDAL

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. CAMPBELL. Mr. Speaker, I would like to share with my colleagues an article which appeared recently in the Spartanburg Herald, a highly respected newspaper in the Palmetto State. In the article, columnist Donald Lambro draws attention to millions of dollars which Government agencies waste each year by the inefficient utilization of 300 agency printing plants which are authorized by the Congress to do printing, most of which could be printed at less cost if it were contracted out to commercial printshops by one of the 14 nationwide printing procurement offices run by the Government Printing Office.

The Joint Committee on Printing has jurisdiction over the agency plants, and I would like to call upon the distinguished members of that committee to close the agency printing plants which are not operating efficiently and to encourage Federal agencies to procure as much printing as possible from the private sector where competition lowers the cost to the taxpayer of printing Government publications.

[From the Spartanburg Herald, June 31, 1982]

PRINTING COSTS SCANDAL

(By Donald Lambro)

WASHINGTON.—Federal agencies are needlessly operating printing plants around the country, churning out hundreds of millions of dollars in printing that costs up to 16 times that of commercial companies.

My continuing investigation into the government's multibillion-dollar printing business reveals a nationwide scandal for which taxpayers have been paying through the nose for decades. But instead of cleaning up the problem, Congress has let it grow to the point where there are now nearly 300 federal printing facilities across the nation, 50 of them in Washington, D.C., alone.

The result: an inefficient, overpaid and little-known printing empire that each year contributes substantially to the government's mounting debt.

The Government Printing Office (GPO), an arm of Congress, is by law the government's printer. Yet it processes—prints in-house or procures commercially—only about one-third of the estimated $2 billion to $3 billion in total government printing.

However, as government grew, many agencies demanded their own printing plants. Congress' Joint Committee on Printing (JCP) happily complied by granting waivers from the law.

Our inquiry into GPO shows that its printing costs are often about twice those of commercial firms. But a study conducted last year by the General Accounting Office showed that unit costs in federal printing shops elsewhere have been up to eight times those of the GPO.

Although in recent years more government printing has been done commercially, GAO says "little has been done to achieve economies by modifying the inhouse printing structure."

"The net effect," says GAO, "is that the agency printing structure has remained relatively intact," even though commercially procured printing has risen and use of government copying systems (which reduce printing needs) has escalated sharply.

GPO's controversial new chief, Danford Sawyer, quietly pushed last year for a complete rejustification of these agency printing outfits, believing that most were unneeded. With taxpayers losing $71 million a year, at a minimum, he said in an internal memorandum, Congress could no longer "sit idly by and let such neglect, delay, duplication and waste continue."

Sawyer pressed for a survey by GPO, the Office of Management and Budget, and the JCP, chaired by Sen. Charles Mathias of Maryland. But Mathias balked at the idea, not wanting OMB, an executive agency, "looking over our shoulder." Sen. Wendell Ford of Kentucky agreed, saying, according to the minutes of the meeting, "As long as we can keep OMB out, the better off we are going to be."

"We ran into a great deal of resistance" from the committee, confided a high GPO official. "Frankly, they don't want their record in this area examined. If this stuff is exposed to the light of day, it's going to be rather embarrassing."

Thus, instead of the 50-state review Sawyer demanded, the JCP agreed only to a watered down pilot study of facilities in New York City. Not surprisingly, the confidential report arising from that inquiry recommended that virtually all of the plants examined be closed down and their work processed through the regional GPO office in the area.

But the bulk of the scandal remains. "What you've got here is one gigantic, reeking mess," said a key GOP official. "The committee doesn't want to answer questions about why these plants are allowed to continue without rejustifying themselves."

As it turns out, most are located in metropolitan areas—in some cases, very near each other—where there are numerous commercial printing firms that could do the work far more cheaply. But many lawmakers benefit politically from the jobs they provide and from the printing unions, whose excessive wage demands they support.

Some of the agency printing facilities are needed, GPO officials say. But they insist "the overwhelming majority should be closed." Some of the work would be turned over to GPO, which has 33 acres of plant space, 6,200 workers and more than 100 presses, many of which are often idle. Most of the work, however, would be processed commercially through GPO field offices.The question is, will the JCP, which has protected and nurtured this costly and wasteful bureaucracy, undertake the kind of national housecleaning that is long overdue?●

PROTESTS AVIATION FUEL TAX INCREASE WITHOUT DEBATE

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, I rise to protest the actions of the Public Works Committee in pulling H.R. 2643 from the calendar. This is another example of backdoor legislating.

Due to the tax provisions of the Senate tax bill, which included the 12-cent increase in aviation fuel taxes, the committee decided that the public and the Congress do not deserve open debate on this important issue.

Late last night, I voted against sending the new tax bill into conference. The Senate tax bill includes the very provisions that we voted only last week to debate and decide. The very action of the Public Works Committee negates a vote of this body. Mr. Speaker, is that how this body works? If it is the way of this body, it is wrong.

H.R. 2643, which is no longer before us, provided some needed authorizations around the country. I did not object to the bill on those grounds. I

opposed the inequity of the tax increases contained in the bill. Under the bill as written, the aviation fuel tax would triple. Under the new tax bill, the same result will occur. In rural areas, where general aviators fly untold business miles, a 12-cent increase works a tremendous hardship.

South Dakota has over 2,200 licensed pilots in the State. Most are hard-working, self-employed business people, providing valuable service to agriculture. In the depressed agricultural economy that exists today, many of these pilots will not be able to absorb the increase. Farmers needing their services do not have the cash to pay for the additional costs.

Pilots in South Dakota, and other large rural States, must fly long distances in their business activities or as a transportation source. Any increase in taxation that involves operation costs multiplies in areas of vast distances. The real question is what do these pilots get for their special use taxation increase of 12 cents.

The improvements found in the authorizations under H.R. 2643, the Airport and Airways Development Act, do not address any of the needs of the rural aviator, especially the small businessman. We, here in Congress, are asking small aviators across the country to fund a program, when there is a question as to how much is needed for that program.

As my colleague from Louisiana, Mr. MOORE, has pointed out, at the beginning of fiscal year 1982, there was over $3 billion in uncommitted revenues in the aviation trust fund. I am sure that the authorizations in H.R. 2643 provide needed services to our Nation's travelers and will assure the safety of passengers at airports and on the airways, but why, I ask, do you need to raise taxes designed for a special purpose when there exists a surplus?

Despite my feelings and concerns about H.R. 2643, we now will not be able to address this issue. I protest the actions of the leadership of this body, and I hope that we will some day have the opportunity to calmly debate these important issues to the aviation industry on the entire floor of the House of Representatives.●

WE NEED REAL PROOF OF REAL PROGRESS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. WYDEN. I rise today in support of efforts to disapprove of certification by the President of the United States of El Salvador's progress on human rights.

We are being asked to accept thin assurances that the new regime in El Salvador is continuing a land reform program and halting the brutalization of political dissidents.

Unfortunately, there is too much conflicting evidence for these assurances to have the ring of authenticity. The land reform program has suffered reversal and appears, at best, to be going nowhere. Opposition to the Government and its policies is still being met with excessive violence.

We need real proof of real progress to certify human rights progress in El Salvador. Anything less than real proof makes this entire exercise a mockery, and it fails to discharge the duty at hand.

That duty is both to ourselves and to the people of El Salvador.

If the United States continues to provide military arms to El Salvador and the regime stifles reforms and continues its oppression, then we have further tarnished the already darkened image of America in this hemisphere.

And if El Salvador does not move ahead with reasonable speed on reforms, it invites more insurgency, more instability, and more revolution. By paying mere lip service to human rights progress in El Salvador, the administration is handing a blank check to the rightwing government of Robert D'Aubisson and playing into the hand of armed rebels.

The United States and El Salvador have a responsibility to each other. But the United States has a larger responsibility as a world leader and the major economic and military power in the Western Hemisphere.

I will not be party to a move that shirks either responsibility. Therefore, I see no other choice than to oppose certifying that El Salvador has lived up to its promises of reform—promises El Salvador must keep if it is to take its rightful place as a free and democratic nation in the community of nations.●

CERTIFYING THE UNCERTIFYABLE

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. MOFFETT. Mr. Speaker, on July 27, the administration sent to Congress its certification regarding El Salvador, as required by section 728(d) of the International Security and Development Act of 1981. I am dismayed that, once again, the administration has ignored the realities in El Salvador in its blind determination to fight a cold war in Central America.

In reviewing the "checklist" of conditions imposed by the Congress last December on United States aid to El Salvador, the objective observer would conclude that the Salvadoran regime fails on each and every count.

With regard to human rights, there is no concrete evidence that any progress has been made in curbing the murder, torture, and "disappearance" of innocent civilians at the hands of the security forces. Based on press reports, the President has claimed that the number of political murders in El Salvador has declined 43 percent—from 3,084 between January and June of 1981 to 1,762 during the same period in 1982. The Legal Aid Office of the Archdiocese of San Salvador, however, claims that the actual number of political assassinations is 3,059, virtually identical to last year's figures. Further, as political violence has moved from the cities to outlying rural areas, it has become more and more difficult to obtain accurate statistics on the violence. The security forces are also increasingly using "disappearances," making it difficult to document the number of noncombatant deaths.

Beyond this gruesome numbers game, however, we must recognize that the rightist regime installed by the March 28 elections has little genuine regard for human rights. A July 20 report of the American Civil Liberties Union and the America's Watch states that:

> The essential policy of the government—that is, of the real government of El Salvador, the security forces—remains constant: the government of El Salvador deliberately engages in systematic political murder to advance its interests.

Another prestigious human rights group, Amnesty International, stated in a July 1982 report that:

> In the period following the elections for a constituent assembly held on March 28, 1982, reports of human rights violations involving the official security forces continue unabated . . . Based on such reports, it is the assessment of Amnesty International that there has been no improvement in the human right situation in El Salvador in recent months.

In the second area of progress required by Congress, land reform, we find that the Salvadoran Government has actually regressed. Once again, the administration's certification manipulates the figures to hide this fact, noting that 4,865 provisional titles have been granted under Decree 207, the land-to-the-tiller program, since the elections, and that 2,000 peasants who were evicted from their farms have been returned to their land since June 1, 1982. Nevertheless, Salvador's rightist-dominated Constituent Assembly has suspended both phase II and phase III of the land reform program, although some provisional titles have been granted for show. Further, the Popular Democratic Unity and other peasant and labor groups have estimated that, since the elections, roughly 10,000 peasants have been evicted

from land acquired under the reform program.

Whatever figures the administration can dig up, however, cannot refute the rightist coalition's fundamental opposition to the land reform program. Robert D'Aubuisson's ultra-rightist ARENA party, which includes the Minister of Agriculture and other key land reform officials, has consistently opposed the land redistribution plan. Roy Prosterman, one of the authors of the land-to-the-tiller program recently wrote:

> Unhappily, the fact is that under the far-right coalition that gained control of El Salvador's Constituent Assembly in the wake of the March 28 elections, there has been extensive regression, not "continued progress," in the land reform program.

The third area of progress—free elections—is the administration's most heavily touted claim in its certification. The fact remains, however, that the elections were not "free." There were no left-of-center candidates whatsoever. And there have been charges of fraud and intimidation in the electoral process.

Finally, the administration has falsely claimed that "the Salvadoran Government has begun proceedings" to "bring to justice those accused of the December 1980 killings of four American churchwomen." In actuality, no trial date has yet been set. Even more disturbing, the Salvadoran Government has made no effort to prosecute those responsible for ordering the murder of the four American religious workers. A recent letter I received from the parents of one of the victims, Jean Donovan, stated:

> While we believe that the men in jail are the actual killers, we firmly believe that they were only instruments in the hands of higher authorities.

There is reason to believe, for example, that the four women were interrogated by the soldiers' superiors before they were assassinated. It also appears that United States officials at the Department of State have assisted the Salvadoran Government in covering up the role of higher authorities in the murders.

With this second certification of the uncertifiable, the administration is creating a credibility gap much like the one which plagued the administrations of the Vietnam war era. The administration's report makes a mockery of the legitmate concerns of the Congress and the American people about the United States role in El Salvador. I hope that the Congress will have the courage to stand up for the principles which it set forth when the certification process was created 7 months ago.●

CLEAN UP OF THREE MILE ISLAND 2

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mrs. FENWICK. Mr. Speaker, I am happy to join with my colleague from New Jersey, Mr. HOWARD, in sponsoring a bill today which will create some progress on a problem which has been hovering over the citizens of New Jersey and Pennsylvania for some time now: the cleanup of the Three Mile Island 2 nuclear plant. I have been working on this problem since the beginning of the 97th Congress, and I am happy to see that my colleague will join me to see if we can get some action from this House.

The bill we are cosponsoring is identical to a bill which has been reported favorably by the Senate Committee on Energy and Natural Resources, and which has also been reported by the Senate Committee on Environment and Public Works. It is supported by New Jersey's Senators on both sides of the aisle.

Three Mile Island 2 has to be cleaned up. Of that there is no doubt. New Jersey's ratepayers, who have already paid about $430 million to purchase power to replace that lost because of the accident, will share in that cost if this legislation is passed. But the legislation would require that all of the Nation's utilities who operate nuclear plants share the responsibility for the cleanup of this damaged reactor. I firmly believe that it would be unfair to require the ratepayers of New Jersey and Pennsylvania to pay all of the cleanup costs that will remain after the company's $300 million insurance is exhausted. These additional costs will exceed $700 million. The bill requires other nuclear-generating utilities to pay only a small part of this amount. Nevertheless, it is important that they share in the responsibility for cleaning up this accident, which could have happened to any one of them.

I hope that the House will act quickly to approve this legislation.●

SCIENTISTS FOR WETLANDS PROTECTION

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. OBERSTAR. Mr. Speaker, the Subcommittee on Water Resources continued hearings today on the reauthorization of the Clean Water Act, including the current protections afforded to wetlands by section 404 of that act. I would like to take this opportunity to bring to the attention of my colleagues the formation of an eminent body of distinguished scientists who are greatly concerned that Congress maintain protection now in law for wetlands and adjacent upland acreage.

The Committee of Scientists for Wetlands Protection represents over 1,000 researchers and teaching professionals across the Nation. The committee, formed with the aid of the Environmental Defense Fund and the National Wildlife Federation plans to work actively to encourage the retention of current law on this issue. The committee's work has been signaled in the other body by the Senator from Rhode Island (Mr. CHAFEE).

I believe this is a major initiative of national significance which deserves the attention of the House. And for that reason I ask unanimous consent to include at this point in the RECORD the very thoughtful findings and conclusions expressed by the Committee of Scientists in a statement they issued this week. I urge my colleagues to give these remarks their careful consideration. The Ad Hoc Committee of Scientists for Wetlands Protection includes in its membership of its executive committee the following persons: G. Evelyn Hutchinson, Yale University, Conn.; John A. Kadlec, Utah State University Utah; Gene Likens, Cornell University, N.Y.; Eugene P. Odum, University of Georgia, Ga.; Milton W. Weller, Texas A&M University, Tex.

A STATEMENT OF SCIENTISTS CONCERNED ABOUT THE PROTECTION OF WETLANDS

We have formed an ad hoc committee for the protection of wetlands because of our concern that Federal protection of wetlands might be diminished through weakening of Section 404 of the Clean Air Act. We believe that such an unfortunate event will not occur if the Congress is apprised of the many values of wetlands and of the effectiveness demonstrated by the Section 404 program in protecting wetlands. This statement summarizes such information.

We respectfully urge the Congress to reauthorize Clean Water Act appropriations for a period of several years, approving no amendments to Section 404 unless they would strengthen protection for wetlands. We also respectfully urge the Congress to appropriate sufficient funds each year to maintain powerful roles in the Section 404 program for the Fish and Wildlife Service and the National Marine Fisheries Service, which have served as the guardians of wetland resources.

WHAT ARE WETLANDS?

Wetland ecosystems include saltwater and freshwater marshes, swamps, bogs, hardwood forests on bottomland adjacent to rivers and streams, some evergreen forests, wet meadows, and arctic tundra. Wetlands are characterized by soil that is permanently or periodically saturated with water and by communities of plants and animals that are adapted to life where the ground is saturated. Many different wetlands are interconnected, depending on each other for their continued existence. Most wetlands are not

immediately adjacent to traditionally defined navigable water, but are no less important than those which are.

WETLAND VALUES

The nation's wetlands are critical to the survival of fish and wildlife, the maintenance of water quality, ground water recharge, and flood control.

Fish and wildlife

Conservatively, wetlands support a $12 billion per year commercial and recreational fishing industry. In Alaska. 24,000 people—some 25 percent of the work force—are employed in the salmon industry and their livelihood depends upon the preservation of pristine streams and wetlands where salmon breed. On the Atlantic and Gulf Coasts, species dependent on wetlands make up two-thirds of the cash value of all fisheries.

Sixty to seventy percent of the 10 to 12 million waterfowl in the lower 48 states reproduce in the "prairie potholes" of the Midwest and millions of ducks winter in the bottomland hardwoods of the South Central States. Naturalists and sportsmen value these and many non-game animal and plant species dependent on the same wetland habitat.

Water quality

Wetlands serve as natural pollution treatment plants. Cattail marshes are used to clean wastewater at 96 treatment facilities in Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. The town of Wildwood, Florida (pop. 2,500) has treated its sewage in a 500 acre cypress-gum swamp for the last 19 years. Wetlands also serve as natural filters for removal of suspended sediments, removing silt that otherwise would degrade reservoirs, rivers and harbors.

Ground water recharge

Wetlands are natural sponges and hold water long enough for recharge into the ground. For example, a five square mile bog near Milwaukee, Wisconsin, is key to groundwater recharge in a 165 square mile area. Well water recharged in one year from each wetland acre in Massachusetts has been calculated to save $6,044 over the least expensive alternate source.

Flood control

Because they hold water like sponges, wetlands prolong and moderate runoff after heavy precipitation or snow melt. Wetlands in Minnestoa and North Dakota reportedly have significantly reduced flooding in the cities of Grand Forks and Crookston. In Wisconsin, flood levels are 80 percent lower in wartersheds with wetlands and lakes than where these features do not occur. In the Boston area, 8,422 acres of wetlands near the Charles River prevent an estimated $3,193,000 in flood damages each year.

LOSS OF WETLANDS

Despite their enormous value, about half of the original 150 million acres of wetlands in the lower 48 states have been destroyed and about 330,000 acres are now lost each year.

Some 80 percent of the tens of millions of acres of bottomland hardwoods in the lower Mississippi have been destroyed. Over 70 percent of all wetlands next to rivers and streams are now gone. Over one-half of the prairie potholes have been lost. California and Connecticut have less than 20 percent of their original wetlands; Missouri has 10 percent, and in Iowa only one percent remains. More than 600,000 acres of wetlands have been lost in Texas coastal estuaries—most covered by spoil dredged from waterways. Each year, coastal Louisiana loses 30,000 acres to open water primarily because of canals built for navigation, drainage or oil and gas operations. These are just a few examples of wetlands destruction.

PROTECTION OF WETLANDS UNDER THE CLEAN WATER ACT SECTION 404

When the Congress passed the Clean Water Act in 1972, it included a powerful tool for wetlands protection. This tool, Section 404 of the Act, directs the Army Corps of Engineers to regulate the discharge of dredged or fill material into the nation's waters, including wetlands. The Corps is required to follow environmental guidelines set by the Environmental Protection Agency. Permit applications are reviewed for impact on wetlands by the Environmental Protection Agency, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. If any of these natural resource agencies objects to a permit. "memoranda of agreement" negotiated with the Corps provide for elevation of the decision to appointed officials in Washington.

Scope

Section 404 applies to all "waters of the United States," which have been defined to include not only water courses used for navigation but also tributaries of these waters, waters connecting different states, waters which if degraded could affect interstate commerce, and wetlands adjacent to all of these.

This broad scope of section 404, mandated by Congress and the courts, translates into protection of some 148 million acres of wetlands, only 22 million acres of which are associated with actual navigation. These other 126 million acres include diverse ecosystems of enormous value.

Permits

At present, about 9,700 applications for Section 404 permits are processed each year. Some 7,000 of these—72 percent—are for discharges in navigable waterways and their adjacent 22 million acres of wetlands.

Many activities are permitted under Section 404. Normal farming, ranching, forestry, and other activities are exempted by the statute. Furthermore, "general permits" authorize hundreds of activities. Such "permits" are really authorizations issued publicly, by regulation or otherwise, that allow anyone to discharge material under specific conditions without first obtaining an individual permit from the Corps of Engineers. General permits can apply locally, regionally or nationwide. Section 404 requires that authorized activities be similar, have only minimal adverse environmental impact, and minimal cumulative adverse effect. The Corps estimates that general permits obviate the need to process 60,000 individual permits.

Of the 9,700 individual permit applications processed, 49 percent are approved without modifications, 33 percent are approved with modifications, 16 percent are withdrawn and 2 percent are denied.

Wetlands protected

The Army Corps of Engineers estimates that the Section 404 program has cut wetland destruction in half from a projected 660,000 acres per year in the lower 48 states to the current 330,000 acres. Section 404 is effectively protecting many wetlands while also authorizing extensive development in them.

Cost of protection

On average, the cost of compliance with Section 404 is less than one percent of total project value. Costs can be divided into those associated with delay, opportunity lost, and administrative processing. Delay costs average 0.7 percent of project value, opportunity costs are 0.2 percent, and administrative costs are 0.04 percent. Delay costs, and not the costs of modifying projects to minimize environmental impacts, are most of the burden on applicants, and the overall burden is slight. Because most applications are for permits to discharge in the wetlands associated with navigation, the cost of compliance in other wetland areas is even less significant.

CONCLUSION

Wetlands are critical to the survival of fish and wildlife, the maintenance of water quality, ground water recharge, and flood control. Despite their enormous value, about one-half of the original 150 million acres of wetlands in the lower 48 states have been destroyed, and about 333,000 more acres are now lost each year. This rate of loss might be twice as great without the Section 404 program. Besides protecting wetlands effectively, the Section 404 program is economical—adding less than one percent to the cost of projects on average.●

BALTIC NATIONS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mr. DORNAN of California. Mr. Speaker, as today is the 60th anniversary of U.S. recognition of the independent states of Estonia, Latvia, and Lithuania. I would like to insert a resolution adopted by the Lithuanian American Council of the Greater Los Angeles area which salutes the sacred principle of self-determination. I applaud the Estonian, Latvian, and Lithuanian people of the Los Angeles area whose voices praise the ideals of freedom and whose prayers call out for the liberty and sovereignty of their countries.

RESOLUTION

We, Americans of Estonian, Latvian and Lithuanian descent/origin living in the Greater Los Angeles area and assembled this 13th day of June 1982 at St. Casimir's Lithuanian Community Hall, 1826 St. George St., Los Angeles, to commemorate the tragic events of June, 1941, do hereby state as follows:

Whereas the Union of Soviet Socialist Republics is according to its constitution, a voluntary federation of autonomous republics;

Whereas the three Baltic Republics did not become member republics of the Union of Soviet Socialist Republics voluntarily, but rather were incorporated by force into Union of Soviet Socialist Republics and have since been governed by governments approved by, and subservient to, the government of the Union of Socialist Republics;

Whereas by deportation and dispersion of the native populations of the Baltic States to Siberia and a massive colonization effort in which Russian colonists replace the displaced native peoples, the Soviet Union threatens complete elimination of the Baltic peoples as a culturally, geographically, and

politically distinct and ethnically homogeneous population;

Whereas despite such treatment, the spirit of the citizens of the Baltic States is not broken, and the desire of the citizens of the Baltic States for national independence remains unabated;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of the Baltic States and has continued to maintain diplomatic relations with representatives of the independent Republics of Lithuania, Latvia and Estonia;

Whereas time does not give legitimacy to unconstitutional and illegal acts;

Whereas the United States, since its inception, has been committed to the principle of self-determination; Now, therefore, be it

Resolved, That the United States Government reaffirm by action its policy of opposition to predatory activities by one state upon another, no matter whether they are carried on by the use of force or by the threat of force, and

That the question of the illegal occupation and annexation by the Soviet Union of the independent Republics of Estonia, Latvia and Lithuania, and the need for the restoration of sovereign rights to these states be brought to the attention of the Soviet Union by the President of the United States, and to the attention of the United Nations by the Ambassador to the United Nations.

That this resolution be sent to the President of the United States and copies thereof to the Secretary of State, to the United States Ambassador to the United Nations, to both Senators of the State of California, and to the Members of the House of Representatives from the Greater Los Angeles Area.

BERNARD NURMSEN,
President, Estonian Society of Los Angeles.
ALFONS C. REINS
President, Latvian Association of Southern California.
ANTANAS MAZEIKA,
President, Lithuanian-American Council, Los Angeles.●

THE 150TH ANNIVERSARY OF THE EDINBURG CHRISTIAN CHURCH

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. ATKINSON. Mr. Speaker, it is with great pleasure that I salute the Edinburg Christian Church of Edinburg, Pa., for its service to God and our country. During this week, the church has been celebrating its 150th anniversary. This joyous occasion for the members and friends of the church is being observed under the theme "A Century and a Half on His Behalf."

In 1832, under the leadership of Rev. Abram Sanders, 40 people met in the home of John Parks of Edinburg, marking the beginning of the church. Through the efforts of these people, a frame church was erected in 1850 on a hillside on the north side of the Mahoning River. In 1893 a motion to build a new church in South Edinburg carried, and the church was subsequently dismantled and brought to the present site, most of the work being done by the men of the church. The new building was dedicated on May 13, 1894. An addition to the church was dedicated in 1960, the membership having grown to 90 during these last 150 years.

It is encouraging to hear of a church that has built up such a rich heritage and continues to be a valuable source of life and vitality to its members and the community. It is with pride that I enlighten my colleagues today about this most memorable event in the life of this congregation. I extend my heartiest congratulations and best wishes to the Edinburg Christian Church.●

BALTIC NATIONS

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mr. HERTEL. Mr. Speaker, last night the Joint Baltic American National Committee together with my colleagues Mr. DOUGHERTY and Mr. DONNELLY hosted a reception to honor the 60th anniversary of U.S. recognition of Estonia, Latvia, and Lithuania. A number of awards for service to the cause of Baltic freedom were awarded and I would like to acquaint my colleagues with the recipients. Baltic Freedom Awards were presented to:

President Jimmy Carter for his outstanding work in raising the consciousness of the Nation and the world to the issue of human rights, and his staunch support to the resolution of the issue of continuity of the Baltic legations.

President Gerald Ford whose personal intervention helped create the Baltic Language Service at Radio Liberty.

Mr. David Willis of the Christian Science Monitor for his dedicated reporting of developments in the Soviet occupied Baltic nations including the dissident movement.

Mr. Thomas Kahn of the AFL-CIO for this work in aiding the cause of free labor unions abroad, most notedly, Solidarity.

Mr. Thomas Longo of the State Department who during his term as Baltic desk officer worked out the resolution to the problem of continuity of the Baltic legations.

Ambassador Loy Henderson for his long standing support to the Baltic peoples throughout his distinguished career. Ambassador Henderson first aided the war torn Baltic republics in 1919 when he served with the Red Cross. Later he served with the U.S. legations in all three Baltic republics. During World War II as an Assistant Secretary for Europe in the Department of State, Ambassador Henderson always pleaded the Baltic cause.

Ambassador Max Kampelman who is presently chairman of the U.S. delegation to the Madrid Conference and pleaded eloquently on behalf of the Soviet-occupied Baltic States and the individual cases of Baltic Prisoners of Conscience.●

THE FATE OF THE PALESTINIANS

HON. JAMES K. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. JAMES K. COYNE. Mr. Speaker, today an article appeared on the op-ed page of the Washington Post which poignantly and clearly reveals the many facets of the "Palestinian question." I commend the author, Mr. Ralph D. Nurnberger, for his sensitive approach to this very complicated problem, and I wish to share his thoughts with my colleagues.

The article follows:

THE FATE OF THE PALESTINIANS

World attention has been focused on the fate of the 6,000 PLO terrorists in west Beirut. Underlying the issue of their final destination is the question of where the Palestinian people should go. whether or not a 'Palestinian State' should be established. Unfortunately, this question is often phrased in such a manner as to imply that Israel alone is responsible for finding a solution.

To understand the "Palestinian question," it is essential to analyze the history of the issue. The problem stems from the fact that approximately 600,000 Arabs left what is now Israel in the late 1940's. Most left during and after the War for Israeli Independence (1947-48), largely at the urging of Arab nations, which pledged that they could return to their homes when the Zionist state was destroyed. These Palestinians sought to escape the fighting and find refuge with their Arab brethren. This figure should be compared with the approximately 600,000 Jews who were expelled from various Arab states and immigrated to Israel.

The Arabs who left Israel in the 1940's were only a small fraction of the approximately 40 million refugees world-wide who were forced to find new homes in the same time period. The Palestinians are virtually the only people who have not yet been fully absorbed and assimilated in their new homelands. The reason is that the Arab nations preferred to keep the Palestinians as 'refugees' an act of policy. They decided to leave the burden of caring for Arab refugees with the world community in general to be handled by the United Nations Relief and Works Agency.

When discussing the problem of the Palestinians, it is important to remember that the majority already are permanently settled and have homes, jobs, etc., within historic Palestine. Approximately 500,000 live in Israel; 1,000,000 live in the West Bank

and Gaza; 1,200,000 live in Jordan; and 300,000-400,000 live in Lebanon; of these, approximately 120,000 can still be categorized as refugees and live in "camps." (Even UNRWA admits that its statistics "do not necessarily reflect the actual refugee population owing to factors such as unreported deaths and births, false and duplicate registrations and unreported absences from the area of UNRWA operations. The agency presumes that the refugee population present in the area of UNRWA operations is less than the registered population.") In addition, 200,000 are in Syria, and 200,000 are scattered around the world.

With the exception of those living in camps in Lebanon, it is unlikely that the remainder would be very eager to leave their homes. The Palestinians in camps are largely undereducated and unskilled; they are the victims of Arab propaganda and political designs. While these people could be absorbed by the Arab states, those nations have continued to utilize them as political pawns.

For the most part, the people in the camps do not trace their ancestors back to the West Bank or Gaza but to Israel proper. Thus, even if a "Palestinian state" were to be established in the West Bank, these refugees would not be able to return "home." They do not feel an affinity for the West Bank or does their propaganda indicate that they would be satisfied with this territory. Furthermore, the West Bank is simply not large enough nor does it have the productive capacity to handle such a massive influx of people.

A final point is that Jordan is already a "homeland" for the Palestinian people. Jordan was part of traditional Palestine; the majority of the present day population are Palestinian Arabs. Palestinian refugees were granted citizenship in Jordan and many government leaders are Palestinians.

In sum, Palestinians already live throughout the Arab world and have citizenship in Jordan. They form the majority of the Jordanian population. The refugee issue ought to be settled in accordance with the plans set forward at Camp David, possibly resulting in some form of confederation of the West Bank and Jordan. Obviously, this would involve bringing Jordan (and, one hopes, other "moderate" Arab states) into the peace process. The solution to the question is complicated, but possible. It would involve the participation and good will of the Arab nations. Now that the PLO has been removed as a military power in the region, a force capable of blackmailing Arab nations into support, it is possible that Jordan and Saudi Arabia will finally be willing to negotiate with Israel.●

CAPTIVE NATIONS WEEK

SPEECH OF

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 21, 1982

● Mr. OTTINGER. Mr. Speaker, This week commemorates the 60th anniversary of the U.S. recognition of the Baltic States. Despite the efforts of the Soviet Union to destroy the integrity of the Baltic States, the U.S. continues quite properly to recognize the legations of the Baltic governments as the legal representatives of the Baltic people.

While the Helsinki accords of 1975 have provided a vehicle for addressing human and national rights in the Soviet Union, the Russians have repeatedly violated these rights in the Baltic States and elsewhere. We in the United States take self-government as a rule. In Latvia, Lithuania, and Estonia self-government has been destroyed by Moscow. These Baltic States or captive nations have been under Soviet domination for decades. The hopes for independence of the peoople of Latvia, Lithuania, and Estonia, have been crushed by their Soviet oppressors.

The people of the Baltic States have withstood a barrage of Soviet police state administration, constant KGB terror, religious persecution, exploitation of their economies and industries, and the regular persecution of those courageous enough to speak out against Soviet dominance.

I commend the gallant people of these captive nations for their interminable fight against their oppressors. Their fight however, should not be a solitary effort. We must show our support for these courageous Baltic men and women in their fight to gain those rights which have been denied.

I urge my colleagues to join in the effort to fight diligently for the human rights of the Baltic people.●

JOY SIMONSON

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mrs. SCHROEDER. Mr. Speaker, I want to commend the gentleman from Massachusetts for arranging for this special order. He understands that supporting women's rights goes beyond supporting legislation that promotes equity for women. It also means speaking out when the executive branch erodes through appointments or regulations the intent of that legislation.

The recent firing of Joy Simonson, and the callous way in which it was performed by the Reagan administration, is a perfect example of how an administration can dilute the intent of Congress. It also exemplifies why the Reagan administration's record on women's issues is so miserable.

The National Advisory Council on Women's Educational Programs was established to set policy for programs developed under the Women's Educational Equity Act (WEEA). Joy Simonson has done a great job as executive director of that Council under the Ford and Carter administration. She has effectively monitored monitoring the progress of educational equity for girls and women in education. In addition she has been responsible for valuable studies on this issue. She understood that the intent of WEEA was to see girls and women were able to receive the same educational opportunities as boys and men so that they could compete equal footing in the job market.

Reagan yanked Joy Simonson out of the position of executive director and replaced her with Rosemary Thompson, a woman who thinks educational programs for girls and women should reflect only women's "traditional" roles as homemaker and mother.

I think it is great if a girl or woman chooses to be a homemaker and mother. But only if she chooses. Our educational system should not push her into that role.

That is what educational equity is all about. It makes our educational system give women a choice as to what they want to do and be. It is a crucial cornerstone in giving women equal opportunity.

Mr. Reagan has said that he is all for equal opportunity for women. His words ring hollow.●

RADIO MARTI: THE ILLOGIC OF SIGNAL-SENDING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1982

● Mr. BROWN. of California. Mr. Speaker, a peculiar proposition is now before the Congress; namely, funding by several millions of dollars one of the worst examples of the "sending signals" school of foreign policy.

This administration feels compelled to do something about Cuba, even if the outcome of such action is not all that clear. Since they have failed so far to give a convincing argument that we really do have a problem, and that this solution is really going to achieve a clearly stated goal, they have fallen back on the logic of signal sending in its most literal form.

Before any debate takes place on the costs and effectiveness of Radio Marti, we should have a clear understanding of the purpose of our foreign policy toward Cuba. Are we really likely to achieve even a fraction of our objectives by means of this primitive form of interchange?

The ill-fated grain embargo to the Soviets is a classic example of the illogic of signal-sending. Lots of signals got sent—some intended, others unexpected—but the net outcome was that the U.S. farm sector was hurt, and that a permanent realinement of world trade patterns took place, in detriment to the United States.

Having failed in every other way to achieve a meaningful dialog with gov-

ernments of differing viewpoints, and having burned important bridges in the process, this administration persists in the delusion that crude propaganda in the Eastern European mold will serve any useful end in foreign policy.

Engaging in a public war of words is surely better than the other modes of confrontation presently seen around the world. But, as with military engagements, propaganda wars are the clearest indicators that all else has failed. The administration has yet to give evidence that it is prepared to engage in the difficult, and often thankless task of reaching diplomatic solutions to international issues, for that involves the recognition that views held by others may be, in fact, eminently valid within their context.

Even if one were to believe that U.S. foreign policy needs the type of propaganda Radio Marti will dispense, the following editorial from the Christian Science Monitor of July 29, 1982, makes it quite clear that this vehicle might not be the best approach. I commend it to the attention of my colleagues.

The editorial follows:

[From the Christian Science Monitor, July 29, 1982]

RADIOING CUBA: LEAVE IT TO THE VOICE OF AMERICA

Should the United States spend $17.7 million on a new government radio station in Florida to tell the Cubans what Washington wants them to hear? The Voice of America ought to be able to handle the job, especially with its new emphasis on editorial opinion as well as information. Or so a budget-minded Congress might reason. But a bill authorizing such a station is already up for floor action in the House of Representatives.

The $17.7 million is only for two years, with estimates of as much as $30 million a year for future operations. So far, Mr. Reagan has not made a persuasive case for benefits equal to such costs. It would seem that Congress ought to hold off at least until his special presidential commission on the subject submits its final report which is due in October.

Fortunately, the Senate has been moving slower on Radio Free Cuba or Radio Marti, as the station has been dubbed in the name of a 19th-century Cuban patriot. The Senate Foreign Relations Committee has held hearings but not reached conclusions. It has before it a study requested from the Congressional Research Service, whose net effect has been taken as negative.

Here are some of the questions requiring congressional scrutiny:

What is the purpose of such a station? The administration speaks of telling Cubans the truth about their country. There seems to be a generalized intention to undermine Cuban leader Castro. But will a radio station do what 20 years of economic boycott have failed to do? Such provocation would hardly foster the diplomatic easing of U.S.-Cuban relations that have appeared somewhere on the horizon in recent months.

Is there a receptive audience? Cubans already can receive plenty of broadcasts from the U.S. Why would they turn to a government-labeled station? A proposed House amendment would limit Radio Marti to short-wave frequencies. How many Cubans have short-wave radios?

What response from listeners is wanted? Should the broadcasts make Cubans dissatisfied with their lot and seek to emigrate to the US? The welcome mat is hardly out. Are the broadcasts supposed to encourage revolt? Recall the US experience with the Hungarian revolt.

What results might be expected for US broadcasters? Castro has threatened to use powerful Cuban stations to jam Radio Marti. At present the designated spot on the dial for it would be 1040, the same as for President Reagan's old Des Moines sportcasting station, WHO. It would be bad enough for this station to be jammed, with its importance to the emergency broadcast network and to the farmers of the Midwest. But jamming spillover to 1030 and 1050 could affect more than 200 other stations in the US.

No wonder there is a proposed House amendment to give decisions on matters such as frequency to the Federal Communications Commission. Then at least the interests of US broadcasting could be considered. Radio Marti could be pegged at the extreme ends of the broadcast band beyond the spectrum of commercial broadcasters.

Presumably Castro could still retaliate on commercial frequencies. The US, of course, should not make its decisions on the basis of Cuban intimidation. Nevertheless, communications are too important to become political playthings. The door needs to be kept open to negotiated settlement of interference problems, whether deliberate or nondeliberate.

Perhaps the final question is: Does Mr. Reagan really want to spend money in this manner when it could be so much more persuasive in other ways—such as showing the Cubans how the US can aid Caribbean nations practically rather than rhetorically.●

THE FATE OF THE PALESTINIANS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. BONER. Mr. Speaker, I wish to commend to my colleagues' attention an article which appeared on the op-ed page of this morning's Washington Post. I believe that the underlying historical events which have led to the present situation in the Middle East are well developed in the piece.

I am pleased to recommend to my colleagues the article written by my friend, Ralph Nurnberger.

THE FATE OF THE PALESTINIANS

(By Ralph D. Nurnberger)

World attention has been focused on the fate of the 6,000 PLO terrorists in West Beirut. Underlying the issue of their final destination is the question of where the Palestinian people should go, whether or not a "Palestinian state" should be established. Unfortunately, this question is often phrased in such a manner as to imply that Israel alone is responsible for finding a solution.

To understand the "Palestinian question," it is essential to analyze the history of the issue. The problem stems from the fact that approximately 600,000 Arabs left what is now Israel in the late 1940s. Most left during and after the War for Israeli Independence (1947-48), largely at the urging of Arab nations, which pledged that they could return to their homes when the Zionist state was destroyed. These Palestinians sought to escape the fighting and find refuge with their Arab brethren. This figure should be compared with the approximately 600,000 Jews who were expelled from various Arab states and immigrated to Israel.

The Arabs who left Israel in the 1940s were only a small fraction of the approximately 40 million refugees worldwide who were forced to find new homes in the same time period. The Palestinians are virtually the only people who have not yet been fully absorbed and assimilated in their new homelands. The reason is that the Arab nations preferred to keep the Palestinians as "refugees" as an act of policy. They decided to leave the burden of caring for Arab refugees with the world community in general to be handled by the United Nations Relief and Works Agency.

When discussing the problem of the Palestinians, it is important to remember that the majority already are permanently settled and have homes, jobs, etc., within historic Palestine. Approximately 500,000 live in Israel; 1,000,000 live in the West Bank and Gaza; 1,200,000 live in Jordan; and 300,000-400,000 live in Lebanon; of these, approximately 120,000 can still be categorized as refugees and live in "camps." (Even UNRWA admits that its statistics "do not necessarily reflect the actual refugee population owing to factors such as unreported deaths and births, false and duplicate registrations and unreported absences from the area of UNRWA operations. The agency presumes that the refugee population present in the area of UNRWA operations is less than the registered population.") In addition, 200,000 are in Syria, and 200,000 are scattered around the world.

With the exception of those living in camps in Lebanon, it is unlikely that the remainder would be very eager to leave their homes. The Palestinians in the camps are largely undereducated and unskilled; they are the victims of Arab propaganda and political designs. While these people could be absorbed by the Arab states, those nations have continued to utilize them as political pawns.

For the most part, the people in the camps do not trace their ancestors back to the West Bank or Gaza but to Israel proper. Thus, even if a "Palestinian state" were to be established in the West Bank, these refugees would not be able to return "home." They do not feel an affinity for the West Bank nor does their propaganda indicate that they would be satisfied with this territory. Furthermore, the West Bank is simply not large enough nor does it have the productive capacity to handle such a massive influx of people.

A final point is that Jordan is already a "homeland" for the Palestinian people. Jordan was part of traditional Palestine; the majority of the present day population are Palestinian Arabs. Palestinian refugees were granted citizenship in Jordan and many government leaders are Palestinians.

In sum, Palestinians already live throughout the Arab world and have citizenship in Jordan. They form the majority of the Jordanian population. The refugee issue ought to be settled in accordance with the plans set forward at Camp David, possibly result-

ing in some form of confederation of the West Bank and Jordan. Obviously, this would involve bringing Jordan (and, one hopes, other "moderate" Arab states) into the peace process. The solution to the question is complicated, but possible. It would involve the participation and good will of the Arab nations. Now that the PLO has been removed as a military power in the region, a force capable of blackmailing Arab nations into support, it is possible that Jordan and Saudi Arabia will finally be willing to negotiate with Israel.

(The writer, a lecturer in diplomatic history and international relations at Georgetown University, is legislative liaison for the American Israel Public Affairs Committee.)●

DEBATE ON DOMESTIC CONTENT LEGISLATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. OTTINGER. Mr. Speaker, as you know, my bill—H.R. 5133, the Fair Practices in Automotive Products Act—is now before the House Energy and Commerce Committee awaiting markup. H.R. 5133 currently has 219 cosponsors.

As the debate over the concept of domestic content continues, I would urge my colleagues, whether or not they have cosponsored my bill, to review the following two articles which appeared in the New York Times of last Sunday, July 25.

The first article is a comparison of the points of view of Secretary of Commerce Malcolm Baldrige, and United Auto Workers President Doug Fraser. It points out, I believe, the basic arguments on both sides. Additionally, I would like to recommend to my colleagues that they review the second piece that deals with the use of Mexican facilities and labor by domestic auto manufacturers. As the article points out, this practice on the parts of domestic manufacturers, commonly known as foreign sourcing, occurs at a time when 10 million Americans are out of work, and 250,000 auto workers have lost their jobs. Foreign sourcing is one of the prime reasons that I offered H.R. 5133. I urge my colleagues to read these articles.

[From the New York Times, July 25, 1982]

SHOULD CONGRESS PUT A "MADE IN U.S.A." STAMP ON IMPORTED CARS?

Malcolm Baldrige and Douglas A. Fraser have often locked horns over issues of trade and industry. Again, the Commerce Secretary and president of the United Auto Workers Union are at odds, this time over proposed legislation that would, in effect, require major foreign-car companies such as Toyota, Nissan and Volkswagen, to make most of the vehicles for the American market in this country.

Proponents bill the legislation as a way to get the domestic auto industry moving again and stop the loss of jobs in the auto sector. The Reagan Administration has raised the red flag of trade wars plus increased inflation if the local-content legislation is passed.

Specifically, the Fair Practices in Automotive Products Act would require that for auto makers selling more than 500,000 cars a year in the United States, 90 percent of parts and labor be domestic; for those selling 200,000 to 500,000, 75 percent, and for those selling 100,000 to 150,000, 25 percent.

The bill currently has 218 sponsors in the house (enough for passage), 17 sponsors in the Senate and action on the legislation is expected within a few weeks. Not surprisingly, the United States domestic auto makers, which are using more foreign parts themselves but cannot afford to alienate the U.A.W., have declined to take sides.

IT WILL COME BACK TO HAUNT US

(By Malcolm Baldrige)

Several versions of a "local content" bill, which would require an auto manufacturer to produce a certain percentage of each vehicle in the United States before it could be sold here, are pending in Congress. I believe the evidence is overwhelming that these bills, attractive as they may seem, would greatly harm the American economy, the consumer, and the flow of world trade without helping the American auto industry in any substantial way.

The issues raised by local content requirements are far-reaching. They go well beyond the short-term implications of the specific bills being considered by Congress. They cross over industry lines and would seriously undermine the United States position in the world trading community.

Specifically, the bills would be inflationary: Car prices would go up, the auto industry's ability to seek low-cost sources of supply would be restricted, new regulatory burdens would be placed on the industry, it would be more difficult for the industry to become internationally competitive and, perhaps most important, the bills would violate international trade agreements.

In times of difficult worldwide economic conditions, shortsighted pressures to adopt protectionist-type legislation are intense. Each country finds a growing number of individuals advocating actions to protect its industries and its domestic jobs regardless of the long-term consequences.

The United State has long been recognized as the world leader in assuring a free and open trading system worldwide. Every administration since World War II has defended this principle. If local content legislation is adopted, we will indicate to our trading partners that we are abandoning that position. Our efforts to open other countries' markets would lose credibility immediately. With one of every seven manufacturing jobs and one of every three farmland acres in the country dependent on exports, key sectors of our economy would be dealt a severe blow.

Local content requirements would clearly violate the General Agreement on Tariffs and Trade. Such a violation would expose our exports in nonautomotive areas to retaliation in such forms as quotas, higher duties or local content requirements. Our studies show that our most vulnerable exports include aircraft, office equipment, electrical components, corn, wheat and soybeans. In just the first round of what could easily become a trade war, some $15 billion of exports could be affected. For every $1 billion so excluded, 25,000 American jobs would be lost.

The legislation would also damage the Reagan Administration's efforts to obtain reciprocal trade liberalization. We have been making good progress in this area, but content legislation would be viewed as an irreversible renunciation of our position.

On the domestic front, the arguments are just as strong.

An interagency task force on local content has done a study showing that if auto sales in the United States approached the previous all-time high by 1985 (the year local content requirements would become fully effective), local content would result in no more than 200,000 additional jobs in the auto sector. But the study also shows that the employment gains would be offset by job losses at United States assembly plants of foreign manufacturers, at foreign care dealerships and at port facilities.

Substantial additional losses would occur over time as our trading partners took retaliatory measures.

The way to shore up our auto industry is through competition. American cars and trucks must become competitive in the world marketplace appropriately, not through legislation that artificially helps auto employment at the cost of the consumer and other industries.

Local content legislation would add to the cost of a car to the consumer. Our studies show that car prices would increase about 10 percent if local content requirements were adopted. That alone would push up the Consumer Price Index by about three-tenths of one percentage point. After the dramatic progress we have made in getting inflation down to the 5 percent to 6 percent range, we do not need laws that would push it back up.

Local content also would handcuff American auto manufacturers who would be unable to seek the lowest-cost sources of supply, placing them at a further disadvantage with their international competitors and putting further upward pressure on prices. They would be forced to purchase supplies from sources that would allow them to meet required content percentages, and would not be free to find the best product at the best price.

The problems of the United States auto industry will not be solved by enacting trade barriers. Those problems would be solved by providing an economic climate in which the United States auto companies could become more productive and competitive.

The Reagan Administration recognizes the pressures that have resulted in strong Congressional support for local content bills. We agree that action needs to be taken. We disagree only on the methods to use. Government subsidies which are obviously protectionist are not the answer.

The Administration's program of economic incentives, regulatory relief and voluntary trade liberalization are aimed at giving both the auto industry specifically and the American industries generally the sound footing they need to do the job.

IT WILL HELP SAVE OUR AUTO INDUSTRY

(By Douglas A. Fraser)

The American auto industry is in the worst crisis in its history. More than 300,000 auto workers have been indefinitely laid off and hundreds of thousands in related fields are unemployed as a result.

Sales last year were 32 percent below what they were in 1978, the last healthy year, and despite a voluntary restraint agreement with the Japanese Government, imports are taking 30 percent of our domestic market, with Japan claiming 25 percent. Indeed, the United States trade deficit with Japan in

autos amounts to $13 billion of the total trade deficit with Japan of $16 billion.

The domestic content bill, currently before Congress, would greatly help to remedy this one-sided flow of automobile trade with Japan

Because auto content legislation has picked up significant momentum, opponents have begun to mount a counteroffensive rooted in a number of myths that fail to address the new trade realities.

Myth 1: Any departure by the United States from "free trade" in autos would do more harm than good.

Fact: A failure to insure a strong American auto industry would be economically devastating to the entire United States economy. One of every six jobs in our economy is auto-related. Continued erosion of the industry will further worsen the unemployment crisis, which at present is the most severe since the Depression.

Passage of content legislation would result in protecting nearly 941,000 jobs in this country. Failure to pass the legislation would mean further loss of jobs for American workers.

Opponents of the bill consistently underestimate the number of jobs affected by content legislation. They look at the number of new jobs it would create and fail to consider the numbers of existing jobs that will be lost should the bill not be enacted.

They also consistently underestimate the size of the supplier industry and overestimate the alleged loss of jobs in the import pipeline. The opponents, for example, fail to acknowledge that there will be minimal job loss in the import pipeline—because most of those jobs will still be needed, such as make ready jobs, import dealership jobs, among others.

Myth 2: Passage of the legislation would spark a trade war.

Fact: Thirty-one countries now have content laws for their auto industries. Many have had content requirements for 20 years and have far stiffer provisions than those in H.R. 5133. None to our knowledge have ever been challenged under GATT.

The United States remains the only truly open auto market. Italy limits imported cars to 2,000 per auto maker per year. In France, imports are limited to 2.5 percent of total sales. Britain and West Germany both have a "gentleman's agreement" that holds Japan to 11 percent and 10 percent, respectively, of their auto markets.

Japan itself has Government requirements for domestic content. When it has purchased civilian and military planes from Boeing, McDonnell Douglas, and Lockheed, Japan used the leverage of its large purchases to obtain needed employment and training of its workers.

It is unlikely that passage of content legislation would result in any damaging retaliation by the Japanese. Japan has continued to expand trade with nations that have content laws and other trade policies to protect domestic auto markets.

Myth 3: Since imported Japanese cars are better and cheaper, content legislation would mean higher prices and poorer quality of American cars.

Fact: The legislation will bring more companies into production here. And competition from those companies will make car prices less inflationary than they have been in the past.

The American companies would also continue to be pressured by competition from foreign producers in product quality, design, engineering and production innovations.

Much of the price advantage Japanese car makers enjoy does not come from high American labor costs, but from the undervalued yen. Trade Representative William E. Brock and many respected economists believe the yen should have a value far above its current level relative to the dollar.

And those who raise the issue that car prices will go up overlook the tremendous cost to the economy as a result of inaction. Layoffs in the auto industry have, in the last two years, cost taxpayers an estimated $50 billion in lost tax revenues and social payouts.

Opponents of the bill have wildly overestimated its potential impact on car prices to the consumer. The kneejerk "free traders" made similar predictions prior to the voluntary auto export restraint agreement reached by the Japanese Government. Those predictions of strong escalation of domestic car prices did not come true.

And, the fact that Honda will be producing cars here is a further indication that the legislation should not have a major inflationary impact.

It is time to stop believing myths and look at the truth about local content legislation. To be sure, it would not solve all of the auto industry's problems, such as high interest rates and overall stagnation of the economy. But is is absolutely vital to the industry's recovery. The U.A.W. has shown great responsibility in recent contract bargaining with auto makers as part of an effort to get the auto indusrtry and the country moving again. We've done our part, now it's up to Washington to do its part.

[From the New York Times, July 25, 1982]

U.S. Auto Makers Using More Mexico Plants

(By Iver Peterson)

Nogales, Mexico, July 18.—Detroit's automobile companies, like other American manufacturers, are setting up an increasing number of plants in border towns like this one where American-made materials are assembled into finished products by inexpensive Mexican labor.

The goods assembled in these plants, which the Mexicans call maquilas, are then brought back to the United States under special tariff rates.

As the United States recession has deepened and some 10 million Americans, including a quarter million auto workers, have lost their jobs, the number of employees in the maquilas grew to 128,000 by June 1981 from 91,000 in 1979, a 40 percent increase. The number of plants, meanwhile, grew from 459 to 604, according to the Commerce Department's latest figures.

Calculators, clothing, suitcases, sunglasses and a host of other items requiring hand assembly flow from the plants back into the United States, with automotive components and subassemblies a growing part of the total.

General Motors opened its first border plant in Ciudad Juárez in 1979, and began hiring for its 10th one, there and elsewhere, a few weeks ago. It now employs about 5,300 Mexican workers. They assemble wiring harnesses, motor magnets, turn signal stalks and numerous other auto components.

Ford, making interior trim, employs 180 at its plant in Ciudad Juárez, Chrysler, assembling wire harnesses, also has an 800-employee operation there.

And American Motors, through its subsidiary, Coleman Products Inc., joined Caterpillar Tractor, Samsonite luggage and Foster Grant sunglasses, among others, here in Nogales last March when it hired its first crew of young Mexican workers to cut and wrap wiring harnesses.

American labor unions have attacked these operations as "runaway plants" that are no less exporters of United States jobs that the foreign imports that American corporations have appealed to Washington to curtail.

"There was no great need for them to cut the corner on the dollar as long as times were good," said Rex Hardesty, the A.F.L.-C.I.O.'s Washington spokesman. "But they make a grab for the coolie wages as soon as things get tight and it become cost-effective for them to do so."

But the corporations contributing to the boom in maquilas, an untranslatable term whose root is Spanish for "machine," argue that American labor costs are out of line with world competition, that many Americans will not perform the tedious, unskilled handwork to which the maquilas are limited by law, and that the Mexican plants provide an outlet for American materials while aiding Mexican's economy.

"We have observed over the past five years that the cost of our products were becoming less competitive in the world market," said James Tolley, a spokesman for American Motors, expressing a view similar to that of other auto makers. "We therefore established a strategy to continue to operate U.S. plants, but to expand in Mexico to average our cost downward."

Refusal to Disclose Wages

American Motors refused to disclose the wage rates at its plant here, terming the information a "proprietary" secret But employees of Coleman Products de Mexico, interviewed on their lunch break at the Parque Industrial a few miles south of here, said they received 2,400 Mexican pesos, about $50, for a 48-hour week, which works out to slightly more than $1.04 an hour.

American Motors also refused to disclose pay levels at its two Coleman Product plants in the United States, in Coleman, Wis., and Iron River, Mich. Both plants, in small, rural towns, have twiced rejected affiliation with the United Automobile Workers, whose members in manufacturing jobs earn upwards of $12 an hour and whose benefits push the total hourly labor add another $8 an hour to that.

Company officials insisted that the Mexican plant did not take United States jobs because its two plants there were operating at capacity.

The Tariff Exemptions

The maquilas operate under strict regulations on both side of the border. The Mexican Government allows the United States company to import, tax-free, the machinery and raw material needed to perform the work, provided that the finished product and everything else, including the machinery and even packing crates, is eventually re-exported to the United States.

United States tariff regulations, meanwhile, exempt these imported products from all duties except for the value of the Mexican labor added to it. In 1978, the last year for which the Commerce Department has assembled the figures, this amounted to $12.7 billion.

Mexico is the main location for such operations by United States companies, but the system also operates extensively elsewhere, including the Carribean, where American-woven and cut fabrics are sewn into clothes.

The legislative principles behind the duty exemptions for all but the value of labor

added outside the country date from the 18th century in United States tariff law. They hold that materials whose production has already been taxed at its origins in the United States should not be subject to new levies upon being brought back after assembly or finishing abroad.

Mexico encourages the plants because they reduce this country's enormous pool of surplus labor at minimal but decent wages by local standards.

PAYROLL TAXES AID CITIES

Through payroll taxes, the plants, meanwhile, pay local taxes that in Ciudad Juárez, where most of the plants are situated, amount to more than half of all city receipts, according to studies done at the University of Texas at El Paso across the border.

Besides Ciudad Juárez and Nogales, the plants also operate in Matamoros, opposite Brownsville, Texas, Nuevo Laredo, across from Laredo, Tex., and Tijuana, below the California line.

"They may be taking some money out of the pockets of workers in Lorraine, Ohio, and Detroit by putting more jobs down there," said Prof. Ellwyn R. Stoddard of the University of Texas at El Paso, "but they put it back into the American communities and in other workers' pockets by providing an outlet for the materials the maquilas use."

It has also been argued that the maquilas reduce illegal Mexican immigration by providing jobs south of the border, although Professor Stoddard and other experts on the maquila system dispute this on the ground that most of the workers in the plants are women, while most of the illegal aliens crossing the border are men.

SOME CRITICS IN MEXICO

The system has its critics among Mexicans, too. A study by the Center for Third World Economic and Social Studies in Mexico City speaks of the disruption of traditional Mexican family life because most of the plants' work forces are young women, lured to the border by jobs paying five times the going rate of unskilled labor in the local economy.

Perhaps for these reasons, the American corporations are sensitive to charges of exploitation and appear glad to operate under a system of considerably greater secrecy than is normally possible in the United States.

The manager of Coleman Products de Mexico, the American Motors subsidiary, refused to let a reporter inside his plant, describing what goes on there, like the wages paid, as "proprietary."

Xavier Partidas, a foreman at the new Coleman plant, spoke willingly, however. "We have all women, 98 percent women, on the assembly line," he said as he stepped out for a breath of fresh air the other day, "and the biggest problem for them is the standing up. I think they are happy to work there but they do not like the standing, so we are always getting a rotation of workers."

But jobs in the maquilas are eagerly sought.

Rosa, the only name she offered, a woman who said she was 22 years old, said that before she went to work for Coleman Products, the only job she had found had been repacking the tomatoes that stream through Nogales to the United States late each winter. The pay was "poco, poco"—very little.

"They treat us very well," she said. "It is a very good job except that we have to stand up all day, and we can only go to the washroom when our turn comes. But I have never had a good job like this before."●

FEDERAL BUDGET AND DEBT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. PAUL. Mr. Speaker, recently, in rereading "Inflation, or Gold Standard?" a booklet by Prof. Hans Sennholz, I came across some interesting figures regarding the Federal budget and debt. In his booklet, Professor Sennholz projects 1983 receipts at $700 billion, expenditures at $825 billion, a $125 billion deficit and a national debt of $1.4 trillion. At first appearance, there is nothing suprising about these figures. They are very close to many of the numerous projections currently being offered by the so-called experts. What is so amazing about Professor Sennholz' projections is that they were made in 1973.

Current Congressional Budget Office projections for fiscal year 1983 call for $661 billion in receipts, $777.5 billion in expenditures, a $146 billion deficit for a national debt of $1.33 trillion.

It is interesting to note that Sennholz' projections, made 7 years earlier and at considerably less expense, are much closer to our current state of budgetary morass then those projected by the Congressional Budget Office in 1979. Compared to our present mess, and Dr. Sennholz's projections the CBO estimate paints an optimistic picture. In 1979, CBO projected $777 billion in receipts, $745 billion in expenditures, including a $94 billion fiscal drag offset, a surplus of $32 billion and a national debt of $958 billion.

What Professor Sennholz recognized, and I might add considerably sooner than our own experts, was the hypocritical double speak advanced by politicians who pay lipservice to fiscal responsibility and continue to vote for budgets calling for billions and billions in deficits. Who is the chief benefactor of Government policies which result in deficits financed by printing-press money? Government. Not only does government finance its deficits with "funny money" but, the resulting inflation, which robs everyone, reduces Government debt at a rate faster than it will ever be paid off.

Perhaps the most ominous warning sounded by Dr. Sennholz' projections, given that he was accurate for 1983, are his estimates of 1993 spending. for 1993, Dr. Sennholz' projections call for $3 trillion in receipts, $4 trillion in expenditures, a deficit of $1 trillion, and a national debt of $4 trillion. Just as 10 years ago a $125 billion deficit sounded ludicrous to the so-called experts, today, may scoff at the thought of $1 trillion deficit and a $4 trillion national debt. I, for one, am not convinced these figures are that out of hand.

Regardless of the political rhetoric, if Government continues to spend, spend, spend, then we may very possibly reach these levels, if the economy survives. I am convinced, as is Dr. Sennholz, that the only real way to stop the abuses which have, unfortunately, become a part of the way the U.S. Government operates, is the creation of dollar which has real value and can not be debased by the Government. I am sure Dr. Sennholz would be happy to be wrong about his 1993 projections if it was because Congress had the foresight and responsibility to enact a sound monetary system—a dollar backed by gold.●

AMERICA NEEDS H.R. 5540, DEFENSE INDUSTRIAL BASE REVITALIZATION ACT

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Ms. OAKAR. Mr. Speaker, within the next few weeks the House of Representatives will have the opportunity to strike a major blow toward strengthening our national security and economic well being. That opportunity will be the House vote on H.R. 5540, the Defense Industrial Base Revitalization Act.

This legislation calls for the modernization of key segments of U.S. industry, especially small- and medium-sized subcontractors and suppliers which provide most of our manufacturing jobs. It also provides for training thousands of workers in skills that are in short supply and where job vacancies exist right now. It encourages the production of critical and strategic materials in the United States instead of relying on imports. And it will update equipment and instruments in our colleges and universities to train critically needed scientific, professional, and technical personnel.

The gentleman from Rhode Island, Mr. ST GERMAIN, who is the distinguished chairman of the House Committee on Banking, Finance and Urban Affairs, has written an eloquent article for the Christian Science Monitor on this subject. The problems of our aging industrial base certainly affect my congressional district in Cleveland and perhaps those of all Members of the House.

The text of the article follows:

[From the Christian Science Monitor, Apr. 27, 1982]

SAVING THE "SAFETY NET" FOR DEFENSE PRODUCTION

(By FERNAND J. ST GERMAIN)

If the United States has to expand its productive capacities rapidly in order to accelerate the national defense buildup, can the industrial system deliver—in quantity, in quality, and, most important, in time?

There are at present about 25,000 prime contractors engaged in defense-related production. As a practice, these companies farm out a great deal of work to 50,000 subcontractors.

Defense-related production may or may not make up the bulk of this group's annual output, but they are, to all intents and purposes, an important element in the "safety net" of defense production today.

More often than not, when we hear about production problems, it is this subcontractor group that we are talking about. They are shrinking in number and many are obviously in need of industrial rehabilitation and modernization. Some of their machinery and equipment is very old.

It is hard to believe that the average age of a machine-tool operator today is 58—and he is probably looking forward to retirement within the next few years. Significantly, his replacement has not been found yet, nor is he in training, if he has been found. We will need 572,000 by 1987.

The same allegations can be made, for differing reasons, concerning tool and die makers; we will need 223,000 by 1987. Electrical engineers? 360,000 by 1987. Metal molders? 60,000 by 1987. Computer specialists? 547,000 by 1987. Mechanics? 1.8 million by 1987. The list is almost endless.

The problem is undeniable. We face serious shortages in a number of critical vocations and skills. These delinquencies will be much more apparent if and when the US gets into "surge" production in certain key industries.

Should we, then, throw up our hands and conclude: "What's the use? We can never catch up or get back into the ball game?"

Nothing could be further from the truth—especially if you remember your history a bit.

A good example was given by one of the witnesses before Congress last year who directed attention to an article from Fortune magazine that summed up America's state of industrial preparedness: "No programs to organize manpower exist; widespread shortages of critical materials; means for industrial expansion seriously constrained; no plans for national priorities; threat of destabilizing inflation; lack of public understanding of a job ahead; and uncertain will."

The irony of that summary lies in the fact that the article he referred to was published in 1941—about four months before Pearl Harbor.

We know what followed:

We did the job of building up our industrial base so well that we actually reached a point where we could produce more than could be lost to the Axis powers in combat (in March 1944 alone we produced 9,117 aircraft).

By the same logic, if we must "go to war" today, let it be against unused capacity, the idleness of our labor population, and our failure to maintain competitiveness in a world economy.

To this end, in February I introduced along with other members of the Banking Committee a series of amendments to the Defense Production Act of 1950 (DPA).

This law has been used from time to time to attack all manner of problems. It was used to get the Alaska pipeline underway—cutting at least one year from the pipeline's time schedule at a saving of hundreds of millions of dollars to the American taxpayer. More recently it was used to launch the nation's synthetic fuels production effort.

By these new amendments, the President would be directed to get modernization of our defense industrial base underway. He could use authority already provided by the DPA—mainly financial incentives such as loan guarantees, purchase agreements, price guarantees, and direct loans. We would try to zero this effort in on the more than 50,000 defense-related contractors and suppliers—by and large small and medium-sized businesses—for that is the point where the real obstacles to "revving up" can be expected to occur.

The legislation proposes a five-year program, costing $5 billion, excluding $250 million a year for manpower training and retraining and $100 million for colleges and universities. Regarding the latter, it is clear that "we are eating up our seed corn" since many students and faculty are being recruited to industry, often because this gives them access to more modern equipment and working conditions. We believe they will be encouraged to stay on at the university if this need for "modernization" can be met. Their valued input for R&D and the future cannot be overlooked.

All of this may appear to be very ambitious and costly. In fact, is not. Our experiences with the DPA in the past show that for every $1 provided, we have been able to leverage $10—largely in credit assistance. That means we would likely be able to leverage about $50 billion in assistance—and for the modernization of a critical portion of the nation's industrial base.

Even if the program is undertaken on a more conservative 2-for-1 basis, a minimum of $10 billion would be pumped into the system. I am inclined to believe that if economic conditions were to worsen further, those leverage ratios would rise.

The advantages of the program are numerous.

It would accelerate the re-engineering and retooling of a number of industries, and hurry the process of their modernization.

It could vastly improve our ability to be more competitive on a worldwide basis in essential industries such as machine tooling, forging, diecasting and the like.

It could aid many of our skilled and professional workers through retraining and upgrading of their skills, and provide new recruiting opportunities within the labor force for those left without hope or chance for entry.

The current status of America's defense industrial base is a matter of debate and doubt. Its revitalization could, however, begin the process of general revival for the nation.

It is a task we must undertake with all deliberate speed and considerable dedication, for the somber fact is that the U.S. cannot be a first-rate world power with a second-rate industrial base.●

GEORGE SHULTZ' QUALIFICATIONS AND QUALITIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues an excellent commentary by William Randolph Hearst, Jr., about the new Secretary of State George Shultz.

I believe the description of Mr. Shultz' qualifications and qualities as a statesman are right on the mark, and I am sure my colleagues will agree. I believe the enthusiasm expressed by Mr. Hearst for the appointment of Mr. Shultz is widely shared.

OUR NATION; OUR CITIES

SAN SIMEON, CALIF.—This nation's 60th Secretary of State, George Pratt Shultz, has launched his latest government career in impressive style. It was no accident that all 17 members of the Senate Foreign Relations Committee recommended him for the post, and that the full Senate confirmed his appointment unanimously.

His performance at the Senate hearings was enough to convince the most skeptical observer that here is a man of unusual talent. He responded to questioning, in his low-key fashion, with the skill of a diplomat and the knowledge of a scholar. He let it be known that he wants to keep Israel as our best friend in the Middle East, but he said so in a manner that did not for a moment diminish his concern for the Arab world and the homeless Palestinians.

I was happy to note that one of the first moves of Secretary Shultz was to have a chat with Henry Kissinger. He certainly received some good advice from the brilliant former secretary of state. He also sent out signals that he intends to be a truly bipartisan official, and not a Republican secretary of state. That was the pattern established under the administrations of Presidents Eisenhower and Nixon, and it is good for the country that the policy will be continued under the leadership of George Shultz.

Those who have followed the career of George Shultz were not surprised by the dispatch with which he began to reorganize the State Department. Scarcely had the applause for his performance at the Senate hearings died down when the new secretary of state began assembling his team.

For his deputy he turned to an old friend and associate, Kenneth W. Dam, the provost at the University of Chicago. The undersecretary of state for economic affairs will be the chancellor at the University of Rochester, W. Allen Wallis. And the associate director of the Office of Management and Budget, William Schneider, will be the undersecretary in charge of coordinating security assistant programs.

These selections tell us two things about Secretary Shultz.

First, they reconfirm the fact that Mr. Shultz is a good executive. The test of a good executive is the ability to surround himself with able assistants, people who not only can assist but who can mind the store in the event the leader is not around. This the secretary has demonstrated in both private and public life.

Second, the appointees emphasize the fact that the new secretary is an economist. They have experience in management and fiscal affairs, and surely will bring stability to the State Department ability to handle the fiscal aspects of foreign affairs.

The Shultz team is thus being buttressed by impressive experience in administration and commendable expertise in the field of economics. It all measures up as a firm foundation for the future of the State Department, and a statemanlike feather in the cap of the new secretary of state.

Henry Kissinger made an interesting comment about the Shultz appointment. He said, "We may have struck gold this time." I share his enthusiasm.●

LIST OF KEY VOTES

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. PEASE. Mr. Speaker, it has become my practice to periodically insert in the CONGRESSIONAL RECORD a list of key votes that I have cast in the U.S. House of Representatives.

The list is arranged in the following manner: Each item begins with the number of the bill or resolution that the House was considering and is followed by a summary of the vote. This is followed by my own vote on the issue, whether the matter passed or failed, and the vote outcome.

This list of votes covers the period of February 9, 1982 through June 24.

H.J. Res. 389. Motion to bar use of Commodity Credit Corporation funds to pay guaranteed loans made to Poland. Yes. Failed 152-256.

S. 1503. Adoption of the conference report on the Standby Petroleum Allocation Act. Would have given the President authority to allocate petroleum products in the event of severe national shortages. (Ultimately vetoed). Yes. Passed 246-144.

H.R. 5708. Extension of the National Housing Act. Allows HUD to provide new housing mortgage assistance for low and middle income families. Yes. Passed 341-54.

S. 2254. Flextime extension. Authorizes an additional 4 months of experimentation with flexible and compressed federal work schedules. Yes. Passed 361-33.

H. Res. 378. Committee Funding Resolution. Reduced committee funding by $702,835 from committee recommended level. Yes. Passed 416-0.

H.R. 5798. Extension of International Energy Authority. Continued specific exemptions in law to allow energy information sharing for the coordinated multi-country IEA program. Yes. Passed 211-163.

H.R. 3208. Reclamation Safety of Dams. Amendment to require water users to repay the Federal Government for costs of improving dams Yes. Passed 212-140.

H.R. 4613. Debt Collection Act of 1982. Authorizes the Internal Revenue Service to disclose to other federal agencies addresses for use in collecting federal debts. Yes. Passed 402-3.

H.R. 5539. Federal Reclamation Law Amendments. Amendment to require corporations with more than 18 shareholders to pay full cost for water delivered to land exceeding 160 acres. Yes. Passed 220-160.

H.R. 5539. Federal Reclamation Law Amendments. Amendment to allow larger farms to receive subsidized federal water. No. Passed 228-117.

H.R. 6294. Single Family Housing Production Act. Authorized funds for mortgage interest subsidies on new single-family homes. Yes. Passed 349-55.

H.R. 5922. Supplemental Appropriations. Amendment to terminate a large part of the Mine Safety and Health Administration and its authority to endorse safety and health standards on surface mining of stone, clay, sand,etc. No. Failed 186-220.

H.R. 5879. NASA authorization. Amendment to reduce NASA aeronautical, research and technology authorization from $267 million to $232 million No. Failed 169-204.

H.R. 5890. NASA authorization. Authorizes $6.6 billion for NASA in FY 1983. Yes. Passed 277-84.

S. 1230. Olympic Gold Coin Act. Amendment changing the number and method of sale of a special issue gold coin. The unamended bill would have allowed a private marketer, not the Olympic Committee, to realize most of any profit. Yes. Passed 302-84.

H. Con. Res. 345. First Budget Resolution. Obey amendment to change outlay and revenue targets to reach a deficit lower than that proposed by President Reagan. Yes. Failed 152-268.

H. Con. Res. 345. First Budget Resolution, Black Caucus (Fauntroy) substitute. Increased funding for social services, reduced defense spending, and raised taxes to lower deficits below Reagan figures. No. Failed 86-322.

H. Con. Res. 345. First Concurrent Budget Resolution, Rousselot "Balanced Budget" Amendment. Projected a balanced budget for FY 1983-85 by making large cuts in "entitlement" programs, including Social Security. No. Failed 182-242.

H. Con. Res. 345. First Concurrent Budget Resolution. Pease amendment to express the sense of the House that tax loopholes should be repealed to increase revenues. Yes. Failed 68-342.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to add a non-binding target to limit tax expenditures (subsidies) to $273 billion in FY 1983. Yes. Failed 164-246.

H. Con. Res. 345. First Concurrent Budget Resolution. Substitute amendment by Chairman Jones of the Budget Committee. Increased revenues and outlays over Latta bill to reduce cutbacks in Medicare and student loan programs. Yes. Failed 175-237.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to reduce revenues, thereby increasing the federal deficit by over $52 billion over 3 years. No. Failed 178-237.

H. Con. Res. 60. Federal Trade Commission Used Car Rule. Vote to overturn an FTC rule that would have required car dealers to post information about warranties and major mechanical defects on all used cars. Yes. Passed 286-133.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to decrease defense funding by $16 billion (out of $180 billion) to decrease federal deficit. Yes. Failed 125-295.

H. Con. Res. 345. First Concurrent Budget Resolution. Amdendment to increase funding for federal education programs cut under the Reagan budget. These increases were offset by savings in other areas. Yes. Passed 323-99.

H. Con. Res. 345. First Concurrent Budget Resolution. Amdendment to inrease funding for education in the Republican substitute budget. Offset by savings elsewhere. Yes. Passed 343-72.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to restore full funding for Medicare program. Yes. Passed 228-196.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to provide a 7% federal cost-of-living-adjustment instead of the 4% provided in the budget substitutes. Yes. Failed 143-281.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to increase the federal emplyee COLA to 5% from 4%. Yes. Passed 259-159.

H. Con. Res. 345. First Concurrent Budget Resolution. An amendment to remove the 4% "cap" on federal civilian and military retiree pension COLAs. Yes. Passed 327-94.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to increase funding for Justice Department crime control. Yes. Failed 152-264.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to remove "reconciliation" instructions that would order the Education and Labor Committees to save $73 million. No. Failed 193-225.

H. Con. Res. 345. First Concurrent Budget Resolution. Amendment to delete "deferred enrollment" provision until after a second budget resolution. This allowed a major hole to open in the budget process. No. Passed 212-205.

H. Con. Res. 345. First Concurrent Budget Resolution. Adoption of the major Republican budget substitute, as amended. Projected deficits of $103.5 billion, $82 billion and $56 billion over 3 years. No. Failed 192-235.

H. Con. Res. 345. First Concurrent Budget Resolution. Adoption of the Aspin ("moderate") substitute, as amended. Deficits of $98 billion, $69 billion, and $35 billion over 3 years. Yes. Failed 137-289.

H. Con. Res. 345. First Concurrent Budget Resolution. Adoption of Jones (Budget Committee) substitute. Deficit of $105 billion in fiscal year 1983, $75 billion in 1984, and $39 billion in fiscal year 1985. Yes. Failed 171-253.

H. Con. Res. 345. First Concurrent Budget Resolution. Adoption of the resolution. Deficits levels of $104 billion, $73 billion, and $35 billion over 3 years. Yes. Failed 159-265.

H.R. 4. Conference Report on the Intelligence Identities Protection Act. Imposes criminal penalties for disclosure of U.S. agents, even if such knowledge is already public. No. Passed 315-32.

H.R. 5922. Urgent Supplemental Appropriations. Motion not to allow amendments to be offered to repeal Congressional tax benefit changes of 1981. No. Failed 176-218.

H.R. 5922. Urgent Supplemental Appropriations. Amendment to repeal Congressional tax benefits approved in 1982. Yes. Passed 356-43.

H. Con. Res. 352. First Concurrent Budget Resolution (Round 2). Amendment establishing budget with deficits of $108 billion, $74 billion, and $42 billion. Yes. Failed 202-225.

H. Con. Res. 352. First Concurrent Budget Resolution (Round 2). Adoption of Republican substitute with deficits then projected at $99 billion, $78 billion and $54 billion over 3 years. No. Passed 220-207.

H. Con. Res. 352. First Concurrent Budget Resolution (Round 2). Adoption of resolution as amended by Republican substitute to

yield deficits of $99 billion in FY 1983, $78 billion in 1984, and $53 billion in 1985. No. Passed 219-206.

H.R. 6198. Copyright Manufacturing Clause. Extends law that requires U.S. copyrighted works be printed in the U.S. or Canada to receive full copyright protection. Yes. Passed 339-47.

H.R. 5922. Urgent Supplemental Appropriations. Motion to impose a statutory limit on the amount of outside income that Congressmen or Senators can receive. Yes. Passed 381-29.

H. Con. Res. 352. First Budget Resolution (Round 2). Adoption of conference report providing deficits of $104 billion, $84 billion, and $60 billion over the next 3 years. No. Passed 210-208.

H.R. 4326. Small Business Innovation Act. Amendment to eliminate the bill's "set-aside" for small businesses. No. Failed 118-290.

H.R. 5922 Urgent Supplemental Appropriations. Attempt to override Presidential veto. Yes. Failed 253-151 (two thirds vote necessary.)

H.R. 6682. Urgent Supplemental Appropriations—revised bill. Removed $3 billion housing stimulus program that President objected to. Yes. Passed 267-106.

H.R. 6685. Urgent Supplemental Appropriations—an alternative in case President objected to above bill. Yes. Passed 342-25.●

MOTHER TERESA'S WORK BEGINS IN BROOKLYN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. SOLARZ. Mr. Speaker, most acts of kindness and good will escape our notice in these busy days. Those who devote their lives to such deeds seldom receive adequate thanks or appreciation for their efforts. Today, I would like my colleagues to be aware that such special people exist right in our home communities. We are all familiar with Mother Teresa, the wonderful nun and Nobel Prize winner who cares for the sick, dying, and the needy the world over. Now, at the invitation of Bishop Francis Mugavero, she and her nuns are spreading their effort to Brooklyn, N.Y. I would like to take this opportunity to submit an article from yesterday's Daily News by Bill Reel which eloquently shows the great amount of good these women can do in our neighborhoods. In conclusion, I would like to join with my New York colleagues in wishing Mother Teresa and her apostolates the utmost success in their latest effort and expressing our confidence and gratitude for their efforts.

[From the Daily News, July 27, 1982]

LOOK WHO'S MOVING TO BUSHWICK

(By Bill Reel)

Moving to Bushwick? Bushwick in Brooklyn? Bushwick? Don't be ridiculous. Nobody moves to Bushwick. Bushwick is supposed to be a neighborhood to move out of, not into.

Yet there they were the other humid afternoon, half a dozen of Mother Teresa's nuns, scurrying around with mops and brooms and buckets of soapy water, spiffing up an abandoned convent on Aberdeen St. between Broadway and Bushwick Ave. They will begin living there today, when Mother Teresa herself is due for the dedication.

While the sisters in their white habits worked hard and happily in the stifling heat, I stood around like the gentleman from the press that I am. So as not to feel totally useless, I asked a question. "How did you happen to choose this neighborhood to move into?" I wondered.

"We have houses in the South Bronx and in Harlem, and we wanted one in Brooklyn," Sister Nirmala, a tiny woman with a lovely smile, explained. "We asked Bishop Francis Mugavero if we could come to Brooklyn. He accepted immediately. Then it was a question of where we would live. We asked for a place in a poor neighborhood. That was our only requirement, that the neighborhood must be poor. We were offered this convent in Our Lady of Lourdes parish. It was exactly what we wanted. We accepted immediately."

A minor problem arose the other day. It seems the beds delivered to the convent for the sisters were too new to suit them. The beds had been ordered by the pastor of Our Lady of Lourdes, Father Ed Smith, through the diocesan purchasing office. There was nothing fancy about them. They were just ordinary beds. But the sisters politely told Father Smith to return them. "We have some used beds coming from Rikers Island," they explained.

When a bed is too shabby for a jail cell, one of Mother Teresa's nuns will demand to sleep on it.

Mother Teresa started out several decades ago caring for the dying in the streets of Calcutta, and now there are 2,000 of her Missionary Sisters of Charity in cities around the world. The Bushwick branch is what is called contemplative—that is, these sisters spend most of their time praying for the rest of us. Meditation, spiritual reading and adoration of the Blessed Sacrament fill most of their day. Every day will begin at 4:30 a.m. in the convent chapel.

"We go out mornings from 9:45 until 12:15 to meet people," Sister Nirmala told me. "We knock on doors. We talk to people on the street. We meet Jesus in the people."

Many of us would feel fear in Bushwick, but not these humble nuns armed with faith. It is difficult for New Yorkers, frantic folks that we are, to understand what they do. I asked Father Smith how he would describe their vocation. "They do the same thing Jesus did," he said. "They walk around and talk to people."

The sisters have tea every afternoon and recreation every evening for half an hour. They have no TV, no radio, no stereo. "We sit and talk and mend our clothes during recreation," one of them, Sister Francita, said with a big smile. "We talk about what we did that day, about the people we met."

Bishop Mugavero will welcome these wonderful women at a special Mass at 9 a.m. today at Our Lady of Lourdes Church on Furman St. A procession across Bushwick Ave. to the convent will follow. Mother Teresa and her sisters will greet well-wishers. The public is invited.

Good things come in pairs. At a big rally Sunday at Our Lady of Mercy in nearby Brownsville, Deputy Mayor Robert Wagner Jr. announced that the city will back a major housing program sponsored by 36 local churches, including Our Lady of Lourdes. Some 5,000 one-family row houses will be built in the Bushwick-Brownsville-East New York area as a result.

The City of Churches is due for renewal—spiritual and temporal. Mother Teresa is just the one to christen it. Bushwick gets a Godly boost today.●

THE ADMINISTRATION'S 5-YEAR OCS LEASING SCHEDULE

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LIVINGSTON. Mr. Speaker, I want to speak in favor of the administration's proposed 5-year OCS leasing schedule.

As a Representative from Louisiana and as a former member of the Select Committee on the OCS, I feel uniquely qualified to speak on this subject. The need for increased domestic energy production is obvious to anyone who has followed the events of the past 9 years. On two occasions, 1973 and 1979, this Nation has been thrown into economic and social turmoil because of our reliance on foreign nations for enormous quantities of our domestic oil needs. As I know the Members of this body are aware, the situation with our strategic and critical materials is even worse. The connection between our strategic resources and OCS oil and gas is that past policies have hindered both the stockpiling and development of these crucial natural resources. I believe this administration's new 5-year OCS program will solve one of these crucial problems.

The OCS oil and gas program is not only a prime source of domestic energy, but it is a direct and indirect benefit to our national and local economies. If the offshore industry were to fold in either the Gulf of Mexico or any area where any significant development has taken place, there would be an immediate economic panic. The unemployment rolls would swell, the tax base of the area would dwindle, and we would develop areas of economic depression. This does not include the negative impact from the loss of oil and gas production.

The Gulf of Mexico has been used as an example of every aspect of offshore oil activity. It has been cited as the pinnacle of safety of the OCS program and has also been used as a prime example of the program's greatest abuses. Yet through this process of offshore industry cut its teeth and was weaned in the Gulf of Mexico. Nearly every conceivable problem that the offshore industry will encounter in the future has occurred in the Gulf of Mexico first. The result has been the development of one of the most benign sources of energy extraction available to this country.

The OCS safety record, which can be supplied to this committee, is exemplary. But the potential for harm exists. However, as long as we retain the laws we have on the books that we have developed over the years, and as long as the technological developments by industry continue, the environmental safety of offshore development will remain intact even though we are drilling under more difficult conditions.

There are many energy experts that provide figures ad infinitum on energy consumption, energy production, and energy availability. However, I think it is generally agreed that this Nation has at least as much oil remaining as it has produced to date. The vast majority of this oil, about 85 percent, is located on lands that are either owned or controlled by the Federal Government. The fact that presently we get only 9 percent of our domestic oil from the OCS—and that level of production has been steadily declining for the past 9 years—should concern all of us, since energy production in these areas depends on the whims of the Federal Government.

The proposed 5-year leasing program was indeed developed as a result of the 22 oversight hearings by the Select Committee on the OCS. I actively participated in the development of these concepts. What the House Members presented as section 3 of House Joint Resolution 573 in the 96th Congress, Secretary Watt and this administration have expanded upon and refined. I believe their 5-year program has the potential to be one of the best energy programs any administration has put forth in some time. It is uncertain how much oil and gas this plan will produce, but since the program and leasing schedule are similar to the one developed in House Joint Resolution 573, I feel it would be safe to assume comparable production and economic figures.

According to the Department of Energy, the program outlined in the 96th Congress would have doubled oil production, almost tripled gas production, and resulted in enough oil and gas revenues to offset the balance-of-payments deficits by $326 billion by the turn of the century. In other words, the OCS program not only represents significant energy resources but the potential for vast financial resources in these tight budgetary times.

Of course, the proposed 5-year leasing schedule has raised many new questions because of new administration policies. However, there have been at least four oversight hearings on the proposed program and numerous other hearings around the country. As a result, I feel many of these questions have been answered.

Rest assured, Mr. Speaker, that as a member of the House Appropriations Committee I will continue to watch the development of this program, as well as its impact on the human, marine, and coastal environment. I will also do all in my power to see to it that the program continues to be funded adequately.

Mr. Speaker, I look forward to the program's implementation and a return to a practical and environmentally safe energy policy for our Nation.●

DEFEAT CARIBBEAN ECONOMIC RECOVERY ACT

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. TAYLOR. Mr. Speaker, I am unable to support the proposal that we eliminate all duties for 12 years on imports from those nations included in the Caribbean Basin, nor can I support the expenditure of $350 million in economic assistance.

At a time when our rate of unemployment is high, when American industries are being harmed by imports of foreign-made goods, when our Federal budget is at least $104 billion out of balance, I cannot in good conscience say to the people of my district that we are more concerned about the welfare and the jobs of the people of Central America then we are about our own, that we will support their textile manufacturers but not our own, that we will buy their shoes while our own shoe industry is laying off employees and closing factories.

Mr. Speaker, the automobile industry, the steel industry, the shoe industry, the electronics industry, and the textile industry are all suffering from imports. Should we now vote to enact legislation that will most certainly add to the list by eliminating import duties for 12 years for a group of nations and create a "one-way free zone" of competition? I think not.

The Caribbean Economic Recovery Act should be defeated.●

THE FATE OF THE PALESTINIANS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. LANTOS. Mr. Speaker, today Mr. Ralph Nurnberger, a distinguished writer and lecturer in diplomatic history and international relations at Georgetown University, published a significant statement which clearly focuses on the Palestinian question in the Middle East. I urge my colleagues in Congress to study carefully the views of Mr. Nurnberger:

World attention has been focused on the fate of the 6,000 PLO terrorists in West Beirut. Underlying the issue of their final destination is the question of where the Palestinian people should go, whether or not a "Palestinian state" should be established. Unfortunately, this question is often phrased in such a manner as to imply that Israel alone is responsible for finding a solution.

To understand the "Palestinian question," it is essential to analyze the history of the issue. The problem stems from the fact that approximately 600,000 Arabs left what is now Israel in the late 1940s. Most left during and after the War for Israeli Independence (1947–48), largely at the urging of Arab nations, which pledged that they could return to their homes when the Zionist state was destroyed. These Palestinians sought to escape the fighting and find refuge with their Arab brethren. This figure should be compared with the approximately 600,000 Jews who were expelled from various Arab states and immigrated to Israel.

The Arabs who left Israel in the 1940s were only a small fraction of the approximately 40 million refugees worldwide who were forced to find new homes in the same time period. The Palestinians are virtually the only people who have not yet been fully absorbed and assimilated in their new homelands. The reason is that the Arab nations preferred to keep the Palestinians as "refugees" as an act of policy. They decided to leave the burden of caring for Arab refugees with the world community in general to be handled by the United Nations Relief and Works Agency.

When discussing the problem of the Palestinians, it is important to remember that the majority already are permanently settled and have homes, jobs, etc., within historic Palestine. Approximately 500,000 live in Israel; 1,000,000 live in the West Bank and Gaza; 1,200,000 live in Jordan; and 300,000–400,000 live in Lebanon; of these, approximately 120,000 can still be categorized as refugees and live in "camps." (Even UNRWA admits that its statistics "do not necessarily reflect the actual refugee population owing to factors such as unreported deaths and births, false and duplicate registrations and unreported absences from the area of UNRWA operations. The agency presumes that the refugees population present in the area of UNRWA operations is less than the registered population.") In addition, 200,000 are in Syria, and 200,000 are scattered around the world.

With the exception of those living in camps in Lebanon, it is unlikely that the remainder would be very eager to leave their homes. The Palestinians in the camps are largely undereducated and unskilled; they are the victims of Arab propaganda and political designs. While these people could be absorbed by the Arab states, those nations have continued to utilize them as political pawns.

For the most part, the people in the camps do not trace their ancestors back to the West Bank or Gaza but to Israel proper. Thus, even if a "Palestinian state" were to be established in the West Bank, these refugees would not be able to return "home." They do not feel an affinity for the West Bank nor does their propaganda indicate that they would be satisfied with this territory. Furthermore, the West Bank is simply not large enough nor does it have the productive capacity to handle such a massive influx of people.

A final point is that Jordan is already a "homeland" for the Palestinian people. Jordan was part of traditional Palestine; the majority of the present day population are Palestinian Arabs. Palestinian refugees were granted citizenship in Jordan and many government leaders are Palestinians.

In sum, Palestinians already live throughout the Arab world and have citizenship in Jordan. They form the majority of the Jordanian population. The refugee issue ought to be settled in accordance with the plans set forward at Camp David, possibly resulting in some form of confederation of the West Bank and Jordan. Obviously, this would involve bringing Jordan (and, one hopes, other "moderate" Arab states) into the peace process. The solution to the question is complicated, but possible. It would involve the participation and good will of the Arab nations. Now that the PLO has been removed as a military power in the region, a force capable of blackmailing Arab nations into support, it is possible that Jordan and Saudi Arabia will finally be willing to negotiate with Israel.●

SYSTEM FOR A BOOSTER ROCKET

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. HOLLENBECK. Mr. Speaker, I want to discuss the Congress appropriating money for an upper stage rocket system that the Pentagon, NASA, and the White House all have said is not needed.

In spite of the fact that the Boeing Co. has built and is delivering eight IUS units at a cost in excess of $700 million for a solid fuel upper stage for military and civilian spacecraft, the Congress has passed legislation (urgent supplemental) forcing NASA to pay the losing contractor $150 million over the next 2 years to build and develop a system that does the same thing.

This was the same system that was rejected by NASA because its design allegedly made it far too dangerous to put aboard the Space Shuttle.

Now I have learned that the switchover back to the Centaur upper stage will cost an additional $1.4 billion. This is for a system that is untried and untested. If NASA had been allowed to use the Boeing IUS for the planetary flights to Jupiter and the Solar Polar Mission flight, the IUS would have been tested a dozen times before. Now NASA is faced with flying half-billion-dollar spacecrafts on Centaur upper stages that have never been flown before.

We are plain and simply wasting the taxpayers' money. Deciding on what system to use for a booster rocket should not be determined by politicians but should be left to the discretion of the technical experts.●

WOMEN'S RIGHTS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1982

● Mr. WYDEN. Mr. Speaker, women have been dealt another severe blow by the administration. After summarily firing the Executive Director of the National Advisory Council on Women's Educational Programs, the administration now has seen fit to replace her with an active critic of women's rights.

The new Director is Rosemary Thompson. Her qualifications for her new post include active participation in efforts to defeat the equal rights amendment and outspoken opposition to the Women's Educational Equity Act—WEEA—program. A curious choice to head the primary agency charged with overseeing the program.

During its 7-year history, the WEEA has been successful in promoting equity in education and in preparing women for the job market. Many opportunities for women have opened up as a direct result of the program. Ms. Thompson's appointment places these gains in serious jeopardy.

The administration's action in this case is not particularly surprising. WEEA has been a favorite target of the administration since it assumed office.

In his 1982 budget proposal, President Reagan attempted to weaken the program by reducing its funding and incorporating it into a block grant. After Congress rejected this attempt, the director of the program, Dr. Leslie Wolfe, was removed at a crucial phase of the grant review process.

Now, in his 1983 budget, the President has proposed killing the program altogether.

But though it is not surprising, the administration's decision to appoint Ms. Thompson to this important post is very disturbing. Appointing a staunch opponent of the program makes a mockery of the National Advisory Council—and of women's rights.

I urge my colleagues to join me in protesting this action.●

SENATE—*Friday, July 30, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Father God, the Senators anticipate another weekend with demands for their time and energy which inevitably compete with the family. Help them Father, to resist pressures which force neglect of the family. We pray for wives who sometime feel like second-class citizens because so many other things seem to be more important. Reason tells them that this is not true but emotionally they experience a sense of low priority on husbands' interests and time.

We pray for youth who feel neglected, whose fathers never seem to have time for them. Protect them against bitterness and cynicism which often generates rebellion in young lives causing them to do crazy things to get attention.

Protect our families, bless them, strengthen them, infuse them with love and affection. In Jesus name, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the expiration or yielding back of time allocated to the two leaders under the standing order, the Senator from Georgia (Mr. NUNN) will be recognized on a special order for not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business to extend not past the hour of 10:30 a.m., in which Senators may speak for not more than 2 minutes each.

At the close of morning business, the Senate will resume consideration of Senate Joint Resolution 58, the balanced budget amendment, so-called. At that time the Dixon amendment No. 2001 will be the pending amendment. There is a 1-hour time limitation under the order previously entered.

I expect, Mr. President, the Senate will conclude its activities by midafternoon. I would not expect votes past 3 o'clock.

Mr. President, is there an order for the Senate to convene on Monday?

The PRESIDING OFFICER (Mr. GOLDWATER). There is an order for 11 a.m.

Mr. BAKER. I thank the Chair.

On Monday, Mr. President, the Senate will convene at 11 a.m., and after the transaction of routine morning business and attending to opening details, the Senate will resume consideration of Senate Joint Resolution 58. It is anticipated that amendments will be offered and votes will occur on Monday.

The order previously entered provides that final passage of the joint resolution will occur not earlier than 12 noon on Tuesday nor later than 12 noon on Wednesday.

Once again, Mr. President, there will be votes today. The Senate will not be asked to remain in session past the middle of the afternoon today. When we recess over, it will be until Monday at 11 a.m. There will be rollcall votes on Monday. Final passage cannot occur under the order previously entered until Tuesday at the earliest nor later than noon on Wednesday.

Mr. President, I have no further requirement for my time under the standing order. I am prepared to yield to any Senator who may desire time.

Mr. PROXMIRE. Mr. President, it is my understanding that the minority leader is agreeable to my taking a small part of his time.

The PRESIDING OFFICER. The Senator from Wisconsin.

LET'S FIGHT TO KEEP THE NUCLEAR ARMS RACE UNDER CONTROL

Mr. PROXMIRE. Mr. President, this marks the last year a distinguished New York Congressman, JONATHAN BINGHAM, will serve in the Congress. JACK BINGHAM has unfortunately decided to retire. He has served his New York district and this country with great distinction. We will miss him for a very special reason. Mr. BINGHAM was the author of the Nuclear Non-Proliferation Act of 1978. No one has spoken out more forcefully or wisely against the spread of nuclear weapons, or spelled out the almost certain fatal consequences of such a spread, or done more in fashioning the laws of this country to contain that spread, than has this brilliant Congressman from New York.

I am proud to say I first knew of Congressman BINGHAM when he was a Yale undergraduate. He was undoubtedly one of the most impressive young men at Yale in his class. In fact, in that Yale class he held the most impressive office—he was editor in chief of the Yale Daily News. Even as an undergraduate he was admired for his wisdom.

On July 21, Congressman BINGHAM's article in the New York Times spelled out the tragic consequences that will flow from the administration's policy to permit the export of reprocessing technology used in extracting plutonium from nuclear fuel to Japan and Common Market countries and to allow them to reprocess American-supplied nuclear fuel without obtaining American fuel in each case.

Mr. BINGHAM spells out how we can still restrain this trade and limit the damage of this unfortunate decision. I ask unanimous consent that the entire text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DON'T LET ARMS RACE MUSHROOM

(By Jonathan B. Bingham)

WASHINGTON.—Horrified by a world in which two nations are unable to halt a lethal arms race? Imagine trying to work out arms control among half a dozen or more third world countries convinced that it is in their national security interests to build up nuclear arsenals.

Unless the exporters of nuclear technology and fuel become increasingly circumspect, this horrendous task could soon be necessary.

Argentina and Brazil, rival South American neighbors, have ambitious nuclear power programs that seem to have military as well as commercial ends. Significantly, neither country has agreed to inspection of all its nuclear facilities—so-called full-scope safeguards—by the International Atomic Energy Agency, which is responsible for verifying that nuclear fuel and technology are used strictly for commercial purposes.

Similarly, South Africa, Israel, Iraq and Pakistan—all nations facing sharp regional tensions—are widely believed to be pursuing a nuclear weapons capacity through their commercial nuclear programs. Again, none has agreed to full safeguards.

In recognition of the dangers, the Reagan Administration has advanced a quid pro quo formula for nuclear trade: The United States will be a reliable supplier of nuclear fuel and technology if recipient nations, many of them also nuclear suppliers, cooperate in curbing nuclear sales to countries that present proliferation risks.

Unfortunately, that policy has to date added up to all quids and no quos.

Last year, just before the economic meeting of heads of state in Ottawa, the Senate and the House, without a dissenting vote, passed resolutions calling on President Reagan to work out concrete ways to restrain all nuclear suppliers. The President, however, did not raise the issue at Ottawa. Instead, he joined in a final declaration that skimmed over the dangers.

Before the Versailles economic meeting this year, the House and Senate again unanimously passed resolutions calling on the President to discuss nuclear-supplier restraint. This time the declaration did not mention the issue.

Meanwhile, South Africa, unable to receive nuclear fuel it contracted to buy from the United States because of its record in the fight against the spread of nuclear arms, has bought uranium from Switzerland and other European countries. France is fabricating the uranium into fuel assemblies. Brazil, in a similar situation, has acquired nuclear fuel from West Germany for a new reactor. In neither instance did the United States try to dissuade its allies from helping these countries. In fact, the United States waived a $20 million penalty against Brazil for putting uranium that had not been enriched by the United States into its reactor, contrary to agreement.

Now, the Administration has approved a policy to permit the export of reprocessing technology, used in extracting plutonium from nuclear fuel, to Japan and Common Market countries and to allow them to reprocess American-supplied nuclear fuel without obtaining American approval in each case. Republican and Democratic administrations have opposed such moves because plutonium is the material from which modern nuclear weapons are made.

While the Administration has been explicit in saying what concessions it intends to make to other countries, it has yet to indicate what cooperation it wants in return.

Fortunately, it is not too late. The United States should ask suppliers to agree not to export nuclear fuel and technology to any country that does not have nuclear weapons and that does not permit full-scope inspection of its nuclear plants.

As a collateral measure, the United States would also need to urge nuclear suppliers to provide more money to the international inspection agency. Today, the agency's $30 million annual budget, smaller than that for the Portland, Ore., Police Department, is inadequate. A small contribution from each supplier nation could double its money.

These proposals could be expected to have wide acceptance. Canada and Australia as well as the United States already require full-scope safeguards as a condition of their nuclear exports. West Germany has promised similar restrictions providing that all other suppliers agree to them. Even the Soviet Union, also a nuclear supplier, has indicated a willingness to go along under such conditions. At the very least such proposals would signal our concern, which has not been given concrete affirmation by this Administration.

To continually miss the opportunities for voicing these concerns and for pressing a proposal for restraining nuclear trade is to risk an even more difficult challenge later—arms control negotiations on a far wider scale than any of us care to contemplate today.

TRAGIC LOOK BACK REMINDS US OF A NEED FOR CONSISTENCY

Mr. PROXMIRE. Mr. President, nearly 10 years ago, the world's attention became intensely focused on a murderous regime in Uganda. In August of 1972, Idi Amin, the leader of that regime, made a decision to expel 75,000 Ugandan Indians from the country. The victims were ruthlessly mistreated. Some were killed and nearly all were stipped of their possessions.

This incident sparked international concern toward the gross human rights atrocities which had already been practiced by the Amin regime for well over a year. It was an incident that triggered many others, including the brutal massacres of the Acholi and Langi soldiers by Amin's troopers.

Mr. President, I remind my colleagues that these occurrences took place only 10 years ago. In previous speeches I have cited other examples which are going on today.

Our society has made great strides in solving or bettering many of the world's problems. Our technological advancements have made the world a more efficient and enjoyable place to live. Our medical progress has drastically increased life expectancy. Our economic aid to foreign nations has helped to guard against widespread starvation and disease.

These accomplishments are admired by our counterparts across the globe. The brilliance of these deeds, however, has been offset by a gloomy darkness. This darkness is our failure to take action against the horrifying crime of genocide. The massacres of the Acholi and Langi are but two of the many examples of this incredible violation of human rights.

We are a nation blessed with an abundance of intelligence, courage, fortitude, and virtue. Our use of these benevolent attributes to better the lives of the world's people is so very inconsistent with our saying "no" to a treaty which guards the people of the world against those seeking their systematic annihilation.

In sad remembrance of the wicked acts of genocide against the Acholi and Langi, I urge the Senate to remain consistent with all that the United States stands for. The tenets of liberty, justice, and equality are the bases for the Convention on Genocide. I ask my colleagues to act in keeping with these tenets and the convention. I urge the Senate to finally ratify the convention.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I understand the Democratic leader will not need the remainder of his time. I am happy to yield that to the Senator from Georgia.

Mr. BAKER. Mr. President, I have no need for my remaining time.

Mr. President, I yield back the remainder of my time under the standing order.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia (Mr. NUNN) is recognized for not to exceed 15 minutes.

THE CRIME CONTROL ACT OF 1982: TITLE IV—HABEAS CORPUS REFORM

Mr. NUNN. Mr. President, Senator CHILES and I have over the past several weeks been informing our colleagues of the dire need for reform in the area of habeas corpus proceedings. Today, violent crimes are increasing more so than ever before. These criminals, along with previously convicted offenders, are burdening our criminal justice system with repetitive petitions for writ of habeas corpus. Many wrongdoers serve a large portion of their prison term and then first bring forth habeas proceedings, after being in prison many years. Such abuse and excessive delay in filing for habeas corpus makes it exceedingly difficult for the courts to recreate the initial trial with its original witnesses and attorneys. S. 2543 confronts this ever-increasing problem by providing for a 3-year statute of limitations for habeas corpus proceedings.

Such provision would prevent the resurgence of cases such as Hawkins against Bennett many years after the original trial. Robert Hawkins pled guilty to a charge of first degree murder in the District Court for Johnson County, Iowa, on May 17, 1926, and was sentenced to life imprisonment in the Iowa State Penitentiary. Not until some 40 years after his conviction, in July of 1966, did Hawkins file a pro se petition for a writ of habeas corpus in the District Court of Lee County, Iowa. After an evidentiary hearing, that court denied Hawkins relief. The State court ruling was eventually affirmed by the Iowa Supreme Court.

In 1968, Hawkins again instituted action in hopes of achieving his freedom by filing a petition for habeas corpus in Federal district court. After reviewing the record of State proceeding, the district court judge found that the same issue had been disposed of by the State court after a full evidentiary hearing. He denied Hawkins' petition

without granting a second evidentiary hearing. On appeal to the Eighth Circuit Court of Appeals, Hawkins charged that the district court erred in refusing to hold a plenary evidentiary hearing on the issues raised in his petition. One should note the obvious difficulties in holding a hearing at such a late date after the trial. Due to the great time lapse, the transcript of the proceedings at which Hawkins pled guilty and was sentenced was unavailable. Although one of the lawyers who originally represented Hawkins was alive and available, he was in ill health at the time the hearing was requested. Both parties failed to call him as a witness in the State hearing, which occurred some 40 years after the trial. Although not condoning Hawkins' delay in filing the petition, the Federal appellate court remanded his petition to the Federal court for a full evidentiary hearing some 44 years after the facts at issue occurred. In doing so, they refused to defer to the findings of the State hearing on the same issue some 2 years earlier. In issuing the opinion, the court did admit that the passage of time between Hawkins' conviction and his request for relief rendered the gathering of evidence difficult; though not difficult enough to require a different result.

I suggest that it is this type of delay in litigation which strains our already overburdened judicial system. The American people need an effective and reliable criminal justice system to properly maintain justice in a world of increasing violent crime.

A step in the right direction—a very strong step—would be the revision of the habeas corpus provisions included in S. 2543 now pending before the Senate.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

Mr. NUNN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

INTERNATIONAL COAL TRANSPORTATION

Mr. WARNER. Mr. President, as Chairman of the Senate Subcommittee on Energy and Mineral Resources, I have scheduled hearings on September 15, 16, and 17 on international coal transportation. The purpose of the hearings is to look at the water transportation of coal and the condition of U.S. and world ports. The goal of these hearings is to improve America's position in the expanding world coal market.

Since these hearings were scheduled, a number of individuals and groups have submitted suggestions on how America's potential in world coal export market could be improved. On June 16, 1982, the Heritage Foundation released a paper entitled "New Opportunities for Coal," written by Milton R. Copulos. I will ask that the paper be printed in the RECORD.

While I have not endorsed any specific proposals, I believe Senators should have the benefit of various points of views. As I receive additional materials on this subject which I think other Senators should review, I will also make them available.

Mr. President, I ask unanimous consent that the paper to which I earlier referred be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

NEW OPPORTUNITIES FOR COAL

After fueling the early stages of the Industrial Revolution in the United States, the U.S. coal industry entered a prolonged period of decline. Following the Second World War, competition from cheaper oil and natural gas, widespread labor strife and growing concern over the environment combined to curtail sharply demand for America's most abundant resource. With the surge in world oil prices that began in the 1970s, though, "King Coal" gained a new lease on life. As a result, coal now promises to become one of America's most important export commodities.

Estimates compiled for the House Merchant Marine and Fisheries Committee show that the United States could increase its share of the coal export market from its present 18 percent to as much as 38 percent by the end of the century. If realized, the increased foreign currency earnings from the new coal trade could add $14 billion annually to the U.S. payments balance. Thousands of new jobs would be created. Most important, perhaps, the ability of the oil producing nations to disrupt the world's economy would be substantially diminished.

To accomplish this, America must take steps to ensure that its ports, railroads and loading facilities can accommodate vastly increased volumes of coal.

The need to do so is urgent. Although the United States' 1.7 trillion tons of recoverable coal reserves accounts for 30 percent of the world total, other nations too are in a position to be major coal exporters. Australia, South Africa, and Canada already provide stiff competition for U.S. firms. Colombia, China, Poland, and even the U.S.S.R. are moving aggressively to market their coal. Given such alternate sources, there is no guarantee that the world will turn to the United States for coal in the coming decades.

Yet, U.S. coal companies enjoy one critical advantage: they are seen as a secure source of supply. It is this view which allows these firms to charge the $4 to $6 premium that U.S. coal currently commands. Should the price of American coal rise too far above its competitors, however, it may find its market fading. This makes the question of port modernization critical to the coal trade's future. Failure to act now could result in American coal costing as much as 40 percent more than its competitors. If this occurs, it is virtually certain that customers will turn to other sources.

Ports play a critical role because transportation charges account for the lion's share of what a customer pays for a delivered ton of coal. Anything affecting these charges thus has an enormous impact on marketability. In the case of coal, which reaches foreign markets by ship, the advent of the "Super-Collier" has sparked a revolution in coal transportation.

Super-Colliers are huge vessels averaging 150,000 dead weight tons (dwt) and requiring harbor depths of up to 55 feet. While these mammoth carriers comprise only about 7 percent of the world coal fleet, they are expected to account for 25 percent by 1985 and 44 percent by 1990. The trouble is, no coal port in the United States can load a vessel of this size; only one, Hampton Roads, Virginia, can even accommodate ships of up to 100,000 dwt.

By contrast, eighteen ports worldwide have the harbor depths of 55 feet or greater to handle the Super-Colliers; there are twenty-four ports with harbor depths of between 45 and 55 feet that can handle ships of up to 100,000 dwt. There are plans, moreover, to deepen several more ports outside the United States to allow them to serve these huge ships. Since many of these deep ports are located in countries that compete with the United States for the coal trade, it is clear that they will gain a major cost advantage over the United States unless American harbor facilities are upgraded.

The responsibility for dredging U.S. ports and harbors has traditionally rested with the federal government. Federal funds have financed port construction and the Army Corps of Engineers has done the work. The lead-time for such projects, however, can be up to twenty-one years—far too long to allow the United States to take advantage of the current opportunity to participate in the rapid expansion of the international coal market. Yet the private sector stands ready to step into the breach and take on the responsibility for making the port improvements. More important, the task can be accomplished without creating new, massive federal subsidies or imposing complicated regulatory regimens.

The renovation of U.S. ports and harbors can be accomplished without spending a single federal dollar. Private sources of funds, within the United States and abroad, have already indicated a willingness to invest in such projects. In fact, Japan is currently involved in providing funds to renovate the port of Long Beach, California. Private capital in Germany and France has also expressed interest in financing port construction.

No new regulations are needed for such projects. Indeed, rather than new regulations, relief from old ones is needed, for regulatory impediments, such as those that create the twenty-one-year lead-times, constitute the single biggest obstacle to improving U.S. ports. What is needed most from government, therefore, is to get out of the way.

The only thing the federal government should do to encourage foreign capital to help pay for U.S. port renovations is to send a clear signal abroad that America is serious

about expanding U.S. coal trade. Washington must also signal that it supports private initiatives to improve the coal transportation system. This signal is needed because, under the Carter Administration, support for coal exports was ambivalent—at best. Although there had been much rhetoric, little was done to make such trade possible, and a great deal was done to make it more difficult. What is needed now is to indicate clearly the renewed national commitment to coal exports and the federal sanction of private efforts toward that end. With these actions, foreign doubts would be dispelled, and America's role in the world coal market assured.

A program to revitalize American Coal transport would include:

Coal Export Zones—Areas designed to take advantage of recent initiatives to streamline the regulatory process for port dredging.

Coal Export Investment Companies—Joint ventures, licensed by ports, to act as magnets for foreign capital and project managers for port renovations.

National Coal Exchange—A private clearinghouse for coal exports that would establish specifications for blends of coal, which would be mixed at the ports, and act as a mechanism to create a commodity market for coal similar to those that exist for other commodities. Its long-term goal would be to help standardize coal grades and establish a stable mechanism for ensuring long-term sources of supply.

Each element of this program is aimed at a particular part of the larger problem of encouraging U.S. coal exports. More important, each uses the private sector or local authorities rather than the federal government. Control of the port renovations would rest primarily with the ports themselves. Financing would come exclusively from private sources. The commodities exchange would also be an exclusively private enterprise. In this way, the three elements of this program would advance the Reagan administration's goals of fostering a New Federalism and privatizing the energy market.

A PRESSING NEED FOR THE PROGRAM

In its review of the procedures employed in authorizing the maintenance and dredging of U.S. ports, Congress found that "The principal causes of regulatory delay . . . are the absence of any rational management approach to the conduct of system wide maintenance and the lack of interagency coordination . . ." (House Report 97-454). In short, there were too many fingers in the pie. To correct this, procedural reforms have been approved, including an "expedited authorization process or 'fast track' for certain deep-draft navigation improvements." The aim of these initiatives is to reduce the lead-time for port dredging from the present twenty-one years to around two and one-half years. The thrust of these reforms, the House Merchant Marine Committee said, is to "restore the traditional primacy of the state [governments]. . ." in port construction.

Accomplishing the necessary port renovations will take more than procedural reform; it will take a great deal of money. Outlays for a single dredging project can easily run as high as half a billion dollars. It has been estimated that as many as ten deep-draft ports may ultimately be needed to accommodate the expanded U.S. coal trade. Other necessary improvements—such as the addition of loading facilites, storage yards and special blending areas—could cost twice again as much. In a time of budgetary constraint, the $15 billion expenditure that upgrading U.S. ports would entail most certainly would encounter strong opposition in the Congress. Only private sector alternatives, therefore, hold real hope of addressing this problem in a timely fashion.

Financing the necessary U.S. rail system improvements presents a similar problem. Although the federally controlled portions of the rail system, such as Amtrak, receive a subsidy, they represent only a small segment of the overall network. As such, the $10 to $12 billion needed to upgrade the non-federal sections of track must come from private sources.

Given the fact that $25 to $27 billion is likely to be needed over the long run to make America competitive in the international coal trade and that public funds are unavailable (but should not be) for this purpose, it is clear that private sector alternatives are needed. Coal Export Zones represent one approach to providng such alternatives.

COAL EXPORT ZONES

Coal Export Zones are designed to provide a mechanism whereby local port authorities can take advantage of the "fast track" procedural reforms approved in congressional committee. They would provide the infrastructure to facilitate the approval process, and would be a local licensing agency for Coal Export Investment Companies and Coal Exchanges. The Coal Export Zones would not, however, have any regulatory authority, so that the procedural reforms to expedite the port renovation approval process would not be undercut by regulations promulgated at the local level.

To establish a Coal Export Zone, the local port authority would select a board of governors of three to five members and apply to the Secretary of Commerce for designation as a Coal Export Zone. Approval would be automatic and would qualify the port to use the "fast track" procedures for dredging and maintenance. It would also allow the port to license Coal Exchanges and Coal Export Investment Companies. The port would also be allowed to use existing authority to issue Industrial Development Bonds in connection with such projects.

The designation would not be limited to specific ports or to any specific number of ports. This will allow as many port renovations as the market will support, eliminating the competition for the federal dollars that currently finance such projects.

COAL EXPORT INVESTMENT COMPANIES

Coal Export Investment Companies would be joint ventures that could be licensed by any U.S. port authority or combination of port authorities. Partners in the joint venture could include: (1) mining companies, (2) railroads, (3) barge lines, and (4) coal buyers, including foreign governments or corporations. Their purpose would be to invest in projects that would improve the physical infrastructure and marketing system for coal exports. These projects could include: (1) port and waterway improvements, (2) portside facilities and (3) coal preparation facilities such as blending stations and washing terminals. The Coal Export Investment Companies also would be allowed to invest in upgrading the "upriver" elements of the coal export transportation system such as railroad track and loading facilities.

The Coal Export Investment Company is intended to act as the "magnet" for foreign capital. It would give foreign investors an opportunity to participate not only in the financing of port renovations, but in the actual projects themselves. This would serve to reinforce foreign commitment to using U.S. coal in two ways. First, overseas interests would have an opportunity to own a portion of the terminal's loading facilities and other privately held operations at the port itself and would expect a profit from their use. Second, since their investment would be repaid through assessment of user fees, it would be in their interest to ensure that coal moves through the port.

Coal Export Investment Companies also would receive a congressional "charter." Although the charter would carry no special privileges, it would provided a governmental sanction for such ventures. Since most overseas purchasers of U.S. coal operate through governmental entities, they would place considerable credence in the legitimizing effect such sanctions would have. Therefore, this sanction is an important, albeit largely symbolic, stamp of approval.

COAL EXCHANGES

A basic flaw in the present system of marketing U.S. coal is that some ten thousand different grades are being sold. This situation is an anachronism dating from the time when coal boilers were far less sophisticated than they are today and when much of the coal produced was used relatively close to where it was mined. As a result, many large industrial and utility boilers actually are designed to burn coal from a specific mine. As the market for coal expands, though, it is clear that the lack of standardization introduces a substantial and unnecessary inefficiency into the utilization of this fuel.

Coal Exchanges would permit a gradual process of standardization of coal. Instead of specifying a particular mine, a coal customer would instead specify a set of desired characteristics. Various types of coal could be analyzed to determine what combination would produce the desired effect, and they could be blended at the port before loading. Once a blend was established, it would then be listed on the exchange with a designation tying it to a particular blending station—say New Orleans No. 5. If another customer at a different port wanted to purchase coal with similar characteristics, it would be necessary only to blend the coals available in that region to achieve the mix of New Orleans No. 5. Over the long run, as boilers became more standardized and were designed for blends rather than for the coal from a specific mine, the number of grades would be sharply reduced, bringing down the cost.

An exchange also would allow customers to seek the lowest price. If a mine were underutilized and willing to discount its product, it could be used in a blend. As such, a potential buyer could make minor adjustments in the mix to take advantage of the discounted coal and offer the ultimate user a lower price.

The standardization of coal and use of blends also could help to utilize more fully America's coal resources. For example, coal from Wyoming's Powder River Basin has a very low sulfur content but has a low heat content as well. As a result, it is unsuitable in some applications. Conversely, coal from Ohio has a high heat content, but also has a high sulfur content. Blending these two could result in a coal with relatively high heat content and low sulfur content. Other specialized blends could help use coal more efficiently. The key, however, is that a desired set of characteristics (say high heat content and low sulfur content) could be

achieved through blending without linking a buyer to a particular mine.

CONCLUSION

Expanding U.S. coal exports is an opportunity for a private sector initiative. The port and harbor renovations and improvements to the rail transport system could be accomplished more efficiently by private firms than by the federal government. Since substantial foreign capital probably would be willing to underwrite these projects, moreover, the expansion could take place without adding to the federal deficit or to the tax burden on the public.

From the viewpoint of foreign investors, the projects should be very attractive. By being full participants in the port and the harbor renovations, they could profit from the actual construction and from the financing. More important, they would be taking a crucial step toward assuring themselves a secure energy supply at a time when they are tempted to increase their dependence on the Soviet Union for energy.

For the Reagan Administration, the three-point program of Coal Export Zones, Coal Export Investment Companies and a Coal Exchange presents an opportunity to take a concrete step to implement its goals of privatizing the energy market and implementing the New Federalism. It could do this without adding new pressures on the budget.

According to the Draft Report of the Inter-Agency Coal Working Group, the U.S. could be exporting from 475 to 565 million tons of coal by the year 2000. To achieve this ambitious goal, the nation must have the port facilities and rail system these volumes will require. Should the U.S. fail to move now to put them in place, it may lose a golden opportunity.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is closed.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 58) proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

The Senate continued with the consideration of the joint resolution.

AMENDMENT NO. 2001

(Purpose: To permit the President to disapprove or reduce an item of appropriations)

The PRESIDING OFFICER. The question is on the amendment of the Senator from Illinois (Mr. DIXON).

Mr. DIXON. Mr. President and Members of the Senate, Senate Joint Resolution 58, the balanced budget constitutional amendment, sets out an objective on which everyone, I believe, can agree. It is clear that Federal spending needs to be restrained, and that we cannot continue to spend money that we simply do not have.

In fiscal year 1983 interest expense is projected to consume over 13 cents of every budget dollar, over $115 billion.

Total Federal debt now exceeds $1 trillion, and unless we put more discipline into Federal budgeting procedures we will be leaving our children and future generations a legacy of crushing debt. We will be leaving them an economy strangled by debt.

Senate Joint Resolution 58 attempts to provide a tool that will put more discipline into Federal budget-making procedures. I understand the motivations of its sponsors, and I strongly support their objectives.

However, I do think there are real problems with the proposed amendment, problems that make me question whether it will work effectively and actually produce a balanced budget.

One of the principal problems is that it puts the entire burden of balancing the budget on Congress. While I realize that the power of the purse resides in Congress and, therefore, Congress must play the primary role, I also know it is difficult for the 535 Members of Congress collectively to provide the leadership necessary to bring the budget back into balance.

To accomplish this objective the President of the United States must be brought into the budget process to a much greater degree than envisioned by this proposed constitutional amendment. Only the President can provide the leadership necessary to solve our overriding fiscal problems.

I understand, Mr. President, that a number of amendments have been filed to Senate Joint Resolution 58 that attempt to accomplish this objective, for example, by requiring the President to submit a balanced budget to Congress. However, I think we need to go further. I think we need to give the President an additional tool so that he can more effectively provide the leadership needed in the budgeting process, and that tool, Mr. President, is the item veto.

The item veto is not a new idea. In fact, the first proposal to add an item veto provision to the Federal Constitution was introduced, believe it or not, in 1876. Since that time over 140 line item veto proposals have been introduced in Congress. However, Congress never acted on any of the proposals, and only once was there ever even a hearing on the idea.

From this history it might appear that the line item veto is a bad idea or at least a very unpopular, politically unworkable, idea. A closer look, however, proves exactly the opposite.

Forty-three States—43 of the 50 States—have item veto provisions in their State constitutions, many of these provisions dating back to the Civil War era.

The States have item veto provisions in their constitutions because they think they are needed; because they work, and because they strengthen the budgeting process. An item veto provision helps to reduce logrolling and reduces the number of riders on appropriation bills.

I know these practices are dear to the hearts of many legislators, but they work to undermine the ability of Congress to budget in a fiscally sound and in an effective manner.

I have not been in Congress for a very long time but, Mr. President, I have been in politics now for almost 33 years, and a major portion of that time has been spent in legislative bodies, 12 years in the Illinois House of Representatives, 8 years in the Illinois State Senate, in both bodies in leadership capacities, so I think I can speak from some experience in this area.

All too often both here and back in Illinois legislators attempt to put spending proposals opposed by the Executive into "must" legislation that the Executive cannot veto.

In Illinois, however, as in 42 other States, the Governor can do something about it. He has an option that the President of the United States does not have. His choice is not simply to either veto the entire bill or sign it; he can veto or reduce the individual item.

Mr. President, the amendment I am offering is designed to give the President of the United States the same options that the Governor of Illinois, and the Governors of 42 of the other 50 States have. It would allow the President to veto or reduce any item of appropriations, with the exception of items affecting the legislative or judicial branches, as an alternative to vetoing an entire appropriations bill. The procedure for override of an entire bill would not be changed. Vetoes or reductions of individual items of appropriation, however, would be able to be overridden by a constitutional majority—that is a majority of the Members duly chosen and sworn—rather than the two-thirds vote required to override the veto of a bill.

The amendment is sensible, well balanced, and greatly needed. It strengthens the President's role in the budget-making process without undermining the congressional power of the purse. It will help to restrain spending without upsetting the careful set of checks and balances among the three branches now contained in our Constitution.

Mr. President, I think it is worth examining this last point in somewhat greater detail, because I know how important a point it is. My amendment gives the President an additional option, enhancing his power in the appropriations area. But it also preserves the powers of Congress, by making it

easier to override an item veto than the veto of an entire bill.

Under this approach, the President would be able to focus the attention of the Congress and the country on those particular items of spending he believed were wasteful, inappropriate, or unwise. Congress would then have to decide, as it does now, whether to insist on the particular spending proposal, the objections of the President to the contrary notwithstanding. However, it would not take an extraordinary majority to do so. A simple, constitutional majority would be sufficient.

The history of the urgent supplemental appropriations bill that was finally recently signed by President Reagan clearly demonstrates the need for this amendment. President Reagan vetoed that bill twice. At least five different versions of the bill were pending before the Senate at various times. While Congress and the President fought over the housing stimulus package and other issues in controversy, many programs not in dispute were either brought to a standstill or nearly so. Major parts of the Government once again went to the brink. Social security checks were nearly not mailed, thousands of government employees were unnecessarily laid-off, and many worthy and necessary government activities were curtailed.

If the President would have had the item veto power at his disposal, the legislative torture that the urgent supplemental bill went through would have been largely unnecessary. The President could have reduced those items of spending he considered too large, and vetoed those others he opposed altogether without having to veto items not in controversy. Debate, and public attention would be clearly focused on the issues truly in controversy. The innocent hostages—programs not in controversy—could have been freed.

Mr. President, the item veto makes it possible for States to restrain spending growth. It provides a means to exercise effective discipline on State budgets. It is time to make use of the State experience at the Federal level, to take their example and put an item veto provision in the Federal Constitution. The item veto works, as the States have demonstrated. I urge my colleagues to include an item veto provision as part of Senate Joint Resolution 58.

Mr. President, the budget in my State of Illinois, one of the largest States of the Union, this year is $14.2 billion. I have asked the chief fiscal officer of that State, Dr. Mandeville, to supply me with information on the dollars saved by the chief executive of the State of Illinois by line item vetoes in the last several years. I am sorry I do not have it with me today, but in the near future I will be able to put that information in the RECORD.

But I am prepared to state that over the years the line item veto strength and power in the Governor of our State of Illinois has saved millions of dollars every year. If comparable authority was available to the President of the United States, we could save this year perhaps as much as $30 or $40 billion or more.

The Senate recently had to struggle for days and go through the night into the morning to pass a tax bill that involves over the life of the bill something short of $100 billion. Yet, the amount it raises by taxing the people of this country every year over the next 3 years is probably less than we could save by giving this power to the President of the United States of America.

I suppose the problem with being a freshman is you have not learned enough in this body to be able to tell what the rules are, because I guess the rules have been for 100 years here that we ought not to give the President of the United States a line item veto power.

However, 43 of the 50 States have this power. In every one of the 43 of those 50 States it has worked. Just think of it. Eighty-six of us in this body out of the 100 come from States where this power is used, and it is used effectively, but we will not give this power to the President of the United States of America, the same power that our States have given to their Governors. Now, how can that make any sense?

I just want to say this in conclusion, Mr. President. I do not come here with any idea that this amendment is going to meet any success this morning. I suspect those on my side largely are going to shrink from it and I suspect those on the other side largely are not going to vote for it because they have already pledged their honor and their conscience in caucus that they are not going to support any amendment to keep this from being a so-called "clean" amendment when it leaves this body.

And that disappoints me. We see good sense and we know it is good sense, and yet it will not happen.

All of this paperwork we are doing here on Senate Joint Resolution 58, all of these efforts mean less than this one single amendment. This one amendment would save more dollars for American taxpayers in the next several decades or in the next century than anything that has been done in this body in the last five decades.

Somebody asked the other day, "Do we learn anything from history?"

I would say that the answer is no. If history has shown us one thing, it is that one of the principal tools of the chief executive of every State is the line item veto. It is useful and it is used every day. It is valuable and saves millions of dollars for the taxpayers.

This amendment does not legitimate impoundment. This amendment does not permit a President to take money and hold it hostage with Congress not being able to work its will. Under this amendment, Congress will have the power to override an item veto by a constitutional majority when it thinks it is of sufficient import. If there was a poll taken of the people of this country, if they could vote on this question, it would pass overwhelmingly.

Incidentally, before the question is raised later, this amendment does not in any way conflict with what my distinguished colleague from New Mexico (Mr. DOMENICI) did earlier on another occasion with respect to impoundment. It does not conflict with it. I urge my colleagues to look at the item veto in this moment of truth. I ask you to demonstrate that we really care about a balanced budget, that we want to have a useful tool that will protect taxpayers. I thank the Senate for its time and urge adoption by the Senate of amendment 2001 to Senate Joint Resolution 58.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield myself such time as I may require.

Mr. President, I rise in opposition to this amendment. This amendment would give the President authority to reduce or veto appropriation items except for those of the legislative or the judicial branch. That power, although sought by Presidents for years, should not be a part of this resolution for these reasons:

First, the committee has not had an opportunity to study this matter, its ramifications, and its projected results, or consider it in conjunction with the pending resolution.

Second, the amendment changes the constitutional requirement that two-thirds of both Houses override a Presidential veto.

Again, the committee has not had an opportunity to consider the constitutional implications of that change.

If the Senator would introduce this amendment as a separate constitutional amendment, I am confident the Committee on the Judiciary would give it careful study and consideration. But, Mr. President, we cannot insert into this constitutional amendment every reform that we think would be helpful from a fiscal standpoint or any other standpoint.

This amendment we are offering is a constitutional amendment to mandate a balanced budget. We cannot put into this amendment a lot of things that may be helpful, a lot of reforms that may improve the economic conditions in this country. This amendment is drawn for the purpose of accomplish-

ing a balanced budget and we believe it would be a mistake to inject other matters into it which might be confusing or might cause the defeat of this amendment, either in this body or in the other body.

The able and distinguished Senator from Illinois has made a fine argument here and I commend him, but I do not think this is the place for this amendment. When he finishes his rebuttal, if he has one, I expect to move to table the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON. Mr. President, I yield myself such additional time as may be required to respond to my distinguished friend from South Carolina who has done such a marvelous job in presenting this amendment. I would like to make two points in response to his arguments.

First, my colleague has suggested that there was not time to take the opportunity to study this question.

Mr. President, how much time do we need? This question has been before the Congress since 1876. That ought to be sufficient time. That is 106 years. We work slowly around here, but from time to time we get something done within 106 years.

Second, my friend says that adoption of this amendment may defeat Senate Joint Resolution 58. Let me say this about that practical question. I was chairman of the Judicial Advisory Council in my State and the leader of my party in the Senate when we drew a new constitution and offered it to the people of Illinois in 1970. One of the central features was broadening and strengthening the line item power of the Governor, to even give him a right to make amendments to appropriation bills to improve the strength of the bills.

That was debated in every public place in my State. That proposal was accepted. After almost 100 years, my State adopted a new constitution, largely on the strength of this clause.

Why? Because the people of my State wanted to control expenditures.

I have no illusions about the number of votes this amendment will receive, given the way things have been going the last several days on Senate Joint Resolution 58, but I want to say there is absolutely, positively nothing in Senate Joint Resolution 58—nothing—that would do as much for the taxpayers. There is nothing that has the strength in protecting the purse, there is nothing that has the power to take money out of the budget and save billions that is as important as the amendment I am offering.

I conclude by saying this: My distinguished friend from South Carolina, my distinguished friend from Virginia, and others here have made eloquent speeches over the last several days about how this balanced budget is needed because the Federal Government is running rampant and Congress has spent too much money for decades and decades. What they have not said is that the States are not guilty of that. The States do not do that. Why? Why are the States not guilty of it and the Federal Government is?

The simple reason is that in 43 of the 50 States of the Union, the chief executive has a line item veto power and in the Federal Government, the Chief Executive does not. That is the difference. It is the reason and it is the substance of why my colleagues ought to adopt this amendment.

I earnestly entreat them to adopt it.

I yield back my time, Mr. President.

Mr. DECONCINI. Mr. President, will the Senator from South Carolina yield me some time?

Mr. THURMOND. I yield to the distinguished Senator from Arizona such time as he may desire.

Mr. DECONCINI. Mr. President, I compliment my colleague from Illinois for his outstanding argument to the Senate this morning in support of his amendment. I want to tell the Senator that, notwithstanding his eloquence or his vast experience in State government that I defer to, my concern about a line item veto is that it seems to me if we grant this authority to the President, we are asking for a head-on collision. He has the right to veto any bill that is before him and I would hate to see him single out a special item such as unemployment compensation, for which the administration, has said it will not support an additional 13-week extension.

I should hate to see the President single out the MX missile and decide to veto that if Congress had decided to go ahead. I should hate to see the President single out a water reclamation project that would be very dear to some of us westerners.

I realize that the Senator's amendment provides that Congress can come back and override that. It is my interpretation of the Senator's amendment that it would take a constitutional majority to override the line item veto.

Mr. DIXON. That is correct.

Mr. DECONCINI. I submit, Mr. President, that in light of the will of Congress, which is supposed to be representative of the people, I am very reluctant to see the wisdom of granting this added authority to the President. I agree with the Senator from Illinois that many States provide for a Governor to line item veto in some cases and that it appears to have worked well. But I see a great difference between the States and their budget problems and giving that much authority and power to the President in line item vetoes.

Take the last administration as an example. The last administration came out with a "hit list" for water projects, reclamation projects. They did not veto the bill, but they certainly could have vetoed those had they had the line item veto. I suspect they would have exercised that among many of those 18 projects that they put on their "hit list" had they been able to single out one or two line items that they would have wanted to veto. I would feel very uncomfortable about giving that to the President. The lifeblood of my State and many States are many reclamation projects to deliver water for productive agriculture and for future development.

Mr. DIXON. Will the Senator yield?

Mr. DECONCINI. I yield to the Senator.

Mr. DIXON. My friend knows my great affection for him and I understand the points he is making. I wonder if he will yield for this question.

First, unemployment compensation is something the Senator mentioned. An amendment by Senator METZENBAUM lost, 47 to 48, on the tax bill last week. I voted for it. The MX missile, I voted for, as did the Senator. But I ask the Senator this question: If, in the wisdom of the President, he thought either of those was a mistake, does he not think the President ought to have the power, subject to our override, to veto that line item? Then it would come back to us, requiring a constitutional majority of 51 here and a constitutional majority of 218 in the House to override. Is that not the way to do business, in the Senator's opinion?

Mr. DECONCINI. I am concerned about that. If the President feels so strongly, he should veto the whole bill and not single out one particular judgment item. That is where the distinguished Senator from Illinois and I disagree.

I wanted to explain that to the Senator because I have the utmost respect, particularly, for the many, many years the Senator has been in State government and his superior knowledge of their legislative processes. I am speaking more perhaps as a lay person. I have only been in the legislative process for 6 years now and that is my reaction to it. I welcome hearing the arguments. Maybe the Senator has some more that can convince some of us. But that is my concern and it is a real concern.

I would like to agree with the Senator from Illinois, but I have those reservations about picking out one weapons system that this body would choose as being absolutely necessary and having the President veto it.

Mr. DIXON. Of course, the Senator will understand that when the President vetoes an item, he has to go to the country and take the responsibility, just as each Senator goes to his State to defend his decision. That is

the political system we live in. It is a grand one. That is why we love it so. The President does not use the item veto without thinking it through carefully, both as to its importance to the country and, as a politician to some extent, the political realities of it.

I ask the distinguished Senator from Arizona what is the problem with that? Why does it violate what we love in this democratic system of ours?

Mr. DECONCINI. I would not say it violates what we love in the democratic system. What it violates, in my opinion, is the process that has worked so well now in the federal system we have. The constitutional system has not broken down in my opinion, because of the lack of a line item veto. It is broken down because the discipline of Congress has been lacking for too many years—at least the last 50 years—to really address the problem of over-expenditures. If I thought this was going to cure that, I would have far more empathy for the Senator's amendment.

Mr. DIXON. Let me ask one more question of my distinguished friend. He talked about the water projects. I understand the Senator's concern. We have some projects in my State we feel strongly about. I would be the first to admit there are some I would support in other States, some I would not support. I imagine there are some in my State the Senator might feel the same about.

The Senator mentioned 18 water projects. The President might feel perhaps two of them are not important to the country, the rest are. I ask the Senator why the President should not have the right to take out these two he thinks are not important to the country.

If it offends the Senator from Arizona, he can come to the Senator from Illinois, to the Senator from New York, to the Senator from Kentucky, to the Senator from North Carolina, the Senator from South Carolina, or anybody else he wants to go to, to try to pass what he wants over the line item veto of the President of the United States. Is that not good for the country?

Mr. DECONCINI. I only respond to the Senator that it seems to this Senator that what is good for the country is for the will of Congress to prevail. That will of Congress so far has gotten out of hand in the last 20-some years. That is why we are discussing the constitutional prohibition of deficit spending unless we have three-fifths. Now to go that further step and provide the President with this exorbitant power to single out two reclamation projects or to single out unemployment compensation that this House and the other House might pass—and I hope we get an opportunity to do it, because I joined the Senator from Illinois in supporting the amendment of the Senator from Ohio a couple of weeks ago. I am concerned that that would jeopardize the ability of this deliberative body and the House to come forward with what we believe is in the best interest of the economics of the country.

Mr. DIXON. I ask the Senator why, in the urgent supplemental appropriation bill of a few weeks ago, the social security checks were jeopardized and almost held up and Federal workers were laid off because of a dispute between the Chief Executive and those of us in this place about the Lugar amendment? I say to the Senator that we ought to have been able to separate that out. The President could veto it and we could try to override. It seems to me that that makes good sense for the country, for the Congress, and for the Chief Executive.

Mr. DECONCINI. That makes sense.

Mr. CHILES. Will the Senator yield?

Mr. DECONCINI. I will be glad to.

Mr. CHILES. I just want to say that I normally——

Mr. THURMOND. Mr. President, does the Senator want some time?

Mr. CHILES. Yes; I would like some time.

Mr. THURMOND. Mr. President, I yield to the Senator such time as he likes.

Mr. CHILES. I say to the Senate that while I normally agree with my good friend from Illinois and I find that from his past experience in the State of Illinois he brings much wisdom to the Senate, I feel something has happened in this amendment because I do not see the same kind of wisdom and light that I normally see from the Senator. I wonder if he has thought this amendment through completely.

We have talked a long time about the separation of powers in trying to set up a government where we would have a system of checks and balances of power. We were afraid of a king to start with. We wanted to make sure that we did not have a king. We wanted to diffuse power, so we diffused power by putting some power in the legislature and some power in the courts, as well as some power in the executive branch. We have said that the executive branch has the right to propose but the Congress has a right to dispose. And yet, if we allow a line item veto, then I think you shift the power and give tremendous additional power to the Executive. I think it is always hard in debating this type of issue to get the personalities out of it. Senators get into the situation of who happens to be President at the time.

But I think we are now talking about a change in the Constitution that is going to be with us for maybe the next 100 or 200 years if we put it in. We need to determine what would be some of the results if we had the line item veto. I think it would tremendously diminish the powers of the Congress. We need to understand what happens in most line item vetoes. Based on our experience with impoundment issue, most line item vetoes are going to be smaller items. They are not going to be the Lugar bill. The Lugar bill usually is a question of national importance. It stands more on its own. The President will always veto an entire bill if he is opposed to something of large scope. With the line veto, you are going to give power to the Office of Management and Budget like Senators never thought about before. You are going to give power to midlevel bureaucrats like Senators never thought about before, because those midlevel audit fellows are going to look through a budget and say, "I do not like this little program in here. I never have liked that program. We will line item veto it." That is going to be a line item veto. It is going to bring a recommendation from whoever is the Director of OMB at that time. That direction will go up. The President would check off on it without any public discussions. In any appropriation bill, you are going to have hundreds of little line items vetoes.

And again, you are trying to talk to the Congress to try to get it to override the veto on your little line item on a program that may be something that is important to the poeple of your State.

Remember, our committees are the ones that hold the hearings. Our committees are the ones that listen to people. Our committees are the ones that find the facts and really hear the people, not some mole who is buried in his office looking at the numbers in the Office of Management and Budget. He is never accountable to anyone. He is not elected by anyone. He does not have to answer to anyone when he makes up his mind, "I don't like this kind of program." And so that is going to go on the list of the line item veto. You are giving that fellow tremendous power. You are giving him power so that we will never be able to know who is the mole that cut my program, never have a chance to have a discussion with him.

You are talking about a line item veto. You are not going to be able to get a meeting with the President about half of these little line item vetoes. You are not going to be able to get the attention of the Congress because it is a small thing. After all, we do not want to try to muster up a two-thirds vote to take care of this little line item veto. If it is the Lugar bill, yes. Something of that import, yes. You are going to have that and, of course, the President has the right to veto it. But now, when we pass an appropriation bill, the President has to

weigh that bill on its merits. He has to weigh that bill as to whether he thinks the numbers are too big overall or if the overall philosophy is wrong. Then he has to come down on it. But he cannot have his moles, those bureaucrats that are buried at OMB that the Senator and I will never be able to see, will never be able to talk to, write those line items out.

Now, there is another thing that I want the Senate to know about what we would be doing if we put this line item veto in the Constitution. We put prohibitions in appropriations bills. We prohibit moneys from being spent for certain items. That is how we exert our check and balance over the Executive, particularly with regard to regulations. Those prohibitions are gone. Senators are not going to have the privilege or the right that they have enjoyed in the Congress, and the courts have sustained that right, to be able to say, "none of the funds can be used for this purpose," because, bang, those are going to be gone in the line item veto. What you are doing, you are allowing bureaucrats in OMB to rewrite, redo, and recast the work that elected officials do, the work that we do after we hold our hearings, the work that we do after we listen to witnesses, the work that we do after we go on field trips. You are going to foreclose the public's right to make its input in spending decisions.

All of that is going to be completely recast if you put the line item veto in. You are then going to be giving to the executive branch, really to the Office of OMB, the right to literally rewrite the appropriation bills because they will be able to reduce or delete any item. They will put their imprimatur on it and will say, "We don't accept these line items, we don't take these programs."

The Senator from Illinois might have a project in his State he thinks is important, his people think is important. He has held hearings on it. He gets the committees and the whole Congress to agree to that project, but that mole in OMB looking out from under his eye shade can decide, "Nope, I don't think we ought to do that." Boom, the line goes through that item. Then the Senator from Illinois is going to have a tough time being able to convince the whole Congress that we ought to stop the process, that we ought to override by two-thirds vote in both Houses that little line that is drawn through his project.

I want to protect the Senator from Illinois from having that happen to him, and I hope the rest of the body will protect him in that regard, too. I think we would be making a terrible mistake if we granted this kind of power because, as I say, you are not really granting that power even to an elected official. You are granting it to people who are totally unaccountable and will be unaccountable in the system.

Mr. President, I oppose the amendment offered by my good friend, Senator DIXON of Illinois. This amendment would provide the President with the authority to veto individual line items in appropriations bills. I believe this would make an unwise change in the separation of powers and undo the careful system of checks and balances which was so carefully worked out by our Founding Fathers.

The basic separation of powers is that Congress writes the laws, the President executes them. There are two key checks and balances; if the President disagrees with legislation, he can veto it, subject to override by a two-thirds majority of both Houses. On the other side, Congress can check the power of the President by writing legislation that overturns Executive action, such as rejecting a regulation.

This amendment totally undermines that system, it empowers the President to "reduce or disapprove" any individual item in any appropriation bill. Effectively, that lets the President rewrite the bill, by deleting any particular item, whether it is higher or lower than he likes. It also eliminates Congress checks on the executive branch. If we put a provision in an appropriation bill that overturns a regulation, or cuts some pet project of the President's, the President would have a line-item veto over that provision.

Mr. President, last September, the distinguished majority leader offered an amendment to the continuing resolution, which made a 4-percent across-the-board cut, with discretion to the President about how much should be cut from each program. I predicted at that time, that as the budgetary situation got tougher and tougher, the temptation would grow to pass responsibility over to the President. This amendment shows one more way to pass the buck on fiscal responsibility.

Congress has been embarrassed several times in the last 2 years by having appropriations bills vetoed by a strong President. I have sat on the Appropriations Committee, and I can tell my colleagues that the threat of being vetoed has had a real chilling effect on the number and amount of amendments added on. Now what would happen if the President had a line-item veto power? We would have a field day. We would add to program after program, making all our constituents happy, and never have to look at the bottom line. We could pass that responsibility over to the President. He could cut the bill back down to size and be the spoil-sport.

I say to my colleagues that is not what we are elected for. We are elected to be responsible for the laws we write and the money we spend.

The whole purpose of Senate Joint Resolution 58 is to increase the responsibility of Congress for taxes and spending, and get our eyes focussed on the bottom line. I seriously believe that giving the President this extra power would turn out to relieve Congress of this responsibility.

I would also like my colleagues to focus on the damage this amendment would do to open Government and public participation.

As I have pointed out before, the popular cartoonist's image of Congress is that we spend our time selling votes to fat cat lobbyists, and that is what drives our actions on Federal spending decisions.

We all know that is not how we spend our time here. All of us, but particularly those of us on the Budget and Appropriations Committees, spend most of our time meeting with people from our States who know how the Federal programs are actually working. We meet with school board members and teachers who tell us about education programs. We meet with farmers who know which agricultural programs, like how eradication of animal and plant diseases are working, and which are failing. We meet with local officials, environmentalists and businessmen about the impact of community development and public works programs. We know that the bureaucrats in Washington have no monopoly on knowledge, and we get local expertise and local knowledge. And we keep our office doors open to all those citizens, and we use that information in writing appropriation bills.

The staff at OMB and in the agency budget offices do not talk to all these local citizens and get their views. Yet that is who makes the recommendations on what items to accept and what to reject. For example, the negotiations on what was in the last urgent supplemental appropriation, after three vetoes, was carried on with David Stockman, not with the President, I am sure the President knew he was vetoing $3 billion for mortgage assistance. But I am equally sure that he depended on staff to deal with all the small items like child health, summer jobs, refugee assistance and the WIN program.

Let me say to my friend, the Senator from Illinois, that we all depend on our professional staff, particularly our committee staff, to tell us which are good programs and which are turkeys. But we also learn that our own staff have views and biases, and we come out here on the floor and talk to our colleagues about programs, and we make many changes in what the committees report. We do not give any member or his staff, or even a committee, final say over what will be in a bill.

Finally, Mr. President, I would like to speak to the issue of whether the President has sufficient authority to

control spending without giving him a line-item veto.

Certainly the events of the last 2 years have demonstrated how a strong President can use the currently available authority. This President has vetoed several major appropriations bills and continuing resolutions and he has not yet been overridden on those issues, despite the fact that he has vetoed popular programs that passed each House by 70 to 80 percent majorities.

The President has tremendous power to mobilize the country behind. He speaks with one voice, and the people and Members of Congress look to him for leadership.

Anyone who has sat in on an Appropriations Committee markup knows that the President's budget is our starting point. Our hearings begin with having the Budget Director, Secretaries and program directors up to explain and argue for the President's budget. So his views are always heard and taken into account. When we bargain over whether a bill will be signed or vetoed, we discuss the items in that bill. So the President has lots of input.

Giving the President line-item veto authority would go beyond letting him bargain with Congress. He would be able to decide, and Congress could not even bargain with him. To say that Congress could override his proposal to reduce or delete an item is to say that the President will write legislation and Congress will only approve or disapprove.

The net effect of this amendment would be to make OMB the Appropriations Committee. Our appropriations bills would become like authorizations, where we would set a total cap on spending, and the President would decide how much to spend within that cap.

Mr. HATCH. Mr. President, I rise in strong opposition to the proposed amendment by the gentleman from Illinois (Mr. DIXON). This amendment would establish item veto authority in the President.

During the course of debate on Senate Joint Resolution 58, both in committee and on this floor, the managers of this bill have resisted efforts to use the proposed amendment as a basis for altering the constitutional separation of powers. We have preferred to limit the debate on Senate Joint Resolution 58 to the wisdom of the balanced budget requirement, to the wisdom of the requirement that Members be made more fully accountable for their legislative actions, rather than to the issue of reallocating the balance of powers among the three branches of the National Government.

In this regard, we have opposed efforts to constitutionalize the role of the President in the budget proposal process, we have resisted efforts to eliminate the President entirely from the budget process, we have resisted efforts to strengthen the judicial role, and we have resisted efforts to diminish the judicial role. In other words, we have tried as hard as possible to maintain the present equilibrium among the three branches of the National Government. I believe that the present amendment would effectively maintain that equilibrium.

The amendment of the gentleman from Illinois would, of course, add a significant new power to the executive arsenal. At this point, I do not wish to comment, one way or the other, on the substantive merits of the item-veto issue. I strongly believe, however, that its inclusion would be wholly inappropriate for the present amendment. The item-veto issue deserves to be debated in its own context, not in the context of the present amendment. Because it would markedly alter the existing separation of powers balance in the Constitution, I do not believe that it would be prudent to deal with the item-veto issue in the pending constitutional amendment. I urge opposition to this issue. I do, however, wish to praise the gentleman from Illinois for raising an issue that perhaps merits serious consideration at some point in the future.

Mr. THURMOND. How much time do we have left on each side?

The PRESIDING OFFICER (Mr. HAYAKAWA). The Senator from South Carolina has 10 minutes and 40 seconds. The Senator from Illinois has 5 minutes and 55 seconds.

Mr. THURMOND. Mr. President, the idea proposed here by the distinguished Senator from Illinois is one that has been considered in one form or another since this country was founded, since our constitutional form of government was organized. It is one that a great many people feel very strongly about.

Mr. President, this is not the time or place to consider this amendment. If we are going to get Senate Joint Resolution 58 through Congress to balance this budget, we have got to pass it, in my judgment, like it has been introduced and with the slight changes that have been made. We must not load it down with other matters that will be controversial. The amendment by the Senator from Illinois is such an amendment. I can see that now. The able Senator from Arizona spoke about it, the able Senator from Florida spoke about it, and there will be others who would probably take an opposite position.

However, I commend the distinguished Senator from Illinois for bringing up this matter. It is a matter that deserves attention.

If he will introduce a constitutional amendment, I will see to it, as chairman of the Judiciary Committee, that he has a hearing on the amendment. I assure him that will be done, at which time both sides can be heard and the matter can be aired fully; and if the Judiciary Committee approves, the amendment will be reported.

In view of that, I wonder whether the able Senator feels that it would be wise to withdraw the amendment and introduce it as a separate amendment.

Mr. DIXON. Mr. President, I thank my distinguished and warm friend, the chairman of the Judiciary Committee, for that very kind gesture. His word is good, and that is well known in the Senate. If he suggests to me, as he has done privately and now publicly on this floor, that a constitutional amendment provision that I introduce will be given a full hearing in his committee, I take his word as to that, because I know it is good.

Mr. President, with that understanding and with the kind words of the distinguished Senator from South Carolina, I am willing to withdraw this amendment; and at an early date I will offer a proposed constitutional amendment provision directed at the line item veto question.

I thank the chairman of the Judiciary Committee for giving me the assurance that the matter will be heard in his committee.

Mr. THURMOND. I thank the Senator for pursuing that course. I have talked to the chairman of the Subcommittee on the Constitution, and we are both in accord that it would be proper to have a full hearing on this amendment.

The Senator did make one change that contravenes other sections of the Constitution in overriding the veto by a majority. He may wish to follow the usual two-thirds. However, that is a matter he will have to consider.

Mr. President, in view of the fact that the Senator has withdrawn his amendment, we can yield back our time.

Mr. DIXON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. THURMOND. Mr. President, I yield to the able Senator from Kansas.

Mr. DOLE. Mr. President, I am sorry I was not here earlier and that I missed the debate. I support the principle that the Senator from Illinois has been discussing. I have thought for some time that the President should have the authority to review individual items in appropriations bills.

In fact, I should like to say that the Senator from Illinois has raised an issue that I believe will need to be addressed. The issue is also the subject of an amendment I was prepared to offer, to give the President of the United States the authority to veto line items in appropriations bills. This provision is similar to a constitutional

amendment I proposed in 1977, along with Senator LUGAR and the then-Senator from Nebraska, the honorable Carl Curtis. I did not intend to ask for a vote on my own amendment, but do think this is a matter that ought to be raised.

Like my amendment, the Dixon-Proxmire amendment would allow the President to veto part of an appropriations bill and sign the remainder of the bill. This change would restore some of the original significance of the veto power under the Constitution, should help control Federal spending, and would reduce the incentive to attach riders to appropriations bills: A practice that has become all too common and which has caused severe problems over the past several years. The present impasse over the urgent supplemental appropriations bill, like that over the continuing resolution last year, likely could have been avoided with a line item veto in effect.

RESTRICTIONS ON THE EXECUTIVE

Under present law, the President can only sign or return an entire bill. In the case of appropriations bills, which cover a wide range of subject matter—especially in the case of continuing resolutions, which seem to have become standard operating procedure—the President lacks the ability to make important choices. Under this amendment, the President could veto part of an appropriations bill, or reduce an item, while approving the rest. This kind of power would be much more effective without infringing on the prerogatives of Congress. Congress still could override this specific veto just as it may override vetoes of entire bills; under the Dixon amendment, it could do so by an absolute majority, rather than two-thirds.

The much-expanded scope and impact of appropriations bills under present procedures, including the use of riders that have an impact on substantive legislation, have radically changed the scope of the veto power compared with what the framers of the Constitution were familiar with. By mixing items, Congress can facilitate the passage of questionable items that may lack broad support by linking them with other items the President may favor and decline to veto. This expansion of the appropriations process has eroded the veto power as drafted into the Constitution, and I believe it would be desirable to halt that erosion.

GOVERNMENT ECONOMIES

Mr. President, there is also reason to believe that an item veto would, consistent with the goals of Senate Joint Resolution 58, result in significant economies to the Government. Measures that lack broad support would be more likely to fall by the wayside in the item veto process. Less pork barrel legislation, and less congressional time spent on it, would be in everyone's interest. No one criticizes members for offering special interest provisions, because a basic part of our duty here is to guard the interests of our constituents. But if we could agree to endorse a constitutional change that would limit such provisions, we might better serve the general interest as well. It is not just budget savings I am talking about, although they are important: we also ought to concentrate on policy decisions and issues that have a broader impact.

OBJECTIONS TO AN ITEM VETO

There are serious and well-considered objections to an item veto. There is the concern that such a power in the President would just shift the process toward a new form of "log-rolling" involving the White House as well as Congress. There is also the concern that too strong a power in the Executive could undermine our ability to meet critical needs. We do have to be sensitive to these concerns, and they deserve a close examination. That is why I do not think we should press the amendment at this time. But I do believe that on balance an item veto would improve and streamline our procedures; that Congress would retain ample authority to guard against any executive abuses; and that a shift away from the tendency to clutter up bills with special provisions would be good for the country. That is why I hope Congress will give serious consideration to this proposal in the near future.

BROAD SUPPORT

Mr. President, most of the States, including Kansas, have provided their executives with an item veto. As of 1977, 43 States had such a provision. In this area I believe we have a clear demonstration that the States can function well as laboratories for experimenting with new concepts. On the question of the item veto, as in many other matters, the States are showing us the way. They have proved that an item veto works.

In addition, there is widespread public support for giving the President stronger power over Government spending by allowing him to veto line items. Last October the Gallup poll reported that 64 percent of those interviewed favored giving the President such a power, while only 24 percent actively opposed the idea. President Reagan and other members of the administration, while they have not formally requested such a power, have made it clear that they would welcome such authority. I believe that this President would use the power effectively and judiciously. The country would be better off today had President Ford had this power during his battles with Congress over Federal spending. But even if we had a different Chief Executive I believe we would be well-advised to adopt this proposal. It is a procedural reform, like Senate Joint Resolution 58, and Congress would retain more than adequate authority to safeguard against possible abuse.

INPORTANT LIMITATIONS

Mr. President, I would add that both my amendment and the Dixon amendment are limited in scope. They would only apply to appropriations bills, not substantive legislation. In addition, they would not apply to any bill appropriating funds for the legislative or judicial branches, in accord with the constitutional separation of powers among the three branches of government.

Congress should give prompt consideration to an item veto provision. It would enhance the likelihood that the proposal before us, the fiscal responsibility amendment, would lead to an early balanced budget. The amendment we are debating, Senate Joint Resolution 58, would indeed require Congress and the President to act to insure that outlay totals are adhered to. But the amendment does nothing to shift power toward the Executive, and we may find that such additional authority as I propose would make complying with the amendment easier for all concerned. This is not a criticism of Senate Joint Resolution 58, because what I am raising is a separate matter, and one that I know generates considerable controversy in Congress. Nevertheless I think an item veto would mesh well with the fiscal responsibility amendment, and I hope that the Judiciary Committee will give this option careful consideration.

I shall be pleased to hear comments from other Members regarding this concept.

Mr. President, I understand that the amendment by the Senator from Illinois has been withdrawn. It remains something we should address very seriously.

I hope the Senator from Illinois and I can pursue this matter together in the next several months and see what we can come up with.

Mr. DIXON. Mr. President, there is no one for whom I have greater regard than the distinguished Senator from Kansas, the chairman of the Finance Committee. I am greatly flattered that he looks with some favor on this idea. I assure him that I will spend a good deal of time with him.

I hope we can craft something that reflects the sentiment of the States that now have this. The distinguished chairman of the Judiciary Committee has pledged that he will give us a full hearing. If the Senator from Kansas would give us some of his time, I am sure it would be of great value.

Mr. DOLE. I thank the Senator.

Mr. THURMOND. Mr. President, the amendment has been withdrawn, and I am wondering whether any other Senator has an amendment to

bring up. We are ready to proceed with the next amendment, and we wish to save as much time as we can.

I see the able majority leader in the Chamber, and he may have some comment at this time.

Mr. BAKER. Mr. President, I do not know what I can add to what I have said previously—that is, if we are going to finish this matter without a great traffic jam on Tuesday or Wednesday, we have to transact some business today and Monday. I hope Senators will come to the floor and follow the example offered by the Senator from Illinois.

Mr. President, while we confer on that subject, I suggest the absence of a quorum, with the time to be charged equally against the time on the bill, if the minority leader does not object.

Mr. DECONCINI. Mr. President, reserving the right to object, on our side we have less than an hour on the bill, and we have 3 days to go. Will the majority leader ask unanimous consent that the time not be charged to either side?

Mr. BAKER. I do not want to do that, Mr. President. I have said many times that I am not going to extend the time.

Mr. President, I suggest the absence of a quorum on my time.

Mr. DECONCINI. I thank the majority leader.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I had talked to the manager of the bill on the minority side the other day about some time off the bill. I understand time on the bill is getting a little scarce.

The leader will recall that I have 2 hours on each of two amendments. I was just wondering if he will have any objection if I suggest that we cut one of those, say, to an hour-and-a-half, and just give me a few minutes to enter into a discussion of some questions that I wish to raise on this.

Mr. BAKER. No. I will be grateful for that. Indeed, the time is down to just over an hour for the minority and a little less than an hour-and-a-half on this side. So that will be an accommodation, I think, for all Senators.

Mr. BUMPERS. Mr. President, I ask unanimous consent that on one of the amendments on which I have a 2-hour time limitation, that time be cut to an hour-and-a-half, and that I be given 30 minutes now to enter into a colloquy with the managers of the bill. I shall not take that long, incidentally, and I will still abide by the hour-and-a-half.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I am not choosy about which of the floor managers enter into this colloquy with me. Both of them may for that matter.

There is something that has troubled me from the beginning of the debate on this amendment. Under this amendment we have to adopt a balanced budget before the beginning of the fiscal year. If this amendment were in effect right now, for example, Congress would have to adopt a balanced budget for 1983 fiscal year. The 1983 fiscal year begins October 1.

Let us assume that in that budget there is $200 million to continue the construction of the Tennessee-Tombigbee. Let us assume further that by August 1, 1983, it becomes patently clear that the budget will be out of balance.

Who decides which programs do not get their money if Congress fails to act by three-fifths vote?

Mr. HATCH. Congress can establish any priorities it wishes and all spending priorities will be competing for whatever Congress decides it wishes to fund.

Mr. BUMPERS. I cannot hear the Senator. Will he repeat that, please?

Mr. HATCH. I say Congress can establish any priorities it wishes and all funded projects will be competing for whatever funds Congress makes available.

Under the amendment Congress would have the right to restrict or expand the total amount of Government spending in any given fiscal year. But Congress would have to meet the majorities required in the amendment in order to do so. I suspect that when there is sufficient pressure and sufficient reason to ease their deficit spending or add taxation or do both Congress will find the majority to be able to do that.

Mr. BUMPERS. It is going to take more than a majority, is it not?

Mr. HATCH. Yes, in case of deficit spending it will take three-fifths vote. In the case of increasing taxes to meet additional outlay needs, it will take a constitutional majority of the whole number.

Mr. BUMPERS. This body will have to raise taxes immediately to take care of the projected deficit, or 60 Senators will have to stand up and vote to unbalance the budget.

Let us assume that the Senator from Alabama (Mr. HEFLIN), who has more than a passing interest in Tennessee-Tombigbee, comes to the Chamber and moves—and any Senator would have the same right—but I am assuming the Senator from Alabama (Mr. HEFLIN) says, "Mr. President, I move that we adopt an unbalanced budget and that we agree to exceed the balance by $200 million so these dams down in Alabama can continue; otherwise, we are going to have to stop construction on them."

Would he have a right to do that?

Mr. HATCH. Yes, he would have a right to do that.

But Congress, in answer to his demand, has the right to pursue three different responses.

One, Congress could find the project meritorious and cut funds from other, less important programs in order to fund the project.

Mr. BUMPERS. That is going to require three-fifths vote.

Mr. HATCH. No.

Mr. BUMPERS. That is going to require three-fifths constitutional majority of the Senate, is it not?

Mr. HATCH. No. That will require merely a simple majority if they wish to cut other projects.

Mr. BUMPERS. I am not talking about cutting anything else. I am talking about exceeding the revenues that are projected for that year. We are up to the limit. We know the budget is out of balance, and the Senator from Alabama is saying, "I want $200 million" so they can complete work on the Tennessee-Tombigbee.

Mr. HATCH. In that event, assuming that would occur, the Senator would have to obtain a three-fifths vote to justify the deficit spending necessary to fund that particular project.

Mr. BUMPERS. All right, then——

Mr. HATCH. Or he would have to raise taxes.

Mr. BUMPERS. I follow along.

Suppose that the Senate votes on that, and I then say, "Look, I have a hydro project going in my State requiring $100 million and it has not been funded yet. I move the Senate to unbalance the budget for my $100 million project." Are we going to have to vote again? Is it not true that I have to get taxes raised $100 million or set a three-fifths majority of the Senate to run a deficit, or my hydro project is not going to be approved; is that not correct?

Mr. HATCH. I would suggest to the Senator that he can either ask for one specific vote on that project or include it in one general vote to allow an increase in spending. In other words, the system will work the same way it works today, except that there will be a bias against spending instead of the present bias toward deficit spending. It means a better case will have to be made for some projects than has been made before, giving substantial consideration to what the effect will be on the economy and on the taxpayer if we fund the project.

As a member of the Budget Committee, I have been confronted by the serious problem we, as Members of Congress, have. We continually look for outlays, how much we want to spend,

before we look to see how much money we have to spend. Then, after funding the outlays, we try to justify the revenues, and we are always coming up short because we are constantly trying to justify revenues that do not exist. That cannot be done under this amendment. Last year when we adopted a budget for this year we were projecting a budget deficit of well under $100 billion.

Mr. BUMPERS. We now know the budget deficit is going to be well over $100 billion.

Mr. HATCH. Let us face it, under this amendment, Congress will no longer be able to afford the luxury of not planning.

Mr. BUMPERS. We planned as well as we could last year.

Mr. HATCH. Oh, no, I submit we did not, Senator. I submit what we have done over the last number of years is spend what we wanted to spend without a thought about planning.

Mr. BUMPERS. Is the Senator telling me when we voted on the budget last year we knew that unemployment would be 9.5 percent in June of 1983?

Mr. HATCH. No. But as a member of the Budget Committee I can tell you what we have done in the past, and that is worry about spending first and say to heck with trying to achieve the revenues to justify that spending. This amendment says, "Look, you can have whatever you want, but you are going to have to pay for it."

Mr. BUMPERS. This amendment by itself will not improve the President's or Congressional Budget Office's or your or my ability to make projections as to what the revenues will be in 1983.

One of the reasons the deficit will be so much bigger this year and in 1983 than any of us projected is that revenues will not meet our projections. They are not meeting our projections this year.

Let me make one other point: We make these projections in the year preceding the year for which the budget is adopted. We adopt the budget in September to go into effect on October 1. If this amendment becomes effective and we project as poorly as we did this year we will either have to vote individually to accomodate each Senator on every little old project going on in his State or we will have to unbalance the budget by several billions.

Mr. HATCH. The difference is that under this amendment there must be greater and better planning up front. Planning first based on how much revenue will be available and then on what that revenue should be spent.

If, of course, after planning as well as we could, some necessary programs arise, there are four alternatives available to us to accommodate those programs, alternatives that act as safety valves to resolve it because there when serious circumstances arise.

Mr. BUMPERS. What are those four alternatives?

Mr. HATCH. Let me list them: First, we can go through the thousands of federally funded programs and cut those we decide are not as important as the new unanticipated programs.

Second, if we decide there is a problem that may arise in the future, we, the U.S. Senate, with the aid of the Budget Committees of both the House and Senate, can create a contingency fund, to avoid and provide for those future problems.

Third, if those remedies are not adequate or sufficient to resolve those problems and we feel that the expenditure is justified, we may agree to some deficit spending by a three-fifths vote.

Fourth, if we cannot or choose not to do that, then we may increase taxes to pay for it by a vote of majority of the whole number. And I guess there is a fifth alternative, we could do a combination of the two. We could allow a certain amount of deficit spending and a certain increase in taxation, to accommodate the added expenditures.

The importance of this amendment is that, and I am sure the Senator from Arkansas is not saying that he wants to continue the irresponsible budgetary practices of the past——

Mr. BUMPERS. I have been here 7½ years, and I have never been for irresponsible budgetary practices.

Mr. HATCH. As I thought, so I cannot believe the distinguished Senator is not interested in some method that will turn around the spending bias that has put us more than $1 trillion in debt.

Mr. BUMPERS. Senator, I would welcome such a method.

I am just raising questions about how we will deal with some contingencies that will arise. I am asking how you deal with those contingencies under this amendment.

Mr. HATCH. I have given five ways you can do it.

Mr. BUMPERS. I believe in the contingency fund idea, but I do not see how you can establish a contingency fund while running a deficit.

Mr. HATCH. First of all, we have got to do something to resolve the deficit spending that we have been going through.

This amendment, if it passes the Congress this year and is ratified by three-quarters of the States, would become effective, it seems to me, for fiscal year 1986 or 1987.

That being the case, there is some planning time, and I see no reason why the Congress of the United States should not, as every business does, as every household does, as every State does, plan for the future, by creating contingency funds for the problems the Senator is concerned about. This will mean that if we cannot justify the spending, then it is a project that should not be funded.

Mr. BUMPERS. What does the Senator think General Motors would do if we said, "You cannot spend more money this year than your revenues; you cannot spend more money than you take in?" In other words, we would be saying to General Motors, "You may not have a loss this year unless you can get 60 percent of your stockholders to agree."

How long do you think companies like General Motors could stay in business under conditions like that? Everybody wants this Government to be run like a business.

Mr. HATCH. I do not think we want that role for the Federal Government, and that is why this amendment has that flexibility in it. Congress does not have to quit deficit spending if it does not want to. Congress does not have to stop raising taxes if it does not want to, but Congress will not be able to do that any more through hidden taxes or other inconspicuous means. In other words, if you want deficit spending, fine, just stand up and vote for it. If you want taxes, vote for it. But Congress will not be able to increase taxes through automatic tax bracket creep. As it presently stands, we continue to spend and spend and and tax and tax without the public really knowing where we, as their representatives, stand on it because we never actually vote to do it. This amendment will help to resolve that problem.

Mr. BUMPERS. I do not mind voting on it, but if you vote for an unbalanced budget your opponents will hammer you over the head for the next 5 years.

While the concept of balancing the budget is good and I applaud this amendment from that standpoint—and I have not made up my mind yet whether I will vote for it or not—I do not like the amendment nearly as much as a version I could draft.

But I can present a balanced budget plan right now but it might not have the priorities in it that you want. I would scale back somewhat on the massive increase in defense spending, but the Senator from Utah might take exception to that. I would also forego the third year of the Kemp-Roth tax cut, which I voted against to begin with because I knew it was going to give us a $150 billion deficit.

Mr. HATCH. Mr. President, if the Senator will yield, he would have every right to do that under this system as he has today. The only difference is he has to stand up and vote for it. I do not see anything wrong with that approach.

We all admit here on the floor that what has been going on for the last 20 years, as we have failed to balance the budget, is not good for the country. I

know the distinguished Senator from Arkansas is for balancing the budget, I think every Member of Congrees is.

Mr. BUMPERS. I have never met a Senator who was against balancing the budget. I have never met a Senator who was against the elimination of waste, fraud, and abuse.

Mr. HATCH. That is right.

Mr. BUMPERS. I have yet to run across a Senator who favored waste, fraud, and abuse.

Mr. HATCH. But you see the difference between the present situation and the situation after this amendment passes is that we can talk all we want about it but if we want to continue to deficit spend or have hidden taxes through inflationary bracket creep, we are going to have to, by a vote, clearly declare that. Where, today, we do not have to take a stand, therefore an awful lot of our people continue to vote for special interests that may not merit the funds they require when compared to more vital interests.

We do not specify in this amendment what kind of balanced budget is desirable. All we insure is that there is going to be a real effort to balance the budget.

Mr. BUMPERS. Let me ask another question, changing the direction a little bit. Let me give you a couple of different scenarios which are appropriate for the time.

Let us assume that we have a nice, viable economy, which we had until June or July of last year. Let us assume we have a good, viable economy going at the time we adopt a balanced budget and we make our revenue projections. And that is the only way you can adopt a budget, you have to have a projection.

Bear in mind that this amendment not only requires a balanced budget but it also limits the amount of money you can project in revenues. You have to look at the National income and provide that spending by the Federal Government shall not exceed the increase in the National income for the last year.

Let me digress for a moment and say that we are talking about amending a document that I revere right next to the Holy Bible—the Constitution of the United States. No document in the world is as sacred to me as the Constitution of the United States, with the exception of the Holy Bible. This is the reason I am raising these questions. I do not like to tinker with the Constitution, and the American people, in their infinite wisdom, have chosen to amend it only 26 times in 200 years. I have a feeling that we are being just a little political and capricious about this whole thing.

Mr. HATCH. Will the Senator yield on that? I have the same reverence for the Constitution that the Senator does. I certainly commend him for his remarks on that.

But I do not think this amendment is capricious. The distinguished Senator from South Carolina has worked on this for 28 years. The distinguished Senator from Arizona led the fight in the last Congress, with Senate Joint Resolution 126 which was the predecessor of this amendment. He and I have worked for 6 years on this amendment.

I might add, there are hundreds of Members of Congress who have worked on this. So I do not think it is quite as frivolous as the Senator would suggest.

Mr. BUMPERS. I wish we had a James Madison here to give a little guidance.

Mr. HATCH. It would be wonderful if we could do that.

Mr. BUMPERS. Getting back to the point of the amendment, here is the way I understand it:

If the gross national product, what you call the national income—does that mean GNP? Does national income in this amendment mean the same thing as gross national product?

Mr. HATCH. It is possible. Congress can choose any national income definition it desires.

Mr. BUMPERS. Are we using a term in the amendment that none of us knows the meaning of?

Mr. HATCH. I think the term is pretty well established. But you can make that determination. It is just a growth indicator.

Mr. BUMPERS. All right. Suppose that the gross national product in 1980 was $2.5 trillion and the gross national product for 1981 was $2.75 trillion, or $250 billion more than 1980—a 10-percent increase.

Under this amendment, is it correct that Congress may not project revenues in excess of 10 percent of that amount.

Mr. HATCH. That is correct.

Mr. BUMPERS. That also means, then, if we have a red-hot economy and revenues grow by 20 percent, under the amendment we will have to cut taxes by 10 percent to get revenue projections down to the 10-percent increase in the gross national product.

Mr. HATCH. No; that is not true.

Mr. BUMPERS. I beg to disagree because I think that it is true.

Mr. HATCH. Let me explain it.

In an economy which cycles between prosperity and recession, the approximately 21 months lag between fiscal year Federal taxing and spending and calendar year national income under section 2 would serve to moderate the business cycle.

As the economy booms, Federal spending would be restrained by the slower preboom growth of national income—thus moderating what many see as the inflationary propensities of an overemployed economy.

As the economy cycles toward recession, Federal spending would be supported by the faster prerecession growth of national income—thus accommodating to Congress which desires to add an element of stimulation to the economy.

There is a lag period of time.

Mr. BUMPERS. But here is the way the amendment reads. It says:

> Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income . . .

Now, the simple language is here. It is plain and understandable to me. It says:

> Total receipts . . . shall not increase by a rate greater than the rate of increase in national income . . . .

Mr. HART. Will the Senator yield?

Mr. BUMPERS. I am happy to yield to the Senator from Colorado.

Mr. HART. Mr. President, I wish the Senator would press the sponsors of this measure on the issue of national income. The Senator from Utah is a little casual in saying Congress will take care of that definition down the road somewhere. That is the heart of the fallacy of this amendment. So I would hope the Senator from Utah would be pressed by the Senator from Arkansas as to what the definition of national income is, right now, here today, not down the road in some future Congress. What does national income mean?

Mr. BUMPERS. Mr. President, if I may just comment further, here is what the Judiciary Committee report says.

> The precise concept of national income is intended to remain subject to the discretion of the Congress. Currently reported concepts include Gross National Product, Net National Product, National Income, Personal Income, Disposable Personal Income, and Gross Domestic Product. Any of these may be chosen, as might some new measure determined by the Congress.

Does the Senator from Utah consider that troublesome?

Mr. HATCH. Not at all. It does not make any difference which economic indicator you choose. All you are trying to do is say that you are not going to be able to increase taxes beyond that 10 percent of net growth without a vote.

Mr. BUMPERS. Can we determine each year what it means? Can we change it from 1 year to the next?

Mr. HATCH. No.

Mr. BUMPERS. Do we pick out the one that has the least growth or most growth?

Mr. HATCH. Let me read the next paragraph.

> For the purposes of the amendment, there is no requirement that the concept of national income, its definition, or its computational procedures remain immutable through time. If some new concept, defini-

tion, or computational method is adopted, continuing complicance requires only that there be a transitional period during which the new concept be phased in so as not to undermine the plain purposes of section 2.

Mr. BUMPERS. Then we can change it every year if we want to? You said it shall not be immutable. That means we can change it.

Mr. HART. Will the Senator from Arkansas yield?

Mr. BUMPERS. Yes.

Mr. HART. Does the Senator from Arkansas not read that language in the report to mean that any one of a half-dozen or more measures could be used; that those can be changed from Congress to Congress; that the error factors or differentials among those can vary by percentage points that affect the economy one way or the other by hundreds of billions of dollars? Is that not what the Senator from Arkansas reads that to mean?

Mr. BUMPERS. That is very clear.

Mr. HATCH. If the Congress wants to violate the spirit or intent of the amendment, I suppose the Congress can do what it wants to with regard to these terms. But Congress is going to have to face the electorate for having done so.

Let us be honest about it. We wanted to be flexible. We want Congress to be able to choose whatever computational term it desires. Frankly, I do not think you will find much difference in those computational terms for purposes of balancing the budget.

Mr. BUMPERS. The GNP has been growing and personal income has been going down. What if personal income has declined? Receipts may not even be as much for next year if we use personal income as the definition of national income. If we do that and personal income is down even though the economy has been growing, that means we could not spend as much next year as we did last year.

Mr. HATCH. That is a good argument. I suppose if Members of Congress wanted to ignore the best interests of the country they could do that. But I cannot conceive of our fellow Members of Congress playing around over a short term with these particular computational terms. I suppose that can be done, but I do not think it would be politically wise. I do not suppose that those who do it would last very long in the Congress.

Mr. HART. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. HART. I take it that the whole purpose of this amendment is to straitjacket an irresponsible Congress that cannot bring itself under control. I have heard that argument made. The Congress is responsible or it is not. The Senator from Utah just made the best argument I can think of for defeating this amendment. How is this amendment going to make an irresponsible Congress responsible?

Mr. HATCH. I suggest that the Senator read that portion.

Mr. HART. I have read it.

Mr. DECONCINI. In this Senator's judgment that is exactly what we are talking about, the irresponsibility of the Congress over the past 50 years, 20 years, and certainly over the past 6 years that this Senator has been here. Not once have we balanced the budget. We have had every Senator stand up on this floor and say that they wanted to balance the budget and then we all vote for deficit dollars. It is time we cut that out. This amendment says you cannot do that without a three-fifths vote.

Mr. HART. This report says you can have any one of a half-dozen measures for income. If that is called responsibility, I will eat your hat.

Mr. DECONCINI. If the Senator from Arkansas is correct——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUMPERS. Mr. President, I ask unanimous consent that an additional 30 minutes on my first amendment under the general order be taken off and I be given that 30 minutes now to continue this colloquy.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DECONCINI. Will the Senator from Arkansas yield 2 minutes?

Mr. BUMPERS. Certainly.

Mr. DECONCINI. The Senator from Arkansas made a good point this morning when he began the discussion, and that is how we revere this instrument known as the Constitution. I support the feeling of the Senator from Arkansas about that. Then to stand here and suggest that we are just going to throw it aside, assuming this was passed, to me is going contrary to exactly what most of us, I believe all of us, believe when we talk about the Constitution.

Sure, if you want to play games, we can play games. We play plenty of them here all the time. There is not a Senator here, I do not care what it is, whether it is peanuts, water projects, subsidies for unemployment compensation, or business, who does not vote for deficit dollars.

Mr. BUMPERS. I not only revere the Constitution, but I believe in adhering to it. I think the Constitution ought to be a growing document, as it has been for 200 years. Most of the people in this country love their country deeply, but they sometimes do not like their government very much. They do revere the Constitution, though.

I have the feel that one of the things that could result from this—and I can tell you if this amendment were in place right now it would certainly result over the next 5 years—is either 60 Senators would stand up and be counted for an unbalanced budget or you would see an economic depression.

I am concerned about two things: No. 1, that we may put ourselves in such a straitjacket because 60 Senators do not have the courage to do what has to be done; and, second, the opposite side of the coin is that every time the political wind changes we will be in here voting to unbalance the budget and make a mockery of an amendment to the Constitution. Either one is bad.

Mr. HATCH. Will the Senator yield?

Mr. BUMPERS. I am happy to.

Mr. HATCH. I disagree with the statement the Senator has made. The Senator believes that courage will only be exhibited when we vote for deficits or vote for the debt-ceiling limitation or to spend the public money. Where is the courage to balance the budget, to make the decisions that have to be made, to get an economy under control?

Mr. BUMPERS. Mr. President, we could not get three people on that side of the aisle to vote for lifting the debt ceiling.

Mr. HATCH. Let me just say this to the Senator: With regard to these computational terms, I have to admit that I think any aspect of the Constitution can basically be gotten around if you have enough people who do not care about their oaths of office. There is not any language that really shrewd lawyers cannot get around if they really want to do it and if they do not care about truth, about honesty, about their oaths.

We are talking about giving the Congress flexibility to do what it needs to do, exactly what the Senator from Arkansas has been talking about.

If there is any reason for the Senator to vote for this it ought to be because we have not locked one particular computational process into this amendment.

In fact, if there is a great reason for voting for this amendment, it is that there is not a locked-in economic plan. All the amendment does is require Congress to act responsibly in writing the budget.

That is something we have not been doing.

We have been standing on the sidelines letting deficit spending go out of control because we do not have the guts or the courage, if you will, to vote against deficit spending.

Mr. BUMPERS. I am not at all sure that we will in the future. I am not at all sure that you can get 60 Senators to stand up and vote to unbalance the budget in an election year even if they knew that an economic catastrophe was coming

Mr. HATCH. At least our constituents would know what we were doing. No longer could we allow increased revenues through inflationary bracket

creep or automatic tax increases, and then reap the benefits, by spending the money and saying, "Look what we are doing for you people." It is simply a procedure to require Congress to exhibit some courage which has not been exhibited for the last 50 years.

(Mr. GORTON assumed the chair.)

Mr. BUMPERS. Mr. President, I have been here long enough to know that politics often plays a role in the decisionmaking process around here. Sometimes politics can bring out the most irresponsible characteristics of Members of this body as well as Members of the House. I am concerned.

I was Governor of Arkansas for 4 years. The constitution of my State mandates a balanced budget. When I first came to Congress, I thought it would be the hottest thing since night baseball if we could get an amendment like that passed here, too. I am not as sure any more, because the Federal Government is not the State of Arkansas. The Federal Government has more extensive responsibilities to the people of the United States above and beyond what the people of Arkansas alone can provide in my State.

I can think of a couple of pieces of legislation that we could adopt here in Congress that would help. It might work like this: We could allocate a certain percentage, say 80 percent, of projected revenues. We might appropriate $200 billion for a particular program but only allocate, let us say, $180 billion of it. If revenues exceeded projections, the program would be allocated the rest of the $200 billion.

We do that in my State, and it works beautifully.

Mr. HATCH. If the Senator will yield, personally, I feel the same way the Senator does. I am not sure Members of Congress are ever going to stand up and vote unless they are forced to. But I will say this: One thing this amendment will do is inform the public who elects us to this office what is going on here. We have not had that.

The Senator knows, as well as I do, that there are Senators here who vote for every spending program that comes down the pike. Then they go home and tell their constituents they are not doing it or they go home and pass it off that they are doing it for them. Presently, in order to decide whether somebody is a big, irresponsible spender here or not we might have to analyze 200 to 300 votes a year. This amendment will bring it down to two to five votes that everybody in this country could understand.

I would think the Senator from Arkansas would appreciate that, having been a Governor, having known the problems of trying to balance a budget. I think he would appreciate the fact that the people in this country are not stupid. Those people out there, if they know what is going on, are not going to send big spenders here, even though they are interested in their own parochial interests from time to time—as all States are and all State projects connote.

Mr. BUMPERS. Everybody is against all those wasteful programs, but it just depends on which one they are getting.

Mr. HATCH. I sure agree with the Senator on that.

Mr. BUMPERS. Senator PRYOR used to tell the story about a delegation that come into his office and said, "Senator, we have to have a new community facility building; we have to have our sewer plant redone; we need $20 million for something else." Just before they left, they said, "Another thing, Senator, try to get that budget balanced."

That is the way things operate around here. I know about all those pork barrel projects out in Utah and those very worthy, meritorious projects in Arkansas. I know exactly how that works and the Senator does, too.

Mr. HATCH. I sure do.

Mr. BUMPERS. I am worried about whether we are putting ourselves in an unnecessary straitjacket with this idea of no more revenues than the gross national product increased the preceding year.

I paid more income tax last year than I ever dared dream I would make in income when I graduated from law school. If somebody had told me I would make that much money within the 20 or 30 years, I would have said, "You need a saliva test."

Every time I get irritated about my taxes, I try to remember where I came from. I came from poverty. We were poor.

I just happened to be fortunate in having stable parents and a household that was devoted, a father who was willing to borrow money, do whatever he could to give his children all the education they could take.

So, every time I pay my taxes, if I forget, my wife reminds me of how lucky I am.

So, why, in this amendment, would we say that our income may not exceed the percentage that the gross national product rose? If I am making enough money in a red-hot year, the fact is that if the gross national product rose only 10 percent last year and my income goes up 30 percent, my taxes might be cut, even though I am having a banner year. I have the ability to pay taxes now like I have never had before. Yet, under this amendment, my taxes would be cut.

Mr. HATCH. Again I remind the Senator, that with a 50-percent vote, Congress could increase taxes.

Government has grown at the expense of the private sector and the States. State governments have grown because the Federal Government mandates programs, so the State governments have to grow.

We can still do that if we want to do it.

Mr. BUMPERS. That is right.

Mr. HATCH. But we must openly vote to do that.

I agree with what the distinguished Senator has said, that we are living in the greatest country on Earth and it is a privilege to pay taxes even though none of us likes to admit it.

The fact is that every one of us feels the Government has gotten too big. Every one of us feels that Government has not been as responsive as it should be. Every one of us feels that there are some special interests—whether we agree on what they are, we agree that there are some special interests that merit Government care. But I think we also agree that there ought to be more competition for the available governmental dollars.

I might add that, except for periods of national emergency, Federal Government spending is but one claimant on the Nation's income. We state this in our report:

> Excessive government spending means too little spending on other things, e.g. personal consumption, future investment, State and local governments. By linking maximum growth of Federal revenues and spending to the growth of national income, the amendment stabilizes the relationship between the Federal sector and the economy that supports that sector.

That has to be a good reason for the Senator to vote for this amendment. I hope that he will.

Mr. BUMPERS. I understand that, I say to the Senator, and I know what makes the mare go in this country. I also know industry is operating at 70-percent capacity and 12 million people are out of work and some of them are hungry. We have hungry people in this country for the first time in years. If we were strapped with this amendment, it would say, "You cannot unbalance the budget to feed hungry people."

Mr. HATCH. That is not true.

Mr. BUMPERS. I know the Senator is going to say we could if 60 people are willing to stand up and be counted.

Mr. HATCH. Or 50.

Mr. BUMPERS. To raise taxes. That is another thing, you can raise taxes with 51 votes, but in order to unbalance the budget, you have to have 60.

Mr. HATCH. I hope the Senator will not disagree with me that the reason we are in the trouble we are in is that we have spent this country blind. We have not had the necessity of competing for public funds that this amendment will bring. We have spent us into better than a trillion dollars in national debt. Consequently, we are alternating between stagflation and inflation because nobody seems to want to get rid of the spending biases that put us

there. But this amendment will change that.

Now, I know that if we really get committed to balancing the budget of this country and that this amendment helps us get committed toward—and it will do that—I know that there are going to be people who are going to be upset because their program may not get passed, but is that not as it should be?

Mr. BUMPERS. I must say to the Senator that I have a tendency to look at this amendment in the context of what has happened since I have been here, especially right now when we are facing a half billion dollars in deficits. The Wharton School of Econometrics has run a model on this amendment, and they say that if this amendment had been in place after the Economic Recovery Tax Act was passed last year, we would be in the midst of a greater depression than we had in 1932.

Now, of course, that is assuming that we chose not to unbalance the budget. I am sure the Senator knows that Alice Rivlin, Director of the Congressional Budget Office, testified before the Budget Committee the other day that the deficit for 1983 was going to be on a magnitude of $20 billion to $40 billion higher than the Budget Committee assumed would be, $20 billion to $40 billion higher than the President and the Office of Management and Budget said it would be. She was essentially saying that the Congress and the President have played politics with this.

Mr. HATCH. Will the Senator yield?

Mr. BUMPERS. Let me finish, and then I will yield to the Senator.

She went on to say that if the Congress is really serious about balancing the budget, or at least getting the deficit down and reducing interest rates, it must do three things. She put it in a nutshell. You have to scale back on defense spending. You have to deal with these entitlement programs which the Senator and I both know have been running amuck.

Mr. HATCH. That is right.

Mr. BUMPERS. And third, you have to forgo the rest of the Kemp-Roth tax cut. I can tell the Senator that if he put those three things en bloc—and I agree with Alice Rivlin that we have to do every one of those things, if we were really serious we would have to do every one of those things—to the Senate it would not get 20 votes. And the same 80 people who voted against those three things would stand up and scream to high heaven if somebody offered a motion to unbalance the budget under this amendment. That is my personal opinion for whatever it is worth?

Mr. HATCH. Will the Senator yield?

Mr. BUMPERS. I might ask the Senator would he vote for all three of those things.

Mr. HATCH. No; I would not.

Mr. BUMPERS. He would not vote for any of them. Here we are cynically talking about a balanced budget when every one of us knows what has to be done and refuses to do it.

Mr. HATCH. The only difference is that none of us have to vote for it today. What we are trying to do is get it in a position where we have to consider these issues.

The Senator quoted the Wharton School forecast. The problem with almost all of the econometric models and forecasts made by them is that almost every one of them, including Wharton and DRI, ones that are justifying the high deficits and justifying much of the pessimism, are based upon the feature that only through deficit spending can you stimulate the economy. I personally have to admit I do not believe that anymore, if I ever did. Even John Maynard Keynes, said that during times of prosperity you ought to have a surplus. We are to the point now where we are neo-Keynesian. We believe you ought to have deficit spending to stimulate the economy even during times of prosperity and that is what we have been going through.

Second, I can remember that I went through this 2 or 3 years ago on the Budget Committee where I suggested that we look at these econometric models and try and get them balanced so that they can do a better job than they are presently doing. I have found that the econometric models are all biased in favor of neo-Keynesian economics, and Mrs. Rivlin is one of the top proponents of that particular point of view.

Now, we can debate all day and say that we do not want to have Congress to not have the flexibility to determine what it wants to determine. I am saying this amendment gives Congress that flexibility. I also contend that this amendment will not straitjacket the Congress. It does eliminate biases that have been running us into bankruptcy. It does state that deficit spending imposes a tax upon future generations, inflation, unemployment, interest rates, and that we should have an express vote so there will be no more hidden taxes through automatic tax increases and no hidden taxes through deficit spending.

There is nothing in this amendment that says we have to support John Maynard Keynes or we have to support Milton Friedman or we have to support Art Laffer. We can ignore all of them if we want to and do whatever we want. The only difference is we are going to have to do what the Senator has been concerned about, and that is we have to look at all these programs and make a determination where we want to cut back, where we want to cut back on those entitlements that are running out of control. Seventy-eight percent of the Federal budget is out of control.

Now, what are we going to do about that? What we have to do is look at that problem and try to resolve it, rather than continue to ignore it, which is what we have been doing. I suggest that after the Senator looks at this amendment and looks at it carefully——

Mr. BUMPERS. I have looked at it. The Senator knows that.

Mr. HATCH (continuing). He will find a way of resolving this conflict.

Mr. BUMPERS. Let me just say one other thing, if I may, and that is I think that the amendment is almost fatally flawed because the President has no responsibility to submit a balanced budget or explain why he cannot. He is the man that has the veto power. The President is the one that makes us scramble to get a two-thirds vote to override a veto, who traditionally submits a budget to the Congress every year, and yet the effort of the Senator from Kentucky to make clear that the President will submit a budget was defeated.

I cannot understand that. I have heard the Senator from South Carolina and the Senator from Utah say many times since this debate started that we have only balanced the budget one time in the last so many years. Well, do you know when that was? That was the Lyndon Johnson budget. People do not say that was the 84th Congress or the 86th Congress that balanced the budget. They say that was Lyndon Johnson. They say the biggest budget deficit in the history of the United States was created by Ronald Reagan. It was a Reagan budget. And yet in this amendment the President does not even have to say to the Congress, "I agree or disagree with what you have done." He should at least tell the American people, under this amendment, what he would do if he does not like Congress budget. But he does not have to.

I wonder whether the defeat of the amendment of the Senator from Washington and the Senator from New Hampshire yesterday afternoon, on judicial review, will create a hornet's nest here that will load the courts down as no other constitutional provision has ever loaded the courts down.

I am just raising all those questions because I am concerned about them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? On the time of the Senator from Arkansas?

Mr. BUMPERS. Yes.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I call now on those who have amendments to come forward, so that we can proceed. The majority leader has stated that on next Tuesday and Wednesday there will be a traffic jam here on this question. We should try to dispose of these amendments. If Senators have amendments, this is a good time to come forward, because there is time to debate them properly.

Is anyone on the other side prepared to offer an amendment?

Mr. DECONCINI. We know of no one on this side who is prepared to offer an amendment at this time.

Mr. President, if the Senator will yield for a moment, the Senator from Alabama has reserved 8 hours for his amendments. We have talked to his office this morning. He is prepared to agree to a unanimous-consent request that 1 of those 8 hours be yielded to this side on the bill and that an hour of the opposition time for the Heflin amendments be yielded to the manager of the bill on the majority side and I make that request at this time, if there is no objection from the chairman of the Judiciary Committee, the manager of the bill, or the majority leader.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield.

Mr. BAKER. Mr. President, I have no objection. I think it is a good arrangement, and I commend the Senator from Alabama for agreeing to do that.

Mr. DECONCINI. I thank the majority leader.

The PRESIDING OFFICER. Has such a unanimous-consent request been made?

Mr. BAKER. I believe the request was made by the Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I do not know what we are going to do if we cannot get any more amendments called up. I sound like a broken record, trying to urge Senators to come to the floor and offer their amendments.

Mr. President, we have a time certain for final passage, as all Senators must know. We are not going to extend that time, as I have announced any number of times. But if Members do not come to the floor and offer amendments shortly, I expect that the only recourse is to recess the Senate until Monday.

Mr. President, there is a conference report that I understand we might deal with. In a moment, I am going to suggest the absence of a quorum, while we check to see whether we might be in a position to agree to take up the conference report on S. 2332, the IEA extension. If some other Member has something to discuss in the meantime, I would prefer not to suggest the absence of a quorum.

I see no clamoring show of hands for the opportunity to speak. Therefore, Mr. President, on my time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield to the able Senator from Mississippi.

Mr. STENNIS. I thank the Senator from South Carolina for yielding to me.

Mr. President, I have spoken earlier on this subject during this debate, as I have done for many years. It seems to me that I have done so for at least 10 years, in one forum or another and from time to time. I have the privilege of having 1 hour allocated in the final round of debate next week.

I believe great good has come from this debate. This subject has not previously been gone into in detail during the term of many of the Senators now in office.

Among other things, the debate has made clear how difficult it is to define the subject and close all the doors that need to be closed and open all the avenues that need to be opened, and then come down with firm, meaningful, clear language that will carry out the purposes of the amendment.

Mr. President, I am not a constitutional lawyer. I am not a scholar on any subject. But I am no stranger to the Constitution of the United States.

I recall that in law school, I took a course on constitutional law which ran the entire year. That was in my second year in law school. I was not among the top students in that subject, but I did give it so much time and so admired the instrument itself that, as the year ended, I discovered that I could recite the Constitution of the United States from memory, with the exception of a few of the long sections. I went on and learned those sections for the fun of it, so to speak. That indicates my in-depth interest and hard application. That was a good number of years ago.

I was a practicing lawyer during a great number of those years and was a presiding judge in a trial court trying to weigh in the scales of justice a great many of the principles arising from the Constitution. Then I came here as a Member of this great body and like all the Senators, have been here struggling with many different problems, particularly in the fiscal field. I am not on the Committee on Finance. I have never been. But I have been on the Committee on Appropriations since 1955 and year after year have handled a great number of the more important appropriations bills. These include the military construction appropriation bill for many years, and then the appropriation bill for the military program as a whole. Then the Space Administration program came in and that appropriation bill was related. I was also active on a number of other appropriation bills including funds for foreign aid, foreign policy, and then all the domestic programs that we have had.

I have been here while they grew, many of them from their infancy.

So when I make statements that I have intimate personal knowledge of the money parts of these bills now and how they apply to the budget and to balancing the budget, those are not casual remarks; they are not something I read in a book somewhere. This is something that I have been through year after year after year as the military program increased, and domestic programs increased.

And I have had a policy of spending time among the people of my State and have always done so. I have been to each county in my State within the last 8 months, have been in every courthouse in the State, have talked to the elected officials, the boards of supervisors, their deputies, their auditors, their law enforcement officers, and I have talked to the people that administer these Federal programs. I know how they feel about it, how they see it, how they propose to better the program or to live by it. I know something about the frailties of human nature as well as the good parts of human nature.

I mention those things to give weight to the proposition that I have concluded that a constitutional amendment for a balanced budget is not only a good thing as a matter of policy but it is an absolute necessity now in order for our system of government to survive.

That is no reflection on anyone. I am not saying it is necessary to try to protect the Membership of this body and the House of Representatives. That is not it at all, although the question of pressure on them there is involved; but I am not trying to protect them.

What I think is necessary here is a change in the structure of our Government so as to prevent the Congress from having absolute unlimited unbridled power, power to appropriate and spend as much money as it is willing to in any given 12-month period.

That, after all, is what our framework is. It has been sufficient for 2 centuries. It has worked well as a

whole for these 200 years. I wish I could say that I did not think it was necessary to do anything about it now so that we could go another 50 years without change. However, I think it has been brought into serious question now and that it is absolutely necessary to get an amendment now that at least puts some limitation on the power of the Congress to appropriate and spend.

I can accept a lot of different forms of the amendment, just so it puts some limitation on the naked and unbridled power that Congress now has to pass appropriations in unlimited amounts, whether there is money in the Treasury or not or how much or how little of the taxpayers' money is available.

This is a very serious matter, as I see it, and a great deal of good has come from examining these clauses, debating them and voting on them. There are many different kinds of language that will serve the purpose, and I emphasize that. However, I do want to make this observation: If this reaches a stage where the proposed amendment is in conference with the House of Representatives, I hope that some of our more skillful draftsmen and Members, who are masters of the language would be put on that conference committee to check and double-check the language actually used. This would not be for the purpose of trying to get any one point to prevail over another, but to be sure the meaning was clear and accurate. If necessary skilled and special aides or consultants should be employed to assist the members of the conference so that this language can be weighed and reweighed and written in such a way as to make its meaning absolutely clear, that is, to come as near as possible to meeting the primary objective.

Mr. President, I have some additional prepared remarks which are partly repetitious of things I have already said in debate on this proposal. I repeat them here now to show that in spite of the debates we have had, and the points that have been argued and at least partly disposed of, these are my beliefs now, and these are the things I think we should emphasize. I believe that I have as much faith as the average person and as much pride as the average person has in our citizenship and in our people. I have some understanding of their motivation. This proposal has been taken on now and has gained momentum. However, the pressures of the special spending interests will not automatically lessen. The tendency will be for pressure for appropriations to increase. That is the trend that I have seen as it grew over the years. The problems of Government are great and are growing. The pressures for different programs are important, and I am not trying to abolish any of them now. Everything will have to be done gradually. But I am certain that the pressures to make appropriations will increase and, therefore, to protect the taxpayer, the whole system—not the Members in the Senate and House—we have to adopt a constitutional amendment placing an absolute limitation on the power of the Congress to make appropriations in excess of available revenues.

Mr. President, for the purpose of emphasis, I again express my approval of Senate Joint Resolution 58 balanced budget constitutional amendment. The need for the adoption of this amendment is clear and evident.

When I became a member of the Senate Committee on Appropriations in 1955, the total Federal budget was $68.5 billion. It has grown steadily over the years to the point that the projected budget for fiscal year 1983 is $700 billion. I have seen it grow and grow as have many of my colleagues. Deficits over the years have grown larger and larger. The course of our financial affairs must be reversed, and I believe that a balanced budget constitutional amendment is an absolute and necessary first step in this process.

Mr. President, we now have no effective constitutional provision or statute which puts a limitation on the Congress as to how much money it will appropriate. Under existing conditions, the sky is the limit. The Congress is the sole judge of the amount which it will appropriate, subject, of course, to the Presidential veto power. Even in the case of a veto, the Congress can override it by two-thirds vote, and the money is appropriated notwithstanding the veto.

This is one of the conditions that has led us to the fiscal and financial problems we face today. In the past 21 years the budget has been balanced only once, and this was as a result of an accounting change.

Let us look at some other budgetary facts and figures which bear on this situation. In 1929 Government outlays constituted 3.11 percent of the gross national product. In 1980 that percentage had grown to 23.8 percent.

As the committee report on Senate Joint Resolution 58 recites, this Nation existed for more than 170 years before it incurred its first $100 billion budget. That was in fiscal year 1962. The first $200 billion budget followed only 9 years later in fiscal year 1971. The first $300 billion budget occurred 4 years later in fiscal year 1975. The first $400 billion budget occurred 2 years later in fiscal year 1977. The first $500 billion budget occurred 3 years later in fiscal year 1980, which was followed by the first $600 billion budget in fiscal year 1981. The current estimate for fiscal year 1983 is for a budget of more than $700 billion and a deficit in excess of $100 billion.

Our persistent failure to balance the Federal budget has produced a public debt of more than $1 trillion, and estimated interest payments on this public debt for fiscal year 1983 are approximately $115 billion.

It seems clear to me, Mr. President, that we must take drastic action to get our fiscal and financial affairs under control. High interest rates, persistent high levels of inflation and unemployment, and declining levels of growth and productivity can all be traced directly or indirectly to the fiscal policies and practices of the Federal Government.

The growth of the so-called entitlement programs, which are programs where increases in spending are indexed to increases in cost of living, has contributed more than anything else to the tremendous Federal deficits that we run year after year. According to the Congressional Budget Office, total outlays for benefit payments for fiscal year 1983 will be about $366 billion. It is now estimated that almost 70 million persons are receiving Federal checks on a regular basis. This is more than one-fourth and almost a third of our population.

A constitutional amendment mandating a balanced budget would introduce a needed measure of discipline in the budgetary process. It would make it easier for Members of Congress to resist the demands of the special interests and to exercise fiscal responsibility in making policy decisions. With a ceiling on Federal spending the special interests will be required to compete with each other for a share of a fixed amount of Federal funds. Under present circumstances these interests create pressure on the Congress year after year to appropriate more than the available revenues. This has resulted in deficits on top of deficits. The clear fact is that we cannot continue to rely solely on congressional self-restraint. History has proved this to be ineffective. We need an amendment which will establish a ceiling on Federal spending and will force the Congress to consider spending requests in terms of relative priority and desirability, not simply in terms of whether or not the program itself is desirable at all.

However, I do not urge the adoption of a balanced budget constitutional amendment for the protection of the individual Senator or Member of the House of Representatives. Instead, it will be a protection to the taxpayers who must furnish the dollars to fund these programs and will also restore some measure of stability to our financial and budgetary operations.

I should make it clear also that I do not urge this amendment as a solution to our current financial problems. These must be solved by reducing and ultimately eliminating the huge deficits that are now confronting us. The constraints of a constitutional amendment will take effect only over a

period of years. We must work out of our present tight financial situation, but, even if we do, we can be sure that we will be faced with the same problem in a few years unless a constitutional amendment requiring a balanced budget is adopted.

Before closing, Mr. President, I wish to repeat a statement which I made on the floor of the Senate on July 13. I said that it was my judgment that there was a flaw in Senate Joint Resolution 58 because an unbalanced budget can be voted by a three-fifths vote of both Houses. I recognize the politics of the situation and that this may be as far as we can go at this time. However, personally I would like to see a stronger provision and more teeth in the amendment. A three-fifths vote is not very difficult to obtain.

If a balanced budget constitutional amendment is adopted it would reestablish the sound and prudent budgetary practices that existed in earlier years. Until about the middle of this century a balanced budget was considered desirable and beneficial. This policy has been eroded over the course of recent years to the extent that it has almost vanished. The abandonment of the unwritten constitutional requirement for a balanced budget has contributed to the present situation in which there is little or no real restraint upon the ability of the Congress to appropriate and spend.

The opportunity now is greater than ever before to pass a meaningful constitutional amendment requiring the Congress to balance the budget. We must not let this opportunity pass. The matter has already been delayed far too long, and I hope that this Congress will approve a constitutional amendment and submit it to the States for ratification at the earliest possible time.

May I make inquiry here now, the time could have been changed some, but I still have the closing debate here, and the Senator from South Carolina knows about this, I believe, that I had 1 hour designated to me, is that correct?

Mr. THURMOND. That is correct. This time, I presume, will be charged against it.

Mr. STENNIS. What was that presumption now?

Mr. THURMOND. I presume the time the Senator just used in speaking, he wants it charged against his hour?

Mr. STENNIS. Let me make the inquiry first as to how much time is remaining, if I may. I mentioned the fact when I started speaking that I still have an hour, but I certainly am not going to be selfish about it.

Mr. THURMOND. We will work it out.

The PRESIDING OFFICER. The Senator has used 12 minutes.

Mr. STENNIS. Yes, that is all right. Let it go on out.

I yield the floor.

Mr. BAKER. Mr. President, will the distinguished Senator yield to me?

Mr. THURMOND. I would be pleased to yield to the majority leader.

Mr. BAKER. Mr. President, if there is another amendment we can take up at his time, I would like to do that, but I can also take up the conference report which I am prepared to do on IEA, if that is the wish of the Members.

ENERGY EMERGENCY PREPAREDNESS—CONFERENCE REPORT

Mr. WARNER. Mr. President, if I might address the distinguished majority leader, I am prepared on behalf of the Committee on Energy and Natural Resources to take up that conference report.

The distingushed Senator from Ohio (Mr. METZENBAUM) is present in the Chamber. I believe he is going to take an active role in this. We have spoken with each other, and our estimate is that it would take not more than 10 minutes, and that there would be no requirement for a rollcall vote so far as the Senator from Virginia and the Senator from Ohio are concerned.

Mr. BAKER. I thank the Senator.

Mr. METZENBAUM. The Senator from Virginia states the situation correctly.

Mr. BAKER. Mr. President, in view of that I submit a report of the committee of conference on S. 2332 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 23, 1982.)

(By request of Mr. WARNER, the following statement and attachments were ordered to be printed in the RECORD.)

● Mr. McCLURE. Mr. President, today the Senate will consider the conference agreement on S. 2332, the Energy Emergency Preparedness Act of 1982. The conference agreement incorporates a series of significant statutory initiatives critical to our Nation's preparedness to respond to an energy emergency, such as an oil embargo.

This agreement, Mr. President, represents the culmination of a year and a half of effort by the Committee on Energy and Natural Resources. The agreement was reached after an extensive dialog with the administration, which followed the veto of S. 1503, the Standby Petroleum Association Act of 1981.

Early last year, when the committee began its oversight of our energy emergency preparedness, the committee was convinced of the need for prior preparation by the United States of a quick and predictable response to any potential energy emergency facing our country, a capability which, in the judgment of the committee, did not then exist. In the interim considerable progress has been made by the Department of Energy to prepare for the possibility of an energy emergency, but much additional work still needs to be done before we can conclude that our Nation is, in fact, prepared to cope with a substantial reduction in the amount of petroleum products available to the United States.

Events in the Middle East over the last 5 years highlight the uncertainty of international oil politics. Events beginning with the Iranian revolution and its impact on the world oil market in 1978 and 1979, the Iran-Iraq war in the fall of 1980, followed by attacks on Kuwait and other threats to Persian Gulf States, the current invasion of Lebanon by Israel, and the recent Iranian invasion of Iraq, highlight the unpredictable nature of events in the Middle East which could affect international energy supplies.

The threat of an interruption of oil imports has not dissipated. The current political instability in the Middle East should remind us once again that we are not yet beyond the point where we are unaffected by such events.

Because I am confident that the conference agreement on S. 2332, the Energy Emergency Preparedness Act of 1982, affirmatively addresses this threat, I am pleased to recommend its approval by the Senate. I also wish to express my appreciation and commendation to the Senator from Virginia (Mr. WARNER), chairman of the Subcommittee on Energy and Mineral Resources, the ranking minority member, the Senator from Washington (Mr. JACKSON), and the other conferees, for their continued support.

Mr. President, the major provisions of the conference agreement are:

First, this act adopts the Senate provision that would establish as the policy of the United States that the Federal Government shall be prepared prior to any shortage of petroleum products to respond to energy emergencies. This Federal response shall

serve as a supplement to reliance on the free market to mitigate the adverse impacts of a shortage of crude oil, residual fuel oil, or petroleum products on public health, safety, and welfare. Such a response would rely on the President's authority under otherwise existing law. As such, the conference agreement does not authorize any new regulatory authority. Moreover, the measure would support current administration initiatives which rely on free market allocation and pricing in the event of shortages in crude oil and petroleum product imports.

Second, the conference agreement also provides for the preparation by December 31, 1982, of comprehensive energy emergency response procedures under the authorities available to the President under other provisions of law. This statutory requirement is intended to compel all the necessary preparatory work in contingency planning to enable the President and the executive branch to quickly and affirmatively respond in the event of an energy emergency. For example, these emergency response procedures must address the activities of the United States in support of the international energy program and our obligations to the North Atlantic Treaty Organization (NATO). Through the preparation of the response procedures we will, for the first time, define responsibility within the executive branch for our Nation's energy emergency preparedness.

Third, the conference agreement would extend until December 31, 1983, the expiration date of the antitrust defense under section 252 of the Energy Policy and Conservation Act for U.S. oil companies participating in the international energy program. Under existing law, extended only 2 weeks ago, this antitrust defense will expire on August 1, 1982. Such an expiration could significantly impair efforts to improve our preparedness for dealing with international energy problems. As President Reagan stated on March 20, 1982:

> Since 1974 the United States has participated with other countries in the International Energy Agency, in an effort to improve our effectiveness in combating international energy problems. A coordinated response to any international oil supply disruption through IEA requires cooperation by private American oil companies in ways that are not possible absent statutory authorization.

Although the conference agreement extends section 252 for another 17 months, it is my intention, as chairman of the Committee on Energy and Natural Resources, to maintain close and continuing oversight over all activities of the IEA, particularly those that raise issued concerning its authority and the scope of its responsibilities. Other subjects to be included in the ongoing review will be the limited antitrust defense provided to U.S. oil companies participating in the international energy program, and IEA policies concerning responses to "subtrigger" supply problems. As a futherance of this review it is my intention to conduct extensive hearings in the next Congress to examine all issues related to the U.S. participation in the international energy program. This review also will satisfy my commitment to the Senator from Ohio (Mr. METZENBAUM).

Fourth, the conference agreement adopts a Senate provision which clarifies the scope of existing authorities for participation in the international energy program; accordingly the authorities in sections 251 and 252 of the Energy Policy and Conservation Act are limited by the conference agreement to only those actions taken by the United States to fulfill its international oil allocation obligations under chapters III, IV, and V of the IEP.

Fifth, the conference agreement would require the President to acquire crude oil and petroleum products for the strategic petroleum reserve at a minimum annual average fill rate of at least 300,000 barrels per day until the quantity stored in the reserve is at least 500 million barrels. However, the President may make a finding that compliance with the 300,000 barrel per day fill rate would not be in the national interest for good cause, in which case the minimum required fill rate would be either 220,000 barrels per day, or, if funds are available to achieve a higher rate, the highest practicable fill rate achievable with available funds.

Sixth, the conference agreement adopts the Senate provision that would require the President by December 1, 1982, to submit to the Congress a new drawdown plan for the strategic petroleum reserve as an amendment to the current strategic petroleum reserve plan. However, the amendment would not be subject to congressional review. Concurrently, the President is required to submit a report on foreseeable situations and strategies for strategic petroleum reserve drawdown and distribution.

Seventh, the conference agreement adopts in concept the Senate provision requiring a report to the Congress by December 31, 1982, on actions taken to establish a regional petroleum reserve pursuant to section 157 of the Energy Policy and Conservation Act.

Eighth, also included in the conference agreement is the House provision requiring a report to the Congress by December 31, 1982, of the potential for establishing a strategic alcohol fuel reserve.

Ninth, the conference agreement adopts the provision in the Senate bill—there was a similar provision in the House bill—which would provide for an analysis of the impact on the domestic economy and on consumers in the United States of reliance on market allocation and pricing during a severe petroleum supply shortage.

And tenth, the conference agreement requires the collection, under other provisions of law, on a State-by-State basis of information regarding the wholesale and retail prices, supplies, and distribution of crude oil and petroleum products. The Energy Information Administration would be required to collect such information by product category and it would be the same as that collected as of September 1, 1981. Collection of this information on a continuing basis is essential to ascertaining supply-demand relationships on a State-by-State basis for all types of petroleum products in order to prospectively evaluate situations which may result in substantial reductions of petroleum product supplies, as well as support emergency responses in the event of such shortages. This requirement would not prescribe the particular collection methods to be employed. For example, it would not prevent consolidation of forms previously employed.

Mr. President, I ask unanimous consent that a summary of the conference agreement appear at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CONFERENCE AGREEMENT ON S. 2332—ENERGY EMERGENCY PREPAREDNESS ACT OF 1982

SUMMARY

The legislation establishes as national policy that the Federal Government be prepared to respond to energy emergencies as a supplement to reliance on the free market. The purpose of the legislation is to require the President to take certain actions to carry out that policy. The Act directs the President to fill the Strategic Petroleum Reserve ("SPR") at specified minimum fill rates, and to prepare and transmit to the Congress a number of studies and reports relating to energy emergencies and the Federal government's ability to deal with such emergencies.

SPR FILL RATE

The President is required to fill the SPR at an average annual rate of at least 300,000 barrels per day, unless the President finds that such a rate would not be in the national interest. If such a finding is made, it must be based on good cause, include a statement of the facts upon which it is based, and be transmitted to the Congress. Any such finding will not be subject to judicial review, but it will remain effective only until the end of the fiscal year in which it is made.

If the President makes the finding described above, the minimum required fill rate shall be 220,000 barrels per day during the period in which the finding is in effect. If available funds would permit a fill rate higher than 220,000 then the minimum required fill rate shall be the highest practical fill rate achievable.

The SPR must be filled at one of these minimum prescribed fill rates, depending on the circumstances, until the Reserve is at least 500,000 barrels. After the SPR reaches

that level, the President is required to "seek to undertake" filling the Reserve at an average annual rate of at least 300,000 barrels per day until the Reserve reaches 750,000,000 barrels, as now required by the Omnibus Reconciliation Act of 1981.

The use of interim storage facilities for the storage of petroleum in the SPR is specifically authorized. In any fiscal year, up to 10 percent of the funds available for SPR oil purchases may be obligated for such facilities.

The use of interim storage facilities for the storage of petroleum in the SPR is specifically authorized. In any fiscal year, up to 10 percent of the funds available for SPR oil purchases may be obligated for such facilities.

The fill rate requirements contained in the conference agreement are the result of a compromise between the mandatory fill rates prescribed in the Senate and House bills, which were average annual rates of 300,000 and 200,000 barrels per day, respectively.

SPR DRAWDOWN PLAN AND REPORT

The Senate and House provisions on the drawdown of the SPR were adopted with modifications. By December 1, 1982, the President is required to transmit two documents to the Congress: (a) a new SPR drawdown plan, which will be transmitted pursuant to EPCA as an amendment to the current SPR Plan, but it will not be subject to Congressional review, and (b) an SPR drawdown and distribution report describing the most likely types of potential energy supply interruptions that could occur, and the SPR distribution strategies (including pricing methods) that could reasonably be used to respond to each situation.

MEMORANDUM OF LAW AND EMERGENCY RESPONSE PROCEDURES

The conference report adopts two Senate provisions on emergency preparedness authorities, and planning. First, the President is required by November 15, 1982, to submit to the Congress a memorandum describing the authorities under existing law that are available for his use in responding to a substantial reduction in available petroleum supplies. The second provision directs the President to submit to the Congress, by December 31, 1982, "comprehensive energy emergency response procedures" for implementing the authorities described in the memorandum of law. The procedures must include the options for responding to a severe energy supply interruption, the likely sequence in which the options would be used, and how they would be selected. Both the memorandum and the emergency response procedures must address, at a minimum, certain specified programs and subject areas currently being developed and studied by the Department of Energy. Descriptions of those subjects are contained in Senate Report No. 97-393.

PETROLEUM PRODUCT INFORMATION

The President is required to continue the collection of the petroleum product information that was collected by the Energy Information Administration as of September 1, 1981. The information encompasses the pricing, supply, and distribution of petroleum products by product category at the wholesale and retail levels on a State-by-State basis.

ADDITIONAL REPORTS

The Secretary of Energy is required to submit two reports to the Congress. By December 31, 1982, he must submit a study of the potential for establishing a Strategic Alcohol Fuel Reserve, and within one year, he must provide a report on the economic impacts and other consequences of relying on market allocation and pricing during any substantial reduction in domestic petroleum supplies. In addition, the President is required to submit to the Congress, by December 31, 1982, an analysis of the economic benefits and costs of establishing Regional Petroleum Reserves.

INTERNATIONAL ENERGY PROGRAM

The expiration date of section 252 of EPCA is extended from August 1, 1982, to December 31, 1983. Section 252 authorizes U.S. oil companies to participate in the International Energy Program, and it provides those companies with a limited defense against any antitrust suits arising from such participation.

Mr. McCLURE. Mr. President, certain of these agreements require further explanation.

COMPREHENSIVE RESPONSE PROCEDURES

The conference agreement requires the President to submit to the Congress—no later than November 15, 1982—comprehensive energy emergency response procedures which the President—pursuant to his authorities under otherwise existing law—would implement, in whole or in part, in responding to a substantial reduction in the amount of petroleum supplies available to the United States.

The emergency response procedures must:

First, describe the various options the President would consider using to implement his authorities in response to an energy emergency, as well as describe the likely sequence in which such options would be taken;

Second, specify a procedure for determining appropriate governmental actions in response to international and domestic energy shortages; and

Third, recommend any additional statutory authority necessary for the President to respond to a substantial reduction in the amount of petroleum products available to the United States.

Mr. President, the General Accounting Office's review in May of energy emergency preparedness activities indicated, as set forth in Senate Report 97-393, that:

[T]he Department is taking some concrete steps toward better-defined contingency plans. According to the GAO, in testimony before the Committee, most of DOE's emergency preparedness initiatives are very preliminary and the scope of DOE's effort in actual plan development—as distinct from doing studies and defining options—extends only to several narrow fronts. Basically, the DOE's approach rests on two fundamental foundations:

The Strategic petroleum Reserve (SPR), and

The activation of the Executive Manpower Reserves.

The GAO concluded that of these two, the SPR is quite advanced while the use of the Executive Manpower Reserves for managing energy disruptions related to national defense emergencies has not reached the concrete proposal state. The GAO observed considerable confusion within the DOE and the Administration over whether authority exists to activate the Reserves in such a crisis and what they could accomplish once they were activated. The GAO observed that the rest of DOE's effort at this point, is directed at gathering data, doing studies and defining options, not the actual development of contingency plans.

The conclusion of the General Accounting Office was that "in the final analysis, it may well be that DOE's approach to contingency planning for everything except military situations is still little more than the SPR." Thus the GAO repeated its conclusion of last September that:

"The inadequate state of the Nation's emergency preparedness * * * is a serious problem requiring immediate attention. We believe the Federal Government should take prompt and concerted action to counter this serious potential threat to national security."

Mr. President, the GAO saw no reason to change its earlier assessment. S. 2332 is the primary vehicle available to the Congress to impose on the executive branch the requirement that the United States be prepared for an energy emergency. The emergency response procedures thus must outline the options the President would implement, in whole or in part, in responding to a substantial reduction in the amount of petroleum supplies available to the United States. The procedures must distinguish among three categories of shortages:

First, situations involving limited or general war, international tensions that threaten national security, and other Presidentially declared emergencies;

Second, events resulting in activation of the International Energy Program; and,

Third, events or situations less severe in nature than the aforementioned.

Each of these three categories reflects different degrees in severity of potential energy supply shortages. The first category emphasizes situations where the national security is directly involved and the President may need to supplement the free market in order to meet defense needs, for example, through his use of existing authorities in the Defense Production Act and, in particular, the proposed Executive Manpower Reserve.

The second category emphasizes situations where supplementary actions may be required by the President in order to meet international obligations under the International Energy Program. While it is clear that the authorities of section 251 of the Energy Policy and Conservation Act (EPCA) are available to the President in the event of activation of the 7 percent trigger, the options available to the President under existing law in the event of a "subcrisis" shortage are not fully defined. The response procedures required by the conference agreement would indicate the options being con-

sidered by the administration under existing national law.

The third category emphasizes less severe situations than those involving national defense or the International Energy Program.

The need to flesh out the details of these procedures is particularly appropriate at this time, because the United States is now dependent on the marketplace for the allocation and pricing of petroleum in the event of a serious shortage. As the President noted in his veto message on S. 1503, the United States is now dependent on the general powers that can be used by the President to protect national security, meet our treaty obligations, and assure essential public health and safety functions.

The conference agreement expressly provides that, "No State law or State program in effect on the date of the enactment of this part, or which may become effective thereafter, shall be construed to be superseded by any provision of this part." Therefore, it is essential that the Congress understand how a policy of reliance on the marketplace will be implemented in the absence of a general Federal preemption of State laws, and how a free market policy will accommodate the requirements of State and local governments spawned by such Federal laws as the Emergency Energy Conservation Act. The fact is that there are 50-independent State regulatory regimes, rather than a free market.

The emphasis of the response procedures would be to identify the options that the administration would consider, how decisions will be made, who will make them, and the general policy considerations that will be taken into account in selecting a particular procedure or course of action. Certainly, to the extent practicable, the response procedures should describe the actual policies and substantive decisions that would be employed in any of a variety of shortage conditions, including a description of the likely sequence in which various options available to the President would be taken.

Mr. President, the measure before us, S. 2332, if fully implemented can assure that the United States develops a capability to respond quickly and predictably to energy emergencies on the domestic front, as well as the international front.

MEMORANDUM OF LAW

The memorandum of law that must precede the comprehensive energy emergency response procedures on November 15, 1982, would describe the nature and extent of the authorities under existing law available for use by the Federal Government during an energy emergency. This legal analysis is essential if the Congress is to understand the limits of the options available to the Government in responding to a petroleum supply shortage. At the moment, the Government does not have a definitive analysis of its authority to take certain actions in the event of a shortage. Furthermore, there is disagreement over the meaning of certain statutory provisions relied upon by the administration for portions of its emergency planning. An example is the proposed use of the Defense Production Act in situations which do not involve national defense.

At the present time the Department of Energy has under review a series of initiatives now underway to deal with the domestic and international aspects of energy emergency preparedness; these initiatives were reviewed in the appendix to the Senate report on this measure. The principal initiatives are:

Coordination of Federal energy emergency policies with the 50 States in the absence of statutory preemption;

Reliance on reactivation of the executive manpower reserve under the Defense Production Act;

Use of the Defense Production Act for other than defense related activities;

Development of alternative drawdown approaches for the strategic petroleum reserve;

Establishment of a national emergency (oil) sharing organization to support IEA activities;

Analysis of import quotas and tariffs that can be implemented to reduce or eliminate IEA allocation obligations; and,

Development of a National Oil Board to support our NATO commitment.

These proposals, and others, will be closely examined on their individual merits, and most importantly, as a integral part of our overall emergency preparedness planning for both domestic and international emergencies.

Mr. President, as a matter of prudent planning and commonsense, we need to know, with a reasonable degree of certainty, whether existing authorities are adequate, or not, to permit the Federal Government to take those actions that it finds necessary to supplement reliance on the free market to mitigate the adverse impacts of a shortage of petroleum products on public health, safety, and welfare.

Mr. President, both the Congress and the administration need to know the practical limits of each statutory provision that grants authority for Federal action during an energy emergency. We must obtain that information to insure that the Federal Government's capability to deal with an energy shortage is reliable and effective, if implemented. The alternative, of course, is having to deal with the delays and uncertainties created by court actions brought during an emergency to clarify the limits of Federal authority.

INTERNATIONAL ENERGY PROGRAM

On the international front, the conference agreement would extend until December 31, 1983 the expiration date of the antitrust defense under section 252 of the Energy Policy and Conservation Act.

When the international energy program, the IEP, was established in November 1974, the 16 countries participating in the program were acting in the aftermath of an oil embargo. The purpose of the IEP was to provide a mechanism for the sharing of reduced oil imports among the participating nations during a severe oil supply disruption. A severe disruption was specifically defined as a reduction equal to at least 7 percent of average daily consumption in any participating country. Since this definition is contained in the original agreement creating the IEP, there is no question that international oil allocation pursuant to the IEP was intended to occur only in the event of a true crisis—a severe disrupton in supplies.

The statutory authority for U.S. participation in the IEP is found in sections 251 and 252 of the Energy Policy and Conservation Act and is expressly confined to the original 1974 agreement. Section 251 authorizes the President to require U.S. oil companies to take whatever action he deems necessary if the IEP oil sharing system is activated and the United States is called upon to participate. Section 252 authorizes U.S. oil companies to participate in the various IEP programs and activities, and it also provides a limited defense against any antitrust suits that may be brought against U.S. oil companies participating in the IEP.

Mr. President, 7½ years after the signing of the IEP agreement, we are confronted with what may amount to a major modification of the intent behind the agreement. During 1981, the International Energy Agency considered the question of how member countries might best respond to so-called subcrisis situations, that is, those disruptions in oil supplies that fall short of the 7-percent trigger necessary to activate the oil-sharing system of the IEP. The IEA's review was completed on December 10 of last year when the Governing Board of the IEA reached a decision that committed member countries, in the event of a subcrisis-supply disruption, to meet promptly and decide what action, if any, they should take.

The U.S. delegation welcomed the decision, but it noted in a clarifying statement that the agreement does not commit IEA countries in advance as to the specific actions which they might take in such circumstances, and any actions taken must be consistent with national law and the IEP agreement.

Mr. President, if this country, in responding to a subcrisis disruption, will take only those actions that are consistent with U.S. law, then an obvious question arises: What U.S. laws apply to subcrisis situations? I referred a moment ago to sections 251 and 252 of the Energy Policy and Conservation Act. Those provisions do not apply to subcrisis situations.

In May of this year, the Departments of State, Justice, and Energy, in response to questions from the Committee on Energy and Natural Resources, provided the following joint opinion on the irrelevance of sections 251 and 252 to subcrisis situations.

> The December 10, 1981 decision by the IEA Governing Board has no independent legal significance in authorizing activities pursuant to supply shortfalls below the seven percent level currently specified in the IEP. Any authorization for either governmental or company action in such situations must be found in existing legal authority. Sections 251 and 252 of EPCA only provide authority for carrying out certain provisions of the IEP as originally signed.
>
> The absence of any independent legal authority authorizing governmental or company actions to supplement market forces in a subcrisis situation means the United States Government cannot direct companies to take action in a subcrisis situation. Thus, Section 251 provides no authority to order specific company actions nor can Section 252 be invoked to provide an antitrust defense for any new activities not within the allocation and information provisions of the IEP.

The conference agreement adopts the Senate provision that confirms in statutory language the administration's interpretation of the scope of U.S. law, as it applies to oil allocation under the IEP. Some may ask, why is this provision necessary if there is no ambiguity about the scope of sections 251 and 252? The answer to that question is this: There appears to be a consensus within this administration on the meaning of the law, but this may not be the case with future administrations or within the IEA Governing Board.

Article 22 of the IEP agreement provides that:

> The Governing Board may at any time decide by unanimity to activate any appropriate emergency measures not provided for in this agreement, if the situation so requires.

The argument has been made that article 22 confers authority on the IEA Governing Board to trigger an allocation system during a subcrisis situation, and that the section 252 antitrust defense would than be applicable to U.S. oil company participation in the allocation program. This argument is incorrect. Section 252 would not apply in that situation.

By amending sections 251 and 252, we have hopefully avoided misinterpretations of those provisions by future administrations here in the United States, by other IEA countries, or by the IEA itself. These changes insure that the authority conferred by sections 251 and 252 will apply only to crisis situations—those involving at least a 7-percent shortfall—in accordance with the intent of the Congress.

STRATEGIC PETROLEUM RESERVE DRAWDOWN PLAN

The primary Federal program for dealing with a substantial interruption of oil supplies is the strategic petroleum reserve. In fact if a severe energy emergency were to occur today the only existing Federal program for responding to the shortage would be the strategic petroleum reserve. Consequently there is an integral relationship between the development of the required comprehensive energy emergency response procedures and a new SPR drawdown plan.

When the current distribution plan was approved by the Congress in 1979, the amount of oil in the reserve was minimal; our principal method for response to a shortage was price and allocation controls under the Emergency Petroleum Allocation Act.

That situation has now changed. The President no longer has such authority and we now have a large quantity of oil stored in the reserve. Consequently, it now is very important that the American people, any potential users or consumers of oil from the reserve, as well as the Congress, know with maximum predictibility what procedures and methods will be employed to drawdown and utilize SPR oil during an emergency.

Therefore, the conference agreement requires the President, by December 1 of this year, to prepare a new drawdown plan for the strategic petroleum reserve. The new plan, must be consistent with the provisions of the Energy Policy and Conservation Act, which is the basic legislative authorization for the SPR. The new plan also must be transmitted to the Congress as an amendment to the current SPR plan. However, the new drawdown plan would not be subject to the congressional review procedures in EPCA that applied to the original plan, namely the current plan was submitted to the Congress and layed over for 15 days, subject to congressional disapproval by either House, before it became effective. By comparison the new drawdown plan required by S. 2332 would be immediately effective upon transmission to the Congress.

Mr. President, the requirement for a new drawdown plan is based upon a Senate amendment by Senator DURENBERGER. I want to commend the Senator from Minnesota for his leadership in support of efforts in the Congress to insure our Nation's energy emergency preparedness. His dedication to this vitally important goal began with his own bill, S. 1476, and continued through the debates on S. 1503 to the measure before us today.

STRATEGIC PETROLEUM RESERVE

Mr. President, the strategic petroleum reserve is an essential element of this country's efforts to provide protection against the consequences of an international oil supply interruption. Moreover, reliance on the reserve is a principal feature of the administration's energy emergency program.

The then Assistant Secretary of State for Economic and Business Affairs, Robert D. Hormats, cogently stated, in testimony before the Committee on Energy and Natural Resources on March 25, 1982:

> The U.S. Government attaches great importance to the IEA oil stockpiling requirement. Even with the best of intentions and the most elaborate of international sharing systems, we and our allies will not be able to support one another or take steps to maintain order in the international oil market if we are caught without adequate reserves in a major supply interruption, and price increases and other forms of demand inhibition have to bear the entire burden of restoring balance between oil demand and supply.

Mr. President, the filling of the strategic petroleum reserve is of the highest national priority. Therefore, last year, as part of the Omnibus Reconciliation Act of 1981, the Congress and the administration agreed that our national policy would be for the President to seek an annual average fill rate of 300,000 barrels of oil per day until 750 million barrels are in storage. This goal was supported by three Cabinet officers: Secretary of the Treasury Donald Regan, Secretary of Energy James Edwards, and Office of Management and Budget Director David Stockman.

That agreement on a fill rate also implied an accompanying facilities acquisition program that would support the timely availability of storage capacity to accommodate such a fill rate.

Current fill rates, however, are tied to the creation of new permanent underground storage. This self-imposed constraint is preventing our Government from enjoying currently soft spot market prices. In order to partially correct this situation, the House of Representatives last night approved a resolution of disapproval of the administration's proposed deferral of fiscal year 1982 funds for construction of permanent reserve storage facilities.

The size of the reserve has increased substantially since this administration took office 17 months ago. Since that time, nearly 170 million additional barrels of oil have been stored in the reserve. However, in January 1982 the DOE postponed the purchase of additional SPR oil because of insufficient permanent storage capacity to support a more aggressive purchase schedule consistent with the statutory goal.

As of June 30, 1982, the Department of Energy reported that the reserve contained about 264 million barrels of

oil. This corresponds to an average annual fill-rate of about 237,000 barrels per day for the first 9 months of fiscal year 1982. The recent SPR quarterly report calls for 277 million barrels of oil to be in SPR storage by the end of the fiscal year, which would correspond to an average annual fill rate of 213,000 barrels per day for the entire fiscal year.

Consideration is now being given to interim storage. Nevertheless, the Department of Energy reportedly has contracted for all of the additional volumes to be delivered during fiscal year 1982. The recent July 1, 1982, solicitation was for deliveries during fiscal year 1983. This solicitation for approximately 50,000 barrels per day, coupled with the PEMEX contract, would satisfy the 100,000 barrel per day minimum fill rate required by current law.

Mr. President, I ask unanimous consent that the recent GAO report on "Progress in Filling the Strategic Petroleum Reserve Continues, but Capacity Concerns Remain" appear at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate.
Hon. HENRY M. JACKSON,
Ranking Minority Member, Committee on Energy and Natural Resources, U.S. Senate.

This is the first in a series of reports requested by the members of the Senate Committee on Energy and Natural Resources on the administration's progress in filling the Strategic Petroleum Reserve (SPR) and its compliance with applicable laws. (See app. III for the March 25, 1982, letter requesting these reports).

Partially to encourage the administration to resume oil purchases and continue filling the SPR, the Congress enacted the Energy Security Act (P.L. 96-294) on June 30, 1980. Title VIII of the act requires an average SPR fill rate of at least 100,000 barrels per day each fiscal year until the SPR is filled.

Recently, the Senate and the House of Representatives each passed bills which would require the administration to fill the SPR at average rates of at least 300,000 and 200,000 barrels per day, respectively. Currently, the Conference Committee is meeting to resolve the differences in the bills.

This report covers SPR activities which occurred during the first three quarters of fiscal year 1982. It discusses the administration's progress in filling the SPR with crude oil and significant events related to developing and operating the SPR. Specifically, it notes that:

The Department of Energy (DOE) reported that the SPR contained about 264.1 million barrels as of June 30, 1982. During fiscal year 1982, about 64.8 million barrels of oil have been delivered to the SPR, for an average fill rate of about 237,000 barrels per day.

The Defense Fuel Supply Center (DFSC), DOE's purchasing agent for most SPR oil, issued a solicitation on July 1, 1982, requesting offers for the sale of 18.25 million barrels, or about 50,000 barrels per day, of low-sulfur crude oils to the SPR during fiscal year 1983. If DFSC contracts for 50,000 barrels per day, this oil combined with the 50,000 barrels per day called for in DOE's multi-year contract with Petroleos Mejicanos (PEMEX—the Mexican State oil company) would satisfy the 100,000-barrels-per-day minimum fill rate requirement for fiscal year 1983.

In its May 17, 1982, SPR Quarterly Report, DOE noted that it now expects to have 277 million barrels of storage capacity by the end of fiscal year 1982. This represents a 10-million-barrel increase from DOE's previously planned 267 million barrel capacity and would permit an average annual fill rate of 213,000 barrels per day for the fiscal year.

DOE's ability to maintain, or to accelerate, the SPR fill rate for permanent storage depends on its ability to meet the schedule for developing new capacity. DOE has essentially completed filling the storage capacity acquired during Phase I of the SPR program and is filling Phase II capacity as it is developed. Although DOE is currently ahead of its Phase II schedule for developing additional storage capacity at the Bryan Mound, Texas, site, it has experienced problems which have slowed the development of additional capacity at the West Hackberry, Louisiana, site. In addition, DOE has been unable to certify that 13.1 million barrels of Phase I capacity at the Sulphur Mines, Louisiana, site can be used for oil storage. In the past, the availability of Phase I capacity allowed DOE the flexibility to maintain a high oil fill rate while problems were resolved. Now that permanent storage capacity is being filled as it becomes available, DOE must ensure that current and future problems are quickly identified and resolved.

As provided in the Omnibus Budget Reconciliation Act of 1981, an off-budget SPR Petroleum Account for oil acquisition and transportation funds was established on October 1, 1981. The account received about $1.8 billion that was carried over from previous fiscal years and about $3.7 billion that the Congress appropriated for fiscal year 1982. Of these funds, DOE spent an estimated $2.6 billion for oil deliveries through June 30, 1982, and committed an estimated $600 million for deliveries during the next quarter. This leaves about $2.3 billion available for future purchases.

Appendix I discusses these topics in further detail, and appendix II presents figures and tables that support the discussion.

This report is based on our review of DOE and DFSC program documents, DOE publications, and studies related to the SPR program. To review the Government's activities in contracting for oil, we obtained data from DFSC on contracts awarded since September 1981. We reconciled a computerized DOE listing of all SPR crude oil receipts during fiscal year 1982 with summary inventory reports for the same period. In reviewing DOE's activities to develop and maintain SPR storage facilities, we obtained data related to program activities such as leaching of Phase II storage capacity and the certification of Phase I storage capacity. We obtained information on the availability and utilization of oil acquisition funds from both DOE and DFSC. We interviewed managers and operating personnel at DFSC who are responsible for the procurement of oil for the SPR. We also interviewed DOE personnel responsible for planning and managing the activities associated with the development and operation of the SPR facilities, and personnel from the private contractors that carry out most of the program activities.

Our review was conducted in accordance with the Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." We did not, however, verify the data related to oil procurement contracts, the volumes or quality of oil received by DOE, or the available capacity of SPR storage facilities because of the limited time available to conduct the audit work for this report. As part of our continuing work to monitor SPR activities, we plan to evaluate DOE's procedures for developing information on oil deliveries, including the reliability of its computerized system. In addition to monitoring the status of SPR activities on a quarterly basis, we plan to report from time-to-time on issues dealing with the policies and effectiveness, economy, and efficiency of the Government's management of the SPR.

In order to meet the requested time frames for this report, we did not obtain official agency comments. However, we provided DOE and DFSC program officials a draft of this report and discussed its factual accuracy with them. Based on their comments, we made appropriate revisions. Unless you publicly announce its contents earlier, we plan no further distribution of this report until 7 days after its date of issuance. At that time, we will send copies to the Secretary of Energy and other interested parties and make copies available upon request.

J. DEXTER PEACH,
Director.

Mr. MCCLURE. Mr. President, the conference agreement would amend the Energy Policy and Conservation Act to require the President "to fill" the strategic petroleum reserve at a minimum fill rate of 300,000 barrels per day, beginning July 1, 1982, and to maintain such rate until 500 million barrels are in storage. At this rate, the SPR will reach the 500-million-barrel capacity 1 year earlier than current DOE plans, that is, the third quarter of 1985.

In recognition that the schedule for completion of permanent storage facilities cannot support this fill rate, the conference agreement accordingly authorizes the use of interim storage facilities. The Secretary of Energy could utilize up to 10 percent of the funds obligated from the off-budget strategic petroleum reserve petroleum account to meet expenses associated with interim storage facilities. Such interim storage facilities could include a combination of commercial underground storage, above-ground steel tank storage, and floating tanker storage, to accommodate the 300,000 barrel fill rate.

Even though additional costs would be mutually incurred in adopting a 300,000-barrel fill rate by using temporary storage—both the Congressional Budget Office and the General Accounting Office have observed that the use of such storage buys additional protection at an earlier time, satis-

fying a basic goal of the SPR program. This initial storage costs would be later offset by increased oil prices.

Achieving as much protection as possible, as soon as possible, is critically important. The Congressional Budget Office has outlined the dramatic impact of an oil supply interruption of 2.5 million barrels per day—a loss of more than 4 percent in gross national product, an increase in unemployment by almost 2 percent, and a rise in price levels by an additional 7 percent the first year.

Finally, CBO found that:

The Congress, realizing that future oil market conditions are not predictable, established the SPR in order not to leave the U.S. economy vulnerable to oil supply interruptions. An opportunity exists now to take advantage of slack oil market conditions to achieve the legislated goal of acquiring 300,000 barrels per day . . . leasing temporary storage facilities or ships could provide an effective way to acquire oil quickly and proceed with the existing DOE plans. Such a policy would involve additional costs, but would provide additional protection sooner. The likely costs of implementing these options are, however, less than the costs introduced by alternative oil price assumptions.

Similarly, the General Accounting Office concluded in its May 21, 1982, letter report to Senator BRADLEY:

Numerous studies have shown that emergency oil reserves can pay for themselves many times over in the event of an oil supply disruption. A larger SPR achieved sooner will increase the reserve's deterrent and insurance value during the next 3 years. Our analysis shows that if the price paid for SPR oil (including transportation) were to increase to $46 to $49 per barrel in fiscal years 1985 and 1986—from an estimated $37 to $39 per barrel in 1983 and 1984—the savings from buying the oil earlier would offset the costs of temporary storage at $1.20 per barrel annually—compared to DOE's current SPR plan. If storage costs as much as $3.65 per barrel, an increase in the price of SPR oil to $52 to $56 per barrel in 1985 to 1986 would offset temporary storage costs. Therefore, apart from any disruption during the next several years, accelerated SPR purchases could lead to a net economic benefit depending upon the future price of oil.

The conferees recognized, however, that circumstances may exist where achievement of a minimum fill rate of 300,000 barrels per day not be practicable. Therefore, the conference agreement provides for a lower minimum fill-rate if the President finds that compliance with the 300,000 barrels per day fill-rate would not be in the national interest for good cause. For instance, the President may find that—

Compliance with such rate significantly impairs the ability of the United States to respond to a severe energy supply interruption;

Compliance significantly impairs the ability of the United States to meet its obligations under the international energy program; or

Compliance is inappropriate due to economic conditions affecting the general welfare.

If the President makes such a finding, the applicable minimum required fill rate would be either 220,000 barrels per day or, if funds are available, to achieve a higher rate, the highest practicable fill rate achievable subject to the availability of appropriated funds. Thus, appropriations acts will necessarily govern the availability of funds.

I have been advised, Mr. President, that this conference agreement is acceptable to the administration, in particular, the Office of Management and Budget.

The President has stated that—

The current world oil situation, with declining prices and ample supplies, provides the best opportunity for future preparedness. This is why the administration continues to add to the Strategic Petroleum Reserve as fast as permanent storage becomes available. By the end of this year, we will have nearly tripled the size of the reserve in two years.

The conference agreement not only supports, but strengthens, that commitment to filling the reserve.

As Robert D. Hormats, Assistant Secretary of State for Economic and Business Affairs, informed the Committee on Energy and Natural Resources on May 6, 1982,

The long-term threat of serious harm to the economies of the United States and its allies from a world oil supply interruption has not abated. Despite a drop in prices, the threat of a disruption is a real one which we can ignore only at our peril.

Concern for the health of our economy has been our primary concern—and rightly so—for the last 2 years. But in the process we seem to have pushed back our concern about whether or not we need an energy policy for the United States—and wrongly so. The need for a sound energy policy is particularly critical in the area of energy emergency preparedness. But effective planning for energy emergency is particularly difficult in a country which believes, as I believe, that major decisions should not be made by Government, but by individuals, and a country which believes that the major programs are going to be those that mobilize the private sector, not those that mobilize Government.

Nevertheless, having said that, we need to recognize that the role for Government is still there, and we need to focus that role for the good of the Nation as a whole, for the good of all the people who live here, and for the benefit of the individual energy consumer as well as the energy entrepreneur.

S. 2332 establishes as a fundamental national policy, an appropriate emergency preparedness role for the Federal Government, and it also effectively focuses that role. The act directs the Federal Government to be prepared, prior to any shortage of petroleum products, to respond to energy emergencies. This Federal role shall be a supplement to reliance on the free market to mitigate the adverse impacts of a shortage of crude oil, residual fuel oil, or petroleum products on public health, safety, and welfare.

S. 2332, if fully implemented, can assure that the United States develops a capability to respond quickly and predictably to energy emergencies on the domestic front, as well as the international front.

From this perspective, Mr. President, I recommend that the conference agreement of S. 2332, the Energy Emergency Preparedness Act of 1982, be approved.●

Mr. WARNER. Mr. President, the Senate has before it today the report of the committee of conference on S. 2332, the Energy Emergency Preparedness Act of 1982.

Mr. President, if I may, I would like to briefly outline the major provisions of the conference agreement:

First, the act adopts the Senate provision that would establish as the policy of the United States that the Federal Government shall be prepared prior to any shortage of petroleum products to respond to energy emergencies;

Second, the conference agreement also provides for the preparation by December 31, 1982, of comprehensive energy emergency response procedures under the authorities available to the President under other provisions of law;

Third, the conference agreement would extend until December 31, 1983, the expiration date of the antitrust defense under section 252 of the Energy Policy and Conservation Act for U.S. oil companies participating in the international energy program;

Fourth, the conference agreement adopts a Senate provision which clarifies the scope of existing authorities for participation in the international energy program;

Fifth, the conference agreement would require the President to acquire crude oil and petroleum products for the strategic petroleum reserve at a minimum annual average fill rate of at least 300,000 barrels per day until the quantity stored in the reserve is at least 500 million barrels. However, the President may make a finding that compliance with the 300,000 barrel per day fill rate would not be in the national interest for good cause, in which case the minimum required fill rate would be either 220,000 barrels per day, or, if funds are available to achieve a higher rate, the highest practicable fill rate achievable with available funds;

Sixth, the conference agreement adopts the Senate provision that would require the President by Decem-

ber 1, 1982, to submit to the Congress a new drawdown plan for the strategic petroleum reserve as an amendment to the current strategic petroleum reserve plan;

Seventh, the conference agreement adopts in concept the Senate provision requiring a report to the Congress by December 1, 1982, on actions taken to establish a regional petroleum reserve pursuant to section 157 of the Energy Policy and Conservation Act;

Eighth, also included in the conference agreement is the House provision requiring a report to the Congress by December 31, 1982, of the potential for establishing a strategic alcohol fuel reserve;

Ninth, the conference agreement adopts the provision in the Senate bill which would provide for an analysis of the impact on the domestic economy and on consumers in the United States of reliance on market allocation and pricing during a severe petroleum supply shortage; and

Tenth, the conference agreement requires the collection, under other provisions of law, on a State-by-State basis of information regarding the wholesale and retail prices, supplies, and distribution of crude oil and petroleum products.

Mr. President, S. 2332 is one of the important energy bills this Congress will consider as it addresses the U.S. response to international energy emergencies.

The act extends the U.S. participation in the allocation and information provisions of the agreement on an international energy program, requires the President to submit to Congress a memorandum setting forth the authorities currently available to him to respond to severe energy supply interruptions and directs the President to submit to Congress comprehensive energy emergency response procedures which he might use to implement the authorities available to him to blunt the impact of an international energy emergency.

One of the major weapons in America's arsenal to combat an international energy supply interruption is the Strategic Petroleum Reserve. Extensive oversight hearings held by the Subcommittee on Energy and Mineral Resources, which I Chair, graphically pointed out the importance that the SPR plays in any energy emergency strategy.

President Reagan is to be praised for the efforts his administration has undertaken to double the reserves contained in the SPR during his administration. The more than 250 million barrels currently contained in the reserve have eased somewhat the concerns of America's energy planners over any future energy supply interruption.

However, the current reserve represents only about a 40-day replacement supply of oil at current imported oil levels. Hearings held by my subcommittee have indicated that this reserve will not be adequate to blunt any major energy interruption of long duration.

An overwhelming number of witnesses testified during hearings on the SPR that the fill rate of the SPR should be increased to take advantage of the low prices resulting from the current oil glut and to increase America's reserve.

The hearings pointed out that if the SPR fill rate was to be increased there was a need for the construction of interim capacity as permanent storage capacity would not be available in time to handle the increased volume of oil.

S. 2332 reflects the views expressed during the SPR oversight hearings and those views of the majority of the Senate Energy Committee as it calls for an increase in minimum SPR fill rate. However, the Congress, recognizing that the United States is facing difficult budgetary times, has provided flexibility to the President in complying with the act's mandated fill rate. If the President finds that the mandated fill rate will not be in the national interest for good cause, he may transmit such a finding and its rationale to the Congress. The President may then fill the SPR at a lower rate.

The conferees, recognizing the SPR's current permanent storage capacity limitations for storing the increased amounts of oil mandated under the act, provided for the storing of SPR oil in interim storage facilities. Such facilities are to be constructed as needed from up to 10 percent of the SPR petroleum account obligated in each fiscal year for expenses related to the storage of SPR. The conferees provided the President flexibility in his deciding what type of interim storage facilities to use but counseled him to consider all types of such storage including floating storage as well as onshore storage. Senator HEINZ strongly advocated the need for the development of above ground steel storage tanker facilities. I agree with Senator HEINZ that this is one of the options the administration should pursue.

It was the opinion of many witnesses who testified before the subcommittee that the current SPR drawdown plans were outdated. Recognizing this fact, the conferees in S. 2332 are requiring the President to transmit to Congress no later than December 1, 1982, a new drawdown plan for the SPR consistent with the requirements of section 154 of the Energy Policy Conservation Act.

Questions have arisen whether or not a centrally located SPR can adequately respond in a timely fashion to the needs of regions located some distance away from the reserve. Senator MATSUNAGA has specifically expressed his concerns of the possible hardships facing Hawaii because of its distance from the current SPR. I have indicated to Senator MATSUNAGA that the subcommittee will examine this problem at a later date. Accordingly the conferees have required the President to submit to Congress no later than December 31, 1982, a study assessing the costs and benefits of establishing regional petroleum storage as part of the strategic petroleum reserve.

S. 2332 is a large step in defining the Nation's SPR and the role it is to play in future energy emergency supply interruptions.

The Subcommittee on Energy and Mineral Resources will exercise its oversight jurisdiction over the SPR very diligently and will examine with great interest the actions taken by the administration to implement the mandates called for by S. 2332.

Mr. President, I want to commend the Senator from Idaho, the distinguished chairman of the Committee on Energy and National Reserves (Mr. MCCLURE), and the Senator from Washington, the distinguished ranking minority member (Mr. JACKSON), and the Senator from Hawaii, the ranking minority member of the subcommittee (Mr. MATSUNAGA), for their outstanding work on S. 2332.

I urge the Senate to adopt the conference report which I believe will greatly enhance the ability of the United States to respond to an oil embargo or other energy emergency.

Mr. JACKSON. Mr. President, I rise as a disappointed supporter of the conference report on S. 2332, the Energy Emergency Preparedness Act of 1982.

I say I am a disappointed supporter of the bill because I believe it falls far short of the type of statutory authority we should have on the books to deal with a genuine energy emergency situation. The bill is, however, an improvement over existing law and should be enacted. As I have stated time and time again, I believe that preparing for an oil supply crisis is a vital national security issue; it should be one of the highest priorities for the Congress and for the administration. Unfortunately, it is not. A lot more than this bill is needed to be truly prepared.

I believe that the President's arsenal to deal with an oil supply crisis should be loaded. While this legislation is definitely an improvement over existing law, it does not give the President authority to insure that the vital sectors of our economy will be assured of petroleum supplies during a crisis; nor does it give the President authority to alleviate the economic shock to the Nation that could come if energy prices go through the roof because of shortages. Even if the President had standby allocation and price control authority, we still would not be adequately prepared to respond to an

emergency. We need to develop contingency plans. That subject is addressed in detail in my statement.

My colleagues are familiar with my views on the situation in the Middle East. I could go on at some length on the potential for disaster in the Persian Gulf nations. The area, which is vital to the free world's energy supply outlook, is fundamentally unstable and liable to explode at any time.

I will resist the temptation to dwell on my favorite subject, and will instead comment on some specific aspects of the history of this legislation, and on the conference report in particular, which I believe need clarifying.

It is unfortunate that this legislation became necessary, but when the President vetoed S. 1503, the Standby Petroleum Act, we found ourselves with a number of disturbing problems. First, administration officials claimed that contingency plans were in place, that this administration was prepared to respond to the next energy supply crisis. In fact, it is clear that, as an administration official subsequently admitted, contingency plans are not in place and available for implementation.

Second, while the strategic petroleum reserve is essentially the only means we will have to respond to the next energy crisis, the administration was proposing substantial cuts in the budget for filling the SPR. They argued that storage capacity limitations in the SPR salt domes prevented us from filling at higher rates. Meanwhile, the private sector is glutted with empty excess petroleum storage capacity. Finally, the administration was proposing changes in the way information on the consumption of petroleum products is collected. This would reduce the ability of the Government to respond to an energy supply cutoff.

On April 14, I introduced (with Senator BRADLEY as a cosponsor) printed amendment No. 1354 to S. 2332, which addressed these problems. First, it required the Presdient to submit a memorandum of law on what his authorities are under existing law to respond to a petroleum supply shortage and to include comprehensive contingency plans on how he would implement those authorities. Second, it required the President to accelerate his procurement of oil for the SPR to at least 300,000 barrels per day and it authorized him to use excess storage capacity in the private sector as interim storage while permanent storage is being constructed in the SPR facilities. Third, it required the continued collection by the Federal Government of information on petroleum product consumption.

The Committee on Energy and Natural Resources adopted my proposals along with other amendments. The House adopted a somewhat similar bill and today we vote on the conference report. I am glad that the elements of my proposal of April 14 remain intact in this conference report, unfortunate as it is that this legislation is necessary at all. Many other Members have contributed to the outcome of this legislation. For example, Senator DURENBERGER recognized that while it requires only 8 hours notice to begin physical drawdown of the SPR in a crisis, this administration does not have in place a specific drawdown plan containing the policies that this administration will follow in that drawdown. This conference report contains the essence of Senator DURENBERGER's proposal that the President submit such a drawdown plan to the Congress.

I want to commend Chairman JAMES MCCLURE, not only for his amendments which substantially improved this legislation, but also for his skill in moving this legislation through the Senate and conference with the House. The indications are that the President will sign this legislation and that, too, is a tribute to the chairman.

Section 4 of this bill is really the heart of the legislation. It is intended to correct a problem that has existed for some time now—the inability or unwillingness of the executive branch to fill the SPR as rapidly as appropriated funds would permit. The prior administration delayed filling the SPR, reportedly because of a fear of alienating the Saudis. This delay resulted in the available storage capacity getting far ahead of the fill rate.

Thus, when the current administration came into office there was a substantial amount of constructed, but unfilled, SPR storage capacity. To their credit, they commenced rapid filling of the SPR and achieved an average rate of 292,000 barrels per day in fiscal year 1981, a notable accomplishment.

However, this high rate of fill soon became constrained by two factors, the amount of available permanent storage capacity and limitations on the amount of outlays which the OMB was willing to commit to the SPR. This fiscal year, the administration has had over $3.6 billion available for SPR oil acquisitions, but as of June 30, 1982, over $1 billion remained unobligated. The President, in vetoing S. 1503, repeated the administration's commitment to "add to the strategic petroleum reserve as permanent storage becomes available."

The administration has projected their expected fill rates for the SPR for future fiscal years. Before this bill emerged, the constraints on storage capacity would have resulted in the SPR buying only 9 percent of its oil for delivery in fiscal year 1983 with fiscal year 1983 funds, while 91 percent of the oil delivered in fiscal year 1983 would have been paid for with fiscal year 1982 funds that carry over. Similarly, oil purchases in fiscal year 1984 would have come almost exclusively from fiscal year 1983 fundings. This "stretch-out" in spending means we would have slowed down the rate at which the SPR is filled.

Enactment of the Energy Emergency Preparedness Act is intended to change this situation dramatically. First, capacity constraint will no longer be a reason for delay in filling the SPR. Section 4(b) grants the SPR program clear authority to lease or otherwise acquire private storage capacity in which to store oil while the necessary permanent storage capacity is under construction. Testimony before the Committee on Energy and Natural Resources indicates that there is ample private storage capacity available at very reasonable cost. In addition, section 4(b)(2) of S. 2332 permits a portion of the off-budget SPR account to be used to finance interim storage costs. This subsection also includes a carryover provision so that if not all of the off-budget funds available for interim storage costs are used in that fiscal year, then the extra amount available will roll over to the next year. Because the effective date of this subsection is the date of enactment of the act, then 10 percent of the funds obligated from the SPR account in fiscal year 1982 will be available upon enactment for interim storage financing.

Second, this act goes further than simply removing the storage capacity limitations as a barrier to higher SPR fill rates. It also affirmatively mandates higher SPR fill rates than those the administration has projected for the coming fiscal years.

Whereas current law calls upon the President to seek to fill the SPR at a minimum of 300,000 barrels per day, this bill would mandate a minimum fill rate of 300,000 barrels per day until 500,000,000 barrels are in storage in the SPR. The President can reduce the mandated minimum fill rate to 220,000 barrels per day, if he makes a finding for good cause, as specified.

Even more important than the mandates to fill the SPR at a minimum of 300,000 barrels per day or 220,000 barrels per day, as the case may be, is the requirement contained in section 160(c)(1)(D)(i) of EPCA, as amended by this bill, which requires the President to fill the SPR at the highest practicable fill rate given available funds. The intent of the Congress on this point cannot be overemphasized. The use of the terms "If funds are available * * *" and "subject to the availability of appropriated funds" are intended in this provision to refer to any funds available to the SPR after fiscal year 1982, including fiscal year 1982 carryovers. This provision is the mechanism by which the Congress re-

quires the President to spend any funds that are available to him in a given fiscal year to fill the SPR at the highest practicable average rate in that fiscal year.

The conference agreement also provides in the new section 160(c)(1)(D)(ii) of the EPCA that the Impoundment Control Act of 1974 shall apply to funds made available for the SPR under section 167 (b) and (e) of EPCA. There are in some quarters of the administration claims that the Impoundment Control Act does not already apply to these funds. In the debate over S. 2332 vague references to this effect were made, but no one ever explained the legal basis for such a contention. There is certainly no intention in including this reference to the Impoundment Control Act in the conference agreement to imply congressional intent or belief that that act does not apply now to the funds in question. Nevertheless, including this reference in subparagraph (D)(ii) only emphasizes the express intention of the Congress that the Impoundment Act will serve as the sanction for insuring the President's compliance with the provisions of this bill.

The mandate to fill at a minimum of 300,000 or 220,000 barrels per day as the case may be, and the mandate to fill at the highest practicable fill rate are intended to be regarded as program objectives for the strategic petroleum reserve program. The intention is that if the President has available the necessary funds to achieve a mandated fill rate, then he must comply with that mandate or seek and obtain a deferral or rescission of the available funds under section 1012 or 1013 of the Impoundment Control Act. The only exception is if the President obtains suspension of the mandates through section 160(e) of EPCA. The committee has turned repeatedly to the General Accounting Office to monitor the compliance of the administration with the requirements of law regarding filling the SPR. Here in S. 2332, the Congress will look to the Comptroller General to exercise his authorities under the Impoundment Control Act to insure that the applicable mandates in this statute are met.

The Presidential finding that reduces the mandated minimum fill rate from 300,000 barrels per day to 220,000 barrels per day is subordinate to the requirement to fill at the highest practicable rate. Even though the President makes such a finding, he is still required to fill at the highest practicable rate. This is not a contradiction because there is another provision in section 160(e) of EPCA in existing law which enables the President to seek a suspension of the requirements in section 160(c) including the requirement to fill the SPR at the highest practicable rate. In that case, the Congress must enact a two-House resolution approving the suspension of the requirement. If the President is not willing to afford Congress the opportunity for its review and disapproval, then the requirement to fill at the highest practicable rate remains.

Another important point to note is the meaning of the term "practicable" in section 160(a)(1)(D)(i). The intention here is that the term "practicable" means what we normally think that word means—feasible. Therefore, the SPR must be filled in a given fiscal year at the highest feasible rate averaged over that fiscal year given available funds from whatever source.

Mr. President, I urge my colleagues to support this conference report.

Mr. METZENBAUM. Mr. President, the subject covered in this conference committee report concerning the extension of the antitrust exemption for those companies participating in the IEA program is a matter that has concerned the Senator from Ohio for some time. More basic, however, is the question of the IEA itself.

I had occasion several years ago to travel at my own expense to th IEA meeting in Paris and to observe for myself what transpires at those meetings, and I am frank to say it was a disappointing experience because I found that my Nation, my country, was the butt of critical and rather unfriendly comments from spokespersons for many other nations, and I also recollect very well that out of that meeting came an understanding that each of the nations of the world that participated in the IEA would cut back their consumption 5 percent.

It should be pointed out that IEA was originally developed, caused to come into being, by reason of Henry Kissinger's thought that the consumer nations ought to have some mechanism to deal effectively with the producing nations, and that this was that mechanism that was provided for that purpose.

The 5-percent cut by the consuming nations was agreed upon. But when the facts developed over the ensuing months and years, it was obvious that our Nation lived up to its obligation and many of the other nations, if fact most of them, failed to do that.

The IEA exemption on an antitrust basis relates the fact that those oil companies that participate in the IEA are exempt from any possible antitrust prosecution by reason of their activities in the IEA. And it is fair to point out that at the meetings that are held there are usually observers for our Government who speak for the antitrust division of the Department of Justice.

But, having said that, I am not certain that that exemption should be permitted any further. I am not certain that it serves our Nation's interests. And it is certainly a well-accepted reality of life in this country that whether or not the oil companies violate the antitrust laws or fail to violate those laws, they certainly seem to be able to orchestrate their activities in such a manner that prices go up as a group and prices come down as a group, and production is cut back as a group and production is increased as a group.

Now just how that comes about, I am not prepared to say. But I do not think there ought to be antitrust exemptions existing in the law. And on previous occasions the question of whether or not the jurisdiction of that antitrust exemption belonged with the Energy Committee or with the Judiciary Committee has been resolved by agreeing to joint jurisdiction.

A critical issue about the whole subject, however, really relates to whether or not our Nation's interests are served by our further participation in the IEA. I am not at all certain that they are. And it is because I have raised that issue previously that the chairman of the Energy Committee has made it clear that he expects to conduct oversight hearings on the subject which will look at the whole issue of whether or not the IEA should indeed be continued or whether or not the United States should continue to participate in IEA.

In the chairman's statement that is in the RECORD, the chairman states:

As a furtherance of this review it is my intention to conduct extensive hearings in the next Congress to examine all issues related to the United States participation in the international energy program. This review also will satisfy my commitment to the Senator from Ohio (Mr. METZENBAUM).

In all fairness, originally I agreed to the IEA antitrust exemptions to June 30, 1983. Then I had agreed to it to August 1, 1983, and the conference report now takes that up to December 31, 1983.

I do not know if that is too important as to which particular date, but I think it is important that hearings be held at the earliest possible date, hopefully shortly after we reconvene in 1983. It is my understanding that the chairman did address himself to this issue at the conference committee. I inquire of the Senator from Virginia, the manager of the conference report on the floor, as to such information as he has with reference to the commitment of the chairman of the Energy Committee at the time of the conference committee meeting.

Mr. WARNER. I thank my distinguished colleague from Ohio. He is accurate. I refer now to the transcript of proceedings of the joint conference on S. 2332 and H.R. 6337, U.S. Senate and U.S. House of Representatives, dated July 19, 1982. This is Chairman MCCLURE speaking.

I would indicate as far as Senator Metzenbaum is concerned, that I have already indicated to him, that we will hold hearings

early next year with respect to IEA or during the balance of this year and I would intend to do that regardless of what date is put in.

I hope that that representation is satisfactory to the Senator from Ohio.

Mr. METZENBAUM. I thank the Senator from Virginia. I wish to say that it was my earlier hope, and I thought some possibility, that the hearings would be held in 1982. I recognize the fact that this session is beginning to wind down and that the pressures in the Energy Committee as such that that may not be possible. In an off-the-floor discussion that was had with the Senator from Virginia and staff prior to this particular discussion on the floor, it is my understanding that the target date—and we are talking about early in 1983—without it being an absolute firm date, would be February 1983. Is that the understanding of the Senator from Virginia?

Mr. WARNER. That is the understanding of the Senator from Virginia.

Mr. METZENBAUM. I thank the Senator from Virginia and I thank him for his cooperation in connection with this matter.

Mr. WARNER. I wish to thank my distinguished colleague from Ohio for his cooperation and interest in this matter. I think it is very important to the Senate that he has taken this time to personally address this situation. As I understand it, the Senator made a special trip back so that he could be here this morning to cover this very important item.

Mr. METZENBAUM. The Senator from Virginia is correct. I got up rather early—as a matter of fact, 5:30—to be here and I am glad we did get this matter clarified on the floor.

I might also say, in all candor, I had been told there would be four or five rollcalls today, but I think that is just one of those pieces of misinformation that seems to find its way around this body every so often.

Mr. WARNER. I would not be able to address that.

● Mr. WEICKER. Mr. President, I am pleased to rise today and give my full support to the conference report on S. 2332.

First, however, permit me to especially take this opportunity to congratulate Senator MCCLURE for his leadership as chairman of the Senate conferees. Under his skillful and effective guidance we have been able to properly address numerous issues surrounding the strategic petroleum reserve and energy emergency planning.

The core of this conference report deals with the mandated fill rate of the strategic petroleum reserve. Under this legislation, we are assured that the reserve will be filled at a rate of 300,000 barrels per day, or at least 220,000 if the President certifies that the higher rate is not in the national interest.

As a practical matter, the SPR is our only existing energy emergency program. Since the veto of S. 1503, this country has been without any energy preparedness plan. I call attention to this fact only to underline the importance of maintaining a high fill rate of the SPR.

Equally, and as I had urged in the conference, I believe that it is imperative that we proceed with the development of regional petroleum reserves. This is especially important to New England which has a unique reliance upon imported oil. The legislation before us gives the executive branch one further, and in my judgment final, opportunity to present Congress with a reasonable plan for the rapid development of these regional reserves. In that regard, I would observe that the Department of Energy is now required, under this legislation, to report a program to us by December 31, 1982. If that report is not responsive or adequate, I fully intend to urge that Congress proceed with hearings on the subject and create a regional reserve program with or without the support of the Department of Energy.

Mr. President, I endorse this report and urge its adoption by the Senate.●

Mr. WARNER. Mr. President, there has been no indication of a desire for a rollcall vote. Therefore, I ask that the Chair put the question.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

(The following colloquy occurred during consideration of the foregoing conference report and is printed at this point in the RECORD by unanimous consent:)

Mr. THURMOND. Will the Senator yield?

Mr. WARNER. Yes.

Mr. THURMOND. Mr. President, I just want to say that the proponents of this constitutional amendment to balance the budget were ready to go forward with all amendments. It seems that we are about finished on our side, I believe, but we are waiting on the Democratic side. We are ready to proceed right now if you have an amendment or know of anybody on your side that has one. We are ready to go forward.

Mr. METZENBAUM. I appreciate the statement of the Senator from South Carolina. I do not have an amendment now nor do I intend to have any.

I think I will serve my constituents well when I vote "no" on the whole matter. I do not see many ways of improving this particular constitutional amendment. I think the best thing we could do is if we were not debating it at all and actually got down to bedrock and balanced the budget. That is where our responsibility lies, not to pass the constitutional amendment.

But I guess that is part of another debate and I do not know that we need to clutter up the RECORD on this conference committee report on this issue at this time.

Mr. THURMOND. I just want to make it clear that the proponents of this amendment are eager, ready, willing, and able to go forward.

Mr. METZENBAUM. It is my understanding, and I do not know how accurate it is, but I am told that Senator MATHIAS on your side of the aisle does expect to bring up an amendment today. I do not know if that is accurate or not. It is Monday. I am sorry, not today. I stand corrected.

Mr. THURMOND. He and Senator BAUCUS have an amendment. We have told them we are ready at any time they wish to bring it up.

(Conclusion of earlier proceedings.)

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of Senate Joint Resolution 58.

The Senate continued with the consideration of the joint resolution.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, while I am not directly involved in the matter pending, I see no Member of the Senate who desires to be heard on this subject. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. With the time to be equally charged to both sides?

Mr. WARNER. That would be my understanding.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

Mr. THURMOND. Mr. President, what is the business pending before the Senate?

The PRESIDING OFFICER. Senate Joint Resolution 58.

Mr. THURMOND. Mr. President, we are ready to proceed with any amend-

ments anyone wishes us to consider. I do not hear any response.

If there is no response, I presume the majority leader may wish to move to other matters or recess until Monday.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I see the majority leader has arrived in the Chamber.

Mr. BAKER. Mr. President, I see no other Senator seeking recognition. I am advised that the managers of the bill on both sides do not know of any Members who are in a position to offer amendments or debate the measure at this time. That is a disappointment to me. I had hoped that we could dispose of a greater number of amendments today. I had assumed there would be rollcall votes today. The fact that there were not rollcall votes on this Friday should not be an indication to Members that we will not have rollcall votes next Friday or the Friday after that. I expect that we will.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, in the absence of anyone wishing to offer an amendment pertaining to Senate Joint Resolution 58, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 1:30 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 4 P.M. TODAY

Mr. BAKER. Mr. President, I am sure the request I am about to make will be agreeable to the minority leader. If it is not, we shall vitiate the request at a later time.

I ask unanimous consent that, in view of the fact that I think the Senate will complete its business shortly, the RECORD remain open until 4 p.m. today and that Senators may introduce bills, resolutions, and statements during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are a few other routine matters. I shall wait until the minority leader is on the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. KENNEDY and other Senators at this point in connection with the introduction of legislation are printed under statements on introduced bills and joint resolutions later in today's RECORD.)

ORDER OF BUSINESS

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MOYNIHAN. Who is controlling the time on Senate Joint Resolution 58?

The PRESIDING OFFICER. The Senator is advised that we are presently in routine morning business.

Mr. MOYNIHAN. I thank the Chair. Do I understand that there is no time limit set for routine morning business?

The PRESIDING OFFICER. There is no limit on time.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

Mr. MOYNIHAN. Mr. President, I shall not detain the Senate at length on this matter, but there are just a few additional points I wish to make as we bring the week's debate on Senate Joint Resolution 58 to a conclusion. Obviously, this is not the time set aside for that debate, but it is within the purview of morning business that may be discussed on a Friday afternoon.

CAN 172 ECONOMISTS BE WRONG?

Mr. President, I make this statement because of a remarkable article that appeared on the op-ed page, as it is called, of the Washington Post this morning, a piece based on a speech given recently by my friend and distinguished fellow New Yorker, Representative JACK KEMP, on the subject of the balanced budget amendment now before us.

Mr. KEMP, a man who has had great influence in this Congress regarding his views on taxation and economics, is generally known to be a close associate with the President, a man who has the President's ear. The President is known to have done what JACK KEMP thinks should be done, is known to believe what JACK KEMP believes, is known to say what JACK KEMP says—but not always in public, because now JACK KEMP has said in public that the amendment before us is a "sideshow." Mr. KEMP dismissed Senate Joint Resolution 58 with contempt. He has employed the inference, if not the precise words, of my good friend and his, Mr. William F. Buckley, who once described a measure of which he did not approve as "boob bait for conservatives," it being his judgment that conservatives are especially prone to that kind of inducement. Mr. KEMP has said it is a "sideshow," and in response, according to Mr. Mark Shields, for the first time in his long lecture to a group of congressional interns the room broke out in sustained applause. He knows what "boob bait" is, and he sees the majority of the gentlemen and ladies opposite rising to it, and all he can be is sorrowful—sorrow tinged, I suspect, with contempt. I wonder what he says to the President in this matter. It would be interesting to know.

Mr. President, I ask unanimous consent at this point to include in the RECORD the part of Mr. Shields' article describing Mr. KEMP's address.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 30, 1982]

JACK KEMP: TRUE TO HIS CAUSE

(By Mark Shields)

In Washington, when a majority of the resident wise persons simultaneously conclude that a particular public person (hereinafter to be called PPP) has recently "grown," that usually means that (a) the PPP's positions have "grown" publicly closer to those of the wise persons and/or (b) that the PPP has now or will soon have more political power than the wise persons previously believed the PPP to have.

Rep. Jack Kemp (R-N.Y.), the principal architect and persuasive advocate of supply-side economics, was taking questions before a standing-room-only crowd of congressional interns.

These are not the easiest of times for Jack Kemp. True, more than most presidential candidates and even more than some presidents, Kemp has influenced the national debate and helped set the national agenda. Largely because of his forceful championing of his tax-reduction plan, the Republicans in 1980 became, for many, the party of hope and opportunity and optimism. His tax-cut plan became Candidate Reagan's platform and President Reagan's program. And the law of the land. If Reaganomics is judged a failure, then Reagan will not be the sole political casualty. Kemp's political future rides, as well, on the monthly reports on unemployment and the economy.

Kemp, exceptionally effective on the supply-side cause, reminded his audience that "the dollar was once as good as gold." But, like the president he supports, Kemp,

with the passage of his bill in the summer of 1981, got what he wanted and had prescribed. It is now politically too late for legislative postscripts.

Then, the question about the balanced-budget constitutional amendment. Some in his audience recalled that Kemp, virtually alone of conservative House Republicans, refused to take, during a Democratic administration, the contradictory positions of concurrently supporting a 33 percent tax cut and a balanced budget amendment. "The balanced-budget constitutional amendment," said Kemp about the proposal that Bob Dole sponsors and Ronald Reagan waxes ecstatic, "is a legislative sideshow. The crowd, for the first time in an hour-long speech, interrupted Jack Kemp with sustained applause. Maybe as much for his consistency as for his courage. In the unheroic political climate of 1982, anyone with the courage and the consistency publicly to knock a balanced-budget constitutional amendment deserves credit, at the least, for not shrinking, if not for his "growth."

Mr. MOYNIHAN. Mr. President, from another point of view in journalism and, I might say generally, in politics, this morning in the New York Times Mr. Tom Wicker has an article entitled "Biggest Hoax." It is interesting because the same word "hoax" is used by Tom Wicker—a journalist of great eminence in our country, associated with the liberal end of the political spectrum—almost a week to the day after George F. Will, an equally eminent journalist associated with the more conservative end of the political spectrum, used the word "hoax" in the Washington Post to describe this matter before us. And Mr. Wicker observes that David Brinkley recently posed the following question to his television audience: "Has there ever been a bigger hoax in Washington than the so-called balanced budget amendment supported by the Reagan administration?" David Brinkley on news says, "Has there ever been a bigger hoax in Washington?"

I ask unanimous consent, Mr. President, that this article by Mr. Wicker be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 30, 1982]

THE BIGGEST HOAX

(By Tom Wicker)

David Brinkley recently posed this question to his television audience: Has there ever been a bigger hoax in Washington than the so-called "balanced budget amendment" supported by the Reagan Administration?

After President Reagan's latest news conference, the answer clearly is "yes." The biggest hoax in memory is Mr. Reagan's effort to cover up his own unmatched performance as a deficit spender by plugging that illusory amendment. At best, it could have no effect on the budget for several years—and that not necessarily good—while the Reagan deficits are here, now, huge, growing and unnecessary.

The President said that these deficits "I don't think can be laid at an individual's door"—although he never hesitated to lay earlier deficits at Jimmy Carter's door. As for those projected during his Administration, there's one easily identifiable individual who proposed and pushed through Congress a three-year $750 billion tax cut, who scheduled 7 percent annual increases in real military spending, and who supported a Federal Reserve monetary policy to slow inflation that also induced recession and now inhibits recovery.

These are the primary causes of the deficits now impending, and that individual is Ronald Reagan. If he's not responsible for those deficits, who is? The Democrats? Even if they still controlled Congress, they could have made all the spending cuts Mr. Reagan originally asked and still not have reduced the projected deficits significantly.

Just this week, the Congressional Budget Office—so far a more reliable prognosticator than the Reagan White House—estimated that the deficits in each of the next three years would range from $140 billion to $160 billion, even after approval of the proposed $99 billion tax increase for the same years. Without a shred of evidence other than voodoo throbbings, the White House pronounced this "too pessimistic."

Not according to chairman Paul Volcker of the Federal Reserve Board, who said the C.B.O. projections "came as no surprise to us." He said there was "a lot more to be done"—both spending cuts and tax increases—to bring down the deficits and permit interest rates to decline and the economy to expand.

But what is Mr. Reagan doing? He is proposing to renege on (he calls it "flexibility") the budget agreement he had reached with Senate Republican leaders, in which they settled upon military spending of $214 billion for 1983, $243 billion for 1984 and $279 billion for 1985—hardly small change. The President now says he will propose higher military spending for 1984 and 1985, because—as a Defense Department official put it—"Cap [Weinberger] wants everything he can get his hands on."

At his news conference, Mr. Reagan insisted he would nevertheless keep his 1984 and 1985 budget requests within the overall total agreed upon with the Senate. That means the military increases would have to be taken out of non-military spending, no doubt laying added burdens on the poor.

Even so, the President's decision to give Cap everything he wants damages the economic outlook for at least three reasons:

Depending on what non-military programs are cut, the shift to military spending would reduce consumer purchasing power, thus further hindering recovery.

Military spending contributes little to economic growth and is inflationary in that it makes a high demand on skilled manpower and scarce materials, driving up their costs.

By reneging on a major part of the budget agreement, Mr. Reagan is bound to have created doubts that he and/or Congress will stick to the rest of it.

Ironically, Mr. Reagan himself pointed to the importance of creating "the psychological effect that would indicate that the Government is really determined to . . . have some real fiscal integrity. . . ." But his actions on his own budgets are likely to speak louder than his words on a balanced budget amendment.

Besides, chairman Pete Domenici of the Budget Committee said that increases in proposed military spending would be "unreasonable and unjustified." Yet Mr. Reagan continues to portray himself as the champion of reduced spending and balanced budgets, and his discredited economic "program" as the ony proper way of "working our way back to prosperity."

Congress, of course, need not appropriate the additional military funds for 1984 and 1985, and it probably won't—particularly if the November election results can be read as a rebuke to the Reagan Administration.

That doesn't alter the fact—or its "psychological effect"—that while advocating a constitutional requirement for balanced budgets in the future, Mr. Reagan is willing to undercut the agreement with Congress by which he supposedly is trying to reach one now.

Mr. MOYNIHAN. Mr. President, last Tuesday, I believe, I spoke about the episode that occurred in 1930 when the Smoot-Hawley tariff came to the desk of President Herbert Hoover. The Smoot-Hawley tariff was, I believe, the last tariff bill ever to appear on the floor of the Senate. I may be wrong, Mr. President; I frequently am. But under Cordell Hull multilateral trade treaties began to be negotiated and, because of the calamity of Smoot-Hawley never again did the Finance Committee allow a tariff bill to come to this floor.

Now, what was that calamity? It is very simple. In 1930, the President of the United States signed the Smoot-Hawley tariff bill. Within 2 years, Mr. President, the exports of the United States had dropped by nearly two-thirds. Within 2 years, Mr. President, the imports of the United States also had dropped by nearly two-thirds. In the history of the United States there has never been as disastrous a piece of economic legislation. I cannot think of any self-inflicted wound as grievous as the decision by this Congress, unless perhaps the decision not to allow ships that had abandoned the American flag during the Civil War, to reregister as American ships, effectively putting an end to one of the great merchant marines of the world. It was not until World War I that we were able to reconstitute our merchant marine. But Smoot-Hawley helped bring on 10 years of miserable depression, and this consequence was clearly foreseen—a miserable, disastrous depression that tore this country apart. In the ruling circles of the Reagan administration, there are people who still do not understand why President Roosevelt instituted the social security system. More than 25 percent of the population was out of work; that is why. And why were they out of work? In important part, because of the disastrous impact of the Smoot-Hawley tariff.

Now, sir, on May 4, 1930, 1,028 economists wrote the President of the United States pleading with him to veto the Smoot-Hawley tariff. I read from the New York Times: "1,028 economists ask Hoover to veto pending tariff bill. Professors in 179 colleges and other leaders assail rise in rates as harmful to country and sure to bring reprisals." And reprisals it brought indeed—trade wars, worldwide depres-

sion, and with that fascism and eventually World War II. That is not too large a proposition. The destruction of the economy of Germany paved the way for Hitler; The rise of Hitler paved the way for the world's most hideous war. And 1,028 men and women of economic science had the courage to plead with the President: "Don't do it." But he did it anyway, because he knew "boob bait for conservatives" when it was tossed out on the water. It was perhaps boob bait for him. I have a great respect for Herbert Hoover; of all the things he did, the one I can never understand is signing that tariff.

Mr. President, it will be a burden on the RECORD, and yet I ask unanimous consent that the New York Times article be printed in the RECORD along with the names of those honorable men and women who at that time pleaded with the President not to take a step which brought a decade of sorrow and ruin. It is a role of honor to this profession of economics.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 5, 1930]

1,028 ECONOMISTS ASK HOOVER TO VETO PENDING TARIFF BILL

PROFESSORS IN 179 COLLEGES AND OTHER LEADERS ASSAIL RISE IN RATES AS HARMFUL TO COUNTRY AND SURE TO BRING REPRISALS

WASHINGTON, May 4.—Vigorous opposition to passage of the Hawley-Smoot tariff bill is voiced by 1,028 economists, members of the American Economic Association, in a statement presented to President Hoover, Senator Smoot and Representative Hawley by Dr. Claire Wilcox, associate professor of economics at Swarthmore College, and made public here today. They urge the President to veto the measure if Congress passes it.

Economists from forty-six States and 179 colleges, among them Irving Fisher of Yale, Frank W. Taussig of Harvard, Frank A. Fetter of Princeton, Wesley C. Mitchell of Columbia, J. Laurence Laughlin of the University of Chicago and Willford I. King of New York University join in the statement.

Arguing against increased tariff rates they declare that the pending bill will raise the cost of living and injure the "majority of our citizens," that under it the vast majority of farmers would lose and that American export trade in general would suffer.

Asserting that America now faces the problem of unemployment, the economists challenge the contention of high tariff proponents that higher rates will give work to the idle. Employment, they state, cannot be increased by restricting trade, and American industry, in "the present crisis, might be spared the burden of adjusting itself to higher schedules of duties."

They urge the administration to give regard to that "bitterness which a policy of higher tariffs would inevitably inject into our international relations."

The text of the statement is:

"The undersigned American economists and teachers of economics strongly urge that any measure which provides for a general upward revision of tariff rates be denied passage by Congress, or if passed, be vetoed by the President.

"We are convinced that increased restrictive duties would be a mistake. They would operate, in general, to increase the prices which domestic consumers would have to pay. By raising prices they would encourage concerns with higher costs to undertake production, thus compelling the consumer to subsidize waste and inefficiency in industry.

"At the same time they would force him to pay higher rates of profit to established firms which enjoyed lower production costs. A higher level of duties, such as is contemplated by the Smoot-Hawley bill, would therefore raise the cost of living and injure the great majority of our citizens.

"Few people could hope to gain from such a charge. Miners, construction, transportation and public utility workers, professional people and those employed in banks, hotels, newspaper offices, in the wholesale and retail trades and scores of other occupations would clearly lose, since they produce no products which could be specially favored by tariff barriers.

"The vast majority of farmers also would lose. Their cotton, pork, lard and wheat are export crops and are sold in the world market. They cannot benefit, therefore, from any tariff which is imposed upon the basic commodities which they produce.

"PREDICT A DOUBLE LOSS

"They would lose through the increased duties on manufactured goods, however, and in a double fashion. First, as consumers they would have to pay still higher prices for the products, made of textiles, chemicals, iron and steel, which they buy. Second, as producers their ability to sell their products would be further restricted by the barriers placed in the way of foreigners who wished to sell manufactured goods to us.

"Our export trade, in general, would suffer. Countries cannot permanently buy from us unless they are permitted to sell to us, and the more we restrict the importation of goods from them by means ever higher tariffs, the more we reduce the possibility of our exporting to them.

"This applies to such exporting industries as copper, automobiles, agricultural machinery, typewriters and the like fully as much as it does to farming. The difficulties of these industries are likely to be increased still further if we pass a higher tariff.

"There are already many evidences that such action would inevitably provoke other countries to pay us back in kind by levying retaliatory duties against our goods. There are few more ironical spectacles than that of the American Government as it seeks, on the one hand, to promote exports through the activity of the Bureau of Foreign and Domestic Commerce, while, on the other hand, by increasing tariffs it makes exportation ever more difficult.

"We do not believe that American manufacturers, in general, need higher tariffs. The report of the President's Committee on Recent Economic Changes has shown that

* * * * *

ready our factories supply our people with over 96 percent of the manufactured goods which they consume, and our producers look to foreign markets to absorb the increasing output of their machines.

"Further barriers to trade will serve them not well, but ill.

"AFFECT ON INVESTMENTS ABROAD

"Many of our citizens have invested their money in foreign enterprises. The Department of Commerce has estimated that such investments entirely aside from the war debts, amounted to between $12,555,000,000 and $14,555,000,000 on Jan. 1, 1929. These investors too, would suffer if restrictive duties were to be increased, since such action would make it still more difficult for their foreign debtors to pay them the interest due them.

"America is now facing the problem of unemployment. The proponents of higher tariffs claim that an increase in rates will give work to the idle. This is not true. We cannot increase employment by restricting trade. American industry in the present crisis, might well be spared the burden of adjusting itself to higher schedules of duties.

"Finally, we would urge our government to consider the bitterness which a policy of higher tariffs would inevitably inject into our international relations. The United States was ably represented at the world economic conference which was held under the auspices of the League of Nations in 1927. This conference adopted a resolution announcing that the 'time has come to put an end to the increase in tariffs and to move in the opposite direction.'

"The higher duties proposed in our pending legislation violate the spirit of this agreement and plainly invite other nations to compete with us in raising further barriers to trade. A tariff war does not furnish good soil for the growth of world peace."

The signers include many economists connected with banks, public utilities, manufacturing industries, merchandising concerns and other business establishments.

The number signing from leading universities are: Columbia 28, New York University 22, Cornell 18, Harvard 25, Yale 14, Princeton 17, Dartmough 24, Chicago 26, Wisconsin 23, Pennsylvania 13, California 11, Stanford 7, Illinois 14, Northwestern 9, Minnesota 15, Missouri 15.

ORIGINATORS AND FIRST SIGNERS

Paul H. Douglas, Professor of Economics, University of Chicago.

Irving Fisher, Professor of Economics, Yale University.

Frank D. Graham, Professor of Economics, Princeton University.

Ernest M. Patterson, Professor of Economics, University of Pennsylvania.

Henry R. Seager, Professor of Economics, Columbia University.

Frank W. Taussig, Professor of Economics, Harvard University.

Clair Wilcox, Associate Professor of Economics, Swarthmore College.

ADDITIONAL SIGNATURES

ALABAMA

University of Alabama—James Halloday.

ARIZONA

University of Arizona—Robert B. Pettingill.

ARKANSAS

University of Arkansas—Truman C. Bingham, Walter B. Cole, Kenneth Sharkey, C. C. Eichtner, A. W. Jamison, C. O. Branner, B. M. Gile.

Hendrix Henderson College—Ivan H. Grove, O. T. Gooden.

CALIFORNIA

University of California—Ira B. Cross, Gordon S. Watkins, Stuart Daggett, M. M. Knight, Robert A. Brody, E. T. Grether, E. J. Brown, Lonn T. Morgan, Henry F. Grady, E. W. Braun, N. L. Silverstein.

Claremont College—Horace Secrist.

University of Southern California—Reid L. McClung.

University of Redlands—H. C. Tilton, Arthur D. Jacobson.

California Institute of Technology—Horace N. Gilbert.

Mills College—Glenn E. Hoover.

Stanford University—Dean W. E. Hotchkiss, Eliot Jones, Holbrook Working, Helen Cherington Farnsworth, Ada Fay Wyman, L. Elden Smith, Murray S. Wildman.

Pomona College—Kenneth Duncan, George I. Burgess, Norman Ness.

Armstrong College of Business Administration—Frank A. Haring, W. W. Diehl, J. Evan Armstrong, John H. Goff, George A. Letherman, J. Frank Day.

College of the Pacific—Robert C. Root, Luther Sharp, Laura M. Kingsbury.

Pasadena Junior College—Roscoe Lewis Ashley, Earl D. Davis, Leland M. Pryor, Fred G. Young, Louise H. Murdock, Henry P. Meinilow, Louis J. Hopkins, R. F. Berkeley, Walter W. Cooper, Howard S. Noble, L. S. Samra, Philip J. Webster, Claire Soderblom.

COLORADO

University of Colorado—Dean Elmore Peterson, Frederick J. Bushes.

Colorado College—A. P. R. Drucker, J. G. Johnson, Edna Rose Groth.

University of Denver—H. W. Hudson.

State Agricultural College—D. N. Donaldson.

Colorado Wesleyan University—Clyde Olin Fisher, K. M. Williamson, Norman J. Ware.

CONNECTICUT

Yale University—Ray B. Wosterfield, Fred R. Fairchild, Withrop M. Daniels, Jerome Davis, C. H. Whelden Jr., Hudson B. Hastings, Ralph A. Jones, A. Barr Jr., William W. Werntz, Triston R. Barnes, H. Beroizheimer, Geoffrey Crowther, Francis W. Hopkins.

Connecticut Agricultural College—Albert E. Waigh, Edward H. Gumbart, Cecil G. Tilton.

Trinity College—G. A. Kleene, George A. Suter, Henry W. Farnam, Curtis M. Geer, Charles A. Tuttle.

DELAWARE

University of Delaware—Claude L. Bonner, Harry S. Gabriel, J. Sidney Gould.

DISTRICT OF COLUMBIA

Horace B. Drury, Frank J. Warne, Herbert O. Rogers, Arthur Sturgis, Boris Stern, Lester D. Johnson, Edith S. Gray, Arthur S. Field, W. H. Rowe, Glen L. Siggett, John H. Gray, Jesse E. Pope, Harold Van V. Fay, Kurt Schneider, Charles E. Purans, Agnes L. Peterson, C. E. Clement, George B. L. Arner, William G. Elliot 3d, George B. Galloway, R. M. Boeckel.

Brookings Institution—C. C. Hardy, Leverett B. Lyon, Philip G. Wright, Lynn R. Edminster, W. M. Blaisdell, Gustavus A. Weber, Frank Tannenbaum, Freda Baird.

George Washington University—Harold G. Sutton, Richard N. Owens, Belva M. Owens.

American University—Charles F. Marsh, D. A. Kinsman.

Catholic University—The Rev. John A. Ryan.

FLORIDA

Francis M. Williams, H. Clay Armstrong, Isaac W. Bernheim.

Rollins College—Glen E. Carlson, Leland H. Jenks.

University of Florida—Harwood B. Dolbeare, Howard M. Dykman, Rollin S. Atwood, W. T. Hicks, J. G. Eldridge, J. P. Wilson, P. C. Scaglione, Huber C. Hurst.

GEORGIA

University of Georgia—Dean R. P. Brooks, Glenn W. Sutton, James B. Summers, Malcom H. Bryan, John W. Jenkins.

Agnes Scott College—James M. Wright.

Emory University—Edgar H. Johnson, Clark Warburton, Mercer G. Evans.

IDAHO

University of Idaho—Irwin Crane.

College of Idaho—Robert Rockwood McCormick.

ILLINOIS

University of Illinois—Melin H. Hunter, D. H. Hoover, M. A. Weston, D. Philip Locklin, Simon Litman, George U. Sanford, Paul E. Alyer, Paul M. Vanarsdell, Edward Berman, Donald R. Taft, Horace M. Gray, Daniel Barth Jr., D. M. Dailey, R. F. Smith

Northwestern University—Earl Dean Howard, Spencer W. Myers, Arthur J. Todd, Charles A. R. Wardwell, A. D. Theobald, Harold A. Frey, Coleman Woodbury, Robert J. Ray, E. W. Morehouse, Helen C. Manchau.

James Milliken University—Jay L. O'Hara.

Monmouth College—J. S. Cleland.

University of Chicago—H. A. Millis, J. Laurence Laughlin, Henry Schulz, . . . Baker, Charles J. Coe, Sara Landau, Arthur M. Weimer, Hilding B. Jack, Mary V. Covey, Leo McCarthy, May I. Morgan, R. W. Baldwin, Esther Essenshade.

Knox College—R. S. Steiner.

Lewis Institute—Judson F. Lee, P. S. Mata, E. J. Fowler, Carl Vrooman, A. D. Arado, Eugene W. Burgess, Ruth M. Kelogg, S. Leon Levy, Dorothy W. Douglas, Edward Manley, Willard S. Hall, O. David Zimring, E. W. Marcellus, I. W. Mints, Roger T. Vaughn, Everett V. Stonequist, Henry C. Simons, Margaret Grobben, Howard B. Myers, Joseph E. Griffin, Gerard S. Brown, H. S. Irwin, George E. Hooker, John H. Sherman, John B. Woolsey, Harland H. Allen, Lester S. Kellogg.

INDIANA

Indiana University—Thomas S. Luck, William C. Cleveland, Guy E. Morrison, James E. Moffat, Edwin J. Kunst.

Butler University—M. G. Bridenstein, Earl R. Beckner, Chester B. Camp, M. F. Gaudian.

Evansville College—Dean Long, Heber P. Walker, Paul G. Cressey.

Goseh College—Roland Yoder.

De Pauw University—William R. Sherman, A. H. Woodworth.

IOWA

University of Iowa—E. B. Reuter, Richard W. Nelson, George W. Mitchell, J. L. Miller, J. E. Partington.

Drake University—David F. Owens, L. E. Hoffman, W. N. Rolands, Herbert W. Bohlman, Herbert R. Mundhenke.

Iowa State College—Elizabeth Hoyt, John E. Brindley.

Penn College—President H. L. McCracken.

Grinnell College—Laetia M. Conard.

KANSAS

University of Kansas—John Ise, Jens P. Jensen, Eugene Maynard, Domenico Gagliardo.

Kansas State Agricultural—Leo Spurrier, J. E. Karnmeyer, T. J. Anderson Jr.

Kansas Wesleyan—David Dykstro.

Southwestern College—E. R. McCartney.

Bethel College—Robert G. O. Grovewald, J. F. Moyer, H. W. Guest, W. M. Black.

KENTUCKY

University of Kentucky—Edward Weist, James W. Martin, J. Catron Jones, C. A. Pearce, J. Philip Glenn, Harry Best, Esther Cole, Chester W. Shull, G. W. Patton, John Kimper, Dana G. Card, Saul K. Walz, H. Bruce Price, Walter W. Jennings.

LOUISIANA

Tulane University—Robert W. Eisasser; J. H. Stallings, National Fertilizer Company.

MAINE

John W. Bowers.

Bowdoin College—Walter B. Catlin, Phillips Mason, Morgan B. Cushing, William W. Lockwood Jr., Wilfred H. Crook.

MARYLAND

Goucher College—Mollie Ray Carroll, Elinor Pancoast.

Theodore Marburg, Dexter M. Keezer.

St. John's College—V. J. Wyckoff.

Johns Hopkins University—Broadus Mitchell.

Western Maryland College—W. B. Sanders, W. Scott Hall.

MASSACHUSETTS

Harvard University—G. B. Roorbach, John D. Black, Carl F. Taeusch, N. S. B. Gras, Albert P. Usher, M. L. McElroy, Lawrence C. Lockley, T. H. Sanders, S. E. Harris, J. E. Dalton, Arthur W. Hanson, Donald H. Davenport, Scott Warren, Malcolm P. McNair, Murray R. Benedict, Albert O. Greef, P. T. Ellsworth, James A. Ross Jr., George P. Baker, S. S. Stratton, Robert L. Masson, Edmund P. Learned, Joseph L. Snider, Karl W. Bigelow.

Amherst College—Willard L. Thorp, George R. Taylor, A. K. Eaton.

Williams College—President H. A. Garfield, W. W. McLaren, Albert Sydney Bolles, Walter B. Smith, David Clark, Rosnell H. Whitman.

Wellesley College—Elizabeth Donnan, Lucy W. Killough, Emily Clark Brown, Mary B. Treudley.

Massachusetts Institute of Technology—James C. MacKinnon, B. A. Thresher, Carroll W. Doten.

Tufts College—President John A. Couzens.

Smith College—Frank H. Hankins, Harold U. Faulkner.

Simmons College—Sara S. Stites.

Mount Holyoke College—Alzada Comstock.

Babson Institute—James M. Matthews.

Boston University—Charles T. Andrews.

Northeastern University—Milton J. Schlagenhauf, Julian E. Jackson, B. Gabine.

Clark University—Arthur F. Lucas, S. J. Brandenburg.

Wheaton College—Edith M. White.

Herman F. Arentz, John W. Boldyreff, Dickinson W. Leavens, Francis G. Goodale, L. H. Hauter, George M. Peterson, Samuel Sigilman, E. M. Winslow, A. S. Kingsmill, Prentice W. Townsley, Gilbert A. Tapley, L. H. L. Smith, John D. Willard, Lauchlin Currye, A. E. Monroe, C. L. McAleer, Arthur M. Moore, Harry Wood, Edward S. Mason, Lucile Eaves.

MICHIGAN

Lawrence H. Seltzer, Arthur E. Erickson, Clifford E. King.

Battle Creek College—W. E. Payne.

Western State Teachers' College—Floyd W. Moore.

University of Michigan—Dean C. E. Griffin, G. S. Peterson, Roy G. Burroughs, Carroll H. May, Robert J. Henry, Ruth M. Engle, Nathaniel H. Engle, C. F. Remer.

Michigan State College—Herman Wyngarden.

MINNESOTA

Carleton College—J. S. Robinson, O. C. Helwig, Paul R. Fossum, Gordon H. Ward.

University of Minnesota—Roy G. Blakey, Alvin H. Hansen, B. D. Mudgett, O. B. Jesness, R. A. Stevenson, Carl C. Zimmerman, Roland S. Vaile, Peter L. Stagswold, Glen R. Treanor, A. C. Haskin, Arthur W. Marget, O. W. Behrens, Richard L. Kozelka, J. Ross McFayden, John J. Reighard.

MISSOURI

Washington University—G. W. Stephens, J. Ray Cable, Orval Bennett, Ralph Carr Fletcher, Joseph M. Klamow, Joseph J. Senturia.

Westminster College—W. S. Krebs, Frank L. McClure.

University of Missouri—Harry Gunnison Brown, James Harvey Rogers, Charles A. Elwood, F. L. Thomsen, B. H. Frame, C. H. Hammar, Preston Richard, D. C. Wood, H. C. Hensley, Morris D. Orten, Howard S. Jensen, Arthur S. Ennis, R. E., Curtis, George W. Baughman, O. R. Johnson.

MONTANA

University of Montana—Mattheas Kast.

NEBRASKA

Edward L. Taylor, W. G. L. Taylor, D. M. Halley.

Doane College—J. Harold Ennis, J. E. Taylor.

University of Nebraska—J. E. Lerossignol, G. O. Virtue, J. E. Kirshman, Vernon G. Morrison, Oscar R. Martin, J. C. Rankin.

NEVADA

University of Nevada—Edward G. Sutherland, M. J. Webster, W. R. Blackhed, Ernest S. Brown.

NEW HAMPSHIRE

George W. Raynes.

University of New Hampshire—Claire W. Swonger, Carroll M. Degler, John D. Hauslein, H. J. Duncan, H. W. Smith.

Dartmouth College—Malcolm Kier, Ray V. Leffler, Robert E. Riegel, Russell K. Kilborne, W. A. Carter, Bruce W. Knight, Everett W. Goodhue, H. V. Olsen, Robert P. Lane, Louis W. Ingram, Archie M. Peisch, Stephen J. Navin, Herman Feldman, H. S. Ranushenbush, Stacy May, H. F. R. Shaw, Earl R. Sikes, Lloyd P. Rice, Harry Purdy, J. L. McDonald, Nelson Lee Smith, Arthur Howe, G. Reginald Crosby, W. H. McPherson.

NEW JERSEY

Walter H. Steinhauser, Edmund W. Foote, Augustus Smith, Franklin W. Ryan, Charles W. Lum, A. J. Duncan, Robert L. Smitley, Peter Fireman, Robert F. Forester.

Princeton University—Frank A. Fetter, Frank Dixon, James J. Smith, Richard A. Lester, Vernon A. Mund, Denzol C. Cline, James M. Garrett, Stanley E. Howard, Donald L. Kemmerer, Frank W. Fetter, J. Douglas Brown, George F. Lutheringer, Howard S. Piquet, George W. Modlin, J. W. Blum.

Rutgers University—E. E. Agger, Harry D. Gideons, Thomas W. Holland, E. L. Fisher.

NEW YORK

Columbia University—Wesley C. Mitchell, J. M. Clark, J. Russell Smith, James C. Bonbright, R. G. Tugwell, R. M. Maciver, Frederick M. Mills. Paul F. Brissenden. Robert E. Chaddock, Edward L. Thorndyke, Robert L. Hale, K. N. Llewellyn, A. H. Stockdar, Edith Elmer Wood, William E. Dunkman, George Fillipetti, Edward J. Allen, Harold F. Clark, E. J. Hutchinson, B. H. Brechart Addison T. Cutler, George Mitchell, Robert L. Carey, Elizabeth F. Baker, C. C. Williamson, Margaret Eagelson Ralph H. Blanchard.

New York University—Wilford I. King Myron W. Watkins, J. D. Magee, Walter E. Spahr, Maruc Nedler, Corwin D. Edwards, William E. Atkins, D. W. McConnell, A. A. Frederick, Richard A. Girard, Louis S. Reed, John J. Quigley, Carl Raushenbush, Irving Glass, Lois Maeslenold, Edith Ayres, Arthur Weeburg, Willard Friedman, Loyle A. Morrison, Randolf M. Binder, John H. Prime, John W. Wingatex, Arthur Wubniez.

Cornell University—Sumner Slighter Walter F. Willcox, Morris A. Copeland, Paul T. Homan, S. S. Garrett, M. Slade Kendrick, James E. Boyle, Paul M. O'Leary, Lewis A. Froman Harold L. Read, Donald English, Julian L. Woodward W. Ross Junkin, William R. Leonard, Leonard P. Adams, John H. Patterson.

Syracuse University—Harvey W. Peck, H. E. Bice.

Colgate University—Freeman H. Allen, Albert L. Myers, E. Wilson Lyon, Sherman M Smith, T. H. Robinson, N. J. Padelford, Everett Clair Bancroft, J. Milbourne Shortliffe.

Vassar College—Mabel Newcomer, Ruth G. Hutchinson, Kathleen C, Jackson Herbert E. Mills.

University of Buffalo—Niles Carpenter, T. L. Norton, Newlin R. Smith, Raymond Chambers.

Union College—W. M. Bennett, Donald C. Riley, Daniel T. Selks.

Wells College—Mabel A. Magee, Jean S. Davis.

Hobart College—W. A. Hosmer.

Hunter College—Eleanor H. Grady.

University of Rochester—Roth Clausing.

Brookwood Labor College—Daniel J. Saposs.

Taylor Society—H. S. Person managing director.

The Business Week—Virgil Jordan, editor.

The Annalist—Bernard Ostrolenk, editor.

International Telephone Securities Company—M. C. Porty.

Second International Securities Corp.—Leland R. Robinson.

Social Science Research Council—Meredith B. Givens.

American Electric Railways Association—Leslie Vickers.

Russell Sage Foundation—Mary Van Kieeck.

Tariff Board—N. I. Stone, formerly chief statistician.

Federal Council of Churches of Christ in America—Arthur E. Sufferen, Benson Y. Landis.

New York School of Social Work—John A. Fitch.

Clarkson College—Charles Leese.

Industrial Relations Counselors, Inc.—Mary B. Gilson, Murray Latimer, W. Bert, S. Regalo, James W. Zonsen, Jeanne C. Barber.

Skidmore College—Coleman B. Cheney.

College of the City of New York—Ernest S. Bradford.

St. Lawrence University—Whitney Coombs.

Alfred University—Paul Rusby.

American Management Association—Mary Rogers Lyndsay, Leona Powell.

American Association for Labor Legislation—George H. Trafton, John Dawson Puray, Gorton James, Paul W. Paustian, Warren W. Persons, Paul Tuckerman, Charles B. Austin, Donald R. Belcher, H. T. Newcomb. Lester Kirtzleb, A. W. Kattenhous, W. W. Cumberland.

Also, M. L. Jacobson, R. D. Fleming, Dudley M. Irwin, George B. Hill, William Church Osborne, Robert F. Binkled, E. B. Patten, Wendell M. Strong, Ida Craven, Elizabeth Todd, A. D. Noyes, Robert E. Corradini, Samuel M. Dix, W. C. Wishart, Edward E. Hardy, Ernest G. Draper, M. Leo Gitelson, Harold Fields, Henry Israel, Asher Achenstein, F. L. Patton, Stanley B. Hunt, R. L. Wisemen, Shelby M. Harrison, Rufus S. Tucker, John J. Wille, R. D. Patton, William E. Johnson, Albert W. Russell, Robert T. Hill, D. J. Cowden.

W. D. Gann, Melbourne S. Moyer, Herbert Fordham, Owen Ely, Roger H. Williams, Robert M. Woodbury, May Lerner, Elsie Gluck, Paul Bonwit, Robert D. Kohn, V. Kelley, J. C. Meeder, Cyrus L. Sulzberger, Charles S. Bernheimer, Ephriam A. Karelsen, Henry C. Hasbrouck, Robert Whitten, P. M. Tuttle, F. Lewis Corser.

Also Jeanett Kimball, Francis H. McLean, John M. Glenn, C. P. Fuller, Emily Barrofs Weber, Richard Kramer, Montefiore G. Kahn, Mary A. Prentiss, L. R. Gottlieb, Charles R. Fay, Martin Clark, John P. Munn, Otto S. Whitelock, Victor Morawetz, Clinton Collver, Helen Summer Woodbury, William Seagle, Helen Sullivan, Bettina Sinclair.

NORTH CAROLINA

Selma Rogas, C. K. Brown, A. Currie, Maxwell G. Pangle, Carl J. Whelan.

North Carolina State College—Joseph G. Knapp.

University of North Carolina—Dean D. D. Carroll, J. Gilbert Evans, W. F. Ferger, C. T. Murchison, G. T. Schwenning, E. D. Strong.

North Carolina College for Women—Albert S. Keister.

Duke University—R. A. Harvill, J. P. Breedlove, J. H. Shields, William J. H. Colton, Christopher Roberts, E. R. Gray, B. U. Ratchford, Robert S. Smith.

Elon College—Ralph B. Tower.

NORTH DAKOTA

Dana G. Tinnes, James Forgerson.

University of North Dakota—Dean E. T. Towne, J. Donald Pymm, A. G. Rowlands, Daniel J. Schwieger, J. Perlman, Spencer A. Larsen, J. J. Rellahan, Roy E. Brown, Carmen G. Blough, E. C. Koch, V. A. Newcomb, Daniel James.

OHIO

Ohio State University—Matthew B. Hammond, Milo Kimball, J. J. Spengler, Clifford L. James, E. L. Bowers, Henry J. Butterman, W. M. Duffas, Louise Stitt, Wilford J. Eiteman, Paul N. Lehocyky, N. Gilbert Ridd.

Antioch College—William M. Leiserson, Rudolf Broda, Algo D. Henderson.

Lake Erie College—Olive D. Reddick.

Wooster College—Alin S. Testlebe, E. E. Cummins.

University of Cincinnati—Harry Henig.

Miami University—Warren S. Thompson, P. K. Whelpton, Edwin S. Todd, H. H. Beneke, Henry P. Shearman, C. H. Sandage, Howard White, Howard R. Whinson, John F. Schreiner, Wilfrid G. Richards, Carroll B. Malone, James H. St. John, F. B. Joyner, W. J. M. Neff, J. R. Dennison, J. M. Gersting, Read Bain.

Heidelburg College—Ossian Gruber.

Hiram College—J. E. Smith.

Denison University—Hiram L. Jome, Harold H. Titus, Leo A. Thanko, Charles West, Frederick E. Detweiler.

Western Reserve University—Claude Stimson, O. J. Marsh, Louis O. Foster, C. C. Arbuthnot.

Oberlin University—C. C. Bayard, Paul S. Peirce.

Case School of Applied Science—Frank T. Carleton.
Kenyon College—George M. James.
Municipal University of Akron—W. W. Leigh.
University of the City of Toledo—Clair K. Searles.
Dr. I. M. Rubino, Edward D. Jones, John A. Zangerle, I. W. Appleby, Amy G. Maher, Homer H. Johnson, E. L. Oliver, Thomas M. Wolfe, Grover P. Osborne, Eugene H. Foster.
Goodyear Tire and Rubber Company—H. L. Flanick, Royal E. Davis.

OKLAHOMA

Oklahoma Agricultural and Mechanical College—Orman W. Hermann, P. H. Stephens, J. T. Sanders.
University of Tulsa—A. M. Paxson, W. M. Maurer.
University of Oklahoma—Dean Paul L. Vogt, Leonard Logan Jr., John P. Ewing, Ivar Axeson, N. Grady Sloan.
Northeastern State Teachers College—Dean S. C. Percefull.

OREGON

Oregon State College—E. B. Mittelman, F. L. Robinson, Alfred C. Schmidt, Curtis Kelley, Bertha Whillock, Lella Hay, E. E. Farnsworth, J. H. Irvine, H. K. Roberts.
Reed College—Clement Akerman, Blair Stewart.
Pacific University—Harold N. Burt, Harold Harward.
University of Oregon—Vernon G. Sorrell.

PENNSYLVANIA

University of Pennsylvania—Emory R. Johnson, dean; Raymond T. Bye, Paul F. Gemmill, Willaim C. Schluter, Stuart, A. Rice, W. E. Fisher, William N. Loucks, Karl Scholz, Clyde M. Kabler, Raymond T. Bowman, Weldon Hoot, William J. Carson.
Temple University—Russell H. Mack, William J. Douglas, S. S. Hoffer.
Wilson College—Henrietta C. Jennings.
Lehigh University—E. A. Bradford, Elmer C. Bratt.
University of Pittsburgh—Francis D. Tyson, Marion K. McKay, Colston E. Warne, Donald D. Kennedy, Vincent W. Lanfear, Hugh M. Fletcher, P. N. Dean.
Washington and Jefferson—Carl W. Kaiser.
Bryn Mawr College—Hornell Harts.
Franklin and Marshall—Horace R. Barnes, Edward L. Iancaster, Wesley Gadd, Noel P. Laird, Harold Fisher.
Haverford College—Don C. Barrett, John G. Herndon, Jr.
Pennsylvania State College—Earl V. Dye, W. E. Butt, H.W. Stover.
Drexel Institute—Edwin J. Kaschenbach, A. E. Blackstone, C. L. Nickels, Earl Spargee, W. N. McMullan.
Swarthmore College—Robert C. Brooks, Herbert F. Fraser, Troyer S. Anderson, J. Roland Pennock.
J. Henry Scattergood, Hugo Bilgram, Carl W. Fenninger, Louis N. Robinson, M. S. D'Essipri, Charles L. Serrill, John C. Lowry, Herbert S. Welch, Raymond Symestvzdt, Alexander Fleischer.

RHODE ISLAND

Brown University—C. C. Bosland, Willard C. Beatty.
Rhode Island State College—Andrew J. Newman.

TENNESSEE

E. P. Aldredge.
University of Chattanooga—C. W. Phelps.
Southwestern University—M. H. Townsend, Horace B. Davis.
University of the South—Eugene M. Kayden, William S. Knickenbacker, W. H. MacKellar, J. J. Davis, I. Q. Ware, George W. Nicholson, J. P. Jersey, C. B. Wilmer.

TEXAS

University of Texas—R. H. Montgomery, A. S. Lang.
A. and M. College—F. B. Clark, G. C. Vaughan, Thomas A. Hamilton.
Southern Methodist University—William F. Hanhart, Donald Scott, Frank K. Rader, Laurence H. Fleck.
Texas Technological College—John C. Granbery, Ormond C. Corry, Harold R. Nissley, B. F. Coldray Jr.

UTAH

Latter Day Saints' College—Feramorz Y. Fox.

VERMONT

University of Vermont—George C. Groat, Claude L. Stineford, L. Douglas Meredith.

VIRGINIA

William H. Stauffer.
College of William and Mary—Shirley D. Southworth, A. G. Taylor.
Randolph Macon—Langdon White.
Washington and Lee—Robert H. Tucker, E. E. Ferebee, M. C. Robaugh, M. Ogden Phillips, R. G. Lausgobel, Dean G. D. Hancock.
University of Virginia—Wilson Gee, Charles N. Hurvey, G. R., Snavely, Abraham Berglund, A. J. Barlow, E. A. Hiniard, G. S. Starnes, Willian H. Wendel.
Arthur B. Young.

WASHINGTON

University of Washington—Theresa S. McMahon.
State College of Washington—Lawrence Clara.

WEST VIRGINIA

University of West Virginia—E. H. Vickers, A. J. Dadisman.
Marshall College—C. E. Carpenter.

WISCONSIN

Charles E. Brooks, Eldred M. Keayes, Alice E. Belcher, Ethel Wynn, R. Beckwith, J. Roy Blough, A. R. Schnaitter, Mary S. Peterson, William D. Thompson.
Lawrence College—R. H. Lounsburg, W. A. McConacha, M. M. Bober, M. M. Evans.
Beloit College—Lewis Severson, Lloyd U. Ballard, Dwight L. Palmer.
Marquette University—Lyle W. Cooper, William H. Tea Haken, Leo A. Schmidt, Oscar F. Brown, N. J. Hoffman, George W. Knick.
University of Wisconsin—Frederick A. Oga Edward A. Ross, William H. Kickhofer, Selig Berlman, Alma Bridgman, Elizabeth Brandeis, Arthur Hallahan, Philip G. Fox, H. Rowland English, J. C. Gibson, Stanley Rector, George S. Wehrwein, William A. Scott, Paul A. Rauschenbush, M. G. Glacser, I. A. Hensey, Arnold Zempel, J. L. Miller, Russell H. Baugh, J. Marvin Peterson, Harold M. Groves, Alfred W. Briggs, Margaret Pryor.

Mr. MOYNIHAN. Mr. President, when I mentioned on this floor on Tuesday that there were 172 economists who had that very day released a statement pleading with us not to adopt this amendment, I am sorry to say that I heard terms of ridicule—not many but some—from Members of this body who said, "What do economists know?" What makes them so smart? Who has to listen to them? Those are exactly, I am sure, the same tones which greeted the plea of May 1930.

What indeed do economists know? Today, more than 500 economists have signed the plea to the Senate to resist Senate Joint Resolution 58. Well, they may not know everything. There is a sense in which they do not know much. But they do know an ironclad disaster when it comes at them.

Those economists of 1930, half a century ago, knew what that tariff would do, and they told the President. He ignored them, and it did what they said it would do.

Mr. President, I ask unanimous consent, as another roll of honor, to have printed in the RECORD the names of the 172 economists who, as of last Tuesday pleaded with us not to pass this amendment, as well as their statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMISTS' OPEN LETTER OPPOSING A CONSTITUTIONAL AMENDMENT REQUIRING BALANCED FEDERAL BUDGETS AND LIMITING FEDERAL TAX RECEIPTS

The undersigned professional economists, who hold a variety of views regarding national economic policies, nevertheless are united in opposing enactment of the proposed Constitutional Amendment embodied in Senate Joint Resolution 58 and House Joint Resolution 350. Our reasons are given below. We are not all equally impressed by each of these reasons; and some of us have still other reasons for opposing the Amendment. But we are unanimous in our conviction that such an amendment is not in the national interest.

1. Whether a given expenditure budget and set of tax provisions will produce a deficit or a surplus depends to an important degree on the state of the economy over a period that will end considerably more than a year from the time when appropriations and tax laws are enacted. This future state of the economy will be significantly influenced by the budget itself; but it also depends on many other events and circumstances that cannot be foreseen. Achieving the purpose of the proposed Amendment—i.e., avoiding deficits—thus implies an impossible accuracy in economic forecasting. Of course, Congress could deliberately evade the purpose of the Amendment by making economic assumptions that its members knew or suspected were unlikely to be realized. Such devious precedures clearly should not be encouraged by an unworkable Constitutional provision.

2. Even if Congress were able accurately to foresee the state of the economy, and able accurately to predict the revenues and expenditures associated with any economic forecast and any set of tax laws and appropriations, it is bad public policy to enact a budget that would be balanced in a fiscal year foreseen to be characterized by excessive unemployment and deficient sales. production, and incomes. Such a balanced budget would, in those circumstances, itself markedly increase unemployment and further depress production and incomes.

3. Similarly, if the fiscal year for which the budget and tax rates were being determined were expected to be a year of strong demand, high production and employment, and rising inflation, the provision of the proposed Amendment that would limit the

percentage rise in tax revenues to the previous year's percentage increase in national income could require tax rate reductions that would further increase demand and further fuel inflation, leaving tight money and high interest rates as the principal weapons for attempting to stabilize demand and prices.

4. Precise definitions of "expenditures", "revenues", "deficit", "national income" and related concepts are not included in the present draft amendment. Thus, the Amendment would need to contain (or the Courts would need to supply) such definitions. The relevance of any particular set of precise definitions changes materially over time. The Constitution cannot be periodically amended or reinterpreted to keep up with changing fiscal concepts and practices.

5. Constitutional limits on the use of budgetary policy for purposes of economic stabilization in many cases be evaded by the use of regulatory policies or tax differentials designed to achieve the same ends. Regulatory provisions are normally far less efficient than economic incentives, and regulations or tax differentials seriously distort private economic choices. Inventing new forms of "off-budget" expenditures or financing would be another easy but undesirable means to frustrate the intention of the Amendment.

6. Interpretation of the Constitution—including this Amendment, if approved—is a function of the judiciary. We believe it unwise to involve the courts in the interpretation of economic theory and economic policy. It often takes years to develop a judicial construction sufficiently thorough to comprehend the full range of issues, arguments, and conflicts inherent in a new legal situation. Moreover, it often takes years to adjudicate the cases that arise to test the scope and application of a new legal concept. To be effective, economic policy most be flexible, and respond to changing economic conditions, institutions, and relationships; bringing the courts into the policy process would severely undermine the necessary flexibility.

7. The proposed Amendment demands a three-fifths vote of the full membership of each House of Congress in order to permit a Federal deficit under any circumstance other than a formal declaration of war. A special majority would also be needed to raise tax revenues by more than the previous year's increase in National Income (which might be a decrease). In a national emergency other than war, a prohibition of deficits or tax increases might make it impossible adequately to protect the national interest. A national-security emergency does not always (or, in recent history, even generally) involve a formal declaration of war; and a threat to national security may not always be so obvious that three-fifths of the members of each House will perceive it and actually vote that it exists. Further, acknowledgement of such a threat by so explicit an action might be highly inappropriate or even dangerous. The debate and confusion involved in such a major and unprecedented policy decision could preclude immediate response to an imminent danger.

8. Most of us agree that Federal budget deficits can be and often have been incurred unwisely—at the wrong times, or in the wrong amounts. However, we do not believe that the quality of our economic policies will be improved by amending the constitution. Rather, they will be improved only through better and wider public understanding of the economic elements in national policy, and by electing public officials who are competent, responsible, and responsive to the will of the electorate.

The motivation for Congress' sudden interest in amending the constitution to prohibit deficits appears mainly to reflect frustrations associated with its inability to enact a fiscal-year 1983 budget that would be balanced in a year that it officially predicts will be marked by vigorous economic recovery. As the Washington Post noted editorially on June 21, "It is grotesque for senators and a president who cannot get their current deficit under $100 billion to support, piously, constitutional language putting it at zero."

The undersigned are all professional economists, engaged in research, teaching, consulting, or staff capacities. We sign this statement as individuals; our institutional affiliations are provided only for purposes of identification, with no implication that we represent anyone's views other than our own.

ECONOMISTS IN OPPOSITION TO A BALANCED BUDGET AMENDMENT

NOBEL PRIZE WINNERS IN ECONOMICS

Kenneth J. Arrow, Lawrence R. Klein, Wassily Leontief, Paul Samuelson, Herbert Simon, James Tobin.

FORMER GOVERNOR OF FEDERAL RESERVE BOARD

Andrew Brimmer.

FORMER PRESIDENT OF NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS

Richard W. Everett.

FORMER CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS

Gardner Ackley, Walter W. Heller, Leon Keyserling, Charles Schultze.

FORMER PRESIDENTS, AMERICAN ECONOMIC ASSOCIATION

Moses Abramovitz, Kenneth J. Arrow, William J. Baumol, Kenneth E. Boulding, Walter Heller, Lawrence R. Klein, Wassily Leontief, Franco Modigliani, Paul Samuelson, Robert Solow, James Tobin.

PRESIDENT, NATIONAL ECONOMIC ASSOCIATION

Bernard E. Anderson.

PRESIDENT, CONFERENCE OF ECONOMIC PROGRESS

Leon Keyserling.

FORMER CHAIRMAN, COUNCIL ON WAGE AND PRICE STABILITY

Alfred Kahn.

FORMER CHIEF ECONOMIST, U.S. DEPARTMENT OF COMMERCE

Courtenay Slater.

JOHN BATES CLARK MEDALISTS

Kenneth J. Arrow, Kenneth E. Boulding, Hendrik S. Houthakker, Lawrence R. Klein, Paul Samuelson, Robert Solow, James Tobin.

Moses Abramovitz, Stanford University, former president, American Economic Association, John Bates Clark Medalist.

Gardner Ackley, University of Michigan, former chairman of the Council of Economic Advisers.

M. A. Adelman, Massachusetts Institute of Technology.

Daniel S. Ahearn.

Clopper Almon, University of Maryland.

Bernard E. Anderson, president, National Economic Association.

Albert Ando, University of Pennsylvania.

Kenneth J. Arrow, Stanford University, Nobel Memorial Prize in Economics, 1972, former president, American Economic Association, John Bates Clark Medalist.

Gerald E. Auten, Bolling Green State University.

Martin Neil Baily, Brookings Institution.

Harold Barger, Columbia University.

V. Lewis Bassie, Emeritus, University of Illinois.

Franics M. Bator, Kennedy School of Government, Harvard University.

William J. Baumol, Princeton University and New York University, former president, American Economic Association.

Carolyn Shaw Bell, Wellesley College.

Arthur Benavie, University of North Carolina—Chapel Hill.

Abram Bergson, Harvard University.

Ernest R. Berndt, Massachusetts Institute of Technology.

Robert L. Bishop, Massachusetts Institute of Technology.

Ernest Bloch, New York University.

Roy Blough, Emeritus, Columbia College.

Francis M. Boddy, Emeritus, University of Minnesota—Minneapolis.

Roger Bolton, Williams College.

Kenneth E. Boulding, Emeritus, University of Colorado—Boulder, former President, American Economic Association, John Bates Clark Medalist.

Dean O. Bowman.

Mary Jean Bowman, Emeritus, University of Chicago.

David Bradord, Princeton University.

E. Cary Brown, Massachusetts Institute of Technology.

Andrew Brimmer, Andrew Brimmer & Company, Inc., former Governor, Federal Reserve Board.

Henry J. Bruton, Williams College.

Ralph C. Bryant, Brookings Institution.

John F. Burton, Jr., Cornell University.

Phillip A. Cartwright.

Lester V. Chandler, Princeton University.

Christopher Clague, University of Maryland.

Richard N. Cooper, Harvard University.

Paul A. David, Stanford University.

Paul Davidson, Rutgers University, Editor, The Journal of Post Keynesian Economics.

Sidney Davidson, University of Chicago.

Gerard Debreu, University of California—Berkeley.

Thomas F. Dernburg, American University.

Dudley Dillard, University of Maryland.

Evsey D. Domar, Massachusetts Institute of Technology.

Robert Dorfman, Harvard University.

James S. Duesenberry, Harvard University.

John T. Dunlop, Harvard University.

George C. Eads, University of Maryland.

James S. Earley, University of California—Riverside.

Richard Easterlin, University of Southern California.

Robert J. Eggert, Eggert Economic Enterprises, Inc.

Robert Eisner, Northwestern University.

Richard Everett, former president, National Association of Business Economists.

Murray F. Foss.

Irwin Friend, University of Pennsylvania.

George M. von Furstenberg.

Daniel R. Fusfeld, University of Michigan.

James H. Gapinski, Florida State University.

Arthur S. Goldberger, University of Wisconsin—Madison.

Stephen M. Goldfeld, Princeton University.

Richard Goode.

Robert J. Gordon, Northwestern University.

Robert H. Gordon, National Bureau of Economic Research.
Jerry Green, Harvard University.
Karl D. Gregory, Oakland University.
Joseph Grunwald, Brookings Institution.
Jack M. Guttentag, University of Pennsylvania.
Bernard F. Haley, emeritus, Stanford University.
Saul H. Hymans, University of Michigan.
James C. Ingram, University of North Carolina at Chapel Hill.
Alfred Kahn, Cornell University, former Chairman, Council on Wage and Price Stability.
Carl Kaysen, Massachusetts Institute of Technology, Director, Program in Science.
David Kendrick, University of Texas.
Peter B. Kenen, Princeton University.
Joseph A. Kershaw, Williams College.
Leon Keyserling, former Chairman, Council of Economic Advisers, President, Conference of Economic Progress.
Charles P. Kindleberger, Emeritus, Massachusetts Institute of Technology.
Lawrence R. Klein, University of Pennsylvania, Nobel Memorial Prize in Economics, 1980, former President, American Economic Association, John Bates Clark Medalist.
Alvin K. Klevorick, Yale University.
J. Kmenta, University of Michigan.
Heinz Kohler, Amherst College.
Richard F. Kosobud, University of Illinois at Chicago.
Lawrence B. Krause, Brookings Institution.
Mordechai E. Kreinin, Michigan State University.
Eugene Kroch, University of Pennsylvania.
Mordcai Kurz, Stanford University.
Robert J. Lampman, University of Wisconsin—Madison.
Robert Z. Lawrence, Brookings Institution.
Robert Lekachman, City University of New York, Lehman College and Graduate Center.
John M. Letiche, University of California—Berkeley.
Charles E. Lindblom, Yale University.
Wassily Leontief, New York University, Nobel Memorial Prize in Economics, 1973, former President, American Economic Association.
John Lintner, Harvard University.
Glenn C. Loury, University of Michigan.
Thomas Mayer, University of California—Davis.
Joseph Meiers, Stanford University.
Raymond F. Mikesell, University of Oregon.
Jerry Miner, Syracuse University.
Hyman P. Minsky, Washington University.
Franco Modigliani, Massachusetts Institute of Technology, former President, American Economic Association.
James N. Morgan, University of Michigan.
Alicia H. Munnell, Vice President and Economist, Federal Reserve Bank of Boston.
Peggy B. Musgrave, University of California at Santa Cruz.
Richard A. Musgrave, University of California at Santa Cruz, Adjunct Professor of Economics, Professor of Political Economy, Emeritus, Harvard University.
Robert R. Nathan, Robert Nathan & Associates, Inc.
Donald A. Nichols, University of Wisconsin.
Roger Noll, California Institute of Technology.
Joseph A. Pechman, Brookings Institution.
Rudolph G. Penner, American Enterprise Institute.
Mark Perlman, University of Pittsburgh.
George L. Perry, Brookings Institution.
Wallace C. Peterson, University of Nebraska—Lincoln.
Robert S. Pindyck, Massachusetts Institute of Technology.
Richard C. Porter, University of Michigan.
Lee E. Preston, University of Maryland.
Fredric Raines, Washington University.
Gordon C. Rausser, University of California—Berkeley.
Margaret G. Reid, University of Chicago.
Robert D. Reischauer, The Urban Institute.
Robert W. Resek, University of Illinois, U.C. Director, Bureau of Economic and Business Research.
Lloyd G. Reynolds, Yale University.
Earl R. Rolph, University of California—Berkeley.
Michael Rothschild, University of Wisconsin—Madison.
Daniel L. Rubinfeld, University of Michigan.
Vernon W. Ruttan, University of Minnesota.
Walter S. Salant, Senior Fellow Emeritus, Brookings Institution.
Steven S. Salop, Georgetown University Law Center.
Paul Samuelson, Massachusetts Institute of Technology, Nobel Memorial Prize in Economics, 1970, former President, American Economic Association.
Anthony M. Santomero, the Wharton School, University of Pennsylvania.
Isable V. Sawhill, the Urban Institute.
Thomas C. Schelling, Harvard University.
F. M. Scherer, Northwestern University and Swarthmore College.
Joseph Scherer, Hofstra University.
Richard Schmalensee, Massachusetts Institute of Technology.
Charles L. Schultze, Brookings Institution, former Chairman, Council of Economic Advisers.
Rashi Sein, Harvard University.
Harold T. Shapiro, President, University of Michigan.
Herbert A. Simon, Carnegie-Mellon University, Nobel Memorial Prize in Economics, 1978.
Courtenay Slater, Former Chief Econimist, U.S. Department of Commerce.
Irvin Sobel, Florida State University—Tallahassee.
Robert Solomon, Brookings Institution.
Robert M. Solow, Massachusetts Institute of Technology, Former President, American Economic Association, John Bates Clark Medalist.
Peter O. Steiner, University of Michigan.
Anita A. Summers, University of Pennsylvania.
Robert Summers, University of Pennsylvania.
Paul Taubman, University of Pennsylvania.
Ronald L. Telgen, University of Michigan.
Peter Temin, Massachusetts Institute of Technology.
James Tobin, Yale University, Nobel Memorial Prize in Economics, 1981, former President, American Economic Association, John Bates Clark, Medalist.
Hal R. Varian, University of Michigan.
William Vickery, Columbia University.
Phillis A. Wallace, Massachusetts Institute of Technology.
Steven B. Webb, University of Michigan.
Sidney Weintraub, LBJ School, University of Texas at Austin.
Burton A. Weisbrod, University of Wisconsin—Madison.
Thomas E. Weisskopf, University of Michigan.
Gordon C. Winston, Williams College.
Sidney G. Winter, Yale University.
James S. Worley, Vanderbilt University.
Gavin Wright, University of Michigan.
Frank C. Wykoff, Pomona College.

ADDITIONAL NAMES

Henry Aaron, Brookings Institution.
Joseph S. Berliner, Brandeis University.
Robert Lindsay, New York University, Graduate School of Business.
William James Adams, University of Michigan.
Irma Adelman, University of California—Berkeley.
Samuel Bowles, University of Massachusetts—Amherst.
Paul A. David, Stanford University.
George R. Feiwell, University of Tennessee.
David M. Gordon, the New School of Social Research.
Michael C. Lovell, Wesleyan University.
Campbell R. McConnell, University of Nebraska—Lincoln.
Lloyd Ulman, University of California—Berkeley.
Edward C. Budd, Pennsylvania State University.
Harold W. Watts, Columbia University.

Mr. MOYNIHAN. Mr. President, Mr. Leonard Silk has written an illuminating column in today's New York Times in which he also, by serendipity, refers to the parallels between Smoot-Hawley and the matter before us. I am just old enough to remember school lessons from my youth in which people said, "Remember what those economists said, when nobody would listen to them." The politicians would not listen to them. Men died, cities were decimated, and civilizations disappeared in the aftermath of the economic calamity to which Smoot-Hawley was no small contributor. Men died, cities were decimated, civilizations disappeared—and the economists knew it would happen. They do not know everything; I said they do not know much. And they do not claim to know much, any more than do doctors of any competence. But they do know some things. They can see impending disaster; they can recognize a hoax masquerading as economics.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON BALANCING BUDGET BY LAW

(By Leonard Silk)

President Reagan declared Wednesday night that a constitutional amendment for a balanced budget "could have a very profound effect" in speeding the painfully slow process of economic recovery.

Assuming that it were enacted by a two-thirds vote of the Senate and House and ratified by three-forths of the states, the balanced budget amendment could not take effect until well after the 1984 election. Presumably, the effect it would have on the recovery would be psychological—an immedi-

ate lift in the spirits of consumers, savers, investors and businesses burdened by heavy debt and high interest rates.

That is a lot to expect from a constitutional amendment that the great majority of economists thinks would do more harm than good, especially if it forced Congress to cut Federal spending or raise taxes in a time of deep slump.

President Reagan has urged the chief Senate supporters of the amendment to permit an exception to the balanced-budget rule both in wartime and if national security were threatened. But the chief supporters of the amendment are opposed on the ground that a national emergency exception would make it too easy for Congress to find an excuse to run deficits. The amendment already permits Congress to exempt Federal programs by a three-fifth vote.

Prof. James Tobin of Yale, a winner of the Nobel Memorial Prize in Economic Science, warned in Congressional testimony this week that the amendment would merely lead to "cosmetic accounting." Prof. Gardner Ackley of the University of Michigan, a recent president of the American Economic Association, said "the glaring loopholes in the language of the proposed amendment might well prevent it from having any significant effect on Government spending, taxes or deficits."

But this, he added, was hardly a reason for its adoption. "If anything," he said, "it is a strong reason not to clutter up our Constitution with unwarranted and indefensible economic nonsense."

Mr. Ackley said a large majority of the nation's economists were against the amendment, with some 500 having signed a letter opposing it.

Congress and President Reagan may not be in much of a mood to heed the warnings of professional economists, whose standing seems to swing up or down with the performance of the economy.

Nevertheless, it may be worth recalling that in 1930 Congress and President Hoover ignored a letter signed by 1,028 economists urging that the pending Smoot-Hawley tariff bill be denied passage by Congress and, if passed, be vetoed by the President.

Their letter, published in The New York Times of May 5, 1930, warned that employment could not be increased by restricting trade, "Import controls," they said, "would be an unproductive and irresponsible answer to the problems and needs of industries and workers seeking Government help against foreign competition."

In fact, Smoot-Hawley's enactment for reasons of domestic politics is now regarded as one of the most critical blunders made by Congress and the Hoover Administration in plunging the American and world economy into deep depression.

Indeed, although there was no similar consensus among economists at the time on fiscal policy, it is now generally agreed that President Hoover also worsened the Depression by trying to balance the budget by a steep tax increase in the face of falling income and rising unemployment.

The Federal Revenue Act of 1932 nearly doubled tax rates; the top-bracket rate of the personal income tax was raised by the Hoover Administration to 63 percent from 24 percent. The severe increase in tax rates was motivated not only by the effort to balance the budget but also by a fear of inflation, at a time of severe deflation.

Whatever psychological or real effects passage of the balanced budget amendment might ultimately have, the problem facing the financial markets and the economy now is how to bring down ballooning Federal deficits and high interest rates.

Treasury Secretary Donald T. Regan this week raised the Administration's estimate of the fiscal year 1983 deficit to a range of $110 to $114 billion from $104 billion. But Alice Rivlin, director of the Congressional Budget Office, said the Federal deficits could reach $140 billion to $160 billion in each of the next three fiscal years, and Paul A. Volcker, chairman of the Federal Reserve Board, has said that he agrees with Mrs. Rivlin's figures.

Indeed, the picture could be even worse. Mr. Ackley says the deficit under the President's February 1982 budget would rise from about $175 billion in the fiscal year 1983 to $275 billion in the fiscal year 1985. The Federal Government is going to have to borrow some $100 billion in the last two quarters of this calendar year alone.

White House support of the Senate bill to raise $99 billion in taxes over the next three years represents an effort to blot up some of the red ink.

But the President says he does not want to be bound by Congressional strictures on military spending, which he apparently accepted earlier for the fiscal years 1984 and 1985. And he is struggling to hold on to the third year of his personal-income tax cut.

The balanced-budget amendment and an effort to jawbone interest rates downward are his preferred answers to the heavy strains on credit markets and the laboring national economy.

Mr. MOYNIHAN. Mr. President, I have a table which I shall ask to have printed in the RECORD. It is the results of simulation by the eminent forecasting firm, Wharton Econometrics, of the impact of our economy in 1982 and 1983, if Senate Joint Resolution 58 had gone into effect when we passed the President's tax and spending reforms in July 1981.

The Nation's GNP drops by nearly a trillion dollars, over the 2 years. Our real GNP drops off by more than 9 percentage points, relative to its performance without Senate Joint Resolution 58. Our unemployment rate goes to more than 13 percent. Our citizens real disposable income collapses. Our savings rate collapses. The budget goes to pieces. Nothing remains, saving to dismantle much of the American Government.

Mr. President, I ask unanimous consent that a memorandum prepared for me by my distinguished associate, Mr. Robert J. Shapiro, summarizing the Wharton Econometrics simulation, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMIC IMPACT OF SENATE JOINT RESOLUTION 58

As you know, on July 6-8 we arranged with Wharton Econometrics of Washington to simulate the impact on the economy if Senate Joint Resolution 58 had taken effect when the Reagan tax and spending reforms were passed in July 1981.

Wharton reported its results to me July 13: the provisions of Senate Joint Resolution 58 would have turned the current recession into a depression. The chart below shows the Wharton projections for various economic indicators for this year and 1983, comparing current policy with the results if Senate Joint Resolution 58 had been in place in July 1981.

[Dollar amounts in billions]

	1982	1983	1982–83
Nominal GNP:			
Without S.J. 58	$3,094.2	$3,410.5	$6,504.7
With S.J. 58	2,671.2	2,844.3	5,515.5
Difference	−423.0	−566.2	−989.2
Real GNP (1972 dollars):			
Without S.J. 58	$1,510.3	$1,500.5	$3,010.8
With S.J. 58	1,338.2	1,381.5	2,719.7
Difference	−172.1	−119.0	−291.1
Real GNP (Percent change):			
Without S.J. 58	−0.65	+3.84	+3.17
With S.J. 58	−8.69	+3.24	−5.85
Difference	8.04	.60	9.02
Unemployment rate (percent) (yearly average):			
Without S.J. 58	9.25	8.85	[1]9.05
With S.J. 58	13.58	13.05	[1]13.31
Difference	4.33	4.20	4.26
Unemployed (millions) (yearly average):			
Without S.J. 58	10.18	9.85	[1]10.01
With S.J. 58	14.94	14.53	[1]14.73
Difference	+4.76	+4.68	+4.72
Real personal disposable income:			
Without S.J. 58	$1,066.4	$1,113.9	$2,180.3
With S.J. 58	951.1	967.1	1,918.2
Difference	−115.3	−146.8	−262.1
Real personal disposable income (percent change):			
Without S.J. 58	+2.49	+4.45	+7.06
With S.J. 58	−6.33	+1.68	−4.76
Difference	8.82	3.77	11.82
Savings rate (percent):			
Without S.J. 58	6.29	6.94	[2]6.59
With S.J. 58	3.37	4.21	[2]3.79
Difference	2.92	2.73	2.80

[1] Weighted annual 2-year average, based on rising total labor force (1982 labor force of 110 million; 1983 labor force of 111.3 million).
[2] Average.

IMPACT ON GOVERNMENT OPERATIONS

The steep economic decline triggered by the abrupt reductions in federal expenditures necessary to achieve budget balance significantly depresses federal revenue, driving down the level at which budget balance is achieved to $542.6 billion in fiscal year 1982 and $552.9 billion in fiscal year 1983.

Under the First Budget Resolution, outlays for fiscal year 1982 are estimated at $734.1 billion and outlays for fiscal year 1983 are projected to be $769.8 billion.

Based on the Wharton analysis, therefore, federal spending would have had to been reduced and additional $191.5 billion in fiscal year 1982 and $206.9 billion in fiscal year 1983, if Senate Joint Resolution 58 had been incorporated into the Constitution as part of the Reagan economic program in July 1981.

UNDER THE FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983

[In billions of dollars]

	Fiscal year—	
	1982	1983
Defense	$187.6	$214.0
Veterans	23.8	23.8
Social Security (OASDI)	155.6	170.8
Medicare/medicaid	59.3	64.0
Interest (estimate)	80.0	80.0
Total	506.3	552.6

UNDER THE FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983—Continued

[In billions of dollars]

	Fiscal year—	
	1982	1983
Revenues available (under S.J. 58):	542.6	552.9

In fiscal year 1982, therefore, about $36.3 billion would remain for all other functions of government—probably not enough to pay unemployment compensation for the estimated 14.94 million unemployed in 1982 under this scenario.

In 1983, $300 million would remain—foreclosing unemployment compensation for the 14.53 million estimated unemployed—as well as the termination of all other operations of the federal government, including:

All international security assistance;
All foreign economic assistance;
Export-Import Bank;
All space and science programs;
All energy supply, conservation, and regulation programs;
All pollution control, water resource, conservation and land management, and federal parks programs;
All farm income stabilization and agricultural research and service programs;
All housing and small business programs;
The postal service;
All highway, mass transit, railroad, airway and airport, and water transportation programs;
All community, area and regional development programs—urban and rural—and all disaster relief;
All education, job training, employment, and social service programs;
All health research, education and training programs, and all consumer and occupational health and safety programs; SSI, AFDC, housing assistance, and refugee programs; Federal retirement, railroad retirement, and black lung programs;
All federal law enforcement activities;
The federal courts;
The operations of Congress and the White House; and
All revenue sharing and general purpose fiscal assistance.

Alternatively, one could assume that only defense, social security (OASDI) and interest on the debt remained untouched in fiscal years 1982 and 1983, following application of Senate Joint Resolution 58 in July 1981. Under this scenario, $423.2 billion in outlays would be obligated for these three items in fiscal year 1982 and $464.8 billion in fiscal year 1983—leaving $119.4 billion to fund programs budgeted under the First Budget Resolution for fiscal year 1983 at $310.9 billion in fiscal year 1982, and leaving $88.1 billion to support programs budgeted under this Budget Resolution at $305.0 billion in fiscal year 1983.

These reductions could be achieved, then, by a 61.6 percent across-the-board cut in all the above programs—in addition to unemployment compensation, veterans programs, medicare and medicaid—in fiscal year 1982, and a 71.1 percent across-the-board cut in all these operations in fiscal year 1983.

IMPACT ON THE STATES

According to the Budget of the United States Government, fiscal year 1983 (p. 5-193), federal outlays to state and local governments will total $91.2 billion in fiscal year 1982 and $88.4 billion in fiscal year 1983.

Under the second scenario (holding only national defense, social security, and interest on the debt secure from reductions), the consequent 61.6 percent across-the-board cuts would entail a loss of $56.1 billion to the states in fiscal year 1982. The 71.1 percent across-the-board cuts in fiscal year 1983 would entail $57.8 billion reduction in revenues to the states in that fiscal year.

According to the Census Bureau ("State Government Tax Collections: 1981"), total state government tax collections came to $149.74 billion in 1981.

In order to maintain state and local services, then, the states would have had to raise all state taxes by an average of 37.5 percent in 1982 and 38.6 percent in 1983—if Senate Joint Resolution 58 had been implemented in July 1981 as part of the Reagan economic program and outlays for national defense, social security, and interest on the debt were maintained.

The loss of federal funds to the states can be expressed on a per capita basis by region, based on the per capita distribution of grants by region in fiscal year 1981 published in "Special Analysis H, Federal Aid to State and Local Governments", Table H-5, p. 17 (OMB: February 1982). Adjusting this table for projected reductions in grants under the President's subsequent budget for fiscal year 1982 and fiscal year 1983, the per capita loss by region under the across-the-board cuts of 61.6 percent in fiscal year 1982 and 71.1 percent in fiscal year 1983 would be:

DOLLARS PER CAPITA LOST

	Fiscal year—	
	1982	1983
Region:		
I. Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island	$269.63	$301.53
II. New York, New Jersey, Puerto Rico, Virgin Islands	308.75	375.27
III. Virginia, Pennsylvania, Delaware, Maryland, West Virginia, District of Columbia	270.23	302.19
IV. Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida	207.41	231.95
V. Illinois, Indiana, Michigan, Ohio, Wisconsin, Minnesota	235.85	263.75
VI. Arkansas, Louisiana, Oklahoma, New Mexico, Texas	195.56	218.69
VII. Iowa, Kansas, Missouri, Nebraska	196.15	219.35
VIII. Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming	254.22	284.30
IX. Arizona, California, Nevada, Hawaii	244.74	273.70
X. Idaho, Oregon, Washington, Alaska	269.04	300.87
United States	241.78	270.38

Mr. MOYNIHAN. Mr. President, this session, this week, should not end without remarking upon an editorial in this morning's Washington Post entitled "Herpetological Emollient." I will spell that for those present to whom my pronunciation is not clear. Herpetological: H-e-r-p-e-t-o-l-o-g-i-c-a-l. Emollient: E-m-o-l-l-i-e-n-t.

It refers, do not doubt, to the amendment before us this week. I am pleased that it takes notice of the implications of Senate Joint Resolution 58 for social security, because just yesterday I moved that we exclude and protect social security benefits from the disastrous effects which this amendment will have. The editorial reads:

Democrats are already calling the balanced budget measure the "cut Social Security" amendment, which is not so far off the mark. The voters have made it pretty clear they don't want major programs cut much more than they already have been; if that were not true, you can bet that the Reagan administration would have proposed more cuts than it has. So when the voters see that the amendment could require such cuts, they may very well lose their enthusiasm for it.

And yesterday, 38 Senators voted with me in that matter, to protect our Nation's commitment to the elderly and disabled from the economic disaster which, under Senate Joint Resolution 58, may befall us.

In any event, I should like to conclude my remarks with the final paragraph of the Washington Post editorial:

We suspect that the political process will end up rewarding those officeholders and candidates who stand up and shout that this particular emperor has no clothes. Most of those in Congress who are backing this amendment know it is a political cheap shot, and we think it won't be long before most voters understand that too. Politicians can peddle herpetological emollient only so long before the voters discover that it's really snake oil.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 30, 1982]

HERPETOLOGICAL EMOLLIENT

There is an idea in the air that, however awful or meaningless it may be when considered on its merits, the constitutional amendment for a balanced budget is good politics. This notion proceeds almost entirely from the results of public opinion polls. All the pollsters do agree that overwhelming majorities of Americans say they favor the amendment to balance the budget. But before legislators take these responses as commands to act, they should consider exactly what the polls mean.

Like others, we have advanced, from time to time, the argument that legislators should be swayed by a majority in the polls. Certainly consistent public favor for a proposal should be accorded some respect. But the fact is that not all majorities are of equal strength. Some issues are of great importance to voters, while others are abstract, airy and far removed from their lives.

Voters have thought long and hard about some issues; to others they have given only subliminal attention. Ask them if they want Social Security benefits cut 10 percent, and the majority opposing it will then be meaningful—as, we think, the Reagan administration has discovered. Ask them if they favor changes in the city council's procedural rules, and the answer means very little. On issues that they don't care much about, that they've thought little about and that seem to have little effect on their lives, voters' opinions are not deeply held and are easily changed.

The constitutional amendment to balance the budget is an issue that is, for voters, both abstract and distant. Balancing the budget is an idea of some appeal, a symbol that government is operating in an orderly and disciplined manner. All other things being equal, votes would like to see the budget balanced.

But this is not a proposal that seems, at first glance, likely to affect a voter's life directly, and if a balanced budget is required, and if it causes some pain—or if, when voters think harder about it, they believe that it could cause some pain—then the majorities that support the amendment today could melt away. Similar things happen all the time on referenda and on procedural issues. The most notable instances, in our view, involved the evaporation of the majorities (majorities by which we set too great a store) that consistently registered in favor of the Equal Rights Amendment when state equal rights amendments were defeated in referenda in states like New York and Iowa.

Democrats are already calling the balanced budget measure the "cut Social Security" amendment, which is not so far off the mark. The voters have made it pretty clear they don't want major programs cut much more than they already have been; if that were not true, you can bet that the Reagan administration would have proposed more cuts than it has. So when the voters see that the amendment could require such cuts, they may vary well lose their enthusiasm for it.

We suspect that the political process will end up rewarding those officeholders and candidates who stand up and shout that this particular emperor has no clothes. Most of those in Congress who are backing this amendment know it is a political cheap shot, and we think it won't be long before most voters understand that too. Politicians can peddle herpetological emollient only so long before the voters discover that it's really snake oil.

Mr. MOYNIHAN. Mr. President, I thank the Chair for its patience and indulgence, allowing me this extended time in morning business.

The time for morning business having expired, I suggest the absence of a quorum, if that is the wish of the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPORT TRADING COMPANY ACT OF 1982

Mr. TOWER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 734.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendments to the bill (S. 734) entitled "An Act to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Zablocki, Mr. Bingham, Mr. Eckart, Mr. Bonker, Mr. Wolpe, Mr. Shamansky, Mr. Broomfield, Mr. Lagomarsino, Mr. Erdahl, Mr. Gilman, and Mrs. Fenwick (for title I of the House amendment and modifications committed to conference), Mr. St Germain, Mr. Annunzio, Mr. Minish, Mr. LaFalce, Mr. Barnard, Mr. Stanton of Ohio, Mr. Wylie, Mr. McKinney, and Mr. Leach of Iowa (for title II of the House amendment and modifications committed to conference), Mr. Rodino, Mr. Seiberling, Mr. Hughes, Mr. McClory, and Mr. Butler (for title III of the House amendment and modifications committed to conference) be the managers of the conference on the part of the House.

Mr. TOWER. Mr. President, I move that the Senate agree to the conference requested by the House of Representatives and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Nickles) appointed Mr. GARN, Mr. HEINZ, Mr. ARMSTRONG, Mr. Chafee, Mr. DANFORTH, Mr. RIEGLE, Mr. PROXMIRE, Mr. DODD, and Mr. DIXON conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

At 9:36 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6068) to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes; agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. BOLAND, Mr. ZABLOCKI, Mr. MINETA, Mr. STUMP, Mr. ROSE, Mr. GORE, Mr. ROBINSON, Mr. WHITEHURST, and Mr. YOUNG of Florida, and for matters falling within the jurisdiction of the Committee on Armed Services: Mr. PRICE, Mr. STRATTON, and Mr. DICKINSON as managers of the conference on the part of the House.

The message also announced that the House has passed the bill (S. 734) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; with amendments, it insists on its amendments, asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ZABLOCKI, Mr. BINGHAM, Mr. ECKART, Mr. BONKER, Mr. WOLPE, Mr. SHAMANSKY, Mr. BROOMFIELD, Mr. LAGOMARSINO, Mr. ERDAHL, Mr. GILMAN, and Mrs. FENWICK (for title I of the House amendment and modifications committed to conference), Mr. ST GERMAIN, Mr. ANNUNZIO, Mr. MINISH, Mr. LAFALCE, Mr. BARNARD, Mr. STANTON, of Ohio, Mr. WYLIE, Mr. MCKINNEY, and Mr. LEACH, of Iowa (for title II of the House amendment and modifications committed to conference), Mr. RODINO, Mr. SEIBERLING, Mr. HUGHES, Mr. MCCLORY, and Mr. BUTLER, (for title III of the House amendment and modifications committed to conference) as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6782. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans, and for other purposes.

At 10:05 a.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2332) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 11:30 a.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 5380. An act to recognize the organization known as American Ex-Prisoners of War; and

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982 through August 7, 1982 as "National Purple Heart Week."

The enrolled bill and joint resolution were subsequently signed by the Vice President.

HOUSE BILL HELD AT DESK

Under the authority of the order of July 27, 1982, the following bill was ordered held at the desk pending further disposition:

H.R. 6782. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans, and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-1090. A resolution adopted by the Upper Hudson Nuclear Weapons Freeze Campaign urging Congress not to approve any appropriations for new or additional nu-

clear weapons systems; to the Committee on Appropriations.

POM-1091. A resolution adopted by the Hernando County, Fla., Board of County Commissioners, urging Congress to take all steps necessary to prevent the awarding of contracts for the production of tactical military equipment to firms situated in foreign countries; to the Committee on Armed Services.

POM-1092. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, the city square segment of the Central Artery-North area project is of crucial importance to the Charlestown section of the city of Boston; and

"Whereas, the present city square plan would provide substantial benefits to Charlestown, including a vastly improved street system, elimination of hazardous visual barriers, increased private investment and an enlarged tax base; and

"Whereas, the Federal Highway Administration, through its division administrator, has decided not to fund the city square segment of the project after the expenditure of large sums of taxpayer's money spent for traffic studies, environmental impact statements, preliminary engineering, the storrow drive connector study and the expenditure of enormous amounts of time and energy, particularly by the North Area Task Force, composed of a group of Charlestown citizens encouraged by the Federal Highway Administration to participate in the project; and

"Whereas, the decision by the division administrator represents a complete reversal of understandings reached during the five years of project planning; and

"Whereas, the city square segment is an integral and necessary part of the Central Artery-North area project, without which the entire project would be jeopardized; now therefore be it

"Resolved, That the Massachusetts House of Representatives calls upon the Federal Highway Administration to overrule its division administrator and urges the administration to restore funding for the city square segment of the Central Artery-North area project; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth, and to the Governor of the Commonwealth."

POM-1093. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"Whereas, March 15, 1982, marks the fifth anniversary of the arrest and imprisonment of Anatoly Shcharansky within the Soviet Union; and

"Whereas, Anatoly Shcharansky was a founding member of the Moscow Helsinki Monitoring Group which sought to monitor Soviet compliance with the Helsinki agreements; and

"Whereas, Anatoly Shcharansky was a leading figure in the Jewish emigration movement in Moscow; and

"Whereas, His wife, Avital, left for Israel the day after their marriage in 1974 with the promise from the Soviet authorities that he would soon be allowed to follow her to Israel; and

"Whereas, Soviet officials have not yet fulfilled this promise; and

"Whereas, Anatoly Shcharansky's only crime was his unflinching defense of human rights for Jews and other people of the Soviet Union; and

"Whereas, Because of these firm convictions, on March 15, 1977, Anatoly Shcharansky was arrested, charged with "treason" for being a spy for the United States Central Intelligence Agency, tried, and sentenced to three years in prison and 10 years at hard labor; and

"Whereas, In a highly irregular move, President Jimmy Carter publicly denied any connection between Anatoly Shcharansky and the C.I.A.; and

"Whereas, After spending three years in Chistopol prison, Anatoly Shcharansky was sent to Perm labor camp in Gulag where, in 1981, he spent 185 days in solitary confinement, with 75 days in one stretch; and

"Whereas, While in solitary confinement at the Perm labor camp, Anatoly Shcharansky was kept on meager food rations and finally collapsed from hunger and had to be hospitalized for 33 days; and

"Whereas, During the summer of 1981, Anatoly Shcharansky was diagnosed as dying of malnutrition at the Perm labor camp clinic; and

"Whereas, This harsh treatment was prompted by Anatoly Shcharansky's refusal to stop talking to and supporting other prisoners as well as his attempt to light candles in celebration of Hanukkah; and

"Whereas, Anatoly Shcharansky has been sent back to Chistopol prison for refusing to admit his guilt; and

"Whereas, Anatoly Shcharansky complains of loss of sight and memory; and

"Whereas, Anatoly Shcharansky's health has been devastated by his ordeal and his very life is now in danger; and

"Whereas, Despite this starvation diet and constant physical and psychological abuse, Anatoly Shcharansky's convictions remain unshaken; and

"Whereas, The Helsinki Accord, of which the Soviet Union is a signator, commits the Soviet Union to give special attention to the granting of exit visas to persons who are ill; and

"Whereas, Anatoly Shcharansky is a symbol of hope, courage, and determination to millions of people around the world; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California reaffirms its commitment to human rights and calls upon the Soviet Union to release Anatoly Shcharansky from prison and allow him to join his wife in Israel; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of State, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary General of the United Nations, to the Soviet President, to the Soviet Ambassador to the United States, to the Soviet Consul General, to the Commission on Security and Cooperation in Europe, to Anatoly Shcharansky, and to Avital Shcharansky."

POM-1094. A resolution adopted by the board of trustees of the village of Glencoe, Ill., supporting an immediate bilateral freeze on the testing, production, and deployment of nuclear weapons and their delivery systems; to the Committee on Foreign Relations.

POM-1095. A resolution adopted by the Brooklyn, Ohio, City Council, urging the President and the Congress of the United States to establish a permanent, international weapons ban; to the Committee on Foreign Relations.

POM-1096. A resolution adopted by the City Council of the City of Eureka Springs, Ark., calling on the United States of America, the Union of Soviet Socialist Republics, and all other nations to freeze production and development of nuclear weapons and to mutually reduce the supply of nuclear weapons; to the Committee on Foreign Relations.

POM-1097. A resolution adopted by the National Conference of Black Mayors affirming its support for principles, policies, and programs of investment in children and opposing spending cuts in programs critical to children; to the Committee on Labor and Human Resources.

POM-1098. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources:

"SENATE JOINT RESOLUTION No. 56

"Whereas, The Railroad Retirement System was established by an act of Congress in 1935 to provide retirement-survivor and unemployment-sickness benefit programs for the nation's railroad workers and their families; and

"Whereas, The Railroad Retirement System has been financed jointly with contributions from rail carriers and rail labor for more than 45 years; and

"Whereas, The budget proposed by the President of the United States for fiscal year 1983 contains a proposal to abolish the Railroad Retirement Board; and

"Whereas, The budget proposed by the President of the United States for fiscal year 1983 contains a proposal to shift tier one benefit payments to railroad retirees to the Social Security Administration, and to convert tier two benefit payments to railroad retirees to a privately negotiated system; and

"Whereas, The budget proposed by the President of the United States for fiscal year 1983 contains a proposal for reducing dual benefit payments to railroad retirees already earned; and

"Whereas, The budget proposed by the President of the United States for fiscal year 1983 contains a proposal to disband the railroad retirement field service system; and

"Whereas, The present organization, financial strength, and longevity of the Railroad Retirement System allows for the efficient distribution of both railroad programs, and since 1974, social security benefits to eligible recipients; and

"Whereas, The abolition of the Railroad Retirement System or its absorption into the Social Security program could conceivably jeopardize the continued distribution of benefits; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California urges the Congress to reject any proposal which would abolish or reorganize the Railroad Retirement System; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-1099. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources:

"SENATE JOINT RESOLUTION No. 48

"Whereas, Prior to the enactment of the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), most states' foster care systems had been shown to be destructive of the lives of children and wasteful of tax dollars; and

"Whereas, Public Law 96-272 restructured federal child welfare services and foster care payment programs and added a new adoption payments program to address the criticisms raised in numerous studies, reports and books; and

"Whereas, Public Law 96-272 encourages the provision of services to maintain children in their own homes, reunification of children placed in foster care with their families when possible, and establishment of alternative permanent homes for children who cannot be so reunified; and

"Whereas, Cost control provisions such as a limitation on expenditures for foster care maintenance are built into P.L. 96-272; and

"Whereas, Net foster care expenditures will also decline under P.L. 96-272 because fewer children will be placed in foster care or remain in placements outside their homes; and

"Whereas, Public Law 96-272 has received strong bipartisan support; and

"Whereas, The President has nevertheless proposed severe cuts in the programs funded under P.L. 96-272; and

"Whereas, The President has also proposed further cuts in the general federal allocation for social services, funded by the Social Services Block Grant, and the specific federal allocation for child abuse prevention, funded through the National Center on Child Abuse and Neglect, which would have a detrimental impact on states' ability to successfully implement P.L. 96-272; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to preserve the foster care reforms provided for under the Adoption Assistance and Child Welfare Act of 1980, to provide the full amount of funding for services and foster care payments authorized under that act, to refrain from reducing funding under the Social Services Block Grant, and to refrain from reducing funding for the National Center on Child Abuse and Neglect; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative in the California congressional delegation."

POM-1100. A resolution adopted by the executive committee of the Southern Baptist Convention of New Orleans, La., urging Congress to persevere and even increase their efforts to solve this Nation's economic woes; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 426. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3467.

By Mr. DOMENICI, from the Committee on the Budget, without amendment and without recommendation:

S. Res. 427. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1889.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON:

S. 2795. A bill to amend the Clean Air Act in order to expedite the evaluation of potentially hazardous air pollutants, and other purposes; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 2796. A bill for the relief of Mrs. Lolita Vicente Calaro; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 2797. A bill to recognize and grant a charter to the organization known as the Polish Legion of American Veterans, U.S.A.; to the Committee on the Judiciary.

S. 2798. A bill for relief of Marsha D. Christopher; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. MATHIAS, Mr. PELL, Mrs. KASSEBAUM, Mr. CRANSTON, Mr. DURENBERGER, Mr. BRADLEY, Mr. HATFIELD, Mr. HART, Mr. HEINZ, Mr. BAUCUS, Mr. BUMPERS, Mr. CHAFEE, Mr. DANFORTH, Mr. DIXON, Mr. DODD, Mr. EAGLETON, Mr. INOUYE, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PROXMIRE, Mr. PRYOR, Mr. SARBANES, Mr. STAFFORD, Mr. TSONGAS, Mr. FORD, Mr. GLENN, Mr. METZENBAUM, and Mr. BIDEN):

S.J. Res. 224. Joint resolution to prevent nuclear testing; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON:

S. 2795. A bill to amend the Clean Air Act in order to expedite the evaluation of potentially hazardous air pollutants, and for other purposes; to the Committee on Environment and Public Works.

HAZARDOUS AIR POLLUTANT CONTROL ACT

Mr. JOHNSTON. Mr. President, as the Senate Committee on Environment and Public Works continues the arduous task of marking up amendments to the Clean Air Act, I have noted that one issue which has yet to be addressed is that of the evaluation and regulation of hazardous pollutants. I am today introducing an amendment on that subject and it would be my hope that the committee will give it full consideration.

Under section 112 of the Clean Air Act, the EPA is directed to establish a list of pollutants for which no ambient air quality standard is applicable, but which may cause or contribute to "an increase in mortality or an increase in serious irreversible or incapacitating reversible illness." Although these substances, known as "hazardous" or "toxic" pollutants, may affect a smaller group of people, the long-term adverse health impacts of exposure are likely to be far more severe than from the more widespread, regulated pollutants.

In other words, these pollutants are the worse of the worst. They potentially include such chemicals as dioxin (agent orange) and phosgene (nerve gas) among others.

Clearly the potential adverse health impacts of the continued emission of these chemicals should be assessed, and if the evidence justifies it those emissions should be regulated.

Nevertheless, the record with regard to toxic pollutants reflects a history of inaction and inordinate delay. Since 1970, EPA has identified hundreds of potentially hazardous substances, but has completed review of only seven and has set emission standards for only four.

The listing of these pollutants has proceeded slowly, in part, because of the possibly severe economic consequences which could result from regulation. The current regulatory standard of section 112 requires EPA to regulate any toxic pollutant so as to protect public health "with an ample margin of safety." While the Clean Air Act does not define "ample margin of safety," regulatory precedents have interpreted it to mean, in many instances, that toxic emissions must be completely eliminated. In some cases, this effectively requires that a plant be completely shut down.

The broad economic consequences of applying such a standard have apparently inhibited EPA from acting until there is almost irrefutable scientific evidence to justify agency action. This is made more difficult because of the significant and inherent limits to the evidence on the precise effects of hazardous pollutants. The symptoms of exposure are likely to develop only after long latent periods. Even then, there is uncertainty as to the medium of exposure—whether through air, water or occupational contact.

Nevertheless, I think it is generally recognized that EPA has not lived up to its responsibility with regard to the assessment and regulation of toxic pollutants. In 12 years they have listed only seven and regulated only four toxic pollutants. Although these substances continue to be emitted on a daily basis, the EPA has given us no indication when they will complete their review process. The very nature of these pollutants dictates that they should be evaluated with the utmost speed. It is for that reason that I am

today introducing an amendment to the Clean Air Act which would require the Administrator of EPA to expedite the evaluation of toxic pollutants.

Simply put, my amendment would mandate that the EPA accelerate its review of potentially hazardous pollutants, concentrating on those substances which are in the most advanced stages of evaluation. The agency would be required to complete evaluation of at least 10 substances per year over the next 4 years, and to issue regulations to limit emissions of those pollutants found to be toxic. A failure to complete the evaluation would result in the substance being automatically listed as toxic.

Once the administrator determines a pollutant to be toxic he must promulgate a regulation which limits emissions of that pollutant to the greatest degree of emission reduction achieved through application of the best available control technology. In addition, he may set higher standards on a case-by-case basis should he find such a standard to be warranted in order to protect public health.

Mr. President, the protection of the public from harmful and unreasonable exposure to toxic pollutants should be one of our highest priorities. By their very definition, toxic pollutants may cause lasting, irreversible and incapacitating effects on the populace. To shirk our responsibility in at least assessing the impact of potentially toxic substances ignores our duty to our citizens.

The amendment I am proposing today will mandate that timely action will be taken by EPA in this regard. By accelerating the administrative process and imposing specific deadlines we can ensure that the agency will act promptly. By changing the standard under which emissions are regulated we grant to the Administrator the flexibility to protect the public health taking into account the relative degree of harm posed, while at the same time providing him the discretion to take into account the effects of emissions limitations on the regulated industry.

Mr. President, my home State of Louisiana has one of the highest cancer rates in the Nation; 25 parishes in Louisiana rank in the top 10 percent of all (cancer counties) in the country; 13 parishes rank in the Nation's top 1 percent in cancer deaths. Statistics from the National Cancer Institute show that more than 14,000 Louisianians will contract cancer this year alone. These statistics coincide with one of the highest concentrations of chemical production in the country.

While there statistics may result from other causes, the evaluation which this amendment requires cannot be longer delayed.

At the same time, however, I am not insensitive to the economic dangers posed by hasty and unwise regulation of our chemical industry. Should drastic and unjustified regulations be arbitrarily imposed, Louisiana, and indeed the entire Nation, stand to lose a great deal. But, under a program of continued delay and inaction with regard to toxic pollutants our present and future generations stand to lose much more—the right to live in an environment free from unreasonable health risks. I believe my amendment strikes a reasonable balance between these concerns, and I urge its consideration by the committee and by this Senate.

I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2795

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. . (a) Section 112(a)(1) of the Clean Air Act is amended by deleting the words "to which no ambient air quality standard is applicable and".

(b) Section 112(a)(2) of the Clean Air Act is amended by inserting after the word "commences" the phrase ", as defined in section 169(2)(A)(i) of this Act," and by deleting the word "proposes" and substituting "promulgates".

(c) Sections 112(b)(1)(B) and (C) of the Clean Air Act are amended to read as follows:

"(b)(1)(B)(i) Not later than 90 days after the date of enactment of the Clean Air Act Amendments of 1982, the Administrator shall publish in the Federal Register a list of not less than 40 substances for priority review concerning whether such substances should be included in the list established pursuant to paragraph (1)(A), and a schedule for making such determinations. In promulgating such list, the Administrator shall include those substances for which previous evaluations are the most advanced, taking into account relevant human and animal test data, acute and chronic toxicity data, epidemiological studies, ambient concentrations and population exposure. The Administrator's schedule shall provide for determinations pursuant to this subparagraph on the 40 substances within four years of the date of publication of the schedule for determinations. The schedule shall provide for completion of review and a determination by the Administrator on at least 10 substances in each of the four years. The selection of substances, the date in the schedule selected by the Administrator for the determination on each substance and any revision of such list or schedule within the first two years shall be discretionary and not subject to judicial review.

"(ii) For purposes of making the determinations set forth in subsection (b)(1)(B)(iii), the Administrator shall consider any information relevant to whether the substance has actual or potential hazardous effects on human health, including, but not limited to, human and animal test data, acute and chronic toxicity data, ambient concentrations and population exposure. The Administrator shall consult with the Science Advisory Board and other experts as provided by § 117(c) of this Act, shall provide an opportunity for public submission of data and views, and shall obtain such other information as the Administrator deems appropriate to make a final determination. Where necessary, the Administrator may request any person to submit data relevant to his determination and may use the authority of § 114(a)(2), § 114(c), and § 113(a)(3) and (b) to obtain such data.

"(iii) For each of the substances included in the schedule established pursuant to clause (i) of this subparagraph, the Administrator shall determine whether:

"(I) The substance is a hazardous air pollutant as defined in paragraph (a)(1) of this section and will be added to the list established pursuant to subparagraph (b)(1)(A);

"(II) The substance is not a hazardous pollutant as defined in paragraph (a)(1) of this section; or

"(III) The information and data available to the Administrator are insufficient to enable him to determine whether the substance is or is not a hazardous air pollutant as defined in subparagraph (a)(1) of this section.

Any determination by the Administrator pursuant to this clause shall be published in the Federal Register with a statement of the basis for the determination and an identification of the data relied upon by the Administrator.

"(iv) If the Administrator fails to make the determinations required by clause (B)(iii) by the deadlines specified in this subparagraph, the substance shall as a matter of law be considered a hazardous air pollutant for purposes of this section and included in the list established pursuant to subparagraph (b)(1)(A). The establishment of the list or schedule pursuant to clause (B)(i) or the inclusion of any substance in the list established pursuant to subparagraph (b)(1)(A) by operation of this clause shall not:

"(I) be considered a presumption or finding by the Congress or the Administrator that such substance is a hazardous air pollutant within the meaning of paragraph (a)(1), or

"(II) be the basis for denial or modification of any permit or other form of approval by any court or permitting authority until such time as the Administrator promulgates emission standards applicable to such substance pursuant to paragraph (c)(2).

"(v) The Administrator, upon his own motion or upon the petition of any interested person, may (I) make a determination pursuant to clause (B)(iii) of this subparagraph for any other substance or (II) determine that a substance should be removed from the list established pursuant to subparagraph (b)(1)(A) because it is not a hazardous air pollutant as defined in subparagraph (a)(1) of this section. The provisions of clause (B)(ii) of this subparagraph shall apply to any such determinations. For any petition filed pursuant to this section after the Administrator has completed action on the pollutants included in the schedule established pursuant to clause (b)(1)(B)(i), or for a petition filed pursuant to clause (II) of this clause on a substance listed as a matter of law pursuant to clause (B)(iv), the Administrator shall make his determination within one year of receipt of the petition, except that the Administrator may extend the time for six months upon a finding by the Administrator, published in the Federal Register, that data relevant to the determination are not available or have not been available for sufficient time to allow the

data to be adequately considered by the Administrator.

"(b)(1)(C) Any final determination under clause (b)(1)(B)(iii) or clause (v) shall be subject to judicial review in accordance with §307(b)(1) of this Act. The record for any such judicial review shall include the information and data considered by the Administrator regarding the determination whether the pollutant is or is not a hazardous air pollutant under this section. The reviewing court shall reverse any such determination only if it is found not to be in accordance with the criteria of § 307(d)(9)(A)-(C). The filing of any petition for review shall not stay the procedures for establishing emission standards pursuant to subsection (c) and (d) of this section."

(d) Section 112(c) is revised to read as follows:

"(c)(1) Within 60 days following the addition of any hazardous air pollutant to the list established in subparagraph (b)(1)(A) of this section, the Administrator shall publish in the Federal Register a list of source categories which emit the pollutant in significant amounts.

"(c)(2) Within six months following the addition of any hazardous air pollutant to the list in subparagraph (b)(1)(A), the Administrator shall propose emission standards under this section for each source category listed pursuant to paragraph (c)(1) of this section. The Administrator shall promulgate any such emission standards within one year following the date of proposal. The Administrator may extend the period of time for proposal or promulgation of the emission standards for a period not to exceed six months only upon a finding by the Administrator, published in the Federal Register, that data necessary to the proposal or promulgation of the emission standards are not available or have not been available for sufficient time to allow the data to be adequately considered by the Administrator. In promulgating emission standards, the Administrator may distinguish among sizes, types, and classes of sources within each category. The Administrator shall periodically review any emission standards but each standard shall be reviewed at least once in every ten year period following promulgation.

"(c)(3) Each emission standard promulgated by the Administrator pursuant to paragraph (2) of this subsection shall require achievement of the greatest degree of emission reduction achievable through application of the best system of continuous emission reduction which the Administrator determines is available (taking into account the cost of achieving such reduction and any non-air quality health and environmental impacts, energy requirements, and in the case of existing sources the remaining useful life of the facilities). For new or modified major stationary sources, such standard shall, at a minimum, be set at a level equal to the most stringent emission limitation imposed upon any source in that category by any Federal, state, or local requirement or permit and which is being achieved under actual operating conditions, provided, however, that upon a showing by an individual source that such standard is not achievable by that source, the Administrator may, pursuant to paragraph (d)(1) establish an alternative standard for that source.".

(e) Subsections 112 (d) and (e) are relettered as (e) and (f) and a new subsection (d) is added to read as follows:

"(d)(1) After a category of stationary sources is listed under subsection (c), no person may construct any new stationary source or modify any existing stationary source in such category unless that source will comply with an emission standard established under this section. Where an emission standard has not yet been promulgated pursuant to paragraph (c)(2), the Administrator shall establish a standard on a case-by-case basis for such new or modified source in accordance with the criteria of paragraphs (c) (2) and (3). Any new or modified source shall comply with an emission limitation meeting the requirements of paragraphs (c) (2) and (3) and this paragraph, whether pursuant to a promulgated standard or based upon a case-by-case determination, except that if the Administrator, in his discretion, finds that with respect to one or more sources within a category the standards established under subparagraph (c)(3) are inadequate to protect the public health, taking into account the information gathered pursuant to subparagraph (b)(1)(B)(ii), he shall commence a proceeding to set stricter emission limitations for such source or sources.

"(d)(2) Prior to the promulgation of emission standards for existing sources, the Administrator may, on a case-by-case basis, establish emission standards in accordance with the criteria of paragraphs (c)(2) and (3) for individual sources within the source category where the Administrator determines such emission standards are necessary to protect the public health. Following promulgation of emission standards for existing sources, if the Administrator, in his discretion, finds that with respect to one or more sources within a category the standards established under subparagraph (c)(3) are inadequate to protect the public health, taking into account the information gathered pursuant to subparagraph (b)(1)(B)(ii), he shall commence a proceeding to set stricter emission limitations for such source or sources.

"(d)(3) Emission standards for new or modified sources shall be effective upon promulgation. The Administrator shall establish the effective date of emission standards for existing sources as expeditiously as practicable, taking into consideration the availability of pollution control equipment, the time necessary for installation of equipment, and such other factors as the Administrator deems relevent, but not later than 30 months after promulgation of such standards.".

(f) Section 112 (f)(1), as relettered, is amended by inserting a period after the word "thereof", and striking the phrase", which in his judgment is adequate to protect the public health from such pollutant or pollutants with an ample margin of safety", and inserting the phrase "consistent with subparagraphs (c)(2) and (3) of this section".

By Mr. KENNEDY (for himself, Mr. MATHIAS, Mr. PELL, Mrs. KASSEBAUM, Mr. CRANSTON, Mr. DURENBERGER, Mr. BRADLEY, Mr. HATFIELD, Mr. HART, Mr. HEINZ, Mr. BAUCUS, Mr. BUMPERS, Mr. CHAFEE, Mr. DANFORTH, Mr. DIXON, Mr. DODD, Mr. EAGLETON, Mr. INOUYE, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PROXMIRE, Mr. PRYOR, Mr. SARBANES, Mr. STAFFORD, Mr. TSONGAS, Mr. FORD, Mr. GLENN, Mr. METZENBAUM, and Mr. BIDEN):

S.J. Res. 224. Joint resolution to prevent nuclear testing; to the Committee on Foreign Relations.

LEGISLATION TO PREVENT NUCLEAR TESTING

Mr. KENNEDY. Mr. President, today, I am introducing with my good friend and distinguished colleague, Senator MATHIAS of Maryland, and others, a joint resolution to prevent nuclear testing.

Last week, the Reagan administration turned its back on history and a deaf ear to the global call to halt the arms race when it announced that it had abandoned the comprehensive test ban negotiations and that it would not ratify the Threshold Test Ban and Peaceful Nuclear Explosion Treaties. This decision radically reverses the bipartisan policy adopted by Presidents Eisenhower and Kennedy, and carried forth by five administrations, both Republican and Democratic.

In the 1950's, President Eisenhower initiated negotiations to prohibit nuclear testing. President Kennedy concluded the first test ban agreement in 1963—the Limited Test Ban Treaty, which prohibited nuclear testing in the atmosphere, outer space, and underwater, and which committed all parties to pursue a comprehensive test ban treaty (CTBT). In 1968, President Johnson achieved the Nuclear Non-Proliferation Treaty which reiterated the U.S. commitment to negotiate a CTBT. In 1974, President Nixon concluded the Threshold Test Ban Treaty, which outlaws nuclear weapons tests above 150 kilotons and once again confirmed our commitment to a CTBT. In 1976, President Ford achieved the Peaceful Nuclear Explosions Treaty, which established the same 150 kiloton threshold for so-called peaceful explosions. President Carter made significant progress toward a comprehensive test ban, extracting concessions from the Soviet Union on formerly unresolvable verification issues.

The Reagan administration's decision casts the greatest doubt on the seriousness of its commitment to nuclear arms control. It flies in the face of the nationwide call for an immediate freeze on the testing, production, and deployment of nuclear weapons. It repudiates the worldwide demand to prevent the proliferation of nuclear weapons around the globe.

Congress should insist that the Reagan administration carry out the longstanding bipartisan policy of ending all nuclear tests. That is why Senator MATHIAS and 30 other Senators are joining me today in a joint resolution calling for the resumption of negotiations for a comprehensive test ban, and the submission of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties to the Senate

for consent to ratification. An identical resolution is being introduced in the House of Representatives by Representatives MARKEY, BEDELL, and LEACH.

In abandoning the comprehensive test ban negotiations the Reagan administration is showing utter disdain for the contribution that arms control makes to U.S. national security and global peace. The achievement of a CTB would yield substantial benefits in terms of U.S. security and foreign policy goals. Not the least of these benefits would be to close off a destabilizing avenue of the United States-Soviet nuclear arms race that now continues unabated—the development of new nuclear warheads. Without testing, neither country could have confidence in new weapon designs. The effect would be to freeze at existing levels the nuclear warhead technologies deployed by both sides. Any new missiles or aircraft would have to carry warheads of already tested design.

It is important to recognize, in this connection, that a freeze on nuclear warhead technology would work to the advantage of the United States. Over the last 30 years we have conducted over twice the number of nuclear tests as has the Soviet Union. We have developed a diverse and sophisticated stockpile of nuclear devices. Our highly skilled and innovative nuclear scientists have continually expanded the frontiers of nuclear technology in such critical areas as miniaturization, safety and security, command and control and special weapons effects. In short, the United States is second to none in nuclear weapons design—and a CTB would freeze that superiority.

If the Soviets are prepared to join us in a CTB—and it seems that they are—we must assume that they will have warheads they consider adequate for their present nuclear systems. But that would involve no small benefit for us, especially in areas—such as cruise missiles and submarine-launched missiles—where a high premium is placed on miniaturization and sophisticated technology and where we have already made major advances.

The contribution of a comprehensive test ban to U.S. security is not limited, however, to inhibiting Soviet force improvements. A CTB would also strengthen our hand in dealing with the greatest threat that America and the world will face for the remainder of this century and beyond—the spread of nuclear weapons to more and more countries.

Under the Nuclear Non-Proliferation Treaty, the non-nuclear-weapon states agreed to forswear nuclear weapons, while the nuclear powers, for their part, agreed to pursue nuclear arms control measures, including a comprehensive test ban. If the Reagan administration is permitted to renege on that commitment, it will become much more difficult to maintain the NPT as an effective instrument of nonproliferation policy. Already several states have suggested the possibility of withdrawing from the treaty unless a CTB is concluded soon. As more nations threaten to acquire a nuclear capability it makes no sense for America to abdicate its responsibility and to jeopardize its political leverage and moral authority to stem proliferation.

The achievement of a CTBT, on the other hand, would give the Non-Proliferation Treaty a new lease on life. It would increase the attractiveness of the NPT to those who have not yet joined. And in general, by showing that the nuclear powers are prepared to accept restraints on their own activities, it would put us in a stronger and more credible position to call on non-nuclear countries to further constrain their nuclear weapons development.

Moreover, the CTBT would be a powerful nonproliferation tool in its own right. By adhering to this treaty, and committing themselves not to carry out any tests, non-nuclear-weapon states would be renouncing a critical step in the process of acquiring a proven nuclear weapons capability. For states that refuse to join the NPT, a CTBT may be our best chance to persuade them to accept constraints on their ability to pursue a nuclear weapons option.

The situation in South Asia is a good example of how a CTB could advance our nonproliferation goals. While neither India nor Pakistan has adhered to the NPT, both have expressed support many times in the past for a nondiscriminatory comprehensive test ban treaty. We should deny them the opportunity to join such a treaty, and thereby contribute to both their own security and the security of the world.

In deferring the comprehensive test ban negotiations and the Threshold Test Ban and Peaceful Nuclear Explosion Treaties at this juncture, the Reagan administration is blocking progress toward comprehensive measures to halt the arms race. Under the Carter administration, a number of verification issues that previously seemed insurmountable were being resolved—and in terms proposed by the United States.

The Soviets had accepted a U.S. plan for conducting onsite inspections to help resolve questions regarding compliance. This was truly an historic achievement. Failure to reach agreement on the issue of onsite inspections was one of the main reasons it was not possible in 1963 to conclude a comprehensive, rather than a partial, ban.

In another major breakthrough on verification, the Soviets had accepted a U.S. proposal for deploying a network of sophisticated seismic monitoring stations on their territory. Such seismic facilities inside the Soviet Union, combined with our impressive existing national technical means of verification, would give us a very effective basis for verifying Soviet compliance with a CTB. Moreover, willingness to accept these stations on their territory represents a dramatic advance in Soviet attitudes toward verification, with significant implications for future arms control measures.

But the Reagan administration claims indifference to this progress. Rather than seizing it as an opportunity to successfully negotiate a treaty, it uses remaining technical obstacles as an excuse to cease negotiations altogether. Not only will the achievement of a total test ban be forsaken, but other arms control goals will suffer. A comprehensive test ban providing onsite inspection would pave the way toward a freeze on production and deployment of nuclear weapons.

By refusing to submit the TTB and PNE Treaties for Senate consent, the Reagan administration is purposefully complicating and delaying the achievement of arms control. These treaties contain important new provisions for verification, including dramatic precedents for onsite inspection and the use of data exchanges to calibrate the size of Soviet tests. In the absence of ratification, these provisions are not being implemented, and the goal of verification of Soviet activities is being undermined. It is ironic that the Reagan administration refuses to have arms control without progress on verification—and then refuses to implement significant breakthroughs that improve verification.

After having come so far in negotiations, abandonment of the comprehensive test ban will be taken by the citizens of this Nation and the rest of the world as a clear signal that the Reagan administration is simply not willing to achieve a mutual halt to the ever-increasing danger and destructiveness of nuclear weapons.

The administration's previous public statements on arms control will be dismissed as empty rhetoric. Any attempts to persuade nonnuclear countries to accept further restraints on their own nuclear activities will be jeopardized. What might have been our best opportunity to involve India, Pakistan, and other key "threshold" states in meaningful nonproliferation arrangements will be dissipated.

The Reagan administration is forgoing the opportunity to freeze the development of new Soviet nuclear warheads and thereby place a significant constraint on overall Soviet nuclear force improvements. It is losing the positive, reinforcing effect that a CTB could have with respect to a comprehensive freeze on nuclear modernization. It is failing to capitalize on the substantial concessions made by the

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Soviets to date in the negotiations—several of which, especially on verification, break important new ground and will be of substantial value in the future.

In a more general sense, the Reagan administration is tarnishing America's image as a nation capable of exercising strong leadership in moving the world back from the nuclear abyss. Failure to act positively is weakening our claim to leadership by stripping us of the political leverage necessary to influence the actions of others.

In the late 1950's, when test ban negotiations were first held, we had an opportunity similar to what we could have today. It is worth contemplating the difference it might have made if we had concluded a CTBT then. It is unlikely, for example, that the high-yield MIRV'ed warheads that pose such a serious threat to U.S. security today could have been developed if nuclear testing had stopped two decades ago. It is also less likely that India would have conducted its nuclear explosions in 1974, that Pakistan would now be striving for a matching capability of its own, or that the overall proliferation risks would be nearly as serious as they are today. It is likely, in other words, that a CTBT two decades ago would have made today's world a safer place.

It is also worth asking ourselves what difference it might make two decades hence if we fail to seize today's opportunity to achieve a CTB. What new breakthroughs in nuclear technology will jeopardize our security? Which additional countries will conduct nuclear tests and join the nuclear club? How much more dangerous a world will we live in than we live in today?

On July 26, 1963, the day after American test ban negotiators finished their work in Moscow, President Kennedy recalled the Chinese proverb that "a journey of a thousand miles must begin with a single step." He called on the American people to take that first step—by ratifying the Limited Test Ban Treaty—and they responded enthusiastically.

In the past two decades, we have witnessed slow but steady progress in this journey of a thousand miles. The question now is whether we in the U.S. Congress are prepared to let the Reagan administration take a step backward. It is in the hope that we are not ready to ignore the call of the citizens of the world and to undo the achievements of history that I offer this resolution today.

Mr. President, I am pleased to report that 12 distinguished leaders in the field of national security have indicated to me their endorsement and strong support for our joint resolution to prevent nuclear testing.

In a special statement issued jointly by W. Averell Harriman, former Under Secretary of State and U.S. Ambassador to the Soviet Union, Clark Clifford, former Secretary of Defense, and Paul Warnke, former Director of the U.S. Arms Control and Disarmament Agency, these three leading figures agree:

A comprehensive nuclear test ban would restrict the development of new nuclear weapons and help restrain the nuclear arms race; it would enhance our security; and it would set an example to the rest of the world that the nuclear powers are serious about controlling nuclear arms. . . . Ratification of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties would send a positive message and a message of seriousness as we proceed to solve the very difficult problems before us of controlling nuclear arms in the decade to come.

Mr. President, I ask unanimous consent that the full text of their joint statement be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it so ordered.

(See Exhibit 1.)

Mr. KENNEDY. In addition, former Secretary of State Cyrus R. Vance has conveyed his strong support:

I wholeheartedly endorse the joint resolution. Steps along these lines would promote our national security.

Former Secretary of Defense Robert S. McNamara states that,

I was disappointed that the Limited Test Ban Treaty of the Kennedy Administration was not followed immediately by a Comprehensive Test Ban Treaty. I am delighted that the Senate is considering this Resolution. I believed then, and I believe now, that a Comprehensive Test Ban is in our national security interest.

Thomas J. Watson, Jr., former Ambassador to Moscow, has told me that,

It is tragic to abandon what were fruitful negotiations at a time when so little meaningful progress is being made in arms control.

Former Director of the Arms Control and Disarmament Agency, William Foster, indicates that,

The Kennedy-Mathias Resolution is a step in the right direction.

Ralph Earle, former arms control negotiator and ACDA Director, expresses his support:

I endorse the Resolution because these treaties will substantially promote the national interest.

Glenn Seaborg, former Chairman of the Atomic Energy Commission, states that:

A Comprehensive Test Ban Treaty would impede further qualitative improvements in the nuclear arsenals of the major powers, improvements that can lead to dangerously destabilizing new weapons systems.

Herbert York, former Chief Negotiator for the Comprehensive Test Ban Negotiations, advises me that:

I support the joint resolution as a step toward realizing an important national security objective. The verification element of these treaties will provide a very important precedent for future negotiations and relations.

Jeremy Stone, Director of the Federation of American Scientists, indicated the strong support of the Federation for the Kennedy-Mathias Resolution:

The decision of the Administration not even to continue to discuss the matter with the Soviet Union reveals attitudes nothing short of contempt for arms control. The Administration's related decision to reopen negotiations and ask for more inspections, on two already negotiated test ban treaties only adds, for arms controllers, injury to insult. . . . Accordingly, we could not agree more with your resolution.

Mr. President, I ask unanimous consent that the full text of Dr. Stone's letter appear in the RECORD after my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 2.)

Mr. KENNEDY. In addition to these endorsements, I am pleased to announce that Gerard Smith, former Director of the Arms Control and Disarmament Agency and SALT negotiator, also endorses the Kennedy-Mathias Resolution.

I hope that the Senate will give serious consideration to these statements of support for our joint resolution. The endorsement of these experienced leaders in the field of arms control and national security reflects the strong support that a comprehensive test ban has received for the past two decades.

EXHIBIT 1

JOINT STATEMENT BY W. AVERELL HARRIMAN, CLARK CLIFFORD, AND PAUL WARNKE IN SUPPORT OF THE KENNEDY-MATHIAS RESOLUTION TO PREVENT NUCLEAR TESTING

We strongly support the Joint Resolution to Prevent Nuclear Testing.

The goal of a comprehensive nuclear test ban must be a priority for the security of our nation and all nations.

A comprehensive nuclear test ban would restrict the development of new nuclear weapons and help restrain the nuclear arms race; it would enhance our security; and it would set an example to the rest of the world that the nuclear powers are serious about controlling nuclear arms. This example is becoming more important with every day as there are many nations with the potential to develop nuclear weapons.

Ratification of the Threshold Test Ban and Peaceful Nuclear Explosions Treaties would send a positive message and a message of seriousness as we proceed to solve the very difficult problems before us of controlling nuclear arms in the decade to come. Negotiated by Republicans, signed by Republicans, supported by Republicans and Democrats, these treaties—ratified—can help reestablish the momentum of arms control as well as maintain the bipartisan consensus for a balanced prudent national security program of arms and arms control.

These treaties were negotiated and signed more than half a decade ago by two Presidents. It is in our interest to demonstrate to others, particularly the Soviets, that agreements signed will be agreements ratified, and therefore agreements kept, letter and spirit. If we discard agreements reached in

good faith, we set a precedent that a new generation of Soviet leaders could use to their advantage, citing our example.

Today, with nearly 50,000 nuclear weapons deployed, the threat of nuclear war overshadows every other threat we face. Today, American leadership is needed more than ever—for our Allies in Europe who want arms control as well as arms, and for nations around the globe who will decide in the decade ahead to fashion a future with or without nuclear arms. Many nations look to America for security, and they look to us for peace. In this nuclear age, if we fail to deliver either, we will fail both.

Nearly nineteen years ago, Senator Everett Dirksen told his colleagues in the Senate: "One of my age thinks about his destiny a little. I should not like to have written on my tombstone, 'He knew what happened at Hiroshima, but he did not take a first step.'" That first step to limit nuclear tests was taken. The Senate ratified the Limited Nuclear Test Ban of 1963, and the United States was joined thereafter by more than one hundred nations. It is urgent that we now take another step toward banning the testing of nuclear arms for all time.

EXHIBIT 2

FEDERATION OF AMERICAN SCIENTISTS,
Washington, D.C., July 26, 1982.

Senator EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: Nothing more eloquently describes the Administration's true feelings about arms control than its decision to break off negotiations with the Soviet Union on a Comprehensive Test Ban Treaty. As you well know, your brother, President John F. Kennedy, came exceedingly close to negotiating such a treaty in 1963. He only failed when the two sides could not agree on whether 3 or 7 Soviet on-site inspections would be permitted. Today, twenty years later, the U.S. can monitor Soviet test explosions far better unilaterally with national technical means alone than it could then even with all the 7 on-site inspections it demanded. And the present futility of these on-going tests, amidst ever greater stockpiles of warheads, is ever more obvious. This is, in fact, why the last Administration was quite close to completing negotiations to a Comprehensive Test Ban Treaty.

In these circumstances, the decision of the Administration not even to continue to discuss the matter with the Soviet Union reveals attitudes nothing short of contempt for arms control. The Administration's related decision to reopen negotiations and ask for more inspections, on two already negotiated test-ban treaties only adds, for arms controllers, injury to insult.

Accordingly, we could not agree more with your resolution calling on the President to send the Threshold Test Ban Treaty (TTBT) and the Peace Nuclear Explosions Treaty (PNET) to the Senate and to reopen negotiations toward a Comprehensive Test Ban Treaty (CTBT).

The public may have difficulty determining the sincerity of the Administration's positions on SALT, START and the Freeze. But it will, we think, have no trouble recognizing that the breaking off of the longest standing arms control negotiations just when they were closest to agreement is a litmus test of the Administration's true hostility to any and all arms control agreements with the Soviet Union.

Sincerely,

JEREMY J. STONE.

Mr. MATHIAS. Mr. President, I am pleased to join today with the senior Senator from Massachusetts (Mr. KENNEDY) and 29 of our colleagues in introducing a joint resolution to prevent nuclear testing, which calls on the President to request Senate consent to ratification of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties, signed in 1974 and 1976, respectively; and (2) resume trilateral negotiations toward conclusion of a verifiable Comprehensive Test Ban Treaty.

Mr. President, at this very moment there are three arms control treaties, negotiated by three American presidents with the Soviet Union languishing, unratified in the Senate. These are the Threshold Test Ban Treaty (TTBT), the Peaceful Nuclear Explosions Treaty (PNET), and SALT II. Consider the unfortunate message this sends to the world and, I think, to the Soviet Union itself, regarding our credibility as a negotiating partner.

Mr. President, we are all well aware that the Soviet invasion and occupation of Afghanistan effectively shelved SALT II, but this was not the case with the Threshold Test Ban and Peaceful Nuclear Explosions Treaties. These have been awaiting strong Presidential endorsement to bring them to the floor of the Senate. That is what the senior Senator from Massachusetts and I hope will happen with the introduction of this joint resolution.

President Reagan has decided to go back to the Soviet Union and ask for tightened verification procedures. But unfortunately, after a year and a half in office, the administration still does not know what it wants from the Soviet Union with respect to these treaties. The administration also has decided not to renew negotiations—suspended under the Carter administration—on a Comprehensive Test Ban Treaty. I regret these decisions.

The TTBT and PNET not only would cap the size of underground nuclear explosions but would provide valuable ancillary benefits as well. Both treaties provide for the exchange of data between the Soviet Union and the United States, and the PNET provides for onsite inspection.

Objections have been raised that possible future options of the United States would be limited by ratification of these treaties. It is the job of arms control to establish limits. These limits must be mutual and verifiable. The TTBT and PNET establish such limits.

I hope that the President will reconsider. The peoples of the world look to the United States for leadership in the field of arms control. We must not fail them. We must demonstrate our determination to reduce the risk of nuclear war. There is no better way to do that than by ratifying the TTBT and PNET and by renewing negotiations on a Comprehensive Test Ban Treaty.

● Mr. PELL. Mr. President, I am pleased to be an original sponsor of the joint resolution being introduced today by the Senator from Massachusetts (Mr. KENNEDY).

This joint resolution calls upon the President to seek Senate consent to ratification of the Threshold Test Ban (TTB) and Peaceful Nuclear Explosions (PNE) Treaties and to reopen the comprehensive test ban (CTB) negotiations. As the ranking minority member of the committee, I am confident of thorough hearings on each of these treaties.

The Threshold Test Ban, which was signed by President Nixon in 1974, applies a ceiling of 150 kilotons on all underground nuclear explosions. The Peaceful Nuclear Explosions Treaty, which was designed as a companion treaty to the TTBT, was signed by President Ford in 1976. It would serve to insure that peaceful nuclear explosions cannot be used as a means of circumventing the Threshold Test Ban Treaty.

Unfortunately, this administration has decided to put it off any efforts to achieve a comprehensive test ban, and it has decided to go back to the Soviets for further discussions to improve on verification before taking action on the TTB and PNE Treaties.

There is a chance that the administration will be able to decide in several months what improvements in verification it wants, that the Soviets will be agreeable to changes without any particular demands of their own, and that the new negotiation can be completed in several months. If everything does not work like that, the treaties—and their benefits to our national security—could be lost.

It is ironic that this administration has jeopardized these two treaties in the name of verification, since the treaties already contain precedent-setting provisions for verification.

Ratification of the TTB and PNE Treaties drew wide support in recent hearings of the CFR on nuclear arms control resolutions. Numerous witnesses, including ex-CIA Director William Colby, former Secretaries of Defense James Schlesinger and Harold Brown and Ambassador Kenneth Rush endorsed TTBT and PNET ratification. Other distinguished Americans have also provided endorsements of the TTB and PNE Treaties, as well as the CTB. These endorsements are set forth elsewhere in the RECORD.

A compelling case for ratification was made recently by Ambassador Robert W. Buchheim in a May 7, 1982, paper provided to me. Ambassador Buchheim was heavily involved in the work leading to the TTBT, and he

lead the American side in the PNE negotiation.

Mr. President, I ask that Ambassador Buchheim's paper be printed in the RECORD following my remarks.

In 1977, when these two treaties were before the Committee on Foreign Relations, there was a general sense that the steps they entailed were safe for the United States and that the achievement was useful. All concerned executive branch agencies supported ratification. Unfortunately, the previous administration preferred in 1978 to emphasize the CTB, and the TTB were not reported by the committee.

Now, I believe, it makes good sense to move ahead with the treaties as a prelude to a comprehensive test ban.

Mr. President, five American administrations have supported the attainment of a comprehensive test ban. The administration's decision not to pursue a CTB marks an unfortunate retreat from a commitment by the United States in the Limited Test Ban Treaty of 1963 and the Nonproliferation Treaty of 1968 to seek to achieve and end to nuclear weapons tests for all times.

Achievement of a CTB would serve to demonstrate to the Soviets that we are serious about arms control, to reassure our allies that we are willing to apply major controls to the arms race and show the American public that we are willing and able to respond to their desire to halt the nuclear arms race.

A CTB would put meaningful controls on nuclear weapons development and would put punch into our efforts to curb nuclear proliferation. In the previous administration, solid progress was made toward agreement on a CTB with strong, effective verification provisions, such as monitoring stations in the Soviet Union and arrangements for on-site inspection. The Reagan administration is in a splendid position to bring that effort to fruition.

The American people have spoken loudly and clearly. The growth of the nuclear freeze movement demonstrates that millions want an end to the arms race. The reckless statements of this administration about nuclear war and its relentless pursuit of more nuclear weapons while giving scant attention to the advantage of nuclear arms control have scared many Americans and lent force to their desire for an end to the nuclear arms race. The opportunity to have effective controls upon nuclear explosions is available to us, if we have the will to seize that opportunity. We must not allow ourselves to be diverted.

The analysis referred to follows:

ANALYSIS OF TREATY BENEFITS BY AMBASSADOR ROBERT W. BUCHHEIM

The TTBT and PNET were not created with any visions in view of current "freeze" proposals; however, they are a form of agreed freeze along the dimension of nuclear-weapon test yields, and they are valuable arms control assess in that they set practical constraints along that dimension. Some day, I hope, we will have corresponding deals constraining missile throw-weight, numbers of warheads, etc.; but, for now, the 150-kiloton testing limit is what we have got.

The basic limitation built into these twin treaties is a prohibition on the detonation, for any purpose, of any nuclear explosive device with a yield greater than 150 kilotons.

These treaties, while being observed, have not been ratified; they should be, for at least the following reasons:

(a) In the TTBT, Article III, the parties undertook to negotiate and conclude a separate agreement on PNEs; this was done, and was accomplished within about two weeks of the date needed for proper implementation of Article I.1 of the TTBT—since that time this useful record of mutual negotiating performance has been clouded by USG failure to ratify these treaties.

(b) The treaties include provisions for exchanges of information to facilitate verification (a precedent of value for that reason alone); since the Treaties have not been ratified, no such exchanges have taken place, and no meaningful consultations have been conducted as to uncertain events—with a lengthening list of unclear claims of "violations" as a result.

(c) The PNE Treaty contains extensive provisions to facilitate verification, including provisions for other-side personnel to make measurements, etc, at sites of explosion projects, using their own equipment, with objective ways to ensure the integrity of their equipment and themselves, etc. (a precedent, both as to provisions for on-site information collection and as to the vigor of the provisions for assurance of reliable on-site operations, which has not been approximated in any other agreement between the U.S. and the USSR).

(d) Removal of the 150 kiloton threshold on underground explosions would create an asymmetry in practical opportunity for high-yield nuclear weapon tests, to the disadvantage of the U.S.—specific estimates of how high we could go in practice in Nevada, and how high the Soviets could go at their test sites, would best be gotten from authorities in the Department of Energy.

(e) The specific provisions of the TTBT and PNET, and the negotiating record, make it quite clear that, as concerns nuclear explosive devices themselves, no way is in sight to distinguish between a nuclear weapon test and the explosion of a "peaceful" device—a point of great importance to non-proliferation policy.

(f) In the process of preparing the PNET, both with the Soviets and in our deliberations, the myth of the "value" of PNEs was largely destroyed—this also represents an asset to non-proliferation policy which should be sustained.

TTBT VERIFICATION

A few comments on the matter of verification. It has been known for all of the years—almost ten—since the idea of a TTBT was devised that national technical means of verification could determine yields of distant nuclear explosions within an error band of about a factor of two, and this level of verification performance was judged to be adequate for the purpose of the Treaty. Nevertheless, a factor of two has always seemed too large to some, particularly at the level of general impressions.

It is possible to go beyond general impressions in judging adequacy of our (seismic) verification performance. Consider the following:

(A) A factor of two in weapon yield translates into a difference of about 25 percent in lethal radius against a point target and is, therefore, interchangeable with a difference of about 25 percent in CEP of delivery. (If we just want to impose megatons on cities, we can sustain a capacity to do that with no nuclear weapon testing at all; we can, for example, hold onto the Titan missiles—they can deliver huge warheads which are generally acknowledged to be quite reliable.)

(B) Even though various sources publish specific estimates of yields of warheads on, say, Soviet SS-18 and SS-20, and use such estimates for various purposes, we really cannot know those yield figures very well through independent means; and we are not likely ever to know them very closely and reliably; what we can know is what the yields would be if the Soviets used U.S. warheads of comparable weights. With the TTBT in place, we can know, within a factor of two, what test yields are available to the Soviets.

(C) In current and prospective arms control negotiations on delivery systems, we will also be facing some problems of verification which will present bands of estimating uncertainty; for example, range capabilities and payload weights of cruise missiles—and, yes, we will face the question of what weapon yields should be associated with such payload weights. We will have to take such bands of estimating uncertainty into account.

(D) As to nuclear weapon test yields, there are ways, built into the PNET, to acquire more precise information if that were to become necessary; but I will not try to argue that matter here and now. I will only say that the two treaties, the TTBT and the PNET, incorporate the basis for a practical regime which puts controls on nuclear weapon test yields well ahead of aspirations for other constraints. No amount of improvement in estimating Soviet test yields will tell us the yield of a specific warhead consigned to any particular delivery vehicle.●

● Mr. DANFORTH. Mr. President, today I join several distinguished colleagues from both sides of the aisle in introducing a joint resolution calling on the President to request ratification of two nuclear test ban treaties and to resume trilateral negotiations toward a comprehensive test ban treaty.

For over a generation, American Presidents have sought a complete ban on the testing of nuclear bombs. The reason is simple: Practically nothing would do a better job of slowing down the development of newer and more dangerous weapons than a mutally verifiable agreement among the superpowers to quit performing nuclear tests.

Indeed, every major arms control agreement the United states has signed contains a pledge to work toward the eventual adoption of a comprehensive test ban.

Until recently, we have seen slow but certain progress toward this desirable objective. In 1963, after the United States and the Soviet Union went to the brink of nuclear war over Cuba,

our two countries, along with the United Kingdom, ratified the Limited Test Ban Treaty which bars all but underground tests of nuclear bombs. In 1968, the United States signed the Nuclear Nonproliferation Treaty. In 1974, President Nixon signed the Threshold Test Ban Treaty, which put the first restrictions on underground tests. President Ford signed the Peaceful Nuclear Explosion Treaty, a follow-on to the TTBT, in 1976. Although negotiations toward a comprehensive test ban were suspended in 1980, several important outstanding issues appeared to have been resolved.

Last week, however, the President brought the process to a halt. We were told that a comprehensive test ban may be a fine idea—but not now. We were told that the TTBT and the PNET, like SALT II, are flawed and should be ratified. It remains unspecified what additional verification measures the present administration regards as overriding the benefits of the two treaties that Presidents Nixon and Ford had previously negotiated.

The most basic question is whether the TTBT and PNET would slow down American and Soviet nuclear arms development. Neither treaty would be as effective or as verifiable as a comprehensive pact, but both are worthwhile on an interim basis. Given the verification measures which would be invoked upon ratification of these treaties, including the exchange of seismic data and on-site inspections, Presidents Nixon and Ford concluded that we were reasonably well protected against the possibility of cheating by the Soviets. Both treaties are as valuable today as when they were signed. Ratification of the TTBT and PNET would serve to demonstrate the constructive nature of arms control negotiations and advance the cause of world peace.

I am afraid that the reason underlying the President's decision is the Pentagon's desire to keep test-firing warheads for the development of weapons even more destabilizing than those on the drawing board today. If the United States, which has exploded more nuclear devices than all other nations in the world combined, insists on the right to continue testing, I do not know how we will be able to persuade other, presently nonnuclear nations to forebear. Ratification of a comprehensive test ban at the earliest possible date would lay the best foundation for our strategic arms reduction and nonproliferation efforts.

I urge the President to reconsider.●

● Mr. DURENBERGER. Mr. President, we recently observed a grim milestone—the 37th anniversary of the detonation of the first nuclear weapon ever built. We are about to observe two more grim milestones—the 37th anniversary of the bombings of Hiroshima and Nagasaki. These events marked a major advance for science, but a terrible step backward for mankind. We have been living in the shadow of oblivion ever since.

That long-ago summer of 1945 marked only the beginning of the nuclear age. We have seen the stockpiling of thousands of weapons, the smallest of which would kill and maim on an almost unimaginable scale. We have seen the development of newer and more lethal weapons, most particularly fusion weapons, which dwarf the Hiroshima and Nagasaki weapons in magnitude. We have seen five nations undertake the creation of arsenals of these weapons of mass destruction. And every day, we come nearer to the time when the nuclear club will go from five to six to more nations.

Americans are understandably deeply disturbed about the nuclear arms race. They have begun to demonstrate their feelings through such movements as Ground Zero Week or through organizations such as the Physicians for Social Responsibility. They have begun to ask why, after years of concern about the control of nuclear arms, after years of speeches and initiatives by our Government, we see more, not fewer, weapons and fewer, not more, arms control agreements. This involvement by the public—and make no mistake, this is a grassroots movement rather than an issue for only a few—is both needed and long overdue. Americans have begun to take charge of their lives and of the policies which govern their lives. They are challenging us in government and politics to come up with answers rather than words of concern, policies rather than platitudes, hope rather than despair.

Like any mass movement that deals with such fundamental issues, the movement behind controlling and reducing nuclear weapons is likely to go through uneven moments. We are likely to hear suggestions that we object to, suggestions ranging from reliance upon active defenses against nuclear weapons to undertaking unilateral disarmament. As the public comes to grip with the technology and terminology of nuclear weapons and nuclear warfare, we are likely to hear statements that are factually incorrect or phrased in the language of the prairie rather than the laboratory.

For some, it will therefore prove tempting to dismiss this movement as unsophisticated or uninformed. There can be no graver mistake. If some spokesmen are initially faltering, if some statements are initially fallacious, if ordinary people cannot recite the jargon and esoterica of deterrence theory, the fact remains that the public is aroused and that it is on the right course. The problems at the outset will disappear as more and more people come to realize that nuclear weapons represent the gravest challenge facing this planet. And the temptation to dismiss this concern as somehow misguided or as only temporary will disappear as we, in Government, come to realize that an aroused and informed pubic is demanding answers.

It is easy for those of us in this body and elsewhere in Government to become so bound up in the technical detail of nuclear weapons or deterrence theory that we overlook the fundamental truth: A discussion on nuclear weapons is a debate about death. That is a point we should never forget. It is the point which was recognized with great eloquence by President Eisenhower in his address to the United Nations, by President Kennedy in his speech at American University, by President Reagan at Eureka College earlier this year. The control, reduction, and ultimate elimination of nuclear arms is perhaps the most basic challenge we face, and it is one which has now at long last begun to involve the American public, and not merely the academic specialists and Dr. Strangeloves.

This is why I have joined other Senators in offering two resolutions today. The first is a resolution requesting the President to report to Congress on the overall American policy regarding nuclear arms. It is an attempt to obtain in one document filed at one place at one time a comprehensive and consistent analysis of a vastly complex but vitally important subject. I believe that such a document will go a long way toward minimizing some of the confusion which occasionally permeates the public debate over deterrence and arms control.

This second resolution introduced by Mr. Kennedy is a bit more complex, but equally important. It expresses the sense of the Senate that the Threshold Test Ban Treaty of 1974 and the Peaceful Nuclear Explosion Treaty of 1976 should be brought to the floor of the Senate for ratification. It further expresses the sense of the Senate that the President should resume the negotiations on a Comprehensive Test Ban Treaty.

We have learned over time that the so-called qualitative arms race—the production of new models of nuclear weapons—is, if anything, more potentially menacing than the quantitative arms race. This is why the SALT II Treaty attempted to come to grips with more than just numbers alone. It is why there is so much potential for real progress in President Reagan's plan to limit the number of land-based missiles as a subceiling of the START package. And it is why the test ban treaties, which have been gathering dust for some time, should be considered and ultimately ratified by this body.

These are only partial steps, as are the START talks, the negotiations on

intermediate nuclear forces, and so on. But we have learned before that partial steps are needed if we are to make major progress, that it is foolish to let our quest for the ideal obstruct our gaining the good.

Above all else, however, it is vital that each of us in this Senate begin to think long and hard about possible policy options for the control of nuclear arms. We should avoid creating obstacles to negotiation, and we should be careful to remain attentive to the role of the executive branch in the formation of foreign policy. But we are a deliberative body, and each of us has a stake in the control of arms. We owe it to ourselves, to our President, to our country, and to mankind to offer proposals if we believe that they can be useful.

That is why I shall be releasing a study next week on arms control. Like my earlier study on the defense budget, it is offered as the thoughts of one Senator on an area where all Senators should be heard from. It represents the thoughts of a legislator, not the prescriptions of a negotiator. It is designed to elicit debate rather than to establish policy. It is therefore my hope that this study will prove helpful to my colleagues and to the President as we come to grips with this crucial issue.●

Mr. STAFFORD. Mr. President, I am pleased today to join my colleagues in cosponsoring this joint resolution that urges President Reagan to request Senate ratification of two nuclear test ban treaties signed by two of his predecessors.

Both of these treaties—the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty—are essential way stations on the road to a comprehensive test ban treaty that will effectively curtail the arms race between the United States and the Soviet Union.

Negotiators for the two nations reached agreement on the threshold test ban in 1974 and the peaceful explosions treaty 2 years later. Unfortunately, neither has ever been forwarded to the Senate for consideration and ratification.

The focal issue for the two treaties has been verification procedures. In the years since the United States became committed to the Limited Test Ban Treaty and the Non-Proliferation Treaty, measurable improvements in the effectiveness of verification procedures have been accomplished.

These improvements also should hasten progress toward a Comprehensive Test Ban Treaty, and toward meaningful control of strategic arms. Agreement on these issues by the United States and the Soviet Union will increase pressure for compliance on other nations that have developed or have the potential to develop strategic nuclear weapons.

It has been more than a third of a century since release of a terrible nuclear cloud cast a long and dark shadow across the Earth. For a generation, the world has had to live with the threat of a nuclear holocaust.

Ever since the Soviet Union joined the United States in the ability to produce nuclear weapons, both nations—indeed, all the nations of the world—have lived with the threat of nuclear destruction by design, miscalculation, or accident.

Today, there are a dozen nations that either have the bomb or know how to produce one. The estimate is that by the end of this century, two dozen, or perhaps even three dozen countries will have nuclear weapons. And all of them will be testing those weapons to make sure they work.

On the average, one nuclear explosion occurs somewhere in the world each week. These explosions are produced by the United States, Great Britain, the Soviet Union, France, and China—all to test yet another nuclear weapon.

More than 1,300 such tests have been conducted since the destruction of Hiroshima and Nagasaki, despite more than a quarter century of international efforts to stop the tests.

China is the only country that coninues to test nuclear weapons in the atmosphere, with all the terrible consequences of such releases of radiation. But underground explosions are also responsible for the release of vast amounts of radioactivity into the environment—either through seepage into the water table or the ocean, or through venting into the atmosphere.

In addition to the countries that already have nuclear capability, there are probably two dozen privately owned corporations around the world that have the resources and the technology to make nuclear weapons.

The United States, the Soviet Union, and Great Britain have been negotiating since 1977 on an agreement designed to ban all testing of nuclear weapons. These three countries have already banned nuclear tests above ground, below water, and in outer space. That 1963 limited treaty has been signed by an additional 120 nations.

The Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty, when ratified, would prohibit all nuclear tests with a yield exceeding 150 kilotons. These agreements, once sanctioned, would aid immeasurably in approval of a Comprehensive Test Ban Treaty. That, in turn, would pave the way toward an agreement that could halt the spread of nuclear capability.

The psychological and physical horrors that have followed in the wake of nuclear proliferation have been accompanied by a seemingly endless arms buildup. The President, by sending the two treaties to the Senate for ratification, would be signaling to an apprehensive world that the weapon race can be reversed.

We owe it to ourselves and to future generations to end this thoughtless and reckless policy that seeks to achieve world peace through the imposition of a balance of terror.

ADDITIONAL COSPONSORS

S. 1698

At the request of Mr. DENTON, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1698, a bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. Armed Forces personnel.

S. 1889

At the request of Mr. MATSUNAGA, the name of the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 1889, a bill to establish the U.S. Academy of Peace, and for other purposes.

S. 1939

At the request of Mr. GOLDWATER, the names of the Senator from Utah (Mr. GARN), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 1939, a bill to amend the Public Health Service Act to establish a National Institute on Arthritis and Musculoskeletal Diseases.

S. 2027

At the request of Mr. ROBERT C. BYRD, the name of the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 2027, a bill to provide for an accelerated study of causes and effects of acid precipitation, provide for an examination of certain acid precursor control technologies, and for other purposes.

S. 2094

At the request of Mr. DANFORTH, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 2094, a bill to amend the Trade Act of 1974 to insure reciprocal trade opportunities, and for other purposes.

S. 2300

At the request of Mr. FORD, the name of the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2458

At the request of Mr. GOLDWATER, the name of the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 2458, a bill to designate the Aravaipa Canyon Wilderness in the State of Arizona.

S. 2679

At the request of Mr. DURENBERGER, the names of the Senator from South Dakota (Mr. ABDNOR) and the Senator from Pennsylvania (Mr. SPECTER) were

added as cosponsors of S. 2679, a bill to add representatives of town officials to the membership of the Advisory Commission on Intergovernmental Relations.

S. 2777

At the request of Mr. ROBERT C. BYRD, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 2777, a bill to amend title 5, United States Code, to designate May 30 as Memorial Day.

SENATE JOINT RESOLUTION 218

At the request of Mr. ROBERT C. BYRD, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 218, a joint resolution to authorize and request the President to designate the week of August 29, 1982, through September 4, 1982, as "National Railroad Week" and September 4, 1982, as "National Railroad Day."

AMENDMENTS SUBMITTED FOR PRINTING

OMNIBUS RECONCILIATION ACT

AMENDMENT NO. 2007

(Ordered to be printed and to lie on the table.)

Mr. RIEGLE submitted an amendment intended to be proposed by him to the bill (S. 2774) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, 97th Congress).

AMENDMENT NO. 2008

(Ordered to be printed and to lie on the table.)

Mr. BOREN (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. DIXON, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. HART, Mr. HUDDLESTON, Mr. NUNN, Mr. PRESSLER, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them to the bill S. 2774, supra.

● Mr. BOREN. Mr. President, on behalf of Senators BAUCUS, BENTSEN, BOSCHWITZ, BURDICK, DIXON, DURENBERGER, EAGLETON, EXON, HART, HUDDLESTON, NUNN, PRESSLER, ZORINSKY, and myself, I am submitting today an amendment which we will offer during Senate consideration of the omnibus reconciliation bill.

Our amendment will provide a more effective solution to the current economic condition of agriculture than the USDA's proposed program.

Carryover stocks for wheat and corn are estimated to be at the highest level in 20 years. Because of these large stocks, the market price for these commodities has fallen dramatically. For example, in my home State of Oklahoma, the price for wheat has fallen to around $3 per bushel, less than one-half of the cost of production. We cannot expect our farmers to continue to produce the food necessary for our country unless we do something to increase the price they receive.

Our amendment will raise the price of wheat and corn. But it is important to note, it will raise the market price of wheat and corn. The program we are offering will give farmers an opportunity to sell their grain on the market instead of to the Government.

The Congressional Budget Office, in a study, has demonstrated that we can improve upon the administration's programs for wheat and corn. We can improve the economic situation by doing more for less.

Our amendment will do more for less. If adopted, carryover stocks will be reduced more than the administration's program. The level of production will be lower than the level under the administration's plan. Less grain will be going into the reserve. And, most importantly, the market prices under our provision will be significantly higher than under the administration's plan. Our provision, if adopted, will accomplish all this with less cost to the Government budget.

Mr. President, for a long time we have been telling the American people that we had to do more with less if we were to ever solve the economic problems of our country. We have proposed an amendment which will give us the opportunity to show how it can be done.

On many agricultural issues, it is often the case that the farm organizations cannot reach an agreement. This is certainly not the case with our amendment. Supporting our paid diversion amendment are the National Association of Wheat Growers, the American Farm Bureau, the National Farmers Union, the National Farmers Organization, the National Grange, the National Corn Growers Association, the Independent Bankers Association, the American Agriculture Movement, and the Grain Sorghum Producers Association.

Specifically, our amendment will require the Secretary to offer a combination paid diversion/acreage reduction program for wheat, corn, and feed grains. For wheat, the program will consist of a 15-percent reduction in acreage and a voluntary 10-percent paid diversion program. For corn and feed grains, the program will consist of a 10-percent reduction in acreage and a voluntary 10-percent paid diversion program.

Mr. President, I ask unanimous consent that the text of our amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 65, between lines 9 and 10, insert the following new section:

"WHEAT AND FEED GRAIN DIVERSION PROGRAMS

"SEC. 155A. (a) Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended by—

"(1) in the first sentence of paragraph (1), striking out 'Notwithstanding any other prvision of this section, the' and inserting in lieu thereof: 'Notwithstanding any other provision of this section—

" '(A) Except as provided in subparagraph (B) of this paragraph, the';

"(2) inserting at the end of paragraph (1) a new subparagraph (B), as follows:

" '(B) Notwithstanding any previous announcement to the contrary, for the 1983 crop of wheat, the Secretary shall provide for an acreage limitation program under paragraph (2) of this subsection under which, for participating producers, the acreage planted to wheat for harvest on the farm shall be limited to the wheat acreage base for the farm, as determined under paragraph (2) of this subsection, reduced by 15 per centum. As a condition of eligibility for loans, purchases, and payments on the 1983 crop of wheat, the producers on a farm shall comply with the terms and conditions of the acreage limitation program.';

"(3) in paragraph (2), inserting immediately after the fifth sentence the following: 'Notwithstanding any provision of this paragraph. the acreage base to be used for the farm under the programs for each of the 1983, 1984, and 1985 crops of wheat shall be the same as the acreage base applicable to the farm for the 1982 crop of wheat, adjusted to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base: *Provided*, That the acreage base for each such crop for any wheat-producing farm that follows a normal summer-fallow crop-rotational practice and has a three-year history of such practice shall be calculated by combining (A) the product obtained by multiplying the announced acreage limitation percentage for the crop by the acreage annually idled and devoted to conservation uses, as determined by the Secretary, and (B) the acreage on the farm planted to wheat for harvest in 1981 or, at the discretion of the Secretary, the average acreage on the farm annually planted to wheat for harvest in 1980 and 1981.'; and

"(4) inserting, at the end of paragraph (5), the following: 'Notwithstanding the provisions of the first sentence of this paragraph, the Secretary shall implement a land diversion payment program for the 1983 crop of wheat. Under such program, producers on a farm, who under the acreage limitation program for the 1983 crop of wheat under paragraph (1)(B) of this subsection limit the acreage on the farm planted to wheat for harvest to the wheat acreage base for the farm reduced by 15 per centum, may reduce the acreage on the farm planted to wheat for harvest by an additional 10 per centum of the wheat acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such additional acres devoted to conservation uses at the rate, not less than $120 per acre, determined appropriate by the Secretary: *Provided*, That the general payment rate established by the Secretary shall be adjusted by the Secretary for each farm to reflect differences in yield per acre among wheat farms. The land diversion payment program for the 1983 crop of wheat shall be voluntary for producers.'.

"(b) Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended by—

"(1) in the first sentence of paragraph (1), striking out 'Notwithstanding any other

provision of this section, the' and inserting in lieu thereof: 'Notwithstanding any other provision of this section—

" '(A) Except as provided in subparagraph (B) of this paragraph, the';

"(2) inserting at the end of paragraph (1) a new subparagraph (B), as follows:

" '(B) For the 1983 crops of corn and other feed grains, the Secretary shall provide for an acreage limitation program under paragraph (2) of this subsection under which, for participating producers, the acreage planted to corn and other feed grains for harvest on the farm shall be limited to the feed grain acreage base for the farm, as determined under paragraph (2) of this subsection, reduced by 10 per centum. As a condition of eligibility for loans, purchases, and payments on the 1983 crops of feed grains, the producers on a farm shall comply with the terms and conditions of the acreage limitation program.';

"(3) in paragraph (2), inserting immediately after the sixth sentence the following: 'Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the programs for each of the 1983, 1984, and 1985 crops of feed grains shall be the same as the acreage base applicable to the farm for the 1982 crops of feed grains, adjusted to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.'; and

"(4) inserting, at the end of paragraph (5), the following: 'Notwithstanding the provisions of the first sentence of this paragraph, the Secretary shall implement a land diversion payment program for the 1983 crops of corn and other feed grains. Under such program, producers on a farm, who under the acreage limitation program for the 1983 crops of corn and other feed grains under paragraph (1)(B) of this subsection limit the acreage on the farm planted to corn and other feed grains for harvest to the feed grain acreage base for the farm reduced by 10 per centum, may reduce the acreage on the farm planted to corn and other feed grains for harvest by an additional 10 per centum of the feed grain acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such additional acres devoted to conservation uses. Payments shall be made on corn acreage at the rate, not less than $150 an acre, determined appropriate by the Secretary; and payments shall be made on acreage devoted to the other feed grains at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn: *Provided*, That the general payment rate for a feed grain established by the Secretary shall be adjusted by the Secretary for each farm to reflect differences in yield per acre among farms producing the feed grain involved. The land diversion payment program for the 1983 crops of corn and other feed grains shall be voluntary for producers.' ".●

● Mr. BAUCUS. Mr. President, I am pleased to join Senator BOREN in offering an alternative wheat and corn program for 1983. We have worked long and hard to fashion a paid diversion/acreage reduction program that is supported by 13 Senators and a host of farm groups.

We intend to offer the amendment we are introducing today during the Senate consideration of the reconciliation bill. The amendment is an attractive alternative to the present program for several reasons. The combination of a paid diversion and an acreage reduction program will decrease the level of Government outlays, will decrease farmers' dependence on the Government, and will decrease the level of surplus stocks for wheat and corn. And most important, the program is a step toward improving sagging farm prices that have plagued U.S. farmers.

The amendment is appealing for those who are serious about reducing Federal outlays. A recent Congressional Budget Office study indicated that a paid diversion/acreage reduction program, when compared to no acreage adjustment program, would save taxpayers $3.9 billion during the life of the bill. The amendment would reduce Government outlays by $1 billion when compared to the voluntary acreage reduction program of 1982.

The combination paid diversion/acreage reduction program provided by this amendment, would reduce Government outlays $400 million more than the wheat program announced by Secretary Block a few weeks ago.

The amendment is appealing for farmers who want to keep the Government out of the marketplace. I do not like any sort of Government-imposed acreage reduction program. Farmers simply should not be asked to bear the burden in correcting a market distorted by Government intervention in the international marketplace. However, if we have to chose an acreage reduction program, this amendment provides a much less bitter pill to swallow.

Continuing low farm prices will mandate large deficiency payments this year. These are direct outlays from the Treasury. An acreage reduction program will only achieve its goal if there is participation from farmers. I believe the program provided by this amendment will provide more incentive for participation. Payments received by farmers will be from the marketplace, and not from the Government.

This amendment is appealing to those who are serious about reducing record surplus stocks that keep prices low. Both wheat and corn production is estimated at near-record levels this year. Carryover stocks for wheat and corn are estimated to be the highest level in 20 years.

Mr. President, the economic condition of American agriculture is critical. The value of farm exports has fallen for the first time in over a decade. Until we recognize that using food in foreign policy decisions hurts only U.S. farmers and the U.S. economy, we will not improve our export picture.

Net farm income is at a critically low level for the third consecutive year. As I have told my colleagues many times before, talking about the condition of U.S. agriculture is not enough. We need to take meaningful action to reverse the current trend.

I believe this amendment is a prudent step toward restoring the vitality of American agriculture. I urge my colleagues to support the amendment during consideration of the reconciliation bill.

Mr. President, I ask unanimous consent that a list of the farm and financial groups supporting the amendment appear at the end of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

National Farmers Union.
Farm Bureau Federation.
National Farmers Organization.
The Grange.
National Association of Wheatgrowers.
National Corngrowers Association.
Independent Bankers Association of America.
Grain Sorghman Producers Association.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATERS

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a field hearing which will be held jointly before the Senate Committee on Energy and Natural Resources, Subcommittee on Public Lands and Reserved Water, and the House Committee on Agriculture, Subcommittee on Forests, Family Farms and Energy, to consider S. 2318, to authorize the establishment of a scenic area to assure the protection, development, conservation, and enhancement of the scenic, natural, cultural, and other resource values of the Columbia River gorge in the States of Oregon and Washington, to establish national policies to assist in the furtherance of this objective, and for other purposes; and S. 2319, to authorize the establishment of a regional process to assure the orderly development and conservation of the Columbia River Gorge in the States of Oregon and Washington, to establish national policies to assist in the furtherance of this objective, and for other purposes.

The hearing will be held on Friday, September 10 at the Hood River Inn in Hood River, Oreg., and will begin at 9 a.m.

Those wishing to testify or who wish to submit written statements for the hearing record should contact Mr. Tom Ineson, Office of Senator HATFIELD, 114 Pioneer Courthouse, Portland, Oreg. 97204, telephone: 502-221-6374, or Mr. Tony Bevinetto, Subcommittee on Public Lands and Reserved Water, 3104 Dirksen Senate Office Building, Washington, D.C. 20510, telephone: 202-224-5161.

Witnesses are requested to limit their oral testimony to 5 minutes and to supply the subcommittee with 15 copies of their statements 24 hours in advance of the hearing as required by the rules of the committee.

Persons wishing to testify are requested to contact the offices listed above by August 30, 1982, in order that the witnesses may be placed on panels and at the times convenient to the witnesses.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Reserved Water, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Friday, July 30, at 9:30 a.m., to conduct a hearing to consider S. 2752, a bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; S. 2754, to amend the act of August 7, 1961, providing for the establishment of Cape Code National Seashore, Mass., as amended; S. 2755, to amend the act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore, Mich., as amended; S. 2756, to amend the act of October 26, 1972 (86 Stat. 1181), as amended to increase the authorization of appropriations for Perry's Victory and International Peace Memorial National Monument, and for other purposes; S. 2757, to amend the act of March 10, 1966, providing for the establishment of the Cape Lookout National Seashore, N.C., as amended; S. 2715, to establish the national park visitor facilities fund, and for other purposes; S. 1349, to amend the act of October 9, 1965 (79 Stat. 969), to make available for appropriation to the National Park Service franchise fees collected pursuant to this act; and H.R. 6290, to increase authorizations of appropriations for land acquisition for Voyageurs National Park, Cape Cod National Seashore, Cape Lookout National Seashore, and Sleeping Bear Dunes National Seashore.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE INSANITY DEFENSE

● Mr. GARN. Mr. President, in the wake of the verdict in the Hinckley trial of "not guilty by reason of insanity," the public outcry for changes in the insanity defense has been clear and sustained. I have been pleased to note the prompt action by the Senate Judiciary Committee in opening hearings on the various pieces of legislation that have been introduced in response to the demand for change.

During those hearings, my colleague from our State of Utah testified eloquently on some of the considerations that ought to go into such reform legislation. I recommend his statement to all of my colleagues, and ask that it be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR ORRIN G. HATCH

Mr. Chairman, I am delighted to appear before you to discuss this most crucial and relevant issue. I have long been concerned about the need for amendment of the insanity defense under title 18 of the Criminal Code. Accordingly, I have previously introduced legislation, S. 818, S. 1558 and now in S. 2572, to return sanity to the insanity defense.

In the wake of extensive media coverage of the Hinckley assassination attempt and trial, the public outcry for changes in the insanity defense has been clear and sustained. Few aspects of criminal law, in recent memory, have provoked as much criticism of our courts and judicial system as has the use of the insanity defense.

Generations of Federal judges have struggled to define the circumstances under which mentally abnormal offenders should be held responsible for their conduct, without notable success. As Dr. Abraham Halpern, the distinguished psychiatrist, has noted, "insanity has come to mean anything anybody wants it to mean."

The traditional insanity defense is both a legal anachronism and a concept ill-suited to modern psychological theory. It presents issues—important issues—that are not susceptible of intelligent resolution in the courtroom environment. Trials in which the insanity defense has been raised have often degenerated into swearing contests between opposing teams of expert witnesses, all of whom are forced to translate the language of the psychiatric profession into the quite alien language of the legal profession. It is this attempt to marry these two incompatible disciplines that has created the current confusion.

The insanity defense evolved principally as a means by which English jurists could avoid—in a legally rational manner—the discomfiture of condemning to death a felon who was so mentally deranged that his execution would affront ordinary moral sensibilities. As Lord Erskine stated in the earliest years of the 19th century, "delusion . . . is the true character of insanity." Individuals suffering in this manner could not truly be considered "responsible" in the legal sense.

Although the criminal law over the years substituted imprisonment and lesser penalties for capital punishment and substituted judicial discretion for mandatory penalties, the insanity defense, as an exception to the ordinary consequences of criminal conduct, survived the former strict legal requirements which it had been designed to avoid.

Even within the psychological community, the insane asylum, which once served as a warehouse for the criminally insane, has become just a brief stepping stone back to the street.

In the United States, the Congress has never enacted legislation on the insanity defense. Its development has largely been left to the courts, particularly the courts of appeals. The foundation of the present defense was laid down in M'Naghten's case (8 Eng. Rep. 718 (House of Lords, 1843)) in which it was stated—

"To establish a defense on the ground of insanity, it must be clearly proved that at the time of the committing of the act, the party accused was laboring under such defect of reason, from disease of the mind, as not to know the nature and quality of the act he was doing or, if he did know it, he did not know he was doing what was wrong."

The so-called "right-wrong" test of insanity posited in M'Naghten has gradually, but steadily, been broadened over the years.

Most importantly, the M'Naghten test, a purely cognitive test was supplemented by a volitional test stating that an individual who could discern right from wrong, yet who, for reasons of mental disease, could not control his actions, could avail himself of the insanity defense. As it came to be known, the "irresistible impulse" rider to M'Naghten, inquired into whether an offender was able to restrain his actions, once having been shown to appreciate the wrongness of such actions. see *Davis* v. *United States*, 165 U.S. 373 (1897). In that case the court held—

"An accused is not criminally responsible if his unlawful act was the product of menal disease or defect."

After nearly two decades of interpreting the provisions of this rule, provisions whose meanings were by no means widely agreed upon, the District of Columbia court in 1972 adopted a formulation that had previouly been adopted by other circuits.

The Americam Law Institute's model panel code (section 4.01 proposed official draft 1962) stated that—

"(1) A person is not responsible for criminal conduct if at the time of such conduct as a result of mental disease or defect he lacks substantial capacity to appreciate the criminality of this conduct or to conform to the requirements of the law.

"(2) The terms 'mental disease or defect' do not include an abnormality manifested only by repeated criminal or otherwise antisocial conduct."

It is this language that serves today as direction for the insanity defense in the Federal courts.

With widely divergent psychological theories on the origin of behavior, it is no wonder that standards like the ALI test become completely unmanageable when interpreted by different psychiatric experts representing opposing sides of a legal dispute. Even in the absence of the adversial context of the courtroom, psychiatrists wage academic wars over questions like what conduct is the result of mental disease or how individuals learn to appreciate the criminality of their conduct. Adding the courtroom atmosphere to the internecine conflicts of the field of psychology only complicates the jury's task of making fine legal distinctions. The unfortunate result of this confusion is that some individuals are able to avoid responsibility for committing heinous crimes by exploiting disagreements in the field of psychology. Perhaps this explains to some degree the reason that acquittals on the grounds of insanity have risen to more than 50 per year in New York State—seven times the number in the late 1960's.

The current insanity defense has also become a "rich man's defense." Only the wealthy are able to pay a battery of expensive expert psychiatric witnesses from the best universities around the country to provide testimony likely to help exculpate the defendant. The hundreds of thousands of dollars spent on Hinckley's defense is an excellent case in point. Less well-to-do defendants, on the other hand, often lack the resources to hire experts to provide favorable testimony and must instead rely on court-appointed experts whose reports are available to both sides in litigation. This disparity of judicial treatment and result also argues strongly for change in the defense.

At this point I would like to turn to our task—finding a legislative solution to these unjust results. S. 1558, my bill which has been incorporated into Title VII of S. 2572, would add a new section to title 18 of the United States Code that would read as follows:

"It shall be a defense to a prosecution under any Federal statute, that the defendant, as a result of mental disease or defect, lacked the state of mind required as an element of the offense charged. Mental disease or defect does not otherwise constitute a defense."

Perhaps I can restate the concept behind this language to make it more clear: There is no such thing as a crime per se. An act is not in and of itself criminal. For instance, any killing is not murder. A killing only becomes murder when each element of the carefully defined criminal offense is established in a court of law. These elements of a crime have developed over centuries of Anglo-American common law to define which individual acts endanger the safety and survival of the community and require society's intervention to protect itself. One of these elements is, in nearly every instance, the mens rea, or state of mind requirement. The current federal code states that "Murder is the unlawful killing of a human being," U.S.C. 1111. The Mens Rea in this crime requires the prosecution to show that the defendant planned the killing in advance of executing it and did so with a wrongful motivation. Until a killer is found by a court to have demonstrated this mens rea, he is not a murderer subject to punishment for first degree murder.

S. 2572 allows the introduction of evidence by a defendant to show that he did not possess the proper mens rea because of a mental disease or defect. In other words, a claim of insanity is only valid in a criminal proceeding to the degree that the defendant can show that his mental condition at the time of the purported crime negated the requisite state of mind requirement. In the case of first degree murder, the defendant might defeat the prosecution's case by showing that he did not possess adequate mental control or capacity to maliciously plan to kill. The jury's deliberations would be limited to the same deliberations undertaken in any criminal trial: did the prosecution prove each element of the offense beyond a reasonable doubt?

The court would not become involved in a juridical circus with "experts" trying to convince the jury that the defendant could appreciate right and wrong (the M'Naughten rule) or that the defendant was subject to an "irresistable impulse" (Davis case addition to M'Naughten) or that the defendant's act was the product of mental disease and that the defendant was unable to conform his actions to the requirements of the law (ALI test). Instead the jury would make the same strictly legal judgment that juries have been making for centuries: Did the prosecution prove each element of the offense beyond a reasonable doubt?

Under S. 2572, the "insanity defense" (and I put that in quotes because strictly speaking there would be no "insanity defense" but only an argument by the defendant that the crime was not committed because one of its elements, namely mens rea, was absent) would be confined to legal issues. The complexity of modern psychological theory with its unknowns would be irrelevant, except to the degree that these theories might shed some light on whether the defendant demonstrated mens rea. In the words of Chief Justice Burger, who commented while still a circuit judge: "no rule of law can possibly be sound or workable which is dependent on the terms of another discipline whose members are in profound disagreement about what those terms mean." *Campbell* v. *U.S.* 307 F. 2nd 597, 612 (1962). This bill makes contentions about the mental state of the defendant a question to be addressed within the legal terms of the state of mind requirements of any criminal offense.

Perhaps I should specifically address what this means about burdens. Centuries of criminal procedure would continue to dictate this course as well. The prosecution, of course, has the initial burden to demonstrate that each legal element is present in the act that is purported to be a crime. If it fails to show that each element is present, the defense could move for a directed verdict before it even presents its arguments and the court would be compelled by the law to dismiss the case. Once the prosecution has established that the elements are present, the defense makes its argument that one or more of the elements are not present based on the facts of the case. Each side gets one more chance to rehabilitate its contentions and undermine the other's arguments before the jury takes over. The jury must decide if the prosecution has established each element of the offense beyond any reasonable doubt.

Let us take the Hinckley case for example. The prosecution presented evidence that Hinckley intended to kill the President (what he referred to as an "historic act" in one letter) and that he planned the killing in advance. Unless the defense could have shown that his mental condition made it impossible for him to plan or to form an intent, Hinckley would have been found guilty—the likely outcome under the facts of that case. Hinckley admitted intent and planning but contended under the ALI test that he "lacked substantial capacity to appreciate the criminality of his conduct or to conform to the requirements of the law."

Current criminal procedure handles perfectly well the question of burdens of proof in criminal adjudications. We have no need to alter centuries of precedents on that subject. We need only confine the scope of the insanity defense of the mens rea requirements of any criminal offense. As I mentioned earlier, this means, in effect, that there will be no affirmative insanity defense. Instead the defendant will be able to argue that the crime was not committed because its state of mind element was not proven beyond a reasonable doubt. Since S. 2572, in effect, abolishes the insanity defense, neither the defendant nor the prosecution has the burden of proof on it.

Upon proof beyond a reasonable doubt that an individual committed the prohibited conduct with the required state of mind, the individual would be found guilty of the offense. At the time of sentencing, however, the court would hear whatever further psychiatric testimony was available to assist it in determining the conditions under which the defendant would be committed to a prison, mental hospital, or some other facility.

These points in favor of Title VII of S. 2572 are covered very concisely by a letter from the Attorney General endorsing this title of the Crime Control Act:

"This proposed reform of the present insanity defense would strictly limit sanity issues which may be raised at trial to those bearing upon the one truly relevant mental element involved in every criminal prosecution: whether the defendant had the mens rea or legal state of mind necessary for the offense. . . . Under the mens rea approach, psychiatric testimony to the effect that the defendant did not know right from wrong or was acting in response to an irresistible impulse would be irrelevant and inadmissible during the guilt determination phase of a criminal trial. Of course such evidence could be admitted during the sentencing stage if the defendant is found guilty.

"By limiting the insanity defense to the one truly legal issue, we would avoid the miscarriages of justice and the gross deviations from basic rules of semantics which occur, when a defendant is found "not guilty by reason of insanity" Even where it is clear that he committed the offense and had the requesite legal state of mind. This, we believe, is the cause of the recent public outrage over the verdict in the Hinckley case.

"Adoption of the mens rea approach would also avoid the unseemly battle of pyschiatric experts, the waste of judicial, prosecutorial, and medical resources and the unfairness arising from the present insanity procedure. On this last point, present law favors well-to-do over economically disadvantaged defendants. Furthermore, limitation of the insanity defense to the one legal issue—mens rea—avoids the necessity of further complicating the law by shifting burden of proof or by reducing the standard of proof; in fact, the government must always, under our constitution, bear the burden of proof beyond a reasonable doubt as to the state of mind element of every criminal offense. Letter of Attorney General William F. Smith, July 1, 1982, 128 Cong. Rec. S. 7869."

This insightful letter from our Attorney General restates with precision the reasons that the approach of Title VII of S. 2572 is the most reasonable way to solve the dilemmas created by the current insanity defense procedure.

Next, Mr. Chairman, I would like to briefly comment on the distinctions between the various legislative approaches pending before the Committee.

S. 1106 adopts essentially the same approach outlined in my bills, S. 818, S. 1558, and Title VII of S. 2572. It uses the same approach of restricting the scope of the insanity defense to the established legal criteria of the mens rea element of the crime. In one fundamental respect, however, it differs. The plea which the defendant would enter to invoke the defense in S. 1106 would be "guilty but insane," instead of "not guilty only be reason of insanity." This misconstrues the nature of the mens rea defense. A crime is only a crime if all elements of its definition are present. If the defendant can show that he did not have the proper state of mind, he did not commit that crime. It, therefore, makes no sense to

call him "guilty" of a crime he did not, by its own terms, commit. A more correct legal characterization of his plea is that he is "not guilty", but that "not guilty" plea is only possible because he lacks the mens rea "by reason of insanity."

Once the defendant has shown a lack of the mens rea, both S. 1106 and my bills adopt the same approach of authorizing the court to supervise the individual's custody. Instead of the current system, which allows a panel of psychiatrists to determine that an individual should be released as early as 50 days after he has been committed to a mental institution, the court would be empowered to ensure that no dangerous individuals would be prematurely transferred away from a secure treatment facility.

Another bill before the Committee, S. 2658, changes the burden of proof to the defendant to prove, under the existing ALI or M'Naghten tests, that he did not know the nature and quality of his actions or did not know the wrongfulness of his actions. While shifting the burden to the defendant diminishes the chances that responsible individuals might escape responsibility for their criminal behavior, this approach perpetuates the basic problems of current law.

In the first place, the terms of psychology will continue to muddle legal decisions. Courts and juries will struggle to make decisions with profound legal consequences based on vague standards of the ALI and M'Naghten tests.

Second, a point related to the first, the guilt or innocence of particular defendants may still depend on the credibility of a battery of "expert witnesses," instead of on the legal question of whether the defendant committed the crime as defined in law. This perpetuates all the problems of the "rich man's defense" with countless resources of psychiatrists and courts poured into a juridical circus of psychological testimony extraneous to issues of mens rea and the elements of the crime.

Third, this approach uses current law to handle a defendant who successfully convinces a court that he is insane. The defendant is surrendered to the jurisdiction of the civil authorities who place him in a mental institution until a panel of doctors, for reasons perhaps completely unrelated to legal obligations (such as overcrowding in the asylum), decide he may be released. As the media has learned in the Hinckley case, this could occur within 50 days under such a system.

Finally, this burden shift still would exculpate any defendant who can stretch the elastic ALI and M'Naghten language to show by a mere preponderance of the evidence that he was insane. 51 factors out of a hundred on the side of insanity exculpate an individual who otherwise has committed every element of a criminal offense. This would have the damaging result of undermining the public's respect for our legal institutions. In the long run, this may be the worst consequence of failing to depart from our current misguided course.

Finally, permit me to recount a number of agruments that weigh in favor of the changes in S. 2572 or S. 1558.

First, those individuals suffering the most serious forms of mental disabilities are unlikely to be criminally convicted under any circumstances. Such individuals will either be found incompletent to stand trial in the first place or continue to be acquitted under the proposed amendment's mens rea test. It is in the case of borderline sociopaths or anti-social personalities that this test differs from the American Law Institute and other tests.

Second, it has become very difficult to separate mental illness from environmental and economic conditioning, due to the determinist ideology of the 20th century. The objective of S. 1558 is to keep the insanity defense and exception not a rule.

Third, the present insanity defense is an imprecise way for determining whether individuals ought to be institutionalized and, if so, to what type of institution. My proposed change would allow this question to be faced directly and explicitly by the court. Rather than focusing only upon some elusive and fluctuating concept of responsibility at the time of the offense, the focus would be upon insuring proper means of treatment of the underlying mental problem. Under the amendment, it is likely that the number of truly abnormal individuals assigned to traditional prisons would be reduced since the sentencing options of the sentencing judge would be increased. This would keep the jurisdiction of the case in the hands of the criminal court and not pass it on to the second hand knowledge of civil authorities.

Fourth, the amendment would encourage more effective use of professional psychiatric resources, as well as legal resources. Highly trained psychiatrist and psychologists could devote more of their time as clinicians and advisors, not tying up their valuable talents in courts room battles.

Fifth, the present insanity defense, it has been suggested, encourages juries to overlook the fundamental question of whether or not defendants may simply not be guilty by virtue of lacking in mens rea.

Finally, and in some respects the most important, the insanity tests, as they have become increasingly broad in application, have undermined significantly public respect for and confidence in the criminal justice system as they have resulted in the release of individuals clearly dangerous to society.

I will not cite specific horror stories, but suffice it to say they are not difficult to identify. I am confident that each of us here is familiar with instances in which the present insanity defense has been abused, and, quite probably, in which acquitted individuals have wreaked further violence upon society. In the past several months alone, we have witnessed invocation of the defense in several highly celebrated trials, including those of former San Francisco city supervisor Dan White and John Wayne Gacy in Chicago and most recently John W. Hinckley, Jr.

I feel that there is a need for reform, and the time is now. John Hinckley, Jr. was not the first attempted presidential assassin to be acquitted on the insanity defense. Richard Lawrence's pistol misfired when aimed at Andrew Jackson in 1835 and John Schrank wounded Theodore Roosevelt in 1912.

Mr. Chairman there is an obvious difference between these cases and the Hinckley case. Both of these earlier assassins had definite psychotic illusions. Andrew Jackson's assailant believed he was king Richard III and the man that wounded Theodore Roosevelt claimed the shooting was ordered by President McKinley's ghost. There is another notable difference. Richard Lawrence went to an asylum for life and John Schrank went to a mental ward for 31 years where he died.

Contrast these severe symptoms of psychosis and the hospitalization that was diagnosed in treatment, with the mild behavior which Hinckley exhibited and the length of hospitalization which will most probably be quite short.

As is evidenced by these contrasting cases, there has been a marked change in the meaning and the action of the insanity defense in the past century.

Proponents of the insanity defense argue that there is no need to change the existing insanity defense laws, because criminal defendants plead insanity in only a small fraction of the cases around the country, but the number of such cases has been growing rapidly. In addition, the insanity defense, once invoked almost exclusively in cases where the defendant was charged with murder, is not being used in trials for "less serious" offenses with increasing frequency. The most tragic example of this extension is surely the use of the insanity defense in cases of rape and child abuse, where repeated acquittal may be gained on grounds of insanity, for offenses which are generally held as crimes having high rates of recidivism and low rates of success in the ability to "treat" and "cure" those known to have a tendency to commit these offenses.

Mr. Chairman there are, in my opinion, few legislative acts in the area of criminal justice that this body can take that will do more to restore public confidence in our system than by reforming the present antiquated insanity defense.

The proposed amendment would concentrate trial exploration of the defendant's mental state in the sole area in which it is legally meaningful—the evaluation of the necessary mens rea—while enabling the post-trial process to concentrate upon the question of disposition of the defendant, free from the artificial fetters of evidentiary rules.

This amendment would end the insanity charade that has demeaned the Federal courts for too long. It would establish an effective means by which offenders could appropriately be channeled into either the punitive-correctional system or the medical-legal system. Most importantly, it would insure that this determination took place in an environment that is suited for making it, rather than, as is presently the case, in an environment in which legal and psychiatric questions are confusingly and inappropriately intertwined.

There is among psychiatrists simply nothing that even remotely approaches a consensus on what constitutes insanity or on how such a condition is to be medically determined, much less legally determined.

The proposed reform of the insanity defense is supported by a large number of responsible observers, including doctors Seymour Halleck and Karl Menninger, law professors Norval Morris, Fr. James B. McGoldrick, and Joseph Golstein, the Justice Department under Edward Levy, 62 percent of the respondents of a survey conducted among the departments of mental health in the States by the Senate Judiciary Committee, a number of local and State bar associations, and a committee of the American Bar Association. In addition, a number of States and foreign countries have adopted formulations similar to the proposed language.

To emphasize one more, the proposed reform of the insanity defense would promote better than any present insanity defense two objectives that are critical to a sound system of criminal justice: First, it would promote the integrity of the system, and promote protection of the community, by insuring that individuals who are found

guilty of an offense with the requisite mens rea are treated as blameworthy criminals. Second, it would promote genuine promise of rehabilitation by allowing the court to focus upon their medical condition separately from a determination of their legal guilt. Nebulous and extraneous issues would be removed from the consideration of each of these questions. For these very important reasons, I strongly recommend that my colleagues support this most crucial amendment.●

ALLIED DEFENSE SPENDING ASSESSMENT RELEASED; JAPAN WORST OFFENDER

● Mr. LEVIN. Mr. President, I rise to address the disturbing inadequacies in contributions to our common defense by many of our NATO allies and Japan, despite repeated protestations by these nations that they would increase their defense spending.

I recently received an advance copy of the latest, unclassified version of the Defense Department's "Report on Allied Contributions to the Common Defense." My amendment to the fiscal 1981 and fiscal 1982 Defense Authorization Acts required this report so Congress and the American people could better monitor the magnitude and nature of these allied efforts.

The Defense Department has now made this report public. It did so in such a low-keyed manner that one can conclude the ultimate goal was only to spare some of our allies—especially Japan—major embarrassment.

This report is a shocking commentary on how some of our richest allies are failing to live up to their mutual defense commitments, and on how some of our poorest allies are—by contrast—making significant contributions to the common security despite their economic troubles.

For example, this report states:

If any of our allies have a valid basis for feeling they are doing much more than their economic condition would seem to justify, they would appear to be three of the four Southern Region nations—Turkey, Greece and Portugal—and the UK.

It continues:

Japan, the non-NATO country included in this report, ranks last or close to last on all of the ratio measures surveyed and, thus quite clearly appears to be contributing far less than its share of what it is capable of contributing.

Close scrutiny of the report demonstrates that West Germany, Norway, Denmark, and Canada all rank low when one compares their defense contributions with their ability to contribute.

West Germany is further singled out in the report for its uncooperativeness in response to American overtures to expand the jointly funded NATO infrastructure program, which finances construction of military facilities needed by American and European forces.

Furthermore, Mr. President, the report presents a chronicle of failure by almost every member of NATO, since 1979, to fulfill their annual promise to increase defense spending each year by 3 percent after inflation. The only two nations which have kept this commitment each year since 1979 have been the United States and Luxembourg.

For 1981, according to the report, as many as seven NATO nations may fail to meet this commitment to the common defense. What is most distressing is that, contrary to claims by senior administration officials in the Defense and State Departments, allied defense spending performance is getting worse rather than better.

The report shows that the weighted average annual increase in allied defense spending after inflation could reach a new low in 1982—as little as 1.6 percent. Since 1979, the annual average defense spending increases by our European allies have never reached the 3 percent commitment level. Our own real increase in defense spending annually have ranged from 3.4 percent in 1979 to about 6 percent, at least, in 1982.

Finally, this report issues a warning to our allies about the need for them to increase their contributions to the common security in the context of the expansion of our own efforts to defend the Persian Gulf—which benefit the allies as much, if not more, than they do ourselves.

The report states:

All allies face a common threat in Southwest Asia. The U.S. is willing to take the lead—and is already investing considerable resources toward this end—but the U.S. cannot do it alone. The U.S. Congress and the U.S. general public would not tolerate this. The allies, as major beneficiaries of this effort, must do their fair share to carry the risks and burden of defending common security interests in Southwest Asia.

Those words apply just as well to the contributions required to directly defend Western Europe and Japan, Mr. President, and I trust those of our allies who are shirking their commitments will take them to heart.

I especially commend them to the West Germans, who recently disclosed their 1983 defense budget would increase by only six-tenths of 1 percent after inflation, and to the Japanese, who said last week they would increase their defense budget in 1983 by far less than that calculated as the minimum for them to begin developing the capabilities to meet their security commitments.

It is sad that the proud people of Japan seem satisfied to permit their Government to ignore their own basic, self-defense needs as well as to renege on solemn security obligations made to the United States.

The American Congress and the American people have apparently not yet reached the limits of their toleration with those allies whose insufficient defense contributions place an unfair share of the security burden on us and our other allies.

But that point is coming, and when it does, we will have to consider drastic cures for the disease of security complacency which seems to afflict some of our allies and for remedying the present inequities in defense burden sharing.

I hope that our allies in Europe and Japan who are failing to meet their common-defense commitments will reverse their selfish and shortsighted course, Mr. President, so we might avoid reaching that painful point. All of us in Europe, Japan and the United States would be much better off if the drastic cures were avoided.●

WHY ARE THESE CHILDREN IN BILINGUAL EDUCATION CLASSES?

● Mr. HUDDLESTON. Mr. President, when Congress approved the Bilingual Education Act, its purpose was to provide some assistance to local school districts to help teach English to children whose main language was not English. The program was to be transitional only and once a child knew sufficient English, he would be placed in a classroom with other English-speaking students.

Unfortunately, we see examples of the bilingual education program being used for purposes other than those intended by Congress. This is evident from two letters I received from schoolchildren in New York and Nevada earlier this year. Since the letters are from children, I have omitted the children's last names, addresses and schools. However, one can easily see that the letters are written in fairly good English. Yet, if the children can write English so well, why are they still in a bilingual education program?

The answer may lie in the letter from Scott who said, "It was fun learning the Indian language from title VII and all the stuff in it." Mr. President, I was unaware that the main purpose of the Bilingual Education Act was to teach Indian languages. It is true that bilingual education helps a child develop his native language while increasing his knowledge of English. But from the comments of Scott, it appears that the main emphasis in his bilingual program has been on learning an Indian language and culture and not on learning English. Also interesting is Scott's comment, "If you make the cuts, there will not be any language to learn." Is Scott being taught that the only language worth learning is an Indian language?

Once again, I believe we must reexamine the path that the bilingual education program is taking. It is obvious that some bilingual programs are not placing the primary emphasis on having children learn English as quickly as possible so that they can be mainstreamed.

Mr. President, I ask that the two letters from the schoolchildren in Nevada and New York be printed in the RECORD:

The letters referred to follow:

APRIL 6, 1982.

Hon. WALTER HUDDLESTON,
Senate Interior Committee,
Washington, D.C.

DEAR SENATOR HUDDLESTON: I am an 8th grader at Elementary School, I just wrote to tell you about all the cuts your making, before you made the cuts. It was fun learning the Indian language from title VII and all the stuff in it. If you make the cuts, there won't be any language to learn. Also title IV pays for textbooks, lights, heating, and salaries (Etc.). Our new school building is almost finished. If we don't have any funds. We won't get to use the school building. I hope you change your mind about cutting these funds.

Sincerely,

SCOTT.

MAY 17, 1982.

Senator HUDDLESTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUDDLESTON: I am in a 5th grade bilingual program at Public School in the Bronx, N.Y. I think I have learned a lot of things in this program. I hope you don't let anyone change or take away our program. Please save it. I hope and I know you can do something so that we can continue to receive our education bilingually.

Thank you.

Very truly yours,

MELONIE.●

CHARTING A COURSE FOR COMMERCIAL AIR TRANSPORT

● Mr. GOLDWATER. Mr. President, the airline industry in America has encountered many difficulties in recent years. The bankruptcy of Braniff, poor scheduling, and fare wars are all too familiar to us. Now is the time to understand these and other problems faced by the airline industry and commit ourselves to correcting those which we can.

These problems, as well as many others, are outlined in a recent speech by Secor Browne, of Browne & Associates, to the annual meeting of the American Institute of Astronautics and Aeronautics.

Because of the importance of this issue, I ask that this speech be printed in the RECORD in its entirety at this point in my remarks, in order that my fellow colleagues may benefit from Mr. Browne's thought-provoking comments.

The speech follows:

CHARTING A COURSE FOR COMMERICAL AIR TRANSPORT

Although I may only appear to have done minor damage to the theme of this particular session by removing the "s" from the word "transports," my hope is to turn your attention away from transport aircraft and to focus it on the air transport system—both U.S. domestic and international.

After 40 years as a quasi-public utility under Federal regulation, our domestic air transport system—hitherto considered the world's best—has now gone unstable. It is deregulation of the airlines which has added that instability to the other common woes of the U.S. airline industry: inflation, recession, labor costs, high interest rates, high fuel prices and the air traffic controllers' strike. It is deregulation which has permitted—even encouraged—destructive airline competition in the form of irrational fare wars, over-capacity and over-scheduling in high density former prime airline markets. At the same time, many medium and short haul airline routes are operated with unacceptably low levels of service and high prices, failing to provide adequate and/or essential public service.

It is interesting that the hitherto served ranks of the airline deregulators have included both conservative and liberal adherents. Their concerted efforts have reduced some segments of our airline industry to the condition of the drowning man being swept to destruction down a torrential stream.

The conservatives have thrown him one end of a tethered rope—25 feet short of his grasp.

The liberals have thrown him the whole coil—both ends untethered—and both groups have rushed downstream of the rapids to await the outcome.

About two weeks ago, the first body floated by, carrying with it some 9,500 jobs and a billion dollar debt, some $350M of which is unsecured.

If we are to avoid too many more airline demises in the treacherous currents battering our air transport industry, we—Congress, the administration, state and local governments and authorities, the aerospace manufacturing and the airline operating industries, the media and the general public must heed the warnings conveyed by recent events.

The events? A few samples:

The bankruptcy of Laker Airways and Braniff International.

The petition of World Airways to the Civil Aeronautics Board for relief from the "predatory" pricing policies of its competitors.

The disastrous financial condition of our airlines ($400 million dollars operating loss for calendar 1981, and a probable combined loss of over $1 billion dollars between June of last year and June of this year), the continuing heavy losses in international operations of those U.S. carriers carrying over 85% of our overseas traffic, and the threatened bankruptcies of one more of them along with four or more of our domestic trunks—bankruptcies which will strangle credit sources for other airlines, the massive dismissals and furloughs of airline employees, and the evident decay in the standards of airline service and of its availability in many air transportation markets.

Decay in the adequacy of small community air service (more points but fewer seats) in a total domestic air transportation system where 41% of all communities with air service are now served only by commuters.

The impact of aircraft order cancellations and deferral of deliveries on the airframe, engine, major component manufacturers and their thousands of sub-contractors and suppliers throughout the nation in terms of increased unemployment of skilled work forces and greatly lessened economic contribution to states and communities, and to our international balance of payments. Orders and options for delivery through 1985, totaling $20 billion at first of year, have shrunk to $14 billion.

The deep concern, now being reflected in Congress, of the U.S. civil aircraft, engine and major component manufacturers that, in the fiercely aggressive international competition for business, they lack the firm economic, political and diplomatic support provided by foreign nations to their government owned and/or controlled aerospace industries.

The threat of legislative demise of "safe harbor" leasing which has been the major financing vehicle available to most of the U.S. airline industry, and in the case of some carriers, the only one. Without safe harbor the $14 billion shrinks to $6 billion.

The emphasis provided by the U.K.-Argentina conflict on the strategic significance of a strong international civil airline network for a nation involved in a diplomatic/trade/military confrontation almost anywhere in the world.

This chain of recent events seems to emphasize that:

We can't waste much more time in study of, and debate over, the industry's problems.

We can't afford to wait for a non-existent "free" market to wring out solutions via bankruptcies and defaults.

We can't isolate international civil air transportation policy from domestic civil air transportation policy since the whole U.S. air transportation system is entirely interdependent. To paraphrase the words of our forefathers:—"it must all hang together, lest its components hang separately."

The myopic limitation in the "national budget" on the Ex-Im Bank loan guarantees capability and, thus, on the ability of our manufacturers to match the terms and conditions offered by their foreign competitors through their government export lending institutions.

The international civil air transport policy of the United States as set forth in legislation in the 70s contains much useful rhetoric echoing, for the most part, traditional government attitudes. Such attitudes sought "balance" between "sound economic conditions" and minimum cost service while also seeking to "at least assure" U.S. carriers "equality" to compete and adequate profits. The problem, particularly under the Carter "Open Skies" Administration, lay in implementation of the policy. By certification of a maximum number of carriers, irrespective of nationality, in exchange for nebulous assurance of low fares, and by pressuring U.S. carriers to "bid" below cost fares to obtain route awards, the legislated goals of "balance" and "equality" were denied to U.S. carriers, with such predictable results as a 1980 $152 million loss in international operations by the five principal U.S. international operators (who carried 85 percent of the international traffic of the U.S. flag airlines). The contention that these losses are the product of inept planning and bad management loses credibility in the light of the same period loss in international operations by the United States' most efficient and profitable carrier, Delta Air Lines. Some of this misfortune was shared by all U.S. carriers which formerly fed connecting traffic to the traditional U.S. international

gateways. The impact of opening multiple new gateways was the lost of about fifty percent of this formerly 100 percent domestic traffic to foreign flag carriers.

These statements are not to imply that losses in international operations have been the exclusive province of U.S. international carriers. The hard statistical evidence presented by IATA proves the contrary. The problem for the U.S. international carriers—and some others—is participating with government-owned and/or subsidized carriers in a "bleeding contest with a blood bank." But there is rising evidence of disinclination among governments to continue this particular contest on behalf of their state-owned airlines.

The contraction of the U.S. international air transport network and the wholesale abandonment to foreign flag carriers of destinations of past, present and future significance to U.S. political, diplomatic, cultural and (non-airline) economic objectives are increasingly attracting U.S. government attention as evidence by congressional hearings and some administration review of international aviation policy. As in the case of domestic deregulation, "open skies" have had their day and, in my view, the regulatory pendulum has begun its return swing.

Glib references to the problems of re-regulating an industry (which by its very nature as a quasi-public utility can never be wholly deregulated) as "unscrambling eggs" won't, in my view, relieve the Congress and the Administration of the duty of restoring the stability and economic health of our civil air transportation system. Catalyst for this task will probably be the domino effect of bankruptcies of several more airlines—particularly if one operates a major international route network.

What the Congress has done (1938) and undone (1979), it can do again: regulate the airline industry, delegating Congress' Constitutional duty and authority to an independent agency. What we have done by deregulation is to let our air transportation system go "unstable" thus adding fare wars, predatory competition, over-competition on some routes, inadequate service on others, and confusion and chaos to the woes of passengers and shippers and airline managements beleaguered by recession, inflation, labor-fuel-debt service costs, the air traffic controllers' strike, etc.

I would advocate the restoration by the Congress, of economic health and stability to the United States transport system by legislation of the airline industry, as originally stipulated by Congress many years ago.

The Administration would do well to heed the recent words of Knut Hammarskjold, Director General of the International Air Transport Association: "I personally believe that right now international aviation and its individual components—the airlines—are at a decisive crossroads," he said. "Will the world air transport system continue . . . or will it . . . go the way of the national railroads and steamship companies? To avoid this, aviation cannot continue to be tossed between the extremes of economic or political philosphies. It needs a modicum of stability for future planning and to maintain financial credibility. It is enough to be essentially dependent on the unavoidable cycles of the economic environment without suffering the additional pleasures of being a political football."

Administration officials continue to refuse to accept any notion that airline de-regulation has been a factor in the economic plight of the U.S. carriers.

(To quote a recent letter from Mel Brennar to the Wall Street Journal, May 24th):

"They ignore such facts as:

"1. The slide of airline earnings started at the very time that deregulation became a fact (i.e., 4th quarter of 1978), and that preceded by many months the jump in fuel prices and the recession.

"2. This industry previously experienced the impact of a steep jump in fuel prices plus a recession in the mid-1970s, following the Arab oil embargo. But there was not then the special element of deregulation, and the airlines came through with only a brief, limited financial setback.

"3. Granting that Braniff's problem can partly be blamed on its own intemperate over-expansion, the same charge cannot be leveled at the many other airlines which are also in deep financial trouble.

"Airline economics have much in common with the traditional 'public utility,' for which it has long been recognized that the public is best served with some containment of normal marketplace forces. That is why regulation was adopted in the first place. That is why every other country in the world still regulates its air transport system. And that is why a Canadian parliamentary committee has just completed a review of the U.S. experience with deregulation, and concluded that Canada should not abandon regulation."

I would think it's very much in the national interest for this Administration to accept the reality of impending airline reregulation and plan for that event, rather than see it accomplished in bits and pieces, by the Congress, through narrow purpose acts and tag end amendments to other legislation.●

NEW EXTENSION OF THE LONG-TERM AGREEMENT IS NOT ENOUGH

● Mr. ABDNOR. Mr. President, I am disappointed in the recent announcement merely to extend, for 1 year, the present long-term agreement with the Soviets and not renegotiate higher minimums. We are not doing enough to promote agricultural exports.

Farmers have not asked too much even though net farm income will be the lowest in history this year. They have clearly taken their share of cuts in response to the President's plan for this Nation's economic recovery and now we are throwing our farmers a bone. I do not believe farmers will understand because many are the same people who supported the administration all the way through.

It is my feeling that most farmers would be willing to move to a more free-market approach to agriculture, but it is totally inconsistent to ask them to do that when we deny them the markets they need to sell their products at a "fair" price.

I have said many times that our farmers cannot afford to pay for our foreign policy decisions. We continue in this facade of not wanting to send the wrong signal while our biggest competitors in the world marketplace take our place in third-country markets. Being a farmer myself, I know that the majority of farmers do not want their income to come from the Federal Treasury, but decisions like this leave them absolutely no choice in the matter. Their destinies are taken completely out of their own hands.

Now is the best time to negotiate an agreement with the Soviets. The total planted area in the U.S.S.R. has been leveling off in recent years, as has their production, while their demand for wheat and feed grains has increased dramatically. USDA has just downgraded the Soviet 1982 harvest figures from 185 metric tons to 170 metric tons, which almost insures the fact that the Soviets are looking at their fourth consecutive deficit crop and will probably be importing record amounts of grain. (At the same time the United States is looking at the prospects of a record winter wheat crop of 2.1 billion bushels and a record feed grain harvest.) There is no question that our farmers can provide those grain stocks more efficiently than any other country in the world.

We are attempting to make all of the supply adjustments within our domestic policies. I believe most of us who have been paying attention to our farm price problems know that the only market for increased production is exports. Farmers have not reacted incorrectly to market conditions, but as long as we use grain as an economic sanction, we have no "free market" or true market condition. We are in fact cutting farmers off from one of their biggest markets.

Secretary Block, in testimony before the Senate Agriculture Committee in early February of this year, stated that in 1970 U.S. agricultural exports to the Soviet Union amounted to about $16 million. "By 1979, this market had grown to $3 billion—about one-tenth of the total export market for U.S. farm products," the Secretary pointed out, "but this growth came to a sudden halt in January 1980—U.S. farm product exports to the U.S.S.R. feel to $1.2 billion that year. Since the lifting of the embargo last April, there has been only a moderate recovery in these exports."

The Secretary went on to say that in 1979 about 10 percent of Argentina's grain exports were shipped to the Soviet Union. In 1982 their shipments to the Soviets are expected to reach 65 percent of their export total. Canada shipped about 10 percent of its production in 1979. In 1982 they are expected to ship 35 percent of their production to the Soviets. Australia's share was practically nothing in 1979 and now could reach 15 percent. It is quite clear that this irresponsible policy is causing us to export our agricultural productivity to our competitors.

Under our long-term agreement with the Soviets, our share of their wheat and coarse grain market rose from 55 percent in 1977 to 66 percent in 1978,

to 71 percent in 1979. When the Carter embargo was put in place in 1980, our share fell and we nave not recovered.

By making adjustments only in our domestic policy, we are conceding those lost markets. I believe that we should be working hard toward restoring our image in the world marketplace as a reliable supplier. Increased exports would solve our supply problems quicker and more cheaply than anything we can do domestically, especially because of the fact that while we are reducing our production here in the United States, Argentina, Canada, Australia, and the EC will be increasing theirs. Unilateral production adjustments do not work.

The agricultural machine that we have in the United States is of astronomical proportions, and once it is geared up, it is not easily shut down. We were not overproducing at the time the 1980 embargo was put in place and policymakers should have expected that this would cause a tremendous buildup of grain stocks. The problems caused by the embargo will not correct themselves—we must act to bring prosperity back to the farm.

I have urged the President to reconsider the decision only to extend the present grain agreement because it is very clear to us who have farmed and now represent farmers all across this country that we could be threatening our very agricultural base.

I ask that the text of my recent letter to the President be reprinted at this point in the RECORD.

The letter referred to follows:

U.S SENATE,
Washington, D.C., July 29, 1982.

The PRESIDENT,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: Last night, I listened with great interest to your press conference and, as usual, you did an excellent job. In particular, I took notice to your answer with regards to the pipeline embargo and grain sales to the Sovied Union.

I agree with you that the hard cash gains the Soviets will realize from the natural gas sales to Western Europe should be of great concern to this country. I also agree that grain sales and their effect on Soviet hard cash flow would hinder their ability to continue their massive military build-up.

Presently the Soviet Union is faced with severe cash flow problems, their fourth consecutive crop deficit, and an impending need for record amounts of imported grain. Our nation is faced with an unconscionable budget deficit, a foreign trade deficit and an agriculture economy in a severe depression that is barely surviving by draining the federal treasury.

Mr. President, now is the time to negotiate a new long-term grain agreement with large minimum purchases. Not only would we absorb the hard cash they so desperately need, but our farmers would begin solving their problems in the marketplace. Frankly, our nation cannot afford to continue using harmful political "signals" for foreign policy begun in the Carter administration. Your leadership in negotiating a new long-term agreement would go far in improving the economy of the midwest, the heart of your political support in Congress.

With best personal regards,

Sincerely,

JAMES ABDNOR,
U.S. Senator.●

PETER OTTO, CHIEF OF THE SAGINAW CHIPPEWA TRIBE

● Mr. LEVIN. Mr. President, I want to take this opportunity to express my sorrow at the passing of Peter Otto, chief of the Saginaw Chippewa Tribe, on July 18, 1982. I met the chief personally for the first time less than a month ago at the dedication of the new wood products plant on the Chippewa Indian Reservation in Mount Pleasant, Mich. I know how much the Members of the Saginaw Chippewa Tribe will miss his leadership.

Mr. President, I ask that an article from the Mount Pleasant Sun, entitled "Tribe Mourns Passing of Chief Peter Otto," be inserted in the RECORD.

The article follows:

TRIBE MOURNS PASSING OF CHIEF PETER OTTO

(By John Forster)

MOUNT PLEASANT.—Chippewa tribal leaders Monday described Chief Peter Otto as a man respected for his sound business judgment, his love and compassion for people and his dedication to his job.

The chief's sudden death Sunday took leaders by surprise, but some said that given the pressure Chief Otto has been under to keep the tribe economically sound, his death is understandable.

Police said the Indian leader, 45, reportedly suffered a heart attack while dining at a Mt. Pleasant restaurant. He was rushed to Central Community Hospital where he was pronounced dead on arrival.

Chief Otto had served on the 10-member Chippewa Tribal Council for nine years, seven years as Chief. With his death, Sub Chief Arnold Sowmick will temporariy assume the chairman's duties until tribal elections are conducted in November 1983.

"I feel a tremendous loss with his death. He was a man of vision, a kind and gentle leader," said Mr. Sowmick, adding he will share the chief's responsibilities with the council.

The council must now assess the tribe's situation and set a new course, he said.

Eleanor Starkweather, the tribe's accountant, praised Chief Otto for his kindness. "He had compassion for everyone. Everybody went to him for his help, for his advice, for his assistance, he always had time for the children. It seemed like he was on the job seven days a week, 24 hours per day."

Mrs. Starkweather profiled Chief Otto as a brilliant businessman who had an ability to keep track of all the programs going on within the tribe. He was also responsible for overseeing the tribe's business ventures, she said.

Tribal Secretary Lorna Kahgegab Call said the tribe enjoyed progress in housing under Chief Otto's direction. "We have suffered a great loss. We now face the difficulty of transition," she said.

Several leaders said the pressure and strain of taking responsibility for the tribe's progress may have played a major part in the chief's heart attack.

Josephine Jackson, the tribe's treasurer, said Chippewa custom dictates that the chief's body be attended all through the day and night until burial.

She said an outdoor funeral at the Chippewa Indian Methodist Church is being planned so that the tribe can accommodate the many people expected to attend.

There are about 700 tribe members living in Michigan, the largest concentration of whom live on the Mt. Pleasant area reservation.

Representatives of other Indian tribes from throughout the state are expected at the funeral.

The holiday weekend has made communications with tribes nationally a problem, and response from them is difficult to foresee, Mrs. Jackson said.

Official from government agencies that work closely with the tribe are also expected to attend, said Mrs. Jackson.●

TRIBUTE TO COMMISSIONER WILLIAM VON RAAB AND THE U.S. CUSTOMS SERVICE

● Mrs. HAWKINS. Mr. President, as chairman of the Senate Drug Enforcement Caucus, I take this opportunity to briefly review the outstanding achievements of Commissioner William von Raab and the U.S. Customs Service and to congratulate them on a job well done.

During the past year that Mr. Von Raab has served as Commissioner, the U.S. Customs Service has been revitalized into a model for effective public service. In my home State of Florida, the U.S. Customs Service, through aggressive financial investigation and interdiction of contraband, has contributed significantly to reducing narcotic trafficking and violent drug-related crime. During the past 6 months, nationally, the U.S. Customs Service has seized multibillion dollar sums of illegal narcotics: $1.6 billion in heroin, $2.3 billion in cocaine, $1.7 billion in marihuana, and multimillion dollar sums of other dangerous drugs. The courage and dedication of the U.S. Customs Service has been a major asset in our national war on drugs.

Mr. President, I ask that an editorial from the Miami Herald be printed in the RECORD.

The editorial follows:

CUSTOMS LOOKING UP

The new commissioner of the U.S. Customs Service, William Von Raab, seems to have just the right tonic for Florida's war against drugs. Mr. Von Raab is a refreshingly candid young man with a background in corporate-finance law and an engaging perspective of how to deal with drug smugglers.

The drug smuggler's world is a finitcentity with known players and established procedures, Mr. Von Raab asserts. Florida is a favorite location for these errant businessmen because it has the best drug-smuggling infrastructure; bankers, lawyers, support personnel, and available ports of entry.

An important element in the commissioner's approach is to use the Bank Secrecy Act of 1970 to attack criminal empires by tracking their illicit operations through banks. Such an approach would, if effectively car-

ried out, hit smugglers where it hurts. Increasingly, drug smugglers are finding that the most difficult task for them is to hide their money. It is no secret that banks are ideal sources to launder drug money. The Miami office of the Federal Reserve Bank, for instance, took in $5 billion more than it paid out in 1980. That surplus was drug money.

Mr. Von Raab recognizes also the interconnecting relationship between some drug runners, bail bondsmen, lawyers, and bankers. It is no mere coincidence, for instance, that certain bondsmen automatically show up at the jail when a drug-carrying "mule" fails to report in at a given time.

"Customs is now back in the law-enforcement business," Mr. Von Raab says. Taken out of context, that may sound like so much bravado. But the impression Mr. Von Raab leaves is not of false courage. Already, he has begun to whittle the bureaucratic excess that encrusts Customs as it does too many Federal agencies.

Under his direction, Customs has begun to be reshaped and revitalized. Some 130 agents, some of them specialists in financial slouthing, have been reassigned to the Florida area. They will bolster Customs' traditional role of intercepting contraband and will expand its ability to trace drug money.

That is not the cavalry you hear charging into the fray, but rather a sensible and realistic man with a plausible plan for fighting the Drug Wars of the 1980s.●

ORDER AUTHORIZING COMMITTEE ON ENERGY AND NATURAL RESOURCES TO HAVE UNTIL 6 P.M. TO FILE REPORT ACCOMPANYING S. 2305

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources have until 6 p.m. tonight to file a report to accompany S. 2305.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION DURING THE RECESS OF THE SENATE

Mr. TOWER. Mr. President, I ask unanimous consent that during the recess until Monday, the Vice President, and the President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON MONDAY

Mr. EXON. Mr. President, there is nothing on this side of the aisle. We are ready to recess at the will of the majority.

Before we recess may I make an inquiry of the majority: Will the acting majority leader advise us as to when votes are expected on Monday?

Mr. TOWER. Mr. President, I have no instruction on this. I do not know if there is any agreement on that or not. Let me check and see.

In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in response to the question of the distinguished Senator from Nebraska, there is no agreement to postpone votes on Monday. Therefore, they could occur any time after the expiration or the yielding back of time on the amendment of the Senator from Connecticut (Mr. DODD).

It is my understanding that there is a 3-hour time agreement on that amendment. However, it could be that that time might not be used in its entirety and could be partially yielded back.

Therefore, I think that Senators should be on notice that votes could occur any time after 12 o'clock on Monday next.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. TOWER. Mr. President, I ask unanimous consent that on Monday, after the recognition of the two leaders, there be a period for the transaction of routine morning business not to extend beyond 12 o'clock noon with statements made by Senators therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE DODD AMENDMENT TO SENATE JOINT RESOLUTION 58 TO BE THE PENDING BUSINESS ON MONDAY

Mr. TOWER. Mr. President, I ask unanimous consent that at the conclusion of the morning hour when the Senate returns to the consideration of the resolution proposing a constitutional amendment on the balanced budget the Dodd amendment be the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M., MONDAY, AUGUST 2, 1982

Mr. TOWER. Mr. President, if there is no further business, I ask unanimous consent that, pursuant to the previous order, the Senate stand in recess until 11 a.m., Monday next.

There being no objection, at 1:45 p.m., the Senate recessed until Monday, August 2, 1982, at 11 a.m.

HOUSE OF REPRESENTATIVES—*Monday, August 2, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Make us sensitive, O God, to the opportunities we have to serve You through deeds of good will. Enable us to open our eyes that we might see the needy about us, and open our hearts that we will have the will to reach out in kindness and concern. Bless those who use their time and talents to speak an encouraging word, who use their strength to assist those who are weak, who use their faith to support those who are afraid, and who use their love to heal and forgive. Bless us this day and everyday. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 386. Concurrent resolution relating to adjournment to a date certain during remainder of the 97th Congress.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 734) entitled "An act to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GARN, Mr. HEINZ, Mr. ARMSTRONG, Mr. CHAFEE, Mr. DANFORTH, Mr. RIEGLE, Mr. PROXMIRE, Mr. DODD, and Mr. DIXON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1182. An act to amend the Longshoremen's and Harbor Workers' Compensation Act to improve the administration of the act, to reduce incentives for fraud and abuse, to assure immediate compensation benefits and competent medical treatment for injured employees, and for other purposes;

S. 1785. An act to increase the penalties for violations of the Taft-Hartley Act, to prohibit persons, upon their convictions of certain crimes, from holding offices in or certain positions related to labor organizations and employee benefit plans, and to clarify certain responsibilities of the Department of Labor;

S. 2073. An act to repeal outdated size and weight limitations now imposed on the U.S. Postal Service;

S. 2386. An act to require the Director of the Office of Management and Budget to prepare an annual report consolidating the available data on the geographic distribution of Federal funds, and for other purposes; and

S. 2481. An act to provide for the reinstatement and validation of U.S. oil and gas lease numbered W 61985.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the consent calendar.

CERTAIN RESTRICTIONS IN CONVEYANCE OF LAND TO ALBUQUERQUE, N. MEX.

The Clerk called the bill (H.R. 4568) to direct the Secretary of the Interior to release on behalf of the United States certain restrictions contained in a previous conveyance of land to the city of Albuquerque, N. Mex., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

H.R. 4568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to subsection (b), the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall release on behalf of the United States, with respect to the land described in subsection (c) which was conveyed by the United States to the city of Albuquerque, New Mexico, by a patent number 30-84-0081, all conditions in such patent—

(1) which require that such land be used for a public purpose pursuant to a plan approved by the Secretary, and

(2) which prohibit the transfer of title or control of such land by the patentee or its successor.

(b) The Secretary shall not execute the release authorized by subsection (a) until the city of Albuquerque, New Mexico, in consideration of such release, enters into an agreement satisfactory to the Secretary which provides that—

(1) the city of Albuquerque will exchange the land described in subsection (c) for the land described in subsection (d) (originally conveyed by the United States to the devisees of Tom Hughes by a patent numbered 1155047) and subsection (e) (originally conveyed by the United States to Leyburn B. Kimble by a patent numbered 1150213);

(2) the land described in subsections (d) and (e) which will be received by the city of Albuquerque in exchange for the land described in subsection (c) shall be used exclusively for public purposes; and

(3) the city of Albuquerque shall not attempt to transfer title to, or control over, any land described in subsections (d) or (e) after the city of Albuquerque receives title to such lands.

(c) The land referred to in subsection (a) which was conveyed by the United States to the city of Albuquerque, New Mexico, on December 31, 1963, by a patent numbered 30-84-0081 is the following two tracts or parcels:

(1) One tract or parcel containing 1.250 acres, more or less, which is all of the north half southwest quarter northeast quarter southwest quarter southwest quarter of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico and is more particularly bounded and described as follows: Beginning at a point for the northeast corner of said tract or parcel of land, said same beginning point having New Mexico (central zone) State plane coordinate values X=416,444.61, Y=1,503,889.99 and from whence the southwest corner of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico bears south 44 degrees 57 minutes 38 seconds west a distance of 1,400.52 feet; thence south 00 degrees 01 minutes 24 seconds east along the easterly line of said tract or parcel of land a distance of 165.00 feet to a point for the southeast corner of said tract or parcel of land; thence south 89 degrees 56 minutes 31 seconds west a distance of 330.05 feet to a point for the southwest corner of said tract or parcel of land; thence north 00 degrees 01 minutes 24 seconds east a distance of 165.00 feet to a point for the northwest corner of said tract or parcel of land; thence north 89 degrees 56 minutes 31 seconds east a distance of 330.06 feet to the true point and place of beginning.

(2) A second tract or parcel containing 1.250 acres, more or less, which is all of the south half northeast quarter northwest quarter southwest quarter southwest quarter of such section 33 and is more particularly bounded and described as follows: Beginning at a point for the northeast corner of said tract or parcel of land, said same beginning point having New Mexico (central zone) State plane coordinate values X=416,115.06, Y=1,504,055.50 and from whence the southwest corner of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico bears south 29 degrees 42 minutes 44 seconds west a distance of 1,330.60 feet; thence south 00 degrees 01 minutes 24 seconds east along the easterly line of said tract or parcel of land a distance of 165.00 feet to a point for the southeast corner of said tract or parcel of land; thence south 89 degrees 56 minutes 31 seconds west a distance of 330.05 feet to a point for the southwest corner of said tract or parcel of land; thence north 00 degrees 01 minutes 24 seconds east a distance of 165.00 feet to a

point for the northwest corner of said tract or parcel of land; thence north 89 degrees 56 minutes 31 seconds east a distance of 330.06 feet to the true point and place of beginning.

(d) The land referred to in subsection (b) which was conveyed by the United States to the devisees of Tom Hughes on October 17, 1955, by patent number 1155047 is the tract or parcel containing 1.624 acres, more or less, which is all of lot 58 (also known as north half northwest quarter northeast quarter southwest quarter southwest quarter) of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico and is more particularly bounded and described as follows: Beginning at a point for the southeast corner of said tract or parcel of land, said same beginning point having New Mexico (central zone) State plane coordinate values X=416,445.00, Y=1,504,054.93 and from whence the southwest corner of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico bears south 40 degrees 33 minutes 53 seconds west a distance of 1,521.70 feet; thence south 89 degrees 56 minutes 31 seconds west a distance of 330.06 feet to a point for the southwest corner of said tract or parcel of land; thence north 00 degrees 01 minutes 24 seconds west a distance of 191.47 feet to a point for the northwest corner of said tract or parcel of land; thence north 89 degrees 56 minutes 31 seconds east a distance of 330.06 feet to a point for the northeast corner of said tract or parcel of land; thence south 00 degrees 01 minutes 24 seconds east a distance of 191.22 feet to the true point and place of beginning.

(e) The land referred to in subsection (b) which was conveyed by the United States to Leyburn B. Kimble on March 2, 1955, by a patent number 1150213 is all of the south half northwest quarter northeast quarter southwest quarter southwest quarter of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico, and is more particularly bounded and described as follows: Beginning at a point for the northeast corner of said tract or parcel of land, said same beginning point having New Mexico (central zone) State plane coordinate values X=416,445.00, Y=1,504,055.50 and from whence the southwest corner of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico bears south 40 degrees 33 minutes 52 seconds west a distance of 1,521.70 feet; thence south 00 degrees 01 minutes 24 seconds east along the easterly line of said tract or parcel of land a distance of 165.00 feet to a point for the southeast corner of said tract or parcel of land; thence south 89 degrees 56 minutes 31 seconds west a distance of 330.05 feet to a point for the southwest corner of said tract or parcel of land; thence north 00 degrees 01 minutes 24 seconds east a distance of 165.00 feet to a point for the northwest corner of said tract or parcel of land; thence north 89 degrees 56 minutes 31 seconds east a distance of 330.06 feet to the true point and place of beginning.

SEC. 2. This Act does not affect—

(1) any right to coal, oil, gas or other mineral deposit, or

(2) any other right,

held by the United States in any land described in this Act.

SEC. 3. The authority of the Secretary to grant the release required by the first section of this Act shall not be limited by the Act entitled "An Act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes.", approved June 14, 1926 (43 U.S.C. 869 et seq.).

With the following committee amendment:

Strike all after the enacting clause and insert:

That (a) subject to subsection (b), the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall release, by quitclaim deed or other good and sufficient instrument, on behalf of the United States, with respect to the land described in subsection (c) which was conveyed by the United States to the city of Albuquerque, New Mexico, by a patent numbered 30-64-0081, all conditions in such patent—

(1) which require that such land be used for a public purpose pursuant to a plan approved by the Secretary, and

(2) which prohibit the transfer of title or control of such land by the patentee or its successor.

(b) The Secretary shall not deliver the release authorized by subsection (a) until the city of Albuquerque, New Mexico, simultaneously with such delivery—

(1) consummates an exchange of the land described in subsection (c) for the land described in subsections (d) and (e); and

(2) enters into a recordable agreement, in consideration of such release, that is satisfactory to the Secretary providing that—

(A) the city of Albuquerque will carry out at its sole expense a plan of development for the lands described in subsections (d) and (e), such plan to be submitted for the Secretary's written approval within one year after the date of the exchange and to be implemented by the city substantially in accordance with a timetable to be set forth in the plan;

(B) the city of Albuquerque will not use or permit the use of the lands described in subsections (d) and (e) which are received by the city of Albuquerque in exchange for the land described in subsection (c) for any purpose except exclusively for a community park or for other public purposes that are described in the plan of development, as approved by the Secretary;

(C) the city of Albuquerque will not transfer or attempt to transfer title to, or control over, any land described in subsections (d) or (e) after the city of Albuquerque receives title to such lands; and

(D) the city of Albuquerque will forfeit to the United States the title to and possession of the land described in subsections (d) and (e) if such property should ever cease to be used for a community park or for other public purposes described in the approved development plan, or if the city of Albuquerque attempts to transfer title to, or control over, such lands after the city receives title to such lands.

(c) The land referred to in subsection (a) which was conveyed by the United States to the city of Albuquerque, New Mexico, on December 31, 1963, by a patent numbered 30-64-0081 is the following two tracts or parcels:

(1) One tract or parcel containing 1.250 acres, more or less, which is all of the north half southwest quarter northeast quarter southwest quarter southwest quarter of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico.

(2) A second tract or parcel which is all of the south half northeast quarter northwest quarter southwest quarter southwest quarter and the south 26 feet of the north half northeast quarter northwest quarter southwest quarter southwest quarter of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico.

(d) The land referred to in subsection (b) which was conveyed by the United States to the devisees of Tom Hughes on October 17, 1955, by patent number 1155047 is the tract or parcel containing 1.624 acres, more or less, which is all of lot 58 (also known as north half northwest quarter northeast quarter southwest quarter southwest quarter) of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico.

(e) The land referred to in subsection (b) which was conveyed by the United States to Leyburn B. Kimble on March 2, 1955, by a patent numbered 1150213 is all of the south half northwest quarter northeast quarter southwest quarter southwest quarter of section 33, township 11 north, range 4 east, New Mexico principal meridian, county of Bernalillo, State of New Mexico.

SEC. 2. This Act does not affect—

(1) any right to coal, oil, gas or other mineral deposit, or

(2) except as otherwise expressly provided herein, any right, title or interest held by the United States in any land described in this Act.

SEC. 3. The authority of the Secretary to execute and deliver the release required by the first section of this Act shall not be limited by the Act entitled "An Act to authorize acquisition or use of public lands by States, counties, or municipalities for recreational purposes.", approved June 14, 1926 (43 U.S.C. 869 et seq.).

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PER CAPITA PAYMENTS TO INDIANS BY TRIBAL GOVERNMENTS

The Clerk called the bill (H.R. 4365) to provide that per capita payments to Indians may be made by tribal governments, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

H.R. 4365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds which are held in trust by the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") for an Indian tribe and which are to be distributed by either the Secretary or the governing body of such tribe. Any funds so distributed shall be paid by the Secretary or such governing body directly to the member involved, or, if such member is a minor or has been legally determined not competent to handle such member's own affairs, to a parent or guardian of such member.

SEC. 2. (a) Funds distributed under this Act shall not be liable to the payment of any previously contracted obligation.

(b) Nothing in this Act shall affect the requirements of the Act of October 19, 1973 (87 Stat. 466; 25 U.S.C. 1401 et seq.), or of any plan under such Act, with respect to the use or distribution of funds subject to such Act.

SEC. 3. (a) The following provision of section 1 of the Act of June 10, 1896 (29 Stat. 336; 25 U.S.C. 117), is repealed: "That any sums of money hereafter to be paid per capita to individual Indians shall be paid to said Indians by an officer of the Government designated by the Secretary of the Interior.".

With the following committee amendment:

Strike all after the enacting clause and insert:

That funds which are held in trust by the Secretary of the Interior (hereinafter referred to as the "Secretary") for an Indian tribe and which are to be distributed per capita to members of that tribe may be so distributed by either the Secretary or, at the request of the governing body of the tribe and subject to the approval of the Secretary, the tribe. Any funds so distributed shall be paid by the Secretary or the tribe directly to the members involved or, if such members are minors or have been legally determined not competent to handle their own affairs, to a parent or guardian of such members or to a trust fund for such minors or legal incompetents as determined by the governing body of the tribe.

SEC. 2. (a) Funds distributed under this Act shall not be liable for the payment of previously contracted obligations except as may be provided by the governing body of the tribe and distributions of such funds shall be subject to the provisions of section 7 of the Act of October 19, 1973 (87 Stat. 466), as amended.

(b) Nothing in this Act shall affect the requirements of the Act of October 19, 1973 (87 Stat. 466), as amended or of any plan approved thereunder, with respect to the use or distribution of funds subject to that Act: *Provided*, That per capita payments made pursuant to a plan approved under that Act may be made by an Indian tribe as provided in section 1 of this Act if all other provisions of the 1973 Act are met.

(c) Nothing in this Act, except the provisions of subsection (a) of this section, shall apply to the Shoshone Tribe and the Arapahoe Tribe of the Wind River Reservation, Wyoming.

SEC. 3. (a) The Secretary shall, by regulation, establish reasonable standards for the approval of tribal payments pursuant to section 1 of this Act and, where approval is given under such regulations, the United States shall not be liable with respect to any distribution of funds by a tribe under this Act.

(b) Nothing in this Act shall otherwise absolve the United States from any other responsibility to the Indians, including those which derive from the trust relationship and from any treaties, Executive orders, or agreements between the United States and any Indian tribe.

SEC. 4. (a) The following provision of section 1 of the Act of June 10, 1896 (29 Stat. 3360), is repealed: "That any sums of money hereafter to be paid per capita to individual Indians shall be paid to said Indians by an officer of the Government designated by the Secretary of the Interior.".

(b) Section 19 of the Act of June 28, 1898 (30 Stat. 502), is repealed.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of eligible bills on the Consent Calendar.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 30, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, the Clerk received at 2:00 p.m. on Friday, July 30, 1982, the following message from the Secretary of the Senate: That the Senate agree to the conference report to the bill S. 2332.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

EXCHANGE AND COMMISSARY INVESTIGATIONS

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, the Nonappropriated Fund Panel, Committee on Armed Services, has been actively involved in the current investigation of fraud, corruption, and bribery in procurement activities of the Army and Air Force Exchange Service (AAFES).

I have periodically informed this House of the status of the investigation. As of July 1, 1982, there had been 33 convictions or guilty pleas. In addition, more than 106 firms or individuals have been suspended and/or debarred from doing business with the Department of Defense (DOD). Administrative action has been taken against 33 exchange employees for violations of standards of conduct.

I would like to inform my colleagues that the panel has begun a full investigation of what appears to be procurement fraud involving the European military commissary system. Staff auditors, who just returned from Europe, have obtained information and identified what appears at this time to be fraud and serious weaknesses in the system of internal controls as they relate to certain commissary procurement activities.

Procurement documents appear to have been falsified and altered by a number of civilian vendors or sales representatives and/or firms. This practice resulted in excessive quantities of stock being ordered.

This matter is being actively pursued by the staff of the committee and certain investigative elements of the DOD. The Nonappropriated Fund Panel, as well as the full committee, are determined that the same suspension and debarment policies that have been applied uniformly in the exchange cases should be adhered to and enforced aggressively in this commissary investigation.

In addition, positive action must be taken against any Government employee engaged in illegal conduct. I will keep the Members informed.

AVIATION TRADE POLICY: IT CANNOT BE FREE UNLESS IT IS FAIR

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I have generally considered myself to be a free trader. Open trade policies have generally served this Nation well. But that only holds true when trade policies are also fair. The GATT process has aimed to make sure that trade barriers are lowered and that trade policies are, in effect, a two-way street.

Unfortunately, in practice, they are not working that way in the field of aviation. Brazil, now the sixth largest manufacturer of aviation equipment, has taken advantage of open trade opportunities in this country and is penetrating our market with its Bandeirante aircraft and is readying two more models for certification for U.S. markets. But, in spite of the Agreement on Trade in Civil Aircraft, Brazil has imposed tariffs which have effectively precluded marketing of U.S. general aviation aircraft in that country. To say the least, that is not fair.

We need to nip this in the bud. We need to make sure that, if we are going to comply with these agreements and be cooperative with our trading partners, we need to make sure that the benefits of free trade work both ways. Otherwise, it is neither free nor fair.

Today, along with my colleagues, ADAM BENJAMIN and JIM DUNN, I am introducing a resolution to get to the bottom of this. The resolution asks the FAA and the Office of the Special Trade Representative to report to the Congress within 60 days on the status of our aviation trade relationships and what steps need to be taken to make them meet the free and fair standards. I hope they will comply.

FALSE HOPES FOR ECONOMIC RECOVERY

(Mr. LUNDINE asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, last Friday, the Council of Economic Advisers (CEA) and the Office of Management and Budget (OMB) released a report indicating that "significant" economic recovery will begin later this year. I am appalled that the administration continues to try to mask the serious problems of the Nation's economy behind unrealistic and rosy predictions of economic recovery.

Not only does the administration's midyear economic report make unreal projections of economic activity, it predicts a budget deficit for fiscal year 1983 that is at least $25 billion lower than recent estimates of the Congressional Budget Office (CBO) and most nongovernment economists. Unidentified sources in the White House have called the report an economic "twilight zone" and even Treasury Secretary Regan, Commerce Secretary Baldrige, and CEA Chairman Murry Weidenbaum have tried to separate themselves from the report.

I now understand why Council Chairman Weidenbaum is resigning. I would not want to continue putting my name on these ridiculous reports, either.

The administration's latest economic forecasts have no foundation in anything other than political necessity. They are unrealistic and unfounded. Businesses in my district in New York, both large and small, see no signs of this presumed economic upturn. Those that haven't gone bankrupt are hurting, and the last thing they need are unrealistic and glowing proclamations from this administration. What they do need is a realistic assessment of economic conditions and a commonsense approach to our economic problems.

Our first priority in revitalizing economic activity has got to be a reduction of interest rates. The monetarist theories of both the administration and the Federal Reserve have maintained interest rates at record levels. They are choking business, killing housing, and stifling productive investment.

It is time to set aside doctrinaire economic theories and develop a realistic strategy for bringing interest rates down. I call upon Congress to join with administration officials and the Federal Reserve Board in a domestic economic "summit" to negotiate a strategy to lower interest rates. Such a meeting should also seek agreement on questions of industrialization, investment, and employment.

Although developing a strategy for economic recovery is a complex matter, we do know where to begin. Once interest rates are reduced, business investment and new jobs will follow. The economy can be compared to a seriously ill patient. First, you have to bring down the fever—high interest rates—before you can cure the disease.

The time has come to rid the economy of the fever of high interest rates. Instead of making false claims of economic recovery, it is time to begin realistic steps to bring interest rates down and keep them down.

NATIONAL PARK SYSTEM RESOURCES EVALUATION AND MANAGEMENT ACT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, America can generally be incredibly proud of its outstanding national park system, more than 330 diverse units which preserve the finest of America's natural resources. Members of this body may not be aware that 190 of these units were established to preserve nationally significant historic or prehistoric cultural resources.

However, a report issued several months ago by the National Park Service presented a long, sad list of conditions which are destroying or damaging these precious elements of our national heritage. Vandalism, encroaching urbanization, inadequate management of museum collections, lack of security, natural catastrophies, these and many other forces are making it questionable whether our children and our children's children will be able to appreciate the historic and cultural values currently preserved at such disparate locations as Kennesaw Mountain, the Franklin Roosevelt National Historic Site, the San Juan National Historic Site, and the National Maritime Museum.

A bipartisan group of 36 Members has already demonstrated their desire to reverse these trends by cosponsoring H.R. 5976, the National Park System Resources Evaluation and Management Act. I urge my colleagues to show that they too believe in the value of maintaining an American park system worthy of the world's first national park system, by joining as cosponsors of this measure.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, August 4, 1982.

GOLD MEDAL BILL

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4647) to award special congressional gold medals to Fred Waring, the widow of Joe Louis, and Louis L'Amour.

The Clerk read as follows:

H.R. 4647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to present, on behalf of Congress, a gold medal of appropriate design to Fred Waring in recognition of his contribution to enriching American life. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There is authorized to be appropriated not to exceed $20,000 after October 1, 1981, to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation made to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 2. (a) The President of the United States is authorized to present, on behalf of the Congress, a gold medal of appropriate design to Mrs. Joe Louis in recognition of her late husband's accomplishments which did so much to bolster the spirit of the American people during one of the most crucial times in American history and which have endured throughout the years as a symbol of strength for the Nation. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There is authorized to be appropriated not to exceed $20,000 after October 1, 1981, to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation made to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 3. (a) The President of the United States is authorized to present, on behalf of the Congress, a gold medal of appropriate design to Louis L'Amour in recognition of his distinguished career as an author and his contributions to the Nation through his historically based works. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secre-

tary of the Treasury. There is authorized to be appropriated not to exceed $20,000 after October 1, 1981, to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation made to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4647 provides for the award of special congressional gold medals to Fred Waring, the widow of Joe Louis, and Louis L'Amour. The bill has attracted wide support among Members of this House and has been cosponsored by 225 Members.

To assure that these medals are awarded only to those individuals who are truly deserving of them, the Subcommittee on Consumer Affairs and Coinage will not consider any gold medal legislation unless it is sponsored by at least a majority of House Members. As chairman of the subcommittee, I will only bring gold medal legislation to the floor of the House under suspension of the rules, to assure that two-thirds of the House supports the legislation.

Fred Waring has earned the title of the "Father of American Choral Music" for more than 65 years of work in developing this musical format in America. His works have contributed to the development and preservation of American traditional music by teaching and instructing thousands of Americans.

Joe Louis' unbroken reign as boxing's heavyweight champion has not been approached. He epitomized the struggle of a man who rose from destitute surroundings, overcame formidable obstacles and barriers, and reached the pinnacle of success. His story and his life continue to serve as an inspiration to all.

Louis L'Amour has chronicled the settlement of the American West through his writings. His works have sold tens of millions of copies, educating, as well as entertaining, through their wealth of accurate detail.

The bill authorizes appropriations up to $20,000 for each medal. There will be no cost to the Government, however, because the legislation requires that the cost of the gold medals be recovered through the sale of bronze duplicates.

Similar legislation authorizing these gold medals passed the Senate last September. That bill did not contain the provision assuring that these gold medals are awarded at no cost to the taxpayer. H.R. 4647 contains that assurance, and I urge its passage.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to my distinguished friend and colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I must object to this.

I know that there are many cosponsors to this bill, but the addiction of spending in this House has got to stop. Maybe it is foolish to talk about $60,000 when we have thrown away millions and I could cite those that I think are thrown away.

I think we threw away $54 million on poison gas that we do not intend to use, I hope.

We threw away $31 million on a memorial to a man who earnestly requested that he not be given a memorial.

We suddenly decided that the growers of sunflowers need $50 million, when we are worried about school lunches for children.

I do not know what is going to stop the spending in this House. I am accused now of voting for the reconciliation bill which cut the rise in spending for certain programs; but it does not make any difference. Day after day we continue it, something that we never did before that is going to cost $5 million. We do it now.

This is only $60,000, but on principle, we have got to stop. The gold medal ought to be for people like George Washington, for whom it was first designed.

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We cannot go on spending the people's money endlessly.

Mr. ANNUNZIO. I would like to respond to the gentlewoman from New Jersey, a former member of the Consumer and Coinage Commitee, one of its outstanding members.

As you know, the rule of the committee is that no legislation will come to this floor unless it has more than 218 signatures. This legislation has met that requirement; it has over 225 signatures.

I would like to put the gentlewoman's mind at ease and at rest. There is no taxpayers' money being spent on this bill. The Wylie amendment is incorporated in this bill, providing for minting of bronze medals.

I also would like to point out to the gentlewoman that in fiscal year 1979 the sale of bronze medals by the mint resulted in a profit.

Our Subcommittee on Coinage is the only subcommittee that I know of that makes a profit for the mint on almost everything we do, $80,000 over and above the cost of the medals made in that year.

In fiscal year 1980, the profit was $500,000 over the cost of the gold medals. On the John Wayne medal, we made over $4 million on that particular deal with the bronze medals that were sold at the mint.

So the money that we spend on the gold medals, as we pointed out, because we are trying to lay down and put all the cards on the table, is recovered and actually a profit is made by the mint.

Mrs. FENWICK. I thank the chairman of the subcommittee. I know of his concern, as mine, for fiscal responsibility. This is not the way it was when I was on the gentleman's subcommittee when I first came to Congress. Our bronze medals did not recoup their costs at that time.

Mr. ANNUNZIO. I assure the gentlewoman that she left an imprint on the subcommittee. The gentlewoman cautioned us and we have been following her leadership.

We are sorry that the gentlewoman is leaving.

Mrs. FENWICK. Mr. Speaker, I thank Chairman ANNUNZIO for his kind comments.

Mr. STANTON of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4647 a bill to award congressional gold medals to Fred Waring, the widow of Joe Louis and Louis L'Amour. This bill is of particular interest to me because I have been a sponsor and a strong supporter of legislation to award a gold medal to Louis L'Amour.

This bill began as House Joint Resolution 223 over a year ago. The original legislation provided for a gold medal to be presented to Fred Waring. By July 1981 the resolution had over 218 sponsors so that the Subcommittee on Consumer Affairs and Coinage could consider it. On July 22, 1981, the subcommittee passed it, on July 23 the full Banking Finance and Urban Affairs Committee passed it and on July 30 the House agreed to suspend the rules and pass the bill.

In September 1981 the Senate took up House Joint Resolution 223 and added amendments providing for gold medals to Louis L'Amour and the widow of Joe Louis. While bills providing for those gold medals have been introduced in the House they had never achieved the requisite 218 sponsors. Even when it appears as a Senate amendment, the subcommitee rules require a gold medal bill to have the support of a majority of the House.

The sponsors of the gold medal bills reintroduced their proposals as H.R. 4647 on September 30, 1981. They have easily surpassed the 218-sponsor minimum, prompting the action of the Consumer Affairs and Coinage Subcommittee and the full Banking Committee late last month.

I am, of course, pleased to honor Fred Waring and Joe Louis. Fred Waring, as Members from Pennsylvania proudly note, has had a long and rich career deserving our special attention. He has given us years of pleasure with his music and, as the inventor of the Waring blender, he has simplified life a little as well. Others, I am sure, will go on into greater detail about his career and contributions.

Similarly, Joe Louis had a long career which brought pleasure and hope to a nation deeply in need of both. His many victories in and out of the boxing ring inspired millions throughout the Nation and the world. I am sure our colleagues from Michigan, who have been the principal sponsors of a medal to honor Joe Louis, will explain at greater length the importance of that great fighter's contributions to American life.

We have three medals at issue today and I want to be fair to all concerned. The bill is a good one and the recipients are all worthy, but I have a favorite among them—Louis L'Amour. Mr. L'Amour is one of the most prolific writers of popular fiction with about 80 novels to his credit so far. He has established almost unachievably high standards in popular fiction. For not only are his novels of the American West wonderfully entertaining, but also they are historically accurate, often to the finest and most subtle detail.

Mr. L'Amour has dedicated his life to the adventure that was the settlement of the American West. He has an extensive personal library of about 8,000 volumes which he relies on for many of the details of his stories. He supplements the historical information in his library with his own experiences and research to assure a correctness of detail that few popular writers can match. His avocations include geology, cartography, and genealogy—all of which one sees in his novels and stories. He has worked as a longshoreman, a lumberjack, and a boxer, as well as several other gentler lines of work.

Mr. L'Amour is dedicated to educating America on its history. Therefore he has been writing a sequence of books tracing three families' lives through three centuries of migrations. Fifteen volumes of this saga have been published, with many more to follow. And it is this dedication to educating America about itself that has led Mr. L'Amour to his ambitious re-creation of an 1865 Western town in the Four Corners area.

The New York Times of June 26, 1980 included an informative article on Mr. L'Amour. I ask that it be inserted in the RECORD following my remarks.

Mr. L'Amour's writings have brought pleasure to me and millions of other readers of his books and stories. I have long felt that his contributions to American life should be specifically noted, and therefore, I am extremely pleased that a majority of my colleagues have demonstrated their agreement by their sponsorship of H.R. 4647. I hope they will continue to show their support by passing this bill.

The article follows:

[From the New York Times, June 26, 1980]

WESTERNS' READERS LOVE L'AMOUR

(By Wendell Rawls, Jr.)

NASHVILLE, June 25.—The pot-bellied truck driver from Marston, Mo., pushed the brim of his straw cowboy hat back from his eyes and then stepped forward with one of the more than 100 million copies of books Louis L' Amour has in print.

Bill Campbell had been standing in the long line at Truck Stops of America's answer to the old stagecoach way station to have the book autographed "for my son" by the premier frontier storyteller.

"I'll tell you why I like his books," said Mr. Campbell. "If he says Gus the Bartender tended bar in someplace in 1876, you can believe that there was such a town and that there was a bar there and that a man named Gus was for truth the bartender."

Walter Jones, a driver for Mrs. Smith's Pies of Pottstown, Pa., gave a different reason for being a L'Amour fanatic, and the predominance of cowboy hats and boots in the place seemed to validate it. "I guess all truck drivers are frustrated cowboys," he said.

STRONG MEN, STRONG WOMEN, STRONG SALES

And Mr. L'Amour, on a two-week autograph tour in the South and Southwest to celebrate the printing of the 100 millionth copy of his books, said, "I write about men with hair on their chest, strong men in a rough, hard world. And the women I write about are strong women, too."

For whatever reasons, Louis L'Amours' Western and frontier novels are more popular than girlie magazines or roadmaps among America's truck drivers. It is thought by his publisher, Bantam Books, that the drivers are the biggest buyers of his books and the racks at truck stops across the country are crammed with his titles. But his appeal is not limited to the modern-day, high plains drifters riding 18-wheelers.

Mr. L'Amour has published 76 books. His latest, 13 short stories about the seas, the Orient, war and the West in the "yondering" days before he became a writer, opened with a first printing of 800,000 copies, to which 50,000 were added before it reached the bookstands.

Of his 76 books, almost all in soft-cover, 65 have sold in excess of one million copies. In 1979, Bantam alone shipped out 7.8 million copies of his books.

He predicted that within five years each new book that he wrote—and he writes three a year—would begin with printings of five million. "There are at least 25 million people out there that I've never touched at all, and I want them," he said. "I want every damned one of them."

His works have been published in 10 foreign languages, and 33 of his novels and stories have been bought for films or television. Perhaps the most easily recognized movie was "Hondo," which starred John Wayne. But there have been such others as "Heller in Pink Tights," which was from a book entitled "Heller with a Gun" and starred Anthony Quinn and Sophia Loren.

In recent years, Mr. L'Amour has been writing a continuing saga of the "Sackett family," which follows three families spanning three continents over three centuries. The 15th book in the nonchronological sequence has just been published under the title "The Warrior's Path."

SAGA OF 40 VOLUMES

In the saga, which he expects to comprise 40 volumes when completed, Mr. L'Amour is writing what he said "is a valuable history, a very accurate tracing of 300 years in the development and in the settlement of this nation."

He said he had begun writing the family saga after readers of his Western novels repeatedly asked him how the West had come to be settled. Because schools concentrate on the political history of America, he said, many students don't really know how this country was settled, what really happened in the Westward migration. So, he went back to Europe to begin his research and his story.

Mr. L'Amour is meticulous, even scholarly, in his attention to detail. In most of his books, he said, 90 percent of the material is true except for the names of characters. Sometimes even they are the same, he said.

He works from his home in Los Angeles, where he and 8,000 volumes of a personal library share an office. He seems to have an insatiable intellectual curiosity and is an ardent geologist, cartographer, gunsmith, ecologist, genealogist and "always fascinated by the broad panorama of history."

He has an almost encyclopedic knowledge of Indian cultures and of Western legends and geography.

As a child in Jamestown, N. D., he said, he hung around bookstores, read Stevenson and de Maupassant and listened for hours as his grandfather, a Civil War veteran, told stories of war and of men.

He left school at 15 and went west, seeking his fortune as a longshoreman, lumberjack, elephant handler, hay shocker, flume builder and fruit picker. By the time he was 17, he had in his own words: "Skinned dead cattle in west Texas, worked on a ranch in New Mexico, done assessment work on mining claims in Arizona, worked a few weeks with a circus and had ridden freight trains from El Paso to the Gulf."

From there he went to sea, to the West Indies and Europe, and "had fought in the ring 11 times and outside the ring twice as often."

He spent long days with men who had ridden with such outlaws as Billy the Kid and long, hungry nights sleeping in lumber piles or abandoned buildings. But he was always reading, always listening, always learning.

"There were a lot of hard times, and I missed a lot of meals," he said. "But I had a valuable asset. I always believed I would make it."

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ANNUNZIO. Mr. Speaker, I yield 3 minutes for purposes of debate

only to the distinguished member of our committee, the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. I thank the gentleman for yielding to me.

Mr. Speaker, in his opening statement the chairman referred to Joe Louis as a source of inspiration, and indeed he was. He was an enormous source of inspiration to so many young people in particular when he was at the height of his career.

From all that I have read about Joe Louis, he was a humble man and also a very deeply religious man. Despite the fact that he suffered many indignities as he grew up in this Nation, indignities only because he was black, despite that fact he remained enormously patriotic.

My colleagues all know about his service to our country when he wore the uniform of this country. He did so much good for so many people.

One of the most important things that he did was to shatter further the myth of Aryan supremacy. Members will all recall that at that time Hitler was talking about Aryan supremacy. Indeed, Jesse Owens in the Olympics started to shatter that myth.

In the rematch with Max Schmeling, Joe Louis took a giant step forward in shattering the myth of Aryan supremacy further.

I just wanted to raise my voice in support of this bill for all of the individuals involved, but especially for Joe Louis because he was and still is a source of inspiration to this Nation and his widow justly deserves this gold medal.

Mr. STANTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. STANTON of Ohio. I thank the gentleman for yielding.

Mr. Speaker, I only ask him to yield because his remarks reminded me. He spoke about the patriotism of Joe Louis.

In December of 1942, it was my privilege to serve with Joe Louis out at Fort Riley, Kans. Joe Louis was with the Special Service troops at that time, and for a very short length of time I was commanding platoon officer and Joe Louis was the sergeant. We never saw Mr. Louis very much at that time because he had always been on call to go here, there, and to other places.

But when you think of the financial sacrifice that that man made in that era, at the height of his popularity, and he took off without any question to serve his country, it is indeed a great credit to the man and I congratulate the gentleman from Maryland on his remarks.

Mr. DAN DANIEL. Mr. Speaker, will the gentleman from Maryland yield to me?

Mr. MITCHELL of Maryland. I am happy to yield to the gentleman from Virginia.

Mr. DAN DANIEL. I thank the gentleman for yielding.

Mr. Speaker, I want to underscore, if I may, the remarks made by the gentleman from Maryland about Joe Louis.

Joe Louis and I were born 1 day apart and under similar economic conditions. I happen to be the old man. My birthday is the 12th of May and his the 13th.

Joe Louis was a great inspiration not only to his own race, but also an inspiration to those of us who came along about the same time of another race. I have had a difficult time deciding whether Joe Louis or Jack Dempsey was the greatest fighter of all time. My vote finally was cast for Joe Louis.

I want to take this opportunity to commend the gentleman from Maryland (Mr. MITCHELL) for his remarks and to express my support for this bill, H.R. 4647.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. NICHOLS). The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 4647.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEATH BENEFITS FOR SURVIVORS OF LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

Mr. MILLER of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 756) to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes, as amended.

The Clerk read as follows:

H.R. 756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subchapter I of chapter 81 of title 5, United States Code, is amended by inserting after section 8147 the following new section.

"§ 8148. Death benefits for law enforcement officers and firefighters

"(a) For the purpose of this section—

"(1) 'law enforcement officer' means an employee—

"(A) the duties of whose position include performing work directly connected with—

"(i) the control of crime or juvenile delinquency;

"(ii) the enforcement of the criminal laws; or

"(iii) the protection of Federal officials, public buildings or property, or foreign diplomatic missions; and

"(B) who, at the time the personal injury referred to in subsection (b) of this section is sustained, is—

"(i) engaged in the detection of crime;

"(ii) engaged in the apprehension of an alleged criminal offender;

"(iii) engaged in the keeping in physical custody of an alleged or convicted criminal offender; or

"(iv) assulted or subjected to the conduct of criminal activity in the line of duty;

"(2) 'firefighter' means an employee the duties of whose position include performing work directly connected with the control and extinguishment of fires and who, at the time the personal injury referred to in subsection (b) of this section is sustained, is engaged in such work in the control or extinguishment of a fire or other emergency operation;

"(3) 'child' means any natural, illegitimate, adopted, or posthumous child or stepchild of a deceased law enforcement officer or firefighter (as defined in paragraphs (1) and (2) who, at the time of such law enforcement officer or firefighter's death, is—

"(A) 18 years of age or under;

"(B) over 18 years of age and a student; or

"(C) over 18 years of age and incapable of self-support because of physical or mental disability;

"(4) 'dependent' means substantially reliant for support upon the income of the deceased law enforcement officer or firefighter;

"(5) 'intoxication' means a disturbance of mental or physical faculties resulting from the introduction of alcohol, drugs, or other substances into the body; and

"(6) 'detection of crime' means the physical pursuit, investigation, or interviewing of any individual at a crime scene, but shall not include laboratory investigation, studies, or other similar acts of a nondangerous nature.

"(b)(1) In any case in which the Secretary of Labor determines, under regulations prescribed pursuant to this section, that a law enforcement officer or firefighter has died as the direct and proximate result of a personal injury inflicted by an outside force and in the line of duty, the Secretary shall pay a benefit of $50,000 as follows:

"(A) if there is no surviving child of such law enforcement officer or firefighter, to the surviving spouse of such law enforcement officer or firefighter;

"(B) if there are one or more surviving children and a surviving spouse, one-half to the surviving children in equal shares and one-half to the surviving spouse;

"(C) if there is no surviving spouse, to the surviving children of such law enforcement officer or firefighter in equal shares; or

"(D) if none of the above, to the dependent parent or parents of such law enforcement officer or firefighter in equal shares.

"(2) In any case in which the Secretary determines, upon a showing of need and prior to taking final action, that the death of a law enforcement officer or firefighter is one with respect to which a benefit will

probably be paid, the Secretary may make an interim benefit payment not exceeding $3,000 to the individual entitled to receive a benefit under paragraph (1) of this subsection.

"(3) The amount of an interim payment to any individual under paragraph (2) of this subsection shall be deducted from the amount of any final benefit paid to such individual.

"(4) In any case in which there is no final benefit paid, the recipient of any interim payment under paragraph (2) of this subsection shall be liable for repayment of such amount. The Secretary may waive all or part of such repayment, considering for this purpose the hardship which would result from much repayment.

"(5) The benefit payable under this section shall be in addition to any compensation or other benefit that may be due under this subchapter or from any other source, but shall be reduced by payments authorized by section 12(k) of the Act of September 1, 1916, as amended (D.C. Code, sec. 4-531(1)).

"(6) No benefit paid under this section shall be subject to execution or attachment.

"(7) No benefit shall be paid under this section—

"(A) if the law enforcement officer or firefighter's death was caused by the intentional misconduct of the law enforcement officer or firefighter or by such law enforcement officer or firefighter's intention to bring about such death;

"(B) if voluntary intoxication of the law enforcement officer or firefighter was the proximate cause of death; or

"(C) to any individual who would otherwise be entitled to a benefit under this section if such individual's actions were a substantial contributing factor to the law enforcement officer or firefighter's death.

"(c) The Secretary may prescribe rules, regulations, and procedures to carry out the purpose of this section. Such rules, regulations, and procedures will be determinative of conflict of laws and issues arising under this section. Rules, regulations, and procedures prescribed under this section may include regulations governing the recognition of agents or other persons representing claimants under this section before the Secretary. The Secretary may prescribe the maximum fees which may be charged for services performed in connection with any claim under this section before the Secretary, and any agreement in violation of such rules and regulations shall be void.".

(2) The table of sections for chapter 81 of title 5, United States Code, is amended by inserting after the item relating to section 8147 the following new item:

"8148. Death benefits for law enforcement officers and firefighters.".

(b)(1) Section 8101(9) of title 5, United States Code, relating to definition of "child", is amended by inserting after "means" the following: ", except as provided in section 8148(a)(3) of this title,".

(2) Section 8101(12) of such title, relating to definition of "compensation", is amended by striking out "Fund, but this does not in any way reduce the amount of the monthly compensation payable for disability or death;" and inserting in lieu thereof the following: "Fund, except that—

"(A) this paragraph does not in any way reduce the amount of the monthly compensation payable for disability or death; and

"(B) such term does not include benefits paid under section 8148 of this title;".

SEC. 2. The authority to make payments under section 8148 of title 5, United States Code (as added by the first section of this Act), shall be effective only to the extent provided for in advance by appropriation Acts.

SEC. 3. The amendments made by this Act shall take effect October 1, 1982, and shall apply with respect to injuries sustained on or after such date.

The SPEAKER pro tempore. Is a second demanded?

Mr. ERLENBORN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. MILLER) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. ERLENBORN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill amends title 5 of the United States Code to provide a lump-sum death benefit of $50,000 to Federal law enforcement officers and Federal firefighters who are killed in the line of duty, while engaged in law enforcement activities or firefighting activities. The benefits provided to the dependents of these law enforcement officers and firefighters under this bill would be in addition to the traditional workers' compensation benefits which would be provided by law. They are in recognition of the fact that these law enforcement officers and firefighters expose themselves to great hazards in their employment, and that they must often cast aside their personal safety in order to protect the lives and the property of the public. That is what we expect of them. That is their job.

The Subcommittee on Labor Standards examined this proposal during 3 days of hearings. The witnesses made several cogent arguments in favor of the proposal. They pointed out that police and fire work is dangerous, and that police officers and firefighters too often must sacrifice their safety in the protection of the lives and property of others. For this reason, recruiting and retraining qualified people is increasingly difficult. Certainly, the security which a young police or firefighter would have in knowing that in the event of death, his or her family would be adequately provided for will help our Nation to attract and keep qualified people in these important jobs. Often, as the witnesses pointed out, it is the younger police officers and firefighters who are most exposed to danger. Since workers' compensation benefits are based on earnings, these benefits are often inadequate to meet the needs of families. The benefits provided by this bill would become a necessary supplement to workers' compensation benefits.

The Congress has already seen the wisdom of this solution to a very real problem confronting our law enforcement agencies and fire protection services. We have already provided identical Federal benefits for State and local firefighters and law enforcement officers through the Public Safety Officers Benefits Act of 1976. In addition, legislation for the benefit of the Federal firefighters and law enforcement officers, virtually identical to the bill we now have before us, passed the House by a vote of 313 to 56, in the 96th Congress. That bill passed the other body by voice vote, but was vetoed by the President.

Last year, during an attempt on the life of the President of the United States, two law enforcement officers were wounded. One was a Secret Service man, the other a D.C. policeman. Fortunately, these two brave men, who cast personal safety aside to protect our President, survived the attack. But, if they had died, the survivors of one—the D.C. policeman, would have received the $50,000 Federal death benefit. The survivors of the other, the Federal Secret Service man, would not have received this benefit. Two law enforcement officers, with the same mission—the same sense of duty. Yet, they were treated differently. This bill eliminates that disparity.

The merits of the bill are apparent—but let me discuss its provisions. It applies to Federal law enforcement officers and Federal firefighters. These are Federal employees, either uniformed or not, whose duties include protection of Federal personnel or property, or the personnel or property of foreign nations, or the guarding or apprehending of criminals. It also applies to firefighters, whose duties inclued containing or extinguishing fires. These would be traditional firefighters, as well as smokejumpers who fight fires in our national forests and parks.

The benefits under this bill would only be provided when the death was in the direct line of police or firefighting duties, and was incurred while the police officer or firefighter was exposed to great hazard. Deaths incurred while a police officer was working in a police lab, for example, and not exposed to great hazard, would not result in the payment of benefits under this bill.

Benefits under this bill would not be provided where the death was the result of intentional misconduct of the law enforcement officer or firefighter, or the result of voluntary intoxication.

It is the intention of this legislation to pay this benefit only when the death occurs in the line of duty. Thus, if a firefighter or police officer was killed in an automobile accident going to or from work, while that death might result in a workers' compensa-

tion benefit, it would not necessarily result in the award of a death benefit under this legislation. Here we are dealing with deaths encountered in the line of duty while confronting hazards in the actual course of fighting fires and fighting crime.

Death benefits are provided under this bill only to dependents of the deceased firefighter or police officer, including surviving spouse and children. To be eligible for benefits, children must be 18 years of age or less or full time students, or if above the age of 18, incapable of self-support. Parents may receive the benefit only if there are no surviving spouse or children, and only if the parents were financially dependent on the deceased. In my view, to meet this test, the parent must have relied on the deceased for at least one-third of his or her income.

Benefits would be payable only in the case of death which occurs after September 30, 1982.

I think that these limitations on eligibility would focus the benefits under this bill on those whom the Congress would truly intend to help, and would eliminate the possibility of unexpected expansion of this program. I would point out that there is another check on unwarranted expansion. This is not an entitlement program. There must be specific appropriations for these benefits, which provides the Congress with yet another check on untoward growth.

This bill would provide an element of justice for our Federal firefighters and law enforcement officers. Their duties and their training call upon them to sometimes lay down their lives in the protection of the lives and property of their fellow citizens. This is what we expect of them. This, regrettably, in these troubled times, they must too frequently do. The mere existence of the benefits provided under this bill would enable them to approach their duties with the additional peace of mind which comes from the knowledge that their loved ones will be adequately provided for.

The Congressional Budget Office estimates that the annual cost of this bill will be about $500,000.

This is truly a small sum to pay to so vastly increase the morale of our law enforcement agencies and firefighting agencies. This is truly a small sum to pay to do justice to Federal law enforcement officers and firefighters.

□ 1230

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, first of all I want to thank the chairman of the subcommittee for his fine work on this bill.

Mr. Speaker, this bill is identical to H.R. 5888, a bill I introduced in the 96th Congress which was passed under suspension by the House and subsequently by voice vote in the Senate. H.R. 756 would provide a $50,000 death benefit to the survivors of Federal firefighters and law enforcement officers killed while performing their duty.

The Public Safety Officers Benefits Act, passed by Congress in 1976, created such a death benefit for State and local firefighters and police in recognition of the hazards they face in the performance of their duty.

I would emphasize that the hazards faced by such workers are in a sense uncontrollable—that is, they cannot be controlled or reduced through the use of measures such as safety rules and inspections or protective clothing and equipment which have proven effective for other hazardous occupations.

I introduced H.R. 756 to address the fact that although Federal firefighters and police face the same dangers as their State and local counterparts under often identical circumstances, survivors of Federal workers are not accorded the security of the death benefit.

What is at issue here is a basic question of equity—whether Federal firefighters and law enforcement personnel deserve the death benefit that workers in the same capacities on the State and local levels already receive. I submit that they do and that there is an undeniable need for an amendment of the Federal Employees Compensation Act that would allow this death benefit to be extended to them.

Currently the death benefit for Federal law enforcement officers and firefighters killed in the line of duty is limited to a continuation of salary based on a percentage of the amount the worker was earning at the time of death. Because less senior workers in the lower pay grades are most often in hazardous field situations where line of duty deaths occur, the amount of the benefit paid to a family should that worker be killed tends to be less. For example, for the average Federal firefighter with two or more children who is killed in the line of duty, the Federal Employees Compensation Act would provide $11,849 (75 percent of GS-4, step 4). This amounts to an immediate 25-percent reduction in income; often, an inadequate amount on which to support a family that frequently includes young children.

There can be no denying the hazards under which Federal firefighters and police work daily. Another tragic example of this danger occurred as recently as July 20 when Federal protection officer, Robert Yesucevitz was killed by an assailant while patrolling the grounds of the John F. Kennedy Presidential Library in Boston. Officer Yesucevitz was only 24 years old, and, ironicallly, had earlier expressed to coworkers his concerns about the hazardous nature of the one man patrols he was assigned to.

Had this officer been a State or local policeman killed under identical circumstances, and had he had dependent survivors, they would have received the $50,000 death benefit.

Firefighting also continues to be one of the most hazardous occupations in America, with a line-of-duty death rate of 61 per 100,000 workers. Firefighters and police officers are asked to risk their lives as a matter of daily routine; to consider it a part of their duties to intentionally enter potentially life-threatening situations to protect the public welfare.

H.R. 756 addresses the need to extend the $50,000 death benefit to this deserving group of workers.

The Congressional Budget Office has estimated this extension would cost no more than $500,000 annually.

I submit that our Federal firefighters and law enforcement officers deserve this benefit and urge my colleagues to vote for H.R. 756.

Mr. ERLENBORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there are innumerable valid reasons for Members opposing H.R. 756. I will discuss these momentarily, but as my "Dear Colleague" letter that I sent out recently suggests, I am not sure that they make any difference in the final analysis as to how people vote. This is blatantly special interest legislation which Members should be embarrassed to vote for. Even the Carter administration could not stomach this bill when it first passed at the end of the 96th Congress. President Carter vetoed it, saying that the "special benefits it would provide are preferential and unwarranted, * * * would become a precedent for extension of similar benefits to other Federal employees." I never thought that I would find myself quoting President Carter with approval, but I guess I have just done it.

This bill is also opposed by the current administration, which in a letter from OMB Director Stockman to Chairman PERKINS echoed the same concerns expressed by President Carter in "strongly recommending against favorable consideration * * *."

By providing special benefits to a select group of Federal employees based upon the nature and potential hazards of their occupation, the bill violates a major principle of workers' compensation, discriminates against all other Federal employees, and creates new inequities between Federal and State safety officers.

Mr. Speaker, as a matter of fact, if on a military base we have a civilian firefighter fighting a fire alongside of a military firefighter, and they both are killed, it would provide a death

benefit for the civilian but none for the military. How inequitable can a provision be? It violates the major principles of workers' compensation by paying compensation based on the hazards of employment rather than on the loss of income based on salary due to disability or, in this case, death. FECA monthly death benefits already provide for replacement of lost income based on salary, and if the $50,000 benefit belongs anywhere, it should be part of the group life insurance program, for it is essentially in the nature of an insurance benefit.

However, the benefit discriminates against survivors of all other Federal employees in nonhazardous occupations who may suffer the same loss of income and whose spouse is just as dead as the law enforcement officer or firefighter. This raises new inequities.

The bill also creates several new inequities between Federal safety officers and their State and local counterparts who receive the $50,000 benefit now: First, the Federal officers' benefit will not be offset. They will get both the FECA monthly death benefits and the full $50,000. Awarding this added benefit along with FECA runs counter to Congress findings when enacting the public safety officers benefits program in 1976 that FECA benefits were adequate and, therefore, not only was the $50,000 benefit not being extended to Federal officers, but was to be offset for State and local officers in those instances were they qualified for FECA death benefits.

A second inequity is the disparity in administration which will occur between the Federal officers' program, as part of FECA, and the public safety officers' benefit program run by the Justice Department. Specifically, the Federal program will encompass occupational diseases, because the bill incorporates the FECA definition of injury which includes occupational disease. Moreover, a condition will qualify as an occupational disease if it can be concluded that the disease was merely a contributing cause of death—typical of workers' compensation.

Under the State and local program occupational diseases are excluded and chronic lung problems and heart attacks are covered only if the stress or smoke inhalation aggravated to a substantial degree the underlying condition causing death.

My two amendments incorporating regulatory definitions, regulatory definitions of "personal injury" and "line of duty" found in the Public Service Officers Benefit Act, were rejected by the committee. Adoption of these amendments would have more likely assured uniform administration of the FECA $50,000 program and the State and local program. The majority's refusal to accept these amendments proves their intention to compensate Federal officers differently from State and local officers, creating new inequities and leading leapfrogging of benefits. Already there is legislation by Mr. KILDEE, the sponsor of this legislation, to amend the Public Service Officers Benefits Act to cover all heart attacks and smoke inhalation cases regardless of the degree to which they are caused by the officers' employment.

Moreover, present death benefits are adequate, as Congress so found in 1976 when enacting the Public Service Officers Benefits Act. The 1976 legislation was designed to bring compensation of State and local officers more in line with their Federal counterparts. Congress found that survivors of State and local officers were not well compensated. Workers' compensation benefits are not nearly as generous as they are now, and life insurance opportunities for these high-risk employees were more limited. However, survivors of Federal officers are eligible for:

First, FECA monthly death benefits paying up to 75 percent of gross salary, tax free and indexed annually by the Consumer Price Index.

Second, life insurance pursuant to the Federal Group Life Insurance Act of 1954, which not only pays double indemnity on accidental death but was liberalized in 1980 so that a typical Federal firefighter, a GS-5 step 4, under age 36 who meets with accidental death, would qualify for $68,000 in basic coverage, $28,000 in optional coverage, and $70,690 in additional optional coverage for a total fo $158,690 in addition to the FECA monthly benefits.

This year's also raises new questions of coverage. The bill which passed the House in the 96th Congress covered officers whose duties were primarily to perform the stated activites. H.R. 756 deletes this primary test, permitting coverage if the officers' duties merely included the stated activities. How many employees who might only incidentally be involved in law enforcement or firefighting would be covered? Would this language encompass National Guard technicians who were specifically covered in the earlier legislation but deleted in H.R. 756? How about Reservists or Civil Air Patrol volunteers? Who else? The bill is not clear on this point, and it is no wonder that we do not have any set estimate of the cost when we do not know who is covered.

Mr. Speaker, this bill proclaims equity, but is its antithesis. It misrepresents the benefits already available to Federal law enforcement officers and firefighters and is technically flawed.

The bill is unfair to State and local officers, and unfair to other Federal employees without the political clout to win similar concessions from this Congress.

All in all, there is no valid reason to vote for this bill, and I urge the Members to vote no.

Mr. MILLER of California. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would just like to enter into the RECORD at this point a letter from Alice Rivlin, Director of the Congressional Budget Office, which in fact does state that as of July 29, 1982, there was an estimate by her office of the cost of this bill, which was that as stated by the gentleman from Michigan, of some $500,000 per year, because none of these anticipated personnel have been included.

However, if the gentleman from Illinois would like to include additional personnel, I guess we can consider that at some future time.

Mr. Speaker, the letter is as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., July 29, 1982.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 756, a bill to amend Title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes, as ordered reported by the House Committee on Education and Labor, July 27, 1982. This bill would authorize the payment of $50,000 to the survivors of certain Federal law enforcement officers and firefighters killed in the line of duty. This payment would be in addition to any other benefits authorized by law, and would apply to anyone killed on or after October 1, 1982. This analysis supersedes our previous letter on this bill, dated July 22, 1982.

In recent years, an average of ten employees covered by this bill has been killed per year. Assuming enactment of the bill in September 1982, and appropriation of the necessary sums for fiscal year 1983 and subsequent years, it is estimated that this bill would cost approximately $500,000 per year.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

● Mr. DERWINSKI. Mr. Speaker, I rise in opposition to H.R. 756, authorizing payment of a $50,000 special death benefit for survivors of Federal law enforcement officers and firefighters killed as the result of injuries sustained in the line of duty.

A bill virtually identical to this one was introduced in the previous Congress, passed and vetoed by former President Carter. The same reasons for believing these benefits are unjustified exist today.

Adequate death benefits already exist under the Federal Employees Compensation Act, and Federal workers may receive low-cost life insurance under the Federal Employees' Group Life Insurance Act.

Furthermore, this bill discriminates unfairly against other employees whose work may be equally hazardous and is thus in conflict with a basic premise of Federal worker's compensation law that various occupational groups' benefits should be the same.

Mr. Speaker, I urge the House to vote down this bill.●

● Mr. PARRIS. Mr. Speaker, the bill before us today would provide death benefits to survivors of Federal law enforcement officers and firefighters. It has my support and commendation.

I am sure I do not need to remind this body that because of the police officers of this country, America is "the land of the free." We are free from the type of crime and terrorism that is at this moment threatening many other societies in the world—societies where citizens who do not have capable and dedicated law enforcement cannot leave their homes without fear of harm.

Because of the police officers in this country, America is "the home of the brave." In this city a police officer and a Secret Service agent were wounded while protecting the President of the United States. It is because of acts of bravery like this, that America continues to be the land of the free.

I also would ask my colleagues to recall the valiant firefighters of this country who protect lives and property and risk their own lives daily for those in extreme danger. They deserve the full support of Congress.

Currently, local firefighters and law enforcement officers receive survivors death benefits under Public Law 94-430. Should we not provide the same benefits to hard-working Federal safety officers?

Over 5,000 Federal law enforcement officers and almost as many firefighters enlist our support for this legislation. I strongly urge my colleagues to support this worthwhile endeavor.●

● Mr. FORD of Michigan. Mr. Speaker, I am an enthusiastic supporter of H.R. 756, a bill to provide death benefits for Federal law enforcement officers and firefighters who are killed in the line of duty.

It is difficult to think of any group more deserving of this survivor protection than Federal law enforcement officers and firefighters. These dedicated public employees risk their lives daily to protect the property, the physical well-being, and the lives of their fellow Americans. When these public servants report to their duty assignments each day, they have no idea whether they will live to see their families. The least we could do is to provide them with the peace of mind to know that if they do not survive, their dependents will have some financial assistance to carry on.

Ever since I was first elected to the Congress, I have introduced and cosponsored legislation to benefit law enforcement officers and firefighters. They exemplify the unique qualities of devotion to duty and self-denial. Because I have championed the cause of Federal law enforcement officers and firefighters for so many years, I am especially pleased and gratified to have this beneficial legislation before us today.

Mr. Chairman, H.R. 756 provides a $50,000, one-time lump-sum, death benefit to the surviving dependents of Federal law enforcement officers and firefighters. It is a small price to pay to the survivors of those who made the supreme sacrifice of their lives so that the property and lives of others might be preserved.

As most of my colleagues know, had it not been for a Presidential veto, legislation similar to H.R. 756 would be the law today. Despite objections from the present administration, H.R. 756 should be passed. It would be a minimal expenditure of Federal funds. It would protect survivors of our courageous public servants from the economic distress caused by the loss of the family breadwinner. It would bolster the morale of these dedicated public employees by letting them know the Nation appreciates their efforts and sacrifices.

Mr. Chairman, I urge adoption of this legislation because it is the appropriate recompense for the ultimate sacrifice.●

Mr. MILLER of California. Mr. Speaker, I yield back the balance of my time.

Mr. ERLENBORN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. MILLER) that the House suspend the rules and pass the bill, H.R. 756, as amended.

The question was taken.

Mr. ERLENBORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed

GENERAL LEAVE

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill for which the vote has just been ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DESIGNATING MARY McLEOD BETHUNE COUNCIL HOUSE IN WASHINGTON, D.C., AS A NATIONAL HISTORIC SITE

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6091) to designate the Mary McLeod Bethune Council House in Wahington, District of Columbia, as a national historic site, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6091

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

CONGRESSIONAL FINDINGS AND PURPOSE

SECTION 1. (a) FINDINGS.—The Congress finds and declares that—

(1) the Mary McLeod Bethune Council House was the residence in Washington, District of Columbia, of Mary McLeod Bethune, renowned educator, national political leader, and founder of the National Council of Negro Women;

(2) it was at this location that Mary McLeod Bethune directed activities that brought her national and international recognition;

(3) this site was significant as a center for the development of strategies and programs which advanced the interests of black women and the black community;

(4) it was at this location that Mary McLeod Bethune, as the president of the National Council of Negro Women, received heads of state, government officials, and leaders from across the world;

(5) the Mary McLeod Bethune Council House was the first national headquarters of the National Council of Negro Women, and is the site of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History;

(6) the archives, which house the largest extant manuscript collection of materials pertaining to black women and their organizations, contains extensive correspondence, photographs, and memorabilia relating to Mary McLeod Bethune; and

(7) the museum and archives actively collect artifacts, clothing, artwork, and other materials which document the history of black women and the black community.

(b) PURPOSE.—It is the purpose of this Act—

(1) to assure the preservation, maintenance, and interpretation of this house and site because of its historic relationship to the life and achievements of Mary McLeod Bethune, an outstanding leader in the areas of housing, employment, civil rights, and women's rights; and

(2) to assure the continuation of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History at this site, the preservation of which is necessary for the continued interpretation of the history of black women in America.

ESTABLISHMENT OF HISTORIC SITE

SEC. 2. In order to further the purpose of this Act and the Act of August 21, 1935 (16 U.S.C. 461-7), the Mary McLeod Bethune Council House at 1318 Vermont Avenue, Northwest, in the city of Washington, District of Columbia, is hereby designated as a national historic site (hereinafter in this Act referred to as the "historic site").

COOPERATIVE AGREEMENT

SEC. 3. In furtherance of the purposes of this Act and the Act of August 21, 1935 (16 U.S.C. 461-7), the Secretary of the Interior is authorized and directed to enter into cooperative agreements with the National Council of Negro Women. Such agreements may include provisions by which the Secretary will provide technical assistance to mark, restore, interpret, operate, and maintain the historic site and may also include provisions by which the Secretary will provide financial assistance to mark, interpret, and restore the historic site (including the making of preservation-related capital improvements and repairs but not including other routine operations). Such agreements may also contain provisions that—

(1) the Secretary of the Interior, acting through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such properties and interpreting them to the public; and

(2) no changes or alterations shall be made in such properties except by mutual agreement between the Secretary and the other parties to such agreement.

No limitation or control of any kind over the use of such properties customarily used for the purposes of the National Council of Negro Women shall be imposed by any such agreement.

ANNUAL REPORT

SEC. 4. The National Council of Negro Women shall, as a condition of the receipt of any assistance under this Act, provide to the Secretary of the Interior and to the Congress of the United States an annual report documenting the activities and expenditures for which any such assistance was used during the preceding fiscal year.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There is authorized to be appropriated $100,000 to provide financial assistance under section 3 of this Act. There is also authorized to be appropriated for purposes of making grants to the National Council of Negro Women for purposes of this Act an additional $100,000 to be provided, as may be agreed to by the Secretary of the Interior and the National Council, on a fifty-fifty matching basis to the extent that funds or services are contributed by the National Council for such purposes. Sums authorized to be appropriated under this section shall remain available until expended.

COMPLIANCE WITH BUDGET ACT

SEC. 6. No authority under this Act to enter into contracts or to make payments shall be effective except to the extent and in such amounts as provided in advance in appropriations Acts. Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1983.

The SPEAKER pro tempore. Is a second demanded?

Mr. PASHAYAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from California (Mr. PASHAYAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6091 would honor one of the most prominent black women of the 20th century, Mary McLeod Bethune. The bill would designate "Council House," Mrs. Bethune's last official Washington, D.C., residence, as a national historic site. The House would continue to be owned and maintained by the National Council of Negro Women. The bill would authorize the Secretary of the Interior to enter into cooperative agreements with the national council to provide assistance to assure its continued preservation, maintenance and interpretation.

The bill authorizes an appropriation of up to $100,000 for grants to the national council to mark, interpret, and restore the property—but not for routine operations and maintenance—and an additional $100,000 on a 50-50 matching basis for these purposes. As a condition for receiving assistance under the act, the national council would be required to provide to the Secretary and the Congress an annual report documenting the activities and expenditures for which any assistance was used.

The historical prominence of Mary McLeod Bethune is well-documented, as is the significance of Council House in her life and accomplishments. Mrs. Bethune was the founder of the Bethune-Cookman College in Florida and the National Council of Negro Women. She served in the administration of President Franklin D. Roosevelt and was internationally as well as nationally acclaimed for her leadership.

Council House, her home from 1943 to 1949, is part of the Logan Circle Historic District, listed in the National Register of Historic Places. It contains the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History—including the largest extant manuscript collection of materials pertaining to black women and their organzations, extensive records relating to Mrs. Bethune, and artifacts, artwork, and other materials which document the history of black women and the black community. The historical significance of the site has been documented both by the National Council of Negro Women and by the Afro-American Institute for Historic Preservation and Community Development.

I want to commend my colleague from the District of Columbia, Mr. FAUNTROY, for his outstanding leadership on this legislation. I would also like to thank Dr. Dorothy Height, President of the National Council of Negro Women, and Dr. Betty Thomas and Mr. Guy McElroy on the Mary McLeod Bethune Museum and National Archives for Black Women's History. In addition, I would like to thank the members of the congressional staffs who worked so hard on this legislation—Loretta Neumann, Janet Chisholm, Barbara Phillips, and Clay Peters of the Interior Committee and Marguerite Gras and Johnny Barnes of the District Committee.

Mr. Speaker, H.R. 6091 represents an excellent example of a partnership between the Federal Government and the private sector to preserve an historic site of such importance that it would otherwise qualify for inclusion in the National Park System. I urge the support of all the Members of the House for this legislation.

□ 1245

Mr. PASHAYAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation, H.R. 6091. This bill recognizes the outstanding contributions made to our Nation by Mary McLeod Bethune, a renowned educator and national political leader. Among other notable achievements, she founded the National Council of Negro Women, and overall, played a leading role in the advancement of black women in the United States.

This bill commemorates her achievements in part, by designating her former home and office, the "Council House" here in Washington, D.C., as a national historic site. The bill further provides technical and financial assistance, through the National Park Service, to the National Council of Negro Women for the historical restoration of Council House and its associated Memorial Museum and National Archives.

All of the assistance authorized by this bill will be given through terms of a cooperative agreement which is to be consummated between the National Park Service and the National Council of Negro Women. This bill does not provide for any ownership to be gained by the Federal Government, nor does it make the Council House a unit of the national park system.

Mr. Speaker, this is an important bill commemorating the work of a very distinguished person in our Nation's history. It is a bill which deserves the support of all of the Members of this body, and I urge its adoption by the House.

Mr. SEIBERLING. Mr. Speaker, I yield 3 minutes to our distinguished colleague, Mr. PARREN MITCHELL, the gentleman from Baltimore, Md.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank my distinguished colleague for yielding me this time.

Mr. Speaker, when I was a very young man, in fact, just a boy, my eldest brother, Clarence Mitchell, used to take me to what was called the Young People's Citywide Forum meetings in Baltimore. There persons such as Walter Reuther, Mrs. Eleanor Roosevelt, and Mrs. Bethune spoke to the young people and enlightened them on the issues as of that time.

Mrs. Bethune was an enormous inspiration even to me as a youngster when I did not quite understand what she was saying. Her inspiration is attested to by the fact that with us today are women from all over the country, from Florida to California, women representing the National Council of Negro Women, and women from the Sigma Gamma Rho national sorority. Women from every part of the Nation are here today because they were inspired by this marvelous woman.

Indeed, she was the founder and the first president of Bethune Cookman College, and she fought tenaciously to make higher education accessible to those of us who are black. While she worked with the National Youth Administration under Franklin Delano Roosevelt's administration, she served as one of the members of the so-called black Cabinet advisers to Franklin Delano Roosevelt. She was the only woman. There were about 18 persons who served, and she was the only woman. This was long before women's rights were popular.

She was an adviser to four U.S. Presidents, and certainly in terms of the international arena she became renowned as a consultant.

Mr. Speaker, it gives me immeasurable pleasure and great pride to rise in support of Congressman WALTER FAUNTROY's bill, H.R. 6091, designating the Mary McLeod Bethune Council House in Washington, D.C., as a national historic site, and for other purposes.

A renowned educator and political activist, Ms. Mary McLeod Bethune's staggering accomplishments established her as one of America's most vivacious leaders. As founder and president of Bethune Cookman College, Ms. Bethune challenged the racial prejudice which pervaded the campuses of white colleges and championed the cause of higher education for black people. Appointed by President Franklin Roosevelt as Director of the Division of Negro Affairs of the National Youth Administration, Ms. Bethune sought to make this country more responsive to the needs of its youth. Finally, by establishing and directing the National Council of Negro Women, this tireless individual organized the skills and abilities of talented women to improve the quality of life for black Americans.

If passed, Congressman FAUNTROY's bill would honor Ms. Bethune by designating her last official residence, 1918 Vermont Avenue NW., as a national historic site. As a result the Bethune Council House would be able to receive Federal funds for maintenance and restoration costs.

Today, many standard American history books neglect to mention the momumental contributions black women have made to our country. The Bethune Council House, under the competent direction of Ms. Bettye C. Thomas, is being used to remove the blindfold of ignorance concerning these important Americans. Presently, the museum is featuring the individual histories of 20 black women prominent during the 19th century. Next year, an exhibition featuring the history of black women's organizations will be held.

For the young, history is more than an explanation of past names, dates, and places. It is a source of pride and self-respect which forms a solid foundation for personal growth and maturity. Consequently, by documenting and preserving the achievements of Ms. Bethune and her contemporaries, this living history book provides knowledge that will assist in the character building of future generations of black and other Americans.

Incredulously, the administration has questioned the historical significance of Ms. Bethune's work. Neglecting the fact that Ms. Bethune was an adviser to four Presidents and an international consultant on human rights, the National Park Service refuses to conduct a study to determine the historical significance of Ms. Bethune's life. As a black American, I am outraged that the precedent setting work of this magnificent woman to improve the housing, employment, educational, and health care conditions for black people is being contested.

By supporting H.R. 6091, the House would be satisfying its commitment to honor those Americans who sought to eliminate economic deprivation and racial prejudice. In addition, such action would indicate that, unlike President Reagan, this country is willing to recognize the historical achievements of black Americans.

The following was dictated to a reporter from Ebony magazine on May 18, 1955—her legacy.

I leave you love
I leave you hope
I leave you the challenge of developing confidence in one another
I leave you a thirst for education
I leave you a respect for the use of power
I leave you faith
I leave you racial dignity
I leave you a desire to live harmoniously with your fellow man
I leave you finally a responsibility to our young people.

● Mr. FAUNTROY. Mr. Speaker, it is a privilege to sponsor H.R. 6091, a bill which seeks to preserve the rich heritage provided this Nation through the life and work of Mary McLeod Bethune, renowned educator, national political leader, and founder of the National Council of Negro Women.

H.R. 6091 seeks to designate the Mary McLeod Bethune Council House at 1318 Vermont Avenue NW., Washington, D.C., as a national historic site. It was from the Council House that Mrs. Bethune made so many of her outstanding contributions as a leading figure in education, as a public figure during the New Deal administration of Franklin D. Roosevelt as Director of the Division of Negro Affairs of the National Youth Administration, and from which she founded the National Council of Negro Women.

Council House was also a significant center for the development of strategies and programs which advanced the interests of black women and the black community. Heads of State, Government officials, and leaders from around the world were received there, including Eleanor Roosevelt, Ralph Bunche, Madam Pandit of India, President Tubman of Liberia, Dr. Charles Drew, and many others.

Council House houses the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History. The archives houses the largest manuscript collection of materials pertaining to black women and their organizations, including extensive correspondence, photographs, and memorabilia relating to Mrs. Bethune. Both the archives and the museum actively collect artifacts, clothing, artwork, and other materials which document the history of black women and the black community.

H.R. 6091 will further the preservation, maintenance, and interpretation of Council House and will assure the continuation of the work of the archives and the museum.

It is a privilege to have sponsored this bill and I urge you to vote for its passage on the floor today.●

● Mr. DERRICK. Mr. Speaker, today the House will be considering under suspension of the rules, H.R. 6091, a bill to designate Council House located at 1318 Vermont Avenue NW., Washington, D.C. as a national historic site and to preserve its structure by authorizing the Secretary of the Interior to enter into a cooperative agreement with the National Council of Negro Women to grant $200,000 for improvements. Council House, formerly the residence of Mary McLeod Bethune, holds the largest manuscript collection of materials pertaining to black women and their organizations, and extensive correspondence, photographs and memorabilia relating to Ms. Bethune. Ms. Bethune is a native of Mayesville, S.C., in Sumter County, and is one of the Nation's most prominent educators and political figures.

Mary McLeod Bethune was the founder of the National Council of Negro Women which currently owns and operates Council House. The National Council of Negro Women, with a membership of over 40,000 nationwide, has been instrumental in developing strategies and programs which promote the interests and concerns of black women and the black community.

Bethune-Cookman College in Florida stands as a tribute to the remarkable contributions she has made in the area of education. This college located in Daytona Beach, Fla., enrolled almost 2,000 students this past fall. Ms. McLeod served as this college's first president in 1923.

President Franklin D. Roosevelt also recognized the dedication and integrity of this outstanding woman and employed her in a leadership position during the New Deal. Last month, July 10, 1982, the 107th birthday of Ms. Bethune was celebrated in our Nation's Capital at Lincoln Park where a 17-foot bronze statue memorializes this great educator.

Mr. Speaker, we should continue to maintain and preserve the rich heritage provided this Nation through the life and work of Mary McLeod Bethune and I urge my colleagues to support this measure which I am cosponsoring.●

● Mr. BENNETT. Mr. Speaker, I would like to say a few words in honor of Mary McLeod Bethune, whom we honor today by considering a bill to preserve her Council House here in Washington, D.C., as a national historic site. Through her work at Council House, Mary Bethune probably did as much for black persons, and particularly black women, as any individual in the history of America. Her good works helped everybody. I would like to take a few minutes to recall some of the great things she did in my home State of Florida, since this was her home State.

Having been the daughter of former slaves and having obtained a college education in 1894, Mary Bethune started a school in Daytona Beach in 1904 which became the Bethune-Cookman College which we all know of today. The first school she established had an enrollment of five girls and one boy, who happened to be Mrs. Bethune's son. With virtually no resources, the children used crates for desks, charcoal for pencils, and elderberries for ink. Mrs. Bethune and the students raised money by selling baked sweet potato pies and homemade ice cream to construction groups in the area. In the 34 years of her tenure as president, however, Mrs. Bethune eventually raised contributions from all over America.

For the first 19 years of the school's existence, the school was for girls only. Its early curriculum emphasized the development of moral character and religious values as well as the practical skills of cooking, laundering, sewing, chair caning, gardening, and poultry raising. The girls school was merged with the Cookman Institute for boys in 1923 (a Jacksonville institution) and within 10 years was an accredited junior college. By 1948, Bethune-Cookman College was a 4-year liberal arts college. By 1955, the college had a faculty of 100 and a student enrollment of over 1,000.

In her work with her educational institutions and as an adviser to the Roosevelt administration, Mary McLeod Bethune persisted throughout her life in seeking for all Americans the opportunity that education held for becoming a part of American society in business, education, politics, and all other facets of life. Preservation and operation of Council House would be a fine memorial for this great woman and an inspiration to future generations.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 6091, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONGRESSIONAL CEMETERY IMPROVEMENT ACT

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6033) relating to the preservation of the historic Congressional Cemetery in the District of Columbia for the inspiration and benefit of the people of the United States, as amended.

The Clerk read as follows:

H.R. 6033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(1) sections of the Congressional Cemetery in the District of Columbia are of national historic significance, including those areas in which John Philip Sousa, Matthew Brady, J. Edgar Hoover, several former Members of the United States Senate and House of Representatives, and many other persons of historical importance and interest are buried; and

(2) the physical condition of these areas and related portions of the cemetery has deteriorated to the extent that restoration is necessary to protect and preserve the historical values of these areas.

SEC. 2. In order to assist in the restoration and preservation of the historic values of the Congressional Cemetery, the Architect of the Capitol is authorized and directed to make grants to the Association for the Preservation of Historic Congressional Cemetery, Washington, District of Columbia to be used for a program of restoration and preservation (but not routine maintenance) of the cemetery to be carried out under terms and conditions to be prescribed by the Architect of the Capitol. The Association shall maintain adequate records and accounts of all financial transactions and operations carried out under such program, and such records shall be available at all times for audit and investigation by the Architect or the Comptroller General of the United States. Nothing in this Act shall be construed to vest title to the Congressional Cemetery in the United States.

SEC. 3. There is authorized to be appropriated $300,000 for grants to be made under section 2 of this Act, such sums to remain available until expended.

SEC. 4. No authority under this Act to make payments shall be effective except to the extent and in such amounts as provided in advance in appropriations Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. PASHAYAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from California (Mr. PASHAYAN) will be recognized for 20 minutes.

The Chair recognized the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 6033 is to provide the means to help assure the restoration of the historic Congressional Cemetery in Washington, D.C. This cemetery is of particular importance to the Congress, as it was the burial place for many Members of Congress and executive officers who died in Washington during the 19th century. Presently, the remains of 14 Senators and 42 Representatives are still interred there, along with those of John Philip Sousa, Mathew Brady, and J. Edgar Hoover. Established in 1807, it served as the national cemetery from 1817 until Arlington National Cemetery was established after the Civil War.

The cemetery is, moreover, listed on the National Register of Historic Places and has been designated a historic landmark, by the District of Columbia. The cemetery contains an out-

standing collection of victorian statuary. Included are 165 sandstone cenotaphs designed by Benjamin Latrobe, which were erected at congressional expense to commemorate Members who died in office but who were not buried in the cemetery.

Indeed, Congress has maintained a supportive role in the establishment and development of Congressional Cemetery since its early days, including providing funds to erect the walls around it, stone vaults for the interment of Members of Congress, and construction of the gatehouse.

More recently, as many Members will recall, a cenotaph was erected at Congressional Cemetery in May 1981 to honor the memory of House Majority Leader Hale Boggs of Louisiana, who disappeared in an airplane accident over Alaska in October 1972. This was the first time in 105 years that a cenotaph had been dedicated there in honor of a Member of Congress who died in office.

Unfortunately, in recent years Congressional Cemetery became subject to increasing deterioration and disrepair. Legislation was enacted during the 94th Congress authorizing the Architect of the Capitol to do the necessary work to prevent further deterioration; however, appropriations were not forthcoming and the cemetery has suffered from increasing deterioration.

In 1976, the Association for the Preservation of Historic Congressional Cemetery was incorporated as an independent, nondenominational, charitable organization to preserve and restore the cemetery. The Association operates the cemetery under a 40-year lease from Christ Church, and has undertaken to raise substantial sums for maintenance and restoration work. Additional assistance is needed, however, to assure restoration of the historic sections and related areas, including the cemetery's infrastructure, much of which was installed by the Federel Government in the 19th century.

H.R. 6033 authorizes the Architect of the Capitol to make grants to the association for the restoration and preservation of the cemetery. The bill would authorize up to $300,000 in grants, to be used for the restoration and preservation, but not routine maintenance, of the cemetery. The Association would be required to maintain adequate records and accounts of financial transactions carried out under the grant and its records would be available for audit and investigation.

Mr. Speaker, I would like to thank our colleague from Louisiana (Mrs. BOGGS) for her outstanding leadership on this legislation. I would also like to thank the board of directors of the Association for the Preservation of Congressional Cemetery, including Lee Jenney and Florian Thayn, who have worked so hard to preserve this part of our national heritage. And I would like to thank the congressional staff members who assisted so diligently with the bill—Loretta Neumann, Dora Miller, and Clay Peters of the Interior Committee and Jan Schoonmaker on Mrs. BOGGS' staff.

I urge all of the Members of the House to support this important legislation.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Mr. Speaker, I rise in support of H.R. 6033, legislation to assist in the preservation of the historic Congressional Cemetery here in Washington.

Congressional Cemetery was established in 1807 and is located east of the Capitol on a bluff overlooking the Anacostia River. From its beginning there has been a very close relationship between the cemetery and the national legislature, hence the designation the "Congressional Cemetery." It was used during the 19th century as a burial ground for Members of Congress and other officials of the U.S. Government. Prior to the establishment of the Arlington National Cemetery, it was our only true national cemetery.

As the gentleman from Ohio has stated, the remains of a number of Members of both the House and the Senate are interred at the cemetery, as well as high-ranking officials of the Federal Government and heroes of the early days of the Republic. Three Presidents were interred there: William Henry Harrison, Zachary Taylor, and John Quincy Adams. Their remains, along with those of a number of Senators and Representatives, were later moved to home cemeteries. At the present time, two Vice Presidents, 14 Senators, and 42 Representatives are still buried at the Congressional Cemetery, along with those of John Philip Sousa, Matthew Brady, and J. Edgar Hoover.

In addition to the Members of Congress actually buried at the cemetery, a tradition developed in the early 19th century to honor incumbent Senators and Representatives who died in office by placing monuments in their memory which were made of the same Aquia Creek sandstone as was used in the construction of the original portions of the Capitol Building. These monuments, or cenotaphs, were designed by the second Architect of the Capitol, Benjamin Latrobe. The word "Cenotaph" is from the Greek for "empty tombs." There are 226 such memorials at the cemetery.

Over the years, Congress has appropriated funds for the purchase of burial lots, erections of monuments, and construction of roads and drainage at the cemetery. However, time has taken its toll and the cemetery has fallen into a state of disrepair. In 1976, a group of private citizens interested in the cemetery organized the Association of the Preservation of the Historic Congressional Cemetery. Operating under a 40-year lease, the association has raised the money for maintenance and a modest capital restoration effort, but there is very much more to do.

H.R. 6033 authorizes the Architect of the Capitol to make a $300,000 grant to the association for the purpose of restoring the historic parts of the cemetery and to repair various items. The funds would not be utilized for routine maintenance and this would not be an ongoing responsibility of the Architect. The legislation contemplates the restoration of historic structures and monuments, as well as the infrastructure of the cemetery. This includes repair of roads, street lighting, water service, repair and securing of walls and boundaries, and repair of the storm sewer system. Much of the now-deteriorated infrastructure was financed by Congress in the 19th century.

Earlier in my remarks I mentioned the cenotaphs placed in the cemetery during the 19th century. In May of 1981 this 19th century tradition was revived when a number of our colleagues joined with Speaker O'NEILL and me in dedicating a new cenotaph to the memory of my husband, Hale. This marker serves as the only memorial in the Capital City to the service of the former majority leader of this House.

Last October 16, I visited the cemetery at dusk. This beautiful park and its victorian monuments overlooking the Anacostia River and the hills of Anacostia beyond, were truly a stunning sight there in the sunset.

In recent years, a great number of citizens of Washington and visitors from throughout the country have discovered the beauty and charm of historic Congressional Cemetery. If we in Congress will take this one step to restore an integral part of our own history, I believe we will meet our obligations to the heritage of this body and the Nation. In so doing we will provide future generations with something tangible they can enjoy and cherish.

I urge passage if this legislation.

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlewoman from Louisiana (Mrs. BOGGS) for her remarks. As one Member who served in this body with our late colleague, Hale Boggs, I think it was a very fitting tribute to him that TIP O'NEILL and various other Members of the House did take part in dedicating that cenotaph. I think further that this is a fitting tribute not only to him

but to the service of his lovely wife in the years since he left us.

Mr. Speaker, I urge the passage of this legislation.

Mr. PASHAYAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the enactment of H.R. 6033, which authorizes Federal financial assistance for the Congressional Cemetery, located here in the Nation's Capital.

This cemetery has served for many years thoughout its history as a final resting place for many famous personages of our Nation's history, as well as for numerous Members of the House and Senate. The Congress has on previous occasions given financial assistance to the cemetery because of its special role in the history of our Nation and the Capital.

It is difficult for this cemetery to be completely self-supporting. The funding from this bill will help to restore some of the nationally significant sections of the cemetery, and will also aid in the more major restoration and repair or the cemetery's basic infrastructure.

Mr. Speaker, I want to point out that this bill specifically provides for the funds to be granted from the Architect of the Capitol to the Association for the Preservation of Historic Congressional Cemetery. While the Architect may exert some influence and oversight in this process to assure that the funds are used in accordance with the intent of his legislation, the bill does not provide for or anticipate that the Architect will withhold any funds for his own use—for overhead or administration—or for any other purpose. The Architect is primarily to serve as a conduit for the flow of the funds from the Congress to the Association.

Mr. Speaker, I urge my colleagues to support this measure.

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 6033, as amended.

The question was taken; and (two-thirds having voted in favor thereof) there rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GATEWAY NATIONAL RECREATION AREA IMPROVEMENT

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2218), to provide for the development and improvement of the recreation facilities and programs of Gateway National Recreation Area through the use of funds obtained from the development of methane gas resources within the Fountain Avenue Landfill site by the city of New York.

The Clerk read as follows:

S. 2218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of Public Law 92-592 is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding the provisions of subsection (a) of this section, the United States hereby conveys to the city of New York all rights to the methane gas and associated by-products resulting from solid waste decomposition on the area within the Jamaica Bay Unit known as the Fountain Avenue Landfill site, subject to payments to the United States of 50 per centum of the revenue received by the city of New York, if any, from the development of such rights. The Secretary shall grant to the City, its lessee or assignee, all rights-of-way and other permits necessary from the Department of the Interior to extract and transport the gas from the site: *Provided,* That the rights-of-way and other permits shall provide for reasonable restoration of the site, including removal of any processing or storage facilities used in the disposal, development, or extraction of the gas, access by the Secretary to the site for safety and other recreation area purposes, and such other reasonable conditions as the Secretary deems necessary to further purposes of the recreation area. All such payments to the United States shall be credited to the appropriations of the National Park Service for the development and improvement of Gateway National Recreation Area.".

SEC. 2. Subsection 4(a) of the Act of October 27, 1972 (86 Stat. 1308), is amended by changing "ten years" in the second sentence to "twenty years".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from California (Mr. PASHAYAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

□ 1300

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 2218 would grant the rights for methane gas from the Fountain Avenue Landfill site, within Gateway National Recreation Area, to the city of New York and would provide that 50 percent of the revenue received by the city of New York would be returned to the United States.

S. 2218 also includes a 10-year extension of the Gateway National Recreation Area Advisory Commission.

A similar measure to convey rights to the described methane gas (H.R. 6031) was introduced by JONATHAN BINGHAM on April 1, 1982. A measure to extend the life of the Gateway National Recreation Area Advisory Commission (H.R. 5014) was introduced by Mr. BINGHAM and was passed by the House of Representatives on March 23, 1982.

S. 2218 was passed by the Senate and referred to the House of Representatives on June 14, 1982 and was considered by the Subcommittee on Public Lands and National Parks on July 22, 1982 and ordered reported, without an amendment by the Committee on Interior and Insular Affairs on July 28, 1982.

Gateway National Recreation Area was established in 1972 by Public Law 92-592. New York City deeded the Fountain Avenue Landfill to the National Park Service in 1974 for inclusion in Gateway National Recreation Area. The city retained a right to use the landfill until December 31, 1985.

The 360-plus-acre landfill, located in the Jamacia Unit of the park, is known to be generating methane gas in amounts, that if extracted, are commercially attractive. The city of New York is currently developing a comprehensive methane recovery program in the city and would like to include the Fountain Avenue Landfill in its program. The surface area of the landfill is, in its present state, not usable for recreation as methane gas leakage and present uses preclude using the area for public access.

The city of New York desires to contract with a private corporation to recover and process the methane. They estimate the methane recovery program would last a minimum of 20 years and produce a gross annual revenue (price of methane at the well head) of $1,207,500 to $3,365,000, depending upon the quality of the gas. The city estimates proceeds of the sale of methane that will be returned to the city will amount to about 12½ percent of the gross value, or $150,000 to $420,000 annually, of which half will be shared with the National Park Service.

Mr. Speaker, I believe this bill to be advantageous to the United States, and the city of New York and has been worked out by our distinguished colleague from New York, JONATHAN BINGHAM, so as to avoid controversy. I also wish to thank Senator D'AMATO for his efforts on behalf of this bill.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. Speaker, I yield such time as he may consume to our colleague, the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I thank the chairman of the subcommittee for yielding.

I rise in support of this legislation. The distinguished chairman has well described the purpose of the bill.

I think this does represent a fair compromise between the interests of the Park Service and the interests of the city of New York.

It will provide an additional source of energy and it is all around a satisfactory arrangement.

I particularly would like to express my appreciation to the distinguished chairman of the subcommittee, the gentleman from Ohio (Mr. SEIBERLING), for handling this matter in such an expeditious way and for bringing it to the floor today and dealing with it very effectively in the subcommittee.

Mr. SEIBERLING. Mr. Speaker, I reserve the balance of my time.

Mr. PASHAYAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this bill accomplishes two things, both of which are needed at the Gateway National Recreation Area in New York.

The first part of the bill conveys to the city of New York the rights to extract the methane gas which is escaping from the Fountain Avenue Landfill site within the Gateway National Recreation Area. The gas appears to exist in commercial quantities, and the bill provides for the city to make payments of 50 percent of the revenue received from the development of such rights to the Federal Government.

The bill also authorizes the extension of the life of the Gateway National Recreation Area Advisory Commisson by 10 years. The Commission's authorization otherwise expires in October of this year. The House previously passed a separate bill on this matter, H.R. 5014.

Madam Speaker, I urge my colleagues to support this bill.

● Mr. GLICKMAN. Mr. Speaker, I rise in strong support of S. 2218 and want to commend the sponsors of this legislation, including the House sponsor, Representative BINGHAM, and the leadership for moving this legislation to the floor. This bill recognizes that with some flexibility and some planning we can take advantage of a very valuable energy resource which, otherwise, can be a problem instead. As the author of the Methane Transportation Research, Development and Demonstration Act in the last Congress, I became very well versed in the potential of using methane to meet a whole range of energy needs, including those in the transportation sector.

I am glad to see that New Yorkers took the initiative here to make sure that this energy resource will be tapped, not wasted. I hope others around the country will follow their example in utilizing this energy resource which has, to say the least, remarkable potential.●

The SPEAKER pro tempore (Mrs. BOGGS). The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the Senate bill, S. 2218.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ALABAMA WILDERNESS

Mr. SEIBERLING. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 6011) to designate certain lands in the Bankhead National Forest, Ala., as a wilderness area and to incorporate such wilderness area into the Sipsey Wilderness, as amended.

The Clerk read as follows:

H.R. 6011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alabama Wilderness Act of 1982".

SEC. 2. (a) In furtherance of the purposes of the Wilderness Act, the following lands are hereby designated as wilderness, and therefore, as components of the National Wilderness Preservation System—

(1) certain lands in the Talladega National Forest, Alabama, which comprise approximately six thousand seven hundred and eighty acres, as generally depicted on a map entitled "Cheaha Wilderness—Proposed", dated May 1982, and which shall be known as the Cheaha Wilderness;

(2) certain lands in the Bankhead National Forest, Alabama, which comprise approximately twenty-eight thousand five hundred acres, as generally depicted on a map entitled "Sipsey Wilderness Additions—Proposed", dated July 1982, and which are hereby incorporated in and shall be deemed a part of the Sipsey Wilderness as designated by Public Law 93-622.

(b) Subject to valid existing rights, the wilderness areas designated under subsection (a) shall be administered by the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") in accordance with the provisions of the Wilderness Act of 1964 (16 U.S.C. 1131-1136) governing areas designated by that Act as wilderness except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

(c) As soon as practicable after the date of the enactment of this Act, the Secretary shall submit a map and legal description of the wilderness areas designated by subsection (a) to the Committee on Energy and Natural Resources of the Senate and the Committee on Agriculture and the Committee on Interior and Insular Affairs of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that any clerical or typographical error in such map or legal description may be corrected. The Secretary shall place such map and legal description on file, and make them available for public inspection, in the Office of the Chief of Forest Service, Department of Agriculture.

SEC. 3. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of national forest roadless areas in Alabama and the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to national forest lands in States other than Alabama, such statement shall not be subject to judicial review with respect to national forest system lands in the State of Alabama;

(2) with respect to the national forest lands in the State of Alabama which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II), except those lands remaining in further planning upon enactment of this Act, that review and evaluation shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 (Public Law 94-588) to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the initial plans and in no case prior to the completion of the initial planning cycle;

(3) areas in the State of Alabama reviewed in such final environmental statement and not designated as wilderness by this Act or remaining in further planning upon enactment of this Act need not be managed for the purpose of protecting their suitability for wilderness designation pending revision of the initial plans; and

(4) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of national forest system lands in the State of Alabama for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.".

The SPEAKER pro tempore. Is a second demanded?

Mr. PASHAYAN. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. SEIBERLING)

will be recognized for 20 minutes, and the gentleman from California (Mr. PASHAYAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 6011 as reported by the Committee on Interior and Insular Affairs and as further amended by the Committee on Agriculture. H.R. 6011 would add approximately 28,500 acres to the existing Sipsey Wilderness in the Bankhead National forest and would designate a new 6,780-acre Cheaha Wilderness in the Talladega National Forest.

The proposed 28,500-acre Sipsey addition was introduced by Congressman FLIPPO and is cosponsored by Alabama Congressmen NICHOLS, JACK EDWARDS, and ALBERT LEE SMITH. I commend them for their leadership. It is in four adjoining parcels and would increase the size of the Sipsey Wilderness to approximately 42,000 acres. The Sipsey Wilderness is about a 90-minute drive from Birmingham and is generally characterized by gently rolling topography which is cut by numerous drainages, or "canyons," noted for their steep sidewalls and sandstone cliffs. Fossils from the late Paleozoic era are abundant. Vegetation consists of cove hardwoods along the drainages and a hardwood pine mix on the side slopes and ridges. The cool, moist canyons provide suitable habitat for what are essentially Appalachian flora, but with unusual inclusions from the Piedmont to the east and Ozark areas to the west. Cool temperatures in the gorges allow many plants to reach their southernmost geographical limit on the Bankhead National Forest. Wilderness protection will insure that the forest returns to a near virgin state. Whitetail deer, bobcat, opossum, raccoon, and other wildlife species inhabit the area. I note that although the proposed wilderness contains some commercial timber, it is less than two-tenths of 1 percent of the total commercial forest land in Alabama. For this reason, any impacts on timber supply will be almost nonexistent.

The 6,780-acre proposed Cheaha wilderness was introduced by the entire Alabama delegations in the House; it is in the district represented by our colleague WILLIAM NICHOLS and he deserves credit and commendation for his leadership on this legislation. The proposal abuts Cheaha State Park and encompasses the second and third highest peaks in Alabama. Lying within a 90-minute drive of Birmingham and 2 hours from Montgomery, the proposal straddles the southernmost extension of the Blue Ridge Mountains and is popular for hiking and other forms of primitive recreation. The Odum Scout Trail and several other trails traverse the area. Scenery is spectacular throughout, as is evidenced by the fact that the area got the highest wilderness attributes rating in the state during the RARE II review process.

Resource conflicts with wilderness designation are minimal. A study by the U.S. Bureau of Mines shows no significant mineralization, and timber potential is also low. Indeed, when combined with the proposed Sipsey additions, the total timber potential is roughly three-tenths of 1 percent of the commercial timberland in Alabama.

Madam Speaker, this concludes my prepared statement and I would yield to the gentleman from Alabama, who know these two areas better than I.

Mr. PASHAYAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 6011, the Alabama Wilderness bill.

As the chairman of the Public Lands and National Parks Subcommittee (Mr. SEIBERLING) has explained, the bill adds approximately 28,500 acres to the existing Sipsey Wilderness and creates a new area to be known as the Cheaha Wilderness totaling 6,780 acres.

Both these areas have been carefully studied by our committee and have the support of the Alabama delegation.

The Sipsey additions consist of six separate RARE II areas and approximately 800 acres which were not inventoried by the Forest Service. The RARE II areas were primarily allocated to the category called further planning with the exception of two areas actually recommended for wilderness designation by the Forest Service in 1979.

The administration testified before our committee in support of deferring a final decision on the further planning areas to allow time to resolve the problems associated with private inholdings and access. Our committee chose not to delay decision.

I am satisfied that we have addressed and resolved most of the problems. The distinguished gentleman from Alabama, the author of the bill (Mr. FLIPPO) has worked closely with the committee to draw the boundaries in such a way as to delete as much private land as possible and give special consideration to access by way of existing roads. The committee received requests from people in the area to leave an unpaved road known as the "northwest Road" open to permit access to private land and recreational use. We have accommodated these requests.

The Cheaha area was recommended for wilderness designation by the administration and I understand the entire Alabama delegation cosponsored the original legislation.

The primary conflict in the Cheaha area was the possible location of the Talledega Scenic Drive through part of the area. The proposed highway has been rerouted leaving the area appropriate for wilderness designation. Taken alone, it may seem somewhat small in size but it is, in fact, adjacent to the Cheaha State Park and will greatly enhance and complement the park.

Neither of the two wilderness proposals before us today are of the size or pristine nature that those of us in the West are used to seeing. They are, however, undeveloped tracts of land of which few remain in the East. I believe there is a real need for recreational areas of this type and that designation of these areas as wilderness will serve the public well.

It is my understanding that the bill has been amended by the Agriculture Committee to add "release language." I support the concept of release language and believe it is appropriate in this bill. There are approximately 18,000 acres of nonwilderness land in Alabama which are inventoried by the Forest Service under the RARE II process and will be "released" by this bill from further wilderness study during the first generation of forest management plans.

Unlike California, there are no lawsuits holding up activities on these lands and one might argue that release language is not needed. I believe it is appropriate for this Congress to express its support for the concept of proper multiple-use management of our public lands which the amendment does.

Again, Madam Speaker, I support the legislation and urge its prompt passage.

Mr. SEIBERLING. Madam Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Madam Speaker, I rise in support of H.R. 6011, legislation to create two new wilderness areas in my home State of Alabama. As principal sponsor of the Cheaha Wilderness Area, I would like to direct my remarks in support of this proposed site.

For at least the past 4 years, advocates for a wilderness area in this portion of Alabama have encouraged me to support legislation to create a wilderness site in a rugged and isolated portion of Clay County. For those of my colleagues who have not had the good fortune to visit my congressional district, this area comprises part of the highest elevated point in Alabama. These are the Appalachian foothills which were forbidding to settlers in the 1800's and today are still sparsely populated.

The area is beautiful, embodying creeks, wildlife, forests, and vistas of Alabama that are little changed from the days that the Creek Indians inhabitated the region.

In 1978, the U.S. Forest Service surveyed different parts of Alabama to determne locations suitable for wilderness designation. The survey identified the Cheaha area as one of the most ideal sites for an Alabama wilderness.

For several years I have worked with the U.S. Forest Service, Alabama conservation groups, State of Alabama Highway Department and Conservation and Natural resources Department officials, private industry, and private landowners. We have held meetings on both the State level, locally in Clay County, and congressional hearings here in Washington. From these extensive meetings an agreement has been reached creating a wilderness area of nearly 7,000 acres.

The people of Alabama are excited about the Cheaha Wilderness Area. They are excited because it includes a portion of Alabama that is virtually unchanged by civilization. It is a proposed site that has been created by the people of our State through consensus, compromise, and cooperation. The Cheaha Wilderness proposal is accessible from either the east or the west and its location is approximately half way between the population centers of Birmingham and Atlanta. It is an area that utilizes only public land, so no private land acquisitions will be necessary.

We anticipate that the wilderness area will be very popular. It offers the region hiking, camping, and outdoor opportunities in a rugged and challenging environment.

On behalf of the people of my area, I urge my colleagues to support this legislation creating and preserving the Cheaha Wilderness, which will be a benefit for this generation and many generations to come.

Mr. SEIBERLING. Mr. Speaker, I yield such time as he may consume to our colleague from Alabama (Mr. FLIPPO).

Mr. FLIPPO. Mr. Speaker. I rise in strong support of the Alabama wilderness bill. The bill before the House today would expand the Sipsey Wilderness in my district and designate lands in the Talladega National as the Cheaha Wilderness in the district of my distinguished colleague from Alabama, BILL NICHOLS.

At the outset, Mr. Speaker, I want to thank and commend the gentlemen from Ohio (Mr. SEIBERLING) and the ranking minority member, (Mr. YOUNG of Alaska), and all the members of the subcommittee who have been very helpful and gracious to me and all the residents of my district who have appeared before the subcommittee to testify on this bill. I also want to commend and thank the chairman of the Agriculture Committee, (Mr. DE LA GARZA), the ranking majority member of the committee, (Mr. FOLEY), and the ranking minority member of the committee (Mr. WAMPLER), and all the members of the committee for their help and assistance in moving this bill to the floor in an expeditious manner.

H.R. 6011 would change the status of approximately 29,000 acres of forest land in the William B. Bankhead Forest located in North Alabama. The 179,294 acres in the Bankhead represent an unique national asset that is an integral part of the culture and economy of the region. Over half the land in the Bankhead is located in Lawrence County, Ala., in the Fifth Congressional District, which I am proud to represent.

In 1974, Congress passed the Eastern Wilderness Act, which designates 12,000 acres within the Bankhead as the Sipsey Wilderness. This was a prudent act of Congress. I wish, Mr. Speaker, that you and all the Members of this body could walk though this area like I have many times and experience first hand the breathtaking beauty and splendor of this forest. It is a magnificent national treasure.

The Sipsey Wilderness was created by legislation drafted and managed by one of Alabama's and the Nation's greatest statesman, the Honorable John Sparkman. Mr. Speaker, I am proud to insert in the RECORD at this point the statement made by Senator Sparkman when the legislation was considered in the Senate in 1974. It provides a moving and vivid description of the priceless value of this portion of our national forest system and our heritage.

[From the CONGRESSIONAL RECORD, Apr. 21, 1971]

BANKHEAD NATIONAL FOREST IN ALABAMA

Mr. SPARKMAN. Mr. President, I am introducing a bill which will assure permanently to the people of Alabama and of the Nation the use and enjoyment of one of Alabama's splendid natural treasures, the proposed Sipsey Wilderness on the Bankhead National Forest situated in Lawrence and Winston Counties in northwest Alabama. Joining with me in sponsoring the bill are my colleague from Alabama, Senator Allen; and Senators Church, Eastland, Hart, Jackson, Metcalf, Bennett, Hatfield, Tower, and Young.

For generations, the people living in northern Alabama and, indeed, people from surrounding States, have been going to the headwaters of the Sipsey River to enjoy the wild beauty of this area and to refresh themselves by roaming, camping, fishing, hunting, and learning the ways of nature in this truly extraordinary piece of God's handiwork.

Our bill would place approximately 12,000 acres encompassing the headwaters of the Sipsey River under the National Wilderness Preservation system in accordance with the Wilderness Preservation system in accordance with the Wilderness Act of 1964. The protection provided by the Wilderness Act would guarantee by the surest means that the natural treasures within this unique area in the way of wildlife, plants, geology, and rugged stream canyons will continue to flourish and to be available for all people to see and to know, to enjoy and understand.

The natural qualities of the Bankhead National Forest, and in particular the qualities of the proposed Sipsey Wilderness, are remarkable, because it is here that the three major land masses, or types, east of the Rocky Mountains meet and overlap. This makes possible an extraordinary diversity of plants and animals in this area. This immensely varied combination of soils, water, and climate provides a total environment which offers the essential living conditions for a range of plant and animal life far in excess of that found almost anywhere else in the eastern United States. It is an area which truly demands preservation.

Geology has provided a naturally protected ecology in this part of the Bankhead Forest. The canyons are rimmed by massive bluffs of sandstone which form precipitous cliffs, some more than 100 feet high. The canyons themselves are deep, shadowy and cool. Fossils from the late Paleozoic era are abundant. The area is a veritable botanists' paradise. The cool, moist canyons provide suitable habitat for what is essentially Appalachian flora, but with unusual inclusions from the Piedmont to the east and the Ozarkian areas to the west. Cool summer temperatures in the gorges allow many plants to reach their southernmost geographical limit on the Bankhead National Forest. Two very rare and demanding representatives of the fern family are abundant in the area. The lovely large yellow ladysliper, a native orchid of great beauty, is found amongst a carpet of rare and unusual mountain wildflowers growing unexpectedly far south. Two wild camellias, aristocrats of our native flowering shrubs, three species of deciduous magnolias, and Alabama's largest specimen of the tulip poplar tree are to be seen here. Large, vigorous hemlocks are especially noteworthy, as this is the southernmost range of that species.

Much is to be learned about the distribution and ecology of nongame mammals living in the proposed wilderness. Twenty-five of 53 species and subspecies of southwestern mammals have been definitely recorded in the proposed wilderness tract. It seems probable that careful scientific study, which is already being carried on, will disclose other species. The area has been renowned for its abundance of game animals since Indian times. There are 147 species of birds known to occur in the area. Two species of amphibians, the barking tree frog and the seal salamander, live here far from their previously known ranges. While a great many people have little interest in snakes, it is interesting to note that the red milk snake, which is rather pretty, has been found here, more than 100 miles from its previously known range.

In short, the area is indeed unique, and such a wealth of living natural wonders cries out for the full protection which can only be provided through designating the region as wilderness.

If my bill is enacted, future generations of Alabamians and Americans from all over the Nation will be able to enjoy the refreshing and stimulating wilderness experiences to be gained here.

I am indeed proud that Senators from other sections of the country have joined with Senator Allen and me in sponsoring this bill. I earnestly hope that it will be approved.

The RARE II study identified seven roadless areas encompassing 30,658 acres in the Bankhead National Forest. All seven are located in Lawrence County in my congressional district or immediately adjacent to my district in Winston County.

The Forest Service recommended that the Sipsey Addition area identified as 8-068 on the map and the Borden Creek area identified as 8-208 on the map be designated as wilderness. The two areas account for 7,173 acres.

The remaining five areas, totaling 23,485 acres, were allocated for further study and planning.

H.R. 6011 would designate approximately 29,000 acres of the Bankhead Forest as wilderness. This proposed allocation includes the 7,173 acres recommended in the RARE II study for wilderness, four of the five further planning areas, and approximately 800 acres of land not included in the study area. The total number of acres proposed in this bill is 29,000.

The Sipsey Wilderness Additions proposed in H.R. 6011 would be adjusted to avoid designating private landholdings as wilderness wherever possible and to avoid changing the status of Bankhead Forest land not located in Lawrence County in the Fifth Congressional District.

The 800-acre tract of land not included in the RARE II study recommendations but included in H.R. 6011 is located between the northern boundary of the Sipsey Wilderness and the area depicted as 8-206 on the map. The omission of this oblong shaped area would leave a hole in the middle of the proposed wilderness area and complicate management of an expanded Sipsey Wilderness. I believe that it is important to view the proposed wilderness expansion in relation to the size and scope of forest activities throughout the State.

The forest products industry is one of the largest, if not the largest industry in Alabama. It has been the fastest growing source of jobs and income in my State.

The commercial forest land base in Alabama is the third largest in the Nation. Only Georgia and Oregon have more commercial forest land than Alabama. Two-thirds of the land in Alabama of 21.3 million acres are covered by forest. Some of this land located in the southern half of the State is among the most productive in the country.

Like most other Southern States, 75 percent of Alabama's commercial forest land is owned and controlled by thousands of nonindustrial private owners. Our forestry industry depends on free timber markets with many participants for most of its wood supply. Public forest lands account for only 1 million acres of the total commercial forest lands in Alabama.

The total value of the timber cut in Alabama in 1981 amounted to $228.4 million. The value of the timber cut in Alabama increased by 31.3 percent in the 5 years between 1977 and 1982.

Timber resources and the forest products companies are located in every county in Alabama. Every county has some timber production and every county, except one, has over 100,000 acres in commercial forest land. There are 15 operating papermills and 225 sawmills in Alabama.

H.R. 6011 would expand the size of the Sipsey Wilderness to approximately 42,000 acres. This expanded wilderness would amount to:

Less than two-tenths of 1 percent of the total land area in Alabama;

Less than two-tenths of 1 percent of the total commercial forest land in Alabama;

Less than 5 percent of the total public forest lands in the State.

The forest products industry is, without any doubt, a very important source of jobs, income, and business in my State. This industry is part of the culture, history, and heritage of Alabama.

The future outlook for this industry in my State is excellent. The industry is now harvesting 64 percent of the growth in all species and 73 percent of the growth in softwoods. The opportunity for expansion of the forest economy is good.

The proposal to expand Sipsey Wilderness has received widespread support throughout my district and the State. Over 15 months ago several of my constituents and leaders of State conservation groups asked me to introduce legislation to expand the Sipsey Wilderness. I told them I would do so only if they could demonstrate public support for the proposal and only if they could prove it would not have an adverse economic impact.

They went to work and soon thereafter letters began to pour into my office from all over Alabama in support of expanding the size of the Sipsey Wilderness.

The response from public officials throughout the State has been surprising and encouraging. The Sipsey Wilderness expansion proposal has been endorsed by the Governor, the Lieutenant Governor, the attorney general, the secretary of state, the commissioner of the State department of conservation and natural resources, and the State director of the division of game and fish and the director of the Alabama Bureau of Publicity and Information.

The bill has enjoyed widespread support in Lawrence County in my district where the Sipsey Wilderness is located. It has been endorsed by the local chamber of commerce, the county tax assessor, the county tax collector, the local members of the State judiciary, the Lawrence County Association of Elected Officials, and a wide spectrum of public and private citizens.

The bill has also been endorsed by every major newspaper in my district and throughout the State.

Mr. Speaker, I have included at this point in the RECORD some samples of the letters and newspaper editorials supporting H.R. 6011.

[From the Anniston (Ala.) Star, May 4, 1982]

PRESERVE WILDERNESS

U.S. Rep. Bill Nichols has said he will decide within the next few weeks whether to introduce willderness legislation affecting a portion of the Talladega National Forest. This would give the area legal protection as a wilderness area. There could be no road building or commercial development.

Once again we urge Congressman Nichols to introduce this legislation. The fate of the forested ridges south of Cheaha Mountain and of the wilderness trails that run the length of the ridges has been uncertain for too long. It is time to make the decisions that will protect the wilderness and the trails.

At an April 16 meeting with representative of groups concerned with the wilderness proposal, Nichols said he would make his decision within a month. He hinted that he would go ahead with the legislation.

He indicated he would probably combine the Talladega Wilderness bill with a bill already introduced by Rep. Ronnie Flippo that would expand a wilderness area in the Bankhead National Forest.

If that is Nichols' intention, it's good news.

The decision, once made, would also end the uncertainty surrounding the location of the proposed Talladega Scenic Drive south of Cheaha. Highway designers could make definite plans based on routing the drive around the wilderness area. Hesitation could end and we could move on to other issues.

We hope Congressman Nichols will move as quickly as possible to introduce the needed wilderness legislation. We believe combining this legislation with the Bankhead bill to create an omnibus wilderness bill for Alabama is the best course to take.

We urge Alabama's senators, Howell Heflin and Jeremiah Denton to sponsor the necessary companion legislation in the Senate.

The entire state delegation in Congress should support legislation to preserve the state's priceless wilderness heritage.

[From the Alabama Journal, April 12, 1982]

THE SIPSEY

In these callous times of James Watt and lessening government interest in environmental concerns, a bill introduced by Rep. Ronnie Flippo, the Florence Democrat, stands out like a sequoia.

As noted in a letter elsewhere on this page, Flippo's bill proposes enlarging the Sipsey Wilderness Area in the Bankhead National Forest by 30,900 acres. It is legislation that should be passed.

The Sipsey area is one of rare and unspoiled beauty. It contains the last original timber stands in the state and this bill would protect them from the trucks and chainsaws of logging companies.

Designated wilderness areas are off-limits to commercial or industrial concerns and

remain rugged and scenic for hikers, canoers and other lovers of the outdoors. Few other states are as blessed with natural beauty as ours and this opportunity to protect a part of that beauty shouldn't be missed.

The near-unanimous support of the bill by citizens and officials of surrounding towns and counties is encouraging. State officials, including the governor and conservation director, also support the expansion.

Industrial growth and energy exploration have removed many of the nation's wilderness areas. Much of this scarring of the land has been necessary, decreed by practicality. But it is comforting to know that some of this invaluable territory can be preserved in all its splendor and be enjoyed and cherished for decades.

Flippo's bill deserves the support of our other representatives. Their help in getting the bill through is needed and expected.

[From the Birmingham Post-Herald, May 11, 1982]

SIPSEY EXPANSION

One of the advantages of living in Alabama is the natural beauty which exists within only a few hours travel of wherever you live. Not only is this beauty important for its own sake, but it forms the base of a flourishing recreational industry.

Unfortunately, some areas of particular beauty are also among the most vulnerable to man's predations. Unless steps are taken to protect these areas from short-sighted exploitation, the irreplaceable beauty will give way to ugliness.

One such area is found in the Bankhead National Forest. The Sipsey Wilderness Area presently contains 12,600 rugged acres that attract thousands of hunters, fishermen, hikers and campers each year. The land is of little commercial timber value because of the terrain and the easy erodibility of the soil. But it is invaluable to the people of Alabama.

U.S. Rep. Ronnie Flippo of Florence, with unusually strong support from state and local public officials and various private organizations, is seeking to provide greater protection for the Sipsey area by expanding the designated wilderness by 30,900 acres in Lawrence and Winston counties. This expansion—which also is not suitable for commercial timbering—would leave nearly three-fourths of the national forest—132,000 acres—available for timber production.

Flippo introduced the Sipsey expansion bill in early April and committee hearings will probably be held in the next several weeks. But given the glacial speed with which Congress is moving this election year and the lack, at present, of companion legislation by Senators Howell Heflin and Jeremiah Denton, it is unlikely that the expansion will take place this year.

But Flippo, and U.S. Rep. Albert Lee Smith, who recently endorsed the legislation, should keep pushing this worthy cause. The original designation of the Sipsey Wilderness Area took several years. The expansion has much greater support. It shouldn't take nearly as long.

[From the Birmingham News, Oct. 7, 1981]

SIPSEY LANDS

Very often the setting aside of land for a wilderness conservation area is accompanied by explosions of controversy and battles between economic interest and conservationists.

Alabama, however, is fortunate enough now to be on the receiving end of a proposal from several state conservation groups which would set aside about 30,900 acres of land in the Bankhead National Forest for addition to the state's Sipsey Wilderness Area in a project which has the endorsement of practically all local officials in the affected area and which would apparently have no adverse economic impact on anybody.

Wilderness areas are fully open for hunting, fishing, hiking, backpacking, camping, canoeing and other recreational activities, as well as educational and scientific pursuits. They cannot be used for commercial purposes.

In the case of the proposal being offered by the Alabama Wilderness Coalition, an organization formed from several groups of hunters, fishermen and other conservationists, the commercial aspect may be irrelevant. Much of the land is part of a canyon system which honeycombs the Bankhead National Forest. That, plus the fact that it is composed of soils which erode very easily, makes it far less than desirable for timbering or other commercial ventures.

In fact, studies conducted by regional planning commissions around the affected area indicate that the project would have "virtually no economic effect." A similar conclusion was reached in a 1979 study by the U.S. Forest Service.

U.S. Rep. Ronnie Flippo is studying the proposed addition to the Sipsey and has promised to support some measure to have more of the land already a part of the Bankhead Forest system designated as wilderness. Hopefully, action can be taken as quickly as possible. The proposal would be a real boon to state hunters, fishermen and campers and a rare chance for Alabama to have its cake and eat it too.

[From the Cullman (Ala.) Times, Nov. 26, 1981]

WILDERNESS ACTION WOULD BENEFIT AREA

We like the idea of adding 30,900 acres of the Bankhead National Forest to the Sipsey Wilderness Area. Like many environmental groups, we also urge U.S. Rep. Ronnie Flippo to introduce appropriate legislation.

The Sipsey Wilderness Area consists of 12,000 acres. It's to be preserved just as it is for future generations. Add 30,900 acres to it and it will be one of the largest of its kind in the Southeast.

Will it hurt anyone to do that?

Everyone says no. Even the U.S. Forest Service is not opposed to it. The land, honeycombed with canyons and composed of soil that erodes easily, is virtually no good for anything as it is. Not even timber will grow there very well.

So it's perfect as a picturesque setting for the future. And most of the Bankhead National Forest will still be untouched. The national forest has 176,000 acres in it now. If the 30,900 acres are set aside, it will still have 134,000 open for commerical timber production.

Down the road is a plan to use these wilderness areas to attract outdoorsy tourists: hunters and fishermen, hikers, backpackers, campers and canoers. If the Bankhead plan goes through and, later, the West Fork Sipsey River is added to it, it'll provide an outdoor recreation complex equal to almost anything in the Smokies.

All in all, it sounds like a great idea that we should get cracking on.

[From the Daily Mountain Eagle, Jasper, Ala., April 26, 1982]

CONGRESS SHOULD GIVE OK TO SIPSEY WILDERNESS BILL

U.S. Rep. Ronnie Flippo of Florence has proposed a bill to enlarge the Sipsey Wilderness Area in the Bankhead National Forest. The bill would add 30,913 acres to the Sipsey and would benefit Alabamians for generations to come.

We join almost everybody else in the state in supporting this bill and we urge Sens. Howell Heflin and Jeremiah Denton to sponsor the necessary companion bill in the U.S. Senate.

Flippo's proposal designates the additional land in the Sipsey as land to be used only for recreation, education and scientific purposes. It would leave over 130,000 acres in the Bankhead National Forest available for commercial timber production.

The land is already federal property, so the bill wouldn't cost the taxpayers one cent. It wouldn't hurt the logging industry's pocketbook since the land in question includes a network of canyons which makes logging difficult if not impossible and not very profitable. The amount of money that the expanded Sipsey Wilderness would bring into Alabama from tourists has not been estimated, but it should be substantial.

But, dollars and cents aside, the beauty of the Sipsey must be preserved for years to come.

Flippo says this bill is one of the most popular he has ever introduced in the House of Representatives. It has been endorsed by, among others, Gov. Fob James, the Alabama Department of Conservation and Natural Resources, most of the state's major conservation organizations and almost every county official in Lawrence County, where 99 percent of the land lies.

To quote the Alabama Journal, "In these callous times of James Watt and lessening government interest in environmental concerns, a bill introduced by Rep. Ronnie Flippo, the Florence Democrat, stands out like a sequoia."

[From the Decatur Daily, Dec. 23, 1981]

A VALUABLE RESOURCE

The Bankhead National Forest is a vast, beautiful area rich in natural resources and recreation possibilities that also provides the watershed that nourishes a huge land mass.

It is one of the few large areas of the South where man's mark is not in great evidence.

We have the opportunity, by means of legislation, to add 30,900 acres of the public lands of that forest to the existing Sipsey Wilderness Area established there in the early 1970s. This extra acreage will give North Alabama over 45,000 acres of wilderness, making it the largest tract in this section of the country.

For various reasons, some have voiced opposition to the addition of new wilderness. Investors see the Bankhead as a virtual fortune in coal, timber and other resources.

But there are some figures here we must take into consideration. The Bankhead involves only one percent of this state's forest lands. The existing wilderness and the additional proposed wilderness would make up only three-tenths of one percent of the forest lands in Alabama.

Wilderness designation puts aside lands with the intent of saving them for future generations. It does not mean they will never be used.

The Bankhead National Forest is a valuable resource for this area. The acres set aside for wilderness and those 30,900 proposed for new wilderness would help assure our children and their children's children that they will have a place where they can visit nature under conditions similar to those found here before this country was founded.

We join with conservation leaders, state officials and concerned citizens in asking Representative Ronnie Flippo to sponsor and promote legislation to add those 30,900 acres of Bankhead Forest lands to the wilderness program.

[From the Florence Times-Daily, Dec. 2, 1981]

FOREST LEGACY

Proposed legislation which would preserve a portion of Bankhead National Forest for the enjoyment of future generations is drawing support from all directions.

Conservationists, sportsmen and state and local officials—normally not a bunch likely to form a coalition on anything—all have risen to speak in favor of the project.

The idea is to have 30,900 acres designated as part of the Sipsey Wilderness Area, a move which would protect woodland which contains the last original stands of timber in the state.

Naturally, the conservation-minded are enthralled with the prospect of saving a section of the lush Bankhead Forest. Inclusion in a designated wilderness area would prevent devastation of the area by commercial timber operations for the purpose of short-lived profits.

Officials of most of the small cities which surround the area—Moulton, Hartselle, Cullman, Winfield, Haleyville, Phil Campbell and Russellville—would be happy to see that part of the forest added to the Sipsey Wilderness.

The potential for a lucrative tourist trade made possible by the recreational offerings of such a beautiful part of the state have to sound good to the financially strapped municipalities.

The inclusion of the additional acreage would offer the natural bounty of the area to hunters, fishermen, hikers and others, without hurting commercial aspects of the forest.

The area includes an intricate canyon system and easily eroded soils which make it undesirable for commercial ventures.

Even the commissioner of the state Department of Conservation and Natural Resources has endorsed the plan.

John M. McMillan Jr., in a letter to U.S. Rep. Ronnie Flippo, noted that, although he normally favors retaining state woodlands for multi-use purposes, he realized that the 30,900 acres only represents one-fifth of 1 percent of Alabama's forest lands.

". . . I feel that this minimum acreage can be spared to assure that in future years we have at least part of our forests in a natural state whereby future generations can enjoy it," McMillan said in the letter.

Former Florence mayor Hollie Allen has been active in seeking support for the conservation effort.

Allen says he firmly believes that the environmental, ecological, educational and aesthetic concerns justify the wilderness designation, in addition to compelling economic considerations.

It's now up to our people in Washington—Flippo and Sens. Howell Heflin and Jeremiah Denton—to see that part of one Alabama's most valuable resources, its untouched lands, is preserved.

[From the Florence Times-Daily, Mar. 25, 1982]

FOREST HERITAGE

The roots of more than hardwood trees are at stake in the battle to add some 30,000 acres of the Bankhead National Forest to the Sipsey Wilderness.

Alabama's heritage is inseparable from this last vestige of hardwood forest which once covered the state.

A congressional bill proposing the addition has drawn support from many unlikely and influential sources in Alabama. It has also drawn opposition.

Conservationists, sportsmen and state and local officials have joined forces to add this invaluable link with the past to the state's dwindling natural forest areas. Even Gov. Fob James has sent letters of support to congressmen.

The inclusion of this parcel of land will prevent devastation of the area by commercial timber operations. It will also provide potential for a much-needed tourist trade as well as a perfect recreational area for hunters, fishermen, hikers and others, without hindering the commercial growth of the forest.

A recently formed goup called the Society for Wise Use of Federal Forest Lands says leaving the land for wilderness is not a wise decision, however.

Members of this group, composed largely of members of the timber industry, contend that if the land is admitted to the wilderness area it will cause great monetary losses to the timber industry and will only benefit a small number of people.

SWUFFL members say that only about 1 percent of Alabama's population will be able to make use of the area and contend that counties included in the proposed area would lose about $60,000 per year because of prohibited timber sales.

The group also claims that the wilderness area would be closed to hunters and horses.

This, of course, is not true. Federal guidelines allow hunting, hiking, horseback riding and fishing on national forest lands.

It is also untrue that the counties included in the wilderness—Franklin, Lawrence and Winston—would lose money if the 30,000-acre addition is approved.

A spokesman for the Birmingham Audubon Society says that if the land is set aside for a wilderness area, the three counties will receive income from timber sales in other parts of the forest and a set annual payment from the federal government.

Anytime forest land is protected by the federal government, the affected counties receive a payment for the property—no matter what it is used for.

Also, counties get 25 percent of the federal government's revenue on timber sales from other national forest lands.

The area presently being considered for the Sipsey Wilderness has been off limits to timber harvesting for five years.

But the income from the forest land has grown by 200 percent.

A resort area planned for the wilderness should attract more visitors to the area. Thus, more and more people will make use of the natural beauty and heritage that are Alabama's forests.

The wilderness area will be something Alabamians can enjoy and be proud of forever.

A little foresight now can save a lot of grief in the not-so-distant future.

[From the Florence-Times, Apr. 11, 1982]

PROTECTING SIPSEY

U.S. Representative Ronnie Flippo and Governor Fob James are to be commended for sticking by the far-sighted Sipsey Wilderness addition project, even though new opposition to it arose just before the bill was introduced in Congress.

Both Flippo and the governor stood firm on their commitment to conservation in the face of powerful opposition from Alabama's timber industry.

After the timber interests, operating under an umbrella organization called the Society for Wise Use of Federal Forest Lands (SWUFFL), realized the bill was on the verge of being introduced in Congress, they bombarded local residents and politicians with a veritable sea of "facts" designed to block the proposal.

The SWUFFL group held town meetings in Moulton in an effort to persuade residents of the proposed three-county site to turn against the project.

SWUFFL representatives told those present at the meetings that the addition of 31,000 acres of the Bankhead National Forest to the protected Sipsey Wilderness would rob them of almost $60,000 per year in timber sales revenues.

Proponents of the measure, however, point out that because of federal laws pertaining to protected wilderness areas, residents of Winston, Franklin and Lawrence counties would not lose any revenues in timber sales.

Under federal laws any county containing protected forests is entitled to 25 percent of revenue from timber sales on other federal forest lands.

More than 100,000 acres of the Bankhead National Forest will be available for timber harvest.

Some of those backing the measure also pointed out that the addition has been protected for five years and all three counties have experienced a 200 percent increase in revenue from the lands.

Another advantage proponents cite is the increase in tourism a wilderness area would attract.

Last year alone, more than 400,000 people utilized the hardwood forest for recreation and learning.

That number can be expected to increase because state officials are said to be planning a forest resort area to rival any of those in the Smoky Mountains.

But revenue is not all that is at stake in the upcoming congressional decision.

The proposed additional acreage contains some of the last stands of hardwood forest that for years helped distinguish our state as "Alabama the Beautiful."

This vulnerable area is inseparably connected with Alabama's heritage.

A small addition to the protected area such as the one proposed for the Sipsey Wilderness would be worth a revenue loss just to preserve that heritage.

Our children deserve the right to enjoy the majesty of nature in a wild, unspoiled state.

Flippo and James deserve a round of applause for their efforts toward this goal.

[From the Huntsville Times, Oct. 26, 1981]

. . . NEARER HOME

A proposal to add 30,900 acres of land in the Bankhead National Forest to the Sipsey Wilderness area is now under consideration. The designation of this additional acreage would be of value to fishermen, hunters,

backpackers and others who use the area, but of no detriment to commercial interests.

The area being proposed for inclusion in the wilderness category includes areas of a canyon system which honeycombs much of the terrain, plus land where the soil is too thin for timbering or other commercial development. More than 76 percent of the Bankhead Forest will remain open for commercial development, while the affected area comprises only three-tenths of 1 percent of Alabama forest.

Rep. Ronnie Flippo is currently considering sponsoring legislation to include this land in the protected wilderness classification. The area would remain open for public use and would be a boon to sportsmen and nature lovers. The project has the support of local and state officials and no apparent opposition.

Flippo should join with Rep. Bill Nichols, who is ready to introduce legislation to establish the "Talledega Mountains Wilderness" (known as the Odum Scout Trail) area, and add the Sipsey to the bill. Both projects are prime cases of the land being put to the best use for all concerned.

[From the Moulton Advertiser, February 1982]

WILDERNESS IS VITAL TO AREA

Opposition is appearing to the addition of acreage to the Sipsey Wilderness Area in Bankhead National Forest.

With all the hundreds of thousands of acres of timber land, both public and private, for timber interests to exploit, they are saying that to set aside an additional 30,000 acreas for preservation will do them irreparable harm.

The Bankhead National Forest is getting its share of use by the timber people. Many would argue that it is getting more than its share already. The national forest system uses a "multi-use approach." That is, they are supposed to be managed both for recreational use and for timber production. There are about 176,000 acres in the Bankhead. Of that, about 12,000 acres are in the current Sipsey Wilderness Area. A proposal to add 30,900 acres to that preserve is now pending. Even if the entire 30,900 acres is added, that will still leave over 133,000 acres of the Bankhead that can be used for timber production.

And, to top that, national forest lands account for only five percent of the total timber acreage in Alabama. We can't see that the timber industry will be threatened by preserving this beautiful (and relatively small) section of Alabama from their skidders and chainsaws.

They say that creating a Wilderness Area prevents the utilization of the resources of the area. Balony. It keeps THEM from utilizing those resources.

It allows those same resources to be enjoyed continually for generations by people who appreciate natural beauty and tranquility.

And if you look at economics, you can see that a Wilderness Area contributes a great deal to the local economy, since the area draws visitors from several states.

Tourism is a clean industry, and it makes little demands for services on local government.

We have an asset at our doorstep that many people across the country would love to have. To allow it to be plundered would be a crime.

We aren't greedy. We aren't asking that anybody "lock away" anything. We are simply asking that a relatively small portion of scenic area be left for the enjoyment of everyone. That is not too much to ask.

[From the Moulton Advertiser, Mar. 8, 1982]

THANKS, RONNIE

We commend U.S. Rep. Ronnie Flippo for taking the initiative in proposing that an additional 30,900 acres of land in the Bankhead National Forest be preserved as part of the Sipsey Wilderness Area.

By introducing legislation to that effect, Flippo is helping to insure that a part of our heritage will be protected for the use and enjoyment of future generations.

We believe the overwhelming majority of Lawrence County residents favor the setting aside of the acreage. Most of the additional acreage is located in Lawrence County, and the support by local and area groups has made the difference. Hunting groups, the Lawrence County Elected Officials Association, the Lawrence County Young Democrats, various state conservation groups, The Moulton Advertiser and The Decatur Daily have all endorsed the project.

We hope the legislation gets the reception in Congress that it deserves. Again, we thank Rep. Flippo for his leadership in preparing and entering the bill.

[From the Moulton Advertiser, Oct. 29, 1981]

WILDERNESS CAN BOOST THE AREA

Lawrence County has a chance to become the doorstep to one of the largest wilderness areas in the Southeast United States.

A proposal has been made to add about 30,900 acres of the Bankhead National Forest to the existing 12,000-acre Sipsey Wilderness Area, thus insuring that it is preserved in its relatively undisturbed state for the use of coming generations.

It is hoped that U.S Representative Ronnie Flippo will introduce legislation to add the additional acreage to the wilderness area.

We join those who urge Rep. Flippo to sponsor the bill to add the land to the wilderness area. We think it is in the best interest of Lawrence County and the surrounding area to expand the wilderness area.

There are about 176,000 acres in the Bankhead National Forest. With the addition of the proposed area to the wilderness portion, there would still be 134,000 acres open to commercial timber production.

We realize that the U.S. Forest Service has an obligation to manage our national forests for multi-use purposes. But we believe the setting aside of this scenic acreage will still leave the scales tipped on the side of commercial production as opposed to recreation usage.

All the land within the boundaries of national forests in Alabama totals only about 5 percent of the total timber land in the state. Taking an additional 30,900 acres out of the total should not jeopardize the timber industry. In fact, if anything it will increase the market for timber sales for private landowners, thus promoting free enterprise.

The enlargement of the wilderness area would benefit Lawrence County. It would insure that Lawrence Countians continue to have an unspoiled portion of forest for their enjoyment and use.

It would also have an economic impact on the area. The Wilderness Area already draws tourists from an area that covers several states. That draw would increase dramatically with the expansion of the acreage.

Most of the people who come to the area wind up spending money on their way into it or out of it. Tourism has a much larger economic impact on the area than many people realize. Tourism is a clean industry that requires little investment by the county and pays a good return in sales and gasoline taxes. That can only increase with the expansion.

The inclusion of the additional acreage into the wilderness area has a strong and varied backing from local political leaders, statewide conservation groups, hunting organizations and tourism promotion boards.

Some people tend to label people who try to protect our land as extremists. We don't think that applies here. Now, more than ever, we need to be conscious of the dwindling amount of unique resources such as the Sipsey area. This proposal does not lock away the land to limit its accessibility. To the contrary, it insures that it will be there to be used forever by the many people who feel a need to explore and get the sense of renewal that comes from enjoying such a unique area.

Rep. Flippo and our U.S. Senators Howell Heflin and Jeremiah Denton hold the keys to that wilderness area. We hope they will take the steps necessary to insure that it is preserved for our use and for the use of coming generations.

[From the Selma Times-Journal, June 10, 1982]

PROTECTION NEEDED

U.S. Rep. Ronnie Flippo of Florence has legislation pending in Congress that would add almost 31,000 acres to the Sipsey Wilderness area in northwest Alabama. Rep. Bill Nichols of Sylacauga has introduced similar legislation in Congress that would establish the 6,800-acre Cheaha Wilderness Area in the Talladega National Forest.

We're hopeful these bills will be passed in the U.S. House of Representatives and we're also hopeful that Sen. Howell Heflin and Sen. Jeremiah Denton will sponsor the necessary companion legislation in the U.S. Senate.

The addition of these wilderness areas in our state will enhance the recreational opportunities already available to Alabamians.

You might reasonably ask why residents of the Black Belt should be interested in providing additional wilderness areas in north Alabama. The facts are that over 95 percent of Alabama's forests are in private ownership. And more and more citizens of this state must turn to publicly-owned lands for their recreation.

Also, the Sipsey and Cheaha lands together amount to only about three-tenths of one percent of Alabama's forests.

Although most of the land is privately owned, most citizens of this area of the state have access to recreational lands for hunting, fishing, hiking, canoeing, etc., but many of our friends in the northern part of the state are not as fortunate.

We hope Alabama's legislators in Washington will work together to cause this needed legislation to become a reality.

[From the Tuscaloosa News, June 9, 1982]

WILDERNESS SHOULD BE ENLARGED

Any dyed-in-the-wool Southerner would appreciate the value that Alabamians place on one of the state's greatest resources—the unspoiled beauty of our natural wilderness areas.

These lands, basic to our heritage, provide a home for wildlife and also offer the resi-

dents of our state an unparalleled opportunity to leave behind the pressures of urban living, even if just for a few hours, to enjoy such recreational activities as camping, hiking and fishing.

But wilderness land itself is feeling the pressures of an expanded population and growing commercial interest. When wilderness disappears, it is gone forever. It cannot be replaced or restored.

U.S. Rep. Ronnie Flippo has recognized the need to preserve our natural heritage in introducing in the House of Representatives a bill which would enlarge the Sipsey Wilderness Area in the Bankhead National Forest by 30,913 acres.

The Florence Democrat's bill is being cosponsored by U.S. Rep. Albert Lee Smith, a Birmingham Republican, giving the measure the kind of bipartisan support it will need to obtain the backing of the president.

It has drawn a strong and wide ranging base of support from state and local officials and from many others who are interested in conservation and preservation of natural resources.

However, Alabama's U.S. senators, Howell Heflin and Jeremiah Denton, have not committed themselves to supporting the measure. Unless they sponsor the necessary companion legislation in the Senate, the Sipsey Wilderness enlargement bill will die.

The senators' apparent reluctance to support this measure is puzzling. Although the bill would significantly enlarge the existing 12,600 acres of Sipsey Wilderness Area in Lawrence and Winston counties, commercial timber interests would not be jeopardized. A total of 132,000 acres—74 percent of the Bankhead Forest—would be available for commercial timbering after the enlargement of the wilderness area.

There would be no land acquisition cost to taxpayers since the property is already owned by the federal government. And an expansion of the wilderness area could have a significant beneficial impact on tourism and recreation in the state.

The most important thing, however, is that the expansion would preserve some of the most beautiful land in Alabama limiting its use to recreation, education and scientific purposes.

Sens. Heflin and Denton are wise to give careful consideration to the measure, but it is difficult to believe that they would give it anything less than their support and endorsement.

Their backing should come soon. Wilderness is a precious resource, and the pressures on areas such as the Sipsey increase with each passing day.

[COMMENT: U.S. Senators Howell Heflin and Jeremiah Denton should support legislation introduced by Rep. Ronnie Flippo to enlarge the scenic and valuable Sipsey Wilderness Area in the Bankhead National Forest.]

WILDLIFE AREAS—STATION EDITORIAL
WBRC-TV BIRMINGHAM

There are several positive things happening in the Wildlife Area in Alabama in which we are most pleased.

U.S. Representative RONNIE FLIPPO of Florence has legislation pending in Congress that would add almost 31,000 acres to the Sipsey Wilderness area in Northwest Alabama. Representative BILL NICHOLS of Sylacauga has introduced similar legislation in Congress that would establish the 6,800 acre Cheaha Wilderness Area in the Talladega National Forest.

It appears that both of these bills will get favorable action when the House votes on them in late July. However, they face a different situation in the Senate. Senate Republicans have been bottling up wilderness bills. Success in this arena will depend a great deal on Alabama Senators JEREMIAH DENTON and HOWELL HEFLIN.

Also depending on the passage of one of these bills is the Talladega Scenic Drive, a partially completed road which officials say could attract as many as 1 million visitors by the year 2000. The future of this drive had been undecided because of its cutting across the Odum Scout Trail in the Talledega National Forest. However, that dispute was recently settled by a compromise to reroute the road away from the scout trail.

The preservation of the Odum Scout Trail, the completion of the scenic drive and the addition of the two wilderness areas in our State will greatly enhance the recreational opportunities already available to Alabamians.

We hope Alabama's legislators in Washington will work together and make this needed legislation a reality.

STATE OF ALABAMA,
Montgomery, March 16, 1982.

Hon. HOWELL T. HEFLIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: It is my understanding that Congressman Ronnie Flippo plans to introduce legislation to enlarge the Sipsey Wilderness Area in the Bankhead National Forest. As you know, there is a great deal of support within the state for this proposal.

I, too, want to add my support for this effort.

Sincerely,

F.J.

STATE OF ALABAMA,
May 12, 1982.

Hon. HOWELL HEFLIN,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR JUDGE HEFLIN: I have been contacted by several individuals regarding the proposed enlargement of the Sipsey Wilderness Area in the Bankhead National Forest. I would certainly appreciate any positive consideration you could give this effort. In my judgment this bill will not adversely affect our State forest land base but will provide an excellent outdoor recreation complex with no acquisition cost to the taxpayers.

Sincerely,

GEORGE D. H. MCMILLAN, Jr.,
Lieutenant Governor.

STATE OF ALABAMA,
June 30, 1981.

Hon. RONNIE FLIPPO,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN FLIPPO: I am writing in support of the proposal to designate all RARE 2 areas in the Bankhead National Forest as additions to Sipsey Wilderness, as a part of the National Wilderness Preservation System.

I just returned from a personal trip, driving from Montgomery to California, during which I visited several of the national parks throughout the country. I made a point of stopping at each state's information center to gather materials and to study their recreational areas and to consciously compare what they had to offer to Alabama. Many times I thought about how much we have in Alabama and how little we publicize what we do have, or make it available to those outside the state to use.

I personally believe that the inclusion of the acreage along the Odum Scout Trail, in the Talladega National Forest, and the some 30,000 acres into the Sipsey Wilderness area in the Bankhead National Forest, makes good sense for several reasons.

First, these areas are wonderfully unique and should be preserved and protected for Alabamians of generations to come. In addition, this protection will enhance the potential for a much developed tourist and recreation industry. Clearly the long-term benefits outweigh any advantages which might be derived from these areas not being included in the National Wilderness Preservation System.

Your help in sponsoring or co-sponsoring legislation to affectuate these goals will be greatly appreciated by me personally and by a majority of Alabamians.

Please know that you have my best wishes.

Sincerely,

DON SIEGELMAN,
Secretary of State.

STATE OF ALABAMA,
BUREAU OF PUBLICITY
AND INFORMATION,
July 15, 1982.

Hon. JEREMIAH A. DENTON, Jr.,
U.S. Senator, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR DENTON: The above bill authored by Alabama Representatives Ronnie Flippo and Bill Nichols, co-sponsored by Representative Albert Lee Smith and Jack Edwards, proposes to enlarge the Sipsey Wilderness area in the Bankhead National Forest by approximately 30,000 acres and would create a 6,800 acre Cheaha Wilderness Area along the Odum Scout Trail in the Talladega National Forest.

I am informed that this bill has been approved by the House Interior Sub-committee on Public Lands. Last year there were some objections raised in the Cheaha area by some real estate developers, but it is my understanding that the present bill is an outgrowth of a compromise reached between the conservation groups and the proposed developers. The scenic highway would be along the ridges of Alabama's tallest mountain and would be a 'breathtaking' addition which would further increase tourist travel both in and out of state for this area.

In my opinion the proposed legislation would greatly enhance the ever growing popularity of the north and northeast areas of Alabama and best serve both the interests of economic growth and those who wish to preserve the spiritual and aesthetic values of one of the most beautiful areas in the United States.

It is my hope that, upon investigation, you will give this legislation your support and that you will join your colleagues in the House in unified sponsorship in the Senate.

Sincerely,

CAROLINE S. CAVANAUGH,
Director.

STATE OF ALABAMA, DEPARTMENT OF
CONSERVATION AND NATURAL RESOURCES,
November 6, 1981.

Hon. RONNIE G. FLIPPO,
U.S. House of Representatives,
Washington, D.C.

DEAR RONNIE: I have been contacted from several sources about the proposed wilderness legislation for the Bankhead National

Forest. In particular, I have been requested to review the possibility of my supporting the inclusion of the RARE II (Roadless Area Review and Evaluation) areas in Bankhead National Forest as additions to the Sipsey Wilderness.

I have had members of my staff, namely Game and Fish Division Director Charles D. Kelley and Chief of the Wildlife Section Dr. William J. Sheffield, to review the proposal in detail. They have strongly urged that I endorse the proposal and ask that you lend your support in the Congress.

As you realize, I am in favor of rational use of our forests and recognize that the greatest percentage of our wood lands must be retained for multi-use purposes. I also recognize that the designation of the RARE II lands as additions to the Sipsey Wilderness will only represent approximately one-fifth of one percent of Alabama's forest lands; and I feel that this minimum acreage can be spared to assure that in future years we have at least part of our forests in a natural state whereby future generations can enjoy it.

I support and I recommend that you support this action and lead it to success in the Congress.

Sincerely yours,
JOHN M. MCMILLAN, JR.,
Commissioner.

LAWRENCE COUNTY,
Moulton, Ala, April 20, 1981.
REPRESENTATIVE RONNIE G. FLIPPO,
House Office Building,
Washington, D.C.

DEAR HONORABLE RONNIE G. FLIPPO: I support immediate wilderness designation for all of the RARE II areas. This totals some 30,000 acres out of a total of 176,000 acres in Bankhead.

If all of this 30,000 acres is designated as wilderness, it will still be less than two-tenths of one per cent of the forest land in Alabama. Ninety-two percent will be left for other commercial development.

With the increase nationwide in recreational activities and with the projected tremendous increase in the number of visitors to the Bankhead, it is reasonable to expect that its attraction will provide increasing economic benefits for Lawrence County and Alabama. The Forest Service itself projects this increase in usage.

These areas contain an abundant variety of unusual plant and animal life. These RARE II areas comprise some of the most scenic areas to be found in Alabama.

The Forest Service has stated in its environmental impact statement that designation of these areas as wilderness will have no significant economic impact on the counties involved in loss of timber harvested.

Wilderness designation is supported locally by

(a) Bow hunters and gun hunters.

(b) Trappers.

(c) Elected officials—A resolution was passed last year by the Lawrence County's Elected Officials Association opposing the present timber management plan for the Bankhead and supporting additional wilderness.

(d) Hikers and canoe clubs.

(e) By general population.

HARCE HILL,
Tax Collector.

LAWRENCE COUNTY
BOARD OF EDUCATION,
Moulton, Ala., August 12, 1981.
Representative RONNIE FLIPPO,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FLIPPO: As a country boy and a Lawrence County educator of many years experience, I am acutely aware of the variety of educational experiences to be found in nature. The Bankhead National Forest contains some of the few remaining hardwood stands in Alabama. Cliffs and waterfalls provide majestic scenery. Plants and animals of all descriptions abound. Their relationships and interactions are a constant source of wonder and amazement.

The children and future generations of Lawrence County deserve to be able to enjoy the beautiful Bankhead as we do. Classroom experiences can be developed, complimented and brought to vivid life through the use of the Bankhead as a living laboratory. Teachers from Lawrence County, the University of Alabama and other school systems regularly use the Bankhead in conjunction with their teaching programs. The Bankhead is a priceless resource. Educational opportunities are limited only by the imagination.

I sincerely hope that you will see fit to introduce a bill as soon as possible to designate all of the 30,000 acres included in the RARE II inventory as wilderness. These areas deserve to be protected in their natural state.

Sincerely,
HUGH MCWHORTER,
Superintendent of Education.

LAWRENCE COUNTY,
Moulton, Ala., August 12, 1981.
Representative RONNIE FLIPPO,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE FLIPPO: The people of Lawrence County and the surrounding area have an invaluable treasure right here in our own backyard. The Bankhead National Forest abounds with cliffs, waterfalls, beautiful hardwood stands, and a unique variety of plant and animal life. Some 400,000 vistor days to the Bankhead were recorded last year. Hunting, fishing, horseback riding, camping and hiking are some of the more popular uses of the forest.

With the increased demand by the public for outdoor recreational opportunities, we can ill afford the degradation of a forest as beautiful and unique as the Bankhead. The people of this area love and enjoy the Bankhead and strongly support efforts to protect it.

I wish to express my support for the wilderness designation for all of the 30,000 acres of the RARE II inventory.

Sincerely,
HAROLD RADFORD,
Tax Assessor.

LAWRENCE COUNTY,
Moulton, Ala., August 13, 1981.
Representative RONNIE FLIPPO,
House Office Building,
Washington, D.C.

DEAR SIR: I support wilderness designation for all of the RARE II areas in the Bankhead Forest. The Bankhead undoubtedly is one of the most beautiful forests in the State of Alabama. In few areas of our state or country, do we have the opportunity for the enjoyment of such a variety of outdoor experiences as the Bankhead provides.

The Bankhead RARE II areas contain a tremendous variety of plant and animal life. Numerous waterfalls, cliffs, caves and large hardwood stands add to the visual beauty.

United States Forest Service has stated in its environmental impact statement that designation of these 30,000 acres as wilderness will have no significant adverse economic impact on the surrounding counties through loss of timber harvested. A cooperative study by The University of Alabama Regional and Urban Planning Program found that there appeared to be a "maldistribution of resources within the Bankhead" and recommended that "consideration should be given to the creation of more wild and scenic areas, protected from commercial timber operations and mining activities."

The Lawrence County Association of Elected Officials has gone on record as supporting additional wilderness in the Bankhead. I believe that support among the population at large in this area is widespread. A lot of people throughout this region enjoy the Bankhead and wish to see it protected.

I hope that you will see fit to introduce legislation soon to designate all of the RARE II areas in the Bankhead as wilderness.

Sincerely,
RICHARD I. PROCTOR,
Judge of Probate.

RESOLUTION OF MOULTON-LAWRENCE COUNTY, ALA., CHAMBER OF COMMERCE, CONCERNING THE RARE II AREAS OF THE BANKHEAD NATIONAL FOREST

Whereas the Moulton-Lawrence County Chamber of Commerce has as its primary goal the development of human, natural and economic resources of Lawrence County, Alabama, and the betterment of the quality of life of the citizens of Lawrence County; and

Whereas the RARE II areas of the Bankhead National Forest contain a variety of scenic geologic features as well as a unique ecological diversity of plant and animal life; and

Whereas the citizens of Lawrence County have for generations enjoyed and treasured the many recreational opportunities provided by the Bankhead National Forest: Now, therefore, be it

Resolved, That the Moulton-Lawrence County Chamber of Commerce at this regular me ting does hereby express its appreciation to Congressman Ronnie Flippo for his introduction of HR6011, the Sipsey Wilderness Addition Bill, in the United States House of Representatives; and be it further

Resolved, That the Chamber respectfully requests that Senator Howell Heflin and Senator Jeremiah Denton sponsor in the United States Senate companion legislation to HR6011 and that they give the full and complete support of their offices to the passage of said legislation.

Dated this the 20th day of April 1982.

UNIVERSITY OF NORTH ALABAMA,
Florence, Ala., March 19, 1982.
Hon. HOWELL T. HEFLIN,
U.S. Senate, Dirksen Building,
Washington, D.C.

DEAR SENATOR HEFLIN: I am advised that Congressman Ronnie Flippo is introducing legislation to enlarge the Sipsey Wilderness Area in the Bankhead National Forest. This certainly seems to be legislation that would be in the best interest of not only the State, but of the nation as a whole. Any support that you might give this piece of proposed legislation would be appreciated.

With kindest personal regards and every good wish for your continued good health, success and prosperity, I am

Sincerely,

ROBERT M. GUILLOT,
President.

FLORENCE, ALA.,
May 7, 1981.

Hon. RONNIE G. FLIPPO,
Cannon House Office Building,
Washington, D.C.

DEAR MR. FLIPPO: The proposal to designate all RARE II (Roadless Area Review and Evaluation) areas in Bankhead National Forest as additions to the Sipsey Wilderness deserves your most careful consideration and support.

Many valid and compelling arguments have been presented in support of the proposal. Environmental, ecological, educational and esthetic concerns justify the wilderness designation. However, basis economic considerations are equally compelling and make it imperative that the wildernsess designation and the protection it will provide be given to all RARE II areas in Bankhead Forest at the earliest possible date.

Current clear cutting of areas in the forest is reminiscent of the commercial timber operations in the Northwest that devastated large areas and left numerous communities economically depressed for decades. An article in the April 1981 Reader's Digest indicates that the problem is global in scope and predicts world-wide repercussions by the turn of this century. Bankhead National Forest is surrounded by small cities such as Moulton (population 3,197), Jasper (population 11,844), Hartselle (population 8,858), Cullman (population 13,084), Winfield (population 3,654), Haleyville, (population 5,306), Phil Campbell (population 1,549), and Russellville (population 8,195), and numerous smaller communities. The forest contains some of the most beautiful and scenic terrain in Northwest Alabama and the last original stands of timber in the State. These original forest include 200-300 year old mature tulip, poplar, white oak, hemlock, pine, and a variety of rare flora and fauna.

If preserved and protected, the scenic area and spectacular original forest has a permanent and far greater economic value to the surrounding cities and towns than the short-run market value of the timber. The potential for developing a broadly based tourism and recreation industry for the area holds the greatest promise for economic prosperity of these communities. The timber cutting alternative will produce economic depression once the trees are gone and once they are cut it will take a century to regrow them.

The basic market for a tourism-recreation industry for the area exists within commuting distance of the forest. The states of Alabama, Mississippi, Tennessee, and Georgia have an estimated population of 16,465,714 according to the 1980 census.

The national and international demand for tourism and recreation is growing. Pressure on facilities and space in some areas is so great that limits on access are being considered. The wilderness designation and preservation of the RARE II areas in Bankhead National Forest and the development of a tourism-recreation industry in surrounding communities would provide a permanent economic base locally and satisfy a future state and national need for tourism and recreation experiences.

It should be emphasized that adding the RARE II areas in Bankhead to the Sipsey Wilderness will only protect 2/10 of the 1 percent of forest land in Alabama and will leave 92 percent of national forest land in Alabama available for commercial exploitation and development.

I most respectfully urge your support of the proposed legislation and would be delighted if you could be a co-sponsor in the house.

Respectfully,

J. HOLLIE ALLEN,
Mayor.

DIOCESE OF BIRMINGHAM IN ALABAMA,
Birmingham, Ala., March 12, 1982.

Hon. RONNIE FLIPPO,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE FLIPPO: I would like to join my voice with those through the country to support your Bill to add several thousand acres to the Sipsey Wilderness of the Bankhead National Forest. I have walked in that wilderness area on two occasions and have been thrilled by the preservation of this primitive wilderness area. I see only good coming from its presence in the State of Alabama and it is only reasonable to expect this wonderful area will serve many future generations to come. Please add my name to your list of interested citizens who wish to see our natural resources perserved.

With every best wish and a prayer for your service in this endeavor, I remain

Sincerely yours,

Most Reverend JOSEPH G. VATH, D.D.,
Bishop of Birmingham in Alabama.

JEFFERSON COUNTY COMMISSION,
Birmingham, Ala., May 18, 1982.

House Interior Subcommittee on Public Lands,
U.S. House of Representatives,
Washington, D.C.

(Attention of Congressman Ron Flippo).

I am glad to add my support to H.R. 6011, the Sipsey Wilderness Additions Act of 1982, which would enlarge this wilderness area by almost 31,000 acres.

This land is already in public ownership, so acquisition will be at no cost to taxpayers. The enlargement will provide Alabama with a wilderness complex of tremendous quality for use solely for recreation, education and scientific purposes, and will insure protection of our natural heritage for future generations.

On a personal note my family has had an opportunity to enjoy the Sipsey Wilderness area. Indeed, just last week-end my son, a member of the Birmingham Audubon Society, went on a camping trip to the Sipsey. Such opportunities to enjoy America's wilderness areas must be preserved for our future generations.

Setting aside this additional area will enhance the Sipsey as a recreation site, and assure the preservation of this valuable wilderness, a showcase of Alabama's natural beauty, for all to enjoy.

I urge the speedy passage of this bill.

Yours truly,

BEN ERDREICH.

ALABAMA TRAIL RIDERS' ASSOCIATION,
Madison, Ala., January 4, 1981.

Representative RONNIE FLIPPO,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FLIPPO: The Alabama Trail Riders' Association is an organization representing horseback riders from all over the state of Alabama. Many individuals and families enjoy the beauty of trail riding and the thrill of competitive rides sponsored by our organization.

We, as horse owners, are especially aware of the statewide decrease in lands available for pleasure riding. Riders all over Alabama appreciate and enjoy the unique opportunities for exploration and enjoyment of the natural beauty of our National Forests.

As frequent visitors to our state's National Forests, we are very much concerned about the clearcutting and general trend toward commercialization of our forests. We feel strongly that our National Forests deserve much better protection than they are now afforded. We strongly support Wilderness designation for all of the 30,900 acres of the RARE II areas within Bankhead, plus those other RARE II areas around the state being proposed for Wilderness.

We wholeheartedly support the concept of Wilderness and applaud the protection that it will ensure for our forests. However, we are very much distressed by the arbitrary action of the Forest Service which has banned horses from the present Wilderness Areas in Alabama. We realize that there may arise circumstances within a specific small area that would make some control over horseback riding in that area necessary, but feel that a total ban on horses was improper and unnecessary. The ban was essentially a result of a lack of communication—the Forest Service was unaware of the desire of horseback riders to ride in the Wilderness, and the riders were unaware such a ban was being considered (and thus presented no opposition) until it was already in effect. Horseback riders come to the forests seeking unspoiled beauty, and have both the motivation and the know-how to leave it unspoiled. We fully support the concept of "take nothing but pictures, leave nothing but footprints". Western states permit horses in their Wilderness areas and we see no reason why Alabama cannot do the same.

In summary, our organization fully supports protection of the RARE II areas through Wilderness designation. We also feel strongly that horseback riding should be allowed throughout the Wilderness system, with any limitations only to apply to specific areas where there is solid evidence of imminent, irreversible damage to the environment.

Sincerely yours,

JOE LONG, *Chairman,*
Alabama Trail Riders' Association.

CITY OF BIRMINGHAM—RESOLUTION

Whereas, "Only God can make a tree;" and

Whereas, Alabama is a State of exceptional natural beauty with forest lands rich in wildlife; and

Whereas, an abundance of these blessings of nature are found in the Bankhead National Forest; and

Whereas, the state has taken measures to provide an area such as the Sipsey Wilderness Area which serves the public both for recreational purposes and as a showcase of natural beauty to be enjoyed by generations of Alabamians; and

Whereas, recent congressional legislation sponsored by U.S. Representative Ronnie Flippo of Alabama and endorsed by Governor Fob James provides for approximately 30,900 acres of the Bankhead National Forest to be dedicated to the Sipsey Wilderness Area: Now, therefore, be it

Resolved By the Council of the City of Birmingham with the Mayor concurring

that we applaud and endorse the dedication of the additional acreage to the Sipsey Wilderness Area; and *be it further*

Resolved, That this Resolution bearing thereon the great seal of our city be a statement of Birmingham's recognition of the treasures of Alabama wilderness areas.

Adopted unanimously on this 23d day of March, 1982.

ALABAMA LEAGUE OF MUNICIPALITIES: PROPOSED POLICIES AND GOALS FOR 1981–82

ENERGY, ENVIRONMENT, AND NATURAL RESOURCES

29. (a) That this committee work with members of the League staff in developing recommendations and position statements directed at the numerous natural resources of Alabama. (b) That the League support the Alabama Wilderness Coalition in its efforts to obtain permanent protection of Alabama's publicly owned forests through their inclusion in the National Wilderness Preservation System, and particularly to support legislation to Congress to create the "Talladega Mountains Wilderness Area," and to include some 30,000 acres in the Sipsey Wilderness area of the Bankhead National Forest.

RESOLUTION NO. ——

(Authored by Lawrence County Young Democrats/Dr. Charles Borden; sponsored by Platform Committee)

Whereas, the Alabama Young Democrats are determining the State Young Democrats Platform at the Issues Convention June 19, 1981, in Montgomery, Alabama, the following is submitted for consideration:

Whereas, the citizens of Lawrence County are gravely concerned over present United States Forest Service emphasis on timber production to the detriment of recreational opportunities in the ecologically unique and scenic Bankhead National Forest;

Whereas, Present Forest Service clearcutting practices are resulting in extensive and disruptive destruction of one of the last remaining hardwood forests in the State of Alabama;

Whereas, the Bankhead is enjoyed by people throughout the United States who know of its scenic beauty, its unique variety of plant and animal life, and its opportunity for solitude;

Whereas, last year there were some 400,000 visitor recreation days recorded in the Bankhead with a tremendous yearly increase being projected by the Forest Service;

Whereas, in the nationally mandated RARE II process some 30,000 acres in the Bankhead, out of a total of 176,000 acres, were found to qualify for immediate wilderness designation;

Whereas, the citizens of Lawrence County and the State of Alabama have the unusual opportunity to preserve in its natural state, for ourselves and future generations, a unique and priceless portion of our heritage;

Be it resolved by the Alabama young Democrats, That all of the areas outlined in the RARE II inventory of the Bankhead National Forest be protected and preserved as a special part of our Alabama Heritage by being given immediate wilderness designation.

Be it further resolved, That copies be sent to the Alabama Congressional Delegation.

The expansion of the Sipsey Wilderness provided for in H.R. 6011 will provide numerous benefits to the local community and the State at minimal cost. Enactment of H.R. 6011 would insure the protection of a beautiful and unique area of our country for future generations of Alabamians. This bill is clearly in the public interest. I urge my colleagues to support this measure that means so much to my State and district.

Mr. SEIBERLING. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Forests, Family Farms, and Energy of the Committee on Agriculture, the gentleman form Oregon (Mr. WEAVER).

I also would like to take this occasion to thank him for his support of this legislation both in his committee and in the Committee on Interior and Insular Affairs of which he is also a member.

Mr. WEAVER. Mr. Speaker, I rise in support of the motion of the gentleman from Ohio (Mr. SEIBERLING) to suspend the rules and pass the bill H.R. 6011, as amended.

H.R. 6011 was originally considered by the Committee on Interior and Insular Affairs, which ordered the legislation, as amended, reported by voice vote on June 23, 1982. The bill as reported was sequentially referred on July 20, 1982, to the Committee on Agriculture for a period ending not later than July 30, 1982. The full committee considered the legislation in an open business session on Thursday, July 29, 1982. It adopted several amendments to H.R. 6011, as reported by the Interior Committee and ordered the bill, as amended, reported by a recorded vote of 24 to 1.

One of the committee amendments would reduce by about 500 acres the land to be designated for incorporation into the Sipsey Wilderness. The tract in question had been included in the bill by the Committee on Interior and Insular Affairs at the request of the Alabama delegation. However, it has since been discovered that the 500-acre tract is the site of an active timber sale and thus is not appropriate for inclusion within the wilderness. This amendment was included following consultation with the Committee on Interior, the Members from Alabama, and the U.S. Forest Service, and is acceptable to all parties.

A second amendment reflects the interest of the Committee on Agriculture in this matter by providing that the committee shall receive maps and legal descriptions of the areas proposed by this legislation for designation as wilderness.

The third amendment of the Committee on Agriculture is intended to bring the terms of this legislation into conformity with the so-called release/sufficiency language adopted in earlier actions by Congress on State wilderness bills. Essentially identical language has been included in wilderness acts for the States of Colorado, New Mexico, and Alaska, as well as in the California RARE II bill (H.R. 4083) currently pending before the Senate Committee on Energy and Natural Resources. That bill passed the House on July 17, 1981.

In including this language, the committee seeks to clarify the management of those roadless areas in Alabama reviewed and evaluated by the Department of Agriculture during the RARE II process but not designated by the pending bill as wilderness or remaining in further study. The committee wishes to point out that the administration favors inclusion of release/sufficiency language in this legislation. Further, information furnished to the committee indicates that there are several roadless areas in Alabama which were reviewed during the RARE II process but which are not designated by this bill as wilderness and do not remain in the further study category. The committee expects, therefore, that the inclusion of the usual release/ sufficiency language in this bill will remove any uncertainty governing the management of these areas and further insure that there be uniformity in this regard among the States. Clearly, the failure to provide such uniformity would result in administrative problems for the Forest Service and could have unforeseen consequences for communities and industries dependent on the resources and uses of the lands within the national forest system.

We have had outstanding cooperation from the Committee on Interior and from the Members from Alabama in resolving the issues of concern to the Committee on Agriculture. The result is a bill which we are very pleased to commend to the House.

Mr. Speaker, I know of no objection to the legislation and I urge our colleagues to support the motion and approve H.R. 6011, as amended.

● Mr. SMITH of Alabama. Mr. Speaker, today, H.R. 6011, the Alabama wilderness bill, comes to the floor of the House. I am delighted that this measure has received such widespread support in my State and recommend its quick passage and enactment.

This bill has been endorsed by our Governor, attorney-general, secretary of state, the commissioner of the State department of conservation and natural resources, almost all north Alabama newapapers, the State tourist board, and local officials—from the counties containing the protected land.

H.R. 6011 will enlarge the Sipsey Wilderness in the Bankhead National Forest, insuring protection for one of Alabama's most spectacular botanical areas, and protecting our most popular hiking trail, the Odum Scout, with its adjacent mountaintop wilderness by creation of the Cheaha Wilderness.

Because this bill represents protection for only three-tenths of 1 percent of Alabama's forests, it will have an insignificant effect on commercial logging but will make a positive contribution to our tourism economy. It will also settle the wilderness question in our State thus eliminating commercial interest speculation about future timber inventories.

I believe we, in Congress, must support legislation which fosters economic growth as well as environmental protection. James Buckley, the former Senator from New York and assistant secretary of state, expressed this well when he said:

The challenge facing mankind, then, is not one of having to make a choice between economic welfare and ecological preservation, because our economic well-being ultimately depends on the health of our environment. The challenge, therefore, is to develop more effective techniques for bringing man's economic activities into equilibrium with the natural world of which he is an inescapable part.

I believe H.R. 6011 to be a very reasonable attempt to protect a small portion of Alabama's lush and charming woodlands. Protection will help achieve a diversity of habitat healthy to Alabama's rich wildlife. It is in our State's and Nation's best interest to preserve these areas so that they may remain or become, if altered by man, the way the land was when the first American's lived.●

□ 1315

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. NICHOLS). The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 6011, as amended.

The question was taken.

Mr. LEWIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON H.R. 6892

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H.R. 6892.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ANTI-ARSON ACT OF 1982

Mr. HUGHES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6454) to amend title 18, United States Code, to clarify the applicability of offenses involving explosive and fire.

The Clerk read as follows:

H.R. 6454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Arson Act of 1982".

OFFENSES INVOLVING FIRE

SEC. 2. (a) Subsections (e) and (f) of section 844 of title 18, United States Code, are each amended by inserting "fire or" after "by means of" each place it appears.

(b) Section 844(h)(1) of title 18, United States Code, is amended by inserting "fire or" after "uses".

(c) Section 844(i) of title 18, United States Code, is amended by inserting "fire or" after "by means of".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New Jersey (Mr. HUGHES) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6454, the Anti-Arson Act of 1982 was reported favorably to the House by the Committee on the Judiciary on July 20, 1982, by a voice vote.

This bill is designed to eliminate the problem in the prosecution of significant Federal arson cases created by the limitation in the definition of the term "explosive" in the offenses set forth in the Explosive Control Act of 1970.

The definition was designed to broadly define "explosive" to include all situations in which an explosive or material with explosive capacity was used criminally.

The problem that H.R. 6454 is designed to address is that the definition of "explosive" has been interpreted by several courts, including the U.S. Court of Appeals for the Ninth Circuit, to be limited to the "specific evil of bombing" and would not apply to a case in which gasoline or a flammable liquid was used to destroy a building.

It is now necessary to clarify the applicability of the act. Where the bases for Federal jurisdiction exist in a case of arson, it should not make any difference how the fire started. The amendment makes this clear by adding the term "fire" to the term "explosive," as a means of causing the damage to the already covered property.

Primary responsibility will remain with State and local law enforcement. This is true because the Federal involvement in arson is tiny in terms of the numbers of offenses: 667 out of a total of some 115,000 arsons. The Federal involvement is significant mainly in terms of the property damage in the cases investigated by BATF: $122 million out of a total of $891 million reported to the FBI, about 13.7 percent of the national total.

Arson is an area of serious criminality in our Nation—amounting to almost six times the number of murders and one and one-half times the numbers of reported rapes. The Federal involvement is only a small part of the Nation's fight against arson, but it must be made an effective part of the fight.

The net effect of H.R. 6454 will be to avoid the frustration of serious cases that warrant investigation and prosecution. The ninth circuit case, which I referred to earlier reversed the conviction in a case in which the property damage from the fire was estimated at $1½ million and a Los Angeles firefighter was killed and 24 firefighters were injured.

It is estimated by the insurance industry that 1,000 lives are claimed annually by arsonists. The insurance industry estimates that the losses due to arson are more like $2 billion per year, rather than the $890 million reported by the uniform crime reports for 1980.

The Department of Justice and the Treasury Department have shown a great deal of legal ingenuity in using the Explosives Control Act to fight the arson problem. However, the loophole that allows arsonists to avoid a Federal conviction after an extensive Federal investigation should be closed.

I want to conclude by pointing out that this measure would save money. An arson investigation is an extremely time-consuming and technically demanding investigation. Roughly 30 percent of the BATF's investigations into arson are discontinued simply because there was insufficient evidence that the fire had been caused by means of an explosive. This bill will eliminate that wasted investigative time.

Time-consuming litigation over the nature of incendiary material used to commit arson will be eliminated. Trial-delaying testimony concerning the explosive that caused damage or destruction will no longer tie up Federal courtrooms. These savings are modest, but cumulatively will have a positive impact on the criminal justice system.

This bill has the unequivocal support of the Department of the Treas-

ury. It has the universal support of the insurance industry. It has the strong support of the firefighting community. I urge the House to pass H.R. 6454.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman from New Jersey (Mr. HUGHES), as well as the Judiciary Committee, for bringing out this legislation.

Several years ago, Senator JOHN GLENN and I, in our respective bodies, took the lead in trying to get the FBI, through legislation, to include arson among their lists of major crimes that they report each year in their annual crime report.

Truly, arson is a major crime in this country, and it is becoming more and more extensive every year. It is extremely important that we move on it, because it is not only costing hundreds of millions of dollars a year in lost property, but it is also endangering lives.

I think this is a very important piece of legislation, and I strongly support it.

Mr. HUGHES. I thank the gentleman from Ohio, a distinguished member of the Judiciary Committee, who indeed was in the lead, in fact, encouraging and, finally, persuading the FBI to carry arson as one of the prime offenses to be reported; and, as a result of the information we secured as a result of the gentleman's effort, we have a much more effective statistic, I think, to deal with.

Mr. Speaker, I reserve the balance of my time.

Mr. McCLORY. Mr. Speaker, I yield myself such time as I may consume.

First of all, Mr. Speaker, I want to commend the gentleman from New Jersey (Mr. HUGHES) and my colleague, the gentleman from Michigan (Mr. SAWYER), the ranking minority member on the Subcommittee on Crime, for their initiative in bringing this legislation to the floor. I am proud to be a sponsor of the predecessor to this measure, together with those gentlemen, the gentleman from New Jersey (Mr. RODINO) and several others.

This bill does close a loophole in the law and will provide an opportunity for the FBI and the Bureau of Alcohol, Tobacco and Firearms to perform additional major services in behalf of combating this extremely serious and horrible crime of arson.

I might say, in support of the Bureau of Alcohol, Tobacco and Firearms, which has come under some fire itself recently because of attempts to transfer some of the authority from an existing autonomous agency to other agencies of Government, that this is a very professional and very efficient agency of our Government. I hope that we will not do anthing in the course of reorganizing the executive branch of Government which will in any way diminish the effectiveness of the Bureau of Alcohol, Tobacco and Firearms. They have taken on a major role with regard to the crime of arson, and they have demonstrated their capacity to provide useful service to State and local law enforcement agencies with regard to the detection and the investigation of the crime of arson and the apprehension of those who commit this horrible crime, which results in death, injury, and in serious loss of property.

I might say that this measure fulfills one of the recommendations of the Attorney General's Task Force on Violent Crime. Recommendation No. 27 of the Attorney General's Task Force was precisely what we are undertaking to do here today.

Mr. Speaker, arson is clearly one of the major crime problems facing this country today. The cost of that crime, in terms of lost life, injury, and property damage, is staggering. Approximately $1.3 billion in direct damage resulted from fires in 1979, which was more than 10 times the losses for 1968. Indirect damage is estimated as high as $15 billion a year due to expenses like lost wages. Arson causes approximately 1,000 deaths each year and injuries number in the thousands. It is estimated that 1 fire in 4 is intentionally set and many arson incidents involve organized crime and organized arson-for-hire rings.

Because the investigation of arson crimes frequently requires expertise and technology which far surpasses the abilities of State and local governments to respond, and because many arson crimes involve interstate connections, there is clearly a role for the Federal Government in combating this vicious crime. The accomplishments of the Bureau of Alcohol, Tobacco, and Firearms in this area have been absolutely phenomenal. One insurance industry representative indicated in testimony before our committee that the BATF's arson program saved over $54 million in false claims in 1980. The solution rate for arson offenses on a national basis is under 10 percent. By contrast, BATF involvement has resulted in a solution rate of almost 70 percent in the cases they enter. Clearly, this is a vital program which must be continued.

Unfortunately, some confusion has arisen in the courts with respect to Federal jurisdiction over some arson offenses. Specifically, some courts have construed the law to limit Federal jurisdiction so that certain arson offenses committed by means of fire, rather than by a very technical definition of explosive, would not be covered. The Treasury Department has strongly recommended that this confusion be clarified. H.R. 6454 makes that clarification by including within existing offenses arsons committed by means of fire.

H.R. 6454 will not generate expenditures of excessive additional funds. The Treasury Department has advised our committee that they will continue to intervene only where the arson scheme involves "commerical premises affecting interstate or foreign commerce perpetrated by organized crime or members of organized 'arson rings' where the problem is beyond the scope of States and localities to handle either because of lack of jurisdictional authority or sufficient investigative resources." The Congressional Budget Office has concluded that "The bill would simplify the prosecution of arson cases, leading to less investigatory work and less court time per case. CBO estimates that the bill would therefore incur no significant additional cost to the Government as a result of enactment of this legislation."

Mr. Speaker, H.R. 6454 closes a loophole in existing Federal law and enjoys the enthusiastic support of the administration and my colleagues on both sides of the aisle. Criminals who callously pose a risk of horrible death to others while committing the crime of arson and who profit by the destruction of property must not be allowed to escape the punishment which justice requires through a loophole in the Federal law. H.R. 6454 is "must" legislation and I urge my colleagues to join me in voting for it.

Mr. HUGHES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to take this opportunity to again commend my colleague, the gentleman from Illinois (Mr. McCLORY), the ranking minority member of the Committee on the Judiciary, for his lead in anything that deals with law enforcement. I want to thank the gentleman and the ranking minority member of the subcommittee, the gentleman from Michigan (Mr. SAWYER), for his leadership on this particular legislation.

The gentleman from Illinois made reference to the problems of the Bureau of Alcohol, Tobacco, and Firearms of the Department of Treasury, and I share my colleague's concern about that agency. Anybody who doubts the effectiveness of the BATF should just talk to their local firefighters and police officials. I never realized before I came to the Congress, even though I spent some 10 years in law enforcement, that they were so well revered by law enforcement throughout the country. They have an expertise that cannot be matched. It has only been 2 weeks ago when there was something like 1,800 RIF notices

outstanding. They were going to demolish, roughly, half of the Bureau of Alcohol, Tobacco, and Firearms.

It has taken us decades to build up the expertise in that agency. And for us to dangle that agency on string, as we have, for month after month, is not only counterproductive, but it just borders on the outrageous.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Illinois.

□ 1330

Mr. McCLORY. I agree entirely with the gentleman's statement.

I would like to also mention that the gentleman and I have introduced a measure which would have the effect of transferring the Bureau of Alcohol, Tobacco, and Firearms to the Department of Justice, and make it an agency within the Department of Justice. And it would seem to me that if there was some concern about the autonomy of the BATF and its present existence under the Department of the Treasury, that putting it in the Department of Justice would be an adequate and full solution, and enable them to fulfill their present capability, their present service, without dispersing the tremendous talents that they have among a number of different agencies.

Mr. HUGHES. I say to the gentleman that I can see some compelling reasons to transfer BATF to the Department of Justice. Or I might say even to the Secret Service. The important thing is that we preserve the missions. It is less important where they are as long as they are permitted to do their job. And arson and explosives and firearms investigations are extremely important components of our criminal justice system.

Frankly, the administration supports a transfer of BATF into Secret Service. Secret Service has had a distinguished career. And I see some compelling public policy reasons to transfer them. But I think the important thing is that we do something, and not have them dangle on a string.

I realize we have strayed a little bit. But the point is that this particular recommendation to try to plug this loophole in the arson statute came from the Bureau of Alcohol, Tobacco, and Firearms. They have been the prime movers in plugging this loophole because they are the ones that have spent much wasted effort in trying to establish how a fire has started. And they deserve a lot of credit.

Every day the BATF is doing something, that is in the public interest. They are a great agency, and I just hope my colleagues will support them and this particular legislation.

● Mr. RODINO. Mr. Speaker, I rise in support of H.R. 6454. I have cosponsored H.R. 6454 and its predecessor bills because of the pressing need to clarify the application of Federal criminal law to serious interstate arson cases.

The need for limited Federal involvement in serious arson cases has long been recognized by Congress. Arson has been used by hatemongers for over a century to intimidate citizens from exercising their constitutional rights. Arson has been used for more than a half century by agents or organized crime to eliminate competition and to intimidate businessmen who operate independently of mob-operated rackets. A traditional method of organized crime has been to use arson to inflict revenge and to conceal the commission of other crimes.

It was with that record in mind that Congress began to control explosives in the Civil Rights Act of 1960 and provided Federal jurisdiction over arson-related racketeering in the Organized Crime Control Act of 1970.

Arson for profit is now one of the greatest problems facing our urban neighborhoods. The South Bronx is only the most famous example of arson destroying neighborhoods. My own district is another unfortunate example. The poor who live in old or substandard housing are the victims who bear the brunt of arson fires which claim 1,000 lives per year.

H.R. 6454 is necessary to clearly authorize Federal prosecution of significant arson for profit schemes.

This bill is not intended to expand Federal jurisdiction over arson offenses generally, which has always been a concern over Federal involvement in this area. Part of this chapter, 18 U.S.C. 848, makes this clear by specifically stating that these offenses shall not be construed to indicate an intent of Congress to occupy the field to the exclusion of State law.

This bill is widely supported by the Nation's insurance industry because it will allow greater effectiveness in the Federal participation in the fight against arson.

I urge the House to pass this bill.●

● Mr. SAWYER. Mr. Speaker, I join the chairman of the subcommittee in support of a bipartisan bill which received the administration's strong endorsement. H.R. 6454 is a noncontroversial bill which would close a loophole in current Federal law relating to arson offenses.

As my colleagues are aware, the role that the Federal Government can play in fighting crime is a limited one. The devastating crime of arson, which costs the taxpayers billions of dollars each year and kills and injures thousands, is one area where Federal Government involvement is particularly appropriate. Many arsons involve organized crime or organized "arson-for-hire" rings and surpass the ability of State and local governments to respond effectively.

Federal efforts in this regard have been immensely successful. The BATF and the insurance industry have testified before our subcommittee that the BAFT's arson program prevented over $54 million in false claims in 1980 alone. The average solution rate for arson offenses in this country is under 10 percent. The BATF's solution rate is a staggering 69 percent.

Unfortunately, the Federal Government's efforts in this area have been somewhat hampered by the lack of clarity in one provision of current law. Some courts have interpreted the explosives provisions in title 18 to preclude Federal jurisdiction over fires started by gasoline and other flammable liquids which otherwise meet the jurisdictional tests. H.R. 6454 would remove this impediment to Federal jurisdiction.

The bill implements recommendations of the Attorney General's Task Force on Violent Crime, the Treasury Department, and the insurance industry. I believe that it merits our strong support. I urge my colleagues to vote in favor of suspending the rules and passing H.R. 6454.●

● Mr. MOFFETT. Mr. Speaker, we have before us today a simple piece of legislation which promises major, positive ramifications in the fight against crime. H.R. 6454, the Anti-Arson Act of 1982, seeks to broaden the purview of Federal investigation and prosecution in arson cases. It has my full support.

Under current law, Federal jurisdiction now exists in arson cases only when the (damage or) destruction of property is caused by explosives. But proving the origin of arson to be explosives is not an easy task. Representative BILL HUGHES, who has sponsored today's legislation, reports:

> Fires caused by explosives are technically difficult to investigate. Determining the cause of a deliberately set fire involves an extensive physical and chemical inventory of the debris at the fire scene, and extensive chemical laboratory analysis of the debris. Determining the persons responsible for causing the fire involves laborious analysis of insurance policy applications, records of property transfers, extensive corporate ownership records, balance sheets, profit and loss statements and comparison with information concerning other suspicious fires.

The difficulty of proving that arson is caused by explosives has resulted in the discontinuation of about 30 percent of the Bureau of Alcohol, Tobacco, and Firearms' arson investigations, hamstringing the Federal Government's most effective crimefighting agency. H.R. 6454 would vastly simplify the morass of current investigative requirements by stipulating that property damage caused by fire may also be the subject of Federal prosecution.

Mr. Speaker, fire in the United States kills 8,000 people each year. It injures as many as 300,000 persons, causes direct property losses in excess of $5 billion, and results in indirect losses estimated at $21 billion. Although the responsibility for fighting arson is primarily a State and local one, the victims of this heinous crime are crying out for a stronger national response. Insurance companies across the country are also demanding a concerted Federal effort to control arson. In testimony before the Subcommittee on Crime last year, the American Insurance Association reported that current Federal anti-arson activities are essential:

Our industry experts tell us a profitmaking scheme is involved in about 40 percent of all arson. Consequently as the economy continues to stagnate, insurers expect, and experience indicates, that occurrences of arson will increase as insured property owners are tempted to commit this crime because of bad economic conditions and high interest rates. Now is the least appropriate time to reduce the Federal law enforcement presence in arson detection and enforcement.

Regrettably, we are witnessing just such a reduction. The Bureau of Alcohol, Tobacco, and Firearms is being cutback. The American Insurance Association, again, has voiced strong disapproval of funding cuts to the BATF:

The BATF arson program is not one of those overstaffed and underworked Federal activities of which we have heard so much; on the contrary, its staff complement averages about 180 people and the Bureau operates on an $8.5 million budget. The arson program functions in a highly decentralized manner with regional and district offices appropriate to their tasks. The Bureau maintains arson task forces in metropolitan areas whose purposes it is investigate major fires. There are also four national response teams staffed by Treasury Agents and technicians.

In addition to the cutback in BATF funding, the President has proposed to eliminate all funding for the U.S. Fire Administration. The House of Representatives recently demonstrated its support for this arson-fighting body by approving House Concurrent Resolution 288, which expresses the congressional intent that the U.S. Fire Administration continue its arson research and training programs, for the assistance and safety of our communities. The fiscal year 1983 budget bill contains no spending authority for the Fire Administration, all the time.

So here we are today with the opportunity to work a simple change in current statute to make easier Federal arson investigation. H.R. 6454 is a modest proposal, but an important one, which will hopefully sound the Federal clarion for additional, meaningful arson-fighting measures. The Anti-Arson Act of 1982 has the full support of the Department of the Treasury, the American Insurance Association, and the Nation's firefighters. I urge its immediate approval and hastened progress toward enactment.●

Mr. HUGHES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 6454.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. HUGHES) that the House suspend the rules and pass the bill, H.R. 6454.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RISK ANALYSIS RESEARCH AND DEMONSTRATION ACT OF 1982

Mr. WALGREN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6159) to establish a program under the coordination of the Office of Science and Technology Policy for improving the use of risk analysis by those Federal agencies concerned with regulatory decisions related to the protection of human life, health, and the environment, as amended.

The Clerk read as follows:

H.R. 6159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Risk Analysis Research and Demonstration Act of 1982".

FINDINGS AND DECLARATIONS

SEC. 2. (a) The Congress hereby finds and declares that—

(1) a number of federal agencies have been mandated by law to protect, or provide information to protect, human life, health, and the environment;

(2) decisions by Federal agencies, legally mandated to protect human life, health, and the environment, often involve rules to reduce risk to human life, health, and the environment;

(3) such regulatory decisions involve scientific, economic, social, and philosophical considerations;

(4) these decisions increasingly involve an assessment of risks to human life, health, and the environment and a balancing of those risks against the economic and social consequences of controlling them;

(5) improving the quality of the scientific component of such decisions is an important aspect of preserving the public's freedom of choice in weighing the social and philosophical values intrinsic in them; and

(6) analysis of the comparative risks to health and individual welfare among different groups can assist in setting broad public policy objectives.

(b) Accordingly, it is necessary for Federal agencies—

(1) to equip themselves with an effective means for securing information on, and an understanding of, the scientific bases for their regulatory decisions;

(2) to utilize such information and understanding, whenever appropriate, as one factor in the assessment of matters before them pertaining to decisions related to the protection of human life, health, and the environment; and

(3) to better delineate the scientific basis for agency decisions from their more subjective, judgmental aspects.

(c) Since risk analysis is an emerging tool for regulatory decisionmaking, there is a need to encourage basic and applied research in this interdisciplinary field; and the results of this research can contribute to enhancing the quality of the scientific component of the regulatory decisionmaking process.

(d) Risk analysis is basically a multistep process consisting first of a scientifically based risk assessment, which concentrates on the identification, probability, and consequences of risk, and secondly of a risk evaluation, which is more judgmental in nature and concentrates on decisions defining acceptable levels of risk. Risk analysis will not provide a formula for setting public policies and making regulatory decisions, however, it may be a procedure by which the delineation in section 2(b)(3) is facilitated.

(e) Scientific and technological decisions concerning risk normally involve consideration of alternative courses of action. Evaluation of these alternatives involves different risks and a balancing and ranking of the risks involved in these options. Comparative risk analysis is a means by which a rational objectivity can be brought to the process of risk evaluation and the balancing of these alternatives. An important part of such decisions, and the ultimate question, is the acceptability of risk by the public; and comparison of risks represents a means by which levels of risk can be presented to the public in terms which facilitate freedom of choice in the weighing of nonquantifiable values.

(f) While many Federal agencies utilize risk analyses, there is presently no systematic, coordinated effort to establish risk analysis as an instrument in making regulatory decisions.

(g) Recent judicial decisons have demonstrated the need to further develop risk analysis in order to meet the rigorous standards of evidence and proof of cause and effect which the courts have found to be required by some agency statutes.

PURPOSE

SEC. 3. It is the purpose of this Act to develop a comprehensive and coordinated research and demonstration program for risk analysis, taking into account the findings and declarations set forth in section 2, in order to—

(a) improve the use of risk analysis within those Federal agencies concerned with regulatory decisions related to human life, health, and the environment;

(b) develop a coordinated and systematic approach to the conduct and use of risk analysis by such Federal agencies;

(c) define criteria and standards to guide the development and use of risk analysis;

(d) identify research needed by Federal agencies to improve the methodologies and use of risk analysis in regulatory decisionmaking;

(e) establish within such Federal agencies a means to promote an understanding by the public of the risk to life, health, and the environment of scientific and technological decisions made within their jurisdictions, by expressing those risks in terms of easily understood, everyday experience; and

(f) facilitate public understanding of the nature of regulated risks and the means of their quantification

DEFINITIONS

SEC. 4. For the purposes of this Act—

(a) the term "risk" means the potential for realization of unwanted, negative consequences to human life, health, or the environment;

(b) the term "risk assessment" means the process of quantification of the probabilities and consequence values for an identified risk;

(c) the term "risk evaluation" means the complex process of developing acceptable levels of risk to individuals, society, or the environment;

(d) the term "risk analysis" means the total process, including both risk assessment and risk evaluation, of quantifying a risk and finding an acceptable level of that risk for an individual, group, society, or the environment; and

(e) the term "comparative risk analysis" means a procedure of risk evaluation in which the probabilities and consequences of the risks associated with one course of action versus one or many alternative courses of action are compared, and which may include—

(1) comparisons of one particular action versus no action at all;

(2) comparisons of two or more different actions directed at achieving the same benefit;

(3) comparisons of the risks due to decisions to control potential hazards to differing levels;

(4) ranking of the risks that may result from any single course of action; and

(5) comparisons of the risks of any decision to control the effects of any course of action as compared to similar risks which may occur, or be present, due to natural occurrence;

(f) the term "Administrator" means the Administrator for Information and Regulatory Affairs in the Office of Management and Budget;

(g) the term "Office" means the Office of Science and Technology Policy;

(h) the term "Director" means the Director of the Office of Science and Technology Policy; and

(i) the term "Federal regulatory agencies" means agencies within the Federal Government which are involved with regulatory decisions concerning human life, health, and the environment.

OBJECTIVES AND ESTABLISHMENT OF PROGRAM

SEC. 5. (a) The objectives of the program established under subsection (b) shall include—

(1) development of research programs within Federal agencies (particularly those specifically designated in subsections (b)(4) and (b)(5)), intended to improve and develop new techniques for measuring, gathering, analyzing, and evaluating data necessary to complete risk assessments and evaluations, with particular emphasis on the use of comparative risk in risk evaluation;

(2) application, as appropriate, of such research to the regulatory decisionmaking process to eliminate the deficiencies in that process identified in the findings;

(3) coordination among Federal agencies for the use of common research results and information required for risk analysis; and

(4) development of strategies for the use of comparative risk—

(A) to set priorities on what specific actions or hazards should be the subject of regulation;

(B) to establish the most effective means of regulating a specific environmental, health, or safety hazard; and

(C) to improve public understanding of decisions involving risk to human life, health, and the environment; and

(5) establishment of a procedure for the transfer and utilization of information and data between Federal agencies and private and nonprofit corporations and institutions.

(b) The President shall establish and direct in accordance with the provisions of this Act a coordinated program for the improvement and use of risk analysis, which shall—

(1) be designed to achieve the objectives set forth in subsection (a);

(2) direct the Office to provide oversight and guidance for the program;

(3) direct the Administrator to provide coordination, planning, and implementation of the program within and among Federal agencies;

(4) involve, where appropriate, Federal agencies involved in regulatory decisions or providing information for regulatory decisions, including but not limited to, the Food and Drug Administration, the Environmental Protection Agency, the Occupational Safety and Health Administration, the Food Safety and Inspection Service of the Department of Agriculture, the Nuclear Regulatory Commission, the Department of Energy, the Consumer Product Safety Commission, the Federal Aviation Administration, and the Department of Transportation; and

(5) involve, where appropriate, the National Science Foundation and other agencies with basic and applied research programs applicable to the improvement of risk analysis.

(c) The Administrator within twelve months after the enactment of this Act shall present to the Congress a plan which shall include—

(1) a review of the risk analyses presently being carried out within the Federal regulatory agencies specifically designated in subsection (b)(4), and their use in the regulatory decisionmaking process;

(2) a review of the risk analysis research being carried out by Federal agencies specifically designated in subsection (b)(4), and the procedures within those agencies for linking this research to the regulatory decisionmaking process;

(3) for purposes of comparison with the findings to be made under paragraphs (1) and (2), a brief review of risk analysis and risk analysis research presently being carried out outside Federal agencies;

(4) identification of specific areas of emphasis for research conducted within Federal agencies, and recommendations for the funding of such research outside such agencies by the Federal regulatory agencies, the National Science Foundation, and the National Institutes of Health;

(5) recommendations for a coordinating mechanism to transmit and share research results among Federal agencies, between Federal agencies and other public agencies, and between Federal agencies and private and nonprofit corporations and institutions;

(6) a program plan for prototypical risk analysis demonstrations which shall be carried out within the Federal regulatory agencies specifically designated in subsection (b)(4);

(7) identification of the areas where the use of the results of a risk analysis is limited or prohibited by current law, regulation, or practice; and

(8) recommendations for increasing public awareness and understanding of risk.

RESEARCH

SEC. 6. (a) The Federal regulatory agencies specifically designated in section 5(b)(4) shall recommend to the Director research required to meet the objectives stated in section 5(a).

(b) The National Science Foundation, on the basis of work done by the National Academy of Sciences and other individuals and institutions both inside and outside the Federal Government, shall recommend to the Director a program of research directed at strengthening the basic and applied sciences required to support Federal agencies in utilizing risk analysis methods in regulatory decisionmaking. Such program shall include—

(1) research on new and improved methods for gathering data;

(2) research on new and improved methodologies for analyzing and utilizing such data; and

(3) research on the role of comparative risk analysis in regulatory decisionmaking.

(c) The Director shall establish a mechanism for coordinating the research programs of the Federal agencies pursuant to subsection (a) and of the research programs recommended by the National Science Foundation pursuant to subsection (b).

DEMONSTRATION PROJECTS

SEC. 7. (a) Each of the Federal agencies specifically designated in section 5(b)(4) shall undertake a prototypical risk analysis study. These studies should utilize presently available information and techniques, or new developments where available, and wherever appropriate should include the following elements:

(1) Comparison of risk of alternative courses of action.

(2) Delineation between scientific and policy judgments.

(3) Identification of specific assumptions and uncertainties.

(4) Identification of limitations placed on the analysis due to relevant organizational and statutory constraints.

(5) Identification of specific tradeoffs posed in the particular risk analysis.

(6) Suggestions of how additional information, or changes in statutory language and organizational structure, could change the strategy chosen to cope with this problem.

(7) Discussion of how comparative risk analysis could be utilized to make the public aware of the relevance of the decisions, including a consideration of factors such as voluntary versus involuntary nature of similar risks, manmade versus natural risks, and necessary versus unnecessary risks.

(8) Delineation of information concerning the different levels of risk to health and welfare among different groups within the population, including consideration of socioeconomic, location, and other pertinent factors, to assist in the equitable sharing of risks and for benefits to be realized from the regulatory process and the implementation of public policy.

(b) such studies shall be completed within two years after the date of the enactment of this Act, and shall be available to experts in

the field for critical peer review and to the public at large.

REPORT

SEC. 8. (a) The Administrator shall issue a report to the Congress within thirty months after the date of the enactment of this Act, which shall include—

(1) a summary of the findings made pursuant to section 5(c);

(2) a critical review of agencies' risk analysis procedures or capabilities as evidenced by the prototype studies prepared pursuant to section 7;

(3) recommendations for future research necessary to achieve the purposes and objectives of this Act;

(4) recommendations for legislation needed to implement and facilitate the use of risk analysis within Federal agencies;

(5) recommendations for nonlegislative changes, including organizational changes, to implement a policy of risk analysis within Federal agencies;

(6) recommendations that will result in the improved transfer of risk-related research and information between Federal agencies and private and nonprofit corporations and institutions; and

(7) recommendations for improving and increasing public understanding and appreciation of risk and regulatory decisions.

(b) In the preparation of the report the Administrator shall seek the advice and comment by organizations and representatives of both public and private interests, and any comments made shall be included in the final draft of such report submitted to Congress.

SEC. 9. Nothing in this Act shall constitute an authorization for the appropriation of funds from the Treasury of the United States.

The SPEAKER pro tempore. Is a second demanded?

Mr. RITTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. WALGREN) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. RITTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. WALGREN).

Mr. WALGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill H.R. 6159, the Risk Analysis Research and Demonstration Act of 1982.

This bill would establish a program under the coordination of the Office of Science and Technology Policy for improving the use of risk analysis by those Federal agencies concerned with regulatory decisions relating to the protection of human life, health, and the environment. The committee, after several years of involvement with risk analysis, reported this proposal favorably by unanimous voice vote on May 13, 1982.

I would like at this time to thank the chairman and the ranking minority member of the Committee on Science and Technology, the gentleman from Florida (Mr. FUQUA), and the gentleman from Kansas (Mr. WINN) for their support in bringing this bill through committee and to the floor. Recognition is also due to the gentlelady from Massachusetts (Mrs. HECKLER) the ranking minority member of the Subcommittee on Science, Research and Technology for her careful attention to the provisions of this legislation which has been improved because of her reservations. My colleague from Pennsylvania (Mr. RITTER), the author of this legislation, deserves special credit for his interest in this subject and for his work with our committee in the development of the bill.

The 30-month program which would be established under the bill would consist of research and demonstration projects on the methodologies and applications, with emphasis on both the potential and the limitations of risk analysis in the regulatory decisionmaking process. Nine Federal agencies would participate, including: Environmental Protection Agency, Occupational Safety and Health Agency, Food and Drug Administration, Consumer Product Safety Commission, Department of Transportation, Department of Energy, Nuclear Regulatory Commission, Federal Aviation Administration, and the Food Safety and Inspection Service of the U.S. Department of Agriculture.

At present, most of these agencies and several others are grappling with the concept of risk and its management, but at widely varying levels of sophistication, and with little administrationwide coordination. Building consistency and standards of quality into Federal applications of risk analysis is an important objective of this legislation, and an important factor in developing effective and realistic regulatory law. Risk analysis should be viewed as a developing technology and the research and demonstration program specified in H.R. 6159 is designed to insure that we have the experience and know-how to use it effectively and wisely. It would clearly be counterproductive to impose an incomplete or immature science as a dominant factor in public policy decisions. Therefore, this legislation has as its primary goal the improvement of the science underlying the tool of risk analysis. We also want to gain a better appreciation of the public policy areas in which risk analysis may not be a sound approach.

Although the Office of Science and Technology Policy would have overall responsibility for the program, the Office of Information and Regulatory Affairs in the Office of Management and Budget would provide most of the staff for the interagency coordination and report-writing activities.

The act calls for the submission to the Congress of two reports. The first, to be completed within 12 months of the bill's enactment into law, would essentially present a survey of the current status of risk analysis both within and outside of the Federal Government, along with a detailed plan to carry out the research and demonstration program. The final report, which is due at the 30-month point, will serve to bring the Congress up to date on the success or lack thereof of the entire program, and will include a critical review of the agencies' risk analysis procedures or capabilities as evidenced by the prototype studies prepared pursuant to this legislation.

The final report will also present recommendations for additional research on risk analysis, for legislative and nonlegislative changes needed to implement and facilitate the use of risk analysis by Federal regulatory agencies where it is appropriate. This report will also recommend steps to improve the transfer of risk-related research and information between Federal agencies and to the private sector, and to improve and increasing public understanding of risk and regulatory decisions.

Mr. Speaker, the activities under this bill will not require an authorization for new appropriations and the bill therefore does not include such an authorization. In our discussions with the administration it became clear that much of the activity covered by the legislation is presently occurring albeit in a less coordinated manner and without evaluation by Congress or the public. Thus no new funds will be required to carry out the purposes and intent of this bill.

It is the hope of the Committee on Science and Technology that the successful completion of the program which would be performed under this legislation will put the Congress in a better position to assess and evaluate the use of risk analysis in the regulatory decisionmaking process.

Mr. Speaker, this concludes my formal remarks in support of H.R. 6159 and I urge its passage by the House.

Mr. RITTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am thankful for the opportunity to speak on behalf of my bill, H.R. 6159, the Risk and Analysis Research and Demonstration Act. I am deeply grateful to the chairman of the Subcommittee on Science, Research and Technology, Mr. DOUG WALGREN, for his leadership in shepherding this bill through subcommittee and through full committee.

I am also grateful to his predecessor, who occupied that subcommittee chairmanship for the first 2 years of the process with this bill, the gentleman from California (Mr. BROWN). Special thanks go to those science fellows, Dr. Barry Lubin, Mr. Tom Pestorius, and Dr. Peter Riehm, who re-

spectively over the past 3 years worked on this measure in my congressional office.

Finally, I would like to thank staff members, Tom Moss, John Holmfeld, and Elliot Ohlberg on the majority side, and on the minority side, Don Rheem and Dave Jeffry, for their excellent work on behalf of this measure.

Also, thanks go to support staff on the committee and in my congressional office for their work on this measure over the past several years.

Mr. Speaker, as many of you know, I received my training in science and engineering. Perhaps as a result of that training and professional practice, I have tried to encourage a more scientific approach to problems of legislation and policy which have deep technical roots. For many years prior to coming to the Congress, I had been concerned with the veritable spectrum of hazards which the Federal Government, through the laws of Congress, regulates in the effort to achieve public health and well-being, Precisely because the issues of health, safety and environment are so often highly technical, there has been limited understanding, on the part of lawmakers and regulators alike, of just how much hazard is involved, how to measure hazards with some accuracy and then how to put those hazards or risks in perspective with the public's experience.

Given these concerns, I have come to appreciate the role that the rapidly developing field of risk analysis could play in illuminating this difficult situation.

Risk analysis is not new. While helpful in a number of situations, it is still coming of age as an analytic tool with broad applications. Risk analysis is also not a panacea, but it can provide lawmakers and regulators alike with added perspective on regulating hazards that are at present not available from other tools we now have in our regulatory toolbox.

Mr. Speaker, my bill, H.R. 6159, requires that selected regulatory agencies undertake a demonstration-type risk analysis. The purpose of these risk analyses would be to see how the concept fits into the particular regulatory scheme of each agency and how prepared each agency would be to incorporate a risk analysis approach into its regulatory decisions. My bill would encourage standards and criteria to enhance the use of risk analysis where appropriate and would also lead to the identification of areas where more work or research is needed in order to do a proper job.

Very importantly, Mr. Speaker, my bill would seek ways in which the general public can become more knowledgeable about the risks they face every day, risk analysis, risk measurements, and risk comparisons, putting risk into some kind of context with every day experience.

My bill does not require the use of risk analysis for any regulatory decision—it is merely a research and demonstration act—designed to help us to "walk" in the use of risk analysis before we try to "run" with it.

My bill does not earmark any additional funds to carry out its requirements since most of the agencies involved already have some ongoing form of risk analysis, although usually not sophisticated. My bill provides a mechanism to coordinate these various agency efforts so as to have the agencies learn from one another in the best use of risk analysis methods.

My bill enjoys the support of the administration through the Office of Management and Budget and the President's Office of Science and Technology Policy both of which have responsibilities under the bill.

Whether or not, and to what extent, risk analysis will be more broadly used in the future will depend to a large degree on the results of the demonstration studies required by the bill. Putting hazards in better perspective for regulators and the public, is important to a society so dependent on the intelligent use of technology. H.R. 6159 attempts to achieve that kind of goal.

● Mr. BROWN of California. Mr. Speaker, I rise in support of H.R. 6159, the Risk Analysis Research and Demonstration Act of 1982. This legislation would establish a coordinated program for the improvement of our knowledge and use of risk analysis in the regulatory decisionmaking process. Risk analysis and its relative, comparative risk analysis, are emerging technologies which, if properly managed when they do become acceptable to qualified scientists and policymakers within and outside of our regulatory agencies, hold great promise to improve the scientific component of regulatory decisions.

H.R. 6159 would not mandate the unwarranted intrusion of risk analysis into regulatory policysetting, it merely would establish what the title suggests—a program of research on the theory and methodologies of risk analysis, and prototype demonstrations of its applications and/or potential limitations. Nine Federal agencies, which have been enumerated by my colleague from Pennsylvania, and also the National Science Foundation would recommend and conduct the research projects, once they are reviewed and approved by the Office of Science and Technology Policy, They would be of both basic and applied nature. OSTP will provide the central oversight and coordinating mechanism.

The prototype demonstrations would essentially be case studies by the nine agencies with regulatory missions, in which each would take a specific problem and apply the concepts and existing methodologies of risk and comparative risk analyses to it. As this application is made, each agency will be engaging in a thinking exercise. That is, they will: First, compare the trade-off of risks from alternative courses of action that could solve the problem; second, delineate scientific from policy judgments; third, identify specific assumptions and uncertainties that underlie the problem; fourth, identify limitations placed on the risk analysis due to relevant statutory and organizational constraints and determine how additional information or changes in statutory language could change the strategy chosen to cope with the problem; fifth, consider how comparative risk analysis could be utilized to make the public more aware of the relevance of their regulatory decisions; and sixth, formulate data concerning the different levels of risk to subgroups of the population.

This all sounds like an expensive undertaking, but the legislation does not require nor would it authorize any money. The administration made clear during the bill's drafting that this effort was of sufficient importance that existing personnel at OMB and OSTP, particularly the former, would be made available to perform the duties required of these offices. The Congressional Budget Office has estimated that the "report-writing and administrative activities" which the bill would require would cost approximately $200,000 over the course of the 30-month program. Agency costs should be minimal since in fact most are already studying the use of risk analysis.

Although the best risk analysis procedures are what this program is designated to help delineate the legislation does define what the terms, "risk analysis" and "comparative risk analysis," are generally accepted to mean. Risk analysis is basically a multistep process consisting first of a scientifically based risk assessment, which concentrates on the identification, probability, and consequences of risk, and second of a risk evaluation, which is more judgmental in nature and concentrates on defining acceptable levels of risk. Risk analysis will not provide a formula for setting public policies and making regulatory decisions. However, it may serve to better separate the scientific bases for agency decisions from their more subjective, judgmental aspects.

Decisions concerning risk normally involve the evaluation and comparative analysis of risks from alternative regulatory solutions and policies, recognizing that no solution will be risk-free. Comparative risk analysis, the balancing and ranking of risks from alternative solutions, is a means by which a rational objectivity can be

brought to bear on the ultimate question of what types and levels of risk are most acceptable to the public. The further development of these emerging technologies is needed so that the public may have a reliable means of understanding risks and choosing among alternative regulatory solutions.

Mr. Speaker, there is one area of particular concern to me in the area of risk analysis which is important to stress: risk analysis cannot be performed properly without a sound scientific base. The identification of risk and its consequences comes out of research and development programs, a large portion of which are funded by various federal agencies. The Environmental Protection Agency has had its R. & D. program cut back significantly, particularly in areas which are critical to risk analysis such as epidemiology. While this application supports the goals of this legislation, I have not seen the support necessary to maintain a viable R. & D. program in the environmental and health area. EPA's R. & D. program has been cut 50 percent since this Administration came to office. This is not a serious way of dealing with the question of risk analysis when a strong R. & D. base is critical to its effectiveness.

It has been the traditional role of the Committee on Science and Technology to insure that the research and development aspects of new technologies which are moving toward application receive the proper congressional attention. The notion of risk analysis is already being loosely used in public policy debate in and out of the Congress, and it is important that we focus attention on the need to strengthen the basic methodology. We need to be sure that the basic and applied research base is solid, and that there is a well-researched understanding among all concerned as to both the limitations and opportunities of applying the technique. Providing a congressional mandate to build that understanding is the purpose of this bill, and I urge its swift passage by the house.●

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Mr. WALGREN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. WALGREN) that the House suspend the rules and pass the bill, H.R. 6159, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WALGREN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

STATISTICIANS DECRY DAVID STOCKMAN'S DECISION TO ABOLISH STATISTICAL POLICY BRANCH OF OMB

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, I have spoken several times about the threat to our statistical system from the budgetary and personnel decisions of the Reagan administration. One such decision was made in May, when the Office of Management and Budget abolished its Statistical Policy Branch and transferred the personnel to nonstatistical functions, reviewing activities of the regulatory agencies. This clearly is a case of robbing Peter to pay Paul. And it may well confirm the fears of those who believe a statistical coverup may be in the making.

The American Statistical Association (ASA) was founded in 1839, and it is the leading broad-based professional association of statisticians. The board of directors of the ASA recently passed a resolution decrying Director Stockman's dissolution of his own agency. I have attached for the RECORD copies of this resolution and the July 21, 1982, letter to Director Stockman from the Executive Director of the ASA.

The resolution states that—

The Association views with alarm the continuing erosion of the statistical policy and coordination function culminating in the abolition of the Statistical Policy Branch within OMB.

Loss of effective statistical coordination will undoubtedly have a destructive impact on government statistical activities. The main result of this change will be a cumulative decrease in the quality and quantity of useful information needed to guide decision making in both private and public sectors, resulting in increased costs and reduced efficiency.

The executive director of the ASA points out that—

The de-emphasis and ultimate elimination of statistical policy has resulted, it appears, from a desperate move to provide resources for regulatory reviews, not from an assessment on the merits. Providing resources for regulatory review is, no doubt, a worthy objective. Our concern is that statistical policy issues, which transcend regulatory functions, should not be organizationally linked to regulatory review so that long-term statistical policy is sacrificed to short-run administrative targets.

He goes on to point out that Director Stockman's action may be a case of false economy, since with the abolition of the coordinating function of OMB's Statistical Policy Branch, the resulting "* * * decentralized system runs grave risks of progressive duplicative waste and inconsistency and incoherence." The Executive Director concludes that—

Now more than ever we need strong, sensitive imaginative statistical coordination and policy guidance by well-qualified statisticians and associated specialists led by an eminent policy-oriented Chief Statistician.

The material follows:

JULY 21, 1982.

Hon. DAVID STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. STOCKMAN: The Board of Directors of the American Statistical Association (ASA) has directed me to express our alarm at your recent action to eliminate the Statistical Policy Branch and the position of Chief Statistician. In our judgment, the resultant void poses serious short- and long-term risks to businesses and institutions that depend on federal statistics, and to the national government. The Board's resolution is enclosed.

The de-emphasis and ultimate elimination of statistical policy has resulted, it appears, from a desperate move to provide resources for regulatory reviews, not from an assessment on the merits. Providing resources for regulatory review is, no doubt, a worthy objective. Our concern is that statistical policy issues, which transcend regulatory functions, should not be organizationally linked to regulatory review so that long-term statistical policy is sacrificed to short-run administrative targets.

The American Statistical Association, a broad-based professional association that includes statisticians of all types, has advised the Federal Government on the census and other statistical matters since ASA's founding in 1839. The Association has been closely associated with the statistical policy function in the U.S. government since the first continuing activity,[1] the Federal Statistics Board established by President Hoover. The Association has contributed in significant ways to the evolution of the federal statistical system over that span of more than fifty years, through professional, nonpartisan public service by generations of statistical experts and statistical statesmen. Hence we speak from a wealth of experience with federal statistics, and familiarity with the vulnerabilities of the statistical system.

The United States has deliberately chosen a partly decentralized statistical system, permitting the collection of data to be responsive to the policy and program needs of the Cabinet departments that are their major direct clients. A fully decentralized system runs grave risks of progressive duplicative waste and inconsistency and incoherence. These problems are especially severe in times of major budget constraints which tempt officials to give precedence to their own statistical needs, to the detriment of general purpose needs of varied other users, in and out of the Federal Government.

Certainly, we believe in genuine economy. We know the value of continuity in pertinent statistics, produced by statistical systems of unquested integrity, both to the government for executive policy judgments

and to the private sector as we revive national productivity. Now more than ever we need strong, sensitive, imaginative statistical coordination and policy guidance by well-qualified statisticians and associated specialists led by an eminent policy-oriented Chief Statistician. In our view, the Chief Statistician should provide important support to the Office of Science and Technology, the Office of Policy Development, the Special Assistant for Evaluation, and others, as well as to you and your principal executives.

Based on a careful apolitical study, a professional team led by Professor James T. Bonnen of Michigan State University in 1979–80 recommended an independent statistical policy agency within the Executive Office of the President. Action on the recommendation was not taken at the time, in deference to the organization in the Paperwork Reduction Act of 1980. In the wake of the failure of OMB to provide appropriate and effective means for carrying out your statistical policy responsibilities under the Paperwork Reduction Act of 1980, and earlier legislation, resolution of this public need along lines similar to those of the Bonnen Report is desirable.

The American Statistical Association will be pleased to confer with you about effective ways of achieving statistical coordination, planning, and policy objectives for which you have statutory responsibility. Our Committee on Government Statistics will continue to address you on particular dangers arising from the gap that has been created, and on opportunities for amelliorating the damage.

Sincerely,

FRED C. LEONE,
Executive Director.

[1] Earlier beginning were an Interdepartmental Statistical Committee, set up by President Theodore Roosevelt in 1908, and a Central Bureau of Planning and Statistics within the War Industries Board during World War I.

RESOLUTION—THE BOARD OF DIRECTORS, THE AMERICAN STATISTICAL ASSOCIATION, MAY 1982 MEETING

Be it resolved that the American Statistical Association strongly supports the concept of an effective statistical coordinating function within the Federal Government. Consequently, the Association views with alarm the continuing erosion of the statistical policy and coordination function culminating in the abolition of the Statistical Policy Branch within OMB.

Loss of effective statistical coordination will undoubtedly have a destructive impact on government statistical activities. The main result of this change will be a cumulative decrease in the quality and quantity of useful information needed to guide decision making in both private and public sectors, resulting in increased costs and reduced efficiency.

Be it further resolved, that the Executive Director is directed to communicate these views of the Association to the Director of OMB and to the Chairmen of appropriate Congressional Committees.●

THE HATFIELD TIMBER BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 15 minutes.

Mr. WEAVER. Mr. Speaker, today I have introduced a bill dealing with timber purchaser contracts on our national forests. I introduced this with my principal cosponsor, Congressman LES AUCOIN of Oregon. The bill is identical to that of a bill that Senator HATFIELD is introducing in the Senate today.

I call this bill the Hatfield bill, for it originated with his office. We both hope to have hearings, both in the other body and in the House Agriculture Committee and the Forest Subcommittee which I chair, sometime within the next 2 weeks.

I wanted to explain that I am introducing this bill to complement actions taken by Senator HATFIELD and I call it the Hatfield bill. It is not the precise bill that may emanate in legislation that we hope to enact this year. It is, rather, a vehicle for which hearings shall be held in which all the interested parties, the various lumber companies and others involved in timber purchaser contracts, may address in the Congress to their needs and feelings about the legislation.

What the bill does, it is a broad bill simply saying that here are some alternatives to dealing with the dire and imperiled situation of the lumber industry today.

One of these is terminating all existing timber sale contracts held by the lumber companies with the Forest Service.

The other is extension of the contracts for up to 5 years.

The third would be price rollbacks of existing contracts.

I would like to say, Mr. Speaker, that I do not endorse the extension of contracts for 5 years. I include it in the bill only because the bill is identical to that which will be introduced by Senator HATFIELD and will give the various interested parties a chance to discuss both the termination, the extension, and the price rollbacks, and any other methods for bringing some kind of relief to the imperiled timber industry.

I believe that the extension of contracts is the worst of all worlds. It does not put our millworkers, our loggers, our truckers, or anyone back to work. Rather, it just simply leaves the timber contracts dormant for a period of years. It does not bring relief for lower prices for timber, because it keeps the timber locked up in these extended contracts.

Therefore, I personally believe that we should go entirely to termination of contracts and put the timber in these present contracts back on the market as fast as possible.

I introduced last fall a bill that did that, just simply allowed the termination of all contracts presently held by the timber industry with the Forest Service. I still believe that is the proper way to go.

I believe that the inordinately high prices, the average price now of these contracts west of the Cascades is $469 a thousand. This is $300 over the present market price of timber.

Obviously, if a contract holder harvested the timber and paid the Forest Service, they would lose countless thousands and thousands, and millions of dollars, by doing so, for they would be in effect buying the timber from the Forest Service or paying for it at prices almost three times what they could then turn around and sell the timber for, even if they manufactured it into lumber and plywood.

So I believe that our presently imperiled situation with the housing recession, resulting in a timber recession that has brought many of our companies close to bankruptcy has put tens of thousands of people out of work in the Northwest, leaving my district, the major timber producing district in the country, with up to 30 percent unemployment.

We need some relief to compete once again with, for instance, the Canadian lumber that is being sold in this country at very low prices, simply because the Canadian Government gives their timber to their lumber companies at almost no price at all; virtually gives the timber away, while our Government has been holding the contracts at prices far, far above the present market price.

So to emphasize, Mr. Speaker, that I introduced this bill simply as a vehicle to hold the hearings, to allow the various interested parties to come in and testify as to how they see specific legislative methods to address the problem, and while I wholeheartedly endorse termination of the existing contracts, I strongly believe that extension of contracts go against the interests of employment in the Northwest and would hope that if we do get full termination, we do not need extension and, therefore, would not necessarily have to have extensions of contracts in the bill that is so desperately needed by the Northwest and all elements of our economy.

NOTIFICATION OF REQUEST FOR RULE TO LIMIT AMENDMENTS TO H.R. 6892

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 5 minutes.

● Mr. DE LA GARZA. Mr. Speaker, this is to notify Members that when the Committee on Agriculture appears before the Committee on Rules on Thursday, August 5, to request a rule for consideration of the bill H.R. 6892, I will seek a rule which limits amendments.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the

legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WALGREN) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. REUSS, for 10 minutes, today.
Mr. WEAVER, for 15 minutes, today.
Mr. DE LA GARZA, for 5 minutes, today.
Mr. PEASE, for 60 minutes, August 4, 1982.
Mr. EDGAR, for 60 minutes, August 18, 1982.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEWIS) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. MICHEL in two instances.
Mrs. FENWICK.
Mr. FIELDS.
Mr. EDWARDS of Oklahoma.
Mr. HYDE.
Mr. FRENZEL in five instances.
Mr. FINDLEY.
Mr. CONTE.
Mr. CAMPBELL.

(The following Members (at the request of Mr. WALGREN) and to include extraneous matter:)

Mr. LANTOS.
Mr. STARK in two instances.
Mr. DOWNEY.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. YATES.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. SHARP.
Mr. BAILEY of Pennsylvania.
Mr. MCDONALD in five instances.
Mr. MILLER of California.
Mr. MOFFETT.
Mr. WEAVER.
Mrs. BOGGS.
Mr. REUSS.
Mr. STOKES.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1182. An act to amend the Longshoremen's and Harbor Workers' Compensation Act to improve the administration of the act, to reduce incentives for fraud and abuse, to assure immediate compensation benefits and competent medical treatment for injured employees, and for other purposes; to the Committee on Education and Labor;

S. 1785. An act to increase the penalties for violations of the Taft-Hartley Act, to prohibit persons, upon their convictions of certain crimes, from holding offices in or certain positions related to labor organiztions and employee benefit plans, and to clarify certain responsibilities of the Department of Labor; to the Committee on Education and Labor;

S. 2073. An act to repeal outdated size and weight limitations now imposed on the U.S. Postal Service; to the Committee on Post Office and Civil Service;

S. 2386. An act to require the Director of the Office of Management and Budget to prepare an annual report consolidating the available data on the geographic distribution of Federal funds and for other purposes; to the Committee on Government Operations; and

S. 2481. An act to provide for the reinstatement and validation of U.S. oil and gas lease numbered W 61985; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2332. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On July 29, 1982:

H.R. 6663. An act to delay the effective date of proposed amendments to rule 4 of the Federal Rules of Civil Procedure; and

H.J. Res. 494. An act with regard to Presidential certifications on conditions in El Salvador.

On July 30, 1982:

H.R. 5380. An act to recognize the organization known as American Ex-Prisoners of War; and

H.J. Res. 526. Joint resolution authorizing and requesting the President to issue a proclamation designating the week of August 1, 1982, through August 7, 1982, as "National Purple Heart Week."

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 56 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 3, 1982, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first and second quarters of calendar year 1982 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Jonathan Sanford	1/5	1/17	India						346.07		346.07
Committee total											346.07

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FERNAND J. ST GERMAIN, Chairman, July 20, 1982

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Frank J. Guarini, MC	1/5	1/8	Rome, Italy	436,482	354.00					436.482	354.00
Benjamin A. Gilman, MC	2/2	2/2	London, England				[3] $1,290.00				
	2/2	2/4	Vienna, Austria	540.00						540.00	
	2/4	2/4	Munich, Germany								
	2/4	2/5	West Berlin, Germany	201.24	86.00					201.24	86.00
	2/5	2/5	Munich, Germany								
Elliott A. Brown	2/2	2/2	London, England				[3] 1,330.00				
	2/2	2/4	Vienna, Austria	540.00						540.00	
	2/4	2/4	Munich, Germany								
	2/4	2/5	West Berlin, Germany	201.24	86.00					201.24	86.00
	2/5	2/5	Munich, Germany								
Leo C. Zeferetti, MC	4/5	4/13	Rome, Italy	1,027,333	882.00		[3] $3,835.00			1,027,333	882.00
	4/13	4/15	Tel Aviv, Israel		225.00		[4] 900.00				225.00
Patrick L. Carpentier	4/5	4/13	Rome, Italy	1,027,333	882.00		[3] 3,775.00			1,027,333	882.00
	4/13	4/15	Tel Aviv, Israel		225.00						225.00
Committee total					2,740.00		11,030.00				2,740.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Air transportation.
[4] Ground transportation.

LEO C. ZEFERETTI, Chairman, Apr. 19, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Congressman John Erlenborn	6/17	6/22	Switzerland	1,065.90	510.00		1,372.00			1,065.90	1,882.00
Mrs. Dorothy Strunk	6/13	6/24	Switzerland	2,091	1,020.00		1,432.00			2,091	2,452.00
Committee totals					1,530.00		2,804.00				4,334.00

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CARL D. PERKINS, Chairman, July 22, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Barnds, W. J	4/7	4/17	Japan		970.00						970.00
Commercial transportation							3,064.00				3,064.00
Barnes, M. D	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/10	El Salvador		150.00		11.16		20.17		181.33
Military transportation 1 way							1,383.09				1,383.09
Commercial transportation 1 way							458.00				458.00
	5/14	5/17	Dominican Republic		237.00		557.36				794.36
Commercial transportation							632.00				632.00
Bingham, J. B	6/3	6/3	India		105.00						105.00
Boyer, R. K	4/7	4/12	Italy		372.00		61.02				433.02
	4/12	4/15	England		312.00		80.00				392.00
Commercial transportation							3,595.00				3,595.00
Brady, J. J	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/9	El Salvador		75.00		11.16		20.17		106.33
	4/9	4/12	Panama		225.00						225.00
	4/12	4/13	Nicaragua		75.00						75.00
	4/13	4/16	Jamaica		424.00						424.00
Military transportation							2,766.18				2,766.18
Bruce, T. W	4/7	4/11	Italy		312.00		61.02				373.02
	4/11	4/15	Portugal		400.00						400.00
	4/15	4/18	France		180.00						180.00
Commercial transportation							3,508.00				3,508.00
Chambers, F. M	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/9	El Salvador		75.00		11.16		20.17		106.33
	4/9	4/12	Panama		225.00						225.00
	4/12	4/13	Nicaragua		75.00						75.00
	4/13	4/16	Jamaica		424.00						424.00
Military transportation							2,766.18				2,766.18
Eckart, D	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/10	El Salvador		150.00		11.16		20.17		181.33
Military transportation 1 way							1,383.09				1,383.09
Commercial transportation 1 way							332.95				332.95
Fox, J. E	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/9	El Salvador		75.00		11.16		20.17		106.33
	4/9	4/12	Panama		225.00						225.00
	4/12	4/13	Nicaragua		75.00						75.00
	4/13	4/16	Jamaica		424.00						424.00
Military transportation							2,766.18				2,766.18

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Grunberg, C.	5/9	5/22	Kenya		1,050.00						1,050.00
Commercial transportation							2,204.00				2,204.00
Ireland, A.	4/10	4/15	Japan		485.00		45.78				530.78
Commercial transportation							3,060.26				3,060.26
Johnson, V.	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/10	El Salvador		117.60		11.16		20.17		148.93
Military transportation 1 way					1,383.09						1,383.09
Commercial transportation 1 way							458.00				458.00
	5/14	5/17	Dominican Republic		237.00		557.36				794.36
Commercial transportation							632.00				632.00
Palmer, E. J.	3/22	3/24	Hong Kong		225.00						225.00
	3/24	3/30	Thailand		487.50						487.50
	3/30	4/3	Burma		300.00						300.00
	4/4	4/7	England		312.00						312.00
Commercial transportation							2,710.55				2,710.55
Schlundt, V. M.	4/7	4/11	Italy		312.00		61.02				373.02
	4/11	4/15	Portugal		400.00						400.00
	4/15	4/18	England		312.00		45.85				357.85
Commercial transportation							3,712.00				3,712.00
Schollaert, J.T.	3/21	3/22	Japan		101.00						101.00
	3/22	3/24	Hong Kong		225.00						225.00
	3/24	3/30	Thailand		507.00						507.00
	3/30	4/3	Burma		300.00						300.00
	4/3	4/4	Thailand								
	4/4	4/5	Japan		101.00						101.00
Commercial Transportation							3,073.39				3,073.39
Solarz, S. J.	4/9	4/11	Thailand		58.95						58.95
	4/11	4/17	Japan		582.00		46.14				628.14
Commercial transportation							2,381.00				2,381.00
Zablocki, C. J.	4/7	4/8	Costa Rica		75.00		28.24		52.05		155.29
	4/8	4/9	El Salvador		75.00		11.16		20.17		106.33
	4/9	4/12	Panama		225.00						225.00
	4/12	4/13	Nicaragua		75.00						75.00
	4/13	4/16	Jamaica		424.00						424.00
Military transportation							2,766.18				2,766.18
Committee total											60,354.08

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLEMENT J. ZABLOCKI, Chairman, July 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Garner J. Cline, staff	4/5	4/12	Italy		882.00		817.84				1,699.84
	4/12	4/18	Portugal		560.00		885.06				1,445.06
Commercial transportation							3,790.45				3,790.45
Arthur P. Endres, Jr., staff	4/8	4/12	Italy		616.27		45.77				662.04
Commercial transportation							1,526.00				1,526.00
Harold Washington, MC [3]	4/10		Germany								
Commercial transportation							1,628.00				1,628.00
Committee total					2,058.27		8,693.12				10,751.39

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation from Chicago to Germany was the only Judiciary Committee expense.

PETER W. RODINO, Jr., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Cassani, Rudolph V.	6/19	6/26	Switzerland	1,434.80	680.00		984.00				1,664.00
Wilkinson, Cynthia	6/19	6/25	Switzerland	1,255.45	595.00		1,420.00				2,015.00
Committee total					1,275.00		2,404.00				3,679.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

WALTER B. JONES, Chairman, July 14, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Albert A. Sayers, Jr.	4/5	4/7	Portugal	17,078	240.00		2,945.00			17,078	185.00
	4/7	4/10	Switzerland	524.25	267.00	352	177.60			876.25	444.60
	4/10	4/13	France	1,135.80	180.00	385	61.01			1,520.80	241.01
	4/14	4/18	England	235.97	416.00					235.96	416.00
Michael F. Klein	4/5	4/7	Portugal	17,078	240.99		2,945.00			17,078	3,185.00
	4/7	4/10	Switzerland	524.25	267.00	352	177.60			876.25	444.60
	4/10	4/13	France	1,135.80	180.00	385	61.01			1,520.80	241.01
	4/14	4/18	England	235.97	416.00					235.08	416.00
Committee total					2,206.00		6,367.20				8,573.22

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD BOLLING, Chairman, July 20, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Mark Levine	6/8	6/21	Italy	1,226,670	930.00		1,530.00			1,226,670	2,460.00
Committee total					930.00		1,530.00				2,460.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PARREN J. MITCHELL, Chairman, July 21, 1982.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4486. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1982 and amendments to the request for appropriations for fiscal year 1983 (H. Doc. No. 97-219); to the Committee on Appropriations and ordered to be printed.

4487. A letter from the Director, Office of Management and Budget, transmitting the supplemental summary of the budget for fiscal year 1983, pursuant to section 201 of the Budget and Accounting Act of 1921, as amended (H. Doc. No. 97-220); to the Committee on Appropriations and ordered to be printed.

4488. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of the Department's proposed transfer of funds from the Navy stock fund to war reserve stocks, pursuant to section 734 of Public Law 97-114; to the Committee on Appropriations.

4489. A letter from the Chief, Legislative Division, Office of Legislative Liaison, Department of the Air Force, transmitting the semiannual report on research and development contracts of $50,000 or more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

4490. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the decision to convert to contractor performance the maintenance of containers, textiles, tents, and tarpaulins at Fort Hood, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4491. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the decision to convert to contractor performance the keypunch function at the Ship Parts Control Center, Mechanicsburg, Pa., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4492. A letter from the Assistant secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the decision to convert to contractor performance the food service function at the naval station, Philadelphia, Pa., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

4493. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting an annual report on the operations of the Bank for fiscal year 1981, pursuant to section 9(a) of the Export-Import Bank of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4494. A letter from the Auditor, District of Columbia, transmitting a report entitled "Revenue Report for June 1982," pursuant to section 455(d) of Public Law 93-198; to the Committee on the District of Columbia.

4495. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-230, "D.C. Certificate of Need Act of 1980 Thresholds Amendment Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4496. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-231, "Alcoholic Beverage Control Amendments Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4497. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act of 4-232, "D.C. Board of Education Leasing Authority Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4498. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-233, "Closing of Portions of First Street, Northwest, and I Street, Northwest, Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4499. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-234, "Closing of the Public Alleys in Square 624 Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4500. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-235, "Closing of Portions of Public Alleys in Square 628 Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4501. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-236, "Medicare Supplement Insurance Temporary Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4502. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-237, "Day Care Policy Act of 1979 Amendment Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4503. A letter from the Assistant Secretary for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of defense articles or defense services sold commercially to the International Telecommunications Satellite Organization (INTELSAT) (Transmittal No. MC-13-82), pursuant to section 36(c) of the Arms Export Control Act; to the Committee of Foreign Affairs.

4504. A letter from the Secretary of Education, transmitting the proposed final amendment for the nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance, pursuant to section 431(d)(1) of the General Education Provisions Act as amended; to the Committee on Education and Labor.

4505. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to

render a final decision in Docket No. 37809, *McCarty Farms, et al.* v. *Burlington Northern, Inc.* within the specified 180-day period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

4506. A letter from the Comptroller, Department of State, transmitting the quarterly report on International Narcotics Control obligations for the period October 1, 1981, through June 30, 1982, pursuant to section 481(b)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4507. A letter from the Administrator, Office of Federal Procurement Policy, Office of Management and Budget, transmitting additional information on their proposal for a uniform Federal procurement system, which was required by section 8(a)(2) of Public Law 96-83; to the Committee on Government Operations.

4508. A letter from the Assistant Vice President, Farm Credit Banks of Baltimore, transmitting the annual retirement plan report for the Farm Credit Banks of Baltimore, pursuant to section 121(a)(2) of Public Law 95-595; to the Committee on Government Operations.

4509. A letter from the Plan Administrator, Farm Credit Banks of New Orleans, transmitting the annual reports on the farm credit retirement system and the production credit associations retirement plans for the Farm Credit Banks of New Orleans, pursuant to section 121(a)(2) of Public Law 95-595; to the Committee on Government Operations.

4510. A letter from the Executive Secretary, Federal Reserve Employee Benefits System, transmitting the annual report for the retirement plan for employees of the Federal Reserve System, pursuant to section 121(a)(2) of Public Law 95-595; to the Committee on Government Operations.

4511. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to grant to the Secretary of Transportation, with respect to matters concerning the Coast Guard when it is not operating a service in the Navy, the authority to lease out Government-owned property in exchage for services; to the Committee on Merchant Marine and Fisheries.

4512. A letter from the Assistant Secretary of the Army for Civil Works, transmitting a Corps of Engineers report on the Jacksonville Metropolitan Area, Fla., in response to resolutions adopted by the U.S. Senate Committee on Public Works on October 31, 1972, and by the Committee on Public Works and Transporation of the House of Representatives on April 11, 1974; to the Committee on Public Works and Transportation.

4513. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act; to the Committee on Small Business.

4514. A letter from the Chairman, National Transportation Safety Board, transmitting the Board's 1980 annual report, pursuant to section 305, Public Law 93-633; jointly, to the Committees on Energy and Commerce, Merchant Marine and Fisheries, and Public Works and Transporation.

4515. A letter from the Director, Office of Emergency and Remedial Response, Environmental Protection Agency, transmitting information that was omitted in the Administrator's previously submitted report on the national oil and hazardous substances contingency plan (July 19, 1982, Communication No. 4399) jointly; to the Committees on Energy and Commerce and Public Works and Transportation.

4516. A letter from the Comptroller General of the United States, transmitting a report on the Department of Agriculture's wool incentive payment program (CED-82-86, August 2, 1982); jointly, to the Committees on Government Operations and Agriculture.

4517. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Home Loan Mortgage Corporation's financial statements for the year ended December 31, 1981 (AFMD-82-92, July 30, 1982) (H. Doc. No. 97-221); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs and ordered to be printed.

4518. A letter from the Comptroller General of the United States, transmitting a report on the President's proposed legislation to reorganize Federal energy activities (EMD-82-77, August 2, 1982); jointly, to the Committees on Government Operations and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on July 29, 1982, the following reports were filed on July 30, 1982]

Mr. RODINO: Committee on the Judiciary. H.R. 4374. A bill to improve the international ocean commerce transportation system of the United States; with an amendment (Rept. No. 97-611, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 6156. A bill to clarify the jurisdiction of the Securities and Exchange Commission and the definition of security, and for other purposes; with an amendment (Rept. No. 97-626, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 6011. to designate certain lands in the Bankhead National Forest, Ala., as a wilderness area and to incorporate such wilderness area into the Sipsey Wilderness (Rept. No. 97-646, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

[Submitted Aug. 2, 1982]

Mr. RODINO: Committee on the Judiciary. H.R. 5235. A bill to amend the Sherman Act, the Clayton Act, and Federal Trade Commission Act to exclude from the application of such acts certain conduct involving exports; with amendments (Rept. No. 97-686). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 6892. A bill to provide changes in legislation to meet reconciliation requirements of the first congressional budget resolution—fiscal year 1983—for the House Committee on Agriculture; with amendments (Rept. No. 97-687). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLORIO:

H.R. 6911. A bill to insure rail safety, provide for the preservation of rail service, insure the completion of the Northeast corridor improvement project, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MINETA (for himself and Mr. PANETTA):

H.R. 6912. A bill to designate the square dance as the national folk dance of the United States; to the Committee on Post Office and Civil Service.

By Mr. WEAVER (for himself and Mr. AUCOIN):

H.R. 6913. A bill to provide for the orderly termination, extension, or modification of certain contracts for the sale of Federal timber, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. FIELDS:

H.J. Res. 559. Joint resolution to authorize the President to issue a proclamation designating the third week in August every year as "America in Concert Week"; to the Committee on Post Office and Civil Service.

By Mr. PASHAYAN (for himself, Mr. HANCE, and Mr. LEWIS):

H.J. Res. 560. Joint resolution proposing an amendment to the Constitution requiring a three-fifths vote for borrowing money or for raising revenue; to the Committee on the Judiciary.

H.J. Res. 561. Joint resolution proposing an amendment to the Constitution requiring a three-fifths vote for borrowing money or for raising revenue; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself, Mr. BENJAMIN, Mr. DUNN, and Mrs. FENWICK):

H. Res. 544. Resolution seeking actions to restore free and fair trade relationships in the field of aviation; jointly, to the Committees on Ways and Means and Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BADHAM introduced a bill (H.R. 6914) to provide for the duty-free entry of a pipe organ for the Crystal Cathedral of Garden Grove, Calif.; which was referred to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 375: Mr. ADDABBO and Mr. GRAY.

H.R. 3973: Mr. SHAW.

H.R. 4217: Mr. GINN, Mr. HATCHER, Mr. BRINKLEY, Mr. LEVITAS, Mr. FOWLER, Mr. GINGRICH, Mr. MCDONALD, Mr. JENKINS, and Mr. BARNARD.

H.R. 4599: Mr. BINGHAM, Mr. MOFFETT, and Mr. SCHUMER.

H.R. 5995: Mr. HERTEL and Mr. DUNN.

H.R. 6245: Mr. FAUNTROY, Mr. LANTOS, Mr. WYLIE, and Mr. JACOBS.

H.R. 6315: Mr. DOWNEY.

H.R. 6348: Mr. DAN DANIEL, Mr. STATON of West Virginia, Mr. LOWRY of Washington, Mr. YATRON, Mr. JEFFORDS, Mr. SAWYER, Mr. MARTIN of New York, Mr. PEPPER, Mr. WATKINS, Mr. CLINGER, and Mr. MCGRATH.

H.R. 6391: Mr. OBERSTAR.

H.R. 6477: Mr. DOWDY.

H.R. 6483: Mr. SILJANDER.

H.R. 6553: Mr. COURTER and Mr. MOTTL.

H.R. 6701: Mr. SMITH of Pennsylvania, Mr. WEBER of Ohio, and Mr. ZABLOCKI.

H.R. 6789: Mr. BONER of Tennessee and Mr. ANTHONY.

H.J. Res. 172: Mr. EVANS of Iowa.

H.J. Res. 323: Mr. WEBER of Ohio, Mr. HOWARD, Mr. LUKEN, Mr. EVANS of Iowa, Mr. MARTIN of New York, Mr. MITCHELL of New York, Mr. WYLIE, Mr. WALKER, Mr. WILLIAMS of Ohio, Mr. JONES of North Carolina, Mr. HEFNER, Mr. MARTIN of North Carolina, Mr. DANNEMEYER, Mr. HUGHES, Mr. BEILENSON, Mr. MCEWEN, and Mrs. MARTIN of Illinois.

H.J. Res. 452: Mr. GRAY, Mr. HARTNETT, and Mr. CRAIG.

H. Con. Res. 139: Mr. WILLIAMS of Montana and Mr. ROBERT W. DANIEL, JR.

H. Con. Res. 332: Mr. HOPKINS, Mr. ROGERS, and Mr. MCDADE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

544. By the SPEAKER: Petition of the Board of Administration, State of California Public Employees' Retirement System, Sacramento, Calif., relative to cumulative voting for bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

545. Also, petition of the Intercounty Electric Association, Inc., Mitchell, S. Dak., relative to postage rates; to the Committee on Post Office and Civil Service.

546. Also, petition of the State Board of Education, Lansing, Mich., relative to the safeguard of recipients and applications for social security benefits; to the Committee on Ways and Means.

547. Also, petition of the Board of Directors of the city of Little Rock, Ark., relative to a nuclear weapons freeze; jointly, to the Committees on Armed Services and Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5427

By Mr. SMITH of Iowa:

(Substitute to the amendment of the Committee on Energy and Commerce to section 3.)

—Page 3, strike out line 21 through line 23, and insert in lieu thereof the following:

"(d)(1) For purposes of providing for radio broadcasting in accordance with subsection (c)—".

Page 4, line 1, strike out "(1)" and insert in lieu thereof "(A)".

Page 4, strike out line 6 through line 10, and insert in lieu thereof the following:

"(B) a frequency identified under paragraph (2) shall be the frequency which is used for radio broadcasting to Cuba under this Act.

"(2) The Federal Communications Commission, in consultation with the Assistant Secretary of Commerce for Communications and Information, shall determine an appropriate frequency or frequencies for radio broadcasting to Cuba under this Act—

"(A) which will provide protection to non-Government radio broadcasting in the United States as prescribed in the rules and regulations of the Federal Communications Commission;

"(B) which will produce the least interference to non-Government radio broadcasting from any countermeasure taken by the Government of Cuba with respect to such radio broadcasting to Cuba;

"(C) which will ensure, to the extent possible, that no non-Government radio station will suffer significant loss of listening area or substantial economic harm due to any such countermeasure; and

"(D) which is consistent with the interests of the United States with respect to any international telecommunications conferences in which it participates.

"(3) In carrying out paragraph (2), the Federal Communications Commission shall consider all possible radio frequencies and bands.

"(4) The Assistant Secretary of Commerce for Communications and Information shall provide to the Federal Communications Commission such data and technical information as the Commission finds to be necessary in carrying out paragraph (2).

"(5) For purposes of subparagraphs (B) and (C) of paragraph (2), the Secretary of State shall notify the Federal Communications Commission and the Assistant Secretary of Commerce for Communications and Information of any measure by the Government of Cuba which violates international law and which may interfere with radio or television broadcasts in the United States.".

(Amendment to the amendment of the Committee on Energy and Commerce.)

—Page 4, beginning on line 15, strike out "Assistant" and all that follows through "comment," on line 18, and insert in lieu thereof the following: "Federal Communications Commission, in consultation with the Assistant Secretary of Commerce for Communications and Information, shall determine".

Page 5, beginning on line 15, strike out "Assistant Secretary of Commerce for Communications and Information" and insert in lieu thereof "Federal Communications Commission".

Page 5, beginning on line 19, strike out "Federal Communications Commission" and insert in lieu thereof "Assistant Secretary of Commerce for Communications and Information".

Page 5, beginning on line 20, strike out "Assistant Secretary of Commerce for Communications and Information" and insert in lieu thereof "Federal Communications Commission".

Page 5, beginning on line 22, strike out "Assistant Secretary" and insert in lieu thereof "Commission".

Page 6, beginning on line 3, strike out "Assistant Secretary of Commerce for Communications and Information and".

Page 6, line 5, insert "and the Assistant Secretary of Commerce for Communications and Information" after "Commission".

H.R. 6307

By Mr. FITHIAN:

—Page 32, after line 7, insert:

HAZARDOUS WASTE FACILITIES OWNED AND OPERATED BY STATES OR POLITICAL SUBDIVISIONS

SEC. 12. Section 104(c)(3)(C)(ii) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "owned" and substituting "owned and operated".

SENATE—*Monday, August 2, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard Halverson, LL.D., D.D., offered the following prayer:

O give thanks unto the Lord; call upon His name: make known His deeds among the people.

Sing unto Him, sing psalms unto Him; talk ye of all His wondrous works.

Glory ye in His holy name; let the heart of them rejoice that seek the Lord.—Psalm 105: 1-3

Father in Heaven, with Labor day recess, October recess, elections, and imminent adjournment in prospect, help the Senators not to put off what they ought to do individually and corporately. Help them to get done whatever they will wish they had done when the 97th Congress is over. Give them wisdom, and energy, to fulfill their mandate, and the courage not to sacrifice principle for political expediency. May they learn dependence upon Thee and thus be independent of all the forces which vitiate the common good. May they seek to "do justly, love mercy, and walk humbly with their God."(Micah 6:8) Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. TOWER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. TOWER. Mr. President, it is my understanding that there is a previous order that the Senate will resume consideration of Senate Joint Resolution 58, and that the pending business will be the Dodd amendment, following morning business.

The PRESIDENT pro tempore. The Senator is correct.

ORDER OF BUSINESS

Mr. TOWER. Mr. President, I will reserve the remainder of my time, and I ask the distinguished minority leader to deliver himself of any comment he may have this morning.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. PROXMIRE such time as he may wish to consume out of my 10 minutes.

Mr. PROXMIRE. I thank the distinguished Democratic leader.

The PRESIDENT pro tempore. The Senator from Wisconsin.

WOMEN IN THE MILITARY

Mr. PROXMIRE. Mr. President, Air Force Maj. Gen. Norma Brown retired at the end of July as the highest ranking woman in the uniformed ranks of the Defense Department. She leaves behind a pattern of success and excellence that should encourage other women to follow in her path.

Until retirement, General Brown was the commanding officer of Chanute Air Force Base about 125 miles south of Chicago. According to a tribute to her published in the Chicago Tribune, General Brown left behind some highly unusual circumstances. As one enlisted man on the base is quoted saying:

> You won't find anyone on this base who has anything bad to say about her and not having anything bad to say about the commanding officer—that's unique.

One of General Brown's most appealing characteristics is her commonsense and understanding of the role that women can play in the All-Volunteer Force. She addresses the role of women head on:

> In the Air Force, there isn't anything the women can't do side by side (with men).

and

> There aren't any jobs women shouldn't do except the ones they can't do. All women can't do all things.

I might add that all men cannot do all things either. And that really is the point about the participation of women in the military. The issue is capability not gender. Some men can do the job. Some men cannot. We discriminate against men who cannot meet qualifications for certain jobs. And the same is true of women. It is the ability to get the job done right that counts, not the gender of the individual.

As I often have said when asked about women in the military. "Are you any less dead if the hand that pulls the trigger is a woman's rather than a man's?"

Mr. President, I ask unanimous consent that the Chicago Tribune article of General Brown be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, July 30, 1982]

AIR FORCE'S SUPERWOMAN TO GIVE UP CHANUTE COMMAND

(By Eileen Ogintz)

She has a job that combines the duties of a mayor, a university president, a police chief, a corporate comptroller and a counselor.

And though she juggles all of her tasks with aplomb—and loves them all—she's going to give them all up gladly.

"I've never been bored in my life, and there's no way I'll be bored now," said Air Force Maj. Gen. Norma Brown, who by retiring at the end of this month is relinquishing her role as the military's superwoman.

Brown, 56, is the highest-ranking woman in the military—until Sunday, when she happily turns over her command at Chanute Air Force Base. With 10,000 persons on the base, about 125 miles south of Chicago, Chanute is among the nation's larger and one of the Air Force's key training sites.

Brown has been at the 2,300-acre base for the last 39 months. "And overall, the people here really don't want to see her go," said Airman Eric Schell, 20, who recently started a six-year Air Force hitch.

"You won't find anyone on this base who has anything bad to say about her, and not having anything bad to say about the commanding officer—that's unique," agreed Chief Master Sgt. Richard Marvin, liaison between the general and the enlisted men.

"She's the Air Force's No. 1 cheerleader," he added admiringly.

Brown never planned a military career—much less becoming a general. It all happened by chance.

A sharecropper's daughter from rural Madison, Fla., Brown attended college on a scholarship and then began teaching high school in Lake County, Fla., for $200 a month.

"Teaching was great . . . and I was frugal, but I figured I'd be 206 before I was able to go back to school to get my master's," she said recently in an interview.

But at the same time she was so financially strapped, the Korean War had left the military strapped for new young officers. "I knew nothing about the military," Brown recalled. "I just knew this Air Force recruit-

ing sergeant in the Lake City Post Office. He said, 'Come, serve.' I asked how much the pay was, and he told me $400 a month. I thought, 'Super. I could do that for three years.' The only reason I joined was to save money for school."

But that decision—made when she was 25—ended her teaching days forever and started a peripatetic career that took her around the country and around the world as she moved in personnel and administrative jobs from lieutenant to major to colonel to general.

Along the way, Brown, who is single, managed to find time to adopt two children and maintain a normal, if sometimes hectic, family life. Bunny, 19, now is a student at the University of Texas in San Antonio, where Tim, 18, also will enroll.

The general has a home in San Antonio and will live there after Aug. 1, gardening, golfing and reading and, she said, with "more things planned than I can do." Neither of her children, she added, has shown "a lick of interest" in the Air Force.

"Family is an important priority," she explained. "My kids understand long hours, but they also understand that if we're going on a picnic or for a bike ride, I'll be there."

Brown also understands long hours. She's often at her desk by 5 a.m. and still there after 6 p.m. "She does so much there's hardly anything left for me to do," joked her second in command, Col. Michael Moore, who is vice center commander. "I guess she pays the price in lack of sleep."

"I did just as well as a lieutenant as I do as a major general, Brown said. "To me, whatever assignment I'm doing is the most fun."

At Chanute, Brown oversees 10,000 people, 5,000 of whom are students learning everything from weather forecasting and firefighting to aircraft maintenance and missile training. Each year, 25,000 student airmen and officers are trained at the 65-year-old base, which is the Air Force's oldest technical training center.

"I'm lucky here if I know 15 percent of my people," she said. "That part isn't as much fun. I enjoy dealing with people rather than paper."

And, by all accounts, she's good at it. "In the year I've been here nobody has been turned away from her door," said Col. Moore. "She never turns anybody down. At the annual picnic, she spends the whole time talking to airmen and having her picture taken with them."

"She's had a big influence on women in the Air Force," agreed Master Sgt. Marvin. "They look up and see what she's done, and it gives them kind of a 'by golly, she did it; I can do it' attitude."

"In the Air Force, there isn't anything the women can't do side by side [with men]," Brown said. "There aren't any jobs women shouldn't do, except the ones they can't do. All women can't do all things."

And, she stressed, being a woman had nothing to do with her successful career—or with any sacrifices she might have made in her personal life for the sake of that career. "I didn't compromise," she said. "And I didn't work harder as a woman.

"I'm not sorry about anything," she added. "There's no way I could be more pleased than to have served the Air Force for 31 years. It's been good for me and I've been good for it. And now I'm going to do what I think someone should do if she has planned well for 31 years—what I want."

THE NUCLEAR WEAPONS LABS

Mr. PROXMIRE. Mr. President, on July 23, 1982, the Milwaukee Journal printed a remarkable article by Hugh E. DeWitt, a physicist at Lawrence Livermore Laboratory.

Without necessarily endorsing the arguments of Mr. DeWitt, it is important to take a look at some of his observations—coming as they do from one who has worked on the "inside" of a major nuclear weapons laboratory.

Mr. DeWitt argues that little is known about or publicly discussed with reference to the role of the two nuclear weapons design laboratories—Lawrence Livermore and Los Alamos. These are the organizations charged with the development of new nuclear weapons in response to directives from the President and Department of Defense.

Arguing that:

The great majority of scientists, engineers and military personnel involved in nuclear-weapons work sincerely believe that the main purpose of developing ever more diversified bombs is to make certain they are never used.

Mr. DeWitt nonetheless suggests that their institutional biases work against arms-control proposals.

He points to the directors of these labs as the leaders in persuading former Presidents to move toward a comprehensive nuclear test ban. Obviously, with a comprehensive ban, there would be much less work for the two labs.

He writes that:

After working 25 years at Livermore, I have reached the conclusion that our work . . . has actually lessened the security of the United States. . . . If peace through deterrence is the goal, the nuclear-weapons labs on both sides have completed their missions all too well.

Mr. President, I do not know Mr. DeWitt nor the background of his decision. Obviously, we need to maintain a nuclear capability in the defense of this country and that capability cannot exist without the contribution of our weapons labs. But I cannot help but sympathize with his reflection that the nuclear arms race "constitutes the worst threat faced by human civilization."

It is time that we move toward a comprehensive nuclear test ban—one that can be verified beyond reasonable doubt by the technical means at our disposal.

Mr. President, I ask unanimous consent that the article from the Milwaukee Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NUCLEAR ARMS BUSINESS KEEPS RACE GOING

(By Hugh E. DeWitt)

In the current national debate on nuclear arms, attention has been focused on the staggering numbers of weapons both superpowers possess, the continuing development of new and more accurate delivery systems, and the specter of mutual annihilation. Unfortunately, little attention has been paid to the role of the nation's two nuclear-weapons design laboratories—Lawrence Livermore in Livermore, Calif., and Los Alamos in Los Alamos, N.M.—in promoting and perpetuating the arms race.

As a physicist at Livermore, I can state that these two institutions have had a pivotal role in a very large, stable and influential nuclear-weapons establishment that has one primary interest; development of ever more nuclear weapons and their incorporation into the American stockpile.

I do not doubt that the great majority of scientists, engineers and military personnel involved in nuclear-weapons work sincerely believe that the main purpose of developing ever more diversified bombs is to make certain that they are never used.

As a consequence, the labs are repositories of hawkish views of the world.

In serving their cause, most of the labs' directors have opposed not only nuclear-arms cutbacks but even test-ban treaties. In 1957, the chairman of the Atomic Energy Commission, Lewis L. Strauss, brought physicists Edward Teller and Ernest O. Lawrence to the White House to dissuade President Dwight D. Eisenhower from negotiating a test ban with the Soviet Union. Arguments were made that continued testing was vital for the development of clean (fallout-free) bombs for battlefield use in Europe, and that the Soviets could cheat by testing underground.

Similar arguments are still being used. In 1978, Secretary of Energy James R. Schlesinger took Harold Agnew, then director of Los Alamos, and Roger Batzel of Livermore to see President Jimmy Carter. Evidently they were persuasive enough to halt the movement toward a comprehensive test ban treaty, which at that time seemed very likely to be accepted by the Soviet Union.

After 25 years at Livermore, I have reached the conclusion that our work—development of new nuclear warheads and delivery systems—has actually lessened the security of the United States.

This nation has led the nuclear-arms race at every stage since World War II. This race constitutes the worst threat faced by human civilization. Now it has a new dimension of horror in the emerging view that tactical nuclear weapons can be used for fighting and winning limited nuclear wars. This belief, whether expressed in Washington or Moscow, is very dangerous nonsense. Since it is evident that further testing is unnecessary, the superpowers should endorse a test-ban treaty and persuade smaller powers to do the same.

If peace through deterrence is the goal, the nuclear-weapons labs on both sides have completed their missions all too well. The recent Soviet pledge of no first use of nuclear weapons is an important political gesture that can and should be matched by our government.

THE KKK VERSUS THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, what groups are most vigorous in their opposition to the Genocide Convention? Well, in the camp of the opponents we find extremist organizations such as the John Birch Society, and racist ones such as the American Nazi

Party which for obvious reasons is not disposed to condemn genocide. These fringe groups insist that the Genocide Convention is a Communist trick or part of the "United Nations Conspiracy." Perhaps most disturbing of these groups is the Ku Klux Klan, a particularly dangerous and repugnant manifestation of militant racism in America.

Only recently, U.S. District Judge Gabrielle McDonald ordered an end to Klan paramilitary activities in Texas. In her ruling, she noted "acts of racial intimidation, harassment, and terrorism," and the "military training programs" of the Klan "throughout the country." The private army in question had been conducting a campaign of fear against the peaceful immigrant Vietnamese fishermen of Galveston Bay.

As Judge McDonald wrote, these camps "which train people in the use of violence present a new and more serious threat to individuals' civil rights" and "can only serve to sow the seeds of future domestic violence and tragedy." She identified our vital interest in banning private armies that threaten to "result in lawlessness and destructive chaos."

In Alabama, the "Special Forces" of the Klan have marched down the main street of Birmingham in their combat uniforms and they train at a place they call Camp My Lai. Although this notorious camp is named to commemorate the massacre of Vietnamese villagers, the Klan activities there pose a menace to all nonwhite people, Jews, and anyone who fights racism.

In short, the Ku Klux Klan is the leading terrorist group in America today, and their latest preparations are geared for racist warfare. In light of their creed, it is not surprising that they denigrate the Genocide Convention. Clearly, they do not share the spirit of equality that underlies the treaty. They do not comprehend the right of peoples to be free from fear, free from violence, free from oppression. The Klan is, after all, living proof that prejudice is forever ready to ignite attacks on members of national, ethnical, racial, or religious groups. The Klansmen are averse to the treaty because they cannot appreciate the evil of genocide while they are blinded by the poison of bigotry.

We see on the one hand the Genocide Convention has been defamed by the Klan, the Nazis, and other reactionaries. On the other hand, the treaty has been endorsed by a host of respected labor, civic, and religious organizations: the American Bar Association, the YWCA, and B'nai B'rith, to name a few, as well as the Pentagon and all administrations since Harry Truman's. And where does the Senate stand on this issue? In this dispute, whose side are we on? Mr. President, I think we all will feel more comfortable when the Senate has ratified this treaty, has repudiated the not-so-benign neglect urged by those inclined toward race hatred, and has adopted this fundamental commitment to simple justice.

ARMS SALES RESTRICTIONS SHOULD NOT BE RELAXED

Mr. PROXMIRE. Mr. President, I wish to call the attention of my colleagues to reports which are circulating about the likelihood of this Congress easing up on the restrictions which we place on the sale of American-made military hardware of foreign countries.

A bill passed in the other body by voice vote on July 19 is the cause of this recent speculation. This bill, H.R. 6758, should not receive such casual treatment in the Senate. Its effects could totally eliminate any control the Congress has on arms sales to foreign governments. If the bill is enacted into law, it would permit U.S. commercial concerns to purchase military hardware directly from Defense Department arsenals, integrate the weapons into other items, and sell the finished products to "friendly" countries without seeking Pentagon or congressional approval. This would be a situation which I do not believe any Senator could tolerate.

Mr. President, I ask unanimous consent that an article in the July 30, 1982, edition of the New York Times entitled "$1 Billion Sale of Artillery to India Appears Likely" by Richard Halloran be printed in the RECORD.

I hope that all Senators will read this article and consider the effects of enactment of H.R. 6758 such that it can be effectively debated and voted upon by the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

$1 BILLION SALE OF ARTILLERY TO INDIA APPEARS LIKELY

WASHINGTON, July 29.—A bill quietly enacted by the House of Representatives 10 days ago has begun to open the way for large commercial sales of American arms to foreign nations, including $1 billion worth of artillery to India.

The immediate beneficiary of the measure, which seems likely to be approved by the Senate later this year, would be the Bowen McLaughlin York Company of York, Pa. The company, a spokesman said, has been negotiating with India to sell $1 billion worth of artillery, ammunition and equipment.

The legislation was not directly connected with the visit of Prime Minister Indira Gandhi, but United States officials said arms sales to India would be discussed. The Reagan Administration has emphasized security assistance to friendly nations.

India has bought $79 million worth of military equipment from the United States through the Government's foreign military sales program and $44 million in arms under commercial export licenses, and has also received $90 million in military assistance since 1950, according to the Defense Department.

MORE ARMS ARE OFFERED

Pentagon officials said that the United States in recent years had offered to sell India more arms, including artillery, but that India had not responded. India has sought weapons from diverse sources, but principally the Soviet Union.

The Bowen McLaughlin York spokesman said the company had offered to sell to India 200 self-propelled 155-millimeter howitzers and 200 towed 155-millimeter howitzers, along with ammunition, spare parts and ancillary equipment. Howitzers of that caliber are replacing 105-millimeter howitzers as the standard artillery of the United States Army.

The self-propelled guns, with a crew of six in an armored, tracked carrier, can fire high explosive, chemical or nuclear rounds nearly 15 miles. The towed guns, with a crew of 13, can hurl projectiles more than 18 miles.

The initial sale, if the negotiations are successful, would be worth about $200 million. But continuing sales, service, and spare parts would eventually make the contract worth about $1 billion, he said.

In addition to India, the spokesman for Bowen McLaughlin York said, the company has begun discussions with Belgium, Canada, Egypt, South Korea, Nigeria and Norway.

The main feature of the arms sales bill would be to streamline the arms sale process, according to Congressional officials. The measure was introduced by Representative Bill Goodling, Republican of Pennsylvania, who represents the district in which Bowen McLaughlin York is situated.

The legislation would help other United States companies trying to sell weapons abroad as well. The bill permits the weapons makers to buy components from Government arsenals, assemble them into finished weapons and sell them under licenses approved by the State Department to a foreign government.

Previously, commercial arms makers were prohibited from selling arms with Government-made parts to foreign nations unless the buyer went through a long and cumbersome process of obtaining a foreign military sales agreement covering components made in Government arsenals.

Like foreign military sales by the Government, commercial arms sales must be approved by Congress. The State Department notifies the Congress of the pending sale, which goes ahead unless Congress vetoes it within 30 days.

Mr. Goodling said that under present rules "Government-owned and operated facilities cannot support commercial defense plants on a direct basis."

"This causes higher administrative costs," he said, "and makes the coordination of efforts between Government and non-Government plants to be cumbersome.

"In some cases," he continued, "the present method of doing business means the loss of contracts to United States facilities and ultimately is costing American jobs."

Representative Samuel S. Stratton, Democrat of New York, whose district includes the Government-owned Watervliet arsenal in Albany County, asserted that the proposed legislation would cut through red tape and increase sales and jobs.

The bill passed without objection.

Mr. PROXMIRE. Mr. President, I once again thank the Democratic leader and I yield the floor.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

Mr. TOWER. Mr. President, I ask that the Senate proceed to have a period for the transaction of routine morning business not to extend beyond 12 noon with statements made by Senators not to exceed 3 minutes therein.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Is there further morning business?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:30 P.M.

Mr. BAKER. I am not accustomed, Mr. President, to arriving late in the Senate Chamber and I apologize to my colleagues for that late arrival today.

However, I found on leaving Tennessee this morning that the airport in my hometown was covered with fog and the visibility was zero and the ceiling was zero and nothing was operating. I suspect that is the same in other parts of the country, particularly in the Southeast, and that may account, Mr. President, for the fact that we have rather heavy absenteeism on both sides of the aisle.

In fact, Mr. President, it does not appear that we are in a position to proceed at this time with any significant debate on the matter at hand, nor is there any demand for morning business at this moment.

Therefore, Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12:30 p.m. today.

There being no objection, the Senate, at 11:11 a.m., recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAYAKAWA).

THE BURNING FACTORY

Mr. BAKER. Mr. President, this week's poem, "The Burning Factory," was written by Pat Therese Francis. Ms. Francis' works have appeared in Poetry Northwest, The North American Review, The Massachusetts Review, and The American Poetry Review. I ask unanimous consent that the poem be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE BURNING FACTORY

As children, my sister and I watched our grandfather
grow senile. He would sniff the air
and ask *Is something burning?*
Our mother slapped us for laughing and said
he was remembering the factory fire
he witnessed at sixteen when he was
the youngest shoecutter in the city.
I can still smell that flesh, that cooked meat,
he'd say, as we grimaced and pedalled away on our bikes.
After a while, he began to wake up at night
thinking he heard those screaming factory workers again,
but it always turned out to be a late driver,
tires moaning as the car turned the corner,
or a howling dog left out for the night.
None of us imagined my sister, the family beauty,
the one with the bright red laugh,
would be pulled into breakdown after breakdown
as an adult. None of us knew
she, too, would sniff the air, conflagrations
more terrible than our grandfather's memories
searing the edges of her sleep.
Things seem okay for a year or two,
then she'll call, three thousand miles away,
and I'll hear the factory workers' terror
as it became clear they would not escape the fire
cutting through her voice.
Each time it happens, I weep and shake
as if it were the first, but I'm never sure
if I cry for her madness, or just for the
ordinary days of our childhood, the sweaty closeness
of living in one house, in one city, that our family
has lost. As my sister stutters into the phone, I cry
for the day my mother gave me a permanent
and I watched my sister's face like a mirror
as the curlers came out,
and for Sundays when all seven of us, grandfather and all,
climbed into the Chevy Impala
and went for a ride. If things had gone well
for my father at work that week
he would turn up the radio on the way home
and we'd all sing as loud as we could
while the orange sun spread out along the highway
like a distant and always benevolent fire.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, the reason for that is our distinguished friend and colleague from West Virginia wishes to present remarks on the observance of a very special and unique anniversary date which is not often recognized, but which is an important part in the history of our Nation.

At the conclusion of his remarks, I anticipate the Chair will close morning business if there is no further need for it. In any event, I ask unanimous consent that time for routine morning business not extend beyond the time of 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. The Senate will resume consideration of Senate Joint Resolution 58 following the conclusion of morning business. I understand that the Dodd amendment is either now pending or will be called up by the distinguished Senator from Connecticut.

Mr. DODD. If the distinguished majority leader will yield, it will be called up.

Mr. BAKER. Mr. President, I anticipate that as soon as we can clear it on both sides, a unanimous-consent agreement may be desirable to stack votes until sometime tomorrow. There are a number of absentees on both sides of the aisle. While this is done as a matter of accommodation, it is done because it is a matter of concern to both the majority and the minority leaders.

I now yield the floor, Mr. President, so the Senator from West Virginia can be recognized.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am appreciative, as always, for the courtesies and continued cooperation of the able majority leader of the Senate, (Mr. BAKER) extended not only to me but to the 99 Senators on both sides of the aisle with whom he serves.

THE DECLARATION OF INDEPENCENCE WAS SIGNED 206 YEARS AGO TODAY

Mr. RANDOLPH. Mr. President, one of the most significant documents in world history was created 206 years ago today. It began, "When in the Course of human Events, it becomes necessary for one People to dissolve the Political Bands which have connected them with another," and then continuing, "We hold these Truths to be self evident, that all Men are created equal."

Mr. President, we celebrate the Declaration of Independence on July 4. The 56 delegates on that date approved the creation of the Declaration of Independence.

The Declaration was formally approved and signed on August 2, 1776. Today is actually the true anniversary of the signing of the 56 delegates.

This is a hallowed document. I hope we read it often. I would hope teachers have children read it, and, college professors, could do well, especially in political science, to have students study it.

The document ends: "And for the support of this Declaration, with a firm Reliance on the Protection of Divine Providence, we mutually pledge

to each other lives, our Fortunes, and our Sacred Honor."

Mr. President, we should make no mistake about that statement. It was not mere rhetoric to be incorporated in a sentence. The signers knew they were committing an act of defiance against the British crown, and that King George would likely demand immediate death for all persons who were involved, if the American revolution failed.

John Hancock—and some people have rather amusingly said he wanted his name in big letters so that people would know he was signing—showed absolutely no fear when he wrote his name in large, bold letters as the first signer. He had a reason. I now quote. He declared "There, King George can read my name without spectacles and may now double his reward of 500 pounds for my head."

Ben Franklin observed, "We must all hang together. If we do not, we shall all hang separately."

William Ellery, of Rhode Island, scanned the faces of his fellow delegates. He wanted to see how they reacted to what they were doing. He later wrote these words: "I was determined to see how they all looked as they signed what might be their death warrants." He added: "Undaunted resolution was displayed on every countenance."

John Adams later wrote that, "If anyone felt fear, he did not reveal it to to others."

Perhaps Stephen Hopkins, of Rhode Island, best typified the spirit of the signers of the Declaration of Independence. Mr. President, Hopkins was afflicted by palsy. He had great difficulty in even writing his name. As he did so, he said, "My hand trembles, but my heart does not."

That was in explanation of his shaky signature. He did not want to be misunderstood.

The signers were men in the best sense of the word—men of wealth, of substance, of determination, of spirit. Yet they risked their lives and all that they possessed as they began to tell the story to the world of freedom. Most of all, I think they gambled in a sense on the loss of their sacred honor.

There were good reasons for the signers of that day to be concerned with reprisals from the British. The enemy singled them out for the harshest type of vengeance. Sometimes we forget. Five of the fathers of our Constitution were captured. They were imprisoned. They were broken in health, but never in spirit, when finally released. Others including Thomas Jefferson—narrowly escaped from British pursuit—and the properties, the lands, the homes of these signers were especially marked for destruction.

Benjamin Harrison, a Virginia plantation owner, saw his land plundred, saw it burned, as were the homes of George Clymer, Dr. John Witherspoon of New Jersey, and Philip Livingston of New York. Others of that group of signers had family members, practically all of them, imprisoned and abused. Several died as a result of the terrible treatment they received.

Did the signers consider their sacrifices worthwhile? That is an important question for us to raise, even now, 206 years later. Not a single signer of the 56 ever indicated that he had made a mistake.

An important factor of the action of those signers is expressed in our question. Do we feel today that they were right? They felt, Mr. President, that they were right. In the intervening years, 206—we emphasize the number, 206—do we feel it in this Chamber, on Capitol Hill, in the White House, in the places of business, in the marts of trade, on the main streets and the Wall Streets or the countryside, the lovely mountain lanes that wind in and out of Preston County, where I talked yesterday, in the annual festival in the little community. It was named Independence in memory of the signers. What do people think, even though they do not always speak? In West Virginia I felt again that those families meeting in warming Kinship, do believe the signers did right.

America is at once the youngest and the oldest democracy in the world. Unless we as individuals, are prepared to husband often, yes, to guard often, our freedoms and our constitutional rights, what happens to us? We cannot be given the opportunity, perhaps, to do it as daringly as did these men.

In 1960, John Kennedy was elected President of the United States. Months later he created a study commission saying it was appalling, the lack of the use of the American ballot by men and women on election day. In 1960, when he had been chosen, 63 out of every 100 registered, qualified voters, men and women, went to the polls. What have we done in the intervening 20 years? Twenty years later, Mr. President, when our Chief Executive occupying the White House today—Mr. Reagan—was a candidate, with others, for the Presidency of the United States, was it 63 percent, I say to the able Senator from South Carolina (Mr. THURMOND) it was 53.4 percent of the qualified registered Americans who were at the polls. Other earnest Senators in the Chamber also know the facts.

I shall not name States. That is not my purpose. But there were several States of the Union, Mr. President, where less than one-half of the registered, qualified voters cast their ballots in November 1980.

I offered a constitutional amendment, in 1942, with the cooperation of other Members of Congress, for 18-, 19-, and 20-year-old youths to be permitted to cast their ballots in the elections of this country. I was a Member of the House of Representatives. I thought then that we needed these young people to participate actively in the process of decisionmaking in this country. They were moving into the battlelines at 18 as we were in war. Yes, I remember 1942. Only one State gave the right for its youths under 21 to vote—the State of Georgia.

I talked with the dynamic Governor of Georgia, Ellis Arnall, about the constitutional amendment that I had introduced. I asked him if he felt it had been good for the State of Georgia to have youth vote. He replied in the affirmative.

I requested, if his schedule permitted, that he come to Washington, D.C., and testify before the House Judiciary Committee on the need for a constitutional amendment so that, nationwide, through the State legislatures, after we had—if we did—acted affirmatively in Congress. He was very affirmative, very enthusiastic, and he came to Washington, D.C.

Do I recall disappointment at the hearing? I certainly do. The Senator from South Carolina knew well the chairman of the Judiciary Committee of the House of Representatives. I served by his side. His name was Emanuel Celler of New York. Of all the members of the committee, he was the only member present for the hearing. There are times when we count. There was a total of 11 men and women at the hearing. I do not say there was a general lack of interest. There was on this occasion. I was perhaps downcast, but I realized that you do not always succeed at the beginning.

Year after year, Congress after Congress, I introduced our constitutional amendment to provide not only the opportunity but, more importantly, to charge young people with the responsibility of the use of the ballot in all elections.

The years go by more quickly than we like to think. It was 1971 when we voted in this Senate for a constitutional amendment.

In the House and in the Senate, we had the necessary two-thirds vote, which we must have, not Members but those present and voting, to send a constitutional amendment to the States.

The date was March 23, 1971, and the vote was 401 to 19 in the House of Representatives. Earlier, on March 10, the Senate voted unanimously for the constitutional amendment. The vote was 94 to 0, with six Members not voting.

The vote was almost unanimous.

Mr. President, I ask unanimous consent to have printed in the RECORD the rollcall vote in 1971 for the constitutional amendment.

There being no objection, the roll-call vote was ordered to be printed in the RECORD, as follows.

[No. 18 Leg.]

YEAS—94

Aiken, Allen, Allott, Anderson, Baker, Bayh, Beall, Belmon, Bennett, Bentsen, Bible, Boggs, Brock, Brooke, Buckley, Burdick, Byrd, Va, Byrd, W. Va. Cannon, Case, Chiles, Church, Cook, Cooper, Cotton, Cranston, Curtis, Dole, Dominick, Eagleton, Eastland, Ellender.

Ervin, Fannin, Fong, Fulbright, Gambrell, Goldwater, Griffin, Gurney, Hansen, Hart, Hartke, Hollings, Hruska, Hughes, Humphrey, Inouye, Jackson, Javits, Jordan, Idaho, Kennedy, Long, Magnuson, Mansfield, Mathias, McClellan, McGee, McGovern, McIntyre, Metcalf, Miller, Mondale, Montoya.

Moss, Nelson, Packwood, Pastore, Pearson, Pell, Percy, Prouty, Proxmire, Randolph, Ribicoff, Roth, Saxbe, Schweiker, Scott, Smith, Sparkman, Spong, Stennis, Stevens, Stevenson, Symington, Taft, Talmadge, Thurmond, Tower, Tunney, Weicker, Williams, Young.

NAYS—0

NOT VOTING—6

Gravel, Harris, Hatfield, Jordon, North Carolina, Mundt, Muskie.

Mr. RANDOLPH. Mr. President, I knew its time had come. In 90 days, in the shortest period of time ever used by the States for ratification a constitutional amendment was brought came into being.

In 90 days, think of it, a constitutional amendment had been approved by the necessary 38 States. It moved back to Washington, D.C. It does not take the signature of the President to make it law. The act of ratification of the States completes the process.

I thought then, at long last, the young people of America would be at the polls voting.

In 1980, those 18-, 19-, and 20-year-olds who voted for a President of the United States was 22 percent. I am not a carping critic. I think, and in a sense pray, that this can be changed. I commend certain young men and women on the college and university campuses as they have formed Convention 2. They are fanning out across this country doing everything that they can do to reverse that tragic figure of 1980 in 1984.

State after State, voting less than one-half of its registered voters, Mr. President. I shall not name the States. The record does not need to be placed here because there is no unkind reference that I make, but there it is. It is not wrong for me to say, however, that West Virginia was not one of those States. We had 71 percent of the men and women eligible to vote in West Virginia at the polls in 1980.

I realize that this is a rather wide-ranging speech that I make today, but it is not a symbolism of which I speak in this Chamber. Yes, it was 206 years ago today that the signers, as I have said, affixed their signatures, one of them saying, because he had palsy and wanted to explain his shaking hand, "My hand trembles but my heart does not."

And today, what of our hearts? What of our hands?

Are we the great country, the good country, the worthwhile country that was brought into being 206 years ago today by 56 men who signed? Yes. Perhaps I am convincing myself—that we can lift our spirit, strengthen our vision, deepen our dedication and be worthy descendants of those men. America can again prove it is a shining example of men and women participating in government. That we actually are working at the job—diverse opinions, yes, but not divisive opinions talking together, laboring together.

If there is value to what I have spoken today, it will be through the printed record to more men and women and young people.

The PRESIDING OFFICER (Mr. HAYAKAWA). I thank the distinguished Senator from West Virginia for those deeply felt remarks. I take them to heart. I am grateful for his reminder of the signers of the Declaration of Independence. I am grateful for his reminder of the many of us, including young people, not recorded at the polls. I am grateful for his tremendous concern about our failures to do our duty as citizens, and I hope that we all take the reminder to heart. I thank the distinguished Senator from West Virginia.

Mr. RANDOLPH. I am very appreciative of the generous expressions of my esteemed colleague (Mr. HAYAKAWA).

Mr. THURMOND. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I commend the able Senator from West Virginia (Mr. RANDOLPH) for taking the time to speak on the Declaration of Independence.

The Senator from West Virginia is a fine historian in his own right, and occasionally he speaks on items of history which I think are very beneficial to the American people. He has shown a special interest in young people, too. Those are two qualities about him that I have always admired, among many others: his deep interest in young people and his knowledge and appreciation of the history of this country.

The Declaration of Independence was signed, and following that, from the time the Treaty of Paris was signed, ending the Revolutionary War in 1783, until 1787, we had a very unstructured form of National Government. That is when the Constitutional Convention met in Philadelphia, in 1787.

There, in the heat of summer, they came up with the finest form of government that the mind of man has ever conceived—just like the Declaration of Independence, in which they pledged their lives, their fortunes, and their sacred honor.

I think everybody should read the Declaration of Independence at least once a year, to see what courage those people showed. They were the very epitome of courage. Everyone should also read the Constitution, which is not long—neither document is long—and see the kind of Government that was set up, which has given the people of this country more freedom, more opportunity, and the highest standard of living than any other nation has ever enjoyed in all history.

I commend the able Senator from West Virginia for the discourse he has presented this morning.

Mr. RANDOLPH. I thank the presiding officer and I thank the Senator from South Carolina for their very gracious words.

Mr. DODD. Mr. President, I do not want this opportunity to pass without commending the distinguished Senator from West Virginia for his comments. I particularly commend him for taking the time before this body to remind us and to remind others of the importance of Signers Day and what it means to all of us, what it has meant to each succeeding generation and, Lord willing, what it will mean to generations yet unborn in this country.

The Senator from West Virginia also made reference to the 26th amendment, dealing with the right of 18-years-olds to vote. I join him and the distinguished Senator from South Carolina in deploring the fact that so few people do exercise their franchise. In the last election, for example, the percentage of those between 18 and 21 who voted hovered around 16 percent, which is a staggeringly low figure.

Mr. RANDOLPH. Mr. President, will the Senator yield.

Mr. DODD. I yield.

Mr. RANDOLPH. Mr. President, I am aware of the intense interest of my colleague from Connecticut in this subject matter, and I am very grateful for his words. I had the privilege of serving with your father in this body.

Mr. DODD. I thank the distinguished Senator from West Virginia.

THE HELSINKI FINAL ACT: 7-YEARS LATER

Mr. HATCH. Mr. President, yesterday, August 1, 1982, marks the seventh anniversary of the Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki by 33 leaders of European countries—East, except Albania, and West—plus Canada and the United States. As the title of this international agreement

indicates, the final act recognizes the truism that world security depends on peaceful cooperation between governments. The Helsinki accords, however, go beyond this truism to acknowledge that a secure government is founded on respect for the fundamental rights and freedoms of its citizens. All 35 states which signed the Helsinki final act agreed to a certain code of conduct which places human rights pledges side by side with the more traditional elements of international cooperation, such as agreements in the military and economic spheres, and arrangements for cultural and educational exchanges.

It is partially due to the Final Act code of behavior that East and West have come to see more clearly not only what we share, but also what divides us. We have moved from a naive willingness to overlook essential differences between us—as manifested in the dream of détente—to a realistic desire to set the record straight, both in arms control and in human rights.

On this occasion, I would like to focus upon one aspect of the Helsinki process: The increasingly hypocritical stance adopted by the Soviet Union both in international and domestic affairs, as it flounts many of its Helsinki pledges. Its brutal invasion and occupation of Afghanistan continues—indeed, the Soviets recently stationed thousands more troops there—while the Soviet Union loudly proclaims its love for peace. There is clear evidence that the Soviet military was directly involved in the planning and imposition of martial law on the people of Poland—Soviet Marshall Kulikov was in Poland on December 13, 1981. Yet the Soviet Union is loud in its protestations that no nation has the right to interfere in the internal affairs of another sovereign state.

Traditionally, however, the Soviet Union is at its most hypocritical in the contradiction between what it preaches abroad and what it practices at home. Soviet human rights policies fly in the face of its solemn Helsinki pledges in such areas as the rights of religious believers and ethnic minorities. In May, the Soviet Union hosted a meeting of world religious leaders in Moscow, while its discriminatory laws systematically deny the rights of 100 million Soviet citizens who profess some adherence to religious belief. Millions of Ukrainian Greek Rite Catholics cannot practice their faith because they belong to an outlawed church. The Soviet Union, which is the fifth largest Muslim country in the world, professes its support for Palestinian self-determination while denying that right to its own Muslim minorities, the Crimean Tatars and Meshki, who are exiled from their historic homelands. Hundreds of Soviet Baptists, Pentecostals, Adventists, and Jehovah's Witnesses are imprisoned in the U.S.S.R. for attempting to practice their faith. The world well knows the shameful way in which the Soviet Union treats its Jewish population.

I would like to turn to another area of Helsinki rights the socioeconomic rights of Soviet citizens. In rejecting criticism of its human rights record, Soviet officials routinely assert that Soviet socialism provides for all the material needs of its citizens. Although Soviet propaganda claims that unemployment is a phenomenon unique to the West, not only is there unemployment in the U.S.S.R., but there is no unemployment compensation. The Soviets tout their free medical care and education, yet, such services are paid for by all Soviet citizens via hidden taxation which skims off an estimated 50 percent of the wages of Soviet workers. The Soviets claim that their system is uniquely egalitarian, yet high party officials have unique access to goods and services which are totally unavailable to the average Soviet citizen. While the Soviets feed important foreign visitors, such as the Reverend Billy Graham, on caviar and other delicacies, food rationing is in effect for most Soviet citizens. Dozens of Soviet labor rights activists, such as Anatoly Marchenko and Aleksei Nikitin, are isolated from family and friends in Soviet camps and psychiatric hospitals. In what may be a tacit admission of guilt, Soviet authorities—in flagrant violation of Helsinki commitments—resumed intensive jamming of Western radio broadcasts in August 1981.

I have given this cursory summary of Soviet hypocritical positions, Mr. President, in the hope that the West can draw some needed lessons. We must deal with the Soviets on issues of global significance, such as arms control, but we must never hesitate to call their bluff. Helsinki has provided a very effective forum for doing just that.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order and any special orders that may be provided there be a brief period for the transaction of routine morning business to extend not past 10:50 a.m. in which Senators may speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF SENATE JOINT RESOLUTION 58 AND TIME LIMITATION AGREEMENT ON DODD AMENDMENT

Mr. BAKER. Mr. President, I ask unanimous consent that at 10:50 a.m. the Senate resume consideration of Senate Joint Resolution 58 at which time the Dodd amendment will be the pending amendment and that there be a time limitation at that time of 10 minutes, notwithstanding the time that may be used today for the debate of this measure, and that it be equally divided and at the hour of 11 a.m. a vote occur on or in relation to the Dodd amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STACKING OF ROLLCALL VOTES SUBSEQUENT TO VOTE ON THE DODD AMENDMENT

Mr. BAKER. Mr. President, I ask unanimous consent further that any other rollcall votes which may be ordered today be stacked and occur immediately after the Dodd amendment in the sequence in which they were ordered without intervening debate, motion, or point of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I expect the Senate will continue to debate amendments today and that other amendments can be taken up and disposed of during the course of the day short of a rollcall vote.

The rollcall votes by reason of the order just entered will occur on tomorrow beginning with and continuing after disposition of the Dodd amendment.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of Senate

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Joint Resolution 58, which will be stated by title.

The legislative clerk read as follows:

A joint resolution (S. J. Res. 58) proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

The Senate continued with the consideration of the joint resolution.

UP AMENDMENT NO. 1167

(Subsequently numbered amendment No. 2009.)

(Purpose: To provide for a statutory basis for a budget that requires that any increase in outlays be financed by an equivalent increase in revenues, and for other purposes)

Mr. THURMOND. Mr. President, I believe the distinguished Senator from Connecticut wishes to bring up an amendment.

Mr. DODD. Mr. President, I sent to the desk an amendment in the nature of a substitute and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GORTON). The amendment will be stated by title.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD) proposes an unprinted amendment in the nature of a substitute numbered 1167.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 1, strike out through the end of the matter on line 14 on page 4 and insert the following:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) notwithstanding any other provision of law, and except as provided in paragraph (2), it shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget for any fiscal year beginning after September 30, 1982, or any amendment thereto or any conference report thereon if—

(A) the adoption of such concurrent resolution as reported;

(B) the adoption of such amendment; or

(C) the adoption of the concurrent resolution in the form recommended in such conference report,

would cause—

(i) the appropriate level of total budget outlays set forth in such concurrent resolution for such fiscal year to exceed the appropriate level of total budget outlays set forth for the preceding fiscal year in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year; or

(ii) the recommended level of Federal revenues set forth in such concurrent resolution for such fiscal year to be less than the recommended level of Federal revenues for the fiscal year preceding that fiscal year set forth in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year.

Notwithstanding paragraph (1), a concurrent resolution on the budget for a fiscal year may—

(A) provide for an amount of budget outlays for such fiscal year in excess of the appropriate level of total budget outlays for the fiscal year preceding that fiscal year set forth in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year if the concurrent resolution on the budget for such fiscal year also—

(i) provides for an amount of revenues for such fiscal year in addition to an amount of revenues equal to the recommended level of Federal revenues for the fiscal year preceding that fiscal year set forth in the most recently agree to concurrent resolution on the budget for such preceding fiscal year, which is not less than such amount of excess budget outlays; and

(ii) identifies the source of such additional amount of revenues and proposes changes in law to achieve such additional amount of revenues; or

(B) provide for a reduction in the recommended level of Federal revenues for such fiscal year below the recommended level of Federal revenues for the preceding fiscal year set forth in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year if the concurrent resolution on the budget for such fiscal year also—

(i) provides for a reduction in budget outlays for such fiscal year below the appropriate level of total budget outlays for the fiscal year preceding such fiscal year set forth in the most recently agreed to concurrent resolution on the budget for such preceding fiscal year, in an amount not less than the amount of the reduction in revenues for such fiscal year; and

(ii) identifies the program or activity in which such reduction in budget outlays is to be made and proposes changes in law to accomplish such reduction in budget outlays.

(3) Any additional amount of revenues contained in a concurrent resolution on the budget pursuant to paragraph 2(A)(i) shall only include additional revenues which will result from proposed changes in law. Any reduction in budget outlays contained in a concurrent resolution on the budget pursuant to paragraph 2(B)(i) shall only include reductions in budget outlays which will result from proposed changes in law.

(b) Subsection (a) may be waived by a two-thirds vote of the Members of each House of Congress, duly chosen and sworn.

SEC. 2. (a) Notwithstanding any other provision of law and except as provided in subsection (b), the Budget transmitted pursuant to section 201(a) of the Budget and Accounting Act, 1921, for the ensuing fiscal year shall not contain—

(1) an estimate of total budget outlays for such ensuing fiscal year which exceeds the appropriate level of total budget outlays for the fiscal year in progress set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year in progress; or

(2) an estimate of total revenues for such ensuing fiscal year which is less than the recommended level of revenues for the fiscal year in progress set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year in progress.

(b) Notwithstanding subsection (a), the Budget transmitted pursuant to section 201(a) of the Budget and Accounting Act, 1921, for the ensuing fiscal year may—

(1) contain an estimate of budget outlays for such ensuing fiscal year in excess of the appropriate level of total budget outlays for the fiscal year in progress set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year in progress in such Budget also—

(A) contains an estimate of revenues for such ensuing fiscal year in addition to an amount of revenues equal to the recommended level of Federal revenues for the fiscal year in progress set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year in progress, which is not less than the amount of such excess budget outlays; and

(B) identifies the source of such additional estimated revenues and proposes changes in law to achieve such additional estimated revenues; or

(2) contains an estimate of a reduction in revenues for such ensuing fiscal year below the recommended level of Federal revenues for the fiscal year in progress set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year in progress if such Budget also—

(A) contains an estimate of a reduction in budget outlays for such ensuing fiscal year below the appropriate level of total budget outlays for the fiscal year in progress set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year in progress, in an amount not less than the amount of the reduction in revenues for such ensuing fiscal year; and

(B) identifies the program or activity for which such estimated reduction in budget outlays is proposed and proposes changes in law to achieve such estimated reduction in budget outlays.

(c) Any additional estimated revenues which, pursuant to subsection (b)(1)(A), are contained in the Budget transmitted pursuant to section 201(a) of the Budget and Accounting Act, 1921, shall only include additional estimated revenues which will result from proposed changes in law. Any estimated reduction in budget outlays, which, pursuant to subsection (b)(2)(A), are contained in any such Budget shall only include estimated reductions in budget outlays which will result from proposed changes in law.

SEC. 3. For purposes of this Act—

(1) the term "budget outlays" has the same meaning as in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974; and

(2) the term "concurrent resolution on the budget" has the same meaning as in section 3(4) of such Act.

SEC. 4. (a) The provisions of the first section and section 3 of this Act are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

Mr. DODD. Mr. President, we are engaged in a debate on another constitutional amendment. These are rare debates in the Halls of Congress. If we could prioritize the significance of debates, I suppose the debate surrounding a constitutional amendment is one of the most important functions, if not the most important function, that we can perform in this body. The signifi-

cance of that document as it has helped us chart the course of the Nation over almost 200 years makes that clear. It is with that in mind that I offer this amendment in the nature of a substitute to the pending business.

What I offer, Mr. President, is a substitute which is a statute and not an alternative constitutional amendment.

Anyone who has read the economic news recently knows why we have been debating Senate Joint Resolution 58, proposing a constitutional amendment to require a balanced Federal budget. It is clear that the persistent deficits which have characterized our national budget for decades are now so swollen and out of control that economic recovery is virtually impossible.

Three related news items tell the story best. First, last Monday, CBO Director Alice Rivlin testified that the deficits over the next 3 fiscal years would range between $140 billion and $160 billion annually. That would add almost a staggering half-a-trillion dollars to our national debt.

Second, Assistant Secretary of Treasury Beryl Sprinkel acknowledged last Wednesday that the Treasury expected to borrow $100 billion during the last 6 months of 1981. That would be—by a substantial margin—a new record; investors and analysts immediately warned that the competition for funds would surely send interest rates on another dizzying climb.

Third, polster Lou Harris last week released the results of a survey of public attitudes toward the current economic situation. A plurality of Americans, it showed, now believe the United States is in an economic depression. For the people who are living through it, this has ceased to be a downturn or a slump or even the deepest and longest recession since the 1930's. Americans are now calling our problem what it is: a depression.

It is not hard to understand the frustration which those events engender. Nor is it hard to understand the pressure we feel to do something about it. In fact, it is more than understandable—it is correct. We do have to do something. A continuation of the present course is intolerable. Business as usual is no longer acceptable.

Certainly, the resolution before us is a function of that frustration and that need to act. But as I have listened to the debate on Senate Joint Resolution 58 over the past weeks, it seemed to me that we have lost sight of our initial objective. There has been remarkably little discussion of what this resolution will do to get us out of our current disastrous position.

Sometimes, a matter takes on a life of its own, regardless of fact or logic or rational argument. That is what I believe has happened to the business at hand. We have been debating the scope of judicial review in economic policy and relations between the executive and legislative branches and the nature of the Constitution. All of these are vital issues and they ought to be thoroughly ventilated if a constitutional amendment is to be properly considered.

But they are not the issues that the American people really care about or that the current crisis compels. We need to refocus. We need to get back to the question that dominates economic concern here, today, in the real world: How to control deficits.

Mr. President, as I mentioned I am not in any way suggesting that these issues should not be debated thoroughly. In dealing with any constitutional proposal, they must be properly considered.

The point I was trying to make is that such questions as judicial review, the relationship between the executive and the legislative branches of government, and so forth should not be the substance of the debate. The question is how do we deal with the present problem of the deficits.

But yet over the past several weeks it seems we have spent more time arguing fine points of constitutional law in the Chamber rather than the issue before us.

That is why I suggest that we should refocus on the question that dominates the economic concern today in the real world outside of this Chamber, and that is how to control these deficits. What is the best vehicle, what is the way way of doing that?

I believe, Mr. President, there is an effective, practical, and immediate step we can take to tame runaway deficits.

That is why I am offering this statutory substitute to put new Federal spending on what I call a pay-as-you-go basis.

Let me, if I may, briefly explain what my amendment does. Basically what I am proposing as a substitute to Senate Joint Resolution 58 is a statutory proposal. Its principle, "pay as you go" would permit total outlays for a given fiscal year to exceed total outlays in the preceding fiscal year only if revenues were increased by the same amount.

Similarly, total revenues for a given fiscal year could be reduced from the level for the preceding fiscal year only if outlays were reduced by that amount.

What it means, in effect, is that total outlays and total revenues are not required to balance but changes in the levels of outlays and the levels of revenues should be in balance.

The so-called uncontrollable spending increases would be covered and such increases would have to be financed either through the reductions in other spending, increases in revenues, or a combination of the two if such increased spending yielded an increase in outlays over the preceding fiscal year.

This substitute would also require that the President submit a budgetary message to Congress which conformed to pay-as-you-go criteria; in effect, his budget as it is sent up to Congress would also have to meet the same test that Congress would have to meet.

That is the sum and substance of this amendment.

There are other technical provisions in it, but basically it says that Congress on a yearly basis must provide the necessary revenues for expenditures that we decide we are going to make, that if we reduce our revenues for whatever reason then there must be a commensurate reduction in spending as well.

At the heart of my amendment is an elementary principle, Mr. President. From now on any new Federal spending would be barred unless Congress provided equivalent new revenues or commensurate spending cuts.

In short, it would mandate as an absolute condition of enactment that we pay for what we decide to buy.

If President Reagan convinces us, for instance, that $150 million more is required for military weaponry, fine. But we are going to have to pay cash. The credit card is no longer going to be honored.

If we decide that our cities need a new program of Federal assistance to survive, that is fine, as long as we pay the bill when it comes, not at some undetermined point in the future.

There are a number of ways in which this approach, I believe, is superior to that contained in Senate Joint Resolution 58, but one of them is paramount above all else.

Pay as you go would permit us to begin our attacks on deficits immediately and it would let us win the war on deficits in the very, very near future.

The Congressional Budget Office estimates that if we begin applying pay-as-you-go principles to spending now, the deficits would be eliminated in 3 years. In fact, we would be in a surplus to the tune of over $27 billion by 1985.

Mr. President, I have placed here on the easel on the floor a chart which spells this out as clearly as I possibly can.

Let me briefly describe this chart to my colleagues; I will leave it available here for the remainder of the day for other Senators who may come over so they can see it. The figures it uses are CBO figures. They are not my statistics or those someone else made up along the way. These are numbers of the Congressional Budget Office.

We see on the bottom red dotted line, the most recent estimates by CBO as to what the deficits are going to be this year, fiscal year 1983, fiscal year 1984, and fiscal year 1985.

Mr. President, as you can see deficits go up to $151 billion, $160 billion, and then $158 billion over the next 3 years.

The next figures are above a dashed line, and that line represents what the budget resolution estimated our deficits would be.

As you can see, there is a marked difference between the most recent estimates and what the estimates were at the time the budget resolution was adopted. It showed the budget to be roughly $60 billion in deficit by 1985.

The straight red line that runs up is how CBO estimates our deficits would be reduced in fiscal year 1983 and fiscal year 1984. It also shows in fiscal year 1985 a $27.5 billion surplus.

These figures may be modified somewhat as estimates vary, but generally those are fairly definitive.

What makes my amendment different from the constitutional amendment or even the statutory proposal that is being offered by others of my colleagues which would require a balanced budget immediately is that mine does it in steps.

What it says is that starting from a base year—and in this particular example we have taken the year 1982 as the base—for any new increases in spending Congress has to come up with the commensurate revenues to pay for those changes. It does not try to wipe out the deficit all at once, but for those changes we would have to come up with the equivalent revenues.

That would permit the normal economic growth that occurs as a result of economic expansion and the increase in the numbers of taxpayers in this country, to first erode and then actually wipe out the deficits. That is the conclusion that the CBO has drawn: by fiscal year 1985 we will actually find ourselves in a surplus.

Again these are not figures based on dubious estimates of sales of public lands or estimated revenues from oil and gas leases. This is just saying, "Let us pay for that which we decide we want to spend."

In addition, these numbers reflect our willingness to use the Reagan economic budget proposals. I did not assume changes in the President's economic program, even though I have opposed a number of steps in his program. His program is held intact to see what the numbers would produce.

There is nothing magical, Mr. President, about either the approach or the calculation. All that is required is to forgo spending we are unwilling to pay for. If you are willing to spend the money for something you believe in, then you should be willing to stand up and propose to raise the revenues for it. That is not what we have been willing to do recently. If you are for a military spending increase, of $147 billion then you ought to have the courage to say, "I am going to raise taxes to come up with the revenues to pay for it."

If you happen to think student loans or urban development programs, or other priorities are important, then you ought to be willing to stand up and pay for them. I am willing to do that. I have my agenda, every Senator has his or hers. But we ought to set our priorities collectively so there are not 535 separate budgets when we go back to our respective constituencies. We should have the discipline to set priorities in a budget proposal which enjoys at least the support of a majority in this Chamber.

The amendment, as I mentioned, would place an absolute cap on the deficits. Any revenue growth resulting from economic expansion would then erode the existing deficit, and could begin to chip away eventually at the national debt itself.

How does that immediate impact compare with a constitutional amendment's effect?

The plain fact is that none of the staggering deficits we can foresee today is likely to be affected in the least, in the very least, by the Senate's approval of Senate Joint Resolution 58.

Enacting a constitutional amendment is by deliberate design, a cumbersome and time-consuming process. The recent experience with the equal rights amendment should tell us something in this regard. Despite lopsided majorities of public support, a decade was insufficient to win enactment of ERA.

There is no reason to expect the situation will be any different with a balanced budget amendment. This is hardly a concept with unanimous support. Expert opinion clearly is, at the very least, divided. Strong organized opposition exists.

In the most positive of circumstances one cannot foresee ratification until the middle or late 1980's. Remember that the effective date of Senate Joint Resolution 58 would be the second fiscal year after that. What it comes down to, Mr. President, is that the resolution before us is a guide for fiscal policy in the 1990's, not an answer to the devastating deficits of the 1980's.

The real reason for this amendment, Mr. President, is, therefore, that it works faster, is more pragmatic and more effective in dealing with the problem everyone agrees is the major blockage to economic health—crippling deficits.

It would start now, not next decade.

It would provide a workable mechanism for ending the deficits, not just a promise that it will be done.

It would produce a surplus within 3 years.

In addition, Mr. President, I believe the approach I am suggesting is procedurally superior to amending the Constitution. I say that for two reasons:

First, it makes far more sense to deal with economic policy in a statute than by tampering with the Constitution. That statement has already been made over and over again in this debate—and for good reason. We all, I think, understand that the U.S. Constitution, should continue to serve in its time-honored role as a blueprint of representative government and guarantee of individual freedom.

It would be dangerous precedent, in my judgment, to use it as a vehicle for social and economic theories or policies, however desirable or useful those policies may be. To trivialize the Constitution in that manner runs the risk of altering its nature and distorting its purpose.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed an editorial that appeared in the New York Times yesterday entitled "Constitutional Con." This editorial, I think, lays out very clearly the pitfalls with the proposal for amending the Constitution to deal with this economic problem.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 1, 1982]

CONSTITUTIONAL CON

The President, once a baseball broadcaster, now sounds like Leo Durocher, the former Dodger manager. Durocher watched with mounting anger one day as his third baseman let one, two, three ground balls through his legs. When it happened again, Durocher went out to play third himself. The very next ball bounced through his legs. He slammed the mitt down and shouted to the offending fielder, "You've got this position so knotted up that no one can play it right."

Last week, it was the President who threw down his mitt. The subject was Federal deficits. They weren't of such concern in February when he proposed a $98.6 billion deficit for 1983. Better that, he said, than to touch his planned tax cuts. They "must not be tampered with in a vain attempt to cure deficits in the short-run."

But Mr. Reagan is plenty worried about the deficit now. So is Congress. The deficit will be closer to $160 billion than $98 billion. Who's to blame? Don't look at me, Mr. Reagan says with some heat. Blame the Democrats. Why, they gave the country 19 deficits in the last 20 years. They got the game so knotted up that no one can play it right.

Still, not to worry. The President has a magical solution: "The American people understand that we need fundamental reform. . . . They want this Government to draw the line and to pass, without delay, a constitutional amendment making balanced budgets the law of the land."

What tempting simplicity! Congress insists on behaving like an alcoholic, then ban cocktails. The trouble is the amendment stashes a bottle behind the sofa. It can't work.

The balanced budget amendment comes up for Senate action this week. Students of government—including conservatives—re-

ject it as ignorant economics, destructive law, foolish administration and cynical politics. They are right.

The proposal would require Congress to adopt balanced budgets each year. Exceptions would be made for war or when 60 percent of both houses approved. Spending could increase no faster than the growth in "national income."

Why is it ignorant economics? Because the United States should not want to balance the budget every year; it should want to balance the economy. In a recession spending for unemployment and other benefit programs goes up. That's desirable counter-cyclical effect; it's sensible to run a deficit then. Otherwise, the economy would nose dive. If the amendment were in effect now, there would be five million more unemployed.

Why is the amendment destructive law? Because it would stuff the Constitution with baloney. As Professor Burke Marshall of Yale Law School wrote on the Op-Ed page recently, "It trivializes the Constitution to try, for the first time to write into it what are essentially economic and social legislative policies." These are fluid policies, not of permanent constitutional weight. The sponsors know that. This would be the first amendment ever which Congress had the power to waive.

Why is the proposal foolish administration? Because there's no way to make it work. Congress wouldn't even know if it was obeying. Consider the immense variations between the forecasts used when a budget is enacted and the outcome 18 months later. As Rudolph Penner, the conservative economist, has observed, the 1981 budget was balanced on paper for much of 1980—but there was finally a deficit of $58 billion.

Why is the proposal politically cynical? Because it is meaningless in practical terms. The President says that the amendment "could have a very profound effect," but Republican leaders have a very different view. "Frankly, it doesn't do a thing," says Senator Baker, the majority leader. "I don't think it would have any practical impact" says Senator Dole, the Finance Committee chairman.

If there are so many arguments against the amendment, why is the President for it? The only reason we can think of is that Mr. Reagan regards the voters as ignorant, docile and gullible, ready to thrill to the illusion of "balanced budget" but never grasp the reality of this wretched proposal. In short, he thinks they will be fooled. So, evidently, do a lot of Congressmen.

That's all the more reason for thoughtful citizens to stand up and say, No, we will not try to fool and we will not be fooled; a fraud's a fraud. Free people do not govern themselves by pretending to strap on a permanent straitjacket. They do it by making hard choices as they arise. The balanced budget amendment is not a constitutional matter at all. It's just a con.

Mr. DODD. Mr. President, I believe we can accomplish the objective better with the flexibility and degree of specificity possible in a statute that is not present in a constitutional amendment.

The failure of earlier statutes, for example the so-called Byrd-Grassley amendment, to lead to balanced budgets did not reside in their statutory nature. The problem was that they lacked both direction as to how the balance was to be achieved, and effective enforcement provisions.

Those same flaws can gut a constitutional amendment. As a matter of fact, Senate Joint Resolution 58 is riddled with these same loopholes. The artificial distinction it draws between planned and actual deficits is an open invitation to hide foreseeable deficits under the fig leaf of grossly optimistic forecasts. The absence of any enforcement provisions, the failure to delineate how to bring the budget into balance, the clear intent of the legislative history to exclude the Federal courts from entering the process in order to evaluate and prescribe remedies for correcting violations of the terms of the resolution, all of these must insure that this amendment will be honored far more in the breach than in the observance.

It is ironic, Mr. President, that we are told over and over again not to worry: "Don't be concerned about it, because it really is not going to do anything at all." In fact, the distinguished majority leader, as well as the chairman of the Committee on Finance were quoted in the editorial I have placed in the RECORD as telling us not to get upset about this whole thing. It really does not do anything at all. We are going to go right back to what we have been doing. We have enough holes in this proposal to drive a Mack truck through. It does not make much difference.

I would say with all due respect to those making those comments that amending the Constitution, regardless of how little effect it may have on the problem we are apparently trying to address that when you amend the Constitution of the United States it is a matter of import. It is a matter of significance. To suggest somehow that because it is not going to achieve the intent its sponsors may claim is to demean that vital importance of the U.S. Constitution.

If we want to eliminate deficits, the answer, I would suggest, is not to rely on the moral force of constitutional guidance but to imbue whatever provision we adopt with the mechanisms it needs to work.

The amendment I am offering permits exceptions only by a deliberate policy decision of Congress and prohibits enactment of spending legislation which breaches its terms. In short, it does what has to be done to achieve fiscal discipline, not merely wish for it.

The second procedural advantage of the amendment is that it maintains the budgetary process as a shared function. It acknowledges, as does current law, that both the President and Congress have legitimate and important roles to play in formulating and implementing a national budget. It does so by requiring the President to conform his annual budget to pay-as-you-go principles. If the President wishes to expand an existing program or create a new one he should, of course, be able to do so. We should not prohibit him from proposing that. But he or she must also bear the concomitant responsibility to recommend a way to pay for the incremental costs of those suggestions. This provision does nothing more or less than require that the President and Congress be governed by the same philosophy and procedural guidelines in their mutual fight to reduce the Federal deficit. That is a far more constructive approach, I would add, with all due respect, than what is being offered by Senate Joint Resolution 58, where a responsibility of a President to help produce a balanced budget is not required.

Under the terms of that resolution, which binds only Congress, there could be massive disparities between the President's budget and the requirements faced by Congress.

My amendment would minimize that possibility, put them on an equal footing, and reduce the chances for interbranch conflict or impasse.

The last thing I wish to say about this amendment that I am proposing, Mr. President, is that I believe its enactment would foster a more honest assumption by Congress of its responsibility to bring a measure of fiscal sanity into the Federal budget process.

I pointed out a moment ago that there are those who are trying to ally the concerns that many of us have that the constitutional amendment which would be dangerous in many ways. Not the least of these is that for the first time in our history we would be able to waive the prohibitions or waive the provisions of a constitutional amendment by a two-thirds vote.

I would only ask my colleague: Could you imagine the reaction if, by a two-thirds vote, we could waive the first amendment, for instance? None of us would support such a provision.

But Senate Joint Resolution 58 proposes that, by a two-thirds vote, we could waive the provisions of a constitutional amendment.

We heard moments ago the distinguished Senator from West Virginia talk about the depressing percentages of those who participate in the electoral process in this country. I mentioned shortly thereafter that some 16 percent of 18- to 21-year-olds vote despite the fact that we have the 26th amendment in place. Connecticut, I might add, my home State, was one of the first five States on March 23, 1971, to adopt and ratify that constitutional amendment.

Now we seem prepared to raise false expectations. There is a good possibility that on Wednesday at noon the U.S. Senate is going to adopt a constitutional amendment. I would gather

that, based on the political momentum behind this, the House might do so, also. Some 30-odd States have already at least suggested this, or something like it, is what they want to do.

At the same time, knowledgeable people are telling us that it really is not going to do anything at all. After we promise people in this country that we are going to balance the budget, that we are really going to take care of our economic problem, the fact of the matter is we are not. The danger we risk, of course, is raising false expectations about what we are going to accomplish.

If that is the case, we will then turn around and see voter participation fall off dramatically even further and we are going to wonder why and wonder what happened, the answer will be that we offered a panacea, I would suggest, a simplistic one, that would not do what its proponents claimed it would do at all.

Currently there is a built-in incentive for legislators to assume that not only existing programs but new spending proposals can be funded without biting the bullet of increasing taxes.

If we do not want to face the music of raising taxes, there is an easy way out. Just assume that inflation will be a little lower—and then COLA's—the cost-of-living increases—based on the CPI will not cost that much. Assume that unemployment will decline—and the amount expected in tax receipts from productive workers will grow. Assume that interest rates will moderate and payments on the debt will go down. Every favorable assumption will mean that without new costs we can have new benefits.

The amendment would have the effect of curtailing that temptation. Revenue growth would be reserved for paying off the deficit and national debt. It could not buy new public goods and services, so there would be no incentive to exaggerate in that regard. Actual costs of programs would be built into the outlay baseline each year so that any benefit derived from underestimating costs would be, at best, short-lived and we would have to face the music of raising revenues in the following budget anyway.

In other words, putting Congress on a pay-as-you-go budget strikes a blow for truth in budgeting as well.

On an even more fundamental level, enacting this amendment would send, I think, a persuasive signal to the American people that Congress is serious about reining in runaway deficits. I do not believe that Senate Joint Resolution 58 does that. Let me tell you why.

When you come right down to it, the constitutional amendment before us does not represent a shift in congressional fiscal attitudes but a continuation of them. Just as various Congresses have deferred the problems of continuing deficits and a burgeoning national debt to future ones, so we are leaving to whomever occupies this Chamber 8 or 10 or 12 years from now, the mandate to bring the budget into balance. We are leaving them the job of paying interest on the one-half trillion dollars in additional debt we will pile up over the next 3 years. If we are serious about eliminating the deficit, we should begin to pay as you go; to first cap the deficit and then reduce it. If we are not serious, if business as usual is our real aim, we can tell our successors: "You will have to do what we lacked the political courage and personal discipline to do ourselves."

I hope we will have the foresight and responsibility to bite the bullet ourselves and not postpone a solution once again.

Mr. President, I would also like to send to the desk an editorial which appeared in an NBC broadcast by Mr. John Chancellor on July 23, 1982, endorsing this proposal. I ask unanimous consent that a transcript editorial comment be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHANCELLOR, NBC, JULY 23, 1982

A lot of people including the President are beating the drum this week for a Constitutional amendment that some day, maybe, would sort of require a balanced budget. There's a better way: a plan floating around the Congress that would balance the budget in three years. Guaranteed.

It's the pay-as-you-go budget proposal, offered to the House of Representatives by George Miller, Democrat of California, an ingenious and practical plan.

Here's how it would work: first, it would freeze government spending at its present level.

So if the Congress wanted to spend more on defense, it would have to spend less on something else, such as spending on social programs. Or if the Congress wanted to spend more on defense and social programs, it would have to reduce nondefense spending. All within a frozen total budget. If the Congress wanted to spend more than that, if would be forced to bite the bullet and raise taxes. Fiscally sound, if politically dangerous.

The beauty of this is that it would make Members of Congress directly accountable for the money they spend. Everybody would have to stand up and be counted. And, with spending frozen, the natural growth of the economy would increase tax revenues and balance the budget.

The Congressional Budget Office confirms that the plan would lower the deficit by fiscal year 1984, and produce a glorious surplus of 27 billion dollars in 1985. Think of that!

Congressman Miller's pay-as-you-go budget plan was defeated in the House last May, voted down by most Republicans and a few Democrats. Senator Christopher Dodd is going to ask the Senate to approve it instead of the Constitutional amendment to the budget.

Pay-as-you-go is a better way than tinkering with the Constitution. Let's see what the Senate does with it.

Mr. DODD. Mr. President, I should note, as well, that this proposal that I am offering today was offered in the other body during the consideration of the budget resolution. It was offered by my good friend and distinguished Congressman, Representative GEORGE MILLER of California. At the time he offered that proposal, it garnered, I believe, 189 votes on the floor of the House of Representatives. Only three votes came from the other side of the aisle and all the rest came from my side of the aisle.

In that debate, I think at that time people realized that the idea had soundness; that it was going to force the kind of debate in Congress that we have not had, on the essentiality of debating alternatives and making choices when we set priorities.

Mr. President, that is why I offer this statutory proposal as an alternative to the constitutional amendment, and have tried to demonstrate by this graph the practical immediate effects that it would have.

Mr. President, I would also like to have printed in the RECORD a letter from Mrs. Alice Rivlin of the Congressional Budget Office dated May 21, 1982, to Congressman MILLER. It spells out the figures that I presented here in this chart.

I ask unanimous consent that the letter from Mrs. Rivlin dated May 21, 1982, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., May 21, 1982.

Hon. GEORGE MILLER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: Pursuant to the request of the House Committee on Rules, the Congressional Budget Office has reviewed your amendment in the nature of a substitute to H. Con. Res. 345, as reported, with respect to its effect on reducing the budget deficits projected in the bipartisan baseline for fiscal years 1983–1985. These baseline deficits were calculated at $182.0 billion for fiscal year 1983, $216.0 billion for fiscal year 1984, and $232.5 billion for fiscal year 1985.

Based on the economic assumptions and other estimating methods used for the bipartisan baseline, CBO estimates that your amendment would lower the budget deficits to $109.4 billion for fiscal year 1983, and $57.4 billion for fiscal year 1984, and provide a surplus of $27.5 billion for fiscal year 1985.

We are providing a copy of these estimates to the House Committee on the Budget and the House Committee on Rules.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. DODD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, my distinguished friend from Connecticut is offering another amendment here in the form of a statute instead of a constitutional amendment. Now if he wishes to offer a statute, that can be done. I am sure there is great merit from a statutory standpoint in the amendment he offers.

But, Mr. President, what we are considering here is a constitutional amendment. We have stated on the floor here that for the last 21 years the budget has not been balanced but one time. For the last 25 years, the budget has not been balanced but two times.

Now you might say, "Well, a statute would make it tougher; have two-thirds or whatever you want to, that will take care of it."

Mr. President, it will not do it. I call to the attention of the distinguished Senator from Connecticut the fact that in 1978, the distinguished Senator from Virginia, HARRY BYRD, JR., and later, the distinguished Senator from Iowa, CHARLES GRASSLEY, combined to enact into law an amendment to an IMF loan program authorization measure requiring that beginning with fiscal year 1981, the last fiscal year, total budget outlays of the Federal Government—and catch these words—"shall not exceed its receipts." And that is the public law today. That is Public Law 95-435, section 7. But it was not obeyed. Congress has not obeyed it.

A statute passed today can be superseded by a new statute passed tomorrow. What we want to do is to nail this thing down, nail it down so the Congress cannot spend more than they take in unless three-fifths of both bodies vote to do that.

Again, in 1979, a provision in a measure to increase the public debt limit stated that, "Congress shall balance the Federal budget." That was Public Law 96-5, section 5.

Under this legislation, the congressional Budget Committees were required to propose balanced budgets for fiscal year 1981 and subsequent years.

Did they do it, Mr. President? No; they did not do it. They did not do it for 1981 and have not done it for 1982. There is your statute that is on the books now. It has not been obeyed because they passed a later statute. This will be a similar situation.

Mr. President, we want more than a statute. The people of this country want more than a statute. The people of this country want a constitutional amendment to bind the Congress not to spend more than it takes in unless both bodies by three-fifths of a vote decide to do that.

You might say, "Well, why the necessity for that?"

Mr. President, that is the general sentiment of the people of this country. Let me read you some organizations that have come out for a constitutional amendment, not a statute. You have the two statutes I just mentioned. You may have others.

Here are some organizations that have come out for a constitutional amendment:

LIST OF ORGANIZATIONS FOR A CONSTITUTIONAL AMENDMENT

American Bakers Association.
American Council for Capital Formation.
American Gear Manufacturers Association.
American Subcontractors Association.
Associated Builders and Contractors.
Chamber of Commerce of the United States.
Citizen's Choice.
Independent Baker Association.
National Association of Homebuilders.
National Association of Manufacturers.
National Association of Temporary Services.
National Cattlemen's Association.
National Federation of Independent Business.
National Knitwear Association.
National Lumber and Building Material Dealers Association.
National Screw Machine Products Association.
National Taxpayers Union.
Steel Services Center Institute.
United States Jaycees.
National Association of Wholesaler Distributors and Affiliated Organizations.
Air-Conditioning and Refrigeration Wholesalers.
American Dental Trade Association.
American Jewelry Distributors Association.
American Machine Tool Distributors' Association.
American Supply Association.
American Surgical Trade Association.
American Traffic Services Association.
American Veterinary Distributors Association.
Appliance Parts Distributors Association, Inc.
Associated Equipment Distributors.
Association of Footwear Distributors.
Association of Steel Distributors.
Automotive Service Industry Association.
Aviation Distributors & Manufacturers Association.
Bearing Specialists Association.
Beauty & Barber Supply Institute, Inc.
Bicycle Wholesale Distributors Association, Inc.
Biscuit & Cracker Distributors Association.
Ceramic Tile Distributors Association.
Ceramics Distributors of America.
Coated Abrasives Fabricators Association.
Cooperative Food Distributors of America.
Copper & Brass Servicenter Association.
Council for Periodical Distributors Association.
Council of Wholesale Distributors American Institute of Kitchen Dealers.
Distributors Council, Inc.
Door & Hardware Institute.
Drug Wholesalers Association.
Electrical-Electronics Materials Distributors Association.
Explosive Distributors Association, Inc.
Farm Equipment Wholesalers Association.
Flat Glass Marketing Association.
Fluid Power Distributors Association, Inc.
Food Industries Suppliers Association.
Foodservice Equipment Distributors Associaton.
General Merchandise Distributors Council.
Hobby Industry Association of America.
Independent Medical Distributors Association.
The Irrigation Association.
Institutional & Service Textile Distributors Association, Inc.
International Ceramic Association.
Machinery Dealers National Association.
Mass Merchandising Distributors Association.
Material Handling Equipment Distribution Association.
Monument Builders of North America-Wholesale Div.
Motorcycle Industry Council.
Music Distributors Association.
National American Wholesale Grocers' Association.
National Appliance Parts Suppliers Association.
National Association of Aluminum Distributors.
National Association of Chemical Distributors.
National Association of Container Distributors.
National Association of Decorative Fabric Distributors.
National Association of Electrical Distributors.
National Association of Fire Equipment Distributors.
National Association of Floor Covering Distributors.
National Association of Manufacturing Opticians.
National Association of Marine Services, Inc.
National Association of Meat Purveyors.
National Association of Plastics Distributors.
National Association of Recording Merchandisers, Inc.
National Association of Service Merchandising.
National Association of Sporting Goods Wholesalers.
National Association of Textile & Apparel Distributors.
National Association of Tobacco Distributors.
National Association of Writing Instrument Distributors.
National Beer Wholesalers Association.
National Building Material Distributors Association.
National Business Forms Association.
National Candy Wholesalers Association.
National Commercial Refrigeration Sales Association.
National Electronic Distributors Association.
National Fastener Distributors Association.
National Food Distributors Association.
National Frozen Food Association.
National Grange.
National Independent Bank Equipment Suppliers Association.
National Industrial Belting Association.
National Industrial Glove Distributors Association.
National Lawn & Garden Distributors Association.
National Locksmiths' Suppliers Association.
National Marine Distributors Association.
National Paint Distributors, Inc.
National Paper Trade Association, Inc.

National Plastercraft Association.
National Sash & Door Jobbers Association.
National School Supply & Equipment Association.
National Solid Wastes Management Association.
National & Southern Industrial Distributors Associations.
National Spa and Pool Institute.
National Truck Equipment Association.
National Welding Supply Association.
National Wheel & Rim Association.
National Wholesale Druggists' Association.
National Wholesale Furniture Association.
National Wholesale Hardware Association.
North American Heating & Air-conditioning Wholesalers.
North American Wholesale Lumber Association, Inc.
Optical Laboratories Association.
Outdoor Power Equipment Distributors Association.
Pet Industry Distributors Association.
Petroleum Equipment Institute.
Power Transmission Distributors Association, Inc.
Safety Equipment Distributors Association, Inc.
Scaffold Industry Association.
Shoe Service Institute of America.
Specialty Tools & Fasteners Distributors Association.
Spring Service Association.
Steel Service Center Institute.
Textile Care Allied Trades Association.
Toy Wholesalers' Association of America.
United Pesticide Formulators & Distributors Association.
Wallcovering Distributors Association.
Warehouse Distributors Association for Leisure & Mobile Products.
Watch Materials & Jewelry Distributors Association.
Water and Sewer Distributors Association.
Wholesale Florists & Florist Suppliers of America.
Wholesale Stationers' Association, Inc.
Wine & Spirits Wholesalers of America, Inc.
Wood Heating Alliance.
Woodworking Machinery Distributors Association.

Mr. President, I think these speak for themselves. I think these show how the people of America feel.

I am convinced that the people of this country want a constitutional amendment. They have shown so in the polls that have been taken; they have shown it by a big majority in the polls that have been taken.

Mr. DODD. Will the Senator yield?

Mr. THURMOND. These are the companies that have endorsed this.

Mr. DODD. If my friend will yield, I missed one or two of those. I wonder if the Senator would like to go over that list again.

Mr. THURMOND. Would the Senator like me to read the list again?

Mr. DODD. I thank the Senator for yielding. I am only being facetious.

Mr. THURMOND. Mr. President, I just want to say that the people of this country are sick and tired of their Congress spending more than they take in. How are they going to stop it? We have tried the statutory approach. It did not work. We tried budget procedures; they have not worked.

The only recourse left is to pass a constitutional amendment. That is the only recourse that I know. The people of this country, as I said, by the polls have shown they strongly favor a constitutional amendment.

The debt has increased over a trillion dollars, a trillion-and-a-quarter, almost, by the end of this year. The interest rates have gone higher because of the large Federal debt.

Mr. President, I just want to say that we cannot keep on going as we are going. We have to have more fiscal responsibility. We have to have more fiscal restraint. That is exactly what we are trying to do here today, place fiscal restraints on the Congress.

Congress has shown that it is not willing to restrain itself. Any Member who has been a Member of this body or a Member of the House of Representatives knows the pressures brought in here. The people in this city, the lobbyists, the people from their home States that come here, all the demands, all the pressures on Members of Congress are tremendous, they are just tremendous. Congress has not shown the restraint necessary in the past and the fortitude to stand up and say, no, no, no. We must have a balanced budget mandated by the Constitution.

That is the reason we have this amendment, Mr. President. We have this amendment here to mandate—mandate—that Congress balance the budget. That is the only way we are ever going to get it, in my judgment.

I have been here for 28 years and I have seen Members come and go. I have seen them vote sometimes when, down in their hearts, I felt they knew they should not vote for something. But the pressure on them was so great that they did not resist. Members of Congress have held up their right hands and sworn to uphold the Constitution of the United States. We believe they will do it. If they do not, action can be taken to force that action if this constitutional amendment passes.

Mr. President, I want to say further that this amendment of the Senator from Connecticut does not reverse the inclination of Congress to incur deficits or raise taxes whenever it wishes. I say further that this amendment is too complicated, too complex, too unnecessary.

If the distinguished Senator wants to offer it as a separate statute he will have a chance to do it. I am sure if he can go before the appropriate committee and convince them that this should be done, then it will be considered. But this is no place, here, to try to kick this constitutional amendment out the window and bring in a complex, complicated statute which will not work.

Mr. President, I hope the Senate will see fit to turn this action down; that is, to substitute a statute for a constitutional amendment. We think it is inadvisable, we think it is unwise. We feel it would be a great mistake for that to be done.

Again, Mr. President, I say the people of this country, by a large majority of the voters, have asked Congress, have gone on record through polls as requesting that a constitutional amendment to stop this big spending go into effect. That is exactly what we are trying to do. That is the action we are trying to take. For that reason, I hope the amendment of the Senator from Connecticut will be defeated.

Mr. DODD. Mr. President, may I ask, how much time remains under the agreement?

The PRESIDING OFFICER. The Senator from Connecticut has just over 58 minutes left. The Senator from South Carolina just over 73 minutes.

Mr. DODD. I thank the Chair.

Mr. President, if I may, I should like to address the arguments in opposition to this amendment that were raised by my good friend, the distinguished Senator from South Carolina. First, let me take the last point.

The distinguished Senator from South Carolina listed for 6, 7, or 8 minutes here the names of various associations and organizations all across this country who are supporters of the constitutional amendment approach. We were fortunate, as the distinguished Senator from South Carolina knows, to have a speech this morning, given during the morning business period, by the Senator from West Virginia commemorating today as Signers' Day. It was actually on August 2, 1776, that the 56 signers of the Declaration of Independence put their names to paper pledging their lives, their property, and their sacred honor.

I was moved, as I sat listening to my good friend from South Carolina, to wonder what it would have been like on August 2, 1776, in Independence Hall, if we discussed there the adoption of the Constitution of the United States in the terms being used today. We are the trustees, if you will, of that historic moment, determining whether or not there ought to be yet another amendment to the Constitution. I wonder what it would have sounded like on that day, August 2, 1776, if John Hancock, standing before the assembled hall, listed off various associations and groups and people who were opposed to or in favor of various aspects of the Constitution of the United States.

This is not the centerpoint, obviously, of the argument of the Senator from South Carolina, but we have come to believe in this country that the sum of special interests equals the national interest. We seem to believe that if you add up a list of all the vari-

ous groups and associations—and God knows, they exist in legion—that should determine the outcomes. Debate does not really focus much on merit any more. One side has its list, the other side has its list. It is a competition of lists.

I have my own list here, a long list of organizations and individuals, who say that a constitutional amendment is a terrible idea. But that is not where the debate ought to center. We should not be engaged in the listing of organizations and associations. It is unfortunate, I believe, that as we are talking constitutional amendments, the most serious debate we can have in this Chamber, or normal legislation, we are reeling off lists of organizations as somehow an argument in favor of or in opposition to the validity of an idea. It is a precedent that has been established in the most recent past and, unfortunately, is being used too often.

Let me step back, if I may, to the substantive arguments on the so-called Byrd-Grassley amendment, which I referred to in my opening remarks. The Senator from South Carolina is absolutely correct, there is a statute on the books offered by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) and his coauthor, now the distinguished Senator from Iowa (Mr. GRASSLEY). But there is absolutely no enforcement provision in that at all, nor is there any mechanism for showing how the Byrd-Grassley proposal should take effect. It is a good idea in a bad statute.

I am suggesting today, a statutory alternative that would contain the enforcement provisions and establish the mechanism lacking in earlier versions.

The distinguished Senator from South Carolina demonstrated one of my own points. We are really not debating economic policy, nor have we been over the past several weeks; we are debating constitutional law. We are debating the nature of the Constitution, including for example, the relationship between executive and legislative branches, the power of the judiciary to interpret provisions of this amendment that we are about to adopt, and so on. We have talked about all the ramifications normally associated with constitutional law and very little, indeed, about what kind of economic structure we are going to provide to deal with the pressing problem we are confronted with: deficits.

I also point out to my distinguished friend from South Carolina that the constitutional amendment as now proposed is so filled with loopholes that it is hardly worth the paper it is written on. Note, for instance, that it distinguishes between planned deficits and accidental deficits.

Now, can you not hear the debate that will ensue in the years ahead? "Well, you see, this is an accidental deficit. It wasn't a planned deficit. Therefore, the constitutional amendment does not apply."

I will make a prediction this afternoon, Mr. President, that if this amendment is adopted by this Chamber and by the House of Representatives and ratified by three-fourths of the States, we will have a proliferation of accidental deficits. We will have accidental deficits year in and year out for the foreseeable future, and we will not have done a thing to solve the problem at hand.

We also must note the other loopholes. There is no enforcement in the constitutional amendment. In fact, in the report language we say the courts cannot get involved.

Well, how do you enforce a constitutional amendment if the court of last resort, the Supreme Court, cannot interpret a constitutional amendment? How do you achieve any result? That creates a massive problem for us.

I will try to be brief, Mr. President, and not take the time of all of my colleagues, but there are six points that illustrate the fundamental differences between Senate Joint Resolution 58, the constitutional amendment approach to balance the budget, and the statutory proposal that Congressman MILLER offered during the consideration of the budget resolution in the other body and that I am offering to do as an alternative to the constitutional amendment.

(Mr. COCHRAN assumed the chair.)

Mr. DODD. The six points have to deal with appropriateness, with timing, with practicalities, with involvement of the executive branch, with honesty, and with effectiveness. Those are the six points.

In terms of appropriateness, simply stated, economic doctrine, no matter how valid, does not belong in the Constitution of the United States. That document must be a blueprint for representative government and a guarantee of individual freedoms. That is what it is designed to do. To freight it with social or economic theories trivializes the Constitution.

I might point out to my colleagues, Mr. President, that prior experiments with both the issue of slavery and prohibition, efforts to incorporate economic theory in the Constitution had to be repealed. They demonstrated the folly of that approach.

A flexible statute is a proper procedural way I believe to deal with this issue.

The second point is timeliness. The recent experience with ERA proves how time consuming, burdensome, and potentially futile it can be to try to alter the Constitution. To win two-thirds of both Houses and ratification by three-quarters of the States is an undertaking for a decade of work, not a session of Congress. So no matter what is being said here today, do not let anyone be deceived; it will be at least 1990 before we really are going to be dealing with this issue. To assume somehow that we are going to have this back before us in the coming months is folly.

In short, Senate Joint Resolution 58 is a pledge of fiscal responsibility, as I mentioned earlier, in the 1990's and not an answer to the deficits we face in the 1980's.

PRACTICALITY

The problem with Senate Joint Resolution 58 is that it tells us where we want to go but not how to get there. It provides no process, it has no mechanism for achieving a balanced budget, only a requirement that we do so. And that hardly helps.

There is not a Member of Congress, Mr. President, who would not favor eliminating the deficits. The question is how do you accomplish it? That is what we should be debating. Pay as you go provides that mechanism. It does not promise to erase the deficit overnight but, rather, to eliminate it in incremental stages by requiring that new expenditures be matched by new revenues. It caps the deficit and then allows any revenue growth, natural economic growth to chip away at the existing deficit and the national debt.

Does my distinguished colleague, the Senator from Washington, wish me to yield for purposes of debate?

Mr. GORTON. Will the Senator from Connecticut yield for one or two questions on the subject?

Mr. DODD. I am delighted to yield.

Mr. GORTON. A few moments ago, while the Senator from South Carolina was opposing the amendment before the Senate at this point, he averted to the proposition which has been used against not only this amendment but other amendments and proposals to solve the very real problem we have with unbalanced budgets by statute rather than by a constitutional amendment. The Senator from South Carolina did so by pointing out that there is on the books now a statute resulting from a bill, or a proposal, I believe, sponsored originally by the Senator from Virginia (Mr. BYRD) requiring a balanced budget each and every year. The Senator from South Carolina quite rightly pointed out that that statute has been honored in the breach rather than the observance.

My inquiry at this point to the Senator from Connecticut is whether or not there is not a profound difference between his proposal, and for that matter between the proposal of the Senator from Maryland, as to a statutory approach and the statute used as the bad example here in that the proposal of the Senator from Connecticut and that of the Senator from Maryland, unlike the law on the books now, is essentially self-executing? Does not the proposal of the Senator from Con-

necticut change the rules of both the House and the Senate so that a point of order would lie to be raised by any individual Member against a procedure which violates the terms of the statute? Therefore, is not the amendment before the Senate now self-enforcing in the sense that it will be followed unless and until it is succeeded by another specific statute on the subject, passed by both Houses and signed by the President of the United States?

Mr. DODD. I say to my good friend from Washington—I thank him for his question—that he is correct. Incidentally, I have very judiciously avoided in this proposal amending the Budget Act. I have amended the Budget and Accounting Act of 1921 and I have offered also a freestanding statute. I have specifically cast this substitute in that way because of the potential of the point of order that could be raised at this particular time. So I have very carefully avoided any direct amendment of the Budget Act itself so as to escape that particular problem.

And the Senator is correct in a very important respect. I tried to make the point—I am not sure he was in the Chamber at the moment I did—that the approach offered by the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.), as well as the distinguished Senator from Iowa (Mr. GRASSLEY) did not provide any enforcement or any mechanism for achieving its goal. It stated what ought to be the intent of Congress. But unless you have the mechanism to effect the goal then it is not self-executing. In fact, the present law, the Budget Act itself, does not require, in effect, balancing the budget each year. It merely says the targets we lay out must be met. Of course, we have seen those targets in the past create deficits. What I am proposing in the long run is that the Budget Act incorporate the prohibition of expenditures exceeding revenues for a given fiscal year by more than they did the previous year. We would, in effect, be paying for what we decided to add on.

I add as well, since the Senator has raised the point, that there is a distinction between what I am offering and what the distinguished Senator from Maryland and the distinguished Senator from Montana are offering in the sense that my amendment deals with budget deficits incrementally. It says, in effect, that we are going to pay for the changes that occur in any fiscal years beyond a base fiscal year.

For the purposes of this chart over here, I have used fiscal year 1982 as the base year. In effect, then, we have, whether you believe the budget resolution figures of CBO figures, anywhere from $105, $110, to $150 billion in deficits this year.

I do not suggest that we can take care of all of that all at once. But I do believe that any changes in fiscal year 1983 in spending could be met by an incremental change in revenues to meet those expenditures. Furthermore, if that is done year after year, the normal growth of the economy, the increased number of taxpayers, would in effect eat away at that deficit over a period of years. By 1985, it would create a surplus.

My amendment provides the mechanism and the enforcement for that to be done. It was not done, despite the good intentions of the Senator from Virginia and the Senator from Iowa, to provide the kind of time they proposed in the balanced budget.

Mr. GORTON. Is it accurate to say that if the proposal of the Senator from Connecticut were adopted, it would, in fact, unlike present law, be enforceable unless and until it were normally repealed by an amendment signed by the President?

Mr. DODD. The Senator is correct.

Mr. GORTON. A second question: As to those seeking the best solution to this problem, why does the Senator from Connecticut feel that his proposal is superior to that of the Senator from Maryland or the Senator from Montana, which, of course, does follow the pattern of the resolution which is on the floor now by requiring a supermajority for certain acts on the part of Congress? Why does the Senator from Connecticut feel this to be a better approach, or does he feel either to be appropriate?

Mr. DODD. There is a significant distinction. One might draw the conclusion that because we are both talking about statutes—the Senator from Montana and the Senator from Maryland do so as I do—that they are very similar.

There is an important difference, however. I am saying that beginning with fiscal year 1983, for any additional funds you want to spend in any part of the budget, commensurate revenues must be provided. Do it by taxes or budget cutting, any way you want, but for any change, there must be the revenues to meet that expenditure requirement.

The Senator from Maryland and the Senator from Montana, in effect, require the same result that the constitutional amendment being proposed, Senate Joint Resolution 58 seeks, but they would do it by statute. They seek an immediate balancing of the budget, regardless of the size of the deficit. I think both those proposals fail for the practical reasons I have identified. I do not think it is possible. I have offered, I think, a far more realistic approach. If you are truly interested in balancing the budget, it makes far more sense to do it incrementally than to suggest that somehow we are going to come up with $151 billion in the next 3 or 4 months, either by a tax increase or budget cutting.

Mr. GORTON. I thank the Senator, and I apologize for the interruption.

Mr. DODD. I thank the Senator for his questions.

I will move on to the fourth, fifth, and sixth points as to why I believe this is the sounder approach than that proposed by the constitutional amendment.

Earlier, I mentioned Presidential involvement. Under the proposed constitutional amendment, there is no Presidential requirement to submit a balanced budget. It directs Congress to do that, but the President does not have a matching responsibility. My statute requires that the President also operate under the pay-as-you-go principle. When the President sends his budget message to Congress, the pay-as-you-go procedure would be invoked. Obviously, if we are going to have a good working relationship between the executive and legislative branches, then that point is absolutely essential.

The fifth point is honesty, and I say this with all due respect to the distinguished Senators who have proposed this proposition and those who are cosponsors of it. When I talk about honesty, I am not referring to them. I have no question about their integrity or honesty. It is really a question of how honest we are being in what we are promising the American people in connection with Senate Joint Resolution 58.

I remind my colleagues that Senate Joint Resolution 58 purports to be an assumption, at long last, by Congress of a responsibility to bring deficits to an end. That is what the proponents argue. I would reply, that it does not do what the proponents claim it does.

To a real extent, we are in the current mess because successive administrations and successive Congresses have deferred to future generations the task of paying for current expenditures. The constitutional amendment is doing the same thing. It does nothing to reduce today's deficit or next year's or the next year's after that. Instead it places on the shoulders of some future Congress, whose composition we can only speculate about, the burden of doing something we are unable or unwilling to do today—not 1990 or 1991 or 1992—but right now. In a real sense this is a truth-in-budgeting opportunity for this Congress.

The last point is effectiveness, and in importance that should be the first one. The ultimate standard for evaluating the issue before us is how well the proposal works to reduce or eliminate deficits.

Not only is Senate Joint Resolution 58 a program for the dim future, but also, there is no assurance that it will work even then.

The distinction between planned deficits and accidental deficits is something which I predict will occur year

after year. We will get into the accidental deficit syndrome. I can hear the new charge: "You have had more accidental deficits than we have had over the past 20 years." We can expect as a matter of course unreasonably favorable distortions in economic forecasts which, when they fail to materialize, will produce deficits. That will become standard operating procedure.

Also, the 60-percent waiver is a relatively low threshold for permitting exceptions. The absence of any strict enforcement provision, penalty for violation, or procedure for meeting the goals undermines the chances for balance.

In short, this constitutional amendment exhibits the same flaw that is responsible for the failure of the statute already on the books offered by the distinguished Senator from Virginia and the distinguished Senator from Iowa. There is no enforcement mechanism or program for achieving the balance they both favor.

The committee report makes clear that the courts should not be involved with the constitutional amendment in enforcing the provisions of Senate Joint Resolution 58. That creates a dilemma: Either the courts avoid involvement, in which case there is no way to enforce the terms, or they do intrude in matters of economic policy where they should not have to make the broad policy judgments that should be required by Congress. In contrast, pay as you go sets up a workable mechanism that would produce a surplus within 3 years.

For the reasons stated—appropriateness, timeliness, practicality, involvement of the executive branch, the honesty and effectiveness of the proposal that I believe the statutory incremental approach dealing with deficit offers, I urge my colleagues to support this amendment.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. DODD. I am glad to yield.

Mr. HART. Mr. President, I am persuaded by the argument of the Senator from Connecticut, and I believe his amendment has great merit. I hope our colleagues consider it very carefully as an alternative to the constitutional amendment.

The Senator, in his remarks, did comment on the fact that the proposed constitutional amendment calls for the raising of revenues now or cutting other current operating expenses to pay for investments in the future of the country. This is an argument about which the Senator from Colorado is concerned deeply, and he intends to offer his own amendment regarding that very shortly, which makes the distinction between the amount of money we spend every year for what can be called operating expense versus those for capital investment.

Does the Senator from Connecticut not believe that there is a difference in public spending between the commitment of the Congress of the United States to build an aircraft carrier or the construction and maintenance of an interstate highway system or bridges and dams or water projects, or the basic capital infrastructure of this country, versus the annual funding of school lunch programs or health programs or investments of that kind, which one might, I think, generally refer to as the kind of operating costs of a government year by year?

Mr. DODD. I thank the Senator for raising the question, and I thank him for his kind comments about this proposal.

I happen to believe there is a distinction between capital expenditures and consumption expenditures. In effect, capital expenditures in many instances actually can return dollars to the Treasury one way or the other. It may not do it as rapidly as we wish, but there is some benefit that comes back as a result of the expenditures having occurred in the first place.

Mr. HART. Over a long period of time of 15, 20, 25, or 30 years.

Mr. DODD. The Senator is correct.

They thereby represent a national asset, in effect, that may encourage economic growth in a community and business investment in an area where high unemployment exists. There are all sorts of positive ramifications. I do believe that distinction does exist and should exist.

Mr. HART. Is the Senator from Connecticut aware of the fact that almost all businesses, certainly those that the Senator from Colorado is aware of or familiar with, as well as most of the States, in effect, keep two sets of books, one for operating expenses, that is, the cost of running the business or the government year by year; the other for capital investments in the future of that business or that State over a long period of time. In keeping a capital expenditure account, the normal way of treating that investment is to amortize it over large periods of time, over a long number of years, in effect, the useful life of that investment?

Mr. DODD. I believe the Senator is absolutely correct.

Mr. HART. So, in the judgment of the Senator from Connecticut, does it make any sense for one of the largest enterprises in our country, if not the largest enterprise, I guess, the U.S. Government, to keep its books as if every dollar that it spends every year is a current expense or an operating expense for that current year?

Mr. DODD. That is correct.

I add to point out to my good friend from Colorado that I have offered legislation, in effect, which would allow for the establishment of a capital budget. There is no dollar expenditure in that proposition. The first thing it calls for is an inventory of the present status of our infrastructure. Once that inventory is established, we could establish some sort of a capital budget to begin to deal with those problems of sewers, water facilities, highways, bridges, and so forth, which I might point out to my friend, as I know he well knows, are deteriorating at a staggering rate in this country. Today we are not providing for their proper maintenance at the State, local, or Federal level.

Mr. HART. The Senator from Colorado is pleased to hear of the sponsorship of that legislation by the Senator from Connecticut.

I as well introduced proposals of that sort over the past 3, 4, or 5 years.

I do not believe amendments of this sort or debate that we are having this week and had last week on a constitutional amendment to balance the budget are going to make any sense in any responsible businesslike fiscal way until we begin to distinguish between what, in effect, are the costs of running the Government every year versus those which are long-term investments in the infrastructure of this country, including its national defense.

I thank the Senator.

Mr. DODD. I thank again the Senator for his comments and questions. Certainly his contribution over an extended period of time to the economic debate in this Chamber and outside of this Chamber has played a significant role in this whole question. I do not think any of us really is 100 percent for sure what the answer is. But it is clear that both questions—infrastructure and deficits require that we act rationally and intelligently. There is such frustration out there. I get in my home State, as I am sure all my colleagues do, when are you going to do something about these deficits, when are you going to get the economy back on track again?

I think that what we are going through is an effort to deal with that frustration level. It becomes the responsibility of this Chamber not only today but historically to try to temper the frustration by dealing with the problems intelligently and rationally, thinking carefully about the implications of what we do. There is a manageable, intelligent, rational way of getting us out of problems.

Bumper stickers and sloganeering are not going to do it. Just by promising people we are going to balance the budget in 1990 and then go about business as usual with accidental deficits, planned deficits, and a lot of shell and pea games—that is what we are going to be playing—really will do this Chamber a disservice, I will make the point again. I am really frightened about the false expectations we will rouse. People may believe, I presume,

the end of this week that Congress is finally going to answer the balanced budget problems when in fact time will tell us that we have not.

So, Mr. President, I urge favorable consideration of this proposal.

Mr. President, at this point I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DODD. I thank the Chair.

Mr. President, I reserve my time.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield to the able Senator from Virginia such time as he may require.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I feel that the proposal offered by the able Senator from Connecticut has merit. It will not, however, in my judgment, or should not, take the place of the constitutional amendment.

I think it has merit, and I feel that the Senator from Connecticut is rendering the Senate a service in bringing it before the Senate.

But we have traveled the road of a balanced budget statute before. On the statute books today is legislation which states that beginning with fiscal year 1981 total expenditures of the Federal Government shall not exceed the total receipts. That is a part of the law now. It applied not just to 1981 but the law says beginning with fiscal year 1981 that statute shall be the law.

In 1981, as we all know, there was a large deficit. This year, fiscal year 1982, the deficit will exceed $100 billion and, of course, the budget deficit that Congress is working on now, in my judgment, will approach, $150 billion.

So, while I think the proposal offered by the able Senator from Connecticut has merit, it has the same defect or problem, whichever way one wishes to express it, that the Byrd-Grassley proposal had; namely, that Congress can if it wishes, ignore its own law and disobey its own law, refuse to obey its own law, and that is what Congress has done in the last 2 years.

What I wish to see happen is that this Senate and this Congress adopt and submit to the States the proposed constitutional amendment brought to this Chamber by the Judiciary Committee and then follow that up, because it will take a while before the States ratify the constitutional amendment, with a proposal similar to the one offered by the Senator from Connecticut or the Senator from Maryland, either of those proposals, to be on the statute books as an interim plan until the constitutional amendment is ratified.

I strongly oppose, however, having the proposal of the Senator from Connecticut as a substitute for the Judiciary Committee's constitutional amendment, but I do not know of any way to bring discipline to Congress insofar as spending is concerned other than by a constitutional mandate.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I inquire if anyone wishes to speak for this amendment or against this amendment, and if not I think both sides could yield back their time except 10 minutes each tomorrow. We would reserve 10 minutes to each side.

The majority leader requested that be done, and I ask unanimous consent then that 10 minutes out of our time be reserved tomorrow to each side and that otherwise we may now yield back our time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection?

Mr. DODD. Mr. President, reserving the right to object, I think, If I am not mistaken, the distinguished majority leader has already made provision for the request which does basically what the distinguished Senator from South Carolina would wish.

Mr. THURMOND. The only thing was I do not know whether he wanted it to come out of this time. Since we both have time left, I just thought we would take it out of the time tomorrow.

Mr. DODD. I have no objection.

Mr. THURMOND. I will be pleased to yield to the able Senator from Arizona.

Mr. DECONCINI. I think the order, if I can address the Chair, is for 10 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. Does the Senator from South Carolina want to make it a different time?

Mr. THURMOND. I want to keep it at 10 minutes to a side.

Mr. DECONCINI. That makes it 20 minutes.

The PRESIDING OFFICER. The order is for 10 minutes equally divided, 5 minutes to a side.

Mr. THURMOND. That is fine. If it suits the Senator from Connecticut, that would be fine with me, 5 minutes to a side.

Mr. DODD. Yes.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 28 minutes.

Mr. DODD. I ask unanimous consent that the distinguished Senator from Colorado (Mr. HART) be added as a cosponsor of this substitute amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I really do not have any other point to make. I thank my distinguished friend from South Carolina for being here and engaging in this debate. As I understand it, we will have a recorded vote, which has been requested, and that vote will occur tomorrow at——

The PRESIDING OFFICER. Eleven a.m.

Mr. DODD. I yield back the remainder of my time.

Mr. THURMOND. That is my understanding of the time of the vote tomorrow. Each side will have 5 minutes prior to the vote.

I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. THURMOND. Mr. President, we are ready to take up any other amendments anybody has. Does the distinguished Senator from Colorado have an amendment? The distinguished Senator from Maryland told me he may have an amendment. I understand he is on his way, so I suggest the absence of a quorum until he gets here.

The PRESIDING OFFICER. On whose time?

Mr. THURMOND. Equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DECONCINI. Mr. President, it is my understanding the Senator from Arkansas still has time on one or two of his amendments.

Mr. BUMPERS. I have 1 hour on one amendment and 2 hours on another amendment. I ask unanimous consent that I may be permitted to take 10 minutes off the 2-hour amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I would like to ask the proponents of this constitutional amendment two or three questions that are troubling me.

First, section 2 of the amendment provides that the total receipts for any fiscal year may not exceed the rate of growth in the national income for the preceding year.

This means, for example, that if in the preceding year national income grew at a rate of 5 percent, the rate of revenue growth in our statement may not exceed 5 percent from the preceding year. I think we can agree on that, can we not?

We are making a constitutional record here and I think it is extremely important that the record be clear on some of these important questions. I ask the Senator from Arizona if that is a fair statement of the provisions of section 2.

Mr. DECONCINI. That is my understanding.

Mr. BUMPERS. My next question is: What if gross national income declines the preceding year by 5 percent? Does that mean that the statement that we adopt, which must be balanced, must project a decrease in revenues of 5 percent?

Mr. HATCH. If the Senator will yield, it is my understanding that just as the formula works when the revenues go up, it would also work as they go down.

Mr. BUMPERS. Mr. President, it troubles me when the Senator says it is his understanding. This needs to be clarified. I cannot find anything in the committee report that clarifies this question.

Is it fair for me to assume, and is it the Senator's intention for this record, for all future generations to understand that we may not project revenues more than national income for the preceding year; that is, as a percentage growth rate, even if the national income is down the preceding year?

Mr. HATCH. On page 48 of the report, the committee defines "increase" as used in section 2 of the amendment. This definition may possibly be somewhat unclear. While the concept of "increase" may be positive or negative as it refers to an increase or decrease in the rate of national growth during the base period, it would clearly not preclude the Congress from choosing to set a level of receipts in its budget or statement less than the maximum permissible level of receipts.

In other words, should the economy grow by a 5-percent rate during the base period, the maximum level of increase in budget receipts, without the need for the required vote, would be 5 percent.

Mr. BUMPERS. I say to the Senator that is something——

Mr. HATCH. Let me finish first. I want a chance to answer the question as completely as possible because we have given great thought to this.

Should the economy decline at a 5-percent rate during the base period, the minimum level of decrease in budget or statement receipts, without the need for the required vote, would be 5 percent. Thus, the term "increase" denotes the idea of change with respect to the evolving level of national growth. With respect, however, to the maximum permissible level of receipts, normal arithmetic concepts would obviously control.

Mr. BUMPERS. I assume that the Senator's answer is that if the national income declines in the preceding year, Congress must cut revenue projections by a similar amount?

Mr. HATCH. That is right, unless Congress votes affirmatively to do otherwise.

Mr. BUMPERS. Unless Congress votes to do otherwise?

Mr. HATCH. That is right.

Mr. BUMPERS. The third question is: Let us assume that the national growth rate is, in fact, up 5 percent and that is the formula we are going to use for projecting revenues. In establishing the annual statement, which is in balance, we project a 5-percent increase in revenue, but as the year goes on the economy begins to catch fire and revenues are up actually 10 percent. What happens then? We are technically in violation of the amendment.

Mr. HATCH. No; Congress would not have to do anything because Congress has met its obligation under the amendment. The amendment requires only that planned levels of outlays in the statement not exceed planned levels of receipts. There is no absolute requirement that actual receipts cannot fall below actual outlays.

Mr. BUMPERS. Section 2 states:

Total receipts shall not increase by a rate greater than the rate of increase in national income.

Mr. HATCH. That refers to the "statement" that Congress must adopt.

Mr. BUMPERS. We are not talking about outlays here. We are talking about receipts.

Mr. HATCH. That is right. But that particular language refers to the "statement" of receipts which Congress must calculate based upon the formula enumerated within the amendment itself. If, for instance, the economy heats up and there is an increase in revenues, fine. There is no obligation upon Congress to raise or cut taxes.

Mr. BUMPERS. It seems to me you are saying section 2 does not mean what it says.

Mr. HATCH. No.

Mr. BUMPERS. We have adopted a statement.

Mr. HATCH. Right.

Mr. BUMPERS. And, it is my opinion that the drafters of this section intended that the United States not ever relieve the taxpayers of a greater share of revenues than that share reflected in the national income for the preceding year. Is that the purpose of this section?

Mr. HATCH. If, in fact, there were unexpectedly high or unexpectedly low revenues, Congress would not be bound by the statement. There are three fiscal norms inherent in Senate Joint Resolution 58—planned receipts cannot exceed the formula set forth in section 2; planned outlays cannot exceed planned receipts; and actual outlays cannot exceed planned outlays. There is no fourth fiscal norm that actual receipts not exceed planned receipts.

Mr. BUMPERS. What are we going to do with the extra money? Let us assume that we have $50 billion more coming in than we projected and $50 billion excess in the rate of growth for the preceding year. What do we do with the money?

Mr. HATCH. The extra receipts might be used to retire the debt.

Mr. BUMPERS. Automatically.

Mr. HATCH. Unless Congress voted otherwise, since it could not spend them for any other outlay. Outlays would continue to be limited, even if unexpected revenues were raised.

Mr. BUMPERS. Why does the amendment provide that the receipts cannot exceed a certain precentage of the national income?

Mr. HATCH. We do not say that. We have rejected that proposition in committee. All we say here is that receipts, or taxes, cannot increase as a share of the economy without an affirmative vote.

Mr. BUMPERS. I understand, but if the Senator is correct that revenues can be any amount they happen to be, if the economy is red hot and revenues are far in excess of what we projected when we originally had the balanced statement, why do we have the statement that revenues cannot exceed the growth rate?

Mr. HATCH. In part, because the permissible level of receipts also serves to define the permissible level of outlays. Such level of outlays, under the amendment, must be absolutely maintained by Congress.

Mr. BUMPERS. The outlays are taken care of in section 1.

Mr. HATCH. That is right, but there is obviously an inextricable relationship between sections 1 and 2.

Mr. BUMPERS. We know outlays may not exceed revenues. But in section 2 you say revenues also have a limit. I want to be sure that the Senator is speaking for the committee and all the proponents of this because I think the record needs to be made crystal clear on this point.

Mr. HATCH. I think the Senator has done a service in raising this issue. I think it is already clear. The statement of receipts must be made in accordance with the provisions of the amendment. Should the receipts actually grow at a rate faster than what the statement says, then the Congress can use the surplus to pay the debt or to accommodate added expenditures if they affirmatively vote to do so.

Mr. BUMPERS. Or they could cut taxes?

Mr. HATCH. They could. They could use them for any purpose they

like. The real key is that the actual outlays cannot exceed the planned outlay figure of the statement of receipts and outlays.

Mr. BUMPERS. So what you are saying is that section 1 is absolutely mandatory that outlays not exceed receipts.

Mr. HATCH. It is absolutely mandatory in that actual outlays cannot exceed planned outlays.

Mr. BUMPERS. But section 2 is sort of permissive, that even though revenues are not supposed to exceed the rate of growth in the national income for the preceding year, if they do, it is OK.

Mr. HATCH. The receipts level in section 2 helps to define the permissible level of the outlays in section 1 that can be spent by the Congress.

A primary purpose of the limitation on receipts is to prevent the outlays from exceeding the rate of growth of the prior year.

Mr. BUMPERS. Mr. President, I ask unanimous consent that an additional 5 minutes on my second amendment be used for this same purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. There are two more questions I would like to ask and I would like to get a yes or no answer. First, what you are saying is there is absolutely nothing in section 2 that requires Congress to cut taxes if revenues exceed the growth rate of the national income for the preceding year under section 2 of the amendment.

Mr. HATCH. Congress of course has to make a good-faith estimate. If unexpectedly high or low levels of actual receipts result, there would be no absolute obligation to conform them with planned levels of receipts.

Mr. BUMPERS. We make a good-faith estimate in the year preceding the year we are voting on. We are going to make a good-faith estimate this year on what revenues will be for 1983. During 1983, if the amendment were in effect, if revenues vastly exceed our projections, and they vastly exceed the rate of growth in the national income, there is nothing in section 2 which mandates that Congress refund that money or to cut taxes, is there?

Mr. HATCH. The purpose of the amendment——

Mr. BUMPERS. I know you stated previously that we could start paying off the national debt.

Mr. HATCH. The Congress is to make a good-faith effort on estimating receipts. If Congress has made that good-faith effort and the receipts are in excess of the planned receipts, then Congress may very well choose to cut taxes.

Mr. BUMPERS. But there is nothing mandated in this amendment as to what Congress must do with this excessive revenue?

Mr. HATCH. Unless they vote to do so.

Mr. BUMPERS. We can spend it; we can apply it to the national debt; we can give it away; or we can cut taxes. You are saying that there is nothing in this amendment that dictates to us how we do it.

Mr. HATCH. Basically, the Senator is correct. There are a variety of options under the amendment.

Mr. BUMPERS. Why is section 4 in the amendment?

Mr. HATCH. Could you please elaborate?

Mr. BUMPERS. There is a statement in section 4:

> Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal.

Why is that provision in the amendment?

Mr. HATCH. I think it is self-explanatory, If you have surplus receipts, they can be used for the repayment of debt principal and not be treated as outlays.

Mr. BUMPERS. This can be done anyway because outlays still would not exceed revenues.

Mr. HATCH. That is correct. In other words, total outlays would include all outlays of the United States except those for repayment of debt principal.

Mr. BUMPERS. If we did want to spend that surplus on debt, we would not be in violation of this.

Mr. HATCH. You would not be. I might add that this would not include spending on interest. Section 4 refers only to the principal.

Mr. BUMPERS. On page 48 of the committee report there is the following statement: "The rate of increase in statement receipts may be expressed symbolically as $r=[R(y)-R(y-1)] / R(y-1)$."

Can the Senator tell me in layman's language what that means?

Mr. HATCH. That means if you start in the base year at 100, GNP and during that year GNP grows to 120, then the rate of growth is 20 percent. The receipts in the statement could not exceed that rate of growth unless Congress voted appropriately to allow that growth.

Mr. BUMPERS. Tell me what each one of those letters means and how you work that formula.

Mr. HATCH. R(y) would equal $120-R(y-1)$ would equal 100. Thus, $120-100/100 = 20$ percent. The formula simply describes a rate of growth.

Mr. BUMPERS. Little r represents the rate of growth. Is that right?

Mr. HATCH. That represents the absolute level of GNP or NNP or whatever aggregate economic indicator is chosen.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUMPERS. I will have to take the rest of the time for my other amendment.

Mr. HATCH. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I wonder if there is anyone who wishes to bring up an amendment? I see the Senator from Montana is on the floor.

Mr. President, the distinguished Senator from Montana is going to speak on the Mathias-Baucus amendment at this time.

MATHIAS-BAUCUS AMENDMENT

Mr. BAUCUS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAUCUS. Mr. President, I have an amendment of which Senator MATHIAS is the primary sponsor. It is my understanding that that amendment is up next. May I speak in his absence on that amendment before he formally presents it to the Senate, as long as I ask unanimous consent that the time be charged against the amendment when it is laid down?

The PRESIDING OFFICER. If there is no objection to that request by the Senator to have the time charged against his amendment.

Mr. BAUCUS. I make that request, Mr. President.

Mr. HATCH. As I understand it, Mr. President, it is the right of the Senator to make that request. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. I thank the Senator from Utah. I thank the Chair.

Mr. President, the amendment sponsored by Senator MATHIAS and myself is a statutory version of the pending constitutional amendment.

Mr. President, when it comes to fiscal matters I am a conservative. When it comes to amending the Constitution, I am also a conservative. I think amending the U.S. Constitution is a very serious matter. I do not think we should rush to amend the Constitution to solve every social ill that comes along.

However, I do believe Congress must act to bring Federal spending under control. That is why I am pleased to join with Senator MATHIAS in introducing the Fiscal Responsibilities Act as a substitute to Senate Joint Resolution 58. This legislation proposes what I believe is the correct way to impose constructive restraint on the burgeoning Federal budget.

The measure uses two basic procedures to accomplish this objective: First, no deficit spending could be enacted unless both Houses of Congress have agreed to deficit by three-fifths votes. Second, each Member of Con-

gress would be required to vote for or against any tax increase greater than the percentage increase in the gross national product—including the tax increases brought on by inflation.

In essence, the measure will insure that Congress decisively confronts proposed increases in Federal taxation and Federal spending.

The measure would require the submission of an alternative budget if the administration's proposed budget contains a deficit. The submission of an alternative budget is critical, since it would permit Congress quickly and directly to consider and evaluate the option of adopting a balanced budget.

Later, during consideration of any concurrent budget resolution or conference report on such a resolution, a second requirement is applied. If the percentage of proposed Federal revenues compared to the estimated gross national product exceeds the percentage for the previous year, a separate vote must be taken on the question whether the increase should be accepted.

In this manner, Congress will be forced to address an issue of concern to the taxpayers and the voters of this country—the growth of Federal spending beyond growth in the economy.

Last, if Congress decides to approve a deficit budget, it can do so under this proposal. But, a three-fifths majority vote of both Houses would be required. I believe this extraordinary majority requirement properly places the presumption in favor of a balanced budget. It would still be possible to use deficit spending if economic exigencies required it. However, the burden of establishing the need for a budget in balance would be placed on its advocates—not its opponents.

In the past, some have suggested that the U.S. Constitution might be amended to require balanced budgets. I have not taken this point of view lightly. But, I have concluded that such material is not appropriate for inclusion in the Constitution. The Constitution should—and does—contain the broad principles by which we govern ourselves. Lockstep economic policies—no matter how critical—do not belong there and are properly matters to be addressed by the Congress as our economic circumstances change. As Federal Reserve Chairman Paul Volcker has commented, at the very least we should test proposals in our statutes first before we place them in the Constitution.

So, I am pleased to offer this statutory approach with Senator MATHIAS for the consideration of our colleagues. It requires us to stand up and be counted—to cast a clear and decisive vote on budgetary restraint and balance.

I am under no illusion that this legislation will solve all our economic problems. It will not: But, it represents an important first step.

Congress must address the public's demand for restraint on Government spending and appropriately balanced budgets. We must address it this session. Our proposals permit these principles to go to work this year—on the very next Federal budget. I urge my colleagues to support it as a constructive alternative to Senate Joint Resolution 58.

When we in this body address and examine the major issue that is before us—that is, the pending constitutional amendment to balance the budget—it is clear that there are many, many unanswered questions. We do not know precisely how it will operate. We do not know how we are going to resolve many of the issues and questions that it raises.

Many Senators have pointed out that it would be very easy for Congress to avoid the requirements of the constitutional amendment even if it is adopted and becomes a part of the Constitution.

Congress could find ways to get around the requirements of the amendment by engaging in "off-budget" expenditures. Or Congress might redo the Tax Code. Congress and the President could phony up economic projections—they could be overoptimistic or overpessimistic with respect to next year's revenues and next year's receipts, next year's interest rates, next year's inflation rate, next year's growth rate, next year's employment rate—you name it.

All of those factors—the interest rate, the employment rate, the growth rate—are very, very involved and are integral parts of determining next year's receipts and next year's expenditures.

For example, we all know that for every 1-percent increase in national unemployment, there is a $20 billion additional cost to the Treasury. It is essentially a loss of receipts because men and women are not working, but there are costs for unemployment compensation and benefits and other programs which total up to about $25 billion. So if we estimate next year's unemployment rate to be 8 percent rather than 7 percent or 9 percent, that may represent a $25 or $50 billion difference in the Federal Treasury.

The same applies to estimating interest rates, growth rates, inflation rates for next year. Congress, therefore, might be tempted—sorely tempted—in its effort to "balance the budget" to fudge or in some way shade some of those estimates.

What I am saying is that, fundamentally, it is very easy for Congress to get around the dictates of a constitutional amendment and that is why so many questions have been raised about it.

Because of all of these questions, it is my view and the view of the Senator from Maryland, that we should not write in stone provisions to balance the budget. We all know how difficult it will be to change the constitutional amendment once it is adopted as part of the Constitution. It would require another two-thirds vote by each House of the Congress and another ratification by two-thirds of the States—a very cumbersome way to change a law. Given all the questions being asked about this amendment, it is likely that it will need to be changed to deal with problems that may arise. That is precisely why we should not write it in the Constitution—certainly not at this time. Rather, we should adopt the same provisions to balance the budget, by statute, not by constitutional amendment.

I say we should do it by statute for a number of reasons. No. 1, because I, along with every other Member of this body, feel we should move much more quickly to balance the budget. An unbalanced budget does contribute in large part to the high rates of inflation that we are now experiencing. Those rates do choke off recovery and speed the demise of many small businesses. They prevent farmers and ranchers from generating the income they need, and contribute to the basically high interest rates which are very burdensome and are pushing the economy to lower depths each year.

I suggest that, yes, we must balance the budget. I strongly support congressional adoption of procedures that will help us move in that direction, and provide us some much needed discipline.

Second, because of the potential problems, I think that we must be cautious in how we go about putting in place these new procedures. If we do not like the way the procedures are working we are stuck with them if they are in the Constitution. It seems, therefore, that it would make more sense for us in this body and in the other body to experiment with, to work with, the proposed procedures requirements to balance the budget. We could do so much more easily, if we adopt them as a statute.

We can always amend the statute if it needs to be amended. We can add some provisions if they need to be added. In adopting a constitutional amendment to "balance the budget" we will not have such luxuries. We should be acting with more caution and be much more circumspect about it, so we act prudently, solidly, and with good, sound reasoning.

Mr. President, I might also point out that many eminent economists, many eminent Americans who spend their lives trying to figure out what makes our economy tick, agree that it is probably unwise to lock this provision in the Constitution. Chairman Paul Volcker, Chairman of the Federal Re-

serve System, in fact, not too long ago, in a letter to the former chairman of the Senate Subcommittee on the Constitution, Birch Bayh of Indiana, so states. He basically states that it would be unwise to lock into the Constitution a provision to balance the budget. Rather, he suggests, that we should experiment with the approach and do so by the statutory process rather than by the constitutional amendment process.

Mr. President, I have that letter dated February 29, 1980, to Senator Bayh, former chairman of the Constitution Subcommittee. It is a letter from Paul Volcker, Chairman of the Federal Reserve System, and I ask unanimous consent to have printed in the RECORD that letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, D.C., February 29, 1980.

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN BAYH: I am pleased to reply to your recent letter in which you asked the Federal Reserve to study the fiscal and budgetary impact of S. J. Res. 126, a proposed Constitutional amendment for a balanced budget. Let me begin by emphasizing my agreement that there is a need to achieve better discipline over the budget process. A budget surplus has been realized only once in the past two decades, and federal outlays as a percentage of GNP have increased from 18.5 percent in 1960 to a projected 22.4 percent in 1980. It is my belief that, if we are to bring about an end to inflation and create an environment in which private enterprise can thrive, the growth of federal outlays must be slowed and brought into better balance with revenues in the years ahead.

As described in you letter, S. J. Res. 126 would provide for greater fiscal discipline by imposing two restrictions on the budget-making process: (1) budgeted expenditures would not be permitted to exceed receipts unless this provision were overridden by a three-fifths vote of the Congress; and (2) the ratio of receipts to national income would not be permitted to exceed the ratio recorded in the immediately preceding year, unless the Congress were to enact a law overriding this restriction. Your letter requested an analysis of the amendment under assumptions that: (1) the Congress does not override either restriction; and (2) the Congress abides by the balanced budget restriction but not necessarily by the restriction on growth of receipts.

A review of the experience of recent years suggests that the restrictions in the amendment could have a substantial effect on the course of budgetary policy. As can be seen in the enclosed table, the ratio of receipts to national income has tended to creep upward during the past two decades. The average ratio in the 1960's was considerably below that in the 1970's, and the figure for 1979 was exceeded only once—in 1969 when revenues were boosted by an income tax surcharge to help finance Vietnam-related expenditures during a period of very robust aggregate demand. A receipts restriction likely would have required significant tax cuts in the past few years as revenues were raised by the interaction of inflation and the progressive tax structure.

The table also indicates that outlays as a percent of national income have trended upward. The spending ratio jumped in 1975 when the economy was in recession and fiscal policy was aimed at promoting recovery. Nonetheless, the ratio failed to return to earlier levels in the latter years of the 1970's—even during the Vietnam War period. The restrictions imposed by the proposed Constitutional amendment probably would have led to lower spending in this recent period, contributing thereby to restraint of inflationary forces.

While it appears fairly clear that the two restrictions would have proven beneficial during the past few years, they might at times have hindered efforts by the Congress to counter instability in the economy through the use of fiscal policy. For example, the tax cuts and expenditures increases that were enacted to counter the recession in 1975 would have been ruled out. They also would have prevented the passage of the surtax that was used to curb inflationary demand in 1969.

Adherence to the two restrictions would also tend to blunt the automatic stabilizing influence that the budget currently exerts on economic activity. Because of the progressive nature of our income tax system, tax revenues tend to rise faster than national income, a process that tends automatically to curb inflation-induced increases in nominal income. The restriction on receipts, of course, would require the Congress to cut tax rates in such situations, in order to hold the ratio of tax receipts to national income to the ratio established in the preceding year. Under the proposed amendment, a personal tax cut of about $11 billion would be required in 1980 to hold the ratio of income tax liability to national income at the same level as it was in 1979. In my view, a tax cut of this magnitude would tend to exacerbate our inflationary problems.

The automatic tendency of the budget to reduce the severity of a recession would also be seriously curtailed by the restrictions. When nominal income declines, federal receipts drop even more rapidly (again because of the progressive federal tax structure). In response to such a development, adherence to the balanced budget restriction would require the Congress to legislate a similar cutback in expenditures, and this would reinforce the contractionary pressures in the economy. The Congress could, of course, minimize the required decline in outlays by raising tax rates enough to offset the effects of income tax progressivity, but this too would add to contractionary pressures.

Because expenditures in a number of programs, such as unemployment compensation, tend to rise automatically in a recession, the proposed budget restrictions would place a great deal of pressure on the more controllable budget categories—such as defense procurement—during economic downturns. The deficit and revenue restrictions could as a consequence tend to distort priorities within the budget and perhaps create "start-stop" inefficiencies in the more controllable programs.

In addition, taking the automatic stabilizing influences out of the budget would naturally place a greater burden on discretionary policy, which, as I noted above, would also become more tightly restrained on the fiscal side. The result would be to create pressures for greater reliance on the use of monetary policy for stabilization purposes. Such a one-sided approach to stabilization policy may not be desirable. It might in some circumstances lead to greater volatility in credit market conditions and could make it more difficult to deal simultaneously with domestic and international economic problems.

I would note one major area of ambiguity in the proposed amendment. The Congress, in attempting to set balanced receipt and outlay totals, would have to base its deliberations on a very preliminary estimate of national income for the preceding year and on a projection for the coming year, both of which are subject to substantial error and frequent revision. It is not clear from the proposed amendment whether the Congress would be required to revise its budget in cases where the economy's performance did not correspond with the forecast used in preparing the budget. Such important matters should, I would think, be clarified before the amendment is passed on.

Over the longer run, I am concerned that Congress would be tempted to circumvent the restrictions by placing more activities off budget and by creating more federal loan guarantee and tax expenditure programs. Certainly, such a development would be undesirable and would seriously undermine the entire budget process.

Your letter also requests a discussion of the amendment under the assumption that Congress abides by the restriction against deficits but not by the restriction on the receipts. In this instance, the progressive nature of the tax structure would permit receipts to grow faster than national income, and thus the budget would tend to retain some of its automatic stabilization characteristics during inflationary periods. Some restraint on expenditure growth would still be provided by the three-fifths vote required to approve a deficit.

To summarize, the restrictions on budget policy contained in S.J. Res. 126 could well exert a considerable influence on budgetary policy and would represent a source of fiscal discipline. However, certain potential problems must be considered. In periods of economic instability, the restrictions, if strictly adhered to, would impose rigidities on the budgetary process that would diminish the budget's potential for acting as a stabilizing influence on the economy. The proposal also could lead to distortions and inefficiencies in achieving budget priorities, would place greater emphasis on monetary policy as a stabilization policy device, and would encourage a diversion of federal activities into off-budget programs.

Having expressed these concerns about the proposal under the assumptions that one or both of its restrictions are not overridden, let me go on to say that in my view this proposal is preferable to some others, specifically because it does leave the Congress with some flexibility to adjust to changing circumstances. Once this flexibility is taken into account, it can be seen that at the core of the proposal are requirements for a three-fifths vote of Congress to authorize a budget in deficit (rather than the current simple majority) and for the Congress to take special and explicit note when it approves a budget in which receipts (and perhaps outlays) are expected to rise faster than national income. Both of these aspects of the proposed amendment deserve careful consideration.

If the Congress does finally conclude that additional restrictions on the budget process such as those outlined in this proposal are

desirable, I would suggest that they be first tried out by incorporating them in the Congressional budget process. A simple step in this direction under the present budget process might be to require that any concurrent budget resolution involving a budget deficit require a three-fifths majority vote. An explicit vote on target ratios of receipts and expenditures to GNP or national income also could be easily incorporated into current budget procedures. In this way, unforeseen problems could be identified before the more profound and less easily reversed step of amending the Constitution is taken.

The achievement and maintenance of discipline over Federal spending is an absolute necessity if inflation is to be brought under control. I would hope that unduly rigid—and perhaps unsustainable—rules can be avoided. However, our recent history does increasingly suggest the wisdom of exploring means for introducing greater discipline into the budgetary process.

Sincerely,

PAUL A. VOLCKER,
Chairman.

RELATIONSHIP OF FEDERAL RECEIPTS AND OUTLAYS TO NATIONAL INCOME

Fiscal year	National income		
	Receipts as a percentage	Outlays as a percentage	Budget surplus or deficit (—) as a percentage
1960	22.8	22.7	0.07
1961	22.9	23.7	—.82
1962	22.5	23.1	—1.60
1963	22.7	23.7	—1.02
1964	22.5	23.7	—1.18
1965	21.6	21.9	—.30
1966	22.0	22.6	—.64
1967	23.4	24.8	—1.36
1968	22.5	26.2	—3.69
1969	25.3	24.8	—.43
1970	24.7	25.0	—.36
1971	22.9	25.7	—2.79
1972	23.2	25.8	—2.60
1973	23.0	24.5	—1.47
1974	24.0	24.4	—.43
1975	24.2	28.0	—3.89
1976	23.2	28.3	—5.12
1977	24.2	27.2	—3.04
1978	24.1	27.0	—2.93
1979	24.8	26.2	—1.47
AVERAGE RATIOS			
1960–1964	22.7	23.4	—.90
1965–1969	23.0	24.1	—1.10
1970–1974	23.6	25.1	—1.53
1975–1979	24.1	27.3	—3.29

Mr. BAUCUS. Mr. President, let me read the operative paragraph. It is on page 4 of that letter from Paul Volcker.

If the Congress does finally conclude that additional restrictions on the budget process such as those outlined in this proposal are desirable, I would suggest that they be first tried out by incorporating them in the Congressional budget process; i.e. not by constitutional amendment.

Mr. President, there are many other economists who have the same view.

Often we in this body joke that there are right-handed economists and there are left-handed economists and, depending upon your personal philosophy and your point of view, you can always find an economist to support your economic viewpoint. I think, regrettably, that too often is true; economic views are all over the lot. But when it comes to a constitutional amendment to balance the budget, the majority of economists agree that it is unwise to lock such a philosophy into the Constitution. The majority of economists feel that it is not wise; that, rather, we should adopt a statutory approach or, more fundamentally, Members of the House and Senate should exercise a little more gumption, a little more courage and get the job done by balancing the budget.

One economist, Mr. Rudolph Penner from the American Enterprise Institute, recently suggested that it is unwise to balance the budget. Do you know why? Because, he favors an economic theory that has come into vogue in the last 2 or 3 years, supply-side economics. If you are a true supply-side advocate, you cannot be for a constitutional amendment to balance the budget. If you are a true supply-side advocate, you have to lower taxes in order to let the economy work its will—more productivity, more investment, more jobs, more income and, therefore, the deficit disappears. That is the theory of the supply-side economics.

To those who are advocates of supply-side economics and at the same time advocate a constitutional amendment to balance the budget, I say you cannot have it both ways. You just cannot do it, unless in cutting tax receipts by a very significant amount in order to let supply-side economics take hold you also cut spending by such drastic amounts.

Let us look at last year's tax bill. The Economic Recovery Tax Act cut receipts by $750 billion over 5 years, $750 billion. Theoretically, Congress could have cut expenditures by $750 billion over that same 5-year period, but the Congress did not. In fact, the President did not even recommend it. As a rough estimate, the President recommended spending cuts in the neighborhood of about $300 billion, $310 billion, $320 billion, $330 billion over that same period. Why? Because under the theory of supply-side economics, the deficits will disappear over 2 years because people are going to save that tax savings; they are going to invest it; it is going to enhance productivity, create more jobs and, therefore, the economy is, according to theory, going to take off and deficits will then disappear.

So, I say, when a new economic theory comes along, like supply-side economics, if we have a constitutional amendment to balance the budget, all of those who want to put in place this new economic theory could not do so because the constitutional amendment to balance the budget was in the constitution.

I suggest, therefore, that when new economic theories come along, Congress can and should decide which economic theories it wants to put in place and which ones it does not want to put in place. With the constitutional amendment to balance the budget, we have very strict limits placed on us. It would be a very significant impediment. Again, the underlying reason for our amendment, a statutory approach, is that when a new theory comes along, Congress will be able to accommodate such a theory if it feels it is appropriate to do so.

Mr. President, the point I am making underscores the problem of locking in stone a provision to balance the budget; that is why we should attempt to balance the budget by adopting statutory procedures because they can be more easily adjusted to accommodate changing economic conditions.

Let me address another point, point No. 2.

Point No. 2 is simply this: If the underlying constitutional amendment is adopted, it probably will not go into effect for 4 or 5, 6, who knows how many, years. The amendment that the Senator from Maryland and I are offering today will go into effect immediately.

Mr. President, we cannot wait 5, 6, 7 years for interest rates to come down. We cannot wait 5, 6, 7 years, for deficits to be brought under control. We cannot afford it. I suggest that those who advocate balancing the budget by a constitutional approach but oppose the statutory approach that I am advocating are trying to have it both ways. We just cannot do it. If you are truly an advocate of balancing the budget sooner, it seems to me that one has to be for the approach the Senator from Maryland and I are taking, which is the approach which requires Congress to act much more quickly.

It is for all these reasons, Mr. President, that I think we in Congress should exercise the courage and the will to do what we think is right under our responsibilities, and that is to get this budget process in order with a statutory approach, which leads me to my final point.

It is legislators, it is the men and women who sit in this body and the other body, who balance budgets, not constitutions. The main underlying reason I hear for the constitutional approach is we cannot control ourselves. There is an institutional bias here for creating deficits. That is the fundamental underlying reason that advocates put forth for the constitutional amendment.

Mr. President, let me say that if Congress does not have the courage, the intestinal fortitude to do what it thinks is right today, what guarantee is there that Congress would have the courage, the intestinal fortitude to do what is right later, assuming this constitutional amendment is placed in the Constitution? We all know with absolute certainty that if Congress wants to find a way to get around the requirements of this constitutional amendment, it will do so. In fact, it is

my view that it is not so much the structure or the flow charts or the parliamentary procedures which dictate solutions; rather, the imagination and the willpower and the creativity and the ambition of men and women which dictate results; it is the people who are more important than the flow charts or the constitutional amendments. I very firmly believe that if we adopt the underlying constitutional amendment, we will be fooling the American people; we will be in some sense talking out of both sides of our mouth. Are we telling the American people, "Don't worry, things will be OK when this goes into effect in 4, 5, 6, 7 years?" I daresay the vast majority, in fact, every Member of this body, knows in their own mind that it is a bit of a charade. If Congress does, in fact, want to unbalance the budget, even if this amendment is adopted, Congress will find a way to do so.

It is going to make a mockery of the process. It is going to undermine the Constitution. It is going to cause less public respect for this process, for this body, and for the Constitution, rather than more respect for the process, for this body, and for the Constitution.

It is for all those reasons that I suggest, with every ounce I can summon, that we be careful. We can rush to balance budgets, but let us not rush to amend the Constitution. Let us not lock in stone something that is fundamental and something which may come back to haunt us and cause even more problems than we have today.

I reserve the remainder of my time.

Mr. THURMOND. I yield to the distinguished Senator from Arizona such time as he may require.

The PRESIDING OFFICER. Does the Senator from South Carolina yield time from the bill?

Mr. THURMOND. I yield time from the amendment.

The PRESIDING OFFICER. The amendment is not pending. The amendment has not been called up, but the Senator from Montana had unanimous consent.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time I am about to yield to the Senator from Arizona and the time that was used by the Senator from Montana be charged to the amendment, when it is called up.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Arizona.

Mr. DECONCINI. I thank the Chair, and I thank the distinguished chairman of the Judiciary Committee.

Mr. President, I compliment the Senator from Montana for bringing forth this idea. Though I disagree that this is the place to do it, I do agree with the Senator that we should do it. We should have adhered to the amendment which mandate a balanced budget, which was enacted into law 4 years ago. That amendment was authored by the distinguished Senator from Virginia, who joins us this afternoon.

As the Senator from Montana knows, as well intentioned as many of us were who voted for that, we have not lived by it and adhered to it. That is my concern today.

I would be more than happy to vote for this amendment if it were not in the nature of a substitute to the constitutional amendment. I would do what I could to see that we adhered to it. I think that if this body adopted the Mathias-Baucus amendment, as we adopted the Byrd amendment several years ago, we would attempt to live by it, but history proves intent and the ultimate result often differ. We intended but we have not lived by the Byrd amendment. Our huge deficits of today are the result.

My concern is that if we adopted this as a substitute and if it became the law of the land, we would still be faced with the same proposition we are faced with now, each time appropriation and authorization bills come forward.

That leads me to the conclusion that the only step we can take is to adopt a constitutional amendment.

I agree with the Senator from Montana: Tinkering with the Constitution or moving quickly to change it because of social or economic ills that may be here today, or for a short period of time, is not in the best interests of our Nation.

However, we are not talking about something that has just arisen. We have all heard the statements time and time again as to how many years we have had an unbalanced budget. We are in a crisis position. Had we adopted this 5 or 10 years ago, when the national debt was below a trillion dollars, or 10 years ago, when it was below $400 billion, and if it had been ratified by now, maybe we would not find ourselves saddled with the debt we now face.

It is for those reasons that I have to oppose the distinguished Senator from Montana, who offers an alternative approach to a constitutional amendment, but one which I wish would be pursued on its own merits. I believe that many of the cosponsors of this amendment, some 62 in number, would join the Senator from Montana and the Senator from Maryland to attempt once more to put this idea into statute.

The question is raised: "If Congress violated the statute passed in 1978, authored by the distinguished Senator from Virginia, isn't it likely to violate a constitutional amendment on the same subject?" I do not think so. But the reason why I do not think so is that Congress will hold the mandate of the Constitution in much greater esteem than mere statute which we can change at any time.

This body and the House will have to finally determine our priorities within a framework of fiscal soundness. If there were economic and social urgencies that had to have expenditures in excess of receipts, Congress will have an opportunity to do it. How much better it would be if we were operating under that process than what we are operating under today.

I am sure the Senator from Montana joins me in expressing that everybody wants a balanced budget. But a funny things happens—every year—when it comes to the end of the year, we do not get a balanced budget. We need the mandate of the Constitution to force us to balance the budget because we would never do it otherwise.

I wish that every Member of this body, one time or another, in one period of 12 months or less, would not vote for deficit dollars, would not vote to increase the national debt, would not vote to authorize more money than is projected to be coming in. It just goes on and on. It is well intended and for what seem like good reasons. Who can object to spending deficit dollars for national security? Not this Senator. On the other hand, who can suggest that we not spend deficit dollars for foreign assistance? I can; others cannot. They feel it is in our national interest and national security, and consequently the majority have cast votes to spend in those areas. I have been in the majority on one and the minority on the other.

The point is that we are caught in a situation that we, as a body, cannot resolve without the severity—and I call it that—of an amendment to the Constitution that would prohibit deficits unless it was clearly the will of the people that a deficit could be justified.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I ask unanimous consent that I may proceed, with the time to be taken from the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. A parliamentary inquiry, Mr. President. How much time do I have remaining?

The PRESIDING OFFICER. One hour and 12 minutes.

Mr. BAUCUS. I thank the Chair.

Mr. President, the first point made by the distinguished Senator from Arizona is that we already have a statute in place. He is right; we do. It is a good point.

With all respect to the Senator from Virginia, who I think is one of the finest Members of this body and who had the foresight to see this problem long before most Members of this body, the difference is that Congress has not had any alternative. Either

Congress agrees 100 percent with the amendment offered by the Senator from Virginia, which requires a balanced budget, or it does not. It is all or nothing; it is black or white; it is yes or no.

When Congress is faced with high rates of inflation and with high unemployment levels and when many Members of this body advocate supply-side economics and want to cut $750 billion out of revenues and not cut the same out of expenditures, Congress has to face whether it is going to agree to the 100-percent solution offered by the distinguished Senator from Virginia or whether it is not going to agree with it. Well, Congress decided not to. Because of high unemployment rates, because of upward pressures on social security and other entitlement programs, and because some people want to cut taxes $750 billion over 5 years, Congress decided it did not want a balanced budget.

If the amendment offered by the Senator from Maryland and myself were adopted, it seems to this Senator at least that Congress would be facing a more realistic alternative. Congress could decide by three-fifths vote whether it wanted an unbalanced budget or whether for various reasons Congress wanted an unbalanced budget. There is some leeway in our approach. It is a workable process.

I am, therefore, suggesting with all respect to the Senator from Virginia that the statutory amendment process offered by the Senator from Maryland and myself is much more workable. It is much more realistic. Therefore, Congress will honor this approach more than it did the amendment offered several years ago by the Senator from Virginia. The amendment offered by the Senator from Virginia was not as workable and did not have the three-fifths requirement for deficit spending. It just was a difficult statute to work with.

So I am, therefore, suggesting that the statutory approach offered by the Senator from Maryland will by and large meet this objection.

Mr. President, the Office of Management and Budget as near as I can tell is not for the underlying constitutional amendment.

Mr. President, I have a letter written to the former chairman of the Subcommittee on the Constitution of the Committee on the Judiciary, Senator Bayh, from Mr. James McIntyre and Mr. G. William Miller—Mr. McIntyre was a former Director of the Office of Management and Budget and Mr. Miller a former Secretary of the Treasury—in opposition to a constitutional amendment approach to balance the budget, and I ask unanimous consent to have printed in the RECORD that letter with the underlying materials.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., February 28, 1980.

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR BAYH: This is in response to your request for an analysis of the budgetary and fiscal impact of S.J. Res. 126, currently before the Senate Judiciary Committee.

S.J. Res. 126 would amend the Constitution of the United States in an attempt to promote fiscal responsibility by requiring a balanced Federal budget and limiting the growth of revenues. The Administration strongly favors a balanced Federal budget and reducing tax burdens as national security, energy security, and economic conditions permit. However, these goals can be accomplished within the context of the budget procedures of the Administration and the Congress without the serious problems raised by a Constitutional amendment.

We attach a staff report discussing the fiscal and budgetary impacts of the proposed amendment. We are very concerned about the restrictions this amendment would put upon fiscal policy and on the ability of the Federal Government to respond to emerging national problems. The revenue limitation would force major undesirable changes in the structure of our tax system and would be extremely difficult, if not impossible, to administer. Finally, the amendment raises issues and contains concepts and terminology that are inappropriate for inclusion in the Constitution.

In short, we believe that the Constitutional amendment proposed in S.J. Res. 126 would be extremely unwise with respect to both fiscal policy and budgetary policy. We urge that it not be favorably reported or proposed for ratification.

Sincerely,

JAMES T. MCINTYRE, JR.,
Director, Office of Management and Budget.
G. WILLIAM MILLER,
Secretary of the Treasury.

ANALYSIS OF S.J. RES. 126

S.J. Res. 126 would amend the Constitution of the United States in an attempt to promote fiscal responsibility by requiring a balanced Federal budget and limiting the growth of revenues. The Administration strongly favors a balanced Federal budget when national security, energy security, and economic conditions permit. However, these goals can be accomplished within the context of the budget procedures of the Administration and the Congress without the serious problems raised by a Constitutional amendment. The Constitutional amendment proposed in S.J. Res. 126 would be extremely unwise with respect to both budgetary policy and economic policy.

One of the great virtues of the Constitution is its continuing relevance as the fundamental instrument of our government after nearly 200 years. The Constitution has retained its vitality and relevance because it has not been excessively encumbered by concepts, terminology and provisions that change with the passage of time. S.J. Res. 126 is replete with concepts which are continuously changing and which are inappropriate for the Constitution. We should strongly resist enshrining terms such as "national income," "Federal Government expenditures" and the like in the Constitution.

FISCAL IMPACT

S.J. Res. 126 is objectionable because of the damage it would inflict upon the Federal Government's flexibility to conduct fiscal policy. If the Congress did not override the balanced budget provision when the economy was weak, recessions could be deepened or turned into full-scale depressions.

At present there are a number of "automatic stabilizers" in the Federal budget. These programs, which include unemployment insurance, food stamps, AFDC and Social Security, and the progressive tax structure, play a major role in limiting cyclical movements in the economy. S.J. Res. 126 would require the Congress to take offsetting, procyclical, and destablizing actions when these automatic stabilizers went into effect, unless these offsetting actions were avoided by a controversial and time-consuming three-fifths vote of each House of the Congress. The automatic stablizers now have the advantage of automaticity and timeliness. This proposal would make them subject to delays that would reduce their effectiveness, or make their effects perverse. The result would surely be more cyclical instability in the economy. This constraint on fiscal policy would also tend to place an unduly heavy burden on monetary policy, with the potential for excessive monetary growth in the long-term.

Simulations with several macroeconomic models indicate that, had the unrealistically large cuts required to approximate a balanced budget been made in FY 1975 and in FY 1976, the unemployment rate would have been about 12 percent in 1975, almost half again as high as the rate that was actually experienced. Absolute budgetary balance would not have been achieved without causing a deeper recession. While the balanced budget requirement in S.J. Res. 126 does not actually mandate balance after the fact, it would push the economy in the direction of higher cyclical unemployment.

Failure to override the provisions of both Sections 1 and 2 would severely circumscribe the role of government in many areas. The amendment would tend to reduce the share of Federal receipts and spending continually over time and, with rising real defense spending, put intense pressure on many or most domestic programs. Of course, it is impossible to predict what programs would be reduced or eliminated to meet the restriction, but major cuts would have to be made. There would be great pressures to shift the burden of Government to the States and localities by curtailing grant programs. It would also be difficult to respond to the need for Federal Government services that the rising proportion of the elderly in our population will inevitably raise in the future. In particular, it would become exceptionally difficult to maintain adequate retirement and health programs if the limitations intended by this amendment were kept in place.

BUDGETARY IMPACT

S.J. Res. 126 requires that a projected Federal budget deficit be permitted only after approval by a three-fifths majority vote in each House. The terminology of this section is ambiguous. It refers to "expenditures," a term from the national income and product accounts, which differ from outlays, the spending term currently in use in Federal Government budgeting. It also refers to appropriations bills affecting expenditures, although appropriations bills typically refer

only to budget authority and not to outlays in any specific year. They never refer to "expenditures."

S.J. Res. 126 would almost inevitably create strong pressures to produce spurious budget surpluses by changing budgetary definitions and practice, including moving programs off the budget. The Congress many times in the past has changed the way that certain items are treated in the budget, and many ambiguous and controversial conventions still remain. Even though the Resolution attempts to sidestep these definitional issues by providing that definitions in effect at the time the amendment goes to the States for ratification be preserved, it would increase the already strong incentives for evasion of current budget definitions and practices. If the Congress were to change budgetary procedures, in an attempt to circumvent the limitation, the courts would be forced to decide whether to acquiesce or to confront the Congress on legislated definitions of budget concepts. There is a need to change these definitions from time to time to reflect changing circumstances; the Judiciary is not the appropriate branch of government to resolve these issues.

S.J. Res. 126 would also create strong pressure for the government to resort to instruments which may be inefficient, but which do not involve budget outlays. In particular, loan guarantees and loan subsidies would be used to reduce immediate budget outlays to an even greater than at present, potentially causing additional uncontrollable outlays in the future. Similarly, inflationary and productivity-reducing government regulations would be substituted for spending programs in a number of areas. The probable effect of these changes would be to reduce the efficiency of the economy without actually reducing the role of government.

The provision of a balanced budget in S.J. Res. 126 is also likely to create false and unrealistic expectations. Passing a concurrent resolution projecting a balanced budget would probably satisfy the requirement the amendment would place upon the Congress. However, the actual surplus or deficit later realized in the budget will depend critically upon whether the economy performs in the manner assumed in the budget resolution and whether receipts and uncontrollable outlays have been correctly estimated. Large deficits could emerge without any change in tax spending policy if the economy performs worse than assumed.

Projecting the required budget balance raises two problems. It would create strong pressures to make unduly optimistic economic forecasts which would raise estimated receipts and reduce estimated outlays. At best economic forecasting is a very inexact art; this provision would also make it a much more political one.

It is also likely that this amendment would be viewed as guaranteeing a balanced budget. Expectations of a balanced budget would be raised that in all probability could not be satisfied in years when the economy was weak.

Section 2 of S.J. Res. 126, relating to receipts, raises further problems. It appears impossible to administer, and would require a set of tax laws radically different from those now in place. Section 2 requires that receipts as a proportion of national income not exceed that on the prior year without enactment of a bill involving a roll call vote of each House. However, unlike Section 1 which is prospective, Section 2 is restrospective, requiring the Congress to control actual realized receipts, not just estimated receipts. In effect, the Congress would be required to know both actual receipts and actual national income in advance of the time that they can be known. While a final accounting of receipts is normally available within a few weeks after the end of a fiscal year, national income estimates are quite another matter. Under current procedures, estimates of national income are changed periodically as new information becomes available. Data from tax returns and census data provide information for revisions in the estimates of national income for several years after the period has passed.

If the amendment should be found to give taxpayers standing to sue the Federal Government for return of unconstitutional tax collections when congressional estimates of either receipts or national income turn out to have been in error, there would clearly be the potential for a large volume of litigation. The practical effect of the amendment, in order to avoid such consequences, would be to require a tax structure designed to produce receipts in each year well below the limiting proportion of national income set in the prior year. If Section 2 were not overridden, there would be a continuous decline in the share of receipts, and spending, in national income. The logical intent of the amendment would appear to be the withering away of the Federal budget.

The design of a tax system, which yield receipts which do not increase as a fraction of national income in the absence of legislated adjustments, would require many changes from our present tax system. In particular, it would be difficult to maintain a progressive rate structure without adopting some system that maintained constant average tax rates as national income changes. However, it is not clear that a method of making such adjustments which is efficient and equitable can be devised. In particular, such changes raise serious and complex questions with respect to the definition of income, and specifically the measurement of real income from capital, which are better addressed through the present system of *ad hoc* legislated adjustments of the tax system.

In short, S.J. Res. 126, while responding to political pressures of the moment, would be bad policy. It encumbers the Constitution. It is ambiguous. It raises false expectations. It cannot be effectively administered. It would force the Federal Government to deceptive budgetary devices and inefficient policy instruments. It would impair fiscal policy. And it might preclude the Federal Government from providing services that are needed.

Mr. BAUCUS, Mr. President, I have another memo here which is dated March 26, 1982, not the Carter OMB, but President Reagan's OMB. This memo is entitled "Inside OMB." It is dated March 26, 1982. The heading of this memo is as follows: "OMB Lists 10 Major Flaws of Constitutional Amendment for Balanced Budget."

Let me repeat: "OMB Lists 10 Major Flaws of Constitutional Amendment for Balanced Budget."

Let me read the first four that the OMB lists. This is the Office of Management and Budget under Mr. David Stockman of President Reagan's administration.

1. The Constitution is "not an appropriate vehicle" for requiring a balanced budget and should not include a "potentially inflexible fiscal mechanism" that may not be easily adapted to changing economic circumstances.

That is point No. 1 in "Inside OMB," March 26, 1982.

2. An inflexible annual balanced budget policy tends to ignore the traditional "contractions and expansions . . . inherent in a free economy" and may therefore "create artificial policy choices;"

That is Point No. 2 in the memo from the Office of Management and Budget.

3. A balanced budget requirement would tend to drive up off-budget outlays, increase indirect fiscal spending and lead to other "novel budget devices" to circumvent the amendment.

Let me repeat that one because I think it is very crucial to the debate today.

A balanced budget requirement would tend to drive up off-budget outlays, increase indirect fiscal spending and lead to other "novel budget devices" to circumvent the amendment;

4. A balanced budget rule would not be technically enforceable since in some cases an end-of-year overrun would not be known until 20 days after the close of the fiscal year; and

As I said, Mr. President, there are actually six other reasons OMB lists in its view why it would be unwise to adopt a constitutional amendment to balance the budget.

Mr. President, I ask unanimous consent to have printed in the RECORD this memorandum.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OMB LISTS 10 MAJOR FLAWS OF CONSTITUTIONAL AMENDMENT FOR BALANCED BUDGET

An OMB internal staff report on the pros and cons of a constitutional amendment to balance the budget details 10 specific flaws facing such an amendment the first five labeled "generic concerns." The last five specifically attacking the joint resolution passed last year by Senate Judiciary (S.J. Res. 58) and awaiting full Senate action. The OMB document, reprinted below, was first referenced in an Evans & Novak column last week. OMB's chief concerns:

1. The Constitution is "not an appropriate vehicle" for requiring a balanced budget and should not include a "potentially inflexible fiscal mechanism" that may not be easily adapted to changing economicment would tend to drive up off-budget outlays, increase indirect fiscal spending and lead to other "novel budget devices" to circumvent the amendment;

4. A balanced budget rule would not be technically enforceable since in some cases an end-of-year overrun would not be known until 20 days after the close of the fiscal year; and

5. An annual balanced budget rule is "inherently biased toward higher taxes rather than lower spending."

The OMB memo detailed specific problems with the resolution, chief among them: 1. the tax limitation rule in the amendment—requiring that taxes not be increased by more than the percentage of GNP growth in the prior calendar—amounts to

shifting indexing from the IRS code to the Constitution; 2. the amendment is unbalanced in that it requires a 60 percent vote in each House to create a deficit but only 50 percent of each House to raise taxes; 3. the resolution could have a bias against defense, since defense holds more of the budget's controllable outlays; 4. the amendment could require "draconian" budget cuts to be taken mid-year if economic projections turn out to be more optimistic than economic reality; and 5. the amendment provides no mechanism "to rationally enforce the outlay limit in the resolution" OMB illustrates this point by describing in detail how FY 82 budget outlays would have had to be cut if the amendment had been in effect last year.

The Administration to date has taken no public position on the proposed amendment—sources say this is primary because the measure need not be signed by the President and therefore does not directly affect him—and sources this week indicated that it is unclear whether the Administration will take a firm stance. Some weeks ago it appeared Reagan planned to sit this one out, according to one source, but in the past several weeks numerous Administration officials, particularly in the Treasury Dept., have begun discussing the merits of such an amendment to the Constitution.

Congressional aides believe the amendment will enter front stage within the next two months, either because of the vote on the debt limit (some believe the amendment and debt limit may be linked as a means of getting the debt limit passed) or as more state legislatures vote for a constitutional convention—which Congress wants to avoid—but only a handful of state legislatures that have not voted on the measure are left in session. Congressional aides point out that if the debt limit bill is coupled with the constitutional amendment many congressmen will feel more comfortable by simultaneously voting for a balanced budget while they increase the debt ceiling, on the other hand, if the bills are coupled, it would take a two-thirds vote in each House to pass (a constitutional amendment requires a two-thirds vote for passage) and thus may hurt the chances for passing the debt limit, which would otherwise only require majority approval.

TEXT OF OMB PAPER ON PROBLEMS, OBJECTIONS TO BUDGET-BALANCING AMENDMENT

A. Generic concerns

1. The Constitution is not an appropriate vehicle for economic policy prescriptions (balanced budgets) nor should it be cluttered with potentially inflexible fiscal mechanisms that may not be appropriate to unforeseeable future circumstances.

2. An inflexible annual balanced budget policy rule may not be compatible with the business cycle "facts of life" which tend to produce automatic large deficits during recessions. During FY-82, the projected deficit increased by $40 billion due to the recession induced fall of receipts and rise of unemployment-related outlays. As written, S.J. Res. 58 requires a super majority (60 percent) to create an annual deficit—yet consensus opinion for several decades has held that recession-induced deficits are either desirable or at least tolerable.

Since business cycle contractions and expansions are inherent in a free economy, the proposed policy rule would create artificial policy choices and political conflicts on a recurring basis, i.e., whether in the face of a contracting economy to: raise taxes; radically reduce spending until recovery raises receipts; or achieve super-majorities to validate recession deficits.

3. A balanced budget requirement would exacerbate pressure for off-budget outlays, indirect fiscal spending and other novel budget devices outside the scope of any settled definition of "outlays." While S.J. Res. 53 covers conventional off-budget outlays such as those incurred by the Federal Financing Bank (FFB), it would not cover: loan guarantees ($87.7 billion in FY-82); schemes to mandate fiscal outlays by private sector entities such as: mandatory employer-provided health insurance; mandatory employer-provided pension benefits in lieu of Social Security expenditures; and tax subsidy induced outlays to the extent that leveraging features exceed revenue loss.

4. As a general matter, the annual outlay limitation needed to enforce a balanced budget rule would not be technically enforceable under the ordinary range of expence. Under a $100-billion annual outlay initation, outlay overruns of the following magnitudes would not be technically realized until the final days of the fiscal year.

Overrun magnitude

Days before October 1:	*Billions*
24	$50
19	40
15	30
10	20
5	10

Under most circumstances, verification of a realized overrun would not occur until the monthly Treasury cash statement was issued 20 days after the close of the fiscal year. Under almost all circumstances, no remedial action could be taken to reduce outlays in the last month.

Enforcement of the ceiling within the fiscal year, therefore, would require either elaborate accounting rules to monitor annualized spending rates and trigger enforcement early: a de facto policy of non-enforcement which could generate political cynicism; or judicial intervention to force the creation of within-year compliance machinery.

On the margin, monthly cash flow prediction and management is nearly impossible due to dozens of volatile outlay accounts such as: Commodity Credit Corp, insurance funds like FSLIC, banking operations like Farmers Home Administration, and grant payments mechanisms like the Departmental Federal Assistance Financing System.

5. Due to the difference in lag-time between policy action and cash impact, an annual balanced budget rule is inherently biased toward higher taxes rather than lower spending because: cash flow changes owing to tax policy can be enacted, implemented and realized in three months (e.g., 5 percent income tax surcharge); cash flow changes owing to spending policy require three months to three years to enact, implement and realize in most cases—or even longer, and the inherent dynamics of Congress will delay action on the balanced budget rule until close to the applicable fiscal year—thus steadily strengthening the case for a tax increase rather than spending cut solutions to the rule.

B. Concerns specific to S.J. Res. 58

6. S.J. Res. 58 seeks to overcome this inherent bias by merging a balanced budget rule with a tax limitation rule. However, the specific tax limitation rule (no automatic increase in taxes in excess of the previous year's growth in national income) applies only in the limited case of an un-indexed tax system. This is shown by comparing the applicable revenue increase/national income relationships for the late 1970's and prospectively for the 1980's when indexing takes effect:

[In fiscal years]

	1976	1977	1978	1979	1980	Average annual growth rate
Old tax law						
Actual receipts	6.8	[1]15.2	12.4	16.0	11.6	12.5
Base year GNP [2]	8.1	8.0	10.9	11.6	12.4	10.2
	1983	1984	1985	1986	1987	
Current tax law—ERIA						
Projected current law receipts	4.3	7.7	10.0	8.4	7.5	7.6
Projected base year GNP [2]	11.5	7.9	11.5	10.2	9.7	10.2

[1] Annual rate of growth.
[2] The base year GNP growth rate under S.J. Res. 58 is the growth in GNP during the preceding calendar year. For fiscal year 1983, for example, the receipt growth would be limited to the rate of growth in GNP (or some other measure of national income) during calendar year 1981.

The tax limitation rule proposed in S.J. Res. 58 is thus very limited: It amounts to shifting indexing from the IRS code to the Constitution.

7. The tax limitation and balanced budget rules in S.J. Res. 58 are seriously asymmetrical: deficit creation or increases require a super-majority (60 percent) and tax raising requires only an ordinary majority. Consequently, a 41 percent minority for tax raising will have Constitutionally granted parliamentary superiority over a 50 percent majority favoring a combination of spending cuts and/or deficits.

8. S.J. Res. 58 could, but would not necessarily, have a bias against defense. By fiscal year 1986 defense outlays will account for $311 billion of projected total controllable outlays of $442 billion (excluding undistributed offsetting receipts) or 70 percent. While entitlements could theoretically be cut, the 47 percent share of controllable outlays will always be the first target if outlay reductions are required to achieve the balanced budget rule or enforce the outlay ceiling during the fiscal year.

9. Differences in the budget and economic outlook between the initial submission of the President's budget and the actual fiscal year results have been substantial in recent years. To offset outlay increases attributable to economic factors once the budget year has started requires draconian program cuts.

Increase in outlays from the initial budget submission due to changed economic factors

Fiscal years:	*Billions*
1980 (actual)	$27.1
1981 (actual)	32.3
1982 (estimated)	25.9

After even one quarter of the fiscal year has elapsed, the following annual rates of program reduction are needed (on average) to achieve a $10-billion reduction in current year outlays from controllable programs:

	Budget authority		
	Outlay cut	Program cut	Ratio
Defense	$10	$33	3.3:1
Defense (excluding military pay)	$10	$40	4.0:1
Non-defense	$10	$30	3.0:1

The table below illustrates that as the year progresses, increasingly more drastic

program cuts are needed to achieve fixed outlay reductions.

ILLUSTRATIVE $10 BILLION REDUCTION IN DISCRETIONARY PROGRAMS

[In billions of dollars]

National defense	Beginning of year	¼ of year gone	½ of year gone	Total outlays
Controllable outlay	$117.4	$88.0	$58.7	$182.8
Percent of controllable outlays affected by $10 billion cut	8.5	11.4	17.0	N.A.
Budget authority defered or rescinded associated with $10-billion outlay cuts	$17.4	$28.9	$52.0	N.A.
Civilian programs:				
Controllabe outlays	$71.5	$53.6	$35.7	$542.5
Percent of controllable outlays affected by $10-billion cut	4.0	18.7	28.0	N.A.
Budget authority deferred or rescinded associated with $10-billion outlay cut	$14.1	$24.1	$43.4	N.A.

10. In the real world, there is probably no way to rationally enforce an S.J. Res. 58 type outlay limit if actual fiscal year outlays exceed planned ceiling outlays to any appreciable extent. For instance, if the $695 billion outlay ceiling voted for fiscal year-82 is taken as a test case, the January re-estimate of $729.3-billion would present the following choices and options:

	Billion 1982
Outlay reductions necessary:	
Estimated fiscal year 1982 outlays	$729.0
Resolution outlay ceiling for fiscal year 1982	695.0
Outlay reduction necessary	34.3
To achieve necessary outlay reductions:	
Start from estimated fiscal year 1982 outlays, 2d-4th quarter	535.1
Excluded from candidate list of possible outlay reductions:	
(a) Debt service requirements	62.5
(b) Outlays from prior year obligations	90.2
(c) UI compensation	21.2
(d) CCC—dollars already out the door	5.1
(e) IRS on the grounds that massive RIFs would cause a revenue hemorrhage	8.0
(f) Veterans hospital funding on the basis of the impact of cutting in such a personnel-intensive operation	8.0
(g) Payments for federal prisons	8.0
(h) FAA air traffic control (again a personnel-intensive operation	8.0
Subtotal items that must be excluded from candidate list of possible outlay reductions	187.0
Remaining "available" outlays for reduction	348.1
Policy Iterations to Achieve reductions (48% of estimated total fiscal year 1982 spending):	
(a) Cancel general revenue payments beginning the 2d quarter	3.4
(b) Freeze all benefit indexes for the remainder of the year	5.1
(c) Medicare—limit the annualized level to three-fourths of the increase from 1981 to estimated 1982	1.8
(d) Medicaid—limit the annualized level to three-fourths of the increase from 1981 to estimated 1982	.2
Subtotal	10.5
Remaining reductions needed	23.8
Remaining "available" outlays for reduction (gross of off setting receipts)	156.8
Defense	(92.4)
Nondefense	(64.4)
Pro-rated 15.2 percent reduction in remaining outlays:	
Defense	14.0
Nondefense	9.9

Illustrative Impacts: Revenue sharing accounts for 43 percent of total revenue in Arkansas; Disruption of hospital cash flow (Medicare) could cause massive shut-downs; Dollar defense program cuts (TOA) of $46-billion would be needed resulting in grounding of ships, planes, and most other operations; Approximately 200,000 or about 28 percent of the federal non-defense workforce would be furloughed; and Most defense and civilian procurement and capital spending projects (highways, water projects, etc.) would be suspended or drastically reduced.

C. Remedial suggestions

1. Escape clause language for within fiscal year outlay overruns attributable to economic factors (e.g., higher interest rates or recession). The following language would permit an ordinary majority to increase the outlay ceiling (create or add to the deficit) in such cases: "Provided that, such excess of outlays over receipts may be increased by a majority vote of the whole number of both Houses of Congress, directly solely to that subject, at any time during the fiscal year to which the statement of receipts and outlays is applicable, to the extent that Congress determines that such excess is attributable to actual or expected economic conditions that differ from those on which such statement was previously based."

2. Require a super-majority (60 percent) for tax increases above the national income growth rate. This eliminates the asymmetry and provides a permanent Constitutional hurdle to raising the tax claim on GNP above the rate extant as its effective date. However, it may also raise the probabilities of governmental break-down over fiscal policy (i.e., deadlocked 41 percent minorities).

3. Line item veto power to enhance outlay ceiling enforcement.

4. Develop a package of statutory implementation tools to mitigate technical and structural flaws of S.J. Res. 58. This might include: Presidential COLA suspension powers modelled after pay plan two-House veto; enhanced recission powers (two-House veto); Independent Budget Concepts Commission to ensure that amendment not circumvented (non-binding moral force opinions); contingency stabilization fund to cover unavoidable deficits.

Mr. BAUCUS. Mr. President, if I may finish, and I shall be very brief, I have also a letter to Mr. Bayh, former chairman of the Subcommittee on the Constitution, dated March 7, from Alan Parker, Assistant Attorney General. It is a letter from the Department of Justice in opposition to a constitutional amendment to balance the budget. I ask unanimous consent to have printed in the RECORD that letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C. March 7, 1980

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of January 8, 1980, the Department of Justice strongly opposes the constitutional amendment proposed by S.J. Res. 126. As Secretary Miller and Director McIntyre have recently pointed out to you, this Administration believes that the constitutional amendment proposed in S.J. Res. 126 would be extremely unwise with respect to both budgetary policy and economic policy. We would, in addition, like to bring to your attention some of the legal problems that such an amendment might raise.

In the first place, section 1 forbids Congress to pass or the President to sign an appropriation bill which would cause the total expenditures for any year to exceed the expenditures of that year's budget. It is unclear how this section would operate. If the Congress did pass and the President did sign such a bill, could a court order that the money not be spent? More likely, could a court determine, contrary to Congress and the President, that the limit on budget expenditures had been exceeded given the complex nature of the appropriation process? A constitutional crisis, as well as considerable administrative confusion, would be precipitated if, for example, the President ordered the Executive branch to spend money specifically appropriated under such a bill, and the money was in fact spent before suit was filed. See *State of Louisiana* v. *Brinegar*, 388 F. Supp. 1319 (D. D.C. 1975); *Bakalis* v. *Weinberger*, 368 F. Supp. 721 (N.D. Ill. 1973); *National Counsel of Community Mental Health Centers, Inc.* v. *Weinberger*, 361 F. Supp. 987 (D. D.C. 1973). Compare *United States* v. *Louisville*, 169 U.S. 249, 254 (1898), with *Weeks* v. *United States*, 406 F. Supp. 1309, 1328 (W.D. Ok. 1975), *reversed on other grounds*, 430 U.S. 73 (1976).[1]

The same problem is evident in section 2. It would be difficult for a court to frame a remedy if federal receipts did exceed, even fractionally, the proportion collected the previous year. This could entail a massive factual determination and depending on how many suits were filed, one that might have to be repeated in numerous courts. Moreover, we are uncertain upon what basis a court might order the Treasury Department to refund money that had been legally collected. Without specific congressional authorization, officers of the United States may not dispose of United States property by, for example, remission of taxes. U.S. Const. Art. IV, § 3, cl. 2. See *Royal Indemnity Co.* v. *United States*, 313 U.S. 289, 294–45 (1941). And even if such authority were granted, it is unclear which parties would have claims for such refunds.

Additionally, section 2 refers to "receipts. . . ." This language does not state the percentage that would be permissible during the first year that the amendment is effective—a year when the prior year's receipts would not have been collected in accordance with section 2. Interpretation of this section during the first year would be prone to confusion and error. Other sections of the Constitution have been written to avoid such transitional problems. Compare U.S. Const. Art. 1, § 3, cl. 2; amend. XVII, § 3; amend. XXII, § 1.

On a practical level, it is unclear how the requirement that a majority plus one of each house agree with each other on a balanced budget could be implemented. If no agreement is reached on any balanced budget (or if there are insufficient votes to achieve the three-fifths required for an unbalanced budget), section 1 will be violated but it is by no means apparent who is re-

[1] A second ambiguity in section 1 involves the initial implementation of the amendment and the expression in the first sentence "for each year." It might be appropriate to assume that in an amendment concerning budgets these words refer to each fiscal year, but section 5 states that the amendment will "take effect" on the first day of some calendar year. The considerable problems raised by the amendment would not, to say the least, be eased in a transitional fiscal year to which it only partially applied. It is also conceivable that the language "the Congress shall adopt" could be seen as displacing, with respect to budget bills, the provisions of art. 1, sect. 7 providing for presidential veto, particularly in comparison with section 2 in which it is clearly contemplated that congressional action would be subject to veto. On the other hand, there is no clear intent to take the surprising step of overriding article 1 in this regard.

sponsible for the violation or how the violation can be cured. It is unclear whether the positive injunction that a budget be adopted compels individual congressmen to vote for a budget they oppose and, if so, by whom and how it is determined which congressman must accede to which budget. Indeed, the provision may not be judicially enforceable at all, as courts cannot judicially establish budgets where Congress cannot agree.

Next, the amendment does not adequately define what is meant by "a budget," for example, whether it must be a single, omnibus bill, perhaps as amended, or whether it can be construed as an amalgam of whatever appropriations and revenue bills pass. If it can be an amalgam, and if total expenditures exceed revenues, the further question arises as to whether all the constituent bills must pass by a three-fifths vote, just the appropriations bills, or just some of the appropriations bills. Another potential question is, regardless of what a "budget" means, whether Congress can pass any appropriations acts at all before the budget. On the one hand, it could be said that such acts might be thought constitutional since, when the budget has not been established, individual appropriations acts cannot be said to cause expenditures to be over budget. An alternative interpretation might hold those appropriation acts unconstitutional, since they cannot be said not to cause expenditures to go over budget. Most probably such laws are in constitutional limbo until a budget is passed, which suggests that, as a practical matter, appropriation bills cannot be passed before a budget is adopted. This requirement could place considerable strain in the appropriation process.

Another problem with section 1 is to determine which bill "causes" expenditures to exceed the budget. An example may help to illustrate the complexities of interpreting this provision, and the uncertainty it would introduce into the budgetary process. Assume, for example, that the budget is $9 billion, and bills A, B, C, D, and E each appropriate $2 million. Bills A and B have become law prior to Day 1. On Day 1, both houses pass bill C. On Day 2, both houses pass bill D. On Day 3, bill E is passed by both houses, supported exclusively by congressmen who opposed either bill C or bill D and argue that the President should veto the bill they opposed. On Day 4, the President vetoes bill E. On Day 5, the President signs bill D. On Day 6, Congress overrides the veto of bill E, which becomes law. On Day 12, bill C, having been neither signed nor vetoed within 10 days, becomes law. The amendment leaves unclear which, if any, of these laws is unconstitutional and who, if anyone, has violated the amendment by which action. At any given stage in the process, the constitutionality of a given bill may be thought to turn on the outcome of subsequent action on any number of different bills and on the sometimes unpredictable happen-stance of which bills become law first. In easily imaginable circumstances, the President could arguably determine the constitutionality of major bills by varying the order in which they are signed. A second anomaly illustrated by this example is that, while the amendment forbids the President to sign certain bills, it does not appear to forbid him to allow bills to become law without his signature. While this difficulty could be "corrected" by drafting the provision to require a veto in cases where the amendment currently forbids signing, a constitutional command that the President veto certain bills is both unprecedented and undesirable. For example, if a public works bill reached the President's desk prior to his receipt of an essential defense spending bill, the President could be obligated by such a command to veto the latter.

An alternative to the first-in-first-out system for determining which bill causes an over-budget expense might be that a bill "causes" expenditures to go over budget if it appropriates for any activity an amount in excess of the amount set forth for that activity in the budget. But this alternative is flatly inconsistent with the plain language of the amendment. Section 1 requres only a budget setting forth "the total receipts and expenditures of the United States," not one setting forth expenditures by category.

Section 3, which would permit Congress to waive the balanced budget requirement "with respect to any single year in which a declaration of war is in effect," is unclear in several respects. First, as with budgetary adoption under section 1, it is open to question whether any congressional waivers are subject to presidential veto. See footnote, pp. 1-2. Second, the reasonable intent of the section seems to be that if a major war lasts three years, a waiver can be passed in all three years. The literal language, however, is susceptible of several constructions, including one that would allow only one year's waiver per declaration of war.

Section 4, requiring that terms be construed in accordance with their meaning on the date the amendment is submitted for ratification, may raise questions at later dates that cannot now be foreseen. Such a provision could freeze archaic definitions into the interpretation of the Constitution.

The most fundamental problem with the amendment may lie with the very process of adopting a budget. If the legality of a budget turns on what "total receipts and expenditures" are in fact obtained during the year, then the constitutionality of a budget and of any spending could not be judged except after the fact. If on the other hand, a budget can be made on the basis of projected receipts and expenditures, then different, but still difficult, problems arise. First, there have been many disputes at all levels of government concerning what items are properly included as receipts and expenditures. Thus substantial constitutional issues will be posed by the choice of accounting principles engendering substantial litigation over the "proper" accounting method.

An even more troublesome problem is that any projections will necessarily rely on predictions of economic and demographic data. If the amendment were in effect today and Congress passed a budget that assumed a 12 percent inflation rate and 6 percent unemployment rate by the end of the year (or 7 percent inflation and 3 percent unemployment), the amendment leaves unstated whether the budget could be attacked on constitutional grounds as being based on "unrealistic assumptions." This problem too will create substantial uncertainty in the appropriation process and may give rise to extensive litigation.

Other difficult, and uncertain questions raised by the amendment concern the extent, if any, to which the terms of the amendment would be judicially enforceable. With respect to each of the ambiguities noted above with respect to the substance of the amendment, it would be, at best, an open question whether taxpayers would have standing to sue, and whether the cases would be otherwise justifiable. If taxpayers are found to have standing under *Flast* v. *Cohen*, 392 U.S. 83, 102-103 (1976), the myriad of problems highlighted above would embroil both the budget as a whole, and specific appropriations in complex litigation, which could conceivably paralyze the operations of the federal government and the workings of the legislative process. And if so interpreted, the amendment's impact on the workload of the federal courts could be overwhelming.

For all of these reasons, the Department of Justice strongly opposes the constitutional amendment proposed by S.J. Res. 126.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ALAN A. PARKER,
Assistant Attorney General.

Mr. BAUCUS. Mr. President, finally, let me address one point, and I shall not dwell on it. It is a point that has been raised at a prior time in these proceedings, that is, the degree to which Congress by adopting a constitutional amendment will by definition be transferring economic policy decisionmaking from Congress to the Federal judiciary.

The question is the degree to which Congress, by adopting a constitutional amendment, will be transferring economic policy decisionmaking from Congress to the Supreme Court and to the lower Federal courts.

Mr. President, it is a point that worries me greatly. I know it worries any thinking Member of this body, and I am sure it is a point which greatly worried those who spent some time thinking about it.

But I ask unanimous consent to have printed in the RECORD a memorandum and a letter. The memorandum is to Senator Bayh and the letter is to this Senator, from the New York City Bar Association on this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEW YORK CITY BAR ASSOCIATION,
COMMITTEE ON FEDERAL LEGISLATION,
February 25, 1980.

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution, U.S. Senate, Washington, D.C.

DEAR SENATOR BAYH: On behalf of the Committee on Federal Legislation of the Association of the Bar of the City of New York, I have the honor to respond to your request for our comments on S.J. Res 126, the proposed constitutional amendment requiring a balanced budget and limiting Federal spending.

We oppose S.J. Res. 126 for the same reasons we opposed earlier resolutions proposing similar amendments, as expressed in our May 1979 Committee Report (a copy of which is attached to this letter). Leaving aside the basic economic policy question of whether there should be a permanently balanced budget, on which we, as lawyers and not economists, take no position, we oppose budget-balancing by constitutional amendment for the following reasons:

(1) The proposed amendment would effect a fundamental—and in our own view unwar-

ranted—change in the character of the Constitution. It is unlike any existing amendment, both in form and substance. Except for the 18th and 21st amendments, adopting and then repealing prohibition, the amendment process has been sparingly used either to correct what Madison called "discovered faults" in the original governmental structure or to protect fundamental rights against governmental infringement. The purely social or economic policies which were the basis of the prohibition amendment and underlie S.J. Res. 126 reflect less basic, more transitory concerns which, however popular they may now be, do not warrant elevation to permanent constitutional status. As Justice Holmes cautioned seventy-five years ago, the "Constitution is not intended to embody a particular economic theory. . . ." These matters are best left to the legislative and political process erected by the Constitution itself.

(2) Congress and the President already have the full constitutional authority to balance the budget without the need for a constitutional amendment. The raising of such a policy to constitutional status, however, will create difficult problems of governance.

(3) S.J. Res. 126, if ratified, will likely involve the judiciary in the day-to-day workings of the budgetary process. The amendment will undoubtedly result in a host of lawsuits—annually recurring—challenging particular expeditures and appropriations and every attempt to raise or lower taxes. Our courts are ill-equipped to handle these matters, now generally excluded from their jurisdiction. More importantly, judicial involvement in the budgetary process, which is inevitable if the amendment passes, will radically alter, for the worse in our view, the present system of checks and balances among the three branches of government and add a new element of uncertainty to the entire process. No budget, no expenditure, no appropriation, no tax will be legal until approved by the Supreme Court—no doubt several years later.

(4) The "three-fifths" override provision of Section 1 of S.J. Res. 126 also poses difficult constitutional problems. It will be unique to the Constitution, which at present requires "super majority" votes in Congress only in rare situations affecting the basic separation of powers—such as overriding a presidential veto or convicting upon impeachment. The proposed amendment, however, would effectively undo the principle of majority rule which is basic to our constitutional scheme. Under S.J. Res. 126, if the government were already spending to the constitutional limit, military or other emergencies of any sort—indeed, any new government activity needing major additional expenditures—would require a three-fifths vote of the Congress. The potential for government chaos or for a tyranny of the minority defeating any controversial or new project would be immense. Just imagine how much more difficult it would be for our country to respond immediately to international crises if a small group in Congress can block emergency expenditures until their various minority demands—perhaps unrelated to the crises themselves—are fulfilled in exchange for the votes necessary to achieve the three-fifths super majority.

Moreover, the last sentence of Section 1 appears to prohibit any change in the budget once adopted. It seemingly prevents the government from responding at all to emergencies that arise once a fiscal year has begun.

(5) S.J. Res. 126 also presents serious drafting problems. Section 4 seeks to etch into constitutional stone forever the current budgetary terminology. Besides the endless litigation likely to be necessary in the future to determine what technical terms meant in 1980, the amendment will stifle all development, improvement and change in the budgetary process. Today's economic jargon may become future stumbling blocks to progress. Moreover, the current budgetary process is so flexible that, as one expert estimated, Congress could adopt a $100 billion national health insurance program without adding a single dollar to the budget. Future congresses may be forced to resort to similar budgetary chicanery simply in order to keep the government functioning should the amendment prove economically unwise.

Moreover, Section 2 of the proposed amendment appears meaningless. It requires Congress to do explicitly what Congress now does implicitly. The formal roll call vote mandated by Section 2 of the S.J. Res. 126 will undoubtedly become no more than a ritualistic charade.

In sum, S.J. Res. 126, like its predecessors, remains too blunt a weapon, to paraphase the Wall Street Journal, a wholly inappropriate means of solving the complex, uncertain and everchanging economic problems which confront our nation. Today's panacea, if elevated to constitutional status, is likely itself to become tomorrow's problem. For these reasons, we oppose the passage of S.J. Res. 126.

If you would like any further information on the matter, please feel free to contact us.

Respectfully,

STEVEN B. ROSENFELD,
Chairman.

BUDGET-BALANCING BY CONSTITUTIONAL AMENDMENT

(By the Committee on Federal Legislation)

Congress and state legislatures throughout the country are debating whether the United States Constitution should be amended to require the federal government to balance its budget. As this Report is written (May 1979), as many as 30 states have passed resolutions calling for a constitutional convention to propose a balance-budget amendment.[1] Several committees of both houses of Congress have scheduled hearings on which, if any, of scores of proposed amendments should be adopted.

The issue has important political as well as economic consequences. Both parties are internally divided over whether constitutionally-mandated fiscal restraints is appropriate or desirable; the issue threatens to loom large in the 1980 presidential primaries and election.[2] Lurking scarcely concealed beneath the budget question is the larger and more complex question of which economic theories and policies will best control inflation and unemployment, and the more fundamental debate over the proper size and function of the federal government and what role it should play in the economy.

This Committee has carefully considered these and other questions and has studied the various proposals for constitutional amendments. We take no position on the economic policy issue of whether the federal budget should be balanced or federal spending limited. We do, however, strongly believe that, assuming a balanced budget is desirable, a constitutional amendment requiring that result is not. To elevate such a policy to permanent constitutional status is unwise and historically unsound and would fundamentally after the principle of majority rule and the existing allocation of powers among the three branches of government. In our judgment, the economic policy issues raised in the current debate are best left to the political process where they can be resolved over time, unhampered by fixed or arbitrary constitutional strictures.

Footnotes at end of article.

1. THE PROPOSED AMENDMENTS

Balance-the-budget amendments are not new. As early as 1939, states began petitioning Congress to call a constitutional convention to propose an amendment limiting the federal taxing power.[3] The movement ebbed and flowed over two and one-half decades until, in 1963, proponents claimed that the requisite number of 34 states had passed calls for a constitutional convention. Since some of the resolutions were fifteen to twenty years old. twelve states had rescinded their applications and there were significant variations in the substance of the resolutions, the convention was never called.[4]

In 1957, the first state petition for a balance-the-budget constitutional convention was passed in Indiana. Several other states passed calls for budget limitation amendments in the 1960's.[5] The current movement began earlier in this decade and has received great impetus from the well-publicized success last year of California's Proposition 13 "tax revolt" initiative.[6]

Literally dozens of proposed constitutional amendments requiring a balanced or restricted budget are currently pending in Congress. As of mid-February 1979, Time counted 65 separate versions.[7] Although there are significant variations among the proposals, they fall into two major categories. Most would require that federal expenditures equal or exceed revenues in each fiscal year. Others would limit federal spending to a fixed percentage of national income or gross national product. The proposals generally provide a mechanism whereby Congress, usually by a two-thirds or three-fourths vote, and sometimes with the concurrence of the President, may override the budgetary limitations in times of war or "national emergency." Several proposals additionally require that the national debt be retired over a specified period of time. The sixteen proposed amendments which are currently the subject of hearings before the Subcommittee on the Constitution of the Senate Judiciary Committee are representative of the breadth and scope of the various proposals.

The simplest and shortest proposals—one paragraph—are S.J. Res. 10 (introduced by Senator McClure) and S.J. Res. 13 (Senator Helms).[8] S.J. Res. 10 would provide that "Congress shall assure" that the "total outlays" of the federal government in any fiscal year "do not exceed the total receipts." Although Congress could suspend this requirement "for a period not to exceed one year" by a two-thirds vote of both houses, no standard is given to govern exercise of that power. S.J. Res. 13 is identical, except that the congressional override provision would be limited to "a grave national emergency" which must be declared by a three-fourths vote of both houses of Congress.[9] S.J. Res. 4 (Senator Lugar) would require a two-thirds vote of both houses of Congress to pass any annual budget resolution in which the "appropriate level of total budget outlays" exceeds the "recommended level of Federal revenues."

Other pending resolutions are more elaborate. S.J. Res. 38 (Senators H. Byrd and Helms) and S.J. Res. 45 (Senator H. Byrd), drafted on four paragraphs, are similar to S.J. Res. 10 and 13 except that their override provisions would require a "national emergency," to be determined by a roll-call vote of two-thirds of all the members of each house of Congress. Likewise, S.J. Res. 11 (Senators Talmadge and Nunn) would mandate a balanced budget in each fiscal year, except during a state of war or a "national economic emergency" declared by only a simple majority of both houses of Congress, which are admonished to "take into consideration the extent and rate of industrial activity, unemployment, and inflation, and such other factors as they deem appropriate," S.J. Res. 36 (Senator Heflin) would provide that "Congress shall make no appropriation for any fiscal year if the resulting total of appropriations . . . would exceed the total estimated receipts" for that fiscal year. In case of "a national emergency," including a formally declared war, Congress, with the concurrence of the President, would be able to override this provision by a roll-call vote of 55% of all the members of each house.[10] Congressional action would have to be completed within sixty days of a "special message" by the President or the introduction of a resolution sponsored by twenty-five percent of the members of either house. This amendment, unlike the others, would go into effect in the second fiscal year beginning after ratification.

S.J. Res. 2 (introduced by Senators DeConcini and Goldwater) and S.J. Res. 6 (Senator Stennis) are virtually indentical and contain an elaborate enforcement mechanism to ensure a balanced budget. Section 1 of both proposals would provide that "In exercising its power under article I . . . and, in particular, its powers to lay and collect taxes . . . and to enact laws making appropriations, the Congress shall seek to assure that the [government's] total outlays . . . do not exceed the total receipts" during a given fiscal year. In case the budget does not balance, sections 2 and 3 would require the President, within twenty days after the close of each fiscal year, to "ascertain" the "total receipts" and "total outlays" and "determine the percentage rate of income tax surcharge" necessary to make up any deficit. The surcharge would automatically go into effect, without further congressional action, for the calendar year following the close of the pertinent fiscal year. Congress, however, could suspend the income tax surcharge for all or part of the year in "a grave national emergency," including a formally-declared state of war. S.J. Res. 2 would require a vote of two-thirds of all the members of such house for such a suspension, while S.J. Res. 6 would require three-fourths.

Several proposed amendments would require, in addition to a balanced budget, that the national debt be retired. S.J. Res. 7 (introduced by Senator Armstrong) would mandate, in addition to a balanced budget, that the national debt not be increased and that it be repaid within one hundred years following ratification, at the rate of 1/10 of the debt during each 10-year period. Likewise, S.J. Res. 16 (sponsored by Senators Wallop, Morgan and Thurmond) would require both a balanced budget in each fiscal year "and that the federal indebtedness is eliminated." This amendment, however, would take effect gradually: For the first fiscal year after ratification, receipts could not be less than 95% of outlays. In the second year, receipts must total at least 98% of outlays. The budget would have to be balanced in the third fiscal year and, starting in the fourth year and for the next nineteen years, receipts would have to exceed outlays by five percent, the excess to be used to retire the federal debt. Congress would have only limited power to override these requirements in case of a "national emergency," declared by two thirds vote of all the members of each house: during such an emergency, expenditures could never exceed receipts by more than 10 percent and any indebtedness thereby created would have to be "extinguished" within three fiscal years.

S. J. Res. 46 (Senator H. Byrd) would require, in addition to an annual balanced budget, the retirement of the federal debt at the rate of 4% a year, beginning with the fifth fiscal year following ratification. Congress could, by two-thirds vote, incur new debt in a "national emergency," but such debt would have to be paid off within five years.

S. J. Res. 18 (sponsored by Senators Thurmond, Goldwater and Wallop) would involve the President in the constitutionally mandated budgeting process. Section 1 would require the President to transmit to Congress a proposed balanced budget by the fifteenth day after the start of each regular session. the budget would contain the President's estimate of receipts "under the laws then existing" and outlays (excluding trust funds) and proposals for additional taxes as necessary. Congress could not "authorize outlays to be made . . . in excess of the estimated receipts . . . " Section 2 would provide that, beginning with the fifth fiscal year after ratification and continuing for the next twenty years, 5% of the government's receipts "shall be available only to reduce the public debt." Congress, by three-fourths vote of all the members of each house, could suspend the provisions of Sections 1 and 2 "for periods, either successive or otherwise, not exceeding one year each" in case of "war or other grave national emergency."

As previously noted, several of the proposed amendments would set a fixed limit on federal spending, not necessarily combined with a requirement that the budget be balanced. The simplest such proposal is S. J. Res. 9 (introduced by Senator McClure). It would require that total outlays during any fiscal year (except for repayment of debt) not exceed 33⅓% of the "average national income for the three prior calendar years." During a "national emergency or war" the limit could be exceeded, but "all expenditures" in excess of the limit would have to be approved by a roll call vote of three-fourths of all the members of each house, taken in the fiscal year during which the limit is exceeded. S. J. Res. 5 (proposed by Senator Dole) combines a balanced budget with a ceiling on federal spending. Under this proposal, Congress, by two-thirds vote of all the members of each house, could vote for a deficit budget in any year, but only if the budget was balanced in at least five of the preceding eight fiscal years. Any deficit generated in one fiscal year would have to be paid off in the next four years. This amendment further provides that, starting with the third fiscal year after ratification, both revenues and expenditures set forth in any budget resolution for a fiscal year could not exceed 18% of the "Gross National Product at the close of such fiscal year, as projected by the Director of the Congressional Budget Office." Congress could override this limitation by roll-call vote of two-thirds of the members of each house "present and voting."

Finally, there is S. J. Res. 56 (introduced by Senators Heinz and Stone), an elaborate proposal for limiting federal spending developed by economist Milton Friedman and others.[11] Section 1 would provide that "[t]otal outlays . . . during any federal year shall not increase by a percentage greater than the percentage increase in the nominal gross national product" during the last calendar year. If the inflation rate exceeds three percent, the "permissible percentage increase" in expenditures would be reduced by "one-fourth of the percentage by which the inflation rate exceeds three percent." "Inflation rate" would be defined as the difference between percentage increases in the "nominal gross national product" over the "real gross national product" for a given year. "Total outlays" would include "both budget and off-budget outlays," but exclude redemption of the debt or emergency expenditures.

Section 2 would require that any surplus of revenues over outlays be used to retire the national debt. Under section 3, emergency outlays in excess of the limit for the current fiscal year would be authorized by a "declaration of an emergency by the President" and a two-thirds vote of both houses of Congress. Section 4 would allow the spending limit imposed by section 1 to be changed "by a specified amount" by a three-fourths vote of both houses of Congress.[12]

Section 5 and 6 would seek to prevent the spending limitation from adversely affecting state and local governments. Section 5 would require that, for the first six years following ratification, "total grants to states and local governments shall not be a smaller fraction of total outlays than in the last three fiscal years" prior to ratification. Thereafter, any reduction in the proportion of such grants to total federal spending would decrease the limit on total spending by an equivalent amount. Lastly, under section 6, the federal government could not require "directly or indirectly, that state or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs."

II. THE ARGUMENTS FOR A CONSTITUTIONAL AMENDMENT

The proponents of a constitutional amendment limiting federal spending or requiring a balanced budget have put forth several arguments in support of their proposals: [13]

1. Deficit-spending is detrimental to the economy. The heart of the proponents' economic argument is that excessive federal spending is the major cause of inflation, which in turn, leads to unemployment, sluggish economic growth and decline of the dollar abroad. The ever-increasing national debt which is needed to finance governmental spending, it is argued, compounds the problem by "crowding out" private capital from the money market, thus siphoning off funds that would otherwise be available to business for capital improvement, a necessary component of economic growth.

2. The need for a flexible economic policy is overstated. Proponents reject Keynesian economic theory. They argue that the policy of "counter-cyclical" federal intervention in the economy (increasing expenditures and deficits in times of recession and decreasing them during periods of growth) simply does not work effectively any longer. Monetary policy and other devices, it is

claimed, provide sufficient tools for "fine-tuning" of the economy at most times.[14] They point out that the amendments have "escape clauses" which would permit the additional spending or allow a deficit if necessary to deal with true emergencies.

3. *The growth of government should be checked.* The proponents argue that ever-increasing federal spending means the "steady, irresistible encroachment of the public upon the private sector." [15] In words that echo the Jeffersonian dictum, "government which governs best governs least," the proponents assert that an amendment is necessary to "control government, control its power, control its interference, and control it by controlling its purse strings." [16] Advocates of the spending limitation proposals particularly argue that such an amendment will curb the future size and power of the federal government.[17]

4. *Congress, if let alone, will not act.* The political pressures on Congress, say the supporters of these amendments, are too great and the incentives too few for Congress itself to exercise fiscal restraint. Congressmen, in their natural desire to be re-elected, will resort to deficit spending to provide immediate benefits to their constituents, organized and vocal "special interest groups," and entrenched federal bureaucracies. Rather than face up to the need for restraint, they argue, Congress will keep "disguising the costs [of spending] in the form of borrowing and inflation which are diffused over large numbers of the rest of society. Under such conditions, the incentives of the politicians clearly point toward ever-increasing spending with continued inflationary deficits." [18] In the past twenty years the federal budget has been balanced only twice (in fiscal years 1960 and 1969), yet despite the current high rate of inflation, Congress has been unable to curb spending.[19] Only the constraints imposed by a constitutional prohibition will halt this process.

III. THE ARGUMENTS AGAINST A CONSTITUTIONAL AMENDMENT

The opponents of a constitutional limitation on the federal budget have argued that an amendment, however drafted, is not desirable for the following reasons:

1. *A constitutional amendment will not eliminate inflation but may exacerbate economic ills.*[20] Opponents challenge the assertion that deficits are the major cause of inflation and argue that a mandatory balanced budget policy is much inferior to a flexible fiscal policy in controlling the economy. They point, for example, to a 1976 congressional staff study which concluded that if the federal budget had been balanced between 1965 and 1974—a period of economic growth followed by a recession and then by renewed growth accompanied by high inflation—the result would have been "substantial losses in output, and increases in unemployment, with very little, if any, improvement in inflation." [21] Opponents stress that in times of recession, the government must be free to spend money to stimulate the economy to prevent recessions from worsening into depressions.

2. *A constitutional amendment is unenforceable.* The definition of the federal budget, opponents point out, is by no means clear. Many governmental expenditures for programs such as the Federal Financing Bank (which is expected to spend $11 billion in fiscal 1980), for government-sponsored corporations, such as the Federal National Mortgage Association or the Student Loan Marketing Association, or for federal guarantee programs, are now generally considered "off-budget" and, by law and tradition, not included in congressional and popular discussions of expenditures and deficits.[22] Similarly, tax subsidies and incentives, considered by many to be a form of "negative" governmental expenditure, are not included in budgetary decision-making.[23] The definitional problems, opponents argue, demonstrate that an imaginative and creative Congress could shift or hide expenditures in "off-budget" items so as to create the illusion of a balanced budget without the reality. As one study recently observed, it would be possible, for example, to create a $100 billion national health insurance system without adding a single dollar to the budget.[24] On the other hand, to include these items in the budget only magnifies the problem of how to balance it.

3. *A mandatory balanced budget could cause great economic and social dislocations.* To achieve the amendment's purposes, opponents argue, federal spending would have to be cut dramatically or taxes increased sharply. To raise taxes significantly may not be politically or economically feasible. The expenditures most vulnerable to a cost-conscious Congress are likely to be those for many social service programs, including assistance to state and local governments. To reduce such spending, opponents argue, will only shift the economic and social burden now shouldered by the federal government to other levels of government.[25] Moreover, the end result may not be a significant reduction in the total public debt. Recently, say opponents of a constitutional amendment, the states have had combined surpluses that closely match the federal deficit.[26] To cut federal spending by reducing aid to states thus would not reduce the total amount of public debt, but only transfer it from Washington to the state capitals.

4. *Constitutional budget constraints will impede the government's ability to respond to economic and other crises.* Opponents of a constitutional amendment dispute the proponent's argument that a flexible fiscal policy is unnecessary and that existing monetary policy instruments are sufficient to "fine-tune" the economy.[27] Opponents also assert that the "national emergency" exemption contained in most proposed amendments may be illusory. Only a simple majority of Congress is necessary to declare war, but under the proposed amendments, two-thirds or three-fourths of Congress would have to approve paying for it. The difficulty of mustering such a large majority, even in times of crisis, could pose a significant barrier to effective government action when it is most needed. A high constitutional threshold, it is argued, would magnify the bargaining position of a small minority of Congressmen who could demand a high (and indeed, unrelated) price for their votes. On the other hand, government intervention in the economy, or any new governmental program which required additional spending, would be impossible, say the opponents, until a problem reached crisis proportions.[28]

5. A constitutional amendment will shift ultimate budget-making authority from the legislative and executive branches to the judiciary. Since the courts are the final arbiters of the Constitution, the judiciary, which now plays little or no role in raising taxes and allocating revenues—and is not equipped to do either—will invariably be thrust deeply into the budgetary process if required to enforce an amendment in the face of congressional failure to comply, use of accounting sleights-of-hand, or a sudden downturn in the economy causing revenues to fall.

Further, opponents argue, such an amendment raises the possibility of hundreds of lawsuits throughout the country being filed every year challenging each federal expenditure or appropriation on constitutional grounds. Even if such lawsuits and the prospects of disastrous confrontations between the Supreme Court and Congress or the President can be avoided,[29] the very exercise of judicial authority in the budgetary process will gravely undermine the congressional law-making function and could cause the erosion of respect for the judicial process.

6. This is not a proper subject for a constitutional amendment. The Constitution, opponents argue, establishes the basic structure of our government and guarantees fundamental rights to the people. It has not been and should not be amended to endorse a particular economic theory or program. A budget-balancing amendment, opponents argue, would be like the condonation of slavery in the original constitution or the short-lived prohibition amendment. It does not express the type of "broad and enduring ideal" to which the country can be forever committed. Its inclusion in the Constitution would only demean that document.[30]

7. The same result can be achieved through legislation. Opponents argue that since the budget is entirely within the control of Congress and the President, those two branches now have all the authority they need to enact legislation requiring a balanced budget or limiting federal spending. Such legislation can be more precisely drawn than a constitutional amendment to take into account the nuances and distinctions inherent in the budgetary process.[31] Opponents reject the argument that members of Congress are fiscally irresponsible. They note that Congress recently overhauled its budget-making procedures and each year is required to set a ceiling on appropriations.[32] As a result, opponents say, Congress is taking its budget responsibilities seriously and shows a willingness to curtail spending.[33] Finally, opponents argue, if the present Congress and President cannot balance the budget, the most appropriate remedy is to elect others who can.

IV. THE COMMITTEE'S RECOMMENDATION

The Committee does not express any opinion on whether the federal budget should be balanced or federal spending limited. Nor can we express any opinion on the likely economic effects of pursuing such a fiscal policy. We note with concern, however, that the economic impact of the proposed constitutional amendments is by no means certain. The potential economic effects are hotly disputed by economists and politicians; there is no clear consensus, no common interpretation, no uniform view. This is an area where reasonable people can and do disagree. But as Justice Holmes cautioned nearly seventy-five years ago, dissenting in *Lochner* v. *New York*, the "Constitution is not intended to embody a particular economic theory, whether of paternalism and the organic relation of the citizen to the state or of *laissez faire.*"[34] Economic policies are best left to the legislative and political process created by the Constitution itself, where the majority is enabled and expected to enact its consensus into law and to alter the law when the majority view changes.

More significantly, adoption of any of the proposed amendments would effect a funda-

mental—and in our view unwarranted—change in the character of the Constitution. The proposed amendments are unlike any other existing amendments both in form and in substance. Of the twenty-six amendments ratified since 1789, twelve protect the rights of individuals: amendments 1-10 (the Bill of Rights), 13 (prohibiting slavery) and 14 (prohibiting state infringement of due process and equal protection). Five amendments extend the right to vote: 15 (race), 19 (sex), 23 (District of Columbia residents), 24 (poll tax), and 26 (eighteen-year olds). Seven amendments, and a section of the 14th amendment, deal with the structure of government: 11 (judicial power), 12 (electoral college), 14 (counting former slaves in apportionment of House),[35] 16 (income tax), 17 (popular election of Senators), 20 (fixing dates of congressional sessions and presidential inaugurations; presidential succession), 22 (limiting presidential tenure), and 25 (presidential disability and succession).

This history shows that the amendment process has been sparingly used, almost always in order to correct what Madison called "discovered faults"[36] in the original governmental structure or to protect against governmental infringement of fundamental rights. The amendments, like the original Constitution, have carefully avoided endorsing specific programs or imposing restraints upon the government's freedom to act beyond the minimum necessary to protect individual liberty and preserve a federal system.[37]

The only exceptions to this pattern are the 18th and 21st amendments, imposing and then repealing prohibition. The proposed budget amendments are more like the prohibition amendments than any other. Although they do not seek to achieve the same purposes, they act alike in that they do not state fundamental principles to which we firmly and irrevocably commit ourselves as a nation; nor do they correct errors in the constitutional structure of government or safeguard individual rights. Like the prohibition amendment, the proposed budget-balancing amendments reflect much less basic and more transitory concerns which, however popular they may now be, do not, in our view, warrant elevation to permanent constitutional status. The practical and policy issues raised by the amendments are best left to the political arena. The appropriate remedy for dealing with a spendthrift Congress is not a constitutional amendment, but the election of more frugal Congressmen.

Moreover, the proposed drafts are either so broad as to pose the difficult problems of implementation, interpretation and enforcement previously discussed, or so lengthy and full of technical jargon as to be wholly inconsistent with the rest of the Constitution.[38] Any such amendment is likely to result annually in a host of recurring lawsuits challenging particular federal expenditures or appropriations. Judges, even those on the Supreme Court, are poorly equipped to decide such questions as what the tax rate should be or which government program should be cut in order to balance the budget in the face of congressional or presidential inability or unwillingness to do so. Judicial involvement in such controversies—the only apparent means of enforcing such an amendment—would radically alter the present division of responsibility and power among the three branches of government and inevitably weaken both the courts and the Congress.

The override or exception provisions of the proposed amendments are themselves unique and pose difficult constitutional problems. At present, no provision of the Constitution requries a three-quarters vote of Congress.[39] A constitutional requirement of two-thirds of either house of Congress is rare and applies only to votes affecting the basic separation of powers among the three branches of government: to override presidential vetos (Art. I, Sec. 7), to convict following an impeachment (Art. I, Sec. 3), to expel a congressman or senator (Art. II, Sec. 2), to propose constitutional amendments (Art. V), and to resolve disputes over presidential disability (25th Amend.).[40] In all other matters, a simple majority suffices.

The proposed amendements would effectively undo this principle of majority rule. Under most of the proposals, if the government were already spending to the constitutional limit, war, military or other emergencies of any sort—indeed, any new government activity needing major additional expenditures—would require a two-thirds or even a three-fourths vote of the Congress. The potential for government chaos or for a tyranny of the minority defeating any controversial or new project would be immense.

In sum, the "blunt weapon"[41] of a constitutional amendment is a wholly inappropriate means of solving the complex, uncertain and ever-changing economic problems which confront our nation. Today's panacea, if elevated to constitutional status, is likely to become tomorrow's problem.

As Alexander Hamilton cautioned nearly two hundred years ago:

"Constitutions of civil government are not to be framed upon a calculation of existing exigencies, but upon a combination of these with the probable exigencies of ages . . . Nothing, therefore, can be more fallacious than to infer the extent of any power proper to be lodged in the national government from an estimate of its immediate necessities. There ought to be a CAPACITY to provide for future contingencies as they may happen; and as these are illimitable in their nature, so it is impossible safely to limit that capacity."[42]

The Constitution has retained its effectiveness as our national charter because we have generally followed Hamilton's advice. The proposed budget balancing amendments do just the opposite: they would attempt to limit the illimitable and restrict the federal government's capacity to devise new solutions to as yet unforeseen problems.

For these reasons, the Committee opposes a constitutional amendment as the method of balancing the federal budget or limiting federal spending.

THE COMMITTEE ON FEDERAL LEGISLATION

Steven B. Rosenfeld, *Chairman;* Marshall Reil, Mark A. Belnick, James N. Benedict, Donald L. Borod, Howard Buschman, Halsey B. Collins, John Doar, Blair C. Fensterstock, Steven Finell, Charlynn Goins, Thomas V. Heyman, Kathleen Imholz, Lawrence M. Kaye, Robert J. Kheel, Daniel J. Kornstein, Victor Lewkow, Leslie Lupert, Otto Obermaier, Michael Oberman, Robert C. Sheehan, Jonathan Siegfried, Alan R. Sloate, Karen Weiner, Dennis R. Yeager, Carolyn Ziegler.

May 1979

FOOTNOTES

[1] The exact number depends upon who is counting. The National Taxpayers Union, a leading proponent of the constitutional convention approach, claims 30 states, N.Y. Times, Apr. 28, 1979, at 20, col. 1. Thirty-four states must petition Congress in order for a convention to be convened under Article V of the Constitution. For a detailed discussion of the procedural questions raised by a constitutional convention, *see* ABA Special Constitutional Convention Study Committee. *Amendment of the Constitution by the Convention Method Under Article V* (1974) and Committee on Federal Legislation, *Proposed Procedures for Federal Constitutional Conventions (S. 215)*, 27 RECORD of N.Y.C.B.A. 327 (1972).

[2] *See, e.g., President Fighting Budget Convention,* N.Y. Times, Mar. 21, 1979, at A1, col. 6; TIME, Feb. 19, 1979, at 18-21; *Congress Seeks Handle on Spending Restraint Issue,* Cong. Q., Feb. 17, 1979, at 267-70.

[3] An excellent brief history of state resolutions calling for a constitutional convention can be found in B. Prager and G. Milmoe, "Article V Applications Submitted Since 1789," which appears as Appendix B to ABA Special Constitutional Convention Study Committee, *supra* n.1, at 59-77 (hereinafter cited as Prager).

[4] *Prager* at 73.

[5] *Prager* at 68-69

[6] *Group Wants to Balance Nation's Checkbook,* Cong. Q., Feb. 17, 1979, at 277-79.

[7] Time, Feb. 19, 1979, at 18, 21. Some fifty proposals are described (and criticized) in Memorandum from J. Scheu and I. Shuster to Sen. Muskie, Mar. 1, 1979, which is printed at 125 Cong. Rec., S2443-45 (daily ed. Mar. 8, 1979).

[8] The proposals are cited by their numbers in the current session of Congress (96th Cong., 1st. Sess.).

[9] By contrast, a declaration of war under Article 1. Section 8 of the Constitution requires only a simple majority of Congress.

[10] The amendment provides two ways to secure the concurrence of the President: the recommendation by the President in a "special message to Congress" of a "concurrent resolution" declaring a national emergency, or the passage by Congress of a "joint resolution" which requires Presidential approval.

[11] S.J. Res. 56 is a revised version of a proposal developed by the National Tax Limitation Committee, of which Dr. Friedman is a principal member. The full text of the original proposal is printed at 125 CONG. REC. S975 (Feb. 1, 1979). *See, A Tax Group Urges Amendment Linking Spending to GNP Gain,* N.Y. Times, Jan. 31, 1979 at A12, col. 2-3.

[12] Under the original Friedman proposal, *supra* n. 11, three-fourths of Congress could not change the total spending limitation (which, in effect, is to amend section 1 of the amendment) without approval of a majority of state legislatures. The original proposal also contained a provision to govern judicial enforcement. Its section 7 would have limited standing to members of Congress suing in the District of Columbia federal district court. The only permissible defendant would have been the Treasury of the United States who would be given authority over all government spending if necessary to enforce a court order. The court, however, could "not specify the particular outlays to be made or reduced." Compliance with any court order had to occur within three fiscal years. 125 CONG. REC. S975 (daily ed. Feb. 1, 1979).

[13] The Committee expresses no opinion on the *economic* arguments for or against the proposed amendments; they are included herein in order to present a complete picture. The economic arguments in favor of a constitutional amendment are summarized in an August 1978 Report of Committee to Investigate a Balanced Federal Budget of the Democratic Research Organization (DRO) which is printed at 124 CONG. REC. 11SS02-10 (daily ed. Aug. 16, 1978) (hereinafter cited as *DRO Report*).

[14] *DRO Report* at 11SS07-08; N. Jacoby, *Why the Federal Constitution Should Require a Balanced Budget* (undated paper available from the National Taxpayers Union).

[15] *DRO Report* at 11SS05.

[16] 125 CONG. REC. S975 (daily ed. Feb. 1, 1979) (remarks of Sen. Heinz).

[17] For a description of the effects of a spending limitation amendment on the size of the federal budget, *see* 125 CONG. REC. S4037-40 (daily ed. Apr. 5, 1979) (remarks of Sen. Heinz and Stone). *See also* Wicker, *Brown* v. *Budget,* N.Y. Times, Apr. 10, 1979, at A19, col. 5-6.

[18] Davidson, *Requiring a Balancing Budget,* Wash. Post, Mar. 6, 1979 at A19, col. 1-3; N. Jacoby, *supra* n.13.

[19] *Budget Receipts and Outlays, 1957-80,* CONG. Q., Feb. 17, 1979 at 272; Roberts, *Congress and the Budget,* N.Y. Times, Apr. 26, 1979, at B10, col. 1-2;

Senate Defeats Attempt To Balance U.S. Budget, N.Y. Times, Apr. 25, 1979, at A24, col. 1.

[20] The economic arguments against a constitutional amendment are summarized in a Congressional Research Service report, *Constitutional Limitations on the Budget*, which appears at 125 CONG. REC. S2445-51 (daily ed. Mar. 8, 1979) (hereinafter cited as *CRS Report*). *See also* Silk, *A Budget Amendment Could Be the Wrong Easy Answer*, N.Y. Times, Mar. 11, 1979, § 4, p. 4, col. 1-3; Anderson, *The Budget and the Constitution: The Historical Experience*, Wash. Post, Feb. 12, 1979, at A19, col. 1-4.

[21] Joint Economic Committee, *Studies in Fiscal Policy: The Economic Impact of Alternative Fiscal Policies*, 94th Cong., 2d Sess. at 18 (Comm. Print 1976).

[22] *CRS Report* at S2447-48.

[23] *CRS Report* at 2449; Survey, *Federal Income Tax Reform, The Varied Approaches Necessary to Replace Tax Expenditures with Direct Governmental Assistance*, 84 HARV. L. REV, 352 (1970).

[24] *CRS Report* at S2448.

[25] Editorial, *The Balanced Budget Boomerang, N.Y. Times*, Feb. 27, 1979 at A16, col. 1-3: *States' Push for Balanced Budget Presents Dilemma for Congress*, N.Y. Times, Jan. 29, 1979 at A15, col. 2-3. As much as 75% of federal expenditures are "uncontrollable under existing law," that is, they are required by prior legislative or executive action to pay for entitlement programs (*e.g.*, social security, unemployment insurance, welfare), certain defense allocations, debt service and other items. *CRS Report* at S2446, S2449-50. These expenditures make discretionary social service programs and federal assistance to states and local governments particularly attractive targets.

[26] Address of Sen. Edmund S. Muskie to National Press Club (Washington, D.C.), Feb. 13, 1979; 125 CONG. REC. S1032 (daily ed. Feb. 5, 1979) (remarks of Sen. R. Byrd).

[27] *CRS Report* at S2450; 125 CONG. REC. S1032 (daily ed. Feb. 5, 1979) (remarks of Sen. R. Byrd); Silk, *A Budget Amendment Could Be the Wrong Easy Answer*, N.Y. Times, Mar. 11, 1979 § 4, at 4, col. 1-3.

[28] *CRS Report* at S2447; Memorandum from J. Scheu and L. Shuster to Sen. Muskie, Mar. 1, 1979 printed at 125 CONG. REC. S2443-45 (daily ed. Mar. 8, 1979).

[29] The original Friedman proposal would attempt to avoid such confrontations by limiting standing only to members of Congress suing in Washington and by limiting the courts' authority to decide how to reduce expenditures. 125 CONG. REC. S975 (daily ed. Feb. 1, 1979). *See* n. 12, *supra*.

[30] Memorandum from Prof. L. Tribe to T. Kraft (Assistant to the Pres.), Jan. 17, 1979 at 3-5 (hereinafter cited as *Tribe Memorandum*).

[31] *Tribe Memorandum* at 6.

[32] Congressional Budget Act of 1974, Pub. L. No. 93-344, 88 Stat. 297 (1974); Weaver, *Congress and Its Fiscal Role*, N.Y. Times, Apr. 14, 1979, at 7, col. 3-4.

[33] Indeed, a statute enacted last year (Pub. L. No. 95-435, 92 Stat. 1053, § 7, 31 U.S.C. § 27) provides that "[b]eginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts." *See Senate Panel Votes Plan to Balance Budget in 1981*, N.Y. Times, Apr. 11, 1979, at A17, col. 1-3; *Budget Battle Opens in House Committee*, N.Y. Times, Apr. 3, 1979, at D2, col. 5-6; *CRS Report* at S2447.

[34] *Lochner* v. *New York*, 198 U.S. 45, 75 (1905) (dissenting opinion).

[35] Two other sections of the Fourteenth Amendment treat specific problems created by the aftermath of the Civil War. Section 3 disqualifies former Confederate officials from public office, and section 4 affirms the validity of the Union's War debt and invalidates the Confederacy's debt. In addition to this reference in section 4 of the 14th Amendment, the public debt is mentioned only two other times in the Constitution: Art. I, Sec. 8 ("The Congress shall have Power . . . to pay the Debts . . . of the United States") and Art. VI ("All Debts contracted and Engagements entered into" prior to the adoption of the Constitution shall be valid).

[36] *The Federalist No. 43* (J. Madison) at 278 (Mentor Books ed. 1961).

[37] Cf., *Reasons for the Repeal of the Eighteenth Amendment*, Address of Joseph H. Choate, Jr., before the N.Y. Civic Forum, Jan. 17, 1930: "Our Constitution is a frame of government. It creates Legislative, Executive and Judicial authorities, and distributes powers among them. Its fundamental and unchangeable theory is that it creates a government of delegated power only, and is based on the representative system. As concerns legislation—rules of conduct—it comprises certain definite and limited grants of power to Congress to enact such rules, but does not—except for Prohibition—prescribe any rule whatever."

[38] *Tribe Memorandum* at 3-4. Rovere, *Affairs of States*, THE NEW YORKER, Mar. 19, 1979, at 136, 138 (An amendment full of definitions "would come close to introducing algebraic formulas into a document that can at present be read at a sitting and understood . . . by any reasonably literate citizen. In contrast to it, the Constitution of the State of New York is so long and has been so often amended that it is difficult even for purists to recall what is in it and what is not.")

[39] The only use of a three-fourths vote in the Constitution is the number of states necessary to ratify an amendment to the Constitution pursuant to Article V.

[40] In addition, section 3 of the Fourteenth Amendment provided that a two-thirds vote of Congress was necessary to grant exemptions from the prohibition against holding public office imposed upon former Confederate officials.

[41] Editorial, *The New, New Federalism*, Wall St. J., Jan. 10, 1979 at 22, col. 1.

[42] *The Federalist No. 34* (A. Hamilton) at 207 (Mentor Books ed. 1961).

[Express mail]

JULY 21, 1982.

Hon. MAX BAUCUS,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

S.J. RES. 58 AND H.J. RES. 350

DEAR SENATOR BAUCUS: You have asked our Committee by July 22, 1982, to expand briefly on the statements in my letter to members of Congress dated June 18, 1982, to the effect that, despite barriers to judicial review posed by standing and political question doctrines, the proposed budget-balancing constitutional amendment is likely to involve the judiciary extensively in the budgetary process. This letter constitutes our response.

STANDING

Our Committee's October 1979 report, *Citizens' Standing to Sue in Federal Court*, states that "it is virtually impossible to rationalize the decisions of the [Supreme] Court in this area." This continues to be true, and it is therefore virtually impossible to predict how standing issues will be decided in suits brought under the budget-balancing constitutional amendment, if enacted. However, there is a substantial possibility that any taxpayer would have standing to challenge expenditures, appropriations or congressional determinations of definitions such as "national income" claimed to be in violation of the amendment. Moreover, given the fact that the budget-balancing amendment would be adopted for the very purpose of restraining Congress and the fact that countless citizens with different interests would challenge congressional action in court, it is all but certain that at least some plaintiffs challenging congressional action on the basis of the amendment will be held to have standing.

In *Flast* v. *Cohen*, 392 U.S. 83 (1968), the Supreme Court accorded to taxpayers standing to challenge the expenditure of federal funds to assist religious schools. The Court stated in *Flast* that taxpayer standing should exist where the taxpayer establishes (1) a logical link between his status as a taxpayer and the type of legislative enactment attacked and (2) a link between that status and the precise nature of the constitutional infringement alleged. In *Flast*, that test was held to be met because (1) plaintiff was challenging an appropriation rather than a regulatory measure, and (2) the constitutional infringement alleged exceeded a specific constitutional limitation on the exercise of the congressional spending power, i.e., the establishment clause of the First Amendment.

While the Court has not yet extended *Flast* to cases not arising under the establishment clause, a strong argument can be made that *Flast* supports a taxpayer's standing to challenge appropriations or expenditures under a budget-balancing amendment. The budget-balancing amendment would be, even more clearly than the establishment clause, a specific constitutional limitation directed at the congressional spending power.

Even if *Flast* is not extended to cases under the new amendment, or if cases should arise to which the *Flast* doctrine is held inapplicable, it is possible that standing will be upheld in particular cases under the rationale of *Data Processing Service Organizations, Inc.* v. *Camp*, 397 U.S. 150 (1970). In *Data Processing*, the court held that a plaintiff challenging governmental action may establish his standing by showing that (1) the challenged action has caused him injury in fact, economic or otherwise, and (2) the interest he seeks to protect is arguably within the zone of interests to be protected or regulated by the statute or constitutional guarantee in question. Subsequent Supreme Court cases have applied the causation test with varying strictness—i.e., some cases seem to insist on a more direct causal connection than others—and have virtually ignored the "zone of interests" test. We cannot predict how *Data Processing* would be applied in a challenge to particular governmental action as a violation of a budget-balancing amendment. However, there is a likelihood that in some portion of the cases the courts will find that plaintiffs have standing on account of the injuries they sustained and the relationship between the interests sought to be protected by the plaintiff and the interests protected by the budget-balancing amendment.

POLITICAL QUESTIONS

The "political question" doctrine holds that certain questions arising under the Constitution are to be determined solely by the "political" branches of government—i.e., the executive and legislative branches—and not by the courts. The contours of the "political question" doctrine are amorphous and shifting. Among the relatively rare examples of questions that have been held to be political are some questions affecting the foreign relations of the United States (e.g., *Ex Parte Peru*, 318 U.S. 578 (1943)), questions arising under the constitutional provision guaranteeing to the states a republican form of government (e.g., *Pacific States Telephone & Telegraph Co.* v. *Oregon*, 223 U.S. 118 (1912)), and questions as to the procedures followed by states in ratifying amendments to the Constitution (e.g., *Coleman* v. *Miller*, 307 U.S. 433 (1939)). While it is very difficult to characterize political questions in general terms, we seriously doubt that all questions arising under the proposed budget-balancing amendment would be held to be political, particularly in light of the admission in the Report of the Senate Committee on the Judiciary (pp. 65-66) that judicial review of cases arising in the context of the proposed amendment is not prohibited, and ought to be allowed in the case of "the most serious and unambiguous violations."

In sum, we think it unlikely that either standing or political question doctrines would prevent extensive litigation in the federal courts under the proposed budget-balancing amendment, and the consequent involvement of the courts in the budgetary process. To hold that there can be no role for the courts would be, in effect, to hold that Congress and the President may ignore the amendment if they choose to do so—a conclusion we think the Supreme Court is unlikely to reach.

I hope that the foregoing will be useful. As you know, we appreciate your consideration of our views.

Sincerely yours,

JACK DAVID.

Mr. BAUCUS. Mr. President, I shall conclude by reading the summation paragraph in the letter from the New York City Bar Association which states as follows:

In sum, we think it unlikely that either standing or political question doctrines would prevent extensive litigation in the Federal courts under the proposed budget-balancing amendment, and the consequent involvement of the courts in the budgetary process. To hold that there can be no role for the courts would be, in effect, to hold that Congress and the President may ignore the amendment if they choose to do so—a conclusion we think the Supreme Court is unlikely to reach.

Mr. President, I agree with that paragraph. It is a further reason why I think it is unwise to cast in stone a constitutional requirement that will by definition transfer a substantial amount of economic policy decision-making from Congress to the Federal courts.

Mr. President, I thank the Chair and I thank the Senator from Maryland for his efforts in offering this amendment, and I reserve the remainder of my time.

Mr. MATHIAS. Mr. President, I thank the Senator from Montana.

The PRESIDING OFFICER. The Chair advises the Senator from Maryland that the amendment has not been laid before the Senate.

The Senator from Montana spoke under a unanimous-consent agreement to speak prior to the amendment being laid before the Senate.

AMENDMENT NO. 1931

(Purpose: To provide a statutory basis for a balanced budget)

Mr. MATHIAS. Mr. President, on behalf of the Senator from Montana and myself, I call up amendment No. 1931, which had been debated previously and was temporarily put aside early last week.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS), for himself and Mr. BAUCUS, proposed as amendment numbered 1931.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 1, strike out through line 14 on page 4 and insert the following:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Congressional Budget Act of 1974 is amended by inserting after section 301 the following new sections:

"LIMITATIONS ON OUTLAYS AND REVENUES

"SEC. 301A. (a) SPECIFICATION OF LIMITATIONS.—

"(1) Nothwithstanding any other provision of this Act, it shall not be in order in the Senate or the House of Respresentatives to consider any concurrent resolution on the budget for any fiscal year beginning after September 30, 1982, or any amendment thereto or any conference report thereon if—

"(A) the adoption of such concurrent resolution as reported;

"(B) the adoption of such amendment; or

"(C) the adoption of the concurrent resolution in the form recommended in such conference report

would cause—

"(i) the appropriate level of total budget outlays specified in such concurrent resolution for such fiscal year to exceed the recommended level of Federal revenues set forth in such concurrent resolution for such fiscal year; or

"(ii) the recommended level of Federal revenues set forth in such concurrent resolution for such fiscal year to exceed the recommended level of Federal revenues set forth in the most recently agreed to concurrent resolution on the budget for the fiscal year preceding such fiscal year by a percentage greater than the percentage of increase in the gross national income which occurred during the calendar year ending before the first day of such fiscal year.

"(2) For purposes of paragraph (1), the budget outlays to be made during a fiscal year, the revenues to be received during a fiscal year, and the gross national income for a calendar year shall be determined on the basis of estimates by the Director of the Congressional Budget Office.

"(b) WAIVERS.—

"(1) The provisions of clause (i) of subsection (a)(1) may be waived in the Senate or the House of Representatives with respect to the consideration of a concurrent resolution on the budget or any amendment thereto of any conference report thereon if three-fifths of the Members, duly chosen and sworn, of the Senate or the House of Representatives, as the case may be, vote to waive such provisions with respect to the consideration of such concurrent resolution, amendment, or conference report.

"(2) The provisions of clause (ii) of subsection (a)(1) may be waived in the Senate or the House of Representatives with respect to the consideration of a concurrent resolution on the budget or any amendment thereto or any conference report thereon if a majority of the Members, duly chosen and sworn, of the Senate or the House of Representatives, as the case may be, vote to waive such provisions with respect to the consideration of such concurrent resolution, amendment, or conference report.

"(3) If a declaration of war is in effect in a fiscal year, the provisions of clauses (i) and (ii) of subsection (a)(1) may be waived in the Senate or the House of Representatives with respect to the consideration of any concurrent resolution on the budget for such fiscal year or the next succeeding fiscal year, or any amendment thereto or any conference report thereon, by a majority vote of the Members of the Senate or the House of Representatives, as the case may be, present and voting.

"INCLUSION OF ALL FEDERAL ACTIVITIES IN CONCURRENT RESOLUTIONS ON THE BUDGET

"SEC. 301B. Notwithstanding any other provisions of law, the appropriate level of total budget authority and total budget outlays and the recommended level of Federal revenues set forth in any concurrent resolution on the budget shall include the budget authority and outlays for, and revenues and receipts from, all activities of all departments, agencies, establishments, and instrumentalities of the Federal Government, except revenues derived from borrowing and outlays for repayment of debt principal.".

(b) Section 904(b) of such Act is amended by inserting "(except section 301A)" after "IV".

(c) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 301 the following new items:

"Sec. 301A. Limitations on outlays and revenues.

"Sec. 301B. Inclusion of all Federal activities in concurrent resolutions on the budget.".

(d) Section 201 of the Budget and Accounting Act, 1921, is amended by adding at the end thereof the following new subsection:

"(k) Notwithstanding any other provision of law, the President shall include in the Budget submitted under subsection (a) proposed budget authority and estimates of outlays and receipts for all activities of all departments, establishments, and instrumentalities of the Federal Government, except estimates of receipts derived from borrowing and estimates of outlays for the repayment of debt principal.".

Mr. MATHIAS. Let me pose a parliamentary inquiry of the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. MATHIAS. There was permission granted by unanimous consent to call up this amendment notwithstanding certain provisions of the Budget Act. It is my understanding that that permission has been preserved although the amendment was temporarily laid aside.

The PRESIDING OFFICER. The Senator is correct.

Mr. MATHIAS. This amendment which, I am proud to say, has been cosponsored by the Senator from Kansas (Mrs. KASSEBAUM), and the Senator from Colorado (Mr. HART), would require a balanced budget. It would do so by statute rather than by amending the Constitution.

As would Senate Joint Resolution 58, it would require a three-fifths vote by both Houses of Congress to bust the budget.

Some have said the statutory approach will not have the force of a constitutional amendment. We simply

disagree. In fact, Senate Joint Resolution 58 itself has numerous safety valves to avoid introducing inflexibility into the budget process, and our amendment incorporates the same provisions. So one approach is not more likely to guarantee a balanced budget than the other.

I am delighted to see my friend and neighbor, the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.), in the Chamber because when we debated this amendment 2 weeks ago, we had some conversation about the statutory approach, and he took a somewhat pessimistic view because his own effort in this regard had not borne fruit to the extent he hoped it might.

I think the Senator from Virginia has deprecated his own efforts and his own success more than he should have because when he laid down the rule he was loud and clear and explicit and forceful. The original Byrd language in section 7, Public Law 95-435, the Bretton Woods Agreement Amendments Act, was just like the decalogue in the Bible, "Thou shalt not." That is what HARRY BYRD said, "Thou shalt not." The exact words were:

> Beginning with fiscal year 1981 the total budget outlays of the Federal Government shall not exceed its receipts.

The Senator from Virginia will remember those words since they are his own words.

But what happened? What happened was that before we reached fiscal year 1981 there was a change, and the language was changed by act of Congress, and I quote:

> The Congress reaffirms its commitment that beginning with fiscal year 1981 the total budget outlays of the Federal Government shall not exceed receipts.

"Reaffirms its commitment," what does that mean? Nobody will go to jail because he violated that language, nobody will be assessed any fine for violating that language. "Reaffirms its commitment," mushy, not the strong Biblical language of the original Byrd amendment, not the words of the decalogue, "Thou shalt not."

So it is not a fact the Byrd statutory approach failed. It is the fact that the Byrd statutory approach did not have a chance. It was construed as hortatory language, what we often call a sense-of-the-Senate, or sense-of-the-Congress, resolution.

If the original language of the Byrd amendment, the language of the decalogue, were enforceable, a single Senator or a single Representative could stop an unbalanced budget by saying:

> Mr. President, I raise a point of order at this appropriation (or this authorization) as being in violation of law.

And our statutory approach would have the force of law. Of course, that leads to the question of why could not Congress just change the law if we adopted our amendment, this statutory approach? Congress could not change our amendment by a simple majority vote, I think, for practical considerations.

No. 1, those of us who are committed to this approach would make every effort in the Senate to prevent that result. The Senate rules require 60 Members to break a filibuster, and no more than that would be required by either the constitutional amendment approach or by the provisions of this amendment.

And that, of course, leaves out the consideration that for the next 3 years Ronald Reagan will veto any change in the law to that effect, and that is long enough to give this provision a fair chance to work.

For that reason we think the statutory approach would have just as much force as Senate Joint Resolution 58.

If both Senate Joint Resolution 58 and the Mathias-Baucus amendment had no safety valves—if they both required a balanced budget, no ifs, ands, and buts—then the constitutional approach would have a tremendous advantage. Only with great difficulty, by amending the Constitution all over again, could we change the requirement for balanced budgets. But under both Senate Joint Resolution 58 and our amendment we can waive the requirement with a three-fifths vote of both houses of Congress, so that the irrevocability of an amendment to the Constitution really becomes a pointless advantage.

It might be nice, or it might be emotionally fulfilling, to enshrine the notion of a balanced budget on a pedestal within the Constitution and, in effect, that is what the President of the United States said in his last press conference, that he thought the psychological effect would be good.

Well, Mr. President, I do not think the Constitution, the basic contract of our people, the framework for our society, is a place to look for psychological effects. I think we can look for psychological effects in acts of leadership on the part of statesmen, we can look for psychological effects in symbolic actions of leaders of government. But the Constitution is not the place to look for psychological effects. That is not the place where we go for symbols in lieu of substance. I think this psychological effect will not mean that we would be any more likely to balance the budget by a constitutional amendment than by a statute.

There have been some adverse comments about the constitutional amendment in the press and in the public, but that is centered really on two points: First, the amendment is so riddled with loopholes that it is worthless; and, second, that it sets a dangerous precedent that will cause great difficulties in the future.

The Wall Street Journal takes the first view. They see it as a copout, as a political stratagem, as a piece of paper that Congress will wave at the voter when they go home and try to explain their votes on a $150 billion deficit, and the increase in the $1 trillion national debt ceiling.

Some people see it as a toothless wonder. The American people think they are getting JAWS III when, in fact, all they are getting is GUMS I.

Well, when you are amending the Constitution, I think we have an obligation to be serious. We have an obligation to take Senate Joint Resolution 58 at face value and assume it will have an impact on the way we do business, to assume we will abide by the rules we are about to graft onto the organic law of the land. On that level I agree with Dr. Arthur Burns, former Chairman of the Council of Economic Advisers, former Chairman of the Board of Governors of the Federal Reserve System, who says "Do not fuss with the Constitution unless you know what you are doing."

And on that basis, I would say we should reject it now as premature and try the statutory approach first.

The Constitution is not a manual, a "how-to-do-it" manual that we consult on how to run the Government on a day-to-day basis. It is the statutes that do that. It is the departmental regulations that do that.

Instead, the Constitution designates the great actors on the political stage; it apportions political power; and it does so by very intricate formulas that might very easily be thrown out of whack by tinkering and patchwork.

This amendment could have unpredictable results on the balance of powers that the Founding Fathers built into the Constitution. Even with all of its loopholes and caveats, it would allow 20 States, representing only 9.32 percent of the population, to hold the Federal Government hostage in the Senate. And they could, in effect, shut down the Government. Less than 10 percent of the people would have this effect.

It would allow six States in the House of Representatives to hold the Federal Government hostage. It would set the scene for high stakes logrolling, the likes of which we have never seen before. As has been argued so ably by the Senator from New Hampshire (Mr. RUDMAN) and the Senator from Washington (Mr. GORTON), it will give the courts undefined new powers in the budget process.

It will be suspended in case of war but not in case of national emergencies, because we voted on that question several times. Will any kind of a little brushfire war do to suspend this provision? If we go to war with some remote third world country, are we in a state of war, and is the balanced

budget requirement suspended? Maybe we could find some client State that will constantly be at war with us. It conjures up memories of the "The Mouse that Roared." It is difficult to see just how this amendment will work out. We take all of these risks—and for what purpose?

There was a great Maryland journalist, known as the Sage of Baltimore, H. L. Mencken, who said that "For every problem there is a solution that is simple, easy, and wrong."

One of the strengths of our political system is self-restraint. The Senate itself embodies many unwritten but useful rules of conduct that have kept our Government chugging along for very close to 200 years. And one of these unwritten laws is the water's edge doctrine—where narrow partisan political maneuvering stops at the water's edge.

I thought that we always accorded to the Constitution of the United States at least that degree of respect that we accorded to foreign policy; that we place it above partisan political wrangling.

I think a vote for this amendment, for this substitute, for this statutory approach, would take the Constitution out of the politics of 1982, where it has no place, and will let future generations know that the U.S. Senate acted with prudence and wisdom and restraint, true to the role that the Founding Fathers had in mind when they created the U.S. Senate.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Utah yield me time?

Mr. HATCH. I yield such time as the distinguished Senator from Virginia may require.

Mr. HARRY F. BYRD, JR. Mr. President, I am not one of those who feels that a balanced budget constitutional amendment is a panacea for all of the evils of the present budget process. The Senator from Virginia is not one who feels that the constitutional amendment mandating a balanced budget will necessarily and of its own solve the problem of overspending and the continued unbalanced budgets. But, frankly, Mr. President, I do not know of any other way to bring discipline to the Members of the Congress in regard to spending.

The Senator from Maryland stated in debate 2 weeks ago, and indicated again here today, and the Senator from Montana stated in debate today, that they feel that the balancing of the budget is a matter of will, a matter of congressional will. And they are totally right.

We in the Congress should have the will and should have the determination, should have the courage to live within our means. But the record shows that such is not the case.

The Government of the United States has had a balance budget once in 25 years—once in 25 years. There is no discipline on the part of the Congress when it comes to spending Federal funds. There is no mechanism in law today to bring a discipline to the Members of Congress in the handling of the tax funds of the hard-working men and women of our Nation.

That is why I think it is important and essential that we adopt this proposed constitutional amendment, which, if it becomes law, will mandate by the Constitution that the Government live within its means unless by a three-fifths vote it concludes not to do so.

Mr. President, Congress has made a mockery of its own laws. There is on the statute books today a law requiring a balanced budget. The Congress refuses to obey this law. There is not only one law, but two laws. One law was enacted in 1978 being applicable for the fiscal year beginning 1981. But a subsequent law was also enacted.

I invite the attention of the Senate to RECORD page H 9045, September 17, 1980. An amendment was offered by the gentleman from California, Mr. PASHAYAN. Mr. PASHAYAN said this:

> Mr. Chairman, this amendment is being put on the floor here by myself in order to insure that a section of the 1978 law does not die by neglect.

The 1978 law to which he referred is the Byrd-Grassley amendment which was adopted in 1978.

Mr. PASHAYAN goes on to say:

> In the 1978 act, Mr. Chairman, the Congress promised the American people to balance the budget beginning in fiscal year 1981, and that is in October, only a few days away. What this amendment simply does is to say that Congress reaffirms that commitment made in 1978 to balance the budet beginning in fiscal year 1981.

So, Mr. President, the entire Byrd-Grassley amendment was reenacted on September 17, 1980, plus an introductory phrase reaffirming the commitment of the Congress. I read the amendment which was approved in 1980. It says:

> The Congress reaffirms its commitment that beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

So the entire Byrd-Grassley amendment was reenacted for the second time on September 17, 1980. There have been two statutes requiring a balanced budget enacted by the Congress and signed by the President, not one statute but two statutes requiring a balanced budget.

The proposal offered by the Senator from Maryland (Mr. MATHIAS) and the Senator from Montana (Mr. BAUCUS) is a proposal with merit. It is one that I could support if it were not offered as a substitute for a constitutional amendment. I think it would make an excellent proposal as an interim, during the period between the time that the constitutional amendment takes effect and the present time. If it were offered as a piece of legislation separate from the constitutional amendment, the Senator from Virginia would be glad to support it. But the problem with the Mathias-Baucus proposal is that it is almost certain to meet the same fate that the other two statutes have met, one, the Byrd-Grassley amendment and the other the Pashayan amendment, both statutes mandating a balanced budget. The Congress in each case has refused to obey its own law, its own statute.

So I cannot support the Mathias-Baucus substitute because I do not believe it would be effective; it would not accomplish what I believe a large majority in the Senate wants accomplished, namely, a balanced budget.

I say again I think it has merit as a separate piece of legislation and as an interim position between now and the time the balanced budget constitutional amendment takes effect.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, does anyone else wish to speak on the amendment, pro or con?

Mr. President, I will take just about 2 minutes.

This is another amendment to substitute a statutory procedure for a constitutional amendment to balance the budget. I simply want to say that the statutory procedure has been followed, as I pointed out on the previous amendment we discussed.

The able Senator from Virginia was the author of the statute that would balance the budget for 1981 and subsequent years. Congress practically ignored it.

A statute passed today can be superseded by another statute tomorrow. What we want is a constitutional amendment to mandate the Congress to balance the budget. This amendment does not do that.

The PRESIDING OFFICER. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I would like to make one very brief point, which goes to the major argument the Senator from South Carolina and the Senator from Virginia are making. That is that the statutory approach does not have any effect, therefore, we should have the constitutional amendment.

Mr. President, I have not conversed with the Senator from Virginia on this point but I might point out to this body that while it is true that Congress did, by law, amend the original statute placed into law by the Senator from Virginia, theoretically, anyway, the Senator from Virginia or any

other Senator had the opportunity to talk about that change, to filibuster that change in the law.

We all know that it takes 60 Members of this body to vote cloture and close off a filibuster. What I am suggesting is whether we are talking about the statutory approach offered by the Senator from Virginia or the statutory approach offered by the Senator from Maryland and myself, or any statutory approach, as a practical matter it takes 60 Members of this body to invoke cloture, to choke off a filibuster. My point is that it is easy for Members of this body to prevent a change in the law and to prevent the 51 Members of this body voting by a majority vote to change the law.

It is not that easy to have a statutory change. First, the statutory change would have to pass this body; second, it would have to be changed by the other body, and, third, it would have to be signed by the President. It is not easy to change a statute if any significant number of Members of this body want to prevent the statute from being changed.

We all know that it is far easier to prevent a statute from being passed than it is to get a statute passed. There are so many roadblocks between introduction of a bill and signature by the President that any concentrated effort on the part of any one Senator or group of Senators to prevent a statute from being signed by the President would be fruitful and that bill would not become law.

So it is not easy to, by statute, change an underlying statute. In fact, anybody who wants to prevent the underlying statute from being amended finds it very easy to do so.

Mr. President, I therefore suggest that Members think twice before voting against a statutory approach. They should recognize that the statutory approach has teeth in it. As the Senator from Maryland pointed out if a statute is in effect and if a budget resolution or any other measure is before this body which has the effect of having expenditures exceeding receipts, any Member in this body can stand up and raise a point of order that Congress is violating the statute. Therefore, the pending matter, could not be considered until, under the rules, that point of order goes directly to the Senate and the Senate votes on it. So there would be a direct vote on whether Congress should let expenditures exceed receipts.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. ABDNOR). Who yields time?

Mr. THURMOND. Does anyone desire to speak for or against this amendment?

Mr. President, I do not hear anyone who wishes to speak on this amendment further. To the able Senator from Montana, I suggest we yield back our time and we are going to stack the votes for tomorrow on these amendments.

Mr. BAUCUS. Mr. President, I yield back the remainder of my time.

Mr. THURMOND. Mr. President, I yield back my time on the amendment.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER OF BUSINESS

Mr. THURMOND. Mr. President, we are open for other amendments if anyone has an amendment to offer. The distinguished Senator from Nebraska indicated he wanted to offer an amendment. The distinguished Senator from Alabama (Mr. HEFLIN) indicated he may offer an amendment. The distinguished Senator from California (Mr. CRANSTON) indicated he may offer an amendment. If we could get those people over here, if the minority could notify those on that side of the aisle, it would help.

Mr. HARRY F. BYRD, JR. Will the Senator from South Carolina yield?

Mr. THURMOND. I am happy to yield.

Mr. HARRY F. BYRD, JR. The Senator from South Carolina, the Senator from West Virginia, and the distinguished majority leader (Mr. BAKER) are having difficulty getting amendments presented to this amendment. Time is running short. Personally, I do not want any amendment to this amendment. I think the way the Judiciary Committee, under the able leadership of the distinguished Senator from South Carolina, brought the amendment to the floor, it is an appropriate piece of legislation the way it is. But to those who do have amendments, and I understand there are some 27 or 28 still pending, it seems to me it would be wise to offer those amendments so they can be considered. As I understand the unanimous-consent agreement, a vote must be taken on the entire measure not later than noon on Wednesday, does it not?

Mr. THURMOND. That is correct, Mr. President.

Mr. HARRY F. BYRD, JR. I join with the Senator from South Carolina in urging that the amendments be presented, else the Senate will be confronted in the last few hours with amendments that may be presented but not debated, which is not a very good way to handle legislation.

Mr. THURMOND. Mr. President, I commend the able Senator from Virginia. He is exactly right. We think those who have amendments should come forward and present those amendments so they will not come up at the last minute, when there will not be an opportunity for fair debate.

HART AMENDMENT NO. 1940

Mr. THURMOND. Mr. President, I understand that the Senator from Colorado (Mr. HART) is on the floor now. Does he have an amendment he wishes to bring up?

Mr. HART. Mr. President, it is my intention to offer an amendment but, due to parliamentary circumstances, I should like to ask unanimous consent that it be in order to take time off the time allocated for that amendment to present the arguments for it and reserve actual introduction or calling of the amendment up until tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, what is the number of the amendment?

Mr. HART. The amendment is printed amendment 1940, with a slight modification.

Mr. THURMOND. Mr. President, we have no objection to that. We shall be glad to accommodate the able Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. I thank the Chair. I thank the distinguished floor manager.

Mr. President, tomorrow I shall send to the desk an amendment which is a slight modification of printed amendment numbered 1940. Pending that and under the consent agreement, I should like to go forward with arguments in favor of that amendment without actually calling it up; of course, with the understanding that the time taken for those arguments will count against the time agreed to on that amendment.

Mr. President, I ask unanimous consent that Mr. Jeff Blattner of my staff be granted the privilege of the floor during consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, one of the many problems with the proposed balanced budget constitutional amendment, presently under consideration, is the fact that it will reduce the ability of the Federal Government to finance capital expenditures, which are long-term investments in our economic and social infrastructure.

Our schools and our hospitals, our highways and our dams, are all built to last many, many years. Our education and training programs and our research and development projects provide the bulk of their benefits, not now, but many years in the future.

Under the so-called unified budgeting system currently used by the Federal Government, the annual budget statement that is presented to us and that we consider in our budget process, does not distinguish between oper-

ating expenses, such as salaries for Government employees and gasoline for Government vehicles, and capital expenditures, such as those used to build interstate highways or acquire lands for our national parks or to procure long-term weapons systems for our military services. In calculating total outlays, our current "unified" budget allocates the total cost of a capital investment over the 1 or 2 years it takes to pay for it, rather than the 5, or 10 or 20 years the asset will be in use. In addition, there is no requirement in the current process that the President and Congress undertake any systematic planning concerning which capital expenditures should be made in the future, and how those expenditures should be paid for.

Mr. President, I believe there is a better way: Responsible capital budgeting. A capital budgeting system distinguishes between operating expenditures, which are "expensed" on a current basis, and capital expenditures, which are treated as long-term assets to be financed on a "pay as you use basis"; that is, they are paid for over their useful lives. Virtually all of America's businesses use a capital budgeting system of some kind. According to Public Budgeting Systems, by Robert D. Lee, Jr., and Ronald W. Johnson, "virtually all municipalities and a large number of States have capital budgets." The Congressional Research Service found that, in 1979, all States distinguished between capital expenditures and operating expenditures in their budgets.

Mr. President, my own State of Colorado recently enacted its first capital investment budget. I ask unanimous consent that an article from the July 1982 issue of Public/Private, which describes that budget, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAMM CREATES FIRST CAPITAL INVESTMENT BUDGET

Colorado's unprecedented growth, combined with recent federal cutbacks, is creating a critical need for investment in the state's infrastructure. In response to this, Governor Lamm created the state's first annual Capital Investment Budget and Five-Year Capital Investment Plan.

State government has taken several steps in the last few years to focus new attention on capital investment needs. The Annual Capital Investment Budget is the first comprehensive budget of this nature submitted to the legislature.

The budget calls for an additional $52 million in 1982-83 for the construction of water storage projects; dam, highway, bridge, and railroad-crossing improvements; and sewage and water supply treatment facilities. The budget is part of a five-year plan to invest up to $1 billion in Colorado's growth. In some cases, the projects will generate a revenue return for the state, such as in the construction of hydroelectric plants. But most of the projects will benefit Colorado's vital services.

As proposed, the state would generate revenuess for the budget from the newly created two-cent gasoline tax, the General Fund surplus, severance tax trust assets, and transference of funds from the Water Resources and Power Development authority and the Colorado Water Conservation Board. The legislature recently defeated a proposed railroad-usage tax, which would have been another revenue source.

The continued weakening of the national economy, however, threatens to diminish the state's General Fund surplus which, in turn, might limit the proposed investments (see "Economic Review" in this issue). One-third of the capital investment budget is to be funded by the surplus.

The Governor has signed into law the first portion of the budget—$25 million for the construction of water storage projects, which will be matched by federal funds. Colorado is the first state in the country to share the cost of water projects with the federal government. Other portions of the budget are in various stages of legislation.

Mr. HART. Mr. President, in Sunday's New York Times, Treasury Secretary Donald Regan was quoted as stating:

Perhaps the Federal government should have (a capital budget) whether it has a balanced budget amendment or not.

A capital budgeting system has the following major advantages over our current unified budgeting system:

It sets forth the real benefit and the true cost of the Federal Government of financing capital expenditures;

It facilitates comprehensive planning so that decisions about which capital expenditures should be given priority can be made intelligently;

It permits systematic analysis of how proposed capital expenditures should be financed; and.

Unlike Senate Joint Resolution 58, it will give America the flexibility it needs to rebuild our decaying public infrastructure.

Mr. President, the argument for a national capital budget was made quite articulately in a recent article by Pat Choate in the winter 1981 issue of Public Budgeting and Finance. I ask unanimous consent that the full text of the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CASE FOR A NATIONAL CAPITAL BUDGET

(By Pat Choate)

America's public facilities are too obsolete, too worn out and too limited to provide the necessary undergirding the Reagan Administration's economic renewal program will require. The inadequacies of the nation's public infrastructure will force reduction in present levels of public works-related community services such as fire protection, public transportation, water supplies, and secure prisons.

Although the deteriorated condition of public facilities is a major threat to our economic and social well-being, the United States lacks the basic tools necessary to formulate and institute effective remedial action. The primary deficiency is the absence of a national capital budget. This article will describe the deteriorated condition of America's public facilities, its causes, possible remedial actions, and the central role of a national capital budget.

THE EXTENT OF PUBLIC FACILITIES DECLINE

While comprehensive and reliable information is unavailable, the partial information that does exist outlines the dimensions of the inadequate condition of the public facilities. For example, one of every five bridges in the United States requires major rehabilitation or total reconstruction. A fifth of the 42,500-mile Interstate Highway System is past its designed life, worn out and must be rebuilt. Half of the nation's communities are dependent on waste-water treatment systems that are operating at full capacity, and a third of all communities have water treatment systems in a similar condition. One half of Conrail's roadbeds and rails are so deteriorated that these facilities must either be rebuilt or abandoned. As many as 90 percent of the nation's 3,500 prisons are so limited and antiquated they must be rebuilt, often under judicial order.

When these and other inadequate public facilities essential to private sector investment, such as ports and publicly operated solid and toxic waste disposal plants, are considered, at least two-thirds and more likely three-quarters of our communities must be rated as unable to support modernized development unless major new investments are made in their public infrastructure.

Inadequate public facilities exist in all parts of the nation: urban, rural, suburban, north, south, east, and west. Essentially, the infrastructure deficiencies in the northeast and industrial midwest are related to the need for rehabilitation and maintenance of existing facilities that are past their designed life; while those of the south and west are primarily related to financing and construction of new facilities needed to support growing populations and economies.

THE CAUSE OF DECLINE

America's public infrastructure is obsolete, limited, and worn out for two basic reasons: (1) two decades of massive underinvestment, and (2) massive waste, misplaced priorities, and fraudulent uses of much of those limited funds that have been forthcoming. Specifically, in spite of mounting evidence of decline in the nation's public infrastructure, the real value of investment in public facility construction by all levels of government declined approximately 30 percent between 1965 and 1980. Moreover, the Reagan Administration intends to cut back public facilities expenditures by at least $16 billion during fiscal years 1982, 1983, and 1984.

Massive waste, pork barrel politics, and misplaced investment priorities are endemic in American public works policy making and program administration. The darker side of public works administration—fraud—is less visible than waste and misplaced priorities, but apparently is just as prevalent. Indeed, in some areas, pay-offs, price-fixing, influence peddling defective work, exhorbitant costs, and even extortion have almost become institutionalized. For example, on the basis of extensive field inspections, a special Massachusetts Corruption Commission reported the $6.4 billion on the $10 billion of Massachusetts state and county building construction during the 1968-80 period was defective and now requires repair. Because of defective workmanship

and materials, some facilities were so unsafe at the time of completion they have never been used. The cost of repair will be over $2.1 billion. The *Tennessee Journal* reports that until 1979, architectual contracts for state construction were awarded on the basis of political contributions. In Oklahoma, a statewide pay-off scandal resulted in the indictment of 200 persons and the resignations of the commissioners in 60 of the state's 77 counties. One supplier confessed to more than 8,000 pay-offs over a period of 30 years. Much of this fraud was related to public works. Such examples are now found in almost all states and in many public works programs. Fraud is now so prevalent that its abatement must become a top priority of public management.

The Justice Department has launched a multistate investigation of price fixing and pay-offs. In 1980 that investigation resulted in indictments against 34 companies and 41 individuals in four states.

DISORDERED POLICYMAKING

In large measure the underinvestment, misplaced priorities, waste, and fraud associated with public works activities can be traced to disordered federal public works policies and the absence of federal oversight. The federal government plays a dominant role in the nation's public works activities because half of all financing for the construction of public works comes from the federal government, and federal grant-in-aid matching requirements and federal regulations set the ground rules for much of what is expended by state and local governments from their own sources.

The disorder in federal public works policies and administrative practices is extensive. Almost $40 billion of annual federal public works expenditures are made in the absence of even the most basic information and policies. The United States has no inventory of the nation's public facilities; there is no assessment of the condition of existing public facilities; there are no standards for the services to be provided by basic public facilities; there are no investment priorities; there is no uniform estimate of future investment needs; there is no basic agreement between the federal, state, and local governments as to the allocation of public works authorities and responsibilities for specific types of projects, such as highways and parks, or for specific public works activities such as construction, maintenance, and operation; and there is virtually no oversight of federal public works expenditures.

Federal public works activities are managed in an ad hoc manner. The executive branch submits capital items as part of the budgets of individual programs or agencies, such as the Community Development Block Grant Program, with no recommendations on priorities, few specifics on use, and no identification of how federal expenditures fit into overall long-term federal and local public investment strategies. The executive budget does not include a cross-cutting analysis of public works expenditures or long-term estimates of associated construction, rehabilitation, operating, and maintenance requirements. No analysis is provided on the consequences of action or inaction.

In the Congress, public works activities are fragmented among many committees and subcommittees. There, as in the executive branch, ad hoc approaches are used: there are no long-term strategies, and no separate capital budget in the congressional budget process.

The disordered processes used by the Federal Government are not an accident. Rather, the confusions and lack of information inherent in existing approaches have been acceptable and politically useful to both the executive and legislative branches. Various presidents have not wanted a capital budget, because the articulation of a public works investment strategy would identify projects that are politically popular, and might divert funds from a growing menu of social programs. The political popularity of public works projects would make budget balancing even more difficult than it ordinarily is, since Congress has traditionally been willing to fund public works when it wouldn't consider softer social programs. Surprisingly, this attitude toward a capital budget was set forth in President Carter's January 1980 budget submission to Congress:

"The Federal Government has never produced a capital budget in the sense of one in which capital or investment type programs are financed separately from current expenditures. One major reason is that a capital budget could be misleading as a measure of the government's effect on the demand for economic resources. Another is that such a budget might favor programs with intensive expenditures for physical assets, such as construction, relative to other programs for which future benefits cannot be accurately capitalized, such as education or research. Likewise, physical assets might be favored relative to current operations in any given program, since deficit financing for capital would be easier to justify."

Because votes are swapped for pet projects, Congress continues to use ad hoc approaches. The House of Representatives has been the more resistant of the two branches of the Congress to rationalizing the Federal Government's public works activities. In 1980 and 1981, the Senate overwhelmingly passed bills to force coherent capital budgeting on the General Services Administration, but the House refused to pass such legislation. Neither house has passed legislation that would create an overall capital budget for the Federal Government.

As a consequence of incomplete and disordered federal public works practices, numerous policy and administrative problems exists. First, no comprehensive view is taken of the nation's public works needs, the role of the respective levels of government in meeting these needs, or how specific federal actions relate to each other.

Second, present approaches actually foster log rolling politics. In the absence of clearly documented needs and well-articulated priorities, the nation's public works expenditures are used as a medium of political exchange—votes are exchanged for support of specific projects that are "log rolled" through the legislative and appropriations processes.

Third, the short term is favored over the long term. In a log rolling environment, it is difficult to create and maintain a coalition that can substain a long-term project, no matter how vital such a project may be. Irrespective of the merits of the Tennessee Tombigbee Project, the difficulties of creating and maintaining a political coalition for that project has required the active involvement of political leaders from that region for almost two decades—and the end is not in sight. Few political leaders are willing to make such a commitment. In the absence of long-term strategies and commitments, politicians tend to favor projects that can be largely financed in one fiscal year. Unfortunately, many of the nation's most important public works challenges, such as rebuilding the Interstate Highway System, reconstructing Conrail, and assuring adequate supplies of clean water, will take a decade or more to complete.

Forth, in the absence of a coherent national public works investment strategy which identifies needs and the means to meet them, aggregate public infrastructure investments cannot be systematically and thoughtfully considered against aggregate social and defense requirements. As public facility investments were ignored and deferred in the 1960s and 1970s in order that limited public funds could finance growing social expenditures, similarly public works investments will likely be ignored and deferred in the 1980s because of rising defense expenditures—particularly if these public facility needs are not clearly and systematically specified.

Finally, disordered federal public works practices create major obstacles to effective management of state and local public works. Since the federal government dominates state and local public works activities, its short-term focus, start and stop financing, log rolling politics, and bias to new construction over rehabilitation and maintenance expenditures makes coherent state and local policy making and program administration almost impossible.

A NATIONAL CAPITAL BUDGET

The federal government needs to bring coherence and order to its capital expenditures—irrespective of whether it increases or decreases public works funding. The first and most important step in this process is the creation and use of a national capital budget.

A national capital budget would consist of three essential components: (1) current and projected capital needs and expenditures, (2) current and projected operation and maintenance needs and expenditures, and (3) sources of financing.

The capital budget would identify capital investment needs and (1) proposed federal investment in facilities to be used by the federal government, and (2) proposed federal grant-in-aid financing of public works for state and local governments. Priorities would be identified. Current and future (perhaps up to ten years) investment projections are needed. To be useful for policy making and program management, this information would have to be disaggregated in a variety of ways, including:

1. A division of investments by types of facilities such as transportation, water treatment facilities, flood control facilities, and airports. This would be further divided by region or state. These two types of classifications could be used to prepare priority lists for investment by types of facilities and areas. To make decisions on these bases, the government would need analyses of the condition of existing facilities, data on quality of services provided, projections of future demand, and estimates of alternative future investment costs.

2. The identification of proposed public works investments by federal agencies. This would permit analysis of the roles of agencies when more than one makes the same type of investment. (For example, seven federal agencies now invest in water treatment facilities, each using its own policy and administrative criteria.)

3. The allocation of capital expenditures for new construction, rehabilitation, land

purchases, purchase of existing buildings, and other cases. (Such a breakdown would permit an identification of instances where existing programs favor new construction over rehabilitation, and would facilitate life-cycle costing.)

4. A distinction between economic development investments and public works for basic community services (for example, industrial parks versus creation of recreation facilities).

A national capital budget would include projections of the funds needed for operation and maintenance of federally financed public works—by programs, type of project, and area. Capital stock creates demands for operation and maintenance funds. To avoid deferring maintenance and to ensure the availability of funds to operate essential facilities, a number of cities, such as Cincinnati, Ohio, and Waco, Texas, will not consider new capital construction unless there is assurance of long-term operation and maintenance funds. Similar national standards are necessary for facilities whose construction and rehabilitation are wholly or partially funded by the federal government. We no longer can afford a "build it and forget" style of public administration.

A national capital budget would classify public works investments (i.e., construction, rehabilitation, maintenance, and operation) and identify the responsible level of government for financing specific categories of public works projects (roads, water supply, etc.), the specific activities associated with those projects (construction, rehabilitation, maintenance, and operation), and the sources of financing.

POLICY AND MANAGEMENT USES OF A NATIONAL CAPITAL BUDGET

A national capital budget would bring coherence to public works policy making and program management by providing a framework for legislative and administrative decisions.

A capital budget would permit public works policy making and program administration to be considered within a consistent framework. A national capital budget would provide a framework for analyzing significant issues in a systematic manner:

1. The aggregate requirement for domestic non-defense public works investment in the face of other pressing claims such as national defense and social programs.

2. The relationship of public works investments to national defense, social policies, and economic development objectives.

3. The impacts of government regulatory actions on public works investments and operations. For example, mandated investments to provide the handicapped with access to public transportation threaten to bankrupt some public transportation systems.

4. The consequences of allocating limited public works funds to new construction, rehabilitation of existing facilities, and operation/maintenance.

5. The social and equity issues associated with the distribution of public works funds among and between various regions.

Capital budgeting is a political process through which resources are allocated to meet a variety of objectives. The creation of such a budget would provide a framework in which the advocates for federal investments in public works could negotiate these potential expenditures with the many other claimants of federal funds.

Public works investments reflect past choices, decisions, bargains, compromises, and allocations which provide the foundation for future actions. A capital budget could chronicle this important historical information. It could also be a basic statement about the future, specifying goals and the resources needed to attain those goals—a statement that can provide a foundation for effective planning by other levels of government and the private sector.

States and communities dependent on federal public works funding now operate on a year-to-year basis with the possibility that federal "commitments" will be altered or regulations changed. State and local governments need more certainty than a one-year federal budget. A capital budget would increase certainty. The private sector would also profit from improved certainty. For example, the private sector could have adjusted more efficiently to air and water control standards if in the early 1970's the federal government had more clearly specified its intentions.

The creation of any public facility also places a variety of demands on other public programs and services. A National capital budget could provide a mechanism for identifying and qualifying these demands.

Mr. HART. Mr. President, the definition of "total outlays" contained in Senate Joint Resolution 58 would prohibit the Federal Government from adopting a pay as you use capital expenditure budget. It would lock us into the current unified budget system, by defining "total outlays" as "all outlays by the Federal Government except those for payment of debt principal." Thus, the proposed balanced budget constitutional amendment would prohibit the Federal budget from distinguishing between capital expenditures and operation expenditures. It would prevent adoption of the sensible budgetary and accounting system used by most of America's businesses and many of its State and local governments.

Combining the requirement of a unified Federal budget with a prohibition against running a budget deficit, as the proposed constitutional amendment would do, will drastically reduce the capacity of the Federal Government to make the capital investments so necessary for this country's future. The proposed balanced budget constitutional amendment would make the Federal Government powerless to do what businesses routinely do to finance capital expenditures: borrow money to pay for capital investments and repay the loan over the useful life of the investments, which is a very basic and fundamentally sound accounting and financial principle.

To illustrate my point, consider the case of a new manufacturing business that needs an expensive piece of heavy machinery to start production. If the business were required to pay the entire cost of the machinery when it took delivery, and was forbidden to run a deficit—that is, to borrow—to do so, there is no way that business could afford the equipment necessary to start production, and therefore that business would just not get off the ground.

Mr. President, many of America's auto companies are in a situation similar to that of the country as a whole: They need to make substantial capital improvements if they are to have a prosperous future. If the auto companies were prohibited from borrowing for these kinds of expenditures during their lean years, they could not afford new technologies and research and development the need to compete in the world.

In a very perceptive column in the Washington Post recently, a very prominent businessman in this country, Mr. David J. Mahoney, the chairman of the board of Norton Simon, Inc., wrote, as follows:

If business used (the Federal Government's) system of accounting, the years of greatest capital investment for growing businesses would be the years of greatest deficit, or of markedly lower profits. For example, this type of accounting would have lowered AT&T's 1981 profits to $9 billion from $19 billion.

If the average American followed the Federal government's accounting methods, very, very few would ever be able to purchase a car or house.

Mr. President, I ask unanimous consent that the full text of Mr. Mahoney's insightful article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

WE'RE CHEATING OURSELVES

(By David J. Mahoney)

President Reagan and his senior advisers know it. Most members of Congress will admit it. The federal budget process, as we have come to know and love it, is dead. The current system has produced little except partisan rhetoric, fear, polarization and uncertainty about the future course of U.S. economic policy.

Since the passage of the Congressional Budget Act of 1974, there has been an unmistakable deterioration in the budget process. Today, the budget is a political football, often distorting the true relevance of deficits, debt and government spending. In less than a decade, we have succeeded in transforming the federal budget from a decisive instrument of national planning into a national fire hydrant for every cause and special interest group.

The current budget impasse is only a symptom of a deeper problem. The evidence is clear. Decisions are deferred and deadlines are not met. Budgets are repudiated and forecasts invalidated only days or weeks after submission.

With the budget process at its nadir, we have an opportunity and responsibility to devise a new system that, in the words of President Reagan, "befits the great government of a great nation."

The U.S. government's current "unified" budget system lumps operating expenses (salaries for civil servant, office supplies, etc.) with capital expenditures (public buildings, roads, land, etc.). The government makes no distinction between one type of expenditure and another. Construction of a capital asset such as a hospital for veterans, for example, adds to the deficit, whereas the

sale of land reduces the deficit. This is done even though the hospital, under normal accounting practices, would be treated as a long-term asset, not a deficit. Also, the government expenses the total cost of that hospital over the one or two years it takes to construct the building—even though the hospital will be in use for 30 to 40 years, or longer.

If business used this system of accounting, the years of greatest capital investment for growing businesses would be the years of greatest deficit, or of markedly lower profits. For example, this type of accounting would have lowered AT&T's 1981 profits to $9 billion from $19 billion.

If the average American followed the federal government's accounting methods, very, very few would ever be able to purchase a car or house.

Today's "unified" budget is misleading in that it not only does not recognize the nation's capital assets, it encourages higher deficits by hiding future-year costs. And it provides no formal planning for the maintenance and replacement of America's vitally important public infrastructure. In an era of limited resources, such as today, a unified budget may also give the American people false information and choices that could lead us to abandon our commitment to education, jobs, health and a better life for the less privileged in our society.

Clearly, a change is needed. But to what? As a first step in rebuilding our federal budgetary system, I suggest our national leaders take a fresh look at an old idea—a capital budget.

Unlike the federal government, nearly all private corporations, state governments and most local governments use a capital budget. Under a capital budget, first proposed for the federal government by the 1949 Hoover Commission, expenditures are separated into current operating expenses and capital investments. Under a capital budgeting system, capital or investment-type programs are financed separately from current expense programs. Included in a capital budget would be current and future maintenance and construction capital requirements, sources of financing, and life-cycle costs.

For discussion purposes, let's assume that we transform the U.S. government into America, Inc., with a business-style balance sheet and capital budgeting system. There would be several surprises.

First, we would discover that America, Inc., has enormous assets that are not widely publicized or known. America, Inc.'s land holdings consist of 500 million acres—one-fifth of our nation's oil and gas resources, 50 percent of our coal, 80 percent of our oil shale, 50 percent of our uranium and 50 percent of our geothermal energy resources.

Unfortunately, no one really knows how much America, Inc.'s total assets are worth—we've never taken an inventory. Capital budgeting would force such an accounting, giving Congress and the president better information on our net worth on which to base national policy.

The second surprise we would discover is that America, Inc., like other large corporations, has a serious need to improve its capital investments program. America's public facilities are wearing out faster than they are being replaced. It is estimated that it will cost between $2.5 and $3 trillion over the next decade to maintain just the present level of services and public infrastructure.

Currently, the U.S. government has no system for planning or setting priorities for public works expenditures other than through wasteful and indefensible "pork barrel" politics. A capital budgeting system would establish a formal system of long-range planning to manage the public infrastructure necessary for private-sector growth rather than focusing on single projects advocated by individual politicians.

Third, a capital budget would give us a new perspective on America, Inc.'s debt and its "deficits." America, Inc.'s long-term debt today is about $1.1 trillion—by any measure, a lot of money. But, rhetoric aside, how significant is a $1 trillion debt? Historically speaking, it's not much to be concerned about. America's debt at the end of World War II was slightly larger than our gross national product. In the late 1950s, our debt was about 50 percent of GNP; by 1974, it was 25 percent of GNP. Today, $1 trillion represents about 28 percent of GNP—hardly a figure to justify the current hysteria and hyperbole.

Deficit projections, ranging from $92 billion to $233 billion are a constant feature of the front pages and a favorite subject for speeches these days. The current "unified" accounting system distorts the significance of these numbers because it ignores our assets.

Don't misunderstand. I am not saying that deficits, particularly in the $100 billion and up range are not important. They are important. They drive up interest rates, compete with private-sector borrowing, and prolong the recession, and they must be dealt with.

But, they must be dealt with in the perspective of America's total net worth. The deficit is not the single most important indicator of our national net worth. The rhetoric surrounding the deficits has caused many Americans to overlook and to doubt their country's real economic strength.

A capital budgeting system would provide a comprehensive and balanced picture of America. It would provide more openness in the budget process and more accurate accounting of total life-cycle costs. Decisions on proposed government expenditures could be made based on hard numbers, not on the politics of the moment.

Mr. HART. Mr. President, by prohibiting the Federal Government from financing its capital expenditures on a "pay as you use" basis, Senate Joint Resolution 58 will make it virtually impossible for the Federal Government to play its crucial role in rebuilding our Nation's decaying infrastructure.

Two tragic developments within the past month make clear that this Nation must commit itself to improving the condition of that infrastructure:

In my own State of Colorado, an 80-year-old, earthen dam burst, killing several campers and sending flood waters pouring through the scenic town of Estes Park; and

In Jersey City, N.J., an aqueduct broke, causing almost 300,000 residents to be without drinking water for 6 days.

In its cover story last week, Newsweek reported that "America's infrastructure—the vast, vital network of roads, bridges, sewers, rails and mass-transit systems—is heading toward collapse." A recent front-page story in the New York Times described our Nation's infrastructure as neglected and decaying.

These articles reported the following sad facts about the state of our Nation's public facilities:

One-quarter of the Interstate Highway System is worn out and in need of resurfacing. The total repair bill is estimated at $33 billion over the next decade.

One-half of Conrail's rails and roadbeds are seriously decayed.

A survey conducted by the Economic Development Administration showed that half of the communities in America cannot expand because their water treatment systems are at or near capacity. It will cost our Nation's cities $75–$100 billion to maintain those systems over the next 20 years.

One-fifth of the Nation's bridges are so deficient that they are either restricted or closed. The Transportation Department recently classified 45 percent of the Nation's highway bridges as deficient or obsolete. Replacing or repairing them would cost $47.6 billion.

The Army Corps of Engineers found that nearly 3,000 dams in highly populated areas were unsafe; of these, 130 were found to be in danger of collapse.

In addition, another recent study found that nearly 90 percent of the Nation's 3,500 prisons are so limited and antiquated that they must be rebuilt, often under court order.

Mr. President, I ask unanimous consent that the full text of these articles be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Newsweek magazine, Aug. 2, 1982]

THE DECAYING OF AMERICA

(No one noticed the spidery crack inching its way along the concrete casing of New York city's 65-year-old water tunnel No. 1. But one weekday morning, 600 feet below the Bronx, the steady torrent of water loosened one chunk of concrete, then another, then another, until an underground landslide closed the tunnel off. Manhattan's water trickled to a stop. Within minutes pumps in High-rise buildings, trying to compensate for the loss of pressure, caused a widespread blackout. Elevators stopped at mid-floor. Subway rolled dead, their antiquated electrical backup systems unable to handle the sudden load. Sewers backed up. Fires raged. Before rescue workers could come to their aid, thousands of panic-stricken New Yorkers headed for the only means of escape—the city's dilapidated bridges. Over-loaded with humanity and cars, the 73-year-old Queensboro Bridge cracked, groaned and toppled into the East River.)

That vision of urban apocalypse isn't far-fetched. America's infrastructure—the vast, vital network of roads, bridges, sewers, rails and mass-transit systems—is heading toward collapse. The decay is most acute in older industrial cities, but clogged highways and strained water systems also threaten to

strangle booming Sun Belt towns, and even in dusty rural communities, potholes batter chassis and jangle motorists' nerves. Two weeks ago, in one 24-hour period, an 80-year-old earthen dam burst in Colorado, sending a wall of water through the town of Estes Park, and a major aqueduct broke in Jersey City, N.J., leaving nearly 300,000 residents without drinkable water for six days. Says Robert Harpster, executive director of the Iowa League of Municipalities, "Our sewers leak like sieves, our mass transit is in bad shape and our roads look like the Ho Chi Minh trail."

Ever since the canal boom of the 1800s, public works have shaped the nation's character and accommodated its growth. But today one-quarter of the interstate-highway system is worn out and needs resurfacing. One-half of Conrail's rails and roadbeds are seriously decayed. Half of all American communities cannot expand because their water-treatment systems are at or near capacity. One-fifth of the nation's bridges are so dangerously deficient they are either restricted or closed. "We're living on our laurels of the 1950s and 1960s," says Transportation Secretary Drew Lewis. Agrees Pat Choate, co-author of "America in Ruins," a study of the crisis for the Council of State Planning Agencies: "We've been squandering a major part of our national wealth."

All told, the cost of needed repairs around the country could run as high as $3 trillion. But the bills are coming due at a time when there is little money to spare. The Reagan Administration favors cutting Federal aid for highways, bridges and pollution-control projects and plans to phase out mass-transit operating subsidies by 1985, leaving state and local governments to pick up the slack. For their own part, many states and cities are already in fiscal *extremis* and will be forced to spend more and more scarce funds for simple operating costs as Federal aid to other programs diminishes. Money is even tighter where strict local tax-cut measures are in effect. Under Proposition 2½, for example, Massachusetts is devoting only .5 percent of its budget this year to maintenance and repair—a policy one expert on the state's budget, Mark Ferber, calls "penny-wise and pothole foolish."

At the same time, record interest rates have driven the cost of issuing municipal bonds—the traditional means of raising capital funds—prohibitively high. And other recent Federal policies have hardly helped. All Savers certificates, Individual Retirement Accounts, accelerated depreciation and "safe harbor" leasing laws have all reduced the incentives for individuals and corporations alike to invest in tax-exempt municipal bonds. "The U.S. Treasury is slowly choking the ability of states to raise money," charges Massachusetts bond counsel Francis X. Meany. Some economists warn that Reagan's plan to stimulate the growth of the private sector through tax cuts could backfire if the roads, bridges, rails and water systems that businesses depend on are allowed to collapse from too little government support.

HUMAN TOLL

Already the nation's decaying physical plant is costing Americans dearly. In Houston, for example, city planners estimate that motorists pay a "traffic congestion tax" of $800 a year in time and gasoline wasted on the city's snarled expressways. U.S. Steel spends an extra $1 million a year detouring its trucks around a closed bridge in Pittsburgh. TRIP (The Road Information Program), a highway industry group, estimates that the aggregate cost to the private sector of bad roads and bridges is $30 billion a year—for everything from broken axles to lost business. Even worse, the infrastructure crisis is exacting a heavy human toll. A recent Federal Highway Administration study found that spending an extra $4.3 billion to fix dilapidated bridges and roads could save 48,000 injuries and 17,200 lives over fifteen years.

There are nearly as many reasons for infrastructure decay as there are potholes. Some of it stems simply from old age. Built largely in the 1950s, the interstate-highway system, for example, was designed to last only 25 years. Many roads, bridges and water systems are also bearing far greater burdens than they were ever expected to accommodate. Boston's six-lane Southeast Expressway, built in 1959 for 75,000 cars a day, is now an axle-crunching obstacle course that carries 150,000 cars daily. And everywhere, age and abuse have been compounded by neglect. Investment in public works by all levels of government has dropped by more than 25 percent since 1972 (chart, page 18). As the fiscal crises of the 1970s hit, many local officials balanced budgets by canceling preventive maintenance and deferring needed repairs. "In the choice between laying off police or maintaining sewers," says Lincoln, Neb., Mayor Helen Boosalis, "the sewers always lose."

Although billions of dollars have been spent on public works in recent years, the vast bulk of expenditures has gone not to maintain old facilities but to build ambitious new pork-barrel projects, often determined more by politics than actual need (page 18). Says E. S. Savas, Assistant Secretary for Housing and Urban Development, "Have you ever seen a politican presiding over a ribbon-cutting for an old sewer line that was repaired?" All too often the cost of such projects is wildly inflated by corruption on the part of construction firms, labor unions, public officials and organized crime—all at the taxpayers' expense (page 17). Meanwhile, the longer the repairs are put off, the costlier they become. "Deferred maintenance becomes reconstruction," says Choate's co-author, Susan Walter.

One big obstacle to good infrastructure maintenance is the very system that controls it. Responsibility for maintaining public facilities rests with more than 100 Federal agencies, as well as the 50 states, more than 3,000 counties and thousands of local agencies. In Cleveland four separate municipal departments share authority over hundreds of dilapidated bridges. In Eaton Rapids, Mich., city manager Dennis Craun has compiled a 120-page booklet of all the Federal regulations that pertain to a 90-year-old one-lane bridge that is not strong enough to carry trucks or buses—but is nevertheless listed in the National Register of Historic Places, and therefore cannot be destroyed. "I'm about at the point where I'd consider driving an 80,000-pound tanker over it," he says. "That would do the trick."

Citizen opposition has also stood in the way of preventive maintenance, since road, bridge and water-main work can be inconvenient as well as costly. But as the decay worsens, some citizens are taking the lead—and some deteriorating facilities have become key political issues. Last March women in Grosse Pointe Farms, Mich., got so fed up with the potholes on Detroit's Lakeshore Road that they donned hard hats and hockey helmets and fixed them. U.S. Representatives Barney Frank and Margaret Heckler are fighting a re-election battle over a 76-year-old bridge in redistricted Fall River, Mass. Frank recently brought the chairman of the House Public Works and Transportation Committee to visit the bridge. Heckler brought Drew Lewis. "If this is what it takes to get action. I'll take it," says bemused Fall River Mayor Carlton Viveiros.

BUMPY RUG

Aware of the growing potency of pothole politics and the genuine dangers of serious breakdown, many city officials are belatedly fighting to save their public facilities—at no small cost to city coffers. Chicago's Mayor Jane Byrne has announced a two-phase, $187.5 million plan to rebuild 22 bridges and viaducts, 90 intersections and 46 railroad crossings. New York City has embarked on a ten-year, $34.7 billion program to renovate streets, bridges and mass transit and work has begun on a third water tunnel. In Pittsburgh Mayor Richard Caliguiri is devoting $60 million of his city's $225 million budget this year to maintenance projects—deferring work on recreation programs. "We can no longer sweep these problems under the rug," says Cleveland's director of public utilities, Edward R. Richard. "The rug is getting too bumpy."

A sampling of the nation's worst infrastructure problems:

HIGHWAYS

Still 1,500 miles short of completion, the once proud 40,500-mile interstate-highway system will need $33 billion worth of repairs in the next decade. But the Federal Highway Trust Fund, which supported the system throughout the 1960's on ever-burgeoning revenues from the 4-cent-a-gallon Federal gasoline tax, has been sorely depleted with the advent of smaller, more fuel-efficient cars. Conditions are even worse on the larger network of primary and secondary roads. The U.S. Department of Transportation (DOT) estimates that the work needed to keep nonurban highways at current levels will cost more than $500 billion over the next ten years— more than Federal, state and local governments combined spent on *all* public works in the 1970s.

CITY STREETS

It takes 100 pounds of asphalt to fill the average pothole, and the record-cold winter of 1982 left a plague of them—1 million, by some counts, in Chicago alone. But city officials are finding that it can also be costly to leave them unrepaired. Two years ago, after paying $20 million in negligence claims, New York City enacted a pothole "prior notice" law, exempting it from responsibility for accidents caused by any street defect not reported at least fifteen days earlier. Not to be thwarted, a citizens group called Big Apple Pothole and Sidewalk Protection Corp. sent an army of workers out to document every crack and rut in Manhattan, Brooklyn and the Bronx.

BRIDGES

Nationwide, 248,500 bridges—45 percent of the total—are structurally deficient or functionally obsolete. But DOT estimates that needed repairs could cost as much as $47.6 billion. Meanwhile, two Federal programs are supposed to provide for periodic inspections and aid to the most dangerous bridges, but a 1981 General Accounting Office report found that many national safety standards were not being met. Heavy trucks continue to barrel over the Mountain Avenue Bridge in Malden, Mass., for example, even though it was "posted" at a maximum of 6 tons in 1977.

MASS TRANSIT

Believe it or not, conditions on subways and buses are actually improving in many cities. Since 1979, when two Philadelphia buses caught fire on the road and only 26 of 108 subway cars were operating on the Broad Street line one night, the Southeastern Pennsylvania Transportation Authority (SEPTA) has raised capital spending from $17 million to $110 million and even brought aged repairmen out of retirement to teach a new generation of mechanics how to fix its 1920s car motors. New York City's Metropolitan Transportation Authority (MTA) has embarked on a five-year, $5.8 billion renovation program, though frequent glitches with its new buses and subway cars have actually compounded maintenance problems in the vintage repair shops. Meanwhile, critics remain leery of the rescue plan, since the financing includes $1.6 billion in bonds to be paid off by farebox revenues. MTA Chairman Richard Ravitch "may be known in the future for two things," says Gene Russianoff of the watchdog group Straphangers Campaign, "rebuilding the system and the $3 fare."

RAILROADS

Tempers have been rising along with fares on U.S. commuter rails. In 1980 half the ridership of the Long Island Rail Road joined in a one-day strike, refusing to show their tickets. "We pay ransom for the privilege of being hermetically sealed in dirty, smelly cars," says Lorraine Pirro, a citizen adviser to New York's commuter rails, which will spend $1.3 billion on capital improvements over the next five years. Many systems are saddled with ancient equipment never designed for stop-and-go commuter service. "Edison Cars," dating back to 1923 when Thomas A. Edison threw the first switch, still make up 10 percent of the New Jersey Transit Corp.'s fleet.

Commuter headaches will be compounded later this year when Conrail gets out of the commuter-rail business, leaving local transit agencies completely responsible for 210,000 riders daily. SEPTA officials warn that unless contracts and work rules are renegotiated (the average Conrail worker earns $40,000 a year), they may have to close down the area's thirteen commuter lines. The precedents set by public takeover of bankrupt freight lines are not encouraging. In Michigan, for instance half of the 931 miles of freight track run by the state lies dormant in disputes over subsidies.

WATER AND SEWAGE SYSTEMS

Every day more than 1 million gallons of tap water disappear through leaks beneath the streets of Berwyn, Ill. In Milwaukee there were 170 water-main breaks in January alone. And in New York City, though the complete failure of one of the two giant water tunnels is unlikely, neither has *ever* been inspected. Experts say a breakdown of some kind is all but certain within the next twenty years. Sometimes made of brick, wood or cast iron and often more than 100 year old, America's sewer and water systems are subterranean time bombs. Choate estimates that 756 major urban areas will have to spend $75 billion to $110 billion to maintain there water systems over the next twenty years, and just meeting pollution-control standards will cost $25 billion over the next five years.

DAMS

Like the earthen dam that burst in Colorado earlier this month, many U.S. dams are tiny, aged and privately owned—yet their collapse would jeopardize hundreds of lives and homes. State and Federal officials didn't even know where many of the dams were until the 1977 collapse of a dam in Toccoa, Ga., spurred Jimmy Carter to send the Army Corps of Engineers out to survey them. In a four-year study the Corps counted 68,000 non-Federal dams. The Corps inspected nearly 9,000 dams in highly populated areas and found roughly one-third to be unsafe, with 130 in danger of imminent collapse. But even where repairs were ordered, they have often not been carried out, because the dams' owners either couldn't afford them or couldn't be found.

PUBLIC BUILDINGS

"Hardly a week goes by that we don't have some kind of roof problem at one of our 29 fire stations." says St. Louis budget director Jack Webber, whose city-hall roof nearly fell in on him last year. In New York City nearly half of the 1,087 public schools are at least 50 years old and many suffer rotted windows and outdated plumbing and electrical systems. Worse still are the nation's 3,500 prisons, as many as 3,000 of which need substantial renovation or expansion. In Texas 3,800 inmates of the state penal system sleep in tents for lack of space. In some states prisoners are being paroled early to ease overcrowding.

GROWING PAINS

Public works in Sun Belt cities have not kept up with population growth. In sprawling Phoenix a scant 36 miles of freeway now serve a population of 1.5 million, 97 percent of whom travel by car. Every day between 1970 and 1980, roughly 250 more cars joined Houston's expressways, and traffic there has become so chronically awful—with "rush periods" lasting twelve hours a day—that some executives now commute by helicopter (page 53). Texas planners figure it will take 300 miles of new freeway and 1,400 miles of streets, costing $16.2 billion, to bring traffic conditions back to what they were in 1975.

Water is also a serious problem in the West and Sun Belt, where overtapping of ground resources causes more and more giant fissures and sinkholes. Meanwhile, the nation's ports have not kept up with the increasing demand for coal exports. At one point, 15 percent of the world's bulk coal was sitting useless at the port in Hampton Roads, Va., due to congestion in unloading.

SOLUTIONS

How will the staggering infrastructure needs be met? Proposed solutions range from a gigantic New Deal-style public-works program to increased user fees, but none will be easy. One of the most sensible ways of raising highway revenues, for example, would be to boost the Federal gas tax, which has been 4 cents a gallon since 1959. Transportation Secretary Lewis has proposed doubling the gas tax and raising levies on heavy trucks, to generate $5 billion annually. But the powerful automobile and trucking lobbies oppose Lewis's plan to use $1 billion of that revenue for mass transit, and President Reagan has vetoed the idea for now.

On their own, 31 states have raised state gas taxes and other fees in recent years and several are considering more road tolls. By charging an average of 2.4 cents per mile, for example, the 40-year-old Pennsylvania Turnpike pays for resurfacing 30 to 50 miles a year. Many communities are also raising rates for water and sewer services—systems experts say should be self-supporting. Often that requires creating a separate local agency, such as Boston's acclaimed five-year-old Water and Sewer Commission. The danger critics warn, is that the proliferation of local agencies will diffuse accountability and multiply administrative costs.

Private businesses are also assuming a greater share of the burden—voluntarily or not. At the Sycamore housing development in Danville, Calif., where Proposition 13 prohibits raising taxes to pay for basic services, a local approval board is asking the developer to provide two new water tanks, a freeway interchange, a new elementary school and a new fire engine. The cost, of course, ultimately gets passed on to consumers: the town's decree is raising the cost of each new home there by $15,000. Private donors are helping to renovate the crumbling Statue of Liberty and restore San Francisco's 107-year-old cable cars, which will shut down this September for twenty months of repairs. And in some cities business leaders are donating management expertise. "If Cleveland goes to hell, we all go to hell with it," says attorney Carlton Schnell, chairman of a coalition advising the city on its infrastructure needs.

DABBLING

In desperation, local officials are experimenting with a wide variety of other revenue-raising schemes, including selling off public buildings. The Port Authority of New York and New Jersey is considering leasing vacant office space to raise funds for a "bank for regional development" that would lend money to local governments for infrastructure needs. Others are dabbling in "leveraged leasing." New York's MTA sold 620 buses and ten commuter-rail cars to Metromedia, Inc., at $15.5 million over the cost. Metromedia will take the tax depreciation on the equipment and lease it back to the MTA, which will use the net gain for operating costs. Atlanta officials are considering an even more complicated plan. A local Lockheed plant would build a plane for a Japanese trading company, take payment in Japanese-made subway cars, then sell the cars to the transit agency for less than their usual cost.

On a larger scale, New York investment banker Felix Rohatyn has suggested a revival of the Reconstruction Finance Corp., which would issue $25 billion in federally backed loans to cities to help maintain their facilities. Aware that the infrastructure crisis coexists with record-high unemployment, the House Education and Labor Committee has proposed a massive five-year, $11 billion public-works program to provide jobs ranging from painting bridges to patching potholes. And a growing number of economists and lawmakers are calling for creation of a "national capital budget" that would fund infrastructure projects outside the Federal budget, where they are currently vulnerable to spending cuts.

Whatever the mechanism—higher taxes, higher user fees or higher consumer prices—the cost of repairing the nation's physical plant will inevitably come out of citizens' pockets. Already, the problems of decay and growth have pitted East against West, rural residents against city dwellers, truckers against straphangers and almost everyone against the Federal government.

CANOES?

Federal allocation formulas currently favor building urban, not rural, highways—even though the expense of clearing city land can push the cost per mile as high as $500 million. Allocation formulas also favor "multiple use" waterways, rather than city water and sewer systems. "If I could figure

out a way to put canoeists down there, maybe our problems would be solved," jokes New York Mayor Ed Koch. Reagan's plan to phase out mass-transit operating subsidies while continuing to fund transit capital needs has angered people on both sides of the issue. And because of opposition, the Administration is likely to table its New Federalism plan for roads that would have returned to the states their share of Federal gas taxes—along with the responsibility for maintaining highways. "Based on the amount of money it generates in gas taxes, Montana would barely pay for the signs on its highways, let alone the highways," says Lewis. "You can say fine, don't build any interstates in Montana, but what do you do when you get to the Montana border—get a horse and wagon?"

In general, the Reagan Administration believes that state and local governments rely far too heavily on the Federal government for their infrastructure needs. "The fact that there are potholes all over America doesn't mean that it's time for the Federal government to pay for filling them," says HUD's Savas. Historically, the pattern has been for the Federal government to build major public works, but leave them to states and cities to repair—and some local officials are beginning to decide that they can't afford the Federal largesse. Cincinnati, for example, has adopted a policy of "planned shrinkage" of its physical plant where possible—even turning down Federal grants to concentrate its own funds on maintaining what it has.

SCALING BACK

As the national budget debate increasingly becomes one of guns vs. butter vs. asphalt, planned shrinkage may become the public-works policy of the future. Already, officials doubt that the interstate-highway system, as originally conceived, will ever be completed. The Federal government has indefinitely postponed building the once planned $3 billion rail and road system for the congested Houston area and the proposed $2.1 billion "people mover" in Los Angeles. Not a single road links Juneau to the rest of Alaska, but the cost of building one may be too high even for that oil-rich state.

What will such decisions mean for the boom towns of the future? And if older cities are allowed to decay and contract, can citizens who "vote with their feet," as Reagan has suggested, hope to find better conditions anywhere else? In past decades public works made America a nation of highways, of automobiles, of vital cities and water systems that are the envy of the world. Today's hard choices will determine the shape of America in the decades to come.

ALARM RISES OVER DECAY IN U.S. PUBLIC WORKS

(By John Herbers)

In Pittsburgh, the United States Steel Corporation contends that it is paying at least $1 million a year to detour its trucks 26 miles around a major bridge that the state closed two years ago for lack of repair.

In Albuquerque, motorists are up in arms because sewer lines are crumbling under the streets, many of which have become impassable as the city struggles to make piece-by-piece replacements.

In Houston, the magazine Texas Monthly asserted that it had counted 1.5 million potholes in a city that is a center of great wealth.

In New York, broken water mains, subway failures and the deterioration of other facilities above ground and below have become so common that the seemingly mundane subject of "the infrastructure" has become a prominent issue for both the city and state governments.

News of a neglected and decaying infrastructure—public facilities such as water systems, sewers, streets, highways, bridges and rails, which undergird life and commerce in every community—has taken on a new prominence on the national scene at a time when the country is suffering from a recession, high unemployment, decline of much of its basic industry and the reduction of public services by governments at all levels.

The situation is similar to that of a family whose income has been cut, that is behind on the mortgage payments and unable to buy shoes for the children, and then learns that tree roots have plugged the drainage pipes, the furnace must be replaced and termites have weakened the foundation of the house.

In the urban policy report the Administration made public last week, President Reagan said he wanted to do something about the infrastructure problem but had not decided what.

Meanwhile, a bipartisan coalition is growing in Congress to force action by the national Government, partly on the ground that Mr. Reagan's goal of revitalizing American industry cannot be reached until something is done about inadequate public facilities. Many Democrats say that repairing public works would provide jobs for many of the unemployed.

One difficulty is that public works projects have been so fragmented between the various levels of governments that no one knows the extent of the decay, or how much money would be needed for repairs and new construction necessary to support the economy and quality of life at reasonable levels.

Only in the past year or so has the concern of policy makers about the neglect of basic public works grown urgent. Studies by George E. Peterson of the Urban Institute and by Pat Choate and Susan Walter of the Council of State Planning Agencies documented the inadequacy of public facilities, not only in older, fiscally troubled cities such as New York and Boston but in suburban and rural communities in every region of the nation.

Their findings have been confirmed and expanded by a number of Government agencies and by Congressional investigations. These are some of the more serious deficiencies cited:

"Obsolete and decaying bridges. The Transportation Department recently classified 45 percent of the nation's 557,516 highway bridges as "deficient or obsolete." Replacement or repair could cost $47.6 billion, the department said.

"Crumbling highways. The 42,000-mile interstate system, begun in the 1950's and not yet completed, is deteriorating at a rate that would require reconstruction of 2,000 miles a year, in addition to a backlog of 8,000 miles in need of rebuilding that accumulated because of cuts in financing in recent years. The condition has contributed to costly traffic jams on the expressways of most major urban areas.

"Deteriorated rail facilities. The condition of roadbeds and rolling stock of Conrail and other rail systems is so poor that some officials say there are no reliable estimates available on the cost of replacement and repair. But frequent derailments and delays in shipments attest to the need, according to a range of officials.

"Leaking water and sewer mains. The Urban Institute, in a survey of 28 cities, found that 10 of them, Cleveland, St. Louis, Pittsburgh, Tulsa, Philadelphia, Hartford, Kansas City, Mo., Cincinnati, Buffalo and Baltimore, were losing 10 percent or more of their treated water because of deteriorated pipes. And the survey did not include New York and Boston, with two of the leading all-time water-leaking systems. Probably a larger problem, from the standpoint of waste, is leaky sewers, in which ground water flows into the pipes, adds to the volume of sewage and greatly increases the cost of treatment.

"Shortage of capacity of many facilities. A survey conducted by the Economic Development Administration in 1978 showed that half of the nation's communities had wastewater treatment systems operating at full capacity, meaning they could not support new economic or population growth without costly new construction."

The estimates of need tend to become astronomical. Nationally the figures run into the trillions. Last fall, the New York State Legislature estimated that $8 billion to $10 billion a year would be needed in New York State for repairs, replacement and construction of the infrastructure, which would double current expenditures.

A more precise expression of need was published by the Joint Economic Committee on Congress, which said that New York City alone over the next few years would have to service, repair or replace 1,000 bridges, two aqueducts, one large water tunnel, several reservoirs, 6,200 miles of streets, 6,000 miles of sewers, 6,000 miles of water lines, 6,700 subways cars, 4,500 buses, 25,000 acres of parks, 17 hospitals, 19 city university campuses, 950 schools, 200 libraries and several fire houses and police stations.

The causes of neglect and decay are more easily documented than the extent of need. Mr. Choate, an economist and a former Federal official who is now the senior analyst for a giant corporation, said in a paper prepared for the House Wednesday Group, made up of moderate Republican representatives, that investments in capital projects had declined sharply.

"The nation's public capital investments fell from $33.7 billion in 1965 to less than $24 billion in 1980, a 30 percent decline," he wrote. "Public works investments dropped from $174 per person in 1965 to less than $110 per person in 1980, a 36 percent decline, and shrank from 3.6 percent of the gross national product in 1965 to less than 1.7 per cent in 1980, a 54 percent decline."

In the 1960's and 70's, public works projects frequently were delayed so that the Government could finance such endeavors as the Vietnam war, social programs, education and space exploration. Nevertheless, the Federal Government assumed a much larger share of public works costs, which previously had been borne by state and local governments. In 1957, the Federal Government paid 10 percent of the costs. By 1980 its share had risen to 40 percent.

RESPONSIBILITY FRAGMENTED

The responsibility for maintaining public facilities, Mr. Choate pointed out, was fragmented between 100 Federal agencies, 50 state governments, 3,042 counties, 35,000 general-purpose governments, 15,000 school districts, 26,000 special districts, 2,000 area-wide units of government, 200 interstate

compacts and nine multistate regional development organizations.

But the Federal Government, the dominant player, never achieved any rational method for allocating the funds. Mr. Choate said Federal laws favored new construction over repairing of existing facilities.

Public works money, which often has been handed out for purposes of politics rather than need, became increasingly subject to waste and fraud, according to Mr. Choate and others. In 1980 alone, 219 state and local public officials were convicted of criminal abuse of public funds, a figure three times greater than the 1970 level.

At the same time environmental requirements enacted in the 1970's increased the need for higher expenditures for public works.

Many authorities say they believe, however, that the greatest cause for inadequacy of public facilities lies in the spread of the population and industry out of the central city to suburbs and remote communities around the nation.

Retired people moved in large groups into new communities, many in rural recreational areas; factories settled along the freeways and new urban development sprang up near them; state governments spread their colleges over once remote areas; people migrated from the old industrial cities to the South and West, where urban and rural sprawl was greatest; after the 1980 census the Federal Government designated 36 former small towns as metropolitan areas. All this new development required enormous amounts of capital investment for streets, curbs, water and sewer facilities, airports and other facilities.

DEMAND IN CITIES REMAINED

But the new growth did not lessen the demand in the thinned-out central cities. The infrastructures in old cities, which suffered heavy population losses, serve many vacant lots, half-empty buildings and closed factories and warehouses. But the facilities must usually be maintained as though they were being used at capacity.

At a recent conference on land use sponsored by the Engineering Foundation in Rindge, N.H., Philip Finkelstein of the Center for Local Tax Research in New York pointed out that when the city government suggested that it could no longer afford to maintain basic facilities in the South Bronx, where many buildings had been abandoned, there was a storm of protest and the suggestion was dropped.

"I don't think there is any way to do that with any degree of acceptability," he said, in reference to a suggestion that there be a contraction of public facilities in the cities.

American in 1982 are separated as never before by great stretches of pavement, communication and electric lines and water and sewer pipes. Many authorities are questioning whether the nation can any longer afford to maintain what it already has built and continue to provide for new communities.

LAND USE AT THE HEART

Harry E. Pollard, president of the Henry George School of Social Science of Los Angeles, said the way it is now, "A bus driver in order to collect one acre of people has to drive five acres to find them. And he has to drive past five miles of sewer pipe instead of one. It is a land-use problem. If you have to finance five miles for every one you will forever be in financial trouble."

According to a number of authorities, no national administration has succeeded in bringing order to the chaos of public works spending. The Carter Administration, they said, was beginning to coordinate Federal spending so that priority could be established.

The Reagan Administration, according to those officials, abandoned the coordination but to some extent has stopped the use of Federal Funds for capital projects in new areas. For example, it refused to finance water treatment plants in new communities around Orlando, Fla. The rationale was that if people there wanted new communities they could finance them themselves.

FUTURE OF FEDERAL ROLE

Yet even high White House officials acknowledged that the Reagan Administration had no comprehensive policy on public works, except that it intends to drastically reduce the Federal role. Richard S. Williamson, assistant to the President for intergovernmental relations, said Mr. Reagan wanted to help the cities with their infrastructure problems, and he ordered that this concern be put in the Administration's urban policy report that went to Congress.

The report, however, sought to show that the picture was not so bleak as had been depicted. It pointed out that demand had lessened for schools and new highways and said many cities were moving on their own to step up capital projects. And it pointed to local innovations. New York, for example, had switched emphasis from new buildings to repairing streets, bridges, mass transit, water and sewage systems. Other cities, such as Boston, were putting the authority for public works in the hands of independent commissions for greater efficiency, while others, such as Cleveland, were enlisting private interests for help.

The Federal Government's role, the report said, was to gather information about more cost-effective methods of financing public works while "other aspects of Federal aid remain to be determined."

Meanwhile, members of Congress have stepped into the void. Some have been spurred by such reports as bridges being closed for long periods in Kansas City, Mo., while motorists drive blocks out of their way and school children in Altoona, Pa., having to leave their bus, walk across a bridge and wait for the empty bus to follow because the bridge can no longer support the weight of both children and bus.

PROPOSAL BY HOUSE MEMBERS

Two Pennsylvania Representatives, William S. Clinger Jr., and Robert W. Edgar, have been pushing legislation for a capital budget that would require the Administration to take an inventory of capital needs and assign priorities for spending on public works, as a first step toward long-term recovery.

They were joined in their effort by such diverse leaders as Speaker Thomas P. O'Neill Jr. and Representative Jack Kemp, the conservative Republican from Buffalo, who were among a number of Congressmen signing a letter to Mr. Reagan asking him to consider the idea. A similar bill has been introduced in the Senate by Christopher J. Dodd, Democrat of Connecticut.

Meanwhile, a number of Democrats around the country have taken up the issue on ground that rebuilding the nation's capital plant would fight unemployment.

In New York, Assembly Speaker Stanley Fink has made repairing of the infrastructure one of his major concerns and Governor Carey, in the recent legislative session, proposed increases in taxes and fees to help pay the costs. The tax legislation, however, was defeated, in part because it was an election year. Officials on the national and state levels predict the issue will become more heated in the years ahead.

In response to questions about how the nation could let basic facilities decay to the extent that many authorities say they have, Maury Seldin, president of the Homer Hoyt Institute, a nonprofit foundation in land economics, and a professor at American University, said, "We as a nation are accustomed to living on uppers and downers."

He said that in recent years the nation had become accustomed to "taking a fix" for whatever bothers it without much thought to the long-range consequences, especially in response to various special interests that can command support for narrow goals, and policy is fragmented.

He called for a maturing of the political processes so that various interests could reach compromises for the overall good and "be willing to settle for a fair shake."

Mr. HART. The costs resulting from our decaying infrastructure—in wrecked lives from occasional disasters and higher expenses from everyday inconveniences—are enormous. Newsweek reported that:

In Pittsburgh, United States Steel spends $1 million a year detouring its trucks around a closed bridge.

The Federal Highway Administration estimates that spending $4.3 billion to repair worn out bridges and roads could save 480,000 injuries and 17,200 lives over 15 years.

And, a private industry group estimates that total cost to the private sector of bad roads and bridges at $30 billion a year.

Mr. President, neither the Federal Government nor State and local governments have been making their share of needed capital expenditures.

A study prepared for the House Wednesday Group found that our Nation's public capital expenditures have fallen by 30 percent since 1965.

Chase Econometrics found that total Federal, State, and local spending on the public infrastructure has fallen by 25 percent in the last 10 years.

In his article that I have quoted, David Mahoney cites a study estimating that it will cost between $2.5 and $3 trillion simply to maintain America's existing level of public services and infrastructure over the next decade.

At the same time our public infrastructure is decaying, our public education system, which must prepare our children for the future, is suffering from neglect. Fewer students are taking fewer courses and spending fewer hours studying the subjects that will give them the skills they need to prepare for our country's future: math and science, foreign languages and communications, and additional subjects that will be needed as well. The Federal Government's commitment to research and development, and to teacher training and aid to education, has dropped sharply since the 1960's.

Mr. President, because Senate Joint Resolution 58 will handicap the Federal Government's ability to help America rebuild its decaying infrastructure, I am preparing to offer this statutory amendment in the nature of a substitute. This amendment would enact a statute, the Responsible Budgeting Act of 1982, which incorporates the concept of sound capital budgeting with the requirement of a fiscally responsible balanced budget.

The act would require that, beginning immediately, the budget statements transmitted by the President and adopted by Congress must contain data separating capital expenditures from operating expenditures in each budget category. The Office of Management and Budget currently prepares a document entitled "Special Analysis D: Investment, Operating and Other Budget Outlays," which contains much of this information

Mr. President, I ask unanimous consent that the text of the February 1982 edition of "Special Analysis D" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. HART. Beginning with fiscal 1986—long before Senate Joint Resolution 58 would become effective—the amendment I intend to offer would require that the Federal Government adopt a fiscally responsible budget. My amendment would require the following:

As I stated above, the budget would include data distinguishing capital expenditures from operating expenditures.

My amendment defines "capital expenditures" as outlays used for: the construction, acquisition or rehabilitation of a physical asset with a useful life of more than 1 year; research and development, including basic research; education, training or vocational rehabilitation; international development; or financial investments, including loans for terms of greater than 1 year. OMB estimated that capital expenditures amounted to $146 billion in fiscal 1981 and $148 billion in fiscal 1982.

Included in each budget would be an estimate of the annual capital benefit cost, which is the amount determined to represent the total capital expenditures incurred in a fiscal year which is properly allocated to that year. The annual capital benefit cost would be calculated on a pay-as-you-use basis—that is, by determining the cost in present dollars of financing the capital expenditures over their useful lives.

Each year, the President would be required to transmit, and the Congress would be required to adopt, a budget in which total operating expenditures plus the annual capital benefit costs could not exceed total revenues.

The balanced budget requirement could be waived only if the President certified or a majority of both Houses of Congress found that a deficit was necessary to insure the national security or to remedy the effects of an economic recession or depression.

Each year, the President would be require to transmit to Congress a plan describing the capital expenditures to be made in that year and in the next 4 years, and providing for the payment for those capital expenditures in a manner consistent with sound principles of financial planning. Thus, my amendment would require the Federal Government to prepare a capital expenditure plan, a document routinely prepared by most of America's State and local governments.

During the interim period between passage of the act and the effective date of the balanced budget requirement, my amendment would require the President and the Director of the Congressional Budget Office to report to Congress on how the capital budgeting requirements established by the act should be implemented.

The following example illustrates one way the annual capital benefit cost could be calculated. The February 1982 Office of Management and Budget study estimated that Federal capital expenditures in fiscal 1982 would be approximately $148 billion, out of total expenditures of $725.3 billion. If the average useful life of those capital investments was 10 years, and in February 1982 10-year Treasury bills sold at 14.5-percent interest, the present value in 1982 of spreading the cost of the $148 billion in capital expenditures over 10 years would be $76.9 billion, which would be the annual capital benefit cost for 1982. Total operating expenditures in 1982, according to the OMB study, were $577.3 billion. Thus, if the Responsible Budgeting Act were in effect in 1982, the sum of total operating expenditures, $577.3 billion, plus the annual capital benefit cost, $6.9 billion, or a total of $654.2 billion could not exceed OMB estimated total receipts for fiscal year 1982, which were $626.8 billion. Thus, under my amendment, the total deficit would be $27.4 billion.

Of course, Mr. President, it will be difficult to establish guidelines for the calculation of the annual capital benefit cost. Capital expenditures purchase a multitude of goods and services, which provide benefits over periods of varying duration. It is for that reason that my amendment does not require calculating the annual capital benefit cost until the fiscal 1986 budget. The President and the Congressional Budget Office are given 2 years to study the question before reporting back to Congress on how best to implement this requirement.

However, the fact that it is difficult to make the calculations necessary for rational budgetary decisionmaking is no reason not to require that they be made. The Federal budget process is now an enormously complex and intricate process. Very few people in this country have any idea how complex and how intricate that process truly is.

But, the problem right now, Mr. President, is not that the budgetary process is too complex to comprehend; the problem is that the process is not a comprehensive and intelligent means of making the long-range budgeting decisions, which are necessary if our country is to survive and prosper in the future.

Mr. President, much ado is made in the committee report on Senate Joint Resolution 58 about the fact that 39 of the States have constitutional provisions limiting their ability to incur budget deficits and 8 other States have statutory constraints on deficit spending. However, data prepared by the Congressional Research Service reveal that: 21 of the States typically borrow to finance capital outlays; and an additional 11 States borrow periodically for capital outlays.

Mr. President, I ask unanimous consent that a chart prepared by the Congressional Research Service analyzing which States with balanced budget requirements borrow for capital expenditures be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

TABLE 5.—LIMITATIONS ON STATE DEBT AND DEFICITS AND CAPITAL OUTLAY PRACTICES

State or other jurisdiction	Debt limitation		Operating deficit restriction			
			Enactment phase		Execution phase	
	Constitutional debt limit	May exceed limit by popular vote	Budget must balance expense and revenue	Legislative appropriation must balance expense and revenue	Must reduce expense if revenue shortfall	Must tax to cover deficit
Alabama [1]	$300,000		Constitution			
Alaska [2]	N/R					
American Samoa	N/R					
Arizona [3]	$350,000		Statute	Statute	Statute	
Arkansas [2]	(1a)	Yes	C, S	Yes	(1b)	

TABLE 5.—LIMITATIONS ON STATE DEBT AND DEFICITS AND CAPITAL OUTLAY PRACTICES—Continued

State or other jurisdiction	Debt limitation		Operating deficit restriction			
			Enactment phase		Execution phase	
	Constitutional debt limit	May exceed limit by popular vote	Budget must balance expense and revenue	Legislative appropriation must balance expense and revenue	Must reduce expense if revenue shortfall	Must tax to cover deficit
California [1]	$300,000	Yes	Constitution		(2)	(2).
Colorado [2]				Constitution	Constitution	
Connecticut [3]			Statute	Statute		
Deleware [3]	N/R					
District of Columbia	N/R					
Florida [1]	V		C, S	Constitution	Statute	
Georgia [3]	(3)		C, S	do	do	
Guam [3]	N/R					
Hawaii [3]	(4)		C, S		Statute	
Idaho [2]	$2,000,000	Yes	Constitution	Constitution		
Illinois [3]			do	do		
Indiana [3]	(5)		do	do		
Iowa [2]	$250,000		Statute		Statute	
Kansas [3]	$1,000,000	Yes	do	Constitution	do	
Kentucky [3]	$500,000	Yes	do			
Louisiana [3]			Constitution	Constitution	Statute	
Maine [3]	$2,000,000	Yes	do	do	do	
Maryland [3]			do	do		
Massachusetts [3]			do			
Michigan [1]	(6)		do	Constitution	Constitution	
Minnesota [3]	P		Statute		Statute	
Mississippi [3]	N/R					
Missouri [3]	$1,000,000	Yes	Constitution		(7)	
Montana [3]				Constitution		
Nebraska [3]	$100,000		Statute	Statute	(8)	(8).
Nevada [3]	AV		do	C, S		Constitution.
New Hamphshire [1]	N/R					
New Jersey [3]	1 Percent of approp	Yes	Constitution	Constitution	Statute	Do.
New Mexico [2]	N/R					
New York [3]	V		Constitution			
North Carolina [1 3]			do		Statute	
North Dakota [2]	AV		do	Constitution		
Northern Marianas	N/R					
Ohio [1]	$750,000		C, S	C, S	Statute	
Oklahoma [2]			Constitution	(9)	Constitution	
Oregon [3]	$50,000; AV (P)		Statute	Constitution	Statute	Do.
Pennsylvania [2]	(10)	Yes	Constitution	do		
Puerto Rico	N/R					
Rhode Island [3]	$50,000	Yes	C, S			
South Carolina [3]				C, R	Statute	Do.
South Dakota [2]	$100,000		Statute	Statute	do	
Tennessee [1]			Constitution			
Texas [2]			do	Constitution	Constitution	
Utah [1]	AV		Statute	do	Statute	
Vermont [3]						
Virgin Islands [3]	X		Statute		Statute	Statute.
Virginia [1]	t (V for P)		do		do	
Washington [2]			do		do	
West Virginia [1]	P	P	Constitution	Constitution	do	
Wisconsin [3]	AU for P; (11)			do		Constitution.
Wyoming [2]	AV, T		Constitution	do		

(1) Arkansas—All bond issues which are supported by full faith and credit must be approved by vote of people; (b) Responsibility of each agency and chief fiscal officer of State.
(2) California—Deficits are covered by a reduction of expenditures and/or tax increase.
(3) Georgia—Present and proposed debt service on bonded indebtedness may not exceed 15 percent of net revenue collections of previous fiscal year.
(4) Hawaii—20 percent of the average of the general fund revenues of the State in the 3 fiscal years immediately preceding such issuance until June 30, 1982; and thereafter, a sum equal to 18½ percent of the average of the general fund revenues of the State in the 3 fiscal years immediately preceding such issuance.
(5) Indiana—No debt except "to meet casual deficits in the revenue" payment of interest and defense. A deficit budget or appropriation is not considered a casual deficit.
(6) Missouri—Constitution: Permissive, not mandatory.
(7) Nebraska—In case of revenue shortfall statutory provisions allow for tax increase or government may call special session to reduce appropriations.
(8) Oklahoma—Constitution limits appropriation ceiling to 5-yr average revenue increase.
(9) Pennsylvania—Amounts to suppress insurrection, rehabilitate disaster areas; for capital projects not to exceed 1.75 times average of last 5 yr revenue.
(10) Wisconsin—$100,000 limit on casual debts.
Code: N/R—No response. AV—Percentage of property value. T—Percentage of taxes. V—Popular vote required for any debt. R—Rule of House. S—Statute. C—Constitution. P—Specified purposes only.
Source: National Association of State Budget Officers (1980).

[1] States which borrow periodically for capital outlays (i.e. large issues generally approved by a referendum or a constitutional amendment which are expended over a number of years).—11 (Alabama, California, Florida, Michigan, New Hampshire, North Carolina, Ohio, Tennessee, Utah, Virginia, and West Virginia).
[2] States which generally finance capital outlays from current revenues—18 (Arizona, Arkansas, Colorado, Idaho, Indiana, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Washington, and of the 50 States, 16 include capital outlays in the State budget document: Arizona, California, Idaho, Iowa, Kansas, Maine, Maryland, Massachusetts, New Jersey, New York, North Carolina, Oregon, Texas, Utah, Wisconsin, and Wyoming.
[3] States which typically borrow for capital outlays—21 (Alaska, Connecticut, Delaware, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, South Carolina, Vermont, and Wisconsin).
Source: CRS review of State budget documents for fiscal year 1979. National Association of State Budget Officers Survey of State Budget Practices (1978).

Mr. HART. Mr. President, it is misleading to compare State balanced budget requirements with one imposed on the Federal Government. This point was made quite convincingly in "The Fiscal Survey of the States 1981-82," which was prepared by the National Governors Association and the National Association of State Budget Officers:

All states except Vermont have legal constraints against incurring deficits in their general operating budgets, and Vermont, like other states, has strong traditions favoring a balanced budget. Unlike the federal government, which has operated with an annual deficit for the past twenty years, state government rarely incur deficits. However, comparisons between "state balances" and "federal deficits" can be misleading if they do not include an explanation of important differences in federal and state government finance. For example, state governments account for general operating funds and capital project funds in separate budgets; the federal government does not.

Although states normally avoid operating deficits, they do have debts associated with past capital projects. Total state debt outstanding at the end of fiscal year 1980 was $122 billion. This debt would not be reflected directly in state operating budgets. It would be reflected indirectly as state operating budgets normally contain appropriations for debt service—payment of interest and repayment of principal on outstanding bonds.

Mr. President, opponents of capital budgeting have argued that capital budgeting makes it easier to finance capital expenditures than operating expenditures and that therefore capital budgeting favors buildings and roads over people. That argument is wrong for three reasons:

First, the capital budgeting process created by my amendment will not make it easier to finance capital expenditures than operating expenditures. There will be no separate "pork-barrel" capital budget created by this amendment; it requires only that the

true cost of paying for capital expenditures be used in determining whether a deficit will result;

Second, Mr. President, capital assets are built and maintained by people for the use and benefit of people; and

Third, not all capital expenditures go for so-called "hard" projects like buildings and roads. Capital expenditures also finance education for our children and research to find cures for diseases that now cause untold pain and suffering.

In sum, the impact of my pay-as-you-use amendment will be to make it easier to make rational decisions about capital expenditures. But, Mr. President, my amendment will require that capital expenditures be paid for over their useful lives.

Furthermore, Mr. President, the budget document created by my amendment will still contain information concerning the actual cash balance—be it deficit or surplus—created by the Federal Government. I recognize that this data is of critical importance for the determination of the impact of Government borrowing on financial markets.

Thus, Mr. President, beginning with fiscal 1986—long before the constitutional amendment would be likely to become effective—my amendment would require the Federal Government to adopt a balanced budget. In addition, my amendment has a number of additional advantages over the proposed constitutional amendment:

It will require the President to transmit a balanced budget to Congress. For over 50 years, the President has been required by statute to submit a budget to Congress. The President has at his disposal all of the information necessary to prepare the budget document. He is the head of one of the two coequal political branches of the Government. It is only fair that the responsibility and the obligation for formulating a balanced budget be shared by the President and Congress.

Under my amendment, the balanced budget requirement may be waived when the President certifies, or a majority of both Houses of Congress finds, that a deficit is necessary to insure the national security or remedy the effects of an economic recession or depression. This provision gives our National Government the flexibility it must have to respond to the crises that inevitably arise. When those crises occur, our budget must not be held hostage by 40-percent-plus-1 of the Members of one House of Congress.

My amendment, will permit, but will not require, the Federal Government to engage in the responsible fiscal practice of borrowing to finance the cost of capital expenditures over their useful lives. Mr. President, our country's infrastructure is in a tragic state of decay. The sudden collapse of bridges, roads, and dams have sadly become an all-too-frequent occurrence. We must reverse the trend of the last 16 years and increase our annual investment in our country's infrastructure. This constitutional amendment, if adopted, would handicap the Federal Government's ability to help rebuild our infrastructure and provide for our country's future.

Finally, and most important, Mr. President, my amendment is superior to Senate Joint Resolution 58 because it does not tamper with our Constitution. The details of the budgeting process are not a proper subject for inclusion in the Constitution; a budget is a political document, and a good budget can be adopted only if our country's elected officials exercise sound judgment and political courage. There is nothing in our Constitution that compels the Members of Congress to enact deficit budgets. Nothing we can put in the Constitution can prevent them from doing so.

Mr. President, the American public has justifiably grown tired of irresponsible Federal budgets. The supporters of the proposed constitutional amendment have correctly recognized that new measures are necessary to reform the budget process and restore the country to a sound fiscal footing. But the proposed balanced budget constitutional amendment needlessly and irresponsibly tampers with our Constitution. If passed, it would dangerously interfere with our country's ability to build and prepare for its future.

I, therefore, strongly urge my colleagues to support the amendment as an alternative which I shall offer.

Mr. President, every Member of the Senate has felt the intensity of our constituents' anger about ever-growing budget deficits and the sorry state of our economy. Every Member of this Chamber shares a commitment to take decisive action to curb Government deficits. But the proposed balanced budget constitutional amendment, Senate Joint Resolution 58, will not stop the parade of budget deficits or reduce our crushing interest rates and high unemployment. Mr. President, the proposal now before the Senate is bad law and bad economics, and bad politics as well.

Senate Joint Resolution 58 is bad law, Mr. President, because it needlessly tampers with our Constitution. The Constitution enshrines what Prof. Laurence Tribe called "the broad and enduring ideals" of our Nation. It establishes the ground rules of our democratic system and it protects our sacred freedoms. The Congress and the people have seen fit to amend the Constitution only 16 times since the adoption of the Bill of Rights in 1791. With the exception of the sad experience of the prohibition amendments, all of the previous constitutional amendments have either improved the procedures of our democracy or extended the scope of constitutional protections. Our predecessors have recognized the wisdom of applying a very sage rule to our national charter: "If it ain't broke, don't fix it."

Mr. President, our Constitution is not broken. The supporters of this amendment would have us believe that there is a "structural bias" in favor of deficit spending in the Constitution. They would have us believe that because the impact of spending programs is sometimes "concentrated" on the few and the impact of taxes and deficits is sometimes dispersed among the many, the Constitution somehow inexorably compels the Members of Congress to engage in deficit spending.

Mr. President, nothing could be further from the truth. Whenever working Americans open their paychecks, the impact of high taxes is felt throughout the land. Whenever Americans shopping for a home cannot afford one because of inflation and high interest rates, the impact of deficit spending is felt throughout the land. Whenever Americans are laid off because employers cannot afford the improvements necessary to keep up with foreign competition, the impact of irresponsible fiscal policies is felt throughout the land, And now, Mr. President, the impact of the public's outrage about deficit spending is being felt in the Halls of Congress. Indeed, quite a few Members of this Congress do not want to face the voters this fall after supporting a $100 billion deficit without voting for the concept of a balanced budget, Mr. President, that is overwhelming evidence of the responsiveness of the democratic system established by our Constitution. There is no "spending bias" in the Constitution; there is only a bias among some Members of Congress and the current resident of the White House against making the hard decisions needed to balance the budget. And that is a "bias" the voters can and will correct.

There are a number of other serious constitutional problems with Senate Joint Resolution 58. First and foremost, there are serious and unanswerable questions about the role of the courts in enforcing the amendment. The committee report concludes that:

> Only as a final resort, and only under the most compelling circumstances (as for example, when the practices of either the Congress or the Executive undermine the ability of the amendment to be self-enforcing) is there anticipated to be a significant role for the judicial branch.

Mr. President, last fall, there appeared in the Atlantic Monthly an article indicating that the administration had been less than candid in preparing the revenue and outlay estimates it transmitted to Congress. If Senate Joint Resolution 58 becomes law and similar revelations appear,

will the budget process grind to a halt while a Federal district judge determines whether the administration's budget estimates are accurate? If so, I fear that Senate Joint Resolution 58 will drastically alter the separation of powers established by the Constitution and launch the country into periodic constitutional crises. If not, any administration or Congress can avoid the requirements of Senate Joint Resolution 58 simply by using phony budget figures. The answer to my question is by no means clear from the test of the amendment or from its legislative history. Mr. President, we cannot play Russian roulette with the Constitution,

Second, the provision requiring that three-fifths of the whole number of both Houses' vote to authorize a deficit will undermine the very principles of democracy enshrined in our Constitution. In times of national emergency, like the Great Depression or the Vietnan war, when our national interest demands that the Government engage in responsible deficit spending, 40 percent-plus-1 of the Members of one House can hold the budget hostage for concessions to narrow special interests, Mr. President, if that does not undermine the principle of majority rule, I do not know what does.

In addition, by allowing Members of Congress to vote against a budget deficit by simply absenting themselves for key votes, the "three-fifths of the whole" requirement will reduce the accountability of Members of Congress and reward political cowardice.

Lastly, the proposed constitutional amendment will interfere with Congress' ability to execute its constitutional authority "to make all laws which shall be necessary and proper for carrying into execution" the powers delegated to the Federal Government. In the landmark decision in *McCulloch* v. *Maryland*, the Supreme Court recognized the need to give Congress flexibility in exercising its authority under the Constitution. John Marshall, the great Chief Justice of the Court, described the necessity of including in the Constitution only the broad limits on Congress' powers:

> The subject is the execution of those powers on which the welfare of a Nation essentially depends. It must have been the intention of those who gave these powers, to insure, as far as human prudence could insure, their beneficial execution. This could not be done by confining the choice of means to such narrow limits as not to leave it in the power of Congress to adopt any which might be appropriate, and which were conducive to the end. This provision is made in a Constitution intended to endure for ages to come, and consequently, to be adapted to the various crises of human affairs. To have the means by which government should, in all future time, execute its powers, would have been to change, entirely, the character of the instrument, and give it the properties of a legal code. It would have been an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must have been seen dimly, and which can best be provided for as they occur.

Mr. President, we cannot write into the balanced budget amendment, or into the Constitution, all of the circumstances under which a budget deficit might be necessary to preserve the Nation's security or to dig us out of a depression. We cannot, and should not, attempt to do so.

Mr. President, Senate Joint Resolution 58 is bad economics for a whole host of reasons. Whenever actual outlays exceed those set forth in the budget and thereby cause a deficit, the proposed constitutional amendment will require a separate three-fifths vote of both Houses of Congress. As a result, the budget process will be made less flexible during economic and military crises when unanticipated expenditures are required and budgetary flexibility is needed most.

The proposed balanced budget amendment will aggravate, not cure, our economic problems. In inflationary times, revenues typically increase faster than national income. Senate Joint Resolution 58 will require the Government to reduce revenues in inflationary times and thereby fan the fires of inflation. In recessionary times, outlays typically increase faster than anticipated because newly-laid-off workers seek unemployment assistance. The balanced budget amendment would require Congress to cut total outlays in hard times, Mr. President, forcing Congress to engage in economic "triage" and aggravating the economic downturn.

Rather than improving the quality of our economic programs, Senate Joint Resolution 58 will actually make it harder to fashion responsible economic policies. The amendment will reduce our ability to make the capital expenditures that are essential investments in our country's future. Our schools and our hospitals, our aircraft carriers and our fighter planes, are all built to last for many, many years. Our education and training programs, our research and development projects, all provide substantial benefits many years into the future. It is sound and customary business practice to pay for capital investments over their useful lives. But the proposed balance budget constitutional amendment will drastically reduce our country's ability to finance capital investments in a businesslike manner. As a result, future generations will be robbed of the benefits of the capital expenditures our country must make to prosper. For that reason, later in the debate, I will offer an amendment in the nature of a substitute that incorporates the concept of responsible capital budgeting with a requirement of a balanced budget.

In addition, Mr. President, Senate Joint Resolution 58 will make it more difficult to make responsible economic policy because it contains a built-in incentive for Congress and the President to opt for increase regulation rather than increased taxes or expenditures. This is true because regulations shift the burden of paying for Government initiatives into private hands, beyond the reach of Senate Joint Resolution 58.

Finally, Mr. President, Senate Joint Resolution 58 is bad politics as well. It is bad politics first because it will not do what its supporters say it will: It will not balance the budget. Whenever total revenues fall short of those set forth in the budget, the amendment requires no action by Congress either to avert a deficit or to approve a deficit. More important, Senate Joint Resolution 58 will not balance the budget for the same reason debt ceiling legislation does not curb the Nation's debt. Both depend on Congress' self-restraint. Even if the constitutional amendment is adopted, Congress can still provide for a deficit, whenever it so chooses. Whether or not Senate Joint Resolution 58 becomes law, the only real check on Congress' ability to engage in deficit spending is the intelligence and persistence of America's voters. They are going to be mighty angry, Mr. President, if the Senate passes a balanced budget amendment and then turns around and adopts another hundred billion dollar deficit.

Senate Joint Resolution 58 is also bad politics because it would not take effect until 2 years after it is ratified, which could be up to 9 nine years after it is passed by Congress. The voters want responsible fiscal policies now, not 9 years in the future.

In conclusion, Mr. President, the proposed balanced budget constitutional amendment is a superficially tempting opportunity to answer the public's call for fiscal responsibility with vague, strong-sounding words about limiting Congress power to engage in deficit spending. But vague, strong-sounding words will not make Congress and the President adopt a fiscally responsible budget that will lower interest rates and revitalize the economy. What Congress needs is the political courage to make the tough economic decisions that will reduce the deficit—and the national leadership to explain those decisions to the American people. There is nothing wrong with our Constitution. The fault, dear colleagues, lies not in our laws, but in ourselves. Empty words in the Constitution will not make us pass a balanced budget. Only political courage can do that.

And as John F. Kennedy wrote, in "Profiles in Courage:" For courage, "each man must look into his soul."

Mr. HART. Mr. President, I yield the floor.

EXHIBIT 1

INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

This analysis divides outlays between those of an "investment" or capital nature, and those devoted to "current" or operating purposes.

Investment-type programs yield benefits in future years through the acquisition of physical or financial assets, or through expenditures for less tangible long-term benefits such as education. They include: the construction, rehabilitation, and acquisition of physical assets; education, training, and vocational rehabilitation; research and development; international development; and financial investments such as loans. Outlays for investment-type programs are estimated to be $155.3 billion in 1983.

Current programs provide benefits primarily in the year in which the outlays that finance them are made. They include: payments for retirement, disability, and other income maintenance; social services; payments (including subsidies) to agriculture, businesses, transportation systems, and other institutions that are not directly used by the institutions to purchase physical assets; payments for the repair, maintenance, and operation of existing physical assets; and regulatory, law enforcement, interest, and other operating costs of the Federal Government. Outlays for current programs are estimated to be $631.6 billion in 1983.

Outlays or offsetting receipts that cannot be identified as either investment or current in nature are presented as unclassified.

INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

[In billions of dollars]

	1981 actual	1982 estimate	1983 estimate
Investment-type programs	146.0	148.0	155.3
Current programs	530.8	597.0	631.6
Unclassified	−19.6	−19.6	−29.3
Total	657.2	725.3	757.6

The Federal Government has never had a capital budget in the sense of financing capital or investment-type programs separately from current expenditures. While the application of accounting concepts for capital budgeting is difficult for private sector entities, it is much more so for the public sector. For example, the Federal Government holds vast amounts of land and controls offshore areas; both have potential value as sources of either timber, oil, or minerals. These assets do not have a known or easily estimated market value. Defense procurement poses similar problems in using capital accounting. A capital budget would pose formidable accounting problems in the measurement of depreciation on Government property, especially weapons. Moreover, there would be severe problems in the use of a capital budget. It would be misleading as a measure of the Government's effect on the demand for economic resources. The deficit of a capital budget could not be used as an indication of the demands that Federal borrowing requirements place on the credit market. It might also suggest that programs with intensive expenditures for physical assets, such as construction, are better than those for which future benefits cannot be accurately capitalized, such as education or defense research and development. Likewise, physical assets might be favored relative to current operations in any given program because deficit financing for capital purposes could be easier to justify.

There are inevitable classification difficulties in preparing the kind of analysis presented here. In the case of a few programs—such as general revenue sharing—the recipients are free to utilize the funds for either investment-type or current purposes. In such cases, this analysis classifies the outlays in the category where most of the outlays are expected to occur.

Some programs could logically be put in more than one subcategory within these broader categories. For example, grants for construction of education facilities not only finance the acquisition of physical assets but also are an important element in the conduct of education and training. In cases such as this, the outlays are classified in the subcategory that is most "capital-like" and therefore appears first in the special analysis structure (the order goes from loans to construction and rehabilitation, acquisition of major equipment, conduct of research and development, etc.).

The classification structure used in compiling information for this analysis is designed primarily to distinguish investment-type outlays from current outlays. It does not provide a ready source of information on total outlays or other forms of assistance affecting particular sectors of the economy. For example, the category "aids to agriculture, commerce, and transportation" reflects current benefits, such as subsidies for operating expenses of air, water, and rail transportation activity. It does not include related subsidies for the construction of private merchant ships, which are investment-type outlays included under "acquisition of major equipment", nor does it include assistance provided by the Federal Government through loan guarantees, tax expenditures, or other methods. Although not measured in this analysis, guaranteed loans, tax expenditures, and other provisions of the tax code are methods by which the Federal Government can affect the type and amount of public and private investment. For example, federally guaranteed loans are substitutes for outlays or direct loans and can result in the creation of certain assets in place of others.[1]

The four tables presented in this analysis divide outlays between investment-type and current uses according to the classification categories described below. Table D-1 divides outlays between national defense and civil programs. Table D-2 separates outlays by grants-in-aid,[2] loans, and other direct Federal programs. This table does not distinguish between defense and civil outlays. Tables D-3 and D-4 correspond to tables D-1 and D-2, respectively, and give further detail. Most of the off-budget outlays (shown as addendum items) are for loans and are, therefore, for investment-type activity.[3]

The remainder of the text discusses in greater detail the components and rationale for classifying the various types of budget outlays. For each type of outlay classified in the investment category the manner is shown whereby that type yields benefits in the future, in the form of either physical or financial assets or other less tangible benefits. The remaining outlays (except for the allowances) are classified by definition as current.

Investment-type programs.—Total investment-type outlays are estimated to increase from $148.0 billion in 1982 to $155.3 billion in 1983. About $2.9 billion in 1983 outlays are for loans and financial investments, $90.2 billion are for the acquisition, construction, or rehabilitation of physical assets, and $62.2 billion are for the conduct of education, training, research and development, and other investment-type programs. Defense investment-type outlays are primarily for the acquisition of major equipment and other physical assets, and for research and development. Civil programs, which amount for 40 percent of total investment-type outlays, are primarily for construction and rehabilitation of physical assets and the conduct of education, research, and development.

Loans and financial investments.—A loan creates a financial asset; if made at competitive market rates, the value of the asset equals to the outlay. For domestic loans, the Government's asset is matched by the liability of the private sector. Most Federal domestic loans finance the acquisition or improvement of either physical assets or human capital. This is especially true for loans in the commerce and housing credit, education, and transportation functions. Loans to foreign borrowers are an increase in financial assets held by the United States. Most foreign loans are for economic development programs or the promotion of U.S. exports, including military equipment and farm commodities.

Net loan outlays are estimated to total $1.6 billion in 1983. This figure is less than the volume of new loans made in a given year because outlays for new loans are offset by loan repayments, or by sales of loans (so-called "loan asset sales") to the private sector or to the Federal Financing Bank. Budget outlays for financial investments are estimated to be $1.3 billion in 1983 and almost entirely go to international organizations. Off-budget loans are estimated to be $12.3 billion in 1983. Federal direct and guaranteed loan programs are discussed in greater detail in Special Analysis F, "Federal Credit Programs."

Physical assets.—The benefits provided by the construction and rehabilitation of physical assets, the acquisition of major equipment, and the establishment of commodity inventories are of a long-term nature. Budget outlays designed specifically to purchase such assets are treated as investment-type outlays regardless of whether the asset is owned by the Federal Government, or by State, local, or private entities. Total outlays for physical assets are estimated at $90.2 billion in 1983; of this amount $61.6 billion is for national defense. Most national defense outlays for physical assets are for the procurement of military equipment. A large portion of Federal outlays for nondefense physical assets is in the form of grant-in-aid to State and local governments, especially for construction programs such as highways, mass transit, and pollution control facilities. Outlays for the purchase of commodity inventories in 1982 and 1983 are

[1] Additional information on guaranteed loan programs and tax expenditures can be found in separate publications entitled Special Analysis F, "Federal Credit Programs" and Special Analysis G, "Tax Expenditures", respectively.

[2] Grants-in-aid are resources provided by the Federal Government in support of State and local programs of governmental service to the public. A separate publication, Special Analysis H, "Federal Aid to State and Local Governments," discusses grants-in-aid in greater detail.

[3] See Part 6 of the Budget for a discussion of off-budget Federal entities.

lower than in 1981 by approximately $2.8 billion. This decrease is caused by legislation which shifted the purchases of oil for the strategic petroleum reserve to off-budget status. Off-budget investment-type outlays reflect a corresponding increase.

Conduct of research and development.—Outlays for research and development increase our base of knowledge and apply that knowledge for its future benefit to the Nation. Total outlays for the conduct of research and development are estimated at $41.3 billion in 1983. Outlays for defense research and development are estimated to increase by approximately 20 percent over 1982 and are more than one-half of research and development outlays. Outlays for nondefense research and development are estimated to decrease by approximately 4 percent. Outlays for health, energy, and space technology research and development account for approximately one-half of nondefense research and development outlays in 1983. Additional information about Federal research and development programs is contained in Special Analysis K, "Research and Development."

Conduct of education and training.—Outlays classified in this category are designed to add to the stock of human capital by developing a more skilled and productive labor force. These outlays are largely for direct payments to individuals, such as scholarships, and grants to institutions and State and local governments. As with physical assets, the benefits accrue over a considerable period of time. Outlays are estimated at $17.4 billion in 1983, of which $7.5 billion are in the form of grants to State and local governments.

Collection of information.—This category includes outlays for collection of information, censuses, topographic or other natural resource surveys, and programs that benefit both the present and future by establishing a base of knowledge. Outlays are estimated at $1.3 billion and $1.2 billion in 1982 and 1983, respectively.

International development.—Foreign assistance for general international economic development is included in this category. These outlays, which are expected to benefit U.S. interests by enhancing the economic development of friendly foreign nations, are estimated to be $2.3 billion in 1983.

Current programs.—Programs that provide benefits in the current year are divided into several subcategories briefly discussed below. Outlays classified as current may in part be used by their recipients for investment-type purposes. However, the principal effect of these outlays is to provide short-term benefits—such as unemployment compensation, and retirement and disability payments—rather than providing the means for future benefits. Total outlays for current programs are estimated to increase from $597.0 billion in 1982 to $631.6 billion in 1983 and are more than three-quarters of 1983 estimated budget outlays. About $134.7 billion of current outlays in 1983 are for defense programs and $496.9 billion for civil programs.

Outlays for "provision of benefits" is the largest category in the budget. Total outlays are estimated to increase from $361.0 billion in 1982 to $376.9 billion in 1983. Social security and other disability and retirement benefits are estimated to be $222.1 billion of the total in 1983. The decrease in 1983 railroad retirement and disability benefits is due to the administration's proposal to restore the responsibility for railroad employee's pension benefits to the private sector. Other major outlays in this category are for medicaid, medicare, unemployment, and food and nutrition programs.

Current outlays for "social services and related programs" fund human development and child welfare services, and employment programs. Outlays in 1983 are estimated to be $7.6 billion, of which $6.0 billion are in the form of grants to State and local governments.

"Aids to agriculture, commerce, and transportation" are primarily for direct Federal activities, including price support, small business and transportation programs. Outlays for these programs are estimated to decrease from $17.4 billion in 1981 to $17.0 billion in 1982 and $13.3 billion in 1983. Outlays in 1981 include a one-time payment of $2.1 billion to the Penn Central Corporation for properties transferred to Conrail in 1976.

Other current outlays are largely for operation of the Federal Government, including: the repair, maintenance, and operation of physical assets (primarily defense related); regulatory and law enforcement activities; net interest; and other administrative or operating expenses. Because proprietary receipts from the public—such as receipts from the sale of power and other utilities, the sale of publications and reproductions, and the sale of timber and other natural land products—are offsets against the outlays to which they most nearly apply, net outlays for the operation of the Federal Government are negative in some cases.

Unclassified.—The unclassified category has been redefined to encompass activity not previously included. It now includes the undistributed offsetting receipts (except interest) and the allowances for unallocated budget savings. In addition, most payments from the government to itself and the associated offsetting collections have been moved to this category. This has been done to reduce the confusion involved in deriving the true program level in the categories discussed above. Outlays for this category in 1982 and 1983 are estimated to be −$19.6 billion and −$29.3 billion, respectively.

TABLE D–1. SUMMARY OF INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
NATIONAL DEFENSE			
Investment-type programs:			
Construction and rehabilitation	2,833	3,561	4,501
Acquisition of major equipment and other physical assets	36,867	43,224	57,150
Conduct of research and development	16,946	20,384	24,453
Other investment-type programs	187	113	293
Subtotal, investment-type programs	56,832	67,282	86,397
Current programs:			
Provision of benefits	13,784	15,084	16,562
Repair, maintenance, and operation of physical assets	53,585	62,525	67,370
Other current programs	35,563	42,606	50,738
Subtotal, current programs	102,933	120,215	134,671
Total, national defense	159,765	187,497	221,068
CIVIL			
Investment-type programs:			
Loans and financial investments	5,678	5,433	2,931
Construction and rehabilitation	28,944	28,510	25,747
Acquisition of physical assets	7,495	3,561	2,788
Conduct of research and development	17,231	17,470	16,846
Conduct of education and training	26,124	22,419	17,298
Other investment-type programs	3,650	3,301	3,280
Subtotal, investment-type programs	89,122	80,695	68,890
Current programs:			
Provision of benefits	309,239	345,882	360,356
Social services and related programs	9,174	8,440	6,710
Aids to agriculture, commerce, and transportation	17,357	16,972	13,297
Repair, maintenance, and operation of physical assets	−711	−1,532	−2,967
General purpose fiscal assistance	7,092	6,733	7,015
Regulation, control, and law enforcement	7,823	7,493	7,138
Net interest	68,556	83,015	96,414
Other current programs	9,372	9,738	8,979
Subtotal, current programs	427,903	476,740	496,942
Unclassified	−19,585	−19,602	−29,262
Total, civil	497,439	537,833	536,570
Grant total	657,204	725,331	757,638
ADDENDUM			
Off-budget Federal entities (civil):			
Loans	20,999	16,419	12,295
Other investment-type outlays	2	2,848	2,801
Aids to agriculture, commerce, and transportation	3	422	606
Total, off-budget Federal entities	21,005	19,689	15,701

TABLE D–2. SUMMARY OF BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
GRANTS-IN-AID			
Investment-type programs:			
Construction, rehabilitation, and acquisition of physical assets	22,219	21,659	19,468
Conduct of education and training	14,445	10,919	7,477
Other investment-type programs	354	276	217
Subtotal, investment-type programs	37,018	32,853	27,163
Current programs:			
Provision of benefits	39,421	41,355	39,211
Social services and related programs	8,059	7,425	5,966
Aids to agriculture, commerce, and transportation	1,458	1,225	904
General purpose fiscal assistance	7,133	6,777	7,074
Regulation, control, and law enforcement	684	583	441
Other current programs	990	1,002	660
Subtotal, current programs	57,744	58,367	54,255
Total, grants-in-aid	94,762	91,220	81,418
Loans	4,078	4,127	1,592
DIRECT FEDERAL PROGRAMS			
Investment-type programs:			
Construction and rehabilitation	9,954	10,829	11,140
Acquisition of major equip-ment	37,325	43,122	57,095
Acquisition of commodity inventories and other physical assets	6,640	3,247	2,482
Conduct of research and development	33,926	37,635	41,106
Conduct of education and training	11,688	1,508	9,892
Other investment-type programs	5,325	4,656	4,817
Subtotal, investment-type programs	104,858	110,998	126,532
Current programs:			
Provision of benefits	283,602	319,611	337,707
Social services and related programs	1,115	1,014	744
Aids to agriculture, commerce, and transportation	15,900	15,747	12,393
Repair, maintenance, and operation of physical assets	52,354	60,345	64,000
Regulation, control, and law enforcement	7,139	6,909	6,698
Net interest	68,556	83,015	96,414
Other current programs	44,424	51,947	59,403
Subtotal, current programs	473,091	538,588	577,358
Total, direct Federal programs	577,949	649,586	703,890
Unclassified	−19,585	−19,602	−29,262
Grand total	657,204	725,331	757,638

TABLE D–2. SUMMARY OF BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS—Continued

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
ADDENDUM (DIRECT FEDERAL PROGRAMS)			
Off-budget Federal entities:			
Loans	20,999	16,419	12,295
Other investment-type programs	2	2,848	2,801
Aid to agriculture, commerce, and transportation	3	422	606
Total, off-budget Federal entities	21,005	19,689	15,701

TABLE D–3. INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
NATIONAL DEFENSE INVESTMENT-TYPE PROGRAMS			
Construction and rehabilitation of physical assets:			
Military construction	2,295	2,650	3,768
Family housing	102	185	3
Atomic energy defense activities	437	725	729
Subtotal, construction and rehabilitation of physical assets	2,833	3,561	4,501
Acquisition of major equipment:			
Procurement	35,191	41,325	55,144
Atomic energy defense activities and other	1,220	1,439	1,761
Subtotal, acquisition of major equipment	36,411	42,764	56,904
Other physical assets	455	460	246
Conduct of research and development	16,946	20,384	24,453
Other investment-type programs	187	113	293
Subtotal, investment-type programs	56,832	67,282	86,397
NATIONAL DEFENSE CURRENT PROGRAMS			
Provision of benefits:			
Retired military personnel	13,729	15,000	16,471
Other	55	85	91
Subtotal, provision of benefits	13,784	15,084	16,562
Repair, maintenance, and operation of physical assets:			
Department of Defense, Military	53,379	62,282	67,106
Other	206	243	264
Subtotal, repair, maintenance, and operation of physical assets	53,585	62,525	67,370
Other current programs:			
Military personnel	35,831	37,610	43,856
Allowance for civilian and military pay raises		5,081	4,285
Other national defense	−267	85	2,598
Subtotal, other current programs	35,563	42,606	50,738
Subtotal, current programs	102,933	120,215	134,671
Total, national defense	159,765	187,497	221,068
CIVIL INVESTMENT-TYPE PROGRAMS			
Loans:			
International affairs	2,904	2,583	3,289
Agriculture	−1,808	948	
Mortgage credit and thrift insurance	292	−149	−1,216
Aids to commerce	385	107	−75
Transportation	169	137	114
Disaster relief	1,100	−144	−414
Other community and regional development	141	46	83
Education	404	536	639
Other	501	72	−819
Subtotal, loans	4,088	4,137	1,602
Other financial investments:			
International development	1,330	1,139	1,293
Other	260	157	36
Subtotal, other financial investments	1,589	1,297	1,329

TABLE D–3. INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS—Continued

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
Construction and rehabilitation of physical assets:			
Highways	8,842	8,015	8,100
Mass transportation	2,593	2,726	2,410
Air transportation	776	809	748
Other transportation	131	132	121
Community development block grants	4,042	4,005	3,350
Other community and regional development	1,751	1,718	1,351
Pollution control and abatement	3,883	4,054	3,354
Water resources	2,336	2,284	2,192
Other natural resources and environment	1,326	1,374	1,137
Energy	2,279	2,228	1,872
Veterans hospitals and other health facilities	567	635	654
Other	417	530	456
Subtotal, construction and rehabilitation of physical assets	28,944	28,510	25,747
Acquisition of major equipment:			
Transportation	367	438	286
Other	573	−59	−79
Subtotal, acquisition of major equipment	940	379	207
Commodity inventories:			
Energy	3,352	491	565
Agriculture	990	423	
Other		29	
Subtotal, commodity inventories	4,342	943	565
Other physical assets	2,213	2,240	2,016
Conduct of research and development	17,231	17,470	16,846
Conduct of education and training:			
Foundation for Education Assistance:			
Higher education	6,253	6,227	5,524
Elementary, secondary, and vocational education	6,008	6,164	4,772
Other	277	306	302
Subtotal, Foundation for Education Assistance	12,538	12,693	10,597
Veterans readjustment benefits	2,304	1,959	1,647
Training and employment programs	7,755	4,343	2,248
Health training	1,123	986	908
Other education and training	2,404	2,437	1,898
Subtotal conduct of education and training	26,124	22,419	17,298
Collection of information:			
Census Bureau	248	158	153
Other	1,218	1,099	1,017
Subtotal, collection of information	1,466	1,257	1,170
International development	2,184	2,044	2,110
Subtotal, investment-type programs	89,122	80,695	68,890
CIVIL CURRENT PROGRAMS			
Provision of benefits			
Retirement, survivor, and disability benefits:			
Social Security:			
Retirement and survivor benefits	119,413	134,918	150,238
Disability benefits	16,853	17,662	18,415
Subtotal, Social Security	136,267	152,580	168,654
Civil Service:			
Retirement and survivor benefits	14,046	15,412	16,838
Disability benefits	3,158	3,438	3,718
Subtotal, Civil Service	17,204	18,850	20,556
Railroad retirement and disability benefits	5,294	5,328	
Veterans disability benefits	8,670	9,675	10,351
Other retirement and disability benefits	1,336	1,988	1,941
Subtotal, retirement, survivor, and disability benefits	168,771	188,420	201,502
Other provisions of benefits:			
Veterans pension benefits	3,755	3,940	4,014
Medicare	41,242	48,296	54,127
Medicaid	16,833	17,823	17,006
Other health benefits	1,032	1,236	1,691
Unemployment compensation	18,392	23,689	21,159

TABLE D–3. INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS—Continued

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
Housing programs	7,548	9,520	10,089
Food and nutrition programs	15,706	15,015	13,317
Supplemental security income	6,452	7,073	8,028
Assistance payments program	7,203	6,671	5,412
Other	6,123	6,725	4,653
Subtotal, other provisions of benefits	124,285	139,988	139,495
Direct provision of services:			
Hospital and medical care for veterans	5,947	6,547	6,925
Other health services	1,092	972	915
Other	280	313	861
Subtotal, direct provision of services	7,319	7,831	8,702
Administrative expenses:			
Social Security retirement and disability	1,689	1,899	2,161
Medicare	1,247	1,255	1,225
Unemployment compensation and other	5,929	6,489	7,272
Subtotal, administrative expenses	8,865	9,643	10,657
Subtotal, provision of benefits	309,239	345,882	360,356
Social services and related programs:			
Human development services	2,793	2,247	2,350
Employment programs	1,476	1,085	508
Social services and child welfare services	2,571	2,912	1,974
Other	2,334	2,197	1,878
Subtotal, social services and related programs	9,174	8,440	6,710
Aids to agriculture, commerce, and transportation:			
Agriculture	4,650	5,551	2,714
Postal Service	1,343	619	500
Small business assistance	492	540	595
Mortgage credit and thrift insurance	1,111	1,538	1,785
Ground transportation	4,705	3,211	1,881
Air transportation	2,270	2,137	2,411
Water transportation and waterways	1,584	1,750	1,558
Other	1,202	1,624	1,854
Subtotal, aids to agriculture, commerce, and transportation	17,357	16,972	13,297
Repair, maintenance and operation of physical asssets:			
Natural resources:			
Water resources	823	782	574
Conservation and land management	433	422	357
Recreation resources and other	668	783	885
Offsetting receipts	−1,485	−2,232	−3,219
Subtotal, natural resources	467	−246	−1,403
Energy (net of naval petroleum reserve and other receipts)	−1,295	−1,609	−1,684
Indian tribal receipts	−315	−349	−372
Other	433	673	492
Subtotal, repair, maintenance, and operation of physical assets	−711	−1,532	−2,967
General purpose fiscal assistance:			
General revenue sharing	5,137	4,570	4,567
Officer general purpose grants-in-aid	725	759	759
Shared revenues	1,230	1,404	1,689
Subtotal, general purpose fiscal assistance	7,092	6,733	7,015
Regulation, control, and law enforcement:			
Regulatory and inspection activities:			
Natural resources and environment	1,098	1,010	914
Transportation	860	858	907
Health	701	682	689
Energy	631	638	544
Agriculture	330	308	256
Savings institutions	−1,738	−1,830	−2,015
Tax collections	568	619	765
Other	832	832	632
Subtotal, regulatory and inspection activities	3,283	3,127	2,693
Law enforcement activities:			
Federal law enforcement	2,366	2,443	2,595
Federal litigative and judicial activities	1,479	1,377	1,406
Federal correctional activities	343	351	374
Other law enforcement assistance	353	196	71
Subtotal, law enforcement activities	4,540	4,366	4,445
Subtotal, regulation, control, and law enforcement	7,823	7,493	7,138

TABLE D–3. INVESTMENT, OPERATING, AND OTHER BUDGET OUTLAYS—Continued

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
Net interest:			
Interest on the public debt	95,333	155,700	132,900
Other interest	−12,967	−16,605	−20,364
Interest received by trust funds	−13,810	−16,080	−16,122
Subtotal, net interest	68,556	83,015	96,414
General Administration:			
International affairs	1,176	1,829	2,107
Legislative branch	1,058	1,235	1,262
Other general government	2,946	3,163	3,079
Other	1,047	807	615
Subtotal, general administration	6,228	7,034	7,063
Other current programs:			
International security assistance	2,880	3,081	2,619
Allowances for civilian agency pay raises		376	743
Other	265	−753	−1,446
Subtotal, other current programs	3,144	2,704	1,916
Subtotal, current programs	427,903	476,740	496,942
Unclassified:			
Fraud, waste, and abuse		−1,000	−1,000
Employer share, employee retirement	−6,371	−7,560	−8,353
Offshore oil receipts	−10,138	−7,861	−18,000
Non-compulsory medicare premiums	−12,921	−18,194	−19,806
Other unclasssified	9,845	15,013	17,897
Subtotal, unclassified	−19,585	−19,602	−29,262
Total, civil	497,439	537,833	536,570
Grand total	657,204	725,331	757,638
ADDENDUM			
Off-budget Federal entities (civil):			
Investment-type programs:			
Loans (see Table D–4)	20,999	16,419	12,295
Strategic petroleum reserve		2,834	2,775
Other investment-type programs	2	13	27
Subtotal, investment-type programs	21,001	19,267	15,096
Current:			
Aids to agriculture, commerce, and transportation:			
Postal Service	86	540	687
Railways	−47	12	9
Other	−36	−130	−90
Subtotal, aids to agriculture, commerce and transportation	3	422	606
Subtotal, current programs	3	422	606
Total, off-budget Federal entities	21,005	19,689	15,701

TABLE D–4. BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
GRANTS-IN-AID			
Investment-type programs:			
Construction and rehabilitation of physical assets:			
Highways	8,835	8,000	8,099
Mass transportation	2,593	2,726	2,410
Other transportation	469	475	374
Pollution control and abatement	3,881	4,050	3,350
Other natural resources and environment	277	305	196
Community development block grants	4,042	4,005	3,350
Other community and regional development	1,531	1,433	1,153
Other construction	194	248	176
Subtotal, construction and rehabilitation of physical assets	21,823	21,242	19,107
Acquisition of equipment and other physical assets	396	417	361
Conduct of research and development	251	220	193
Conduct of education and training:			
Employment and training assistance	6,778	3,322	1,531
Elementary and secondary education	5,877	6,031	4,694
Other	1,790	1,566	1,253
Subtotal, conduct of education and training	14,445	10,919	7,477
Collection of information	103	57	24
Subtotal, investment-type programs	37,018	32,853	27,163
Current programs:			
Provision of benefits:			
Medicaid	16,833	17,823	17,006
Nutrition and food programs	4,581	4,103	3,961
Assistance payments	7,203	6,671	5,412
Housing payments and subsidies	4,015	4,754	4,884
Other	3,509	4,268	3,652
Administrative expenses: Unemployment compensation and other	3,281	3,737	4,296
Subtotal, provision of benefits	39,421	41,355	39,211
Social services and related programs:			
Employment programs	1,201	832	470
Human development services	2,707	2,168	2,270
Social services and child welfare services	2,571	2,912	1,974
Other	1,579	1,514	1,252
Subtotal, social services and related programs	8,059	7,425	5,966
Aids to agriculture, commerce, and transportation:			
Transportation	1,453	1,220	902
Other	4	5	2
Subtotal, aids to agriculture, commerce, and transportation	1,458	1,225	904
Repair, maintenance, and operation of physical assets	520	648	403
General purpose fiscal assistance:			
General revenue sharing	5,137	4,570	4,567
Shared revenues	1,230	1,404	1,689
Other	766	803	818
Subtotal, general purpose fiscal assistance	7,133	6,777	7,074
Regulation, control, and law enforcement:			
Law enforcement assistance	257	196	76
Other	427	388	365
Subtotal, regulation, control, and law enforcement	684	583	441
Other current programs	470	364	256
Subtotal, current programs	57,744	58,367	54,255
Total, grants-in-aid	94,762	91,220	81,418
LOANS			
International affairs	2,904	2,583	3,289
Energy supply	100	97	119
Agriculture	−1,808	948	
Mortgage credit and thrift insurance	292	−149	−1,216
Commerce and housing credit	378	99	−83
Transportation	169	137	114
Small Business Administration, disaster loans	1,101	−144	−414
Education	404	536	639
Veterans	217	−41	−1,025
Other	321	−60	168
Total, loans	4,078	4,127	1,592
DIRECT FEDERAL PROGRAMS			
Investment-type programs:			
Financial investments	1,589	1,297	1,329
Construction and rehabilitation of Physical assets:			
National defense	2,800	3,522	4,454
Water resource projects	2,264	2,215	2,143
Other natural resources and environment	1,121	1,143	995
Energy	2,279	2,228	1,872
Transportation	446	480	497
Veterans hospitals and other health facilities	552	574	637
Other construction	492	667	543
Subtotal, construction and rehabilitation of physical assets	9,954	10,829	11,140
Acquisition of major equipment:			
National defense	36,411	42,764	56,904
Other	914	358	191
Subtotal, acquisition of major equipment	37,325	43,122	57,095
Commodity inventories	4,797	1,403	811
Other physical assets	1,843	1,844	1,671
Conduct of research and development	33,926	37,635	41,106
Conduct of education and training:			
Assistance to veterans	2,533	2,178	1,899
Higher education	6,246	6,279	5,585
Elementary and secondary education	395	391	328
Employment and training assistance	911	934	640
Health training	672	549	437
Other	931	1,177	1,003
Subtotal, conduct of education and training	11,688	11,508	9,892
Collection of information	1,385	1,222	1,171
International development	2,351	2,138	2,317
Subtotal, investment-type programs	104,858	110,998	126,532
Current programs:			
Provision of benefits:			
Social Security retirement and disability	136,267	152,580	168,654
Other retirement and disability benefits	50,043	54,864	53,425
Medicare	41,242	48,296	54,127
Medical care for veterans	5,947	6,547	6,925
Other health	1,126	1,023	938
Unemployment compensation	18,392	23,689	21,159
Food and nutrition programs	10,841	10,493	8,990
Housing payments and subsidies	3,590	4,805	6,034
Supplemental security income	6,407	7,050	8,012
Earned income tax credit	1,318	1,254	1,180
Other	2,846	3,103	1,900
Administrative expenses:			
Social Security retirement and disability	1,689	1,899	2,161
Medicare	1,247	1,255	1,225
Nutrition and food programs and other	2,648	2,752	2,976
Subtotal, administrative expense	5,584	5,907	6,362
Subtotal, provision of benefits	283,602	319,611	337,707
Social services and related programs	1,115	1,014	744
Aids to agriculture, commerce, and transportation:			
Agriculture	4,650	5,551	2,714
Postal Service	1,343	619	500
Small business assistance	492	540	595
Mortgage credit and thrift insurance	1,109	1,536	1,785
Ground transportation	3,255	1,994	981
Air transportation	2,270	2,137	2,411
Water transportation and waterways	1,035	1,176	1,057
Other	1,746	2,194	2,350
Subtotal, aids to agriculture, commerce, and transportation	15,900	15,747	12,393
Repair, maintenance, and operation of physical assets:			
National defense	53,585	62,525	67,370
Other (includes offsetting collections)	−1,231	−2,180	−3,370
Subtotal, repair, maintenance, and operation of physical assets	52,354	60,345	64,000
Regulation, control, and law enforcement	7,139	6,909	6,698
Net interest	68,556	83,015	96,414
Other current programs:			
Military personnel	35,831	37,610	43,856
Allowance for Department of Defense pay raises		5,081	4,285
Other national defense	−309	−128	2,539
Allowance for civilian agency pay raises		376	743
Other	8,902	9,008	7,980
Subtotal, other current programs	44,424	51,947	59,403
Subtotal, current programs	473,091	538,588	577,358

TABLE D–4. BUDGET OUTLAYS FOR GRANTS-IN-AID, LOANS, AND DIRECT FEDERAL PROGRAMS—Continued

[In millions of dollars]

	1981 actual	1982 estimate	1983 estimate
Total, direct Federal programs	577,949	649,586	703,890
Unclassified:			
Fraud, waste, abuse		−1,000	−1,000
Employer share, employee retirement	−6,371	−7,560	−8,353
Offshore oil receipts	−10,138	−7,861	−18,000
Non-compulsory medicare premiums	−12,921	−18,194	−19,806
Other unclassified	9,845	15,013	17,897
Subtotal, unclassified	−19,585	−19,602	−29,262
Grand total	657,204	725,331	757,638
ADDENDUM (DIRECT FEDERAL)			
Off-budget Federal entities:			
Investment-type programs—Loans:			
International	1,940	2,644	3,709
Energy	4,899	5,740	5,919
Agriculture	5,790	1,066	−394
Mortgage credit and thrift insurance	4,164	3,473	1,031
Transportation	31	−42	−2
Community and regional development	1,200	1,307	947
Education	1,955	700	
Income security	810	1,224	969
Other	211	286	115
Subtotal, loans	20,999	16,419	12,295
Other investment-type programs:			
Strategic petroleum reserve		2,834	2,775
Other	2	13	27
Subtotal, other investment type	2	2,848	2,801
Subtotal, investment	21,001	19,267	15,096
Current:			
Aids to agriculture, commerce, and transportation:			
Postal Service	86	540	687
Railways	−47	12	9
Other	−36	−130	−90
Subtotal, aids to agriculture, commerce, & transportation	3	422	606
Subtotal, current	3	422	607
Total, off-budget Federal entities	21,005	19,689	15,701

Mr. EXON. Mr. President, I ask unanimous consent that I may be allowed to proceed for not to exceed 10 minutes to discuss the amendment that is presently before the Senate without the time being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I have been listening with great interest for the last several days to the debate, and a very interesting debate it is, about the constitutional amendment for a balanced budget.

I intend to offer tomorrow the following amendment. It is a very brief one. It is an amendment very much to the point, not unlike amendments that have been offered previously without success during this debate.

The amendment that I intend to offer has for the purpose and I quote:

To require the President to submit an advisory statement of receipts and outlays for each fiscal year to the Congress.

On page 3, between lines 12 and 13 insert the following:

SECTION 1. Prior to each fiscal year, the President shall transmit to the Congress a recommended statement of receipts and outlays for that year. If outlays are greater than receipts the President shall include a statement specifying the reasons why total outlays for such fiscal year should exceed total receipts for such fiscal year. Such statement submitted by the President shall be used by the Congress in adopting the statement required in Section 2 of this article, in whatever manner the Congress, in its sole discretion, determines.

Renumber the succeeding Sections accordingly.

That is the end of the quote from the amendment that I intend to offer.

Mr. President, there have been dire predictions made by those on both sides of the issue before us that indeed if the constitutional amendment of which I am a cosponsor becomes the law of the land dire consequences are going to occur.

I do not happen to agree with that because anyone who reads the amendment before us can readily understand that with a 60-percent vote in either or in both of the Houses we can do anything we want.

Likewise, that might be the Achilles' heel of the constitutional amendment for a balanced budget.

So I do not think anything is cut and dry here.

I still have enough confidence in the institution of Congress to believe that when there is a real emergency of any kind or when the Members of Congress feel that there is an emergency they will indeed have the courage to stand up and vote as they have on many occasions in the past when the vote that is cast here might not be the most popular thing to do.

Therefore, I feel that the constitutional amendment, while not perfect, is possibly a step in the right direction.

Having said that, though, Mr. President, I certainly concede Senators have made some very interesting arguments here, both from the standpoint of attacking this from a statutory provision, as I heard this afternoon. The Senator from Colorado just finished with a very interesting and thoughtful proposal, I thought. I think one thing that has not been sent out very loud and very clear to the American people is that this certainly is not a cure-all amendment.

I think this amendment is being given entirely too much play as the possible answer to our problems of ever-escalating deficits.

Before I came to the Senate, I served in a capacity as Governor of my State where we required a balanced budget—we did it for 8 years in a row—first, because we wanted to, and, second, because we had to under the State constitution.

It never caused the State of Nebraska to go into bankruptcy, but believe me, Mr. President, it put our feet to the fire, both myself as Governor and the members of the Nebraska Legislature, because very simply put it said that after the process has worked its course, after the Governor has submitted a budget, and after the legislature has changed that budget as it saw fit, and after the legislature has either sustained or overriden the vetoes of spending measures that were sent back to it by the Governor, in the end we had the obligation to raise sufficient amount of taxes to pay for the expenditures that we had jointly authorized. In other words, put in a nutshell, for every $100 we spent we had the responsibility to raise $100 in taxes to make sure that the State of Nebraska did not go into debt.

That brings me back, Mr. President, for the very vital reason that I intend to offer the amendment that I read a few minutes ago to the Senate.

I hope the managers of this bill will not brush this aside, as they have brushed aside several other amendments along this line and others. It comes down to me, Mr. President, as a matter of sincerity. Are we sincere about balancing the Federal budget or are we going through game playing?

History might show that even if this is passed by Congress, even if the sufficient number of States ratify this constitutional amendment, in actual practice it might indeed be game playing and it might not work. I am willing to give it a chance though as long as we have fully debated the matter, which I think we have and will be doing in the next 2 days, and so long as those of us who feel sincerely about this have an opportunity to present to our colleagues something we feel is very important.

If we are sincere, and if this is ever going to be workable, if we honestly feel that in the future the constitutional amendment we are going to be voting on this week is going to do something, then I hope all of us will fully understand that it is not going to work unless we have total cooperation between the President of the United States, whoever he is, at whatever time, and those of us here on the Hill. Unless there is cooperation we are never going to achieve the goals we supposedly are advocating in propounding this constitutional amendment.

You can say, if you want, that it is not necessary that the President be involved in the budget-balancing process in the constitutional amendment. You may say that that can be handled afterward in the statutes.

If this amendment is as good as some people seem to think it is, and if it is really going to do something, then I see nothing wrong with requiring the President to at least send us recommendations for a balanced budget each fiscal year or spell out why he cannot do that. Indeed, the President of the United States last week, in response to a question that I put to him, sitting immediately across the table from him, about his objections to addressing the matter in the constitutional amendment that the President

be required to submit a balanced budget or an explanation of why that was not possible, the President of the United States, Ronald Reagan, said, "I think that is a good idea." Let me repeat, the President of the United States said that was a good idea.

There are several of us in this body who are cosponsors of this amendment who think it is a good idea if we are sincere. It would simply say that if this is going to work, and if it is important enough to submit this as a constitutional amendment to the States for ratification, it is also important enough to go the additional two steps, if you will, of spelling out in the constitutional amendment the legitimate responsibilities of the President of the United States, our Chief Executive Officer, which he has in working in cooperation with Congress.

I say these words today, Mr. President, only in hope that there will be a sufficient number of my colleagues listening who will have a chance to read this and see if they can find anything wrong with the wording I have recommended.

The PRESIDING OFFICER. The Senator's 10 minutes yielded to him by unanimous consent have expired.

Mr. EXON. I thank the Chair and I yield the floor.

Mr. HATCH. Mr. President, I rise in opposition to the amendment offered by the gentleman from Colorado (Mr. HART). Let me summarize my concerns:

First, it would substitute a simple statute for the present amendment and would be replete with the difficulties of such an approach.

Second, the same economic problems and economic difficulties arise from borrowing for capital outlays as for operating outlays. A deficit is a deficit, no matter what we call it. No matter what we describe it as, it will lead to higher future inflation, unemployment, or interest rates.

Third, it is important to clarify that Senate Joint Resolution 58 does not prohibit capital budgets; it would simply require that such a budget be subject to the same constitutional constraints as operating budgets.

Fourth, there is no effective means of distinguishing between capital outlays and operating outlays. One such rule of thumb would label a capital outlay as any expenditure which contributes to an asset having a useful life in excess of 1 year. By this rule, building and equipment outlays surely would qualify—but so would outlays for research, for education, and for medical care. These later items constitute a significant portion of the Federal budget.

Fifth, the private sector's use of capital investment reflects application of a profit criterion under which such expenditures are carried to the point of profit maximization for the firm, and not beyond. No such criterion exists for the Federal Government and, therefore, there exists no comparable natural limit to the Federal propensity to spend even on an identified list of projects.

Sixth, private families will borrow for capital items: home and automobile. Such items represent one-time, infrequent purchases, with a family going into debt in 1 year and repaying that debt in future years. The analogy to Federal operations would be a deficit in the first year and continuing surpluses in subsequent years.

Seventh, the Federal Government undertakes capital outlays in every year. To argue that the Federal Government should create an exemption for capital outlays in the face of this continuing stream of expenditures would be to justify a continuing stream of deficits.

Consider a community which must build a new school, or replace an existing school, as a one time expenditure. One can argue that payment for the capital cost should be shared by the taxpayers over the useful life of the school.

By contrast, a growing community which must build a new school in every year sensibly pays for each school in full in the year in which built. Only in this way could the community's tax burden be stabilized over time.

The Federal Government is analogous to the growing community not to the single, one-shot outlay community. Every year is the occasion for items of capital outlays. Stabilization of the Federal tax burden generally requires payment in full during that year.

Eight, if the gentleman was genuinely desirous of a true capital budget, I would suggest that we might be getting something that he did not really want. Does he want a budget that would require the depreciation of highways and bridges and dams and buildings and office equipment and post offices? I doubt that he would. That is the implication of an honest and true capital budget.

Ninth, the proposed amendment does not contain adequate restraints on the budget procedures, thus opening up the possibility for some accounting sleight of hand and the opportunity for Congress to avoid its duty to balance the budget.

For these reasons, Mr. President, I oppose this amendment. It is clear to me that this amendment would only further delay our efforts to establish a balanced budget.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I just wondered would the Senator object to charging the time on his time on the amendment when he brings it up? We are going to take but a few moments.

Mr. EXON. When I addressed the Presiding Officer and sought unanimous consent from the Chair I asked that I be allowed to proceed without the time on the amendment being charged to either side, and I would prefer to let that stand.

Mr. THURMOND. That will be all right.

Mr. President, are there any more amendments to be brought up by anybody, pro or con? We are ready for any amendment if anybody would like to bring one up.

Mr. President, I suggest the absence of a quorum to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I observe the appearance on the floor of the distinguished and able Senator from New York (Mr. MOYNIHAN). I understand he has an amendment and I would be very pleased to have him proceed with it.

AMENDMENT NO. 1928

Mr. MOYNIHAN. Mr. President, I call up printed amendment No. 1928.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an amendment numbered 1928.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 15, strike the "." and insert the following ", except that total outlays may exceed total receipts by the same percentage by which total outlays for national defense exceeds the total outlays for that purpose in the preceding fiscal year.".

On page 3, line 17, strike the "." and insert the following ", subject to the exception stated above.".

Mr. MOYNIHAN. Mr. President, this amendment in a sense, is a companion measure to one I proposed last Thursday, which provided that the proposed constitutional amendment would not be permitted to dismantle or significantly impair the entitlements individual citizens obtain under the Social Security Act.

Today, I turn to the question of national defense. In a modification of the printed amendment, it simply provides that total outlays may exceed

total receipts by the same amount by which total outlays for national defense exceed the total outlays for that purpose in the preceding fiscal year.

The elemental perception here is that expenditures for national defense—as the distinguished Presiding Officer who served so ably and gallantly as Secretary of the Navy will know and will be able to testify—are not, by their nature, subject to any easy extrapolation or steady progression one year from the next. The requirements of national security cannot be plotted as a series of planned and orderly outlays.

For example, could you imagine what outlays for defense in the United Kingdom will be this year, in the aftermath of the wholly unanticipated war in the Falkland Islands?

It is in recognition of the fact of life—that international conflicts cannot be part of economic forecasts—that the authors of this constitutional amendment have included the ominous and unsettling provision that we can suspend it by declaring war. It is—as it has been described in terms of genuine concern on this floor—a measure which almost provides an inducement to declare war. Indeed, at times, it creates the necessity. That is but one of many aspects that trouble us all.

Just by way of preface, I call the attention of the Senate to the most extraordinary defect in this whole proposal: It provides that Congress may suspend a constitutional amendment.

Our Constitution is a singular document. With the exception of Iceland, it is in modern terms the oldest written constitution in the world. It has been amended only 26 times, 10 of those times during the first Congress following its adoption. All but two of these amendments have treated the powers of Government (limiting them or in some very few cases redefining them), the procedures of Government, as in the case of the 11th amendment, or the rights of citizens.

The Constitution is principally an enunciation of the powers of Government and the rights of citizens. And it has been assumed that only through the amending process itself could those rights and powers be changed.

But now we introduce the altogether novel idea that a three-fifths vote of the Congress can suspend the workings of a constitutional amendment. How far are we from the idea that a three-fifths vote of the Congress might suspend the first amendment? You begin such things; you do not know where they will end.

There are further concerns, Mr. President, as one looks beyond the economic issues here and the near universal judgment of the economics profession that this amendment is bad economics.

And bad economics it is. On Friday, I introduced into the RECORD as a role of honor the names of the 1,028 economists who, in May 1930, wrote President Hoover urging that he not sign the Smoot-Hawley tariff. He proceeded to do so anyway. The Smoot-Hawley tariff fulfilled one-half the expectations of its sponsors: American imports did drop by two-thirds in 2 years. Unfortunately, American exports also dropped by two-thirds in 2 years, and the world plunged deeper into a worldwide economic depression which would end only with the most savage and destructive war mankind has known—a war which broke nations and all but wiped out civilizations.

It is bad economics. But, Mr. President, it is also bad government. Given the gross uncertainties of all budget projections, it openly invites evasion through the adoption of unrealistically optimistic assumptions about the course of the economy.

Tomorrow morning, Mr. Stockman is going to appear before the Budget Committee. And I am going to have to remind him of an exchange we had in February of 1981 in which I said, "How can you seriously say to the investors of this country and the economic forecasters, the planners, and the people of this country, that there is going to be a 4.2-percent increase in real GNP next year, fiscal year 1982, and a 5-percent increase in 1983?" And I said, "the Senate is concerned that you have projected rates of growth which are not rational." These rates, I warned, would not be met. And they have not been met. The temptation is there in government under the best of circumstances. Now we make it endemic, we almost institutionalized the impulse to dissimulate.

This amendment encourages bad government by ignoring all of the alternative ways by which Congress can seek to achieve public purposes outside of the Federal budget—by imposing regulations, output and input restrictions, loan guarantees, tax-free financing, and so on. The amendment would inevitably distort reasoned congressional deliberations and choice between those techniques and direct budgetary outlays.

Another point disturbs me; more bad government as well as bad economics. More than one of us, Mr. President, have called attention on this floor to the irony that it is an administration and Members of this Senate who most oppose—or who appear most to oppose—the intervention of the judiciary in American public affairs, who now are creating a situation in which the Supreme Court will have to determine the parameters of all budget decision. For example, what is the national income—since no one else can authoritatively say, as there is in fact no authoritative definition.

I would make the point that just as the great crash of the 1930's—following the folly of acts such as the Smoot-Hawley tariff—led to a huge expansion in Government, so will this amendment if it ever becomes part of the Constitution.

Regulations, instead of direct outlays, will proliferate. Do not worry about a depletion of the unemployment insurance fund and the budgetary implications of filling it; all you have to do is pass a law forbidding any employer to discharge any worker. Such laws do happen; they exist all over the world in economies which are typically in ruins. But why ought we create a situation in which we almost inevitably will force ourselves to make such things happen here?

As amendment inevitably distorts congressional choices between these regulatory techniques and direct budgetary outlays, the economic costs will rise. Since very often administrative, regulatory techniques provide the least efficient and the most inflationary ways to accomplish a public purpose, the amendment would, in my opinion, end up causing much more harm than good. It is simply not good government, in effect, to encourage Congress to resort to these less visible and often ultimately far more costly demands on our national economy.

Finally, the amendment fails totally to differentiate Government expenditures that represent investments in infrastructure, in technology, in human capital—in short, investments in increasing our national productive capacity—from those expenditures that are essentially consumptive in nature.

Distinguished American economists, such as Alfred Kahn, the Robert Julius Thorne professor of economics at Cornell University who served with such distinction in the previous administration, tell us that to the extent that the growth in Federal outlays has, in some measure, contributed to our economic ills in recent decades, this growth has reflected the disproportionately rapid rise in transfer payments.

This last week, Newsweek magazine devoted its cover story to "the crumbling of America," referring to our failure to maintain our infrastructure—a matter which the Committee on Environment and Public Works has been trying to quantify for as many years as I have served on that body.

Albert Sommers, the chief economist for the Conference Board, argues that Government investment outlays, as a percentage of GNP, are at the lowest point in 35 years. Let me repeat that, Albert Sommers the chief economist of the Conference Board—a body of great repute; in its 70th year as a reputable business-based research organization—argues that Government investment outlays have reached their

lowest point in 35 years, in relation to the Nation's GNP.

It is precisely these kinds of long-range outlays, the basis for long-term economic growth, that will most likely suffer from a measure such as this, based on a locked-in 12-month cycle which takes us back to the agricultural economies of the 13th century. We might as well be a 13th century parliament here, calculating what the harvest, the wool clip, and other such things that move on the annual 12-month cycles—as if industrialization had never occurred.

These matters are not issues of liberalism versus conservatism. It is neither uniquely liberal nor uniquely conservative to observe that the amendment would attempt to relieve Congress of its responsibility to make intelligent economic policies in conformity with the needs of the times.

Most importantly—because there cannot be a more important issue—it is the plain fact that this amendment would make managing our national defense so much more difficult.

Mr. President, at this point I ask unanimous consent, to modify my amendment, and I send the modification to the desk. Mr. President, this modification merely changes the term "percentage" on line 3 to the word "amount."

The PRESIDING OFFICER. The modification will be stated.

The legislative clerk read as follows:

On page 1, line 3, strike the word "percentage" and insert in lieu thereof the word "amount."

Mr. THURMOND. Mr. President, we have no objection.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

On page 3, line 15, strike the "." and insert the following ", except that total outlays may exceed total receipts by the same amount by which total outlays for national defense exceeds the total outlays for that purpose in the preceding fiscal year.".

On page 3, line 17, strike the "." and insert the following ", subject to the exception stated above.".

Mr. MOYNIHAN. Mr. President, I would like to call the attention of the Senate to increases in outlays for national defense, experienced and projected, for the fiscal years 1980 to 1987.

In 1980, under the last administration's budget, defense outlays increased $18.2 billion; in 1981, again under the budget of the previous administration, defense outlays rose $23.9 billion over the preceding year. In 1982, defense outlays up another $31 billion; in 1983 defense outlays to rise another $32.3 billion; in 1984, $34.1 billion more; in 1985, up by another $43.1 billion; in 1986, $46.4 billion more; and in 1987, defense outlays to go up by another $44 billion over the preceding years.

Mr. President, there is not one of these years in which anyone could confidently state that national defense needs will be related in any way to the formula in this amendment—which essentially says that Federal outlays may not increase more than the rate of growth in national income, whatever that is (I do not know whether "whatever that is" is actually in the amendment, but we should have a parenthesis or an asterisk at the bottom, "whatever that is"). The needs of national security do not obey whatever economic forces determine the growth rate of whatever-it-is we are calling "national income" would that they did.

I say, it is not possible in any way to assume that in each or any of these years, and the years beyond, there will be anything like the increase in national income growth sufficient to provide for the projected—now agreed to by the administration—increases in national defense outlays.

Do not think of these as small sums. In 1983 there is a projected increase of $32.3 billion in defense outlays, over 1982. The entire 100 aircraft B-1 bomber program is estimated to cost $29 billion over the next 5 years. But there will be little or no-even negative-growth in national income in 1982. In short:

No B-1 bomber program under this constitutional amendment.

The administration has proposed a 149-vessel shipbuilding and conversion program, a program to be carried out over the 5-year period of 1983 to 1987 and a matter of special interest to the Presiding Officer. That program will cost an average of $17 billion a year in additional outlays—less than half of the projected increase in defense outlays each of these 3 years. Balance the budget under the terms of Senate Joint Resolution 58, and it is not likely to be there.

May I say that the total funds for all operations and maintenance for the U.S. Navy and Marine Corps in 1983 is estimated to come to $22.6 billion. That is equivalent to two-thirds of the increase in defense outlays in 1983 over 1982, which we can only have if the national income has increased in the proportion that makes it possible. Last year we learned the national income went down.

When national income goes down, either defense must go down, or social security must go down, or the rest of Government simply must be closed down. You will not have the funds in the budget. The Wharton Econometrics analysis of the impact of Senate Joint Resolution 58 on the budget and the economy showed that, under its provisions, if you did not cut defense and social security, you would have to abolish between 60 and 70 percent of all the Government. And if you do not abolish the rest of Government, you must either imperil the defense of the Nation—at least that is the judgment of those responsible for defense—or shred the Government compact and the fabric of civility which the Social Security Act has brought to our country.

It is very easy to ignore these facts, if you wish, but they will catch up with you. You will look up one day and you face a military emergency that we have become incapable of meeting. The whole goal of orderly provision for the national defense, which this administration came to office talking about, will just disappear.

Might I quote from an OMB staff report to David Stockman:

S.J. Res. 58 could . . . have a bias against defense. By fiscal year 1986 defense outlays will account for $311 billion of projected total controllable spending of $442 billion, or 70 percent. While entitlements could theoretically be cut, the 47 percent share of controllable outlays will always be the first target if outlay reductions are required to achieve the balanced budget rule or enforce the outlay ceiling during the fiscal year.

Might I quote the President in this matter, from Newsweek magazine on November 16, 1981:

I did not come here to balance the budget—not at the expense of my tax-cutting program and my defense program. If we can't do it in 1984, we will have to do it later.

Now we have a constitutional amendment that will make him do it, and his tax-cutting program and his defense program will go by the board.

I just cannot imagine, Mr. President, that the elemental evidence of the difficulties we are going to make for ourselves, the very constitutional crises, can be ignored. It is one thing to face a budget problem; it is quite another to precipitate a constitutional crisis. And it is yet a third and most profoundly imprudent thing to amend the Constitution in such a way as to transform a budget problem into constitutional crisis.

Increasingly, we have heard the most respected analysts tell us what will happen to social security, what will happen to defense, or tell us that in the name of open and orderly approach to Government finance, we shall resort to every possible dissimulation and avoidance and even downright deception. We shall deceive ourselves, but we shall not deceive our people and we shall find that the legislative powers which article I of the Constitution resides in the Congress will, in effect, have crossed First Street and come to reside in the Supreme Court. And we shall have done this to ourselves.

In conclusion, Mr. President, I hope that those who care about the national defense program on which we are embarked will see the peril which this amendment creates. It would require a

sustained sequence of economic growth that we have never experienced in our lifetimes. When have we experienced 7 percent real growth for a year, much less a decade? When have we gone a decade without a year or more of decline in growth? It has never happened. This being so, we shall have to choose between social security, or the national defense, or the rest of Government.

Over the weekend, Mr. President, two powerful voices in my State were heard once again on this matter. The New York Times, on August 1, ran a long and powerful editorial called "Constitutional Con." It concluded that the balanced budget amendment is not a constitutional matter at all; it is just a con.

On the 30th of July, the much-respected and widely read journal, Newsday, commenting on our behavior on this matter, ran a equally powerful editorial entitled, "Congress Is Making a Bad Amendment Worse and Worse." Without wishing to deride or denigrate the office of the President or the present incumbent, it did make the telling observation that, when the President stood out on the West steps of the Capitol not long ago calling for us to proceed as we are now doing, he was telling the American people, in effect—and I quote Newsday—"There ought to be a law against what I'm doing."

Mr. President, surely the counsels of prudence and surely respect for our own experience say to us that we ought to summon the self-knowledge and the character to put this misguided matter aside. We ought to get on with what is a sufficiently crowded calender of important legislative business, as we enter the month of August and the remaining last few weeks of this Congress.

I do not know what else might be said to persuade anyone. Many powerful points have been made on this floor.

In conclusion today, I would like to recall just one occasion from a past period of Government service which occurred to me.

It was in 1975. I was then our Ambassador to the United Nations. In a long afternoon of speeches in the General Assembly—an afternoon perhaps not dissimilar to this one—in an effort to keep myself alert I began to calculate. Of the 148 nations, as I recall, that were then members of the U.N.—their names are listed on a scoreboard on either side of the podium—I asked myself how many both existed in 1914 and had not had their form of government changed by force since 1914. The answer, Mr. President, was 8 out of 148. England, some members of the British Commonwealth, Sweden, and the United States. Eight nations and no other one of them could claim a Constitution written in the 18th century and one which has endured so well, served so well, has been changed only when necessary and only when the rights of the people or the powers of Government were involved.

I see the President has raised his mighty gavel and with the inexorable force of time, brings these remarks to a close. I hope they have not been too extensive. I dare to think they may have some small influence.

I ask unanimous consent, Mr. President, that the two editorials I mentioned by printed in the Record at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 1, 1982]

CONSTITUTIONAL CON

The President, once a baseball broadcaster, now sounds like Leo Durocher, the former Dodger manager. Durocher watched with mounting anger one day as his third baseman let one, two, three ground balls through his legs. When it happened again, Durocher went out to play third himself. The very next ballbounced through his legs. He slammed the mitt down and shouted to the offending fielder, "You've got this position so knotted up that no one can play it right."

Last week, it was the President who threw down his mitt. The subject was Federal deficits. They weren't of such concern in February when he proposed a $98.6 billion deficit for 1983. Better that, he said, than to touch his planned tax cuts. They "must not be tampered with in a vain atempt to cure deficits in the short-run."

But Mr. Reagan is plenty worried about the deficit now. So is Congress. The deficit will be closer to $160 billion than $98 billion. Who's to blame? Don't look at me, Mr. Reagan says with some heat. Blame the Democrats, Why, they gave the country 19 deficits in the last 20 years. They got the game so knotted up that no one can play it right.

Still, not to worry. The President has a magical solution: "The American people understand that we need fundamental reform. . . . They want this Government to draw the line and to pass, without delay, a constitutional amendment making balanced budgets the law of the land."

What tempting simplicity! Congress insists on behaving like an alcoholic, then ban cocktails. The trouble is the amendment stashes a bottle behind the sofa. It can't work.

The balanced budget amendment comes up for Senate action this week. Students of government—including conservatives—reject it as ignorant economics, destructive law, foolish administration and cynical politics. They are right.

The proposal would require Congress to adopt balanced budgets each year. Exceptions would be made for war or when 60 percent of both houses approved. Spending could increase no faster than the growth in "national income."

Why is it ignorant economics? Because the United States should not want to balance the budget every year; it should want to balance the economy. In a recession spending for unemployment and other benefit programs goes up. That's desirable counter-cyclical effect; it's sensible to run a deficit then. Otherwise, the economy would nose dive. If the amendment were in effect now, there would be five million more unemployed.

Why is the amendment destructive law? Because it would stuff the Constitution with baloney. As Professor Burke Marshall of Yale Law School wrote on the Op-Ed page recently, "It trivializes the Constitution to try, for the first time to write into it what are essentially economic and social legislative policies." These are fluid policies, not of permanent constitutional weight. The sponsors know that. This would be the first amendment ever which Congress had the power to waive.

Why is the proposal foolish administration? Because there's no way to make it work. Congress wouldn't even know if it was obeying. Consider the immense variations between the forecasts used when a budget is enacted and the outcome 18 months later. As Rudolph Penner, the conservative economist, has observed, the 1981 budget was balanced on paper for much of 1980—but there was finally a deficit of $58 billion.

Why is the proposal politically cynical? Because it is meaningless in practical terms. The President says that the amendment "could have a very profound effect," but Republican leaders have a very different view. "Frankly, it doesn't do a thing," says Senator Baker, the majority leader. "I don't think it would have any practical impact" says Senator Dole, the Finance Committee chairman.

If there are so many arguments against the amendment, why is the President for it? The only reason we can think of is that Mr. Reagan regards the voters as ignorant, docile and gullible, ready to thrill to the illusion of "balanced budget" but never grasp the reality of this wretched proposal. In short, he thinks they will be fooled. So, evidently, do a lot of Congressmen.

That's all the more reason for thoughtful citizens to stand up and say, No, we will not try to fool and we will not be fooled; a fraud's a fraud. Free people do not govern themselves by pretending to strap on a permanent straitjacket. They do it by making hard choices as they arise. The balanced budget amendment is not a constitutional matter at all. It's just a con.

[From Newsday, July 30, 1982]

CONGRESS IS MAKING A BAD AMENDMENT WORSE AND WORSE

The effort to pass a constitutional amendment requiring Congress to balance the budget seems to get more ludicrous by the day.

One reporter at Wednesday's White House news conference pithily characterized President Reagan's support for the amendment as "standing up there on the steps of the Capitol, presiding over the biggest budget deficit in history and telling the American people, in effect, 'There ought to be a law against what I'm doing.'"

Even the balanced-budget amendment, as now written, wouldn't be a law against what Reagan is doing. This week the Senate turned down an attempt to prohibit a president from proposing a budget in which prospective spending exceeds estimated revenues. So if the amendment passes in its present form, Congress will have to adopt a balance budget even though the president won't have to submit one.

The balanced-budget mandate is a bad idea in any case, but without the rejected provision it's even worse. Unless a president is bound by the same budget-balancing rules

that apply to Congress, the field is wide open to all sorts of political shenanigans and fiscal irresponsibility.

But this President evidently doesn't care for predetermined ceilings. He confirmed Wednesday that he doesn't feel bound by the limits on military spending in fiscal 1984 and 1985 that he had agreed to last month as part of a negotiated 1983 budget package.

Call it hypocrisy or chutzpah, but the contradictions are starting to sink in.

The balanced-budget amendment's sponsors in the Senate are scrambling to find new backers and to keep their own ranks from thinning. Meanwhile the amendment is being encumbered with language intended to make it easier to evade. One result is to render it increasingly meaningless; another is to make it so ambiguous as to invite endless disputes and litigation.

For example: The amendment, as it now stands, doesn't merely require a balanced budget; it also prohibits Congress from allowing federal tax receipts to grow at a faster rate than the national income. But it's not easy to determine the national income—certainly not months in advance when budget drafters are already hard at work. So anyone who thinks taxes are going up faster than income can probably find a lawyer willing to sue and a judge willing to agree.

Just think of the possibilities: injunctions, appeals, conflicting studies and economic forecasts. Why, the whole government could grind to a halt while different layers of the federal court system ponder the vagaries of taxes and income.

Surely this isn't what Congress or the country wants—much less what the Founding Fathers intended.

Mr. MOYNIHAN. I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. I thank the distinguished Presiding Officer. I ask unanimous consent that the vote on this matter take place tomorrow in what I believe to be the now agreed-upon sequence of previous amendments that have been debated today.

Mr. CHAFEE. That would be the result of the previous agreement.

Mr. MOYNIHAN. I thank the Chair for his courtesy. I thank the distinguished President pro tempore for his thoughtful attention to the remarks I have made.

Mr. THURMOND. Mr. President, I yield to myself such time as may be required.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, this amendment takes defense spending out for special treatment. In other words, if defense spending increases in the prior fiscal year, then the statement of receipts and outlays must reflect that amount of increase. I wonder, why pick on defense spending? Senate Joint Resolution 58 makes no preference for one kind of spending over another. I simply want to say that what we have done in this amendment is merely provide that the outlays will not exceed the receipts. In the event that Congress wants to spend more on defense or spend more on food stamps or spend more on water projects or anything else, that is a matter to be allocated by Congress. Congress must determine on its own what its spending priorities are going to be. We should not try to do that in the Constitution.

We do not think that has a place in this constitutional amendment. No one program has a revered place in this constitutional amendment. Congress is going to make the decisions as to how outlays are to be spent. The only thing we want to do is keep the expenditures and outlays to a level no greater than receipts. In that case, Congress should make the decision as to how they wish to spend this money themselves, but we do not think that that should be put in a permanent constitutional amendment. For that reason, we oppose the amendment and we hope it will be defeated.

Mr. President, I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I thank my colleague from New York and my colleague from South Carolina.

The PRESIDING OFFICER. Does the Senator from South Carolina yield back his time on the amendment?

Mr. THURMOND. Mr. President, I yield back my time on the amendment. I believe the Senator from New York used all his time, so that will complete debate on the amendment.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Kansas.

UP AMENDMENT NO. 1168

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk on behalf of myself and the Senator from Colorado (Mr. ARMSTRONG) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, and Mr. ARMSTRONG, proposes an unprinted amendment numbered 1168:

In section 2, on page 4, line 3, strike the words "a majority" and insert the words "three-fifths."

Mr. DOLE. Mr. President, I am proposing an amendment to Senate Joint Resolution 58, along with the Senator from Colorado (Mr. ARMSTRONG). The point of this amendment is to eliminate any possible risk that the constitutional amendment as drafted would skew matters in favor of tax increases to balance the budget, rather than spending restraint. Let me explain why this might be a concern.

Under section 1 of the amendment a three-fifths vote is required to adopt a deficit budget, and the President and Congress are to insure that the agreed-upon outlay totals are adhered to. But the amendment, because of section 2, also functions as an effective check on the excessive growth of Government. That is because section 2 requires receipts to remain no higher than a constant level as a percentage of national income, while section 1 requires that receipts and outlays be in balance. Receipts may fall unexpectedly, but outlays have to be held in check.

This means the section 2 limitation is crucial to the amendment. Section 2 allows the receipts level to increase in line with national income, or faster than national income if Congress so votes by an actual majority of both Houses. This means there can be no unlegislated tax increases, such as were the general rule before we adopted the tax indexing provisions so forcefully advocated by Senator ARMSTRONG in last year's tax bill. I was also involved in that effort, and I think it is the best thing in tax policy we have done; and I think Senate Joint Resolution 58 meshes very well with our new commitment to abolish bracket creep.

POTENTIAL PROBLEM

Mr. President, there is a potential problem in that the vote required to run a deficit is tougher than the vote required to raise the level of taxation. This means there could be a tendency under the amendment to follow the lines of lesser resistance and balance the budget through higher taxes. I know that is not a result anyone wants, but the risk is there. If our goal is to adopt new procedures that will check both deficits and the growth of Government, we ought to seriously consider requiring a three-fifths vote under section 2, as under section 1. The Dole-Armstrong amendment gives us that opportunity.

A three-fifths vote to raise the level of taxation would not be a radical measure. For years we allowed the level of taxation to rise automatically with no vote at all, and few Members complained. This change would help redress the balance. In addition, keeping revenues constant relative to the prosperity of the Nation—which will be the normal rule under Senate Joint Resolution 58—is hardly an outrageous or undesirable thing. It should prove to be a helpful discipline for both Congress and the people. In addition, there is no reason why we should not require an unusual consensus to raise the receipts level. Just as we will do with respect to running a defict. In cases of extreme urgency we should be able to muster the votes to do what is needed to cover the contingency, either through borrowing or taxation: Obtaining the necessary votes will be an appropriate test of that urgency.

MARGIN OF DIFFERENCE

Mr. President, I believe our amendment would be a useful change. I do not want to suggest, however, that the amendment as it stands is not an effective, forceful, and carefully crafted

approach to the very difficult problem of imposing constitutional restraints on fiscal behavior. As the Senator from South Carolina (Mr. THURMOND) and the Senator from Utah (Mr. HATCH) both know, I have been active in the formulation of this amendment and I have supported the present requirement in section 2 for an absolute majority vote. It seems to this Senator, however, that the time is such that we may reasonably consider a tougher vote in section 2. We do not want to send a signal, to financial markets or to the American people, that we may go soft on Federal spending. I do not believe we would, under the amendment, but the risk is there, although it may be a marginal one.

I know very well why the amendment stands as written—it may be difficult to get a consensus on the change I am proposing, and this is, after all, a bipartisan, consensus amendment. That is what we have been working for many years. I do not want to upset the consensus, nor, I am certain, does the Senator from Colorado. But let us see if there is a consensus for the change we are proposing; if the amendment fails, I am confident that Senate Joint Resolution 58 will be an effective and constitutionally appropriate check on fiscal irresponsibility. but if our amendment prevails, we may have that much clearer a message to send to the American people and American business: We are committed to long-term tax restraint, as we are committed to long-term fiscal responsibility. The amendment, I agree, already says that, but our addition might add a useful margin of difference. We all know that the business community needs every indication it can get that we are prepared to be responsible, and committed to be responsible for years to come.

Mr. President, having just gone through a rather difficult exercise in this Chamber with reference to taxation, we find that there are some people who do not want to vote for tax reform, with that matter still before the Congress. We are starting the conference tomorrow on the revenue increase and spending reduction proposal passed by the Senate by a vote of 50 to 47, in which we increase revenues by about $99 billion, but we increase those revenues largely through tax compliance, about $30 billion of the package. Some of the commentators have said this is a tax increase, and I guess technically they are right; if you have not paid any taxes and now you have to pay taxes because of this new provision, that will be a tax increase.

I would rather characterize that as tax compliance. I think it is preferable to characterize that as requiring people who have not paid any taxes to pay some taxes so that others who may be overtaxed are not asked again to pay more.

In the tax bill passed by the Senate, in addition to about $30 billion in tax compliance, there is an equal amount in so-called closed loopholes. Closing loopholes has been in the Tax Code for a number of years, including a couple that were passed in the Tax Recovery Act of last year, the 1981 proposal, safe harbor leasing as a prime example.

We have attempted to modify some of these provisions which in the view of many, and particularly the objective viewers of tax policy, provided too generous benefits to some in business and to some in the upper income level, so we have addressed that very sensitive, but I think very real, problem.

As I said at the outset, I hope, as we are addressing the discussion of Senate Joint Resolution 58, as we address what may happen if we pass the constitutional amendment—if it is ratified by three-fourths of the States—what may happen in the next 4, 5, 6 years, we will not lose sight of what may happen in the next 4 or 5 weeks as the Congress addresses what I consider to be an urgent matter of trying to continue our spending reduction program along with a reasonable revenue increase so that we can do two things: so that the Government can reduce its deficits, and so that interest rates will fall in this country so the American people can go back to work, go back to buying automobiles, go back to buying homes, go back to buying appliances, go back to buying things they have been unable to buy for the last 3 years because of excessively high interest rates.

Mr. President, I know the American people are sensitive about higher taxes. They have a right to be sensitive about them. They also have a right to urge the Congress toward more tax reform, more tax fairness, more balance, more equity.

I believe a careful study of the proposal passed by this body about 10 days ago will indicate that we are headed in that direction.

Mr. President, I do not intend to press this amendment, but I firmly believe that the record should be made, as does the Senator from Colorado (Mr. ARMSTRONG).

I want to commend the distinguished managers of this bill, the distinguished Senator from South Carolina (Mr. THURMOND) and the distinguished Senator from Utah (Mr. HATCH), for their tireless effort on behalf of balanced budgets, not only the constitutional amendment but their voting record, which indicates that they feel strongly about trying to balance the budget with or without a constitutional amendment.

To me, that is the real test. That is the real test, when we come down to voting on the constitutional amendment, as to how we have been voting the past 6 months, the past 6 years, or however long we may have been here, in a effort to reduce Federal spending. For those with a good record, that is the next logical step.

In any event, Mr. President, I am prepared to withdraw the amendment, after having discussed it. It is a matter that I hoped earlier might be addressed and might be accepted, but we come now to the conclusion of the debate, and there will be a final vote on Wednesday.

I did want a record to be made of what I consider an important factor. Maybe it is something that can be picked up in the House, and if there is enough support in the House for a three-fifths requirement before taxes can be increased, I believe that would clear up a possible weakness in the constitutional amendment.

Mr. President, I yield to the distinguished floor manager, and then I will withdraw the amendment.

Mr. THURMOND. Mr. President, there is considerable merit in the amendment of the able Senator from Kansas. He has made some very pertinent remarks, very logical remarks.

However, the purpose of this amendment, as we have it now, as I conceive it, is this: If it should be determined that there are some very worthwhile projects at stake and if the outlays are going to exceed the receipts, then it may be necessary to raise more receipts; and it might be easier to do with a simple majority than if we require three-fifths to do it.

In other words, 41 Senators could thwart the idea of raising more receipts to balance the budget. However, there is considerable merit in the point the able Senator has brought up.

Mr. DOLE. I thank the Senator.

Mr. THURMOND. Also, I think that the work the able Senator has done on the tax bill is appreciated by millions of people in this country, in trying to close loopholes. The night it was passed, I said that I had not seen more expertise applied to a bill before the Senate than that exhibited by the able Senator in handling that bill.

Mr. DOLE. I thank my colleague.

The Senator from Kansas understands that there will be a poll later this week by Lou Harris showing that 81 percent of the people do not support the tax bill. I simply ask the question: Once your taxes increase, I am surprised it is not 100 percent. In any event, once the American people fully understand what we really did in the U.S. Senate, then I believe we will have widespread support.

But it does point up the difficulty. Even to reform the Tax Code is difficult. As I recall, the vote was 50 to 47, with three absentees, on tax reform. Had it been a straight tax increase with no reform, then I suggest that it

would be very difficult to increase taxes.

Maybe the three-fifths is not required in this case. Maybe the majority is still difficult to achieve. It was difficult to achieve 10 days ago, and I assume that will not change over the years.

Mr. President, I withdraw the amendment, and I yield the floor.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 1996

(Purpose: To require the President to submit a balanced budget for each fiscal year to the Congress, and to include with such budget a statement with respect to the monetary and credit aggregates)

Mr. CRANSTON. Mr. President, I ask unanimous consent that amendment No. 1996 be called up.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an amendment numbered 1996.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, between lines 12 and 13, insert the following:

"'SECTION 1. Prior to each fiscal year, the President shall transmit to the Congress a budget for the United States Government for that fiscal year in which total outlays are no greater than total receipts. The budget required by the preceding sentence shall include a specific statement of the monetary and credit aggregates and ranges of growth or diminution of the monetary and credit aggregates which would insure that the total outlays for such fiscal year do not exceed total receipts for such fiscal year.'".

On page 3, line 13, strike out "1" and insert "2".

On page 3, between lines 23 and 24, insert the following:

"'SECTION 3. The Congress shall include in the statement required by section 2 of this article for a fiscal year a specification of the monetary and credit aggregates and ranges of growth or diminution of the monetary and credit aggregates which will insure that total outlays for such fiscal year shall not exceed total receipts for such fiscal year.'".

On page 3, line 24, strike out "2" and insert "4".

On page 4, line 6, strike out "3" and insert "5".

On page 4, line 9, strike out "4" and insert "6".

On page 4, line 13, strike out "5" and insert "7".

Mr. CRANSTON. Mr. President, the purpose of this amendment is to require the President and the Congress to state the monetary policy assumed to underpin the balanced budget required by section 1 of Senate Joint Resolution 58.

Monetary policy clearly influences economic performance, which in turn influences outlays and receipts.

Congress and the President cannot be expected to control or accurately predict receipts and outlays without knowing the exact monetary policy they expect the Federal Reserve Board to pursue.

If we are serious about adopting realistic and attainable balanced budgets each year, we will need to know the assumed monetary policy and to have it stated in the statement of receipts and outlays required by section 1.

Secretary of the Treasury Donald Regan, in a recent interview, conceded that a serious error was made at the launching of President Reagan's program for economic recovery when the administration failed to take into account the sharp deviation in the President's assumed monetary policy and the actual monetary policy being carried out by the Federal Reserve Board.

Jude Wanniski, who has been the Huxley-bulldog in defense of supply-side economics, writes in the Washington Post for Sunday, August 1, that David Stockman was warned of $100 billion deficits as early as December 1980 if he attempted to balance the budget without the "correct" monetary policy. Mr. Wanniski observes:

There is always some combination of tax rates, spending programs, regulatory policies and Federal Reserve policies that will produce a balanced budget over time in an environment of economic growth.

I repeat, Mr. Wanniski stated: "* * * some combination * * * will produce a balanced budget over time in an environment of economic growth."

I will stress again his qualification, "over time." Not year to year, but over time and, additionally, "in an environment of economic growth."

He warns that the "policy mix can't be prepackaged. It has to be constantly rediscovered through the political process, because the economy is forever changing."

Mr. Wanniski's words state principles which underly basic government.

They are not doctrinaire tenets of his supply-side economics, nor of Keynesian economics. His words are strong ones of commonsense and wisdom.

They explain very well what is wrong with the proposal to require an annually balanced budget in the Constitution.

Mr. President, I ask unanimous consent that Mr. Wanniski's article, as printed in the Washington Post of August 1, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 1, 1982]

THE BALANCED BUDGET AMENDMENT—THE IDEA IS LUDICROUS

(By Jude Wanniski)

Even before he was sworn in as director of the Office of Management and Budget, David Stockman was warned by his supply-side friends that, if he wasn't careful, he would soon be facing deficits of more than $100 billion a year. A number of us had observed that Stockman, as early as December 1980, had begun his drift away from the economic-growth agenda that had been central to supply-siders and the Reagan presidential campaign. In trying to balance the budget directly, he would only invite recession, shrink the tax base, explode entitlement payments and balloon the deficit.

The supply-side prescriptions involve dramatic fiscal and monetary reforms that would head off an "economic Dunkirk," which is the phrase Stockman himself used in a memo that advanced those reforms for the president-elect's consideration. Fiscal policy would be directed at restoring production incentives through lower tax rates. Monetary policy would aim at fixing the value of money instead of its quantity, having the Fed target the price of gold instead of some "M" quantity of money.

The monetary reform was critical. Lewis Lehrman, who was the supply-side candidate for Treasury Secretary and had helped formulate the Stockman "Dunkirk" memo, then asserted that such a reform would result in a 6 percent prime rate in 18 months. Lehrman further argued that only in this way could the budget be balanced in the future. Given a $1 trillion national debt, the difference in financing at 5 percent and 15 percent is roughly $100 billion a year. To supply-siders, at least, it seemed inconceivable then and now that the budget could ever be balanced without correct monetary policy.

This bit of recent history is worth recalling in light of the Reagan administration's commitment to a constitutional amendment requiring a balanced budget. Dave Stockman was opposed to such an amendment when he was a supply-sider because he was aware of the impact of monetary policy on the economy and, thus, the government's revenues and outlays. But since casting his lot with the Old Time Religionists in the Republican Party and inviting the recession that has produced $100 billion deficits, Stockman has endorsed the constitutional amendment. In fact, he was key to selling White House chief of staff Jim Baker on the idea, which now has President Reagan looking foolish.

Having failed the president on economics, Stockman could only devise this political ploy to make it appear that it is Congress that lacks the discipline to balance the budget. But this Congress has given the president virtually everything he has asked of it. In his press conference last week, Reagan complained that Congress had not given him the tax cuts he originally promised, "the full supply-side program." But it was Stockman who talked him into postponing the first year of the tax cut in order to squeeze more revenues out of the higher rates. Nor is there anything on the record to support the president's claim that Congress has denied him meaningful spending cuts.

The Democrats are not making much of a stink about the constitutional amendment because they are smart enough to know that it is horrible politics to identify with a mania for balanced budgets during a recession, and that Reagan is simply carving himself a place in history alongside Herbert Hoover. They also know, because Democratic economists are generally smarter than Republican economists, that the amendment is basically a silly idea that could not withstand the scrutiny of the amendment process. Why not help them vote it out of Congress and have the Republicans spend

the next decade breaking their picks in the state legislatures? The budget is a monetary as well as a fiscal document, which introduces so many variables that the very notion of requiring balance becomes ludicrous.

When Federal Reserve chairman Paul Volcker testified July 20 before the Senate Banking Committee, Sen. Alan Cranston of California drew him into a discussion about the balanced budget amendment after Volcker asserted that the deficits were purely a fiscal problem ("We can't cure the federal budget through monetary policy," said Volcker).

"Would you see any problem," asked Cranston, "in requiring the president to state the monetary policy which is assumed to underpin the balanced budget statement just so you have some idea of what to expect and upon what the balanced budget was based in terms of monetary policy?"

Said Volcker: "I'm skeptical about enshrining that kind of thought in law. You have got a problem, a kind of threshold problem, of how you measure monetary policy. Now we struggle with that all the time."

Volcker, who refused to say whether he was for or against the balanced budget amendment, was certain nevertheless that spending must be cut and/or taxes raised in order to reduce the deficit and bring down interest rates that will invite economic recovery. But he also told the committee that recovery is on the way because "we have a large government deficit that is pumping our purchasing power."

Such statements merely add to the sense of intellectual bankruptcy among our policymakers that could not be remedied by the proposed constitutional amendment. At last November's meeting of the Fed's open-market committee, the minutes revealed the authentic "voo-doo economics": "Committee members in general believed that additional weakness in economic activity could well be accompanied by further declines in interest rates, which would be constructive in supporting economic activity."

The public seems to be telling the pollsters that it favors a balanced budget, which no doubt has helped nudge the president down this path. But the pollsters might as well ask the people if they prefer bull markets over bear markets, booms over busts, expansions over depressions, and have the sentiment enshrined in the Constitution. There is always some combination of tax rates, spending programs, regulatory policies and Federal Reserve policies that will produce a balanced budget over time in an environment of economic growth. But that policy mix can't be pre-packaged. It has to be constantly rediscovered through the political process, because the economy is forever changing.

Nor is it necessary that the budget ever be balanced. As a corporation or a nation grows more productiv, its debt can grow as long as its proportion does not outpace production. And a nation has to be able to run deficits to get through bad times the same way we expect families to borrow when the breadwinner is out of work. Those who have resources to lend will do so as long as they see the family or nation having the potential and prospect of getting back to work.

In this sense, the deficits we are now running are politically and economically proper, the net result of the Stockman-Baker-Volcker strategy that created them. The Stockman-Baker-Volcker idea of reducing them through spending cuts and tax increases would only drive the economy deeper into recession, as would a constitutional amendment that would require a Hooveresque response of this kind. The deficits will not disappear until we get economic growth. Economic growth will come with a supply-side monetary reform that fixes the value of money instead of its quantity, and not a moment sooner, no matter what the Constitution says.

Mr. CRANSTON. Mr. President, I raise my amendment to make the point that the committee in considering the proposed constitutional amendment altering Federal budget procedures has not considered at all one of the most significant features of the Federal budget over which we do have control—or that the Federal Reserve Board controls—that is, monetary policy.

The committee report considers monetary policy on pages 40–41. It warns of the temptations to use monetary policy to expand Government revenues. But, the report and Senate Joint Resolution 58 do not provide any safeguards for the pitfalls that did in President Reagan's programs.

There is little difference of opinion as to the substantial impact monetary policy is having on our economy today and therefore upon the Federal budget.

Should the Constitution require a statement of assumed monetary policy as part of the statement of receipts and outlays required by section 1 of the resolution?

Obviously, I do not think any of this should be in the Constitution.

But if there is to be such a balanced budget requirement in the Constitution, then it should be designed so that it does account for the major missing element in the budget picture, monetary policy.

Monetarists argue that of all the factors which can affect the Federal budget, monetary policy is the one factor solely within the power of deliberate, conscious, decisionmakers.

We can anticipate, but not control, unexpected dips or rises in the business cycle.

We can affect, but not control, international events which could greatly affect our economy and therefore the Federal budget. Some, such as an oil boycott or disruption of oil supplies due to war, we cannot control.

Wise planners will allow for natural disasters at home and abroad. But an allowance factor hardly suffices when the actual disaster hits.

So there are many factors which cannot be controlled which do impact one way or the other on the Federal budget.

But there is, as I have stated, one factor which can be controlled—monetary policy.

Yet, this is the major element with which the committee and the resolution refuse to deal.

We should in my opinion, have on the record in the budget submitted by the President and the budget adopted by Congress a statement of the assumed monetary policy.

My amendment requires that should Congress undertake to enact implementing legislation, such legislation must contain a requirement of a statement of monetary policy by the Fed.

In conclusion, Mr. President, the absence of any statement about monetary policy is a serious omission in the resolution and in the committee report. It is another powerful reason why the resolution cannot work, as promised, and why it is assuredly one leading toward Hooverism and chronic economic stagnation of the United States.

For those reasons, Mr. President, I urge adoption of the amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I yield myself such time as may be required.

Mr. President, we have answered similar amendments prior to this as to the first part here wherein section 1 it clearly states that Congress and the President shall insure that actual outlays do not exceed the outlays set forth in such statement.

So there is a concurrent responsibility on the President as well as Congress to see that that is done.

Therefore, we do not think that the first part of the Cranston amendment is at all necessary or pertinent.

As to the second part, this proposed constitutional amendment is not the answer to all of our economic problems. We have not claimed that it is. It addresses only the matter of fiscal responsibility by Congress.

Once our fiscal house is in order then we can move to consideration of ways to better handle the monetary policy.

This proposed amendment by the distinguished Senator from California would inject monetary policy into Joint Resolution 58.

We see no valid reason to do this. It will complicate the amendment by building into the amendment a requirement that the ups and downs of the economy be a part of the Constitution.

These are details that should be handled by statute. These are details that should be handled by Congress and should not be placed in a permanent constitutional amendment.

For these reasons, Mr. President, we feel that the amendment is unnecessary and is unwise and should be defeated.

Mr. President, I am willing to yield back my time if the Senator is on his amendment.

Mr. CRANSTON. Mr. President, I wish to ask one question.

Mr. THURMOND. I shall be very pleased to answer the question.

Mr. CRANSTON. Did the Senator's remarks indicate he feels that the President and Congress have any power over the Fed in regard to monetary policy?

Mr. THURMOND. No. I said Congress and the President must insure that the actual outlays do not exceed the outlays set forth in the statement. In other words, they have a joint responsibility here to balance this budget.

Mr. CRANSTON. Does that give them the power to affect Fed policy since Fed policy has such an effect on the economic situation and therefore on revenues and on outgo?

Mr. THURMOND. Mr. President, the Fed policy is set out in the statutes. Congress can change that and if the President does not veto it, it would become law. The President names the members of the Board, of course, but the responsibility rests mainly on Congress to set out the responsibilities and make such changes if any are desired.

Mr. CRANSTON. Is the Senator suggesting that Congress would have the duty to act if it felt that monetary policy was interfering with the ability to get a balanced budget?

Mr. THURMOND. Mr. President, this is a constitutional amendment and requires a balanced budget. I do not think it has anything to do with the Fed's policies for that reason and would not interfere with any action by Congress or by the President, if they saw fit to make any changes in those policies.

Mr. CRANSTON. My contention is that Fed policies can make it impossible to balance the budget which I think they are doing now.

Mr. THURMOND. Of course, if that results Congress could abolish the Fed, if one wishes to say this, or make changes in its power to affect monetary policy.

Mr. CRANSTON. I am glad to yield back the remainder of my time.

Mr. THURMOND. Mr. President, I yield back my time.

Does the distinguished Senator wish to take up another amendment?

Mr. CRANSTON. Yes. I have another amendment.

AMENDMENT NO. 1989

(Purpose: To eliminate limitations on the power of Congress to appropriate funds or reduce or increase revenues.)

Mr. CRANSTON. Mr. President, I call upon amendment No. 1989 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an amendment numbered 1989.

On page 3, beginning with "The" in line 15, strike out through the period in line 21.

Mr. CRANSTON. Mr. President, the amendment I am offering will strike the second and third sentences of section 1 of Senate Joint Resolution 58. Those are the sentences embodying the requirement that Congress may provide for an excess of outlays over receipts by a vote of three-fifths of the whole number of both Houses.

The proponents of the resolution have argued that the three-fifths requirement is necessary in order to reverse the spending bias of recent years.

They see this provision as an appropriate check on Congress.

There are many Members of this body who think a balanced budget requirement should not be in the Constitution, but who strongly believe that severe checks on Congress are necessary to stop spending promoted by speical interests. They support proposals, which are being and will be considered by the Senate, to amend our budget procedures to require supermajorities to approve deficit spending.

This view is a very understandable one.

It is one that might well be necessary and appropriate for these times, for this Congress and, perhaps, for several more Congresses to come.

Supermajority requirements can be a tool with which this Congress and the next Congresses can reverse the growth in new program spending which runs beyond our means.

In my view, however, supermajorities to reverse deficit spending are only a legislative tool, not a constitutional principle.

Legislative action requiring supermajorities, clearly would promote the direction downward of Federal spending sought by voters in recent elections.

I might not necessarily agree with imposing strict supermajority procedures upon Congress.

But that is a matter, which if voted into our budget procedures, I could work with as well as any other Senator.

My amendment is directed, however, not at the immediate need apparent to many of my colleagues for strict limitations upon Congress ability to approve deficit spending, but at the shortsightedness of placing a supermajority restriction in the Constitution.

This Congress may want to handcuff itself.

But we must be extremely concerned not to place future Congresses and future Americans in fiscal chains because of our failures.

The most serious, and damaging, deficiency in the proposal for a three-fifths majority is that if placed in the Constitution, it will permanently, for all ages, inhibit and frustrate bold action by our future leadership.

Dynamic leadership may be lost to our Nation, as a result.

We would become as the Soviet Union now is—a government of careful, cautious consensus, increasingly declining into stagnation and cynicism.

In short, the United States would become cautious in attitude; tentative in action. That has not been the character of our Nation.

The history of our Nation consists of daring and greatness achieved by the few contrary to the expectations of the many.

The war for independence was fought at a time when only about one-third of the American people supported independence from Great Britain.

The Constitutional Convention of 1787 boldly voted to exceed its mandate limited to "the sole and express purpose of revising the Articles of Confederation."

Abraham Lincoln issued the Emancipation Proclamation against the nearly unanimous advice of his Cabinet that he not do so.

Our colleague Senator RANDOLPH, who was present at the scene, has told us vividly and most dramatically of President Franklin Roosevelt's urgency to act with boldness and without fear in the midst of the Great Depression.

Can anyone here in the Senate imagine the Founding Fathers at the Federal Convention, or any of the other greatest political leaders in our history, placing in the bedrock of our Constitution a huge advantage for the timid, the unimaginative, and the souls who will never take a risk? Can anyone imagine them placing a roadblock in the way of bold and courageous initiative?

But the U.S. Senate may very well do just that—hobble our best horses and never let them into the starting gates.

We are about to require that any action to be taken in the future by the United States of America that requires spending more money than we have at the moment must be ratified first by a three-fifths of the whole majority of both Houses.

We are making a situation in which some future great venture could fail because a Senator has the flu. Or has a date somewhere or—is absent on extremely pressing business.

What is the point of being an Olympic-class runner if you insist on running with both feet tied together?

Why are we doing this, handicapping ourselves and the future of America, so heavily?

I am not known, Mr. President, for expressing passion over issues on the floor of the Senate.

But I say to my colleagues that the three-fifths majority rule sought by

this resolution is the most unwise, extraordinarily shortsighted provision in an already unwise proposal.

I will not go into the difficulties of political impasse and paralysis in the face of crisis caused by the problem of attaining a three-fifths majority.

I am basically an optimist.

I have to agree with the answers given repeatedly by the sponsors and authors of the amendment that somehow future Congresses would rise to the occasion in spite of this handicap under which we are very likely placing them.

An imminent crisis might well do us in, but it will not necessarily be so.

Although, I personally prefer facing a crisis without one hand tied behind my back. I do not relish giving our Nation's adversaries a sporting chance.

I have faith, however, that our people will prevail notwithstanding what this Senate may do.

The difficulty Senate Joint Resolution 58 poses for responses to crisis is not the reason why this provision is very unwise—and totally myopic in outlook. It is the substantial, and tragic, inhibition it places on leadership and initiative.

I agree with the Senator from South Carolina who has explained to us that the facts of a crisis usually are readily apparent. As he puts it, "if we have a situation that demands it, there will be no trouble to get a three-fifths vote."

Yet, I have noted that when Hitler had overrun Europe, Congress was able to enact the selective service law by only the barest of majorities.

The facts of a crisis can be agreed upon.

But the response itself can be very controversial.

The three-fifths majority requirement will not completely cripple our ability to respond to crisis.

But there is more to greatness, and nationhood, than merely responding. What about initiative? What about daring?

What about leadership—that undefinable quality in a few who see opportunity where the majority sees nothing?

To require a three-fifths majority of the whole number to approve spending in excess of receipts will lead to a dampening of enthusiasm, a steady trend toward consensus built largely around those who are timorous, unimaginative, limited in ability and myopic in outlook.

That is not a prescription for greatness.

It is a prescription for life in a goose pond.

Mr. President, I urge adoption of my amendment and rejection of the language in the pending constitutional amendment.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. MATTINGLY). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, the Senator proposes to strike the language beginning on line 15 of section 1 through line 21. The part he proposes to strike reads this way:

> The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject.

Mr. President, we feel that Congress needs that flexibility. We feel it is necessary for Congress to be able to revise a statement, and this so provides, "provided the outlays are no bigger than the receipts."

Suppose Congress feels the situation has changed and it wants to change the statement? We cannot lock Congress in. This is a constitutional amendment. It is binding, permanent law, the most permanent law we have, which is the Constitution. But Congress has got to have flexibility, and this would take away the flexibility here if we were to adopt this amendment.

Whenever three-fifths of both Houses deem it necessary, Congress may provide for specific outlays over receipts, but it will take a three-fifths vote.

The distinguished Senator mentioned the three-fifths over and above a majority. But I would remind him that there are various parts of the Constitution that provide for action to be taken by more than a majority. For instance, it takes two-thirds of the Members present to convict on impeachment; it takes two-thirds to expel a Member of the Senate or the House; and if the President vetoes a bill it takes two-thirds of both bodies to override for it to become law.

It takes two-thirds to pass a treaty. It takes two-thirds to call a convention for proposing amendments to the Constitution, on the application of two-thirds of the legislatures of the States.

It takes two-thirds of both Houses to propose amendments to the Constitution. Then, of course, three-fourths of the States have to ratify it.

When the choice of a President shall devolve upon the House of Representatives, a quorum shall consist of Members from two-thirds of the States. A quorum of the Senate when choosing a Vice President shall consist of two-thirds of the whole number of Senators; and it takes two-thirds to remove the disabilities imposed by the third section of the 14th amendment.

Mr. President, this just illustrates some of the provisions of the Constitution where a majority cannot control. We are trying to provide that if you are going to spend more money than you take in, if your outlays are going to be greater than your receipts, then it is going to take three-fifths of both bodies, the House and the Senate to do so. We think that is important.

We are not passing a statute here where, by a majority, the Congress can do anything it wants to. We are bringing forth an amendment to mandate the Congress, to say to them: "Because you have not balanced the budget here for all these years, 21 years, except one time, you haven't balanced it 25 years but twice, and therefore the people of this country want action taken to restrain the Congress."

And it is good for the Congress to be restrained. They have not shown any restraint. Therefore, we have to mandate it here and nail it down so the Congress cannot spend more than it takes in unless three-fifths of both bodies agree to do that.

Mr. President, we think that is reasonable. We do not think that three-fifths is an unreasonable requirement at all. There are many other provisions of the Constitution, as I just stated, that require not just 60 percent, or three-fifths, but require two-thirds, which would mean 67 out of the 100 Senators.

Mr. President, we feel this amendment is without merit and we hope that it will be defeated.

Is the Senator willing to yield back his time?

Mr. CRANSTON. I am prepared to yield back my time.

Mr. THURMOND. Mr. President, I am willing to yield back my time, and the able Senator from California says he is. Do we have the yeas and nays on this amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. THURMOND. Mr. President, I am wondering if there is another amendment that anyone desires to bring up. Does anyone else desire to bring up an amendment? I hear no voices.

Mr. President, in view of that, it seems to me that is probably all we will be able to do today. I do not know what the majority leader's plans are. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1169

(Subsequently numbered amendment No. 2010.)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG), for himself and Mr. Boren, proposes an unprinted amendment numbered 1169.

On page 4, between lines 12 and 13, insert the following new section:

"Section 6. On and after the date this article takes effect, the amount of Federal public debt limit as of such date shall become permanent and there shall be no increase in such amount unless three-fifths of the whole number of both Houses of Congress shall have passed a bill approving such increase and such bill has become law.

On page 4, line 13, strike out "6" and insert in lieu thereof "7".

Mr. ARMSTRONG. Mr. President, before I discuss the amendment, which I offer on behalf of myself and the Senator from Oklahoma (Mr. BOREN), I would like to take a moment to salute and compliment and congratulate the distinguished chairman of the Judiciary Committee, the distinguished subcommittee chairman, and the distinguished ranking minority member, who have done such an enormous service to our country by bringing this legislation to the floor.

Frankly, it is the realization of a decade-long dream for me to be able to come to the floor of the Senate to argue in support of a constitutional amendment to balance the Federal budget at a time when such an amendment is actually the pending business of the Congress.

When I first arrived here in 1973 as a new Member of the other body, the very first legislation which I introduced and which I wanted to associate with my legislative career was a proposal for a constitutional amendment for a balanced budget. Each year since then I have introduced similar legislation. I have spoken perhaps more often on this subject than any other over the years. I believe that there are few reforms, if any, which will have as salutary and important effect on the long-range financial and budgetary future of this country as will a measure which will require the Congress to balance the Federal budget.

So I say to the Senator from South Carolina, I say to the Senator from Arizona, I say to the Senator from Utah, and the others who are making this dream come true, a word of personal thanks. But, more important, I want to say that 100 years from now people are going to look back upon the deliberations of the Judiciary Committee and of the Senate and of the Congress in bringing this amendment to the floor with the same kind of admiration and sense of destiny that we now look back upon the first 10 amendments and the events which surrounded the adoption of the Bill of Rights 200 years ago.

Mr. President, I do not think I need to discuss at any length the reasons why the proposed constitutional amendment is so necessary. I have previously inserted in the RECORD a lengthy discussion of this matter and the reasons for it. So I would like to turn now briefly to discuss the amendment which I have offered along with Senator BOREN.

The amendment which we suggest merely says that, henceforth, after the ratification of this proposed constitutional amendment, no further increase in the national debt shall occur except upon a three-fifths majority vote. It will require, as it does at the present time, a statutory enactment. But in order to pass such a statute through this Chamber and the other body, it would require a three-fifths vote.

Frankly, I was reluctant to offer any amendment to this proposal because I do think the committee has done a magnificent job.

But the one criticism which I hear leveled at the proposal now pending before us, and which has come up a number of times in this Chamber and in the media, is the criticism that in some ways it is not sufficiently specific.

I do not for a minute believe that with or without this amendment the proposal now pending is too vague. I do not feel that way. It is not as specific as I wish it could be, but I do not share the idea that it is unworkable in its vagueness. I do not think that is the case at all.

I do believe, however, that we would add credibility and strength to the amendment by being a bit more specific.

And so, what Senator BOREN and I have brought to the floor is a very simple proposal that just says that henceforth it takes a three-fifths vote to increase the national debt.

At the very outset I would point out that such a requirement is indeed implied by language which is already in the resolution, but in order to respond to this notion that some have surfaced, that we are dealing with a matter that is too vague and which might be subject to unforeseen judicial interpretations, I would just point out that while the statement of receipts and outlays referred to in the pending resolution is an estimate, and while the national income which is referred to in the pending resolution is an estimate, the amount of the national debt at any given moment is a fact. It is an accounting entry. It is a matter which can be easily determined by any court.

More important, it is a matter which can be easily interpreted and understood and determined by the Congress in the course of considering whether or not to issue more debt and by the general public in considering whether or not individual Members of Congress have been faithful stewards of their obligation.

Mr. President, that is really all we are talking about here. The only possible argument that I know of which could be made against this amendment by anyone who favors the basic proposal that is before us is that it might be redundant, that it might be unnecessary. To that I can only say that it does serve to allay the concerns that some have expressed about the lack of specificity and precision in the original committee proposal. But if you are for the original committee proposal I can see no reason why anybody would oppose this amendment which Senator BOREN and I bring to you this evening.

Mr. BOREN. Will the Senator yield?

Mr. ARMSTRONG. I am very pleased to yield to my distinguished colleague from Oklahoma.

Mr. BOREN. Mr. President, I thank my colleague from Colorado. I am very proud to join with him in sponsoring this amendment. As he has said, neither one of us in offering this amendment mean to imply any criticism of the existing proposal before us or of the outstanding job done by the Judiciary Committee in crafting and developing the amendment that has been brought to the floor.

They have done an outstanding job, not only in drawing up that amendment but also in marshaling support for it. It is an amendment that has my strong and unqualified support, as I know it has the strong support of my colleague from Colorado.

This amendment that we are offering we certainly do not mean to in any way weaken the proposal before us but indeed we hope to strengthen its chances of passage.

As has been said, there are those who have contended—and I also disagree as does the Senator from Colorado with this criticism—that the proposal might be too vague. It does rely on these estimates of receipts, estimates of outlays, estimates of national income. Therefore, if we cannot put full faith and confidence in the methodology of arriving at these estimates, there might be a way of getting around a requirement to balance the budget.

As I said, this has not worked out in fact in the many States that operate under this system.

We operate a system much like the one envisioned in the amendment in my home State of Oklahoma. The Governor, the budget director, and the State board of equalization in our State come up with estimates both in terms of receipts and outlays, and a balanced budget is submitted by the Governor and enacted by the legislature, based upon these estimates.

We have periodically strengthened our statutes and strengthened the constitutional provisions which apply to the methods for obtaining these estimates. We have never, to my knowl-

edge, failed to achieve a balanced budget. In fact, we have never failed to achieve a budget that was at least to some degree in surplus.

I realize that there are those in other States and other parts of the country who have not had experience with budget balancing amendments to their own constitutions. There are those for one reason or another who, though they admit that this provision has worked very well at the State level, seem to be skeptical that we here at the Federal level can make it work as well. I fail to follow that line of logic. If Governors and State legislatures can show their loyalty and allegiance to State constitutions and abide by them and make provisions like this budget balancing amendment work at the State level, I certainly would not be one who would say that the Presidents of the United States and Congresses of the United States would be any less dedicated to the Constitution of the United States than would legislators at the State level.

But I do think it is important that we counter this criticism which has been leveled against the amendment. If there is any doubt in anyone's mind that the provision relating to estimates is workable, if there is any doubt in anyone's mind that there might be a loophole that would allow unbalanced budgets in very unusual circumstances, then I think this amendment should answer that particular question and that particular misgiving, because it provides that the debt limit simply could not be increased except by three-fifths vote of the membership of both Houses of Congress.

It plugs any possible loophole. It answers any possible argument that this amendment does not have teeth in it.

It is for that reason, the reason for tying down any possible hypothetical criticism of what I think is already a very fine proposal, that I am very, very pleased to join with the Senator from Colorado.

I do not think there is anything more important that we could do this year or perhaps in this decade than to build into our constitutional system some protection against the insatiable appetite for increased Government spending.

One of our most distinguished Members, Senator STENNIS, of Mississippi, said to me recently, "I believe that the very survival of our political and economic system depends upon us having some kind of buffer, some kind of protection, built in, to halt this trend toward runaway spending that will absolutely undermine the political and economic system of the country if it is allowed to continue."

I can only say as Governor, my own practical experience was that the constitutional provision was a very, very important buffer. When members of the legislature and general public came to see me and asked if I endorsed additional spending programs because of the constitutional requirements, I said that our appropriations were already balanced, the funds were allocated, and if there was a new program that we wanted to start, we had to pay for it. Either we had to cut an existing program or find cuts in some other area.

I would ask, "What do you want to cut?" That usually caused them to go out and think about it. If they came back again, I said, "If you do not want to cut something to pay for it, which tax do you want to increase?"

Not many members of the legislature and not many civic leaders were anxious to be the ones who would advocate a particular tax increase to pay for a program.

So it served as an absolutely essential buffer against the pressures for more and more spending that have led us into unbalanced budgets.

We have, as the Senator from Colorado well knows, a situation on our hands that is almost beyond belief if anyone thinks that momentum is slowing in any way, even with this President and this Congress. If any President and any Congress were ever elected by a mandate to put the lid on spending, to hold it down, to try to reverse gears, it was this administration and this Congress.

Yet, what has happened? Let us look at the momentum. In the 4 years of the Johnson administration, we added $37 billion to the national debt. In the next 4 years, the first Nixon administration, we added a little over $60 billion to the national debt. In the 4 years of the Nixon-Ford administration, we added over $160 billion to the national debt. In the 4 years of the Carter administration, we added $191 billion to the national debt. If present estimates are anything close to being accurate, the CBO estimates just released, we shall be adding close to $600 billion during the 4 years of the current administration, elected with a mandate from the people to bring the budget into balance—I think with sincere effort on the part of many people in the administration and the Congress to do so. So if anyone doubts the need for a constitutional amendment, the need for the so-called buffer that Senator STENNIS talked about to preserve our political and economic system, I invite them simply to look at the facts as they are.

I say to my colleague from Colorado that I am proud to join with him in this strengthening amendment, this amendment that makes it clear that there is no loophole we can crawl through, because if we have a requirement that we cannot increase the national debt without a three-fifths vote of both Houses, it seems to me we have tied it down as far as we can possibly tie anything down in the wording of the Constitution. I appreciate his bringing this proposal to my attention and I am very, very pleased to join with him in offering an amendment that I think will improve the chances of passage for the pending joint resolution.

Mr. ARMSTRONG. Mr. President, I thank the Senator from Oklahoma for his very important and worthwhile statement. I cannot help recalling that, long before the issue of a constitutional amendment to balance the budget became a popular, nationwide cause, the Senator from Oklahoma was a leader in the effort to make it such a cause. Practically from the first day he and I arrived in the Senate together, we have been standing shoulder to shoulder and working on this issue. I compliment him. I thank him not only for his statement today but, more important, for his efforts over the years to make this dream of a constitutional amendment come true. I am greatly complimented to have my name linked with his in the offer of this amendment.

Mr. GORTON. Will the Senator from Colorado yield?

Mr. ARMSTRONG. Mr. President, I note in the Chamber the presence of a distinguished lawyer, a man of great experience with the law, the distinguished Senator from Washington. I am very pleased to yield to him.

Mr. GORTON. I thank the Senator from Colorado and I beg his indulgence to speak in favor of this amendment from a somewhat different perspective than the perspective adopted by the Senator from Colorado and the very thoughtful and distinguished Senator from Oklahoma.

As each of them knows, I have extremely serious reservations about the constitutional amendment which is before us at the present time, reservations so serious that it is my present intention to vote against that amendment. Those reservations do not stem from any lack of concern with the facts laid out by the Senator from Oklahoma, increasingly huge and burdensome deficits and the absolute necessity to create, from the outside, a form of discipline which will encourage Congress to balance the budget and to reduce the growth rate in Federal spending far more successfully than has been the case for the last several decades.

In fact, I am quite comfortable with the proposition that a supermajority requirement is almost certainly at the center point of any successful attack on this problem. I have a certain degree of reluctance about reaching the supermajority requirement, at least in one single step, through the mechanism of amending the Constitution, because of my fear of unknown consequences and my concern that we

escape one evil to fall into one even greater.

It was just because of that concern that I introduced an amendment which I believe was supported by both of the sponsors of this amendment last week severely to restrict the right of judiciary review of the actions of Congress pursuant to Senate Joint Resolution 58 should it be passed. That amendment, of course, came from the fear that we would be shifting much, if not most, of the power to write a budget from the Congress of the United States to the courts of the United States. I must confess, however, that in struggling toward the drafting of that amendment, I was never completely satisfied with it, because it seemed to me that I was dealing with the symptom rather than the cause of the problem.

The problem embedded in this resolution, it seems to me, is the fact that it is not self-executing. It is the fact that, unlike every other supermajority requirement in the Constitution of the United States, the failure of a proposal to receive three-fifths of the votes of the Members of both Houses does not end the problem. Members would still have to go back and write a budget in a way with which, often, the majority of the Members of both Houses would not sympathize.

Because I have been troubled by that lack of self-executing status over a period of months—for as long a period of time, in fact, as I have considered this constitutional amendment—it was almost with a sense of Archimedes' discovery in the bathtub that I listened last Wednesday to the proposal of the Senator from Colorado. I literally almost jumped up and said, "Eureka," because it seems to me that his proposal, although perhaps in a slightly different form, solves that problem of non-self-executing status of Senate Joint Resolution 58 as it appears before us now.

If the pinch point, if the point at which a supermajority is required, were removed from the passage of a statement of receipts and disbursements, which in itself is an unbalance and which, as the Senator from Colorado has pointed out, is nothing but a set of estimates in any event, to the fact of the national debt, we would then have a situation in which a vote was decisive and self-executing. If an increase in the national debt fails at the present time or, under this proposal, failed to receive a 60-percent vote, no power left to Congress could, in effect, unbalance the budget because the Federal Government, the Treasury, simply could not sell securities to spend money beyond the income which was actually taken in by the Federal Government itself.

While I intend to vote for this amendment as a result, I think that its overwhelming importance at this point lies in the real possibility, at least, that Senate Joint Resolution 58 will not pass both Houses of Congress and/or will not be ratified by the requisite number of States. If, in fact, we are still struggling with this problem next year, I would submit to the Committee on the Judiciary and to all of those concerned with this problem a serious question as to whether or not a much simpler constitutional amendment, simply requiring a supermajority in order to raise the debt limit, might not meet the great bulk of all the criticisms to which the resolution in its present form has been subjected to this point. It would seem to me that the discipline automatically attendant upon a failure to raise the debt limit would be exactly the discipline toward which the sponsors of this proposal and many others have been searching for these many years.

With one last comment, I shall leave that thought, both for any vote which may take place on an amendment to the resolution and for the future, should Senate Joint Resolution 58 not become law. That is the question which I put to the two sponsors of the amendment, whether or not, if we work on this further, we should state that the debt resolution, subject to the 60-percent majority, should not be on that subject alone rather than on a large number of other subjects, whether or not such a resolution should not automatically and in the Constitution stand solely on its own merits, so that the vote on it is clearly a vote on the debt limit, on unbalancing the budget, and nothing else.

Second, I ask the two sponsors how they would treat in this respect with a reduction in the national debt. Let us assume that this amendment were to pass and we had a national debt of a certain number of dollars. Let us assume that joyful situation in which, 1 or 2 years thereafter, the Federal Government ran a surplus of $20 billion and, as a consequence, paid off $20 billion of the national debt. Would this amendment allow an unbalanced budget the next year to the extent of that $20 billion, or would it automatically reduce the debt by that $20 billion and require a 60-percent vote even to re-add that into the equation?

If it would not have that effect, should it not have that effect at any time at which we actually begin to pay down the debt itself?

Mr. ARMSTRONG. Mr. President, it is the commonplace observation of Senators that the Senator from Washington is emerging as not only one of the finest speakers in the Senate but a man who makes an enormous contribution to the thought life of this body and of our country. The clarity and precision with which he has addressed not only the pending Armstrong-Boren amendment but also the underlying constitutional and political issues I think are a model for the kind of reasoned debate that the Senate can be proud to entertain.

It so happens, as my friend from Washington knows, that I disagree in part with his conclusion, although I welcome very much his support of this amendment.

In response to his question as to whether or not, if we begin to pay down the debt, under the terms of the Armstrong-Boren amendment it would require a three-fifths vote to increase the amount of the debt once paid down, I would respond to my friend in this way, that the amendment which we have offered merely establishes the limit. If the limit on the date of ratification were, let us say, $1.5 trillion, a very real possibility for the reason which the Senator from Oklahoma has already pointed out, then that would be the permanent limit that would not be increased except by a three-fifths vote.

If on some occasion—happy thoughts—we were to pay back $100 billion of the debt, the debt would be reduced but the limit under the terms of our amendment would not be.

I think an argument would be made that it would be wise to do so, but that is a step which goes beyond what the Senator from Oklahoma and I thought that we could bear. And so, while I would not consider a change of that kind advisable, neither would I be opposed to it. It is a practical question of how much water we think we can carry at this time, and our desire was to add precision and clarity but not to add one iota of additional controversy to this measure. This is the best that we have been able to do.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. ARMSTRONG. Yes, of course, I am pleased to.

Mr. BOREN. I certainly agree with the comments made by the Senator from Colorado about the remarks we just heard from the Senator from Washington. I also pay tribute to the respect with which he is held in this Chamber, a respect that he has gained and merited of his fellow Members in the very brief time that he has served in the Senate.

As the Senator from Colorado has said, I think the thoughtfulness of the remarks just made by the Senator from Washington are illustrative of the reason for the great respect which his colleagues hold for him.

I join with the Senator from Colorado in hoping that the Senator from Washington may change his mind about the entirety of the amendment and decide to join us in supporting it when the final rollcall comes. But I appreciate very much the words of support which he has offered for the amendment.

I think his emphasis on making this provision self-executing to the greatest extent possible is a well-placed emphasis. I think it is a very important contribution to our discussion. I hope that we will be successful in passing this joint resolution through both Houses this session. However, I think he also raises the very interesting idea that if for some reason we do not succeed, many of us will try and try again, and this might well be an excellent basis on which to build the next attempt. If we are able to get this amendment adopted this year, I think it will strengthen the chances for passage of the joint resolution; it will help to make it more self-executing.

Like the Senator from Colorado, I would in terms of my own personal feelings like to see the limit adjusted downward if we ever did have a situation in which we could pay off a portion of the national debt. Let us hope that if we get this constitutional amendment in place, we will begin to establish the kind of fiscal discipline necessary not only to keep us from increasing the debt but to begin to reduce the level of public debt in this country.

Surely, when we are consuming almost 40 percent of all the available credit in the country just to meet the interest payments, to service a debt this large, I do not think any of us would say that it is an acceptable level; it needs to be reduced over time. I should like to see us come forward with a provision that would reduce that level as we go along.

I agree that the language as now written merely establishes the current debt limit as the outer limit, because it says the public debt limit as of such date, so it would become the outer limit.

If we find that we could strengthen this amendment even further and put in an added provision, as the Senator from Washington has suggested, to provide for a reduced outer limit as we were able to pay off part of the public debt, I would be all for it, with the caveat that if we did so it would not hurt the chances of Senate Joint Resolution 58 passing, because we all realize from the legislative process that what may appear to be very reasonable to the Senator from Washington, the Senator from Oklahoma, and the Senator from Colorado, may cause some other Member of the Senate to feel opposition for a proposal that he otherwise might have supported.

Mr. GORTON. Will the Senator yield?

The PRESIDING OFFICER. All time for the proponents has expired. The Senator from South Carolina has 30 minutes.

Mr. GORTON. Will the Senator from South Carolina yield 1 minute?

Mr. THURMOND. How much time does the Senator wish?

Mr. GORTON. Will the Senator yield 1 minute?

Mr. THURMOND. I will be pleased to yield.

Mr. GORTON. May I briefly get the comments of the two sponsors on the other element of the question. Under the circumstances of such a supermajority, would it not be appropriate to see to it that such a debt limit bill came before the Congress clean, that is to say, was devoted to that single subject alone?

Mr. BOREN. I certainly agree with the Senator from Washington on that point. If you make that the testing point, you make that the point at which we are going to have the ultimate self-executing decision in order to prevent deficit spending, I think it would be appropriate that we make certain that that vote is on that subject alone, because it would be a vote of such paramount importance, and that it not be confused with other items added to it.

The Senator has raised a point that I confess I have not examined sufficiently to say how that might be done, but I am very much in sympathy with what the Senator from Washington has just said.

I defer to the principal sponsor of the amendment for his thoughts, but I think that that would be a wise thing to do; it is good to provide for that if we possibly can.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to get the attention of the authors of the amendment. I just want to say that no Senator wants to see this debt not increased more than I do. Ever since I have been here, for 28 years I have been fighting to try to stop this increasing debt. I am concerned, however, about this for several reasons. The first is the wording "the amount of the Federal public debt limit as of such date shall become permanent."

The debt now is over $1 trillion. To become permanent means it is permanent; it will not be changed; it will not be increased; it will not be decreased. It is permanent. I do think we ought to freeze it. I think we ought to begin paying on that debt. I think we ought to begin to make payments on this debt and try to pay it off, if we can, in our generation; otherwise, it goes on our children and future generations.

As to the second part, the three-fifths, we have provided for that in this constitutional amendment.

This amendment would require taxes to be raised at the tail end of a fiscal year if actual receipts fell below actual outlays. It would absolutely mandate tax increases at that point. That might be all right in some cases, but in some cases it would not.

Suppose, for example, we were faced with a recession or a depression. You may want to increase the debt somewhat. In our amendment, we leave that to the judgment of Congress. But they would have to do it by three-fifths. We do not do it by a majority.

We had a serious depression in 1932, which I went through, when I went to the Democratic convention and voted for Franklin Roosevelt. At that time, we were all Democrats in the South, and he offered hope of leading us out.

That is one thing. But we were in a terrible depression. We may not get into another depression. I hope we do not. But if we do, we may want the flexibility. I do not think you want to put that into the Constitution and box Congress in so that it cannot act.

Mr. President, we allow actual deficits if, and only if, receipts are expected to fall below the outlays in the course of the fiscal year, perhaps because of a recession. The present amendment would require taxes to be raised at that time. That may be the very time you would not want to raise taxes, if you are in the depths of a depression such as the one of 1930 to 1933 or 1934. You may not want to do that then. You may want to put it off a year or 2, until you are out of that depression.

The point is, are we going to box ourselves in with a constitutional amendment so that we cannot act during a depression or a recession if it becomes apparent that we should act? Why not leave that to Congress? Under our amendment, we do leave that to Congress.

At the same time, we require a vote of three-fifths of both bodies in order to spend more than we take in. We felt that was as far as we should go.

I am afraid that if we adopt this amendment, we are going to lose some people on both sides of the aisle whom we may need to pass the constitutional amendment.

I know how much the Senator from Colorado, the Senator from Oklahoma, and the Senator from Washington want this amendment to pass. We all want it passed. It must pass. The people are demanding that it pass. The polls lshow that 75 or 80 percent favor a constitutional amendment to balance the budget. But we do not want to take the chance of losing some people here.

I have been warned by the House leaders that we should pass this amendment as it is and not add things. They say, "You are going to make it very hard on us to try to get it through the House." So we had better think about this before we offer an amendment such as this.

My heart is with the Senators, but under the circumstances I do not

think it would be well to box Congress in, in the event the need ever arose to relieve serious unemployment or to relieve a serious depression or a serious recession.

I hope we can pay this debt. I hope it will not increase, and I will do everything I can; but we need that flexibility.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. DECONCINI. I thank the distinguished chairman.

Mr. President, I say to my good friends from Colorado, Oklahoma, and Washington that, as the Senator from South Carolina said, this is a good idea. Anything we can do to make it tougher for this country to go into debt is the right direction.

Nothing in legislation is in concrete. We all know that; deliberation is what deliberative bodies are for. However, a great deal of time and effort have been put into Senate Joint Resolution 58, through a coalition of Members who worked many days and weeks. I hope that the Senators will see fit to stay coupled to the amendment, because it does represent the thinking of a majority of our number as recent votes have indicated.

I know the intention of the Senator from Colorado is not only to balance the budget but also to insure that the national debt does not increase. I also support that concept but unless we can make some modifications in his amendment, I will have to oppose it.

The reference to "permanent" troubles me a great deal. I am not satisfied by the statement of the Senator from Colorado that this would mean that it could go up or down based on a surplus. I would want that spelled out more in an amendment, because good planning and good budget process may result in a surplus, as we do in States and in businesses. I think that Senate Joint Resolution 58 is more flexible, because it does not say that the debts must remain permanent. I am concerned about the reference to the permanence of the national debt.

I realize that the Senator has explained that it is his intention that the national debt could be lowered if there were a surplus. I wonder if the Senator from Colorado might find it possible to modify his amendment before pressing it for a vote.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. ARMSTRONG. I thank the Senator for yielding.

Mr. President, it seems to me that the Senator from South Carolina and the Senator from Arizona, who have invested much of their own intellect and energy in this amendment, have raised several questions which deserve a brief response.

First, I invite the attention of all Senators to the language of the Armstrong-Boren amendment, which I think is entirely clear on its face.

What becomes permanent is not the debt, but the limit becomes permanent unless increased by a three-fifths vote.

The Senator from Arizona mentioned that I had said that the amount of the debt could fluctuate up or down. It could fluctuate down if Congress in its wisdom, saw fit to pay back a portion of the national debt, as I hope it would. But it could fluctuate only above the limit upon the subsequent vote of three-fifths of the Members.

Second, I am a little concerned about the notion that somehow the adoption of this amendment might cause the constitutional amendment to lose votes, that there might be someone who would be otherwise motivated to vote in support of the constitutional amendment who, upon the adoption of the Armstrong-Boren amendment to it, would be otherwise motivated for some reason.

I will grant that my powers of observation and analysis are limited, especially at this moment, but I cannot conceive of anyone who supports this constitutional amendment who would be offended by my proposal or who would be thereby less likely to vote for it.

Indeed, if any Senators will rise and say that upon adoption of the Armstrong-Boren amendment they would be less likely to vote for the underlying proposal, I would be astounded, and I would be eager to hear their explanation. I cannot really think that is the case.

Let me address briefly a question which is implicit in what has been said—that this proposal has been studied carefully and great work has been done on it by the committee. I acknowledge that the Judiciary Committee has really accomplished a historic task by marshaling a consensus, and the work and scholarship and study that have gone into this, and I congratulate them for it. But the notion that, therefore, it should not be subject to further amendment, I am sure, is not what the Senator from South Carolina and the Senator from Arizona intended.

The Senate is a deliberative body, a body that loves amendments. It would be contrary to every tradition of this body to suggest that because a committee has suggested it, further amendments are not in order.

When James Madison presented his 10 amendments to our Constitution, which are known as the Bill of Rights, they were extensively amended before they were accepted and passed by the States and became the cornerstone of our system—extensively amended, I am told. In fact, the Library of Congress made the point, in response to my inquiry on that point, that it was not casual amendment but heavy amendment. That is an important part of our process.

Finally, I respond to the notion that by adopting the Armstrong-Boren amendment, somehow we box ourselves in. It seems to me that we have a logical dilemma here. Either a three-fifths vote is required under the terms of the proposal as it comes to us from the committee for raising the national debt or it is not.

I believe it is very strongly implied that such a requirement in fact, is already included in the language of this proposal.

Mr. DECONCINI. Mr. President, will the Senator yield on that point?

Mr. ARMSTRONG. If I could just complete my thought I shall be happy to yield for the response of the Senator.

I believe that it is implied, but it either is in there or it is not. That is the question for determination at some point by someone now or later. If it is already in there, then adding language to make the implied requirement explicit neither adds nor subtracts to the proposal except in a political sense, if it helps us to muster support among those who criticize the amendment in the media as being too vague. If it is not in there, if there is not contained in this proposal a requirement for a three-fifths vote to increase the national debt, if that is not really in here in the words that already appear in the resolution, then I would say, first, could the sponsors suggest a circumstance under which the debt limit could be raised without such a vote and still comply with this amendment?

And second, could the sponsors explain to me why it would be desirable to not have such a requirement?

I think the very spirit of this amendment requires that a three-fifths vote be needed.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. ARMSTRONG. I am pleased to yield to the Senator.

Mr. DECONCINI. Mr. President, will the Senator from South Carolina please yield to me?

Mr. THURMOND. I am pleased to yield to the Senator.

Mr. DECONCINI. Mr. President, I think the Senator from Colorado really comes to the heart of the point in his last question. It seems clear to me reading Senate Joint Resolution 58 that if Congress votes to adopt a deficit, they have to have a three-fifths vote and I do not think anyone questions that as being very clear. However, we could always run an unexpected deficit if actual revenues did not meet stated or projected revenues.

If we adopt a deficit for whatever year it may be, we are going to have to

raise the debt limit. If we did not have the amendment that the Senator from Colorado is offering, we still would have agreed to spend deficit dollars with a three-fifths vote, unless the deficit resulted from a revenue shortfall. If we anticipated such a shortfall, though, we could vote to decrease outlays.

The last part of the Senator's amendment seems redundant. It is already stated in Senate Joint Resolution 58 that we have to have a three-fifths vote to spend deficit dollars. Whether or not we would still have to have a vote to increase the debt, I would say, in my judgment, we would have to. But to get there we would have to have had a three-fifths vote to adopt a budget calling for deficit expenditures, except in the revenue shortfall situation.

Mr. ARMSTRONG. Mr. President, could we pin this down because we are getting into an interesting economic matter?

Let me ask the Senator from Arizona to focus on exactly the fact situation he has described. Let us suppose that at the time specified in the resolution by a three-fifths vote Congress agreed to a deficit budget. Is the Senator saying that under the terms of this, in his opinion, as a sponsor of the resolution and as a member of the committee and as a constitutional scholar, then subsequently when the time came to increase the public debt limit and a resolution leading to a statute were pending in the Senate and House of Representatives a three-fifths vote would be required for the passage of such a measure?

Mr. DECONCINI. Yes, I believe it would be. But I think the implementing legislation stemming from the Domenici-Chiles amendment would deal with adopting a budget that has a deficit. We cannot get to deficit spending under Senate Joint Resolution 58 without a three-fifths vote, except where there is an unexpected revenue shortfall so that actual revenues are less than outlays.

Mr. ARMSTRONG. I wish to pursue the question that the Senator has just raised, but I wish to set it aside temporarily to complete the train of thought on the question of whether or not a three-fifths majority vote would be required to increase the limit on the public debt. If the Senator's legal opinion is correct, and I treat it with great respect because he is one of the foremost authorities in this body on this matter, then it would be his opinion that the Armstrong-Boren amendment adds nothing to what we have.

Mr. DECONCINI. That is correct.

Mr. ARMSTRONG. But I think he would agree that as a matter of law at least it subtracts nothing; neither does it add nor subtract.

Mr. DECONCINI. If the Senator will yield, I agree with that, that does not add anything of necessity that is not already in place. I must admit that it does not subtract from it except possibly creating fuzziness as to what the permanent debt limit it.

Mr. ARMSTRONG. Then the real issue under that circumstance is one of whether or not such an amendment adds something in the way of clarity that is not apparent on the face of the resolution, whether it assists us in obtaining passage in this body and the other body and the public, whether or not it helps to funnel the criticism in the press and among economists who think the resolution is too vague to be enforced and a concern I already expressed myself on. I do not feel that is true. I do not say the resolution is unenforceable or unworkable. I do say this makes it a bit more specific so I think that is the question that Senators should look at, if they believe as the Senator from Arizona says that a three-fifths requirement is already contained in this resolution.

Mr. President, I ask the Senator from Arizona if he would focus on another scenario. If I understand what is required by this resolution, it is the adoption in advance of a statement of receipts and outlays and a limitation that outlays may not exceed the estimated receipts.

Mr. DECONCINI. That is correct.

Mr. ARMSTRONG. Now let us take a hypothetical situation slightly different than the one we have just explored. We were talking a moment ago about what happens if Congress by a three-fifths vote deliberately adopts a deficit budget. Let us suppose instead of that that Congress adopts a budget which on its face is balanced, that is, a statement of receipts and outlays which reflects a balance. That has happened over and over again and in subsequent months it has become plain that in fact receipts are running below the estimate for outlays as a result of entitlement programs or others of the so-called uncontrollables which now comprise more than three-quarters of the Federal budget. Let us suppose that, notwithstanding the statement of receipts and outlays, the actual result as the year comes to a close is a deficit. What then is the enforcement mechanism? And in that circumstance does it require a three-fifths vote to increase the debt ceiling?

Mr. DECONCINI. No. My interpretation is that it would not. This is not a provision that would absolutely lock in a balanced budget. We could end up with a deficit if actual receipts are less than the projected receipts. Actual outlays may not exceed projected outlays, but we cannot control receipts and we may experience a shortfall.

Mr. ARMSTRONG. In other words, if Congress adopts a statement of receipts and outlays that reflects a balanced budget and such a balance does not in fact occur, then a majority vote would increase the national debt?

Mr. DECONCINI. That is my understanding, but only the deficit was, as it were, an unplanned deficit.

Mr. ARMSTRONG. Mr. President, I am alarmed to hear this interpretation because Congress has regularly in recent years adopted what amounts to statements of receipts and outlays reflecting a balanced budget which has never materialized.

Mr. DECONCINI. If the Senator will yield, that is very true. I think the Senator would have to—maybe he would not—but this Senator would have to conclude that most assumptions have been quite bogus from many economic reports adopting all types of economic recovery plans and tax proposals and reductions that have not been realistic, in this Senator's opinion, even though I voted for them in the Economic Recovery Act, and I do not think that is what Congress is going to do if Senate Joint Resolution 58 were in fact a part of the Constitution.

I think we would, as the State of Arizona does, budget ourself with a surplus so that we would anticipate the chance of having shortfall in receipts. That is how business does it, and that is how my State does it, and I expect that is what States that have balanced budgets do also.

Mr. ARMSTRONG. Mr. President, I am about to yield the floor, but I wish to ask all Senators to reflect very carefully on what the Senator from Arizona has said. If his interpretation of this is correct, and I judge that it is, what we have really done is left a gaping hole in the enforcement procedure.

He has really said if the estimate turns out to be wrong for some reason there is no way to enforce it, there is no three-fifths requirement. If Congress by a majority vote enacts an entitlement program, and by a majority vote enacts appropriations and tax measures, and by a majority vote adopts a statement that says receipts and outlays will be in balance when they are not, in the amount of $10 billion or $20 billion or $50 billion or $100 billion or $150 billion, there is no enforcement mechanism, and I am concerned about that from two perspectives:

First of all, the estimating process is notoriously inaccurate; and, second, because, how shall I say this with delicacy and tact and within the traditions of the Senate, Mr. President, there have been on some occasion some motives by some Senators in some way so that maybe the estimates we are dealing with are "cooked" a little to reflect political considerations.

I would not want to put into the Constitution an incentive for hypocrisy, but, in fact, if it were the motive of

this body to adopt a deficit budget and they could not muster the three-fifths required, all they have to do is to adopt a statement that says receipts and outlays are in balance even when they know full well that they are not. That seems to be a temptation toward hypocrisy.

Mr. DECONCINI. Mr. President, if the Senator will yield, let us assume this article were adopted and in place. There is no way that anyone can absolutely be certain what the receipts are going to be. All you can do is adopt a statement of what you think they are going to be. Good, prudent budgeting would provide for a surplus in the event something went wrong and we had a receipt shortfall.

As the Senator from South Carolina states, let us assume further that the economy went down. What are we going to do? We are faced with a deficit. You can raise taxes by a majority vote or you can live with the unplanned deficit which will in all likelihood be small. I think that is the wisdom of this particular amendment. We would not want to raise taxes in a recessionary period would we?

When the Senator from Colorado made reference to being boxed in, I think, that is the beauty of this particular amendment.

I believe that Congress will not play loose in future budgeting efforts with the principles of this constitutional amendment. Congress will not vote on the floor of both Houses and adopt budget statements that are not realistic in their projected outlays, and receipts. I agree, we may have been unrealistic in past budget projections. I think that has led us to where we are today in saying "Do not do that; adopt realistic estimates and statements." I have confidence that with the imprimatur of the Constitution, Congress will fulfill its sworn duty in a realistic manner.

Mr. ARMSTRONG. Mr. President, I am about to yield the floor, but I did have one item of business I would like to transact.

Mr. THURMOND. If I might make this statement. The proposed amendment substitutes an absolute balanced budget requirement which most of us, of course, are anxious to have. It is absolute in the sense that if revenues fall, and deficits will be incurred that will raise the public debt, then nothing short of raising taxes or allowing the entire Government to shut down will resolve the problem of reduced revenues.

The proposed amendment would require increased taxes during a recession or period of economic downturn.

The point I am making is, should you not leave to the Congress some ability to adjust to changing economic conditions, leave them some flexibility to determine if you are having a depression or if you are having a recession that Congress can take steps to offset it, or to not increase taxes during a depression?

This is the ideal, of course, that is the ideal dream of conservatives. But I think you have got to be practical. We cannot reduce the level of the public debt by simply passing this amendment. But once fiscal responsibility and restraint is imposed by this amendment on the Congress, the public debt can be attacked. We have allowed spending by the Federal Government to fuel inflation and add to the public debt. This amendment indirectly attacks this problem.

Mr. President, I cannot believe the Senator from Colorado wants to encourage raising taxes in order not to incur a deficit, however small, just to require a constitutional three-fifths to exceed the debt.

I think you have got to realize that if you do have a recession or a depression then that is no time to raise taxes. Therefore, let us leave that to Congress.

It seems to me the Senator might consider offering this as a separate statute, but do not put it in the Constitution.

Mr. ARMSTRONG. Mr. President, I am going to retire from the floor before I say something which I may regret, but I must say I am extraordinarily concerned by the interpretation of the Senator from South Carolina and the Senator from Arizona.

What I thought I was coming to the floor to vote on Wednesday was an absolute bar to deficit spending by the Federal Government unless approved by three-fifths. If it is not that, if this amendment the Senator from Oklahoma and I are offering is more than a clarification, if it really is the only true discipline that is going to be contained in this, the only absolute discipline, then it is urgently necessary for reasons far beyond those I originally proclaimed, and I want to reflect seriously on what was said tonight, if what we are saying is that a deficit is OK if it is unplanned, and that is what I believe I have just heard.

Mr. THURMOND. We are not saying that, no.

Mr. ARMSTRONG. Let me ask the Senator from South Carolina to clarify.

Mr. THURMOND. Go ahead.

Mr. ARMSTRONG. I understand from the Senator from Arizona—and I thought from the Senator from South Carolina—that if a statement is adopted at the outset of a year or early in a year which reflects a balance between outlays and receipts, that that is sufficient to fulfill the constitutional requirement, and that if, in fact, outlays run ahead of receipts, that there is no remedy for it, there is no enforcement power. It does not require a three-fifths vote.

Mr. THURMOND. In order for the outlays to be greater than receipts, there would have to be a three-fifths vote, and we leave it flexible that way. If both bodies—here is the way it reads:

> Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject.

Mr. BOREN. Mr. President, will the Senator yield for maybe a clarifying question?

Mr. THURMOND. I would be pleased to yield.

Mr. BOREN. As with the Senator from Colorado—I have no problem with the Senator from South Carolina—I have no problem with the fact that if we have a dire situation, we have a depression and we do not want to raise taxes in the middle of a depression, if the three-fifths of both Houses say it is an emergency, we ought to suspend the balanced budget; I have no problem with putting that flexibility in. I think that flexibility should be there.

But I am worried about what the Senator from Colorado is worried about. Let us suppose in absolute good faith we have technicians, and we all know they can make mistakes, and they come forward with an estimate based upon certain economic assumptions—and all estimates must make economic assumptions—and they say, "We assume the receipts are going to be this much and, therefore, we can authorize this level of outlays."

Let us suppose they make an honest mistake, and because of that mistake, we end up with a mistake by the technicians, and not because of a three-fifths vote of Congress but because of a mistake by technicians in making an estimate, with an unbalanced budget.

Now, would we allow that under the amendment as now written, absent the Armstrong-Boren amendment? Would we allow the budget, therefore, to remain out of balance that year because of a mistake made by the technicians?

Mr. THURMOND. Senator, I think it is answered right here. Section 1:

> Prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts.

This is the sentence following that:

> The Congress may amend such statement provided revised outlays are no greater than revised receipts.

You have flexibility to amend that original statement. You are not bound by that original statement.

Mr. BOREN. But suppose we do not amend it? Suppose it is passed——

Mr. THURMOND. Congress only has to specify outlays, not receipts. In other words, the receipts are not going

to balance right exactly at the end of the period because of fluctuations in the economy. I am sure you will have a little excess or you will have a little fallback during the course of the fiscal year.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. THURMOND. Mr. President, I ask unanimous consent to continue for 10 minutes so that we can finish this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In other words, we have arranged here for Congress to amend that statement provided revised outlays are no greater than revised receipts. You still want to keep those outlays within the receipts. I do not know any other way you can do it. Nothing is perfect, no legislation we pass is going to be just perfect. But I think this is probably as near as we can get to it and not lock us into a fixed and inflexible amendment.

Mr. ARMSTRONG. Mr. President, the issue is not putting on taxes. The issue is whether or not a deficit will occur, and under the scenario described by the distinguished chairman, I did not hear him explain how outlays would be prevented from rising above the number contained in the statement of receipts and outlays.

The situation which the Senator from Oklahoma is concerned about is where a balanced budget statement is adopted but, in fact, a balance does not occur, and it would not necessarily be a modest underrun or overrun. It could be billions—$20 billion, $100 billion.

I think I have said my piece tonight, Mr. President. I will go back in the morning and reread what has been discussed here tonight. I am greatly concerned about the viability of the amendment without the Armstrong-Boren amendment, far more so than when I began to speak, based on the explanation I have been given tonight.

The last thing I would like to say is to simply ask for the yeas and nays, and to suggest that all Senators reflect on the issue overnight and see where we go from there.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I just want to say, in closing, that I suggest that the Senator read carefully the second sentence of the first section where the Congress can amend this statement. We leave some flexibility there to amend the statement provided their revised outlays are not greater than the revised receipts. That is about as near, I presume, as you could get at it. Then, if they want to spend more than that, they would have a vote of three-fifths of both bodies.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I think there is perhaps no other Senator willing to offer an amendment tonight. This means that we have had a good day, notwithstanding that the votes are stacked.

There are six votes stacked to begin at 11 o'clock tomorrow. For the benefit of Senators, I might read them.

The Dodd vote on the pay-as-you-go substitute, printed amendment No. 2009, will occur at 11 o'clock; Mathias-Baucus amendment No. 1931, thereafter; a Moynihan amendment on defense spending, amendment No. 1928, as modified to follow; the Cranston monetary policy, amendment 1996, next; the Cranston amendment on three-fifths voting requirement, amendment No. 1989, to be the next amendment; and now the Armstrong amendment dealing with the debt limit being unprinted amendment No. 2010, is the sixth amendment that is stacked.

Mr. DECONCINI. Mr. President, I wonder if we might pull the Armstrong-Boren amendment off that unanimous-consent request for right now.

Mr. BAKER. There was no request. The order was entered previously that all votes ordered today would be stacked tomorrow to begin at 11.

Mr. BOREN. Mr. President, would that mean that they would be in that order? Would they come up automatically on the order?

Mr. BAKER. Yes.

Mr. ARMSTRONG. We could vitiate the yeas and nays, if that is agreeable. That would leave the amendment, nonetheless, pending, and we could decide what we want to do on tomorrow.

Mr. BAKER. That is agreeable.

The PRESIDING OFFICER. The Chair would advise that if the yeas and nays were vitiated, the amendment would be before the body now.

Mr. BAKER. Mr. President, I ask unanimous consent that, one, the yeas and nays be vitiated and, two, that Armstrong amendment be temporarily laid aside for further disposition on tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have cleared the request I am about to make with the distinguished minority leader.

I ask unanimous consent that the first vote, which will be a 15-minute vote, be followed by votes back-to-back, which are 10 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:31 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6863. An act making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

The message also announced that the House has agreed to the following resolutions:

H. Res. 474. A resolution disapproving the deferral numbered D82-240;

H. Res. 475. A resolution disapproving the deferral numbered D82-239;

H. Res. 476. A resolution disapproving the deferral numbered D82-238;

H. Res. 479. A resolution disapproving the deferral numbered D82-10A;

H. Res. 493. A resolution disapproving the deferral numbered D82-247; and

H. Res. 494. A resolution disapproving the deferral numbered D82-246.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

S. 2332. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

At 2:51 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the bill (S. 2248) to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes, with amendments; it insists upon its amendments, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. PRICE, Mr. BENNETT, Mr. STRATTON, Mr. WHITE, Mr. NICHOLS, Mr. BRINKLEY, Mr. MOLLOHAN, Mr. DAN DANIEL, Mr. DICKINSON, Mr. WHITEHURST, Mr. SPENCE, Mr. BEARD, Mr. MITCHELL of New York, and Mrs. HOLT; and as additional conferees, Mr. BOLAND, Mr. MINETA, and Mr. ROBINSON, from the Permanent Select Committee on Intelligence, solely for consideration of differences regarding intelligence-related activities; and as additional conferees solely for consideration of section 1011 of the House amendments and modifications committed to conference: Mr. BROOKS, Mr. FOUNTAIN, Mr. FASCELL,

Mr. HORTON, and Mr. ERLENBORN as managers of the conference on the part of the House.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 6863. An act making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 2, 1982, he presented to the President of the United States the following enrolled bill:

S. 2332. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, to provide for the Nation's energy emergency preparedness, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3975. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on a proposed rescission and a proposed deferral of certain funds; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources.

EC-3976. A communication from the Director of the Federal Emergency Management Agency transmitting, pursuant to law, a report on the acquisition of real and personal property during the quarter ending June 30, 1982; to the Committee on Armed Services.

EC-3977. A communication from the Secretary of Housing and Urban Development transmitting, pursuant to law, a report on fair market rents and exceptions thereto; to the Committee on Banking, Housing, and Urban Affairs.

EC-3978. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improved Administration of Federal Public Disaster Assistance Can Reduce Costs and Increase Effectiveness"; to the Committee on Banking, Housing and Urban Affairs.

EC-3979. A communication from the Secretary of Commerce transmitting, pursuant to law, the annual report on the administration of title IV of the Outer Continental Shelf Lands Act; to the Committee on Commerce, Science, and Transportation.

EC-3980. A communication from the Secretary of the Interior and the Secretary of Agriculture transmitting, pursuant to law, a report on activities under the Wild Free-Roaming Horse and Burro Act; to the Committee on Energy and Natural Resources.

EC-3981. A communication from the National President of the Girl Scouts transmitting, pursuant to law, the Annual Report for 1981, and urging cosponsorship and support of S. 2436 and H.R. 6091; to the Committee on Energy and Natural Resources.

EC-3982. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to provide for State, local, or private operation of the fur seal harvest on the Pribilof Islands of Alaska; to the Committee on Environment and Public Works.

EC-3983. A communication from the Director of the Office of Emergency and Remedial Response of the Environmental Protection Agency transmitting additional material to be added to the National Contingency Plan (previously transmitting on July 13, 1982); to the Committee on Environment and Public Works.

EC-3984. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Compilation of GAO's Work on Tax Administration Activities During 1981"; to the Committee on Finance.

EC-3985. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Preliminary Findings on Patient Characteristics and State Medicaid Expenditures for Nursing Home Care"; to the Committee on Finance.

EC-3986. A communication from the Acting President of the Overseas Private Investment Corporation transmitting, pursuant to law, the report of OPIC on "additionality"; to the Committee on Foreign Relations.

EC-3987. A communication from the Director of the Federal Emergency Management Agency transmitting, pursuant to law, a report on comprehensive emergency management for 1981; to the Committee on Governmental Affairs.

EC-3988. A communication from the Chairman of the Board of Directors of the Tennessee Valley Authority transmitting, pursuant to law, a report on the condition of the TVA Retirement System; to the Committee on Governmental Affairs.

EC-3989. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report concerning the claim of Mr. Rocco A. Trecosta for back pay; to the Committee on the Judiciary.

EC-3990. A communication from the Securities and Exchange Commission transmitting, pursuant to law, a report on fiscal year 1981 corporate reorganizations under the bankruptcy code; to the Committee on the Judiciary.

EC-3991. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Prisoners Receiving Social Security and Other Federal Retirement, Disability, and Education Benefits"; to the Committee on the Judiciary.

EC-3992. A communication from the Counsel of the National Counsel on Radiation Protection and Measurements, transmitting, pursuant to law, a report entitled "Financial Statements and Supplemental Schedules for the Year ended December 31, 1981"; to the Committee on the Judiciary.

EC-3993. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "Postsecondary Education in the U.S. Territories"; to the Committee on Labor and Human Resources.

EC-3994. A communication from the Librarian of Congress, transmitting, pursuant to law, a report on the activities of the Library of Congress, including the Copyright Office, for fiscal year 1981, copies of the supplement "Quarterly Journal of the Library of Congress, and the annual report of the Library of Congress Trust Board; to the Committee on Rules and Administration.

EC-3995. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on converting the grounds function at the Public Works Center, Norfolk, Va. to contractor performance; to the Committee on Armed Services.

EC-3996. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on converting the food service function at the Naval Station, Philadelphia, Pa., to contractor performance; to the Committee on Armed Services.

EC-3997. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on converting the keypunch function at the Ship Parts Control Center, Mechanicsburg, Pa., to contractor performance; to the Committee on Armed Services.

EC-3998. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Review of the Federal Home Loan Mortgage Corporation's Financial Statements for the Year Ended December 31, 1981"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3999. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the budget estimate and request of the Board for the supplemental appropriation funding fiscal year 1982 pay raises; to the Committee on Commerce, Science, and Transportation.

EC-4000. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to grant to the Secretary of Transportation, with respect to matters concerning the Coast Guard when it is not operating as a service in the Navy the authority to lease out Government owned property in exchange for services; to the Committee on Commerce, Science, and Transportation.

EC-4001. A communication from the Secretary of the Interior, transmitting pursuant to law, an updated report on the status of implementation of the Redwood National Park Expansion Act; to the Committee on Energy and Natural Resources.

EC-4002. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-4003. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-4004. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-4005. A communication from the Administrator of the Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a proposal for a uniform Federal Procurement System; to the Committee on Governmental Affairs.

EC-4006. A communication from the Executive Director of the National Ski Patrol System, Inc., transmitting, pursuant to law, the audit report of the National Ski Patrol System, Inc. for fiscal year 1981-82; to the Committee on the Judiciary.

REPORT OF THE COMMITTEE ON ENERGY AND NATURAL RESOURCES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of July 30, 1982, the following report of a committee was filed on July 30, 1982, during the recess of the Senate:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 2305. A bill to insure that all energy and mineral resources originating on the public lands and on the Outer Continental Shelf are properly accounted for under the direction of the Secretary of the Interior, and for other purposes (with additional views) (Rept. No. 97-512).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 439. Original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2305: referred to the Committee on the Budget.

By Mr. MATHIAS, from the Committee on Rules and Administration:

Special report on allocation of budget totals set forth in the first concurrent resolution on the budget, Senate concurrent resolution 92, 97th Congress (Rept. No. 97-513).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

H.R. 4347. An act to authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power (Rept. No. 97-514).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 440. Original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 4347; referred to the Committee on the Budget.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIEGLE:

S. 2799. A bill for the relief of Jabbar Attou; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 2800. A bill to provide for the disposal of silver from the National Defense Stockpile through the issuance of a special series of bonds which may be redeemed for silver, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

S. Res. 439. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2305; to the Committee on the Budget.

S. Res. 440. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 4347; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCLURE:

S. 2800. A bill to provide for the disposal of silver from the national defense stockpile through the issuance of a special series of bonds which may be redeemed for silver, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

DISPOSAL OF SILVER FROM THE NATIONAL DEFENSE STOCKPILE

● Mr. McCLURE. Mr. President, I rise today to introduce another piece of legislation aimed at assuring that if any silver is sold from the national defense strategic stockpile it will be done in a manner that has the least effect on the already depressed price of silver.

The administration's interagency study on the silver stockpile may be delayed. However, I am not confident that at some point in the future this administration or another administration will ask Congress for the authorization to dispose of the silver. Let me say in no uncertain terms that I am opposed to the disposal of this silver. I am also opposed to the further disruption of the silver market. The disposal of silver from the stockpile has been brought up continually since 1973. It is unfair to force silver products, investors, and users to continually deal with every administration's ill-advised interference. If this administration still deems it necessary to dispose of silver, I will not allow it to have any adverse affects on the silver industry both at home and abroad.

Idaho is this Nation's most important silver-producing State. Recent mine closures have virtually eliminated the once booming economy in north Idaho. Plant closures in the copper districts of Arizona and New Mexico, and the molybdenum district of Colorado have idled 50 percent of the mining employees in the West—some 50,000 workers.

This problem is one of growing magnitude and great economic significance. Mining and mineral industries rank as the major industrial employer of the Western United States. In addition to job losses within the industry, more than 100,000 employed in related or supporting trades have been laid off or otherwise adversely affected. As more silver mines close, the United States becomes more dependent on foreign sources of silver for our industrial and strategic silver needs.

The legislation we are introducing today allows the Department of Treasury to issue securities using silver from the strategic stockpile to back these securities. The merits of this proposal are numerous. Because the silver can be valued at the bond conversion price and not the current artifically depressed price, the taxpayer will realize a much better price for the stockpiled silver. Silver securities like these will undoubtedly reduce interest costs compared to the rate the Government pays on conventional Treasury bonds. This can be done while taking a great deal of pressure off of the silver market. Moreover, during the term of the bond the Department of Treasury would continue to hold the silver, thus allowing the benefits of the silver stockpile to remain within the Government.

In 1980, the Sunshine Mining Co. successfully marketed two issues of silver backed bonds. Both issues carried a coupon rate of 8½ percent while similarly issued AAA rated bonds, floated by other blue chip companies, carried coupon rates in the range of 13 to 14 percent, thus saving Sunshine a substantial amount in interest costs. These were both highly successful issues from which we can learn.

Furthermore, this legislation allows an investor to reduce the inflation uncertainty premium which some economists claim is the cause of high interest rates. Indexed bonds, like these, shift the risk of inflation from the Government—as the borrower—to the investor—as the lender. With the ever-increasing shortage, silver is becoming an excellent investment provided that the investors are given the proper investment tools.

In a statement before the Federal Gold Commission last November, noted economist Alan Greenspan attested that the issuance of gold notes would likely "reduce current budget deficits" because they could be sold at "reduced interest rates." Greenspan went further and indicated the "the success in restoring long-term fiscal confidence will show up clearly in the yield spreads between gold and fiat dollar obligations of the same maturities." Greenspan also agreed that gold

notes could "set a standard in terms of prices and interest rates that could put additional political pressure on the administration and the Congress to move expeditiously toward noninflationary policies." These same arguments are valid for the issuance of silver notes. This legislation provides an excellent opportunity to experiment on a small basis to determine just how effective this type of issue can be.

This legislation provides for another method of disposal which, like S. 2598, assures that the silver market will not be disturbed. The truth of the matter is that by forcing a supply onto a market, the price is adversely affected. Merely talking about the disposal of silver from the stockpile in a manner similar to last year's weekly auction sales has sent the silver price plunging well below break-even levels. It is just bad business to sell a resource for a price several dollars below the cost of production. I would certainly hope that this administration could learn from the mistakes of previous administrations.

Mr. President, I urge my colleagues to join us in cosponsoring both of these important pieces of legislation and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Second Liberty Bond Act is amended by inserting after section 22A (31 U.S.C. 757c-2) the following new section:

"SEC. 22B. (a) The Secretary of the Treasury, with the approval of the President and subject to the limitation under section 21 of this Act, may issue United States silver bonds.

"(b) The net proceeds of any United States silver bond shall be deposited into the National Defense Stockpile Transaction Fund solely for the acquisition of strategic and critical materials under section 6(a)(1) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98e(1)).

"(c) Subject to the provisions of subsections (d) and (e), United States silver bonds shall—

"(1) be in such form, and

"(2) subject to such terms and conditions, including any strictions on transfer, as the Secretary of the Treasury may from time to time prescribe.

"(d)(1) United States silver bonds—

"(A) shall be issued in denominations of silver, such denominations to be determined by the Secretary of the Treasury,

"(B) shall be issued only on an interest-bearing basis with the rate of interest to be determined by the Secretary, and,

"(C) shall be redeemable before maturity only upon such terms and conditions as the Secretary may prescribe.

"(2) Any payment of interest, or any payment at redemption, shall be paid in silver or its then current dollar equivalent, except that in the case of any payment of silver, such payment shall be made out of the silver stockpile.

"(3) The Secretary of the Treasury, with the approval of the President, is authorized to provide by regulations that holders of United States silver bonds may, at their option, retain the bonds after maturity and continue to earn interest upon such bonds at the rate determined under subsection (d)(1)(B).

"(e)(1) Except as provided in paragraph (2), the provisions of subsections (c), (e), (g), (h), and (i) of section 22 shall, to the extent not consistent with the provisions of this section, apply with respect to United States silver bonds.

"(2) For purposes of the Internal Revenue Code of 1954, no gain shall be recognized on the excess of the redemption price over issue price except to the extent such excess represents interest described in subsection (d)(1)(B).

"(f) The provisions of section 3563 of the Revised Statutes (31 U.S.C. 371) shall not be construed to impair any obligation arising out of any United States silver bond.

"(g) United States silver bonds issued pursuant to this Act shall be secured by silver from the silver stockpile and the aggregate amount of silver which may be used to secure such bonds shall not exceed 105,000,000 troy ounces."

(b) The amendment made by this section shall take effect on the later of—

(1) October 1, 1982, or

(2) the date of the enactment of this Act.●

ADDITIONAL COSPONSORS

S. 1018

At the request of Mr. CHAFEE, the names of the Senator from Oklahoma (Mr. BOREN), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Oklahoma (Mr. NICKLES), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 2204

At the request of Mr. HATFIELD, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2204, a bill to promote interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts, and for other purposes.

S. 2308

At the request of Mr. DECONCINI, the name of the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 2308, a bill to direct the Secretary of Agriculture to convey certain property to the city of Show Low, Ariz.

S. 2526

At the request of Mr. CRANSTON, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2526, a bill to reduce interest rates, control inflation, and insure the availability of credit for productive purposes, and promote economic recovery by extending the Credit Control Act, and for other purposes.

S. 2580

At the request of Mr. MATHIAS, the name of the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 2580, a bill to establish the Christopher Columbus Quincentenary Jubilee Commission.

S. 2598

At the request of Mr. MCCLURE, the name of the Senator from Nevada (Mr. CANNON) was added as cosponsor of S. 2598, a bill to provide for the disposal of silver from the national defense stockpile through the issuance of silver coins.

S. 2631

At the request of Mr. KASTEN, the names of the Senator from Oklahoma (Mr. NICKLES), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 2631, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 2674

At the request of Mr. COHEN, the name of the Senator from Indiana (Mr. QUAYLE) was added as cosponsor of S. 2674, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 2784

At the request of Mr. DECONCINI, the names of the Senator from Tennessee (Mr. SASSER), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 2784, a bill to clarify the application of the antitrust laws to professional team sports leagues, to protect the public interest in maintaining the stability of professional team sports leagues, and for other purposes.

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the name of the Senator from Alaska (Mr. STEVENS) was added as cosponsor of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE RESOLUTION 439—ORIGINAL RESOLUTION WAIVING CONGRESSIONAL BUDGET ACT

Mr. MCCLURE, from the Committee on Energy and Natural Resources, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 439

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2305. Such waiver is necessary because S. 2305, as reported, authorizes the enactment of new budget authority which would first become available in fiscal year 1983, and such bill was not reported on or before May 15, 1982, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The waiver of section 402(a) is necessary to permit Congressional consideration of the initiatives authorized in S. 2305, which are expected to result in no net increase in costs to the Federal government and are expected to result in increased Federal revenues.

Such initiatives are anticipated in the fiscal year 1983 budget request by the President which reflects the program activities necessary to support implementation of S. 2305. The Appropriations Committees of the Senate and the House of Representatives have therefore had adequate notice of this authorization; enactment is not expected to interfere with or delay the appropriations process.

SENATE RESOLUTION 440—ORIGINAL RESOLUTION WAIVING CONGRESSIONAL BUDGET ACT

Mr. McCLURE, from the Committee on Energy and Natural Resources, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 440

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 4347. Such waiver is necessary because H.R. 4347, as reported, authorizes the enactment of new budget authority which would first become available in fiscal year 1983, and such bill was not reported on or before May 15, 1982, as required by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The waiver of section 402(a) is necessary to permit construction of the WEB Rural Water Development project to be initiated in early fiscal year 1983 so as to take advantage of favorable weather conditions for such construction.

H.R. 4347 provides a reauthorization of the WEB project which was authorized by the Rural Development Policy Act of 1980 (94 Stat. 1171). It should be noted that $1,900,000 was appropriated for fiscal year 1981 to provide for initial planning and construction of the project; however, obligation of the funds was deferred until conditions of section 9(b) of the Rural Development Policy Act of 1980, regarding the Oahe project (also in South Dakota), had been met; H.R. 4347, as reported, meets those conditions.

Failure to pass H.R. 4347 would preclude initial construction activities during calendar year 1982 (or early in fiscal year 1983) because the construction season for the authorized types of work is generally only from March to November. Such a delay in initial construction activities until calendar year 1983 would result in increases in construction costs.

AMENDMENTS SUBMITTED FOR PRINTING

CONSTITUTIONAL AMENDMENT ON A BALANCED BUDGET

AMENDMENT NO. 2009

(Ordered to be printed.)

Mr. DODD proposed an amendment to the joint resolution (S.J. Res. 58) proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

AMENDMENT NO. 2010

(Ordered to be printed.)

Mr. ARMSTRONG (for himself and Mr. BOREN) proposed an amendment to the joint resolution (S.J. Res. 58), supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. LUGAR. Mr. President, as chairman of the Subcommittee on Agricultural Research and General Legislation, I wish to announce that hearings have been scheduled on S. 2348, the Meat, Poultry, and Egg Products Inspection Amendments of 1982. The bill would provide USDA with greater flexibility in its inspection procedures at food processing plants.

The hearing will be held on Wednesday, August 11, with sessions at 10 a.m. and 2 p.m., in room 324, Russell Senate Office Building.

Anyone wishing to testify should contact Denise Alexander or Martha Amburn of the Agriculture Committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate at 4 p.m. on Monday, August 2, to hold a top secret CIA briefing on Presidential certification on conditions in El Salvador.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, August 3, at 10 a.m. to conduct an oversight hearing on Presidential certifications on conditions in El Salvador.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Environment and Public Works be authorized to meet during the session of the Senate at 2 p.m. on Tuesday, August 3, to consider four pending soil conservation projects plus policy implications and appropriate action with respect to new water project construction starts recommended by the administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Energy and Mineral Resources, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Tuesday, August 3, at 9:30 a.m., to hold a hearing on S. 2704, a bill to amend the Mineral Lands Leasing Act, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Reserved Water, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Wednesday, August 4, at 2 p.m., to hold a hearing to consider S. 894, a bill to exempt rural electrical cooperatives from fees under the Federal Land Policy and Management Act of 1976; and H.R. 861, a bill to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SEVENTH ANNIVERSARY OF HELSINKI FINAL ACT

● Mr. DOLE. Mr. President, yesterday marked the seventh anniversary of the signing of the Helsinki Final Act. On August 1, 1975, the leaders of the 35 signatory states—33 European nations, the United States and Canada—agreed to enhance European security and cooperation through increased trade, cultural and scientific exchanges, and to seek the relaxing of military tensions. The Final Act also set a standard for basic human rights which all agreed to observe in the future. For the first time, human rights were elevated to the status of a fundamental principle regulating the relations between states.

The Soviet Union and the nations of Eastern Europe, seeking legitimacy for their post-World War II forged borders, looked upon the Helsinki accords in that era of détente as a road to increased security and cooperation. In signing the Final Act, the Soviet Government clearly expressed its intentions to fulfill all of the provisions, in-

cluding those pertaining to human rights. In stark contrast to their pronouncements, however, the Soviets have treated the humanitarian provisions of the Final Act as if they hardly exist, even though the agreement itself spells out the equal validity and importance of all the parts of the whole. Soviet sidestepping of any meaningful discussion of the human rights provisions was evident at the Madrid review meeting to the Conference on Security and Cooperation in Europe, where the Soviets, while expressing a desire to cooperate in other areas, called Western efforts to improve compliance in the human rights area confrontational rather than cooperative. Clearly, the Soviet Government fails to realize that cooperation in other areas is limited by lack of progress in the human rights sphere.

The tragic fact, Mr. President, is that the Soviet Union and some Eastern European countries continue to flagrantly violate the basic human rights provisions of the Helsinki Final Act. In fact, not only have the violations continued, some of the signatory nations, specifically the Soviet Union, Czechoslovakia, and Poland, have taken even harsher measures against those who urge their government to comply with these accords. Last year, for the first time, the Soviet Union ignored some of the military security provisions of the Final Act as well, in attempting to influence and intimidate the regime in Poland. Individuals in the Eastern bloc who took seriously the language in the Helsinki Final Act, which states that "institutions, organizations, and persons have a relevant and positive role to play" in fostering the aims of the accords are being harshly repressed. In the Soviet Union, over 50 of the 76 members of the Moscow, Ukrainian, Lithuanian, Georgian and Armenian Helsinki monitoring groups are either in prison, labor camps, "special" psychiatric hospitals or in internal exile as a result of their commitment "to know and act upon their rights and duties" as stated in the Helsinki Final Act.

AFFIRM SUPPORT FOR THE FINAL ACT PRINCIPLES

The lack of compliance with the Helsinki Final Act by the Kremlin, clearly visible in its continuing crackdown against Soviet citizens, its activities in Poland and the invasion of Afghanistan, raises questions regarding the efficacy of the Helsinki process. It is my belief, however, that lack of compliance by some signatory states does not discredit this process. We must continue to affirm our support for the noble principles expounded by the act. The accords have given all signatory nations the incontrovertible duty to inquire into the status of human rights among the Helsinki states. The Soviets, in signing the Final Act, can no longer legitimately say that their lack of regard for human rights concerns no one else. Their actions, in contrast to the ideals of the Helsinki accord, show for all the world to see how wide the gap between Soviet words and Soviet deeds really is.

At the Helsinki Review Conference in Madrid, the dismal record of the Soviet Union and other Eastern bloc nations has been brought up time after time. When the Madrid meeting resumes in November, the U.S. delegation will continue to express our concern over this matter. We must never abandon the idea of treating the humanitarian provisions on an equal basis with the other provisions of the Final Act. Progress in other fields is inherently linked to progress in human rights.

As cochairman of the Commission on Security and Cooperation in Europe, I remain deeply troubled about the continued violations of the Helsinki accords. I also remain deeply committed to the Helsinki process and to its noble goals. Let us hope that the continued vigilance of the West will bring about improvements in the lives of those Eastern bloc countries whose records of compliance are very poor indeed. These improvements are vital to the goal of true security and cooperation in Europe.●

THREE LETTERS ON ABORTION

● Mr. HELMS. Mr. President, I have three letters from medical doctors which I would commend to the consideration of my colleagues—and to all others who receive the CONGRESSIONAL RECORD. All three letters arrived on my desk the same day, and none needs any comment from me. Each speaks for itself.

The first is a copy of a letter from Dr. Pierre C. LeMaster of Fayetteville. It was addressed to Chief Justice Burger.

The other two were published in a recent edition of Medical Tribune. They were written by Dr. William P. Levonian of Santa Cruz, Calif., and Dr. Monte Harris Liebman of Hartland, Wis.

I ask that the three letters be printed in the RECORD in the order mentioned.

The letters follow:

FAYETTEVILLE, N.C.,
July 6, 1982.

Chief Justice WARREN BURGER,
Supreme Court,
Washington, D.C.

DEAR JUSTICE BURGER: During the past years we (America) have been involved in a great national debate about nuclear war, disarmament, and civil defense. The pervading theme in this debate is protection of life and property. Yet, all this effort is contradictory and hypocritical when we as a nation decided to look the other way when concern arose about protecting the most innocent of life . . . the unborn.

Until we reverse the 1973 Supreme Court decision which allowed abortion on demand, our national debate on nuclear war is mute. Until we decide that all human life is given by God and worthy of protection, then eventually none will be worthy of protection; save that considered worthwhile by our Supreme Court.

The 1973 decision indeed opened a floodgate and until reversed, the killing will not stop; first the unborn, then the born, but worthless (Baby Doe), then the aged and infirm and finally any of us deemed unworthy to live.

Surely the pressure is mounting upon the Court to take action. It appears that many of the same groups that push for nuclear disarmament are the same groups that want abortion on demand. Indeed their voices are loud and persistent.

I now ask you to hear mine. I am certain that I represent millions of Americans who believe that unless we absolutely protect all of human life, we will eventually absolutely protect none.

Sincerely yours for present and future life,

PIERRE C. LEMASTER, M.D.

SANTA CRUZ, CALIF.

WHEN LIFE BEGINS

It is essentially impossible to discuss scientifically the abortion issue with Dr. Brooks Mick when he has such a simplistic view of the antiabortion forces (MT, Apr. 14).

I'm astounded that he could publicly state that the only reason anyone could be against the killing of living humans would be for religious reasons. Is he implying that atheists are without morals? Being a man of such blatant pride in his own scientific prowess, would Dr. Mick care to define the implanted human fetus as other than living or other than human?

Scientifically, the life cycle has to start when the fertilized ovum implants in the uterine wall. This is incontrovertible. This is not a judicial question. This is not a theological question. This is not a philosophical question. It is purely a scientific statement of fact. Perhaps what Dr. Mick is asking is "But is it meaningful life?" This is when the courts, theologians, and philosophers enter the picture, but not necessarily to clarify the issue.

WILLIAM P. LEVONIAN, M.D.

HARTLAND, WIS.

LIFE MOST BASIC

It is encouraging that there is a growing interest in scientifically establishing when human life begins. Though there are physicians who would defer this determination to theologians, the responsibility belongs to biological scientists and physicians. As physicians, we must remove the bias which may influence our objectivity. Social, economic and political concerns must be divorced from considering the objective facts of life. Those who have been mistaken in their evaluations and work up to this point must be willing to correct their erroneous assumptions, return to objective reality and study the new directions that can grow from that platform.

Perhaps we need to review and rethink the question of when human life begins before we call for repetitive experimentation. In the 1940s, definitive study of the washings of fallopian tubes indicated that human life began in the distal third of the oviduct and was triggered by fertilization. More recent in vitro fertilization work established that the new individual implanted

in the womb is begun at fertilization and has its own process of growth.

A human life has a genetic, morphological, individual, and social context. To deny that the original nucleus or zygote is of equal importance to any other stage of development is to deny reality in its most basic sense. Without the advent of the zygote, the archetype of the morphological structure of the individual human life, no stage of development could exist. Thus if you were to inquire as to when your own life began, you would have to answer, at fertilization.

MONTE HARRIS LIEBMAN, M.D.●

A SALUTE TO MAE GELLMAN

● Mr. SARBANES. Mr. President, Mae Gellman is known throughout the State of Maryland as a leading advocate of cooperative consumerism, a concept that enables consumers to save substantially on the items they purchase.

A native of Scotland, where her parents were prominent in the cooperative movement, Ms. Gellman has worked hard to advance cooperatives in her adopted State. As executive director of Baltimore Citizens for Housing for the Disabled, she planned cooperative housing for disabled persons, and directed a major program of seminars and workshops to educate public officials and the greater community about those housing opportunities. Formerly, she served as executive director of the community food and nutrition program in Baltimore, where she organized food co-ops targeted at elderly and low-income individuals, and served over 5,000 persons living at or below the poverty level. She has also made important contributions through her courses, lectures, and seminars at Towson State University and at senior centers on the procedures and techniques of organizing food co-ops, and has shared her expertise with various food and pharmaceutical co-ops.

I recall Mae Gellman's description several years ago of the destitution she encountered as project director of a community food and nutrition program in Baltimore. "We were purchasing for residents in the inner city who were at or below the poverty level," she said. "We found elderly people on fixed incomes who had barely enough to eat for 3 weeks out of the month, and on the fourth week they would eat whatever they could get—sometimes dog or cat food. But we organized the food co-ops so they could eat nutritious meals every day." That statement, Mr. President, eloquently reveals the real impact that Ms. Gellman's efforts in the cooperative movement has had on the people she has served.

Mae Gellman's strong sense of civic responsibility and her devotion to broad community involvement are reflected in her impressive affiliations as vice president of Consumers for Nutrition Action, board member of the National Association for the Advancement of Colored People, board member of the American Jewish Congress, member of the National Organization of Women, and member of the Maryland Conference of Social Concern. Her outstanding accomplishments have also been widely recognized. She was named Woman of the Year for her leadership in extending day care for children of working mothers. She was granted the Afro-American Award for removing the ban on black artists at Baltimore's Lyric Theatre, and received the Zeta Phi Beta Award for helping to build better human relations in Maryland.

Mr. President, Mae Gellman's many friends and admirers have organized a birthday party for her on August 3 to honor her for her many years of distinguished and dedicated service on behalf of the consumer cooperative movement in Maryland. I ask my colleagues to join me in recognizing this outstanding citizen.●

DENVER POST HAS RIGHT IDEA ON TAX POLICY

● Mr. DOLE. Mr. President, on July 28, the Denver Post published an editorial on the merits of the revenue raising, tax reform provisions of the Finance Committee reconciliation bill approved by the Senate. I would like to bring this editorial to the attention of my colleagues, because I believe it hits the nail on the head when it comes to stating what is most important in tax policy.

The issues cited by the Denver Post are the key ones: Accountability and fairness. As the Post observes, this year's revenue bill is revolutionary in that it represents an honest and open effort to reform tax laws and raise revenue to close the deficit gap. Most importantly, as the editorial observes, "this bill recognizes that in reality the biggest tax increases of the past decade were never voted by Congress. They were caused by inflation artificially increasing wages and profits in dollar terms without increasing their purchasing power."

Mr. President, last year, thanks to the dedicated efforts of the Senator from Colorado, Senator ARMSTRONG, we put an end to the deception of bracket creep. Now, when we need new revenues, we have to vote for them: And that has given us the opportunity to review the Tax Code for wasteful and unfair provisions that should have been dealt with long ago. Our tax reform bill is the result, and many of us hope it will be just the first step in an effort to reform and simplify taxes and allow for lower rates.

As was aptly noted by the Denver Post, this year's tax bill also contains another step forward in the effort to halt the distortions and unfairness caused by the interaction of inflation and the income tax. By providing an inflation adjustment in the basis of assets for purposes of the tax on capital gains, our tax reform bill eliminates another unlegislated tax increase from the law. It extends the principle of accountability and equity to the taxation of capital gains, and this is a highly significant change.

Mr. President, I want to applaud Senator ARMSTRONG for offering his capital gains indexing amendment to this bill and for his tireless efforts to bring the problem of unlegislated tax increases to the attention of the Senate. I know my colleagues share my admiration for the Senator from Colorado, and it is good to know that the Denver Post is equally appreciative of his fine work. He has been of great assistance in the tax reform effort: He knows that by increasing the equity of the tax system, and by insuring that everyone pays a fair share of tax, we increase support for the system of voluntary compliance and pave the way for lower tax rates. I hope that every Member of Congress will take a look at the priorities in tax policy set by Senator ARMSTRONG—and by the Denver Post—because I think they explain what the present tax debate is all about.

I ask that the Denver Post editorial of July 28 be printed in the RECORD.

The editorial follows:

[From the Denver Post, July 28, 1982]

SENATE POINTS TO SOLVENCY

Defying the maxim that it is political suicide to raise taxes in an election year, the Republican-controlled U.S. Senate has passed a bold but reasoned tax-reform bill. If the Democratic-controlled House can show similar resolution, the flood of red ink and high interest rates inundating the U.S. economy may begin to ebb.

The Senate bill preserved the main thrust of President Reagan's tax reform act of last year, including the three-year, 25-percent slice in personal income taxes. But it added a total of about $100 billion in revenue over the next three years by a number of strategems—mostly designed to squeeze those who aren't paying their fair share of taxes now by legal or illegal means.

The bill improved reporting and enforcement procedures and established tax withholding on dividend and interest incomes. The elderly, low-income citizens and the first $100 in interest from a single institution would be exempt from withholding.

Some of the business tax breaks dished out last year were scaled back, chiefly by levies on industries that are paying particularly low effective tax rates now. And taxes on telephone use, tobacco and air travel were increased. The infamous "safe harbor" tax-avoidance leasing schemes would be sharply curtailed and gradually phased out. In essence, the tax bill eliminates some loopholes and reapportions the burden.

Special interests are already assailing the tax bill with the canard that it is the "largest peacetime tax increase in history." That's true only if you accept two premises: that reductions in the net rate at which taxes are being cut are "increases" and that the only tax increases that count are those

which are openly voted upon by Congress instead of being silently enacted by inflation.

It's true that the Senate measure reversed some of the cuts in last year's tax-reduction act. But taxes will still be generally much lower than they would have been without the 1981 cut.

More significantly, this bill recognizes that in reality the biggest tax increases of the past decade were never voted on by Congress. They were caused by inflation artificially increasing wages and profits in dollar terms without increasing their purchasing power. That "bracket creep" hurled taxpayers into higher backets once designed to "soak the rich."

Congress addressed that scam last year when it adopted Colorado Sen. Bill Armstrong's amendment to "index" the tax code beginning in 1985 to adjust it for inflation on personal income. But it did nothing about similar inflationary taxes on capital gains. As the law now stands, if you buy a stock for $100 and sell it for $150, you pay tax on a $50 profit—even if inflation amounted to 100 percent over the period you held that stock and you thus actually lost purchasing power.

Last Friday, Armstrong convinced the Senate to extend the "indexing" principle to capital gains on taxes due in 1985. That's a crucial reform, both for spurring economic productivity and for restoring basic integrity and accountability to our tax system.

If Congress sees a legitimate need to raise taxes—as the present interest rate crisis warrants—it should do so openly. By plugging the last major route for unlegislated tax increases, Armstrong has added a long-term reform to this bill which more than offsets its short-term pain.●

TAX ENFORCEMENT AND ASSISTANCE: SOLUTIONS FOR NONCOMPLIANCE

● Mr. COHEN. Mr. President, last week the Senate devoted several days to considering, and ultimately approving, major tax legislation. Significant portions of that bill are designed to insure that individuals and corporations pay their fair share of taxes by closing loopholes and imposing stiff penalties for noncompliance.

The Federal Government's financial well-being depends, in large measure, on whether people are willing and able to support our Nation's tax system. Although the vast majority of taxpayers pay their correct tax on time, there is a trend toward contempt and abuse of the system which could seriously undermine the concept of voluntary compliance on which it is based.

Internal Revenue Service studies show that noncompliance among taxpayers is a serious problem and is getting worse. According to IRS Commissioner Roscoe Egger, the Government failed to collect $87 billion in taxes owed last year, and, unless corrective steps are taken, the "tax gap" will grow to $120 billion by 1985.

Strengthening IRS enforcement activities, as provided in the tax bill, is a step in the right direction. Enforcement alone, however, is not the solution. A taxpayer cannot comply with a law he or she does not understand. Therefore, our commitment to catch taxpayers who cheat should not outweigh our responsibility to assist those who need help in filing their tax returns.

Unfortunately, the administration is taking a step in the wrong direction by proposing a significant reduction in IRS taxpayer assistance programs next year. In fact, the Taxpayer Service Division is slated to be cut so drastically that the IRS will be able to answer taxpayers' questions only after the return has been filed—a time when such answers are not particularly useful.

In the past, the IRS offered a generous assistance program. A taxpayer could call a toll-free number, visit a local office, attend a free taxpayer information class, or take advantage of volunteer programs. Altogether, the IRS helped more than 44 million people fill out their tax forms in fiscal 1981. This year and next, however, Taxpayer Service funding will be cut by 10.2 percent, staff years by 41 percent, and, most significantly, the number of taxpayers assisted by 60 percent.

The Senate Government Affairs Subcommittee on Oversight of Government Management recently conducted an investigation and hearing to examine the impact of these reductions. The subcommittee found that eliminating selective assistance programs would be costly to taxpayers, who depend on the IRS for free assistance, and to the Government, which depends on these taxpayers to voluntarily pay their taxes. According to evidence and testimony presented, the subcommittee specifically found that reductions in taxpayer assistance would hurt voluntary compliance and, combined with increases in enforcement activity, would promote an adversarial relationship with the taxpaying public.

Of particular concern to the subcommittee was the adverse impact on elderly and low-income taxpayers. For those taxpayers who need help and can afford commercial assistance, the proposed reductions would be unfortunate but not disastrous. For elderly and low-income taxpayers—those most dependent on free IRS advice—the subcommittee found that the cutbacks would be devastating.

The IRS itself anticipated these consequences: A November 1976 IRS study concluded that "many taxpayers would not or could not comply with the law without its assistance," a followup IRS study in December 1977 found that the examination rates for Service-prepared returns were lower than third-party and taxpayer-prepared returns, and an October 1981 memorandum from Commissioner Egger to Treasury stated that "potential revenue losses would be great, with widespread deterioration of voluntary compliance possible," if tax law assistance by telephone were eliminated. Testimony by witnesses at the subcommittee's hearing, including that by former IRS Commissioners, also concluded that compliance with our tax laws would diminish if IRS taxpayer assistance programs were cut.

Despite its own findings, the IRS closed 214 walk-in offices last year and eliminated the direct preparation and review programs for most taxpayers in those offices that remained open. If the administration's ill-conceived reductions are passed next year, moreover, telephone assistance will be provided for account and notice-related questions only, even though 60 percent of the calls it received during this year's filing period were questions about tax laws and preparation of returns.

Based on my subcommittee's review of the administration's proposed reductions in IRS Taxpayer Service, I do not feel that the shortrun savings realized would compensate for the long-term costs to the taxpayer, and, ultimately, to the Government. Accordingly, in a subcommittee report to be released next week, we recommend that the IRS taxpayer assistance program be maintained at adequate levels next year, as advocated by specialists in the field. A balanced taxpayer assistance program at fiscal 1982 levels would maximize the numbers of taxpayers to be assisted and address the special needs of low-income, elderly, and physically handicapped taxpayers.

Two former IRS Commissioners, Donald Alexander and Jerome Kurtz, best characterized these proposed cuts during the subcommittee's hearing. Mr. Alexander said that it is manifestly unfair to refuse assistance, while Mr. Kurtz described the cuts as horribly shortsighted and foolish. Congress and the administration would do well to listen to them and restore the proposed reductions in taxpayer assistance. The severe penalties for noncompliance included in the Senate bill underscore our obligation to make certain that taxpayers do not inadvertently violate complex tax laws because IRS assistance programs have been curtailed.●

SEVENTH ANNIVERSARY OF THE HELSINKI ACCORDS

● Mr. D'AMATO. Mr. President, on August 1, 1975—7 years ago yesterday—the heads of state of the United States, Canada, the Soviet Union, and 32 countries of Europe—East and West—assembled in Helsinki, Finland, to affix their signatures to the Final Act of the Conference on Security and Cooperation in Euorpe (CSCE). That document, which is widely known as the Helsinki accord, was an attempt to

specify a code of behavior to govern relations among the participating states toward the end of increasing security and cooperation in Europe.

With their accession to the accord, every European nation with the exception of Albania joined with the United States and Canada in a commitment to what has come to be called "the Helsinki process." Perhaps the most significant aspect of that agreement was that, for the first time, sovereign states recognized that the manner in which they treat their own citizens is a matter of legitimate concern to the other participating states.

In addition to the provisions on human rights and humanitarian concerns—freer movement of peoples, reunification of families, binational marriage, and the free flow of information—the Helsinki Final Act deals with nearly every aspect of East-West relations—military security, trade and economic cooperation, and scientific and cultural exchanges.

A unique feature of the agreement was that it provided for a series of review meetings of the participating states to examine how they were implementing the terms of the agreement. The first such review meeting was held in Belgrade in 1977. The second meeting convened in Madrid on November 11, 1980, and will resume on November 9 of this year.

These review meetings have clearly documented a continuing pattern of hypocrisy on the part of the Soviet Union and the majority of its Warsaw Pact allies with respect to their obligations under the human rights and humanitarian provisions of the Final Act. The Soviet record of compliance with the provisions of family reunification, religious freedom, binational marriage, free flow of information, and treatment of national minorities is appalling. Sadly, the records of Romania, Czechoslovakia, the GDR, and Poland, are little better.

Particularly offensive is the fact that these countries have been harassing, arresting, imprisoning, interning in forced labor camps, confining in mental institutions, and exiling their citizens whose only crime involved monitoring the failures of their countries to comply with the humanitarian provisions of the Final Act and participating in peaceful demonstrations to protest such violations. Their right to engage in such activities is expressly sanctioned by the Helsinki accord.

Fifty of the seventy-six members of the Helsinki monitoring groups in the Soviet Union are imprisoned or in exile. Since the Madrid review meeting began in November of 1980, more than 300 human rights activists are known to have been arrested. In blatant violation of their Helsinki commitments, the Soviets undertook the brutal invasion of Afghanistan and imposed the pressures which led to the declaration of martial law in Poland.

I have been a member of the Commission on Security and Cooperation in Europe, a body created by the Congress to monitor compliance with the principles and provisions of Helsinki, for 18 months. During the course of my service on the Commission, I have become convinced that, despite the continuing violations by the Soviets and their allies, the Helsinki Final Act provides the best available foundation for promoting lasting peace and security among the nations of Europe and North America. I believe the review meeting soon to reconvene in Madrid provides us with an opportunity to remind the Soviet Union and its allies that we intend to continue to provide a voice in defense of human rights and freedom. On this seventh anniversary, we rededicate ourselves to the truth that peace and security can flourish only in an atmosphere of respect for the rights and dignity of each individual man and woman.●

IMMIGRATION REFORM BILL

● Mr. EAST. Mr. President, I have recently received a considerable amount of mail on the subject of immigration. One of the most persuasive letters was written by Mr. William W. Chip of Washington, D.C. I hope that my colleagues will take the time to read his letter before we proceed to consideration of S. 2222. I ask that his letter to me be printed in the RECORD.

The letter follows:

JULY 26, 1982.

Senator JOHN P. EAST,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAST: You will shortly be asked to vote on S. 2222 (the Simpson immigration reform bill). S. 2222 will substantially change our immigration laws in three ways: (1) it will reduce illegal immigration by making it unlawful to knowingly hire illegal immigrants, (2) it will increase the level of legal immigration by raising the immigration ceiling from 270,000 to 425,000, and (3) it will offer amnesty and permanent residence in the United States to illegal residents in the United States who arrived before this year.

The original impetus for legislative action on immigration was a widespread feeling that immigration, which has such a profound effect on our labor markets and the shape of our society, had gotten out of control. In 1980 legal immigration exceeded 800,000, the highest level since immigration quotas were introduced in 1921. Another 500,000 to 750,000 aliens entered the United States illegally. These huge numbers astounded the general public, which could neither comprehend the enormous disparity between these statistics and the legal ceiling of 270,000 immigrants per year nor understand why massive disrespect for our immigration laws was being tolerated.

I am impelled to write this letter because I strongly believe that the provisions of S. 2222 that increase the immigration ceiling and grant an indiscriminate amnesty to illegal aliens run completely contrary to the deeply felt concerns about immigration policy which this legislation was supposed to address. Hopefully, amendments will be offered from the floor to eliminate or modify these provisions. In deciding how to vote on any such amendments, I appeal to you to take into account the considerations outlined in the remainder of my letter.

ILLEGAL IMMIGRATION

Although increasing numbers of illegal immigrants are appearing on welfare rolls, the majority still come to the U.S. seeking jobs. S. 2222 eliminates the major attraction for illegal immigration by requiring employers to hire Americans rather than illegal aliens. The United States is virtually the only country in the world that does not protect its labor market for its own workers in this way. (In no country having such laws have the restrictions proved to be a burden on employers or a handicap to citizens belonging to ethnic minorities).

During the 1970's the U.S. economy was chronically unable to produce enough entry-level jobs to accommodate both the flood of illegal aliens and the employment needs of our own black and Hispanic youth. The effects of the crime level and welfare expenditures are plain enough. The employment provisions of S. 2222 are urgently needed and clearly worthy of your support.

LEGAL IMMIGRATION

The requirement that employers not hire illegal aliens is the centerpiece of the bill. Unfortunately, the benefits this will bring in reducing illegal immigration are substantially offset by the provision of the bill which establishes new, unreasonably high levels for legal immigration.

The present ceiling of 270,000 was established in 1952. 270,000 represented the average level of immigration to the United States since immigration quotas were established. Immediate family members of American citizens were left outside the ceiling because their admission had a high priority and, at that time, their numbers were relatively small. For similar reasons, refugees were also later removed from under the ceiling. By 1980, however, the "immediate family member" category accounted for 150,000 immigrants, while refugees and would-be refugees accounted for an additional 379,000, raising total legal immigration to 819,000.

S. 2222 takes the existing ceiling (270,000), adds the 1980 peak level of "immediate family" immigrants (150,000), and adds an additional 5,000 to that in order to establish a new ceiling of 425,000. Unlike under present law, if the number of "immediate-family" immigrants goes down, the ceiling for other immigrants will automatically go up. The result is to guarantee that immigration from these categories will never fall below the record 1980 level. Refugees, the fastest growing group of immigrants, are not covered by the ceiling.

It is also clear from all opinion polls that the vast majority of Americans want less, not more, immigration. They will certainly be vexed to learn that Congress is proposing to increase immigration at a time when unemployment exceeds nine percent, there is a shortage of affordable housing for the people already here, and we are increasingly dependent upon foreign suppliers for many basic natural resources. Hopefully, floor amendments will be offered to S. 2222 to restore legal immigration to levels acceptable to the majority of the population, either by setting a lower ceiling or by bringing refu-

gees under the ceiling. If they are, I appeal to you to vote for them.

AMNESTY

The worst feature of the bill is the extraordinarily generous program being offered to all illegal aliens present in the United States since January 1 of this year. Even the advocates of amnesty admit that this would affect three to six million aliens. What they do not say is that the three to six million figure was a conservative estimate based on data from 1977 and earlier years. Five years of record illegal immigration have occurred since then. The real number is probably five to eight million and could be much higher.

The only justification for amnesty is that in some cases it might be inhumane or impractical to deport an alien who has sunk "deep roots" into American society. Most Americans, who themselves must change their jobs or their residences on the average of once every five years, will be hard put to understand how an alien who has spent only six months in the United States has sunk such "deep roots" that it is inhumane to expect him to return to his own country.

Advocates of amnesty conjure up the image of the hardworking alien who after many years' residence in the U.S. has become a productive and established member of his community. There are indeed a number of aliens who correspond to this image, and, in practice, few of them are ever deported. Most illegal aliens, however, do not correspond to this image. Many are simply students and tourists who have not bothered to renew their visas. Most are young men who have come here temporarily from Mexico and would eventually return home when the employment provisions of S. 2222 made it more difficult to find work. Nobody I know can understand why permanent residence, citizenship, and the right to bring in their relatives is being offered to these groups, who make up the bulk of the illegal population.

Many illegal aliens are employed only part of the time they are here. Like young men anywhere with lots of spare time but no money, they often become problems for the communities where they reside. Illegal aliens already account for 34 percent of felony arrests in Los Angeles. Moreover, because most illegals are poor, they will qualify for food stamps, medicaid, etc. at a time when funds for these benefits are being cut back for Americans. President Carter's rash, if humanitarian, decision to let Fidel Castro send whomever he wished to the United States was in retrospect a tragic error. The blanket amnesty contained in this bill would be the same error on a much larger scale.

Hopefully, amendments will be offered to postpone cr eliminate amnesty, or at least to restrict it to the long term residents for whom it can be justified. Your vote for such amendments is critical.

CONCLUSION

The United States is already having great difficulty providing jobs and affordable housing for people already here. In particular, we have many years of hard work ahead to overcome the effects of past discrimination and fully assimilate millions of black and Hispanic Americans into the mainstream of our society and economy. The employment provisions of S. 2222 will make it easier to achieve these goals. The provisions increasing legal immigration and adding millions of aliens to the permanent population will make it much, much harder. I appeal to you to cast your vote on any amendments to S. 2222 with these factors in mind.

Very truly yours,

WILLIAM W. CHIP.●

RESTORATION OF COLA ADJUSTMENTS TO FEDERAL AND MILITARY RETIREES

● Mr. RIEGLE. Mr. President, on Friday, July 29, I introduced amendment No. 2007 to the omnibus reconciliation bill, S. 2774. My amendment will restore full cost-of-living adjustments to Federal and military retirees. The Government Affairs Committee has placed a 4-percent cap on these adjustments, and my amendment will eliminate that cap and insure equity among all Federal retirements programs.

Federal retirees, both Civil Service and military, have unfairly been singled out in this bill. The reconciliation measure mandates budget cuts totaling $12.3 billion. The imposition of a 4-percent cap will force 42 percent of these cuts from Federal pensions. These retirees comprise 1 percent of the population, and should not be asked to assume this great a burden, especially in light of the reductions in benefits that occurred last year.

Social security and railroad retirement both received full COLA's, as they should. The only major Federal retirement program to be limited in its protection against inflation is the civil service system. That is inequitable, and my amendment would restore the equality among these programs.

Federal annuitants are not some wealthy group living off the largess of the Federal Government. They receive an average annual pension of $11,544, which is fully taxable. More than 20 percent of the annuity is actually returned in Federal, State, and local taxes.

The first-year cost of this amendment may be $29 million less than that assumed in the bill. This is based on the revised CBO inflation projections of 6.3 percent in 1983. In addition, Congress will have ample opportunity to reassess this matter next year during the normal budget cycle, in light of changing economic circumstances.

The House Post Office and Civil Service Committee has approved full COLA's for Federal pensions, on the grounds that any limitations would be inequitable and unfair. The full House has, in a preliminary vote, indicated its approval of the full COLA, and a final vote is expected this week.

My amendment specifically excludes Members of Congress from receiving increases greater than 4 percent. This will further insure that the benefits of this amendment will be directed to those most dependent on fixed incomes for survival.

Mr. President, I hope that the Senate will support this amendment in the interest of equity for employees who have spent their entire career in Government service, and I ask that the text of the amendment be printed in the RECORD.

On page 74, strike out line 17 and all that follows through page 75, line 2, and insert in lieu thereof the following:

LIMITATION ON COST-OF-LIVING ADJUSTMENT OF ANNUITIES OF FORMER MEMBERS OF CONGRESS IN FISCAL YEARS 1983, 1984, AND 1985

SEC. 601. (a) In each of fiscal years 1983, 1984, and 1985, the percent increase under section 8340(b) of title 5, United States Code, in any annuity payable under subchapter III of chapter 83 of such title to any individual who serves as a Member of Congress after the date of enactment of this Act shall not exceed 4 percent.

(b) In the case of an annuity described in subsection (a) and to which section 8340(c) of title 5, United States Code, applies in fiscal year 1983, 1984, or 1985, the term "applicable percent change computed under subsection (b) of this section", as used in such section 8340(c), means the lesser of—

(1) the applicable percent change computed under section 8340(b) of title 5, United States Code; or

(2) 4 percent.●

AVIATION INSURANCE EXTENSION

● Mr. HATCH. Mr. President, last week a controversial amendment was attached to H.R. 5930, a noncontroversial bill to extend the aviation insurance program for 5 years, during a conference committee on the measure.

Under the provisions of this amendment, airlines would be required by Federal statute to guarantee equivalent jobs or severance pay to employees affected by the merger, sale or lease of airline facilities.

Mr. President, I ask that the following editorials which appeared in the Washington Post and New York Times opposing such legislation be printed in the RECORD at the conclusion of my remarks.

I would urge my colleagues to carefully evaluate this issue on its merits if and when such an amendment is placed before this body.

The editorials follow:

[From the Washington Post, June 22, 1982]

CONGRESS ON A SHAKEDOWN FLIGHT

With all the signs of a typical Washington fast shuffle, moves are under way on Capitol Hill to saddle the airline industry with some mandatory featherbedding disguised as labor protection. House and Senate conferees are trying to slip into an otherwise noncontroversial bill a provision by which airlines would have to make costly payments to pilots and other employees affected by any mergers or possibly even sales of assets, including aircraft.

The proposal, which has undergone no hearings, would—among other things—guarantee furloughed employees 60 percent of their salaries for up to five years; and it would compensate for up to four years any employee for any wage loss suffered through transfer to a lower-paying job. This could mean that the highest-paid fur-

loughed pilots would be entitled to demand $90,000 a year for five years—whether their airlines could afford it or not. Isn't this the sort of thing better left to collective bargaining?

Of course—unless you're a member of the Air Line Pilots Association, which would much rather put the payments into law than bargain for them. This organization's president is the labor representative on the executive committee of the Republican National Committee. There, as in the White House, ALPA is remembered with gratitude for its support of President Reagan's decision to fire striking air traffic controllers last year. ALPA is just as fondly remembered on Capitol Hill, where the group has dropped more than $425,000 in campaign contributions on carefully selected targets—namely, more than 200 representatives and senators, including key members of the congressional conference committee considering the provision.

Officially, the administration is on record against the measure. OMB director David Stockman has so argued, labeling the proposed amendment "unacceptable" and "intrusion by the federal government into private collective bargaining negotiations." He points out that such provisions would be especially damaging for the airlines in serious financial difficulty—and could prevent them from taking "sensible steps to restructure" and compete.

Before the airlines were deregulated, the Civil Aeronautics Board could make a case for insisting that jobs be protected in mergers and swaps, since airlines were benefiting from government-protected franchises. But today there is no case whatever for legalized shakedowns of financially shaky airlines. The conferees should reject any such proposal.

[From the New York Times, July 16, 1982]

FROZEN IN THE COCKPIT?

Feudalism is an economic system long dead—except in the psyche of the airline unions. They want to attach airline workers to their planes and check-in counters, the way medieval serfs were tied to their land.

Under proposed legislation, airlines would have to guarantee equivalent Jobs (or severance payments as high as $190,000) to any employee affected by merger, sale or lease of facilities. The airlines argue, correctly, that Government should not impose rigid labor protection rules on their now-deregulated industry. If employees are more eager to win such costly protection than, say, higher wages, let them bargain for it.

Before the industry was deregulated in 1978, the Civil Aeronautics Board insisted that jobs be protected in mergers and route swaps. Where equivalent work was not available, workers could get 60 percent of their wages for five years.

Such broad Government protection for airline labor was only fair, the board argued, because airline management was benefiting from valuable Government-protected franchises.

But now the franchises are gone, and so is the regulators' rationale for "labor protection provisions." That is why the pilots and airline machinists' unions are pressing Congress for a law to accomplish the same thing.

Such legislation would make little sense even in good times. To adjust to market conditions, airlines need the flexibility to buy, sell and merge facilities. They could, if they wished, barter that flexibility for lower wages or reduced fringe benefits. But as Wallace Hendricks, a University of Illinois labor economist, points out, no airline union has valued protection provisions highly enough to pay the necessary price.

In any case, these are not good times. A half-dozen airlines are already in trouble; others will probably need to dump routes, merge facilities or lease out aircraft. No airline can afford to pay labor protection costs that might run as high as $6 million for the sale of a single jumbo jet.

No hearings have been held on this labor protection provision. Neither the House nor the Senate voted to put such a provision in its version of an aviation insurance bill. Supporters will simply tack it on in conference committee next week, provided that influential conference members do not object. That, in effect, leaves it up to the senior uncommitted conferee, James Howard of New Jersey.

Representative Howard, chairman of the House Transportation Committee, is known both for his affection for organized labor and his practical commitment to airline deregulation. May his mind win out over his heart.

SENATOR SARBANES SALUTES COLONEL SMITH

● Mr. SARBANES. Mr. President, for nearly 42 years the citizens of Maryland have benefited from Col. Thomas Smith's outstanding service with the Maryland State Police.

Appointed to the force as a trooper in 1940, he soon joined the Investigation and Identification Bureau as a criminal investigator. His distinguished service gained him widespread recognition, and in 1951 he assisted the U.S. Senate Committee on Organized Crime. In 1962 he took command of a newly formed State police intelligence unit and was promoted to captain. His dedicated work led to promotion in 1965 to major in charge of the investigation and intelligence divisions, and in 1968 he was made lieutenant colonel and chief of operations, and commanded all State police field forces.

Since 1970, Colonel Smith has served as superintendent of the Maryland State Police. In that capacity, he has implemented many impressive initiatives that continue to have a beneficial impact in our State. He achieved a national first by establishing a cooperative enforcement program between State police and county police departments to reduce the number of injuries at high-accident locations. He also joined with the University of Maryland shock trauma unit for emergency helicopter evacuation of critically injured accident victims. Colonel Smith created the hostage negotiation unit and the special tactical assault team, as well as a narcotics strike force, and upgraded and expanded the State police crime lab. Most recently he initiated Maryland's most comprehensive effort ever to identify and remove drunk drivers from the State's highways, and national attention to Maryland's dropping traffic fatality figures serves as testimony to his success in combating motor vehicle violations.

During the course of his remarkable career, Colonel Smith has been awarded many citations and commendations, including the American Trucking Association Award for highway safety, the Dictograph Security Award for public safety, the National Highway Traffic Safety Award for public service and innovative and effective traffic enforcement programs, and the President's Award for Energy Efficiency. A graduate of the FBI National Academy, he has shared his professional expertise as chairman of the Police Standards Committee and member of the Organized Crime Prevention Council on the Governor's Commission on Law Enforcement and the Administration of Justice, and has served as chairman of the Maryland State Police Retirement Board, chairman of the Post Mortem Examiners Commission, member of the Governor's Task Force on Violence and Extremism, member of the Criminal Justice Information Systems Advisory Board, and member of the Executive and Highway Traffic Safety Committees of the International Association of Chiefs of Police.

Mr. President, Col. Thomas Smith is worthy of the highest recognition for his distinguished record as he retires from public service. I ask my colleagues to join me in saluting this outstanding law enforcement professional.

CRIME REDUCTION

● Mr. EAST. Mr. President, the American people are crying out for action to reduce violent crime. The response of some elected officials has been that no one knows how to stop the increase in crime.

In fact, crime could be significantly reduced if appropriate resources were devoted to firm enforcement of our criminal laws. In the August issue of The Atlantic Monthly an iconoclastic jurist, Justice Richard Neely of the West Virginia Supreme Court of Appeals, argues that a citizens' pressure group will be required before elected officials act to reduce crime. This experienced judge estimates that violent and petty crime could be reduced to one-fifth of their current level. I ask that this article be printed in the RECORD.

The article follows:

[From the Atlantic Monthly, August 1982]

THE POLITICS OF CRIME

(By Richard Neely)

Through at least the past decade, no public problem has worried Americans more persistently than crime. When people are asked in opinion surveys to list the problems that concern them most, the threat of crime typically comes at or near the top of the list. But when the same people list the issues on which they'll decide which candi-

date to vote for, crime usually comes behind half-a-dozen other subjects. The explanation they offer most frequently is that a candidate's statements about crime are unimportant—no one can do much about the problem.

What is misguided about this attitude is that it is possible to do something about crime. Although the evidence lacks scientific precision, certain facts of criminal-law enforcement are clear.

In many big cities, where the limit on crime is the presence of the police (as opposed to family members, watchful neighbors, and the like, who limit crime elsewhere), more officers on the streets or in the subways means fewer criminals who dare to act. But in courtrooms, most accused criminals go free because the system cannot afford to have it any other way. Everyone involved in the criminal courts is overtaxed, from the policemen, who must take time off the beat to testify, to the prosecutors, who need to dispose of cases as quickly as possible, to the judges, who know as they make their sentencing decisions that the prisons are already overcrowded. The result of this pressure is the plea-bargain, in which a man who faces, for example, a ten-year sentence with a three-year minimum term if convicted of armed robbery will instead plead guilty to grand larceny and end up serving one year in jail.

Many people complain that plea-bargaining returns criminals to the streets, but few have considered the statistics that lie behind this practice. There are nearly 104,000 felony arrests in New York City every year. New York City has facilities for only about 5,000 full-blown jury trials per year, so it is forced to do what nearly all city courts must: find some way to dispose of the surplus, usually through plea-bargaining or dropped charges. Many of the people thereby freed undoubtedly belong in jail, and the crime rate would undoubtedly fall if they were imprisoned. All that is required is money—for police, prosecutors, judges, and jails.

Why, then, have we not taken steps we know would have some effect? The answers are complicated, but chief among them is that for every proposal that might be made to reduce crime, there is a powerful, organized interest that opposes it. These obstructive groups often include the most influential force of all, the middle-class interests that so frequently complain about the threat of crime.

This problem is intimately connected with the general difficulties of American courts, but not the courts as they are usually conceived. When lay people speak of the courts, they often mean judges and attendant judicial staffs of clerks and secretaries. However, the term "courts" must be expanded when we talk of criminal law to encompass all of the supporting agencies that either feed criminals to the judges or receive them after conviction. When courts are understood in this way, it becomes clear that improving their operations can be costly. Doubling the number of policemen and prosecutors would spare many people the costs they now bear as victims of crime, but it would increase the costs many others would pay in taxes.

As is often the case, the people who stand to gain the most from this protection are the ones with the least say about how public money is spent. The primary victims of crime pay the lowest taxes. Most victims of crime live in ghettos or declining working-class neighborhoods, and they work at low-wage jobs in places such as all-night diners or gas stations, which are easy to rob. But the taxpayers who would bear the cost of better protection for these victims are themselves seldom victims—they are instead large corporations with privately retained security forces, or middle-class taxpayers who live in well-protected neighborhoods and send their children to safe neighborhood schools or private schools.

Although it might not seem in the interest of the middle class to pay for increased enforcement, the cost of crime in the United States runs to hundreds of billions of dollars every year—much more than increased enforcement would cost. Shoplifting alone accounts for a loss of between 3 and 7 percent of all merchandise inventoried for sale by large chain stores, which means we all pay 3 to 7 percent more for our routine dry-goods purchases.

Moreover, criminal courts and their supporting agencies—unlike most government operations—actually generate revenue. At the simplest level, traffic courts and magistrate courts make more money from fees and fines than it costs to operate them. When state or local business regulations are enforced, the fines augment the treasury. Low crime rates also contribute to a desirable climate for industry, commerce, and residences, which in turn means higher property values and a stronger tax base. Lack of funding for the courts must be something more than just a reflection of overall budget constraints; while budget considerations do play a part, underfunding is often deliberate, purposeful, and unrelated to the budget.

One simple example should illustrate the point. Cheating on federal and state income taxes is pervasive in all classes of society; except among the compulsively honest, cheating usually occurs in direct proportion to opportunity. Why, then, do we not expand the Internal Revenue Service and its state counterparts? Every new revenue agent pays his salary and overhead at least eight times. The answer is that we do not really want Rhadamanthine enforcement of the tax laws. As long as the IRS is overworked and understaffed, everyone except the scrupulously honest will enact his own personal tax-reform program. The IRS's understaffing also guarantees that all but the most flagrant evaders will escape with a payment of back taxes and possibly a civil penalty.

Overworked United States attorneys cannot spend their time arguing every questionable deduction in tax court. The IRS will challenge a businessman's deductions, only to cede most of its points at settlement conferences. The mediocre enforcement of the tax codes stems not only from the IRS's lack of staff but also from a lack of U.S. attorneys, U.S. district court judges, and court-of-appeals judges. Without an increase in the personnel of supporting agencies, there is a limit to the effectiveness of new IRS agents, but there is no question that such an increase will bring in more money than it costs.

Since more rigorous enforcement will inspire a higher level of "voluntary" compliance, it must be obvious that some people out there do not want better enforcement. I am probably one. I actually do pay every cent I owe in taxes, and since I am a public official, I get audited about every four years. Notwithstanding my annoyance with those who cheat, I do not want to be audited more than once every four years, because it is a nuisance. Quite frankly, I prefer to let my neighbor cheat a little rather than be bothered with a yearly audit.

Most people probably feel as I do about forgiving their neighbors' tax trespasses in return for minimal personal harassment by Uncle Sam, but a similar philosophy of live and let live does not exist about violent crime. Why, then, do we not double the number of cops and courts?

The reason is both ideological and financial. Policemen, in my experience, are by nature bullies as well as heroes, and the smaller the police force, the more policemen tend to exhibit the characteristics of heroes rather than bullies. But the more policemen who are "cracking down on crime," the greater the likelihood that individual citizens will suffer abuse of their civil liberties. Work in any bureaucracy tends to expand to fill the time allocated to do it. If the police are not busy with serious crime, they may meddle in such citizen activities as private poker games, where no one wants their help. Consequently, a silent, even unconscious alliance exists between pro-civil-liberties liberals, who want small police forces for ideological reasons, and conservative taxpayers, who do not want to pay the costs of what from their point of view amounts to social services for others.

My favorite illustration of the diverse alliances that oppose improvements in the criminal-justice system is the repeated failure of a bill that is perennially introduced in the West Virginia Legislature. The bill, which is introduced at the request of the state attorney general, would give the attorney general statewide prosecutorial powers. Under the current system, each West Virginia county elects a prosecutor who has absolute discretion concerning what crimes will be prosecuted in his county. The attorney general handles criminal cases on appeal, defends the state's interests in federal habeas corpus proceedings, and represents the state's agencies in civil litigation; however, the attorney general has no power to initiate prosecutions at the trial-court level in the fifty-five counties. Why should there not be a statewide prosecutorial, particularly since many local prosecutors are reluctant to enforce the law against their political friends?

The answer is quite simple. the position of attorney general has historically been a stepping-stone to the governorship. Since 1936, four out of ten governors held the office of attorney general immediately before their election as governor. High elected office has tended to go to media stars since the demise of well-organized political machines. Only certain types of political antics, however, attract media attention; these include crusades against political corruption and white-collar crime. Everyone who is actively involved in either business or government is aware of the public-relations value of an anti-corruption crusade, yet even the consummately honest prefer not to be bothered by one. Zealous investigations demand the production of documents, testimony by employees on company time, and a costly disruption of normal business operations. None of these costs is borne by the government; all must be borne by the private sector.

The important facts are that there is less than universal support for the enforcement of most laws, from consumer fraud to drug use, and that lack of consensus about the value of some types of law enforcement is seen in the legislature's failure to establish a statewide enforcement agency.

In West Virginia's four northernmost counties, the population is composed largely of the children of Italians, Greeks, Poles, Hungarians, and other non-Anglo-Saxon peoples. The biggest illegal gambling institutions used to be the churches, which held regular, illegal bingo parties and raised significant revenues (bingo games for charitable organizations were recently legalized). Other social institutions similarly rely on slot machines and football pools; it is a way of life completely different from that of the predominantly fundamentalist southern part of the state. Local prosecutors in those counties are elected by citizens who expect a policy of conspicuous non-enforcement of the gambling laws, at least as they apply to churches and social clubs. The last thing on earth they want is a statewide strike force destroying their churches and clubs.

In 1977, when John D. Rockefeller IV became governor, his new chief of the state police attempted to enforce the gambling laws in the northern counties. Within a month, the state police were instructed to back off, because it became obvious that continued enforcement would anger every member of the legislature from those counties and that, in retaliation, those legislators would torpedo the governor's legislative progam.

Every effort at improvement in the criminal justice system will seem either helpful or threatening, depending on the perspective of some political-interest group. Thus an increase in the number of policemen means more protection to some, more bullying to others. If, for example, the staffs of prosecuting attorneys are increased so that they can diligently prosecute armed robbers, murderers, and dope peddlers, they will also be available to ferret out consumer fraud, anti-trust violations, and political corruption. Since prosecuting attorneys are usually elected and, therefore, are lawyers with political ambitions, they will be tempted, as in West Virginia, to play to the press by prosecuting white-collar crime. These campaigns are middle-class morality plays that assuage the newspaper reader's sense of unrecognized merit. They are usually less attractive to the political establishment, however resolute it may be about cracking down on murder and armed robbery. Even fire-brand political reformers use questionable tactics at election time, and the prospect of an elaborate enforcement bureaucracy falling into enemy hands is horrifying to politicians.

A classic example of frivolous white-collar-crime prosecution took place recently in Pittsburgh. A county commissioner, who was also the county Democratic Party chairman, was charged with theft of services during his tenure as county coroner. At that time, in addition to being coroner, he owned a private laboratory, which did pathology and toxicology testing. It was alleged that he brought tissue specimens from his lab to the morgue, where they were processed by morgue employees on the county payroll, thereby "stealing" $115,000 worth of county services.

The case had all the trappings of a political trial. The defendant, Cyril H. Wecht, was highly placed in county politics, so prosecuting him would bring much publicity—adverse for Wecht, angelic for the prosecutor. Wecht had political enemies even within his own party, and some of them were involved in initiating and developing the investigation. Others used the investigation and trial as a reason to force him to withdraw from the party chairmanship. And the district attorney responsible for the prosecution, perhaps trading on the publicity it generated, was running for the state supreme court bench at the same time.

Political or not, theft of government services is not a trivial charge. But this case certainly was not one of those occasions when an expensive jury trial was warranted by any cost-benefit analysis of the "public good." Fortunately for Wecht, he was able to hire the nationally known trial lawyer Stanley Preiser to defend him. After six weeks of exhaustive testimony and with thirty-two cartons of documentary evidence, the jury deliberated for ten hours and acquitted Wecht.

The investigation and trial took nearly two years and involved ten investigators and seven lawyers from the district attorney's office at one time or another. The trial lasted six weeks, and the whole affair was estimated to have cost the county about $1.5 million—more than ten times the value of the services said to have been stolen. The money spent on the trial could have bought almost forty prosecutors for a year at an annual salary of $40,000, and they each could have been prosecuting fifty violent crimes and property crimes such as murder, rape, arson, armed robbery, and larceny—the ones that affect the average citizen's life.

As long as we are talking only about the criminal courts, the questions are comparatively simple. But when we add the complications created by the civil courts, all bets are off. Devoting more money to the criminal courts would return economic dividends to the public, but increased funding for the entire court system has a much more mixed effect. Indeed, for certain groups, including local governments, businesses, unions, landlords, and even tenants, a better-functioning court system would be a calamity.

Consider the case of New York City, which is notorious for its long court delays. In the abstract, most New Yorkers would like to have an efficient court system so that criminals would be sent away. To the casual observer, New York's felon problem would appear easy to solve by increasing the number of policemen and prosecutors, and by expanding the court system.

The hitch, however, is that a New York trial-court judge is empowered to hear both criminal and civil cases; if the number of judges is increased, more civil cases can be heard. Of 25,589 civil cases concluded in New York City in the first forty weeks of the 1979–1980 fiscal year, 5,523 were against New York City itself. New York City has been on the verge of bankruptcy since 1975, and the policies of the Reagan Administration threaten even greater financial strains in the next two and a half years. The potential liability for New York City from the civil suits currently awaiting trial runs to billions of dollars. New York City cannot afford an efficient court system, because it would be bankrupt beyond bail-out if all these suits came to trial in one or two years.

New York is an extraordinary example, but legal-aid and other public-interest lawyers elsewhere are bringing suits challenging the standards of operations in mental hospitals, prisons, schools, and other state and local facilities. When courts take action in these areas, it can mean that local governments must spend millions or even billions of dollars they never planned to. In New Jersey, for example, the state supreme court ordered the legislature to enact an income tax to support the public schools. This required the allocation of state money to projects that judges wanted rather than to projects that the governor and the legislators wanted.

The moral of these stories is that the costs of creating more courts, along with all their supporting staff, are but a fraction of the total amount of money that an expansion of the courts will eventually involve. Typically, the entire judicial branch of government takes less than 2 percent of any state's budget. In New York City, the cost of doubling the number of judges, prosecutors, city attorneys, courtrooms, and supporting staff would be small compared with the cost of paying the judgments the new courts would render against the city.

In other parts of the United States, there are powerful private interests in the same position as New York City: they are not in the least interested in improving the efficiency of civil courts. If, for instance, litigation against insurance companies takes eight years to complete, the company has the use of its money for eight years, and can invest it during that period at between 10 and 18 percent. Furthermore, delay alone is a powerful force to inspire settlements for low sums. Since most federal and state courts are unified criminal and civil tribunals, in which any judge can hear either type of case, the positive economic effect for the general public of improved criminal courts is almost always offset by increased costs on the civil side for those who have the most political power. The public takes its accustomed beating.

If expanding the courts has varied effects, some of them welcomed and some of them abhorred by powerful political groups, the logical solution would be to separate the courts' various functions. We might create institutions that would work in areas where there is broad agreement—such as fighting violent crime—while avoiding other areas. Everyone wants violent criminals prosecuted and the streets made safe. During the 1960s and 1970s, there were numerous programs that attempted to get at the root causes of crime—slums, broken families, unemployment. While we have not abandoned these efforts, there is an increasing awareness that we do not have either the resources or the knowledge to reduce violent crime through preventive means, and this lack should not be used as an excuse for doing nothing.

New institutions will not be developed, however, until there is an organized citizen lobby that makes campaign contributions, sends out direct-mail newsletters about how elected officials perform in the area of court reform, and has representatives entering into the give-and-take of political bargaining in the committee rooms and the corridors of legislatures. Until there is such a lobby around which political support can coalesce, politically workable plans will not be generated. Since there is no active citizen lobby for court reform, and since, to the contrary, all of the day-to-day political rewards go to those who oppose court reform, the legislative branch is entirely indifferent to the courts. In fact, I cannot think of any other subject of major social concern that intrudes itself less upon the imagination of the average legislator than the courts. Yet court reform, albeit in simplistic terms, is the frequent subject of campaign rhetoric, which gives the illusion that politicians have some continuing interest in the subject. Sadly, the courts are usually regarded in the same light as is the Federal Reserve Board—as an institution that is to be reviled

and attacked but ultimately to be left unchanged.

The history of the environmental movement suggests the direction that a citizens' movement could take. Environmental and conservation issues used to be as low a legislative priority as court reform is today. But in the early 1960s, the whole question of pollution control and conservation of unspoiled wilderness captured the imagination of the college-educated middle class. Suddenly, defense of the environment took on the aura of a religious crusade. Groups such as the Sierra Club organized on the national level, and in every state local groups developed and kept in communication with one another.

The reform of the criminal law may be ripe for the same type of crusade that the environmentalists led fifteen years ago. Most street crime is, to be sure, perpetrated upon the poor, because they must live where the criminals are. But crime has risen to a level that intrudes itself into the lives of many middle-class citizens on a daily basis. It is the middle class that has organizational and political skills, along with a spare hundred dollars to contribute to a political-action group. It was essentially the middle class that accomplished the environmental revolution.

The beginnings of a citizen lobby for better law enforcement can already be perceived. In West Virginia last year, the relatives of persons killed by drunk drivers organized themselves to make the drunk-driving penalties more severe. In general, the enforcement of the drunk-driving laws in the United States is a disgrace. But last year, the public outcry against drunk drivers was such that the West Virginia Legislature made drunk driving a serious offense, amending the law to include a no-nonsense procedure for enforcement.

West Virginia's decision to crack down on drunk driving was not unique; several other states amended their laws last year with spectacular results. In California, for example, after a new drunk-driving law went into effect, the highway death toll during the Christmas season was reduced by 50 percent over the previous year.

Drunk driving differs from other criminal questions in that it is a comparatively easily understood problem and there is not political pressure to protect drunk drivers. Although there is no pressure to protect any criminal who strikes at random, the more a criminal activity looks like a regular business—car theft, gambling, drug sales—the more criminals organize to influence the political process. Even more important in the passage of the drunk-driving laws, perhaps, was the lack of debate about what would reduce drunk driving. Everyone agreed that strict sanctions, quickly applied, would do the trick for the occasional drunk, and that permanent revocation of their licenses would keep most of the habitual drunks off the road. Like the environmental movement, the lobby against drunk driving knew just what it wanted.

By contrast, efforts within the political system to improve the criminal justice system often stall because of the timeless debate about stricter enforcement versus elimination of the root causes of crime. The advantage of a citizen lobby seriously concerned with an improved criminal-justice system is that citizens want protection—they are content if the symptoms of the disease can be controlled and that is probably the practical approach for the foreseeable future.

It is important to differentiate between traditional law-and-order rhetoric and real criminal-law reform. Traditional law-and-order rhetoric addresses itself primarily to the decisions of the United States Supreme Court since Miranda v. Arizona in 1966, when the Supreme Court began the wholesale reform of the criminal law in order to further civil rights and civil liberties. A return to police brutality, official harassment of the lower socio-economic class, and kangaroo-court summary convictions by forced guilty pleas is not my idea of criminal-law reform. It is possible to have a well-functioning system of criminal-law enforcement without the violations of personal integrity inherent in the police state. But it would be expensive.

In my estimation, a good criminal-justice system that reduces violent and petty crime to roughly one fifth of their current level could be established with substantially less political activism than was required for environmental reform. Furthermore, the costs to the nation of criminal-law reform would be dramatically less than those of the environmental movement, although they would all be borne directly by the taxpayers instead of being paid for through the inflation of consumer prices, as was the case with most environmental reforms. Cleaning up the environment exacted its costs though lost jobs, higher utility bills, and more expensive automobiles. Criminal-law reform will cost higher taxes.

It is not necessary that everyone suddenly become interested in criminal-law reform. After all, the number of voters who were actively dedicated to the ecology revolution was comparatively small. Extremely effective interest groups—the National Rifle Association, for example—are comparatively small in terms of active members. It must be remembered that politicians are not concerned with influencing everyone who is eligible to vote—just the 21 to 65 percent, depending on the election, who actually come to the polls. It is the militant and not the indifferent voter who must be satisfied first.●

INFLATION

● Mr. McCLURE. Mr. President, in June's issue of Financier magazine an editorial made some interesting insights into our 2-year battle in a war that began silently years ago—the war against inflation. As a candidate, Ronald Reagan made a solemn promise to win this war and return our economy to prosperity. The electorate demanded it, the economy required it, and President Reagan is delivering it.

There is no doubt that inflation has been eating away at the core of our economy for years. The American dream of owning a home has become a nightmare; prices have increased artificially until only the very rich can afford to buy a house. The purchasing power of retirement savings has eroded to the point that older Americans have no choice but to become dependent on their social security income, an income that was designed to be a supplement to savings. Automatic increases in wages and benefits to compensate for the ravages of inflation have so strangled our large corporations that they are forced to close factories and lay off workers.

Inflation has been this country's No. 1 economic problem for years. The fight against it is not won, but broad gains have been made. The current rate is just above 5 percent, and last March the rate was negative for the first time since 1965. There is no doubt that this course has been painful. Nobody said it would not be, and no one can say that it will not continue to be. Until inflation is controlled everyone agrees that there will not be a sustained recovery. When inflation is running at levels so high that business management can no longer predict the future and begins thinking only in the short term, it is impossible to have a productive environment.

I firmly believe that the only thing that could be more painful would be to change our course and revert to the failed policies of previous administrations. There is some dangerous talk in Congress and in the administration of the need to "reflate" the economy. Apparently, some feel that the pain we have endured has not been worthwhile and we should change course temporarily. To me this is election-year nonsense. Changing course now could inflict permanent damage on our recovery. Congress should excel in its leadership role now more than ever and give the economy something it can count on.

I wholeheartedly agree with the editorial and feel the "the President is right to stand firm; he would be terribly wrong to yield now, when his administration, for the first time in a generation is in a firm position to deliver genuine relief from the curse of inflation, and to set the U.S. economy once again on firm footing."

I submit for the RECORD the Financier editorial.

The editorial follows:

[From the Financier, June 1982]

HOLD THE PAINFUL GAINS

The inflation cure now being administered to the US economy is hurting badly everywhere. Degrees of suffering vary, of course; but when business profits fall as sharply as they did during the first quarter of this year, the anguish of the unemployed cannot be regarded as a function of economic class discrimination. Business and labor alike are sharing the burden.

But even as the cure imposes its painful side effects, it is appropriate to consider how awful the ravages of inflation might have become if that dread economic plague had been allowed to continue unchecked. Not too long ago, dire scenarios were being drafted—straight-line projections of rising rates, a look back at pictures of bank notes in bundles in the markets of Weimar Germany, a frightened look ahead at the destruction of retirement savings.

Indeed, the panic of senior citizens now being expressed at the prospect of administrative tinkering with their vital Social Security pales in contrast to the desperation that would have engulfed them if the inflationary rampage had run much longer.

THE PROMISE HE EMPHASIZED MOST

Putting an end to inflation was the campaign promise Ronald Reagan emphasized most of all, and the one to which the voters seemed to respond with the most enthusiasm. Now as President he is delivering upon it, and creating a whole new set of economic and political problems in the process.

That should not come as a surprise; nor should the pain that the process entails. Even when he was making the promise, Candidate Reagan, while admittedly not emphasizing the extreme severity of making good on it, did not claim that disinflating after a generation of profligacy would be easy.

So he is doing what he said had to be done; what many economists despaired of ever being done; and what the electorate told him it wanted him to do.

The question now troubling many—not just the myriads who are hurting, but the makers of corporate policy whose determinations affect productivity and employment—is whether the pain of withdrawal from the inflationary stimulus will be so severe as to do permanent damage to the body economic.

In the concern for alleviating pain, care must be taken against renewing dosages of the inflation that brought the economic distemper on in the first place.

Time and again throughout the history of business cycles since the end of World War II, policy has over-reacted to recession, usually towards the end of the downturn, at about the time that some remission from inflation was occurring, by initiating policies to reflate. These have had the result of starting the vicious cycle all over again, from a higher base.

To revert to that discredited policy approach at this point in this cycle, when the battle is on the verge of being won, would be to discard all the gains that have been made, and negate all the sacrifices that have made them possible, in this historic struggle.

GAINS TO BE CONSOLIDATED

For gains have indeed been made, which need to be consolidated. Wage increases are settling back; artificial run-ups in real estate prices are easing; some business investment, mostly in productivity, is resuming, and the consumer, who has been leery of buying, is now edging back into the marketplace, at least partially motivated by a renewed sense of fair value for his purchases.

Much of the inflationary excess in the economy has been squeezed out.

All that is required to set a solid recovery in motion is a start of reduction in interest rates.

And there, of course, lies the Catch-22 of the recovery. Interest rates will not come down until the financial community becomes convinced that the same old pattern of renewal of inflation is not going to start again.

The signal that everyone is waiting for would come when and if the Administration and Congress could work out a credible scheme to reduce the monstrous Budget deficit.

If not, those who can be identified as having blocked that accord would deserve the most severe political punishment.

TRUST NOT TO REFLATE

But more important than the marshalling of fiscal policy in support of monetary policy to disinflate, will be trust in Administration determination not to reflate—not to permit a new round of the stimuli that have reactivated inflation in the past.

Application of some of the palliatives that are now being proposed would revive that concern. Quick fixes would release a new spiral, and the country would break out in a fresh inflationary binge, from which the end, whenever it came, would be even more devastating then the painful cure now being administered.

But as long as those discredited palliatives are not applied, and the forces of inflation continue to ebb, the pressures on those rates to come down will continue, and the belief that this Administration does intend to stay the course will strengthen. As that process of convincing the skeptics continues, at some time—probably not too far off—interest rates will come down.

The President is right to stand firm; he would be terribly wrong to yield now, at the very time when his Administration, for the first time in a generation, is in a position to deliver genuine relief from the curse of inflation, and to set the US economy once again on firm footing.●

SEVENTH ANNIVERSARY OF THE HELSINKI ACCORD

● Mr. PELL. Mr. President, 7 years ago yesterday, the leaders of 35 nations—the United States, Canada, the Soviet Union and every European nation except Albania—met in the Finnish capital of Helsinki to affix their signatures on a document which set standards for the conduct of behavior among those nations. This historic event—the signing of the Final Act of the Conference on Security and Cooperation in Europe—CSCE—was the culmination of nearly 2 years of negotiations and marked a high point in the era of détente.

Seven years later, with détente an unfashionable word and the bilateral relationship between the two superpowers in shambles, some question the relevancy of the Helsinki Final Act and the series of meetings and consultations that have become known as the CSCE process. Yet, it is precisely during periods of tension such as these that the principles embodied in the Helsinki agreement become even more significant. For the Helsinki Final Act provides the foundation for lasting peace, genuine security, and increased cooperation among the nations of Europe and North America. That structure will not be built, however, unless and until the Soviet Union begins abiding by its commitments.

As a founding member of the U.S. Commission on Security and Cooperation in Europe, I have had the opportunity to witness first-hand the expectations of the people of Europe—East and West—that were generated by the signing of the Helsinki accord. Those expectations have not yet been fully realized and, tragically, in some cases, those hopes have been dashed completely. Yet, the Helsinki process offers the best chance for reducing the misunderstanding and stress that has marked East-West relations in recent years and for improving the lot of the people of all 35 nations.

While the Helsinki Final Act covers nearly every aspect of East-West relations—military security, trade and economic cooperation, scientific and cultural exchange—the provisions that have received the most attention in the West and, sadly, the least implementation in the East, are those dealing with human rights and humanitarian issues. The 35 signatories agreed to respect human rights, to facilitate the freer movement of people, especially for family reunification and binational marriage, to disseminate information of all kinds, and to guarantee religious freedom. Instead, the Soviet Government imprisons human rights activists, denies Jews and others the right to join their relatives abroad, forces spouses to undergo life-threatening fasts in order to be reunited with their loved ones, jams Western radio broadcasts, and severely restricts the exercise of religious rights. Many of the Warsaw Pact nations—especially Czechoslovakia, East Germany and, now, Poland—have followed the Soviet example of repression.

Continued Soviet and Eastern disregard for their Helsinki obligations can only result in a further deterioration of our relations. That message must be delivered—forcefully and continually—to the Soviet authorities at every level of our dealings with them. American actions and rhetoric must make it clear that we consider respect for human rights to be an integral element in the improvement of relations and in the establishment and maintenance of genuine security in Europe and throughout the world. The Helsinki Final Act itself recognizes that respect for human rights "is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations" among all countries. We must hold the Soviets to those words.●

ORDER FOR RECOGNITION OF SENATOR NUNN ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, the distinguished Senator from Georgia (Mr. NUNN) be recognized on a special order of not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, the program for tomorrow is as follows:

The Senate will convene under the order previously entered at 10 a.m. After the recognition of the two leaders under the standing order, the Senator from Georgia (Mr. NUNN) will be recognized on a special order of not to exceed 15 minutes.

Thereafter, Mr. President, there will be a time for the transaction of routine morning business in which Senators may speak for not more than 2 minutes each which shall extend to not later than the hour of 10:50 a.m.

At 10:50 a.m., the Senate will resume consideration of Senate Joint Resolution 58, at which time the Dodd amendment No. 2009 will be the pending amendment. There will be 10 minutes of debate, equally divided between the Senator from Connecticut and the distinguished manager of the bill, the chairman of the Judiciary Committee, Mr. THURMOND.

At 11 o'clock, the vote will occur on the Dodd amendment No. 2009, and votes thereafter on the Mathias-Baucus amendment No. 1931, the Moynihan amendment No. 1928, as modified, and two Cranston amendments, Nos. 1996 and 1989. The Dodd amendment will be a 15-minute rollcall vote and succeeding votes as just listed will be 10 minutes each.

Mr. President, it is distinctly possible that the Senate will be in session later than usual tomorrow night in order to accommodate the needs of Senators to call up their amendments and debate them before the close of the day. I remind Senators that there is an order in place providing for a vote on final passage on this resolution at 12 noon on Wednesday.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 10 o'clock a.m. tomorrow.

The motion was agreed to; and at 7:24 p.m., the Senate recessed until Tuesday, August 3, 1982, at 10 a.m.

EXTENSION OF REMARKS

NAIVETE CAN KILL YOU

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. McDONALD. Mr. Speaker, John Train of Forbes magazine, interviewed Gen. Pierre Gallois of France recently on the movement for a nuclear freeze. General Gallois is considered by many to be the leading military strategist of France. In the interview, which appeared in the July 5, 1982 issue of Forbes, General Gallois points out the naivete of those who feel that a nuclear freeze will bring peace. The interview follows for the edification of those who think there is an easy way of confronting Soviet aggression.

The article follows:

NAIVETE CAN KILL YOU

(By John Train)

(It's a lot easier to mount an antinuclear demonstration in New York than in Moscow. Such demonstrations probably evoke glee rather than awe in the Kremlin. For a hardheaded if admittedly partisan view on nuclear disarmament. Forbes Columnist John Train recently interviewed General Pierre Gallois, the father of France's force de frappe. General Gallois has devastating comments for those who advocate unilateral nuclear disarmament.)

Pierre Gallois ranks as one of the most original strategic thinkers of modern France, perhaps comparable to de Gaulle in the 1930s. An airman, he flew in bombers from England in World War II and after the war joined the general staff of the French air force. General Gallois urged upon President Charles de Gaulle a deterrent force independent of the U.S. nuclear umbrella, which, he held, could not be depended on after the Soviets had achieved their own intercontinental nuclear force.

A country, Gallois argued, would risk its own total destruction only to protect itself, not to protect another country. So France's defense must be under French control. Thus arose the force de frappe, the independent French nuclear deterrent. In a crisis, France may be the only continental power able to resist Russian nuclear blackmail. Indeed, one of his key strategic ideas, shared at the time with General Eisenhower, is that the surest defense against Russian attack is the assurance of nuclear retaliation, under such circumstances, an exact nuclear balance loses its importance, just as a big man with a pair of six-guns cannot ipso facto push around a small man with one six-gun. Now retired from the French air force, General Gallois serves as a consultant to a major French aircraft company and writes on military-political strategy.

I called on the general in his apartment near the Parc Monceau in Paris. A stocky man with a round head and keen features, the general spoke in French with dry precision.

"The Russian leaders," he began, "have had such success in their campaign to weaken us, not only because we are naive and irresolute, but also because they have held their positions for so long and have learned the game exceedingly well. Gromyko has held his post since 1957. Admiral Gorshkov, who created the modern Soviet navy, since 1956 . . . a great naval strategist, incidentally. The only figure of comparable stature on our side has been Admiral Rickover. By the time our leaders learn what has to be done, get it through a hundred committees, sell it to the public—if they can sell it—and raise the money, it's usually too late. The Soviets do most things badly, but they conceive and execute foreign policy much more effectively than we do. There have been 5 top men in the U.S.S.R. since World War II, compared with 8 U.S. presidents and 30 governments in France. They have an immense advantage in continuity of purpose and method. "Even should we achieve numerical parity in Euromissiles, we will not have equality. Our missiles must be deployed in heavily populated Western Europe; theirs can be in relatively empty country. So our posture is much more dangerous. That has triggered the current European wave of pacifism and neutralism. The Soviets may offer a 50% cutback in their SS-20s in exchange for no Pershing II or cruise missiles. That would delight the pacifists. But SS-20s have three warheads per missile. Even after a cut the Soviets would have several hundred, enough to destroy every important conventional target in Western Europe. If for any reason Western Europe turns down the Pershings and the cruise missiles, then there's no significant European deterrent, and it's game, set and match to the Russians.

"It's like the Falklands. Had the British stationed a battalion there, instead of a company, showing that they really meant business, the Argentines would have kept hands off. Think how much better off everybody would be—not only the British and the Argentines, but particularly the U.S., which will be the real loser. It's much harder to fight your way back than to deter trouble in the first place.

"The real solution, could it be achieved, would be for Europe to have its own submarine-borne nuclear deterrent. That would answer a lot of objections."

Did General Gallois think that the current buildup in NATO's conventional strength would suffice to deter the Soviets?

"Not in the least." He produced a collection of charts. "The U.S. is asking for a 3% annual buildup in real terms. NATO has some 25 divisions in Central Europe. So that would mean 26, then 27, then 28. But the Warsaw Pact can field up to 180 divisions. What's more, you mustn't just compare those two force levels or whatever force level you prefer to use for the Pact. Many of NATO's divisions are on the flanks, in Turkey, Norway, and so on. But if the Russians concentrate on the central front, ignoring the Scandinavians and Southern Europeans—who aren't going to march into Russia—their superiority will be overwhelming.

"A cardinal point of Soviet strategy is that the Red Army must always win. Once they start, they have to win at any price, including a nuclear price. We mustn't let them smell an easy victory. They must always see a very dangerous adversary."

"It's sometimes observed that if you seize a wasp, the wasp will infallibly sting you, even though it dies," I said. "So nobody bothers wasps."

"Exactement," the general said.

But wouldn't any nuclear war in Europe devastate everything there, and thus remove Russia's interest in taking over Europe?

"You are behind the times, Monsieur." The general exhibited a graph showing the evolution of nuclear yields required to destroy a specific objective over the last 20 years.

"One kiloton will soon serve where once five megatons were required, because of the much greater accuracy of today's missiles." He produced a map of Europe's airports, encircled by shadows showing the blast radius of a pinpointed missile. "As you see, the Russians could eliminate almost any airport in Europe without hitting the city it serves. Now, thanks to high-precision missiles, you will be able to immobilize a country without destroying it. Look at this."

He produced more charts. "The U.S.S.R., using its SS-20s and other weapons, could destroy NATO's power without attacking U.S. conventional units. Do you think that if the Soviets did that, a U.S. President would order national hara-kiri by launching a nuclear attack directly against Russia itself? Never!"

So President Reagan was right in admitting the possibilty of a nuclear war confined to Europe, whatever the unwisdom of talking about it?

"Of course. Such a surprise surgical strike is infinitely more likely than the conventional war NATO contemplates. Look at this." He produced a map showing the heavily industrialized areas of Germany, following the Rhine from the North Sea to Switzerland. "There isn't any more 'north German plain.' It's become towns and factories, difficult country for tanks." (I had heard the same at U.S. Army headquarters and from U.S. field commanders.) "Starting out with an old-fashioned war, a war of attrition, is the last strategy the Soviets would comtemplate, even though that's what NATO is prepared for. It would give NATO time to mobilize and allow the U.S. to reinforce its troops in Europe. No, they'll go for the precise disabling blow, and then defy the world to do anything about it."

What does General Gallois think actually will happen?

"There are a number of reasonable scenarios. The first is the neutralization of Germany. The U.S.S.R. expects to control in Africa and elsewhere, more and more of the raw materials that Germany requires. One day they can call in the German leaders and say, 'In the last war you killed 20 million of our people. Now it's our turn. If you move a muscle, you'll be atomized. But if you accept our offer, you can have reunification with East Germany, possibly even under Bonn's aegis in some form. We'll provide the raw materials you need and the market for your finished products. But

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

there's one condition: The U.S. must leave Germany.' If the Germans accept that, the rest of Europe will lose heart, and Finlandization—or Sovietization—is inevitable.

"Then, there's the piranha technique—cut off so many slices that the victim bleeds to death: Syria, Central America, Afghanistan, South Yemen pressuring Saudi Arabia, fanning neutralism in Germany, Iran. In the future may come a bite out of northern Yugoslavia, intensified pressure from the Kola Peninsula or a move into Baluchistan, while India annexes northern Pakistan.

"A third scenario is the implantation of Marxist regimes in countries with raw materials vital to us: Saudi Arabia, southern Africa and so on. There are dozens of other possibilities not mutually exclusive."

Still, would Germany really make a deal with Russia?

"It depends on America. These waves of pacifism and neutralism sweep over Germany every few years and then subside. It should subside this time, too. But if we do everything wrong, then it might not. If you renounce the first use of nuclear arms in self-defense, if the Pershing II or cruise missile is not deployed, if you keep telling the Europeans they're rich enough so that they must do more or you'll pull out, or if the Kennan-McNamara approach catches on, then Europe is done for."

Didn't the general respect the Kennan group, which now urges a "no first use" policy?

"The Ambassador Kennan who wrote the famous 'long telegram' to the State Department was a notable statesman. The present Kennan is, frankly, very old, not the same man. Everything he said then about dealing with the Soviets is as true now as it ever was: You've got to be strong, frank and brutal, like them. Never give away anything they haven't earned. Any other negotiating posture they consider contemptible.

"When Kennedy met Khrushchev in Vienna and delivered a sermon about the aspirations of humanity, Khrushchev sized him up as a patsy and concluded he could probably get away with putting missiles into Cuba. I've been looking at the Cuban missile crisis section in A Thousand Days. What a group of amateurs! What arrogance and fatuity! Half the Kennan 'gang of four' are the same individuals. So clever, yes, but often so wrong."

Having known the world for a long time—Russia, Europe, America—did General Gallois think the West would pull itself together?

A long pause. Finally, the general shrugged.●

MEETING WITH TEAMSTERS POOR JUDGMENT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. PICKLE. Mr. Speaker, I understand Vice President George Bush met Teamsters President Roy Lee Williams for breakfast Thursday at Teamsters Union headquarters. The Vice President, according to aides quoted briefly in a national journal, just wanted to touch base.

Mr. Speaker, for those of my colleagues not familiar with the Teamsters and Roy Williams, let me provide a little background. Mr. Williams is presently under Federal indictment—his fourth—for bribery and conspiracy in an attempt to buy off a Nevada State senator. According to FBI affidavits, material turned up by a special Government task force and sworn testimony before House and Senate investigating committees, Mr. Williams is the tool of the Kansas City crime organization known as the "Outfit." Said the Village Voice on October 16, 1981:

Williams has moved to the top of the Teamsters because of his well-documented connections to the men who control organized crime in the Midwest.

Now, I have the highest respect for our Vice President. He is from my home State and I admire and respect him. But Mr. Speaker I believe George Bush and his staff demonstrated poor judgment in lending the honor and credibility of this Nation's second highest office to Lee Roy Williams at this particular time.

Only 4 days ago Secretary of Labor Donovan and other administration officials testified before the House Ways and Means Oversight Committee about the continuing abuses of Teamsters leadership and the problems with the Teamsters' $3.5 billion pension fund, a fund the mob has been anxious to control. These officials promised that this time things are different, that this administration is going to clean up the Teamsters—if only Congress would help out with one more piece of legislation.

Mr. Speaker, we are proud that is this country no man is considered guilty until proven so. But there is such a thing as propriety. A man charged with holding one of the most important offices in the world must meet higher standards than most of us, and, above all, he should work to make sure there is never even the appearance of corruption or under the table influence peddling.

When President Reagan welcomes Roy Williams and the Vice President is called to Roy Williams headquarters for a chat at the very time Mr. Williams is being investigated by the U.S. Government, what are people to think? What are lower level Government investigators and prosecutors to think about their chances to push this case with their superiors? What is the Congress to think about this administration's committment to fighting organized crime?

Mr. Speaker, one more time I ask the question: After many years and tens of thousands of man hours spent uncovering unparallelled graft, corruption, and power in the Teamsters hierarchy, can the Government really bring the Teamsters under control: is it willing to? Or are the Teamsters bigger than the U.S. Government?

The same people still hold power, Mr. Speaker, cynically daring the law to come after them. The same people are still the losers in the bargain—the everyday working members of the Teamsters Union and the everyday citizens of this country.●

CAPTIVE NATIONS—THE WEST'S STRONGEST ALLY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. DERWINSKI. Mr. Speaker, 2 weeks ago, as the Members know, was the 24th anniversary of Captive Nations Week, which was appropriately observed in the Congress as well as across the country.

The importance of these observances is to place emphasis on the denial of freedom of human rights to over 100 million non-Russians held captive by Communist rule.

During Captive Nations Week, a congressional luncheon was held at which Maj. Gen. John K. Singlaub, U.S. Army, retired, was the guest speaker. I wish to insert General Singlaub's very impressive address for those Members who could not attend. The address follows:

CAPTIVE NATIONS—THE WEST'S STRONGEST ALLY

(Address by Maj. Gen. John K. Singlaub, U.S.A. (Ret.))

Two days ago President Reagan, in an impressive ceremony in the White House Rose Garden, signed a proclamation designating the third week in July as Captive Nations Week. This designation of a special week in honor of those nations which have been subjugated by the Russian and Chinese Communists draws particular attention to the fact that the Communists are the sole imperialists and colonial powers operating during the latter end of the 20th century.

Today, in addition to giving recognition to the hundreds of millions of enslaved peoples of the Captive Nations, we are commemorating the 40th Anniversary of the Ukrainian Insurgent Army. In 1941, shortly after Adolph Hitler betrayed his ally Joseph Stalin and sent his victorious panzer divisions racing across the plains of Russia toward Moscow, the Ukrainian people, feeling they were about to be liberated from years of Russian oppression, declared themselves free and independent. The following year, forty years ago this October the Ukrainian Insurgent Army was created to defend Ukrainian national independence and statehood.

Had the Germans but realized it when they launched "Operation Barbarosa" into the USSR, they had effectively won the war from the moment they entered Soviet territory. The inmates of this giant concentration camp welcomed them as liberators from unbearable oppression. Moscow's slaves, thirsty for freedom, could not believe that the Berlin rulers would be so stupid as not to secure the assistance of natural allies.

The Ukrainians rejected Hitler's demands that the proclamation of independence be revoked and that the Government be dissolved. As a consequence the Ukrainian In-

surgent Army was forced to fight a two front war against the two most powerful armies on the continent at the time. Both the Nazi Wehrmacht and Stalin's Red Army had an earned reputation for brutality. Dispite these incredible odds the Ukrainian Insurgent Army inflicted heavy casualties on the Nazi armed forces including several senior general officers. After the collapse of Germany the Insurgent Army continued its resistance against the Soviet military and security forces, again, inflicting devastating losses including the death of Marshal of the Soviet Army, Vatutin.

In 1947, two years after the end of World War II, the Soviet Union brought in the armed forces of two of its new satellites, Poland and Czechoslovakia and the three armies launched a major effort to destroy the tenacious Ukrainian insurgents. By the mid 1950s, one decade after the Ukrainian Insurgent Army was formed, the combined might of the Red Army and its satellites reduced the effectiveness of the insurgent divisions to such an extent that the valiant freedom fighters were forced to go underground.

Today the guns have been silenced in Ukrainia. To some this means that peace has come to that valiant nation. But the peace of surrender has not brought freedom, individual liberty, or independence to the reenslaved citizens of that blood-stained land. And today, as was the case 40 years ago, that spirit of resistance to Russian oppression beats in the hearts of the grandchildren of the men and women whose courage and valor we honor today. The spirit of Ukrainian resistance, which has served as an inspiration to freedom fighters throughout the world, is still being expressed in the form of dissident writings and actions from all parts of the Soviet Empire and by quiet acts of sabotage and passive resistance inside the 1500 slave labor camps which form the Gulag Archipelago.

Today there are no American Servicemen fighting and dying in any part of the world. Because the guns are silent most Americans today believe that the Nation is enjoying a period of peace. But the facts are that today we are not living in a time of peace. We are in the midst of war. Admittedly it is not a hot war in the conventional sense, but it is a revolutionary, total war. It knows no truce and can only end if one of the antagonistic camps is totally defeated.

In the West as soon as the shooting stops or when diplomacy has prevented the outbreak of a shooting war, we operate under peacetime rules of civilized nations. This we believe to be peace. Unfortunately the USSR and Communist China have a completely different set of rules. According to the rules of Marxism-Leninism, the continuing class struggle means that the Socialist camp is at war with the non-communist world on a continuing basis whether at the shooting or the non-shooting part of the conflict spectrum.

The West and especially its leader the United States, looks at war today to be divided into two separate categories or levels of intensity. The highest level of intensity and the greatest threat to national security and survival is Strategic Nuclear War. At a lower level of violence, with a lower threat to our national security is what is referred to as conventional war. This involves battalions and divisions, artillery and tanks, ships and airplanes using conventional weapons.

The military forces of the United States and many of our Free-World allies are organized, equipped, funded and trained to fight either one or both of these two options. The USSR on the other hand recognizes and employs a third option and considers unconventional or non-shooting, covert war an essential part of the total spectrum of conflict. They are organized and trained to use their total national resources, in combination with the so-called "national liberation movements" in the Third World and the Communist Parties in the capitalist nations, in the total conflict with Western Civilization.

This unconventional warfare part of the conflict includes such low-intensity actions as sabotage, terrorism, and guerrilla warfare. It also includes such covert and nonviolent activities as subversion, psychological operations, economic warfare, support to dissident groups, disinformation activities, propaganda, and political warfare. The Soviet Union today, acting directly or through their allies, proxies, or surrogates, is heavily engaged in all of these unconventional warfare operations against the Free World. Because they are covert and generally conceal the involvement of the Soviet Union, there is a tendency to pretend that we are not under attack—that we are, in fact, in a period of peace.

It is not surprising, therefore, to find the USSR putting on such a major "Peace Offensive" as a part of its unconventional warfare campaign against the West. The thrust of this Soviet effort is to convince the world that the U.S. plan to modernize its own and the military forces of NATO constitutes an unwarranted initiation of an arms race which disrupts the peace of detente. Since an arms race will undoubtedly lead to a shooting war and a shooting war can escalate into a nuclear war in which all civilization will be destroyed, the U.S. people must reject any increase in defense expenditures, accept a freeze at the present level of nuclear weapons, and even initiate unilateral disarmament to show our good faith. If we are forced to accept these ideas as a consequence of the disinformation activities and psychological operations being conducted by well-meaning but naive Americans, we will remain in this false state of peace while the Soviets extract more and more concessions and compromises. We will be forced to meet coercive threats with increasing appeasement and eventual surrender to avoid a possible thermo-nuclear war. The Soviets will have won the conflict in the manner recommended by the ancient Chinese military scholar Sun Tzu who in 350 B.C. advised that the best general was he who avoided the use of violence and achieved his conquest by the surrender of the enemy.

What can we in the West do to prevent this conquest by surrender? First we must come to terms with the existence of an enduring adversary relationship with the USSR and Communist China. Second, as a matter of urgency, we must develop a Western strategy which recognizes the whole spectrum of conflict. This strategy must not only accept the communist challenge to the point of resisting it forcefully, but it must exploit to the maximum those many weaknesses within the communist empire with a view toward rolling back communist tyranny and domination everywhere.

The basic global strategy for reversing the communist policies and thereby guarantee the survival of the free world contains two basic elements:

1. The process of self-surrender by the free nations must be stopped, and

2. The process of liberation behind the Iron and Bamboo Curtains must be supported and hastened as much as possible.

There will be those who will have some objection to the second element of this strategy. But just as surely as no football game was ever won without crossing the fifty yard line, only by adding an offensive component, the principle of the counterattack, will the U.S. arrive at a global strategy capable of guaranteeing peace and security for the West.

We must recognize that the Free World's most reliable allies are the enslaved peoples within the communist empire. Perhaps the real Achilles heel of the whole Soviet power system will turn out to be the restiveness of the people within the Soviet camp. The fact that the Polish Solidarity Movement has grown several fold since the imposition of martial law gives some indication of the magnitude of this restiveness and the potential for resistance.

Since Communist tyrants fear nothing so much as the infiltration of ideas of freedom and justice into their sphere of influence, a non-violent, non-military truth campaign beamed at the enslaved peoples of the world will have a significant deterrent effect against future communist expansionism. In fact, the Free Nations of the world who find themselves confronted by an ever-increasing worldwide communist offensive can defend themselves by turning the tables and hitting Soviet imperialism in its most sensitive spot namely the internal resistance inside the Captive Nations.

For the United States to carry out this strategy, some important changes need to be made. The covert actions and human intelligence collection capabilities of the Central Intelligence Agency must be reestablished. The Special Operations forces of the Army, Navy and Air Force must be expanded and restructured. Legislative restraints which protect communist imperialism and prevent or limit assistance to non-communist or anti-communist governments of the Third World must be removed. Perhaps most important, there is a need to expose and counter Soviet disinformation activities in the Free World with and expanded, modernized, and unapologetic series of freedom radio stations, such as Voice of America, Radio Free Europe, Radio Marti, and others.

Today in the world-wide political struggle between Communism and the West there are literally hundreds of millions of enslaved peoples who are searching for some form of encouragement which will lead to their eventual liberation. They are one of the potentially most powerful spiritual and political forces in the world. They are, in fact, the West's strongest ally.●

A FITTING TRIBUTE TO SECRETARY WATT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. REUSS. Mr. Speaker, I want to share with my colleagues columnist Joel McNally's perceptive article from the July 27 Milwaukee Journal, reflecting on the service of the Secretary of the Interior.

THE INNOCENT BYSTANDER

(By Joel McNally)

As depressed as the real estate market was back then, everyone was really surprised when he pulled it off. But in 1982, James Watt sold the United States.

It all happened so fast. One day we were an independent country. The next day we were owned by the company.

We were so naive. We should have known that the company was a multinational.

We knew that, as interior secretary, Watt was offering to sell off the entire US coastline for oil and gas drilling.

What we didn't realize until too late was that to sweeten the deal he threw in everything in between.

It was partly the result of a personality clash. After Watt insulted the Jews, he moved on to all of the other ethnic groups and then started making fun of the handicapped.

By the time he was through, nearly everyone in the United States was calling for Watt's resignation.

He must has thought; "OK for you guys." He probably would have sold out even if he hadn't gotten top dollar for us.

He made a pretty penny. By insisting on a package deal, Watt was able to unload Iowa and Kansas at premium prices. The only concession he made was to toss in the Dakotas at two for the price of one.

As part of the deal, Watt got a nice job with the company as senior vice president for wilderness condo development.

The company even kept Ronald Reagan on the payroll as a public spokesman. It is the same job he held with General Electric. In between vacations, he goes around reading his speech and being genial.

There are some people who say that life really hasn't changed all that much. Instead of paying taxes, we pay rent.

As long as you keep your nose clean and don't stir up any union trouble, the pay and the benefits aren't bad. You just have to pray that you are never laid off.

You really have to feel sorry for those people who get behind in their rent. How would you like to come home someday and find that all of your belongings have been piled on the other side of the border?

We had to give up a few things such as freedom. But there is just no other way to run a company. Somebody has to be in charge who will keep an eye on the bottom line.

This is something that Watt always understood. When we entrusted him with our natural resources, he immediately calculated the enormous market value that had somehow been overlooked by previous interior secretaries.

Now, if you want to see a tree or a bird, several have been reconstructed and are on display in the museum.

We hated like heck to see all those mass fatalities from lung disease and poisoned ground water. But, after all, business is business.●

GAO REPORT UNDERMINES CLAIMS OF SAVINGS FROM DOE DISMANTLEMENT

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. SHARP. Mr. Speaker, on May 24, 1982, the President announced his plan for dismantling the Department of Energy and merging most of its functions with the Department of Commerce.

Any proposal to run the Government more efficiently deserves serious consideration. However, it has been difficult tc distinguish between the arguments about abolishing or dismantling DOE and the arguments about cutting or eliminating the programs it carries out. I personally believe it is far more important to continue a balanced energy program, including adequate funding for conservation, solar energy, renewable resources, fossil research and development, energy information, the strategic petroleum reserve, and emergency planning, than it is to fight for a certain arrangement of the boxes on an organization chart. Nevertheless, the case for reorganization should be considered on its merits, regardless of the parallel debate on program cuts.

Administration spokesmen have cited two principal reasons for the proposed dismantling—symbolism and savings.

The symbolism of downgrading the Government's role in energy is appealing to those who believe the Nation's energy policy is best determined by market forces. On the other hand the Cabinet-level Department of Energy was established in 1977, in part for its exactly opposite symbolic appeal; it symbolized a recognition of the importance of energy policy and a Government commitment to a secure energy future. It consolidated in one department several energy offices and programs and was heralded as a move toward efficiency.

The debate over the dismantlement of DOE will continue to be punctuated by the clashing of symbols. They reflect conflicting values and will, of course, be considered by each Member.

The second reason cited by the President for dismantlement, however, the claim of cost savings, is subject to objective analysis. In January, on behalf of the Subcommittee on Fossil and Synthetic Fuels, I asked the GAO to evaluate the dismantlement proposal and to include a critique of any cost or savings estimate the administration develops. Other committees and subcommittees made subsequent and complementary requests, and the report released today is a preliminary response to these requests.

The GAO report is, in a word, devastating. The savings claimed by the administration are conclusively shown to be unsound, undocumented, and unbelievable. Couched in GAO's carefully colorless and understated prose is a blistering indictment of the methodology and objectivity of most of the claims for saving made thus far.

To evaluate the administration's claims, GAO has to hit a moving target. In its fiscal year 1983 budget submission, the administration claimed that program reductions and reorganization would save $1.3 billion in 1 year. In May, with the submission of the proposed legislation, the administration claimed a savings due to reorganization of $1 billion over 3 years. Finally, on June 24 Secretary of Commerce Baldridge claimed $250 million savings over 3 years.

GAO's review of the May estimate found it to be faulty in four major respects: First, it reflected program cuts that were unrelated to reorganization, second, it claimed reorganizaton benefits that no one could specifically document, third, it included savings from management improvements that could be undertaken with or without reorganization, and fourth, offsetting expenses of moving and reorganization were not included.

The GAO also stated that Secretary Baldridge's June 24 reduced estimate is merely based on adjustment of the previous estimate, is still not well documented, and does not reflect potential offsetting expenses of reorganization.

As the GAO conducted its analysis and provided interim progress reports to me, it became clear that much more thorough planning and analysis needed to be done by the administration to justify and to implement their proposal. On July 13 I submitted a followup request to GAO for analysis of several additional areas of concern regarding the reorganization. GAO is attempting to complete this work by early next year, and it should be available for the House to consider if a House sponsor for the reorganization legislation is found.

Devastating though it is to the claims made thus far for reorganization, the preliminary report released today is not intended to and does not make the case against the proposal. I have not yet taken a position, and I remain willing to consider a reorganization based on a thorough analysis of both its policy implications and its costs and savings.

Where a reorganization can clearly and unequivocally provide more efficient operation and cost the taxpayers less, it should be considered. But to receive serious consideration, any proposal must be supported with proper analyses documenting all the advantages and disadvantages of that proposal.

I urge the administration to use the GAO report as a starting point for a new and much more thorough calculation of the costs seriously only if it is presented and documented seriously. If the proposal has no better basis, however, than the discredited numbers used to date, we should reject it without hesitation.

A copy of the report, "Analysis of Energy Reorganization Savings Esti-

mates And Plans," GAO/EMD-82-77, August 2, 1982, is available from GAO, but for the information of my colleagues I submit excerpts be reprinted at this point in the RECORD.

EXCERPTS FROM GAO REPORT

DIGEST

In summary, GAO found that the administration has not developed reliable information on key aspects of the proposed reorganization. The costs or savings of the proposed energy reorganization are not reflected in the 1983 budget request, the expenses of reorganization have not been assessed, and the current savings estimates are poorly documented and are based on inadequate implementation plans.

ENERGY BUDGET REQUEST DOES NOT REFLECT REORGANIZATION COSTS OR SAVINGS

In submitting its budget request, the administration stated that reductions in energy programs and DOE's reorganization would save $1.3 billion and 3,800 work years during fiscal year 1983. GAO found that in preparing the budget, DOE and OMB concentrated primarily on reducing the overall size of the energy budget request through program and employment reductions. The potential costs or savings effects of the energy reorganization were not assessed during the budget development process, and they are not reflected in the budget submission.

Although the budget does request reductions in funding for energy activities, these reductions primarily reflect a diminished Federal involvement in certain energy programs, rather than savings that are necessarily related to efficiencies made possible through reorganization.

REORGANIZATION SAVINGS CLAIMS ARE NOT SOUNDLY BASED

Following submission of the energy budget request to Congress in February 1982, the administration's energy reorganization task force projected a goal of saving about $1 billion over a 3-year period as a result of reorganization.

GAO's review of the documentation underlying this estimate, and discussions with DOE and Commerce officials, showed that the estimate was not adequately documented. The items that compose this estimate reflect (1) energy program changes rather than reorganization, (2) reorganization effects that administration officials could not specifically support, and (3) management actions that could be implemented whether reorganization does or does not occur. Offsetting expenses were not included. . . .

The Secretary of Commerce estimated in a June 24, 1982, hearing of the Senate Governmental Affairs Committee, that the proposed reorganization would result in cost-savings of $250 million over a 3-year period. The documentation provided by the Commerce Department shows that this estimate was based on adjustments to the previous estimate of the administration's task force on energy reorganization. . . . The estimate is not adequately documented and does not reflect a full assessment of potential reorganization expenses.

MANAGEMENT AND ADMINISTRATION EXPENSES NEED TO BE CONSIDERED IN REORGANIZATIONS

Although DOE's policies, procedures, and financial and management systems would be available for immediate use following reorganization, there are potential expenses associated both with their continued use and their merger with the systems of other agencies.

NEED FOR TRANSITIONAL PLANNING

Sound transitional planning is necessary to ensure an efficient, effective reorganization.

The administration has not (1) performed the detailed planning necessary to define how energy functions would be organized, coordinated, managed, and operated, (2) identified the administrative and operational requirements for implementing changes, and (3) documented the costs and savings that could be expected to result from the reorganization.

CONCLUSIONS

More detailed planning which addresses administrative and operational requirements for implementing changes is necessary to ensure an efficient, effective reorganization.●

PERSONAL EXPLANATION

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. CAMPBELL. Mr. Speaker, on Thursday, July 29, 1982, I was absent from the House due to a long-standing commitment in my district and was unable to cast my vote on final passage of H.R. 6030, the Department of Defense Authorization. I had asked to be paired for the legislation, but since the bill passed by an overwhelming majority, this proved unnecessary. I would, however, like to take this opportunity to reiterate my support for this bill and express my agreement with my colleagues' action.●

RELIEF FOR TONGAN DISASTER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. LANTOS. Mr. Speaker, we are accustomed in this country to disaster resulting from acts of God: floods, tornadoes, cyclones, volcanoes. What is more difficult for us to comprehend is a nation so exposed to the elements that one such act of God can affect the entire population.

Yet this is the case with the Kingdom of Tonga in the South Pacific. I myself am personally concerned with this calamity since there is a large population of Tongans in my electoral district and it is their families who have suffered as a result.

Cyclone Isaac struck the northernmost islands of the Kingdom of Tonga on March 3 of this year and roared its way through the entire island chain with winds of 120 knots—138 miles per hour. All three groupings within Tonga—Ha'apai, Vava'u and Tongatapu—were affected.

Miraculously only 7 people out of the 100,000 population affected were drowned, but the damage was devastating. Electricity, communications, water supplies and food crops, including coconut trees were virtually wiped out. On Ha'apai 95 percent of the buildings were badly damaged or destroyed. Forty percent of the buildings on Vava'u were damaged or destroyed and 60 percent of the buildings on Tongatapu. In Nuku'alofa, the capital town, about 15 percent of the buildings were destroyed, 50 to 60 percent were heavily damaged, the power station destroyed and the harbor, jetty and foreshore buildings flattened.

Offical estimates of damage by the Government of Tonga and the Red Cross and the United Nations Disaster Relief Organization, (UNDRO), put losses at $40 million. In addition many thousands of Tongan families were homeless, local food supplies were wiped out and imported food supplies were sufficient for only 2 weeks.

The international response to this disaster was admirable. Not only did the United Nations, the Internal League of Red Cross Societies and neighboring Pacific nations led by Australia and New Zealand respond quickly and generously, but nations as far away as Scandinavia and Japan and Europe were quick to add their assistance. Australian and New Zealand Air Force planes rushed in tents, medical units, emergency personnel, and emergency food supplies. These were followed quickly by Red Cross and UNDRO personnel.

The day after the cyclone, the U.S. Ambassador to Fiji, Fred J. Eckert, who is also the U.S. Representative to the Kingdom of Tonga, made the disaster declaration and immediately donated $25,000 to the Tonga Hurricane Relief Fund. The U.S. Agency for International Develpment South Pacific Regional Development Officer, Robert V. Craig, Sr., flew to Tonga on March 5, on the first available flight after the cyclone to inspect damage and discuss disaster rehabilitation assistance with the Peace Corps director and the Country Director of the U.S. Private Voluntary Organization, The Foundation for the Peoples of the South Pacific.

As as result of this visit the United States donated 500 tents and tent flies, 200 rolls of plastic sheeting, 315 cotton blankets and 520 5-gallon collapsible plastic water containers airlifted from the Guam stockpile; 2,000 AID handclasp labels, 456 hurricane lanterns, 144 chimneys, 20 rolls of wicks, 300 tents for SAWS, miscellaneous medical supplies and $100,000 for emergency food supplies of taro, yams and sweet potatoes to replace local crops.

In addition, the Foundation for the Peoples of the South Pacific has a USAID startup fund of $50,000 for longer range rehabilitation projects: village housing reconstruction, community halls, food planting and fish-

ing boats and equipment of increased supplies of fish. The foundation, which works in collaboration with the Peace Corps and with a network of Tongan women's clubs, is also appealing for additional funds to suppplement this program which is part of a national rebuilding program.

As an American I am proud that the U.S. Government and a U.S. private voluntary organization have collaborated with the Peace Corps in disaster assistance which is already valued at $614,403, not counting the many hours of donated services.

However, as an American I am also disturbed that a disaster of this relative dimension, which affects an entire people and will disrupt Tongan lives for the next 5 years, receives such little attention in the media. Major newspapers gave the initial cyclone a paragraph. I am not aware that it was covered in any network television news. Some radio news services gave it a mention.

The American people are the most generous in the world when a disaster is covered by the media and brought to their attention. I would like to encourage our U.S. Office of Foreign Disaster Assistance to work with dedicated groups of private voluntary organizations, like the American Council of Voluntary Agencies for Foreign Service and private agencies in international development which work with our Advisory Committee on Voluntary Agencies and the Bureau of Food for Peace and Voluntary Assistance of USAID, to insure that future disasters like cyclone Isaac receive the media attention they merit.●

CURRENCY SENT TO VIETNAM SHOULD BE STOPPED

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, on June 24, I introduced legislation to prohibit the export of currency to the Socialist Republic of Vietnam. That bill, H.R. 6687, has been referred to the Committee on Foreign Affairs, though I intend to offer the text of the bill as an amendment to H.R. 6370, the International Security and Development Cooperation Act, when it is considered here in the House.

Mr. Speaker, as many of my colleagues know, U.S. dollars currently being sent under the family remittance program constitute a large proportion of the hard currency used by the Vietnamese Government to finance the repression of her own citizens and those of her neighbors. These funds, currently estimated from $10 to $20 million annually by the State Department, and up to $80 million by other observers, enable the Vietnamese Government to meet some of its debt repayment obligations, estimated by the International Monetary Fund at $237 million to its non-Communist creditors for this year.

The Vietnamese Government also uses the dollars it receives from its exchange activities to purchase goods and supplies from the black market for its armed forces. Specifically, the Government has launched a very intense and sophisticated campaign to get Vietnamese refugees in this country and elsewhere to wire currency to their family members through a government-sponsored money transfer organization called "Imex." The Government advertises this transfer program in Vietnamese-language newspapers, uses direct mailings to the Vietnamese communities, and uses collection agents to forward currency-transfer orders from the United States through the Imex offices in Ottawa, Montreal, Paris, and elsewhere. In its advertisements, Imex stresses the reputed advantages of its currency-transfer program. These advantages are described as the speed and ease of transfer and the better-than-official rate of exchange given for each dollar wired. According to an Imex flyer, each dollar can buy about 35 dong, a sizable premium over the official rate of exchange of 9 or 10 dong to the dollar. What is not described in the Imex flyer and advertisements is that the Government is able to exchange the dollars it gets through this program at the black market rate of 60 to 80 dong to the dollar, thus increasing their purchasing power by 600 to 800 percent over the official rate of exchange and at least 100 percent over what it paid in premiums for the dollar. The value of each dollar gained through this method is thus multiplied and used to maintain this repressive and tyrannical regime in power

To meet its debt repayments to its Communist neighbors and supporters, the Vietnamese Government has also instituted a "guest worker" program with the Soviet Union and other Eastern European countries. Estimated to involve between 100,000 to 500,000 Vietnamese nationals, the purpose of the program is clear and unequivocal—to repay the Government's debt to the Soviet Union. This debt is said by a recent International Monetary Fund report to be about $3 billion. The vehicle for repayment of this debt is said to be the partial withholding of the workers' wages, which has been characterized as a "tax" which may be credited against Hanoi's debt. Estimates of the ratio vary. According to a State Department document, 40 percent for the worker and 60 percent withheld for the Government's debt repayment has been mentioned. Other sources list a third for debt repayment, a third for local use by the worker, and a third to be remitted to Vietnam. The latter would increase the Government's foreign currency holdings which, again, are used for debt service to non-Communist creditors.

Evidence collected from refugees makes it clear that recruitment of workers for this program is largely involuntary, especially from the south. Though the extent is difficult to determine because of the scarcity of information, even one Vietnamese citizen sent against his will is one too many for the United States to stand idly by and watch. As such, I have included as a provision of my bill a condition under which the prohibition on the export of currency to Vietnam can be lifted: when the President determines that Vietnamese nationals forcibly sent to other Communist countries are returned to Vietnam.

Mr. Speaker, when the United States left Vietnam in 1975, I do not believe we left with the intention of abandoning her people to the forces of tyranny and repression against which more than 50,000 U.S. troops sacrificed their lives. But, despite our well-meaning intention, this, in fact, is what we have done. Horror stories about the conditions in Vietnam, the repression of her citizens, the so-called "reeducation" of supporters of the former regime left by the United States, are finally coming to the attention of the American people. But, we as policymakers must act now and not wait for the American people to realize fully the extent of the repression that exists in Vietnam.

Since 1975, the United States has turned a deaf ear to the plight of the Vietnamese people still in Vietnam. We have rightly welcomed and helped in the settlement of the Vietnamese refugees, but we have done little for those still living under the repressive regime. We have done little to persuade the Vietnamese Government of the fact that we vehemently oppose its actions against its own citizens and others—particularly the forced export of labor to repay its debts to other Communist regimes.

That fact will change, however, with enactment of H.R. 6687. By cutting off an important source of hard currency for the Vietnamese Government, we can convey the point that we will no longer avoid responsibility. We can convey the point that U.S. troops did not fight nor die in a vain effort to insure the liberty and freedom of the Vietnamese people. And, finally, we can convey to the people still in Vietnam that we did not intentionally turn our backs on their efforts to secure the basic freedoms, but that we continue to support their fight.

Mr. Speaker, Vietnamese refugees in this country have told me of their sup-

port of this bill. While they want to help their family members who remain in Vietnam, they also understand the need to deny the Government the hard currency it needs to continue financing its repressive activities. They are anxious to continue the present program of sending gift packages to their families, realizing that these packages are an equally valuable form of aid as is currency, though not convertible to aid for the Government, aid used against the very citizens it was sent to benefit. In fact, many refugees here have complained that the present Government pressures relatives in Indochina to write and request assistance from relatives here, including using police tactics to achieve their goal of obtaining dollars.

Mr. Speaker, I urge my colleagues to join me in support of this bill when I offer it as an amendment to the International Security and Development Cooperation Act. I have attached a copy of the bill, which I request be printed at this point in the RECORD.

H.R. 6687

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no person shall export from the United States any currency directly or indirectly to any person in Vietnam.

(b) Any person who violates the provisions of subsection (a) shall be fined not more than $10,000 or imprisoned not more than one year or both.

(c) The President shall issue such regulations as are necessary to carry out this section.

SEC. 2. If the President determines that the government of Vietnam is returning to Vietnam those Vietnamese nationals that that government has sent against their will to other Communist countries, then the President may suspend the provisions of this Act.●

ARLENE PEARSON HONORED AT RETIREMENT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday August 2, 1982

● Mr. MILLER of California. Mr. Speaker, on August 13, 1982, Arlene Pearson will retire as the San Ramon Valley School District's School Food Service Director. She has been a dedicated employee of that school district for 28 years.

We need to care about the nourishment of children's bodies as well as the nourishment of their minds. Arlene Pearson has devoted her professional life to that principle. Through her open door policy, she has welcomed diverse ideas about nutrition and food service, and has shaped these ideas into a successful program for children. Her accomplishments and dedication to the school meals programs offer a fine example to her colleagues and friends throughout Contra Costa County and California.

She has been an active member of the California School Food Service Association and the American School Food Service Association. For the past 12 years, she has served as membership director of CSFSA and is a past national membership director of the ASFSA. She still finds time to serve as current president of the Danville-Alamo Soroptimists.

Arlene has been married to Sheldon Pearson for 43 years. Together they have reared three children. They are very devoted to their six grandchildren and one great grandchild.

Befitting a person in the food services field, Arlene is an avid collector of recipes. Over the years, she has built a fine collection from all parts of the world.

I join Arlene's many friends in paying tribute to her dedication and outstanding contributions to the continued health and nutrition of our young people. Her efforts over the years deserve our highest praise. I know you will join me in wishing her health and happiness in her retirement years.●

THE INSANITY PLEA

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. CONYERS. Mr. Speaker, the Hinckley trial and its outcome has spurred very serious and intense debate on the status of the insanity plea and the role of psychiatric information in the courtroom. John Godwin's "The Farce of Courtoom Psychiatry," published in the August 1982 issue of Penthouse magazine, is one of the most thorough examinations of the insanity plea issue that I have come across. I recommend the article, excerpts of which follow, to my colleagues in the spirit of furthering the discussion of the issue.

[From Penthouse, August 1982]

THE FARCE OF COURTROOM PSYCHIATRY

(By John Godwin)

On Thanksgiving Day 1976, New York policeman Robert Torsney shot and killed a young boy without the slightest provocation. At his trial psychiatrists testified that Torsney suffered from a rare "psychomotor epilepsy." The jury acquitted him by reason of mental disease, and the ex-cop was confined in an asylum. Twenty months later a medical board found that his epilepsy had vanished and pronounced him "normal." Torsney went free.

The same year Melissa Norris of Maryland killed her baby son, believing that Satan had entered his body. Ms. Norris had a history of violent and bizarre behavior, such as proclaiming herself Jesus Christ reborn. Psychiatrists, however, declared that while she was patently deranged at the time of the murder, she was not certifiably insane at this moment. The judge, who had already accepted the accused's insanity plea, had no alternative but to release her.

At eighteen, Chicagoan Thomas Vanda stabbed a teenaged neighbor as she lay in bed. Put on probation and under psychiatric care, Vanda shortly afterward killed a fifteen-year-old girl with a hunting knife. He was found not guilty by reason of insanity and sent to a mental hospital. Within a year the specialists there decided that his psychosis had cleared up and turned him loose—over strenuous objections from his own defense counsel. In May 1978, Vanda was back in court * * * charged with stabbing a woman to death.

These are merely three out of hundreds of gruesome grotesqueries arising from our peculiar notions of insanity as a legal defense. No other single factor has contributed quite so much to the present decrepitude of America's criminal justice system. Nor, possibly, to the clammy fear that permeates our streets.

The Idaho legislature recently voted to abolish insanity as a defense of crimes. Dr. Abraham Halpern, director of psychiatry at United Hospital in Port Chester, N.Y., and a consultant to the New York Law Revision Commission, agrees that the insanity defense should be abolished. "It's confusing to everybody," he says, "and it does much to foster ridicule, and sometimes contempt, for the legal and psychiatric professions."

The trouble with the insanity defense is that nobody knows what it means, not even the experts. According to Dr. Karl Menninger, "'Insane' is an expression we psychatrists don't use until we get to court. Insanity is a question of public opinion."

For more than 100 years U.S. courts went by the English M'Naghten Rule, which asked simply if the defendant knew "the nature and quality of the act" and was able to distinguish right from wrong. Then several court decisions brought in the criterion of "irresistible impulse." This meant that someone could be found innocent by reason of insanity if unable to control certain acts, though knowing they were wrong.

At this point the entire formula began to unravel, and many legal minds began feeling nostalgic for the good old, primitive M'Naghten days. For how, in Freud's name, do you prove an impulse "irresistible"? As Chicago law scholar Franklin Zimring has observed: "If your psychiatric labels aren't clear and the legal standards you use to feed them into decisions are foggy, fog times fog equals fog squared."

Proof mostly rests on the testimonies of psychiatrists and is often expressed in terms incomprehensible to a jury. Even when stripped of professional jargon, these statements may have all the scientific accuracy of an astrology column.

Last winter David Robinson, professor of law at George Washington University, speculated on the trial of President Reagan's assailant as an example: "When Mr. Hinckley comes to trial, there will be psychiatrists who will testify that he was sick, and there will be psychiatrists who will testify that he was not sick. . . . It suggests that what's involved is not a scientific inquiry but, instead, a philosophical and, in a sense, a sort of word game in which the issues are not clear, and people are using words to mask their moral preference as to what should happen to the person who is accused."

Making the testimonies even less tenable is the fact that most courtroom psychiatrists are ordinary practitioners, completely out of their element in judicial matters.

They resemble qualified riflemen called upon to act as ballistics experts. They are, furthermore, expected to come up with clear-cut verdicts, although their field recognizes only varying shades of gray. On top of that, they must give post hoc explanations about the mental state of a defendant while he or she was committing a deed months or years earlier.

The average psychiatrist rarely sees a patient who doesn't come voluntarily. A voluntary patient seeks help and offers cooperation and a considerable degree of frankness in order to get it. But a criminal doesn't want help; he wants out. And once he acquires a smattering of the procedures involved, psychiatrists become his clay pigeons. He can hoodwink even highly competent ones after a while, because with every session his knowledge of the "right" responses grows.

You get multitudes of cases like that of Garrett Trapnell, who boasted to a reporter: "I probably know more about psychiatry than your average resident psychiatrist." Son of a prominent Virginia family, Trapnell had been charged with scores of crimes over a period of eighteen years, ranging from armed robbery to airline hijacking. On each occasion he managed to convince doctors that he was insane while committing his felonies but had since been restored to reason. Thus he avoided not only jail but also any appreciable stretches in mental hospitals. Here lies the real dilemma of a successful insanity defense: what to do with the defendant afterward. According to law, anyone acquitted on the grounds of mental disease is not a criminal but a patient. Patients must be released once they are pronounced "no longer a danger to themselves or others." This includes multiple murders, habitual rapists, torturers, and child molesters. And who makes this fateful pronouncement? Psychiatrists, of course. Which in practice means forecasting the future behavior of a patient.

Dr. Harvey Bluestone, former director of psychiatric services at New York's Sing Sing Prison, gave a mirthless laugh when this question was raised. "No way," be said. "I can only go by past records, same as a policeman or any intelligent person. If the record shows a man has assaulted fifty people, chances are he'll assault a fifty-first. But a psychiatrist's expertise at predicting this is no greater than a probation officer's or a social worker's or that of the secretary who types the report.

"Trouble is," he went on, "that psychiatrist allow themselves to be misused; that, as professionals, they are given to making grandiose promises they can't deliver. Why? Because of the fees. Because there's money involved."

He tapped a fat bundle of documents before him. "Take a big case," he said, "a murder case with big financial or prestige stakes. Well, the defense and prosecution will each hire a psychatrist. And each psychiatrist will look at the same sets of facts and come to a different conclusion—invariably to the conclusion favoring the side that pays him. So you'll have one expert pronouncing a defendant sane and the other pronouncing him insane, both basing their pronouncements on the same facts. The reason for this is, of course, our adversary trial procedure. Each expert winds up being in the employ of the prosecution or the defense—and the jury winds up with two conflicting diagnoses."

The adversary trial concept, which allows virtually no "neutral" opinions, pressures psychiatrists to color their findings one way or another. Other experts are more or less bound by the concrete frameworks of their fields, but mental tests can be interpreted so broadly that two testers may reach diametrically opposite conclusions without fudging their data or consciously acting in bad faith.

Even if we scrapped the adversary system and used psychiatrists only as impartial advisers, their testimony wouldn't help much in court. Their science is—perhaps must be—far too opaque for the unequivocal judgments required. Under cross-examination, simply by having to say yea or nay when the real answer is maybe, they will always be pushed into statements they can't validate and frequently didn't mean in the first place.

One psychiatrist, appearing at the D.C. Superior Court, told jurors that in his opinion any person who committed a major crime was legally insane. Whereupon psychoanalyst Dr. Ernest van den Haag retorted that in his opinion the psychiatrist was legally insane.

The incompatible marriage between law and psychiatry keeps producing fallout resembling Lenny Bruce monologues minus the laughs. In July 1975, Gregory Shaddy of Wichita, Kans., axed his father and mother to death and stuffed their bodies into a bedroom closet. He confessed doing this, but his first trial ended in a hung jury, his second in acquittal on grounds of insanity. Shaddy went to the state security hospital at Larned. Two years later hospital officials declared him cured and had him sprung. The macabre joke was that Shaddy stood to inherit his parents' estate, a fact that the prosecution cited as a possible motive for their killings. Since he hadn't been convicted of a felony, he remained entitled to his share of the $400,000 they left!

Said clinical director George W. Getz: "I really don't know whether he was originally insane, but it doesn't matter. The jury found that he was. . . . I really feel sorry for juries because of all the damn fool things psychiatrists say."

Unfortunately, much of the time juries don't know what the psychiatrists are saying. The New York trial of Calvin Jackson revolved around his sanity. Jackson had raped and strangled nine old ladies in what newspapers dubbed the "horror hotel." One of the experts contributed the following statement on his mental condition: "There are problems in concept formation which may lead to misinterpretation of reality, even to hallucinations wherein an individual perceives a nonexistent stimulus, or it could be in the form of delusion, which is a false belief that cannot be corrected by reason."

The above is a fairly mild sample of the verbiage dispensed by psychiatrists on the witness stand. In this case the judge added his own bit of phantasmagoria by giving Jackson eighteen life sentences, two per killing. Which, in sober practice, meant that the defendant would be eligible for parole at age fifty-six.

Psychiatrists generally can't help their bewildering impact on courtrooms. The concepts of their profession simply don't mesh with those of the judiciary. Our attempts to make them fit are as futile as trying to force wrongly shaped pieces into a jigsaw puzzle. "No medical professional can answer the question 'What is insanity?' in a sensible way," commented New York psychologist Benjamin Wolman. "The legal tests are based on an obsolete concept, that of definable insanity."

There is no uniform definition of criminal insanity in America. Each jurisdiction developed its own, each adding widely differing "improvements" along the way. The California Supreme Court, always eager to prove that the law is indeed an ass, provided the so-called diminished-capacity ruling.

"Diminished capacity" meant that an accused could plead for a lesser charge because he had been momentarily and temporarily half-crazy. He might have doped, liquored, dieted, hypnotized, or meditated himself into that state. While such a plea wouldn't get him acquitted, it could reduce a first-degree murder count to something like manslaughter. The ruling set a new world record for judicial fuzziness, containing loopholes through which you could drive a fleet of hearses. Nevertheless, if ghosted around the courts for over twenty years, until the Dan White case exposed its imbecility.

Edmund Emil Kemper—"Big Ed" to his friends—murdered both his grandparents at fifteen. He spent the next five years in Atascadero State Mental Hospital, where he learned how to camouflage his constant preoccupation with sexual violence and his smoldering hatred for his mother. In 1969 the medical board declared him "fully recovered" and released him into the care of—his mother.

Kemper came to Santa Cruz, Calif., where his mother worked for the university. In September 1972 he persuaded four psychologists to recommend that his criminal record be sealed—in effect, expunged. The specialists duly agreed that their patient had become a normal, nonviolent, well-adjusted citizen.

Between sessions with the mental experts, Kemper murdered six college coeds. He shot, strangled, or knifed them, had intercourse with their still warm bodies, dismembered them, and took certain portions home.

One of the witnesses who testified at Kemper's trial is also the foremost fighter for the elimination of psychiatrists from our courts. Dr. Joel Fort has testified or consulted in over 300 cases, including those of Charles Manson and Patty Hearst. He has impressive credentials, but very heretical ideas. He favors complete abolition of the insanity defense.

"I believe that mental or physical illness should be considered when assessing a defendant's crime but not used to get him off," he said. "Very few mentally ill people commit crimes, at least, not crimes that have direct connection with their disease. Take Kemper. I spent a lot of time with him. He had no discernible mental illness. He was driven by hatred for women, by feelings of sexual inadequacy, by a desire to show off, become famous. If I had to label him, I'd call him a sociopath. But that's not insane."

Dr. Fort went on: "I want all so-called mental experts out of the courts, because no standards of relevant training and experience regarding criminal responsibility have been established for them. They often know nothing about the issues in question. And many of them start with the bias of viewing any criminal defendant as a 'sick patient.'"

Fort believes that psychiatrists could fulfill a more useful function in crime prevention, not in consulting rooms but at the city-streets level, where most crime originates.

Most insanity trials, however, never go before a jury. Dr. Halpern quoted the example of Dennis Sweeney, who killed former Congressman Allard Lowenstein: "There, the district attorney and the defense attorney together arranged a plea of 'not respon-

sible by reason of mental disease,' which the judge accepted. So Mr. Sweeney went to the Mid-Hudson Psychiatric Center, from which he is likely to be released after a fairly brief stay.

"The vast majority of cases in which there are insanity acquittals do not come to public attention," Dr. Halpern added. "The fact is that the number of such acquittals has increased dramatically. In New York State, one person a year was acquitted by reason of insanity during the 1950s. Last year that figure had risen to 124. These people go into confinement and, miraculously, none of them are insane any longer once they're in confinement following acquittal."

IMPACT OF VISUAL AND READING HANDICAPS UPON LEARNING ABILITIES

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mrs. BOGGS. Mr. Speaker, for several years I have been interested in Luci Johnson's significant work done with visually handicapped children. She has inspired others, especially my friend, Charles Blaise of New Orleans, to recognize the importance of the impact of visual and reading handicaps upon students.

The following article by Frank Schneider, a popular columnist in New Orleans, appeared in the New Orleans Times-Picayune and States-Item detailing the unhappy results of such handicaps:

[From the Times-Picayune/The States-Item, June 14, 1982]

THERE'S MORE TO GOOD VISION THAN SEEING THE OLD EYE CHART CLEARLY

(By Frank Schneider)

Unless we have cataracts or glaucoma, vision is something to which most of us give little thought. It comes with the other senses.

"I have 20/20 vision," a man will boast. But, asks Charlie Blaise, can he see? "All 20/20 vision means is that he can see clearly at a distance of 20 feet with both eyes. How about 12 inches?"

Blaise says we are ignoring a causative factor for such community liabilities as truancy, school dropouts and juvenile delinquency. And while it seems he offers a rather simplistic solution to these liabilities, he insists it's at least worth a try and scholarly observation. He's been researching visual disabilities for many years.

Over a century ago a man devised a reading chart to determine vision at 20 feet. "We're still using his chart," said Blaise. In those days there were few periodicals, and just a privileged few read books. Now lifestyles are completely different—everybody reads, sequentially requiring sharp vision at close range, not just at 20 feet.

Blaise suggests that excellent vision at 20 feet today may be a handicap and non-progressive, because more recent testing demonstrates that the majority of students with 20/20 vision are not good achievers. "Students scoring in the upper quarter of their classes fail the 20/20 vision test."

In 1950 a survey determined that 160,000 U.S. school children had visual problems that impaired learning. "It was alarming then. And today it's worse. We can't allow it to continue. One of the main problems with the work force in the New Orleans area today is that it is unable to read, write and compute."

We're not issued drivers' licenses unless vision is corrected with conventional glasses or contact lens, but the near-point vision of young people is ignored, Blaise said, causing many of them to fail academically, but for physiological reasons.

One of every three U.S. school children has a vision problem that affects his ability to learn, the Better Vision Institute reports. "And 80 percent of learning is accomplished in the first 12 years of life."

Athlete Bruce Jenner is among celebrities who suffer from dyslexia, an inability to read with comprehension, said Blaise. "Not screened early in life his deficiency in near-point sight reached a point of no return. His television scripts are taped and memorized." (Jenner was not in his NBC California office when called for a comment, but a spokeswoman there said, "He has dyslexia. Yes, I believe he does memorize the scripts").

Luci Baines Johnson Nugent had a history of failing in grammar school, said Blaise, and was placed in remedial classes. "But when she received proper eye examinations she was discovered to have had a vision perception problem which was treated and corrected. After therapy she caught up with her school work and was graduated."

Today the state of Texas requires that every child be given eye examinations by certified and qualified persons, and school nurses are trained to review the progress of cases and to spot visual problems in students, said Blaise.

In our area, he said, the 20/20 chart is still used for student eye tests and no near vision test is administered. Students are given competency tests, but not "complete" eye examinations, he said.

The public schools, said Blaise, do not take the lead in any efforts to improve visual or hearing tests, and many times parents are not aware of their children's disabilities. "And early detection is important."

The "sports medicine" program has been instituted at the University of New Orleans, said Blaise. Athletes there undergo physiological tests including visual, nutritional, etc. It was revealed that of 148 athletes in the program 59 "had visual problems not known before." These were corrected. Some had "night blindness" and others showed early signs of glaucoma, Blaise said.

Blaise is a member of the Orleans Parish Anti Truancy Commission and president of the Community Relations Committee at the Jackson Barracks inmate training facility, where inmates are taught basic skills. But they are also tested for visual, audio and nutritional problems. "The repetitive rate there is 7 percent . . . compared with 60 or 70 percent nationally. And we've found a lot of visual problems there that were corrected."

"You see," Blaise said, "a child has only three avenues for help with a problem—if he can't read with comprehension, if the words seem all garbled—he can seek help from his teacher, his parents or his community. And if they don't hear him asking for help he is convinced he is a failure and that nobody cares."

Deterioration of a life begins.●

THOSE WHO CANNOT REMEMBER THE PAST ARE CONDEMNED TO REPEAT IT

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. CHAPPELL. Mr. Speaker, during these confusing and transitory times for all our financial institutions, it is important that the Congress be aware of the views and concerns of those involved in the day-to-day operations of our financial industry. Accordingly, I would like to share with the House the comments of Mr. Martin J. Roess, chairman of Guaranty Savings of St. Petersburg, Fla., an individual with considerable experience in the field. I think my colleagues will find Mr. Roess' analysis both enlightening and worthy of consideration.

The housing industry—the Nation's largest private employer—is in serious trouble today. The $600 billion thrift industry is in serious trouble and facing collapse. A large segment of the banking industry is in serious trouble, to say nothing of the automobile and airline industries.

The underlying problems of this large segment of the economy are aggravated by persistent and aritficially high interest rates.

So far as the three industries are concerned, namely housing, thrift, and banking, neither the administration in Washington nor the Congress, apparently, have any real understanding and appreciation of the crisis, which may occur at any time, and the political fallout.

The few of us who were in housing and finance at the time the President was forced to close all of the banks, and many other financial institutions during the Great Depression, have witnessed a similar crisis, and for that reason, perhaps, understand what is happening today a little better.

This paper will deal with the history of the thrift industry and, in the light of that history, the extremely understandable difficulty which the industry now finds itself; difficulties certainly not of its own making.

As a result of the Great Depression, the home mortgage finance structure in the United States completely collapsed. The Congress and the administration, at that time, and every administration and Congress since that time, have understood the desirability and indeed the obligation to encourage homeownership as a prime means of protecting and enhancing the American family. The current administration is deeply committed to this purpose. In order to bring about affordable homeownership for the largest possible segment of the American fam-

ilies, the Congress in 1934, created the Federal Home Bank System and the Federal Housing Administration.

The Congress provided that all Federal thrift institutions invest a minimum of 80 percent of their loanable funds in long-term—usually 30 years—fully amortized, fixed-rate mortgages. In order to create affordable financing through this vehicle, the Federal thrift institutions were completely exempt from Federal taxation. They were created as nonprofit, mutual institutions which the industry remains today predominantly. Congress also created the Federal Housing Administration and a mutual mortgage insurance fund under which the borrower paid an insurance premium to the fund and, in return, the mortgage paper was insured to the lender. Here again, Government assistance was provided and it was required that the mortgages be uniform on a national basis and be long-term, fully amortized, fixed-rate mortgages.

These two measures for the enhancement and protection of the family through homeownership have succeeded admirably, bringing the United States to the highest percentage of homeownership of any industrial nation.

The Congress, however, because of its desperate need for additional tax sources in the 1960's, began to remove the tax exemption of Federal thrift institutions until, at the present time, these nonprofit thrifts are taxed at an average rate of 30 percent against an average of 15 percent tax on commercial banks. In addition, the Government has gradually removed the ceilings which gave, first, a one-half of 1 percent and, later, a one-quarter of 1-percent rate advantage to the thrift institutions as a means of channeling funds through these institutions for affordable homeownership.

Despite these actions, namely the withdrawal of the tax exemption and the removal of the rate ceilings, the thrift industry absorbed these adversities and continued to remain viable in spite of this lack of support. Inflation, however, brought on by continuous Federal deficits and the oil crisis, forced money costs so high that the yield on the portfolio of long-term, fixed-rate, fully amortized home mortgages fell far below the high money costs. The interest margin narrowed and then disappeared, forcing the industry into ever increasing operation deficits. These deficits are now eating away the reserves of these institutions which are rapidly being exhausted. While the focus has been on the Federal thrift institutions, this situation affects many banks, some critically, and the seriousness will increase.

At current rates, a minimum of $300 billion in the national thrift portfolio is seriously below market. Assuming a 20-percent discount, this portfolio, if sold today, would create a loss of approximately $60 billion. A discount from market value on this $300 billion portfolio would mean a loss of $120 billion.

This loss exists at current rates and must be absorbed no matter who absorbs it. A drop in current interest rates, of course, would reduce materially the size of the loss, and this is probably the most immediate way to avoid a serious financial crisis; in short, the destruction of the Federal thrift industry, which has served the Nation so well.

Some have suggested that the FSLIC, which perhaps has resources of $7 billion or the FDIC, which has resources of approximately twice that amount, might somehow absorb this loss. It is obvious that these resources are puny in terms of a $60 billion potential loss or, perhaps, even a $120 billion potential loss.

It has also been suggested that the commercial banks would absorb this loss and somehow are ready, able and waiting to take over this $300 billion underwater portfolio. It is unrealistic to think that the banks would do this or could do this. Certainly after an analysis, the banks enthusiasm would die just as it did when some commercial banks became enthusiastic about taking over the ailing mutual savings banks in New York State, some time back. Considering the size of the loss, the Federal Government itself is the only body capable of assisting the thrift industry, that is, the American family in homeownership, and this can be done through a warehousing device over a period, of say, 10 years. The annual cost might be something in the range of $4 billion per year.

This is certainly feasible in terms of the total budget, and especially so because the alternatives are unacceptable, both from a political and economic standpoint. The oncoming generation will not and should not be denied affordable homeownership.

The mortgages in the underwater portfolio are all amortizing and running off at a respectable rate, which tends to reduce the loss and the size of the problem.

If a combination of three elements occur, the assistance could be managed.

First, a reduction in interest rates which must occur for the simple reason that, economically and politically, the country cannot afford them and will not tolerate a continuation of current rates. They should and must come down. If the present Government does not bring them down promptly, they will be brought down at the polls.

Second, the FSLIC does have the resources to feed periodic infusions of capital into Federal thrift associations nearing the zero net worth point.

Third, the warehousing could begin with the lowest segment of the underwater portfolio on a selective basis, thereby furnishing the most seriously affected thrifts with sufficient new funds to be invested at market rates.

In addition, a helpful measure would be to allow the thrift institutions to charge off the losses incurred through the sale of the low yield segments of their portfolio, at market rates over a period of 40 years rather than that now allowed of 10 years. By way of example, a $100 million portfolio averaging 9 percent would probably be sold at a 40 percent discount. The resulting $40 million loss would be charged off the rate of $1 million over 40 years. The $60 million remaining from the sale could be invested, say, at 17 percent which would return 10.2 million for a break-even position. If fees averaged 2 percent annually on the 60 million reinvested, the yield will be 1.2 million, so that the $100 million underwater portfolio thus converted, would actually return a profit. This is accounting magic, but it might be called for in this case. Certainly the Government often deals in accounting magic when it has good reason to so do. This is such a case.

This will be called a bailout, but in this case, the Congress itself made the rules which resulted in the difficulty, namely the mandated, lend long and borrow short—the requirement of a minimum of 80 percent of loanable funds in long-term, fixed-rate home mortgages.

It is only fair and equitable, under these circumstances, that the Congress and the administration assist the thrift industry in its current difficulty.

The thrift industry is not a profit-making industry. It is predominantly mutual. It was created and is predominantly a mutual, nonprofit industry which should not and cannot be subject to the vagaries of the market if it is to carry out its mission to which this administration and this Congress are dedicated, namely the protection and enhancement of the family through affordable homeownership.

It should be viewed for exactly what it is; a Federal chosen instrument with a special mission of providing affordable homeownership. Certainly a Government that subsidizes agriculture, including tobacco and many other industries and beneficial activities, should assist in affordable homeownership.

If this is not done and the thrift industry is destroyed, the Congress will very soon find it politically desirable to erect another structure and system to provide affordable homeownership as a means of enhancing and protecting the American family. To that end, it has already enacted a crash program, the hastily built, so-called All Savers' Act. This is also a tax subsidy,

but the original tax exemption for Federal thrift institutions was a much better thought-out subsidy.

At the present time, the Nation needs at least 2 million new units per year, to say nothing of the backlog of, perhaps, a half a million units per year, this year and perhaps last year, due to high rates. This demand for new units to accommodate young people, especially those born between 1951 and 1963, is beginning to come on the market in family formation cycle.

The political outcry from these new homebuyers is only now beginning to be heard, and it will be satisfied and should be satisfied for all 51 million of them.

"Those who cannot remember the past are condemned to repeat it." Why reinvent the wheel?●

BUDGET AMENDMENT NOT ALL IT SEEMS TO BE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. HYDE. Mr. Speaker, I have read learned and prolix articles by economists and legislators discussing the pros and cons of the balanced budget amendment. However until reading last Thursday's editorial in the Wheaton, Ill. Record/Banner/Township Times, I had not seen the danger of this proposal so clearly and succinctly stated.

This editorial has much wisdom in it, and I commend it to my colleagues:

The editorial follows:

BUDGET AMENDMENT NOT ALL IT SEEMS TO BE

What's most striking about the balanced budget amendment orgy now under way in Washington is not its danger but the shameless hypocrisy with which this great pretense of fiscal virtue is being carried out.

"All over America," said the president who sponsored and fought for the budget with far and away the biggest deficit in history, "citizens are asking each other the same question: Why is this government incapable of doing what their families, municipalities and state governments do as a matter of course, spend within the limits of their revenues?"

The answer, of course, is that if the federal government were really forced to do what he appears to propose—and which this amendment will not require—all over America those citizens, municipalities and state governments would be even more strapped than they are now, the economy would be even more unmanageable, and Congress would find even more ways to conceal its spending.

Chances are that the balanced budget amendment will pass, largely because those members of Congress who vote consistently for vastly unbalanced budgets want to go home at election time and declare their virtuous intentions, leaving to their successors the problems of trying to deal with the consequences of such an amendment, should it receive the necessary approval of 38 state legislatures.

Since the amendment will permit Congress to continue passing unbalanced budgets, though only by a three-fifths majority—not the simple majority now required—those problems will not be insurmountable. But they will make the sort of mess that preceded passage of this year's budget resolution that much messier, give minorities in each house veto power over spending and thus hand control of budget policy to their most irresponsible elements.

The greatest long-term effect of the amendment, which also limits tax increases to increases in national income, would be to make public cynicism about government even deeper than it is now. Once again the public would learn, albeit too late, that what it was told it really wanted—and what it got—was political and economic snake oil.

To the extent that the amendment constrains the ability of Congress to manage the budget, it's dangerous. To the extent it does not, it is a lie.●

"WHO" INFANT FORMULA CODE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. McDONALD. Mr. Speaker, a year ago this month, the House of Representatives passed a resolution criticizing the United States sole dissenting vote against the U.N. World Health Organization's (WHO) infant formula code.

At the time this resolution was debated, I stated that the code would "not improve infant health but rather have the opposite effect" since it would "prohibit education of consumers on the proper use of infant products." However, the majority of the national news media claimed that infant formulas have contributed to the deaths of 1 million children a year in less developed countries because mothers mixed the formula with polluted water, even though there was no reliable evidence to support such figures. Due to the great furor generated by the liberal news media and others, it made it very difficult for Members to vote against the House resolution. Nevertheless, 100 Members had the foresight to look beyond the rhetoric and the pressure applied and voted against it.

Now a year has passed and only 6 percent of the 118 countries who voted for the code have implemented it because still there is no reliable evidence to support the claim that the code will solve the problem of infant feeding in the Third World countries.

An article written by Carol Adelman entitled "Saving Babies With a Signature" which appeared in the July 28, 1982, Wall Street Journal supports and justifies the position taken by those 100 Members of the House. I commend the article to the attention of my colleagues:

SAVING BABIES WITH A SIGNATURE

(By Carol Adelman)

One of the louder controversies to rattle around in the press last year was the fight over the marketing of infant formula in Third World countries. The battle centered on a code, sponsored by the World Health Organization and UNICEF, to regulate the international marketing of the formula preparations used to feed babies. In the end, 118 countries approved the code, with the U.S. standing alone against it. What has happened since?

Claims by proponents of the code of dramatic declines in breast-feeding among impoverished mothers in the poorest countries have not been substantiated in large-scale epidemological research by reputable individuals and scientific groups, such as the London-based World Fertility Survey and the U.S. Center for Disease Control in Atlanta.

Moreover, we are finding that the evidence put forth as "proving" the relationship between the formula companies' marketing practices and mothers' decisions on how to feed their infants is sparse and inconclusive. In a recent policy statement, the American Academy of Pediatrics concludes that in this country, "it appears that formula promotion by formula companies is more likely to follow social change than to lead it."

After the WHO/UNICEF code vote in May 1981, some major American pediatric groups questioned the code's narrow focus and its scientific evidence on the baby-formula issues. At the same time, months after the vote on the code, the U.S. Department of Health and Human Services finally began a review of the evidence. (Despite all this activity, it still is unclear why a thorough scientific look at the issue, involving the U.S. pediatric community, was not conducted by the responsible U.S. government agencies in the many years of debate preceding the vote on the infant-formula code.)

Dr. John Bryant, deputy assistant secretary for international health and chief of the U.S. delegations to the World Health Assembly in Geneva, has been in charge of looking at the health and scientific aspects of the code these many years. During the height of the controversy, he was asserting a link between advertising by the baby-formula makers and a rise in the incidence of bottle-feeding, in contrast to the industry claim that none existed. Dr. Bryant has changed his mind; he now says of the code, "The rigid set of rules was based on scanty and not very convincing evidence that the marketing of formula contributes to the ill health of children."

OPPOSED TO ADVERTISING BAN

One pediatric group, the Ambulatory Pediatric Association, did endorse the code before it was adopted. Three other pediatric groups, however, have recently conducted reviews and issued joint recommendations on this issue. They are the American Academy of Pediatrics, the Society for Pediatric Research and the American Pediatric Society.

The three groups essentially support the aim of the WHO/UNICEF code—to promote breast-feeding and ensure the proper use of formula through adequate information and appropriate marketing. But in their joint set of recommendations the three U.S. pediatric groups say they are "opposed to any ban on a global basis of advertising of commercial milk formulas, unless such products can be demonstrated to be potentially haz-

ardous to human nutrition and infant well-being." They point out that sufficient data are not available to determine the importance of each of the many causes of infant malnutrition and death, including complex social, economic and motivational factors, one of which is the availability of infant formula. The American Academy of Pediatrics warns in the May issue of the journal Pediatrics that the "greater potential for harm comes from ignoring the complexity and focusing on a single variable as the all-important determinant." This was the primary fault of most of the code's promoters.

The infant-formula industry would obviously like to have the focus of the international breast-feeding activists dispersed among the complex causes of the problem of infant malnutrition. The U.S. companies, though abiding by their own voluntary codes and standards, still face skirmishes here with U.S. groups. Like the multinational Nestle Group, U.S. companies had eliminated (at least in theory) most of the major, disputed promotional practices of the WHO/UNICEF code.

Nestle, which holds the bulk of the overseas infant-formula market, has concluded that it has nothing to lose by actively implementing the new code. The company has explained in detail how it is implementing each article of the code, and it has offered to carry out the code in Third-World countries that haven't implemented it yet. Nestle has also provided an "investigation form" to countries where it does business, so governments can keep track of any code violations.

This all may sound neo-colonial or at best patronizing, until one realizes that even now a year after the overwhelming and emotional "yes" vote by 118 countries on the infant-formula code, only 6% have actually adopted any version of it. Some 25% are said to be in the process of doing so but what kind of process and with what sincerity remains to be seen. It is hard to tell whether this inaction stems from the developing countries' habit of failing to put rhetoric into practice or whether the code's emphasis on national legislation and governmental control worries already-over-burdened national bureaucracies.

The West European countries all voted for the code but, as a recent WHO "progress" report shows, they are now either drafting or simply continuing "voluntary agreements" between industry and governments or are encouraging industry "self-regulation." In other words, they appear to be doing business pretty much the way they did before voting for the code.

The U.S. government has created a task force to investigate the possibility of applying the code in the United States, even though it voted against it. This may be the result of uninformed, albeit well-meaning, congressional resolutions on the subject, as well as the continued lobbying efforts of breast-feeding activists here. What it will take to satisfy these groups is apparently, as Nestle is now discovering, more than corporate agreement to actively implement the code.

The boycotters of infant formula—led by the consumer group Infant Formula Action Coalition (INFACT) and joined by the National Council of Churches and the American Public Health Association—now say they can't call off the boycott because of Nestle's "claims" of good faith. They say they must wait to see if Nestle is "sincere." These "claims" include a new Nestle initiative—an independent commission, headed by former Senator and former Secretary of State Edmund H. Muskie, along with prominent scientists and religious leaders, which will investigate and report on Nestle's violations of the code throughout the world. INFACT has described the Muskie commission as "seriously flawed" and a "public relations fraud." The activists are now saying that Nestle must sit down and "negotiate" with their International Nestle Boycott Committee before they'll consider lifting the boycott.

LOST WITH THE BATH WATER

The world's undernourished babies have long been lost with the bath water on this one. The boycotters have persistently disregarded the complexities of the scientific data, the opinions of leading American pediatric organizations and efforts by the formula industry to regulate promotional practices. Despite the lack of conclusive evidence on nearly all aspects of the controversy, there is agreement by scientific groups and industry on banning mass-media advertising and routinely giving free samples to mothers in hospitals. There is also agreement now on the monitoring of marketing practices to prevent potentially unfair promotion of infant formula. But the activists continue to divert attention from the overriding causes of Third-World malnutrition and mortality—undernourished mothers, poor water and sanitation, lack of refrigeration, health services and appropriate foods complementary to breastmilk.

One international health and nutritional authority who favors the WHO/UNICEF code, Dr. Nevin Scrimshaw, has warned that the problem of infant feeding in the Third World will not be solved by the code. He and Massachusetts Institute of Technology colleague Dr. Barbara Underwood have pointed out that "most developing country infants are breast-fed during the first critical months of life. They become malnourished later because of inadequate complementary feeding practices."

The resolution of this problem is hard plodding work.

It's the sort of work that won't get anyone on the front pages or on the evening news or on talk shows. The breast-feeding activists have received that sort of attention by announcing boycotts, by dramatic resignations from high government positions and by persuading congressmen to introduce resolutions on their behalf. This sort of publicity has helped produce an international infant-formula code which has been widely perceived and represented as an all-important remedy for the tragically high death rates of underprivileged babies throughout the world.

We are now getting a clearer idea of what the code is going to do for the world's undernourished babies. The answer is, not much.●

DEMOCRATS PLAN NEW SET OF TV ADS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. FRENZEL. Mr. Speaker, on July 28, the Task Force on Elections for the House Administration Committee held a hearing on independent expenditures.

The Democratic National Committee's spokesman—Ted Sorenson—righteously decried the perceived lack of accountability of independent expenditure groups to their contributions and to the general public and called for increased Government regulation for these groups—and these groups alone.

I find it particularly ironic that on the same day, Mr. Sorenson and the DNC claimed to want increased sunshine and full disclosure for one type of participant in the election process. The DNC, according to the New York Times, refused to disclose the source of the union money that will be used to finance their $1.5 million TV advertising campaign.

Apparently, for the Democratic National Committee, full disclosure and sunshine is only good for the other guys. In the interest of the general public and full disclosure, I would respectfully suggest that the DNC to come forth with the identity of those who are financing this latest project.

[New York Times, July 28, 1982]

DEMOCRATS PLAN NEW SET OF TV ADS

(By Adam Clymer)

CHICAGO, July 27.—The Democratic National Committee announced plans today for a $1.5 million to $2 million television advertising campaign this fall and said half the money had already been raised with union help.

The advertisements will stress the campaign theme that Republican programs are unfair. One commercial, previewed here today, shows Republican tax cuts filling champagne glasses but trickling only a few drops into a coffee mug. It closes with the slogan, "It isn't fair, it's Republican."

Even though Republicans expect to spend about $12 million on institutional television advertising this year, the Democrats' announcement marks a significant step in their political recovery from 1980. Until today, the Democrats had attacked current Republican advertisements only as misleading and had said the Republicans were trying to buy the election.

In 1980 Republicans first used national television advertising to attack the Democrats generally and to urge "Vote Republican. For a change." Those advertisements were widely credited with adding to the breadth of the Republicans' victory.

EMPHASIS ON IMPORTANT RACES

Ann F. Lewis, political director of the Democratic National Committee, announced the advertising plan at a meeting of Democratic leaders of state legislatures. She said the political commercials would be shown in states with gubernatorial races and serious battles for control of the legislature.

Robert Neuman, communications director for the national committee, said that "about half the money" needed to show the spots was either in hand or had been firmly pledged, "mostly by unions."

Neither unions nor corporations are permitted to contribute directly to campaigns for Federal offices, although their political action committees may give limited sums raised through voluntary donations.

But in most states contributions from unions and corporations are legal, and each party's national committee raises such so-called soft money for campagins. Last year, for example, both parties spent soft money

on the New Jersey and Virginia gubernational campaigns.

While some states require that such contributions be reported, there is no Federal law requiring reporting Mr. Neuman declined to identify the unions that had given money or the corporations that he said had given a small amount.

APPALACHIAN TRAIL IN TYRINGHAM, MASS.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. CONTE. Mr. Speaker, last weekend, on Saturday, July 24, I had the great pleasure of being at the ceremony opening a section of the Appalachian Trail in southern Berkshire County, Mass. This was a happy occasion for all of us there that day, all of us who have sought to preserve the natural resources along the trail in Massachusetts and along its great length from Maine to Georgia.

I have always been one who loves the outdoors, the openness and the freedom of the wilderness. There are countless days that I have spent on the trail never failing to notice the gifts that we have been blessed with.

Mr. Speaker, this Monday, the Washington Post ran an article on the Trail, and, more specifically, a 14-mile stretch of it in the Washington area not yet finished. Here, hikers have to leave the trail and walk 14 miles on a commuter highway. Even more distressing is the fact that it may never be completed, and I want to share with my colleagues this article. Mr. Speaker, I ask unanimous consent that the article be considered as read and printed at this point in the RECORD.

FOR WANT OF 14 MILES, APPALACHIAN TRAIL MAY BE LOST

(By Dale Russakoff)

PARIS, VA.—A swath of woods that lies beyond the steam and concrete of Washington and past the shopping centers and parking lots of suburban Virginia is at the heart of a little-noticed but intense battle over the Reagan budget.

This is one of the last unfinished portions of the Appalachian Trail, the world's longest continuous wood footpath, stretching from Georgia to Maine. Here, at a piney patch known as Ashby Gap, hikers are forced to leave the shade and trees of the trail and walk 14 miles on the hot pavement of a commuter highway.

The Federal Government has spent $1 million buying a wooded route along the highway, but no hikers can walk it, at least not until five connecting lots are purchased. Those areas, like hundreds of others bordering national parks around the country, are caught in Interior Secretary James C. Watt's proposed moratorium on park expansion.

Citing a need to curb Federal spending, Watt has asked Congress for the second year in a row to appropriate no money for new park purchases, including the remaining parcels along the 2,100 mile trail. "We should seek to become stewards of the lands and facilities we own before we acquire more," Watt said.

But trail advocates have mounted a strong campaign to persuade Congress to ignore the moratorium and complete the popular trail by 1985. Their ranks include all but three of the 28 senators from the 14 states crossed by the trail, officials of small towns and townships whose economies get a boost from the footpath's estimated 2 million hikers a year and hundreds of trail lovers like 75 year old Ruth Blackburn, who has fought for the footpath for so long that she jokes of being "married to the Appalachian Trail."

These trail boosters warn that landowners along the footpath are likely to sell property to developers unless the government speeds purchase plans. If second-home developments sprout along the trail, as proposed in some areas including West Virgina and southern Virginia, millions of dollars already invested to protect the natural corridor will have gone to waste, the advocates contend.

An Interior Department advisory commission recently came to the same conclusion, resolving, "Investments already made will be rendered effective without the remaining land acquisitions being completed within the next several years."

The trail has been overshadowed by more-celebrated budget battles such as Social Security and defense spending. But its supporters insist their cause is just as important to the nation's future, if in a quieter way.

"What's at stake here is our quality of life," said Blackburn, who chairs the 14,000-member Appalachian Trail Conference, a private group that maintains the trail through volunteer labor.

"We're increasingly losing the ability to get away from the pressures of urban life in this country, especially on the East Coast. We need a place to be quiet, to appreciate the wildlife."

Watt does not disagree, but has strongly opposed spending money to expand the 72-million-acre national park system until its internal needs are addressed. Citing dilapidated roads, sewers and visitor facilities, he asked Congress to increase funding in 1983 for park maintenance, while cutting the land acquisition program to $60 million, enough to cover backlogged condemnation cases and certain pockets of private property within existing parks.

The trail's supporters insist, however, that their cause and Watt's are not mutually exclusive. They portray their request as negligible in the context of the full federal budget.

It would cost $500,000 to complete the 14-mile northern Virginia strip, less than half of what has been spent there already, according to the National Park Service. Finishing the full trail would cost about $28 million, officials said, bringing the total cost to $66 million, or $24 million less than Congress authorized in 1978.

But it is not that simple.

Park advocates in other regions have flagged their pet parks and recreation areas threatened by encroaching development, and are urging Congress to appropriate funds for them, too. For example, poachers are reportedly shooting deer, bear and other wildlife in the Great Smoky Mountains National Park from an area that is within the park's authorized boundary but not yet purchased.

In southern California, the focus is on the unfinished Santa Monica Mountains National Recreation Area, near President Reagan's West Coast home, where real estate prices are rising rapidly. Advocates have warned that the government may soon be priced out of the market.

In Washington State, attention centers on Olympic National Park where a timber firm recently proposed to cut privately owned woods near the park's popular Lake Ozette. The proposal was rejected, but may resurface in revised form, officials said.

"Everyone has just one item and it's always just a negligible amount in their eyes," said a House Appropriations Committee staffer who has reviewed many of the requests. "Negligible in terms of the whole budget, negligible in terms of the MX Missile system. But it's a lot of money in comparison to someone's Social Security check."

Despite the proposed moratorium, Congress gave about $2.7 million to Interior for Appalachian Trail purchases last year. This year, Trail advocates are touting the national personality of the project in hopes of making it a project again.

Conceived in the early 1900's by forester-philosopher Benton MacKaye as a refuge from "the scramble of everyday life," the trail winds past many of the outstanding sites of the East—the Great Smokies of North Carolina and Tennessee, the Shenandoahs of Virginia, the Berkshires of Massachusetts, the Green Mountains of Vermont, the Katahdin of Maine—and is within driving distance of half the population of the United States and Canada.

On a recent visit, the 75-year old Blackburn strode briskly into the woods outside Paris, ushering a newcomer through the shady realm of pine and maples, mountain laurel and black-eyed Susans, bees and songbirds, until she arrived at a waterfall.

There, cool waters rushed over rocky cliffs and trickled down layers of stone. Sunlight filtered through a canopy of maple trees, reflecting on the water, spotlighting a nearby day lily.

"There!" she exclaimed. "You can't find that on a highway."●

H.R. 6542 STRIKES REASONABLE BALANCE

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mrs. FENWICK. Mr. Speaker, I am among the 139 House members who endorsed House Resolution 427, which expresses the basic principle that our wilderness areas should be protected from development. H.R. 6542, favorably reported by the Committee on Interior and Insular Affairs, strikes the reasonable balance called for in House Resolution 427, permitting nondestructive testing for mineral potential and protection for designated wilderness areas.

The current moratorium on leasing in designated wilderness areas will expire at the end of this Congress, leaving a full year during which the Secretary of the Interior might grant mineral leases in wilderness areas. On December 31, 1983, the wilderness system will be closed to new leasing

under a provision of the Wilderness Act of 1964. H.R. 6542 would prevent leasing during this interim period and would give temporary protection to lands recommended by the Forest Service for wilderness designation. At the same time, the bill provides for ongoing mineral surveys in all withdrawn lands; permits leasing in those cases where minerals can be extracted by slant drilling from outside the wilderness area; and has an "unlock" provision allowing the President, with the concurrence of Congress, to open any withdrawn area in case of urgent national need.

H.R. 6542 is a compromise measure that has bipartisan support. I urge the House to approve this bill with no weakening amendments.●

RESULTS OF NINTH CONGRESSIONAL DISTRICT TAX POLL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. STARK. Mr. Speaker, in February, I conducted a short poll on various tax issues among a limited number of households in the Ninth Congressional District of California.

Approximately 1,750 households (about 10 percent of the sample) responded to the poll and the results have been interesting and useful to my work in the Ways and Means Committee.

The poll showed how insignificant the October tax cut was (as is the July 1 tax cut for most families). For 44 percent of the households responding, it meant less than $5 in increased take-home pay per paycheck. With a trickle-down tax cut such as this, it is understandable that it did not spur the economy or result in increased savings and investment. Seventy-five percent of the poll respondents reported that they were unable to save or invest any portion of the tax cut.

A major finding of the poll is the enormous amount of interest which exists in the individual retirement account program. Forty-four percent of the respondents said that they plan on investing in an IRA during 1982, and fully half of those answering the poll reported that they hoped to invest in an IRA in future years, after 1982. Clearly, the IRA program meets a deep-felt desire by many Americans to supplement their social security and company pension plans.

Once the Federal deficit situation improves and we reach an approximate balanced budget situation, I believe we should give priority consideration to improving the IRA program, through adjustments for inflation and improving the spousal contribution level. An IRA-type program may also be useful to help people save for education (as in Senator Dole's bill, S. 24) or for a home (as in my bill H.R. 3911). IRA's and other IRA-type programs should be expanded and improved in lieu of continuing the all-savers certificate program, which benefits only those in the 30-percent bracket and above.

I believe that the Congress should give immediate attention to providing more truth-in-advertising about the future value of IRA's. A lot of advertisements have made people think that they could very easily retire as millionaires—without explaining fully the assumptions behind those figures or the value of $1 million under the assumptions used in the advertisement. Some have even rushed off half-cocked, thinking IRA's could replace social security.

IRA's are useful—but they are no substitute for a pension plan, such as social security, whose benefits are also adjusted for inflation. A February 19, 1982, editorial from the Washington Post makes this point very, very clear.

Other points in the poll indicate that about 56 percent of the households rely on outside help in completing their tax returns, and that 85 percent of these people do so because of the abominable complexity of the forms. One of the best tax cuts the Congress could ever provide the American people would be tax simplification so sweeping, that they would do their tax returns themselves, and save the money they would otherwise give to H & R Block, their attorneys, and their accountants! Someone once said, "What this country needs is a good 5 cent cigar." I would say that what this country needs is a good 5 line tax form, I regret that the tax increase provisions being adopted by the Senate Finance Committee do not contribute to simplicity, but add now layers of minimum tax calculation onto the present law rather than just eliminating a number of special loophole provisions. I will do my best in the House to work for simplification, rather than a new layer of complexity.

The Washington Post editorial follows:

[From the Washington Post, Feb. 19, 1982]

GOLDEN YEARS PLANNING

By now you are surely aware that the opportunity to amass a million dollars lies no farther than the door to your friendly neighborhood savings and loan or other investment outlet. This chance of a lifetime is brought to you courtesy of the new Individual Retirement Account (IRA) provisions added to the tax law last summer, which allow every wage earner to salt away $2,000 each year without having to pay income tax on it until retirement.

Banks, savings and loans, mutual funds and life insurance companies are now vying for the happy business of putting you on easy street in your golden years. The other day this paper carried a typical advertisement—this one by New York Life Insurance and Annuity Corporation—promising that, if you invest in their IRA flexible annuity, "your $2,000 can grow to more than $1,500,000."

Some important qualifications are noted in the ad. To get this return you have to continue to invest $2,000 for each of the next 40 years, and when you withdraw either your principal or your earned interest, you'll have to pay ordinary income tax on your withdrawal. New York Life is also assuming in its calculation—but not guaranteeing—that the going rate of interest on deposits of this type stays, on average, at its current 12 percent level. Still, that seems like a pretty good idea. Where's the catch?

The catch, of course, lies in that interest-rate projection. Assuming that interest rates average 12 percent over the next 40 years is tantamount to assuming that inflation will average about 10 percent over the same period. If inflation is lower, so will be your interest. This should make you wonder what your "more than $1,500,000" will be worth in current terms when you fall into it in the year 2022. In case you don't have your calculator handy, we'll tell you the answer.

Investing $2,000 for each of 40 years at 12 percent interest will leave you with over a million and a half dollars—$1,534,183 to be precise. But, after 40 years of 10 percent inflation, that nest egg will be worth only $33,898 in terms of current purchasing power. After paying taxes, that will still leave enough for, say, a down payment on a modest retirement home, but it won't keep you living like a Rockefeller. In fact, it's not even enough to retire on. (Emphasis added.)

It's interesting to note, however, that if inflation suddenly fell to zero and stayed there and interest rates then settled at a corresponding 2 percent, your accumulated savings over 40 years would be $120,804—and that would be worth just as much then as it is today. You'd be much better off partly because your $2,000 deposits in later years would be worth more than if double-digit inflation had been running in the interim, but also because your interest accumulations wouldn't be eroded by inflation.

There is a moral in all this—not just for the people to whom these advertisements are directed, but also for the companies doing the advertising. It is this: if inflation stays as high as the advertisers are assuming in their be-a-millionaire calculations, fixed-annuity investments are going to be so unattractive in future years that the people pushing them are likely to find themselves in some other line of business—if they are in business at all.●

MILITARY PERIL IN OPPOSITION TO FREEZE, SALT II

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. DOWNEY. Mr. Speaker, later this week we will vote on the Zablocki-Bingham arms control resolution, House Joint Resolution 521, which endorses both the nuclear freeze and SALT II ratification. This resolution, in some form, will certainly pass. The question is whether it will pass in its present meaningly form, or whether it will be stripped of all specifics and

converted by the Broomfield substitute into a statement that "arms control is good as long as it remains in the distant future."

I say this to my colleagues: If you vote for the Broomfield substitute, you will be voting to augment the military capability of the Soviet Union. The gentleman from Iowa, Mr. LEACH, and I discussed this in a letter we sent a few days ago. To insure that everyone has a chance to see the military opportunities for the Soviet Union embodied in the Broomfield substitute, I insert our letter in the RECORD at this point.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

WHY YOU SHOULD VOTE AGAINST ALL CRIPPLING AMENDMENTS TO THE ZABLOCKI ARMS CONTROL RESOLUTION—PARTICULARLY THE BROOMFIELD CRIPPLING AMENDMENT

DEAR COLLEAGUE: Ask yourself whether you want to be on record in support of permitting the Soviet Union to do the following:

1. Render our ICBM silos more vulnerable than they are today.
2. Target each of our ICBMs with a thermonuclear warhead of unconstrained explosive force, accuracy, and reliability, while being able to keep five ICBMs in reserve for each one aimed against our own ICBMs.
3. Test, produce, and deploy equipment to reload every ICBM silo as quickly as Soviet technology will allow.
4. Test, produce, and deploy the SS-16 mobile solid-fuel ICBM.
5. Produce and deploy the Backfire bomber in any numbers they desire.
6. Improve the accuracy of their submarine-launched missiles to give them the ability to destroy hard targets including ICBM silos.
7. Improve depressed-trajectory submarine-launched ballistic missiles to the point at which they can destroy our SAC bomber bases before any of our bombers—B-52, FB-111, B-1B, Stealth, cruise missile carrier, whatever—can take off.
8. Increase the throwweight of their SS-17, SS-18, and SS-19 ICBM's to any degree their technology permits.
9. Increase the explosive force of their SS-17, SS-18, and SS-19 ICBM's to any degree their technology permits.
10. Increase the accuracy of their SS-17, SS-18, and SS-19 ICBM's to any degree their technology permits.
11. Increase the reliability of their SS-17, SS-18, and SS-19 ICBM's to any degree their technology permits.
12. Replace all of their present ICBM's with any number of new, more advanced types.
13. Replace all of their present submarine-launched missiles with any number of new, more advanced types.
14. Replace all of their present manned bombers with any number of new, more advanced types.

All of these will be permitted under the Broomfield crippling substitute, even assuming START is accepted and ratified exactly as President Reagan has proposed.

All of these will be prohibited under the terms of the real freeze, SALT II, or both.

We don't say this in criticism of START, which we support. If successfully negotiated, it would be a constructive and useful addition to SALT II and/or the freeze. But it cannot substitute for either of these far-reaching plans, in that it deals only with numbers of ballistic missiles and warheads.

MILITARY SECURITY UNDER THE ZABLOCKI RESOLUTION

The Zablocki resolution calls for prompt approval of SALT II, and immediate negotiation of a nuclear freeze at present levels. The Soviets have unofficially endorsed the freeze and, while we need to exercise utmost care against duplicity at the negotiating table, there is reason to believe a freeze could be concluded expeditiously.

If this is done, there will be at least two consequences of major military significance:

I. Because the Soviets will be unable to test their missiles, confidence in their reliability will decline. Since a countersilo first strike cannot work with even moderately unreliable missiles, Soviet counter-ICBM first strike ability will decline (as with U.S. first strike capability) and the survivability of our ICBM silos will steadily rise. We will have survivable ICBMs without a new basing mode.

II. Because the Soviets will be unable to test depressed-trajectory submarine-launched missiles, pre-launch survivability of our manned bombers will remain at its present good level.

MILITARY SECURITY UNDER THE BROOMFIELD CRIPPLING SUBSTITUTE

If you examine its substance rather than its rhetoric, the Broomfield crippling substitute is a prescription for no arms control at all. By refusing the major national security benefits of SALT II and the freeze which are definitely and quickly available, and accepting only the goal of "freezing at equal and substantially reduced levels" which is attainable, at best, far in the indefinite future, the Broomfield crippling substitute prescribes decades of haggling over what is "equal and substantially reduced."

President Reagan has proposed that we reach "equality" by the Soviets cutting down in their strongest area (ICBMs) while minor reductions or no reductions are made in our strongest areas (submarine-launched missiles, bombers, and cruise missiles). In time, the Soviets will probably mirror this with an equally one-sided proposal of their own, and the haggling will go on indefinitely. This would not be bad if we were haggling over additions to existing strategic arms controls, but under the Broomfield crippling substitute the negotiations will be against a background of no formal arms control. As a result,

(1) Our ICBMs will become progressively more vulnerable, regardless of how hard we pretend to have found a new survivable basing mode.

(2) Our bombers will become progressively more vulnerable to pre-launch attrition, even if we buy the B-1B.

"FATAL FLAWS" LIE IN ARMS DECONTROL

We have listed fourteen fatal flaws in the Broomfield crippling substitute, and two very serious military consequences.

We know there are those who have, glibly and without specifics, described our position as "fatally flawed." Ask them to document exactly how it is fatally flawed—not in comparison to some ideal dream world in which the Russians disarm, but in comparison to what will actually happen in the next half decade if we do not have SALT II and the freeze.

Then decide which position you wish to be associated with.

Sincerely,

JIM LEACH.
THOMAS J. DOWNEY.●

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POLICE KILLED PASTOR, SAYS TRIBAL COURT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. EDWARDS of California. Mr. Speaker, on February 8, 1982, I submitted an article from the Washington Post, dated February 3, 1982, to call attention to the violation of human rights in the South African tribal homeland of Venda. The specific incident concerned the detention and brutal interrogation of 18 prominent people, including 3 black clergymen, without charge. One of the churchmen, Tshifhiwa Muofhe, was alleged to have been beaten to death by two white security police on November 12, 1981. I now call attention to the following article which appeared in the Washington Post on July 20, 1982. As the article points out, an inquest court in Venda found that the two security policemen had beaten Muofhe to death while interrogating him. I submit this article because I believe the violation and abuse of human rights and freedoms of the people of South Africa under apartheid must continue to be brought to the attention of the world.

[From the Washington Post, July 20, 1982]

POLICE KILLED PASTOR, SAYS TRIBAL COURT

(By Allister Sparks)

JOHANNESBURG, July 20.—An inquest court in the South African tribal homeland of Venda, officially regarded here as an independent country, found yesterday that two security policemen had beaten a Lutheran preacher to death while interrogating him.

The preacher, Tshifhiwa Muofhe, died last Nov. 12 when security police in the homeland made extensive arrests following an attack by African National Congress insurgents on a police station in the main town of Sibasa, killing a policeman.

Detained with Muofhe were three other pastors of the Lutheran Church and their dean, Simon Farisani.

Muofhe was found dead in his cell the day after his detention. Farisani was seen in a hospital a few weeks later, badly bruised and in chains. The families of the other pastors said they were tortured.

The U.S. National Committee of the Lutheran World Federation issued a strongly worded protest at the time through its general secretary, Paul A. Wee, and Amnesty International began an investigation.

The Venda authorities rejected these protests and denied the allegations of assault and torture. Two clergymen who helped Muofhe's widow were deported. The Lutheran bishop for the area, Solomon Serote, was refused entry to the homeland to conduct Muofhe's funeral.

The security police continued to hold the pastors and their dean for months without charges. Eventually two were charged with murdering the policeman, but both were acquitted June 1 after a brief trial.

Now, after a delay of more than seven months, an inquest into Muofhe's death has been held. Magistrate Stanley Stainer found that Muofhe's two interrogators, Capt. Muthupphei Ramaligela and Sgt. Phumula Mangaga, had beaten him to death.

Three doctors agreed Muofhe had died from severe bruising of the body, including his head and genitals, and internal bleeding.

The government's local district surgeon, Manfred Teichler, said death had been caused by "extensive use of blunt force." Two senior pathologists agreed. One said he found "10 instances of directed violence" to Muofhe's back.

The interrogators claimed Muofhe had confessed, then, while accompanying them to a spot in the mountains at night, had tried to escape by jumping off the back of a truck, sustaining the injuries described by the doctors. Their version collapsed when the lawyer for Muofhe's family, Ernest Wentzel, was able to show that the truck they claimed to have used was out of service at the time.

The inquest record will now go to the attorney general of Venda, who must decide whether to charge the two security policemen with murder.

The other Lutheran pastors have been released from detention, six months of which Farisani spent in the hospital. Their church has given them "recuperative leave."

Venda is one of 10 tribal homelands demarcated by the South African government as areas where the country's 21 million Africans can exercise political self-determination, while the 4.5 million whites remain in political control of the other 87 percent of South Africa.

African nationalists are strongly opposed to the homelands policy, which they see as a means of continuing black oppression. They denounce Africans who participate in the system as quislings.

Venda was granted nominal independence in 1978 under the presidency of a semiliterate clan chieftain, Patrick Mphephu. The homeland covers 2,300 square miles, about the size of Delaware, and is tucked away in the northeast corner of South Africa, near the borders of Mozambique and Zimbabwe.

Both those black-ruled countries support the outlawed African National Congress, the main black nationalist movement in South Africa, which is trying to overthrow white rule by guerrilla action. This means Venda is vulnerably situated, which accounts for the jumpiness of its tribal authorities after the police station attack.●

The IMPORTANCE OF LABELS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. MICHEL. Mr. Speaker, have you ever wondered why media reports never refer to Leonid Brezhnev as a dictator? Author and scholar Tom Bethell asked himself that question and, with the aid of a computer, came up with some interesting answers.

At this point I wish to insert in the RECORD, "Who Dictates That 'Dictators' Shall Be 'Leaders'?" from the Wall Street Journal, July 27, 1982.

WHO DICTATES THAT "DICTATORS" SHALL BE "LEADERS"?

(By Tom Bethell)

Those who control the language can also to a large extent control the way we think. In 1975 futurist Alvin Toffler remarked that "we'll have to scrap our obsolete ideologies—the old political labels like 'left wing' and 'right wing.'" The ideologies are the same but—at least as applied to the left—the labeling does seem to be changing.

With the help of the computerized information retrieval system called Nexis, which provides access to individual words and phrases in a wide variety of newspapers, magazines and wire services going back at least three years, I have been collecting words and phrases, and trying to elucidate the disguised premises and arguments that often underlie them.

The Nexis system includes the Washington Post, Christian Science Monitor, Newsweek, Business Week, the Economist, AP, UPI, Reuters and many other news outlets. An unexpected bonus of the Nexis system is that it includes the BBC's "summary of world broadcasts," which provides access to many Soviet-bloc speeches and commentaries. Set forth as a glossary, these words and phrases almost constitute a new political language.

Here are a few sample labels and phrases out of hundreds, concentrating on U.S.-Soviet relations, deterrence, negotiations and the like.

Leader, autocrat, strongman, dictator: A clear pattern of discriminatory labeling in favor of the Communist bloc emerges from the computer. Leonid Brezhnev is almost always called "the Soviet leader." Ferdinand Marcos, on the other hand, may be "strongman" or "dictator" but rarely "leader." The phrase "Brezhnev, the Soviet dictator" cannot be found in the Nexis system.

Here are some heads of state recently labeled "leaders" by the news outlets in the computer's system: Enver Hoxha of Albania, Kim Il Sung of North Korea, Erich Honecker of East Germany, Maurice Bishop of Grenada, Daniel Ortega of Nicaragua, and Gen. Wojciech Jaruzelski of Poland.

"Strongmen" include: Mobutu of Zaire, Chun Doo Hwan of South Korea, Mubarak of Egypt, Qadhafi of Libya, and these days, Khomeini of Iran.

"Dictators" are mostly dead or deposed and include: Somoza, Franco, Idi Amin, Emperor Bokassa, and, yes, Ferdinand Marcos, Stalin is now seen as a dictator, while Keith Grant in Business Week defied journalistic etiquette (the controlling factor, in my view) by calling Raul Castro "the Cuban dictator's brother." Otherwise, current Communist "dictators" are about as easy to find as unicorns in the woods.

"Cold War rhetoric": The Soviet media use this phrase to criticize the U.S., and the U.S. news media use it to criticize . . . the U.S. I have not found a case where it is used to criticize the Soviets. Given the permanent, high-decibel level of indignation maintained by the government-controlled Soviet media, this is surely an oversight.

"Provocative": This Tass-word is deployed with a comparable asymmetry. If someone tells you to stop "provoking" him, he is tacitly threatening you—warning you that he might lash out next time. The Soviets constantly deliver this veiled threat over their air waves: The U.S. is saying or doing "provocative" things. In response, one finds the U.S. news media warning our own leadership against "provoking" the Soviets. I can't find a case where the Soviets were described as acting "provocatively."

"Nuclear threat": This phase is initially puzzling since nuclei pose no threat. I decided it meant the U.S. nuclear arsenal when I read the following from the Soviet news agency Tass: "In the building of a new society and in the struggle against the nuclear threat, the Leninist Komsomol acts as one with the youth leagues of the countries of the socialist community."

We in turn, by talking about "antinuclear" rallies and the "nuclear threat," create the illusion that the enemy is physics, avoid the worry-world "disarmament," and rhetorically disguise the rather more urgent Soviet threat.

"The success of the talks": Why should talks succeed? It is one's point of view, or position, that one wants to succeed, not the forum in which which it is advanced.

"Arms race": This phrase today plainly means: the U.S. response to the Soviet arms build-up. The Soviets are not accused of an arms race—we are. So we must also "reverse the arms race." When social programs are imperiled, a favorite liberal response is to say: "You can't turn the clock back." But time travel is not considered an impossibility when it comes to the "arms race."

"Soviet fears": Nexis abundantly demonstrates that "fear" is the real basis of Soviet foreign policy—in case you hadn't guessed that. A dozen or more such fears have been identified by Western journalists. The Soviets are variously said to "fear" China, the Nordic Council, "encirclement", Zbigniew Brzezinski, a brain drain, "loud rhetoric against a military invasion of Poland" (a Christian Science Monitor editorial); Mitterrand's possible drift "into Washington's orbit," Western nuclear systems and so on. Its own enslaved population seems not to be among the fears, however.

Reagan-Bellicose: The computer will dutifully print out all stories in which these two words (or any others, of course) occur within say 10 words of one another. In this instance the printout saddled me with a hard day's reading, going through worldwide complaints about presidential bellicosity ranging from a shrill gentleman named Nodong Sinmun from North Korea, who identifies the President as "belicose element Reagan," to Mary McGrory in the Washington Post.

Brezhnev-Bellicose: This is another mythical beast. Despite Poland, Afghanistan and yellow rain, he can't be found anywhere in the Nexis system. We wouldn't want to be guilty of "cold war rhetoric," would we?●

THE HELSINKI FINAL ACT'S SEVENTH ANNIVERSARY: A DEFIANT TOAST

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. YATES. Mr. Speaker, on August 1, 1975, in Helsinki, Finland, the leaders of 33 nations of Western and Eastern Europe, Canada, and the United States signed accords designed to guide their states toward greater security and cooperation. Yet today, there is a deep feeling of unease amongst these countries and East-West relations have been strained to the breaking point. That the Helsinki

accords have not been translated into practice by their Eastern signatories goes far to explain this sad state of affairs.

The truth at the very core of the Helsinki Final Act is that peace and security can only exist in an atmosphere where human rights flourish. The Soviet Union unremittingly has denied fundamental freedoms to its own peoples and has engaged in efforts to deny human liberties to its neighbors. At present, 50 out of a total of 76 Helsinki monitors in the U.S.S.R. are imprisoned, in labor camp or in internal exile. The Helsinki-inspired Charter '77 movement in Czechoslovakia remains under heavy repression. In Afghanistan, assaults on human rights are launched from tanks and planes. In Poland, the Soviet Union and the martial law regime remorselesqly try to suffocate the entire nation's aspirations for freedom. The grip of repression has not relaxed in Romania, Bulgaria, or East Germany. The general hardening of human rights conditions in the East is felt in Hungary.

Mr. Speaker, I have served on the U.S. Helsinki Commission since its inception. Over the years, my fellow Commissioners and I rarely have had cause to rejoice: too infrequently have we seen the reunification of a family or the release of a prisoner of conscience. We were encouraged to see the renewal of freedoms in Poland, a proud country which will forever be transfigured by the experience, tragically short-lived. Too often, we have seen families divided, arrests, brutal crackdowns.

Yet, we are sustained by the knowledge that the Helsinki Final Act continues to make sense as a rational program for the development of a secure and prosperous Europe. That is why the United States and our allies have persevered throughout the long months of the Madrid negotiations. We know that the Helsinki accords continue to have meaning because they carry the force of principle. They live, because they continue to inspire people who refuse to abondon hope in the face of current stark realities.

This anniversary is not a happy occasion, but my remarks are by no means a eulogy to the Helsinki process; instead they are a tribute to it. I am told that when Dr. Yuri Orlov, a prisoner of conscience since 1977, brought an intrepid group of friends together in his Moscow flat to found the first Helsinki Monitoring Group, he poured them each some vodka and, raising his glass, defiantly said, "to our hopeless task!" Then these indomitable people got down to work. They have been at it ever since and have been joined by scores of others. If these remarkable men and women do not doubt the profound importance of the Helsinki process, we certainly cannot. They press on. We can do no less. Thank you, Mr. Chairman.●

STATE DEPARTMENT VIEWS THE NUCLEAR FREEZE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. BROOMFIELD. Mr. Speaker, as the House prepares to debate House Joint Resolution 521 calling for a nuclear weapons freeze, I would like to call the attention of my colleagues to the following assessment of nuclear freeze proposals published by the State Department in April 1982.

It provides a thoughtful analysis of the problems inherent in implementing such a freeze and summarizes the administration's four-point arms control program, the cornerstone of which is an actual reduction in the arsenals of both sides. I commend the article to my colleagues.

The article follows:

THE NUCLEAR FREEZE

In recent months, a proposal for a U.S.-Soviet nuclear weapons freeze has attracted widespread attention. A resolution supporting such a freeze has been submitted to Congress, and versions have been placed on the November ballot in several states. While the wording of different versions varies, and some call for eventual reductions in arms levels, the basic idea is this:

"The President should immediately propose that the United States and the Soviet Union adopt a mutual freeze on the testing, production, and deployment of nuclear weapons and missiles and new aircraft designed primarily to deliver nuclear weapons, subject to strict verification."

The U.S. Government recognizes that the proposal represents the best of intentions: to reduce the likelihood of nuclear war and encourage more rapid progress in a critical and exceptionally complex area of arms control. We all share these objectives. But, after carefully reviewing the proposal, we have concluded that a freeze at existing nuclear levels would have adverse implications for international security and stability and would frustrate attempts to achieve the goal on which we all agree: the negotiation of substantial reductions in the nuclear arsenals of both sides.

WHAT KIND OF ARMS CONTROL AGREEMENTS DO WE SEEK?

Four principles underlie the U.S. approach to arms control. We seek agreements that:

Produce significant reductions in the arsenals of both sides;

Result in equal levels of arms on both sides, since an unequal agreement, like an unequal balance of forces, can encourage coercion or aggression;

Are verifiable, because when our national security is at stake, agreements cannot be based upon trust alone; and

Enhance U.S. and allied security and reduce the risk of war, because arms control is not an end in itself but an important means toward securing peace and international stability.

These four principles were highlighted by the President in his speech of November 18, 1981. They are the foundation for the U.S. position in the current Geneva negotiations between the United States and the U.S.S.R. on intermediate-range nuclear forces (INF). They also form the basis for our approach to strategic arms negotiations with the Soviet Union, negotiations we will call START—Strategic Arms Reduction Talks.

WHAT ARE THE DRAWBACKS OF A FREEZE PROPOSAL?

While the Administration shares the genuine and deeply felt convictions that have given rise to the freeze proposal, we believe the proposal does not constitute sound defense or effective arms control policy, and thus we cannot support the freeze itself. A freeze would be dangerous to security, stability, and the cause of peace for the following reasons:

A freeze at existing levels would lock the United States and our allies into a position of military disadvantage and vulnerability. The freeze would prevent us from correcting existing dangerous deficiencies in our nuclear forces caused by the sustained Soviet buildup. The substantial improvements in the Soviet force of intercontinental ballistic missiles (ICBMs), for example, have given the Soviet Union the means to destroy a large part of our ICBM force. In addition, there are about 600 Soviet intermediate-range nuclear missiles capable of striking our NATO allies. These missiles are not offset by any comparable U.S. systems. In this case, a freeze would prevent us from restoring the balance.

A freeze is not good enough. We do not want to cap deployment at current levels; we want significant reductions in the nuclear arms of both sides, reductions that will lead to a stable military balance. The United States has already offered a bold new arms control initiative at the negotiations in Geneva on land-based intermediate-range nuclear missiles. We proposed a "zero option" under which the United States would cancel the planned deployment of Pershing II missiles and ground-launched cruise missiles in exchange for the elimination of comparable Soviet intermediate-range nuclear missiles. Our objective in negotiating strategic arms control agreements is also to achieve signficant reductions.

A freeze would make significant arms control more difficult. The Soviets would have little incentive to agree to reductions in strategic and intermediate-range nuclear arms if they knew they could simply freeze the existing military situation. This has already been demonstrated in the area of intermediate-range forces, where the U.S.S.R. initially refused our offers to negotiate while steadily deploying some 300 SS-20 missile systems. The Soviets agreed to come to the negotiating table only when it became clear that we and our NATO allies were determined to take steps to counter those SS-20 deployments.

A freeze would cast serious doubt on American leadership of the NATO alliance. In 1979, in the face of continuing Soviet deployments, the members of the alliance agreed to begin deployment in 1983 of U.S. Pershing II and ground-launched cruise missiles and to seek a U.S.-U.S.S.R. arms control agreement to reduce intermediate-range nuclear forces. A freeze now would, in effect, be a unilateral decision by the United States to withdraw from this joint allied undertaking.

A freeze on all testing, production, and deployment of nuclear weapons would include important elements that cannot be verified. The practical result is that the United States would live up to a freeze in all its aspects, while there would be considerable doubt that the Soviets would also live up to it. We simply cannot afford to base our national security on trust of the Soviets.

A FREEZE AND THE SOVIET BUILDUP

During the past decade, the Soviet Union has mounted a sustained buildup across the entire range of its nuclear forces. Soviet modernization efforts have far outstripped ours, particularly in the development and deployment of intercontinental ballistic missiles, which now pose a major threat to a large part of our land-based ICBM force. In the last 10 years, the Soviets introduced an unprecedented array of new strategic weapons into their arsenals, including the SS-17, SS-18, and SS-19 ICBMs, the Typhoon and Delta submarines and several new types of submarine-launched missiles, and the Backfire bomber. During this same period, the United States exercised restraint and only introduced the Trident missile and submarine and the cruise missile.

This trend has been harmful to the security interests of the United States and its allies and to global stability. It is not just a question of numbers. As their military capabilities has grown, the Soviet have increasingly resorted to the use of military force directly, or through proxies such as Cuba, to intervene in areas farther and farther from their borders. The increased assertiveness of Soviet behavior—the invasion of Afghanistan, pressure on Poland, support for insurgency in Central America—reflects growing Soviet confidence in their military capabilities.

ICBMS. Since 1972, the Soviet have developed and deployed at least 10 different variants of three new types of ICBMs. In the same period, the United States deployed no new types of ICBMs and only one variant of the existing Minuteman. In 1986, we plan to begin deployment of the MX, the first new U.S. intercontinental ballistic missile in 16 years.

Sea-Based Forces. The commissioning of the first U.S. Trident submarine in 1982 marked the end of a 15-year period during which the United States did not build any new ballistic missile-firing submarines. In this same period, the U.S.S.R. added over 60 missile-firing submarines in four new or improved classes. The Soviets are now deploying two new types of missile submarines—the Typhoon and the Delta III—while we are building only the Trident.

Bombers. When the first B-1 bomber becomes operational in 1985, it will have been nearly a quarter of a century since the last U.S. heavy bomber was produced. In contrast, the Soviets have produced more than 250 modern Backfire bombers that have inherent intercontinental capabilities. The Soviets also have improved their large air defense system designed to counter our bomber force. A freeze would not constrain these Soviet air defenses.

In most significant measures used to judge strategic forces—total number of systems, total number of ballistic missiles, total destructive potential—the Soviets now surpass the United States. Soon they could equal and surpass us in number of warheads, the one area where the United States has traditionally had an advantage.

The President entered office with a mandate to correct these trends. The modernization program he announced in October 1981 is designed to restore the strategic balance and prevent nuclear war. In so doing, it will give the Soviet Union a strong incentive to negotiate with us to achieve genuine arms reductions.

CONCLUSION

The Reagan Administration is committed to equitable and verifiable arms control aimed at substantial reductions in military forces. While the freeze proposal reflects the desire of people everywhere to reduce the threat of nuclear war, it would not promote reductions, equality, or verifiability. Rather, it would accomplish the opposite. A freeze at existing levels would lock in existing nuclear inequalities while making further progress in arms control difficult, if not impossible. For these reasons, our goal in arms control must be the negotiation of substantial reductions in the nuclear arsenals of both sides. We can do better than a freeze.●

AN OPPORTUNITY TO RECONSIDER THE C-5

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. BROWN of California. Mr. Speaker, now that the authorization bill for the Department of Defense is in conference, the Senate has an opportunity to reconsider its rejection of the preferred military airlift option before the Congress. I refer, of course, to the decision by the other body to reject the advice of military experts and require the Defense department to buy Boeing 747's.

As the Los Angeles Times recently wrote in an editorial, the fact that Boeing and the airlines would benefit from the purchase of 747's is not a bad side effect. The problem is, the 747's cannot do the job the C-5's can do.

Mr. Speaker, for an enlightened, and balanced perspective on the dispute over military airlift capabilities, I insert the above referenced editorial in the CONGRESSIONAL RECORD.

I urge my colleagues in the Senate to heed this advice.

The editorial follows:

[From the Los Angeles Times, July 30, 1982]

C-5: VISIBILITY CLEAR

It was a close call, but the U.S. House of Representatives made the right decision the other day when it voted to go along with the Air Force proposal to buy 50 new models of the giant C-5 air cargo plane instead of substituting surplus Boeing 747 airliners.

There is widespread agreement that the Air Force needs additional long-haul transport planes to carry men and equipment to potential hot spots in the Middle East or elsewhere. The issue is what kind of planes should be procured to do the job.

The Air Force now has more than 70 huge Lockheed C-5As capable of carrying such large items as helicopters and heavy tanks, in addition to a fleet of smaller, less capable aircraft.

When the need for more airlift became clear with the creation of the Rapid Deployment Force, the generals originally wanted an entirely new plane, the C-17, developed by McDonnell Douglas Corp.

But the Administration refused to approve the proposal, whereupon the Pentagon in January decided that the next best thing was to buy 50 more C-5s—modified to avoid structural problems that plagued the original C-5A version.

However, that decision has been challenged by the Boeing Co. and its supporters in Congress, who argued that its 747 jetliners could be modified to do most of what a new C-5 could do—and for less money. The Senate agreed, and voted in favor of the 747s. With the House going one way and the Senate the other, a conference committee must now choose between the two planes.

There was heavy lobbying on both sides. Boeing, and the airlines and banks that lobbied in support of its case, leaned more on economic than on military benefits of choosing the 747.

As a result of the recession, many airlines are unable to fill all those seats on the big 747 jet airliners, and have been forced to take them out of service or fly them at a loss.

If the Air Force were to take 50-odd 747s and have them modified for military-airlift duty, the airlines would get out from under a lot of debt—much to the relief of the banks as well as the airline managers.

Boeing would benefit both from the fees that it would collect for the modification of the surplus 747s and from the larger maket that would then develop for its newer and more fuel-efficient jetliners.

We see nothing wrong with all this. If a military purchase also happens to benefit the airline industry and a company that earns valuabie foreign currency for the United States by exporting jet airliners, the American economy as a whole benefits.

But such side benefits, attractive as they are, cannot be allowed to outweigh important military considerations. And the fact is that the C-5s have important military advantages that tip the scales in their favor.

As Boeing officials concede, modified 747s could not carry heavy tanks and other large cargo. And even if you accept the argument that the existing C-5As could carry extra-large or heavy loads, leaving the modified 747s to carry other types of military cargo, the facts still favor the C-5.

The C-5s, designed as military transports, are built close to the ground. Tanks, trucks, helicopters and other cargoes can be rolled down short ramps right onto the ground.

As an arliner, on the other hand, the 747 sits much higher off the ground and has no roll-on, roll-off capability. Even for the smaller cargoes that it would carry, special ground-handling equipment would have to be pre-positioned at airports in the zone of hostilities—an obvious impossibility in many cases.

Obviously, then, the C-5 could get into many airfields that would be impractical for the 747s. And the C-5's quicker turnaround time would make it less vulnerable to enemy action.

The 747s would be cheaper—whether by $1 billion or $6 billion over a 20-year period is disputed by Boeing and the Pentagon—but the C-5s have a clear edge in military effectiveness. Besides, the 747s would be only an interim solution; if the Boeing option were chosen, it is anticipated that the C-17 would be built later as a follow-on workhorse of the long-haul military air fleet.

The problems plaguing the airlines are real. But turning all those surplus 747s into military-airlift planes isn't the way to go about helping them.●

VIETNAM: THE TRAGEDY CONTINUES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. MICHEL. Mr. Speaker, those who cheered the victory of the Communists in Vietnam and who were so critical of previous governments in South Vietnam are curiously silent as Vietnam, under its Communist masters, continues to sink into economic disaster, political tyranny, and social unrest. We do not hear these same voices calling for a halt to human rights abuses in Vietnam. I wonder why.

At this point I wish to insert in the RECORD, "Vietnam Is Deeply in Debt, Virtually Broke" from the Los Angeles Times, July 26, 1982.

VIETNAM IS DEEPLY IN DEBT, VIRTUALLY BROKE

(By Bob Secter)

HANOI.—Vietnamese Foreign Minister Nguyen Co Thach complained not long ago that his country is so poor he cannot afford a suit of his own to wear for important functions.

"I am the only foreign minister in the world who has to borrow a suit from his government," the silver-haired Thach confided to a European journalist.

Whether or not Thach's wardrobe really consists of government hand-me-downs, there was little exaggeration in the point he was illustrating. Vietnam is virtually broke. It is, like the comic-strip symbol of poverty, a country dressed in a rain barrel.

Inflation has zoomed to triple-digit levels while per-capita income has nose-dived. The country is so deeply in debt that it cannot make the interest payments on its foreign loans, let alone try to repay the principal.

Industrial production, hampered by lack of maintenance, spare parts and raw materials, is so inefficient that a showcase bicycle plant toured recently by reporters churns out the two-wheelers at a rate of two to three per worker per year.

Even a positive sign, such as last year's record harvest, was offset by a drop in food imports, leaving people with less to eat overall. Asked to characterize the state of the economy, the nicest word most foreign experts can conjure up is *stagnant.*

"They are bankrupt," a Western diplomat based here said. "They have no money to pay anything."

Many of Vietnam's economic woes can be laid to its 1979 invasion and current occupation of Cambodia. It has been extremely costly to maintain up to 200,000 troops in a neighboring country, as well as to garrison 250,000 more near the northern border with China, which briefly attacked Vietnam in response to the Cambodian invasion.

TRAINING OR TOILING?

More expensive, though, has been the loss of aid and trade with China and Western industrial nations, which, with a few exceptions, have imposed an economic embargo as punishment for Vietnam's continuing presence in Cambodia. The blockade has left Vietnam a virtual economic slave to the Soviet Union and its Eastern Bloc allies—countries with financial woes of their own.

The Soviets pump an estimated $3 million a day in military and monetary assistance into Vietnam, but that obviously is not enough. To repay the debt, Vietnam exports such produce as fruit, potatoes and other vegetables to Moscow. It also is sending people.

Since the two countries initialed a new aid agreement last year, thousands of Vietnamese have been turning up in the factories, mines and mills of the Soviet Union and other European Communist nations. Vietnamese and Soviet officials assert that the workers are being trained to advance Vietnam's industrial development when they return home, but Western diplomats say that most of their earnings are to pay off Vietnam's debt to those countries.

According to a report released recently by the International Monetary Fund, Vietnam owed the rest of the world nearly $3.5 billion at the end of last year, much of it from loans made before the Cambodia invasion.

Western analysts say Vietnam needs to come up with $250 million in foreign exchange earnings just to cover this year's interest on the loans. "But they're going to get export earnings of only about $125 million," a diplomat said. "And projections show they will not have enough to service their debt at least through 1985. They have absolutely nothing to buy spare parts with or purchase new machinery. How can things improve?"

The same diplomat pointed out that agriculture, the backbone of the Vietnamese economy, is also hamstrung by the money crisis. "Every square meter of the Red River Delta (the north's most fertile region) is already under cultivation," he explained. "The experts say there is little more that can be developed here without massive investments for fertilizer and advanced farm tools. But they don't have the money for that."

With no family planning program, Vietnam desperately needs a way to increase crop yields to feed a population growing at the rate of more than 1 million a year. Last year, the nation reaped a bumper crop of 15 million tons of rice and other grains, and officials pronounced their country self-sufficient in food. According to the IMF report, however, a corresponding dip in food imports resulted in an actual drop in per-capita food consumption from 421 pounds in 1980 to 412 pounds in 1981.

As another Western diplomat pointed out, at the end of the better-than-average 1981 harvest, Vietnam still had no excess food stocks to save for the inevitable bad harvest that past history indicates will probably occur within the next few years.

In public and private, government leaders acknowledge the economic quagmire, but their assessments are not as gloomy as those from outsiders. One official interviewed here recently admitted to a 30 to 40 percent inflation rate and a troubling—but unspecified—unemployment rate, mostly in the southern half of the country. The IMF report pegged inflation at 100 percent last year, while diplomats talk of at least a 30 to 40 percent jobless rate, with a serious underemployment problem to boot.

The signs of economic decay are everywhere. In Ho Chi Minh City, formerly Saigon, thousands of people sleep on the streets at night. In Hanoi, streets and buildings are crumbling and shops use gunnysacks as awnings.

The few Westerners living in Hanoi say that, until six months ago, they never worried about locking their doors or cars. But lately, they report, there has been an upsurge of break-ins at residences occupied by foreigners, including one at the Soviet Embassy compound.

One diplomat said he toured a machine-tooling factory recently and found half of the machines sitting idle, "not because they were broken but because there was no steel to feed into them."

In an unusual spate of self-criticism, Communist Party leader Le Duan told an assembly of party leaders last March that Vietnam's economic and social woes are their fault. "We failed to appreciate our weakness in economic and social management." Le Duan admitted during the party's fifth congress, which ended by dumping several high officials, including some responsible for economic and social planning.

Officials now speak of a new emphasis on developing agriculture, the nation's economic mainstay for centuries, before concentrating on heavy industry. "If we want to industrialize our country, we have to import oil and machinery," one high-level bureaucrat said. "Where do we get the money? We must first grow more crops to sell overseas to get money to buy machines."

EXPORT FIGURES DOUBTED

The same bureaucrat claimed that exports were up 40% for the whole country during the first six months of 1982 and up a whopping 150% for the Ho Chi Minh City area. Western analyst doubt the accuracy of those figures.

The economic mess has apparently slowed, and possibly reversed, the move toward collectivization that followed the Communist north's conquest of the south in 1975. Officials now talk of utilizing all facets of the economy-including some private enterprise.

The increase in agricultural production resulted in part from good weather but also followed a decision to allow private farmers and collectives to sell a portion of their crops on the free market—which usually brings in better prices. In industry, workers are paid a flat wage, but each is now also able to earn more, depending on how much he or she produces.

Western diplomats see the changes as signs of progress. But one cautioned, "nothing's going to change much without a settlement in Cambodia."●

LAW OF THE SEA

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. FIELDS. Mr. Speaker, Intellectual Property Owners, Inc., is a nonprofit organization representing the owners of patents, trademarks, and copyrights. This organization recently offered testimony to the House Committee on Merchant Marine and Fisheries concerning the mandatory technology transfer provisions of the Law of the Sea Treaty. Because there are those seeking to overturn the Presi-

dent's recent decision not to sign the treaty, our colleagues should be informed on the particulars of this important issue of national interest. For this reason, I insert this testimony into the public record.

Intellectual Property Owners, Inc. is a nonprofit organization representing the owners of patents, trademarks and copyrights. As such IPO represents many of the companies which are directly concerned with threats to our extremely valuable technologies, especially threats which would arise through international agreements such as the Law of the Sea Treaty.

Elliot Richardson's testimony to this Committee was that the President's decision not to sign the Treaty is a grevious loss to U.S. industry, the decision having been taken for purely ideological reasons inconsistent with economic realities. We view that testimony as being derived from Mr. Richardson's innocence of any appreciable knowledge of the facts. Our member companies that stand to gain or lose through deep seabed mining solidly support the President's decision. Although Mr. Richardson spent four years at the taxpayers expense negotiating the proposed Treaty, he ignored the advice of those directly interested in deep seabed mining. When U.S. industry saw the text that Mr. Richardson negotiated the experienced experts in the area saw it for what it actually is—a giveaway of our technologies to a UN entity and substantially to anyone else who wants it. No businessman who came home with such an agreement would receive his next paycheck. It would appear that Mr. Richardson never understood the significance of the technology transfer provisions and had no practical experience in this area. This is bad enough, but to realize that the United States delegation has been led and controlled for so long by an inexperienced person is plainly shocking.

It is our opinion that the technology transfer provisions in the Treaty are so unsound that U.S. companies would not have mined the seabed under them, and would generally not license foreign companies operating under the Treaty. The reason is not difficult to understand. The Treaty provides that all technology of an operation which is used in seabed mining must be made available to the "Enterprise" and to any "developing State" upon request "at fair and reasonable" terms. However many high technology companies do not want to transfer their valuable technology to others; they do not want to license their discoveries to their competition. Why should U.S. technology, furthermore, be made available under a Treaty to developing iron curtain countries? Developing new technologies is very risky and expensive. For every success there are literally scores of failures. Yet the Law of the Sea Treaty would force those who have taken the risks and eventually succeeded to share the fruits of those efforts through mandatory technology transfer schemes.

Mr. Richardson, I am informed, made the interesting statement to the Committee that technology transfer is really a moot point because the technology is available commercially. This is not accurate. However, if the technology was available commercially there is obviously no need for the technology transfer provisions of the Treaty. Unfortunately our U.S. negotiators to the Treaty conference apparently did not press this point when the text was being formed.

It is unfortunate, to say the least, that our U.S. negotiators did not consult with affected U.S. industry circles and those experienced in technology transfer matters. Had this been done years ago we may not now be faced with an unacceptable Treaty. As it was not done that way organizations like IPO, with expertise in technology transfer policies, failed the President's action in announcing that the U.S. will not sign this Treaty. To IPO this action was singularly sound and hopefully heralds the dawn of a new era in which our policy in matters affecting vitally important U.S. technology will be made in consultation with those who best understand the issues.●

NONPROLIFERATION POLICY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. BINGHAM. Mr. Speaker, I should like to draw the attention of my colleagues to an article appearing in the the Washington Post this weekend by the distinguished Senator from Ohio, JOHN GLENN. With characteristic understanding of the complex issues surrounding nuclear nonproliferation policy, Senator GLENN muses on the recently resolved disagreement between the United States and India. At issue was the inability of the United States to supply nuclear fuel to India's Tarapur reactor under the restictions of the Nuclear Non-Proliferation Act (NNPA). Senator GLENN wisely concludes that:

It is extremely important that our cooperation in obtaining an alternative supplier for India under the special circumstances surrounding Tarapur not be a precedent for moving away from the provisions of the NNPA in the future.

Because of the importance of this issue, I commend the entire article to my colleagues.

The article follows:

[From the Washington Post, Aug. 1, 1982]

IS THE TARAPUR AGREEMENT ANY GOOD? THE MAN WHO LED THE SENATE FIGHT TO WITHHOLD NUCLEAR FUEL FROM INDIA ASSESSES THE NEW AGREEMENT

(By JOHN H. GLENN)

There is no more important challenge in the world today then achieving the twin goals of reducing existing nuclear weapons stockpiles while simultaneously preventing the spread of nuclear weapons capability to ever more nations around the world.

I was the principal author, along with Sen. Charles Percy, of the Nuclear Nonproliferation Act of 1978—a law that for the first time required all nations receiving nuclear exports from the United States to adopt "full-scope" safeguards—that is, to agree to place all their nuclear facilities under international inspection. Passage of the NNPA was inspired in part by India's use of American "heavy water" to produce the plutonium that was used in what India described as a "peaceful" nuclear explosion in 1974. Peaceful or not, the detonation violated American understandings about the legal uses to which our nuclear exports could be put.

As a result of India's refusal to adopt full-scope safeguards (indeed, most of its program is currently unsafeguarded), the NNPA requires the Nuclear Regulatory Commission to prohibit the licensing of nuclear exports to that country. President Carter overruled the NRC in connection with two fuel shipments for the Tarapur reactors in 1980. Although I led a Senate floor fight to overturn the president's decision, the fuel shipments were approved by a vote of 48–46.

The floor fight was conducted against a background that included Indian threats to remove International Atomic Energy Agency safeguards from previous American fuel shipments, as well as threats to reprocess the fuel to extract plutonium—despite the fact that American consent was legally required.

In seeking to build a more constructive relationship with India, the Reagan administration has now reportedly worked out an arrangement whereby we will not object to the French supplying fuel for the Tarapur reactors. In return, India will agree not to carry out the threat to remove safeguards in Tarapur.

On the question of reprocessing, however, Prime Minister Indira Gandhi has told The Post that, in her view, India does not require U.S. consent to reprocess any spent fuel at Tarapur. Thus, a possible major point of contention between the U.S. and India regarding Tarapur remains. In addition, our broader objectives of gaining Indian acceptance of full-scope safeguards—and the even more fundamental goal of obtaining assurances against additional Indian nuclear tests—will not be realized under this agreement. While we may have achieved a gain in U.S.-Indian relations, we must await further developments to see if it is also a gain for nuclear nonproliferation.

In any case, it is extremely important that our cooperation in obtaining an alternative supplier for India under the special circumstances surrounding Tarapur not be considered a precedent for moving us away from the provisions of the NNPA in the future.

In particular, there must be no retreat from the principle of not supplying nuclear materials—fuel, technology and equipment—to those countries refusing to accept full-scope safeguards. That principle could be strengthened in the present context if the Franco-Indian agreement regarding Tarapur fuel included an understanding that supplies would cease in the event of a nuclear detonation by the Indians, and that full-scope safeguards would be required for nuclear exports to plants other than Tarapur.

Significantly, American insistence on full-scope safeguards has not resulted in a breach of safeguards on fuel previously shipped to India—as so direly predicted by the proponents of the 1980 Tarapur sale. That should prove to the Reagan administration that steadfastness of purpose on nuclear nonproliferation is the sine qua non of successful policy.

Over the past 18 months, such determination has been noticeably absent in our dealings with other countries that have rejected full-scope safeguards. We looked the other way in South Africa, for example, while American nuclear brokers arranged shipments of non-U.S. nuclear fuel. We allowed Brazil to purchase foreign nuclear fuel without imposing the penalties of our agreement. We allowed a computer to be shipped to Argentina for use in a heavy-water plant.

We are also sending $3.2 billion in military and economic assistance to Pakistan without requiring cessation of nuclear weapons development. Finally, the administration's recent relaxation of our policy on reprocessing and the use of plutonium sends a similarly unfortunate signal to the rest of the world.

Building effective, long-term nonproliferation arrangements ultimately requires the cooperation of all nations, particularly nuclear suppliers. India and other countries have argued that no one—especially a nation already possessing nuclear arms—can interfere with their right to pursue advanced nuclear technology, and, of course, they are technically correct. A "right"? Yes. Common sense? No.

While we try to get control of existing nuclear weapons stockpiles, it's just common sense that we do everything within our power to prevent the additional spread of nuclear weaponry. That is to the world's ultimate benefit, including India.

At issue, however, is not a vacuous philosophical debate over the right to develop destructive force. Rather, the point is that promoting world peace and reducing the threat of annihilation will not be served by wrapping even more fingers around the nuclear trigger.

India is already highly respected among Third World nations; I hope it will use that leadership role by helping to halt the global spread of nuclear weapons. I welcome the improvement in relations between our countries. I hope we can also look forward to the day when India, Pakistan and other nations join the 114 non-weapons states that have signed the Nuclear Nonproliferation Treaty. That one act would do more than anything else to build a true, worldwide nonproliferation ethic—one that our country, India and, indeed, all mankind share a common interest in maintaining.

(The writer, a Democratic senator from Ohio, is a member of the Foreign Relations Committee.)●

SOVIET NAVY

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. EDWARDS of Oklahoma. Mr. Speaker, I would like to bring to the attention of my colleagues an article by Joseph M. A. H. Luns, Secretary General of NATO, on the "Political-Military Implications of Soviet Naval Expansion."

Dr. Luns' remarks confirm many of the dangers mentioned in my own article, "Soviet Expansion and Control of the Sea-Lanes," which appeared in the September 1980, issue of the United States Naval Institute's Proceedings.

I urge my colleagues to closely examine the Soviet naval threat because of its growing impact on our national security. Dr. Luns' article provides valuable insight into the nature and extent of this problem.

The article follows:

POLITICAL-MILITARY IMPLICATIONS OF SOVIET NAVAL EXPANSION

(By Joseph M. A. H. Luns)

It seems to me particularly important to draw the attention of public opinion in the countries of the Alliance to the political-military implications of Soviet naval expansion. Perhaps the fact that I served in the Royal Netherlands Navy has made me very aware of this problem for a long time now. I think it is important to stress that the vital interests of countries of the Alliance are indissolubly linked to their maritime interests. In times of peace, their economics depend on commerce carried out on every sea, and in times of crisis their collective security depends significantly on the security of the sea lanes, both for supplies of oil and raw materials and for the dispatch of aid and reinforcements from the United States and Canada to the other members of the Alliance.

From time to time, the news puts starkly before us certain activities of the Soviet fleet. The sinister adventure of the Whiskey class Soviet submarine, run aground close to the Swedish base of Karlskrona from 27 October to 6 November, was a flagrant example of the violation of territorial waters of a neutral country and this vessel's nuclear armament reduced to the level of propaganda Soviet proposals for a Nordic nuclear weapons free zone. The manoeuvers carried out by Moscow in the Baltic from 4 to 12 September 1981 were striking for two reasons. Militarily, they demonstrated the ability of the Soviet Union to gather in a single location considerable naval and amphibious forces from their four fleets. Politically, such manifestations of power show what threat they can create to the independence of other countries, particularly when the Polish people are engaged in a peaceful struggle for their liberties.

These remarkable events, to which public opinion does not often react very quickly, prompts some general questions. Why has the Soviet Union invested so massively in its naval forces, and in a manner out of all proportion to its national security needs? Why are there such expenditures for offensive purposes at a time when the Soviet economy seems incapable of meeting even the basic needs of its citizens? And what is the motivation which causes the leaders of the Kremlin to deploy in every ocean, ships of the Soviet fleet and to look for naval facilities all over the Third World?

INCREASE IN POWER AND MISSIONS OF THE SOVIET FLEET

The steady increase of Soviet naval power which has been going on for the last twenty years under the direction of Admiral Gorshkov, Naval Chief of Staff since 1956, has been remarkable and has brought considerable change in the make up and tasks of the Soviet navy. Its traditional task was to protect the maritime approaches to the U.S.S.R. and to provide close support for ground forces. Now it has three new missions: to contribute to potential world-wide offensive and defensive strategies; to conduct naval operations in every ocean; and to support Soviet policy and promote Soviet interests world-wide. Even though still limited, the Soviet navy as now constituted, provides the U.S.S.R. with incomparable opportunities for action and influence, particularly in the Third World, and its power has implications for the security of vital Western sea lines of communication.

SMALLER VESSELS AND AMPHIBIOUS FORCES

The Soviet navy's traditional mission, namely protection of maritime approaches, is the responsibiltiy of a relatively large number (almost half the fleet) of high-speed small and medium-sized vessels suitable for coastal navigation in the practically enclosed waters of the Baltic Sea, the Black Sea, the Caspian Sea and the Sea of Japan. In the Baltic and Black seas, Soviet naval superiority poses a threat to other countries (both NATO allies and neutral). Major emphasis has been placed on development of amphibious forces, particularly hydrofoils and hovercraft, to a scale unmatched in western navies. These latter vessels are designed to support ground forces and amphibious operations in theatres of operations close to the Soviet Union. This permanent Soviet naval presence in the seas adjacent to the Soviet mainland (to which must be added the Eastern Mediterranean), as well as Moscow's attempts to obtain recognition of these seas as "closed" or "neutral", provides evidence of the importance which Moscow attaches to these areas.

NUCLEAR SUBMARINES

The Soviet Union has made a substantial effort to build up its strategic submarine fleet. The latter currently accounts for about 38 percent of launchers, 20 percent of warheads and 15 percent of the Soviet strategic nuclear forces' delivery capacity. While surface craft are now to be found world-wide, strategic missile launching submarines have a different strategy. Their deployment was originally close to the North American continent for reasons of missile range, but as the ranges increase, the submarines are more and more being deployed close to the Soviet mainland thus permitting more covert and secure operations. The Soviet Union has launched the first *Typhoon*-class ballistic missile submarine which, with a displacement of about 25,000 tons, is by far the largest in the world.

The Soviet capacity to conduct naval operations world-wide is related to the overall build-up of its fleet: surface vessels, attack and missile launching submarines, naval air force, mine warfare, landing vessels and supply ships.

CRUISERS AND DESTROYERS

The latest developments in the Soviet surface fleet point, in fact, to an acceleration of the build-up of the means to play just such a global role. In the case of the surface vessels, two *Kiev*-class (40,000 tons) heavy aircraft carrying guided missile cruisers were commissioned in the second half of the 1970s (a third should be operational by now) and 16 new missile-launching cruisers have been brought into service over the past decade, including the 25,000 ton nuclear-powered *"Keirov"* in 1980. Antisubmarine warfare capability has also been considerably enhanced with the launching, during the same period, of 67 frigates including 28 in the 3,600 ton *Krivak* class. Heavily-armed new surface vessels include the *"Sovremenny"*, a 7,600 ton destroyer. In addition, a number of guided-missile destroyers, belonging to the new 8,500 ton *Udaloy* class, and fitted with antisubmarine weapons, are under construction along with a 12,500 ton missile-launching cruiser, being built in the Black Sea.

By and large, Soviet naval architects seem to attach importance first to their ships' weapons systems, then to propulsion and electronics, with crew accommodation coming last. This produces a vessel which is superior to Western equivalents in terms of fire power and speed but with a smaller range. An important factor in the new classes of ships which are under construction is

that the Soviets are building them significantly larger than previously. Larger size means increased fuel and stores capacity as well as a greater weapons spectrum and more space for sophisticated electronic installations, thus providing improved endurance for power projection operations at a greater distances from the Soviet Union and enabling the new ships to conduct large scale naval operations.

ATTACK AND MISSILE-LAUNCHING SUBMARINES

Over the past decade, 87 nuclear-powered attack and missile-launching submarines have been added to the Soviet fleet. An equivalent number of older diesel-powered submarines have been placed in reserve while 14 new ones were added. This has effectively modernized the submarine fleet and enhanced its capacity. The modernization programme includes the current construction of Alfa-class nuclear-powered attack submarines with light titanium alloy hulls which should lead the field in terms of speed and diving depth. It also includes the construction of Oscar class submarines fitted with 24 cruise missiles which can be fired over a range of 250 miles from a submerged position.

NAVAL AIR FORCES

Efforts have also been made to provide the navy with a long-range air-strike capability of its own by assigning supersonic, missile-carrying Backfire bombers to the Soviet Naval Aviation. Introducing the 40,000 ton *Kiev* class ships capable of carrying anti-submarine warfare helicopters and vertical short take-off and landing planes shows clearly that a defensive naval strategy has given way to an offensive one.

TROOP CARRIERS, SUPPLY SHIPS AND MINE-LAYERS

Up until now, the Soviet navy has lacked the means to intervene in distant theatres of operation. The situation is changing. A greater amphibious capability has been developed. Eighteen large troop carriers have been commissioned including the Ivan Rogov, a second version of which is expected. These craft can accommodate a marine infantry battalion, with its landing equipment and a tank company (500 men and 16 tanks). In addition, the introduction of commercial roll on/roll off vessels, which were nonexistent before 1970, means that armoured units can be dispatched rapidly to landing zones. The Soviets, however, still lack an organic fixed-wing air support capability for amphibious operations.

Whereas the Soviet fleet had practically no supply ships in 1970, it can now call on a whole fleet of this kind of vessel of which the 40,000 ton *Berezina* is the latest type. These supply ships not only enhance the performance of the Soviet war fleet in terms of speed and operational range, but also help to remedy the lack of facilities or naval bases close to a potential zone of operation.

Finally, the Soviets possess significant mine laying capabilities, including the capacity to use seemingly innocuous vessels such as fishing and merchant ships, to perform this role.

SUPPORT OF SOVIET POLICY AND PROMOTION OF SOVIET WORLDWIDE INTERESTS

For political and military purposes, the Soviet Union has pursued an intensive search for bases and naval facilities in warmer and open seas. The Soviet Union is trying, through extensive military assistance programs and by making contractural arrangements with countries in the Third World, to compensate for the disadvantages of her geostrategic situation. The Soviet aim is to overcome its specific shortages of naval air forces and logistics infrastructure by coming to arrangements under which strategically well-placed countries grant far-reaching contractural suppport facilities and rights of use to Soviet air and naval forces in return for political and military support. The Soviet Union is concentrating these efforts in strategic areas along the most important sea routes. Another major consequence of this policy has been its contribution to the emergence and growth of Soviet influence in Third World countries.

Clearly, the Kremlin has decided to use its navy in peace-time as a leading instrument in support of Soviet foreign policy goals. Four recent examples can be given of the Soviet use of their naval forces for political purposes: Angola in 1975, Vietnam in 1979, the Lebanon missle crisis in May 1981 and Soviet-Syrian naval maneuvers in July 1981.

ANGOLA

The Soviets have maintained a West African naval presence since 1968. In 1975 they decided to increase that presence by adding a cruiser and two destroyers. Subsequently, Soviet warships operating from the Guinean port of Conakry provided security cover for Soviet arms deliveries to Angola, and conducted patrols off the Angolan coast which assisted MPLA operations ashore. Press reports in February, 1976, for example, stated that Soviet warships were providing naval fire support for those operations. During this time, about 15,000 Cubans were deployed to Africa and added another dimension to the problem.

In addition to the above ship movements, the Soviets deployed TU-95 Bear naval reconnaissance aircraft to Guinea in order to improve their surveillance capabilities. The lack of an offsetting Western naval presence and the apparent heavy Soviet involvement both in providing aid (about $200 million) and transportation for Cuban troops to Angola, result in a self-confident Soviet demonstration of naval power used not only to show the flag but also to influence directly events on land. The Soviet Navy has maintained a naval presence off Angola ever since, although of a lower level.

VIETNAM

The Chinese attempt in 1979 to administer a lesson to the Vietnamese gave the Soviets another excellent opportunity to increase their influence and to demonstrate their willingness to use their naval forces to send political signals. The initial Soviet response, as had been the case in other crises, involved the air and sea lift of supplies from their extensive stocks. The Soviet Pacific fleet was deployed in Vietnamese waters and ordered to provide a presence in Vietnamese ports as a deterrent to attacks on these ports by the Chinese who would be wary of hitting Soviet ships and thus possibly widening the conflict. The Soviets also cruised in the South China Sea to show their support for the Vietnamese. This response clearly differed from other Soviet action: it indicated that the Soviets were willing to use their forces to provide support to fellow socialist states, in a conflict with China, even at the risk of becoming actively involved, themselves, in the conflict.

LEBANON MISSILE CRISIS

Consistent with this political role, which the Kremlin has assigned to its navy these past 10 years, have been the Soviet responses to the continuing crisis in the Middle East. Keenly interested in events surrounding the deployment in mid 1981 of Syrian SAM's to Lebanon, the Soviets were determined to demonstrate their support for Syria without overly encouraging her. As the situation deteriorated and after the United States had already increased its presence in the Eastern Mediterranean, a Soviet naval task group led by a helicopter carrying aviation ship cruised for 2 days in May 1981 off the Syrian coast before returning to its usual anchorage. This movement and the attendant publicity allowed the Soviets to send to the other Arab states, Israel, and the Western nations a clear signal of support for Syria.

SOVIET-SYRIAN NAVAL MANEUVERS

The next Soviet move in the Middle East came after the June 1981 Israeli raid on the Iraqi nuclear facility. The Soviets conducted a series of naval exercises including an amphibious landing on the coast of Syria. The exercises may have been under consideration for some time, but Moscow was now able to give them a political importance much greater than would have originally been expected. The exercise was preceded and followed by visits of Soviet warships to Syrian ports. In addition, these naval activities may have helped the Soviets get the Libyans to agree to a Soviet port visit also as a sign of political support. The arrival in Tripoli of two Soviet frigates in July 1981 was the first Soviet naval visit to Libya since 1970.

The U.S.S.R.-Syria exercises which were carried out from 5-10 July 1981 represent a significant evolution in the conduct of Soviet naval diplomacy since the Middle East War of 1973. The attendant augmentation of the Mediterranean Squadron brought the number of Soviet amphibious ships in the Mediterranean to their largest number in nearly a decade. The landing was of short duration and indicates that this final phase of the amphibious exercise was designed to fulfill a political rather than a tactical training purpose. Although Soviet naval infantry had been ashore in the region previously, this recent landing represents the first use of Soviet naval infantry in a power projection role in the Middle East.

CONCLUSIONS

The Soviets are increasingly using their navy for political ends. They seem willing to use naval power when they believe it can be effectively employed to a real advantage and not just as a reaction to events. The use of naval forces frequently results in greater penetration of a target state and an increased Soviet presence after a crisis. The presence of rival equivalent naval forces, or lack of them, has a direct bearing on the degree of self-confidence with which the Soviets engage their own forces.

The Soviet maritime buildup has not been restricted to its navy. It has been extended to cover all activities which could contribute to its emergence as a sea power of the first order: merchant fleet, fishing fleet, oceanographic research, naval shipyards and so on. Furthermore, the transport capabilities and scientific or commercial activities of the civilian fleet have been closely tied in with those of the navy proper, thereby providing the latter with significant additional support in the form of supply, transport and intelligence gathering.

Soviet naval forces have a greater capability than before to operate further away from home ports in the case of limited conflicts. Its mission has broadened from protection of the Soviet maritime approaches to the quest for a presence, and eventual

domination, world-wide. This effort reflects a determination to sweep away any geopolitical advantages which the West might still hold by tradition and as a result of its global political and economic interests. The Soviet naval expansion has important political consequences. First is the determination of Soviet leaders that their naval forces should, at least, match those of any other power or combination of power. And the second is that these forces will continue to receive priority attention inasmuch as they are one of the principal tools supporting Soviet foreign policy objectives in the Third World. This manifests in terms of sea power the determination of the Soviet Union to exert, in every aspect of the global balance, and both in times of peace and war, an influence out of all proportion to what might legitimately be required to protect basic Soviet security interests.

I would like to note in conclusion that I do not underestimate the constraints which geography places on the Soviet navy, nor the weaknesses and gaps inherent in its very rapid expansion. It is, however, most likely that these difficulties will be gradually reduced over time.

The Soviet naval build-up makes it necessary for NATO to take positive measures to preserve a balance of maritime forces and to guarantee the continued security of our vital sea lines of communication and our ability to dispatch aid and reinforcements to Europe. Although the navies of the Alliance have still some superiority in numbers of major combatants, the margin is becoming too small. Moreover, it is a matter of concern that this margin might dangerously be further reduced in the years ahead. Western public opinion should be made aware of the risk involved in this situation and of the political-military steps through which the Soviet Union has emerged as a naval superpower. Let us remember the advice given in the last century by Admiral Alfred Thayer Mahan about "The influence of sea power upon history." In naval affairs more than any other, he remarked "good foresight is necessary to be militarily prepared for any eventuality." The maintenance of our security and our freedom requires us now to start to take the measures needed to respond with determination to the challenge which the Soviet Union is posing at sea.●

SEVENTH ANNIVERSARY OF HELSINKI ACCORDS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1982

● Mr. FASCELL. Mr. Speaker, yesterday marked the seventh anniversary of an historic event in East-West relations—the signing of the Final Act of the Conference on Security and Cooperation in Europe (CSCE). On August 1, 1975, in Helsinki, Finland, the heads of state of the United States, Canada, the Soviet Union, and 32 European countries—in what was the largest gathering of world leaders since the Congress of Vienna in 1815—committed their governments to improved state-to-state relations.

The 40,000-word Helsinki Final Act contains specific provisions for the attainment of this improvement in nearly every aspect of East-West relations: military security; economic and industrial cooperation; and scientific, cultural, and educational exchange. Significantly, the 35 signatories to the Final Act recognized the importance of human rights in their relations. The Helsinki accord carved out a legitimate place on the East-West diplomatic agenda for subjects of a humanitarian nature such as religious liberty, family reunification, the uninterrupted dissemination of information, and political activism. For the first time, it was recognized that the way in which a government treats its own citizens can affect that government's relationship with other nations.

Unfortunately, Mr. Speaker, as Chairman of the U.S. Commission on Security and Cooperation in Europe, I know the bright promise of Helsinki has not yet been realized. While we in the West had every reason to anticipate a gradual liberalization in the regimes of Eastern Europe and the Soviet Union, the reverse has occurred. Repression of all forms of dissent—religious, political, social, and cultural—has intensified. In the Soviet Union, 50 of the 76 members of the Helsinki Monitoring Groups—those courageous men and women who set out to promote their Government's observance with the Helsinki agreement—are imprisoned or in remote Siberian exile. The Nobel Peace Prize laureate, Dr. Andrei Sakharov, remains isolated in the closed city of Gorky where Soviet authoirities banished him in January 1980. Jewish emigration from the U.S.S.R. has reached its lowest level ever and the desperation of families forcibly divided by an inhumane Soviet policy is best exemplified by the rash of hunger strikes recently underway in that country.

A telling indication of Soviet infidelity to its Helsinki commitments is the fact that while the Soviet delegation at the CSCE followup meeting in Madrid was professing its government's adherence to the human rights provisions of the Final Act, from November 1980 to March 1982, at least 248 human rights activists were arrested, the vast majority for attempting to exercise religious rights. Since then, at least another 76 activists have been imprisoned in that country.

Unfortunately, some of the Warsaw Pact nations have sought to emulate Soviet human rights abuses. In Czechoslovakia, for instance, seven signers of Charter '77, the human rights manifesto, have been awaiting trial for well over a year. And in Poland—where for a brief few months of the Solidarity period, it appeared that the Helsinki pledge to "promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms" was actually being observed—martial law, with its attendant repression, remains in force.

Despite these dismal records, Mr. Speaker, the Helsinki Final Act has provided the people of Eastern Europe with a beacon of hope for a more humane life and the governments of Western Europe with a vehicle for promoting the realization of those aspirations. The Madrid meeting has been an important forum for the West to point out the Soviets flagrant violations of the Final Act. It also offers an opportunity to truly enhance European cooperation and security. Yet, the outcome of the Madrid meeting depends on Soviet willingness to adhere, at last, to the standards adopted in the Final Act. Without Eastern observance of the existing provisions, the adoption of new measures at Madrid would prove meaningless.

Mr. Speaker, in commemoration of the anniversary of the Final Act, let us reaffirm our Government's dedication to the principles embodied in that document and our determination to work toward their full implementation in all 35 signatory nations.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, August 3, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 4

9:00 a.m.

Energy and Natural Resources

Business meeting, to resume markup of S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be

in the national interest, and other pending calendar business.
3110 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider proposed legislation to assist the thrift industry by providing net worth assistance to savings institutions and additional flexibility to their Federal regulatory agencies.
5302 Dirksen Building

Budget
To continue hearings on the administration's midyear economic review.
6202 Dirksen Building

*Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Superfund).
4200 Dirksen Building

10:00 a.m.
Appropriations
Business meeting, to mark up the substance of H.R. 6863, appropriating supplemental funds for fiscal year ending September 30, 1982 for the Federal Government.
1114 Dirksen Building

Foreign Relations
Western Hemisphere Affairs Subcommittee
To hold hearings on proposed land reform in El Salvador.
4221 Dirksen Building

Judiciary
To resume hearings on S. 818, S. 1558, S. 1106, S. 2658, S. 2669, S. 2672, S. 2678, and S. 2745, bills limiting the insanity defense, establishing a Federal criminal verdict of "not guilty only by reason of insanity," and establishing procedures for dealing with defendants obtaining such a verdict.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 1405, proposed Carl Albert Congressional Research and Studies Center Endowment Act.
4232 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 894, exempting rural electric cooperatives and rural telephone cooperatives from payment of rental fees for rights-of-way granted to them with respect to public lands and lands within the national forest system, and H.R. 861, designating additional national scenic and historic trails.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on the implementation of the Toxic Substances Control Act by the Environmental Protection Agency.
4200 Dirksen Building

Foreign Relations
Western Hemisphere Affairs Subcommittee
To continue hearings on proposed land reform in El Salvador.
4221 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

3:00 p.m.
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

AUGUST 5

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Ronald B. Frankum, of California, to be an Associate Director of the Office of Science and Technology Policy.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to continue consideration of proposed legislation to assist the thrift industry by providing net worth assistance to savings institutions and additional flexibility to their Federal regulatory agencies.
5302 Dirksen Building

Finance
To hold oversight hearings to examine the social security disability insurance program.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume consideration of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Foreign Relations
Western Hemisphere Affairs Subcommittee
To continue hearings on proposed land reform in El Salvador.
4221 Dirksen Building

Judiciary
To resume hearings on S. 1215, establishing that exclusive territorial agreements between wholesale distributors and brewers, importers, trademark owners, or trademark licensees of malt beverages shall be deemed lawful under the Federal antitrust laws so long as the malt beverages covered by such agreements are in competition with other such products within a defined geographic area.
2228 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the effects of alcohol and drugs on individuals while driving.
4232 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings on the nomination of Everett Alvarez, Jr., of Maryland, to be Deputy Administrator of Veterans' Affairs.
412 Russell Building

1:30 p.m.
Foreign Relations
Western Hemisphere Affairs Subcommittee
To continue hearings on proposed land reform in El Salvador.
4221 Dirksen Building

AUGUST 6

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Joint Economic
To hold hearings on the employment/unemployment situation for July.
2128 Rayburn Building

10:00 a.m.
Foreign Relations
African Affairs Subcommittee
To hold hearings on proposed food production in Africa.
4221 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on the constitutional and strategic implications of Senate Joint Resolution 212, calling on the United States to seek deep reductions in strategic offensive arms in the proposed START talks (pending on Senate Calendar).
2228 Dirksen Building

AUGUST 10

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on the proposed extension to July 3, 1983, of the President's authority to waive the application of the freedom of emigration provision of the Trade Act of 1974 (Public Law 93-618).
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume consideration of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

11:00 a.m.
Foreign Relations
Business meeting, to consider the Convention for Conservation of Salmon in the North Atlantic (Treaty Doc. 97-25), International Conventional on Tonnage Measurement of Ships (Ex. N, 92d Cong., 2d sess.), Constitution of the United Nations Industrial Development Organization (Treaty Doc. 97-19), H.R. 6409, providing for U.S. participation in the 1984 Louisiana World Exposition to be held in New Orleans, and S. 1482, revising certain provisions regulating Federal involvement in international expositions to implement the procedure for determining whether Federal participation in an international exposition should include construction of a Federal pavilion and whether such pavilion should be permanent or temporary.
4221 Dirksen Building

2:00 p.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on highway revenue and cost allocation issues.
4200 Dirksen Building

AUGUST 11

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Office of Technology Assessment
The Board, to meet on pending business items.
EF-100, Capitol

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 2634, providing for integration of handicapped persons employed in work activity centers and sheltered workshops.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to continue consideration of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

AUGUST 12

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Finance
To hold hearings on the nominations of Mary Ann Cohen, of California, Lapsey W. Hamblem, Jr., of Virginia, and James H. Stamper, of Missouri, each to be a judge of the U.S. Tax Court.
2221 Dirksen Building

Judiciary
Regulatory Reform Subcommittee
To hold joint hearings with the Committee on Small Business' Subcommittee on Government Regulation and Paperwork on the implementation of the Regulatory Flexibility Act (Public Law 96-354), and S. 2170, requiring a Federal agency to prepare a regulatory flexibility analysis whenever the agency publishes a general notice of proposed rulemaking or a final rule.
2228 Dirksen Building

Small Business
Government Regulation and Paperwork Subcommittee
To hold joint hearings with the Committee on the Judiciary's Subcommittee on Regulatory Reform on the implementation of the Regulatory Flexibility Act (Public Law 96-354), and S. 2170, requiring a Federal agency to prepare a regulatory flexibility analysis whenever the agency publishes a general notice of proposed rulemaking or a final rule.
2228 Dirksen Building

Veterans' Affairs
Business meeting, to mark up S. 2378, proposed veterans' disability compensation and survivors' benefits amendments, and proposed legislation clarifying certain United States Code provisions relating to veterans' employment programs.
412 Russell Building

AUGUST 13

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

AUGUST 17

10:00 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
3110 Dirksen Building

AUGUST 18

9:30 a.m.
Labor and Human Resources
To resume consideration of proposed legislation establishing a program to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice.
4232 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 2617, abolishing mandatory retirement and other forms of age discrimination in employment.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To resume hearings on highway revenue and cost allocation issues.
4200 Dirksen Building

Judiciary
To resume hearings on Senate Joint Resolution 199, proposing a constitutional amendment providing for voluntary prayer in public schools and certain institutions.
2228 Dirksen Building

Select on Intelligence
Closed briefing on intelligence matters.
224 Russell Building

AUGUST 19

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110. Dirksen Building

AUGUST 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

SEPTEMBER 14

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Federal Mine Safety and Health Act of 1977.
4232 Dirksen Building

SEPTEMBER 16

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

SEPTEMBER 17

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

SEPTEMBER 21

10:30 a.m.
Veterans' Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

AUGUST 3

10:00 a.m.
Environment and Public Works
Business meeting, to resume consideration of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

2:00 p.m.
Appropriations
Defense Subcommittee
Business meeting, to mark up proposed legislation appropriating supplemental funds for fiscal year ending September 30, 1982, for the defense establishment.
Room S-126, Capitol

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1652, restoring certain lands in Arizona to the Colorado River Indian Reservation to be held in trust by the United States; S. 2418, permitting the Twenty-nine Palms Band of Luisena Mission Indians to lease certain trust lands for 99 years; S. 1799 and H.R. 4364, bills providing for the transfer of certain land in Pima County, Ariz., to the Pascua Yaqui Indian Tribe; and the substance of H.R. 5916, providing for certain Federal lands to be held in trust for the Ramah Band of the Navajo Indian Tribe.
6226 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, August 3, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, that as we deal with the decisions of life we will do so aware of Your abiding spirit. Grant to all those with great responsibility the strength to do justice and act with compassion. Be with those who labor in this place and give them the wisdom and goodness to endeavor to know the truth and pursue it, to strive in righteousness, to seek peace, and to uphold the dignity of people everywhere. With praise to You for Your mighty acts of love, we offer this our prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. FIELDS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FIELDS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 333, nays 25, answered "present" 2, not voting 74, as follows:

[Roll No. 233]

YEAS—333

Akaka	Biaggi	Carney
Albosta	Bingham	Chappell
Alexander	Bliley	Chappie
Anderson	Boggs	Cheney
Annunzio	Boland	Clausen
Anthony	Bonior	Clinger
Applegate	Bonker	Coats
Archer	Bouquard	Coelho
Ashbrook	Bowen	Coleman
Aspin	Breaux	Collins (IL)
Badham	Brinkley	Collins (TX)
Bailey (MO)	Brodhead	Conable
Bailey (PA)	Brooks	Conte
Barnard	Broomfield	Corcoran
Bedell	Brown (CA)	Courter
Beilenson	Brown (CO)	Coyne, James
Benedict	Broyhill	Coyne, William
Benjamin	Burgener	Craig
Bennett	Burton, Phillip	Crane, Daniel
Bereuter	Butler	Crane, Philip
Bethune	Carman	D'Amours
Daniel, Dan	Hughes	Pease
Daniel, R. W.	Hutto	Pepper
Dannemeyer	Hyde	Perkins
Daub	Ireland	Petri
Davis	Jeffords	Peyser
de la Garza	Jeffries	Pickle
Deckard	Jenkins	Porter
Dellums	Jones (NC)	Price
Derwinski	Jones (OK)	Quillen
Dicks	Kastenmeier	Rahall
Dingell	Kazen	Railsback
Dixon	Kemp	Rangel
Donnelly	Kennelly	Ratchford
Dorgan	Kildee	Regula
Dougherty	Kindness	Reuss
Dowdy	Kogovsek	Rhodes
Downey	Kramer	Rinaldo
Dreier	LaFalce	Ritter
Duncan	Lagomarsino	Roberts (KS)
Dunn	Lantos	Roberts (SD)
Dwyer	Latta	Robinson
Dyson	Leach	Rodino
Eckart	Leath	Roe
Edwards (CA)	Lee	Rogers
Edwards (OK)	Lehman	Rose
Emery	Lent	Rostenkowski
Erdahl	Levitas	Roukema
Erlenborn	Livingston	Rousselot
Evans (DE)	Loeffler	Roybal
Evans (GA)	Long (LA)	Rudd
Evans (IN)	Long (MD)	Russo
Fary	Lott	Sawyer
Fascell	Lowery (CA)	Scheuer
Fazio	Lujan	Schneider
Fenwick	Lundine	Schulze
Ferraro	Lungren	Schumer
Fiedler	Madigan	Seiberling
Findley	Markey	Sensenbrenner
Fish	Marlenee	Shamansky
Fithian	Marriott	Shannon
Florio	Martin (IL)	Sharp
Foglietta	Martin (NC)	Shaw
Foley	Martinez	Shelby
Ford (MI)	Matsui	Shumway
Fountain	Mattox	Shuster
Frank	Mavroules	Skeen
Frenzel	Mazzoli	Smith (AL)
Frost	McClory	Smith (IA)
Fuqua	McCollum	Smith (NE)
Garcia	McCurdy	Smith (NJ)
Gaydos	McDade	Smith (OR)
Gibbons	McDonald	Smith (PA)
Gilman	McEwen	Snowe
Gingrich	McGrath	Snyder
Glickman	McHugh	Solarz
Gonzalez	Mica	Solomon
Gore	Michel	Spence
Gradison	Mikulski	St Germain
Gramm	Miller (CA)	Stanton
Green	Mineta	Stark
Gregg	Minish	Staton
Guarini	Mitchell (NY)	Stratton
Gunderson	Moakley	Studds
Hagedorn	Molinari	Stump
Hall, Ralph	Mollohan	Swift
Hall, Sam	Montgomery	Synar
Hamilton	Moore	Tauke
Hammerschmidt	Moorhead	Tauzin
Hance	Morrison	Taylor
Hansen (UT)	Mottl	Thomas
Hartnett	Murtha	Traxler
Hawkins	Myers	Trible
Heckler	Natcher	Udall
Hefner	Neal	Vander Jagt
Heftel	Nelligan	Vento
Hendon	Nelson	Volkmer
Hightower	Nichols	Walgren
Hiler	Nowak	Wampler
Hillis	Oakar	Waxman
Holland	Panetta	Weaver
Hollenbeck	Parris	Weber (MN)
Hopkins	Pashayan	Weber (OH)
Howard	Patman	Weiss
Hubbard	Patterson	White
Huckaby	Paul	Whitehurst
Whitley	Wolf	Wylie
Whitten	Wolpe	Yatron
Wilson	Wortley	Young (FL)
Winn	Wright	Zablocki
Wirth	Wyden	Zeferetti

NAYS—25

Atkinson	Harkin	Mitchell (MD)
Barnes	Holt	Murphy
Coughlin	Jacobs	Oberstar
Dickinson	Johnston	Roemer
Edgar	LeBoutillier	Sabo
Evans (IA)	Lewis	Schroeder
Fields	Lowry (WA)	Walker
Gejdenson	Luken	
Goodling	Miller (OH)	

ANSWERED "PRESENT"—2

Dymally	Ottinger

NOT VOTING—74

Addabbo	Ertel	O'Brien
Andrews	Flippo	Obey
AuCoin	Ford (TN)	Oxley
Bafalis	Forsythe	Pritchard
Beard	Fowler	Pursell
Bevill	Gephardt	Richmond
Blanchard	Ginn	Rosenthal
Bolling	Goldwater	Roth
Boner	Gray	Santini
Brown (OH)	Grisham	Savage
Burton, John	Hall (OH)	Siljander
Byron	Hansen (ID)	Simon
Campbell	Hatcher	Skelton
Chisholm	Hertel	Stangeland
Clay	Horton	Stenholm
Conyers	Hoyer	Stokes
Crockett	Hunter	Washington
Daschle	Jones (TN)	Watkins
DeNardis	Leland	Whittaker
Derrick	Marks	Williams (MT)
Dornan	Martin (NY)	Williams (OH)
Early	McCloskey	Yates
Edwards (AL)	McKinney	Young (AK)
Emerson	Moffett	Young (MO)
English	Napier	

□ 1215

So the Journal was approved.

The result of the vote was announced as above recorded.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LASZLO REVESZ

The Clerk called the bill (H.R. 1352) for the relief of Laszlo Revesz.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

JENNIFER FERRER

The Clerk called the bill (H.R. 1830) for the relief of Jennifer Ferrer.

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the further call of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AT LEAST WE TRY

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, today's Washington Post in big headline carries the following: "Prime Lending Rate is Cut to 15 Percent, the Lowest Since November, 1980."

The story follows:

The Federal Reserve Board, architect of monetary policy, has blessed the recent decline by lowering its discount rate from 12 to 11½ percent and then last Friday to 11 percent.

After the Fed announced its discount rate cut late last Friday afternoon, interest rates tumbled sharply.

Similar stories appear in nearly all the news media reports.

Mr. Speaker, this action by Federal Reserve is welcome, for it shows that at last the Board is willing to try something—in an effort to lower interest rates.

I hope this action will have the desired result of revitalizing American business economy.

Mr. Speaker, you will recall that when Chairman Volcker of Federal Reserve kept insisting on tight money, on April 26, when no other action was being taken, I called on the General Accounting Office to "review actions of the Federal Reserve System, and the effects that monetary and fiscal policies are having on interest rates." I acted as chairman of the Committee on Appropriations.

I have had oral reports from the General Accounting Office and a written report is due by August 31.

It is hoped that business will pick up, for it is necessary for all of us that we take every step to prevent further business decline with resulting unemployment and bankruptcies.

It is to be hoped that further action along this line will be taken by the Federal Reserve, for history shows that just prior to the terrible depression of the early thirties, which took 10 years to get over, our Government insisted on tight money, and a "let private industry take care of all problems" course.

While the General Accounting Office has no control over Federal Reserve, it can focus public attention on its action or nonaction.

I look forward to the written report of its investigations.

FARMERS ARE STILL SUFFERING FROM LOW PRICES

(Mr. SMITH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Speaker, at least one time during their term of office, all Presidents visit the district I am privileged to represent; and they are always welcome. President Reagan was there yesterday. This time he did at least mention agriculture, but he did not answer the important question. Reading letters to the President may be entertaining, but the farm economy is in a crisis and needs some statements of substance.

Mr. President, the day you took office corn in Chicago was $3.60 per bushel, but it is only $2.32 now, a disastrous drop of $1.28 per bushel. What farmers want to know is, "What are you going to do to lift that price to where it was when you took office."

Mr. President, you said, "Farmers are still suffering from those low prices." The price on January 20, 1981, was high compared to the price today.

Three dollars and sixty cents in Chicago was not an inflationary price that had to be reduced. Last year, you pushed a bill through Congress lowering supports and eliminating the requirement that a set-aside include incentives. You are opposed to a long-term Soviet agreement to sell for cash, and you oppose export credits for agriculture. Mr. President, farmers are feeding 77 other people better than they are feeding their own family.

Please, Mr. President, whether you are in Iowa, Washington, or at the ranch in California, does not change the important question. What are you going to do to get the price of corn just to the level that it was the day you took office?

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may be permitted to sit during the 5-minute rule this afternoon for further markup of the nuclear waste legislation before the committee.

The SPEAKER pro tempore (Mr. SWIFT). Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object the legislation we have before us today reconciliation savings by the Post Office and Civil Service Committee (H.R. 6862) we have been told is terribly important and the gentleman wants to deny all the members of his committee the opportunity of hearing this great debate?

Mr. OTTINGER. I would advise the gentleman that the time in Congress is running out for passing nuclear waste legislation. Two other committees have already acted upon it.

If we are to get nuclear waste legislation this year, we have to proceed with dispatch. The Committee on Energy and Commerce has other urgent matters that it wishes to consider. So I have cleared this with the minority on the committee and I think it would be advisable for us to be able to proceed.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my colleague from California (Mr. MOORHEAD).

Mr. MOORHEAD. It is important that we move ahead with this legislation this afternooon and the minority on the committee desires to go ahead.

Mr. ROUSSELOT. I thank my colleague.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WAXMAN. Mr. Speaker, reserving the right to object, I seek recognition for the purpose of inquiring: What is the unanimous-consent request of the gentleman from New York?

Mr. OTTINGER. Mr. Speaker, I am asking unanimous consent that our Committee on Energy and Commerce may sit during the 5-minute rule this afternoon for further consideration of the Nuclear Waste Policy Act.

Mr. WAXMAN. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ROLLOUT OF NORTHROP F-5G TIGERSHARK

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, this morning I would like to advise my colleagues here in the House, and Americans throughout the country, of my conviction that democracies around the world are safer today as the result of an event this past Sunday in which I was pleased to participate.

At 11 a.m. on August 1, 1982, I witnessed the rollout in my district of the newest export fighter in the world. This is the Northrop F-5G Tigershark, an aircraft that has been developed by Northrop to outperform the Russian Mig-21's we now see showing up in Communist-bloc countries around the world.

It is essential for Members in the House to fully understand that the Tigershark, which was designed and built to support U.S. mutual security policy, is the only U.S. fighter aircraft which has been produced without a single dollar of Government support or investment. It is a Northrop investment in the free enterprise system; something we see too little of today in the aerospace business.

Northrop has in the past provided over 2,500 of the F-5 series aircraft to 29 of our allies, and it is my belief that we should allow these friendly countries to upgrade these earlier F-5's with the Tigershark, in order to offset the increased performance they face from the newer threat aircraft being produced by the Soviets.

I would like to thank the chairman and chief executive officer of Northrop, Mr. Tom Jones, and Northrop's shareholders for their investments, and the Northrop employees for their splendid efforts in producing the Tigershark.

In my judgment the F-5G is certain to become the export fighter of choice in the eighties and nineties.

I am most pleased and proud that this fine aircraft is being built in Hawthorne, in the 31st District of California.

LET US FURTHER EXTEND UNEMPLOYMENT BENEFITS

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I rise today on behalf of the 200,000 Americans, including approximately 8,700 Iowans, that face economic disaster because of some small provisions of last year's budget-cutting bill, which have until recently, I regret, gone unnoticed. These 200,000 Americans are unemployed and live in 13 of the 27 States that are currently receiving 13 weeks of extended unemployment benefits. However, on October 1, these unemployed Americans will be eliminated from eligibility of extended unemployment benefits because the Omnibus Reconciliation Act of 1981, made some changes in the calculations for State qualification.

My State of Iowa, along with Alabama, Arizona, California, Illinois, Kentucky, Louisiana, Nevada, North Carolina, Tennessee, Utah, the Virgin Islands, and Wisconsin all face being eliminated from extended benefits if legislation introduced today by my good friend, Congressman TAUKE, is not acted upon before September 25. I am pleased to cosponsor this legislation. I believe this legislation is a responsible approach to a serious crisis. Let us not turn our backs on these unemployed workers. These workers and their families deserve our immediate attention.

□ 1230

THE TRAGEDY IN LEBANON

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, a few days ago I stood in the well of the House and made some remarks concerning the tragedy in Lebanon. I was somewhat criticized when I went back home because my remarks were felt not to be totally even handed.

Let me say that my remarks today will probably not be considered as even handed as I intend them to be. But, let me first preface them by saying that I abhor the PLO and all it stands for, and abhor its killing of innocent Israelis.

But, the picture of a little girl in the morning paper yesterday with both arms blown off in one of these raids that took place in Beirut forces me to say once again that I think the carnage, the killing, the death, the destruction—in some cases the wanton destruction of that town and those people, including the enemy, is uncalled for, unmerciful, and I think cries to heaven for some sort of retribution.

Let me say again, you cannot kill an idea, you cannot kill a cause with bombs and napalm. And, the idea and the cause there is that people need a homeland in which they can be secure. Let us work for that end, and let us stop the killing in Lebanon.

HHS PROPOSAL TO ELIMINATE THE PUBLIC FROM RULEMAKING PROCEDURES

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the Reagan administration has taken a major step to eliminate the American people from involvement in the making of policy on the most important matters affecting their lives.

On June 22, HHS Secretary Schweiker proposed radical changes in the long-standing policy of giving notice and soliciting comments on proposed regulations. His action counters the open policies of every past administration, the Congress, and the Administrative Conference of the United States.

Under the proposal, HHS would exempt itself from any legal obligation to follow notice and comment periods for rule changes in programs such as social security, medicare, medicaid, SSI, and AFDC. Its timing is particularly disturbing; over the next few months, many far-reaching regulations will be issued by HHS as a result of the Reagan administration's success last year in shrinking health and human services programs.

We must not allow the administration to silence public opinion. The American people deserve more than a faceless bureaucracy which acts without regard for their needs and desires.

PRESIDENT MAKES SOIL EROSION PROBLEMS WORSE

(Mr. HARKIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARKIN. Mr. Speaker and Members, yesterday in Des Moines, Secretary Block, in remarks prior to the President's address, held up a couple of color photographs of very serious soil erosion, and he said that those photographs were given to him by the President during a very boring Cabinet session with a note appended. The President said, "Jack, this is terrible. We must do something about it. See me about it."

The Secretary went on to say, "You see, the President really is concerned about soil erosion and its problems facing us in this country."

What the Secretary did not tell us is what the President's response was to the serious soil erosion problem we do have in the United States. The budget for conservation programs under ASCS have been slashed from $220 million this year to $56 million next year.

Well, we all thought that when the President said he wanted to do something about soil erosion, we thought he wanted to stop it, not make it worse.

SUBSTANCE OF CONGRESSIONAL DELEGATION TO MIDDLE EAST NOT REPORTED

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, much has been written and said recently about a congressional delegation, of which I was a member, to the Middle East. Unfortunately, the substance of what we saw and did has not been reported to the American people.

However, one of the hopeful signs throughout all of this needless, senseless bloodshed, are the courageous efforts of a growing minority in Israel associated with peaceful solutions and not military ones.

Shalamit Alomi, a courageous female member of the Knesset, has 50 of her colleagues out of 120 who have signed a resolution to work for peace with the Palestinians. She should be invited to come to the United States and tell of a different branch of government in Israel which does not agree with General Sharon's policies.

I will have more to say about the substance of our trip in the future before this body and the American people.

THREATENED CUTOFF OF EXTENDED UNEMPLOYMENT BENEFITS

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, Members of the House, I take this time today to alert my colleagues to what could be a very major problem for unemployed workers all across the country. Unless Congress acts in the very near future, extended unemployment benefits in virtually all the States will be cut off. Already, a dozen States have lost their extended unemployment benefits, and most of the rest of the States that are currently on extended unemployment benefits will lose them by the 25th of September.

The problem is threefold. First, the insured unemployment rate formula, by which extended benefits are determined does not count those under extended benefits today. Second, there is a requirement that States have a 20-percent higher insured unemployment rate now than they did during any quarter in the previous 2 years. The third problem is that the IUR requirement goes up 1 percent on the 25th of September. As a result of these factors, States that have had high unemployment for an extended period of time are going to be cut off of extended benefits.

In order to solve this problem, I am introducing legislation today which I hope my colleagues will look at carefully and cosponsor. It is unlikely that this bill will get through, but it is a vehicle for alerting the Ways and Means Committee and the Finance Committee, which will be considering the extended unemployment benefits issue in the conference on the tax bill, to the problem we face.

ARE WE PROXY TERRORISTS?

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, there are terrorists among the PLO, to be sure, men who have committed dreadful deeds against humanity.

And now, just as surely, there are terrorists among the Israelis. Sunday's 14-hour bombardment of Beirut by Israel caused nine civilian casualties to every military one. Like most of the 8-week war, it was one-sided.

Yesterday's photograph of the Arab infant with both arms blown off forces these agonizing questions: Is this necessary? Is Israel run by madmen who will destroy a great city and its innocent inhabitants, young and old, in order to force out a small band of PLO regulars?

But the most agonizing question of all is what has happened to the conscience of America.

In the name of God, how can our Government conduct business as usual with Israel, keep shipping arms and supplies of almost all kinds?

Have we covered our eyes and plugged our ears so we cannot see bodies blown to bits or hear the whimper of dying women and children? Can we, like Pontius Pilate, wash our hands of all this—and turn away?

Are we like the Germans in World War II who knew of the Holocaust in their midst and could have done something to stop it but did nothing?

A holocaust now rages in Beirut, perpetrated by the Israelis. We are fully aware of it.

The guilt for these dreadful days falls heavily on Washington, not just on Tel Aviv. And as the terrorized Arabs flee for cover, bury their dead, and pray for water, food, and rescue, they will be forgiven if they mutter, "Terrorist Israel—Terrorist America."

It is not enough for our Government to send diplomats hither and yon, seeking distant new camps for the PLO regulars. After all, in this world of ridiculous pretense and imagery, we refuse even to talk to the PLO. They are terrorists, you know. And partly because of that we have almost no influence over what the PLO will do next.

But we can have a great deal to do with what Israel does next. We need not find a new home for the PLO in order to stop this bloody war. We can stop it in its tracks simply by announcing a total and immediate cutoff of all U.S. aid to Israel. Period. And this we should do. Not just for the sake of Lebanon, and the human beings that are trying to live there. And not just for the sake of Israel, although the cutoff of aid is the most helpful thing we could possibly do for Israel at this juncture.

We must cut off all aid to Israel, most of all, for the sake of America. For 8 weeks we have sat back. We have looked the other way. We have pretended we could do nothing, knowing down deep this was not the truth. And this policy of inaction has clouded the good name America. We have become proxy terrorists. For shame.

THE TRAGEDY OF THE MIDDLE EAST

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I think that all of us are sobered by what we heard this morning from our colleague from Illinois. But, we cannot let these words pass without comment. Yes, we have seen terrible photographs of children mangled and hurt, and we saw them, too, when the PLO blew up the day-care centers in Israel.

There must be some understanding of what has been going on in the Middle East. Nobody wants to see civilians hurt—nobody. In Israel itself, we know that there are those who speak as I am speaking now; but to forget what has happened, to forget those rockets, those Soviet rockets, paid for by Libya, firing into northern Israel month after month after month, is not fair. Can you not expect some action, under international law, to exercise the right to move into a country from which your own country is being bombarded?

I do not say that this is anything but a terrible time, but I do say that we must keep some principles of justice in our hearts.

DURING THE DESTRUCTION OF BEIRUT, WHERE IS THE FOREIGN AFFAIRS COMMITTEE?

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, a few minutes ago we heard our colleague from Illinois (Mr. FINDLEY) ask where the American conscience is today with respect to the killing of Lebanese civilians and the destruction of Beirut by Israeli forces. I would like to be a little bit more pointed, and ask where is the conscience of the U.S. House of Representatives, and especially the House Foreign Affairs Committee.

The Foreign Affairs Committee at times appears to give us a resolution at the drop of a hat. Where are they now, I would ask?

When will we hear from them next—when we are asked to support additional aid to Lebanon for the destruction caused by American-supplied arms for Israel?

Just last night on an evening NBC television news program we saw John Chancellor broadcasting from Beirut. He said systematic the shelling of Beirut seemed quite different when one sees it directly. Seeing it thus, he said, is seeing "the Imperial Israel."

As a long-term supporter of Israel and like many Americans, regardless of ethnic, religious, or partisan background, I am appalled by the destruction over killing of innocent civilians in Beirut. It must stop. Fear of political pressure should not deter this House from its conscientious duty to express its outrage. I hope that the Foreign Affairs Committee will soon give us some opportunity to do that in a formal fashion.

In conclusion, I call my colleagues' attention to an article by Mr. Milton Viorst in the Washington Post of August 1, 1982, which helps explain why the Israel involved in the continuing destruction of Beirut "is not the Israel it used to be." That article has been included by this Member in that section of today's CONGRESSIONAL RECORD called "Extension of Remarks."

MOTION TO CLOSE CONFERENCE COMMITTEE MEETINGS ON S. 2248, DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. PRICE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PRICE moves that, pursuant to rule XXVIII 6(a) of the House rules, the conference committee meetings between the House and the Senate on the Senate bill, S. 2248, the fiscal year 1983 Department of Defense authorization, be closed to the public at such times as classified national security information is under consideration, *Provided, however,* That any sitting Member of Congress shall have the right to attend any closed or open meeting.

The SPEAKER pro tempore. The Chair wishes to notify the Members that under the rules this vote must be taken by the yeas and nays.

The gentleman from Illinois (Mr. PRICE) is recognized for 1 hour.

Mr. PRICE. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER pro tempore. Does the gentleman wish to debate his motion?

Mr. PRICE. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The vote was taken by electronic device, and there were—yeas 372, nays 0, not voting 62, as follows:

[Roll No. 234]

YEAS—372

Akaka	Dreier	Hutto
Albosta	Duncan	Hyde
Alexander	Dunn	Ireland
Anderson	Dwyer	Jacobs
Andrews	Dymally	Jeffords
Annunzio	Dyson	Jeffries
Anthony	Early	Jenkins
Applegate	Eckart	Johnston
Archer	Edgar	Jones (NC)
Ashbrook	Edwards (CA)	Jones (OK)
Aspin	Edwards (OK)	Kastenmeier
Atkinson	Emerson	Kazen
Badham	Emery	Kennelly
Bailey (MO)	Erdahl	Kildee
Bailey (PA)	Erlenborn	Kindness
Barnard	Evans (DE)	Kogovsek
Barnes	Evans (GA)	Kramer
Bedell	Evans (IA)	LaFalce
Beilenson	Evans (IN)	Lagomarsino
Benedict	Fary	Lantos
Benjamin	Fascell	Latta
Bennett	Fazio	Leach
Bereuter	Fenwick	Leath
Bethune	Ferraro	LeBoutillier
Biaggi	Fiedler	Lee
Bingham	Fields	Lehman
Blilley	Findley	Lent
Boggs	Fish	Levitas
Boland	Fithian	Lewis
Boner	Flippo	Livingston
Bonior	Florio	Loeffler
Bonker	Foglietta	Long (LA)
Bouquard	Foley	Long (MD)
Bowen	Ford (MI)	Lott
Breaux	Forsythe	Lowery (CA)
Brinkley	Fountain	Lowry (WA)
Brodhead	Frank	Lujan
Brooks	Frenzel	Luken
Broomfield	Frost	Lundine
Brown (CA)	Fuqua	Lungren
Brown (CO)	Garcia	Madigan
Broyhill	Gaydos	Markey
Burgener	Gejdenson	Marlenee
Burton, Phillip	Gibbons	Marriott
Butler	Gilman	Martin (IL)
Carman	Gingrich	Martinez
Carney	Glickman	Matsui
Chappell	Goldwater	Mattox
Chappie	Gonzalez	Mavroules
Cheney	Goodling	Mazzoli
Clausen	Gore	McClory
Clinger	Gradison	McCloskey
Coats	Gramm	McCollum
Coelho	Gray	McCurdy
Coleman	Green	McDade
Collins (IL)	Gregg	McDonald
Collins (TX)	Grisham	McEwen
Conable	Guarini	McGrath
Conte	Gunderson	McHugh
Corcoran	Hagedorn	Mica
Coughlin	Hall, Ralph	Michel
Courter	Hall, Sam	Mikulski
Coyne, James	Hamilton	Miller (CA)
Coyne, William	Hammerschmidt	Miller (OH)
Craig	Hance	Mineta
Crane, Daniel	Hansen (UT)	Minish
Crane, Philip	Harkin	Mitchell (MD)
D'Amours	Hartnett	Mitchell (NY)
Daniel, Dan	Hawkins	Moakley
Daniel, R. W.	Heckler	Molinari
Dannemeyer	Hefner	Montgomery
Daub	Heftel	Moore
Davis	Hendon	Moorhead
de la Garza	Hightower	Morrison
Deckard	Hiler	Mottl
Dellums	Hillis	Murphy
Derwinski	Holland	Murtha
Dickinson	Hollenbeck	Myers
Dicks	Holt	Natcher
Dingell	Hopkins	Neal
Dixon	Horton	Nelligan
Donnelly	Howard	Nelson
Dorgan	Hoyer	Nichols
Dougherty	Hubbard	Nowak
Dowdy	Huckaby	Oakar
Downey	Hughes	Obey
Ottinger	Rudd	Swift
Oxley	Russo	Synar
Panetta	Sabo	Tauke
Parris	Sawyer	Tauzin
Pashayan	Scheuer	Taylor
Patman	Schneider	Thomas
Patterson	Schroeder	Traxler
Paul	Schulze	Trible
Pease	Schumer	Udall
Pepper	Seiberling	Vander Jagt
Perkins	Sensenbrenner	Vento
Petri	Shamansky	Volkmer
Peyser	Shannon	Walgren
Pickle	Sharp	Walker
Porter	Shaw	Wampler
Price	Shelby	Waxman
Quillen	Shumway	Weaver
Rahall	Shuster	Weber (MN)
Railsback	Skeen	Weber (OH)
Rangel	Smith (AL)	Weiss
Ratchford	Smith (IA)	White
Regula	Smith (NE)	Whitehurst
Reuss	Smith (NJ)	Whitley
Rhodes	Smith (OR)	Whitten
Rinaldo	Smith (PA)	Williams (MT)
Ritter	Snowe	Wilson
Roberts (KS)	Snyder	Winn
Roberts (SD)	Solarz	Wirth
Robinson	Solomon	Wolf
Rodino	Spence	Wolpe
Roe	St Germain	Wortley
Roemer	Stangeland	Wright
Rogers	Stanton	Wyden
Rose	Stark	Wylie
Rostenkowski	Staton	Yatron
Roukema	Stratton	Young (FL)
Rousselot	Studds	Zablocki
Roybal	Stump	Zeferetti

NOT VOTING—62

Addabbo	Ertel	Oberstar
AuCoin	Ford (TN)	Pritchard
Bafalis	Fowler	Pursell
Beard	Gephardt	Richmond
Bevill	Ginn	Rosenthal
Blanchard	Hall (OH)	Roth
Bolling	Hansen (ID)	Santini
Brown (OH)	Hatcher	Savage
Burton, John	Hertel	Siljander
Byron	Hunter	Simon
Campbell	Jones (TN)	Skelton
Chisholm	Kemp	Stenholm
Clay	Leland	Stokes
Conyers	Marks	Washington
Crockett	Martin (NC)	Watkins
Daschle	Martin (NY)	Whittaker
DeNardis	McKinney	Williams (OH)
Derrick	Moffett	Yates
Dornan	Mollohan	Young (AK)
Edwards (AL)	Napier	Young (MO)
English	O'Brien	

□ 1215

Mr. MITCHELL of Maryland changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the motion just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

□ 1300

RESOLUTION OF INQUIRY RELATING TO PROCUREMENT OF C-5B AIRCRAFT

Mr. WHITE. Mr. Speaker, by direction of the Committee on Armed Services, I call up House Resolution 512 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 512

Resolved, That the Secretary of Defense is directed to furnish to the House of Representatives, not later than ten days following the adoption of this resolution, full and complete information regarding the following:

(1) All records of activities by Department of Defense personnel during the period beginning on May 24, 1982, and ending on the date of the adoption of this resolution to establish a computer data base for the coordination of contacts and commitments for congressional support for procurement of the C-5B aircraft.

(2) Any data base created for the purpose described in paragraph (1).

(3) All records concerning any combined effort by Department of Defense personnel and employees of Department of Defense contractors during the period beginning on May 26, 1982, and ending on the date of the adoption of this resolution to work specific assignments and obtain member-to-member commitments in the Committee on Appropriations, the Committee on Armed Services, and among other Members in support of procurement of the C-5B aircraft.

(4) All records of discussions between Department of Defense personnel and employees of Department of Defense contractors during the period beginning on May 23, 1982, and ending on the date of the adoption of this resolution concerning efforts to obtain congressional support for procurement of the C-5B aircraft.

(5) All records of telephone conversations between the Deputy Secretary of Defense or the Deputy Assistant Secretary of the Air Force (logistics) and directors, officers, and other employees of a Department of Defense contractor during the period beginning on May 1, 1982, and ending on the date of the adoption of this resolution.

(6) All records of conversations among Department of Defense personnel during the period beginning on May 24, 1982, and ending on the date of the adoption of this resolution concerning methods for obtaining support of Department of Defense contractors and subcontractors for congressional approval of procurement of the C-5B aircraft and methods for assisting contractor and subcontractor efforts in gaining congressional approval of procurement of the C-5B aircraft.

(7) All records concerning efforts during the period beginning on May 26, 1982, and ending on the date of the adoption of this resolution by Department of Defense personnel to solicit communications from private military associations to Congress, or to individual Members or staff of Congress, in support of procurement of the C-5B aircraft.

(8) All photographs and other material prepared by Department of Defense personnel during the period beginning on June 1, 1982, and ending on the date of the adoption of this resolution to assist any Department of Defense contractor in obtaining congressional or other support for procurement of the C-5B aircraft.

(9) All records of activities by Department of Defense personnel during the period beginning on June 1, 1982, and ending on the date of the adoption of this resolution involving preparation of drafts of letters to be sent to Members of Congress by other Members of Congress in support of procurement of the C-5B aircraft.

(10) All records of activities by Department of Defense personnel during the period beginning on May 24, 1982, and ending on the date of the adoption of this resolution advising Department of Defense contractors on materials to be used in obtaining congressional support for Department of Defense airlift plans.

(11) All correspondence and other documents, and drafts of correspondence and other documents, prepared by Department of Defense personnel or by employees of Department of Defense contractors during the period beginning on May 20, 1982, and ending on the date of the adoption of this resolution for presentation to the chairman of the Committee on Armed Services, the chairman of the Committee on Appropriations, or any other Member of Congress as representing the position of the Secretary of Defense on procurement of the C-5B aircraft.

(12) All records of meetings or conversations of Department of Defense personnel during the period beginning on May 20, 1982, and ending on the date of the adoption of this resolution in which reference was made to financial contributions to Members of Congress from political action committees.

(13) All records of activities of Department of Defense personnel during the period beginning on May 20, 1982, and ending on the date of the adoption of this resolution to ensure that Department of Defense witnesses before congressional committees understand the Department of Defense position on procurement of the C-5B aircraft.

(14) All records of the Secretary of Defense, Deputy Secretary of Defense, Under Secretary of Defense for Research and Engineering, and other Department of Defense personnel since January 1, 1982, regarding the decision to request congressional approval of procurement of the C-5B aircraft.

SEC. 2. For the purposes of this resolution:

(1) The term "Department of Defense personnel" includes officers and employees of the Department of the Air Force and members of the Air Force.

(2) The term "records" includes memorandums, notes, correspondence, minutes and other records of meetings, and any written record of conversations.

Mr. WHITE (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. WHITE) is recognized for 1 hour.

Mr. WHITE. Mr. Speaker, I yield 30 minutes to the gentleman from Alabama (Mr. DICKINSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the Committee on Armed Services has reported House Resolution 512 unfavorably.

The committee concluded that the resolution is flawed in several respects. First, rather than the usual practice of the House to request such information from executive branch officials, this resolution directs the Secretary of Defense to produce information within 10 days from the date of its adoption. The implications of this mandate are substantial in that the information requested by the resolution is voluminous.

Let me give you two examples, Mr. Speaker. One paragraph—of the 14 paragraphs detailing information required—mandates that the Secretary provide all records of discussions between all Department of Defense personnel and all employees of Department of Defense contractors concerning efforts to obtain congressional support for procurement of the C-5B aircraft from May 23 of this year until the resolution would be adopted. Another paragraph requires the Secretary to produce all photographs and all other material prepared by Department of Defense personnel from June 1, 1982, to date used to assist any Department of Defense contractor in obtaining congressional or other unspecified support for procurement of the C-5B aircraft.

Mr. Speaker, there is almost no aspect of the Department of Defense program that would be unaffected by our strategic airlift capability. Our ability to meet our commitments to NATO or anywhere else in the world depend on this capability. Therefore, every element of the Department of Defense would be affected by the decision to procure the C-5B. The Army and the Marine Corps must move its personnel and equipment by air; the Navy must determine what sealift is necessary as a complement to airlift; all of the Reserve components' deployment obligations are dependent upon these same capabilities.

Mr. Speaker, there are approximately 4 million personnel in the Department of Defense. For the Secretary of Defense to fully comply with this resolution, he must determine whether there are records of discussions or other material related to the C-5B procurement in any of the many elements of the Department where these millions of personnel work. This compliance must take place within 10 days from the date of adoption of this resolution. The effect is, Mr. Speaker, that the Secretary of Defense would be placed in the untenable position of being under a mandate for which compliance would be practically impossible under the terms of this resolution. Further, there is a possibility that advocates of one side or another of issues related to this resolution might at-

tempt to make use of the likelihood that full compliance had not occurred and divert the House's attention from the substantive questions underlying this resolution.

Mr. Speaker, I do not dispute the sincerity of the sponsors of this resolution, the seriousness of the allegations underlying the resolution, or the importance of an appropriate inquiry. The chairman of the Armed Services Committee has directed the Subcommittee on Investigations, which I chair, to conduct a full and complete investigation into this entire matter which could affect the credibility of the Department of Defense's procurement processes. I have been assured by the Deputy Secretary of Defense that the Department of Defense will cooperate fully in this investigation and provide all relevant and available information the subcommittee requests concerning the procurement of the C-5B or any other major procurement program that needs to be included in this inquiry.

Mr. Speaker, the allegations underlying this resolution are indeed serious. They allege improper conduct on the part of Department of Defense officials and potential violations of criminal statutes. If such conduct has occurred, the Congress needs to know of it and I can assure the Members that the subcommittee I chair will either substantiate or disprove these allegations. However, I do not think that such an investigation should be limited to only the circumstances surrounding the current very partisan debate going on about procurement of particular strategic airlift aircraft. To dispel such allegations, it would seem appropriate to me that the subcommittee also examine other major procurement decisions; for example, the B-1 and the sale of AWACS aircraft to Saudi Arabia, to determine if improper conduct has occurred. The subcommittee can certainly commence its inquiry with relevant information related to the C-5B procurement.

In summary, Mr. Speaker, the committee's position is that this resolution in its current form is flawed and should not be adopted. However, the allegations underlying this resolution do demand a substantive and careful inquiry which the committee will conduct. For these reasons, Mr. Speaker, I urge that the House support the committee in a motion to table this resolution that I will make at an appropriate time.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Washington.

Mr. DICKS. I appreciate the gentleman yielding and also his remarks regarding the resolution of inquiry that was introduced by myself and other Members of the House of Representatives.

The major distinction I would make in this particular case, and I know there was a strong and comprehensive debate on the C-5 versus the 747, is that for the first time a description of a lobbying campaign was disclosed, not by any Members who were involved in that debate, but by the press, a 27-page document that detailed the cooperation, some would call it collusion, between the Air Force, the Department of Defense, and the contractors to sell the C-5 to Congress.

All of us are aware that these kinds of activities have occurred in the past. But I think the gentleman knows this as well as anyone, there is a statute on the books, 18 U.S.C. 1913, that says it is illegal to spend taxpayer money in furtherance of a lobbying campaign.

Yes, the Department of Defense can present evidence to committees, can respond to legitimate requests for information. But it is not supposed to be engaged in a lobbying campaign to sell defense weapons systems to the Congress.

I think the 27-page document that was the basis for the resolution of inquiry presents a prima facie case of violations of that statute.

In my veiw, as someone who has served for 5 years on the Defense Appropriations Subcommittee in the House, that the gentleman's committee has a responsibility to investigate not only this incident but all other efforts by the Department of Defense, with contractors' help, assistance and cooperation to sell weapons systems to the Congress because I think it raises a fundamental issue about the integrity of the legislative process.

I for one think that the executive agencies should present us with all the information, and make their case as strong and as vigorously as possible. But I do not think they ought to be spending taxpayers' money taking pictures, and then give them to contractors to use in their advertising campaign. I do not think that is the right thing to do.

Yet, this was called for in this 27-page document.

I do not think they should be getting on the phone and calling the Air Force associations all over the country and suggesting that they send wires and telegrams to Members of Congress. I do not think they should energize subcontractors by telling them they will be involved in the effort to sell this weapons system to Congress and at the same time telling the people on the other side that if they get involved in presenting their side of the case on the Hill there will be reprisals against them for coming to the Congress and presenting their side of the case.

I submit a recent report in the press describing such actions:

[From Defense Week, July 6, 1982]

A Firm Word From Frank Carlucci

Deputy Defense Secretary Frank Carlucci has warned several of the nation's largest defense contractors to stay out of the congressional debate over the Lockheed C-5B and Boeing 747 cargo planes. In telephone calls last month, Carlucci cautioned the chief executive officers of several giant defense contractors to stay clear of the battle that has been raging in the House. The Senate wants to buy about 50 747s to improve the Pentagon's ability to airlift troops and material to world trouble spots. Lockheed and the Pentagon are trying to convince the House to buy the wider C-5B. At least $6 billion of new business hangs in the balance. Both camps have tried to recruit other defense contractors and commercial airlines to their side.

The deputy secretary's demeanor is congenial but blunt, according to government and industry sources. Says one executive: "Carlucci simply says, 'We have a good relationship with your company, and we don't want anything to affect it.' Now that's easy to understand, isn't it."

I think the 27-page document clearly indicates a very heavy-handed approach to the legislative process and one that I think should be stopped.

The gentleman has suggested we are going to go beyond this case. I think it is overdue. I do not care what other contractors are involved in in any other weapons systems. This kind of activity should stop and I am delighted the chairman of the Armed Services Committee has directed your subcommittee to conduct a full-scale investigation because I think this has gone too far.

I just want to say one final thing. The cost of these weapons systems today, as documented in the Selected Acquisition Report, has jumped from $304 billion up to $454 billion, between September and December 1981.

We cannot afford every expensive weapons system that the Defense Department wants. We have an affordability crisis that faces this Congress.

So we have to have information from the Defense Department that we can rely on, not information that is being concocted by defense contractors, letters being written by contractors for the Secretary of Defense to sign in order to present their side of the case to the Congress.

I think it is time for us to have fundamental reform in this area.

I have great confidence in the gentleman from Texas (Mr. White) and would like to ask him a few questions.

When does the gentleman foresee having these hearings?

Mr. WHITE. I will be happy to respond to the gentleman.

I should first tell you I have already signed a letter addressed to Secretary of Defense Weinberger tracking pretty much the gentleman's resolution, asking for much of the information he has asked for. Of course, it relates also to other transactions because what we are more interested in than just a

transaction or a piece of legislation, we are interested in practices and we are also interested, of course, in taking into account other legislation that has been subsequently passed to look at these in toto and probably make our recommendations to the responsible legislative committee, the Judiciary Committee, in terms of trying to set forth some guidelines for future actions, future behavior, and future conduct on the part of those interested in the legislation.

Mr. DICKS. As I understand it, then, the resolution of inquiry that we introduced will be used as a basis for the committee's initial start into this investigation?

Mr. WHITE. Yes, I would say that in the letter I have asked the report from Secretary Weinberger by September, so we are looking forward to that.

Meanwhile, I am going to ask for special assignments from within the committee staff so that we may, in addition to the other jurisdictions and other responsibilities we have, not delay this and, of course, do this in depth and in a proper way.

□ 1315

I have also asked the chairman of the Government Operations Committee if he would have any objection to our having the advantage of a GAO investigation which he has initiated. And we will be, of course, very mindful of their findings and work with them.

Mr. DICKS. Would it be possible for the committee to have GAO testify before the committee on their findings?

Mr. WHITE. I certainly think that would be indicated; if they come up with some conclusions, we would want to have their testimony.

Mr. DICKS. I really think we have a statute that we are going to have to deal with at some point in time, because I think it is wrong to place these military leaders in a position where, because of the pressure from the White House or the pressure from the political leadership of the Pentagon, they are being told to do things that technically violates the law. I think the fundamental statute should also be reviewed by the subcommittee.

Mr. WHITE. That is exactly what I was addressing—because I think the statute itself is not very definitive.

Furthermore, there have been subsequent statutes—I mentioned one during the course of our hearings—which we have got to look at. But I think, rather than have these vague, shadowy areas of innuendos that we have presently in our statute, we need to get a very defined statute as to conduct, what the various executive agencies can do, what they cannot do, and what those who are on the outside interested in the legislation can do.

Mr. DICKS. Some call it the military-industrial complex. You can call it whatever you want. What worries me is the integrity of the legislative process, whether we can, as the House of Representatives, as the Armed Services Committee, as the Defense Appropriations Subcommittee, really believe we are getting objective, credible evidence from witnesses coming before the committee. I have witnessed what I consider some very major distortions in the evidence presented, and it seems to me that the committee has to be concerned about making sure that there is objectivity, direct, honest, and open testimony from the executive witnesses. What I worry about is, when they get into this situation where they are being directed to make sure that they win on this, that there is a tendency to say or do almost anything to carry out the objective of the lobbying campaign. I am afraid that we then do not get the kind of objective, hard information on which to base judgments. That is what I think has happened in this particular incident.

Mr. WHITE. Well, we are jurors, really, as legislators, and we have got to cut through the chaff in order to find out what is the truth. You are not going to change human nature. All we can do is to set the parameters and guidelines and hope that they are honest people and people who are objectively trying to help their country.

Mr. DICKS. We have always been able to ask these people—the witnesses from the Defense Department—to give us their personal and professional viewpoint. I am worried when I see a 27-page document that outlines the collaboration that was going on between the contractor, the Air Force leadership, and the Department of Defense people. It did not look to me that we were going to get an objective appraisal, that they had gotten together and decided what they were going to say and how they were going to handle certain inquiries that were made. And I worry about the objectiveness, because Members who are not familiar with all of this information want to be able to rely on the executive branch. When you see this kind of collaboration with contractors, one has to wonder about the objectivity.

Mr. WHITE. I think it is probably a universal practice and something that we have to go into.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I appreciate the gentleman yielding, and I thank him for his display of independence in pushing ahead for hearings.

I was listening to the colloquy between the gentleman from Washington and the gentleman from Texas, and I am wondering if you can give me somewhat specifically when you believe those hearings will be held. Will they be before we recess in October?

Mr. WHITE. I would hope, certainly. We have several matters that were pressing in this Investigations Subcommittee. In the first place, right now we are in the midst of the Defense authorization conference, which I hope will take maybe 2 weeks at the most. Meanwhile, the staff will be amassing information and pressing the Pentagon to try to develop the material that we want. In other words, we will not be marking time. We will be moving forward.

I would like to see us begin in September, because we go out the 20th of August, this is now the 3d of August, and it is going to be difficult to get a hearing started before that time. We have given the Secretary until September, and we are going to try to press to get that September 1, to get this material out.

Mr. GLICKMAN. I am willing to rely on the gentleman's good-faith efforts he has expressed here. Naturally, I would like to see hearings begun and completed before we go home in October and, given that assurance, I will not make any objection to the gentleman's request.

Mr. WHITE. We will certainly have some preliminary hearings. I think this is a matter that is going to take continual surveillance. And I do not mean just this year. I think it is going to go over the years. So I do not think you are just absolutely going to close the books this year. We are going to do our best to get plenty of chapters written.

Mr. DAN DANIEL. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Speaker, I believe the Members of this body should be satisfied with the Armed Services Committee's decision to have this matter investigated by the Investigations Subcommittee.

This subcommittee is chaired by our colleague, the distinguished gentleman from Texas, Hon. RICHARD C. WHITE. For those who do not know the gentleman, let me assure you he is a man with the patience of Job, the tenacity of a bulldog, and the thoroughness of a research scientist.

These are characteristics which will be needed in such an undertaking, for the charge of lobbying by employees of the Department of Defense in the matter of selecting a strategic airlift system is serious and complex.

My name is mentioned in the printout. The Members should know that I was not called by a representative of the Pentagon; I called them.

It should also be known that I contacted Lockheed before their representatives called me.

I have been a strong supporter of the C-5 since we commenced hearings in our Readiness Subcommittee. I have no personal interest in either plane. Neither have employees in my district. It is simply my judgment that the C-5 is the only plane in the inventory or available in the short term which will meet our airlift mobilization requirements.

This matter of lobbying deserves close examination, for the charge has been made that information has been selectively presented to the Congress, that the facts have been forced to justify the decision.

Equally serious is the admission by an opponent of the C-5, Ms. Dina Rasor, of the Project on Military Procurement, that she was provided with official documentation which seemed to her and her suppliers to undermine the Department's decision. Certainly these unnamed informants have violated the spirit of the law, by providing information which they knew would be made public, which they wanted made public, in order to frustrate the process and achieve their own ends. There is no reason to believe that these individuals did not have every opportunity to make their case and failed. That they have chosen this route tells us a great deal more about them than about the validity of their position.

Mr. DICKS. If the gentleman will yield, so that I can just respond to the gentleman from Virginia, I think the gentleman from Virginia has said it just right.

My view is that we have to clarify this area substantively so that we know what can or cannot be done. I agree with him about his assessment of the gentleman from Texas, more importantly. That is one of the reasons that we tried to cooperate with the committee.

I want to emphasize again that we did not make these charges. The charges came out of newspaper articles that were printed on the basis of a 27-page computer document that detailed the C-5B action plan. This is why this is a unique circumstance. Never before have we had a document that clearly described the inner relationships, the inner workings, the plan, that was being put forward which, on the face of it, demonstrated the working relationship of the contractor with the Secretary of Defense and the Air Force. So this is a unique circumstance and one that I think has really given us a unique opportunity to now go in and investigate.

As I said, the people who are involved on my side of this question have faith in the Armed Services Committee, have faith in the gentleman from Texas. We want to work with him. We think our resolution of inquiry is a good, solid, basic working document to start from, and I have confidence that the committee will follow this matter to its correct end.

As I said, let us let the chips fall where they may. This may involve people in my State. I do not know what the implications of it could be. But as far as I am concerned, it is such a serious matter that we ought to get it straightened out so that everybody knows under what rules we are playing so that we do not get our military leaders in a position where they compromise themselves.

Mr. WHITE. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair will advise the gentleman from Texas that he has consumed 23 minutes.

The Chair recognizes the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the action of the committee today in which we voted out the resolution of inquiry unfavorably. I think the chairman of our subcommittee has adequately explained why the committee took the action that it did, and that is simply because it was not in any practical sense workable for us or the Department of Defense or the Air Force to come up with the volumes of records that would be required under the resolution of inquiry.

As the chairman has pointed out, when the resolution asks of the Department of Defense that they produce all records of conversation among Department of Defense personnel during the period from May 24 and ending with the adoption of the resolution, that they produce all records of memorandum, everything—and we have about 4 million people in the Department of Defense—within a 10-day period, we just could not convince ourselves that this was in the realm of possibility, nor could we convince ourselves that this was something that was necessarily desirable.

This resolution of inquiry was of a rather narrow scope, dealing with one weapon system, which is the C-5 versus the 747, whether or not the 747 aircraft, manufactured by Boeing, would be procured in lieu of the C-5 aircraft, which was manufactured by Lockheed.

One of the principal proponents of the resolution, the gentleman from Washington (Mr. DICKS), has pointed out, "well, this is a different situation because in this case we have a computer printout by someone, not necessarily the Department of Defense, that is 27 pages thick, showing who is doing what and who is contacting which Member of the House."

Well, that is possibly so. I have seen the writeup in the newspaper. But I think every Member of this House can remember a number of intensive lobbying efforts, probably the most intense of which in recent history was the AWACS sale. The Jewish lobby, if you believe there is one, was very diligently at work in trying to convince people of the House that they should oppose it. The Arab lobby, if you can call it that, was working just the opposite. Members of the White House, members of the Department of Defense were buttonholing and talking to Members of Congress, trying to persuade them to support the administration. That, to me, was probably the most intensive lobbying effort that I can recall, just offhand.

I do not know this, but it seems that the gentleman from Washington was not nearly so concerned about that, if it had been 57 pages or 157 pages.

□ 1330

The problem is, Mr. Speaker, and I think all Members recognize this, that the law dealing with lobbying and the prohibition by Federal employees was an outgrowth of a law that was passed in 1919, as I recall, maybe during or after World War I, and it really has not come under adequate scrutiny and been revised adequately since.

So it sort of gets to be a question of what is lobbying—when is a person lobbying?

If I come over and sit down by you on the floor and say I am interested in a bill coming up, "I don't know if you have heard about it, but let me tell you about it," is that lobbying? Maybe so, yes. If someone who works for the Federal Government writes you and calls you and comes by and asks for an appointment because he is interested in saving his job on some particular program, is that lobbying? I think so. Is that prohibited by law? Probably.

If one of the Air Force generals, say, the general who is head of the Military Airlift Command, calls for an appointment—I do not call him, he calls me—and he comes by and says he would like to talk to me, and I am the ranking member on Research and Development, and he says, "Congressman, why are you opposed to airlift," and I say, "I am not opposed to airlift," and he says, "Let me tell you why this program is good"—is that lobbying, and is that contrary to our law? I think so—probably.

My door is open. I am glad to talk to as many people as I can. I sort of feel like there is no required invitation to anyone who is directly connected with research and development, with which my subcommittee deals. They can come in and talk to me and present their sides. I see nothing wrong with it. But I think technically it is prohibited.

So I would think that we, in the committee, have done the right thing in broadening the scope of this resolution of inquiry and that we will, in the

subcommittee, focus on what is the law and what should the law be.

Is it too narrow? Will it meet the problems that we face in today's practical workaday world? I know that the Subcommittee on Investigations will be diligent and will work as rapidly as possible and be as thorough as possible because they have a reputation for doing that.

Hopefully something good will come of this, if we clarify the law, recodify it in a way so that everybody knows just where they stand.

I remember there was a Roland short-range air defense system that the Army was going to buy and it was bought from a European source. It was competed. It was supposed to be off the shelf and not need research and development. But it kept having hundreds of millions of dollars added for R. & D.

Finally the Army decided that it was too expensive and they could not buy it.

I am told that General Haig at the time, who was CINCEUR, Commander in Chief of European Forces, head of NATO, flew over to this country and talked to Members of the Congress and talked to people in the Defense Department about restoring the Roland system into the budget because we had an agreement with our NATO allies. Was this lobbying? Boy, if there ever was lobbying, I suppose that is if it in fact happened.

I have had CETA people on a payroll for the Federal Government come up and lobby me to continue that program, and other Federal employees—postal employees. Is that lobbying, is that prohibited? I think so, under this provision cited.

So I think it is good to focus on the problem, see what can be done in a reasonable, practical way—not to isolate ourselves from sources of influence. Lobbyists perform a very vital and very necessary and very helpful function to us in the Congress. It is an adversary relationship they have with their competitors. When something is going wrong with a program they are interested in awarded to their competition, they come whistling in, and say, "They fouled up, let me tell you the truth."

You look into it and find sometimes it is so, sometimes it is not so. But there is nothing intrinsically bad with lobbying. We can make it sound bad. But there is nothing bad. It is helpful to us. It is a tool or an instrument that we use in coming to our conclusions as Members. It points up shortcomings and deficiencies which we might not otherwise know.

So I compliment the gentleman, all of the gentlemen who brought this to our attention by resolution. I think good will come of it for the Government, for the Congress, for the taxpayer. I know that any work that the Committee on Investigations does will be done in a thorough and workmanlike manner. I can assure the gentleman they will proceed with dispatch and do as good a job as possible.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

The gentleman as usual has presented a very commonsense, straightforward, candid assessment of the situation. I appreciate his assurances—as the ranking member, and a very outstanding Member of this body—about his interest and concern in seeing this situation clarified.

Again, I just would emphasize that I think sometimes these things happen, and I think this gives us an opportunity to clarify the law so that everyone knows where they stand. I think it will produce something that is positive. We have an old statute that probably is out of date, we ought to clarify it, and I hope that that is what will come from this, something constructive and positive, not something that is negative.

I appreciate the gentleman's assurances. I appreciate the fact that the committee is willing to deal with this issue in a forthright and candid way.

Mr. DICKINSON. I thank the gentleman.

Mr. WHITE. Mr. Speaker, I have no further requests for time.

MOTION OFFERED BY MR. WHITE

Mr. WHITE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITE moves to table House Resolution 512.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Texas (Mr. WHITE).

The motion to table was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, August 4, 1982.

FOREIGN TRADE ANTITRUST IMPROVEMENTS ACT OF 1982

Mr. RODINO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5235) to amend the Sherman Act, the Clayton Act, and the Federal Trade Commission Act to exclude from the application of such acts certain conduct involving exports, as amended.

The Clerk read as follows:

H.R. 5235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Foreign Trade Antitrust Improvements Act of 1982".

AMENDMENT TO SHERMAN ACT

SEC. 2. The Sherman Act (15 U.S.C. 1 et seq.) is amended by inserting after section 6 the following new section:

"SEC. 7. This Act shall not apply to conduct involving trade or commerce (other than import trade or import commerce), with foreign nations unless—

"(1) such conduct has a direct, substantial, and reasonably foreseeable effect—

"(A) on trade or commerce which is not trade or commerce with foreign nations, or on import trade or import commerce with foreign nations; or

"(B) on export trade or export commerce with foreign nations, of a person engaged in such trade or commerce in the United States; and

"(2) such effect gives rise to a claim under the provisions of this Act, other than this section.

If this Act applies to such conduct only because of the operation of paragraph (1)(B), then this Act shall apply to such conduct only for injury to export business in the United States.".

AMENDMENT TO CLAYTON ACT

SEC. 3. Section 7 of the Clayton Act (15 U.S.C. 18) is amended by adding at the end thereof the following undesignated paragraph:

"This section shall not apply to the formation or operation of any joint venture limited to commerce, other than import commerce, with foreign nations.".

AMENDMENT TO FEDERAL TRADE COMMISSION ACT

SEC. 4. Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)) is amended by adding at the end thereof the following new paragraph:

"(3) This subsection shall not apply to unfair methods of competition involving commerce with foreign nations (other than import commerce) Unless—

"(A) such methods of competition have a direct, substantial, and reasonably foreseeable effect—

"(i) on commerce which is not commerce with foreign nations, or on import commerce with foreign nations; or

"(ii) on export commerce with foreign nations, of a person engaged in such commerce in the United States; and

"(B) such effect gives rise to a claim under the provisions of this subsection, other than this paragraph.

If this subsection applies to such methods of competition only because of the operation of subparagraph (A)(ii), this subsection shall apply to such conduct only for injury to export business in the United States.".

The SPEAKER pro tempore. Is a second demanded?

Mr. McCLORY. Mr. Speaker, I demanded a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. RODINO) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very pleased that the House is considering H.R. 5235, the Foreign Trade Antitrust Improvements Act. The distinguished ranking minority member of our committee, the gentleman from Illinois (Mr. MCCLORY) joined me in introducing this legislation in March of last year.

Incidentally, I might suggest to the ranking minority member who is retiring from this Congress following the expiration of this Congress, that if he would like we can amend this bill, which has been known as the Rodino-McClory bill, so it is known as the McClory-Rodino bill. I would be very happy to do this in view of the fact that the gentleman has really devoted a great deal of attention and has made a fine contribution in assuring that this legislation would come to the floor, and receive the unanimous support of the subcommittee.

Mr. Speaker, I am very pleased that the House is considering H.R. 5235, the Foreign Trade Antitrust Improvements Act.

The distinguished ranking minority member of our committee, Mr. MCCLORY, joined me in introducing this legislation in March of last year. The bill has a simple and straightforward purpose: to clarify application of our antitrust laws to the foreign commerce of the United States. By spelling out clearly when our antitrust laws do or do not apply, we can help American exporters, particularly those small- and medium-sized firms that wish to join together to achieve efficiencies in their export efforts.

Since March of last year, this legislation has proceeded at a moderate pace through hearings and markup. The committee has considered carefully the impact of amendments to our antitrust laws. Such changes should not be undertaken lightly.

Here the change primarily codifies the existing enforcement practices of the Department of Justice and the Federal Trade Commission. The change should have no effect on the existing enforcement policies of these two agencies; but it will have a significant beneficial effect in two areas. First, we hope that the bill will help erase the perception held in many business circles that the antitrust laws hinder efficiency-enhancing joint export activity. A clear message will emanate from the Congress that we do not wish our laws to hamper such legitimate export activity. Second, the clarification in application of the antitrust laws will iron out wrinkles in the jurisdictional fabric that have led to legitimate doubts among exporters about what conduct is or is not permitted. Some of the decisions of our courts in private antitrust suits have left doubt about the precise international reach of U.S. antitrust laws and policy.

For the Sherman Act and section 5 of the FTC Act, the key language to be added by this bill is a requirement that conduct, if it is to be the basis of an antitrust suit, have a direct, substantial, and reasonably foreseeable effect on the domestic or import commerce of the United States. If the sole effect is on the export commerce of the United States, only those U.S. firms that have lost export opportunities may recover under the antitrust laws.

H.R. 5235 will also remove the incipiency standard in section 7 of the Clayton Act for joint ventures limited to foreign commerce other than import commerce. Here, again, the committee's change clarifies what we understand has been the enforcement policy of our antitrust agencies. But, after this clarification, joint export endeavors by American firms could be undertaken with greater certainty as to the outcome of private as well as Government suits.

Neither of these changes affect the substantive standards that a court applies in determining whether the antitrust laws have been violated. Instead, H.R. 5235 draws a more precise jurisdictional line indicating the point at which U.S. antitrust laws simply do not apply.

I wish that we could accomplish in other areas what I believe H.R. 5235 will do for the antitrust laws. Anytime we can legislate greater clarity into the law, everyone benefits. In this case, the beneficiaries will be anyone who must interpret the antitrust laws, including businessmen, antitrust counsel, Government enforcement officials, and the judges, who are the final arbiters in interpreting the laws. It is also worthwhile for us to reflect on the impact of this bill on the export trading company legislation that the House enacted last week. That legislation allows an exporter to apply to the Attorney General for certification that his joint export conduct is not likely to result in a violation of the antitrust laws. The bill before us today does not require certification. There is no cost to the Government or to businessmen in affording the greater certainty. And the certainty benefits everyone, whether or not the conduct has been certified by the Attorney General.

But H.R. 5235 is no way inconsistent with the export trading company legislation. Indeed, it should make the certification process in the other legislation more meaningful. If the Department of Justice has a clear and straightforward statement of the law before it, it will be easier to determine if conduct meets the standard for certification.

The bill we are acting on today also does not undermine the protections in our antitrust laws for consumers and competitors. It retains full protection for any person injured by conduct that has a direct, substantial, and reasonably foreseeable anticompetitive effect on the domestic or import commerce of the United States. Even export conduct, if it is undertaken by a powerful association of exporters in a manner that causes worldwide shortages or artificially inflated prices, can have the requisite effects here in the United States to trigger application of our antitrust laws. And firms here in the United States that are injured through loss of an export opportunity continue to enjoy the full protection of the antitrust laws to the extent they are victims of anticompetitive conduct.

The careful and balanced clarification represented in this bill has drawn support from groups as diverse as the Business Roundtable, the Antitrust Section of the American Bar Association, and academic experts in our antitrust laws. This wide consensus is also reflected in the bill's sponsorship by every member of the Subcommittee on Monopolies and Commercial Law. I want to thank each and everyone of them, and in particular the distinguished ranking minority member, for their support and assistance.

Mr. Speaker, I urge my colleagues to join me in supporting this legislation.

□ 1345

Mr. McCLORY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to commend the chairman of the committee and express my appreciation for his generous remarks. Indeed, I would be very proud if the measure became known at some stage as the Rodino-McClory bill.

As coauthor and cosponsor of this legislation with the distinguished chairman of the Judiciary Committee, I am pleased to see H.R. 5235 before the House today. Last week the House passed H.R. 1799, which, like H.R. 5235, is designed to assist in the promotion of our export trade. But there are some important differences. While H.R. 1799 establishes a procedure for antitrust certification, H.R. 5235 actually amends the antitrust laws themselves. While H.R. 1799's procedure is

optional at the discretion of the exporter, H.R. 5235 applies to all exporters as a matter of law. While H.R. 1799 provides its benefits after completion of an administrative process, H.R. 5235 provides its benefits immediately upon enactment. While H.R. 1799 may require additional expenditures by exporters in applying for certification and by the Government in reviewing the application, H.R. 5235 should save money by clarifying and simplifying the law for exporters, for law enforcers, and for judges. And while H.R. 1799 applies only to export trade, H.R. 5235 applies both to export trade and to purely foreign trade. Neither bill applies to our import trade.

But these bills are not in competition with one another. Rather they complement each other. For ultimately the question of certification under H.R. 1799 will hinge in large measure on the standard we enact today in H.R. 5235.

Our antitrust laws apply not only to domestic trade or commerce but to our export trade, our import trade, and in some instances to purely foreign trade. If two Japanese businessmen conspire to restrain trade in California, our antitrust laws apply. And it has been suggested by some that even where purely foreign activity has an entirely foreign impact, the antitrust laws may apply if U.S. persons are involved.

H.R. 5235 is designed to settle some of these international antitrust issues. It thus does not address our domestic trade nor, for that matter, our import trade since imports invariably have an impact on our domestic trade. Moreover, it was our judgment that imports were doing rather well, perhaps too well, and did not need the assistance of this legislation.

Therefore, H.R. 5235 states that our antitrust laws shall not apply to our export trade or to purely foreign trade unless the conduct has a "direct, substantial, and reasonably foreseeable" anticompetitive effect on our domestic commerce or the commerce of exporters in the United States. That is the new standard, plain and simple. When I refer to an anticompetitive effect, I, of course, refer to those effects that the antitrust laws are written to protect against.

H.R. 5235 would place the new standard I described both in the Sherman Act and in the Federal Trade Commission Act in order to make perfectly clear what we mean.

It is important to note that H.R. 5235 circumscribes the antitrust laws. In graphic terms, it draws a circle around the antitrust laws and states that nothing outside the circle is covered. But there is no implication whatsoever that everything inside the circle is covered. We are establishing a rule for noncoverage, not a rule for coverage. It is, in a sense, a tool for defendants but not for plaintiffs. Again, there is no intention to make the converse of H.R. 5235 a legal maxim. It is not necessarily true that every anticompetitive domestic effect resulting from exports or foreign commerce will be actionable as a matter of law.

For example. on occasion courts invoke notions of comity and the like in handling sensitive international questions arising under the antitrust laws. H.R. 5235 in no way affects the authority of a court to consider such matters in cases where there is an anticompetitve domestic effect arising from exports or foreign trade. This should illustrate that conduct falling within the circle may not necessarily give rise to a cause of action for which relief may be granted.

Another point which might be misunderstood regarding the standard of H.R. 5235 is the nature of the effect. Clearly, our exports create jobs and increase profits in the United States and thus have a beneficial impact on our economy. But this effect does not satisfy the standard of H.R. 5235. On the other hand, exporting goods from the United States decreases supplies at home which might lead to an increase in prices for consumers. While this effect may be termed adverse, it still does not satisfy the standard. For what is needed is an effect in the United States, either in its domestic or its export commerce, which gives rise to a claim under the antitrust laws, as known today or as hereafter amended. Thus a beneficial effect or an adverse effect is, as such, insufficient. It must be an antitrust effect.

Moreover, it should be obvious that conduct which has a "direct, substantial and reasonably foreseeable" effect on our domestic commerce or export trade does not, in itself, give rise to liability. Even where the effect gives rise to a claim under the antitrust laws, as required under H.R. 5235, this is only the beginning. The plaintiff must still establish standing, injury, causality, violation, damages, and so forth. H.R. 5235 poses an additional threshold issue. If the defendant wins the issue, the case should be dismissed. If the plaintiff wins, the plaintiff must still prove its case just as is required today.

It should also be noted that effects on the domestic commerce are treated differently from effects on our export commerce. In both cases, our commerce is fully protected. But if the requisite effect is on domestic commerce, there is no limitation in H.R. 5235 on who may recover. Under current law, foreign nationals located abroad may in certain circumstances recover under our antitrust laws. H.R. 5235 does not change that. But if the requisite effect is felt only with respect to our export commerce, then H.R. 5235 does limit who may recover to persons engaged in export trade or commerce "in the United States." In such an instance foreign nationals would be eligible to recover only to the extent they engaged in U.S. export trade in the United States. This distinction reflects our high sensitivity to anticompetitive domestic effects and our appropriately diminished sensitivity to export transactions which are, of course, international transactions. In the latter instance our interest is limited to exporters in the United States and no one else. H.R. 5235 reflects this distinction.

Finally, in addition to amending the Sherman Act and the FTC Act, H.R. 5235 amends the Clayton Act. While the former amendments are arguably only clarifying in their effect, the Clayton Act amendment is clearly an exemption, although a limited one. It exempts from section 7 of the Clayton Act the formation and operation of joint ventures limited to trade or commerce with foreign nations except for import trade or commerce. Such joint ventures will not have to worry about whether they may tend to lessen competition. But if they do, in fact, lessen competition in the United States, the Sherman Act prohibitions are still applicable.

It is my hope that by according some leeway to joint ventures, we might encourage the formation of export trading companies, which will facilitate exports by small- and medium-sized businesses. These are the firms that have the untapped potential to boost our exports and thus improve our balance of trade.

Mr. Speaker, this legislation is important to our multifaceted program to improve our export trade. It is also a significant improvement in our antitrust laws. I urge its adoption.

Mr. RODINO. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), who is one of the initial sponsors of this legislation and who so ably led the fight to adopt the export trading legislation that this House considered a week or so ago.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of House Resolution 5235 and wish to associate myself with the statement and the remarks of Chairman RODINO.

At the outset, I would like to commend the chairman of the Judiciary Committee, Mr. RODINO, and his ranking minority member, Mr. MCCLORY, for adopting what I consider to be a straightforward approach to the problem of insuring that the antitrust laws of this country do not interfere with or discourage U.S. firms from exporting their products. This bill goes to the heart of the matter—by simply amending the antitrust laws—and thereby makes it clear to all concerned

that U.S. companies are permitted to collaborate in order to sell their goods overseas.

I congratulate the gentleman for what is a simple but effective approach and urge the House to pass the measure.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. If I have time, I am delighted to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my chairman. I would like to applaud the chairman of the Judiciary Committee and our ranking member, the gentleman from Illinois (Mr. McCLORY) for the initiative they have taken and also our chairman for what he has done for this is our own committee.

In my own district I have two small businesses which have gotten awards from the President because of their export trade and it is good to see the encouragement that this will give to small business which is so important. Too few of our small businesses have been encouraged to go into foreign trade. This chance to form trading companies without danger of antitrust action is very important to them. I thank the chairman.

□ 1400

Mr. ZABLOCKI. I thank the gentlewoman for joining me in commending the chairman and ranking member of the Committee on the Judiciary.

Mr. RODINO. Mr. Speaker, I yield such time as he may comsume to the gentleman from Washington (Mr. BONKER), who is also an original sponsor of H.R. 1799 which this House adopted a week or so ago.

Mr. BONKER. I thank the distinguished chairman, and want to join those in commending him and his committee for excellent work in behalf of this legislation, and to bring it to the House floor.

Mr. Speaker, I do have a few questions, since I am not thoroughly familiar with many of the provisions in the bill.

First, I would like to ask the chairman how the provisions of H.R. 5235 relate to the provisions of H.R. 1799 which the chairman knows have been incorporated, essentially from his committee draft in H.R. 1799 which was adopted by the House. Specifically how do those provisions concern the certification procedure.

It seems to me there are two steps involved in the drafting of these bills. First, is to clearly exempt exports from possible antitrust suits or violations; and second, to remove the problem of uncertainty by providing for the certification procedure which would give the companies who so form an ETC clear immunity from antitrust laws.

Mr. RODINO. Mr Speaker, if the gentleman will yield, I want to say to the gentleman from Washington that, first of all, H.R. 5235 is in no way inconsistent. As a matter of fact, I think it not only complements but it makes more certain what is desired in the certification.

The Attorney General will have before him the clear and precise statement of H.R. 5235.

So I think it actually makes more meaningful the certification that will be issued by the Attorney General.

Mr. BONKER. So it does not impede the certification procedure; it actually strengthens that procedure?

Mr. RODINO. That is correct.

Mr. BONKER. I also would like to ask the distinguished chairman whether this bill, once it is reported out and passed by the House, will be referred to the conference with the Senate along with the other bills that have previously been adopted by the full House?

Mr. RODINO. Mr. Speaker, it is my understanding that the Senate Judiciary Committee might act on it, but that will depend on the Senate Judiciary Committee.

Mr. BONKER. Again, I would like to commend the chairman.

Mr. Speaker, I feel that his efforts to simplify the procedure, which might appear rather cumbersome in the Senate bill, certainly lead us in the right direction. I look forward to working closely with the chairman in the upcoming conference so we can have an ETC bill signed into law some time before the August break.

Mr. RODINO. Again I want to thank the gentleman for his cooperation in this effort.

Mr. Speaker, I have no further requests for time.

Mr. McCLORY. Mr. Speaker, I do have a further request for time, but before yielding further time I would like to merely reiterate that in my view this measure that we are discussing today is complementary to the other measure that we passed last week.

I do not think you can add to or qualify the antitrust laws through any process of certification; nor do I think you can abridge the laws that are on the books, nor do I think you can circumvent them or nullify them in any way. Nor do I think you should through any process of certification. Instead, one should proceed first to clarify underlying substantive law and then put a certification process in place.

So this measure, it seems to me, is essential in order to allay the fears and apprehensions, for the most part, which are mistakenly held by many who consider entering the export business.

The testimony before our committee indicated that most of the apprehensions and fears of the application of the antitrust laws were not well founded.

We are trying in H.R. 5235 to, set forth clearly and deliberately that we want to encourage exports by granting an exemption from the antitrust laws for those activities whose effects are felt exclusively abroad. Unless such conduct has a direct, substantial, and reasonably foreseeable effect on domestic competition, domestic trade, then the exemption would be virtually complete.

So I think it should go a long way toward aiding th business community in its perception of the antitrust aspects of export trade and foreign trade.

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the gentleman's comments in support of Chairman RODINO and his efforts to clearly exempt exports from possible antitrust violations.

I still receive recurring comments or questions about how far this legislation would go to clearly exempt those who engage in this activity from possible suits, either criminal or civil, treble damages and the like, and whether this legislation addresses this issue clearly in the sense that businesses who form a trading company will not continue to be in a state of uncertainty as to what possible damages might be brought against them at some future time.

Mr. McCLORY. It does answer that. It answers that directly, and it seems to me as completely as is possible for any legislative measure to do.

Of course, we are not denying to the courts of the land the right to interpret the laws we pass, but in as straightforward language as is possible we are undertaking to limit the application of our antitrust laws to conduct which has an anticompetitive domestic effect as I have previously explained.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I am delighted that the committee has given us this bill today. I hope that the House promptly passes it.

I believe that the gentleman from Illinois, the distinguished gentleman from Illinois whose name has now been given precedence on the bill by its original author, has done a good job of explaining it. I think his response to the query of the gentleman from Wisconsin certainly conforms to my understanding.

What this bill is going to do is to relieve uncertainties which the gentleman from Illinois suggested were not well founded, and I agree with that statement. But, nevertheless, the un-

certainties were there. This bill will cure those uncertainties. The committee has done a good job in getting at the problem.

My only reluctance is that we have only attacked two-thirds of the problem. The committee report on page 10, which corroborates the statement of the gentleman from Illinois on the floor, indicates, and I quote:

It is thus clear that wholly foreign transactions as well as export transactions are covered by the amendment but that import transactions are not.

I understand why the committee restricted imports and eliminated them from the bill. Nevertheless, it is true that in the conduct of foreign trade it ihard to export without importing at the same time. To continue the extraterritorial application of antitrust laws to imports, I think, is going to impede some exports that this country needs badly.

I do not want to criticize the work of the committee because I realize that it heard contradictory testimony. Nevertheless, I think in the future we are going to want to extend the exemption to the import side simply because of esire to increase exports. We are going to find that companies, coalitions and combinations are indulging in both imports and exports and need antitrust exemptions at both ends of the game.

Nevertheless, having done two-thirds of the job extraordinarily well, and following a good job of yesterday on the trading company antitrust relief, the committee deserves nothing but commmendation today.

I hope this bill is promptly passed.

Mr. McCLORY. I thank the gentleman.

Mr. Speaker, I thank the gentleman for his statement. I have noted his reservations on the subject of imports.

I might say that I would be interested in going in the other direction with regard to the subject of imports. I would favor legislation which would deny to foreign concerns some advantages that they now have in our import market, which I think adversely affects our domestic concerns.

But that I believe is truly a different matter.

The legislation that we are acting upon here today is complementary to the other measure that we passed, H.R. 1799, which is I believe referred to as the Export Trading Company Act. We have done our best, it seems to me, here today to provide those assurances which are so important to large and small exporters who are apprehensive about the application of our antitrust laws.

Mr. Speaker, I yield back the balance of my time.

Mr. RODINO. Mr. Speaker, I really want to make something clear here—and I think the gentleman from Illinois, the ranking minority Member, will agree with me—this is not an exemption from the antitrust laws. What we have done is to establish clearly what might be a violation so that there is no apprehension on the part of the business community as to possible violation of antitrust laws.

We have established a clear line of definition between what is lawful and what is unlawful, and it is a very helpful clarification. I believe that this is the reason for this amendment.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Speaker, perhaps instead of the word "exemption" I should have used the expression "a limitation on the application of the antitrust laws" with respect to these export and foreign trade activities.

So to the extent that there is some semantics involved, I want to be perfectly clear and I want to be perfectly fair; I do not want to either exaggerate or diminish the importance of this measure insofar as export and foreign trade activities are concerned. While we are granting an exemption from the Clayton Act, it is not a major one. Our basic purpose is to clarify the reach of the Sherman Act and the FTC Act.

Mr. RODINO. Mr. Speaker, I certainly go along with that understanding.

● Mr. DERWINSKI. Mr. Speaker, as a supporter of legislation approved by the House last week to promote and encourage U.S. exports, I also favor H.R. 5235, to exclude from certain antitrust provisions foreign commerce—except import activities—and joint business ventures involved therein which does not have any substantial domestic impact.

This bill should remove the inhibition many American business firms have regarding joint ventures which might cause them to be liable to antitrust action. They could be more competitive with foreign firms and help reduce the U.S. trade deficit.●

Mr. RODINO. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. RODINO) that the House suspend the rules and pass the bill, H.R. 5235, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Sherman Act, the Clayton Act, and the Federal Trade Commission Act to exclude from the application of such Acts certain conduct involving trade with foreign nations."

A motion to reconsider was laid on the table.

RECONCILIATION SAVINGS

Mr. FORD of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6862) to reduce budget authority and outlays under certain civil service programs pursuant to the first concurrent resolution on the budget—fiscal year 1983.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. FORD).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from California (Mr. FAZIO) as Chairman of the Committee of the Whole and requests the gentleman from California (Mr. MINETA) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6862, with Mr. MINETA, Chairman pro tempore in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Michigan (Mr. FORD) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6862, a bill to reduce budget authority and outlays under the civil service retirement program pursuant to the reconciliation instructions in the first budget resolution.

This bill, reported by the House Committee on Post Office and Civil Service, has generated some controversy because it does not meet the reconciliation target, and more importantly, it does not cap cost-of-living adjustments for retired Federal workers and military pensioners.

□ 1415

Let me assure my colleagues that this is not an oversight on the part of the committee. My committee acted out of conviction that its refusal to cap the cost-of-living adjustments due to retirees and their survivors accurately reflects the position of the House taken earlier in this session on that issue. I am confident that a majority of my colleagues share my feeling that in our haste to economize we have drained enough blood from the active and retired Federal workers, and every time we decide to tighten our budget belt we continue to turn to the same people to be the frontline troops who will make the first sacrifice.

Last year, when we were asked to make deep budget cuts to finance the historic tax bonanza for the rich and increase defense spending at an astronomical pace, at the same time we turned, through the enactment of Gramm-Latta, without hesitation to retired Federal workers. We took away their twice-a-year cost-of-living adjustments last year, which I might remind the Members parenthetically, only very recently came into play when we took away the 1 percent add-on that previously had been in the law. Indeed in the last few years we have cut back the level of retiree and survivors' benefits several times.

It did not trouble the budget cutters last year, however, that what we are really doing when we do this is breaking a contract. It is a contract that is made with people when they enter upon service with the Federal Government, whether they wear a military uniform or civilian clothing. They perform their term of service with Government, and traditionally they have recognized that Government salaries for most positions are not comparable to the pay that would be received for the same skills in the private sector. But, they have been promised that if they pursue their duties diligently, perform them for the required number of years, that we will agree to provide them in their years of retirement a decent retirement annuity.

It is disturbing to me that we find ourselves in the position where the budget resolution wants to squeeze civil service and military retirees, surviving spouses and their children, even more than we have so far. It is further disturbing to me that this same body which has held the contract with social security retirees to be sacrosanct on the theory that they had the right to expect that once we had authorized the benefits upon which they based their retirement plans, we would not change it; but we nevertheless seem to feel that the families of Federal workers, and indeed the military and uniformed Federal workers as well, fall into a different group that we can call upon every time we want somebody to step forward and make a sacrifice.

We might ask, how does the administration arrive at the 4-percent cap that the budget resolution would have us impose on the cost-of-living adjustments for retired employees and their families? The cost-of-living adjustment, after all, is intended to be some hedge, albeit a year late, to stand up against the ravages of inflation on their fixed incomes. The White House certainly does not want to assert that the cost-of-living adjustment for this year, measured by inflation, is really going to be 4 percent. The best estimates we have are that, even if the overly optimistic figures of the administration are adopted, we are going to have a 6.7-percent inflation rate.

Now, we have already moved to cap the pay of Federal employees once again. What that has done to our ability to attract and retain the really top-notch people that this Government needs and that the American people have a right to expect will be expending their tax dollars is something that I leave the Members to speculate about, but we are not talking here, as some people have suggested, about asking these people to take the same kind of sacrifices that my auto workers in my district and others have taken. It has been said, and I am sure it will be said during this debate, "Well, if private sector employees are renegotiating their agreements with their employers to take cuts, why not the Federal employees?"

Well, indeed we have cut the Federal employees consistently. We have capped the pay of Federal employees both in the past administration and in this administration, and for years we have ignored the pay comparability provisions of existing law. If we were to allow Federal employees to receive the full amount of the increase that they are entitled to under existing law they would receive an 18- or 20-percent increase this year. We are capping that increase, however, at 4 percent. We have already taken 14 or 16 percent away in accumulated cuts from the work force of the Federal Government.

Of the 1.3 million Federal retirees who are out there, for those Members who think that they live off the fat of the land, the average monthly annuity is a little bit over $1,000. That figures out to $12,000 a year, and that is the overall average. Unlike social security, Members must bear in mind that these benefits are taxed like other income. The employee has, in most instances, paid a substantial amount into the retirement fund, and after the employee's contributions are recovered, from that point on, unlike social security benefits that we have already protected in this House, these benefits are subject to being taxed as ordinary income.

There is also a misconception regarding survivors' benefits and the generosity with which we treat survivors. There are about 458,000 people getting this earned benefit, earned by someone who is no longer around to participate with them. The average monthly payment to a survivor is $419 a month. Do we really want to reduce by another 3 percent the real income of a widow receiving less than $419 a month? I do not think so. The House has demonstrated in other ways that it does not want to do that. When the Members of the House earlier this year had an opportunity to vote straight-out on the issue of capping the cost-of-living adjustments for Federal retirees, the vote was 327 to 94 against capping the cost-of-living adjustments.

My committee was fully aware of that vote. We acted on this bill within 60 days, as a matter of fact, of that vote in the House, and we had every right to believe that when they voted directly on the issue, the Members of the House knew what they were doing and intended by that vote to clearly show the committee how we should deal with cost-of-living adjustments in retirement benefits.

In my 18 years in this Congress I have rarely seen such a howl of protest as when last year, my committee, acting under direction from the House, suggested other ways to cut the budget. We suggested, for example, closing 10,000 post offices, which at that time we could document did not gross enough money to pay their overhead. We suggested that people who were retired from the military and were rehired by the Federal Government should not receive a full pension and a full paycheck from the Federal Government at the same time. The howl of protest went up here in the House, and everybody said, "Politically you cannot make it."

So, what happened last year, we picked on the target of opportunity in the Gramm-Latta budget, and instead of going after the more obvious ways in which to cut back, instead of going after way that I think would be more universally popular with our constituents back home, we went after the poor Federal retiree. It is an old, sad, and all-too-frequently repeated story; when everything else fails, go after the Federal employee or retiree. Who cares about them anyhow? The taxpayers of this country are beginning to understand that they have to care about them. We are celebrating the first anniversary of a work stoppage that resulted in a tremendous loss in the Federal work force. While I will not here today debate my Republican colleagues on the administration's handling of that, we know the cost to the American taxpayers of the administration's personnel policies of the

past year now exceeds a billion dollars, and that continual day-by-day waste will continue for years to come with a system that is indeed operating below par, and where the American taxpayer is not only having the money drained from the Treasury but is being further penalized by having a substandard transportation system that is adding to the cost of every other product they deal with. Next year, we will be back here to tell the Members, incidentally, what that is going to cost in the way of postal increases.

Our committee was directed this year to cut $376 million in fiscal year 1983 and $3.2 billion over the 3-year period from 1983 through 1985. It was clearly intended by the budget resolution that the cost-of-living adjustments for retirement benefits would be capped at 4 percent, and that would produce the savings. My committee considered that very carefully and rejected that proposal. I should call the Members' attention to the report of the committee, and call their attention to the fact that while it was not a unanimous vote of the committee, it was a bipartisan vote of the committee not to cap COLA. I should also call the Members' attention to the fact that the Members of the minority party who signed the minority views in the report started their minority views with this statement:

The issue is not cost-of-living adjustments. The majority of the Minority on the Committee always has supported the COLA principle.

But, they give no explanation for why, if they are in favor of that, they nevertheless wanted to vote in a way that would deny cost-of-living adjustments to Federal retirees. I am told that even now a strategy is being worked out to give Members who are looking for a way to hide from this issue an opportunity to vote in a way that may be so confusing that some poor folks out there, particularly the children and the widows, will not know who did what to them. The minority strategy is to sneak down the alley and knife the widows and children of Federal retirees. I guarantee the Members that they are going to know who did what to them because even if the vote comes on a motion to recommit, and attempts to conceal the truth, everybody who is interested in this issue is going to know that only issue before the House in the consideration of his bill is whether or not you want to renege on the contract, the solemn contract that we made with these people when they were performing their services, and on the contract we made with these people when their deceased spouses were performing services.

Mr. Chairman, I ask that each and every Member of the House consider the impact this legislation will have on the present and future efficiency of this Government, and on the level of respect which people who take the oath to serve the Federal Government will have when they think of promises made by Uncle Sam through his Congress and through the White House.

Mr. Chairman, I reserve the balance of my time.

□ 1430

Mr. DERWINSKI. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there are a number of issues here which I would remind the Members are involved beyond the COLA in the budget itself. The real issue before us, as I see it, is the question of whether not just this piece of legislation but the entire budget process is sustained.

The reason I raise that point is because, if I understand the proper motivation for the Rostenkowski-Dole tax increase, it is to meet figures required by the budget resolution. But that budget resolution calls for certain reductions in spending. The Committee on Post Office and Civil Service, in the wisdom of the majority party members, did not comply with the figures of the budget resolution. In fact, the reductions merely were 8.5 percent; that is all that was cut.

This, then, raises the political issue of the COLA, and I would like to address that for just a moment. I made the point last week, and I would like to repeat it today, that in my personal opinion it is bad politics, bad government, bad economics, and certainly bad budget procedure to insist on the full COLA when across the country there are wage earners taking cuts in their salary to keep their jobs. There are major unions negotiating cuts in their contracts while the rank-and-file Federal employees, the active Federal employees, will receive a 4-percent raise, while almost twice that amount will be paid to retirees. That is not even good management.

I personally feel that in the long run this will create such a controversy that the entire COLA structure will be endangered by the reformers of the next session of Congress. I also feel that the independence, the integrity of the Federal employees' retirement system will be threatened by those who will be using the social security review next year to try to absorb the retirement program.

But really what is at the heart of this debate is whether the Committee on Post Office and Civil Service of the House, which is not a particularly controversial or major committee, should be allowed to escape its budget responsibilities. And all they are escaping is $344 million.

I remember as a young House Member that my old mentor, Everett McKinley Dirksen, used to say, "You add a few hundred thousand here and a few hundred thousand there, and the next thing you know, you are talking about millions."

That was in Dirksen's era. We are now in a situation where we are talking about $344 million here and $344 million there, and the next thing you know, what we are talking about is billions. It is the billions that are involved in the budgetary process that are the guts of our debate.

I was very impressed by the thoughtful, enlightened, profound comments of the chairman of the committee, the gentleman from Michigan, (Mr. FORD), who is always one of the most impressive and inspirational of our Members. But after we conclude the general debate and get to the amendment procedure, we may have an interesting controversy involving the COLA. Subsequently, we will have what I predict will be a very enlightened, practical, and powerful motion to recommit, which in the process may be the salvation of the budget procedure.

Mr. Chairman, I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I certainly rise in support of the chairman of our full committee and in support of H.R. 6862.

This legislation is the response of the Committee on Post Office and Civil Service—the only really balanced response—to our reconciliation instructions as required by the fiscal year 1983 budget resolution.

This legislation will make additional cuts, unfortunately, in the civil service retirement system and will guarantee at least a minimal 4-percent pay raise to our Federal workers. H.R. 6862 will reduce budget outlays by over $100 million in fiscal years 1983 through 1985 and will cap Federal pay at 4 percent, despite the fact that Federal pay is already 18.6 percent behind comparable work in the private sector.

Mr. Chairman, last year Federal pay and benefits were cut by over $6 billion as a result of the infamous fiscal year 1982 Gramm-Latta budget. The Federal work force has already suffered through a series of pay caps, punitive reductions in health benefits, cuts in retirement benefits, massive layoffs, RIF's, and the proposed imposition of a 1.3-percent hospital insurance tax. I believe this administration has already taken its proverbial pound of flesh from the Federal family. There is simply no place left to cut within our jurisdiction without doing serious long-term harm to the career civil service system and indeed demoralizing the Federal work force.

Our reconciliation instructions contained in the fiscal year 1983 budget resolution assumed that we would cap the cost-of-living adjustments for civil

service retirees at 4 percent for 3 fiscal years, regardless of whether there is a larger increase in the consumer price index. However, just a few weeks ago the House, representing the people in this country, voted overwhelmingly against imposing a 4-percent cap on the COLA's of Federal and military retirees, and we all applauded that decision. I think it should be noted that Federal retirees, unlike those who receive social security insurance, have their benefits taxed, and I think it should be noted that 40 percent of the Federal retirees have a pension of less than $6,000 a year. Why penalize older Americans who just happen to be Federal retirees?

H.R. 6862 is the best our committee can do in that it balances the two conflicting mandates of the House; namely, to cut spending and also to protect the badly needed full cost-of-living adjustments for elderly retired Americans.

I urge this House to reject any amendment that may be offered, if Members are courageous enough to offer it, that would impose a 4-percent COLA cap on military and Federal retirees. Other Federal retirement programs such as social security, railroad retirement, and veterans' benefits will continue to be fully indexed to reflect the rate of inflation, as well they should be. Why discriminate against the Federal worker? Any amendment to cap this legislation will relegate over 3 million Federal and military retirees to second-class citizenry by singling them out for unfair and discriminatory treatment.

What is it about a retired Federal or postal worker that makes them better able to withstand the ravages of inflation than other retired American workers? Certainly, if the House recognizes the wisdom and justice of protecting older Americans from inflation, then it ought to protect all retirees and not be discriminatory and not exclude Federal and military retirees from this protection.

Therefore, I urge the adoption of H.R. 6862 without amendment. It is the only possible way that we will have the opportunity to negotiate with the Senate on behalf of our career labor force in this country.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Mr. Chairman, I rise in opposition to H.R. 6862, the reconciliation bill reported by my colleagues from the Post Office and Civil Service Committee. None of us want to adopt a ceiling on COLA's. Most of us remember the 1-percent kicker removal in 1976 and the biannual COLA reduction last year and we know about the other pension plans not capped. But we must also know about the Budget and Impoundment Control Act of 1974 and this year's first concurrent budget resolution which states: "The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee * * *." Not may report. We have a directive to make changes reflecting savings of $376 million in fiscal year 1983, $1.061 billion in fiscal year 1984, and $1.808 billion in fiscal year 1985, not the $32 million, $37 million, and $44 million reported from the committee.

Mr. Chairman, our committee has a list of various options that would accomplish the savings we are directed to report. Not just the COLA adjustment, although that certainly is one of the options that would save the most. And the Congress, all of us, deserve the opportunity to explore those options—all of them—not just the ones my colleagues on the committee chooses for us. This bill must be recommitted with whatever instructions necessary to allow us the opportunity to explore all the possibilities for savings. We owe it to the budgetary process, to the Federal employees and annuitants, and to the American people who are faced with deficits that this would certainly add to if it is approved in its present form.

Mr. DERWINSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague for yielding me this time.

Mr. Chairman, I rise in opposition to the bill now being considered by the House, and I will support the motion to recommit.

I think it is important that initially we set the record straight concerning the facts as to where we are. This committee was mandated to come up with savings in fiscal year 1983 of $376 million. This is the aliquot share of the Committee on Post Office and Civil Service of the approximately $37 billion in reconciliation savings that are to be achieved.

In response to that direction from the whole House, our committee has come up with the small sum of $32 million in proposed cuts, which is about 8 percent of what we were supposed to do.

Now, I know there are Members in this Chamber who yearn for the opportunity of voting for the projected tax increase of some $21 billion. I suspect that many of my Democratic colleagues are just yearning for the chance to have that additional revenue come into the Federal Government so they can continue their spending practices which they have exhibited over the last two decades.

But let me suggest something to my colleagues here in the House. I think there are some of us who are determined as a procedural matter not to have the House consider the proposed tax increase of some $21 billion until the House has exhibited the discipline to adopt and implement the savings that were projected by the reconciliation process. In other words, before we vote on the tax increase, we want the spending cuts implemented in full, and if they are not, I would suggest to the Members of the House that we should not be voting on the proposed tax increase.

As a part of this entire process, it is appropriate to ask: Has the Federal Government treated Federal retirees fairly over the years? The record demonstrates very clearly that the Federal Government has been most fair, in fact overly generous, with Federal retirees. For example, in 1974 we were spending $5.7 billion for this group of retirees. In 1981 that sum had increased to $17.5 billion. That is an increase of some 207 percent in this 7-year span.

□ 1445

During that same span the Federal retirees grew from 1.306 million to 1.841 million in 1981, an increase of 39 percent.

In other words, while the population group of Federal retirees was growing by 39 percent the Federal Government payment for this group of retirees grew by 207 percent.

I would say that is a dramatic increase and exhibits that we have treated the Federal retirees very fairly.

Maybe some of you saw an article in the U.S. News & World Report of May 10, 1982, in which they categorized 23 occupation groups in our country as to how they had benefited from increases in pay during 1981. They listed 23 who had gotten ahead of the game of inflation. What do you know, Federal retired workers are No. 5 in the sense that they were fifth ranked in terms of benefit increases by payments to them by the Federal Government. The first was the brewery workers. The second was fully disabled veterans. The third was sporting good workers. The fourth was aircraft workers. In fifth place was Federal retired workers, whose average weekly pay in 1981 before taxes was $241.38, which represents an increase of $19.38. Said sum represents $5.96 more than what that class lost as a result of inflation.

So we have treated this population group in the work force very fairly. To suggest that they sustain a limit of 4 percent on their pay increase when the whole private sector, or many in the private sector on private pension plans get no increases is eminently fair.

The way we have treated Federal retirees over the last 15 years indicates that we have been more than fair. It is about time that we show some concern

for the Federal taxpayers who pay the bill.

I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Chairman, I yield 3½ minutes to the gentlewoman from New York (Ms. FERRARO).

Ms. FERRARO. Mr. Chairman, I spoke very briefly on this floor when debate occurred on the rule which permitted the House to consider the Post Office and Civil Service reconciliation proposal in the manner we are today. I said at that time, that I did not support the Latta budget proposal and that I was not afraid to let my constituents know exactly how I voted on it and on each and every item in it.

For the benefit of all of us, I would like to go back and review what happened last year when this Congress gave President Reagan his economic program just as he dictated it. Last year, I did not support Gramm-Latta. I did not support Gramm-Latta not because I did not agree that Government spending should be reduced. Rather, I did not support Gramm-Latta because it took from people programs and gave to defense and the rich. Its priorities were all mixed up.

The Post Office and Civil Service Committee was instructed to cut over $5 billion of $35 billion in proposed reductions. That is over 15 percent of the requested cuts. Although I thought we were asked to absorb too much of the reductions, I joined with other Democrats to put together a package which would have saved over $5 billion, but would have distributed the cuts fairly.

The President and my Republican colleagues would not accept those savings. The President's budget and Gramm-Latta cut the twice-a-year COLA for postal, military and Federal retirees despite a Reagan campaign promise to the contrary. The President's budget and Gramm-Latta slashed postal subsidies despite the urging of the President that charities—who are dependent on special postal rates for solicitations—take over the frayed public safety net.

The President's budget and Gramm-Latta capped Federal employees pay at almost 9 percent below comparability with the private sector. They do not seem to be able to control inflation or interest rates, just blame and punish workers. The President's budget and Gramm-Latta ignored Democratic proposals for savings from eliminating inefficient contracts and the President and Gramm-Latta stood in favor of the continuation of "double-dipping" by military retirees. I opposed the President's budget and Gramm-Latta and I would have voted against each of the Post Office and Civil Service Committee's proposals in the Gramm-Latta package—one by one by one.

Now the President and the minority leader want cuts of $27.1 billion over the next 3 years. The President has been telling us that inflation is our biggest problem and takes credit for reducing it. But, last month's figures when annualized place us back into double digit inflation. Yet, he wants Federal workers to have their pay adjustment held to 4 percent. These same workers have to pay more for less in their health insurance and the President wants them to pay a 1.3-percent medicare tax. That is not fair.

The President calls loudly for voluntarism and yet cripples the ability of charities by asking for cuts which will result in a 155-percent increase in third class nonprofit postal rates between January 1982 and January 1983. That is not a fair sharing of the sacrifice.

The cruelest hoax, however, was the President's action on the COLA for military, Federal and Postal retirees. The President and the Republican National Committee air a silly commercial with a postal worker, soon to be retired, saying "Give the President a chance." Well, the President has had his chance and used it to eliminate the twice-a-year COLA for Federal pensions.

Now, he and the minority leader and every single Republican and Democrat who voted for the Latta budget want to make these same military, Federal and postal retirees take almost 20 percent of all the cuts proposed for the next 3 years. By capping the remaining COLA at 4 percent, personally, I think it is very unfair. I think, as I said before, that the Post Office and Civil Service workers and retirees have done more than their fair share. I will vote for none of these cuts. Let the Pentagon look at its double dippers. Let the Pentagon look at its luxurious dining rooms. Let the Pentagon look at its free veterinary perks.

I do not urge any of my colleagues to vote against the amendment to be offered by my colleague from Illinois. I know no urging is necessary. Those who voted with me against the Latta budget resolution I am sure join me in opposing these cuts because they are unfair. Surprisingly, however, I am also convinced that a good number of those who voted for the resolution find themselves uncomfortably too close to November to support the amendment. You recall last year they could hide behind a single package vote. Now they cannot. I would hope that this way of dealing honestly and forthrightly could be applied to each of the committee reconciliation proposals this body will consider. I think we have a responsibility to stand up and be counted. I, for one, welcome it.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Virginia, Mr. STAN PARRIS.

Mr. PARRIS. Mr. Chairman, I rise in support of H.R. 6862 and particularly the committee action in eliminating the cap on the cost-of-living adjustment for Federal civilian and military retirees. This action is critical if we are going to restore the full COLA to 1.2 million military retirees and 1.7 million civilian retirees who have served this Nation with such distinction.

These individuals (Federal civilian and military retirees) should not be treated any differently than those retirees who receive social security benefits. A few weeks ago the House accepted an amendment to the budget bill, which I supported, that would give these retirees a full cost-of-living increase. Although our efforts were undermined in conference, the vote in the House indicates the support we have here for Federal civilian and military retirees.

By supporting the committee, we would not be authorizing any new and unwarranted expenditures. We would merely be providing these individuals with the benefits they have earned over the years. The Federal Government has a contractual and moral obligation to see that these COLA's are protected from any reductions.

Retirees living on fixed incomes are especially hard hit by the high cost of living. I am sure that you have heard from many military and civilian retirees in your districts who were outraged by the loss of their biannual cost-of-living adjustment last year. If we do not act now to restore the full amount of their own remaining COLA, they will be facing the possibility of having their benefits reduced even further.

I submit that these retirees do not object to making their contribution to society, but they have already done more than has been required of any other group of citizens. Their well-thought-out plans for retirement will be severely disrupted if their COLA's are reduced further. In addition, in the future we are going to have a difficult time attracting people to serve in the military or Federal civil service if retirement benefits continue to be eroded.

I urge my colleagues to recognize the inequity and unfairness of a COLA cap and support the committee's recommendation for a full cost-of-living adjustment. Like most of my colleagues, I believe that we must do something about the size of the budget deficit projected for 1983. But we can reduce the deficit in a responsible manner without jeopardizing the security of military and Federal civilian retirees. I hope that you will support our efforts.

Mr. FORD of Michigan. Mr. Chairman, I yield 3 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I rise in support of H.R. 6862, the bill

drafted by the Committee on Post Office and Civil Service in response to the reconciliation instructions imposed on us by the budget resolution (S. Con. Res. 92).

The bill makes two minor and justifiable changes in the retirement system, changes which will save the taxpayer $113 million over the next 3 years. While this is a substantial savings, it does fall short of the $3.245 billion which the budget resolution required us to save.

The reason the committee did not approve further savings is because of the nature of our jurisdiction. The only places we could make savings were in the retirement system or in the Federal pay system. The budget resolution was based on the assumption that we would cap the cost-of-living adjustment (COLA) for civil service retirees at 4 percent. I think this would be unfair and bad public policy. Retirees, by and large, live primarily on their pensions. If we do not adjust their pensions for inflation, we are, in effect, reducing their living standard. The Reagan budget proposal suggests cutting the living standard of retirees by 2 or 3 percent over each of the next 3 years. I, for one, do not approve of robbing our grandparents to pay for increased defense spending.

Another reason not to cap COLA is because we have made huge budget savings on the backs of retirees for the last 2 years. In 1980, we eliminated proration and the look back for new retirees, saving $23 million. In 1981, we eliminated the twice a year COLA for retirees, saving another $513 million in fiscal year 1982. We have cut the retirees again and again. It is time we found another target if our lust to slash is unabated.

So, the committee voted not to place a cap on COLA's. Another way to save more money would be to cut the pay comparability adjustment in October. Again, the committee thinks too much has been done in this area already. In 1979, the comparability law required an adjustment of 10.4 percent, President Carter permitted only 7 percent. In 1980, comparability required an adjustment of 13.5 percent, President Carter issued an executive order limiting the increase to 9.1 percent. In 1981, it would have taken an increase of 15.5 percent to reach comparability. As part of the reconciliation bill, we limited that increase to 4.8 percent. This year, comparability law says more than 18 percent would be needed. The bill before us limits the increase to 4 percent.

To cut Federal pay more will result in more talented civil servants leaving the Government. Their jobs will be assumed by individuals less qualified and less skilled. The work of the Government will take longer, be less well done, and costs to the taxpayer will increase. While there are some in the Chamber who would like to drive all employees out of the Government, I do not think most of us agree. Last week, a huge majority of this body voted to spend $175 billion next year on defense. Do you want any employees other than best letting the contracts, designing the weapons systems, and managing the military? A vote to further reduce Federal pay will be a vote to increase the amount of waste in the defense budget.

There is a rumor going around that the Republican recommital motion will try to achieve the required savings by further cutting the comparability increase for pay. This is one of the most penny-wise, pound-foolish proposals which could be made. Whatever savings can be found would soon be eaten up through decreased productivity of the Federal work force.

In the hopes of heading off this type of recommital proposal, let me suggest an alternative to my colleagues who are trying to design such a motion. A proposal to treat military retirees the same as civil service retirees when they go back to work for the Federal Government will save $2.752 billion over the next 3 years, roughly the same amount of money as the COLA cap would save. Adoption of such a provision would bring equity to the treatment of reemployed annuitants in the Federal Government. Why should one group of retirees receive dual pay when they go back to work for the Government while another group suffers a dollar-for-dollar offset? Adoption of this amendment would stem the flow of 20-year military people out of the uniformed services and across the street to the Pentagon. There are close to 150,000 retired military personnel working as Federal employees. If the military is suffering skilled personnel shortages, it is no surprise with this sort of dual pay available.

I asked the Rules Committee to make this amendment in order as a substitute to the COLA cap amendment, but I was rebuffed. I now offer it to the Republican leaders as a way to craft a recommittal motion which will make the necessary savings in a responsible and fair way.

Let me make it very clear that I am not convinced that savings need come out of the civil service area at all. I think that the necessary 3 billion dollars' worth of savings can come out of the $857 billion the budget resolution sets as budget authority for the national defense function over the next 3 years. The Defense Department could save this money by conserving on paper clips. If savings of this magnitude must come from the civil service, let me suggest that the dual pay for retired military is a better way to save the money than is either a cap on retirees cost-of-living adjustment or a further reduction in pay comparability adjustments.

Mr. DERWINSKI. Mr. Chairman, I yield myself such time as I may consume.

I would appreciate the attention of the Members on the floor. This debate has been going along much too quietly.

The gentlewoman from Colorado, however, has triggered a few thoughts in my mind that I cannot help but express to the Members.

Everybody knows that the gentlewoman from Colorado is an extremely powerful member of the House Committee on Post Office and Civil Service. In fact, there are rumors that she really is as powerful as the gentleman who presides over the committee.

Yet here she is telling us of this great possibility of attacking the so-called double-dipping provisions. Why did not the gentlewoman use her power in the Democratic Caucus before you locked yourselves into this $32 million cut?

Where was your power? Where was your interest in this issue? If you really believe what you have said, you would have produced in committee. But you did not.

There is a lot of difference between lip service and production. I will ask you later on to support the motion to recommit and go back to committee and produce.

I would like to have your answer.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Of course I yield.

□ 1500

Mrs. SCHROEDER. I think if the gentleman remembers last year, that was one of the proposals his committee made in reconciliation. This year I did bring it up again, and the committee said no.

I also said, "Look, these are very hard choices. I do not want to do either one, but you could do one or the other." And I believe the gentleman from Illinois was not interested in it either.

I ask you, what is the purpose of recommitting unless you know some other place where we can go to make up the difference? Is there some other alternative between these two? If there is, why did not the gentleman bring it up?

Mr. DERWINSKI. Please, in my innocence I do not fully understand, because the decisions were made in a little vehicle called the caucus. As I understand it, the ladies and gentlemen on the majority caucused. We were told, when we met in full committee, that the decision was made. You had the votes. And what I am asking is why you could not be persuasive within the caucus, where your real power and your real prestige and

your real effectiveness obviously was at its peak. I do not understand your failure to produce in an arena where you should have been productive.

Mrs. SCHROEDER. If the gentleman will yield, I feel terrible that the gentleman is implying that I am only effective and powerful among Democrats. I would hope that my arguments would also work with the full committee. And when I tried to make them with the full committee, the gentleman was not moved either.

Now, we did try. But I want to know, why does not the gentleman then offer the amendment? As I understand it, unless the gentleman knows something I do not know, the amendment can be offered by the gentleman from Illinois if he would like to.

Mr. DERWINSKI. I am afraid, again, that we have to get back to what the real record is.

Again let me say, I may be a little innocent, but I understand there is a direct relationship between the views of the Speaker and the decisions made in the Rules Committee. Therefore, there must have been some communication between the Speaker and the chairman of the Rules Committee. The chairman of the Rules Committee then conveyed it to the majority of the Rules Committee, and the only amendment in order under the rule, under the situation we now face, is the 4-percent COLA amendment.

The wonderful amendment and the wonderful cause that the gentlewoman so nobly espouses somehow was lost. Now, I do not know who to blame. I would never blame the chairman of the Rules Committee. He is one of the great reformers of all time. I would never blame the Speaker, because his objectivity and nonpartisanship are known throughout the world. So I have to come back and ask the question again: Where was the gentlewoman in all of her power and majesty when she had the chance within the caucus of the majority and then in the full committee itself to produce?

Mrs. SCHROEDER. If the gentleman will yield further, I remind the gentleman that I also went to the Rules Committee and asked for that amendment to be in order. I am amazed at the gentleman's view of how together we are as a party over here. I think the only thing the leadership really controls is maybe the restroom keys. It is interesting, the gentleman thinks he has that kind of power. But the position of the Rules Committee, which I think is probably true, is that if anyone wanted to offer that amendment on double dipping, they could do it in the recommital motion and there was no need to make it separate.

So the gentleman could also offer my amendment that he is so dazzled by, as part of the recommital, if the gentleman would like, and that would put it all under the budget. I have a copy of it if the gentleman would like it.

Mr. DERWINSKI. Again, let me make two innocent observations: The minority does have a policy where we do not allow the majority to dictate the motion to recommit.

But, second, may I say that maybe I misunderstood or maybe I misread the gentlewoman's tremendous power in the committee. Because it seems to me that she is admitting that she was not able to produce effectively within her caucus, just as she suffered on the floor of the House last week in the markup of the military authorization.

I really feel that the gentlewoman should have used her talent and muscle much, much more effectively within the caucus.

Mrs. SCHROEDER. Will the gentleman yield?

Mr. DERWINSKI. I will yield for one more question, yes.

Mrs. SCHROEDER. I thank the gentleman for all of his compliments, I think. And I would just like to say that maybe the gentleman misunderstood what I was trying to do. I was saying, very clearly, I do not think either one of these things should be cut. But I had studied it intently. Those were the two areas that could be cut. I did not vote for the Gramm-Latta bill. I do not think they should be cut. Therefore, I am not offering them. And I think that is the position of this side of the table. So I find it interesting that the gentleman's side of the aisle is condemning this side of the aisle who did not support Gramm-Latta.

Mr. DERWINSKI. Let me reclaim my time.

I will just say that I find it interesting that we are at this impasse. But I will find it very interesting to watch the record vote on the motion to recommit. The gentlewoman will join me in that motion, and then we will go back to the full Post Office Committee and we will watch her operate with all of the effectiveness that her dedication will obviously require.

Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I rise in support of this bill, H.R. 6862, the budget measure approved by the Post Office and Civil Service Committee. Although I am disappointed that this measure does not achieve the budget targets we were instructed to meet, I must support this bill to protest the unfair singling out of Federal employees and retirees for sacrifices others are not being required to make.

It is important to reduce Government spending and make tough decisions to get our country back on the right economic track.

I have supported the economic policies of this administration, and my record underscores my commitment. However, the success or failure of these programs and policies will ultimately depend on those people we hire to implement these plans—Federal employees. But we cannot accomplish those goals by weakening the civil service system and the employees who must implement the programs designed to reduce Government spending. Those employees and the ones who retired in previous years entered Government service with certain understandings and we have an obligation to honor our commitment to protect their retirement years.

Capping the cost-of-living adjustments for Federal retirees while the COLA's for other retirement beneficiaries go untouched is an injustice to those Americans who have dedicated their careers to Government service. H.R. 6862 would uncap the cost-of-living adjustments for those individuals and I support this initiative. We should be willing to address the Federal COLA issue and treat these citizens as we treat other beneficiaries such as social security recipients and railroad retirees.

I also support the provisions in this bill which would assure that Federal employees receive no less than the 4-percent pay raise proposed in the first concurrent resolution on the budget. As it is in the budget now, the 4-percent figure represents a cap and does not prevent a cost-of-living pay raise of less than 4-percent from being implemented. This change of language would insure that at least a 4-percent cost-of-living pay raise would be provided this October for Federal employees.

I urge my colleagues to support this legislation which provides equity in our treatment of Federal employees and retirees.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentleman for his statement. I know it adds a great deal of bipartisan credibility to the case for supporting H.R. 6862.

As I recall it, back in May we had a vote on this very issue, and the vote was 327 to 94, which shows that the House strongly supports the gentleman's position on this issue.

I think we just have to realize that you have got to treat the social security people, the railroad retirees, the military retirees and, I think, the civil service retirees in the same way, or we breach a fundamental commitment that was made to those people. Most of these people receive a very small annuity. Only 1 percent of the entire group is over $30,000 a year. We hear and read about certain examples, but when you get right down to it, most of

these people are receiving a very small monthly check.

So I think the gentleman has made a very persuasive case, and I think it is unfortunate that some people always want to pick on either the Government employees who are working or the retirees, every time they are looking for a way to save money.

I happen to serve on the Defense Appropriations Subcommittee, by the way, and I am convinced that we are going to make some reductions in defense spending, for those who are concerned about meeting the overall budget requirements, that will exceed the recommendations under the Budget Committee formula, so that it will help to pay back for the money that we are going to extend and keep our commitments with our retirees.

So I commend the gentleman for his statements.

Mr. Chairman, I rise in strong opposition to this amendment. The House clearly indicated its commitment to providing fair treatment for Federal retirees against the ravages of inflation when it adopted the Downey amendment on May 27 by a vote of 327 to 94. We cannot turn our backs on that commitment.

Contrary to what some have asserted, a majority of Federal retirees do not receive any other form of pension, including social security. Over 31 percent receive less than $600 a month, and 75 percent of annuitants' survivors receive less than $500 a month. Only 1 percent of all annuitants receive in excess of $30,000 a year. Clearly, we are not talking about an affluent group when we discuss Federal retirees.

In addition, widespread early retirement among Federal workers is a myth, 80 percent of Federal annuitants retire at age 62 or later and two-thirds at 65 or later.

A few years ago, we eliminated the so-called 1-percent kicker that compensated for the delay in cost-in-living adjustment. Last year we eliminated the semiannual cost-of-living adjustment. In addition, civil service annuitants were hit with an average 31-percent increase in health programs premiums while at the same time having their benefits reduced.

I sincerely feel that inflation protection for retired citizens is critically important. The budget recognizes this for social security. What we must decide then is whether we can make Federal retirees second-class citizens. I know some in this body are tempted to make Federal workers and retirees scapegoats when it comes to cutting the budget, rather than make the tough choices.

Well, I for one am convinced we cannot balance the budget solely on the back of the Federal worker and retiree. They will do their part, but will not tolerate abuse. Morale in the Federal workforce is already at an all-time low, and attacks such as capping cost-of-living adjustments, or freezing Federal pensions as the Senate recommends, only drive that morale lower. Our only protection against a disintegration of the Federal workforce at this time is double-digit unemployment, and that is far too high a price to pay.

I urge this House to have the common decency to defeat this amendment and fulfill our commitment to those who gave long years of public service.

Mr. FORD of Michigan. Mr. Chairman, I yield 2½ minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I think what everybody has lost sight of is why we are here today. The reason we are here is to implement a part of the reconciliation instructions. Those instructions were contained in the budget resolution that was adopted by the House and by the Congress.

Whether you like it or not, whether you are pleased with the result or not, the reality is that if you voted for that budget resolution, you voted to implement a 4-percent cap on COLA. Those were the instructions that were directed at the Post Office and Civil Service Committee, to implement a 4-percent cap. That is what Members stood for when they voted for the Latta resolution. And now comes the time to put your vote where your mouth is, because this is the opportunity to in fact vote for the amendment that will implement the budget resolution.

I sense what is going on here that there is an effort to try to hide from that very difficult vote. And it is a difficult vote. It is not easy. There is every reason to vote against that kind of an amendment.

□ 1510

But I do not think we serve the budget process and I do not think we serve the procedures that we have established through the budget resolution by constantly hiding from the tough votes.

So what we wind up doing here is instead of supporting the budget resolution adopted by the House, the Members who voted for it now support a constitutional amendment that is 5 years down the road that somehow is going to provide that great blessing to give us all the guts we need to vote on these tough issues.

It is not going to happen. Instead of voting on the amendment, up or down, that is going to implement a 4-percent cap, we are going to vote on a recommital that obfuscates the issue a little bit and makes it more confusing to the average citizen as to what we are really doing.

I would submit that there is no better way to undermine the budget process or undermine the system that we have established through budget resolutions than to play this kind of game with ourselves and with the American people.

Make no mistake about it. If that amendment is not offered, and the only vote we have is on a recommital, then that itself will be interpreted as the vote up or down on COLA. Why? Because the committee does not have any alternative. Let us assume that we recommit it with directions that they report to the Budget Committee. What is the Budget Committee going to do? It is going to go to the Rules Committee and say, let us have a vote on the 4-percent COLA, because that is what is contained in the budget resolution.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

Mr. FORD of Michigan. I yield 1 additional minute to the gentleman from Califorina (Mr. PANETTA).

Mr. PANETTA. So ultimately we are going to wind up in the very same place, having to face a vote on 4 percent COLA again.

So I would urge the Members of the Congress to allow us to proceed. If the will of the House is that we do not want a 4-percent COLA, then say so. Get on the record. Let us understand that that is the case, so we know what kind of directions we have to follow when we go to conference on reconciliation.

But if the Members do not have the guts to do that, then for goodness sakes let us not go through a merry-go-round of recommitting in order to wind up in exactly in the same place.

I would urge a vote against recommittal if that is the only vote we have.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Is there anything the gentleman understands in the budget resolution that precluded the committee from doing something on double dipping or some other means of gaining the savings they were directed to make?

Mr. PANETTA. Well, I think the gentleman knows, having worked with me on reconciliation, that whether one is talking about double dipping or whether one is talking about closing post offices, or whether one is talking about capping COLA, there is not anything easy that is going to be done by the Post Office Committee.

Mr. REGULA. The issue came up. I wanted to clarify it.

Mr. FORD of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Chairman, I rise in strong support of this bill—the COLA

reconciliation savings bill—as reported to the floor today by the Committee on the Post Office and Civil Service. I am specifically concerned with the provision of this legislation which calls for a rejection of the cap on COLA benefits which was proposed by the administration under the terms of the first budget resolution. I believe that the committee's recommendation is a proper one; I, therefore, lend my full support to the removal of the proposed cap on cost-of-living adjustments for Federal retirees. I urge my colleagues to lend their full support to this bill as reported out of committee.

I support this provision for the simple reason that it is a fair and just provision. What this provision says to Federal retirees across the face of our Nation is that Congress will not balance the budget on the backs of Federal retirees. There is no reason that Federal retirees should be forced to pay more than their fair share in our effort to trim Federal spending.

I want to take this opportunity to remind my colleagues how much Federal retirement benefits have changed in the course of the past several years.

In 1976, the 1-percent adjustment was eliminated.

In 1977, the retirement income credit and the sick pay exclusion were eliminated.

In 1978, the social security spouse offset became law and another small cut back in benefits became effective.

In 1980, the "look back" provision in the cost-of-living adjustment was eliminated. And for new Federal retirees, the Federal Government prorated initial cost-of-living adjustments.

Finally, last year the semiannual COLA was eliminated. Clearly, these 1.3 million retirees are carrying their fair share of Federal cutbacks. How can we ask them to do still more when their average yearly benefits are only $11,544? These people who return an estimated 17 percent in taxes to the Government every year.

Clearly, the Federal retirees deserve to have their full cost-of-living adjustments this year.

This is not the first time that we have debated this issue in the House. In the early months of this year, the budget package which came down from the administration included recommendations for putting a cap on the cost-of-living adjustments which retirees receive. At that time, the House clearly made its will known when it chose to uncap COLA under the terms of the Downey amendment. This victory for retirees was a resounding one, with a final vote of 327 to 94.

It is perfectly clear to me that we cannot, in good faith, ask retirees to shoulder the full burden of soaring budget deficits. It is also perfectly clear to me that we cannot sacrifice the interests of those who have honestly earned the benefits they now receive; we cannot make these retirees victims of simple political expediency.

I urge each of my colleagues to join me in supporting the rejection of a cap on COLA by supporting H.R. 6862 as reported by the committee.

Mr. DERWINSKI. Mr. Chairman, I yield myself 30 seconds.

I merely ask, and I hope I have the attention of the distinguished gentleman from California (Mr. PANETTA), I have a recollection that the original resolution from the Budget Committee presumed the 4-percent COLA cap.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. PANETTA. The gentleman is correct.

Mr. DERWINSKI. Well, in other words, that was the original intent of the Budget Committee.

Mr. PANETTA. If the gentleman would be kind enough to offer that amendment, that is what we will get.

Mr. DERWINSKI. Will we get the full support of the Budget Committee?

The CHAIRMAN. The gentleman from Illinois (Mr. DERWINSKI) has 3½ minutes remaining.

Mr. DERWINSKI. Mr. Speaker, I yield 3½ minutes to the distinguished minority leader.

Mr. MICHEL. Mr. Chairman, I do regret that the Post Office and Civil Service Committee has literally thumbed its nose, collectively, at the budget process and the recommendations of this House in achieving only $145 million of savings of the $3.2 billion that was mandated by the budget resolution.

Now, there is another important factor to be considered if this bill passes the Congress. Because the Armed Services Committee tied its 4-percent cap on military pensions to a cap on Federal civilian pensions, a failure to enact the 4-percent cap on Federal civilian pensions also sacrifices the $2.1 billion in reductions the Armed Services Committee was mandated to achieve. So we would have a total overall loss of over $5 billion in the budget reductions that we should be achieving.

Failure to enact the cap would mean that Federal retirees would receive a greater increase than Federal workers, and that is hardly fair to those who are working.

Furthermore, over the years Federal retirees have received substantially more in cost-of-living increases than Federal workers.

Last Friday's Washington Post carried an article:

Union Workers Accept Lower Wage Increases. Nearly 2 million union workers covered by major collective bargaining contracts reached in the first half of this year accepted pay raises averaging 3 percent, a dramatic decline from previous contracts gains the Bureau of Labor Statistics reported yesterday.

I have Caterpillar folks taking cuts in salaries. Steelworkers taking cuts in hourly wages and fringe benefits.

And so it goes on.

I think the gentleman from Virginia (Mr. WOLF) was making the point that if we did not cap social security and everybody else at that 4 percent, he felt obliged to support what is being done here today. I can understand that. It is just too bad that earlier in the year we were not able to make that overall decision straight across the board—everybody at 4 percent. There could not be a better time for doing it.

We have got inflation down below 5 percent. It was running below 3 percent for 3 or 4 months running. There could not have been a better time for us to take the lead here and cap everybody at that 4-percent level. But, no, it could not be done, too much heat, too much pressure here and there.

There are several other points that we could make that are appropriate to this discussion.

For example, Federal retirees have been receiving 100 percent cost-of-living increases while those in the private sector have been averaging only 70 percent. And then, too, I think if my figures are correct, 75 percent of the Federal employees are now retiring between the ages of 55 and 59. You go back in private industry and see what the record is. In the private sector, 62 is the lowest permissible retirement age.

So there are these disparities between the private sector and the public sector.

In my judgment, we have been very generous and benevolent to our Federal employees and particularly so as retirees.

I just believe as the gentleman from California (Mr. PANETTA) said, we have got to implement that budget resolution. I would like to see us stick to our guns for once.

Personally I am not going to run away from this vote, but I have no illusions about the outcome. The Democratic leadership has scheduled this vote to put Members "on the line." It is too bad we cannot win the tough ones when they are isolated and have to resort to the procedure of packaging all cuts in spending together to achieve anything meaningful, but that is the nature of this place.

There is no question but this is the way the Democratic leadership has chosen to gut the budget process.

Mr. FORD of Michigan. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, the gentleman's arguments have all the validity of a $3 bill and should be believed as much as

you would believe one of those if it were presented to you.

An amendment is now in order on the floor, or will be in moments, and the gentleman from Illinois, as the Republican leader, has the right under the rule adopted last week to offer the amendment that not only saves the money that you directed us to save, Mr. Leader, but also saves the money that the Armed Services Committee, the Foreign Affairs Committee, and the Merchant Marine and Fisheries Committee were directed to save.

The whole ball of wax is in one amendment, which will be in order immediately when we go into the reading of the bill for amendments. The gentleman could offer that amendment to make the cut that he just described. As the gentleman said, everyone ought to have the courage to stand up and bite the bullet and vote whether to cap COLA at 4 percent.

● Mr. FRENZEL. Mr. Chairman, this bill is a failure. The committee which passed it has thumbed its nose at the budget resolution.

The committee did not renege on its obligation this year, but it did the same thing last year. This year's effort is the world championship. The committee made less than 10 percent of its quota.

In any business in the world, an individual or organization which could not make 10 percent of quota would be fired.

Obviously, the committee, and just as obviously, the majority of this entire body, does not care about deficits, does not care about high interest rates, and does not care about unemployment. Any Member who votes for this bill is voting against the budget resolution and for higher deficits.

The committee was charged with duty to cut $370 million from the programs under its jurisdiction. It was not given specific instructions as to which programs to cut. It had wide latitude, but it decided its programs were more important than the Nation's economy or the Federal deficit.

Many Members have assured us that they want to reduce the deficits, but they do not want to vote against their constituents. Those promises of support for budget cutting are empty.

This House has a chance today to cut over $5 billion. If we pass up this chance, as we seem likely to do, because of an excess of affection for our retired Federal employees, or for double-dippers, or for postal expenses, we will never recover the extra $5 billion deficit we will have caused.

This is a sad day for fiscal responsibility and for the budget process. If this bill passes the Congress will have proved that it lacks the will to control its spending. Today we are about to lose a good deal of what was gained in the reconciliation of last year.●

● Mr. MOFFETT. Mr. Chairman, the administration's supporters in this Congress are once again attempting to reduce the Federal deficit at the expense of elderly Americans. There can be no doubt that the motion we are considering—to recommit the civil service reconciliation bill to committee for further cuts—will result in a 4-percent limit on the annual cost-of-living adjustments for Federal retirees.

I am as disturbed as anyone else in this body by this year's Federal deficit, now estimated by the Congressional Budget Office at over $140 billion. But programs of vital importance to retired Americans should be the last area we attack with the budget-cutting ax. I find it ironic that some Members are so determined to cut the deficit by a mere $491 million—by cutting programs that are so important to so many senior citizens—when just last week we passed a massive $175 billion defense bill without making any substantial cuts whatsoever. Several of my colleagues and I sought to cut waste from that bill, including the $4.8 billion for the B–1 bomber and the $6.9 billion for two nuclear-powered aircraft carriers, but our proposals were rejected. Now, as we consider programs which are essential to people on fixed incomes, a different standard seems to apply. It seems that expensive weapons of dubious value are taking precedence over the needs of our elderly citizens.

I feel very strongly that we should not single out Federal retirees in seeking to reduce the deficit. The 3 million Federal and military retirees in this country—including the 10,500 retirees in my home State of Connecticut—depend heavily on their annuities. Over half of all Federal annuitants receive less than $800 per month from the civil service retirement program. Further, they must pay Federal, State, and local income taxes on their pensions. It is estimated that 10 percent of the civil service retirement disbursements are returned to the Federal Treasury as taxes, and 6 percent end up in State and local coffers.

If we accept the proposal to limit the Federal COLA to 4 percent, we will reduce the fiscal year 1983 deficit by less than one-third of 1 percent. Yet this proposal would create serious hardships for many Federal retirees. I urge my colleagues to oppose the motion to recommit, and thus prevent the pensions of millions of Federal and military retirees from being eroded by inflation.●

● Mr. VENTO. Mr. Chairman, I rise in strong support of H.R. 6862.

We as a Congress should not accept amendments to cut the COLA for civil service eligible retirees. It would represent breaking a compact, a commitment to Federal employees and most of all the retired.

Retirees have made decisions and plans based on the law and rules from which their compensation is determined. They cannot change those retirement decisions or plans, and have no basis to adjust to changes in law which some propose to modify. They have little or no flexibility, they depend on this Congress and Government to keep our commitments—which, Mr. Chairman, I submit we do—by voting against the motion to recommit with instructions and for the final passage of H.R. 6862.

We must consider these issues on their own merits, not buried in a catalog of irrelevant issues.

The unique reconciliation procedure, in 1981, of passing an incomprehensible volume of important issues was a disaster and denied the accountability that I believe Congress should work to achieve. Today we labor to correct many of the so-called unintended results.

We must vote on the merits of these matters, retirees do not want a list of excuses and denials, rather they want and deserve this Congress to keep the commitments that they worked to attain.●

● Mr. BARNES. Mr. Chairman, I strongly oppose the Republican COLA-cap amendment and the Derwinski motion to recommit with instructions. The Republicans do not have the nerve to offer the amendment made in order under the rule, which would cap the COLA at 4 percent, even though they offered it and argued for it in the Post Office and Civil Service Committee. The gentleman from Illinois (Mr. DERWINSKI) has subjected Members of the House to a cascade of "Dear Colleague" letters in recent days in support of the amendment, but even he now appears to be unwilling to go on the record for it.

The COLA cap amendment is an outrageous attempt to make Federal retirees, yet again, the victim of unfair budget cuts. The House has voted on this issue many times, and Members realize the inequity of picking on Federal retirees and senior citizens and undermining the integrity of the Federal civil service retirement system. They realize this, at least, when they have to go on the record.

The motion to recommit with instructions is simply a disguise, a ruse to try to bring a COLA cap proposal to the floor in a manner in which the Republican minority can vote for it but deny that vote at the same time.

Mr. Chairman, the Federal Government Service Task Force, which I have the honor to chair, has worked for many months to insure that Federal retirees are not further victimized. But I also know, after years of experience with this issue, that it seems never to go away. The administration will be

back, probably in conference, perhaps later in the year in some other legislative vehicle, for certain next year. We will fight this battle again.●

● Mr. WEISS. Mr. Chairman, I rise in strong opposition to the motion offered by Mr. DERWINSKI which would require the Post Office and Civil Service Committee to unfairly and arbitrarily cap Federal retires' cost-of-living adjustment at 4 percent, regardless of the increase in the CPI

This is just another example of the administration and Republicans in Congress using Federal employees as a scrapegoat for the serious budget deficits that we now face. The Republican budget resolution would have us sacrifice the security of one group of older Americans in order to finance the growing defense budget and extravagant tax-giveaways for the rick.

The effort to cap COLA's for Federal annuitants is neither justifiable nor equitable. In fact, just 2 months ago, the House voted overwhelmingly, 327 to 94, to reject a cap on benefits for military and civil service retires. The situation facing Federal retirees has not changed since then. There are still half a million survivors, most of them elderly women, who receive only about $5,000 a year from the system. They absolutely cannot afford further reductions in their source of livelihood.

Federal retirees face the same inflationary pressures as do social security and railroad recipients. They deserve the same protection. Utility companies, supermarkets, doctors, and landlords exact the same price increases from Federal annuitants as they do from the rest of our Nation's retirees.

Federal employees and retirees know all to well that they have shouldered more than their share of the burden in recent rounds of budget cuts. Their job security has been jeopardized, their pay has not kept up with the private sector, their health insurance has been slashed, and their retirement benefits have been reduced. Is this the way to treat those men and women who have devoted their lives to public service?

I applaud the Committee on Post Office and Civil Service for refusing to break our commitment to Federal retirees who contributed to their pension funds in good faith. I urge my colleagues to reject once again any effort to inflict serious hardships on Federal retirees.●

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The CHAIRMAN. All time has expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except an amendment printed in House Resolution 536 which shall not be subject to amendment. Debate on this amendment is limited to 1 hour, to be equally divided and controlled by the proponent and a Member opposed thereto.

The text of the bill is as follows:

H.R. 6862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ROUNDING DOWN OF CIVIL SERVICE RETIREMENT ANNUITIES

SECTION 1. (a) Section 8340(e) of title 5, United States Code, is amended by striking out "fixed at the nearest dollar" and inserting in lieu thereof "rounded to the next lowest dollar".

(b) Section 8345(a) of title 5, United States Code, is amended by striking out "fixed at the nearest dollar" and inserting in lieu thereof "rounded to the next lowest dollar".

(c) The amendments made by subsections (a) and (b) shall apply with respect to any annuity commencing on or after October 1, 1982, and with respect to any annuity adjustment or redetermination made on or after such date.

LATER COMMENCEMENT DATE FOR CERTAIN ANNUITIES

SEC. 2. (a) Section 8345(b) of title 5, United States Code, is amended to read as follows:

(b)(1) Except as otherwise provided—

"(A) an annuity of an employee or Member commences on the first day of the month after—

"(i) separation from the service; or

"(ii) pay ceases and the service and age requirements for title to annuity are met; and

"(B) any other annuity payable from the Fund commences on the first day of the month after the occurrence of the event on which payment thereof is based.

"(2) The annuity of—

"(A) an employee involuntarily separated from service, except by removal for cause on charges of misconduct or delinquency; and

"(B) an employee or Member retiring under section 8337 of this title due to a disability;

shall commence on the day after separation from the service or the day after pay ceases and the service and age or disability requirements for title to annuity are met.".

(b) The amendment made by subsection (a) shall apply to annuities which commence on or after October 1, 1982.

FEDERAL EMPLOYEE PAY COMPARABILITY ADJUSTMENTS

SEC. 3. (a) Notwithstanding any other provision of law, if—

(1) before September 1, 1982, the President transmits to the Congress pursuant to section 5305(c)(1) of title 5, United States Code, an alternative plan which provides for an overall percentage pay adjustment which is less than 4 percent, and

(2) the alternative plan referred to in paragraph (1) is disapproved pursuant to such section 5305,

the rates of pay under the General Schedule and the rates of pay under the other statutory pay systems shall be increased under the provisions of such section 5305 by 4 percent in the case of fiscal year 1983.

(b) Each increase in a pay rate or schedule which takes effect pursuant to subsection (a) shall, to the maximum extent practicable, be of the same percentage, and shall take effect on the first day of the first applicable pay period commencing on or after October 1 of such fiscal year.

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. DERWINSKI. Mr. Chairman, notwithstanding the limitations of the rule, should there be any request by any Member to strike the requisite number of words, would that give the Member the necessary 5 minutes?

The CHAIRMAN. By a unanimous-consent request only.

Mr. DERWINSKI. In other words, the only time that would be available is under the allocation of time once the amendment is offered?

The CHAIRMAN. The gentleman is correct.

Mr. DERWINSKI. Mr. Chairman, then I ask unanimous consent to be permitted to strike the requisite number of words at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. FORD of Michigan. Mr. Chairman, reserving the right to object, I will not object if the gentleman will ask that we have an equal amount of time under the same unanimous-consent request on this side.

Mr. DERWINSKI. Oh, of course. That is one of our easier agreements of the day.

Mr. FORD of Michigan. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Chairman, I presume I am recognized for 5 minutes.

The CHAIRMAN. The presumption of the gentleman is correct, 5 minutes.

Mr. DERWINSKI. Mr. Chairman, we find ourselves in a situation where many of our Members cannot see the forest for the trees. Dangling the lure of an uncapped COLA before Federal retirees may produce some short-term political gain, but in the long run the retirees will suffer the consequences.

I have said it many times before, and I will say it again. The issue is not cost-of-living adjustments. The real problem confronting us is mounting public indignation over uncontrolled spending and spiraling deficits. It also is a fact of life that the public's perception of the Federal bureaucracy is not complimentary. It sees Federal employees as underworked and overpaid, and along with Federal retirees, the beneficiaries of generous fringe benefits, including pensions.

When workers from coast to coast are accepting pay cuts, short work weeks and experiencing layoffs, we are

rubbing salt in the wound if we insist on giving Federal retirees a COLA adjustment which would be 6½ to 7 percent according to the best available estimates. What that does is fan public indignation at the far more generous treatment of Federal retirees. It could trigger a groundswell of indignation which might possibly lead to the absorption of the civil service retirement system into social security.

My position is a good-faith effort to take the Federal retirees out of harms way. They, along with active Federal employees have one overriding fear. They do not want their retirement system used to patch a bankrupt social security system.

I and all of the Republican members of the Post Office and Civil Service Committee support the principle of full COLA. However, that support is based on the economy being normal.

At the very time when these clear indications of stiffening resistance to complying with the cuts mandate in the first concurrent budget resolution, the Director of the Congressional Budget Office is telling us that the Federal budget deficit is likely to be between $140 billion and $160 billion in each of the next 3 years. Shocking as that forecast is, it also is optimistic because it is based on the assumption that Congress make all of the spending cuts and tax increases called for in the budget resolution.

Mr. Chairman, I think we have seen the start of an interesting waltz. The situation, of course, could be handled in two ways. We could go to the heights and debate the issue, the issue in terms of economics or the issue in terms of equity as to whether a 4-percent cap on retirees' COLA is in order, whether it is practical, whether it is fair, or we could continue the political game.

I would respectfully observe that at the present time in Washington and, therefore, in this august body, that the air is more filled with political thoughts than it is with statesmanship.

I say that not in criticism, but I say that in recognition of the facts of life that 3 months from now the public will be making certain decisions and Members are cognizant of it, so politics is in the air.

This entire budget process is near collapse because of politics, and yet that is not surprising.

But what is the issue here? The issue here is the jockeying—now we are jockeying around to decide who is to bear the blame for imposing a cap on Federal retirees' cost of living.

Now, when I ask who is to bear the blame, I am assuming, if I read both sides of the aisle properly, that everybody seems to be in favor of saving tax dollars and if it is not putting the cap on, it is going back to the committee and end some forms of double-dipping.

I would like to see this exercise end on a positive note by saving $376 million, which is the mandate that the House Post Office and Civil Service Committee received but did not meet.

Now, I would suggest that the real issue before us is the budget process and whether or not this committee, which is the focal point of the controversy today, will be allowed, as the distinguished minority leader said, will be allowed to snub its nose at the budget process.

Now, that is not a very poetic statement, but the point is: Are we at this point going to allow the majority of the House Post Office and Civil Service Committee to blatantly reject their responsibilities?

Now, we could argue from which side of the aisle the COLA amendment may come from; we can talk heroically, as one Member did, of going back to the committee and imposing the savings via the attack on double dipping, which was never done in the committee, but all that is, is posturing.

The real issue is, who wants to live up to the total budget responsibility? That is not just the issue we face this afternoon. That is going to face us down the road in other piecemeal reconciliations. It is going to face us presumably in some package reconciliation. It is going to face us again when the tax bill comes back from conference. It will face us again under the second budget resolution next month.

So I suggest respectfully that the issue is, do we mean what we say that we want to meet the budget targets, or do we not mean it? That is the real issue this afternoon.

The CHAIRMAN. The gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

Mr. FORD of Michigan. Mr. Chairman, the gentleman from Illinois in a fine theatrical way suggests the question is really to be or not to be, to be or not to be courageous and cut the money. I say to him that he has before him already drafted, an amendment that will save $5.053 billion in the four Government retirement systems that we were asked to cap by capping all COLA's at 4 percent. Nothing he could do would be clearer and more consistent with the recommendations of his administration and the instructions under which he has been operating from that administration than to offer that amendment. But just as the other gentleman from Illinois, he tries to obfuscate the issue.

The floor is open and any duly elected sworn-in Member of the House sitting on the floor right now has the right to step forward and be recognized and the Clerk—you do not even have to write it, the amendment is written.

I want to join the gentleman from Illinois and say to him that I am with you. Someone should offer the amendment. Now, I am not going to vote for it, but I am sure that the gentleman will.

Is there not any Member of the House with the courage to offer the amendment that the Republican leader and the Republican senior member of my committee has described?

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I think we have the votes. I have listened to the gentleman for the last 10 minutes. Why does the gentleman persist in trying to get somebody to offer an amendment that if it were successful would go against the very people that we are trying to help. The gentleman keeps going over and over it. Just let it go and we will close it with a motion to recommit.

Mr. FORD of Michigan. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman is correct. Regular order should be maintained.

Mr. FORD of Michigan. Mr. Chairman, the gentleman from Virginia is a member of the committee and the gentleman knows that when the committee had an opportunity to amend the bill to make further cuts, the gentlemen who have been speaking loudly here today had no amendments to offer.

The gentleman as a member of the committee has not been here long enough, perhaps, to understand the keen and sharp wit of the senior Republican on the committee; but the fact is that nobody from his party is going to offer the amendment. If I thought they were, I would probably be a little bit frightened about making the challenge.

I, too, think we have got the votes. But you are not going to get a chance to be recorded voting up or down. The minority will offer a recommittal motion and then try to tell the Federal employees and retirees that voting for the recommittal did not kill their COLA; but believe me, a rose by any other name is still a rose. Capping COLA is exactly what they have in mind.

What we have here are clever parliamentary tactics that so far as I know were not even agreed to on the other side and I am sure the gentleman was not consulted on this until just a few minutes ago when I am informed that the leadership on the gentleman's side said, "Thou shalt not offer the amendment to cut. We will fool the people," as the gentleman from Ohio (Mr. LATTA) suggested when I was before the Rules Committee we ought to do, "by packaging everything so that they do not know what they are voting on."

That is the tactic we are dealing with today.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentlewoman from Colorada.

Mrs. SCHROEDER. Mr. Chairman, I just want to make sure this is clear. Anyone can offer it whether or not they voted for Gramm-Latta.

Mr. FORD of Michigan. Absolutely.

Mrs. SCHROEDER. But the problem is that the people who voted for Gramm-Latta are on record as being for the 4-percent cut; is that correct?

Mr. FORD of Michigan. Those of us who opposed Gramm-Latta would be totally insincere if we now offered an amendment to do what Gramm-Latta did.

There were obviously a majority of Members on the Republican side who voted for Gramm-Latta and not one of them now has the courage to live up to their Gramm-Latta vote and offer the amendment that is available to them today.

Mrs. SCHROEDER. I think the gentleman from Michigan, if he would yield further, makes an excellent point, that it is getting a little tiresome listening to the people who voted for Gramm-Latta down there whining that the people who voted against it are not offering this cut. It really looks ridiculous and this is the theater in which it is being served.

Mr. FORD of Michigan. I never get tired of listening to them, but I am a little bit amused by the idea that we, the committee, are preventing them from cutting all this money out of the budget. None of them will pick up the bat and hit the ball when we keep throwing it to them time after time on the floor.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Maryland.

□ 1530

Mr. HOYER. I thank the gentleman for yielding.

Mr. Chairman, I do not want to interrupt this waltz that the ranking minority member and my chairman are having. I know it is going to shock the ranking minority member that I stand in support of H.R. 6862. I want to associate myself with the remarks that have been made by the chairman, by the gentleman from California, (Mr. PENETTA), by others who have spoken out on this issue, and the gentleman from Virginia.

Clearly, what we are tallking about is having the courage to stand up and do what we say we want to do. I happen to not want to do what many of my colleagues who voted for Gramm-Latta want to do. I am prepared to stand up and vote that way. It seems to me that is exactly the procedure that the committee has fashioned.

Now, there are some who do not like it, but I am supportive of it, commend the chairman and the committee for its action.

Mr. Chairman, it seems to me that we have asked retired and active Federal workers to shoulder enough of the burden of Reaganomics.

If we go back to last year when Mr. Reagan announced his economic program, he said that it was going to be painless. He said we could have the tax cut—the biggest in history—and have the defense buildup and we could have unprecedented prosperity at the same time.

Well, few Americans have escaped the pain that this economic program has generated.

And Federal workers have felt a special sting.

Last year we eliminated twice-a-year COLA for Federal retirees, saying to them, in effect, that they would have to make do with less.

Under Reaganomics we have watched Federal workers lose their jobs and their security. We have watched their health benefits shrink and their payments go up.

Now this administration wants more blood from these people, their surviving spouses, and their children.

It wants us to ask these people to pretend that we no longer have inflation in this country.

That is simply not the real world. The real rate of inflation is something like 7 percent. Yet this administration wants retirees, along with widows and orphans, to be satisfied with a 4-percent cost-of-living adjustment.

When these civil servants retired we made a contract with them. Does not that contract mean anything any longer? Can we simply say we have changed our minds and we no longer feel they need as much protection against inflation?

The morale of Federal workers today is at low ebb. We are losing some of our best people every day. It is getting more and more difficult to fill important positions. The Federal brain drain has been much publicized as our best and brightest leave Government service to take better paying jobs in the private sector.

Over the years the Federal Government was able to attract and keep good people at critical departments and agencies like NASA, NIH, the Department of Defense, the FBI, and several others because Federal employment offered security.

Are we now prepared to say that security no longer exists and we will cut pay, benefits, and retirement any time there is a need to save some money?

This is the best way I know to guarantee that we will not get good people in sensitive Federal jobs. It is the best way I know to guarantee a second-rate work force.

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DERWINSKI. Under the rule, is any Member, regardless of how he or she may have voted on any of the budget resolutions—I should ask: Would any Member be in order to offer the 4-percent cap amendment?

The CHAIRMAN. Any Member may be recognized to offer the amendment.

Mr. DERWINSKI. In other words, any Member who voted for the original Jones resolution would be in order to offer that amendment?

The CHAIRMAN. Any Member may be recognized.

Mr. DERWINSKI. Mr. Chairman, I have an amendment at the desk which I choose at this time not to offer.

The CHAIRMAN. Does any Member seek recognition to offer the amendment made in order under the rule?

PARLIAMENTARY INQUIRY

Mr. FORD of Michigan. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD of Michigan. Mr. Chairman, could the gentleman from California, a member of my committee who offered the amendment in the committee before it was voted down by a bipartisan vote, offer it now? Would it be in order for him now?

The CHAIRMAN. Any Member may offer it.

Mr. FORD of Michigan. Would the Chairman renew his plea in a louder voice, please, to see if there is not somebody over there with the courage to offer the amendment?

Mr. DERWINSKI. Regular order, Mr. Chairman. Regular order.

The CHAIRMAN. If the gentlemen will both desist, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FAZIO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6862) to reduce budget authority and outlays under certain civil service programs pursuant to the first concurrent resolution on the budget—fiscal year 1983, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

MOTION TO RECOMMIT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion to recommit with in-

structions, which I believe is covered under the rule.

The SPEAKER. The gentleman is opposed to the bill?

Mr. DERWINSKI. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DERWINSKI moves to recommit the bill, H.R. 6862, to the Committee on Post Office and Civil Service with instructions that the Committee report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority and outlays in accordance with the provisions of the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92) and submit such recommendations promptly to the House Committee on the Budget pursuant to the provisions of the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92), the Congressional Budget Act of 1974 (P.L. 93-344), and the Rules of the House.

The SPEAKER. The gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes in support of his motion to recommit.

Mr. DERWINSKI. Mr. Speaker, I would like to remind the Members of exactly what is in this motion to recommit. All it provides for is that the bill will be recommitted to the Committee on Post Office and Civil Service with instructions that that committee report changes within its jurisdiction sufficient to reduce budget authority and then, therefore, conform to the first concurrent budget resolution, then submit such resolution to the august House Committee on the Budget.

Now, the necessity of the motion to recommit is clear. The committee was mandated under the budget resolution to provide a savings of $376 million. It failed to do so. It came up with a $32 million savings, which is 8.5 percent of the presumed savings.

The committee has general authority under its jurisdiction to produce savings in the vicinity of $1,350 million. This was obviously left untouched. The issue before us is the integrity of the entire budget process.

Many of the Members, those who were here back when the budget law was adopted remember we had a dry run to test it. We have fought battles since then to sustain this budget procedure. But many never thought they would see a day like this when, in deliberate fashion, the various committees are totally ignoring the mandate of the budget resolution.

Notwithstanding that the budget resolution was controversial, the fact is a majority of the House adopted that resolution, and where are we today? Ignoring, totally ignoring the dictates of that budget resolution.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Califorina.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Speaker, let me be sure now I understand. If we vote for a motion to recommit it means we are sending this reconciliation bill back for correction. This committee did not come up with the $376 million worth of savings, or actually failed to slow down spending increases; the committee only came up with $32 million in their responsibility to reduce $376 million.

Are there other places besides capping the retirees' pay that the required savings cold be achieved?

Mr. DERWINSKI. Yes, there are a number of areas.

Mr. ROUSSELOT. If the gentleman will yield further, a number of areas?

Mr. DERWINSKI. Yes.

Mr. ROUSSELOT. So we really have not heard too much today about those other areas where slowing down spending increases could have been achieved; is that correct?

Mr. DERWINSKI. Well, we have had some references, but the gentleman must understand that there was a calculated effort not to meet the targets. I think we all understand that, regardless of how it is phrased.

Mr. ROUSSELOT. Oh, I see. But there are clear areas where this committee could have come up very positively with slowing down spending increases and achieved the savings of the budget resolution.

Mr. DERWINSKI. Maybe not easily, but legally and precisely.

Mr. ROUSSELOT. Legally and precisely.

Mr. DERWINSKI. And properly under the budget resolution. So we do have flexibility, and the motion to recommit would permit us to again consider them.

Mr. ROUSSELOT. So the committee knows of these saving areas; they are not hidden or not known to some Members. The possible areas of savings are clearly there?

Mr. DERWINSKI. I think it fair to say that committee members are very, very aware of their responsibilities and their jurisdiction. That is why a very effective correction is possible.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding.

Mr. LOTT. Mr. Speaker, will the gentleman from Illinois yield to me?

Mr. DERWINSKI. I yield to the distinguished minority whip.

Mr. LOTT. I thank the gentleman for yielding.

Mr. Speaker, this is the first vote, in effect, out of the box on complying with the budget resolution.

Am I correct in understanding that this particular resolution or bill actually only comes up with 3½ percent of what was directed under the budget resolution?

Mr. DERWINSKI. Eight and one-half percent.

Mr. LOTT. Eight and one-half. Is it also correct that even if the 4-percent COLA cap had been included, it still would not meet the requirements of the budget resolution?

Mr. DERWINSKI. At that point it would fall short by 20 percent.

Mr. LOTT. It seems evident to me that the budget resolution is not being complied with in this bill, and I would urge the Members to vote for this motion to recommit.

Mr. DERWINSKI. The disregard for the budget resolution is painfully obvious.

Mr. Speaker, I would urge all Members who have any shred of respect and appreciation for the budget procedure to join in supporting this very necessary motion to recommit.

□ 1540

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. REGULA. Do I understand correctly from the debate that other committees are affected by this; that in fact the issue of COLA caps would be determined by the action in this committee, but it would affect several other committees that are dealing with this problem?

Mr. DERWINSKI. Yes, there is an interlocking factor depending on our committee jurisdiction, but the precise issue before us is $376 million. The committee reduces $32 million. We must recommit to be responsible.

Mr. FORD of Michigan. Mr. Speaker, I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the motion to recommit this bill to the Committee on Post Office and Civil Service, of which I am a member. While the motion does not specify those programs which would be cut, it is assumed that the lion's share of savings would be realized by capping the cost-of-living adjustment for Federal retirees.

As my colleagues will recall, during its earlier consideration of the budget resolution, the House had the opportunity to vote on the COLA issue and resoundingly, by 327 to 94, approved an amendment to place no cap on COLA. I joined a majority of my colleagues in fighting that cap, and submit as I did during our earlier debate, that such a cap would place an onerous and unfair financial burden on our Federal and postal retirees. The Congress, in its wisdom, has not deemed it appropriate or desirable to cap the COLA's which social security beneficiaries or railroad retirees receive. I see no reason to single out our Federal retirees on this matter.

Recent changes in the formula by which COLA is calculated and in the frequency with which COLA are received have forced Federal and postal retirees to contribute significantly to our Nation's fight for economic recovery. Another change, like the cap on COLA, can only be construed as an unfair and ill-advised budget cutback.

Accordingly, I urge my colleagues to defeat the motion to recommit.

Mr. FORD of Michigan. Mr. Speaker, I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, this motion to recommit adds a new dimension to cynicism. It very clearly is an attempt to impose a 4-percent ceiling on retiree benefits without appearing to do so. The Republican leadership had the opportunity under the rule to offer the straight Republican amendment to impose that 4-percent cap on retirees. They chose not to do it in quite so direct and frontal a way. Instead, they want to send it back to the committee and force the committee to do it.

Let there be no mistake: Everybody who votes for this motion to recommit is voting for a 4-percent ceiling on retirees' benefits. That is all there is to it, it is just that simple, and the public will not be deceived by the transparent attempt to obfuscate the real intent within this motion to recommit.

Several years ago, this Government made a promise to those whose labors have served the public and kept the Nation strong.

To those in the military service of this country, and to the civilian public servants, we said: Persevere with us, continue faithfully in the service of America, and when you are old and can no longer work, we will protect you from inflation in your retirement.

That was a solemn commitment. For many thousands of people in the armed services, it was both a recruitment lure and an inducement to reenlist. For those in the civil service, often tempted by more lucrative opportunities in private life, it was an incentive to remain with the Government and continue to give our country the benefit of their knowledge and experience.

Now it is suggested that we welch on that agreement. For those who believed in the word of their Government and faithfully served it and now in their retirement must rely upon its good faith, it is suggested that we abrogate the contract, abandon the commitment and leave them to the mercy of whatever inflation may ensue.

The Republican majority in the Senate tried earlier this year to do this same identical thing to social security recipients, but the majority in the House refused to let it be done.

Earlier this year, Congress voted to cap the pay of those in the Government's employ at no more than a 4-percent increase for the coming year. But there is an enormous difference between capping pay and capping retirement benefits.

Capping pay at least warns people in advance. Those currently working for the Government acknowledge a responsibility to set an example for the rest of the country. By and large, they have not complained. At least they are employed, and if they should believe they are being treated unfairly, they have the option of seeking other employment.

No such option exists for the retirees, for those whose youth and strength have been spent in the service of their land and who are now at the mercy of their Government to keep its word to them.

It is not as though we need to balance the budget upon the backs of those who in their declining years are helpless to defend themselves. It is not as though our decision to keep our promise to the Nation's elderly—the military, civil service, and social security retired—were a breach of good faith with the Republican budget which Congress adopted earlier this year.

The committees of the House in their reconciliation bills are more than fulfilling the mandate of that budget. Nine committees, including the Committee on Post Office and Civil Service, are reporting reconciliation savings in the aggregate total of $7,700,000 for fiscal 1983, an increase of $1.15 billion above the total savings of $6.5 billion assumed for those committees in the budget resolution. For fiscal 1984, the total savings will be $10.7 billion, or another $1.5 billion above the numbers projected in the budget resolution.

So the question is not whether we keep faith with the Republican budget resolution. The question is whether we keep faith with the Nation's retirees. "The good faith and credit of the United States": Those words, for the inception of this Republic, have been the ultimate guarantee for all who look to this Government for justice.

If we now break faith with those who have so faithfully served us, if we turn our backs upon our own and coldly cast them off like wornout garments, then ask yourself: Who can believe our commitments? What foreign country can have confidence in our word? What credibility will we have to others if we turn our backs upon those who have served us well and now are at the mercy of our good faith?

The retired—those who have given the years of their working careers to the United States—have kept their part of the bargain. Now it is up to us to establish once and for all that we shall keep ours.

Mr. FORD of Michigan. Mr. Speaker, it is now very clear that what Mr. LATTA pled for in the Rules Committee is the ploy and tactics being employed by the people offering the motion to recommit. Mr. PANETTA said before the Rules Committee when this bill was being considered, "We are recommending one amendment, not an open rule."

Mr. LATTA said, "You say we ought to have an opportunity to vote on these reductions. Once you do that, the ball game is over. You have got to package them to give them an out."

The gentleman on the other side thinks that he is packaging the cuts to give them an out.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the nays appeared to have it.

Mr. DERWINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will make the following announcement: Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

This will be a 15-minute vote. The second vote will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 160, nays 236, not voting 38, as follows:

[Roll No. 235]

YEAS—160

Archer	Erlenborn	Lujan
Ashbrook	Evans (DE)	Lungren
Atkinson	Evans (IA)	Madigan
Badham	Fenwick	Marlenee
Bailey (MO)	Fiedler	Marriott
Barnard	Fields	Martin (IL)
Benedict	Findley	Martin (NC)
Bennett	Fish	Martin (NY)
Bereuter	Fountain	McClory
Bethune	Frenzel	McCloskey
Bliley	Gingrich	McCollum
Breaux	Goldwater	McDonald
Broomfield	Goodling	McEwen
Brown (CO)	Gradison	McKinney
Broyhill	Gramm	Michel
Burgener	Gregg	Miller (OH)
Butler	Grisham	Montgomery
Campbell	Gunderson	Moore
Carman	Hagedorn	Moorhead
Chappie	Hall, Sam	Morrison
Cheney	Hance	Myers
Clinger	Hansen (UT)	Nichols
Coats	Hartnett	Oxley
Coleman	Hiler	Pashayan
Collins (TX)	Hillis	Paul
Conable	Holland	Petri
Conte	Hyde	Porter
Corcoran	Ireland	Pursell
Coughlin	Jeffords	Quillen
Craig	Jeffries	Railsback
Crane, Daniel	Jenkins	Regula
Crane, Philip	Johnston	Rhodes
Daniel, Dan	Kemp	Ritter
Dannemeyer	Kindness	Roberts (KS)
Derwinski	Lagomarsino	Roberts (SD)
Dickinson	Latta	Robinson
Dreier	Leach	Roemer
Duncan	Lee	Roth
Dunn	Levitas	Roukema
Edwards (AL)	Lewis	Rousselot
Edwards (OK)	Livingston	Rudd
Emerson	Loeffler	Sawyer
Emery	Lott	Schulze
Erdahl	Lowery (CA)	Sensenbrenner

Shelby
Shumway
Shuster
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Snowe
Solomon
Spence
Stangeland
Stanton
Staton
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Vander Jagt
Walker
Wampler
Weber (MN)
Weber (OH)
Whittaker
Winn
Wortley
Wylie

NAYS—236

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Bailey (PA)
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, Phillip
Byron
Carney
Chappell
Chisholm
Clausen
Coelho
Collins (IL)
Courter
Coyne, James
Coyne, William
D'Amours
Daniel, R. W.
Daub
Davis
de la Garza
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
English
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Fithian
Flippo
Florio
Foglietta
Foley
Ford (MI)
Forsythe
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ralph
Hamilton
Hammerschmidt
Harkin
Hawkins
Heckler
Hefner
Heftel
Hendon
Hightower
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
Kramer
LaFalce
Lantos
Leath
LeBoutillier
Lehman
Lent
Long (LA)
Long (MD)
Lowry (WA)
Luken
Lundine
Markey
Martinez
Matsui
Mattox
Mavroules
Mazzoli
McCurdy
McDade
McGrath
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Mottl
Murphy
Murtha
Napier
Natcher
Neal
Nelligan
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Rose
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Skelton
Smith (IA)
Smith (NJ)
Smith (PA)
Snyder
Solarz
St Germain
Stark
Stokes
Studds
Swift
Synar
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams (MT)
Wilson
Wirth
Wolf
Wolpe
Wright
Wyden
Yates
Yatron
Young (FL)
Zablocki
Zeferetti

NOT VOTING—38

AuCoin
Bafalis
Beard
Blanchard
Bolling
Brown (OH)
Burton, John
Clay
Conyers
Crockett
Daschle
DeNardis
Dornan
Ertel
Ford (TN)
Fowler
Ginn
Hall (OH)
Hansen (ID)
Hatcher
Hertel
Hunter
Jones (TN)
Leland
Marks
Moffett
Mollohan
O'Brien
Pritchard
Rosenthal
Savage
Siljander
Simon
Stenholm
Washington
Williams (OH)
Young (AK)
Young (MO)

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Dornan of California for, with Mr. O'Brien against.

Mr. Hansen of Idaho for, with Mr. Williams of Ohio against.

Mrs. COLLINS of Illinois, Messrs. GEJDENSON, DORGAN of North Dakota, GARCIA, HOWARD, JAMES K. COYNE, HAMMERSCHMIDT, and NAPIER changed their votes from "yea" to "nay."

Messrs. RHODES, EVANS of Iowa, and BARNARD changed their votes from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Chair will announce that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 268, nays 128, not voting 38, as follows:

[Roll No. 236]

YEAS—268

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkinson
Bailey (PA)
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bevill
Biaggi
Bingham
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burton, Phillip
Byron
Carney
Chappell
Chisholm
Clausen
Clinger
Coelho
Collins (IL)
Conte
Courter
Coyne, James
Coyne, William
D'Amours
Daniel, R. W.
Daub
Davis
de la Garza
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Emery
English
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fithian
Flippo
Florio
Foglietta
Foley
Ford (MI)
Forsythe
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Harkin
Hawkins
Heckler
Hefner
Heftel
Hendon
Hightower
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
Kramer
LaFalce
Lantos
Leach
Leath
LeBoutillier
Lehman
Lent
Long (LA)
Long (MD)
Lowry (WA)
Lujan
Luken
Madigan
Markey
Marlenee
Martinez
Matsui
Mattox
Mavroules
McCurdy
McDade
McGrath
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Moore
Morrison
Mottl
Murphy
Murtha
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Skelton
Smith (IA)
Smith (NJ)
Smith (PA)
Snowe
Snyder
Solarz
Spence
St Germain
Stark
Stokes
Studds
Swift
Synar
Tauke
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams (MT)
Wilson
Winn
Wirth
Wolf
Wolpe
Wright
Wyden
Yates
Yatron
Young (FL)
Zablocki
Zeferetti

NAYS—128

Archer
Ashbrook
Badham
Bailey (MO)
Barnard
Bereuter
Bethune
Bliley
Breaux
Brown (CO)
Broyhill
Burgener
Butler
Campbell
Carman
Chappie
Cheney
Coats
Coleman
Collins (TX)
Conable
Corcoran
Coughlin
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Dannemeyer
Derwinski
Dickinson
Dreier
Edwards (AL)
Edwards (OK)
Emerson
Erdahl
Erlenborn
Fiedler
Fields
Fish
Fountain
Frenzel
Gephardt
Gingrich
Goldwater
Goodling
Gradison
Gramm
Gregg
Grisham
Gunderson
Hagedorn
Hansen (UT)
Hartnett
Hiler
Hillis
Holland
Hyde
Jeffries
Jenkins
Johnston
Kemp
Kindness
Lagomarsino
Latta
Lee
Levitas
Lewis
Livingston
Loeffler
Lott
Lowery (CA)
Lundine
Lungren
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Mazzoli
McClory
McCloskey
McCollum
McDonald
McEwen
McKinney
Michel
Miller (OH)
Montgomery
Moorhead
Myers
Oxley
Pashayan
Paul
Petri
Porter
Regula
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Rousselot
Rudd
Sensenbrenner
Shelby
Shumway
Shuster
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Solomon
Stangeland

Stanton	Taylor	Weber (OH)
Staton	Thomas	Whittaker
Stratton	Vander Jagt	Wortley
Stump	Walker	Wylie
Tauzin	Weber (MN)	

NOT VOTING—38

AuCoin	Ertel	Mollohan
Bafalis	Ford (TN)	O'Brien
Beard	Fowler	Pritchard
Blanchard	Ginn	Rosenthal
Bolling	Hall (OH)	Savage
Brown (OH)	Hansen (ID)	Siljander
Burton, John	Hatcher	Simon
Clay	Hertel	Stenholm
Conyers	Hunter	Washington
Crockett	Jones (TN)	Williams (OH)
Daschle	Leland	Young (AK)
DeNardis	Marks	Young (MO)
Dornan	Moffett	

□ 1610

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien for, with Mr. Dornan of California against.

Mr. Williams of Ohio for, with Mr. Hansen of Idaho against.

Mr. STRATTON and Mr. LIVINGSTON changed their votes from "yea" to "nay."

Mrs. BOUQUARD, Mr. DUNN, and Mr. SAWYER changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT ON AUGUST 4, 1982, DURING 5-MINUTE RULE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit on Wednesday, August 4, 1982, during the 5-minute rule for the purpose of marking up two bills:

H.R. 4863, to modify the maritime laws applicable to the recovery of damages by certain foreign workers; and

H.R. 6732, a bill proposing a time extension for the inspection and plating of containers as called for in a recent amendment to the International Convention for Safe Containers, 1972.

The ranking minority member of the subcommittee, the gentleman from California (Mr. McCLOSKEY), has been apprised of the markup time and is in accord with this request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6307, RESOURCE CONSERVATION AND RECOVERY REAUTHORIZATION ACT OF 1982

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 97-690) on the resolution (H. Res. 545) providing for the consideration of the bill (H.R. 6307) to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1983 and 1984, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6308, RAIL SAFETY AND SERVICE IMPROVEMENT ACT OF 1982

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 97-691) on the resolution (H. Res. 546) providing for the consideration of the bill (H.R. 6308) to insure rail safety, provide for the preservation of rail service, transfer responsibility for the Northeast corridor improvement project to Amtrak, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6812, SALARIES AND EXPENSES LIMITATION ACT

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 97-692) on the resolution (H. Res. 547) providing for the consideration of the bill (H.R. 6812) to limit the salaries and expenses of certain offices within the Department of the Treasury and the Department of Housing and Urban Development, which was referred to the House Calendar and ordered to be printed.

□ 1620

CONFERENCE REPORT ON S. 1193, INTERNATIONAL COMMUNICATION AGENCY AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATIONS, 1982 AND 1983

Mr. FASCELL submitted the following conference report and statement on the Senate bill (S. 1193) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 97-693)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1193) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—DEPARTMENT OF STATE

SHORT TITLE

SEC. 101. This title may be cited as the "Department of State Authorization Act, Fiscal Years 1982 and 1983".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 102. There are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law, the following amounts:

(1) For "Administration of Foreign Affairs", $1,245,637,000 for the fiscal year 1982 and $1,248,059,000 for the fiscal year 1983.

(2) For "International Organizations and Conferences", $503,462,000 for the fiscal year 1982 and $514,436,000 for the fiscal year 1983.

(3) For "International Commissions", $19,808,000 for the fiscal year 1982 and $22,432,000 for the fiscal year 1983.

(4) For "Migration and Refugee Assistance", $504,100,000 for the fiscal year 1982 and $460,000,000 for the fiscal year 1983.

REOPENING CERTAIN UNITED STATES CONSULATES

SEC. 103. (a) Notwithstanding any other provision of law, $400,000 of the funds available for the fiscal year 1982 for "Salaries and Expenses" of the Department of State are hereby reprogrammed for, and shall be used by the Department for, the expenses of operating and maintaining the consulates specified in subsection (c) of this section.

(b) None of the funds made available under this or any other Act for "Administration of Foreign Affairs" may be used for the establishment or operation of any United States consulate that did not exist on the date of enactment of this Act (other than the consulates specified in subsection (c)) until all the United States consulates specified in subsection (c) have been reopened as required by section 108 of the Department of State Authorization Act, Fiscal Years 1980 and 1981.

(c) The consulates referred to in subsections (a) and (b) of this section are the consulates in the following locations: Turin, Italy; Salzburg, Austria; Goteborg, Sweden; Bremen, Germany; Nice, France; Mandalay, Burma; and Brisbane, Australia.

RESTRICTIONS RELATING TO PALESTINIAN RIGHTS UNITS AND PROJECTS PROVIDING POLITICAL BENEFITS TO THE PALESTINE LIBERATION ORGANIZATION

SEC. 104. (a) Funds appropriated under paragraph (2) of section 102 of this Act may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less—

(1) 25 percent of the amount budgeted for that year for the Committee on the Exercise for the Inalienable Rights of the Palestinian People (or any similar successor entity); and

(2) 25 percent of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity); and

(3) 25 percent of the amount budgeted for that year for projects whose primary purpose is to provide political benefits to the Palestine Liberation Organization or entities associated with it.

(b) Funds appropriated under paragraph (2) of section 102 of this Act may not be used for payment by the United States, as its contribution toward the assessed budget of any specialized agency of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less 25 percent of the amount budgeted by such agency for that year for projects whose primary purpose is to provide political benefits to the Palestine Liberation Organization or entities associated with it.

(c) The President shall annually review the budgets of the United Nations and its specialized agencies to determine which projects have the primary purpose of providing political benefit to the Palestine Liberation Organization. The President shall report to the Congress on any such project for which a portion of the United States assessed contribution is withheld and the amount withheld.

(d) Subsections (a)(3) and (b) shall not be construed as limiting United States contributions to the United Nations, or its specialized agencies, for projects whose primary purpose is to provide humanitarian, educational, developmental, and other nonpolitical benefits to the Palestinian people.

PAYMENT OF ASSESSED CONTRIBUTIONS FOR CERTAIN INTERNATIONAL ORGANIZATIONS

SEC. 105. (a) Funds authorized to be appropriated for the fiscal year 1982 by paragraph (2) of section 102 of this Act shall be used for payment of the entire amount payable for the United States contribution for the calendar year 1982 to the Organization of American States, to the Pan American Health Organization, and to the Inter-American Institute for Cooperation on Agriculture.

(b) Funds authorized to be appropriated for the fiscal year 1983 by paragraph (2) of section 102 of this Act shall be used for payment of the entire amount payable for the United States contribution for the calendar year 1983 to the Organization of American States, to the Pan American Health Organization, and to the Inter-American Institute for Cooperation on Agriculture.

(c) For purposes of this section, the term "United States contribution" means the United States assessed contribution to the budget of the Organization of American States, the Pan American Health Organization, or the Inter-American Institute for Cooperation on Agriculture, as the case may be, plus amounts required to be paid by the United States or minus amounts credited to the United States (as appropriate) under that organization's tax equalization program.

INTERNATIONAL COMMITTEE OF THE RED CROSS

SEC. 106. Of the amounts authorized to be appropriated by paragraph (4) of section 102 of this Act, $1,500,000 shall be available for the fiscal year 1982 and $1,500,000 shall be available for the fiscal year 1983 only for the International Committee of the Red Cross to support the activities of the protection and assistance program for "political" detainees.

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

SEC. 107. Of the amounts authorized to be appropriated by paragraph (4) of section 102 of this Act, $12,500,000 for the fiscal year 1982 and $16,875,000 for the fiscal year 1983 shall be available only for assistance for the resettlement in Israel of refugees from the Union of Soviet Socialist Republics, from Communist countries in Eastern Europe, and from other countries.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

SEC. 108. (a) The Congress finds that—

(1) a free press is vital to the functioning of free governments;

(2) Article 19 of the Universal Declaration of Human Rights provides for the right to freedom of expression and to "seek, receive and impart information and ideas through any media and regardless of frontiers";

(3) the Constitution of the United Nations Educational, Scientific and Cultural Organization provides for the promotion of "the free flow of ideas by word and image";

(4) the signatories of the Final Act of the Conference on Security and Cooperation in Europe (Helsinki, 1975) pledged themselves "to facilitate the freer and wider dissemination of information of all kinds, to encourage co-operation in the field of information and the exchange of information with other countries, and to improve the conditions under which journalists from one participating State exercise their profession in another participating State"; and

(5) government censorship, domination, or suppression of a free press is a danger to free men and women everywhere.

(b) Therefore, it is the sense of the Congress that the United Nations Educational, Scientific and Cultural Organization should cease efforts to attempt to regulate news content and to formulate rules and regulations for the operation of the world press.

(c) The Congress opposes efforts by some countries to control access to and dissemination of news.

(d) The President shall evaluate and, not later than six months after the date of enactment of this Act, shall report to the Congress his assessment of—

(1) the extent to which United States financial contributions to the United Nations Educational, Scientific and Cultural Organization, and the extent to which the programs and activities of that Organization, serve the national interests of the United States;

(2) the programs and activities of the United Nations Educational, Scientific and Cultural Organization, especially its programs and activities in the communications sector; and

(3) the quality of United States participation in the United Nations Educational, Scientific and Cultural Organization, including the quality of United States diplomatic efforts with respect to that Organization, the quality of United States representation in the Secretariat of that Organization, and the quality of recruitment of United States citizens to be employed by that Organization.

Such report should include the President's recommendations regarding any improvements which should be made in the quality and substance of United States representation in the United Nations Educational, Scientific and Cultural Organization.

RESTRICTION ON CONTRIBUTIONS TO THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

SEC. 109. (a) None of the funds authorized to be appropriated by paragraph (2) of section 102 of this Act or by any other Act for "International Organizations and Conferences" may be used for payment by the United States of its contribution toward the assessed budget of the United Nations Educational, Scientific and Cultural Organization if that organization implements any policy or procedure the effect of which is to license journalists or their publications, to censor or otherwise restrict the free flow of information within or among countries, or to impose mandatory codes of journalistic practice or ethics.

(b) Not later than February 1 of each year, the Secretary of State shall report to the Congress with respect to whether the United Nations Educational, Scientific and Cultural Organization has taken any action described in subsection (a) of this section.

BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS

SEC. 110. In addition to the amounts authorized to be appropriated by section 102 of this Act, there are authorized to be appropriated to the Secretary of State $3,700,000 for the fiscal year 1982 and $3,700,000 for the fiscal year 1983 for payment of the United States share of expenses of the science and technology agreements between the United States and Yugoslavia and between the United States and Poland.

ASIA FOUNDATION

SEC. 111. In addition to the amounts authorized to be appropriated by section 102 of this Act, there are authorized to be appropriated to the Secretary of State $4,500,000 for the fiscal year 1982 and $4,500,000 for the fiscal year 1983 for the Asia Foundation in furtherance of that organization's purposes as described in its charter. Amounts appropriated under this section shall be made available to the Asia Foundation by the Secretary of State in accordance with the terms and conditions of a grant agreement to be negotiated between the Secretary and the Foundation.

BUYING POWER MAINTENANCE

SEC. 112. (a) Section 24(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)) is amended to read as follows:

"(b)(1) In order to maintain the levels of program activity for the Department of State provided for each fiscal year by the annual authorizing legislation, there are authorized to be appropriated for the Department of State such sums as may be necessary to offset adverse fluctuations in foreign currency exchange rates, or overseas wage and price changes, which occur after November 30 of the earlier of—

"(A) the calendar year which ended during the fiscal year preceding such fiscal year, or

"(B) the calendar year which preceded the calendar year during which the authorization of appropriations for such fiscal year was enacted.

"(2) In carrying out this subsection, there may be established a Buying Power Maintenance account.

"(3) In order to eliminate substantial gains to the approved levels of overseas operations for the Department of State, the Secretary of State shall transfer to the Buying Power Maintenance account such amounts in any appropriation account under the heading 'Administration of Foreign Affairs' as the Secretary determines are excessive to the needs of the approved level of operations under that appropriation account because of fluctuations in foreign currency exchange rates or changes in overseas wages and prices.

"(4) In order to offset adverse fluctuations in foreign currency exchange rates or overseas wage and price changes, the Secretary of State may transfer from the Buying Power Maintenance account to any appropriation account under the heading 'Administration of Foreign Affairs' such amounts as the Secretary determines are necessary to maintain the approved level of operations under that appropriation account.

"(5) Funds transferred by the Secretary of State from the Buying Power Maintenance account to another account shall be merged with and be available for the same purpose, and for the same time period, as the funds in that other account. Funds transferred by the Secretary from another account to the Buying Power Maintenance account shall be merged with the funds in the Buying Power Maintenance account and shall be available for the purposes of that account until expended.

"(6) Any restriction contained in an appropriation Act or other provision of law limiting the amounts available for the Department of State that may be obligated or expended shall be deemed to be adjusted to the extent necessary to offset the net effect of fluctuations in foreign currency exchange rates or overseas wage and price changes in order to maintain approved levels.".

(b) Section 704(c) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1477b(c)) is amended—

(1) by inserting ", or overseas wage and price changes," immediately after "foreign currency exchange rates"; and

(2) by striking out "preceding fiscal year" and inserting in lieu thereof "earlier of (1) the calendar year which ended during the fiscal year preceding such fiscal year, or (2) the calendar year which preceded the calendar year during which the authorization of appropriations for such fiscal year was enacted".

(c) Section 8(a)(2) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2287(a)(2)) is amended—

(1) in the first sentence, by inserting ", or overseas wage and price changes," immediately after "foreign currency exchange rates";

(2) in the first sentence, by striking out "preceding fiscal year" and inserting in lieu thereof "earlier of (A) the calendar year which ended during the fiscal year preceding such fiscal year, or (B) the calendar year which preceded the calendar year during which the authorization of appropriations for such fiscal year was enacted"; and

(3) in the second sentence, by inserting "or such changes" immediately after "such fluctuations".

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

SEC. 113. Paragraph (1) of the first section of the joint resolution entitled "Joint Resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof", approved August 2, 1935 (22 U.S.C. 273), is amended by striking out ", not to exceed $200,000 annually,".

INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW AND THE HAGUE CONFERENCE ON PRIVATE INTERNATIONAL LAW

SEC. 114. Section 2 of the joint resolution entitled "Joint Resolution to provide for participation by the Government of the United States in the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law, and authorizing appropriations therefor", approved December 30, 1963 (22 U.S.C. 269g–1), is amended by striking out ", except that" and all that follows through "that year".

PAN AMERICAN RAILWAY CONGRESS

SEC. 115. Section 2(a) of the joint resolution entitled "Joint Resolution providing for participation by the Government of the United States in the Pan American Railway Congress, and authorizing an appropriation therefor", approved June 28, 1948 (22 U.S.C. 280k), is amended by striking out "Not more than $15,000 annually" and inserting in lieu thereof "Such sums as may be necessary".

PASSPORT FEES AND PERIOD OF VALIDITY

SEC. 116. (a) The first sentence of section 1 under the heading "FEES FOR PASSPORTS AND VISES" of the Act of June 4, 1920 (22 U.S.C. 214), is amended to read as follows: "There shall be collected and paid into the Treasury of the United States a fee, prescribed by the Secretary of State by regulation, for each passport issued and a fee, prescribed by the Secretary of State by regulation, for executing each application for a passport.".

(b)(1) Section 2 of the Act entitled "An Act to regulate the issue and validity of passports, and for other purposes", approved July 3, 1926 (22 U.S.C. 217a), is amended to read as follows:

"SEC. 2. A passport shall be valid for a period of ten years from the date of issue, except that the Secretary of State may limit the validity of a passport to a period of less than ten years in an individual case or on a general basis pursuant to regulation.".

(2) The amendment made by this subsection applies with respect to passports issued after the date of enactment of this Act.

DOCUMENTATION OF CITIZENSHIP

SEC. 117. The State Department Basic Authorities Act of 1956 is amended by inserting the following new section 33 immediately after section 32 and by redesignating existing section 33 as section 34:

"SEC. 33. The following documents shall have the same force and effect as proof of United States citizenship as certificates of naturalization or of citizenship issued by the Attorney General or by a court having naturalization jurisdiction:

"(1) A passport, during its period of validity (if such period is the maximum period authorized by law), issued by the Secretary of State to a citizen of the United States.

"(2) The report, designated as a 'Report of Birth Abroad of a Citizen of the United States', issued by a consular officer to document a citizen born abroad.".

UNITED STATES REPRESENTATIVE TO INTERNATIONAL ORGANIZATIONS IN VIENNA

SEC. 118. Section 2 of the United Nations Participation Act of 1945 (22 U.S.C. 287) is amended by adding at the end thereof the following new subsection:

"(h) The President, by and with the advice and consent of the Senate, shall appoint a representative of the United States to the Vienna office of the United Nations with appropriate rank and status, who shall serve at the pleasure of the President and subject to the direction of the Secretary of State. Such individual shall, at the direction of the Secretary of State, represent the United States at the Vienna office of the United Nations and perform such other functions there in connection with the participation of the United States in international organizations as the Secretary of State from time to time may direct.".

LIVING QUARTERS FOR THE STAFF OF THE UNITED STATES REPRESENTATIVE TO THE UNITED NATIONS

SEC. 119. Section 8 of the United Nations Participation Act of 1945 (22 U.S.C. 287e) is amended—

(1) by striking out "representative of the United States to the United Nations referred to in paragraph (a) of section 2 hereof" and inserting in lieu thereof "representatives provided for in section 2 of this Act and of their appropriate staffs"; and

(2) by adding at the end thereof the following: "Any payments made by United States Government personnel for occupancy by them of living quarters leased or rented under this section shall be credited to the appropriation, fund, or account utilized by the Secretary of State for such lease or rental or to the appropriation, fund, or account currently available for such purpose.".

PRIVATE SECTOR REPRESENTATIVES ON UNITED STATES DELEGATIONS TO INTERNATIONAL TELECOMMUNICATIONS MEETINGS AND CONFERENCES

SEC. 120. (a) Sections 203, 205, 207, and 208 of title 18, United States Code, shall not apply to a private sector representative on the United States delegation to an international telecommunications meeting or conference who is specifically designated to speak on behalf of or otherwise represent the interests of the United States at such meeting or conference with respect to a particular matter, if the Secretary of State (or the Secretary's designee) certifies that no Government employee on the delegation is as well qualified to represent United States interests with respect to such matter and that such designation serves the national interest. All such representatives shall have on file with the Department of State the financial disclosure report required for special Government employees.

(b) As used in this section, the term "international telecommunications meeting or conference" means the conferences of the International Telecommunications Union, meetings of its International Consultative Committees for Radio and for Telephone and Telegraph, and such other international telecommunications meetings or conferences as the Secretary of State may designate.

PROCUREMENT CONTRACTS

SEC. 121. The State Department Basic Authorities Act of 1956 is amended by inserting the following new section immediately after section 13:

"SEC. 14. (a) Any contract for the procurement of property or services, or both, for the Department of State or the Foreign Service

which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of five years when—

"(1) appropriations are available and adequate for payment for the first fiscal year and for all potential cancellation costs; and

"(2) the Secretary of State determines that—

"(A) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing;

"(B) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operation; and

"(C) such a method of contracting will not inhibit small business participation.

"(b) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be cancelled and any cancellation costs incurred shall be paid from appropriations originally available for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.".

COMPENSATION FOR DISABILITY OR DEATH

SEC. 122. The State Department Basic Authorities Act of 1956 is amended by inserting the following new section immediately after section 15:

"SEC. 16. The first section of the Act of August 16, 1941 (42 U.S.C. 1651; commonly known as the 'Defense Base Act') shall not apply with respect to such contracts as the Secretary of State may determine which are contracts with persons employed to perform work for the Department of State or the Foreign Service on an intermittent basis for not more than 90 days in a calendar year.".

DUTIES OF A CHIEF OF MISSION

SEC. 123. Section 207 of the Foreign Service Act of 1980 (22 U. S. C. 3927) is amended by adding at the end thereof the following new subsection:

"(c) Each chief of mission to a foreign country shall have as a principal duty the promotion of United States goods and services for export to such country.".

BASIC SALARY RATES FOR THE SENIOR FOREIGN SERVICE

SEC. 124. Section 402(a) of the Foreign Service Act of 1980 (22 U. S. C. 3962(a)) is amended—

(1) by inserting "(1)" immediately after "(a)";

(2) by inserting immediately after the first sentence the following new sentence: "The President shall also prescribe one or more basic salary rates for each class."; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall determine which of the basic salary rates prescribed by the President under paragraph (1) for any salary class shall be paid to each member of the Senior Foreign Service who is appointed to that class. The Secretary may adjust the basic salary rate of a member of the Senior Foreign Service not more than once during any 12-month period.".

AMENDMENTS CORRECTING PRINTING ERRORS

SEC. 125. The Foreign Service Act of 1980 is amended—

(1) in section 704(b)(2) (22 U.S.C. 4024(b)(2)) by striking out "411" and inserting in lieu thereof "412"; and

(2) in section 814(a)(3) (22 U.S.C. 4054(a)(3)) by striking out "on" the second place it appears in the first sentence and inserting in lieu thereof "or".

SCIENTIFIC EXCHANGE ACTIVITIES WITH THE SOVIET UNION

SEC. 126. (a) Not later than 90 days after the date of enactment of this Act, the Secretary of State shall submit to the Congress a report with respect to the individual exchange activities conducted pursuant to the 11 agreements for cooperation in specialized fields which were entered into by the United States and the Union of Soviet Socialist Republics between 1972 and 1974. This report shall include—

(1) an assessment of the risk of the transfer to the Soviet Union of militarily significant technology through research, exchanges, and other activities conducted pursuant to those agreements; and

(2) a detailed description on the exchanges and other activities conducted pursuant to those agreements during fiscal year 1981 and fiscal year 1982, including—

(A) the areas of cooperation,

(B) the specific research and projects involved,

(C) the man-hours spent in short-term (less than sixty days) and long-term exchanges,

(D) the level of United States and Soviet funding in each such fiscal year, and

(E) an assessment of the equality or inequality in value of the information exchanged.

(b) The Secretary of State shall prepare the report required by subsection (a) in consultation and cooperation with the heads of the other agencies involved in the exchange and other cooperative activities conducted pursuant to the agreements described in that subsection.

(c) Not later than July 1 of each year, the Secretary of the State shall submit to the Congress a list of the Soviet nationals participating during the upcoming academic year in the United States-Union of Soviet Socialist Republics graduate student/young faculty exchange or in the United States-Union of Soviet Socialist Republics senior scholar exchange, their topics of study, and where they are to study. This report shall also include a determination by the Secretary of State, in consultation with the heads of the other agencies involved in these exchange programs, that these exchange programs will not jeopardize United States national security interests.

TITLE II—FOREIGN MISSIONS

SHORT TITLE

SEC. 201. This title may be cited as the "Foreign Missions Act".

REGULATION OF FOREIGN MISSIONS

SEC. 202. (a) The State Department Basic Authorities Act of 1956 is amended by striking out "That the Secretary" in the first section and inserting in lieu thereof the following:

"TITLE I—BASIC AUTHORITIES GENERALLY

"SECTION 1. The Secretary".

(b) That Act is further amended by adding at the end thereof the following:

"TITLE II—AUTHORITIES RELATING TO THE REGULATION OF FOREIGN MISSIONS

"DECLARATION OF FINDINGS AND POLICY

"SEC. 201. (a) The Congress finds that the operation in the United States of foreign missions and public international organizations and the official missions to such organizations, including the permissible scope of their activities and the location and size of their facilities, is a proper subject for the exercise of Federal jurisdiction.

"(b) The Congress declares that it is the policy of the United States to support the secure and efficient operation of United States missions abroad, to facilitate the secure and efficient operation in the United States of foreign missions and public international organizations and the official missions to such organizations, and to assist in obtaining appropriate benefits, privileges, and immunities for those missions and organizations and to require their observance of corresponding obligations in accordance with international law.

"(c) The treatment to be accorded to a foreign mission in the United States shall be determined by the Secretary after due consideration of the benefits, privileges, and immunities provided to missions of the United States in the country or territory represented by that foreign mission.

"DEFINITIONS

"SEC. 202. (a) For purposes of this title—

"(1) 'benefit' (with respect to a foreign mission) means any acquisition, or authorization for an acquisition, in the United States by or for a foreign mission, including the acquisition of—

"(A) real property by purchase, lease, exchange, construction, or otherwise,

"(B) public services, including services relating to customs, importation, and utilities, and the processing of applications or requests relating to public services,

"(C) supplies, maintenance, and transportation,

"(D) locally engaged staff on a temporary or regular basis,

"(E) travel and related services, and

"(F) protective services,

and includes such other benefits as the Secretary may designate;

"(2) 'chancery' means the principal offices of a foreign mission used for diplomatic or related purposes, and annexes to such offices (including ancillary offices and support facilities), and includes the site and any building on such site which is used for such purposes;

"(3) 'Director' means the Director of the Office of Foreign Missions established pursuant to section 203(a);

"(4) 'foreign mission' means any official mission to the United States involving diplomatic, consular, or other governmental activities of—

"(A) a foreign government, or

"(B) an organization (other than an international organization, as defined in section 209(b) of this title) representing a territory or political entity which has been granted diplomatic or other official privileges and immunities under the laws of the United States,

including any real property of such a mission and including the personnel of such a mission;

"(5) 'real property' includes any right, title, or interest in or to, or the beneficial use of, any real property in the United States, including any office or other building;

"(6) 'Secretary' means the Secretary of State;

"(7) 'sending State' means the foreign government, territory, or political entity represented by a foreign mission; and

"(8) 'United States' means, when used in a geographic sense, the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(b) Determinations with respect to the meaning and applicability of the terms used in subsection (a) shall be committed to the discretion of the Secretary.

"OFFICE OF FOREIGN MISSIONS

"SEC. 203. (a) The Secretary shall establish an Office of Foreign Missions as an office within the Department of State. The Office shall be headed by a Director, appointed by the Secretary, who shall perform his or her functions under the supervision and direction of the Secretary. The Secretary may delegate this authority for supervision and direction of the Director only to the Deputy Secretary of State or an Under Secretary of State.

"(b) The Secretary may authorize the Director to—

"(1) assist agencies of Federal, State, and municipal government with regard to ascertaining and according benefits, privileges, and immunities to which a foreign mission may be entitled;

"(2) provide or assist in the provision of benefits for or on behalf of a foreign mission in accordance with section 204; and

"(3) perform such other functions as the Secretary may determine necessary in furtherance of the policy of this title.

"PROVISION OF BENEFITS

"SEC. 204. (a) Upon the request of a foreign mission, benefits may be provided to or for that foreign mission by or through the Director on such terms and conditions as the Secretary may approve.

"(b) If the Secretary determines that such action is reasonably necessary on the basis of reciprocity or otherwise—

"(1) to facilitate relations between the United States and a sending State,

"(2) to protect the interests of the United States,

"(3) to adjust for costs and procedures of obtaining benefits for missions of the United States abroad, or

"(4) to assist in resolving a dispute affecting United States interests and involving a foreign mission or sending State,

then the Secretary may require a foreign mission (A) to obtain benefits from or through the Director on such terms and conditions as the Secretary may approve, or (B) to comply with such terms and conditions as the Secretary may determine as a condition to the execution or performance in the United States of any contract or other agreement, the acquisition, retention, or use of any real property, or the application for or acceptance of any benefit (including any benefit from or authorized by any Federal, State, or municipal governmental authority, or any entity providing public services).

"(c) Terms and conditions established by the Secretary under this section may include—

"(1) a requirement to pay to the Director a surcharge or fee, and

"(2) a waiver by a foreign mission (or any assignee of or person deriving rights from a foreign mission) of any recourse against any governmental authority, any entity providing public services, any employee or agent of such an authority or entity, or any other person, in connection with any action determined by the Secretary to be undertaken in furtherance of this title.

"(d) For purposes of effectuating a waiver of recourse which is required under this section, the Secretary may designate the Director or any other officer of the Department of State as the agent of a foreign mission (or of any assignee of or person deriving rights from a foreign mission). Any such waiver by an officer so designated shall for all purposes (including any court or administrative proceeding) be deemed to be a waiver by the foreign mission (or the assignee of or other person deriving rights from a foreign mission).

"(e) Nothing in this section shall be deemed to preclude or limit in any way the authority of the United States Secret Service to provide protective services pursuant to section 202 of title 3, United States Code, or section 3056 of title 18, United States Code, at a level commensurate with protective requirements as determined by the United States Secret Service.

"PROPERTY OF FOREIGN MISSIONS

"SEC. 205. (a)(1) The Secretary may require any foreign mission to notify the Director prior to any proposed acquisition, or any proposed sale or other disposition, of any real property by or on behalf of such mission. If such a notification is required, the foreign mission (or other party acting on behalf of the foreign mission) may initiate or execute any contract, proceeding, application, or other action required for the proposed action—

"(A) only after the expiration of the sixty-day period beginning on the date of such notification (or after the expiration of such shorter period as the Secretary may specify in a given case); and

"(B) only if the mission is not notified by the Secretary within that period that the proposal has been disapproved; however, the Secretary may include in such a notification such terms and conditions as the Secretary may determine appropriate in order to remove the disapproval.

"(2) For purposes of this section, 'acquisition' includes any acquisition or alteration of, or addition to, any real property or any change in the purpose for which real property is used by a foreign mission.

"(b) The Secretary may require any foreign mission to divest itself of, or forego the use of, any real property determined by the Secretary—

"(1) not to have been acquired in accordance with this section; or

"(2) to exceed limitations placed on real property available to a United States mission in the sending State.

"(c) If a foreign mission has ceased conducting diplomatic, consular, and other governmental activities in the United States and has not designated a protecting power or other agent approved by the Secretary to be responsible for the property of that foreign mission, the Secretary—

"(1) until the designation of a protecting power or other agent approved by the Secretary, may protect and preserve any property of that foreign mission; and

"(2) may authorize the Director to dispose of such property at such time as the Secretary may determine after the expiration of the one-year period beginning on the date that the foreign mission ceased those activities, and may remit to the sending State the net proceeds from such disposition.

"LOCATION OF FOREIGN MISSIONS IN THE DISTRICT OF COLUMBIA

"SEC. 206. (a) The location, replacement, or expansion of chanceries in the District of Columbia shall be subject to this section.

"(b)(1) A chancery shall be permitted to locate as a matter of right in any area which is zoned commercial, industrial, waterfront, or mixed-use (CR).

"(2) A chancery shall also be permitted to locate—

"(A) in any area which is zoned medium-high or high density residential, and

"(B) in any other area, determined on the basis of existing uses, which includes office or institutional uses, including but not limited to any area zoned mixed-use diplomatic or special purpose,

subject to disapproval by the District of Columbia Board of Zoning Adjustment in accordance with this section.

"(3) In each of the areas described in paragraphs (1) and (2), the limitations and conditions applicable to chanceries shall not exceed those applicable to other office or institutional uses in that area.

"(c)(1) If a foreign mission wishes to locate a chancery in an area described in subsection (b)(2), or wishes to appeal an administrative decision relating to a chancery based in whole or in part upon any zoning map or regulation, it shall file an application with the Board of Zoning Adjustment which shall publish notice of that application in the District of Columbia Register.

"(2) Regulations issued to carry out this section shall provide appropriate opportunities for participation by the public in proceedings concerning the location, replacement, or expansion of chanceries.

"(3) A final determination concerning the location, replacement, or expansion of a chancery shall be made not later than six months after the date of the filing of an application with respect to such location, replacement, or expansion. Such determination shall not be subject to the administrative proceedings of any other agency or official except as provided in this title.

"(d) Any determination concerning the location of a chancery under subsection (b)(2), or concerning an appeal of an administrative decision with respect to a chancery based in whole or in part upon any zoning regulation or map, shall be based solely on the following criteria:

"(1) The international obligation of the United States to facilitate the provision of adequate and secure facilities for foreign missions in the Nation's Capital.

"(2) Historic preservation, as determined by the Board of Zoning Adjustment in carrying out this section; and in order to ensure compatibility with historic landmarks and districts, substantial compliance with District of Columbia and Federal regulations governing historic preservation shall be required with respect to new construction and to demolition of or alteration to historic landmarks.

"(3) The adequacy of off-street or other parking and the extent to which the area will be served by public transportation to reduce parking requirements, subject to such special security requirements as may be determined by the Secretary, after consultation with Federal agencies authorized to perform protective services.

"(4) The extent to which the area is capable of being adequately protected, as determined by the Secretary, after consultation with Federal agencies authorized to perform protective services.

"(5) The municipal interest, as determined by the Mayor of the District of Columbia.

"(6) The Federal interest, as determined by the Secretary.

"(e)(1) Regulations, proceedings, and other actions of the National Capital Planning Commission, the Zoning Commission for the District of Columbia, and the Board of Zoning Adjustment affecting the location, replacement, or expansion of chanceries shall be consistent with this section (including the criteria set out in subsection (d)) and shall reflect the policy of this title.

"(2) Proposed actions of the Zoning Commission concerning implementation of this section shall be referred to the National Capital Planning Commission for review and comment.

"(f) Regulations issued to carry out this section shall provide for proceedings of a rule-making and not of an adjudicatory nature.

"(g) The Secretary shall require foreign missions to comply substantially with District of Columbia building and related codes in a manner determined by the Secretary to be not inconsistent with the international obligations of the United States.

"(h) Approval by the Board of Zoning Adjustment or the Zoning Commission or, except as provided in section 205, by any other agency or official is not required—

"(1) for the location, replacement, or expansion of a chancery to the extent that authority to proceed, or rights or interests, with respect to such location, replacement, or expansion were granted to or otherwise acquired by the foreign mission before the effective date of this section; or

"(2) for continuing use of a chancery by a foreign mission to the extent that the chancery was being used by a foreign mission on the effective date of this section.

"(i)(1) The President may designate the Secretary of Defense, the Secretary of the Interior, or the Administrator of General Services (or such alternate as such official may from time to time designate) to serve as a member of the Zoning Commission in lieu of the Director of the National Park Service whenever the President determines that the Zoning Commission is performing functions concerning the implementation of this section.

"(2) Whenever the Board of Zoning Adjustment is performing functions regarding an application by a foreign mission with respect to the location, expansion, or replacement of a chancery—

"(A) the representative from the Zoning Commission shall be the Director of the National Park Service or if another person has been designated under paragraph (1) of this subsection, the person so designated; and

"(B) the representative from the National Capital Planning Commission shall be the Executive Director of that Commission.

"(j) Provisions of law (other than this title) applicable with respect to the location, replacement, or expansion of real property in the District of Columbia shall apply with respect to chanceries only to the extent that they are consistent with this section.

"PREEMPTION

"SEC. 207. Notwithstanding any other law, no act of any Federal agency shall be effective to confer or deny any benefit with respect to any foreign mission contrary to this title. Nothing in section 202, 203, 204, or 205 may be construed to preempt any State or municipal law or governmental authority regarding zoning, land use, health, safety, or welfare, except that a denial by the Secretary involving a benefit for a foreign mission within the jurisdiction of a particular State or local government shall be controlling.

"GENERAL PROVISIONS

"SEC. 208. (a) The Secretary may issue such regulations as the Secretary may determine necessary to carry out the policy of this title.

"(b) Compliance with any regulation, instruction, or direction issued by the Secretary under this title shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court or administrative proceeding for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this title, or any regulation, instruction, or direction issued by the Secretary under this title.

"(c) For purposes of administering this title—

"(1) the Secretary may accept details and assignments of employees of Federal agencies to the Office of Foreign Missions on a reimbursable or nonreimbursable basis (with any such reimbursements to be credited to the appropriations made available for the salaries and expenses of officers and employees of the employing agency); and

"(2) the Secretary may, to the extent necessary to obtain services without delay, exercise his authority to employ experts and consultants under section 3109 of title 5, United States Code, without requiring compliance with such otherwise applicable requirements for that employment as the Secretary may determine, except that such employment shall be terminated after 60 days if by that time those requirements are not complied with.

"(d) Contracts and subcontracts for supplies or services, including personal services, made by or on behalf of the Director shall be made after advertising, in such manner and at such times as the Secretary shall determine to be adequate to ensure notice and opportunity for competition, except that advertisement shall not be required when (1) the Secretary determines that it is impracticable or will not permit timely performance to obtain bids by advertising, or (2) the aggregate amount involved in a purchase of supplies or procurement of services does not exceed $10,000. Such contracts and subcontracts may be entered into without regard to laws and regulations otherwise applicable to solicitation, negotiation, administration, and performance of government contracts. In awarding contracts, the Secretary may consider such factors as relative quality and availability of supplies or services and the compatibility of the supplies or services with implementation of this title.

"(e) The head of any Federal agency may, for purposes of this title—

"(1) transfer or loan any property to, and perform administrative and technical support functions and services for the operations of, the Office of Foreign Missions (with reimbursements to agencies under this paragraph to be credited to the current applicable appropriation of the agency concerned); and

"(2) acquire and accept services from the Office of Foreign Missions, including (whenever the Secretary determines it to be in furtherance of the purposes of this title) acquisitions without regard to laws normally applicable to the acquisition of services by such agency.

"(f) Assets of or under the control of the Office of Foreign Missions, wherever situated, which are used by or held for the use of a foreign mission shall not be subject to attachment, execution, injunction, or similar process, whether intermediate or final.

"(g) Except as otherwise provided, any determination required under this title shall be committed to the discretion of the Secretary.

"(h)(1) In order to implement this title, the Secretary may transfer to the working capital fund established by section 13 of this Act such amounts available to the Department of State as may be necessary.

"(2) All revenues, including proceeds from gifts and donations, received by the Director or the Secretary in carrying out this title may be credited to the working capital fund established by section 13 of this Act and shall be available for purposes of this title in accordance with that section.

"(3) Only amounts transferred or credited to the working capital fund established by section 13 of this Act may be used in carrying out the functions of the Secretary or the Director under this title.

"APPLICATION TO PUBLIC INTERNATIONAL ORGANIZATIONS AND OFFICIAL MISSIONS TO SUCH ORGANIZATIONS

"SEC. 209. (a) The Secretary may make section 206, or any other provision of this title, applicable with respect to an international organization to the same extent that it is applicable with respect to a foreign mission if the Secretary determines that such application is necessary to carry out the policy set forth in section 201(b) and to further the objectives set forth in section 204(b).

"(b) For purposes of this section, 'international organization' means—

"(1) a public international organization designated as such pursuant to the International Organizations Immunities Act (22 U.S.C. 288—288f-2) or a public international organization created pursuant to a treaty or other international agreement as an instrument through or by which two or more foreign governments engage in some aspect of their conduct of international affairs; and

"(2) an official mission (other than a United States mission) to such a public international organization,

including any real property of such an organization or mission and including the personnel of such an organization or mission.

"PRIVILEGES AND IMMUNITIES

"SEC. 210. Nothing in this title shall be construed to limit the authority of the United States to carry out its international obligations, or to supersede or limit immunities otherwise available by law. No act or omission by any foreign mission, public international organization, or official mission to such an organization, in compliance with this title shall be deemed to be an implied waiver of any immunity otherwise provided for by law.

"ENFORCEMENT

"SEC. 211. (a) It shall be unlawful for any person to make available any benefits to a foreign mission contrary to this title. The United States, acting on its own behalf or on behalf of a foreign mission, has standing to bring or intervene in an action to obtain compliance with this title, including any action for injunctive or other equitable relief.

"(b) Upon the request of any Federal agency, any State or local government agency, or any business or other person that proposes to enter into a contract or other transaction with a foreign mission, the Secretary shall advise whether the proposed transaction is prohibited by any regulation or determination of the Secretary under this title.

"PRESIDENTIAL GUIDELINES

"SEC. 212. The authorities granted to the Secretary pursuant to the provisions of this title shall be exercised in accordance with procedures and guidelines approved by the President.

"SEVERABILITY

"SEC. 213. If any provision of this title or the application thereof to any person or cir-

cumstance is held invalid, the remainder of this title and the application of such provision to any other person or circumstance shall not be affected thereby.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 203. (a) Section 13 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2684) is amended in the first sentence by striking out "and" following the semicolon at the end of clause (3), and by inserting immediately before the period at the end of the sentence the following: "; and (5) services and supplies to carry out title II of this Act".

(b)(1) Subparagraph (A) of section 2(1) of the Diplomatic Relations Act (22 U.S.C. 254a(1)(A)) is amended to read as follows:

"(A) the head of a mission and those members of a mission who are members of the diplomatic staff or who, pursuant to law, are granted equivalent privileges and immunities,".

(2) Section 3(b) of such Act (22 U.S.C. 254b) is amended to read as follows:

"(b) With respect to a nonparty to the Vienna Convention, the mission, the members of the mission, their families, and diplomatic couriers shall enjoy the privileges and immunities specified in the Vienna Convention.".

(3) Section 4 of such Act (22 U.S.C. 254c) is amended—

(A) by inserting "the mission, the" immediately after "immunities for"; and

(B) by striking out "of any sending state".

(4) Section 1364 of title 28, United States Code, is amended by striking out "as defined in the Vienna Convention on Diplomatic Relations" and inserting in lieu thereof "within the meaning of section 2(3) of the Diplomatic Relations Act (22 U.S.C. 254a(3))".

(c) Section 6 of the Act of June 20, 1938 (D.C. Code, 1981 ed., sec. 5–418) is amended by striking out "(a)", and by striking out subsections (b), (c), (d), and (e).

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect on October 1, 1982.

TITLE III—UNITED STATES INFORMATION AGENCY

SHORT TITLE

SEC. 301. This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1982 and 1983".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 302. There are authorized to be appropriated for the United States Information Agency, as so redesignated by section 303 of this Act, $494,034,000 for the fiscal year 1982 and $559,000,000 for the fiscal year 1983 to carry out international communication, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

REDESIGNATION OF THE INTERNATIONAL COMMUNICATION AGENCY AS THE UNITED STATES INFORMATION AGENCY

SEC. 303. (a) The International Communication Agency, established by Reorganization Plan Numbered 2 of 1977, is hereby redesignated the United States Information Agency. The Director of the International Communication Agency or any other official of the International Communication Agency is hereby redesignated the Director or other official, as appropriate, of the United States Information Agency.

(b) Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the International Communication Agency or the Director or other official of the International Communication Agency shall be deemed to refer respectively to the United States Information Agency or the Director or other official of the United States Information Agency, as so redesignated by subsection (a).

CHANGES IN ADMINISTRATIVE AUTHORITIES

SEC. 304. (a)(1) Title III of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1451-1453) is amended—

(A) in section 301 by striking out "citizen of the United States" and inserting in lieu thereof "person"; and

(B) in sections 302 and 303 by striking out "citizen of the United States" and inserting in lieu thereof "person in the employ or service of the Government of the United States".

(2) Such title is further amended—

(A) in section 301—

(i) by striking out "Secretary" the first place it appears and inserting in lieu thereof "Director of the United States Information Agency", and

(ii) by striking out "Secretary" the second place it appears and inserting in lieu thereof "Director"; and

(B) in section 303 by striking out "Secretary" and inserting in lieu thereof "Director of the United States Information Agency".

(3) Section 302 of such Act is amended—

(A) in the second sentence by striking out "section 901(3) of the Foreign Service Act of 1946 (60 Stat. 999)" and inserting in lieu thereof "section 905 of the Foreign Service Act of 1980"; and

(B) in the last sentence by striking out "section 1765 of the Revised Statutes" and inserting in lieu thereof "section 5536 of title 5, United States Code".

(b) Section 802 of such Act (22 U.S.C. 1472) is amended—

(1) by inserting "(a)" immediately after "Sec. 802."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Any contract authorized by subsection (a) and described in paragraph (3) of this subsection which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of five years when—

"(A) appropriations are available and adequate for payment for the first fiscal year and for all potential cancellation costs; and

"(B) the Director of the United States Information Agency determines that—

"(i) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing;

"(ii) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operation; and

"(iii) such method of contracting will not inhibit small business participation.

"(2) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be canceled and any cancellation costs incurred shall be paid from appropriations originally available for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.

"(3) This subsection applies to contracts for the procurement of property or services, or both, for the operation, maintenance, and support of programs, facilities, and installations for or related to telecommunication activities, newswire services, and the distribution of books and other publications in foreign countries.".

(c) Paragraph (16) of section 804 of such Act (22 U.S.C. 1474(16)) is amended by inserting "and security" immediately after "right-hand drive".

(d) Section 804 of such Act (22 U.S.C. 1474) is amended—

(1) by striking out "and" at the end of paragraph (18);

(2) by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; and"; and

(3) by adding at the end of the section the following new paragraph:

"(20) subject to the availability of appropriated funds, purchase motion picture, radio and television producers' liability insurance to cover errors and omissions or similar insurance coverage for the protection of interests in intellectual property.".

(e) Title VIII of such Act (22 U.S.C. 1471-1475b) is amended by adding at the end thereof the following new sections:

"ACTING ASSOCIATE DIRECTORS

"SEC. 808. If an Associate Director of the United States Information Agency dies, resigns, or is sick or absent, the Associate Director's principal assistant shall perform the duties of the office until a successor is appointed or the absence or sickness stops.

"COMPENSATION FOR DISABILITY OR DEATH

"SEC. 809. A cultural exchange, international fair or exposition, or other exhibit or demonstration of United States economic accomplishments and cultural attainments, provided for under this Act or the Mutual Educational and Cultural Exchange Act of 1961 shall not be considered a 'public work' as that term is defined in the first section of the Act of August 16, 1941 (42 U.S.C. 1651; commonly known as the 'Defense Base Act').

"USE OF ENGLISH-TEACHING PROGRAM FEES

"SEC. 810. (a) Notwithstanding section 3617 of the Revised Statutes of the United States (31 U.S.C. 484) or any other law or limitation of authority, tuition fees or other payments received by or for the use of the International Communication Agency from or in connection with English-teaching programs conducted by or on behalf of the Agency under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 may be credited to the Agency's applicable appropriation to such extent as may be provided in advance in an appropriation Act.

"(b) This section shall take effect on October 1, 1982.".

(f) Section 1011(h) of such Act (22 U.S.C. 1442(h)) is amended by adding at the end thereof the following new paragraph:

"(4) Section 701(a) of this Act shall not apply with respect to any amounts appropriated under this section for the purpose of liquidating the notes (and any accrued interest thereon) which were assumed in the operation of the informational media guaranty program under this section and which were outstanding on the date of enactment of this paragraph.".

INTERNATIONAL EXCHANGES AND NATIONAL SECURITY

SEC. 305. (a) The Congress finds that—

(1) United States Government sponsorship of international exchange-of-persons activities has, during the postwar era, contributed

significantly to United States national security interests;

(2) during the 1970's, while United States programs declined dramatically, Soviet exchange-of-persons activities increased steadily in pace with the Soviet military buildup;

(3) as a consequence of these two trends, Soviet exchange-of-persons programs now far exceed those sponsored by the United States Government and thereby provide the Soviet Union an important means of extending its worldwide influence;

(4) the importance of competing effectively in this area is reflected in the efforts of major United States allies, whose programs also represent far greater emphasis on exchange-of-persons activities than is demonstrated by the current United States effort; and

(5) with the availability of increased resources, the United States exchange-of-persons program could be greatly strengthened, both qualitatively and quantitatively.

(b) It is therefore the sense of the Congress that—

(1) United States exchange-of-persons activities should be strengthened;

(2) the allocation of resources necessary to accomplish this improvement would constitute a highly cost-effective means of enhancing the United States national security; and

(3) because of the integral and continuing national security role of exchange-of-persons programs, such activities should be accorded a dependable source of long-term funding.

(c) The amount obligated by the United States Information Agency each fiscal year for grants for exchange-of-persons activities shall be increased, through regular annual increases, so that by the fiscal year 1986 the amount obligated for such grants is at least double (in terms of constant dollars) the amount obligated for such grants for the fiscal year 1982.

(d)(1) In furtherance of the purposes of subsection (c), the Congress directs that of the amount appropriated for the United States Information Agency for the fiscal year 1983—

(A) $84,256,000 shall be available only for grants for the Fulbright Academic Exchange Programs and the International Visitor Program; and

(B) $3,248,000 shall be available only for grants for the Humphrey Fellowship Program; and

(C) $8,906,000 shall be available only for grants to private, not-for-profit organizations engaging in exchange-of-persons programs;

subject to paragraphs (2) and (3) of this subsection.

(2) If the amount appropriated for the United States Information Agency for the fiscal year 1983 is less than the amount authorized for the fiscal year 1983, then the amounts specified in subparagraphs (A) through (C) of paragraph (1) shall each be deemed to be reduced to the amount which bears the same ratio to the specified amount as the amount appropriated bears to the amount authorized. For purposes of this paragraph—

(A) the term "amount appropriated" means the amount appropriated under section 302 of this Act (less any rescissions), and does not include amounts appropriated under section 704 of the United States Information and Educational Exchange Act of 1948 (relating to nondiscretionary personnel costs and currency fluctuations) or under any other provision of law; and

(B) the term "amount authorized" means the amount authorized to be appropriated by section 302 of this Act, less an amount equal to any amount which was withheld from appropriation (or was rescinded) in order to reduce the amount available for a particular program or activity.

(3) The Director of the United States Information Agency may authorize up to 5 percent of the amount earmarked under subparagraph (A), (B), or (C) of paragraph (1) to be used for a purpose other than the exchange-of-persons activities specified in that subparagraph. Not less than 15 days prior to any such authorization, the Director shall submit to the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a justification for authorizing the use of earmarked funds for a purpose other than the specified exchange-of-persons activities.

DISTRIBUTION WITHIN THE UNITED STATES OF CERTAIN UNITED STATES INFORMATION AGENCY FILMS

SEC. 306. (a) Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Administrator of General Services a master copy of each of the films listed in subsection (b) of this section; and

(2) the Administrator shall reimburse the Director for any expenses of the Agency in making that master copy available, shall secure any licenses or other rights required for distribution of that film within the United States, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

(b) The films to be made available pursuant to this section are the following: "Reflections: Samuel Eliott Morison"; "And Now Miguel"; and "In Their Own Words".

TITLE IV—BOARD FOR INTERNATIONAL BROADCASTING

SHORT TITLE

SEC. 401. This title may be cited as the "Board for International Broadcasting Authorization Act, fiscal years 1982 and 1983".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 402. Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)(A)) is amended to read as follows:

"(A) $86,519,000 for the fiscal year 1982 and $98,317,000 for the fiscal year 1983; and".

MEMBERSHIP OF THE RFE/RL BOARD AND THE BOARD FOR INTERNATIONAL BROADCASTING

SEC. 403. (a) The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871-2879) is amended by adding at the end thereof the following new section:

"MERGER OF THE BOARD FOR INTERNATIONAL BROADCASTING AND THE RFE/RL BOARD

"SEC. 11. (a) Effective 60 days after the date of enactment of this section, no grant may be made under this Act to RFE/RL, Incorporated, unless the certificate of incorporation of RFE/RL, Incorporated, has been amended to provide that—

"(1) the Board of Directors of RFE/RL, Incorporated, shall consist of the members of the Board for International Broadcasting and of no other members, except that the member of the Board for International Broadcasting who is an ex officio member of that Board because of his or her position as chief operating executive of RFE/RL, Incorporated, may participate in the activities of the Board of Directors but may not vote in the determinations of the Board of Directors; and

"(2) such Board of Directors shall make all major policy determinations governing the operation of RFE/RL, Incorporated, and shall appoint and fix the compensation of such managerial officers and employees of RFE/RL, Incorporated, as it deems necessary to carry out the purposes of this Act.

"(b) Compliance with the requirement of paragraph (1) of subsection (a) shall not be construed to make RFE/RL, Incorporated, a Federal agency or instrumentality.".

(b)(1) Section 3(b)(1) of such Act (22 U.S.C. 2872(b)(1)) is amended to read as follows:

"(b)(1) COMPOSITION OF BOARD.—The Board shall consist of ten members, one of whom shall be an ex officio member. The President shall appoint, by and with the advice and consent of the Senate, nine voting members, one of whom the President shall designate as chairman. Not more than five of the members of the Board appointed by the President shall be of the same political party. The chief operating executive of RFE/RL, Incorporated, shall be an ex officio member of the Board and may participate in the activities of the Board, but may not vote in the determinations of the Board.".

(2) Sections 3(b) (3) and (4) of that Act (22 U.S.C. 2872(b) (3) and (4)) are amended to read as follows:

"(3) TERM OF OFFICE OF PRESIDENTIALLY APPOINTED MEMBERS.—The term of office of each member of the Board appointed by the President shall be three years, except that the terms of office of the individuals initially appointed as the four additional voting members of the Board who are provided for by the Board for International Broadcasting Authorization Act, Fiscal Years 1982 and 1983, shall be one, two, or three years (as designated by the President at the time of their appointment) so that the terms of one-third of the voting members of the Board expire each year. The President shall appoint, by and with the advice and consent of the Senate, members to fill vacancies occurring prior to the expiration of a term, in which case the members so appointed shall serve for the remainder of such term. Any member whose term has expired may serve until his or her successor has been appointed and qualified.

"(4) TERM OF OFFICE OF THE EX OFFICIO MEMBER.—The ex officio member of the Board shall serve on the Board during his or her term of service as chief operating executive of RFE/RL, Incorporated.".

RADIO BROADCASTING TO CUBA

SEC. 404. Any program of the United States Government involving radio broadcasts directed principally to Cuba, for which funds are authorized to be appropriated by this Act or any other Act, shall be designated as "Radio Marti".

TITLE V—MISCELLANEOUS PROVISIONS

INTER-AMERICAN FOUNDATION

SEC. 501. (a) Section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)(2)) is amended in the first sentence by striking out "$25,000,000 for each of the fiscal years 1979 and 1980" and inserting in lieu thereof "$12,000,000 for the fiscal year

1982 and $12,800,000 for the fiscal year 1983".

(b) Section 401(h) of that Act (22 U.S.C. 290f(h)) is amended by striking out "actual and necessary expenses not in excess of $50 per day, and for transportation expenses" and inserting in lieu thereof "travel expenses, including per diem in lieu of subsistence, in accordance with section 5703 of title 5, United States Code".

(c) Section 401 of that Act is further amended by adding at the end thereof the following new subsection:

"(u) When, with the permission of the Foundation, funds made available to a grantee under this section are invested pending disbursement, the resulting interest is not required to be deposited in the United States Treasury if the grantee uses the resulting interest for the purposes for which the grant was made. This subsection applies with respect to both interest earned before and interest earned after the enactment of this subsection.".

REPORT ON COSTS FOR REFUGEES AND CUBAN AND HAITIAN ENTRANTS

SEC. 502. (a) Not later than 60 days after the date of enactment of this Act, the President shall prepare and transmit to the Congress a full and complete report on the total cost of Federal, State, and local efforts to assist refugees and Cuban and Haitian entrants within the United States or abroad for each of the fiscal years 1981 and 1982. Such report shall include and set forth for each such fiscal year—

(1) the costs of assistance for resettlement of refugees and Cuban and Haitian entrants within the United States or abroad;

(2) the costs of United States contributions to foreign governments, international organizations, or other agencies which are attributable to assistance for refugees and Cuban and Haitian entrants;

(3) the costs of Federal, State, and local efforts other than those described in paragraphs (1) and (2) to assist and provide services for refugees and Cuban and Haitian entrants;

(4) administrative and operating expenses of Federal, State, and local governments that are attributable to programs of assistance or services described in paragraphs (1), (2), and (3); and

(5) administrative and operating expenses incurred by the United States because of the entry of such aliens into the United States.

(b) For purposes of this section—

(1) the term "refugees" is used within the meaning of paragraph (42) of section 101(a) of the Immigration and Nationality Act; and

(2) the term "Cubans and Haitian entrants" means Cuban and Haitians paroled into the United States, pursuant to section 212(d)(5) of the Immigration and Nationality Act, during 1980 who have not been given or denied refugee status under that Act.

JAPAN-UNITED STATES FRIENDSHIP COMMISSION

SEC. 503. (a) Section 6(4) of the Japan-United States Friendship Act (22 U.S.C. 2905(4)) is amended by striking out "and not to exceed 5 per centum annually of the principal of the Fund" and inserting in lieu thereof ", any amount of the contributions deposited in the Fund from nonappropriated sources pursuant to paragraph (2) or (3) of this section, and not to exceed 5 percent annually of the principal of the total amount appropriated to the Fund".

(b) Section 7(e) of such Act (22 U.S.C. 2906(e)) is amended by inserting after "amounts received" the following: "(including amounts earned as interest on, and proceeds from the sale or redemption of, obligations purchased with amounts received)".

INTERNATIONAL CODE OF MARKETING OF BREASTMILK SUBSTITUTES

SEC. 504. The Congress expresses its strong support for the promotion by the United States of sound infant feeding practices, and continues to be concerned with the sole negative vote cast by the United States against the International Code of Marketing of Breastmilk Substitutes. The Congress urges the President, in light of congressional concern and of new indications of international support for general implementation of the Code, to review the United States position on the Code prior to the 25th World Health Assembly meeting. The Congress also urges United States infant formula manufacturers to continue to re-examine their own position regarding the Code.

REPEAL OF OBSOLETE PROVISIONS

SEC. 505. (a) The following provisions of law are repealed:

(1) Section 408 of the Act entitled "An Act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting", approved August 15, 1979.

(2) Sections 121(b), 122(b), 504(e), 601(b), 603(c), 608(c), 609(c), 610(c), 611(b), 613(b), 705(a), 709, and 711 of the Foreign Relations Authorization Act, Fiscal Year 1979.

(3) Sections 107(b), 109(a)(7), 414(b), 501, 503(b), 505(a), and 513 of the Foreign Relations Authorization Act, Fiscal Year 1978.

(4) Section 403 of the Foreign Relations Authorization Act, Fiscal Year 1977.

(5) Sections 102(b) and 503(b) of the Foreign Relations Authorization Act, Fiscal Year 1976.

(6) Section 15 of the State Department/USIA Authorization Act, Fiscal Year 1975.

(b)(1) Sections 121, 122, 601, 611, and 613 of the Foreign Relations Authorization Act, Fiscal Year 1979, sections 107, 414, and 503 of the Foreign Relations Authorization Act, Fiscal Year 1978, and section 503 of the Foreign Relations Authorization Act, Fiscal Year 1976, are each amended by striking out "(a)".

(2) Section 705 of the Foreign Relations Authorization Act, Fiscal Year 1979, and section 505 of the Foreign Relations Authorization Act, Fiscal Year 1978, are each amended by striking out "(b)".

(3) Section 102 of the Foreign Relations Authorization Act, Fiscal Year 1976, is amended by striking out "(a) Except as provided in subsection (b), no" and inserting in lieu thereof "No".

And the House agree to the same.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
GUS YATRON,
DANIEL MICA,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, JR.,
Managers on the Part of the House.

CHARLES H. PERCY,
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
C. PELL,
JOE BIDEN,
JOHN GLENN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1193) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, expect for clerical corrections, conforming changes made necessary by agreements reached in the committee of conference, and minor drafting and clarifying changes.

TABLE 1.—BUDGET ISSUES: FISCAL YEAR 1982

[In thousands of dollars]

	Executive branch request	Senate bill	House amendment	Conference
Department of State:				
Administration of foreign affairs	1,245,637	1,318,754	1,245,637	1,245,637
International organizations and conferences	503,462	523,806	503,462	503,462
International commissions	19,808	22,508	19,808	19,808
U.S. bilateral science and technology agreements	3,700	3,700	3,700	3,700
Asia Foundation		4,500		[1] 4,500
Migration and refugee assistance	504,100	560,850	504,100	[2] 504,100
Subtotal, Department of State	2,276,707	2,434,118	2,276,707	2,281,207
International Communication Agency	494,034	561,402	494,034	494,034
Board for International Broadcasting	86,519	98,317	86,519	86,519
Inter-American Foundation	12,000	12,000	10,560	12,000
Arms Control and Disarmament Agency	16,768	18,268		
Total	2,886,028	3,124,105	2,867,820	2,813,760

[1] In providing a separate authorization for the Asia Foundation for fiscal years 1982 and 1983, the conferees expect the executive branch to request separate authorizations for this purpose in succeeding fiscal years.

[2] Includes an earmarking of $12,500,000 for Soviet and Eastern European refugees resettling in Israel, and an earmarking of $1,500,000 for the "political detainee" program of the International Committee for the Red Cross (ICRC).

TABLE II—BUDGET ISSUES: FISCAL YEAR 1983

[In thousands of dollars]

	Executive branch request	Senate bill	House amendment	Conference
Department of State:				
Administration of foreign affairs	1,248,059	1,248,059	1,248,059	1,248,059
International organizations and conferences	514,436	514,436	514,436	514,436
International commissions	22,432	22,432	22,432	22,432
U.S. bilateral science and technology agreements	3,700	3,700	3,700	3,700
Asia Foundation				4,500
Migration and refugee assistance	460,000	467,750	460,000	[1] 460,000
Subtotal, Department of State	2,248,627	2,256,377	2,248,627	2,253,127
International Communication Agency	644,000	482,340	482,340	[2] 559,000
Board for International Broadcasting	98,317	98,317	98,317	98,317
Inter-American Foundation	12,800		12,800	12,800

TABLE II—BUDGET ISSUES: FISCAL YEAR 1983—Continued

[In thousands of dollars]

	Executive branch request	Senate bill	House amendment	Conference
Arms Control and Disarmament Agency	19,942	(3)		
Total	3,023,686	2,837,034	2,842,084	2,923,244

[1] Includes an earmarking of $16,875,000 for Soviet and Eastern European refugees resettling in Israel, and an earmaking of $1,500,000 for the "political detainee" program of the International Committee of the Red Cross.

[2] The executive branch request, including supplemental, totals $644,000,000. The Senate bill and the House amendment recommended $482,340,000. However, since both the Senate Foreign Relations Committee and the House Foreign Affairs Committee subsequently reported supplemental authorization legislation (H.R. 5998 and S. 2581), the conferees agreed to the lower Senate combined level of $559,000,000. This amount includes earmarkings of $84,256,000 for grants for the Fulbright Academic Exchange Program and the International Visitor Program; $3,248,000 for grants for the Humphrey Fellowship Program; $8,906,000 for grants to certain private nonprofit organizations.

[3] The Senate bill authorized "such sums as may be necessary" for fiscal year 1983.

AUTHORIZATION OF APPROPRIATIONS

With respect to the fiscal year 1983 authorization request for the International Communication Agency, the committee of conference agreed to an authorization level that is below the President's request by $85 million. In authorizing an appropriation of $559 million for the International Communication Agency, it is the intent of the committee of conference that the appropriation for this amount not be offset by executive branch fiscal year 1983 budget reductions in other accounts in the international affairs budget function. In particular, the appropriation for ICA shall not be offset by executive branch reductions in the current request for salaries and expenses or other accounts of the Department of State, functional development assistance programs, operating expenses for the Agency for International Development, or the U.S.-assessed or voluntary contributions to international organizations. Should the executive branch seek at a later date a supplemental authorization and appropriation for fiscal year 1983 for the International Communication Agency above $559 million, such additional sum shall not be offset by reductions in any of the above-mentioned accounts or any other international affairs account. The committee of conference wishes to point out that the foreign policy agencies as a group are considered vital elements of U.S. national security. As such, it makes no sense and is, indeed, destructive of foreign policy and national security needs, to place the agencies in budgetary competition with each other.

The letter indicating support for this figure follows:

INTERNATIONAL COMMUNICATION AGENCY, OFFICE OF THE DIRECTOR,
Washington, D.C., July 20, 1982.

Hon. DANTE B. FASCELL,
Chairman, Subcommittee on International Operations, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In its last meeting on the Department of State/USICA/BIB authorization bill, the Conference Committee set the USICA authorization for fiscal year 1983 at $482.3 million. This represents a reduction of more than 20 percent from the Administration's latest request of $644 million. The Committee also established within the authorized sum specific exchange-of-persons program earmarks totaling $89.8 million.

The resource impact of these actions poses a serious threat to this Agency's ability to serve effectively our vital national interests. This is especially worrisome at this critical crossroads in our relations with the rest of the world. We ask that the Committee reconsider the fiscal year 1983 amount for USICA and allow $559 million, the level approved by the Senate Foreign Relations Committee on May 26. The Administration supports this adjustment.

An allowance of $482.3 million would eliminate all funds requested to augment VOA's transmitter capabilities in South Asia and Africa and to modernize its domestic studios. Further it would remove funds needed to participate in the Tsukuba Expo in Japan, to consolidate Agency operations in Washington, to transmit regularly by satellite important Presidential and other foreign policy statements, and to effect other program improvements. These initiatives were critical to the revitalization of this nation's principal instrument for communicating with foreign audiences.

The President and I share the Committee's views on the value of the exchange-of-persons program. This was demonstrated most recently as the President endorsed the new International Youth Exchange Initiative on May 24. However, the exchange-of-persons earmarks, within the $482.3 million overall budget level, would have an unintended and most damaging impact. The balance among our program components would be seriously distorted. Core functions of the Agency, already badly eroded from previous cuts, would have to be reduced further. Increases for exchanges would have to come at the expense of VOA broadcast operations and our overseas posts, including the support of authoritative speakers, printed and audio-visual program materials that our field officers require.

At this volatile moment in world affairs we need to do more, not less.

In its consideration of USICA's supplemental authorization needs for FY 1983, the Senate Foreign Relations Committee covered our essential requirements in its $559 million allowance. After considerable deliberation within the Administration we are happy to report that we can support that authorization amount along with the language changes accepted by the Conference Committee in its June 22 meeting. I hope that the Conference will reopen the issue of USICA funding for FY 1983 and adopt the $559 million amount.

I wish to express my sincere gratitude to you for your strong interest and support for this Agency's activities. With your continued assistance we will meet those national security needs that are lodged with this Agency.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this request.

With my best regards.

Sincerely,

CHARLES Z. WICK,
Director.

The committee of conference also notes that the conference substitute authorizes $504,100,000 for refugee and migration assistance in fiscal year 1982 and $460 million in fiscal year 1983. The conference committee expects that funds from these amounts will be used, along with contributions from other donors, to help alleviate the desperate plight of the approximately 1.5 million ethnic Somali refugees who have fled fighting and repression in Ethiopia's Ogaden region. The conference committee requests the executive branch to implement procedures to insure that U.S. refugee assistance reaches the needy Somali refugees for whom it is intended and that such assistance is not diverted to other purposes.

The committee of conference also notes that many Members of Congress have received complaints from their constituents about the long delays encountered in the issuance of passports. Conferees are aware that the Department of State has made progress in solving this problem, the result of a series of simultaneous breakdowns and other factors, but that the backlog is still serious. It is the view of the conference committee that the Department should take the steps necessary to improve the passport situation by assigning more personnel, adjusting the workload among passport offices, reopening the Detroit passport office if possible, or taking whatever other steps are required.

REOPENING OF CERTAIN U.S. CONSULATES

The Senate bill earmarked $2.085 million for each of fiscal years 1982 and 1983 to be used to reopen, operate, and maintain consulates in Turin, Italy, Salzburg, Austria, Goteborg, Sweden, Bremen, Germany, Nice, France, Mandalay, Burma, and Brisbane, Australia.

The House amendment precluded the opening of any new U.S. consulates until the seven consulates mentioned above were reopened.

The conference substitute reprograms $400,000 in fiscal year 1982 to operate and maintain the seven consulates and retains the language of the House amendment precluding the opening of any new U.S. consulates until the seven are reopened. The committee of conference notes that these funds will be available without further congressional action. The Department of State estimates that approximately $1,500,000 will be used in fiscal year 1983 to operate and maintain these consulates. The committee of conference expresses the hope that this will be the last occasion for disagreement over the opening and closing of U.S. posts abroad. It is the view of the conferees that the broadest possible U.S. presence is desirable abroad. U.S. foreign policy and national security are not enhanced when U.S. contact with other countries and peoples is restricted.

RESTRICTION OF FUNDS FOR THE PALESTINE LIBERATION ORGANIZATION

The Senate bill prohibited the use of funds appropriated for international organizations for payment by the United States of assessments which would provide political benefits to the Palestine Liberation Organization or entities associated with it. The provision also required an annual report to the Congress on the programs and amounts withheld.

The House amendment contained no comparable provision.

The conference substitute is identical to the Senate provision.

PAYMENT OF ASSESSED CONTRIBUTIONS FOR CERTAIN INTERNATIONAL ORGANIZATIONS

The Senate bill earmarked $45,800,000 for fiscal year 1982 and $45,800,000 for fiscal year 1983 of the funds in the "International Organizations" account to be used to pay the U.S. full-calendar-year assessments in 1982 and 1983 to the Organization of American States. The specific purpose of this section was to exempt the OAS from the executive branch's deferral plan so as not to cause serious cash-flow problems for this or-

ganization, where the U.S. contribution is approximately 62 percent of the total.

The proposed deferral plan is a 4-year process which would change the timing of the payment of the U.S. assessed contributions to these organizations. The intent is to enable the Congress and the executive branch to prepare and act upon the annual budget request for U.S. assessed contributions after the budget for each international organization has been adopted, rather than in advance of adoption of the budget, as has been done in the past. Under the proposed change, the United States would not technically be in arrears to any of these organizations in any given calendar year, although the payments would be made at staggered times over the next 4 years. The transition to this new payment cycle is proposed to be fully accomplished in the fiscal year 1986 budget request.

The House amendment contained no comparable provision.

The conference substitute requires that the entire U.S. assessed contributions for the Organization of American States, the Pan American Health Organization, and the Inter-American Institute for Cooperation of Agriculture for fiscal years 1982 and 1983 be paid in calender years 1982 and 1983, respectively, without regard to the deferral plan for assessed contributions. This exemption is being made because the U.S. contribution to these Inter-American organizations averages approximately 60 percent of the total. Should the deferral plan be extended to these organizations, the United States would precipitate a severe budgetary crisis.

In providing this exemption, the committee of conference expects that the Department of State will continue the policy of providing an orderly decrease in the percentage share the United States pays to the OAS, down to a level of 49 percent. While the nature of this inter-American organization justifies greater U.S. financial support than the 25-percent share mandated for most international organizations, the original 66-percent U.S. share was established when the countries in the hemisphere were much weaker economically than they are today. Hence, it is appropriate for the United States to seek a reduction in its percentage share of the OAS's assessed budget.

INTERNATIONAL COMMITTEE OF THE RED CROSS

The Senate bill earmarked $1,500,000 each in fiscal years 1982 and 1983 from the migration and refugee assistance account to be used only as a contribution to the International Committee of the Red Cross (ICRC) to support the ICRC's program for the protection and assistance of political detainees.

The House amendment contained no comparable provision.

The conference substitute is identical to the Senate provision.

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

The House amendment earmarked $12,500,000 for fiscal year 1982 and $15 million for fiscal year 1983 in the migration and refugee assistance account for assistance for the resettlement in Israel of refugees from the Soviet Union and from Communist countries in Eastern Europe.

The Senate bill earmarked $18,750,000 for each year for this purpose.

The conference substitute earmarks $12,500,000 in fiscal year 1982 and $16,875,000 in fiscal year 1983 to assist in the resettlement in Israel of refugees from the Soviet Union and Eastern Europe and extends the program to refugees entering Israel from other countries. In extending the program to "other countries," the committee of conference was particularly concerned about the plight of the Ethiopian Falasha Jewish and Iranian Jewish communities.

The committee of conference notes that such assistance is particularly important at this time. According to the latest State Department report on human rights practices in Ethiopia, Falasha Jews are facing increasingly harsh conditions at home. Iranian Jews have also been marked for execution by the Iranian regime. Consequently, the committee of conference urges the executive branch to employ all available diplomatic means and all appropriate intermediaries, including the United Nations, to help in the departure of those Ethiopian and Iranian Jews who wish to emigrate.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION (UNESCO)

The Senate bill expressed congressional opposition to efforts by UNESCO to attempt to regulate news content and the operations of the world press and efforts by some countries to control access to and dissemination of news, but contained no Presdential reporting requirement.

The House amendment expressed the sense of the Congress that UNESCO should cease its efforts to attempt to regulate news content and formulate regulations for the operation of the press. It also stated that the Congress opposes efforts by some countries to control access to and dissemination of news. It required a report from the President (1) assessing the relationship of UNESCO programs and U.S. financial contributions to UNESCO and to the U.S. national interest; (2) assessing UNESCO programs and activities, especially in the field of communications; (3) assessing the quality of U.S. participation and recruitment for employment by UNESCO, and (4) making recommendations regarding improvements which should be made in the quality and substance of U.S. representation in UNESCO.

The conference substitute is the same as the House amendment.

RESTRICTIONS ON CONTRIBUTIONS TO UNESCO

The Senate bill expressed the sense of the Congress that, for fiscal year 1982 or 1983, the U.S. contribution to UNESCO should be reduced by 25 percent of any amount UNESCO expends on activities which would impede the free flow of information.

The House amendment provided that none of the funds authorized by this act or any other act may be used for payment of the U.S. assessed contribution to UNESCO if that organization implements any policy which has the effect of licensing journalists or their publications, restricting the free flow of information within or among countries, or imposing mandatory codes of journalistic practice or ethics.

The conference substitute is identical to the House amendment.

ASIA FOUNDATION

The Senate bill provided an additional authorization of $4.5 million in fiscal year 1982 for the Asia Foundation above the amount requested for "Administration of Foreign Affairs."

The House amendment contained no comparable provision.

The conference substitute authorizes $4.5 million in fiscal year 1982 and in fiscal year 1983 for the Asia Foundation.

The committee of conference stresses that the earmarked funding for the Asia Foundation for fiscal years 1982 and 1983 is provided as a stopgap measure only. It is the strong consensus of the conferees, however, that in future the Asia Foundation must have a more permanent funding structure. Noting that a study of the issue has been submitted to the House Foreign Affairs and Senate Foreign Relations Committees, the committee of conference suggests as a possible solution that, beginning in fiscal year 1984, funds for the Asia Foundation be requested as a separate line item within the Department of State budget and not through funds designated for operational or program expenses of the Department. Neither the accounts of the Department not the Asia Foundation should be placed in the position of competing with one another for funds. The Asia Foundation is a useful foreign policy tool and should be treated as such in budgetary terms. In the alternative, the Aisa Foundation budget might be handled as a separate item, similar to the Inter-American Foundation. The committee of conference expects a resolution of this question by the time the fiscal year 1984 budget is submitted.

BUYING POWER MAINTENANCE

The House amendment provided budget authority for such sums as may be necessary for a buying power maintenance fund to offset losses in other appropriations due to adverse fluctuations in foreign currency exchange rates or other overseas wage and price changes unanticipated in the budget. The House amendment also specified the establishment of an account specifically entitled "Buying Power Maintenance" account and authorized the Secretary of State to transfer money out of the buying power maintenance account to other accounts under "Administration of Foreign Affairs" in order to maintain approved levels of operation. Finally, the House amendment provided clarifying language for USICA and BIB to insure authorization of the amount of appropriations necessary to offset adverse fluctuations in foreign currency exchange rates in order to maintain the authorized level of operations.

The Senate bill provided that $20 million of the funds authorized for the Department of State be used for buying power maintenance and provided for transfer of funds to that account from other appropriation accounts of the Department.

The conference substitute is identical to the House amendment, with an amendment to replace "may" with "shall" in subsection (b)(3), the effect of which is to require the transfer of funds to the account in appropriate cases, to prevent windfall gains.

DOCUMENTATION OF CITIZENSHIP

The House amendment provided that passports and the reports designated as "Report of Birth Abroad of a Citizen of the United States" shall be considered as evidence of U.S. citizenship in the same manner as are certificates of naturalization or citizenship.

The Senate bill contained no comparable provision.

The conference substitute is identical to the House amendment.

PRIVATE SECTOR REPRESENTATIVES ON U.S. DELEGATIONS TO INTERNATIONAL TELECOMMUNICATIONS MEETINGS AND CONFERENCES

The House amendment exempted from certain provisions of the Ethics in Government Act, private sector representatives who are asked to serve on U.S. delegations to certain international telecommunications meetings and conferences. The Secretary of

State will, in all cases, certify the need for private sector participation and will also determine which conferences require participation by the private sector for purposes of implementing this provision.

The Senate bill contained no comparable provision.

The conference substitute is identical to the House amendment.

PROCUREMENT CONTRACTS

The House amendment authorized the Department of State, under certain circumstances, to enter into contracts for property and services on a multiyear basis, for a period not to exceed 5 years, subject to the availability of appropriations.

The Senate bill contained no comparable provision.

The conference substitute is identical to the House amendment.

COMPENSATION FOR DISABILITY OR DEATH

The House amendment exempted the Department of State from paying Federal workmen's compensation insurance for employees working under short-term contracts for the Department or the Foreign Service overseas.

The Senate bill contained no comparable provision.

The conference substitute is identical to the House amendment.

DUTIES OF A CHIEF OF MISSION

The Senate bill provided that each chief of mission shall have as a principal duty the promotion of U.S. goods and services for export to such country.

The House amendment contained no comparable provision.

The conference substitute is the same as the Senate provision.

The committee of conference agrees that the promotion of U.S. goods and services is a vital aspect of the job of our missions abroad. Toward this end, the Foreign Commercial Service became a part of the Foreign Service of the United States, yet its personnel are in the Commerce Department while Foreign Service economic officers are in the Department of State. While the question of whether these two functions should ever have been separated may remain open, it is inefficient to separate officers who work together overseas. Therefore, in the interests of effective foreign policy management, efficient promotion of U.S. economic and commercial interests, and Foreign Service morale generally, the committee of conference urges the return of the Foreign Commercial Service to the Department of State, together with the personnel and resources now provided to the Department of Commerce.

AMENDMENTS CORRECTING PRINTING ERRORS

The House amendment provided for the correction of two printing errors in the Foreign Service Act of 1980.

The Senate bill contained no comparable provision.

The conference substitute is identical to the House amendment.

SCIENTIFIC EXCHANGE ACTIVITIES WITH THE SOVIET UNION

The House amendment provided that, prior to renewal of the General Agreement on Contracts, Exchanges and Cooperation between the United States and the U.S.S.R., and prior to planning future exchange activities between the United States and the U.S.S.R., or by June 1, 1982, whichever occurs first, the Secretary of State is required to submit a report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate. Such a report should include a description of the specific research and projects involved, the areas of cooperation, the man-hours spent in exchanges, the levels of funding by both the United States and the U.S.S.R., and an assessment of the equality or inequality in value of the information exchanged for all exchanges and activities conducted during fiscal years 1979, 1980, and 1981 pursuant to the 11 agreements for cooperation in specialized fields entered into by the United States and the U.S.S.R. between 1972 and 1974. The report was to be prepared in consultation and cooperation with the Secretary of Defense and other relevant agency heads. Subsection (c) cut off all funding after June 30, 1982, for any long-term scientific or technological exchanges between the United States and the U.S.S.R.

The Senate bill contained no comparable provision.

The conference substitute incorporates the House amendment with an amendment to (a) change the reporting requirement to require a report within 90 days after date of enactment of this bill; (b) require a report on the exchanges and other activities conducted under these agreements in fiscal years 1981 and 1982 in consultation with the heads of the other involved agencies; and (c) delete the funding prohibition and require instead that a report be submitted by the Secretary of State no later than July 1 of each year on the Soviet nationals participating in the exchanges, their topics of study, and their places of study, as well as a determination by the Secretary, in consultation with the other agency heads involved in these exchange programs, that these exchange programs will not jeopardize U.S. national security interests.

FOREIGN MISSIONS ACT

The House amendment (the "Foreign Missions Act") established a new "Office of Foreign Missions" within the Department of State and authorized the Secretary of State to review and control the operations of foreign missions in the United States and the benefits available to them. "Benefit" was broadly defined to include any type of service or supply, including real property transactions, available from public or private sources. It empowered the Secretary to set terms and conditions upon which benefits may be provided; set forth the mechanism and criteria under which issues relating to the location of foreign missions in the District of Columbia are to be decided; provided for the preemptive effect of the exercise of Federal jurisdiction regarding the conferral or denial of benefits under this legislation; provided administrative authorities to enable the Office of Foreign Missions to operate under the direction of the Secretary of State, but not subject to control by the bureaus responsible for the day-to-day operations of the Department; granted authority to the Secretary to apply the foreign missions provisions to international organizations or official missions thereto; and limited to two persons per foreign mission any certification for purposes of issuance of diplomatic license plates.

The Senate bill contained no comparable provision. S. 854, passed by the Senate, is similar to the House amendment, but contained no provision on the location of foreign missions in the District of Columbia.

The conference substitute is similar to the House amendment with the following changes which were drawn primarily from provisions in S. 854: It adds language preserving the authority of the Secret Service to provide protective services; requires the Secretary of State to advise those proposing to enter into transactions with foreign missions whether the proposed transaction is prohibited by any regulation or determination of the Secretary under this legislation; broadens the definition of "international organization" to include those in which the United States does not participate; clarifies that the authorities of the bill shall be exercised in accordance with procedures and guidelines approved by the President; sets forth procedures and criteria under which issues relating to the location of foreign missions in the District of Columbia are to be decided; clarifies the preemptive effect of the exercise of Federal jurisdiction regarding the conferral or denial of benefits under this legislation; and provides that only amounts transferred or credited to the working capital fund of the Department of State may be used in carrying out the functions under the Foreign Missions Act.

Among those House provisions deleted by the conference substitute were the provision granting authority to the National Capital Planning Commission to settle chancery issues and the provision establishing the Foreign Missions Act as the exclusive law governing foreign missions in the District of Columbia. The original preemption provision was replaced with more limited language, which does not require State or local authorities to take any affirmative action.

The conference substitute also deletes the House provision concerning diplomatic license plates. The committee of conference took careful note of past abuses by foreign diplomatic personnel stemming from their special status and immunity. Such abuse was especially prominent in the area of diplomatic license plate issuance. Careful note was also taken of an exchange of letters between Representative William S. Broomfield and Under Secretary of State Richard T. Kennedy on this matter. The committee of conference is reassured by the Department's forthright response and its commitment to pursue this matter in the future. Specifically, the Department has indicated its intent to scrutinize the issuance of diplomatic license plates; assist local jurisdictions, as appropriate, with their collection of parking fines and the pursuit of other motor vehicle violations; and to monitor generally the number of diplomatic license plates issued. The committee of conference notes that these matters come within the purview of the new Foreign Missions Act and that the Department therefore will be able to remove this problem from the Office of Protocol and turn it over to the Office of Foreign Missions for handling.

With respect to the location of chanceries in the District of Columbia, the conference substitute contains a provision replacing that contained in section 206 of the House amendment. This new section retains the existing D.C. zoning structure composed of the National Capital Planning Commission, the D.C. Zoning Commission, and the D.C. Board of Zoning Adjustment. For purposes of considering chancery issues, the substitute provides that the President may designate the Secretary of Defense, the Secretary of the Interior, or the Administrator of General Services to serve as the Federal representative on the Zoning Commission in lieu of the Director of the National Park Service, and that the individual so designated will also serve on the Board of Zoning Adjustment, as the Zoning Commission representative when the Board considers chan-

cery matters. The substitute also provides for chanceries to be treated similarly to, and no less favorably than, office and institutional uses, and sets forth criteria for use in determining the chancery issues which take into consideration international obligations and the need to balance municipal and Federal interests.

ANALYSIS OF CERTAIN FOREIGN MISSIONS PROVISIONS

Chanceries in the District of Columbia

Section 206 affects chancery locations only in the Nation's Capital and, therefore, is set apart from other sections of the Foreign Missions Act which are of general application. Section 206(a) states that the location, replacement, or expansion of chanceries in the District of Columbia shall be subject to this section.

Section 206(b)(1) permits chanceries to locate as a matter of right in any area zoned commercial, industrial, waterfront, or mixed-use, but not in medium-high or high-density residential zones. This means that a chancery wishing, for example, to locate in a mixed-use (commercial-residential) zone, may do so if it meets the same standards as to building height, bulk, et cetera, and acquires the necessary permits, as do other property users within that zone. Additional administrative steps would not be required. The principal change from the current situation is the inclusion of lower density commercial areas as a matter of right. These areas are often desirable for chancery uses, as they are for certain office and institutional uses. Indeed, the majority of chancery uses are small scale and lower density and therefore suitable for such areas, or in some cases require placement in such areas for security reasons. This subsection also includes the commercial-residential mixed-use areas and waterfront areas, which is not a change from current law, and adds industrial areas. The section does not authorize the location of chanceries as a matter of right in areas zoned residential.

Section 206(b)(2) permits chanceries, upon application, to locate, as at present, in areas zoned medium-high or high-density residential, as well as in other areas which include office and institutional uses, including mixed-use diplomatic and special purpose districts. All locations within these areas are subject to disapproval under the District of Columbia zoning process as provided in this section. This subsection will not permit chanceries to be located in any area which is essentially a residential use area.

Section 206(b)(3) precludes the imposition of limitations or conditions on chanceries greater than those placed on other office or institutional uses. This insures treatment for chancery uses equal to that accorded comparable uses in the same area.

Section 206(c)(1) provides for filing with the D.C. Board of Zoning Adjustment and public notice of all applications for chancery use or appeals by chancery applicants from adverse determinations. This is consistent with current law.

Section 206(c)(2) provides for appropriate public participation in proceedings under this section. The D.C. Zoning Commission will have the responsibility for issuing regulations governing public participation.

Section 206(c)(3) provides a limitation of 6 months for proceedings involving chanceries under this section. This is intended to insure an expeditious process which will avoid the extensive and overlapping proceedings which are required under existing law and regulations. A time limit of 6 months should, in most cases, be more than sufficient to complete the decisionmaking process. It is expected, however, that final decisions will, to the extent possible, be made in a shorter period.

Section 206(d) sets forth the criteria to be applied in the determination of chancery issues, which are intended to balance the municipal and Federal interests. In brief, these criteria include: (1) Recognition of the international obligation of the United States concerning the location of chancery facilities in the Nation's Capital; (2) historic preservation; (3) adequacy of parking and public transportation; (4) availability of federal security; (5) the municipal interest, as determined by the Mayor of the District of Columbia, which includes matters such as traffic, height bulk, area impact, among others; and (6) the Federal interest, as determined by the Secretary of State, which includes matters such as national security, foreign relations concerns, and the reciprocal impact on U.S. missions abroad.

Section 206(e)(1) provides that regulations, proceedings, and other actions of the National Capital Planning Commission (NCPC), the D.C. Zoning Commission, and the Board of Zoning Adjustment of the District of Columbia, shall be consistent with the provisions of this section, including the criteria described above, in order to assure consistency among actions of the several bodies administering this section.

Section 206(e)(2) provides for referral to NCPC for review and comment of proposed actions of the Zoning Commission, as is required under existing law.

Section 206(f) provides that proceedings concerning chanceries under this section would be conducted under a rulemaking and not an adjudicatory procedure. This will provide a process compatible with the conduct of diplomatic relations between the sovereign nations involved, and the participation of their diplomatic representatives in these proceedings. Such rulemaking procedures are currently employed by the Zoning Commission of the District of Columbia in some of its proceedings.

Section 206(g) directs the Secretary of State to require substantial compliance with building and related codes by foreign missions, which is stricter than current practice under which these codes are not enforced with respect to foreign missions because of diplomatic immunity. This subsection permits the Secretary of State to accommodate special building requirements, generally involving security, communications, and related needs, which are often required to be adjusted in a similar manner for U.S. missions abroad.

Section 206(h) provides grandfather rights for existing chancery locations and uses, so that such issues need not be reopened.

Section 206(i)(1) authorizes the President to adjust Federal representation on the D.C. Zoning Commission for purposes of proceedings under this section, in order to reflect, as appropriate, national security and foreign policy concerns. Under existing law, one Federal agency representative is now a member of the Zoning Commission. The Zoning Commission of the District of Columbia is composed of three representatives appointed by the Mayor of the District, one Federal agency representative (currently the National Park Service), and the Architect of the Capitol. This authority neither increases the Federal representation nor affects the District majority thereon appointed to the Commission by the Mayor of the District of Columbia.

Section 206(i)(2) provides that for purposes of chancery issues, the Federal agency representative (who may be the existing official or one designated under the preceding subsection (i)(1)) shall also be the Zoning Commission representative on the Board of Zoning Adjustment. The Board of Zoning Adjustment of the District of Columbia is composed of three persons appointed by the Mayor of the District, one representative of the Zoning Commission, and one representative of the National Capital Planning Commission. Under existing law and practice, one member of the Commission currently serves on the Board on a rotating basis. This provision therefore assures that the Federal interest will always be appropriately reflected in the performance of the Board's functions under this section. It does not affect the District majority appointed to the Board by the Mayor of the District of Columbia. This subsection also provides that in chancery proceedings, the NCPC representative serving on the Board shall be the Executive Director of the Commission, which conforms to the existing NCPC practice of appointing a staff member for such purposes.

Section 206(j) provides that other provisions of law shall apply to chanceries in the District of Columbia only to the extent they are consistent with this section. This is in lieu of the House provision which made the Foreign Missions Act the exclusive law governing foreign missions in the District.

Preemption

Section 207 expresses the preemptive effect of the right of the Federal Government, through the Secretary of State, to preclude the acquisition of any benefits by a foreign mission within the United States. A denial by the Secretary, for example, of a right of a particular foreign government to open or maintain a mission within the United States, or a condition limiting the number of their personnel or other factors relating to the mission, would be controlling. This is consistent with current practice and reflects the policy of Federal preemption in foreign relations. This subsection does not otherwise affect State or local law or regulations. Nothing in this section would require any State or local authority to take any affirmative action. The principal impact of its terms is to preclude reliance on local law, regulation, or practice by a foreign mission in an effort to secure benefits contrary to limitations imposed by the Secretary. This limited preemption is necessary in order to assure that the purposes of the Foreign Missions Act are carried out.

Of course, State and local governments are obliged to respect the rights of foreign missions to be granted certain benefits under international law and international agreements in force. The views of the Secretary of State on the requirements of international law are authoritative in this regard. Should a State or local governmental entity wish to deny benefits which it is not obliged to grant, contrary to a determination by the Secretary of State that such benefits should be granted, the matter would, as under present practice, be subject to resolution through discussions between the Department of State and the State or local governmental entity. The committee of conference notes that the interests of the Department in promoting foreign policy and national security interests and the interests of State and local governments in protecting local citizen interests are not necessarily incompatible and therefore looks forward to a productive working relationship between

the Department of State and State and local authorities.

This section also requires coordination among Federal agencies, under the leadership of the Secretary of State, in order to achieve an effective policy of reciprocity so as to fulfill the purposes of this legislation by precluding any Federal agency from taking any action inconsistent with the Foreign Missions Act. The provision has the effect of rendering unenforceable any rules or regulations of any Federal agency, to the extent that such rules or regulations would confer or deny benefits contrary to this title.

The committee of conference notes that the Foreign Missions Act is a new and unique piece of legislation which grants the Secretary of State significant authority over the activities and operations of foreign missions in the United States—authority which is long overdue. In order to carry out this authority effectively, the Office of Foreign Missions will need adequate numbers of trained personnel, as well as sufficient resources for the job. The committee of conference expects the Department of State to establish an effective and aggressive operation with a useful working relationship with the bureaus and offices of the Department, as well as with other interested agencies, but which maintains its distance from the day-to-day operations of the Department. In addition, the committee of conference cautions that a clear distinction must be made and maintained between the Office of Foreign Missions and the Office of Protocol, since their responsibilities may often be conflicting. The committee of conference expects, in particular, that certain responsibilities will be moved from the Office of Protocol to the Office of Foreign Missions, including such matters as: (1) the determination of eligibility and issuance of credentials of diplomatic, counsular, and other foreign government officers and employees with respect to rights, privileges, and immunities; (2) advising and acting as liaison to State and local government authorities on diplomatic privileges and immunities and related matters; (3) providing certifications of the immunity status of individuals for use in court cases; (4) requesting waiver of immunity in appropriate cases; (5) assisting in the negotiations of consular conventions and other treaties and agreements involving rights, privileges, and immunities of foreign government missions and personnel; and (6) providing advice and assistance to diplomatic missions.

In certain areas, the Secretary may find it appropriate to permit sharing of responsibilities between the two offices, but the committee expects the new office to resolve the inherent conflict between protocol duties and those duties involving regulation of foreign mission activities. Appropriate liaison between the offices should assure that conflicts are minimized.

REDESIGNATION OF THE U.S. INTERNATIONAL COMMUNICATION AGENCY

The House amendment provided that, as of January 1, 1982, the International Communication Agency would be redesignated as the United States Information Agency.

The Senate bill contained no comparable provision.

The conference substitute is identical to the House amendment, with an amendment changing the effective date to the date of enactment of his legislation.

SPECIAL INSURANCE COVERAGE

The Senate bill authorized the International Communication Agency to purchase a special errors and omissions insurance policy or similar coverage to meet any potential liability in order to facilitate the use by ICA of privately owned films, music, and other cultural or intellectual properties.

The House amendment contained no comparable provision.

The conference substitute incorporates the Senate provision with an amendment subjecting this authority to the availability of appropriations, to avoid creating "contract authority" in violation of the Congressional Budget Act.

INTERNATIONAL EXCHANGES AND NATIONAL SECURITY

The Senate bill stated that exchange-of-person programs promote U.S. security interests; expressed a "sense of Congress" conclusion that such programs should be expanded; and mandated executive branch action to triple such activities, in real terms, in the 4 years following enactment of this bill.

The House amendment contained no comparable provision.

The conference substitute retains the sense of Congress language of the Senate provision; mandates a doubling of the amount obligated for grants for exchange-of-persons activities by fiscal year 1986; earmarks specific amounts in fiscal year 1983 for the Fulbright Academic Exchange Program, the International Visitor Program, the Humphrey Program and for grants to private, nonprofit organizations; provides for proportional reductions in the earmarking in fiscal year 1983 if the appropriation is lower than the authorization; and permits the use of up to 5 percent of the earmarked amounts for other purposes, provided a justification for such reprograming is submitted to the Committees on Foreign Affairs and Foreign Relations.

The committee of conference notes that the specific earmarks are intended as a floor level for these exchange programs and should not preclude higher appropriations for exchange programs.

The Conference expects that, in the event appropriations for ICA are less than the amounts authorized for FY 1983, any reductions made in the non-earmarked programs of the Educational and Cultural Affairs Directorate shall be of no greater percentage than the percentage by which amounts appropriated for the entire agency are less than amounts authorized.

DISTRIBUTION WITHIN THE UNITED STATES OF CERTAIN ICA FILMS

The Senate bill provided for the domestic distribution of the ICA film entitled "In Their Own Words."

The House amendment provided for the domestic distribution of two other ICA films, "Reflections: Samuel Eliott Morison" and "And Now Miguel."

The conference substitute merges the two provisions. The committee of conference notes that the legal prohibition on dissemination of ICA materials within the United States necessitates an act of Congress every time a request is made to release an ICA product. This procedure is cumbersome and time consuming. Therefore, the committee of conference directs the International Communication Agency to review the matter and make a full report to the Committees on Foreign Affairs and Foreign Relations, complete with recommendations and dissenting views, not later than January 31, 1983. One possible solution which should be analyzed is the formation of a panel composed of senior representatives of the relevant agencies, industries, and organizations to review requests to release ICA materials. This panel would make the necessary judgments to permit domestic distribution of ICA products, while protecting against copyright infringement, undue competition, and domestic political propaganda.

Another solution which the Congress may wish to consider is the policy and procedure adopted and followed by the Senate Foreign Relations Committee. The policy and procedure are as follows:

Committee policy

As a general policy, the committee will only consider release of films with special historical, educational or cultural merit and will not authorize the release of materials which seek to influence public opinion on contemporary issues. Also, as a general policy the committee will not authorize the domestic release of films until after foreign release.

Committee procedures

First. The committee will ask any Member who introduces a Senate resolution which authorizes release of an ICA film to provide the committee a description of the film and a detailed explanation of the benefits to be gained by domestic release.

Second. The committee will ask ICA to comment on the proposed domestic release with particular regard both to the committee policy permitting domestic release of films only with special historical, educational, or cultural merit, and the intent of existing law prohibiting domestic release of ICA materials which seek to influence public opinion on contemporary issues.

Third. The committee will arrange for a viewing of the film by committee members and staff and will not schedule a committee vote on the resolution authorizing domestic release until sufficient time for viewing has elapsed.

MERGER OF THE BOARD FOR INTERNATIONAL BROADCASTING AND THE BOARD OF DIRECTORS OF RFE/RL, INC.

The Senate bill requires identical membership between the Board for International Broadcasting and the Board of Directors of RFE/RL, Inc. (Radio Free Europe and Radio Liberty). The provision expanded the number of Presidentially appointed members of the BIB to nine voting members from the current five and charges the newly reconstituted Board of Directors of RFE/RL with the responsibility for oversight and operation of the radios.

The House amendment contained no comparable provision.

The conference substitute is the same as the Senate provision, but provides for an effective date of the merger requirement of 60 days following date of enactment of this legislation and clarifies that the chief operating executive of the radios is a nonvoting member of both Boards.

The committee of conference notes that under this amendment, the nine voting members of the BIB will also serve as the Board of Directors of RFE/RL, Inc. Thus a single Federal Board will be able to make the major policy decisions affecting RFE/RL, including key managerial appointments, in expeditious fashion.

However, the BIB and RFE/RL, Inc., will and must remain very distinct and different institutions. RFE/RL, Inc., is a nonprofit broadcasting corporation; the BIB is a Federal oversight agency. The task of RFE/RL personnel is to prepare and transmit high-quality broadcasts. The statutory role of

BIB is to oversee, assess, and evaluate the quality and effectiveness of those broadcasts in the context of broad U.S. foreign policy objectives, and to assure efficient management of public funds in accordance with legislative mandate.

The committee of conference raised questions as to how these objectives can be assured when the Presidentially appointed BIB members serve only part-time—the equivalent of 30 or perhaps in some cases 45 days a year. RFE/RL broadcasts 146 hours a day, 365 days a year, in 21 East European and Soviet languages from transmitter sites located in three West European countries. Federal oversight of such a complex and politically sensitive enterprise must be continuous; it cannot be suspended for weeks or months at a time while waiting for Board members to meet or to be appointed by new administrations. That is why the original legislation provided for a full-time Federal staff drawn from the competitive service. The present BIB staff has maintained that continuity of oversight over the years. It is the expectation of the committee of conference that this indispensable function of the BIB staff—totally separate from RFE/RL operational management—will continue to be exercised effectively under the new arrangement.

The committee on conference expects that the Board shall assure that RFE/RL, Inc., continues to observe the standards and restraints defined in the Board's Statement of Mission and the RFE/RL Program Policy Guidelines, as contained in the Board's Eighth Annual Report to the President and the Congress.

These standards are the product of careful bipartisan deliberation in several administrations; they reflect the national interest in the long-range credibility of RFE/RL broadcasts as trustworthy media of news and news analysis; and they should not be tampered with. This amendment is intended to facilitate the more efficient management of RFE/RL. It should *not* be interpreted as a license to manipulate RFE/RL for the purpose of short-term propaganda or sectarian ideological crusades.

Enactment of this amendment necessarily involves a higher degree of accountability to the Congress of the BIB members, appointed by the President by and with the advice and consent of the Senate. The BIB will be expanded from five to nine members. In appointing new members and filling current vacancies, the executive branch would be well advised to draw from among the highly qualified members of the RFE/RL private board, and—if it wishes to secure the bipartisan consensus of support for RFE/RL which has prevailed the past 8 years—the executive branch would also be well advised to assure that the new BIB is broadly representative of the entire domestic political spectrum. This amendment makes it more, rather than less, necessary that BIB decisions be truly collegial and that the Congress exercise its oversight responsibilities in frequent and timely fashion.

RADIO BROADCASTING TO CUBA

The Senate bill provided that any funded program of the U.S. Government involving radio broadcasts to Cuba shall be designated as "Radio Free Cuba."

The House amendment contained no comparable provision.

The conference substitute provides that any U.S. Government radio broadcasts directed principally to Cuba shall be designated "Radio Marti." The section does not provide any authority to operate Radio Marti. The committee of conference notes that separate legislation authorizing radio broadcasting to Cuba is pending in the House and the Senate.

JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The Senate bill would have permitted the Commission to spend contributions to the Japan-United States Trust Fund without the current 5-percent per-annum limitation on expenditures of the appropriated portions of this Fund. It would also allow the Commission to spend the interest those contributions earn while in the Fund, without further appropriation.

The House amendment contained no comparable provision.

The conference substitute is identical to the Senate provision.

INFANT FORMULA CODE

The Senate bill expressed concern with the U.S. negative vote on the World Health Organization (WHO) International code of Marketing Breastmilk Substitutes; endorsed the work of development agencies on problems of infant nutrition; encouraged continued efforts to combat infant illnesses, and urged the U.S. Government and the infant formula industry to support the basic aim of the code.

The House amendment expressed dismay at the negative vote cast by the United States on the WHO code; urged the executive branch to notify the WHO that the United States will cooperate with other nations in implementation of the code; and urged the U.S. infant formula industry to abide by the guidelines of the code, particularly with respect to exports and the activities of subsidiaries in developing countries. The findings section of the House amendment also noted that the use of infant formula is estimated to account for up to a million infant deaths per year.

The conference substitute expresses strong congressional support for the promotion by the United States of sound infant feeding practices; expresses concern over the sole negative vote cast by the United States against the International Code of Marketing Breastmilk Substitutes; and urges both the President and U.S. infant formula manufacturers to reexamine the U.S. and industry positions regarding the code.

A number of events have occurred since the House and Senate passed their respective provisions on this issue. Section 301(b) of the International Security and Development Cooperation Act of 1981, which became law on December 29, 1981, calls on the Agency for International Development to assist developing countries to improve infant feeding practices. The largest international merchandiser of infant formula in the Third World has announced that it will bring its marketing practices into substantial compliance with most provisions of the international code in countries which do not have specific legislation of their own covering the subject. A number of countries have modified provisions of the code to conform with their own national customs and practices and have incorporated them into domestic law or regulation.

The committee of conference urges the executive branch to continue to reflect on these developments in forming its position for the 26th World Health Assembly. It also urges the U.S. formula manufacturers to continue to review their positions regarding the code, in view of the apparent willingness of other producers to bring their marketing activities into general compliance with the code, and in light of the adverse national and international publicity generated by the strong opposition of the industry toward the code.

The committee of conference agreed to adopt new language which reflects these changed conditions and strong concerns. Implementation of the infant formula provision in the 1981 International Security and Development Cooperation Act and the executive branch's and U.S. infant formula industry's future positions on the code will continue to receive careful congressional scrutiny.

REPEAL OF OBSOLETE PROVISIONS

The Senate bill provided for the repeal of various one-time reporting requirements and obsolete provisions of foreign affairs law.

The House amendment contained no comparable provision.

The conference substitute is the same as the Senate provision, but deletes the repeal of section 203 of the fiscal year 1979 authorization act for the International Communication Agency, since the provision is not obsolete.

OTHER PROVISIONS

In the pending House (H.R. 5998) and Senate (S. 2581) bills to authorize a supplemental appropriation for fiscal year 1983 for the International Communication Agency, three legislative provisions were proposed which, in the interests of time and efficiency, the committee of conference has adopted.

Use of English-teaching program fees

H.R. 5998 and S. 2581 contain identical language to authorize USICA to use tuition and other payments received in connection with the Agency's overseas English-teaching programs, to the extent that this is approved in appropriation acts.

The conference substitute adopts this provision.

Basic salary rates for the Senior Foreign Service

S. 2581 clarified the authority of the heads of the foreign affairs agencies to establish procedures for the movement of senior Foreign Service officers from one pay level to another within class, by administrative action, without the need for reconfirmation.

H.R. 5998 contained no comparable provision.

The conference substitute is identical to the Senate provision.

Interest earned by Inter-American Foundation grantees

H.R. 5998 exempted Inter-American Foundation grantees from the obligation to return to the Treasury interest-earned on advances of appropriated funds. The provision applies to interest earned both before and after date of enactment of the section.

S. 2581 contained no comparable provision.

The conference substitute is identical to the House provision.

EDUCATIONAL TRAVEL FOR DEPENDENTS

The Senate bill entitled dependents of foreign-based employees of the Department of State and the International Communication Agency who are separated from their parents in order to obtain an undergraduate college education to two round trips per year at Government expense. This would increase from one to two the number of allotted trips per year and would create an entitlement.

The House bill contained no comparable provision, although section 2308 of the Foreign Service Act of 1980 provides for one annual round trip for this purpose for dependents of all eligible Government employees stationed overseas.

The conference substitute contains no provision on this issue.

The committee of conference wishes to note that allowances and benefits under the Foreign Service Act are intended to ameliorate the demands placed on members of the Foreign Service. Since members of the Service, unlike civil service employees, are required to spend most of their careers overseas, this provision permitting educational travel for dependents serves the humanitarian, as well as practical, purpose of keeping families together. Nonetheless, the authority is meaningless if funds are not provided for the purpose. Therefore, the committee of conference expects that not only this educational travel allowance, but all allowances and benefits under the Foreign Service Act will be funded fully and fairly.

ARMS CONTROL AND DISARMAMENT AGENCY ACT, FISCAL YEARS 1982–83

The Senate bill authorized appropriations of $18,268,000 for fiscal year 1982 and such sums as may be necessary for fiscal year 1983 for the Arms Control and Disarmament Agency. It also permitted the Agency to accept the results of security investigations conducted by the Departments of State and Defense in the case of persons detailed from other Government agencies. In addition, section 404 authorized the Agency to conduct research, development, and other studies with regard to antisatellite activities.

The House amendment contained no comparable provision. However, the House passed H.R. 3467, the Arms Control and Disarmament Act Amendments of 1981, on June 8, 1981. This bill authorizes $18,268,000, and such additional amounts as may be necessary for increases in employee benefits and to offset adverse fluctuations in foreign currency exchange rates, for fiscal year 1982, and $19,893,852 for fiscal year 1983. This bill also contains provisions for use of security clearances of the Departments of State and Defense when applied to persons detailed to the Agency. H.R. 3467 also changes the Agency's name to read "United States Arms Control Agency."

The conference substitute contains no provision on these issues. However, the Senate Foreign Relations Committee has reported the House bill, as amended, to the full Senate.

PEACE CORPS AUTONOMY

The Senate bill provided for the reestablishment of the Peace Corps as an independent agency, effective upon enactment of this bill, and provides for the transfer of functions, personnel, property, et cetera to the Peace Corps.

The House amendment did not contain a comparable provision.

The conference substitute contains no provision on this issue, since Public Law 97-113, enacted after passage of the Senate bill, contains a similar provision.

INFORMATIONAL MEDIA GUARANTY FUND

The Senate bill provides for the use of foreign currencies derived under the Informational Media Guaranty Program prior to 1967.

The House amendment contains no comparable provision.

The conference substitute contains no provision on this issue, since the general authority to use foreign currencies such as these exists in current law.

EX GRATIA PAYMENT

The Senate bill provided that $81,000 of the amount appropriated for fiscal year 1982 under the administration of foreign affairs be paid ex gratia to the Government of Yugoslavia for injuries sustained by a Yugoslav national as a result of an attack on him in New York in June 1977 while he was assigned to the Yugoslav mission to the United Nations.

The House amendment contains an identical provision.

The conference substitute deletes the provision as unnecessary in view of a district court judgement in favor of the Yugoslav national in the amount of $240,000.

FISCAL YEAR 1981 SUPPLEMENTAL AUTHORIZATION FOR THE BOARD FOR INTERNATIONAL BROADCASTING

The House amendment authorized a supplemental appropriation of $100,300,000 for fiscal year 1981 for the Board for International Broadcasting.

The Senate bill contained no comparable provision, but earmarked $6,195,000 of the gain realized during fiscal year 1981 through upward fluctuations in foreign currency exchanges rates, for losses incurred as a result of the February bomb explosion at RFE/RL, Inc., Munich Headquarters.

The conference substitute contains no provisions on these issues, since fiscal year 1981 ended prior to the meeting of the committee of conference.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
GUS YATRON,
DANIEL MICA,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
LARRY WINN, Jr.,
Managers on the Part of the House.

CHARLES H. PERCY,
JESSE HELMS,
S. I. HAYAKAWA,
DICK LUGAR,
C. PELL,
JOE BIDEN,
JOHN GLENN,
Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 6530, ESTABLISHING MOUNT ST. HELENS NATIONAL VOLCANIC AREA

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6530) to establish the Mount St. Helens National Volcanic Area, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. DE LA GARZA, UDALL, WEAVER, SEIBERLING, FOLEY, WILLIAMS of Montana, BROWN of California, SKEEN, CLAUSEN, MORRISON, PASHAYAN, and CHAPPIE.

RADIO BROADCASTING TO CUBA ACT

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5427) to authorize support to Radio Broadcasting to Cuba, Inc.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HARKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. A sufficient number. A quorum is present.

Mr. HARKIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 361, nays 20, not voting 53, as follows:

[Roll No. 237]

YEAS—361

Addabbo	Corcoran	Gaydos
Akaka	Courter	Gejdenson
Albosta	Coyne, James	Gephardt
Alexander	Coyne, William	Gibbons
Anderson	Craig	Gilman
Andrews	Crane, Daniel	Gingrich
Annunzio	Crane, Philip	Glickman
Anthony	D'Amours	Gore
Archer	Daniel, R. W.	Gradison
Ashbrook	Dannemeyer	Gramm
Aspin	Davis	Gray
Atkinson	de la Garza	Green
Badham	Derrick	Gregg
Bailey (MO)	Derwinski	Grisham
Bailey (PA)	Dickinson	Guarini
Barnard	Dicks	Gunderson
Barnes	Dingell	Hagedorn
Beilenson	Donnelly	Hall, Ralph
Benedict	Dorgan	Hall, Sam
Benjamin	Dougherty	Hamilton
Bennett	Dowdy	Hammerschmidt
Bereuter	Downey	Hance
Bethune	Dreier	Hansen (UT)
Bevill	Duncan	Hartnett
Biaggi	Dunn	Hawkins
Billey	Dwyer	Heckler
Boggs	Dymally	Hefner
Boland	Dyson	Heftel
Boner	Early	Hendon
Bonior	Eckart	Hiler
Bonker	Edgar	Hillis
Bouquard	Edwards (AL)	Holland
Bowen	Edwards (CA)	Hollenbeck
Breaux	Edwards (OK)	Holt
Brinkley	Emerson	Hopkins
Brodhead	Emery	Horton
Brooks	English	Howard
Broomfield	Erdahl	Hoyer
Brown (CA)	Erlenborn	Hubbard
Brown (CO)	Evans (DE)	Huckaby
Broyhill	Evans (GA)	Hughes
Burgener	Evans (IA)	Hutto
Burton, Phillip	Evans (IN)	Hyde
Butler	Fary	Ireland
Byron	Fascell	Jacobs
Campbell	Fazio	Jeffords
Carman	Fenwick	Jeffries
Carney	Ferraro	Jenkins
Chappell	Fields	Jones (NC)
Chappie	Findley	Jones (OK)
Cheney	Fish	Kazen
Chisholm	Fithian	Kemp
Clausen	Flippo	Kennelly
Clinger	Florio	Kildee
Coats	Foglietta	Kindness
Coelho	Foley	Kogovsek
Coleman	Fountain	Kramer
Collins (IL)	Frank	LaFalce
Collins (TX)	Frenzel	Lagomarsino
Conable	Fuqua	Lantos
Conte	Garcia	Latta

Leath	Nichols	Shuster
Lee	Nowak	Skeen
Lehman	Oakar	Smith (AL)
Lent	Oberstar	Smith (NE)
Levitas	Obey	Smith (NJ)
Lewis	Oxley	Smith (OR)
Livingston	Panetta	Smith (PA)
Loeffler	Parris	Snowe
Long (LA)	Pashayan	Snyder
Long (MD)	Patman	Solarz
Lott	Patterson	Solomon
Lowery (CA)	Paul	Spence
Lowry (WA)	Pease	St Germain
Lujan	Pepper	Stangeland
Lundine	Perkins	Stanton
Lungren	Petri	Stark
Madigan	Peyser	Staton
Markey	Pickle	Stokes
Marlenee	Porter	Stratton
Marriott	Price	Studds
Martin (IL)	Pursell	Stump
Martin (NC)	Quillen	Swift
Martin (NY)	Rahall	Synar
Martinez	Rangel	Tauzin
Matsui	Ratchford	Taylor
Mattox	Regula	Thomas
Mavroules	Reuss	Traxler
Mazzoli	Rhodes	Trible
McClory	Richmond	Udall
McCloskey	Rinaldo	Vander Jagt
McCollum	Ritter	Vento
McCurdy	Roberts (KS)	Volkmer
McDade	Roberts (SD)	Walgren
McDonald	Robinson	Walker
McEwen	Rodino	Wampler
McGrath	Roe	Watkins
McHugh	Roemer	Waxman
McKinney	Rogers	Weaver
Mica	Rose	Weber (MN)
Michel	Roth	Weber (OH)
Mikulski	Roukema	White
Miller (OH)	Rousselot	Whitehurst
Mineta	Roybal	Whitley
Minish	Rudd	Whittaker
Mitchell (NY)	Russo	Whitten
Moakley	Sabo	Williams (MT)
Molinari	Santini	Wilson
Montgomery	Sawyer	Winn
Moore	Scheuer	Wirth
Moorhead	Schneider	Wolf
Morrison	Schroeder	Wortley
Mottl	Schulze	Wright
Murphy	Schumer	Wyden
Murtha	Seiberling	Wylie
Myers	Sensenbrenner	Yatron
Napier	Shannon	Young (FL)
Natcher	Sharp	Zablocki
Neal	Shaw	Zeferetti
Nelligan	Shelby	
Nelson	Shumway	

NAYS—20

Bedell	Johnston	Shamansky
Daub	Kastenmeier	Skelton
Dellums	Leach	Smith (IA)
Fiedler	Luken	Tauke
Gonzalez	Miller (CA)	Weiss
Harkin	Mitchell (MD)	Wolpe
Hightower	Ottinger	

NOT VOTING—53

Applegate	Dornan	Marks
AuCoin	Ertel	Moffett
Bafalis	Ford (MI)	Mollohan
Beard	Ford (TN)	O'Brien
Bingham	Forsythe	Pritchard
Blanchard	Fowler	Railsback
Bolling	Frost	Rosenthal
Brown (OH)	Ginn	Rostenkowski
Burton, John	Goldwater	Savage
Clay	Goodling	Siljander
Conyers	Hall (OH)	Simon
Coughlin	Hansen (ID)	Stenholm
Crockett	Hatcher	Washington
Daniel, Dan	Hertel	Williams (OH)
Daschle	Hunter	Yates
Deckard	Jones (TN)	Young (AK)
DeNardis	LeBoutillier	Young (MO)
Dixon	Leland	

□ 1640

Mr. DELLUMS changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5427, with Mr. RATCHFORD in the chair.

□ 1640

The CHAIRMAN. When the Committee rose on Friday, July 23, 1982, all time for general debate on the bill had expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 5427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Radio Broadcasting to Cuba Act".

DECLARATION OF ADDITIONAL PURPOSES

SEC. 2. Section 2 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2871) is amended—

(1) by inserting "(a)" immediately after "SEC. 2."; and

(2) by adding at the end of the section the following:

"(b) The Congress further finds and declares—

"(1) that it is the policy of the United States to support the right of the people of Cuba 'to seek, receive, and impart information and ideas through any media and regardless of frontiers', in accordance with article 19 of Universal Declaration of Human Rights;

"(2) that, consonant with this policy, radio broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba, in particular information about Cuba; and

"(3) that such broadcasting to Cuba, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest.

"(c) Therefore, in addition to furthering the open communication of information and ideas in Eastern Europe and the Union of Soviet Socialist Republics, it is the purpose of this Act to further the open communication of accurate information and ideas to the people of Cuba, in particular information about Cuba.".

ADDITIONAL FUNCTIONS OF THE BOARD

SEC. 3. Section 4 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2873) is amended by adding at the end thereof the following:

"(c) In order to carry out the purposes set forth in section 2 of this Act, the Board is authorized to provide for the open communication of information and ideas through the use of radio broadcasting. The Board may carry out this subsection by means of grants, contracts (subject to the availability of appropriations), or such other means as the Board determines will most effectively carry out the purposes set forth in section 2 of this Act.

"(1) the broadcasting facilities located at Marathon, Florida that were used by the Voice of America before the date of the enactment of the Radio Broadcasting to Cuba Act may be used for radio broadcasting to Cuba under this Act; and

"(2) the same frequency used by the Voice of America before the date of the enactment of the Radio Broadcasting to Cuba Act for its broadcasts from the facilities located at Marathon, Florida may be used for radio broadcasting to Cuba under this Act.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. Section 8 of the Board for International broadcasting Act of 1973 (22 U.S.C. 2877) is amended by adding at the end thereof the following:

"(c) There are authorized to be appropriated to the Board to carry out the Radio Broadcasting to Cuba Act $10,000,000 for the fiscal year 1982 and $7,700,000 for the fiscal year 1983. Amounts appropriated under this subsection are authorized to be made available until expended.".

ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

SEC. 5. The Board for International Broadcasting Act of 1973 is amended by adding at the end thereof the following:

"ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

"SEC. 11. In order to assist the Board in carrying out the purposes set forth in section 2 of this Act, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Board. Support and services shall be provided on a reimbursable basis or, at the direction of the President, without reimbursement. Any reimbursement shall be credited to the appropriation from which the property, support, or service was derived.".

CUBAN INTERFERENCE WITH BROADCASTING IN THE UNITED STATES

SEC. 6. (a) The Board for International Broadcasting Act of 1973, as amended by section 5 of this Act, is further amended by adding at the end thereof the following:

"CUBAN INTERFERENCE WITH BROADCASTING IN THE UNITED STATES

"SEC. 12. (a) It is the sense of the Congress that the Secretary of State should seek prompt and full settlement of United States claims against the Government of Cuba arising from Cuban interference with broadcasting in the United States. Pending the settlement of these claims, it is appropriate to provide some interim assistance for United States broadcasters adversely affected by Cuban interference.

"(b) Accordingly, the Board is authorized to make payments to United States radio and television broadcasting station licensees to compensate them for expenses which they incur in mitigating the effects of activities by the Government of Cuba which interfere with the transmission or reception of the broadcasts of those licensees.

"(c) The Board may issue such regulations and establish such procedures for carrying out this section as the Board finds appropriate.".

(b) It is the sense of the Congress that the President should establish a task force to analyze the level of interference from the

operation of Cuban radio stations experienced by broadcasters in the United States and to seek a practical political and technical solution to this problem.

PARLIAMENTARY INQUIRY

Mr. WIRTH (during the reading). Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WIRTH. Mr. Chairman, are we in the process of reading the committee amendment or the bill?

The CHAIRMAN. The committee amendment.

Mr. WIRTH. Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ENERGY AND COMMERCE COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will now report the first Committee on Energy and Commerce amendment.

The Clerk read as follows:

Committee amendment:

Page 3, strike out line 21 through line 23, and insert in lieu thereof the following:

(d)(1) For purposes of providing for radio broadcasting in accordance with subsection (c)—

Page 4, line 1, strike out "(1)" and insert in lieu thereof "(A)".

Page 4, strike out line 6 and all that follows through line 10 and insert in lieu thereof the following:

(B) a frequency identified under paragraph (2) shall be the frequency which is used for radio broadcasting to Cuba under this Act.

(2) The Assistant Secretary of Commerce for Communications and Information, in consultation with the Federal Communications Commission, shall identify, after receiving public comment, an appropriate frequency or frequencies for radio broadcasting to Cuba under this Act—

(A) which will provide protection to non-Government radio broadcasting in the United States as prescribed in the rules and regulations of the Federal Communications Commission;

(B) which will produce the least interference to non-Government radio broadcasting from any countermeasure taken by the Government of Cuba with respect to such radio broadcasting to Cuba;

(C) which will ensure, to the extent possible, that no non-Government radio station will suffer significant loss of listening area or substantial economic harm due to any such countermeasures; and

(D) which is consistent with the interests of the United States with respect to any international telecommunications conferences in which it participates.

(3) In carrying out paragraph (2), the Assistant Secretary of Commerce for Communications and Information shall consider all possible radio frequencies and bands.

(4) The Federal Communications Commission shall provide to the Assistant Secretary of Commerce for Communications and Information such data and technical information as the Assistant Secretary finds to be necessary in carrying out paragraph (2).

(5) For purposes of subparagraphs (B) and (C) of paragraph (2), the Secretary of State shall notify the Assistant Secretary of Commerce for Communications and Information and the Federal Communications Commission of any measure by the Government of Cuba which violates international law and which may interfere with radio or television broadcasts in the United States.

PARLIAMENTARY INQUIRY

Mr. WIRTH (during the reading). I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WIRTH. Mr. Chairman is the bill read and open for amendment at any point?

The CHAIRMAN. The gentleman is correct.

Mr. WIRTH. Then, Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Chairman, the Energy and Commerce Committee's jurisdiction over this bill was limited to the issues involving interference caused by the inevitable Cuban retaliation to Radio Marti's operation. Our committee adopted, by voice vote, an amendment which gives domestic broadcasters some limited protection against this dangerous threat.

The committee's amendment to section 3 of the bill will require the National Telecommunications and Information Administration, in consultation with the Federal Communications Commission, to select an appropriate frequency for Radio Marti. Prior to selecting a frequency, the NTIA must provide an opportunity for public comment. The committee feels very strongly that an opportunity for public comment is essential to insure that members of the American public, especially those domestic broadcasters who may suffer severe consequences as a result of the operaton of Radio Marti, will be able to make their views known to the Government before a domestic radio frequency is selected for Government use.

The Committee on Energy and Commerce is concerned that the integrity of the broadcast industy in this country be protected and maintained. The committee's amendment sets forth four explict criteria for the NTIA to meet when selecting a frequency which are designed to provide some guarantees that the U.S. broadcast system will continue to function as the best in the world.

First, the frequency which is selected must afford non-Government broadcast stations the level of protection currently prescribed in the FCC's rules and regulations. Those rules define protection in terms of objectionable interference. Thus, the operation of Radio Marti must not cause interference which exceeds the FCC's objectionable interference standards.

The second criteria requires that the frequency selected must result in "the least" interference possible to non-Government radio broadcasting in the United States as a result of any countermeasures taken by the Government of Cuba in response to Radio Marti. These countermeasures might take the form of jamming Radio Marti's broadcasts within Cuba or in the United States, high-powered broadcasting on the frequency selected for Radio Marti, random or generalized interference within the non-Government radio spectrum, or increased Cuban broadcasts into the United States to counter broadcasts to Cuba. The NTIA must identify and analyze the impact of the full range of possible Cuban countermeasures when determining which frequency will result in "the least" interference to non-Government radio broadcasting in the United States.

The third criteria in the committee's amendment requires the NTIA to insure, to the greatest extent possible, and based upon all available information, that no non-Government radio station in the United States will suffer significant loss of listening area or substantial economic harm as a result of any Cuban countermeasures. The committee believes that because Radio Marti is a Government radio station, consequences which may adversely affect the American broadcast industry and its audiences should be minimized.

Finally, the fourth criteria set forth by the committee requires that the frequency selected for Radio Marti must be consistent with the interests of the United States with respect to any international telecommunications conferences in which it participates. For example, the NTIA should examine whether use of the AM radio band for international broadcasting is consistent with the interests of the United States and the spirit of international commitments which the United States has entered into or may be considering entering into.

The committee's amendment to section 3 explicitly requires the NTIA to consider all possible radio frequencies and bands—including AM, FM, and shortwave—in making its determination. While the State Department has made it quite clear that it would prefer to use an AM frequency, the NTIA must carefully study all possible frequencies.

The amendment requires the FCC to provide the NTIA with any technical information it has to assist the NTIA in its frequency selection and it requires the Secretary of State to notify the NTIA and FCC of any measures by the Government of Cuba which vio-

late international law and which may interfere with radio or television broadcasting in the United States.

Mr. Chairman, I believe it is essential that, at a minimum, this amendment be adopted by the full House. It provides the absolute minimum level of protection for U.S. broadcasters which is needed. It is a critical addition to the legislation as reported by the Foreign Affairs Committee. It has the support of the Foreign Affairs Committee and the State Department. I urge my colleagues to support it.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment discussed by the gentleman from Colorado. These guidelines were given thorough consideration in the full Committee on Energy and Commerce and by his subcommittee. The Committee on Foreign Affairs supports those guidelines.

I just want to add that they are totally consistent with existing policy in that, under the FCC Act, the President has the right to select frequencies for governmental broadcasts of this kind. By Executive order that authority has been delegated to the Assistant Secretary of Commerce for Communications and Information who heads the National Telecommunications and Information Administration. This amendment tracks that concept. It is not a new precedent, and it does provide for the very important public input into this matter, a matter which the Foreign Affairs Committee likewise was concerned with. We specifically wrote language in this bill to give due consideration to the public and took into account the fact that, in foreign policy matters of this kind, consideration must be given to domestic matters or domestic industries which might be affected in some way.

We think it is a good amendment, Mr. Chairman. I would hope it would be adopted.

Mr. KAZEN. Mr. Chairman, will the gentleman yield to me?

Mr. FASCELL. I am delighted to yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Mr. Chairman, I heard what the gentleman said, but I wish that he would give me the thinking behind the "compensation of radio and television broadcasting station licensees for compensation by the United States for any effects that Cuba would have on them and their broadcasts.

Mr. FASCELL. I would be delighted to answer the gentleman.

For some 15 years now the United States has not been able to reach an agreement with Cuba regarding frequency allocation for one reason or another. When the current Cuban Government came into power, one of the things they did not do was to endorse or support or ratify the existing regional treaty on the allocation of frequencies between countries. At the last regional conference, no agreement was reached with Cuba either.

For some good many years now there has been interference by Cuban broadcasts of one kind or another in the United States, and in one case an actual jamming. The U.S. Government has not been able to reconcile that problem and it will not until it reaches an agreement of some kind with the Government of Cuba, either bilaterally or multilaterally.

So this concept is to lay that problem at the door of the Federal Government, saying "You cannot expect domestic industries to solve what is really an international problem." That is the responsibility of the Federal Government.

Since the gentleman has been very perceptive on that point, what the Federal Government has done up until this moment has been to say to a radio station that has experienced either crowding on the band or some other problem, primarily in south Florida but not limited to that area, is, "Come to the Federal Government for help and we will give you fast consideration."

□ 1650

So, the radio station has gone to the FCC for that fast track consideration for a change in their broadcasting capacity, so that instead of 25 kilowatts they go to 50 kilowatts to be able to serve their area. The FCC on a fast track has sometimes granted that request, but it means the station has had to put in the additional electrical equipment, changes in the antenna and whatnot simply to maintain the integrity of their broadcast.

Mr. KAZEN. But by the same token is it the fault of the Federal Government that Cuba is jamming?

Mr. FASCELL. No; but is the fault of the Federal Government that they cannot resolve the issue.

Mr. RINALDO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I urge the adoption of the Energy and Commerce Committee amendment to H.R. 5427. The Energy and Commerce Committee gave careful consideration to those parts of the bill which were referred to it, and we made several constructive changes which have the support of the Foreign Affairs Committee.

The amendments will insure that the views and interests of the U.S. broadcasters will be adequately protected in the selection of a frequency for Radio Marti. The bill was adopted by the Energy and Commerce Committee by a vote of 23 to 3.

Therefore, I urge the adoption of the committee amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the committee amendment, and I associate myself with the remarks of the gentleman from Florida (Mr. FASCELL). This is a complicated procedure we are going through, since there are two committee jurisdictions.

In terms of what I would call political philosophy and foreign policy, there was very, very strong support in the Foreign Affairs Committee. I understand the technical complications other Members are concerned with. I do not think they are insurmountable. I would emphasize at this point, and I make this point and it will be made again and again in debate, the reason we have to use AM is that the vast majority of the Cuban radio sets are AM. We cannot go to short wave. As a result of that we are faced with these logical concerns, so I urge support of the committee amendment.

AMENDMENT OFFERED BY MR. LEACH OF IOWA AS A SUBSTITUTE FOR THE ENERGY AND COMMERCE COMMITTEE AMENDMENT

Mr. LEACH of Iowa. Mr. Chairman, I offer an amendment as a substitute for the Energy and Commerce Committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LEACH of Iowa as a substitute for the Energy and Commerce Committee amendment: Page 4, line 4, strike out "may" and insert in lieu thereof "shall".

Page 4, line 9, strike out "may" and insert in lieu thereof "shall".

Mr. LEACH of Iowa (during the reading). Mr. Chairman, I ask unanimous consent that the substitute amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The gentleman from Iowa (Mr. LEACH) is recognized for 5 minutes.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. LEACH. Yes; of course.

Mr. FASCELL. I just want to be sure I understood. The gentleman is offering a substitute for the entire committee amendment; is that correct?

Mr. LEACH of Iowa. That is correct.

Mr. FASCELL. I thank the gentleman.

Mr. LEACH of Iowa. Mr. Chairman, it simply must be stressed and stressed again that Cuba can jam Radio Marti, and as good an idea as it is to send nonsense news to Cuba, it runs against reason to undertake a venture destined to fail.

The goal of Radio Marti is to send a message of truth to Castro. But truth that cannot be heard is no truth at all. The Reagan administration is chop-

ping wood in an unpopulated forest. No one will ever hear the trees fall.

What the amendment Mr. BEDELL and I are offering does is simply require that Radio Marti use the facilities and frequency of Radio Marathon.

The rationale for this amendment is sevenfold:

First, to protect the Constitution which prohibits the Executive, in article I, section 9, from spending funds without authorization or appropriation. As has been publicly reported, the Defense Department has recently built in the Florida Keys a four-antenna radio complex which it is prepared to turn over to Radio Marti, although Congress had not authorized said construction for anything except military purposes.

Second, to prevent the need for payment of substantial compensation to over 200 radio stations likely to be affected by Cuban jamming of Radio Marti.

Third, to be more cost effective. Radio Marathon is currently underutilized and is already constructed and operational.

Fourth, to prevent an unnecessary confrontation with Cuba. Use of militant and subversive propaganda is unlikely to accomplish its purpose. Utilization of the Voice of America-type programing is far more effective than the more subversive undertaking implied with construction of a new station.

Propaganda broadcasting has in fact been shown to be less effective than more subtle straightforward news programing. The International Communication Agency noted in a June 1980 memo that—

> Creating a separate broadcast "for Cubans only" would in no way increase the supply or availability of appropriate broadcast materials, but could rather be interpreted as a special propaganda campaign, less credible and even dismissable.

The State Department's U.S. Interests Section in Havana, according to a New York Times report, "expressed fears that Radio Marti would be less accurate—than the Voice of America—more vulnerable to rumor, and therefore damaging to American credibility."

Fifth, to prevent embarrassment to the President. 1040 kHz is the frequency of WHO Radio in Des Moines, Iowa, where the President launched his career as a broadcaster. Given Castro's ability and stated intention to jam Radio Marti, the President himself could become personally embarrassed by the dedication of resources to a propaganda effort foiled the moment it is undertaken.

Sixth, to avoid a radio war with Cuba that will massively disrupt U.S. broadcasting and perhaps escalate international tension in the Caribbean region.

Seventh, some voices within the administration have argued that jamming of Radio Marti would be an act of war, subject to a surgical strike response. Use of Radio Marathon and a Voice of America format would make clear that America is interested in broadcasting responsible news, not inciteful rhetoric, and that Radio Marti is intended as a truth-spreading, rather than confrontational, undertaking.

With regard to the contention that Voice of America's charter precludes Radio Marti-type broadcasting from Radio Marathon, I would like to bring to the attention of the House a Voice of America report entitled "VOA Broadcasting to Cuba."

The VOA report contradicts this contention. Radio Marathon currently places its signal over Cuba. While it cannot be a "surrogate national radio station" for another country, "what VOA can do, and does, is to deal with another nation's internal developments when and as they become issues of international significance."

While the administration claims that Cubans are deprived of the truth about Cuba, the VOA notes that:

> Among the program materials used in the regular Spanish language programming in the first half of 1980, for example, were interviews with Cuban political prisoners . . . and with a broad cross-section of Cuban refugees. . . . Developments involving Cubans in Angola and Ethiopia are reported to Cuba as developments in Cuba are reported to Africa. News analyses, commentaries, editorial opinion packages, and special reports and documentaries appear regularly and on special occasions.

Thus, not only does the VOA charter permit the types of broadcasts intended for Radio Marti, but the VOA already airs those programs. The Congressional Research Service's June 28, 1982, report on Radio Marti for the Senate Committee on Foreign Relations also concluded that the VOA charter does not bar such reports.

Since Radio Marathon operates only 5½ hours a day, building yet another station to provide the same service would appear to represent a waste of money. In this regard, it should be pointed out that ICA has requested funds to construct three additional VOA AM radio stations in the Caribbean. One must ask why one or more of those stations are not to be used for Radio Marti.

An ICA "Radio Free Cuba Feasibility Study" dated July 15, 1981, states that the FCC identified two frequencies, 640 and 1580 kHz, as the "most feasible" for Radio Marti. However, 1580 kHz was rejected because the VOA operates an AM station on Antigua. From this rejection, it might be concluded that the administration is more concerned with protecting the integrity of VOA stations, from Cuban retaliation than with protecting domestic stations. This conclusion is buttressed by Assistant Secretary Enders June 14, 1982, letter to Senator PERCY. Mr. Enders rejected using Radio Marathon for Radio Marti's broadcasts, in part because he believed use of Radio Marathon's frequency would increase the risk of Cuban interference on that frequency. Again, protect VOA, imperil domestic stations.

Thus, while Mr. Enders and others in the administration claim there is no connection between Radio Marti and Cuban interference, the rejection of the 1580 kHz and Radio Marathon options due to concern about retaliatory interference undermines their position. Moreover, others both in and out of Government believe that there is a direct connection. The House Committee on Energy and Commerce in its July 13, 1982, report said that "the operation of Radio Marti and the issue of Cuban interference are not separate and distinct matters and, in fact, are inextricably intertwined." According to the ICA feasibility study, the NTIA and the FCC both see increased U.S. broadcasts to Cuba leading to jamming of the frequencies involved * * *.

On another level, Government's expert agency on international communications matters, the ICA, has pointed out the diplomatic risks to the United States inherent in Radio Marti. In an ICA memorandum of June 1981 from Anna L. Case to Mr. Haratunian, entitled "Jamming of Medium Wave in Caribbean," it is noted that Cuban jamming of Radio Marti will affect radio stations in Mexico, Central America, and northern South America. However, although Cuba would be operating the jamming stations, the United States would be associated with the responsibility for the resulting interference as we initiated the jammed broadcasts. This view is echoed in another VOA memorandum authored by R. Ulrick: "The diplomatic situation being what it is in this area, the U.S. will be held more responsible for originating the signal than will Cuba for jamming it."

As responsible legislators we simply cannot justify Radio Marti as it has been proposed. From a fiscal point of view, there is absolutely no reason to construct a new facility when a Voice of America station is already operational, but utilized only 5½ hours per day, in Marathon, Fla.

Mr. Chairman, I urge adoption of the amendment.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we considered the issue which the gentleman has raised here very carefully in committee, but one of the things I want to point out is, by offering this amendment, he strikes out the very carefully crafted language that came out of the Energy and Commerce Committee. That would be a mistake, in my judgment. We worked very hard to get an agreement between the two committees of

jurisdiction to be sure that we had public input in the process of the determination of a Government frequency. I will say to the gentleman from Iowa that I think it would be a mistake to wipe that out.

Now, addressing the other arguments that are made about Voice of America and its transmitter at Marathon, the committee had considered that issue and we provided language in the bill to say that it could be considered. In other words, the Government may consider using VOA facilities. Now, what the gentleman from Iowa wants to do is make it mandatory to use the existing transmitter in Marathon that is now broadcasting for the Voice of America.

Let me tell the Members what that would do, very briefly. First of all, we would have to make a decision as to whether or not we would want joint VOA-Radio Marti use, and what the best hours for each would be. VOA is broadcasting at prime time now, so it would be very difficult to share the best broadcasting hours. Theoretically they can do it, but if they did that and used the same facilities—those which have been identified by VOA—they set a precedent which this Congress throughout the years has been very careful to avoid. We have been very careful for obvious reasons to keep the broadcasts of the Voice of America and the broadcasts conducted by the Board for International Broadcasting—to wit, those of Radio Free Europe and Radio Liberty—separate. It has been a long struggle to maintain the integrity of both radio operations because, under the laws of the Congress, they have different purposes and different charters. It would be a mistake to mix these two by forcing them to use the same facilities.

□ 1700

Now, I will not deny and the committee does not deny that perhaps the administration ought to have the flexibility of deciding whether or not it wants to eliminate the VOA operation and Radio Marathon and use that existing transmitter, work out some sharing agreement, or doing something else. But it ought not to be mandated into legislation in the fashion in which the gentleman from Iowa (Mr. LEACH) suggests in his amendment.

The Marathon transmitter is a temporary transmitter. It would have to be tremendously upgraded to serve Radio Marti's purpose. We need directional antenna. The transmitter at Marathon really is not fit for the job. It could be done, and it might even save money in some way, but it does not give us a single added hour of international radio broadcasting.

This Congress has supported the efforts that we have made to increase the capability of the United States in the international broadcasting field. We are outdone by almost everybody in the world, certainly by the Soviets.

Mr. TAUKE. Mr. Chairman, will the gentlman yield on that point?

Mr. FASCELL. Just let me make this point first, and than I will yield.

Mr. Chairman, we need additional broadcasting facilities. We have worked very hard in our committees to increase this capability, and the Congress and this House supported the effort to improve and modernize our radio capability with the Voice of America. We fought very hard and got this Congress to agree to strengthen the Board for International Broadcasting, Radio Liberty, and Radio Free Europe, so they can stay in the marketplace of ideas.

What we are doing here, if we allow the administration to proceed, is simply to give us additional facility and additional time. We are now outspent by about 7 to 1. The number of hours broadcasting to our friends, much less to people who need direct information, information that is accurate and truthful and upon which they can make some kind of reasonable judgment, is woeful; it is pitiful. We ought not to shackle the hands of our Government.

Mr. Chairman, I urge the Members to defeat the amendment.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FASCELL) has expired.

(On request of Mr. TAUKE, and by unanimous consent, Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I am delighted to yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, the gentleman suggests that Radio Marti needs separate facilities in order to permit the United States to broadcast and have more time to broadcast to the people of other nations.

Mr. FASCELL. The gentleman is correct. We need more facilities and we need more hours on the air.

Mr. TAUKE. Surely the gentleman recognizes that the Voice of America station at Marathon, Fla., broadcasts only 5 hours a day.

Mr. FASCELL. I would like to see them boradcast 24 hours a day. I agree with the gentleman.

Mr. TAUKE. So there are 19 hours a day which we have to fill before we have to build another 50,000-watt station.

Mr. FASCELL. Mr. Chairman, I will ask my friend, does he want class C radio in his campaign, or would he like prime time?

Mr. TAUKE. Is the gentleman suggesting that there are only 5 hours a day available as prime time?

Mr. FASCELL. I do not know how much prime time the gentleman got, but I like prime time myself.

Aside from that, the gentleman raises a good point. What we have said in the bill is simply that the administration ought to have the flexibility of making that decision. Let us not legislate it, for goodness sake. We are going to legislate and tell them, "you have got to use this transmitter and not any other transmitter," or, "you are going to have to use it jointly and not use any other transmitter."

Mr. Chairman, that is what this amendment does. The spirit of it is all right, but the amendment is too inflexible.

Mr. TAUKE, Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, the gentleman from Florida (Mr. FASCELL) makes a very persuasive argument if we take it on its face, but it falls on its face when it comflicts the facts that need to be considered when reviewing this issue.

It is very reasonable to suggest that the United States should be in the arena with the rest of the countries of the world when it comes to broadcasting, but it is unreasonable to suggest that we need to build a new station to accomplish that. Radio Marathon, the Voice of America station, a 50,000-watt station broadcasting from Florida, broadcasts only 5 hours a day, leaving 19 hours available for additional broadcasting. There is no need to build another 50,000-watt facility, an identicial facility, to broadcast a few more hours to Cuba. We can use the existing facility.

Moreover, the International Communications Agency has asked for three more Voice of America stations.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I will yield when I have finished.

I would first like to make this point. The Voice of America station is asking for three more facilities in Florida. Not only are we being asked as a Congress to establish Radio Marti, but we have the International Communications Agency asking for three VOA stations in addition to Radio Marathon. I wonder how much broadcasting we really need in that area.

The gentleman from Florida went on to suggest that perhaps we need a different station because the charter from the Voice of America was somehow different and perhaps the purposes were not the same.

I think that point, too, is factually incorrect. The report from the Congressional Research Service that came to the gentleman's own committee pointed out that the Voice of America charter is no different in purpose from the purpose of the station being requested through Radio Marti.

Moreover, according to the VOA's own report, entitled "The Radio Free Cuba Feasibility Study, Voice of America Broadcasting to Cuba," the kind of programing that can be broadcast on Radio Marathon includes program materials in the Spanish language. It includes interviews with Cuban political prisoners, interviews with a broad cross-section of Cuban refugees, reports on developments involving Cubans in Angola and Ethiopia, reports of news analyses of issues that affect Cuba, and so on. This kind of material can be broadcast on Voice of America, and I think it is most important to note that.

Finally, this material has been broadcast on Voice of America in the past. Back in 1962 we started a program on that Voice of America station, Radio Marathon, entitled "Cita Con Cuba." That was a 5-hour daily program that was being broadcast on the Voice of America station, Radio Marathon. By 1973, that program was down to one-half hour, and in 1974 it was taken off the Voice of America station, allegedly because of lack of interest on the part of both this country and the people of Cuba who were listening.

It occurs to me that it is most important to recognize that there is a real option with the Radio Marti station, one that is much less expensive and one that presents less danger to American broadcasters.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I am pleased to yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, I would just like to make a brief point.

The gentleman from Florida (Mr. FASCELL) is exactly correct in saying that this legislation is more inflexible, and it is intended to be. That is its strength. None of us want this administration to embark on an inciteful, rhetorical, counterproductive, and potentially explosive course of repercussions with the Government of Cuba.

What we are trying to say is, let us operate in a reasonable, rational, Voice of America-type undertaking.

Mr. TAUKE. Mr. Chairman, I would just finally say that the gentleman indicated in his comments that this amendment would strike out those provisions in the Energy and Commerce Committee amendment, which we did labor over, relating to the selection of frequency, and, of course, they do strike out those provisions for the very reason that the frequency is selected.

I guess the issue, very simply put, is that there is an alternative, and that alternative has many hours available for broadcasting, and it seems foolish to not only spend additional taxpayers' dollars but also risk the profits of many commercial broadcasters across the country when we have a sound alternative available.

Mr. DYMALLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my friend, the famous speaker from California, Jesse Unruh, used to say, "You cannot amend a bad bill with a good amendment," and I believe this is the case. But I think I am going to make this the exception. This is a good amendment for a number of reasons.

In the first place, the reason why the CBI is in trouble is because the people in the State Department do not know the difference between the Caribbean and Central America.

□ 1710

This station is designed to stop the rise of communism in the Caribbean, so let us examine the Caribbean.

The Caribbean, as defined by Dr. Jose Dominguez, the famous historian at Harvard, is those islands surrounded by the Caribbean Sea, plus the Guyands and Belize, because of their long Anglo-Afro relationship with the British Commonwealth countries. That is the Caribbean.

This station, Radio Marti, is designed to beam programs to counteract the spread of communism in the Caribbean.

Where is communism in the Caribbean? Let us examine it.

The Cubans were in Jamaica. The Jamaicans took care of the Cubans through the democratic process. The man in power at the time who entertained the Cubans called for elections long before his term expired and the people of Jamaica, in a democratic setting, took care of the Cubans.

Now, then, they say then they are in Grenada. A member of the Armed Services Committee on this floor here today, Mr. DELLUMS, will talk about his visit there. The gentleman from Michigan (Mr. CROCKETT) the gentleman from Michigan (Mr. CONYERS) and I have been down there looking for the Cubans.

Yes, they are there, building an airport. But the people who run Grenada are basically Fabian socialists. They come from the London School of Economics and one of my friends on the other side of the aisle will tell you a little bit about that school.

The free enterprise system is untouched in Grenada. The business sector, the private sector, was up here for the big bash that the President had at the OAS auditorium with Mr. Rockefeller. The free enterprise system is flowing freely in Grenada.

So on what other islands are the Cubans present in the Caribbean? None.

They are not in Guyana. Guyana is a socialist country without the presence of the Cubans or the Soviets.

So when you take those three countries; Jamaica having taken care of it by the democratic process, Grenada having a free enterprise system, and you take Guyana, you have no island described by historians and scholars as being part of the Caribbean.

So what you are really talking about is beaming these programs for the benefit of Central Americans. These programs will not beam into Central America. They will jam stations in the Dominican Republic, in Haiti, in Jamaica; friendly countries to the United States would be disrupted by this station.

So the first premise about your bill, the geographical premise of this Radio Marti is incorrect.

The State Department does not understand the difference between the Caribbean and Central America and that is the reason why the CBI is in trouble.

That was the first mistake that they made.

Finally, Mr. Chairman, let me say the reason why I have not spoken out against this, as some of my other colleagues have, is because of my great respect for the manager of the bill. I do not think there is a Member of this House who is as concerned about the future of the Caribbean as my friend who is managing the bill, Mr. FASCELL.

Here we have a case again of a good author with a bad bill.

It is only because of that reason that I have been very easy on this bill. But this bill is the turkey of the year. It is uno numero, el turkéy; this bill called Radio Marti. There could not be a worse one to come.

Besides, there is sort of a colonial paternalism involved because of Mr. Enders testimony on the bill. What reasons do you think he gave for the bill? That the station would be able to beam music for the young Cubans.

Now, how does he know what kind of music the young Cubans like if he forbids Americans to go into Cuba? Nobody knows that.

So there was not any sound reasoning for the promotion of this bill except for the spread of communism in the Caribbean.

If you want to call Central America the Caribbean, now that is your business. Then I suspect there is some justification for the bill.

But I know of no scholar, I know of no researcher or any historian or any geography that calls the Caribbean area Central America or calls Central America the Caribbean, except for the Madison Avenue people at the State Department.

Mr. Chairman, I support the amendment with the hope that it will clear up this waste of taxpayers money.

Mr. RINALDO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the substitute to the amendment.

I listened attentively to the arguments that were given. I think some of

them were somewhat exaggerated, to put it mildly.

To begin with, when we discuss the use of the Marathon transmitter, we have to recognize that the VOA is already fully utilized in broadcasting VOA programs during prime time.

When we talk about prime time I am talking about 6:30 in the morning until 9 o'clock in the morning and 7 o'clock in the evening until 10 o'clock in the evening. So when we talk about Radio Marti, if we said we were going to add that programing to VOA, which is permissible under the bill, and I agree very much with the gentleman from Florida that it should be permissible, but certainly not be mandatory, should not handcuff our foreign policy initiatives, we have to recognize that insufficient time during prime broadcasting time would be available for Radio Marti.

Radio Marti would be able to broadcast only to housewives and people who are unemployed, not people who are working. It would not get the bulk of the Cuban people. It would not be able to achieve its objectives if it were tied in with VOA.

Additionally, we have to recognize that the VOA charter does not contemplate a surrogate "home service" like Radio Marti.

Finally, I think it is important for us not to confuse the VOA with Radio Marti. We want it to have its own separate and very important identity.

Finally, while I recognize the arguments of the gentlemen who have spoken previously in regard to the 1040 kHz frequency, we have to recognize that if we went along with all of their arguments, with which I do not agree, but for purposes of discussion and debate, if we accepted them as being completely true, then all we would be doing would be shifting the problem. If we used the Marathon frequency of 1180 kHz instead of the 1040 kHz which has been proposed for Radio Marti, we would merely direct any resultant possible Cuban interference to radio station WHAM of Rochester which operates on 1180 kHz.

So the 1040 kHz frequency, we should remember, was proposed after an exhaustive search of the radio spectrum by the FCC which showed it to be the frequency that would cause the least interference with U.S. broadcasters.

Speaker after speaker claims to know exactly what Fidel Castro is going to do and yet for many very obvious reasons I doubt if he would jam on 1040 because by jamming on 1040 he would also be interfering with other Latin American stations in countries with which he wants to maintain good relations.

So I think the argument is a bland one on its face.

Additionally, we have to recognize that there are financial ramifications that mitigate against the arguments of the proponents of the amendment. There is no real cost advantage in colocating VOA and Radio Marti transmitters. Each would have to maintain its own directional antenna array, which is the most costly part of any system.

Additionally, separate office space, separate studios, and regional bureaus would still be needed.

The costs of programing, operations, and administration, and by administration I mean personnel, would amount to about 90 percent of the overall budget in fiscal year 1983, and would remain the same regardless of the facilities used.

In addition, the construction of a second transmitter site in the Caribbean would be necessary in any case in order for Radio Marti to reach the most heavily populated areas in eastern Cuba.

□ 1720

Addressing the argument that Radio Marti should broadcast over shortwave, I think we have to recognize that we would not reach anyone because shortwave sets are extremely scarce in Cuba. Furthermore, a group of Cuban nationals who visited me explained, that if they have a shortwave radio, they are arrested.

I appreciate the intent of the gentleman's amendment, but I think what we have to do is recognize that the Marathon transmitter is already fully utilized during prime time.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been debating now a specific amendment. We had general debate on this bill some time ago, and I thought it might be helpful at this point to put the amendment of the gentleman from Iowa into the context of the whole bill, and remind the Members and all of our colleagues what this legislation is all about.

Radio Marti, as I think many know, is an idea that has been developed by the administration to broadcast the "truth" to the Cuban people. It is to be established in the Florida Keys to broadcast on 1040 on the AM dial.

Now, some might say—there is disagreement on this—that the idea of broadcasting American truth or propaganda, or whatever you might call it, to Cuba is a good idea—but let us look beyond the immediate foreign policy objective.

I think it is important, in considering the amendment offered by the gentleman from Iowa, to understand what the implications of Radio Marti are for the United States.

First of all, let us consider the implications of the whole notion of Radio Marti for the domestic broadcasting industry in the United States. As I pointed out, Radio Marti, under the administration's bill, is to broadcast on 1040 on the AM dial. Under the amendment of the gentleman from Iowa, it would be on 1180 on the AM dial, the same as Radio Marathon.

We know, from all of the discussions that have been held year after year after year with the Cuban Government and with Fidel Castro, that the Cuban Government intends very extensive countermeasures if Radio Marti is established. And what do those countermeasures mean? Those countermeasures mean that the Cuban Government is going to set up two superpower stations with a total power of 500,000 watts.

Now, how much is 500,000 watts? Five hundred thousand watts is ten times more powerful than the most powerful station now operating in the United States. The most powerful station in the United States is 50,000 watts. The Cubans are going to move up to 500,000 watts.

What does that mean? That means that, when the Cubans start to broadcast 500,000 watts, not only will this jam Radio Marti and interfere with WHO in Iowa, but it will mean that this Cuban station is audible to all of the grateful housewives in Honolulu who will have the opportunity to listen to Radio Havana broadcasting back. The result, in the end, will be a radio war with the Cuban Government.

Now, what kind of sense does that make? Well, it makes no sense whatsoever. Operating with that kind of power, Cuban countermeasures will probably result in interference with 200 stations in the United States in more than 32 States. Two hundred stations in 32 States are the likely victims of this foreign policy scheme.

An earlier question raised asked, "Well, who is going to pay for and ameliorate that interference?"

Well, in the legislation it says that Uncle Sam and the Treasury are going to come and bail out all of the stations who may have harm done to them by this enormous broadcasting coming from the Cubans.

So we are going to see, very clearly, countermeasures by the Cubans, we are going to get into a broadcasting spectrum use war, and there is going to be harm done to 200 stations in the United States. That harm is going to be economic harm. And who is going to pay for it? The taxpayer is going to pay for it, under this legislation. Compensation for broadcasters then are injured due to action taken by their Government is a rational notion. But does it make any sense to go and cause harm to all kinds of domestic broadcasters, and then go around and pay out of the Treasury those domestic broadcasters that are harmed. The American public loses twice. Their radio stations are interfered with and

then their tax dollars are used to compensate for the interference.

There are further spending implications to the bill, Mr. Chairman. Seventeen million dollars is allocated under the legislation for building Radio Marti.

Now, as the gentleman from Washington (Mr. SWIFT), a former broadcaster, has pointed out very clearly, this is one of the most wonderfully gold-plated radio stations ever imagined. The amount requested for construction of this radio station facility is approximately two to three times more than it would cost if anybody in this Chamber or anybody in our district were to set up a radio station. Particularly at a time of budgetary restraint, gold-plating can simply not be tolerated.

Let us put this $17 million into context. To give you some parallels on this, we in the United States are spending for public broadcasting facilities 7 cents per American—7 cents per American—to provide public radio and public television facilities, and the administration is proposing to spend for all public broadcasting programs to 230 million Americans the grand total of 37 cents per American. We are spending in our own backyard for 230 million Americans 37 cents.

What are we doing for the grateful Cubans? We are going to spend more than $1 per Cuban to provide them with so-called American truth and propaganda.

Now, what kind of priorities are those, when we are willing to spend three times per Cuban what we are willing to spend for public broadcasting. For National Public Broadcasting, "Sesame Street," "MacNeil-Lehrer," "All Things Considered," the whole load, we spend 37 cents, but for the Cubans, we are willing to spend $1 per Cuban.

It does not make any sense at all.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. WIRTH) has expired.

(By unanimous consent, Mr. WIRTH was allowed to proceed for 2 additional minutes.)

Mr. WIRTH. Finally, we should understand that there are some very severe funding questions involved in this issue.

Mr. Chairman, article I, section 9, clause 7, of the U.S. Constitution, says:

> No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . .

Now, what amounts of money have already been drawn from the Treasury for Radio Marti? We have documented evidence, as was pointed out in the general debate of last week, that the administration, with no respect at all for the U.S. Congress or for the Constitution that says that we are to appropriate the money, has already gone ahead and is building these facilities in Florida. That has been widely reported, and widely reported that the administration is going to use these facilities for Radio Marti.

So here we have a situation where it is almost nonsensical for us to be here anyway. Not only is Radio Marti a bad idea, but we are in a situation where the Defense Department has already built it, with no authorization from the authorization committee covering the Defense Department or the appropriate Appropriations Committee—there is no authorization whatsoever. And here the administration has already gone ahead, flaunting the Congress and flaunting the Constitution, and built the facility anyway under the guise of a national security requirement. And they are going to turn it over as soon as we authorize it. They have already built it, and then after we authorize it they will turn it over.

Mr. Chairman, I wanted to put this all in context. It is a bad idea whose time has gone. The time went in the 1950's when we were into this kind of cold war mentality.

And, finally, let us remember that the Cubans can already listen to American radio coming from Miami, and they do. The best kind of information coming from the United States is U.S. news, broadcast over all of the Spanish stations which now operate in Florida. It is only 90 miles from the Florida coast to Cuba. They listen to American music and all kinds of American broadcast stations. With this array of choices, will the Cuban people want to listen to a Government-operated propaganda station? Clearly not.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, I was hoping to have a quiet hour or two on the floor, since I was overinvolved in the debate on the earlier bill. In the earlier bill, my friendly nemesis was the gentlewoman from Colorado, and now I find it necessary to rebut the statements of the gentleman from Colorado (Mr. WIRTH). But we have just heard a classic case of, when you do not have the right issue you do not have the facts, you complicate the record.

The facts are that Radio Marti is a necessary cornerstone to effectiveness of our foreign policy, not only in the Caribbean, but in all of Latin America.

□ 1730

Castro is not just a Caribbean issue. Castro is the source of terrorism and insurrection throughout Latin America.

We also heard earlier mention of the relationship between this bill and the Caribbean Basin initiative. One of our Members charged that the State Department did not understand the Caribbean Basin initiative, and that is why it is in trouble. It is the House who has shown it does not understand it and that is why it is in trouble. We should have had a Caribbean Basin initiative over 20 years ago at the time of the Alliance for Progress. We should have started on something like Radio Marti 20 years ago when Castro shot his way into power.

What we are doing here is belatedly facing realities that we have with the government of Fidel Castro, a cancerous problem that faces all of us, the United States especially, the leading country in this hemisphere.

There was reference made in the debate to Jamaica. Jamaica is a classic case of a democracy working despite the interference of Castro's government.

All we are talking about here, and this is the key to this whole issue of Radio Marti, is a necessarily directed U.S. message to the people of Cuba, the people of Cuba who are not getting anything resembling truth from their own government.

The arguments about the interference with U.S. radio station, that will be addressed effectively, has been addressed effectively by members of the committee who studied it in a technical sense. I am not going to permit this debate to get away from that gut issue. The issue is do we want this effective means of penetrating Cuba, to give a message to the Cuban people that they obviously are not going to get from their own Government.

Another argument is made about the Voice of America. The Voice of America basically reports straight news. That is the way we have always wanted it. The moment they try to tilt too far, they are lashed at from all sides. The Voice of America is not the answer to the needs of the people of Cuba. Radio Marti will be. And that is the reason this bill has been brought to the floor.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

It seems to me, just to try to focus this and put it in context, that in looking at this, the Members of the House have two questions. One, is the idea of Radio Marti, broadcasting the foreign policy goals, does that make sense, or are the Cuban people just as well served listening as they can to all of the Florida and other radio stations? Is it important to have that?

Mr. DERWINSKI. Let me answer that.

I do not believe that anybody has claimed that the people in Cuba are getting enough either true or precise information from the broadcasts that they may or may not be allowed to pick up in Cuba.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

I just want to point out to my colleagues that there is more than one person that can put this bill in context. I have never heard so many strawmen in one speech in my life. I must compliment the gentleman from Colorado. He is great. He is good. He is wrong.

Mr. WIRTH. I thank the gentleman.

Mr. FASCELL. The fact is that domestic radio stations in Miami cannot reach all of Cuba. We have got six of them now that can be heard in parts of the northern coast. But do not try to kid anybody, saying that domestic radio will be able to carry out an international policy concept of the United States, simply because some people in Cuba can hear the local radio station.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(At the request of Mr. DELLUMS and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I will be pleased to yield to the gentleman from California.

Mr. DELLUMS. I thank my colleague for yielding and maintaining the integrity of his promise.

I would like to respond to the gentleman by saying I think it is an incredibly inappropriate strategy to challenge the personal integrity or credibility of a gentleman arguing on this floor. The gentleman from Illinois began his debate by suggesting that he would set the record straight factually. And then the gentleman began to ramble on with a series of value judgments.

I think those value judgments are appropriate for the gentleman to hold, just as those value judgments are appropriate for any other Member to hold. But the gentleman insults the intelligence of this gentleman by attempting to palm those value judgments off as facts on this floor of Congress.

If the gentleman wants to make his statement, then make the statement as a matter of principle.

Mr. DERWINSKI. Mr. Chairman, I will reclaim my time.

Let me say first of all it ill behooves the gentleman from California to discuss anyone else's style, given the occasional flights of fancy that he has been known to use on the floor.

Mr. DELLUMS. I am not impugning the integrity of an individual. We are arguing the merits of the case.

Mr. DERWINSKI. Let us argue the merits. If the gentleman would calm down a moment, I will be pleased to argue the merits.

The CHAIRMAN. The gentlemen will refrain.

The Chair would suggest the committee will do better to direct its attention to the committee amendment and to the substitute amendment offered by the gentleman from Iowa.

Mr. WIRTH. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois (Mr. DERWINSKI) be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Does the gentleman from Illinois (Mr. DERWINSKI) wish to utilize the 3 additional minutes?

Mr. DERWINSKI. Mr. Chairman, I would rather the Chamber cool off and then I will come back later and set the whole record straight.

AMENDMENT OFFERED BY MR. SMITH OF IOWA TO THE ENERGY AND COMMERCE COMMITTEE AMENDMENT

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa to the committee amendment: Page 4, beginning on line 15, strike out "Assistant" and all that follows through "comment," on line 18, and insert in lieu thereof the following: "Federal Communications Commission, in consultation with the Assistant Secretary of Commerce for Communications and Information, shall determine".

Page 5, beginning on line 15, strike out "Assistant Secretary of Commerce for Communications and Information" and insert in lieu thereof "Federal Communications Commission".

Page 5, beginning on line 19, strike out "Federal Communications Commission" and insert in lieu thereof "Assistant Secretary of Commerce for Communications and Information".

Page 5, beginning on line 20, strike out "Assistant Secretary of Commerce for Communications and Information" and insert in lieu thereof "Federal Communications Commission".

Page 5, beginning on line 22, strike out "Assistant Secretary" and insert in lieu thereof "Commission".

Page 6, beginning on line 3, strike out "Assistant Secretary of Commerce for Communications and Information and".

Page 6, line 5, insert "and the Assistant Secretary of Commerce for Communications and Information" after "Commission".

Mr. SMITH of Iowa (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. FASCELL. Reserving the right to object, Mr. Chairman, and I shall not, I just want to be sure what the gentleman is doing. Has the gentleman submitted an amendment to the committee amendment?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. That is correct.

PARLIAMENTARY INQUIRY

Mr. LEACH of Iowa. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LEACH of Iowa. Mr. Chairman, is it appropriate at this time to offer an amendment when an amendment is pending? And is this an amendment to the amendment that I have offered?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

It is to the committee amendment. The gentleman's is a substitute. This is an amendment to the committee amendment.

Mr. Chairman, the gentleman from Iowa (Mr. LEACH) offered a substitute for the Commerce Committee amendment. I offer an amendment to the Commerce Committee amendment. They are not inconsistent.

Mr. FASCELL. Mr. Chairman, I have not withdrawn my reservation of objection. I have been trying to get the Chair's attention to be sure at least I understand the parliamentary situation.

The CHAIRMAN. The gentleman will state his reservation.

Mr. FASCELL. Mr. Chairman, I want to be sure again that the gentleman from Iowa in the well is offering an amendment to the committee amendment, not an amendment to the substitute offered to the committee amendment by the gentleman from Iowa, who is not in the well.

The CHAIRMAN. The gentleman from Florida is correct.

Mr. FASCELL. I thank the Chair.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, I want to point out first of all, since we have had this little colloquy, these amendments are not really inconsistent. The gentleman from Iowa (Mr. LEACH) offered a substitute. If it carries, even if my amendment carries, then they broadcast on VOA. Mine is an amendment to the committee amendment, and it provides that if they use an AM band, the FCC will decide which one.

Now, my amendment could carry and it could still be substituted by the gentleman from Iowa's amendment.

The gentleman from Florida said, "Would you like to buy class C political time instead of class A time." I would not buy any time on a station that is going to be jammed. And what supporters are trying to do here, is spend $17 million to set up a station to

be jammed on 1040, and then give to an Assistant Secretary of Commerce the right to decide which frequency would be the next frequency to be jammed. And it may be the one in your home area. By voting for this amendment, the station you save may be one in your area.

How would my colleagues like to be out on a tractor and turn on the news to find out how much you lost today, and on comes the news, and it says, "We have big news in the bean market today." And about that time on comes a Cuban steel band and overbroadcasts. You do not get to hear the market news. Then your local station comes back on and says, "We have big news in the corn market today, too." And then on comes some Cuban and overbroadcasts saying, "Did you know President Reagan has a new hair style?"

How would my colleagues like that to be their radio station they are listening to and the one you have been depending upon for 50 years, to receive your radio news and the market news. That is what we are talking about.

The gentleman from California, said, "Where did this idea come from?" Well, I will tell the Members where it came from. There is a report by the Council for Inter-American Security. It was issued in 1980. Let me read three or four things out of that, that gives a little of the flavor of the Council.

Here are some quotes. "War not peace is the norm in international affairs." "World War III is almost over." "Cuban diplomats must leave Washington." "If propaganda fails, a war of the national liberation against Castro must be launched."

There are people who want to use American troops in Cuba. And they are the people who proposed what became Radio Marti.

□ 1740

That is what we are dealing with, and you notice the last sentence, in that one sentence they admit two things: One, it is going to be a propaganda station rather than broadcasting the unvarnished truth. It is going to be propaganda, and the gentleman from Illinois who just spoke a minute ago admitted that, too.

The next thing is that if propaganda does not work, then the second stage is to use U.S. troops in Cuba. When we have a war of any kind, we ought to be fair about selecting who makes the supreme sacrifice. We ought not to let some Assistant Secretary of Commerce decide who is going to be on the front line and who is going to be sacrificed.

You know, usually when somebody is called upon to serve in a war, we either have a lottery or volunteers. The owners of 1040 did not volunteer their station, even though people in the administration said they ought to be proud for the opportunity to sacrifice their station in a propaganda fight. They did not volunteer their station. There has not been any lottery.

What this bill does is say, "Let the Assistant Secretary of Commerce decide whose station is going to be jammed so badly advertisers will avoid it."

As a matter of fact, they had intended to take 770. The transmitter that was moved into the Navy installation down here in the Keys was set on 770 when it was moved into the Navy building. They changed the kilocycles after it was in there and they can change them again. They can go back to 770, which is big in the Northeast, and they can go to any other station they want. Just as soon as it is jammed, they can turn it over to another one.

So what my amendment says is, if they use an AM station, go through the processes at the FCC.

Now, the radio station owners got their license from the FCC. It took them a lot of time to get their license from the FCC. The FCC has the expertise. They are the people who know what frequency can best be sacrificed. They are the people who know what the complications are, and if anyone is going to sacrifice an AM band, we ought to let the FCC decide which one it should be.

So that is what the amendment does. It does not prohibit them from using VOA. It does not prohibit them from using shortwave; but if we are going to use an AM band, then let the FCC through its processes, decide which frequency will be used.

Mr. RINALDO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

This is the very same amendment which was rejected in the Energy and Commerce Committee in favor of the provision in the bill as reported by that committee. The committee considered very carefully, in the process of extensive debate, the issues involved in which agency should make the frequency selection for Radio Marti. The committee decided that the National Telecommunications and Information Administration was the appropriate agency to handle this responsibility, and I urge the House not to overturn this decision and the reasoning on which it was based.

The NTIA is a part of the U.S. Department of Commerce which has the responsibility for managing the Government's share of the frequency spectrum. It is appropriate that NTIA continue to fulfill this role for Radio Marti.

Giving authority for frequency selection to the FCC would not only be inappropriate, but it would also guarantee a much lengthier procedure which would insure that Radio Marti would never see the light of day. The FCC must follow established rules and procedures which are necessarily more time-consuming than those followed by NTIA. Any departure by the FCC from such procedures in an effort to expedite the establishment of Radio Marti could provide grounds for judicial review, Independent of review on the merits of the frequency selected.

It is not necessary to give this authority to the FCC in order to insure that the interests of U.S. radio broadcasters are protected. Such interests can be considered and protected at NTIA just as well as at the FCC. The bill provides that, in selecting a frequency for Radio Marti, NTIA must receive public comment. It also specifies certain factors which must be considered, such as interference from Cuban countermeasures and significant loss of listening area or substantial economic harm. The provisions of the bill itself provide these protections, and it is not necessary to go to the FCC to obtain them.

I think Members will be interested to know that during a hearing in the Senate Foreign Relations Committee, a question was asked to a panel of broadcasters whether they favored giving authority to select the frequency for Radio Marti to the FCC. Without exception, the witnesses, including representatives from the National Association of Broadcasters and Radio Station W-H-O in Des Moines, Iowa, indicated that the NTIA, not the FCC, was the appropriate agency to select a frequency for Radio Marti.

I urge the House to follow this advice and to defeat this amendment.

Mr. LEHMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa (Mr. SMITH) and also in opposition to the substitute amendment offered by the gentleman from Iowa (Mr. LEACH) and in support of the bill as offered by the gentleman from Florida (Mr. FASCELL), H.R. 5427, the committee bill itself.

Mr. Chairman, I wish to commend my colleague from Florida (Mr. FASCELL) for his work in bringing this legislation to the floor.

We in Florida have been in the front line of the continuing conflict between the United States and Cuba. It is a conflict that has taken many forms over the years. We bore the brunt of the Mariel fiasco and we have endured interference with our AM radio broadcasts.

I am pleased that the legislation before us recognizes the difficulties

faced by U.S. broadcasters whose frequencies are interfered with by Cuban radio. The FCC will be authorized to direct the Board of International Broadcasting to compensate American broadcasters for the expenses incurred in counteracting the interference. Broadcasters in my area have told me of the substantial costs they have had to pay in order to increase their power without themselves interfering with other stations. They have incurred these costs because of a foreign policy problem over which they have no control. I believe the compensation is fully justified.

Mr. Chairman, Radio Marti can be an effective way of bringing accurate information to the people of Cuba. Even Communist governments must pay some attention to public opinion within their countries, and Radio Marti can provide the facts upon which well-informed public opinion can be developed.

I urge my colleagues to support the bill.

Mr. SWIFT. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment offered by the gentleman from Iowa (Mr. SMITH).

I could just as easily have risen in opposition to the amendment offered by the gentleman from Iowa (Mr. LEACH).

Oh, what a tangled web we weave when first we practice the conduct of foreign policy without any regard to how it affects the domestic policy of the United States.

I think people as they listen to this debate are going to become more and more confused, but that is as it should be, given that this bill is more a pit of snakes than it is a can of worms, frankly. It is extraordinarily confusing.

Let me first of all explain why I think we should vote down the amendment by the gentleman from Iowa (Mr. LEACH). It is simply because the committee amendment, the Energy and Commerce Committee amendment that we are considering, has carefully provided in the bill that frequencies will be selected, in this case by the NTIA. The gentleman from Iowa (Mr. SMITH) would make that the FCC, which is a much better idea; but that the frequency to be used will be selected, one, from all bands, AM, FM, shortwave, all bands, and from all frequencies, giving careful consideration to possible retaliation by Cuba and its effects on U.S. broadcasters.

Now, that is what the bill presently would do. The committee amendment would have either the NTIA or the FCC, if the amendment of the gentleman from Iowa (Mr. SMITH) is adopted, would make the selection on what frequency this would be broadcast from all bands and all frequencies, with careful consideration given to possible retaliation by Cuba and what effect that would have on the U.S. broadcaster.

So with great reluctance, I oppose the amendment of the gentleman from Iowa (Mr. LEACH) on the grounds that it in fact mandates an AM frequency to be used and I do not think it should be mandated in legislation.

Further, I would hope, and there will be opportunities for further amendments on this issue and there will be opportunities administratively to avoid the AM band altogether.

□ 1750

So I think we should not mandate the AM band, particularly not 770, because while that probably would not affect Iowa, it will affect Rochester, N.Y. I am reminded that 1180 would be Rochester, N.Y. 770, someone else mentioned that, would be the ABC-AM operation in New York. I suspect that we will not get around to that frequency. They have some influence in this town.

The point is, I urge Members to vote against Mr. LEACH's amendment on the basis that it mandates a specific AM frequency and I do not think we want to do that. I suspect there will be other amendments that will be able to further sharpen the manner in which we do.

Second, I would urge that we support the amendment of the gentleman from Iowa (Mr. SMITH) because he gives the decisionmaking authority on where this should be done to an independent agency, first of all, independent from administrative policy so it will be made clearly on its merits rather than on what leverage ideologists in the administration may be able to place on it; second, because it is the agency clearly with the breadth and depth of expertise.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, others can and have clearly stated some of the reasons why this legislation makes no sense whatever, including the foolishness of entering an airwave war with Cuba, when all of the advantages are on the side of Castro; the expenditure of $17 million to build a facility which will not accomplish its mission any better than the one we have at a time when we are cutting back on funds for the training of handicapped children, and the conservation of soil; and other agruments that point out the foolishness of this expenditure.

I would like to raise another question, Mr. Chairman.

When I was a boy in Iowa, Ronald "Dutch" Reagan was a radio announcer for Radio station WHO in Des Moines, Iowa, which operates on a frequency of 1,040 kilohertz. When Reagan left his employment with WHO, I was not privy to any problems he may have had with his employer while working there, nor did I know the conditions under which he left.

I do know that Mr. Reagan went on to become President of the United States, a position with great power.

Upon reaching this position, Mr. Reagan, or at least his administration, has suggested that we spend some $17 millions to run a giant radio station to broadcast messages to Cuba on a frequency exactly the same as that of his former employer—even though we already have a station broadcasting these messages under a different frequency.

It is expected that Cuba will broadcast signals back at the United States on this same frequency to jam the broadcasts, and have a serious adverse effect upon Mr. Reagan's former employer. Now I am sure no one would suspect that the President's actions in this matter are an attempt to get even with a previous employer for something that may have happened that many years ago. I certainly would not suggest such a thing. But in order to put my mind at rest, I would appreciate it if someone would give me some other logical reason for this proposal by the President—And would someone please tell me why he just happened to pick the exact frequency of his former employer for this proposal.

Until someone will explain these matters. I intend to vote against this bill. I do not believe we should spend 17 million of taxpayers' dollars until someone comes up with a sensible explanation of why the President would be pushing this crazy idea.

We need a better explanation for someone who might just suggest that this was the President of the United States asking us to spend 17 million of tax dollars to possibly help him get even with a previous employer—surely there would be a less expensive way to do that, just as there is a less expensive way to send messages to Cuba—it is to vote down this bill and continue to operate the present station.

Mr. BEDELL. Mr. Chairman, I know the hour is late and the arguments have been pretty well made, but I rise, I believe for the first time since I have been in Congress, to support two amendments at the same time. I support both amendments of my friends from Iowa.

I agree with the gentleman from Washington. I think this bill is a pit of snakes, and I hope we would recognize that as we come to final passage, unless it is properly amended.

It is true that it mandates a frequency, but it is a frequency already in use for that same purpose and I hope people will realize that.

I think the argument that several of us have is: Do we really want to get into a radio war with Cuba at this time? And does it really make sense?

Are we in a good position in such a war when he has admitted he can broadcast back here at power much greater than what we are now using on our stations, when this bill itself says that the taxpayers will reimburse up to 200 stations for the jamming that comes back at us?

I would hope, indeed, that we would look at this bill as to what makes sense for our people, what makes sense for our taxpayers, and I support both amendments, and unless this bill is changed, I hope the Committee will vote down this legislation.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I would be happy to yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, the argument that has just been made about why do we do this when Castro has threatened to do something else is something I think we really ought to address in this House. This House could not back down because we are doing something Mr. Castro does not approve of or that Mr. Castro talked about bringing something equivalent to the atom bomb of broadcasting into play if we do something.

Mr. BEDELL. Mr. Chairman, if I may reclaim my time, what would the gentleman do if Castro indeed goes through with what he says he is going to do and broadcasts back and blasts all these stations? Would the gentleman invade Cuba? What would the gentleman do?

Mr. SHAW. I think that is a question——

Mr. BEDELL. I think that is a legitimate question because he can do what he says he can do, and if he does, we had better address that right now. I think it is perfectly proper for us to do that.

Mr. SHAW. The frequency would simply be changed, and the gentleman knows that.

Mr. BEDELL. So we change the frequency and he then blocks that frequency and we have all those stations blocked out.

Mr. SHAW. The situation remains——

Mr. BEDELL. What if he does both?

Mr. SHAW. This Government cannot allow Mr. Castro to blackmail us into doing something, and I think the fact that he made the threat that he made shows the importance of this legislation, and that is beaming the truth into Cuba.

Mr. BEDELL. If this gentleman can reclaim his time, I think that is the most important argument we can have, because we had better decide: Are we going to decide that we cannot let Castro go through with something that he can legitimately do when the only way we can stop him that I know of is military activity? If that is the attitude of the people here, then that is what we want to do, unless we can negotiate something—and I believe we should try to negotiate something; I agree with that—if that is the attitude we are taking in this Chamber, in the opinion of this gentleman, God help us.

Mr. Chairman, I think we should recognize the realities. The reality is that there is nothing to prevent him from jamming our station. The reality is that he has the opportunity to do that, and the reality is that the only way we can stop him that I know of is to do something that this gentleman from Iowa would not approve of, and apparently the gentleman would approve of.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman from Florida raises a reasonable question, but I think that when we take foreign policy initiatives, it is very important that we determine (a) whether or not we can implement those initiatives; and (b) what the consequences are of doing so.

I would suggest to the gentleman from Florida that virtually all of the testimony that was offered before our Subcommittee on Telecommunications, and even the testimony of the gentleman from Florida, the chairman of the Subcommittee on International Operations, who is presenting this legislation, before the Rules Committee, concluded that the Cuban Government had the capability and undoubtedly would jam or interfere with Radio Marti because of the fact that it would have a significant impact on the people of Cuba. So therefore, in order to prevent that impact from being felt by the people of Cuba, Castro would jam.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. BEDELL) has expired.

(On request of Mr. TAUKE and by unanimous consent, Mr. BEDELL was allowed to proceed for 2 additional minutes.)

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Chairman, the question then is if the message is never going to reach the people of Cuba, what risk are we putting our own people to in order to implement the policy that is not going to have an impact on the people of Cuba?

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, I think one point missed during this debate is that Mr. Castro has for the last 15 years been jamming broadcasting right in Miami. WINZ, all of a sudden the news goes off and some Spanish broadcaster comes on. It has been happening for years. He has been up to this for a long time already. We cannot back down.

The fact that he has made the point as strong as he has, makes it incumbent upon us to make our point as strong as we can.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

Mr. Chairman, one of the key points that gets lost in all of this discussion is not who is going to be able to escalate this media war with the Cubans, but as the gentleman pointed out, why not sit down with the Cubans as we did on fishing rights, as we did on hijacking? The administration has refused to do that and there is a long history of these problems.

The way to work this sort of thing out is to sit down and not have a spectrum-use war, not have a jamming war, but to figure to how we are going to allocate these scarce spectrums so that everybody is helped and people are not harmed, as they would be by this legislation.

Mr. NELSON. Mr. Chairman, I urge approval of this legislation which will seek to ring a new voice of truth to Castro's Cuba. I ask for disapproval of this amendment I congratulate my collegue from Florida, Mr. FASCELL, for his leadership.

The legislation would establish a radio station in south Florida to cut through the censored news and propaganda that Castro feeds his people. Popularly known as Radio Marti, after the great Cuban liberation fighter Jose Marti, the station would seek to give the people of Cuba factual information about Castro's military adventures in Africa and his continuing efforts to undermine the govenments of Latin America.

Since Castro established his Communist dicatorship in Cuba in 1958, the Cuban people have had no access to real news about the world and about Cuba itself. The average Cuban knows almost nothing about the thousands of Cuban soldiers who are deployed in Angola and Ethiopia on behalf of Soviet military and political aims. They do not know about the deaths of young Cubans in the pursuit of the Soviet Union's ambitions in the world.

Radio Marti would be an expression of article 19 of the Universal Declaration of Human Rights, which declares

that all peoples have a right to "seek, receive, and impart information and ideas through any media regardless of the frontier."

Castro has closed off the people of Cuba from this basic human right. We can utilize modern radio technology to open the door he has sought to close around the minds of the Cuban people.

In the legislation before the House of Representatives, H.R. 5427, $10 million would be authorized for the current fiscal year and $7.7 million for fiscal 1983. The station would be supervised by the Board for International Broadcasting in the same manner and within the same guidelines as Radio Free Europe and Radio Liberty. Like these stations, Radio Marti will broadcast information and current news related to the local population, thus expanding the Cuban peoples access to information.

The Voice of America has brought factual information to people in many countries behind the Iron Curtain. It has offered an alternative information source for those who refuse to accept the mind-binding propaganda of these totalitarian regimes.

Radio Marti will expand this effort to the crucial Caribbean area. The truth will penetrate Castro's mental prison and will enhance the chances that the people of Cuban will once again be free.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

The Committee on Energy and Commerce has already considered the technical aspects and decided against this particular amendment. It would, in effect, make it impossible for the Government to proceed because of the delays encountered in the normal processes through FCC and the NTIA will provide for public input as essential in the consideration of the Government trying to do something with respect to this radio frequency.

Mr. Chairman, I would ask my colleagues to vote against the amendment offered by the gentleman from Iowa (Mr. SMITH) and vote against the substitute offered by the gentleman from Iowa (Mr. LEACH).

Mr. Chairman, we have had ample debate, it seems to me, on all of these matter.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

Mr. Chairman, I was hoping that the gentleman would withhold. This is an extremely important amendment. Not to drag it out, but there are parts of the Smith amendment that have not been discussed at all; that is, why should the FCC do it rather than the NTIA? That has not been debated here in any way, shape or form.

Mr. FASCELL. Has the gentleman from Colorado spoken on the amendment?

Mr. WIRTH. No, I have not.

Mr. FASCELL. Does the gentleman intend to speak on that amendment?

Mr. WIRTH. I do, indeed.

Mr. FASCELL. Could we do that in 10 minutes and get to vote on the amendment?

Mr. HARKIN. I can only speak for 5 minutes.

The CHAIRMAN. The gentleman from Florida (Mr. FASCELL) has the time.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and the substitute amendment cease in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. TAUKE. Mr. Chairman, reserving the right to object, as the gentleman knows, the Subcommittee on Telecommunications did pass an amendment to this legislation by a 12-to-2 vote, an amendment which I intend to offer to the Energy and Commerce Committee amendment.

□ 1800

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, the gentleman is correct. Let me change the request then and simply make it on the Smith amendment and the Leach substitute. That would protect the gentleman then to offer his amendment to the committee amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. CORRADA. Mr. Chairman, reserving the right to object, having been seeking recognition to speak on these amendments, I hope that the committee chairman can allow me to have at least 3 minutes to speak on this amendment.

Mr. FASCELL. There are only two speakers, I will say to the gentleman, that I know of. He is certainly within the 15-minute request that I have made and would have ample opportunity.

Mr. CORRADA. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. HARKIN. Mr. Chairman, reserving the right to object, the fact is that perhaps we could dispense with the Smith amendment, which is in the nature of an amendment, not a substitute, in 10 or 15 minutes, depending on how many Members want to speak, but then we have the Leach amendment, which is a substitute and to which a number of us have amendments that we want to offer. Therefore, I would object to that.

If the gentleman would tailor his request then to the Smith amendment, I would not object, but if he includes both Smith and Leach, I would have to object because we have amendments to the Leach amendment.

Mr. FASCELL. Does the gentleman from Iowa have amendments to the Leach amendment?

Mr. HARKIN. Yes, and they are substitute amendments that I want to offer to the Leach amendment.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all debate on the Smith amendment end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. CORRADA. Mr. Chairman, reserving the right to object, I would not like to object, but I do not know if, within that time span that the distinguished chairman is asking for, I would be recognized.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. HARKIN. Mr. Chairman, reserving the right to object, the time limit was when?

Mr. CHAIRMAN. The time limit is 10 minutes.

Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. All debate on the Smith amendment will terminate in 10 minutes. The Chair will recognize Members standing at the time the unanimous consent request was granted for a time period of 50 seconds each.

The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

(By unanimous consent, Mr. FASCELL yielded his time to Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I think the argument that came up by the gentleman from New Jersey, (Mr. RINALDO) indicates why we have to pass the Smith amendment. He was concerned about 1180, WHAM in Rochester, N.Y. Of course, those of us from the Midwest are concerned about 1040, WHO, Des Moines, Iowa.

I received letters from the following organizations: Iowa Cattlemen's Association; Farm Bureau; Beef Improvement Association; Iowa Department of Agriculture; Soybean Association; and Corn Growers Association.

To those of us from the Midwest, WHO is not just a small station. It reaches out to farm families not only in Iowa, but Nebraska, the Dakotas, Minnesota, Illinois, Missouri, Arkansas, and Tennessee. It is one of the premier stations in the United States that reaches out to farm families.

If Members are concerned about the people in Cuba receiving news, how about those of us in the Midwest that have to receive our noon news from

WHO? Of course, one might say, "Well HARKIN, you have got a parochial interest."

I like to think it is not a small parochial interest, but larger in terms of how it affects the Midwest.

Mr. RINALDO made another statement. He said that short wave was illegal in Cuba. That is absolutely false. Short wave radio sets are manufactured in Cuba and sold in the stores. Right now they sell one called the Sibonay 240, an eight-band short wave radio with an AM band.

(By unanimous consent, Mr. SMITH of Iowa yielded his time to Mr. HARKIN.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield briefly?

Mr. HARKIN. Yes.

Mr. SMITH of Iowa. I would also point out, as the gentleman noted, that WHO is the lead station for disasters in that whole area of the country, in league with 40 other stations, and that was negotiated over a period of years.

Mr. HARKIN. I would point out also to the members of the committee that a tornado came roaring through southern Iowa, as the gentleman remembers. It was WHO broadcasting the news that saved countless lives in the small communities on the Missouri border.

I want to point out also another reason why the gentleman was wrong on the prime time. Right now, the Voice of America broadcasts from 6 to 9:30 a.m., and from 7 to 9 p.m. That is pretty prime time. What Radio Marti would do would be to fill in the rest of the day.

(By unanimous consent, Mr. TAUKE and Mr. LEACH of Iowa yielded their time to Mr. WIRTH.)

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, there are two points that have to be made about the Smith amendment. First, what does the Smith amendment do? The Smith amendment says that the FCC, not the NTIA will make the determination of what frequency is to be used by Radio Marti. Why does the Smith amendment say that the FCC should do it? Because the FCC makes that determination for every other nongovernmental commercial frequency allocation. This is a nongovernmental commercial frequency allocation. The FCC is chartered, given the responsibility for doing that.

Suddenly, under this we are going to say, "Well, we are going to ignore the FCC and turn it over to NTIA."

Why not stay with the determinations made by the FCC, which gives the possibility for outside parties to come in for a hearing, aggrieved broadcasters to come in and be heard, to have all the proceeding laid out so that we can understand what the question is? Why should we suddenly give it to a nonindependent agency, give it to the NTIA?

Are we going to say any other time that what can happen is, when we decide we want to do something, we are going to allow the administration to come in and take that spectrum away from anybody they want to? Of course we are not going to do that. Why should we? That is what the FCC is all about, to make that kind of determination and allocate independently and objectively how we are going to use nongovernmental commercial spectrums.

This is what this is, a nongovernmental commercial spectrum. The FCC does it for everybody else. Why in this situation do we suddenly take that charter away from the FCC and give it to the administration? Are we going to do this every other time the administration comes to us and says, "What I would like to do is to get 580 on your dial, or 1120," and you are going to say, "Yes, administration, you may have that frequency."

That is not how we allocate spectrum, which is a scarce and very valuable resource. We do not give that away to the administration.

□ 1810

Mr. FASCELL. The gentleman knows full well that under the Federal Communications Act that authority is reserved to the President of the United States.

(By unanimous consent, Messrs. ROSTENKOWSKI, BEDELL, and WRIGHT yielded their time to Mr. CORRADA.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I thank the gentleman for yielding.

It seems ironic that those who have used the freedom provided in this Nation under the first amendment to our Constitution are the ones who are opposing the strong use of that very same freedom to have a beacon of information toward the people of Cuba by having Radio Marti in operation.

Obviously no matter what decision is made, some broadcasters will be affected. It appears that at this time some of the broadcasters in Iowa will be more affected than others.

But yet this insignificance, inconvenience to some in this Nation will allow us to be able to get a message of hope, a message of liberty and freedom to the enslaved people of Cuba.

They say that Cuba and Castro may interfere with broadcasting. Let me tell you, in Puerto Rico we can listen to Radio Havana and I have had already the Puerto Rican broadcasters tell me that Cuba does not abide by any international agreement to respect those frequencies.

Mr. HEFTEL. Mr. Chairman, will the gentleman yield?

Mr. CORRADA. I yield to the gentleman from Hawaii.

Mr. HEFTEL. A directional transmitter from Florida to Cuba is going to interfere with no one. This idea that stations in Iowa and other locations on a comparable frequency are going to be interfered with is not correct. They are only going to be interfered with if Cuba decides to jam, and if they decide to jam we ought to make a decision on what to do.

But we should not panic and be afraid to go ahead with Radio Marti.

Mr. CORRADA. That is right.

Mr. Chairman, may I say that being pusillanimous to Fidel Castro is not going to solve the problems of this Nation. If we get afraid because he is threatening to raise the frequency and the potency of those radio stations, then we are not going to get anywhere.

But let me say Cuba is exporting its Communist propaganda, arms, and subversion to every corner of the world, from nearby Central America, South America, the Caribbean, to Puerto Rico.

All we are saying is let us allow a radio station that will inform the people of Cuba. If Fidel Castro wants to have powerful stations telling the American people what he is doing there I will tell you that we have freedom in this country and we are able to get Cuban and Castro propaganda anytime from sources within this Nation and from sources in Cuba.

I am not afraid of their beaming those broadcasts to the United States.

But let us give the people of Cuba the hope of getting information about what is going on around the world, what is happening in Cuba, what is happening in their own country, because they only learn there what Castro chooses to tell them.

I can tell you, Mr. Chairman, yes, there will be inconveniences, but those are the inconveniences that we have to pay for freedom. We as American citizens enjoy the privilege of living in a free, democratic society in which the human being is the most valuable element.

We have freedom of religion and association, expression, every other constitutional protection against tyranny.

It is not proper for us to neglect our responsibility to disseminate our values, especially to those in slavery that are nurtured in slavery by keeping them in ignorance.

The CHAIRMAN pro tempore. The Chair now recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, this amendment, if adopted, would effectively kill the implementation of the program. There would be long delays in the FCC, and it is the way to a slow death of the radio.

I would suggest the amendment be rejected. It was rejected in the appropriate committee and it should be rejected here.

The issue, the clear issue is are we going to authorize this long-overdue program to pierce through the Iron Curtain of Cuba. That is the issue before us.

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New Jersey.

Mr. RINALDO. I think it is important to also point out and reiterate, as I did earlier in response to the comments by the chairman of the subcommittee, that a panel of broadcasters in front of the Senate Foreign Relations Committee rejected the idea of this amendment. WHO itself rejected the amendment.

The CHAIRMAN pro tempore. Under the limitation of debate, all time has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. SMITH) to the Energy and Commerce Committee amendment.

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SMITH of Iowa. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 136, noes 244, answered "present" 2, not voting 52, as follows:

[Roll No. 238]

AYES—136

Addabbo	Ferraro	Murphy
Albosta	Fiedler	Napier
Aspin	Flippo	Natcher
Bedell	Foley	Nichols
Beilenson	Gaydos	Nowak
Benjamin	Glickman	Oakar
Bevill	Gonzalez	Oberstar
Bingham	Gray	Obey
Boggs	Hansen (UT)	Panetta
Boland	Harkin	Pease
Boner	Hawkins	Perkins
Bonior	Hightower	Peyser
Bonker	Howard	Rahall
Bouquard	Huckaby	Railsback
Brinkley	Hughes	Rangel
Brodhead	Jacobs	Ratchford
Brown (CA)	Jones (NC)	Reuss
Burton, Phillip	Jones (OK)	Richmond
Chisholm	Kastenmeier	Roemer
Collins (IL)	Kildee	Roukema
Collins (TX)	Kogovsek	Roybal
Daub	LaFalce	Sabo
Dellums	Leach	Scheuer
DeNardis	Levitas	Schneider
Derrick	Long (MD)	Schroeder
Dicks	Lowry (WA)	Schumer
Dingell	Luken	Seiberling
Dixon	Lundine	Shamansky
Downey	Markey	Shuster
Dunn	Martin (IL)	Simon
Dwyer	Martinez	Skelton
Dymally	Matsui	Smith (IA)
Eckart	Mattox	Smith (NE)
Edgar	Mazzoli	Solarz
Edwards (CA)	McCurdy	Stark
Edwards (OK)	McHugh	Stokes
English	McKinney	Studds
Evans (GA)	Miller (CA)	Swift
Evans (IA)	Miller (OH)	Synar
Evans (IN)	Minish	Tauke
Fazio	Mottl	Traxler
Udall	Waxman	Wolpe
Vento	Weaver	Wyden
Volkmer	Weiss	Zeferetti
Walgren	Williams (MT)	
Watkins	Wirth	

NOES—244

Akaka	Frenzel	Montgomery
Alexander	Frost	Moorhead
Anderson	Fuqua	Morrison
Andrews	Gephardt	Murtha
Annunzio	Gibbons	Myers
Anthony	Gilman	Neal
Applegate	Gingrich	Nelligan
Ashbrook	Goldwater	Nelson
Atkinson	Goodling	Oxley
Badham	Gore	Parris
Bailey (MO)	Gradison	Pashayan
Bailey (PA)	Gramm	Patman
Barnard	Green	Patterson
Barnes	Gregg	Paul
Benedict	Grisham	Pepper
Bennett	Guarini	Petri
Bereuter	Gunderson	Pickle
Bethune	Hagedorn	Porter
Biaggi	Hall, Ralph	Price
Billey	Hall, Sam	Pursell
Bowen	Hamilton	Quillen
Breaux	Hammerschmidt	Regula
Brooks	Hance	Rhodes
Broomfield	Hartnett	Rinaldo
Brown (CO)	Heckler	Ritter
Broyhill	Heftel	Roberts (KS)
Burgener	Hendon	Roberts (SD)
Butler	Hiler	Robinson
Campbell	Hillis	Rodino
Carman	Holland	Roe
Carney	Hollenbeck	Rogers
Chappell	Holt	Rose
Chappie	Hopkins	Rostenkowski
Cheney	Horton	Roth
Clausen	Hoyer	Rousselot
Clinger	Hubbard	Rudd
Coats	Hutto	Russo
Coelho	Hyde	Santini
Coleman	Ireland	Sawyer
Conable	Jeffords	Schulze
Corcoran	Jeffries	Sensenbrenner
Coughlin	Jenkins	Sharp
Courter	Johnston	Shaw
Coyne, James	Kazen	Shelby
Coyne, William	Kemp	Shumway
Craig	Kennelly	Skeen
Crane, Daniel	Kindness	Smith (AL)
Crane, Philip	Kramer	Smith (NJ)
D'Amours	Lagomarsino	Smith (OR)
Daniel, Dan	Lantos	Snowe
Daniel, R. W.	Latta	Snyder
Dannemeyer	Leath	Solomon
Davis	LeBoutillier	Spence
de la Garza	Lee	St Germain
Deckard	Lehman	Stangeland
Derwinski	Lent	Staton
Dickinson	Lewis	Stratton
Donnelly	Livingston	Stump
Dorgan	Loeffler	Tauzin
Dougherty	Long (LA)	Taylor
Dowdy	Lott	Thomas
Dreier	Lowery (CA)	Trible
Duncan	Lujan	Vander Jagt
Dyson	Lungren	Walker
Edwards (AL)	Marlenee	Wampler
Emerson	Marriott	Weber (MN)
Emery	Martin (NC)	Weber (OH)
Erdahl	Martin (NY)	White
Erlenborn	Mavroules	Whitehurst
Evans (DE)	McClory	Whitley
Fary	McCloskey	Whittaker
Fascell	McCollum	Wilson
Fenwick	McDade	Winn
Fields	McDonald	Wolf
Findley	McEwen	Wortley
Fish	McGrath	Wright
Fithian	Mica	Wylie
Florio	Michel	Yatron
Foglietta	Mikulski	Young (FL)
Forsythe	Mineta	Zablocki
Fountain	Mitchell (NY)	
Frank	Molinari	

ANSWERED "PRESENT"—2

Hefner	Moore

NOT VOTING—52

Archer	Ford (TN)	O'Brien
AuCoin	Fowler	Ottinger
Bafalis	Garcia	Pritchard
Beard	Gejdenson	Rosenthal
Blanchard	Ginn	Savage
Bolling	Hall (OH)	Shannon
Brown (OH)	Hansen (ID)	Siljander
Burton, John	Hatcher	Smith (PA)
Byron	Hertel	Stanton
Clay	Hunter	Stenholm
Conte	Jones (TN)	Washington
Conyers	Leland	Whitten
Crockett	Madigan	Williams (OH)
Daschle	Marks	Yates
Dornan	Mitchell (MD)	Young (AK)
Early	Moakley	Young (MO)
Ertel	Moffett	
Ford (MI)	Mollohan	

□ 1830

Mrs. KENNELLY changed her vote from "aye" to "no."

Mrs. BOGGS changed her vote from "no" to "aye."

So the amendment to the Energy and Commerce Committee amendment was rejected.

The result of the vote was announced as above recorded.

● Mrs. COLLINS of Illinois. Mr. Chairman, today the House will be considering H.R. 5427, the Radio Broadcasting to Cuba Act, legislation which authorizes a total of $17,700,000—for fiscal years 1982 and 1983—for the construction and operation of Radio Marti, radio broadcasting designed to further open the communication of ideas and information to people in Cuba.

While I in no way question the need to provide the Cuban people with news and commentary about events taking place in their country, by way of countering the censored and distorted news offered by their Government, I have serious problems with massive expenditures needed for Radio Marti, and the fact that Fidel Castro has already vowed to jam radio broadcasting to Cuba and create new stations to compete with it.

Frankly speaking, I can think of a host of programs which could be better served by the money we are being asked to approve for the operation of a station which will most assuredly be jammed, and create additional interference to U.S. broadcasters.

Presently, there are Spanish-speaking stations in Miami as well as the Voice of America (VOA) already broadcasting to Cuba. Why not go to those radio stations and VOA to ask that they expand their broadcast time, and include more reliable news about Cuban life, features, sports, and entertainment which the Assistant Secretary for International Affairs claims is needed in order to supply what the Cuban public is missing. That makes much more sense than allocating almost $18 million at a time when our American constituency is being asked to accommodate drastic cuts in medicare, food stamps, day care, and other

vital domestic services. It also makes even more sense to investigate alternatives to the construction of Radio Marti as it will certainly serve to further aggravate an already worsening interference situation.

Given these negatives, I urge my colleagues to support those amendments being offered which, if adopted, will serve to place Radio Marti in its proper perspective and vote against final passage.●

Mr. FASCELL. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. RATCHFORD, Chairman of the Committee of the Whole House on the State of the Union, reported that the committee, having had under consideration the bill (H.R. 5427) to authorize support to Radio Broadcasting to Cuba, Incorporated, had come to no resolution thereon.

RESIGNATION AS MEMBER OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER pro tempore laid before the House the following resignation as a member of a committee:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 29, 1982.

Hon. THOMAS P. O'NEILL, JR.,
Speaker of the House, House of Representatives, Room H-204, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: I hereby resign my position on the House Committee on Merchant Marine and Fisheries.

Sincerely,

E. CLAY SHAW, JR.,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

CONGRESSMAN SAM STRATTON REPORTS ON HIS EXPERIENCES AS A MEMBER OF THE U.S. DELEGATION AT THE SECOND SPECIAL SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON DISARMAMENT IN NEW YORK FROM JUNE 7 THROUGH JULY 9

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, last May, President Reagan did me the honor of nominating me as one of five members of the U.S. delegation to the U.N.'s Second Special Session on Disarmament in New York City from June 7 to July 9. Because the matter of the control of nuclear weapons is within the jurisdiction of my subcommittee, I was very much interested in this assignment, and I spent as much time as possible at the U.N. meetings, consistent with my obligations, of course, as a Member of the House of Representatives. I found the experience a tremendously interesting and challenging one, and upon my return to Washington, I prepared the following report of my impressions, which I believe may be of interest both to other Members and to the American people.

Mr. Speaker, under leave to extend my remarks I include this brief report:

A CONGRESSMAN AT THE U.N.

Considering my long acquaintance with the deliberative traditions of the U.S. House of Representatives, it was something of a cultural shock to encounter the modus operandi of the U.N. General Assembly. Back-and-forth debate interlaced with repartee, as the House practices it, is totally absent at the U.N. The first two weeks of the Special Session were devoted to set speeches by representatives of virtually every one of the 157 member states. Unfortunately, the five-minute rule on speakers which prevails in the House, was nowhere in sight at the U.N.

To a newcomer the most surprising thing about the U.N. is that the thrust of almost all its speeches is against the United States, which happens to be not only the U.N.'s permanent host, but also picks up a major share of the tab.

Basically the 157 countries of the General Assembly are divided into three groups: the Soviet bloc, made up of Warsaw Pact countries plus several other "socialist" states; the Western bloc, comprising the NATO countries plus Japan, Australia, and New Zealand; and (by far the largest group) the "non-aligned nations"—many of which, like Cuba, are not "non"-aligned at all.

The game seems to be that almost everybody, except the West, zaps the US. The Soviet bloc does it directly; the non-aligned do it indirectly, with criticism of "certain nations." This takes a bit of getting used to, but you soon learn to do what you can to parry these forays, or, better still, demolish them with facts.

Some observers have claimed that this Second Special Session on Disarmament was a failure. In my judgment that is simply not true. Both the Soviets and the non-aligned had hoped to cut the US up badly because of our alleged failures in disarmament, leaving us bloody and humiliated by the end of the session. As it turned out we fared far better than anyone had dared to hope.

Two things were responsible for this outcome. First is that the Western bloc started out early, and worked tirelessly in an informal association known as the Barton Group, chaired by a Canadian ambassador and made up of ambassadors from 17 other nations. The group met informally every morning at the Canadian UN Mission to coordinate views on major issues and plan their common strategy for the day's schedule. In the last two weeks the group labored long and hard to devise damage-limiting language for the final conference documents, and concocted possible compromises to lure non-aligned delegates to our side—which several of those compromises actually did.

I must say I was impressed by how fluent each member of the Barton group was in English, and most of the discussions were conducted in English. But occasionally the French Ambassador would slip into French, and then back again into English. On those occasions I moved closer to catch what he was saying, but I'm afraid I missed a nuance or two. By the end of the conference, however, the Barton Group was operating almost totally in French. We could never have changed gears like that on Capitol Hill!

Only two of the set speeches had major impact on the deliberations that were to follow. Soviet Foreign Minister Andrei Gromyko's speech promulgated the dramatic Soviet "no first use" of nuclear weapons pledge, which was to dominate much of the ensuing deliberation. A few days later President Reagan appeared in person and outlined the specifics of his proposal for those new START negotiations already underway in Geneva. Mr. Reagan also issued two "new initiatives" for peace One proposed more openness and accuracy in military budgets. The second was a call to the Soviets and their Southeast Asia clients to permit UN chemical experts to enter Afghanistan, Laos, and Kampuchea to determine the truth or falsity of the charges of chemical warfare use—including Yellow Rain—in those areas.

After the speeches delegates got down to business in separate committees to draft the four final documents of the conference. This UN committee system really has to be seen to be believed, With 157 members each, it is almost unmanageable. Moreover, it operates on unanimous consent: one objection can send a paragraph back to the drawing board. And if that isn't bad enough, every time a paragraph is changed, the committee has to go into recess until the new formulation (usually offered in English) can be translated into the other five official UN languages—French, Spanish, Russian, Chinese, and Arabic.

As one of America's five delegates, I had the unique opportunity of handling two crucial items for the U.S. The first concerned President Reagan's challenge over charges of chemical warfare. In a session devoted to "new initiatives" I reminded the committee that President Reagan had challenged the Soviet Union, as well as the governments of Laos and Kampuchea, to open their borders to UN inspection teams. If the charges were false, as these governments claimed, then they had nothing to fear, I said.

The minute I concluded it was clear that a very sensitive nerve had been touched. The Soviet representative almost literally hit the roof; followed by the delegate from Viet Nam. The Afghanistan delegate reserved his time, but the next day also assailed me at length.

A few days later I got into another fray when a document reviewing progress toward nuclear disarmament since 1978 was under study in our committee. As drafted, the document charged that in those four years there had been no progress whatsoever towards nuclear disarmament. I objected strongly to this language, pointing out that over the past six months two major nuclear arms negotiations between the United States and the Soviet Union had gotten underway in Geneva, both initiated by the U.S.

To be sure, these were only negotiations and had not as yet produced results. But to get results you first have to start talking. General Assembly members seemed ready enough to criticize the U.S., I said, when they disapproved of our actions, so why not give us credit for the two most significant events towards effective nuclear disarmament in the last two years? With help from both the British and the West German Ambassadors we finally changed the document

to acknowledge those two very important negotiations.

Before the conference concluded, the work of the Barton Group paid off handsomely. With the help of several nonaligned nations a document calling for a worldwide disarmament campaign was amended to require "debate in all countries on all points of view relating to disarmament." What was the point of a worldwide campaign, after all, if the message was forbidden to be discussed in Red Square or East Germany?

Another last-minute development was even more impressive. One of the final conference documents contained standard language from the U.N. Charter about the nonuse of force and the prohibition against invading and occupying other countries. Speaking against this language were East Germany, Viet Nam, Hungary, the USSR, Afghanistan, Bulgaria, and Byelorussia. Speaking for the language (which everyone took to be a reference to the invasions of Afghanistan, Kampuchea, and the crackdown in Poland) were Pakistan, Sweden, Nigeria, Kenya, Thailand, and Romania. In essence the non-aligned had finally ganged up on the Soviet Bloc!

Is it all worth it? Well, as my own brief experience shows, you can make progress in spite of complex and frustrating procedures. Obviously there is no single gimmick, no special formula, that can suddenly cause war to vanish from the earth. But we need to keep on trying, eschewing those pie-in-the-sky schemes that tempt so many in this quest, and keep on working for slow but solid advance towards our goal, not just the end of nuclear war but the end of all war—just as the medical profession has done for centuries in its never-ending fight against disease and death.

The U.N.—like the U.S. Congress—can often frustrate and annoy. But also, like the Congress, it holds a special fascination. This, after all, is "the parliament of man" we have so often talked and dreamed about. Better to keep it going than to let it die. As Winston Churchill aptly put it, "Better to jaw, jaw, jaw than war, war, war."

THE IMPORTANCE OF THE BROOMFIELD-CARNEY-STRATTON AMENDMENT TO THE ZABLOCKI ARMS CONTROL RESOLUTION

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I would simply like to place in the RECORD answers to the arguments being made by Mr. DOWNEY and Mr. LEACH of Iowa in regard to the Broomfield-Carney-Stratton amendment to House Joint Resolution 521 concerning nuclear arms control.

It is indeed important that we consider the facts as we decide on issues which affect the safety of our Nation and the prevention of nuclear war for decades to come. The Broomfield-Carney-Stratton amendment seeks to maintain the viability of our deterrence—a policy which prevented world war and nuclear attack for 30 years—at lower, more stable levels of strategic armaments. It seeks to do so through meaningful, effective, and verifiable arms reductions. The amendment neither intends nor will result in the negative consequences listed by my colleagues, Congressmen DOWNEY and LEACH of Iowa. In fact, the consequences which have been claimed as stemming from the Broomfield-Carney-Stratton amendment, to a considerable degree, are attributable to the unratified SALT II agreement which permitted the Soviet strategic nuclear buildup largely unabated.

Moreover, negotiating toward a freeze, before substantial reductions are agreed to, would only encourage the Soviet Union to increase the momentum of their buildup so that the freeze, if it were ever negotiated, would give them an even greater advantage. In this regard, it is also vital to note that the successful negotiation of a comprehensive nuclear freeze which avoids "duplicity" and insures adequate verification would take as long or longer than it would to reach an effective START agreement. It was, in part, because of such concerns that President Reagan has formulated an approach which actually reduces nuclear arms in a balanced and verifiable manner and which corrects the deficiencies in our retaliatory capabilities which have accumulated over the last decade.

Even a casual glance at the "bill of indictment" offered against the Broomfield-Carney-Stratton amendment clearly shows the hollowness and inapplicability of the argumentation. A point-by-point review of the Downey and Leach arguments reveals the following facts:

First, since 90 percent of U.S. ICBM's are already vulnerable to a Soviet first strike, it is difficult to see how they can become much more vulnerable. Moreover, SALT II and a freeze would perpetuate an important destabilizing problem, illustrated by the Soviet advantage of 308 SS-18 heavy ICBM's, a number which may allow the Soviet Union an advantageous strike capability against our land-based strategic assets.

Second, a freeze, in sharp contrast to the President's plan, does not reduce the number of nuclear warheads that the Soviets can target against our ICBM's and the rest of our strategic Triad. A nuclear freeze does not reduce the threat to our deterrent capabilities; it simply prevents the United States from restoring our deterrent in the face of the massive Soviet strategic buildup of recent years.

Third, although SALT II may attempt to address the problems of rapid reload, which will be difficult to verify, a nuclear freeze will not eliminate current Soviet capability to reload their missile silos nor can it prevent the Soviets from improving this capability. Moscow would be left free to continue work in this area and to use the knowledge gained by such activity to break out of a freeze agreement, and rapidly implement a destabilizing reload capability.

Fourth, by legitimizing Soviet ICBM superiority, a freeze does reduce Moscow's incentive to deploy a mobile ICBM. But a freeze would not preclude a surreptitious development of a Soviet mobile ICBM which would provide yet another avenue for a Soviet breakout from a freeze agreement. Some experts believe this may already have happened.

Fifth, the unsatisfactory treatment of the Backfire bomber, which can carry nuclear bombs as well as long-range nuclear missiles, constitutes one of the fatal flaws of the SALT II agreement. A freeze would permit the Soviets to keep Backfires, which according to the respected journal International Defense Review, have a range of 4,250 kilometers and if refueled in mid-air, a range of 8,700 kilometers, while denying the United States the ability to modernize its bomber force.

Sixth, given the Soviet superiority in ICBM's further development of their SLBM accuracy is not required to destroy our silos and other hardened targets. Nor could we be certain that Soviet bench-testing and other nonobservable R. & D. activity did not contribute to SLBM accuracy under a freeze.

Seventh, a nuclear freeze would not preclude the movement of Soviet nuclear submarines closer to our shores—a certain and effective method of decreasing our warning time, thus threatening U.S. military targets including air bases.

Eighth through eleventh, once again, since the throw-weight, explosive force, accuracy and reliability of Soviet SS-17, SS-18, and SS-19 ICBM's are more than sufficient to destroy our silo-based systems and other high value targets, a freeze would crystallize this Soviet advantage. At the same time, a freeze would not be able to prevent unobservable technological improvements to the Soviet ICBM force.

Twelfth through fourteenth, the ban on new types or new strategic systems represents yet another case of the freeze preventing the Soviets from doing what they do not wish to do in the first place. The SALT II and freeze proposals would permit Moscow to keep its superior ICBM's and a highly modernized SSBN/SLBM force. The freeze would preclude U.S. deployment of survivable ICBM's and the replacement of Poseidon SSBN's as they approach the end of their operational life. As for our bombers, the near-term effect of the freeze would be to deny the B-52's an ALCM standoff capability thus sacrificing our crews to the formidable, and nonfreeze

accountable, Soviet air defenses. In the longer term, the B-52's regardless of modifications, will simply be unflyable due to fatigue and wear. The net result is that our nuclear systems, which are far older than those maintained by the Soviets, will, because of safety and maintainability concerns, have to be retired at a far faster rate than the newer weapons of the U.S.S.R. This will, in turn, result in an overwhelming Soviet superiority.

A nuclear freeze, before an equitable and verifiable agreement has been reached to substantially reduce force levels, would neither resolve our current ICBM vulnerability nor assure greater survivability for our bombers. The important point is that our ICBM's are aready at risk and Soviet redeployment of their SSBN's to threaten our bombers is not precluded by a freeze. The President's arms reduction initiatives and strategic modernization programs will assure the prevention of nuclear war and the maintenance of strategic stability. Our support for the President in this area constitutes a vital signal to the Soviets that this Nation is committed to the realization of fair and verifiable arms reductions as proposed in the Broomfield-Carney-Stratton resolution.

MISINFORMATION AND FALSEHOOD SPREAD ABOUT MOUNT ST. HELENS NATIONAL VOLCANIC AREA

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, Congress will soon be sending to the President's desk legislation to create the Mount St. Helens National Volcanic Area.

By signing the Mount St. Helens legislation into law, President Reagan will have a unique opportunity to gain support within the scientific community, timber interests, and Washington State voters.

This ought to be an easy one for the administration. This bill is the product of more than 6 months of constant, in-depth effort by several congressional committees, and represents a true compromise of all the conflicting interests involved—from large timber companies to conservationists.

Yet a number of administration officials are apparently so committed to defeating this carefully crafted compromise that they have begun to spread misinformation and falsehood about the legislation.

A story appeared in the Washington Post Sunday which quoted an unnamed OMB official saying the bill is "going to cost a lot of dough and we can't justify it." This same anonymous official said the total cost of the measure could reach $300 million.

The fact is that the Mount St. Helens legislation will cost, at most, $1.5 million annually in lost timber receipts. Many of the costs of the legislation, such as construction of a visitors center, would be the same for the administration's plan. The Forest Service itself has already certified that the land exchanges for private holdings are of equal value. The administration also says mining claims would be locked up under the bill, despite the fact that both bills specifically allow mining.

An editorial headline in a northwest paper perfectly sums up the administration's campaign against this vital legislation: "The President's Men Are Spouting Misinformation."

MOUNT ST. HELENS: PRESIDENT'S MEN ARE SPOUTING MISINFORMATION

To: President Reagan.
Re: Mount St. Helens National Volcanic Monument legislation.

DEAR MR. PRESIDENT: Someone on your Office of Management and Budget staff is not serving you well and should be reprimanded, if not fired. A story that ran in The Washington Post last weekend (and in The Times yesterday) contained a lot of misinformation attributed to an unnamed "OMB official." That person apparently wants you to veto the Mount St. Helens bill that Congress is expected to pass this week after a conference committee resolves relatively minor differences between House and Senate versions.

The OMB official said the bill is "going to cost of lot of dough and we can't justify it," saying the total cost of the measure could reach $300 million. That's a wildly inflated and unrealistic figure, based on the estimated value of just about every tree in the proposed volcanic area—which would never be cut even if no legislation passed.

A much better cost estimate, by the congressional committees that worked on the legislation, is less than $1 million over the next three years.

The OMB official said "the tracks" of Weyerhaeuser, Burlington Northern and Pennzoil—all of which own land or mineral claims in the proposed volcanic area—are "all over" the measure, but "they're hiding behind the screen of the tree-huggers." Indeed, at least the first two companies worked closely with members of this state's congressional delegation in developing the legislation—but they also worked closely with environmental groups to reach an admirable compromise praised by all sides.

The OMB official's implication that Weyerhaeuser and BN will gain undue advantage from exchanging land and timber inside the proposed boundary for Forest Service land elsewhere, or that such exchanges are unusual, is simply false. Thousands of acres have been exchanged in the past as the Forest Service and private companies consolidated their checkerboarded holdings. And the land trades spelled out in the House bill—which the Senate seems certain to adopt—have been certified by the Forest Service as of equal value.

The OMB official also suggested that about 100 mineral claims held by a copper-mining affiliate of Pennzoil could be locked up by the bill—apparently unaware of the fact that those tracts were excluded from the monument area.

In short, Mr. President, someone at OMB doesn't know or doesn't want you to know—all the facts about the Mount St. Helens bill, which has the support of the entire Washington State delegation, the timber industry, environmental groups and many others. If you veto this bill based on misinformation, you'll be making a big mistake.

GENERAL LEAVE

Mr. DYSON. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Michigan (Mr. DINGELL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

DEPARTMENT OF EDUCATION OFFERS PROPOSED CHANGES IN THE EDUCATION FOR ALL HANDICAPPED CHILDREN ACT (PUBLIC LAW 94-142) REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. ERDAHL) is recognized for 5 minutes.

● Mr. ERDAHL. Mr. Speaker, tomorrow is a very important day for all of us. On that day the Department of Education will publish in the Federal Register proposed changes in the regulations for Public Law 94-142, the Education for All Handicapped Children Act of 1975.

The Department has established a 90-day comment period which ends on November 2, 1982, Election Day. The Department will hold nine regional hearings, the first on September 8 and 9 in Washington, D.C., and the remainder between September 13 and 23.

I have reacted to the proposed changes with cautious optimism. When regulations were first published, August 23, 1977, schools had had limited experience with the mandate of the statute, to make available to each handicapped child a free appropriate public education. Parents of handicapped children, also had had limited experience with working with schools in developing education plans for their children. But now we have 5 years of experience behind us, so I think it is appropriate that we take the time to reflect on how the law and the regulations are working.

We are faced with some very complex issues. Public Law 94-142 when enacted was an attempt to establish a fair and reasonable balance between the rights of the handicapped child to an education and the capacity of the school system to provide it. The law is a reflection of a philosophical commitment to children and an endorsement of exceptional standards of education-

al practice. This balance is now in place. In the process of reviewing the proposed regulations, we must work to maintain it.

I wish to commend Secretary Bell for extending the comment period from 60 to 90 days and scheduling regional hearings to help assure full public participation. It is my fervent hope as well that State and local school officials will have a reasonable transition period for implementing the necessary changes once the final rules are adopted.

Secretary Bell, I believe, recognizes the importance of Public Law 94-142 and is sensitive to the value of full public participation in any deliberation on regulatory changes in the law. We must review the proposed regulations carefully, and where we disagree with them, we must offer viable alternatives and not blanket denunciations.

I use the phrase "cautious optimism" to describe my reaction to the proposed changes—not only to reflect my enthusiasm for the review process but to characterize some of my initial reservations with them.

Overall I am concerned that these proposed regulations will be viewed by some as a means for accomplishing what could not be accomplished through legislation. I fear that those who hold this impression will not help to make these regulations as effective as they could be.

The emphasis here should be on improving services for handicapped children. But I see some proposed changes that may create rather than correct ambiguities in current regulations. The changes should make this law work better.

The proposed regulations raise many questions that beg for answers. Will handicapped kids receive less related services such as physical, occupational, and speech therapy, than they do today? Will fewer handicapped children be placed in classrooms with nonhandicapped students? Will parents have less influence on educational programs that help their children? will the changes mean handicapped youngsters can be disciplined in the same way as their nonhandicapped peers?

The final regulations—and they will be different than the ones we have been presented with today—should help rather than hinder school officials to administer this very complicated and very necessary program. We all agree that there is a paperwork burden that has to be reduced. Will these regulatory changes do that? We all agree that local schools need flexibility in meeting the mandate of the Education for All Handicapped Children Act. Will we be able to give them this flexibility and still preserve the integrity of the law?

These and many other questions must be answered before the regulations go into effect. If they cannot be answered candidly and completely, then the public law itself is at risk.●

ONE YEAR ANNIVERSARY OF AIR TRAFFIC CONTROLLERS' STRIKE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, today marks the 1-year anniversary of the air traffic controllers' strike. As controller morale continues to sink, and pressure to relax flight restrictions and end the defacto reregulation of the Nation's airways mounts, the next 6 months will be critical for the system and those who operate it.

Over the weekend the New York Times quoted Lawrence M. Jones, the head of a three-man, FAA-commissioned team of experts which earlier issued a scathing indictment of FAA management, as saying the next 6 months are critical:

"It will take most of this year and probably longer before there is any relief from the controller workload," he said. "The dog days of their efforts (the FAA's) will be in the next six months."

Last October, the committee staff concluded that by January 1983 the system could be in serious trouble. Unfortunately, that projection could prove very accurate.

Since the strike, the Committee on Post Office and Civil Service has closely monitored the administration's efforts to return the Nation's air traffic control system to full personnel strength and full operating capacity. The committee has been critical of the FAA's rebuilding effort. When the committee reported legislation last May (H.R. 6310), it noted the FAA suffered from critical management shortcomings; that there was growing evidence that long hours, restricted leave, and the additional workload of providing training to experienced trainees was taking its toll on employee morale; and that the rebuilding effort appeared to be behind schedule.

Events since last May have confirmed that these problems do exist and are growing more serious, and that optimistic claims by the administration are just that—claims, not facts. Sagging morale has led working controllers to petition for the rehiring of some of their fired colleagues. Training academy pass rates remain below those projected. Last September, the FAA predicted 2,339 would graduate between January 1, and June 30. In fact, only 1,610 students graduated from the scandal-plagued academy during that period.

An investigation by the Post Office and Civil Service Committee into charges of grade manipulation at the academy in a desperate attempt to fill quotas resulted in serious allegations against academy officials. Results of that investigation, along with one conducted by the DOT's Inspector General, are being reviewed by the Department of Justice for possible criminal action.

Finally, it appears little progress has been made in correcting the serious management shortcomings, which if not corrected will probably lead to another job action in the near future.

All is not going as well as the FAA wants us to believe. At the Nation's 22 busiest airports landing slots continue to be allocated, working a hardship on both the airlines and passengers. This is because there are not enough controllers. What worries me is that the FAA will continue restrictions on peak loads at these important hubs because of understaffing.

The committee reported legislation last May which I firmly believe addresses the problems facing the FAA. The administration opposes the committee legislation essentially because it would permit the selective rehiring of enough fired controllers to return the system to full strength. The administration obviously prefers to maintain its vindictive stance against rehiring any fired controller. It continues to push, rather halfheartedly, for its pay raise bill which does not address the FAA's personnel management problems, and would not result in a single additional controller working a radar scope. In its zeal to oppose the committee bill, it resorted to providing Members with inaccurate and misleading information, requiring me to set the record straight for Members of this body. A copy of my letter discussing the administration's misstatements is set forth at the end of my remarks.

It has been reported, and it is true, that Secretary Lewis has met with me and members of the committee minority to discuss our differences. While the minority members and I have repeatedly stressed our willingness to compromise, the Secretary has put forth no proposal whatsoever. He repeatedly has expressed vague concerns about the rehiring provision. Neither he nor his legal staff has provided any basis for his assertion that selective rehiring, as provided for in the committee bill, is not possible. This is undoubtedly because there is no legal basis for his assertion. At one point the Secretary asserted that rehiring certain controllers could affect aviation safety. We offered to add a clause explicitly providing that no controller could be reinstated if the Secretary determined the reinstatement would affect aviation safety or the efficient control of air traffic. Despite the fact that a similar provision has been in the law for a decade with respect to removing controllers, even this did not satisfy the Secretary.

I am forced to conclude that the administration is not serious about trying to reach a compromise. The administration does not really care whether it gets a bill. Its support for its pay raise bill was really just a gesture to boost the morale of the working controllers. If the administration were really concerned, it would push for a compromise. In fact it has not budged an inch. I cannot support or endorse a bill such as the administration's which does nothing to speed the return of the ATC system to full, safe operation, improve controller working conditions, or end costly delays to the airlines.

Set forth below is correspondence I have had with the Secretary concerning the pending legislation:

COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C., May 25, 1982.

Hon. ADAM BENJAMIN, Jr.,
House of Representatives, Washington, D.C.

DEAR ADAM: The Committee on Post Office and Civil Service recently reported H.R. 6310, the Air Traffic System Personnel Improvements Act. This bill addresses the difficult problems facing the air traffic system such as deteriorating employee morale and flight restrictions having adverse economic impact on many airlines, including regional and commuter carriers serving smaller communities. The bill does not force the FAA to rehire any controller who struck, and it does not reward any striker.

Recently you may have received a letter from the Secretary of Transportation urging you to oppose H.R. 6310. The Secretary's letter is so inaccurate and misleading that I am compelled to respond at some length. The letter contained three criticisms of the bill.

First, the letter claims the bill would "force rehiring of striking controllers at the FAA without regard to activities promoting the strike or our ability to continue rebuilding". This is false. If the bill is enacted, the FAA would be permitted, not required, selectively to reinstate former controllers. However, they could be rehired only if they are determined on an individual case-by-case basis to be suitable for employment. Strike related activities may be taken into account in such suitability determinations. Further, even if a former controller is determined suitable, the decision to reinstate rests with the appointing authority. Unless the appointing authority acts in an arbitrary or discriminatory manner, his decisions on who to reinstate are not reviewable.

Second, the letter states that the goal set by the committee bill for the return to normal (January 1983) is "5 months earlier than scheduled recovery" and "could impact safety". Under the bill return to normal means return to pre-strike daily and peak traffic levels and staffing. In other words, normal means airlines flying when and where they want, no supervisors or other staff personnel substituting for controllers at the radar scopes, and 40-hour workweeks and time off for controllers. Administrator Helms has stated this cannot be achieved until mid-1984 at the earliest, 18 months not five, after the goal set by the bill. On the question of affecting safety, the committee believes its approach which would permit the FAA to return to normal staffing levels by the end of the year is preferable to the current rebuilding effort which entails two more years of excessive overtime, little time off, and the enormous demands of training thousands of trainees.

Third, the letter claims the committee bill would "impose arbitrary management actions on the FAA." The bill does require the Administrator to establish a management improvement program to address serious management problems which have been ignored in the past. A recent independent study commissioned by the Secretary points out that unless the management problems are addressed, serious labor relations problems are certain to arise again soon. I am disappointed the Secretary perceives a congressional directive to improve management as imposing "arbitrary management actions."

The Secretary's letter goes on to tout four features of the Administration's bill. Two of these (premium pay for on-the-job training and lifting the premium pay cap) are in the committee bill. A third (a permanent 5% pay increase) was rejected by the committee and a ten percent rebuilding bonus provided instead. The fourth (permitting reemployed retirees to receive both full Government salary and full Government pension, i.e., "double dipping") has been rejected consistently by the committee.

The committee bill and the reasons for it are explained fully in the committee report (H. Rept. 97-560). I urge you to review it. If you do, I am confident you will agree with the committee's approach and be comfortable supporting its bill.

With kind regards,
Sincerely,

WILLIAM D. FORD,
Chairman.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C., June 24, 1982.

Hon. ANDREW L. LEWIS, Jr.,
Secretary, Department of Transportation, Washington, D.C.

DEAR MR. SECRETARY: I am disappointed we were unable to reach an agreement on air traffic control legislation before the July 4th recess.

When we last met I understood we could expect to receive some specific legislative alternatives to the key provisions in H.R. 6310. While your General Counsel has talked to mine, no new idea, recommendation, or alternative has been put forth.

Despite repeated public announcements by administration officials that the system will return to pre-strike capacity soon, I think it continues to be clear to knowledgeable observers that flight restrictions and staffing shortages will exist well into 1984 unless something is done to alter the current rebuilding plan. At our last meeting, even Administrator Helms conceded that the announced goal of return to 100-percent capacity by April, 1983, could not be met at major centers such as Chicago, Minneapolis, Cleveland, and Indianapolis. No one can predict when restrictions will be lifted for these facilities, but it certainly will not be in the near future.

More important, however, is the fact that if we continue on the present course, serious staffing shortages will continue for at least another two years, and those who have labored to keep the system functioning will continue to work long hours with little time off.

It is very important that we take some of the pressure off the work force soon, and for this reason, I hope it will be possible for you to provide us some specific alternatives so we may hopefully reach agreement and complete our legislative work.

With kind regards,
Sincerely,

WILLIAM D. FORD,
Chairman.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 7, 1982.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN. I also regret the difficulty we have encountered to date in reaching agreement on a legislative formula that will appropriately compensate the FAA workforce which has served so well in meeting the Nation's air service needs. As you know, the Administration is firmly committed to the passage of sound legislation to compensate the air traffic personnel who worked with us during the strike and have enabled us to maintain the utmost in aviation safety.

Obviously, Administrator Helms and I do not share your pessimism about restoring air traffic levels in the near future to meet the needs of the traveling public. Flight levels already exceed 83 percent of pre-strike levels; rebuilding is proceeding on schedule; and we expect to achieve 100 percent of pre-strike capacity, if needed, by May 1983. While we expect to continue "flow controls" at some airports until the end of 1983, to move flights away from peak-hour operations, this has affected only air travel scheduling, and has not interfered with the total number of passengers traveling by air.

Additionally, we believe that the new controllers now being trained by the FAA—the first class of which begins to assume operational duties on August 1—will provide real relief in heavily-impacted areas.

The alternative suggested by your counsel for Section 3 of your bill, unfortunately, does not provide a solution that meets our objectives. The proposed supplementary language, which would permit the Secretary to deny reinstatement if "necessary in the interest of aviation safety or the efficient control of air traffic," may even restrict the proper discretion of the Executive branch in personnel matters under the normal "efficiency of the service" standard.

For example, because the amendment language is taken from the air traffic controllers "second-career training" law, it could be subject to an interpretation based upon past administrative practices that did not contemplate the current situation. Further, the lack of a defined review process, along with the burden of justifying reinstatement denials as "necessary" on narrow grounds, will invite significant additional litigation, and lead to additional uncertainty and delay in rebuilding the air traffic control system.

Finally, the decision made by the President last December, which this Department had recommended, took into account the issues we are considering here, and determined that reinstatement of striking ex-traffic controllers would impair the safety and efficiency of the air traffic control system. Accordingly, the finding was made at the suitability level. We continue to believe that decision was proper, and that it should remain in effect.

I continue to hope that we can agree on some acceptable legislation to benefit the working air traffic controllers, and my staff

will be available to assist your office in that regard.

Sincerely,

ANDREW L. LEWIS, JR.●

PROTECTION OF NURSING HOME RESIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 60 minutes.

● Mr. DINGELL. Mr. Speaker, here is the sad history that led up to today's introduction of the Nursing Home Standards Act of 1982. One of the cruelest twists in the lengthening story of the Reagan administration's cruelty toward the elderly and poor emerged this May. Two months after Secretary of Health and Human Services, Richard Schweiker, announced that the administration would "not turn back the clock" on Federal programs to protect nursing home residents, he did just that.

The Secretary yielded to the White House and agreed to protect the nursing home industry from the Federal regulations intended to protect nursing homes residents from the nursing homes. The Vice President's Task Force on Regulatory Relief had made the "burdensome" nursing home regulations the top item for deregulation at the Department of Health and Human Services. The new enforcement proposal issued on May 27, 1982, follows the White House's advice and reduces the burden on providers.

Here is the history of progress in protecting nursing home patients and why we must not allow Schweiker to turn back the clock: There are now 1.3 million people residing in the Nation's 18,000 nursing homes. Vulnerable cannot describe the condition of these people. They cannot combat the hundreds of ways they can be abused. Both their own life savings and the public payments to cover their care can be ripped off. The residents themselves are often neglected—allowed to lie helpless and unattended in pools of urine—or abused—beaten or tied up. Nursing home fires have become less frequent as new buildings have replaced older structures, but sanitation is still a problem. Food poisoning outbreaks kill many nursing home residents each year. Almost every study of nursing homes demonstrates widespread poor care. The dominant picture in American nursing homes is warehoused old people, receiving inadequate treatment and rehabilitation. This is not blanket condemnation because there has been improvement. Not every home in every State has problems. The Deputy Administrator of the Health Care Financing Administration says that improvement has been small, with only 20 percent of nursing homes having consistently good records.

The problems of elderly and nursing homes has been studied repeatedly since Federal involvement began with medicare and medicaid in 1965. Initially congressional studies focused on safety and the law was strengthened. More recent studies looked at fiscal abuse and the laws were tightened. Again and again the Congress sought better enforcement. In 1980 and 1981 the Congress added new powers to enhance enforcement: Fines, receiverships, and flexible inspection schedules. From these opportunities to strengthen enforcement, this administration has chosen only to have less frequent inspections.

Every Health Secretary starting with Caspar Weinberger, has tried to improve the enforcement system for nursing homes. For over 10 years the Department designed, tested, and prepared to implement a patient assessment program so that the progress of individual residents could be followed. The patient assessment system was to be the ultimate enforcement tool, because it would have forced everyone to look at the patients and their progress, not just at the theoretical capacity to deliver care.

How has Secretary Schweiker turned back the clock? His first decision was to disavow the patient assessment program. He came into Federal court in Denver, where the Department had agreed to implement patient assessment, broke the agreement, and stated that the current enforcement system works just fine.

The Department's second proposal never saw the light of day. The Department developed a scheme to deregulate nursing homes by weakening the standards (or conditions of participation) which homes must meet to receive medicare or medicaid payment. The substance of the changes was small, but they created a universal furor for two reasons: First, they would have turned back the clock, reversing the trend toward better protection for nursing home residents; second, because the new rules would have made it far easier for nursing homes with violations to continue to operate. When Schweiker decided not to proceed with this deregulation he said the standards "will remain untouched." The Secretary had heard from thousands of nursing home residents. We hoped that he had remembered the Department's longstanding commitment to these people.

We were wrong. Unable to weaken the standards, Schweiker issued a proposed rule on May 27 that would deregulate nursing homes through the back door, by cutting back on enforcement of the same rules he promised would remain untouched. Here is how we understand the critical problems with this proposal:

1. INSPECTIONS

The proposal would allow inspectors to increase the time between inspections from 1 year to 2 and to eliminate reinspections to check up on corrections. The claim is that this allows flexibility, but with only 20 percent of facilities deserving of less frequent inspections, it is a ruse.

2. CONTRACTS

The only way to force a nursing home to live up to the rules is to take away its contract—the provider agreement by which it gets paid. The proposal would extend the length of provider agreements, making it more difficult to protect patients from safety hazards, fiscal, and personal abuse.

3. BUDGET

Funds available to the States to carry out inspections have declined rapidly under the Reagan budgets. The "flexible" rule will simply reduce the requirements to what the budget will pay for. There will be approximately 30 percent fewer nursing home inspections.

4. SELF-POLICING

Finally, the proposal would allow States and the Federal Government to turn over inspections to a private organization, controlled exclusively by the providers of care. Under the rule, if a self-policing program of the Joint Commission on the Accreditation of Hospitals approved the nursing home, the State and Federal inspectors could consider the facility to have met the Government standards. Federal and State inspectors would check on only 3 to 5 percent of these homes each year.

In sum, the latest proposal from Schweiker does precisely what he promised not to do—it reduces the protection of nursing home residents. He has heard from many thousands of outraged people about this effort to deregulate. He has heard from all of the House Members who sponsored resolutions deploring the deregulation. He has heard unanimously from the Senate Committee on Aging. And today, I have introduced legislation to prevent deregulation of nursing homes. During a 2-year period the Secretary will not be permitted to weaken current rules. At the same time, a Commission of the National Academy of Sciences' Institute of Medicine would study nursing home enforcement and recommend to the Congress and the Secretary how to protect nursing home residents more effectively.

Mr. Speaker, I insert the text of the bill at the end of the special order, after all statements by Members on the subject of the bill.

● Mr. WAXMAN. Mr. Speaker, together with my colleagues I am introducing the "National Nursing Homes Standards Act of 1982."

This bill is a result of efforts by a number of Members of the House to

arrive at a tool for improving the way nursing homes are regulated.

The Federal Government has a heavy responsibility toward residents of nursing homes, among the most vulnerable members of our society. We pay about half the cost of all nursing home care; over 7.5 billion Federal dollars were expended in 1982 to care for over 1 million elderly, handicapped nursing home residents, and we anticipate that almost $10 billion for such care will be spent in 1984.

The nursing home industry is one of the major growth areas in the health care sector. Its revenues swelled from under $2 billion in 1965, when medicare and medicaid were enacted, to $24 billion in 1982, an increase of over 1,000 percent!

The number of persons likely to need nursing home care has grown and will continue to grow rapidly over the next 50 years. The biggest users of this care are persons over 85. Their numbers tripled between 1950 and 1980, and that trend will continue right through to the next century.

The Congress has consistently recognized the potential for abuse in such a fast growing industry caring for a comparatively unprotected population, and has pressed for stronger standards and oversight. Currently, both the Federal Government and the States are involved in supervising both the quality of care offered residents of nursing homes, and the health and safety of those residents.

Overseeing such institutions is a delicate and difficult process. Staff turnover in long-term care facilities is very high, and patients on the whole remain in residence for only about 2 years. With such shifts in resident population and staff, conditions can change rapidly.

The General Accounting Office tells us that the kind of care which patients need is also changing. New patients entering nursing homes are sicker than they were 10 years ago, more dependent, and require more intensive attention. Thus, we need to be constantly vigilant in overseeing conditions in nursing homes.

However, this administration has suggested relaxing some of the standards which are now in place. The Secretary of Health and Human Services has proposed regulations which would significantly reduce the frequency and thoroughness of inspections of nursing homes. Annual inspection visits would no longer be mandated; the current 90-day period for correction of deficiencies would be eliminated; and a private accreditation body would be given inspection authority, but not be required to report deficiencies to the responsible public agency. These changes are proposed at a time when funds available to States for monitoring these facilities have been cut by over 30 percent, and while personnel to do the monitoring has been reduced by half.

I do not believe this is the time to weaken the minimal standards now in place. I do believe that there are areas where regulations can be improved, so that patient care will be improved. I do think the current system can be reformed in a way which will safeguard the health and dignity of residents. But we need to look at the system in its entirety, examine rules now in place, examine alternative systems, and arrive at reforms intelligently, responsibly, and thoughtfully.

This legislation is a constructive way to arrive at that improved system. I propose a moratorium on all changes in nursing home regulations for a fixed time period. During that period, a commission headed by members of the Institute of Medicine of the National Academy of Sciences will examine the adequacy and necessity for rules and regulations now in place, and make recommendations to us in the Congress for improvement, including any recommendations for alternative approaches to the regulation of long-term care institutions. Membership on the commission would include representatives of nursing home residents, and owners and operators of nursing homes, so that their experiences and views are also heard.

The commission will report back to Congress by January of 1984, after having solicited ideas from other relevant individuals or groups, including officials of State governments. The Congress would have until September of 1984 to enact any of the recommendations of the commission, or other relevant legislation. If the Congress does not act by that date, then the moratorium is lifted.

I believe by imposing this time limit we are indicating our intention to take the commission seriously, and to enact changes which will emerge from the deliberations of such a diverse and expert group. In the coming decades, we need to have an effective system to deal with the increasing numbers of residents anticipated in long-term care facilities.

This bill is an important, constructive and well-conceived attempt to carry out our heavy responsibility to protect the safety and well-being of our valued senior citizens.

I urge each Member's support for this legislation.●

● Mr. PEPPER. Mr. Speaker, I have today joined my distinguished colleagues, Messrs, DINGELL, WAXMAN, and JACOBS, in offering legislation which proposes to address, in what we believe to be a most constructive fashion, a problem which has plagued many of us for a number of years—the proper enforcement of meaningful standards related to the care of nursing home patients. Joining as cosponsors are additional Members who have been active in the congressional debate on this critical issue.

As chairman of the Select Committee on Aging and its Subcommittee on Health and Long-Term Care, I have for many years been deeply concerned over problems which have been reported in a number of the Nation's nursing homes. While I am fully aware and, indeed, emphasize the fact to my colleagues, that all nursing homes do not provide substandard care, there are, nevertheless, problems which do exist and which must be corrected. I continue to believe that the Congress and the executive branch are responsible for assuring that strong and enforceable standards are in place to assure residents and their loved ones that the quality of care that is provided meets the highest standard. And the Federal Government, which pays for approximately one-third of all nursing home care in America, has a direct interest in assuring that Government funds are well spent and not squandered on inappropriate or substandard care.

In this regard, I and many of my colleagues in the House and Senate have been deeply concerned over recent administration actions relating to the rules which govern nursing homes which receive medicare and medicaid reimbursement.

In March of this year, we were relieved that Secretary Schweiker decided not to go forward with draft changes in the conditions of participation. These changes, in draft form, had been the subject of a great deal of criticism and concern expressed by consumers, aging organizations, nursing home reform groups, and Members of Congress. At that time, the Secretary noted:

> The current rules have brought about significant improvements in the long-term care of nursing home residents. The existing health and safety requirements will remain untouched.

The Secretary pledged not to "turn back the clock."

Much to the dismay of those who had joined in an expression of opposition to the initial changes, the Secretary, on May 27, published in the Federal Register proposed changes in the survey and certification rules—proposing to weaken the enforcement of the standards he had promised not to undo. The new proposed rules, on which the comment period closed July 26 and which presumably are under further consideration pending issuance in final form by the Department, would reduce the frequency of inspections, weaken the requirements for correction of efficiencies, and relinquish the responsibility for inspections, now performed by State agencies, to a private, nongovernment organization which is controlled by the medical community.

I and my colleagues are deeply concerned over these proposals not merely for what they seek to do—though they are clearly subject to great criticism—but, as well, for the environment in which they are offered. They come at a time when the nursing home industry and the population it serves are in a period of accelerated growth. They come at a time of dwindling Government budgets. And they come in the midst of great confusion over Federal versus State versus private sector responsibility.

Having grown to become a $24 billion industry from the $2 billion the Nation spent for nursing home care in 1965, when medicare and medicaid were enacted, the nursing home industry has experienced increased revenues of over 1,000 percent.

The number of persons who can be expected to need this care has grown and will continue to grow rapidly for the next half-century. Between 1950 and 1978, the 85-and-over population tripled. This group is the likeliest to require nursing home care; 22 percent of this group reside in nursing homes, as compared to the 5 percent of the total 65-and-over population who reside in nursing homes. And a recent General Accounting Office statement to my colleague, HENRY WAXMAN, indicated that persons entering nursing homes today are more ill and more dependent than were entering nursing home residents in the past. In view of these trends—fast growth in nursing home revenues and the population served by nursing homes, Congress and the executive branch have strengthened standards in recent years. Indeed, Secretaries Elliot Richardson and Caspar Weinberger, some 10 years ago, moved to strengthen both the regulations and their enforcement.

Of great concern to me is the effect weaker enforcement could have in this era of budget cutting. There have been reductions of 30 to 40 percent in funds which are available to the States for the monitoring of nursing homes and other facilities. Some States have experienced cutbacks as high as 50 percent in survey personnel. And the administration proposes to further reduce the Federal match to States for inspection activities. With reduced funds for reimbursement of nursing homes for patient care, coupled with reduced funds for enforcement activities, to also weaken the standards of enforcement could spell serious trouble in this area which calls for close and careful attention.

Finally, I fear that the promulgation of these regulations in the current era of uncertainty about the roles of the various levels of government would leave nursing home residents without certainty with respect to who has responsibility for nursing home enforcement. Last year, in the all-or-nothing Reconciliation Act of 1981, Congress, at the President's insistence, enacted far-reaching provisions which brought about scores of changes in the way many of our human services programs are funded and managed. The dust has only just begun to settle, and the States and localities are already beginning to feel the full weight of these changes. Moreover, the President seems ready to again propose a "New Federalism," which would further confuse the issue of responsibility. To allow these proposed rules to go through in this environment could leave the issue of nursing home standards enforcement without clear definition.

In opposing these rules, we are not implying that current regulations could not be improved, for no doubt they could. I support the idea of taking a good look at the current rules to determine if, in fact, they include duplications and unnecessary burdensome requirements, as many nursing home providers charge, or where they could be strengthened to better assure quality patient care.

But I and my colleagues believe that we should examine these rules and any potential changes in an atmosphere of cooperation, rather than under the circumstances thrust upon us by the administration. That is why we are proposing, in the legislation we introduce today, to impose a 2-year moratorium on the issuance of any rules which would have the effect of deregulation of nursing homes. While the moratorium is in effect, a National Commission on the Regulation of Nursing Homes, under the auspices of the Institute of Medicine of the National Academy of Sciences, would consider the current regulations and propose any advisable changes. The Commission would be composed of members of the Institute of Medicine—both physician and nonphysician members—and nursing home residents or their representatives or organizations which advocate for them, nursing home providers or their representatives, and representatives of State government with responsibility relating to nursing home care. The Commission, expenses associated with which would be paid by the Department, would be instructed to report to the Congress and the executive branch no later than January 15, 1984. The Congress and Department would then have until September 30 to act on these recommendations prior to lifting of the moratorium.

We believe this legislation represents a constructive approach which should be supported by the administration and all others who share responsibility for the quality of care that is provided in the Nation's nursing homes. I call upon nursing home providers, consumer groups, aging organizations—as well as the many State officials who have expressed to us their concerns respecting these proposed regulations—to join with us in enacting this legislation so that we may, together, insure all our people that the residents of nursing homes—those who are most vulnerable—will receive care and attention that is the very best this Nation can provide.●

● Mrs. SNOWE. Mr. Speaker, I thank the gentleman for calling this special order today to focus attention on an issue of crucial importance; the responsibility of the Federal Government to insure the protection of nursing home residents across this country.

It has been more than a decade since the Federal Government assumed a major part of the responsibility for insuring all nursing home residents with a certain level of care. During 1982, however, we witnessed a continual assault on the Federal Government's role in the regulation of nursing homes.

In the interest of eliminating "unnecessary and burdensome" regulations, we watched in disbelief as the Vice President's Task Force on Regulatory Relief attempted to repeal rules requiring a "safe and sanitary environment for patients and personnel" in nursing homes or that patients must be "treated with consideration, respect and full recognition of his dignity and individuality, including privacy in treatment and in care of his personal needs."

An outpouring of public protest as well as the swift conveyance of opposition from Members of this body to the Secretary of Health and Human Services were successful in halting the proposed regulations before they were published.

In May, the Secretary issued proposed new regulations which would bring about major changes in the nursing home inspection program, and thus, in the Federal Government's ability to enforce basic standards of care within the Nation's nursing homes. In the interest of better targeting scarce resources, the proposed regulations would essentially take the teeth out of the enforcement process.

While I believe targeting resources to the most appropriate area of need is an exemplary goal in any area of Federal spending, the hard realities of the nursing home situation dictate the need for extreme caution when this targeting also involves a relaxation of inspection requirements. From the Health Care Financing Administration's own reports, only 20 percent of nursing homes have never been out of compliance with Federal standards. Both the history of nursing home conditions and the failure of the vast majority of facilities to comply with standards now in place demand a seri-

ous reconsideration of any such regulations.

My specific concerns with the proposed regulations are many, and I have conveyed these to Secretary Schweiker, as well as representatives of the nursing home industry. However, I believe it is of crucial importance that we be more than critics of the existing system. The problems we have dealt with in the past 8 months have merely pointed to the immediate need to take a close look at the Nation's nursing homes and the body of regulations governing them, in order to begin restructuring the existing system. I know of no one—whether Member of Congress, nursing home resident or operator, or Government official—who is happy with the existing system.

To this end, I offer my full support today as a primary cosponsor of the bill to create a national commission to examine and make recommendations regarding current medicaid and medicare regulations and impose a moratorium on the promulgation of new regulations affecting nursing homes until the Commission has been able to complete its work. I believe we are taking the first affirmative steps to address this critical problem. As the primary purchaser of nursing home care, I firmly believe only the Federal Government has the capacity, will, and legitimacy to insure the uniform protection of nursing home residents across the country.●

● Ms. MIKULSKI. Mr. Speaker, I am pleased to be a participant in introducing the National Nursing Home Standards Act of 1982. This bill represents a balanced and judicious response to the many changes that have been proposed, over recent months, for Federal nursing home standards. This legislation would establish a temporary moratorium on any deregulation of skilled or intermediate care nursing facilities. In addition, it would provide for a National Commission on the Regulation of Nursing Homes, which would draw on the expertise, commitment, and caring of providers, consumers, and Government officials in the long-term care field, in developing needed changes in nursing home regulations.

Many of us in Congress have consistently been concerned with the provision of quality nursing home care for our Nation's elderly citizens. We have followed over time the rapid increase in nursing home facilities, the developments in Government funding, and the discoveries of substantive abuses on the part of nursing home operators. As a result of our involvements, we have welcomed the development of balanced and appropriate Federal requirements and standards for nursing homes that participate in the medicare and medicaid programs. At the same time, we have been aware that yet further changes and refinements may be required in nursing home standards so as to promote cost-effective, equitable, and quality long-term care settings.

The changes in nursing home regulations that have been proposed by the Department of Health and Human Services over recent months do not appear, however, to have been made in the spirit of balanced and judicious refinements of current standards for the sake of better nursing home care. Rather, they appear to have been disproportionately shaped by our current administration's desire to drastically cut the Government's health care budget and personnel levels. The bill we are introducing today will insure that any necessary decisions regarding changes in nursing home standards will be dictated by concern for quality and equitable health care, and not by concern for saving pennies and personnel-hours for nursing home owners and the Department of Health and Human Services.

Mr. Speaker, Congressman HENRY WAXMAN, the chairman of the Health and Environment Subcommittee on which I serve, and Congressman JOHN DINGELL, chairman of the Energy and Commerce Committee, have taken leadership roles in developing creative and balanced responses to changes proposed for our Federal nursing home standards. I am pleased to have been able to work with these Members of Congress, as well as with the many others who have been consistently active in working for the preservation and advancement of quality long-term care for our Nation's elderly.●

● Mr. MOFFETT. Mr. Speaker, I am pleased to be joining Chairman JOHN DINGELL, House Aging Chairman CLAUDE PEPPER, House Health and Environment Chairman HENRY A. WAXMAN, and Ways and Means Health Subcommittee Chairman ANDY JACOBS in this effort to halt the administration's cruel and ill-conceived efforts to deregulate the nursing home industry.

The legislation which we are introducing today, the National Nursing Home Standards Act of 1982, does two things: First, it prevents the Secretary from imposing nursing home deregulation rules until 1984; second, the legislation establishes a National Commission on Nursing Home Regulation—a Commission which will thoughtfully and rationally examine the utility, quality, and adequacy of existing regulations.

Let us briefly reexamine the urgent need for this legislation.

On May 27, 1982, the Secretary of Health and Human Services published his proposed nursing home deregulation rules in the Federal Register. It became evident to us who have traditionally defended the rights of the frail elderly that the rules represented an abandonment of these institutionalized people.

The Secretary proposed the inspection of nursing homes not less than once every 2 years, a change from the current annual inspection requirement. Two problems exist with this proposal: First, the data show that nursing home patients' average stay in these facilities is 2 years. Therefore, patients might never be in contact with an inspection team. Second, studies show that patients are getting older and sicker; and, therefore may not be capable of withstanding poor treatment for a 2-year period, waiting for an inspection team to arrive.

I am also alarmed by the Secretary's recommendation that homes in which violations have been detected report by mail or by phone that such violations have been corrected. If a nursing home operator has placed the frail elderly at risk by violating a fire ordinance, then that home should be reinspected—State agencies should not rely on something as little as a postcard—to determine if the violation has been corrected.

Finally, I am very distressed by the Secretary's recommendation that the Joint Commission on the Accreditation of Hospitals be permitted to determine if facilities should receive Federal funds under medicare or medicaid. JCAH is a private, nonprofit entity that performs such a function for the accreditation of hospitals. This recommendation is objectionable for several reasons:

First, 42 U.S.C. 1396aa(33)(B) is the operative language regarding the duties of State agencies to determine whether institutions should receive medicare or medicaid funds. There is no authorization for the State agencies or the Federal Government to "farm out" this responsibility to anybody, particularly JCAH.

Second, JCAH has a policy of keeping the results of its certification process confidential. When JCAH examines a hospital and finds a problem, that problem is kept confidential. In fact, JCAH surveys of hospitals are exempted from general and specific public disclosure requirements of the Social Security Act. The problem here is that JCAH may well encounter a nursing home violation which should be referred to a State law enforcement official. And, even if the violation is not appropriate for that purpose, a family deciding whether it should place its beloved relative in the home would find that information very helpful. Yet, the information uncovered by the JCAH during a nursing home inspection will be unavailable for that purpose.

Third, the track record of JCAH in inspecting hospitals has been called into question. In 1972, Congress required HCFA to undertake periodic surveys to validate the work of JCAH in accrediting hospitals. The results

are reported to Congress annually. In fiscal year 1980, 61 percent of the hospitals in HCFA's selective audit were found to have serious deficiencies; 50 percent of those sampled violated the life safety code. By contrast, the results of State agency surveys of hospitals were found to be much more reliable.

Given the deficiencies which I have listed—elimination of the annual reinspection requirement; permission to notify State agencies that violations have been corrected by phone or by mail; and, authorization of JCAH to deem the status of nursing homes as proper beneficiaries of Federal funds—I am pleased that our bill would prevent the Department from making these regulations final.

The reservations which I have with the approach taken by the Secretary of Health and Human Services are shared by many. I would like to introduce into the RECORD an editorial from the July 24, 1982 Hartford Courant which criticizes the proposal; a statement reflecting similar views by the State of Connecticut Commission on Long Term Care in Nursing Home Facilities; and, the text of an editorial prepared by WCBS-TV which also condemns, rightly, the Secretary's proposed rules changes.

I congratulate the chairman of our Energy and Commerce Committee for leading us in his effort. When I introduced my House Concurrent Resolution 354—a resolution of disapproval—and attracted 50 cosponsors, I recognized that there was widespread opposition in the House to the proposed nursing home deregulation. It is my hope that Mr. DINGELL will promptly bring this bill before the committee to insure that, by statute, these cruel rules are withdrawn. The material follows:

[From the Hartford Courant, July 24, 1982]

MOVING TO PROTECT THE ELDERLY

Expenditures on nursing homes for the elderly in Connecticut have nearly tripled during the past decade. By 1990, nursing home care is expected to cost taxpayers nearly $1 billion, according to state health planners.

Nationally, federal and state governments spent $9 billion in 1980 on the nursing home patients supported by Medicaid and Medicare. Another $10 billion was spent on private patients.

Yet, as nursing homes become a necessary and expensive adjunct for America's aging population, the federal government proposes to loosen inspection standards.

The Department of Health and Human Services would require only biennial inspections of homes without violations. Follow-up inspections no longer would be required three months after problems are discovered.

The department also would accept certification by the private Joint Commission on Accreditation of Hospitals in place of accreditation by state authorities. Inspection reports by the commission would not necessarily be available to the public, and government would no longer control this important licensing function.

The proposed regulations have been under discussion for nearly a year by Reagan administration officials and were published two months ago in the Federal Register. They have been opposed vehemently by the Senate Special Committee on Aging and Connecticut's own U.S. Rep. William R. Ratchford, D-Danbury, who headed the state's blue ribbon investigation of nursing homes and served as state commissioner on aging from 1977 to 1978.

The Reagan administration last year significantly reduced spending for nursing home inspections. The new regulations are supposed to save more money and free nursing homes from the noose of strict federal control.

The federal Department of Health and Human Services should increase surveillance, as more Americans become dependent on nursing homes and as more public money goes to their support.

During the next 10 years, the number of nursing home beds in Connecticut is supposed to increase by more than 20 percent, according to a report by the Statewide Health Coordinating Council.

The state can and should maintain strict inspection standards. But the federal government, which helps support more than half of the patients, should guarantee that institutions which care for thousands of aging Americans meet basic standards. It should demand and provide the money for annual inspections, at a minimum, and check that violations are corrected.

When $19 billion is spent on people who are in no position to monitor their own care, Washington should continue regular oversight to protect them and see that the money is not wasted on shoddy care.

STATE OF CONNECTICUT,
COMMISSION ON LONG TERM CARE
IN NURSING HOME FACILITIES.
Hartford, Conn., July 21, 1982.

Hon. RICHARD S. SCHWEIKER,
Secretary of Health and Human Services, Washington, D.C.

DEAR MR. SECRETARY: As members of the Commission on Long Term Care in Nursing Home Facilities, Connecticut's statutorily mandated permanent, cabinet level long term care forum, we formally register our opposition to the proposed federal survey and certification regulations for nursing home facilities.

After extensive briefing and discussion at our July meeting, the Commission unanimously endorse the attached position of the Department of Health Services, which is responsible for licensure and certification of health care facilities. Again, we particularly call your attention to the proposals regarding JCAH deemed status and repeal of mandatory annual surveys and request your serious reconsideration. It is our experience that these provisions would have a very negative impact on the State's regulatory capability and ultimately the quality of patient care in long term care facilities.

In closing, we also take this opportunity to confirm our strong opposition to the recent federal funding cuts for survey and certification activities, and remind you that such reduction of funds prohibits states from taking effective advantage of the "flexibilities" or "discretion" the proposed regulations purport to offer as their primary advantage.

Sincerely yours,

Commission on Long Term Care in Nursing Home Facilities: F. Bernard Forand, Chairman, Commission on Hospitals and Health Care; Douglas S. Lloyd, M.D., Commissioner, Department of Health Services; Edward W. Maher, Commissioner, Department of Income Maintenance; Ronald E. Manning, Commissioner, Department of Human Resources; Marin J. Shealy, Commissioner, Department on Aging; Gareth Thorne, Commissioner, Department of Mental Retardation; Audrey M. Worrell, M.D., Commissioner, Department of Mental Health.

[Editorial From WCBS-TV, New York]

NURSING HOME ABUSE

What do you think the punishment would be if a nursing home attendant punched, kicked or slapped a 90-year old patient? What do you think it would be if the patient was stuck in the face with safety pins or choked with a towel?

Well, if there were no physical injuries, amazingly the attendant would not be prosecuted. That's how the law stands now. And New York State Deputy Attorney General Edward Kuriansky, after investigating some 1100 cases of abuse and neglect, has called for the law to be changed so that such assaults on elderly nursing home patients can be prosecuted and criminal penalties imposed—even when there's no physical evidence. And he wants elderly nursing home patients to come under the same criminal statutes that protect children and the mentally disabled.

Elderly people in nursing homes are usually totally vulnerable—often too frail and sick to defend themselves against physical abuse and often completely dependent for food, medicine and daily care on the very people who may be socking, slapping and kicking them.

So we support Mr. Kuriansky's call for stiffer penalties. Such penalties will not of course stop all of the petty meanness and callousness of some orderlies, attendants and nurse's aides in nursing homes, but it will make it easier to punish them for physically abusing patients.

Even most important, the Deputy Attorney General has called for legislation upgrading the caliber of the aides and orderlies in nursing homes. He wants them to complete a special training course in the care of the infirm elderly, have the state certify them and require licensed homes to hire only such employes. And that's basic.

Of course, you can't legislate kindness but we hope the state Legislature shows its humanity by acting quickly on these measures so that thousands of our most helpless elderly citizens are better protected against inhumanity in nursing homes.●

Mr. DINGELL. Mr. Speaker, the bill H.R. 6916, the National Nursing Home Standards Act of 1982, follows:

H.R. 6916

To provide for a National Commission on the Regulation of Nursing Homes and a moratorium on deregulation of skilled nursing and intermediate care facilities until September 30, 1984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Nursing Home Standards Act of 1982".

NATIONAL COMMISSION ON THE REGULATION OF NURSING HOMES

SEC. 2. (a) Congress finds the following:

(1) In carrying out its responsibility to serve the national interest, Congress must ensure that the care provided to nursing home residents and the environment in which such care is rendered are of the highest possible quality.

(2) Inasmuch as a substantial portion of the cost of such care is met by the Government of the United States, principally through title XVIII (medicare) and title XIX (medicaid) of the Social Security Act, it is the responsibility of Congress and the Executive Branch to assure that standards which govern the provision of such care, and the enforcement of such standards, are adequate to protect the health and safety of residents and to promote the effective and efficient use of public monies.

(3) Existing regulations relating to the provision of such care have brought about a great deal of progress in achieving these goals.

(4) Revisions in these regulations, proposed by the Department of Health and Human Services in the Federal Register of May 27, 1982, would jeopardize enforcement of standards and quality of care but would not effectively address the concerns that existing regulations could be improved with respect to duplication, complexity, and reasonableness.

(5) An evaluation of existing regulations for their adequacy and necessity is in order, and until such evaluation is completed these proposed regulations should not be published in final form.

(b)(1)(A) The Secretary of Health and Human Services shall arrange, in accordance with subsection (d), for the establishment of a National Commission on the Regulation of Nursing Homes (hereinafter in this section referred to as the "Commission").

(2) The purposes of the Commission are—

(A) to examine the existing quality, health, and safety requirements of the medicare and medicaid programs for skilled nursing and intermediate care facilities and the regulations relating to the enforcement of such requirements for their adequacy, necessity, and effectiveness, with special attention to their effectiveness in promoting patient care;

(B) to examine and make recommendations with respect to the role of the Federal and State governments in assuring the health and safety of residents of skilled nursing and intermediate care facilities, including the appropriateness of providing for certification by national accreditation bodies of compliance of such facilities with some or all of the requirements relating to such facilities; and

(C) to make the specific recommendations, including recommendations for legislation if appropriate, to the Congress and to the Secretary of Health and Human Services, not later than January 15, 1984, for improvement of existing regulations, including any recommendations for alternative approaches to the regulation of skilled nursing and intermediate care facilities under the medicare and medicaid programs.

In reviewing regulations concerning such facilities, the Commission shall pay special attention to the enforcement of such regulations (including any regulations it may recommend).

(3) The work of the Commission shall be conducted in a manner which provides for the involvement of Members of Congress or their representatives, officials of the Department of Health and Human Services, and officials of State and local governments who are not members of the Commission. In addition, the Commission may consult with any individual or organization with expertise in issues relating to the work of the Commission.

(c) The Commission shall be composed of 17 members, of whom—

(1) nine are members of the Institute of Medicine of the National Academy of Sciences (and no more than four of whom are physicians);

(2) three are residents of a skilled nursing or intermediate care facility, or representatives of such individuals or organizations which advocate in their behalf;

(3) three are operators of skilled nursing or intermediate care facilities, or representatives of organizations which represent their interests; and

(4) two are officials of State government (whether elected or appointed) with responsibility relating to the health and safety of residents of skilled nursing and intermediate care facilities, or representatives of such officials or of organizations representing such officials.

(d) The Secretary of Health and Human Services shall request the National Academy of Sciences, through the Institute of Medicine, to establish, appoint, and provide administrative support for the Commission under an arrangement under which the actual expenses incurred by the Academy in carrying out such functions will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with the Academy.

MORATORIUM ON DEREGULATION OF SKILLED NURSING AND INTERMEDIATE CARE FACILITIES UNTIL SEPTEMBER 30, 1984

SEC. 3. The Secretary of Health and Human Services may not promulgate any change in the regulations prescribed under—

(1) subpart K of part 405 of subchapter B (relating to medicare conditions of participation of skilled nursing facilities),

(2) so much of subpart S of part 405 of subchapter B (relating to certification procedure for providers) as relates to certification of skilled nursing facilities, and

(3) subparts C, D, and E of part 442 of subchapter C (relating to medicaid certification and requirements for skilled nursing and intermediate care facilities),

of chapter IV of title 42 of the Code of Federal Regulations until September 30, 1984, unless ordered to do so by a court of competent jurisdiction.●

THE PLIGHT OF MATTIE DUDLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, I am inserting for the RECORD two articles from today's Washington Post which I want to make sure my colleagues take note of. Both the Post's editorial and Mr. Kilpatrick's article discuss the plight of Mattie Dudley, a crippled senior citizen who, due to an unjust provision in the welfare laws, was threatened with selling her prepaid burial plan so that she could remain eligible for supplemental security income (SSI) benefits.

Last spring, after dealing with a number of cases similar to Miss Dudley's, Mr. STARK and I introduced legislation to exclude burial plots and plans from the assets test in the determination of eligibility for SSI and, by reference, medicaid benefits. Now this proposal has been included in the Ways and Means reconciliation bill which is currently in conference with the Senate.

What happened to Mattie Dudley—and no doubt to some of your elderly constituents points out a terrible disincentive in our welfare laws. We now have a chance to show that Congress is not insensitive to restructuring welfare programs to assure that the most needy are taken care of without destroying their dignity or self-determination. I urge my colleagues to join me in supporting this reform.

[From the Washington Post, Aug. 3, 1982]

THE SAD STORY OF MATTIE DUDLEY

(By James J. Kilpatrick)

CHARLOTTESVILLE, VA.—The story that follows is a true story. It is not one of those events that reportedly happened to someone else in some other place. This story didn't happen once upon a time. It happened here, this week, to Mattie Dudley, 67, crippled since infancy, a little old lady in a wheelchair who peddles the Daily Progress on the streets of this university town.

As of Aug. 1, her Medicaid benefits have been suspended for the next two years.

How come?

The government's welfare workers discovered that Mattie Dudley had assets—really, one asset—in excess of the maximum permitted by law. And what was this asset?

It was a $1,000 funeral certificate that she finally was able to purchase in 1979 from the savings of a lifetime. Possession of the certificate, guaranteeing her a funeral from the Hill & Wood Funeral Service, made her ineligible for benefits under the Supplemental Security Income program. In order to preserve her SSI benefits, she wound up having to give up her Medicaid.

Charles Giametta, a reporter for the Progress, spelled out the infuriating facts in a page one story last week. Mattie Dudley was born at Miller School in Albermarle County, where her father was a groundskeeper. A congenital condition caused her legs to shrivel and atrophy. She lives alone in a sparsely furnished basement apartment, but every day she is out on the downtown streets, a familiar figure in her canopied wheelchair, selling papers and talking to her customers.

Miss Dudley had been getting along, just barely, on her $280 a month in SSI benefits. This is a federally funded program that aids disabled or poor persons who are not covered by regular Social Security. Such benefits are limited to those persons whose assets do not exceed $1,500.

Purchase of the burial certificate in 1979 pushed her close to the limit. Now interest on the certificate, amounting to $226.17, has pushed her over the top. As Giametta said in his newspaper story, she has dropped through a hole in the safety net.

When this calamitous overage first was called to her attention a few weeks ago, Mattie Dudley transferred her burial certificate to a friend. The friend promised to bury her according to plan, in the gray dress

in the gray casket that Miss Dudley had picked out. It turned out that mere transfer of the certificate wasn't enough. Giametta explains: "Because she did not sell the certificate and use the money to purchase necessities such as food or clothing, she violated state Medicaid rules."

Welfare workers summoned Miss Dudley to a conference in city hall. They gave her three options: (1) She could reacquire the certificate, cash it in and spend the proceeds on approved necessities; (2) she could reacquire the certificate and keep it, and thus lose her SSI benefits; or (3) she could leave things the way they are and forfeit her Medicaid benefits for the next two years. Spinning the wheel of fortune, she picked No. 3. Goodbye, Medicaid.

"Maybe sometime I might need it," she told Giametta, "if I got sick and couldn't do for myself. But right now, I can do for myself. I ain't never sick much."

The welfare workers should not be cast as the wicked witches in this story. They were sympathetic with Mattie Dudley's plight, but rules are rules. "It's not what we want, it's the regulations we have to follow." Another local funeral home confirmed that a dozen other elderly pensioners have cashed in their prepaid certificates in the past year in order to preserve their eligibility for welfare.

A proper story should have a happy ending. This one doesn't. Congressman Kenneth Robinson, who represents the Charlottesville area, boiled over when he learned of Mattie Dudley's case. He has introduced a bill to remedy the situation for all pensioners so situated, but the mills of the law grind slowly, and for this little old lady in a wheelchair, time is running out.

MATTIE DUDLEY'S TROUBLES

There is a lesson for budget-cutters in the story of Mattie Dudley, well told by James J. Kilpatrick on the opposite page today. It is this: there are important social values bound up in how a society runs its welfare programs, and these aren't always measured in the bottom line of a budget sheet.

Miss Dudley has been caught in one of those "welfare traps" that have proliferated in the welfare laws in the last few years. Her trouble comes from the fact that she is too much like other people—and not enough like that stereotypical wastrel whose image has guided recent developments in welfare law. Mattie Dudley wants to be productive, so, despite having been crippled from birth, she sells newspapers on the street. She knows she'll never be well-off in this life, but she thought she might at least provide herself with a decent burial.

The government, of course, could have none of that. Welfare recipients aren't supposed to have aspirations or dignity, and they are certainly not to be encouraged to accumulate any assets beyond the minimum needed for daily survival. So the welfare office threatened to take away her modest welfare grant unless she got rid of the $1,000 certificate guaranteeing her a funeral. When she gave the certificate to a friend, they got her on another technicality added to the welfare law in the budget process a year and a half ago. Because she disposed of an asset for less than fair market value, her Medicaid was cut off.

There are many such traps now built into welfare law—rules that reinforce dependency and destroy people's self-respect. The rule that we noted last week, for example, that now keeps poor youngsters from holding summer jobs lest their mothers lose all welfare aid. And the provisions that now make welfare families considerably worse off if they try to achieve independence by working.

Laws like these are corrosive in their effects on families and individuals. When they come to light in real cases, like Mattie Dudley's, they arouse the general sense of outrage. But somehow those feelings don't come forward in the cold, hard calculations of the budget process that now dominates all congressional consideration. So we'll make another argument more suitable to the times. Destroying peoples' sense of dignity and achievement doesn't save money for the taxpayer, it simply ensures that the problems of dependency will be with us for a long time to come.

There are provisions in the House Ways and Means Committee budget reconciliation bill—in conference with the Senate this week—that would dismantle some of these welfare traps. They're too late to help Mattie Dudley, but they could prevent more cases like hers in the future.●

RETAINMENT OF THE FIFTH PREFERENCE IMMIGRATION STATUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, today I would like to quote the immortal words of a lady we all know. This lady never speaks, but her words cry out for all the world to hear. Implanted in New York Harbor, she commands:

Keep ancient lands, your storied pomp!
Give me your tired, your poor
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door!

As Americans we are not only familiar but equally proud of this indestructible promise. We are proud because these words symbolize the strength of this Nation, a strength that draws its might from the diversity of its people.

Mr. Speaker, today, this very strength that is the foundation of these United States faces its greatest peril, the proposed elimination of the fifth preference immigration status.

The fifth preference, as I am sure many of my colleagues are aware, is the immigration statute which enables the brothers and sisters of American citizens and permanent residents regardless of marital status, to petition for entry into the United States.

Currently, however, this provision faces extinction under S. 2222 and is being irrevocably altered in H.R. 6514. While I am in total support of the complete restoration of the fifth preference, I will reserve the large portion of my remarks to the implications that will occur if this category is eliminated as provided for in S. 2222.

Mr. Speaker, it is my strong contention that the elimination of the fifth preference, regardless of intent, will deal a devastating blow against the Asian-American community in this country.

Although the champions of this action claim that no one particular ethnic group has been targeted, they cannot deny the overwhelming and glaring evidence that over 70 percent of the immigrants currently waiting to be processed under the fifth preference category are of Asian descent.

Clearly, no substantial amount of reasoning is needed to deduce that Asian immigrants, the newest wave of nationals to enter our country, would feel the full brunt of this discriminatory move. I am truly disappointed and ashamed that Congress, the institution which exemplifies our democratic ideal, is even capable of considering such an exclusionary move.

Moreover, these very same proponents further claim that abolishing the fifth preference is the only viable method to clear the tremendous backlog in this category. This line of deduction is not only faulty but erroneous as well.

Our Nation at the turn of the century encountered a similar situation with Italian immigrants. But rather than resort to an exclusionary alternative, Congress instead implemented remedial legislation that called for the issuing of more visas to accommodate the backlog. There is no doubt in my mind that this solution is infinitely more viable than the elimination of such an important category.

Yet, perhaps the most alarming implication in the proposed removal of the fifth preference is that it violates the right of an American to be reunited with his family.

Throughout the history of U.S. immigration law, one goal has always been recognized as a major underlying policy: the reunification of families. Even the Quota Act of 1921, which specifically restricted Asian immigration into this country, contained provisions that gave preference to wives, parents, brothers, sisters, and children of U.S. citizens. In short, it was always stressed that families must be reunited.

As Americans we cherish the ideal of a complete family and believe it a necessary cornerstone for the foundation of a functional and responsible society. This being the case, prohibiting brothers and sisters from being reunited with their families only serves to undermine the stability of the most basic unit of American society,

Furthermore, the repeal of this section of the statute proclaims that brother and sister are no longer part of the immediate family, that they are somehow less important to the family structure. I find this conclusion to be

very distressing, and am convinced that none of my colleagues would consider his brother or sister not a part of his immediate family.

There has been testimony from many concerned Asian-Americans—Mabel Teng and George Long Suey from San Francisco in particular—that the bond between brother and sister in the Asian family is one of the strongest bonds that can ever be forged, often exceeding the relationship with the spouse.

Mr. Speaker, I hold a deep esteem for the Asian ideal, but I would be remiss if I did not state that the fraternal and sororal love shared in families is not unique to Asian-Americans. Americans, from the many diverse ethnic heritages that comprise this country, share the same love between brother and sister. This proposed action would hurt not only one segment of our population but Americans of all ethnic backgrounds.

Finally, there is one more poignant aspect that must be examined when scrutinizing the impact of deleting this law. It concerns the Chinese-Americans who are residing in this country. Many of these citizens have brothers and sisters who live in mainland China—brothers and sisters they have not seen for over 30 years as a result of our past policy toward that nation. To deny these brothers and sisters their right to emigrate to the United States would be a cruel and insensitive act. Conversely, a large portion of these same Chinese-Americans have parents that have long since passed away; their brothers and sisters are now the only part of the family that remains, and their relationship will grow even stronger through the years.

Our great Nation has often been characterized as the "melting pot of the world." It is a characterization we hold in high regard. Yet equally important, is our concept of the complete family, an essential element in the building of our society. The elimination of the fifth preference could only result in irreparable damage to these two institutions we hold so dear and that are so vital to our Nation. I urge all my colleagues to defeat such a hideously insensitive move and completely restore the fifth preference immigration category.

I know of a certain lady who would be tremendously proud of us.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. WRIGHT), until further notice, on account of illness in the family.

Mr. HALL of Ohio (at the request of Mr. WRIGHT), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FIELDS) to revise and extend their remarks and include extraneous material:)

Mr. ERDAHL, for 5 minutes, today.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. FORD of Michigan, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. DINGELL, for 60 minutes, today.

Mr. GLICKMAN, for 5 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, on August 4.

Mr. BENJAMIN, for 60 minutes, on August 4.

Mr. SAVAGE, for 60 minutes, on August 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WEISS, in opposition to the motion to recommit H.R. 6862, immediately preceding the vote.

Mr. VENTO, immediately prior to the vote on H.R. 6862.

Mr. NELSON, prior to the vote on the Smith of Iowa amendment, during debate on H.R. 5427, in the Committee of the Whole.

(The following Members (at the request of Mr. FIELDS) and to include extraneous matter:)

Mr. WILLIAMS of Ohio.

Mr. FINDLEY in two instances.

Mrs. HECKLER in two instances.

Mrs. FENWICK.

Ms. ASHBROOK.

Mr. FORSYTHE.

Mr. COLLINS of Texas in three instances.

Mr. MCKINNEY.

Mr. ROBERTS of South Dakota.

Mr. BEREUTER in two instances.

Mr. DANNEMEYER in three instances.

Mr. CONTE.

Mr. FRENZEL in two instances.

Mr. RHODES.

Mr. DERWINSKI in two instances.

Mr. HILER.

Mr. DUNN.

Mr. EMERSON.

Mr. GREEN.

Mr. MOLINARI.

Mr. PORTER in two instances.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mrs. SCHROEDER.

Mr. BLANCHARD.

Mr. LEATH of Texas.

Mr. STUDDS.

Mr. ROSENTHAL.

Mr. OTTINGER.

Mr. GARCIA in two instances.

Mr. WILLIAM J. COYNE.

Mr. BINGHAM.

Mr. LEHMAN.

Mr. LANTOS.

Mr. SOLARZ.

Mr. HOWARD.

Mr. FITHIAN.

Mr. MARKEY.

Mr. SHELBY.

Mr. SMITH of Pennsylvania in two instances.

Mr. FUQUA.

Mr. MURPHY.

Mr. LUNDINE.

Mr. HOYER.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2218. An act to provide for the development and improvement of the recreation facilities and programs of Gateway National Recreation Area through the use of funds obtained from the development of methane gas resources within the Fountain Avenue Landfill site by the city of New York.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 39 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 4, 1982, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4519. A letter from the Secretary of the Air Force, transmitting notice supplementing the report of March 9, 1982, that a weapon system has exceeded the baseline unit cost by more than 25 percent, pursuant to section 917(b)(2) of Public Law 97-86; to the Committee on Armed Services.

4520. A letter from the District of Columbia Auditor, transmitting a report on allegations by Roarda, Inc. that the petroleum supply contract awarded to Jackson Oil under IFB No. 0064-AA-91-0-2-PF contained an illegal price escalation clause, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

4521. A letter from the Secretary of Education, transmitting a report on the condition of bilingual education in the Nation, and the administration of the Bilingual Education Act, pursuant to section 731(c) of the Education Amendments of 1978; to the Committee on Education and Labor.

4522. A letter from the Secretary of Education, transmitting a report on the methods of converting the bilingual education program from a discretionary grant program to a formula grant program, pursuant

to section 731(f) of the Education Amendments of 1978; to the Committee on Education and Labor.

4523. A letter from the Secretary of the Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in Docket No. 38799, *Light Density Surcharge Brunswick, MO—Omaha, NE, Line N&W,* within the initially specified 5-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

4524. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Italy (Transmittal No. 82-63), pursuant to section 36(b) of the Arms Control Act; to the Committee on Foreign Affairs.

4525. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $15,000 to the CNG Producing Co. for an excess royalty payment, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4526. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $14,985 to the Diamond Shamrock Corp. for an excess royalty payment, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4527. A letter from the Director, Minerals Management Services, Department of the Interior, transmitting notice of the proposed refund of $14,516.34 to the Getty Oil Co. for an excess royalty payment, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4528. A letter from the Director, Minerals Management Service Department of the Interior, transmitting notice of the proposed refund of $17,280 to the Superior Oil Co. for an excess royalty payment, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4529. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $100,000 to the Tenneco Oil Co. for an excess royalty payment, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4530. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $15,000 to the Union Texas Petroleum Corp. for an excess royalty payment, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4531. A letter from the Administrator of General Services, transmitting a prospectus for design of alterations at 12 different locations, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4532. A letter from the Deputy Administrator of General Services, transmitting reports on building project surveys for Hauppauge, and Hempstead, N.Y.; to the Committee on Public Works and Transportation.

4533. A letter from the Secretary of Housing and Urban Development, transmitting the annual report for fiscal year 1981 of the Board of Directors of the Solar Energy and Energy Conservation Bank, pursuant to section 519, and the report on the impact of the limitation on payments to utilities for financial assistance for the purchase and installation of solar energy systems; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

4534. A letter from the Comptroller General of the United States, transmitting a report on prisoners receiving social security and other Federal retirement, disability, and education benefits (HRD-82-43, July 22, 1982); jointly, to the Committees on Government Operations, Education and Labor, Veterans' Affairs, and Ways and Means.

4535. A letter from the Comptroller General of the United States, transmitting a report on the development and application of a method for performing net energy analysis (IPE-82-1, July 26, 1982); jointly, to the Committees on Government Operations, Agriculture, Energy and Commerce, Science and Technology, and Banking, Finance and Urban Affairs.

4536. A letter from the Inspector General, Department of Health and Human Services, transmitting copy of "A Legal, Investigative and Procedural Guide to the Civil Monetary Penalties Law of 1981," prepared by his office; jointly, to the Committees on Ways and Means, Energy and Commerce, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MONTGOMERY: Committee on Veterans' Affairs. Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 97-688). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. Subdivision among subcommittees of budget allocation for fiscal year 1983 submitted pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 97-689). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 545. Resolution providing for the consideration of H.R. 6307, a bill to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1983 and 1984, and for other purposes (Rept. No. 97-690). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 546. Resolution providing for the consideration of H.R. 6308, a bill to insure rail safety, provide for the preservation of rail service, transfer responsibility for the Northeast corridor improvement project to Amtrak, and for other purposes (Rept. No. 97-691). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 547. Resolution providing for the consideration of H.R. 6812, a bill to limit the salaries and expenses of certain offices within the Department of the Treasury and the Department of Housing and Urban Development (Rept. No. 97-692). Referred to the House Calendar.

Mr. FASCELL: Committee of conference. Conference report on S. 1193 (Rept. No. 97-693). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. Report pursuant to section 302(b)(2) of the Congressional Budget Act of 1974 (Rept. No. 97-694). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 6046. A bill to amend title 18 of the United States Code with respect to extradition, and for other purposes (Rept. No. 97-627, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONIOR of Michigan (for himself, Mr. EDWARDS of California, Mr. EDGAR, and Mr. DASCHLE):

H.R. 6915. A bill to amend title 38 of the United States Code to clarify the time limitations for the completion by veterans of a program of education, and to include alcohol and drug dependence or abuse as medical conditions for purposes of determining the eligibility of veterans for readjustment and related benefits; to the Committee on Veterans' Affairs.

By Mr. DINGELL (for himself, Mr. WAXMAN, Mr. PEPPER, Mr. JACOBS, Ms. MIKULSKI, Mr. MOFFETT, Ms. OAKAR, Mrs. SNOWE, Mr. WYDEN, and Mr. RATCHFORD):

H.R. 6916. A bill to provide for a National Commission on the Regulation of Nursing Homes and a moratorium on deregulation of skilled nursing and intermediate care facilities until September 30, 1984; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mrs. MARTIN of Illinois (for herself and Mr. FINDLEY):

H.R. 6917. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 with respect to the conditions under which extended compensation is payable in any State; to the Committee on Ways and Means.

By Mr. PEYSER:

H.R. 6918. A bill to authorize the Attorney General to assist Rockland County, N.Y., in providing for expenses of courtroom security and defendant custody in the case of *People* v. *Boudin,* et al; to the Committee on the Judiciary.

By Mr. TAUKE (for himself, Mr. BEDELL, Mr. LEACH of Iowa, Mr. EVANS of Iowa, Mrs. SNOWE, Mr. CONTE, Mr. LAFALCE, and Mr. SPENCE):

H.R. 6919. A bill to temporarily suspend certain amendments made to the extended unemployment compensation program by the Omnibus Budget Reconciliation Act of 1981, and for other purposes; to the Committee on Ways and Means.

By Mr. PERKINS, (for himself, Mr. OBERSTAR, Mr. HAWKINS, and Mr. WRIGHT):

H.J. Res. 562. Joint resolution making an urgent supplemental appropriation for the Department of Labor for the fiscal year ending September 30, 1982; to the Committee on Appropriations.

By Mr. FUQUA:

H.J. Res. 563. Joint resolution designating November 14, 1982, as National Retired Teachers Day; to the Committee on Post Office and Civil Service.

By Mr. HUGHES:

H. Con. Res. 389. Concurrent resolution expressing the sense of the Congress that the Federal Trade Commission should prescribe a rule requiring used motor vehicle dealers to make certain written disclosures to consumers; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII,

452. The SPEAKER presented a memorial of the House of Representatives of the State of Illinois, relative to Haitian refugees; jointly, to the Committees on the Judiciary and Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. BARNES introduced a bill (H.R. 6920) for the relief of Yelizaveta Fankukhina; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1331: Mr. FOWLER.
H.R. 2007: Mr. GREGG.
H.R. 2221: Mr. FRANK.
H.R. 3117: Mr. LUNDINE and Mr. REUSS.
H.R. 3314: Mr. WON PAT, Mr. ROBERTS of South Dakota, Mr. FAZIO, and Mr. CLINGER.
H.R. 4351: Mr. PARRIS.
H.R. 4687: Mr. FISH.
H.R. 4744: Mr. RATCHFORD.
H.R. 4773: Mr. HYDE.
H.R. 5133: Mrs. BOGGS and Mr. ROSE.
H.R. 5188: Mr. MCGRATH, Mr. HAGEDORN, Mr. LONG of Maryland, Mr. GOLDWATER, Mr. DAUB, Mr. LIVINGSTON, and Mr. TAUKE.
H.R. 5552: Mr. BEILENSON and Mr. BROWN of California.
H.R. 5738: Mr. LAFALCE and Mr. LOWRY of Washington.
H.R. 5925: Mr. BETHUNE.
H.R. 5976: Mr. DERWINSKI.
H.R. 6017: Mr. BEDELL, Mr. BINGHAM, Mr. EDGAR, Mr. JACOBS, Mr. KOGOVSEK, and Mr. WOLPE.
H.R. 6099: Mr. LAFALCE and Mr. BEDELL.
H.R. 6190: Mr. WASHINGTON, Mr. FISH, and Mr. NEAL.
H.R. 6239: Mr. MINETA.
H.R. 6365: Mrs. SCHNEIDER.
H.R. 6460: Mr. LOWRY of Washington.
H.R. 6463: Mr. ROBERT W. DANIEL, JR.
H.R. 6467: Mr. RATCHFORD, Mr. SHUMWAY, Mr. UDALL, Mr. ANDREWS, Mr. CLAUSEN, Mr. BEVILL, Mr. DOWDY, Mr. TAUKE, Mr. FASCELL, Mr. VANDER JAGT, Mr. HOYER, and Mr. FARY.
H.R. 6483: Mr. RINALDO.
H.R. 6492: Mr. DAUB, Mr. FISH, Mr. FRENZEL, Mr. GRADISON, Mr. HANSEN of Utah, Mr. HUNTER, Mr. KINDNESS, Mr. KRAMER, Mr. PORTER, Mr. RUSSO, Mr. STANGELAND, and Mr. WEBER of Minnesota.
H.R. 6529: Mr. SILJANDER and Mr. SYNAR.
H.R. 6591: Mr. CORRADA, Mr. GOODLING, and Mr. VENTO.
H.R. 6640: Mr. WOLF.
H.R. 6690: Mr. FAUNTROY, and Mr. FAZIO.
H.R. 6693: Mr. ECKART, Mr. HUGHES, Mrs. SNOWE, and Mr. LAFALCE, and Mr. CLINGER.
H.R. 6700: Mr. WEBER of Ohio.
H.R. 6746: Mr. MITCHELL of Maryland.
H.R. 6764: Mr. SANTINI and Mr. COELHO.
H.R. 6768: Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. WHITEHURST, and Mr. WOLF.
H.R. 6789: Mr. WILSON, Mr. DE LA GARZA, Mr. BEDELL, and Ms. FERRARO.
H.R. 6806: Mr. DINGELL, Mr. HUGHES, and Mr. HYDE.
H.R. 6866: Mr. PANETTA, Mr. HEFTEL, Mr. FAZIO, and Mr. COELHO.
H.R. 6875: Mrs. BYRON.
H.J. Res. 172: Mr. SABO.
H.J. Res. 499: Mr. COATS, Mr. HARTNETT, Ms. MIKULSKI, Mr. ROGERS, Mr. JEFFORDS, Mr. FAZIO, Mr. IRELAND, Mr. NEAL, Mr. TRAXLER, Mr. WALGREN, and Mr. TAUKE.
H.J. Res. 538: Mr. HAMMERSCHMIDT and Mr. DUNN.
H.J. Res. 551: Mr. SHANNON, Mr. GEPHARDT, Mr. DICKS, Mr. COELHO, Mr. HOWARD, Mr. BOLAND, Mr. PEASE, Mrs. BOGGS, Mr. BINGHAM, Mr. JOHN L. BURTON, Mr. DASCHLE, Mr. WOLPE, Mr. HOYER, Mr. ROYBAL, Mr. AKAKA, Mr. EDWARDS of California, Mr. RODINO, Mr. BIAGGI, Mr. RICHMOND, Mr. ADDABBO, Mr. SCHEUER, Mr. SOLARZ, Mr. DYMALLY, Mr. TRAXLER, Mr. STOKES, and Mrs. FENWICK.
H. Con. Res. 263: Mr. DOUGHERTY.
H. Con. Res. 364: Mr. ROBERT W. DANIEL, JR. and Mr. LANTOS.
H. Con. Res. 370: Mr. NELSON, Mr. SCHUMER, Mr. ADDABBO, Mr. PEPPER, Mr. DWYER, Mr. PORTER, Mr. WAXMAN, Mr. CORCORAN, Mr. SIMON, Mr. SUNIA, Mr. SKELTON, Mr. ROE, Mr. AUCOIN, Mr. FAZIO, Mr. FRANK, Mr. FROST, Mr. MOFFETT, Mr. DOUGHERTY, Mr. GREEN, and Mr. OTTINGER.
H. Con. Res. 379: Mr. DAUB, Mr. CAMPBELL, Mr. OTTINGER, Mr. EDGAR, Ms. FERRARO, Mr. ARCHER, Mr. ROBERT W. DANIEL, JR., Mr. FAZIO, Mr. DWYER, and Mr. STOKES.
H. Con. Res. 385: Mr. SCHUMER, Mr. BRODHEAD, Mr. BROWN of California, Mr. KILDEE, Mr. FORSYTHE, Mr. EDGAR, Mr. OBERSTAR, Mr. LENT, Mr. WOLPE, Mr. FORD of Tennessee, Mr. BINGHAM, Mr. WILSON, Mr. FITHIAN, and Mr. RATCHFORD.
H. Res. 485: Mr. DOUGHERTY.
H. Res. 505: Mr. YATRON, Mr. WASHINGTON, and Mr. MOAKLEY.
H. Res. 521: Mr. LEBOUTILLIER, Mr. KEMP, Mr. MCDONALD, and Mr. BEARD.
H. Res. 531: Mr. DELLUMS, Mr. CONYERS, Mrs. CHISHOLM, Mr. BROWN of California, Mr. LEACH of Iowa, Mr. FROST, Mr. EDGAR, Mr. TAUKE, Mr. SCHUMER, Mr. OTTINGER, Mr. UDALL, Mr. FOGLIETTA, Mr. MOLINARI, Mr. FAUNTROY, Mr. RICHMOND, Mr. JEFFORDS, Mr. WEAVER, Mr. LOWRY of Washington, Mr. STUDDS, and Mr. RATCHFORD.

PETITIONS, ETC.

Under clause 1 of rule XXII,

548. The SPEAKER presented a petition of the Greater Los Angeles Unity Chapter, National Council of Senior Citizens, Los Angeles, Calif., relative to support of S. 1528 and H.R. 3847 concerning the social security system; which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4230

By Mr. BEREUTER:

—Page 13, after line 12, insert the following new subsections and redesignate subsection (c) on line 13 as subsection (e):

(c) In the case of a coal pipeline which may be used to transport coal over, under, upon, or through more than one State, and for which a certificate was issued under section 10952 of Title 49 of the United States Code, no groundwater may be used by that pipeline unless the Secretary of the Interior detemines that—

(1) the only source of any groundwater used by such pipeline will be an aquifer which is located under a single State, or

(2) the source of groundwater used by such pipeline will be an aquifer which underlies more than one State and there is in effect an interstate compact between the States concerned which governs the use by the pipeline of the groundwater from such aquifer.

(d) In the case of a coal pipeline which may be used to transport coal over, under, upon, or through more than one State, and for which a certificate was issued under section 10952 of Title 49 of the United States Code, no surface water may be used by that pipeline unless the Secretary of the Interior determines that—

(1) the only source of any surface water used by such pipeline will be any body of surface water which is located in a single State, or

(2) the source of any surface water used by such pipeline will be any body of surface water which is located in more than one State, and there is in effect an interstate compact between the States concerned which governs the use by the pipeline of the surface water from such source.

H.R. 5203

By Mr. PANETTA:

—Section 16 of the Federal Insecticide, Fungicide and Rodenticide Act is amended by adding at the end thereof a new subsection as follows:

"(e) Any person claiming to be injured by a violation of this Act may bring suit in the appropriate United States District Court for equitable relief but not for damages or attorney's fees. This subsection shall not be construed to permit class action suits as defined under Rule 23 of the Federal Rules of Civil Procedure."

By Mr. YATES:

—Page 84, after line 23, insert the following new section:

DENIAL AND CANCELLATION OF REGISTRATION OF TOXAPHENE

SEC. 18. (a) Notwithstanding any other provision of law—

(1) the Administrator of the Environmental Protection Agency shall deny under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act; and

(2) no State may provide under any law as permitted by section 24 of such Act;

registration of toxaphene for sale or use.

(b) Any registration of toxaphene for sale or use in effect after the date of the enactment of this Act under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act or under law of a State is hereby cancelled.

(c) As soon as practicable after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall—

(1) establish, in accordance with the Federal Insecticide, Fungicide, and Rodenticide Act, procedures and regulations for the disposal, storage, and transportation of unused quantities of toxaphene; and

(2) provide reasonable notice of such procedures and regulations to persons holding unused quantities of toxaphene.

H.R. 5320

By Mr. DYMALLY:

—On page 5, line 8 after "worksite," insert "as well as those with obsolete skills".

—On page 23, change letters "(F)", "(G)", "(H)", and "(I)" to (G), (H), (I), and (J), respectively, and insert on page 23 between lines 5 and 6:

"(F) assurances that arrangements with employers which include training at both the worksite and in a classroom will, to the extent feasible, provide for prior agreement with the employer on length of time to be spent in the classroom and length of time to be spent on the worksite. Such arrangements shall also assure that time to be spent in the classroom is the minimum necessary for occupational preparedness as described by employers, and that classroom training will enhance the trainee's career opportunities, productivity, and capability for career advancement;".

—On page 123, line 22 after "personnel," insert "including job skills teachers,".

By Mr. JEFFORDS:

—(1) Page 8, line 17, after the comma insert the following: "energy conservation improvements to dwellings occupied by low-income persons,".

Page 22, line 11, insert before the semicolon the following: ", with special attention to the national need to promote energy conservation and develop renewable energy sources".

Page 30, before line 10, insert the following new paragraph (and redesignate succeeding paragraphs accordingly):

"(5) provide training and employment opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;".

—(2) Page 85, line 23, after the comma insert the following: "low-income weatherization and other energy conservation programs,".

—(3) Page 121, line 2, strike out "and"; on line 8, strike out the period and insert in lieu thereof "; and"; and after such line insert the following new paragraph:

"(5) meet the need to develop a labor force with skills that promote the use of renewable energy technologies, energy conservation, and the weatherization of homes occupied by low-income families.".

—(4) Page 5, strike out line 13 and everything that follows through line 6 on page 6, and insert in lieu thereof the following:

SEC. 3. There are authorized to be appropriated to carry out this Act such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.

—(5) Page 66, after line 2, insert the following new section (and conform the table of contents accordingly):

USE OF FUNDS FOR TRAINING: MINIMUM PERCENTAGE

SEC. 134. (a) Not less than 70 percent of the total funds expended by any prime sponsor for any fiscal year for programs under part B of title II, part C of such title (other than section 267), and title III shall be expended for the direct provision of employment and training services.

(b) No expenditure for any of the following shall be construed to be an expenditure for the direct provision of employment and training services:

(1) wages, allowances, and stipends of participants;

(2) supportive services for participants; and

(3) administrative costs.

(c) For purposes of this section:

(1) Any expenditure for work experience activities shall be considered as an expenditure for training only if combined with relevant skills training for a participant enrolled in such activities for a period not to exceed six months.

(2) The term "supportive services" means services which are necessary to enable an individual who is eligible for, but unable to afford expenses related to, training under this Act to participate in such training. Such supportive services may include transportation, health care, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in such training and may be provided in-kind or through cash assistance.

(3) The term "administrative costs" means those direct and indirect costs associated with the management and supervision of programs at all levels. All costs not explicitly related to the delivery and provision of employment and training services shall be considered as administrative costs, including those costs incurred in planning, contract management, monitoring, and reporting by the prime sponsor in accordance with this Act.

Page 49, after line 17, insert the following new subsection:

(c) Participant wages, stipends, and allowances and related expenditures under this Act shall, except as provided under section 267 or 429, be considered supportive services.

—(6) Page 79, line 23, strike out "Wages" and insert in lieu thereof "Compensation in lieu of wages".

By Mr. RINALDO:

—Page 30, after line 18, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

"(9) expending an adequate portion of funds available under section 201(b) to identify, and promote the selection as participants of, eligible older persons in need of employment, and to provide eligible older persons with training designed to assure their placement with private business concerns;".

—Page 82, line 14, insert after "individuals" a comma and the following: "including older individuals".

Page 82, line 16, insert after "individuals" a comma and the following: "including older individuals".

Page 88, line 3, insert after "unemployed" a comma and the following: "including any older individual who has encountered long-term unemployment, or has been discouraged from seeking employment, and who may have substantial barriers to employment by reason of age,".

By Mrs. ROUKEMA:

—Page 120, line 2, insert before the semicolon the following: "including apprenticeable occupations sponsored by consortia of private sector employers".

H.R. 5427

By Mr. HARKIN:

—(1) Page 8, after line 12, insert the following:

PROHIBITION ON HIRING OF ADDITIONAL PERSONNEL FOR RADIO BROADCASTING TO CUBA

SEC. 7. Functions relating to radio broadcasting to Cuba under this Act may only be carried out by personnel of federal agencies, and no federal agency may employ additional personnel for purposes of carrying out any such function.

Page 3, line 16, strike out "The" and all that follows through the end of line 20.

(Amendment to substitute amendment offered by Mr. LEACH of Iowa.)

—(2) At the end of the substitute offered by Mr. LEACH, add the following:

Page 3, strike out lines 21 through 23 and insert in lieu thereof the following:

"(d) The frequency used for radio broadcasting to Cuba under this Act shall be a single AM frequency and—".

—(3) Page 8, line 7, strike out the closing quotation marks and the second period; and after line 7, insert the following:

"(d) There are authorized to be appropriated to the Board such sums as are necessary for use in making payments under this section to United States radio and television broadcasting station licensees as compensation on account of Cuban interference.".

—(4) Page 6, line 15, strike out $10,000,000" and insert in lieu thereof "$35,000".

—(5) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$40,000".

—(6) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$45,000".

—(7) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$50,000".

—(8) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$55,000".

—(9) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$60,000".

—(10) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$65,000".

—(11) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$70,000".

—(12) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$75,000".

—(13) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$80,000".

—(14) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$85,000".

—(15) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$90,000".

—(16) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$95,000".

—(17) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$100,000".

—(18) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$105,000".

—(19) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$110,000".

—(20) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$115,000".

—(21) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$120,000".

—(22) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$125,000".

—(23) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$130,000".

—(24) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$135,000".

—(25) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$140,000".

—(26) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$345,000".

—(27) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$350,000".
—(28) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$355,000".
—(29) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$360,000".
—(30) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$365,000".
—(31) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$370,000".
—(32) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$375,000".
—(33) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$380,000".
—(34) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$385,000".
—(35) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$390,000".
—(36) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$395,000".
—(37) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$400,000".
—(38) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$405,000".
—(39) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$410,000".
—(40) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$415,000".
—(41) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$420,000".
—(42) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$425,000".
—(43) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$430,000".
—(44) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$435,000".
—(45) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$440,000".
—(46) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$445,000".
—(47) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$450,000".
—(48) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$455,000".
—(49) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$460,000".
—(50) Page 6, line 15, strike out "$10,000,000" and insert in lieu thereof "$465,000".

H.R. 6214

By Mr. ECKART:

—At the end of the bill add the following new section:

LIMITATION ON PROJECTS IN NORTH ATLANTIC TREATY ORGANIZATION COUNTRIES

SEC. . None of the projects authorized by this Act may be carried out in the territory of a North Atlantic Treaty Organization member nation which has not increased its defense spending for fiscal year 1983 by at least 3 percent in real terms over its level of defense spending for fiscal year 1982.

By Mr. HYDE:

—At the end of the bill add the following new section:

LAND CONVEYANCE, COOK COUNTY, ILLINOIS

SEC. 806. (a) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the State of Illinois all right, title, and interest of the United States in and to approximately ten acres of land comprising a portion of the National Guard Maintenance Center located in Cook County, Illinois, and presently under license to the State of Illinois for National Guard use. The land authorized to be conveyed is more particularly described as follows: Beginning at a point 400 feet north of the southwest corner of section 23; thence east on a line parallel to the south line of the southwest quarter of section 23, a distance of 482 feet (plus or minus) to the existing chain link fence; thence north along the chain line fence 840 feet (plus or minus) to the south line of the Illinois Central Railroad property; thence northwesterly and west along the same south property line of the Illinois Central Railroad to the west line of the southwest quarter of section 23; thence south along the west line of the southwest quarter of section 23, 920 feet (plus or minus) to the point of beginning, all lying in the southwest quarter of section 23, township 39 north, range 12 east of the third principal meridian.

(b) In consideration for the conveyance authorized by subsection (a), the State of Illinois shall pay to the United States an amount equal to the appraised fair market value of the land to be conveyed (as determined by the Secretary), less any credit allowed under subsection (c). In addition, such conveyance shall be made subject to such terms, conditions, restrictions, and reservations as the Secretary determines to be necessary to protect the interests of the United States, including the interest of the United States in connection with the continued use by the United States of any property adjacent to or nearby the property conveyed.

(c) In determining the amount to be paid as consideration for the land to be conveyed, the Secretary may give appropriate credit for costs previously incurred by the State of Illinois in improving that land incident to its use under license from the Secretary.

(d) After the determination by the Secretary of the amount to be paid by the State of Illinois as consideration for the land to be conveyed (including the determination of any credit to be allowed under subsection (c)), and before the conveyance is made, the Secretary shall submit a report to the Committees on Armed Services of the Senate and House of Representatives setting forth the facts and circumstances leading to such determination. Such report shall include a detailed statement of the nature, extent, and amount of the costs previously incurred by the State for which the Secretary proposes to allow credit under subsection (c).

(e) The cost of any survey in connection with the conveyance of such property shall be borne by the State of Illinois.

(f) The authority of the Secretary under this section expires at the end of the two-year period beginning on the date of the enactment of this Act.

H.R. 6307

By Mr. ROE:

—Page 6, strike out line 6 and all that follows down through line 2 on page 8 and substitute:

HAZARDOUS WASTE MIXED WITH DOMESTIC SEWAGE

SEC. 4. The Administrator of the Environmental Protection Agency shall, not later than one year after the date of the enactment of this Act, submit a report to the Congress concerning hazardous wastes identified or listed under section 3001 of the Solid Waste Disposal Act which are excluded from regulation pursuant to subtitle C of the Solid Waste Disposal Act under regulations exempting mixtures of domestic sewage and other wastes that pass through a sewer system to a publicly owned treatment works for treatment. Such report shall specify the types and quantities of such hazardous wastes which are exempted pursuant to such regulations and shall include recommendations respecting whether or not existing law applicable to such mixtures are adequate to protect human health and the environment from the hazards associated with such wastes. Not later than six months after the date of the enactment of this section, the Administrator shall submit to Congress a notice setting forth the progress made on the report required under this section.

—Page 14, strike out line 23 and all that follows down through line 20 on page 31 and substitute:

NATIONAL GROUNDWATER COMMISSION

SEC. 9. (a) ESTABLISHMENT.—There is established a commission to be known as the National Groundwater Commission (hereinafter in this section referred to as the "Commission").

(b) DUTIES OF COMMISSION.—The duties of the Commission are to:

(1) Assess generally the amount, location, and quality of the Nation's groundwater resources.

(2) Identify generally the sources, extent, and types of groundwater contamination.

(3) Assess the scope and nature of the relationship between groundwater contamination and groundwater withdrawal and develop projections of available, usable groundwater in future years on a nationwide basis.

(4) Assess the relationship between surface water pollution and groundwater pollution.

(5) Assess the need for a policy to protect groundwater from degradation caused by contamination.

(6) Assess generally the extent of overdrafting of groundwater resources and the adequacy of existing mechanisms for preventing such overdrafting.

(7) Assess generally the engineering and technological capability to recharge aquifers.

(8) Assess the adequacy of the present understanding of groundwater recharge zones and sole source aquifers and assess the adequacy of knowledge regarding the interrelationship of designated aquifers and recharge zones.

(9) Assess the role of land-use patterns as these relate to protecting groundwater from contamination.

(10) Assess methods for remedial abatement of groundwater contamination as well as the costs and benefits of cleaning up polluted groundwater and compare cleanup cost to the costs of substitute water supply methods.

(11) Investigate policies and actions taken by foreign governments to protect groundwater from contamination.

(12) Assess the use and effectiveness of existing interstate compacts to address groundwater protection from contamination.

(13) Analyze existing legal rights and remedies regarding contamination of groundwater.

(14) Assess the adequacy of existing standards for groundwater quality under State and Federal law.

(15) Assess monitoring methodologies of the States and the Federal Government to achieve the level of protection of the resource as required by State and Federal law.

(16) Assess the relationship between groundwater flow systems (and associated recharge areas) and the control of sources of contamination.

(17) Assess the role of underground injection practices as a means of disposing of waste fluids while protecting groundwater from contamination.

(18) Assess methods for abatement and containment of groundwater contamination and for aquifer restoration including the costs and benefits of alternatives to abatement and containment.

(19) Assess State and Federal groundwater law and mechanisms with which to manage the quality and quantity of the groundwater resource.

(20) Assess the adequacy of existing groundwater research and determine future groundwater research needs.

(21) Assess the roles of State, local, and Federal Governments in managing groundwater quality and quantity.

(c) MEMBERSHIP.—(1) The Commission shall be composed of seventeen members as follows:

(A) Four appointed by the Speaker of the United States House of Representatives from among the Members of the House of Representatives, two of whom shall be members of the Committee on Public Works and Transportation and two of whom shall be members of the Committee on Energy and Commerce;

(B) Four appointed by the majority leader of the United States Senate from among the Members of the United States Senate;

(C) Eight appointed by the President as follows:

(i) Four from among a list of nominations submitted to the President by the National Governors Association, two of whom shall be representatives of groundwater appropriation States and two of whom shall be representatives of groundwater riparian States;

(ii) One from among a list of nominations submitted to the President by the National League of Cities;

(iii) One from among a list of nominations submitted to the President by the National Academy of Sciences;

(iv) One from among a list nominations submitted to President by groups, organizations, or associations of industries the activities of which may affect groundwater; and

(v) One from among a list of nominations submitted to the President from groups, organizations, or associations of citizens which are representative of persons concerned with pollution and environmental issues and which have participated, at the State or Federal level, in studies, administrative proceedings, or litigation (or any combination thereof) relating to groundwater; and

(D) the Director of the Office of Technology Assessment.

A vacancy in the Commission shall be filled in the manner in which the original appointment was made. Appointments may be made under this subsection without regard to section 5311(b) of title 5, United States Code. Not more than two of the four members appointed under subparagraph (A) and not more than two of the four members appointed under subparagraph (B) may be of the same political party. No member appointed under paragraph (C) may be an officer or employee of the Federal Government.

(2) If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he may continue as a member of the Commission for not longer than the ninety-day period beginning on the date he leaves that office or becomes such an officer or employee, as the case may be.

(3) Members shall be appointed for the life of the Commission.

(4)(A) Except as provided in subparagraph (B), members of the Commission shall each be entitled (subject to appropriations provided in advance) to receive the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(B) Members of the Commission who are Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(5) Five members of the Commission shall constitute a quorum but two may hold hearings.

(6) The Chairman of the Commission shall be appointed by the Speaker of the House of Representatives from among members appointed under paragraph (1)(A) of this subsection and the Vice Chairman of the Commission shall be appointed by the majority leader of the Senate from among members appointed under paragraph (1)(B) of this subsection. The Chairman and the Vice Chairman of the Commission shall serve for the life of the Commission unless they cease to be members of the Commission before the termination of the Commission.

(7) The Commission shall meet at the call of the Chairman or a majority of its members.

(d) DIRECTOR AND STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.—(1) The Commission shall have a Director who shall be appointed by the Chairman, without regard to section 5311(b) of title 5, United States Code.

(2) The Chairman may appoint and fix the pay of such additional personnel as the Chairman considers appropriate.

(3) With the approval of the Commission, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code.

(4) The Commission shall request, and the Chief of Engineers and the Director of the Geological Survey are each authorized to detail, on a reimbursable basis, any of the personnel of their respective agencies to the Commission to assist it in carrying out its duties under this section. Upon request of the Commission, the head of any other Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under this section.

(e) POWERS OF COMMISSION.—(1) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(3) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(4) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(5) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(f) REPORT.—(1) The Commission shall transmit to the President and to each House of the Congress a report not later than October 30, 1985. The report shall contain a detailed statement of the findings and conclusions of the Commission with respect to each item listed in subsection (b), together with its recommendations for such legislation, and administrative actions, as it considers appropriate.

(2) Not later than one year after the enactment of this Act, the Commission shall complete a preliminary study concerning groundwater contamination from hazardous and other solid waste and submit to the President and to the Congress a report containing the findings and conclusions of such preliminary study. The study shall be continued thereafter, and final findings and conclusions shall be incorporated as a separate chapter in the report required under paragraph (1). The preliminary study shall include an analysis of the extent of groundwater contamination caused by hazardous and other solid waste, the regions and major water supplies most significantly affected by such contamination, and any recommendations of the Commission for preventive or remedial measures to protect human health and the environment from the effects of such contamination.

(g) TERMINATION.—The Commission shall cease to exist on October 30, 1985.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the fiscal years 1983 through 1985 not to exceed $7,000,000 to carry out this section.

By Mr. STANTON of Ohio:

(Amendment in the nature of a substitute.) H.R. 6812

—Strike all after the enacting clause and insert in lieu thereof the following:

TREATMENT OF FHA SINGLE-FAMILY MORTGAGE INSURANCE PREMIUMS

SECTION 1. (a) Section 203(b) of the National Housing Act is amended by—

(1) inserting after "150 per centum of such median price" in the first sentence of paragraph (2) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(2) inserting after "cost of acquisition" in paragraph (9) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

(b) Section 203(c) of such Act is amended by inserting the following before the period at the end of the fourth sentence: ": *Provided*, That with respect to mortgages (1) for which the Secretary requires, at the time the mortgage is insured, the payment of a single premium charge to cover the total premium obligation for the insurance of the mortgage and (2) on which the principal obligation is paid before the number of years on which the premium with respect to a particular mortgage was based, or the property is sold subject to the mortgage or is sold and the mortgage is assumed prior to such time, the Secretary shall provide for refunds, where appropriate, of a portion of the premium paid and shall provide for appropriate allocation of the premium cost among the mortgagors over the term of the mortgage, in accordance with procedures established by the Secretary which take into account sound financial and actuarial considerations".

(c) Section 213(b)(2) of such Act is amended by inserting after "exceeded by not to exceed 90 per centum in such an area " the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(d) Section 221(d) of such Act is amended by—

(1) inserting after "in any geographical area where he finds that cost levels so require" in paragraph (2)(A) the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "of its acquisition cost" in paragraph (2)(B)(i)(2) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)"; and

(3) striking out "mortgage insurance premium," in paragaraph (2)(B)(i)(2).

(e) Section 234(c) of such Act is amended by inserting after "one-family house price in the area, as determined by the Secretary" in clause (A) of the third sentence thereof the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(f) Section 235(i) of such Act is amended by—

(1) inserting after "respectively" in paragraph (3)(B) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "respectively" in paragraph (3)(C) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(3) inserting after "so require)" in paragraph (3)(D) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(4) inserting after "acquisition" in paragraph (3)(E) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

IMPLEMENTATION

SEC. 2. The amendments made by this Act may be implemented only if the Secretary determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by this Act, is actuarially sound.

Amend the title to read: "A bill to facilitate the collection of insurance premiums under title II of the National Housing Act."

H.J. RES. 521

By Mr. DOWNEY:

—Page 4, strike out lines 19 through 21 and insert in lieu thereof the following:

SEC. 2. The Congress hereby approves the agreement between the United States and the Union of Soviet Socialist Republics on the limitation of strategic offensive arms (signed at Vienna, Austria, on June 18, 1979; commonly referred to as the SALT II agreement); and the President shall prepare and transmit to the Soviet Union the necessary instruments of ratification.

By Mr. LENT:

—Page 4, insert the following after line 3 and redesignate succeeding paragraphs accordingly.

"(4) Providing for cooperative measures of verification, including provisions for on-site inspection, to complement National Technical Means of verification and to ensure compliance.".

By Mr. LEVITAS:

—Page 3, line 3, immediately after "That" insert "(a)"; and on page 4, after line 18, insert the following:

(b) Obtaining or continuing an agreement on a freeze in accordance with this resolution shall cease to be an element of the START process at the end of the 2-year period beginning on the date of enactment of this joint resolution unless the President certifies to the Congress at the end of that 2-year period that substantial progress is being made in negotiating substantial equitable and verifiable reductions.

SENATE—*Tuesday, August 3, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met a 10 a.m., on the expiration of the recess. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson. LL.D., D.D., offered the following prayer:

Gracious Father in Heaven, we thank Thee for our amazing Nation—for its industry, its productivity, its prosperity. We thank Thee for the abundance which has been lavished upon us as a people. Forgive our inclination to take this abundance for granted. Help us, dear God, not to have to lose it before we appreciate it.

Help us to take seriously our stewardship and to be grateful for the fact we have more than enough of everything. Save us from indifference to the many who never have enough of anything. Deliver us from greed—from the "cares of this world, the deceitfulness of riches, and the lust of other things," which Jesus said choke the word of God in our hearts. Liberate us from the relentless pursuit of "more" and give us compassion for the needy, and grace to share with them our abundance.

Loving God, receive our thanks, we pray, in the name of Him whose love is unconditional, impartial and sacrificial. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE SENATE SCHEDULE

Mr. BAKER. Mr. President, I will state the schedule for today.

Mr. President, after the time for the recognition of the two leaders has expired, the Senator from Georgia (Mr. NUNN) will be recognized on a special order not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business in which Senators may speak for not more than 2 minutes, to extend not past the hour of 10:50 a.m.

At 10:50 a.m., the Senate will turn once again to the consideration of the Dodd amendment, No. 2009, to Senate Joint Resolution 58. There is a time limitation of 10 minutes to be equally divided on that amendment. At 11 a.m. a rollcall vote will occur on or in respect to that amendment. The rollcall has already been ordered.

After the conclusion of that rollcall, Mr. President, there will be four votes back-to-back on amendments as follows: The Mathias-Baucus amendment, No. 1931, the Moynihan amendment, No. 1928, as modified, a Cranston amendment No. 1996, and another Cranston amendment numbered 1989. Rollcall votes are ordered. The succeeding votes after the first vote will be 10 minutes in length instead of the standard 15 minutes, according to the order entered last evening.

After the conclusion of the consideration of the second Cranston amendment, it is anticipated the Senate will return to the consideration of the Armstrong-Boren amendment numbered 2010, which was temporarily laid aside last evening in order to permit the principals and the managers to consult and confer on how to proceed on that matter.

I do wish, Mr. President, to deal with that matter immediately before we proceed to another amendment.

Mr. President, I urge Senators to come to the floor and offer their amendments today. There are 20 specified amendments that have not yet been dealt with. I am prepared to ask the Senate to remain in late today in order to complete all the amendments that may be called up before we go out this evening so that when we convene tomorrow the remaining amendment will be the Cranston amendment, which I understand is the wish of the minority, and general debate, with a final vote to occur at 12 noon.

Mr. President, I understand there may be a request for consent for committees to transact business, that is, to report certain nominations at 3 p.m. I will not now make that request pending the consideration of that possible request by the minority leader.

ORDER FOR RECESS TODAY UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, is there an order for the Senate to convene tomorrow?

The PRESIDING OFFICER (Mr. MATHIAS). There is no order at the present time.

Mr. BAKER. I thank the Chair.

Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield any time I have remaining under the standing order to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. PROXMIRE 3 minutes or more. Following him, I yield the remainder of my time to Mr. NUNN if he should need it. If he does not, the time can be turned back.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the distinguished minority leader.

GENOCIDE CONVENTION USURPS NO DOMESTIC AUTHORITY

Mr. PROXMIRE. Mr. President, as a result of the Holocaust against the Jews in Germany during the Second World War, the United Nations General Assembly, on December 11, 1946, unanimously passed a resolution declaring genocide an international crime. U.S. representatives played an important role in drafting the treaty which resulted from the resolution, and this treaty was approved by the General Assembly in 1948. The treaty defined genocide as the systematic destruction of any rational, ethnical, racial or religious group. The United States has not ratified the Genocide Treaty despite its initial support and despite the overwhelming support and ratification by 88 other countries.

Opponents of the treaty argue that the Genocide Convention usurps the constitutionally prescribed methods of legislating new law by allowing a treaty rather than Congress to establish domestic criminal law. But the convention itself is not self-executing and does not require that the crime of genocide be placed in our Federal Criminal Code. Rather, the Genocide Convention requires that the treaty be

implemented by Members of Congress through the constitutional process of amending the Federal Criminal Code to include the crime of genocide. Opponents of the treaty who argue that the treaty usurps the lawmaking powers of the Congress are simply wrong, as the treaty is only effective if Congress passes the proper legislation to enact the purposes of the treaty.

In addition to being mistaken about the implementation of the treaty, opponents of the treaty are also incorrect in assuming that the issue of genocide is a domestic concern that should not be dealt with in an international treaty. The crime of genocide involves the systematic destruction of a large ethnic or racial group. It is a crime worse than murder because of its sheer magnitude. Because genocide is usually carried out by national governments against a segment of their population, domestic criminal codes defining murder are ineffective in administering justice against those practicing genocide.

The only effective means of condemning and punishing those people who commit genocide is through an international agreement such as the Genocide Convention. Under the Genocide Convention, individuals charged with genocide can be tried by the State where the action was committed or by an international penal tribunal. Because genocide necessarily must be checked and punished by the international community rather than the domestic community, the U.N. Genocide Convention serves as the appropriate means to this end.

Mr. President, I ask the Senate to give its advice and consent for ratification of the Genocide Convention. We must overcome the rhetoric of opponents who argue that the convention would subordinate domestic law to the advantage of international treaties. The fears of those opponents are unsound when one examines the text of the convention and the practicalities of the situation.

TEST BANS; LIMITED, THRESHOLD, PEACEFUL, AND COMPREHENSIVE

Mr. PROXMIRE. Mr. President, the recent action by the administration to postpone negotiations on a Comprehensive Nuclear Test Ban has refocused public attention on this often neglected issue.

Prior to this decision, the Council for a Livable World published a background analysis of the Comprehensive Nuclear Test Ban, which explains the major issues and provides an excellent shorthand of the history of the negotiations leading to the 1963 and 1974 agreements. There tends to be some confusion over the various names used in describing the various test ban proposals. The Limited Test Ban of 1963 prohibited testing in the air, water, or outer space but did not curtail underground tests—some of which vent with regularity.

The Threshold Test Ban arose after the SALT negotiations in 1972 and culminated in a text by 1974 which placed a limit of 150 kilotons, or 10 times the power of the Hiroshima bomb, on all underground nuclear explosions.

In 1976, the United States and the U.S.S.R. agreed to another treaty called the Peaceful Nuclear Explosions Treaty, which bars nuclear explosions greater than 150 kilotons for peaceful purposes such as digging canals or mining.

The Threshold Test Ban and the Peaceful Nuclear Explosions Treaty have not been submitted to the Senate for ratification.

Mr. President, I ask unanimous consent that the Council for a Livable World analysis of the various test ban proposals and treaties be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

[From the Council for a Livable World fact sheet, May 1982]

COMPREHENSIVE NUCLEAR TEST BAN

Until recently the United States, the Soviet Union and Great Britain have been negotiating an agreement to bar all testing of nuclear weapons. Nuclear tests aboveground, underwater and in outer space are already banned by these three countries under a 1963 agreement that has also been signed by an additional 120 countries; a Comprehensive Test Ban (CTB) thus would end the extensive American and Soviet underground testing programs that have enabled the arms race to continue unimpeded. While 12 rounds of negotiations have taken place in Geneva, a final push to conclude a CTB treaty was postponed until the conclusion of the SALT II Treaty debate. With SALT II in limbo since 1979, a Comprehensive Test Ban is similarly in a suspended status.

The talks thus far have made substantial progress, with Soviet concessions on a number of key points. For example the Soviets wished to permit "peaceful" nuclear explosions (PNE). When the U.S. objected because of the difficulty in distinguishing peaceful fron: non-peaceful explosions, the Russians yielded. Later, after insisting that all five nuclear powers must ratify any treaty negotiated by the U.S., the U.S.S.R. and Great Britain, the Soviet accepted the U.S. stance which did not require ratification by France and China. Although the British balked, the Soviets agreed to ten monitoring stations (black boxes) on each other's territories and on-site inspection procedures in case of questionable occurrences.

Details on verifications, and other minor issues are still unresolved but the main stumbling block appears to be the U.S. government. During the negotiations, the Carter Administration proposed at various times a treaty of indefinite duration, then a 5 year limit, and finally three years, all changes designed to appease the opposition from the Joint Chiefs of Staff and the weapons laboratories. Their opposition continued, however, and may receive a sympathetic hearing from the Reagan Administration.

BACKGROUND: THE LIMITED TEST BAN OF 1963

The United States, the Union of Soviet Socialist Republics and the United Kingdom had by the end of 1958 conducted over 250 nuclear weapons tests. Rising public opposition to continued testing resulted in a moratorium on nuclear tests by the three countries which lasted from November 1958 to September 1961. The moratorium was ended by an extensive series of Soviet tests of hydrogen bombs, including one with an estimated yield of over 50 megatons: thereafter nuclear testing increased at a rapid pace by both countries until 1962 when President Kennedy, in the aftermath of the near nuclear confrontation during the Cuban missile crisis of October 1963, opened negotiations with Moscow and London. These negotiations quickly produced the Limited Test Ban Treaty of 1963 which prohibited the testing of nuclear weapons in the atmosphere, outer space and underwater. Underground tests, however, were not limited. By 1980, 123 countries had signed the Limited Test Ban Treaty; France and China refused to adhere, and China continues to conduct above-ground tests. India exploded a so-called "peaceful nuclear device" underground in 1974.

THRESHOLD TEST BAN AND PEACEFUL NUCLEAR EXPLOSIONS TREATIES

Although there was strong support in this country for an end to underground tests since the 1960's, the question of verification of such a testing halt was a technical obstacle difficult to overcome. At that time, there were disputes over the ability of seismological instruments to differentiate with sufficient confidence between small nuclear explosions and natural seismological disturbances.

After the ratification of the SALT I Treaty in 1972, the U.S. and the U.S.S.R. opened negotiations on the subject of limiting underground nuclear tests. These negotiations produced the text of the Threshold Test Ban Treaty (TTB) of 1974 which placed a limit of 150 kilotons (about 10 times the explosive power of the Hiroshima bomb) on all underground nuclear explosions. A subsequent treaty, the Peaceful Nuclear Explosions Treaty (PNE) was signed in May 1976 to bar nuclear explosions greater than 150 kilotons for "peaceful purposes" such as excavation or mining. Neither the TTB nor the PNE have been ratified by the U.S. Senate, primarily due to the feeling that neither treaty was more than a minimal extension of the 1963 treaty and the wish to encourage the President to continue negotiations in hopes of concluding a Comprehensive Test Ban. The 150 kiloton threshold was set to enable the continuation of planned nuclear tests; it would not have stopped testing by either the U.S. or the U.S.S.R. The separate PNE treaty implied that some testing—such as India's explosion—could indeed be for peaceful purposes, and could have provided India a convenient international rationale for their program.

ADVANTAGES OF A COMPREHENSIVE TEST BAN

1. Signing a CTB would provide new momentum for arms control negotiations. With the SALT II Treaty in limbo after the Senate's refusal to approve the accord, the successful conclusion of a Comprehensive Test Ban would provide a significant forward push to controlling the nuclear arms race. It

may be possible at this time to generate more support for a complete halt to nuclear testing than for an early resurrection of SALT II.

2. A halt to nuclear testing would restrict new generations of weapons. The end to testing would impose constraints on both the U.S. and the U.S.S.R. which should retard the development of future generations of nuclear weapons. However, weapons programs already underway in the U.S., including the MX missile, the Trident II missile, the cruise missile and the ABM are far enough past the development stage to have no further need of actual nuclear tests. As far as the U.S. is concerned, a total test ban would freeze in place our significant advantage in weapons technology.

3. A test ban would aid our efforts to stop the proliferation of nuclear weapons. The United States has been making a major effort to prevent other countries from joining the nuclear weapons club. These efforts have been undercut by the continuing unwillingness of the superpowers to live up to their obligations under Article VI of the Treaty on the Non-Proliferation of Nuclear Weapons of 1968 which committed the U.S. and the Soviet Union to "pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date." Some nations unwilling to sign the Non-Proliferation Treaty on the grounds that it discriminates against countries that have not developed nuclear weapons might sign a test ban which would limit both nuclear and non-nuclear powers. At least the hesitant nations would be susceptible to domestic pressure to stop testing. If non-nuclear nations did indeed agree not to test, any planned nuclear weapons development programs would not necessarily be halted; however, without testing these countries would have less confidence in any nuclear weapons they built and would be less likely to proceed with a large-scale nuclear weapons program.

4. An end to testing would reduce nuclear pollution. The continuing American nuclear tests, conducted in Nevada testing grounds, have resulted in nuclear pollution in a number of respects. Some underground tests have vented radioactive debris into the atmosphere that has drifted across Nevada and Utah. In addition, the tests produce substantial nuclear wastes; disposal of such wastes is a major problem facing this country. Finally, harmful radioactive material is left in the soil after each test. A bar to continued testing would reduce this nuclear debris that has adversely affected our environment.

5. The Treaty provides verification precedents useful for future negotiations. The agreement on the monitoring stations and on on-site inspection procedures provides building blocks for other arms control measures that will require verification.

OBJECTIONS RAISED TO A COMPLETE TEST BAN

A number of objections have been raised to concluding a Comprehensive Test Ban. Primary among these are the following:

1. Verification: Opponents of a full test ban argue that such an agreement would be unverifiable. However, with modern seismic capabilities for detecting and identifying underground nuclear explosions having improved vastly in recent years, no country could conduct clandestine tests except of small yield weapons of little military value. With the Soviet concession to allow seismic listening posts on its territory and to invite on-site inspection by United States personnel of suspicious seismic events, any and all significant seismic activity could be monitored with confidence. Satellite photography and other "national technical means" could supplement the seismic methods by providing evidence of suspicious activities or resolving the character of ambiguous seismic evidence. As one example, nuclear explosions in porous soil (which dampens seismic signals) often leaves subsidence craters which are plainly visible by satellite photography.

2. "Proof Testing": Opponents of a CTB have argued the need for continued "proof testing," or testing by actually firing existing nuclear weapons, in order to confirm the continued reliability of nuclear weapons and stockpiles. Proof testing, however, is not necessary to check out weapons systems, and in fact is one of the least used methods in the U.S. program for checking and confirming continued weapons performance. A U.S. lead over the Soviet Union in both hard and soft computer technology to check out our weapons by simulating weapons tests would be an advantage to the U.S. after a CTB. Moreover, there would be no inhibition to testing non-nuclear components of our weapons, and it is those components that are most susceptible to degradation over time. Finally, a partial loss of confidence in the reliability of nuclear weapons may actually result in greater stability in the strategic nuclear balance, as it would undermine the confidence of any country in its first-strike nuclear weapons capacity.

3. Maintain Competence in Weapons Technology: Opponents argue that a CTB would jeopardize the U.S. ability to maintain competence in nuclear weapons technology as well as having a detrimental effect on weapons labs. However, many opportunities exist short of nuclear testing to sustain and nourish U.S. weapons technology. The main use of nuclear tests is for refinement of existing nuclear weapons and adapting these to new types of delivery systems; one clear advantage of a CTB would be to slow development of new generations of weapons. Moreover, the effect of a test ban on weapons labs could be minimal. Most of the weapons labs' work on weapons development would not be stopped by a halt in testing; in addition, the labs' fusion power research into non-petroleum sources of energy would not be affected by the cessation of weapons tests. In fact, it is significant that most supporters and opponents of a CTB agree that experiments with magnetic and laser "pure fusion" processes which may provide electric power in the future should be inhibited, even though such experiments produce miniature nuclear explosions and involve weapons-related technologies.

4. Non-inclusive Treaty: Neither China nor France has entered into any nuclear negotiations nor have they signed any of the existing nuclear treaties. This refusal to cooperate by two members of the nuclear club will result in a noninclusive and thus less effective CTB. France and China have justified their refusal on the grounds that their nuclear weapons technology is much less advanced than that of the superpowers, and that continuing testing is important to their nuclear development. While the resulting CTB thus would be incompletely effective, it would be very important and very useful if three of the five nuclear weapons states stop testing. Moreover, once a treaty is signed, France and China would be open to greater public and economic pressure to adhere.

5. The Treaty Duration of Three Years is Too Short: While a treaty of unlimited duration would be preferable, a three year treaty is a start.

Mr. PROXMIRE. Mr. President, I yield the remainder of my time to the distinguished Senator from Georgia.

I yield the floor.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia is recognized for not to exceed 15 minutes on his own time, then such additional time as he has been granted by the minority leader and the Senator from Wisconsin.

Mr. NUNN. I thank the Chair. I thank the Senator from Wisconsin. I inform the Chair that I shall probably not need all that time. Probably 5 minutes will be sufficient.

THE CRIME CONTROL ACT OF 1982 TITLE IV—HABEAS CORPUS REFORM

Mr. NUNN. Mr. President, Senator CHILES and I have emphasized again and again the long-awaited need for reform of the laws currently governing habeas corpus proceedings. Crime is a major problem that faces the daily lives of many Americans. Abuse of the writ of habeas corpus by career criminals complicate that problem by overtaxing our courts with needless and repetitive litigation.

This morning, I bring to the Senate's attention another blatant example of that abuse. Early in 1977, career criminals John Louis Evans and a codefendant named Ritter were paroled from an Indiana prison. Shortly thereafter, the two embarked upon a spree of more than three dozen violent crimes. One such crime was the robbery of a business in Mobile, Ala. Evans pulled a pistol on the store attendant, Mr. Nasser, deliberately murdering him in full view of his two young daughters. After robbing another establishment in Mobile, Evans and Ritter left the State of Alabama and continued their criminal venture in other States. After committing more robberies, some kidnapings, and other violent crimes, both men were finally captured by the FBI in Little Rock, Ark., in March of 1977. In confronting both legal authorities and the media, Evans always bragged of his criminal deeds, openly confessing to the killing of Mr. Nasser as well as three dozen other violent crimes.

Against the advice of his attorneys, Evans voluntarily appeared before the Mobile County grand jury and admitted murdering Mr. Nasser. The grand jury subsequently indicted Evans. At his arraignment, Evans pleaded guilty. In April of 1977, Evans went before the Mobile County circuit court. Evans filed a written motion to plead guilty,

then took the stand and testified against himself. Again, Evans clearly admitted his involvement in the crime of Nasser. Asking for the death sentence, he confessed that his whole life had centered and would continue to center around crime. The jury took less than 15 minutes to convict Evans. The judge sentenced him to death as he had requested so many times.

Evans' conviction and sentence were affirmed by the Alabama Court of Criminal Appeals in November of 1977 and by the Alabama Supreme Court in May of 1978. The U.S. Supreme Court denied a writ of certiorari in February of 1979. In April 1979, Evans filed a petition for a writ of habeas corpus in the U.S. District Court in Mobile. After a full and fair hearing on the merits of the petition, the district court denied the petition. Evans then appealed his case to the Fifth Circuit Court of Appeals.

Despite the factual findings below, the Fifth Circuit Court of Appeals granted Evans a new trial due to a recent Supreme Court decision. Evans received a new trial despite the State's argument that he had not raised the issue below and that there was no evidence to suggest that the Supreme Court decision applied to the facts of Evans' case. He was given a new trial despite the fact that Evans had openly admitted and confessed to his crime at every stage of the State proceedings.

Mr. President, it is extremely disturbing to see a dangerous criminal, having admitted to his guilt in more than three dozen violent crimes, receive a new trial from an appellate court despite the strong factual findings of the State courts. The law enforcement agencies and the State courts did their jobs and in a proper and thorough fashion. The conviction and sentence were properly affirmed by both levels of the State appellate courts. Five years after the crime, despite Evans' numerous admissions to his brutal acts and overwhelming evidence of his guilt, a Federal court, under current habeas corpus standards, grants a new trial on speculation that Evans may not have received a fair trial at the State level.

There is something wrong with a criminal justice system that encourages disregard for State court findings. Abuse of the writ of habeas corpus law renders our criminal justice system nearly incapable of producing swift and certain punishment, even for those whose guilt is established beyond doubt. S. 2543, the Crime Control Act of 1982, confronts this grave problem by requiring Federal courts to give increased deference to State court findings. The bill will also limit Federal habeas corpus relief to those cases brought within a 3-year statute of limitations. This measure will pave the way to a return to a credible and effective criminal justice system. Surely no one will dispute the importance of such a system to this Nation's continuing battle against violent crime.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10:50 a.m., with statements therein limited to 2 minutes each.

FINANCING THE DEBT OF DEVELOPING COUNTRIES AND WORLD GROWTH

Mr. BRADLEY. Mr. President, last week I began a series of statements on the current risks to the international banking system. I have done this in order to initiate a discussion on the need for a contingency program, an emergency preparedness plan, if you will. Last week, I pointed out that in 1975, the central bankers of 11 industrial nations agreed informally that parent banks would be held responsible for losses of their foreign affiliates and, if necessary, the central bank to the parent bank would act as the lender of last resort for that bank's overseas affiliates.

Mr. President, little did I know that within 2 days of my speech there would be a very real example of the danger that lurks out there on the international banking horizon.

In my speech I called for making formal that informal agreement that I just described that was established in 1975 by which central banks took responsibility for their subsidiaries.

In the July 30 New York Times, there was an article written by Mr. Steven Rattner called "Banks Told Italy Is Not Liable."

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 30, 1982]

BANKS TOLD ITALY IS NOT LIABLE

(By Steven Rattner)

LONDON, July 29.—International banks owed money by a Luxembourg subsidiary of Italy's troubled Banco Ambrosiano were offered no encouragement today by Italian authorities that their loans would be repaid. The subsidiary defaulted this month on $400 million in foreign loans.

Giovanni Arduino, one of three commissioners appointed by Italy to sort out Banco Ambrosiano's complex affairs, told 170 bankers attending a stormy meeting of creditors here that Italy's central bank had no obligation to support overseas subsidiaries.

"Non-Italian subsidiaries are not under control of the Bank of Italy nor under Italian law or practice," Mr. Arduino reportedly told the group. The Luxembourg subsidiary has 250 creditors.

According to several bankers who attended the closed session, Mr. Arduino appeared to place responsibility for the difficulties on Istituto per le Opre de Religione, the Vatican's bank which supported loans by Banco Ambrosiano.

In part, Mr. Arduino intimated, whether the banks that provided the loans got any money back would depend on whether the Vatican, which had close ties to Banco Ambrosiano, chose to make good on what did not appear to be a legal obligation.

[The Vatican's bank has refused to accept formal notices of possible legal action by Italy against its officers, Reuters reported from Rome Thursday, citing judicial sources. A Vatican spokesman declined to confirm or deny the report.]

Since the default, the operations of the Luxembourg subsidiary have been frozen and put under judicial control. Bankers pressed for today's meeting because of the prospect that these loans would become total losses.

Ambrosiano, Italy's largest private bank, has a total loan risk of up to $1.4 billion, of which $1.2 billion was lent by Ambrosiano's Latin American subsidiaries to Panamanian finance houses on the strength of letters of support from the Vatican bank.

BANKERS EXPRESS ANGER

The bankers expressed considerable anger that the Milan bank, which has received $700 million in support from the Bank of Italy and six major Italian commercial banks, would not accept responsibility for its subsidiaries.

The bankers said that a 1975 concordat, following the collapse of the Herstatt Bank, gave central banks a responsibility for the liquidity of foreign-based bank subsidiaries of their country's commercial banks. But the Luxembourg subsidiary is technically a holding company.

Officials from Banco Ambrosiano Overseas, the Bahamas' fifth-biggest bank, also met here with about 40 of its creditors. They were told that the bank, whose license was suspended July 19 for 30 days, has $150.7 million in exposure to its Luxembourg parent. Before the meeting, representatives of the lenders said that the Nassau bank was financially sound.

Mr. BRADLEY. Mr. President, this article—and I will not read it since it is submitted to the RECORD—simply states that a number of bankers have attempted to collect on their debts by ultimately holding the Central Bank of Italy responsible, and they were told:

Non-Italian subsidiaries are not under the control of the Bank of Italy nor under Italian law or practice.

This was a statement made by a Mr. Arduino, who was referring to the Luxembourg affiliate.

Mr. President, what clearly happened 2 days after this speech was a very real demonstration of the danger that lurks out there if we do not begin to have an emergency preparedness plan. It is like a string that you pull and unravel the whole blanket.

So, Mr. President, I argue once more that we do need to make formal the 1975 agreement which informally held central banks liable for their subsidiary banks abroad.

Mr. President, today I want to discuss private international bank financing in the developing world and call attention to its important role in sustaining development and growth throughout the world during the 1970's.

I also want to talk about the problem raised by the spiraling debt burden for the countries of the developing world and the increased likelihood that private banks will not continue to loan to them. In my next statement, I will discuss in more detail the financial conditions in developing countries which make it unlikely that Western bank credit to them can be sustained, much less grow.

After the first oil shock, private Western banks moved aggressively into business of financing the widening current account deficits of non-OPEC, nonoil-developing countries. Growing demand for energy and for capital goods to support their development made upwardly mobile countries into eager bank customers. It made them willing to pay high and variable interest rates to bankers who, though awash in petrodollar deposits, were finding fewer investment prospects in an industrialized world hit by recession. The formula for a new financing cycle was obvious: OPEC had pools of dollars which it could not spend; Western banks turned them into lending capital, for which they found faint demand at home; developing countries had bottomless appetites for credit to turn their backward economies into modern engines of industry; and official lending agencies found themselves in a sluggish developed world increasingly hard-pressed to raise enough concessionary funds for their development needs.

Under these circumstances, long-term lending to non-oil-developing countries by Western banks went from about $48 billion in 1973 to a projected $306 billion for 1982. And the share of total non-oil-developing country debt which is held by Western banks rose from about 50 percent in 1973 to nearly 70 percent today. The total long-term debt of non-oil-developing countries, including debt held by governments and official agencies, now comes to over $500 billion. This compares with only $97 billion in 1973. So, the nominal external debt of non-oil-developing countries has multiplied fivefold in 9 years.

Private bank lending to the developing world served a crucial function during the seventies. Private credits permitted growing countries to pay for the oil, capital goods, and services they needed to keep their economies moving. The developing nations were not the only ones to benefit. For the United States and other developed countries, it has been very important that developing economies kept moving. Their spending helped to stir our own economies during some notably low points.

As the markets of the developing world expanded and matured, they came to account for a growing share of U.S. exports. Today, the developing world takes about 40 percent of U.S. exports, more than the share taken by our trading partners on Western Europe and Japan combined. Further, our exports to the developing world over the last decade have risen at a more rapid rate than exports to the developed world—18 percent compared with 15 percent. This differs markedly from the export patterns, for example, of Germany, which exports by far the bulk of their goods to the developed world.

The plain reality is that the developing and developed worlds depend on one another for growth. Because of this interdependence, stagnation in the developing countries, due to a sudden drying up of their credit, would damage the growth prospects of developed economies. At the same time, a continuing escalation of expensive credit to them, especially to noncreditworthy countries or for noncreditworthy reasons, could shake the stability of our financial system. In short, the debt problem is a double-edged sword, and it will take a skilled parry, not a blunt strike, to protect the free world economies from deep gashes.

The debt of the non-oil developing world has grown fivefold in the last 9 years, but only in the last year has the burden for these countries been compounded by a rising real debt service burden. During the days of inflation, nominally rising rates of interest on new credit were offset by falling real payments on old debt. But between 1980 and now, the rise in real rates of interest increased the total real debt burden of developing countries.

Dr. William Cline, of the Institute of International Economics, estimated the real interest rate paid by developing countries as: The London Inter-Bank rate of interest, known as LIBOR, plus 1 percent, (a conservative spread) minus the U.S. wholesale price index. Using this formula, he found that real rates averaged minus 3.6 percent during 1973–75, 1 percent during 1976 to 1979, and then skyrocketed to 9.5 percent in 1981.

Developing countries have needed to borrow abroad, even at skyhigh real rates, because of the steeply rising deficit in their cumulative current account balance. This deficit rose from only $12 billion in 1973 to a projected $97 billion for 1982.

But, that debt service now accounts for 93 percent of the current account deficit of the non-oil-developing world, compared with only 46 percent in 1974. So more and more, developing countries are borrowing just to repay what they already owe. And without the burden of debt service, their cumulative current account would be in balance.

From 1973 to now, the export earnings of the non-oil-developing world have fallen behind their external debt. The ratio of total debt to earnings climbed from 89 percent in 1973 to an estimated 109 percent in 1982. More importantly, their debt service burden, which indicates their ability to sustain debt repayments without crowding out needed imports, has grown heavy. The ratio of debt service (interest plus amortization) to export earning rose from 14 to 21 between 1973 and 1981.

The current account problems of many of these countries has been worsened in recent years by low or fluctuating commodity prices and slow growth in the industrialized world to which they sell most of their products. Rising real interest rates have more than offset the dip in oil costs in the last year. As pointed out by Morgan Guaranty Trust Co. in its May 1981 "Word Financial Markets," "a 1 percentage point change in interest rates now causes more of a variance in LDC financing requirements than does a 1-percent change in oil prices."

The cruel irony of the softening oil prices for the developing world is that while falling prices reduce their trade deficits, shrinking OPEC surpluses dry up the petrodollar "savings" available for Third World lending.

Moreover, lower oil costs do not translate automatically into balanced external accounts for developing countries. Sales to the developed world, and their internal development demands, are equally important causes of their current account deficits.

A percent study indicates that a $1 billion decline in the OPEC surplus translates into only a $140 million fall in the deficits of nonoil developing countries. However, the current account deficit of the nonoil developing world would fall by $14 billion, not $140 million, but $14 billion if the OECD countries were to grow at a normal 3 percent rate next year, rather than the projected 1¼ percent rate. Further, the normal capital-importing needs of emerging economies probably will add another $32 billion to their aggregated deficit.

Low-income countries will face the additional blow of cutbacks in concessional aid. The President's budget anticipates a cut in U.S. contributions to the soft-loan windows of multilateral development banks, such as the World Bank, of nearly one-half billion dollars from fiscal year 1983 to fiscal year 1987. The news is worse when translated into real terms. In real terms, the U.S. contribution is likely to shrink by one-third to one-half. And these new cuts come on top of a fall in real U.S. aid of 11 percent between 1970–72 and 1979–80.

In recent years, OPEC concessional aid has made up part of the difference. But a shrinking OPEC surplus that is further eaten into by rising OPEC domestic consumption indicates that OPEC countries will be unwilling, or unable, to maintain recent rates of rising aid in contributions. Consequently, even low-income countries will be forced to seek alternative funds at high market rates.

Middle-income countries, some of whom are NICS (newly industrialized countries) now rely primarily on market rate lending by private creditors. Without new loans, their growth rates likely will suffer. Heavy external borrowing was needed to sustain growth rates of about 5.5 percent for them during the 1970's. Loans to these middle-income countries from the banks of the 10 major financial powers—known as the group of 10—grew from $67 billion at the end of 1979 to $195 billion by the end of 1980.

Let me repeat that

Loans to these middle-income countries, those that are succeeding, the newly industrialized countries, from banks of the 10 major financial powers grew from $67 billion at the end of 1979 to $195 billion by the end of 1980.

Chances are poor that bank lending to middle-income countries will continue to grow at this rate. Indeed, economic conditions, banking prudence, and country-lending limits could combine to bring about a contraction of private lending to them. In recent months, there have been fewer new loans to major Third World borrowers. Latin America, as well as Eastern bloc, nations are being completely shunned.

Western banks are considerably more exposed in developing countries today than they were in the early seventies, leaving them less room for expansion. Some banks already face regulatory limits on new loans to Brazil and Mexico because their ratio of Brazilian or Mexican loans to bank capital is near lending limits.

In a recent survey of American banks, only half said that their foreign lending was not constrained by outstanding loans to capital. Most likely, even more banks feel some constraint on the basis of their assessment of the creditworthiness of several potential overseas borrowers.

The combination of slow growth abroad, rising real debt burdens and sluggish non-oil commodity prices means that near-term growth prospects in the developing world as a whole are very dim. For example, in Latin America, gross domestic production last year fell from 5.8 percent to only 1.2 percent—below the rate of population growth in this region for the first time in over a decade. The regional figure was strongly affected by the drop in Brazil's growth from 8 percent to −3 percent, and in Argentina from 1 percent to −6 percent. Similar growth deceleration is expected for Mexico.

The economic hopes of the developing world are under attack. Drains on their reserves—which dropped as a ratio of imports from 32 percent in 1977 to an expected 17 percent in 1982—are forcing adjustments. Country after country is spending its savings (reserve) to stay afloat. Many countries are choosing, or being forced, to curtail growth, rather than borrow more. In the short-term, reduced borrowing could help Western banks rebuild their capital and the quality of their portfolios. But if credit is reduced too much or too abruptly, improved banks actions to improve their portfolios could come at the greater expense of danger to world growth and political stability in the developing world. The most likely threat to the world economy is not a series of sovereign defaults.

The most likely threat to the world economy, in my view, is not a series of sovereign defaults, as I discussed in the last speech, and as I raised some increased attention to by my comments about the Italian central bank's recent statement, but rather the most likely threat is that the fear of sovereign defaults will cause creditors to sharply contract capital flows to developing countries and that this will force these countries to severely curtail their growth, thereby depressing world growth even further.

How the developed, nonoil developing, OPEC countries work through this tremendous debt pressure on the developing world and on our financial institutions and how we asssure the minimum availability of reasonably priced capital for world growth will determine whether we have prosperity or panic.

No country can go to it alone; more than ever before the developing world depends on the leadership and judgment of the developed world and more than ever before the United States must see that a high interest rate policy not only pushes developing countries to the brink of bankruptcy but also threatens to pull down the developed world with them.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

WE NEED A BALANCED TAX POLICY

Mr. BURDICK. Mr. President, today House and Senate conferees will try to fashion a final version of the tax increase measure that passed this body last month. I voted against the tax increase bill because I have grave reservations about it. However, there are some good provisions in the tax bill that I hope the conferees will maintain.

I want to make it clear that I think this bill takes an important first step in the right direction in reducing some of the excesses of the tax program enacted last year. Safe harbor leasing is clearly an excessive tax subsidy. It has not been fair and equitable, and I believe the record will show that it has hampered, rather than enhanced, the goals of Government policy. The changes in the tax bill that cut back on the subsidy through safe harbor leasing should be maintained by the conferees.

I have mixed views about the changes in the accelerated cost recovery system (ACRS). We have used investment tax credits for machinery and equipment and recently the rehabilitation of some structures, and we have altered depreciation schedules for business assets for many years to help shape investment. I have supported the use of investment tax credits and accelerated depreciation to enhance certain investment goals. I supported the increase in the investment tax credits from 7 to 10 percent in 1978, principally because I believed it to be a needed offset against inflation in the agriculture, transportation, and energy industries. I supported the so-called 10-5-3 accelerated depreciation proposal that was enacted in last year's tax program as the 15-10-5-3 program because I felt it was a more equitable approach to asset depreciation for our modernizing old line companies and our exciting new industries. This tax bill, though, alters the 1985-86 ACRS in such a manner as to impact light truck manufacturing and high technology companies according to the U.S. Chamber of Commerce. If we look at where our competitive advantages are greatest in the world marketplace, we will find it is food supply and high technology. Although I have reservations about these changes in the tax bill, I voted to sustain the Senate Finance Committee's position during floor debate on this issue, however, because of the continued existence of safe harbor leasing. I do want to make clear as well that I do not like the overall approach taken in this tax increase bill. It begins the shift in the tax burden in a manner that I do not believe is good tax policy. If we pass this measure we will have in place the largest peacetime tax increase in history that will end up affecting all but mostly middle- and low-income earners, small and independent businesses, high technology manufacturers, and rural areas. At the same time we will have in place the largest tax cut in history that favors high-income investors, large industrial corporations, and the superbanks and brokerage houses. I hope we do not do that. It is not only unfair, it is proving to be bad economic policy as well.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The hour of 10:50 having arrived, time for morning business will be closed.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, Senate Joint Resolution 58, which the clerk will state by title.

The assistant legislative clerk read as follows:

A joint resolution (S. J. Res. 58) proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

The Senate resumed consideration of the joint resolution.

AMENDMENT NO. 2009

(Purpose: To provide for a statutory basis for a budget that requires that any increase in outlays be financed by an equivalent increase in revenues, and for other purposes)

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. The Senator from Connecticut I believe has 5 minutes and we have 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, the case for this amendment was made at full length yesterday in an extended debate with the distinguished Senator from South Carolina. I will not go over all the points made yesterday. This morning I simply want to lay out in brief compass what this amendment does and why I believe it makes sense to place the Federal budget on a pay-as-you-go basis.

First of all, my amendment requires that, from this point forward, Congress must provide a way to pay for any new spending it approves. If we are going to increase outlays over current levels, whether it be for military weapons, for urban infrastructure, for school lunches, whatever the case may be, we have to display the discipline and political courage to raise the tax dollars or make spending reductions in other areas in order to pay for the new priorities.

Similarly, Mr. President, when he submitted his budget proposal at the beginning of each year, would have to identify new spending and propose ways to finance it as well. So it is not just a congressional responsibility to pay as you go.

Congress could circumvent its obligation only if it deliberately decided to do so as a matter of policy by a two-thirds vote of both Houses.

The amendment does not set conditions on what Congress would determine as a reason for breaking the budget ceiling. It would be up to each individual Congress to make that decision.

Mr. President, I do not believe that this approach is radical or revolutionary. It is used in many States across the country. It says no more and no less than we will govern ourselves by a commonsense principle: We will pay for the things we decide to buy.

In deciding whether to substitute this approach for Senate Joint Resolution 58, it is useful, I believe, to ask ourselves four very simple questions:

First, do we need to do something about deficits promptly or can we act at leisure? Certainly the headlines this morning in the Washington Post with the Secretary of Commerce confirming the estimates of Alice Rivlin of the Congressional Budget Office that we will see a budget deficit hovering in the $160 billion area this year are evidence enough of the problem we face.

I do not think we need to ponder the question very closely. We have to do something about deficits. Not only are deficits already squeezing small business dry, placing homes and new autos out of the reach of the average citizen, and making hopes for general economic recovery futile, but they promise to get even worse. The CBO director has informed us that we will add almost $0.5 trillion to the national debt in 3 years.

The constitutional amendment before us would have no effect on these deficits. By the most generous estimate it might be in place by the end of the current decade. In contrast, the amendment I am offering this morning could be in place this year, and by 1985, according to the Congressional Budget Office, would have us in a budget surplus of somewhere around $27 billion.

Mr. President, I have a chart here on the floor for Members to peruse when they come in which evidences the kind of economic improvement we would see if we adopted the pay-as-you-go approach immediately.

The second question is whether we want a practicable, workable mechanism to fight deficits or whether we are more interested in making a grand but empty gesture.

The constitutional amendment we are contemplating falls, I am afraid, into the latter category. The distinguished majority leader of this body and the chairman of the Committee on Finance have both publicly cautioned us not to expect very much from this constitutional amendment. They acknowledge it is not going to do much. The loopholes that characterize the constitutional amendment approach, especially its standing invitation to plan unrealistic budgets with distorted surpluses, and then to accept continuing and worsening deficits, virtually guarantee that it will not work. In contrast, the pay-as-you-go approach not only fosters the goal of balancing the budget, but also provides a mechanism for achieving that goal and a way to enforce it. The mistakes that have undermined the past statutory attempts to eliminate deficits are present in Senate Joint Resolution 58, but not in the pay-as-you-go approach.

A third question to ask is whether the responsibility for bringing deficits to a close should be that of Congress alone or whether we should bring the President into the process as well. I believe the budget process should remain a shared function of the legislative and executive branches. It will make the task less difficult if Congress and the President are working by the same set of rules and not at cross-purposes. My amendment offers that approach. Senate Joint Resolution 58 does not.

Finally, Mr. President, we ought to consider seriously whether economic policy, as has been stated so many times on this floor in the last several weeks, belongs in the Constitution of the United States or in a statute. Frankly, we have spent the majority of our time on this issue debating constitutional law and not economic policy, and it is economic policy and how we deal with deficits most effectively that ought to be the subject of this debate. Instead, it has been a debate over the court's jursidiction, the division of powers between the legislative and executive branches, and how our present constitutional system will be impacted by this decision.

I hope we will understand that the debate ought to be on economic policy, how we ought to deal with deficits. A well-designed statute offers us the flexibility and specificity we need to make the fight against deficits successful. Trying to use the Constitution as a tool to achieve a budgetary goal neither produces the kind of result we all want, nor does any service to that vital document.

In conclusion, Mr. President, we have a choice to make this morning. It is between Senate Joint Resolution 58 which would establish a balanced budget goal sometime next decade but not tell us how to obtain it, on the one hand, or this statutory substitute, which would give us a surplus of $27.5 billion within 3 years. If we are serious, really serious, about ending the torrendous string of deficits that are ruining the American economy, we will vote to put the Federal budget on a pay-as-you-go basis.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DODD. I hope my colleagues will support my amendment.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield myself 2½ minutes.

89-059 O-86-19 (Pt. 14)

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I just want to say again that this is an effort to substitute a statute for this constitutional amendment. I repeat that for the last 21 years the budget has not been balanced but one time. In the last 25 years the budget has been balanced only twice. Congress has not shown the restraint, they have not shown the fortitude, to resist spending and, therefore, it is going to take, in my opinion, a constitutional amendment to mandate the stopping of this spending.

We cannot keep on the way we are going. No individual can stay in business who does not balance his books but one time in 21 years. No corporation can stay in business that does it that way, and no government can continue in this fashion.

The constitutional amendment is the only way to do it. Congress has shown it will not do it. We have statutes, as we brought out yesterday. The distinguished Senator from Virginia was the author of a statute, he and the Senator from Iowa (Mr. GRASSLEY). Two statutes have been passed. They are not observed.

A constitutional amendment seems to be the only answer, and I hope the Senate will turn the amendment of the Senator from Connecticut down.

I now yield to the distinguished Senator from Arizona.

Mr. DECONCINI. Mr. President, the Senator from Connecticut has brought forth a proposal that to me is—and I say this with all due respect—a little bit novel from the standpoint of Government, but anything but novel from the standpoint of good commonsense as to how business operates and how I think Government should operate. I think the differences the Senator from Connecticut and the Senator from Arizona have is we have in the past week been debating a constitutional amendment. The Senator from Connecticut has offered an alternative to a constitutional amendment, and I believe any alternative to a constitutional amendment is to continue down the road of excessive deficits in years to come.

What we need to do with the proposal of the Senator from Connecticut, I think, is attempt to support it in committee, to hold hearings and to get it out on the floor, to have a vote and see if we could implement this proposal.

For future growth we would know, as the Senator has pointed out so ably, exactly what new expenditures will cost us, and exactly how this is going to hurt from the standpoint of new taxes. Finally it will put some sanity into the expense side of Government.

But today, and tomorrow up until noon, we have before us a constitutional amendment that would mandate a balanced budget, and this is not the time to consider legislative alternatives.

The Senator from Connecticut is well-meaning and well-intended, but his legislative proposal is not appropriate to be substituted here for our constitutional amendment, and that is why the Senator from Arizona would have to oppose it at this time.

We have moved many, many steps toward the passage of Senate Joint Resolution 58 with the necessary votes in this body to send it to the other house almost in hand. I believe the amendment is clear, concise and it has been put together through a broad consensus of what is in the best interest of sound fiscal policy. It does not hamstring or prevent the Government from functioning but indeed requires that priorities be set and that greater consideration be given before the deficit expenditures continue.

I yield back the remainder of my time to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Utah the remainder of the time.

Mr. HATCH. Mr. President, I have also found the amendment of the distinguished Senator from Connecticut to be novel, interesting and, from the statutory standpoint, maybe something that should be looked into in the future.

But we feel that there must be an external force within the Constitution itself in order to get Congress to live within its means.

Mr. President, I think it is significant that some Senators have said this amendment is too tough and others that this amendment is not tough enough. The fact is that the more we look at this amendment the more we realize that the amendment contains the answers we need to balance the budget.

VOTE ON AMENDMENT NO. 2009

The PRESIDING OFFICER. All time has expired. Under the previous order, the question is on agreeing to the amendment numbered 2009 offered by the Senator from Connecticut (Mr. DODD). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Colorado (Mr. HART) are necessarily absent.

The PRESIDING OFFICER (Mr. MATTINGLY). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 25, nays 70, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—25

Baucus	Inouye	Moynihan
Biden	Jackson	Pell
Bradley	Kennedy	Randolph
Bumpers	Leahy	Riegle
Cranston	Levin	Sarbanes
Dodd	Mathias	Specter
Eagleton	Matsunaga	Tsongas
Ford	Metzenbaum	
Gorton	Mitchell	

NAYS—70

Abdnor	East	Melcher
Andrews	Exon	Murkowski
Armstrong	Garn	Nickles
Baker	Goldwater	Nunn
Bentsen	Grassley	Packwood
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Brady	Hawkins	Proxmire
Burdick	Hayakawa	Pryor
Byrd, Harry F., Jr.	Heflin	Quayle
	Heinz	Roth
Byrd, Robert C.	Helms	Rudman
Cannon	Hollings	Sasser
Chafee	Huddleston	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jepsen	Stafford
Cohen	Johnston	Stennis
D'Amato	Kassebaum	Symms
DeConcini	Kasten	Thurmond
Denton	Laxalt	Tower
Dixon	Long	Wallop
Dole	Lugar	Warner
Domenici	Mattingly	Zorinsky
Durenberger	McClure	

NOT VOTING—5

Danforth	Hart	Weicker
Glenn	Stevens	

So Mr. DODD's amendment (No. 2009) was rejected.

Mr. THURMOND. I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 1931

Mr. DOMENICI. Mr. President, I regret that I must oppose the amendment offered by the distinguished senior Senator from Maryland, Senator MATHIAS, and the distinguished junior Senator from Montana, Senator BAUCUS. This amendment would adopt the provisions of Senate Joint Resolution 58 as a statute rather than incorporate them into the Constitution.

The coauthors of this amendment have presented an important issue to the Senate: Should the provisions of the proposed constitutional amendment be put into the Constitution now? Or, should we instead incorporate these provisions into a statute and test them further before deciding whether to put them in the Constitution?

On July 13 I spoke at some length here on the Senate floor about "pitfalls" which could impede accomplishment of the objectives of this amendment. The basic message I was trying to convey was this: There are numerous ways in which this amendment's objectives of limited government and a balanced budget could be subverted. It will take a lot of political will power and a great deal of hard work to reach

the goals to which this constitutional amendment is directed.

I also stated my view that Congress should quickly develop and begin testing procedures to implement the constitutional amendment—without waiting for State ratification to be completed.

Senators MATHIAS and BAUCUS would have the testing occur before a decision is made on whether to amend the Constitution.

I have concluded that I cannot support the conversion of this constitutional amendment into a statutory change. I have studied the proposed constitutional amendment very carefully and I am persuaded that, with the changes I offered and the Senate approved unanimously on July 27, the amendment should be adopted and included now in the Constitution.

Why is the amendment justified? Because the past 25 years have shown conclusively that, under the old ground rules, the Federal Government will no longer live within its means. I am sure those of our colleagues who were here in 1957—25 years ago—would have considered more than slightly deranged anyone who suggested that Federal revenues would increase by almost 700 percent over the next 25 years, that national defense spending would fall from 53 percent to 25 percent of the total Federal budget, but that the Federal budget would be balanced in only 2 of those 25 years. But those things are precisely what happened. Indeed, the budget is now unbalanced to the largest extent ever during peacetime. We have had extraordinary growth in revenues and we have had a drop in defense spending relative to GNP and the rest of the Federal budget. But we have had stupendous increases in nondefense spending and we have deficit financed more and more of that spending.

The bottom line for me is the conclusion that the old disciplines that produced balanced Federal budgets except in wartime and during economic depressions are no longer effective. We need a new source of discipline. Constitutional restraints are a way to help provide that discipline.

For these reasons I intend to vote against the pending Mathias-Baucus amendment.

I want to tell the sponsors of the amendment, however, that I believe they have rendered an important service. They have given the Senate a look at some of the issues Congress will face as it translates the principles of this constitutional amendment into implementing legislation and procedures.

I want to assure my two colleagues that the Budget Committee will look closely at their proposal as we begin the vital work of developing legislation to implement the constitutional amendment. I feel strongly that an implementing statute must be adopted within the next few months and that it must provide interim rules for Congress and the President to live under while State ratification is awaited. The work done by the authors of this amendment will be a considerable help in development of the implementing statute.

Mr. President, before we complete consideration of the amendment offered by Senators MATHIAS and BAUCUS, I would like to engage in a brief colloquy with the distinguished chairman of the Rules Committee.

The amendment of the Senator from Maryland provides a statutory basis for a balanced budget and is in the form of an amendment to the Congressional Budget Act of 1974.

Section 306 of the Budget Act provides that—

> No bill or amendment . . . dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it . . . has been reported by the Committee on the Budget of that House . . ."

A special order approved by the Senate on August 4, 1977, established procedures under which both the Budget and Governmental Affairs Committees have the opportunity to report their views and recommendations on any legislation affecting the budget process before it is considered by the Senate.

On July 13, when Senator MATHIAS offered the Mathias-Baucus amendment to Senate Joint Resolution 58, he asked unanimous consent to waive section 306 of the Budget Act so that the amendment could be considered without referral to the Budget or Governmental Affairs Committee.

I certainly agree that the Mathias-Baucus amendment is a proper matter for consideration during the debate of Senate Joint Resolution 58. I would have done everything in my power as chairman of the Budget Committee to expedite consideration of the amendment had it been referred to the Budget Committee. However, waivers of any section of the Budget Act are of considerable interest to members of the Budget Committee. I want to emphasize my strong preference that all proposed waivers should be cleared with the committee.

As I said in my remarks on July 13, I intend to hold a series of hearings on implementing legislation for the balanced budget amendment and other possible changes in the Congressional Budget Act. I want to assure the Senator from Maryland that if his amendment is not accepted as an amendment to Senate Joint Resolution 58 it will be considered as part of these hearings. Indeed, I urge all Senators with ideas on how the budget process can best be changed to submit their suggestions to the Budget Committee.

Mr. MATHIAS. Mr. President, I appreciate the remarks of the distinguished chairman. My own preference is for orderly procedure. My request to waive the requirements of section 306 of the Budget Act was necessary to meet the needs of the Senate for comprehensive debate on the constitutional amendment. I assure the chairman of the Budget Committee that I do not believe that waivers of the Budget Act should be routine, and I recognize the chairman's strong interest in all matters relating to the budget process. For that reason I asked the Senate's permission to offer my amendment, rather than ignore the provisions of the Budget Act as other Senators have done. I can understand the chairman's desire to limit the grant of the Senate's consent in connection with section 306, and I am in accord with his position in the ordinary course of business. But amending the Constitution of the United States is not ordinary business.

In any case, I want to thank the chairman of the Budget Committee for his invitation to appear before his committee when it considers the legislation necessary to implement this constitutional amendment and make other changes in the Budget Act. As the distinguished chairman of the Budget Committee knows, Senator Baucus and I currently have S. 526, the Fiscal Responsibilities Act of 1981, pending before his committee. I look forward to discussing ideas contained in that bill and several other ideas I have on changing the budget process.

● Mr. GRASSLEY. Mr. President, during the course of the extensive floor debate in which the Senate has been engaged, numerous alternatives to Senate Joint Resolution 58 have been proposed. The common characteristic of these proposals is that they would mandate a balanced budget by statute rather than by constitutional amendment. The proponents of the statutory alternative claim that these measures would achieve virtually the same result as the constitutional approach, while avoiding the delay, difficulty and policy constraints inherent in the amendatory process.

On July 13, 1982, Mr. Mathias offered his statutory alternative to Senate Joint Resolution 58, a proposal which in substance practically replicates the pending resolution. In advocacy of his alternative, the Senator stated,

> Before we amend our organic law, the Constitution, in a manner that seems likely to fail, or at least to require adjustment and tuning, let us do what we can do in a way that we can adjust and tune.

The Senator went on to say that,

> as a general rule, we should resort to the amendment procedures prescribed under Article V only when all other means of achieving a desired goal have been exhaustively explored and rejected.

In the ensuing debate I joined with my distinguished colleague from Virginia, Mr. HARRY F. BYRD, to remind Senators MATHIAS and BAUCUS that the Congress had not just "exhaustively explored" such a statutory approach, but had in fact previously enacted such legislation, Public Law 95-435, section 7. That law, enacted in 1979 reads,

Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Unfortunately, as Senator MATHIAS now seems to advocate, the Congress chose to "adjust and tune" that statute for which Senator BYRD and I so earnestly endeavored. The Congress simply passed the next budget resolution lacking any balanced budget stipulations. Since the succeeding statute has precedence over what was previously enacted, the Byrd-Grassley amendment was "adjusted and tuned" out of existence.

This example illustrates the real inadequacy of any statutory proposal to mandate a balanced budget. No matter what is embodied in the substance of such proposals, whether it be a 60 percent vote waiver as provided in the Mathias-Baucus proposal or a 100 percent vote waiver, these statutes may be overturned and nullified by a 51-percent vote of both Houses of Congress. This was the fate of the Byrd-Grassley statute. I submit that all other statutes, no matter how well constructed, will suffer the same unfortunate fate.

Therefore, Mr. President, I would urge my colleagues to reject the Mathias-Baucus proposal, and any others which would substitute a statute for the constitutional amendment proposed in Senate Joint Resolution 58. Too many of us have worked for too long to see our hopes dashed upon the rocks of the statutory approach once again.

I would suggest to Senators MATHIAS and BAUCUS, that if they were to offer this proposal as a supplement rather than as a substitute for Senate Joint Resolution 58 to be used in the interim during the ratification process that it would have my support, and I believe the support of the principal sponsors of this resolution. The statutory implementation of the procedural mechanism provided for in Senate Joint Resolution 58 would allow Congress an opportunity to develop the appropriate legislation that will be so crucial to the success of this effort. The proposal offered by Senators MATHIAS and BAUCUS might be a very effective trial balloon for the Congress to adapt to the spending regimen embodied by Senate Joint Resolution 58. If it is not wholly circumvented it could be of great success in expediting the intended results of the constitutional approach.●

Mr. KENNEDY. Mr. President, I am pleased to support this amendment to substitute a legislative mandate to balance the Federal budget for the proposed balanced budget constitutional amendment.

We can all agree that this country is in an economic crisis. But the proposed constitutional amendment to mandate a balanced Federal budget is an inappropriate response to the growing nationwide concern over the deterioration of our economy. Our Constitution works well because it contains only the basic freedoms and procedures necessary for the survival of our Republic. The Founding Fathers wisely excluded from the Constitution rules governing the financing of day-to-day Government operations. Federal budgeting is a complex, subtle, and evolving process that cannot and should not be constrained by an inflexible formula embodied in the Constitution.

The inclusion of the balanced budget amendment in the Constitution will erode this sacred foundation of our democracy. The terms included in the constitutional amendment are undefined and subject to varied and changing interpretations. There is not even agreement as to what the "budget" is. For example, at different times agencies such as the Export-Import Bank, have moved off of and back onto the budget. "Outlays" and "receipts" are also fluid concepts. For example, the refundable earned income tax credit for individuals is treated as an increase in outlays, while the tax break for Safe Harbor Leasing—which is a refundable tax credit for corporations—is treated as a reduction in revenues. Net lending may or may not be considered to be an outlay, and loan guarantees are not outlays.

The constitutional amendment would limit growth in revenues to the rate of increase in "national income" in the prior fiscal year. But what is "national income?" The bill's sponsors have admitted that national income is anything Congress says it is. The eminent economist, Paul Samuelson, in his classic text "Economics" gives us several definitions to choose from, including "overall annual flow of goods and services in an economy," "national product," "net national product," or "gross national product."

These definitions can have a large effect on the amount of revenues allowable under the amendment. In 1981, gross national product was $2,925 billion, net national product was $2,604, and national product was $2,347 billion—a difference of nearly $600 billion between the largest and smallest. Balancing the budget under the proposed amendment will require little more than skillfully playing a shell game of minimizing outlays by moving more and more items off budget or into tax expenditures, while at the same time maximizing revenues by selecting the most expansive definition of national income.

Sponsors of the constitutional amendment argue that the major terms in the amendment are undefined because of the need for "flexibility." This "flexibility" extends to the point that Congress may vote to ignore the constitutional amendment altogether. This charade demeans the Constitution. The flexibility needed to manage the Federal budget is a persuasive argument for keeping Federal fiscal policy where it has been for over 200 years—in legislation. The Baucus-Mathias amendment would strengthen existing law to require a balanced budget, and I support their approach.

A specific formula for balancing the Federal budget does not belong in the Constitution. The Constitution was never intended to enact Ronald Reagan's trickle down economics. Perhaps the most persuasive argument against the balanced budget constitutional amendment is the structure of the amendment itself. The amendment purports to require a balanced Federal budget. However, the loopholes in the measure are large enough to drive a $110 billion deficit through. If there is a declaration of war, Congress may waive the balanced budget requirement. Revenues may not increase by more than the rate of growth in national income for the previous year, unless a majority of both Houses approves additional receipts. Congress may not adopt a budget statement in which total outlays exceed total receipts, unless by a three-fifths majority, Congress votes to approve a deficit. The string of waivers and exceptions which the sponsors have adopted in an effort to make the round peg of economic theory fit into the square hole of the Constitution have made this amendment look like a Rube Goldberg invention. The amendment's sponsors have proved that limitations on Federal spending and revenues are much more appropriately the subject of legislation such as the Mathias/Baucus substitute amendment.

A particularly important feature of the Mathias/Baucus substitute is the requirement that all budget estimates be Congressional Budget Office figures. Our experience with this administration demonstrates the hopelessness of trying to balance the budget using figures supplied by the administration. In 1981, the administration promised us a balanced budget by 1985. Currently even the administration expects deficits of $73 billion in 1985, but CBO puts the shortfall much higher, at $110 to $115 billion. The administration has a penchant for underestimating outlays and overestimating receipts. Any effort to balance the Federal budget must begin with realistic estimates such as CBO can provide.

The case against a balanced budget constitutional amendment was eloquently presented in testimony by Prof. Laurence Tribe to the Judiciary Committee, and I ask unanimous consent that his testimony may be printed in the RECORD. I also ask consent that a message from the Committee on Constitutional Integrity which appeared in the New York Times and Washington Post on June 22, 1982, and which was signed by a group of constitutional scholars, eminent economists, and labor leaders, may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF LAURENCE H. TRIBE

I am honored by this Committee's invitation that I appear before it to shed whatever light I can as a constitutional scholar on the proposed Balanced Budget Amendment. The topic I have been asked to address is, of course, not whether that proposal is wise or foolish as a matter of policy, but, rather, what its adoption would do to the constitutional framework under which our Nation has spent nearly two remarkably successful centuries.

Chief Justice John Marshall set the stage for all such analyses when he wrote, in *McCulloch* v. *Maryland*, 17 U.S. (4 Wheat.) 316 (1819), that "we must never forget it is a *constitution* we are expounding"—"a constitution intended to endure for ages to come." *Id.* at 412. The Members of Congress are surely aware of how much is thus at stake in this controversy. Senator Gorton echoed John Marshall when he reminded his colleagues, in a debate on this proposal several days ago, "[w]e must keep very much in the forefront of our thoughts that it is the Constitution we are writing here." Cong. Rec. S9393 (July 29, 1982). Indeed, as we "sail into [these] uncharted seas," *id.* 9395, even the Senate Judiciary Committee Report in favor of the pending proposal concedes that "a proposed amendment may be inconsistent with the purpose and spirit" of the Constitution in its "object," or in its "form or structure." Report on S.J. Res. 58 (hereinafter, "Senate Report") at 30-31 (July 10, 1981).

That Committee concluded that S.J. Res. 58 is *not* inconsistent with the Constitution's "purpose and spirit." The question before this body is whether the Senate Judiciary Committee was right or whether, carefully assessed, the proposed amendment should be found constitutionally defective—not "unconstitutional," of course, but nonetheless unfit to become part of our most basic legal charter.

My own conclusion, after much study and reflection, is that the proposed amendment is profoundly ill-suited for inclusion in our Constitution—and that its defects may be demonstrated by reference to criteria to which I believe all of us, including the amendment's sponsors, are deeply committed.

1. *The Constitution should embody only fundamental law, not economic policy.*

Justice Holmes observed long ago that a Constitution, if it is to serve people of fundamentally differing views, cannot "embody a particular economic theory" or policy. *Lochner* v. *New York*, 198 U.S. 45, 75 (1904) (dissenting opinion). He recognized, as had Chief Justice Marshall before him, that the Constitution would endure as our fundamental law only if it left to the political branches the choice of "means by which the powers it confers may be executed." *McCulloch* v. *Maryland* 7 U.S. 316, 407 (1819). Senator Hatch, a leading proponent of the Balanced Budget Amendment, approvingly quoted my own views to the same effect just a few days ago. *See* "Budget Rule: Yes—Politicians Need It," N.Y. Times, July 16, 1982, p. A27, col. 4. And the Senate Report in favor of this amendment likewise conceded that no constitutional provision should "mandate [a] particular economic policy." Senate Report at 31; *see also id.* at 30 (quoting my work on this subject).

The proposed amendment, despite its sponsors' disclaimers, would do just that. Based expressly on the thesis that "most of the economic problems suffered by the nation in recent years are caused, in major part, by excessive government spending," Senate Report at 4 (*see also id.* at 32, 38, 40-41), the amendment is candidly defended by its supporters at least in part as representing "responsible economic policy." *Id.* at 4; *see also id.* at 25. The question is not whether we agree or disagree that our economic ills will be healed if budget deficits were curbed by requiring supermajority approval; that a balance of receipts and outlays could be sought annually rather than over longer periods; that such a balance should be achieved by reducing outlays rather than closing tax loopholes (*see* Part 9 *infra*); and that the current ratio of Federal receipts to national income should not be allowed to grow without stepping on special brakes that are not applicable if the ratio should ever start to fall.

Those views may or may not be sound ones—today or in the year 2000. But that they *do* rest on quite specific theories about the economy, and *do* embody concrete policies for dealing with economic matters, cannot be doubted. By freezing these particular theories and policies into the Constitution, the Balanced Budget Amendment thus flouts the first and most basic axiom of constitutional suitability.

2. *The Constitution should not be imprisoned in a maze of calculations.*

Although a few constitutional amendments specify such details as the dates on which particular terms of office expire (e.g., Amendment XX), none has ever reduced our basic charter of government to an algebraic exercise. Yet Section 2 of the proposed Balanced Budget Amendment—which forbids receipts set forth for any fiscal year to "increase by a rate greater than the rate of increase in National income in the year or years ending not less than six months nor more than twelve months before such fiscal year" (absent a special contrary vote)—is necessarily explained by the Senate Judiciary Committee in terms of a set of mathematical formulas. *See* Senate Report at 48-49.

Perhaps the time will come when our children, or theirs, will be so immersed in the world of computers and of electronic wizardry that no one will be shocked to find differential equations in a poem or in a constitutional principle. But that day, happily, is not yet upon us; in the world *we* still inhabit, the Constitution is no place for quantitative formulas. To encumber it with such alien notions is to trivialize its majesty, reduce its ability to address *all* Americans, and take a sad step toward a less humane society.

3. *A constitutional amendment should be a last resort: effective, and essential.*

All are agreed, in principle, that preserving the Constitution's special role precludes resort to an amendment whenever some less drastic remedy might suffice.

Proponents of the Balanced Budget Amendment assert that no remedy short of a constitutional change can curb the alleged impulse to overspend (hence Section 1's limit on deficits) or the supposed tendency to let revenues automatically rise with inflation (hence Section 2's antidote to "tax bracket creep"—*see* Senate Report at 8-9). But a simple tax-indexing statute would completely solve the latter problem (if it *is* a problem).

And, as to the alleged impulse to overspend, the remarkable thing is that nothing in the proposed amendment would create any new method for resisting the precise pressures supposedly causing excessive appropriations. For one thing, the amendment's sponsors concede that none of its provisions requires Congress or the Executive to take any action if "actual receipts . . . fall below planned receipts," Senate Report at 48; *id.* at 75. The only safeguard against a budget that *looks* "balanced" solely because Congress adopts an unrealistically rosy estimate of receipts prior to the fiscal year (*see also* Part 4 *infra*) turns out to be Congress' posited desire "to act reasonably." *Id.* at 45. So much for the proponents' theory that this desire will "inexorably" be overcome by pressures from prospending groups! *See id.* at 3.

Equally telling, nothing in the Amendment puts Members of Congress under any new obligation to accompany specific votes for increased spending on particular programs with corresponding votes either to cut other spending programs or to impose increased taxes—the very obligation the amendment's sponsors suggest we *must* impose if we are ever to overcome the system's pro-spending bias. *See* Senate Report at 7-9, 28-31, 74. Although Section 1 insists that Congress and the President use their powers to "ensure that actual outlays" *for the fiscal year as a whole* "not exceed the outlays set forth in [the] statement" voted before the fiscal year began, this provision would not even be triggered until total outlays actually went over the top. And, even at that point, all the proposed amendment would require in order to make still further outlays lawful is enough votes in favor of a deficit—*not* votes that, according to the sponsor's own theory, will be deterred by incurring any disfavor among competing spending interests, or among taxpayers. *Id.* at 7.

No contitutional amendment is needed to require that those who favor deficits beyond a stated point go on record by voting to increase the statutory debt ceiling: it is not greater *accountability*, but a greater *substantive* tilt against deficits, that the three-fifths vote requirement seeks to impose. But that tilt, as will later be explained (*see* Part 5 *infra*), could well boomerang, and in any event has not been shown to require a *constitutional* change. By the sponsors' own admission, after all, a shared norm against deficit spending held the federal budget in satisfactory check from 1789 to 1932. *See* Senate Report at 19, 25-26, 32. If such an "unwritten Constitution," *id.*, sufficed for all those years, then the solution is to re-instill the attitudes that made it work—not to restructure our fundamental law as a shortcut substitute for such persuasion.

4. *The Constitution should not pretend to command what it cannot control.*

Reflecting its sponsors' belief that excessive spending and taxation trace to causes "sown in the nature of man," Senate Report

at 27, the proposed amendment decrees a norm of budgetary balance and of limited tax revenue growth as though deviations from that norm were attributable to defects of will power that "the new Constitution" could overcome with its special voting rules. *Id.* In fact, however, outlays may rise to unplanned levels because natural disasters, foreign crises, or domestic needs suddenly demand unexpected levels of federal resources; and revenues may either fall because of unexpected recessionary trends or rise because of equally unexpected economic improvements.

To the degree that currently irresistable pressures from constitutents are instead to blame for overspending and overtaxing, the Amendment in its current form not only fails to cope with the phenomenon's asserted cause (*see* Part 3 *supra*) but also invites uncontrolled circumvention—through congressional actions (a) "passing on new, unreimbursed costs to the States," Senate Report at 11; *id.* at 52 (asserting that a ban on any such pass-through, now deleted from the amendment, would be needed to plug this major loophole);[1] or (b) establishing new entities under federal charter with implicit taxing and spending powers, *id.* at 60; or (c) imposing new regulatory burdens on selected private, quasi-private, or quasi-public enterprises, *id.* at 77; or (d) using loan guarantees that do not count as "outlays" until a later year, *id.; cf. id.* at 7 (deferring the cost of spending measures seen as device for avoiding fiscal responsibility); or (e) simply overestimating receipts in order to include desired programs in the budget without *projecting* any deficit at the start of the fiscal year. *Id.* at 45. *See* part 3 *supra*.

Although some sophisticated readers of the Amendment will see through any pretense that it can actually deliver fiscal restraint in the face of all these forces and options, the Amendment's message to the general public—the only message that could account for its appeal—is a bogus promise of reduced spending and taxation, a promise the Amendment simply cannot keep.

5. *The Constitution should not empower minorities to block majority choices until satisfied with the majority's political or fiscal concessions.*

Our Constitution's deep commitment to majority rule has been abandoned in the past only to protect individual and minority *rights*, or to check the executive (as through requiring super-majority approval of treaties)—not to enhance the political leverage of the few over the many.

Yet the proposed amendment does just that when it empowers 41% of either House to block what may be crucial outlays. *See* Senate Report at 82 (Sen. Specter). The ironic result could well be *higher*, not lower, deficits. For the combined cost of all the pet programs that the majority may have to fund in order to win the minority votes needed in order to reach 60% approval of deficit spending could well be considerable—even greater, perhaps, than the size of the deficit for which the 60% vote was needed.

It is the worst sort of double-think to claim, as some of the Amendment's sponsors do, that such a scheme for giving minorities a lever with which to exact a fiscal premium from the majority would "make the budget process . . . more democratic." Senate Report at 28 (sic). In truth, and whatever motives would animate those in the minority who would be given this new leverage, the scheme is *the very antithesis of democracy*, and expresses instead a cynical mistrust of representative government.

6. *Constitutional provisions should not nurture an Imperial Executive.*

The amendment's sponsors seem united in their belief that their proposal would not resurrect the dreaded impoundment power asserted by several past Presidents. (*See, e.g.,* Cong. Rec. S9398 (Sen. Gorton), July 29, 1982; *Id.* at S9403 (Sen. Hatch); *id.* at S9406 (Sen. Thurmond)). *See also* Senate Report at 61.

Yet if outlays begin to exceed those projected at the start of the fiscal year, Section 1 requires, among other things, that "the President, . . . through exercise of [his] powers under [Art. II], ensure that actual outlays . . . not exceed" those projected. On the face of it, this constitutional command would seem to override any merely statutory limit on executive impoundment authority, such as that of the 1974 Impoundment Act. And if the President concludes that *only* impoundment, decreed pursuant to his Article II powers as Chief Executive, can meet this duties under the new Amendment, then such an act—involving a refusal to spend appropriated funds on *whichever programs the President chooses to designate as the causes of excessive total outlays*—could well be deemed authorized by the proposed Amendment. *See, e.g.,* Cong. Rec. S9398 (Sen. DeConcini).

Despite the sponsors' contrary wishes, therefore, the Amendment creates a grave risk of swelling executive power in ways all agree would be extremely dangerous.

7. *Constitutional provisions should not foster an Imperial Judiciary.*

Constitutional provisions affirmatively empowering government action, and those securing specified individual rights against government, may be judicially enforced without necessarily requiring assertions of judicial power to manage the fiscal operations of government. Judicial enforcement of the proposed Balanced Budget Amendment, in contrast, would necessarily plunge judges into the heart of the taxing, spending, and budgetary process. As Senator Gorton put it in the other chamber several days ago, this "threat that we are vastly increasing the power of the Judiciary—that we are inviting the Judiciary into the business of writing budgets for the people of the United States—is a threat [even] more grave than [that] of . . . Presidential impoundment . . .," Cong. Rec. S9393 (July 29, 1982). He noted the "paradox . . . that a number of Members who have most fiercely opposed the intervention of the judiciary into [busing, prayer, and other "social issues"] should not have proposed an amendment which is likely . . . to add to the legislative authority of the Federal courts." *Id.*

The Senate nonetheless defeated Senator Gorton's proposed limit on judicial review under the Balanced Budget Amendment—a narrow limit, at that [2]—by a vote of 51 to 45. Cong. Rec. S9407 (July 29, 1982). Before that vote, Senator Heflin had noted that not even the Gorton Amendment could keep "State courts from getting involved." *Id.* at S9400-01. Senator Hatch had expressed the view that, if "Congress itself ignores" the Balanced Budget Amendment, "Members of Congress would"—and should—"have standing [on the basis of] being foreclosed from performing their duties as Members of that body," leading to what "may [be] a justiciable issue." *Id.* at 9404.[3] Senator Hatch opposed the Gorton Amendment because it could change all that. Senator Thurmond had expressed fear that the Gorton Amendment could also "have the unfortunate effect of precluding a legitimate lawsuit by a citizen with judicial standing who wants to challenge the constitutionality of the failure to Congress to obey the provisions of Senate Joint Resolution 58." *Id.* at 9406. Without an explicit limit on judicial review, the Senate was reminded, would-be recipients of outlays halted pursuant to the Balanced Budget Amendment could surely go to court to challenge any such cut-off. *See* Cong. Rec. S9405 (Sen. Bumpers); and federal taxpayers claiming that Congress was raising and spending taxes in violation of the new Amendment's express restrictions on the spending and taxing powers of Congress could certainly obtain standing under *Flast* v. *Cohen*, 392 U.S. 83, 103-04 (1968). *See* Cong. Rec. at S9394 (Sen. Gorton). In the face of Senator Bumpers' unrebutted suggestion that defeat of the Gorton Amendment would virtually assure a degree of judicial intrusion well beyond that contemplated by the Senate Report (at 62-66), *see* Cong. Rec. at S9405, the Senate defeated the Gorton alternative.

The dilemma for the sponsors of the Balanced Budget Amendment is an enormous one. If it were indeed as "self-enforing and self-monitoring" as they assert, Senate Report at 66, then the need for it—a need premised entirely upon the supposed necessity of "external constraint," *id.* at 42, 75—would vanish. If, as seems more plausible, it is *not* meaningfully "self-enforicing," *see* Parts 3 & 4 *supra*, then there is no way to make it work without compelling the judiciary to take on the task of budget-master, creating evils at least as great as those the budget-balancers hope to solve.

8. *The Constitution should not be used to stack the political deck against identifiable groups.*

It is easy to see why the Senate Report in favor of the proposed amendment should have found it necessary to defend the proposal by asserting that it contains "nothing that would make it significantly more diffi-

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[1] Nothing in current constitutional law, of course, prevents federal regulations from imposing federally unreimbursed burdens on states and localities—whether indirectly, as in *Hodel* v. *Virginia Surface Mining & Reclamation Ass'n., Inc.*, 452 U.S. 214 (1981) (upholding "steep-slope" provisions of Surface Mining Control and Reclamation Act; *National League of Cities* v. *Usery*, 425 U.S. 833 (1976), inapplicable where private businesses being regulated), or directly, as in *Federal Energy Regulatory Comm'n.* v. *Mississippi*, 102 S.Ct. 126, 2141-42 n.30 (1982) (upholding federal Public Utility Regulatory Policies Act as applied to compel state public utility commissions to consider specific rate-making standards in accord with federally mandated procedures; *National League of Cities* leaves Congress free to impose any conditions it sees fit even on state regulation *as such* in a federally preemptible field); and on state or city-run enterprises, as in *United Transp. Union* v. *Long Island R. Co.*, 102 S.Ct. 1349 (1982) (upholding federal Railway Labor Act as applied to state-owned railroad; *National League of Cities* wholly inapplicable to such state enterprises). The Senate Report's reliance on prior Supreme Court cases to suggest the contrary *see* Senate Report at 52, is demonstrably incorrect.

[2] The limit would have stated: "The judicial power of the United States shall not extend to any case or controversy arising under this article, except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 5."

[3] *See, e.g., Goldwater* v. *Carter*, 444 U.S. 996 (1979) (per curiam); *Coleman* v. *Miller*, 307 U.S. 433, 438, 441 (1939); *Kennedy* v. *Sampson*, 511 F. 2d 430 (D.C. Cir. 1974).

cult to *increase* expenditures or taxation than to *reduce* expenditures or taxation." Senate Report at 28 (emphasis added). With all respect, that *has* to be nonsense if the proposed amendment is to achieve anything at all. Its entire premise, after all, is that the existing system's asserted bias toward more spending and taxation than most people "really" want, *id.* at 4-6, 27-28, needs structural correction.

But even if one were to accept as true the claimed existence of some such bias, the Balance Budget Amendment would still be conspicuously *unbalanced* in choosing to address *that* "bias" while saying and doing absolutely nothing about the corresponding bias in the *opposite* direction—the bias against spending *enough* on interests that are themselves too dispersed, too inchoate, or too voiceless (future generations in need of current capital investment, for example) to compete effectively with the groups favoring tax and spending limits *now*.

This bias, and not that ostensibly addressed by the Balanced Budget Amendment, is the one that is most closely analogous to the skew introduced "by the existence of the poll tax or the inability of eighteen-year-olds to vote." Senate Report at 31. Particularly given Section 2's one-way ratchet against federal spending that grows *faster* than national income, but not against federal spending that grows *slower* than either national income *or* national needs, the Balanced Budget Amendment "necessarily means . . . a restriction on national social policies that protect the poor, the aged and the underrepresented." B. Marshall, "Budget Rule: No," N.Y. Times, July 16, 1982, p. A27, col. 2. *See also* Part 9 *infra*. Anything *but* "balanced," the Amendment's pretense at neutrality thus belies even its modest claim to making the "process . . . a more honest and open" one. Senate Report at 29.

9. *The Constitution should not be used to build tax shelters into the foundation of our legal system.*

Even within its own slanted ambit, and disregarding the way in which its very selection of problems to attack unfairly skews the political deck (*see* Part 8 *supra*), the Balanced Budget Amendment uniquely shelters the rich and powerful. For it conspicuously restrains only those amounts the Federal Government *collects* ("receipts"), and controls only the deficit gap between such amounts and the amounts the Federal Government *disburses* ("outlays"). *See* Senate Report at 45-48, 53-60.

Wholly excluded from this balance sheet are the tens (perhaps hundreds) of billions of dollars that never even *enter* the picture painted by the Amendment inasmuch as special tax loopholes, in the form of sheltered leasing arrangements or other indirect subsidies for the wealthy, have saved the rich even the trouble of rounding up annual votes in Congress for such implicit "outlays" in their favor. These groups evidently do not count as "spending interests," Senate Report at 6, that the Amendment's sponsors deem to be in need of restraint—but they are no less "intense and passionate," *id.*, and are no less successful in prescrving their prerogatives at the expense of the U.S. Treasury—and all the rest of us.

The Balanced Budget Amendment is not, of course, responsible for the original existence of such tax subsidies—which many classify as "tax expenditures." But the Amendment *would* be responsible for giving such subsidies a constitutionally privileged and deeply entrenched status. They would be uniquely exempt from the Amendment's obstacles to spending. And, difficult as such tax shelters are to dislodge *now*, imagine the difficulty of insisting that they be replaced with direct subsidies and then debated as such in the annual appropriations process once the Balanced Budget Amendment had made it clear that any such shift would suddenly transfer these tax subsidies into the Amendment's arena of mandated "competition among the spending interests," Senate Report at 9, an arena that tax subsidies and shelters could otherwise continue to avoid altogether.

Indeed, Section 2 of the proposed Amendment would directly limit all moves to close tax loopholes inasmuch as such efforts, of course, create added "receipts" for the Federal Government and would thus count toward Section 2's constraint on the rate at which such receipts may grow without a special vote of Congress. By arbitrarily treating the elimination of each tax shelter as causing an increase in receipts rather than a reduction in outlays (contrast the elimination of social programs), the Balanced Budget Amendment doubly handicaps all attempts to enhance tax equity as a means of simultaneously reducing deficits and increasing fairness. Whatever one may say of any such strategy as a matter of policy, it seems unthinkable that it should be enshrined in the Constitution.

Among its most pernicious and least noticed defects as a candidate for inclusion in the Constitution, therefore, is the Balanced Budget Amendment's unwarranted treatment of certain privileged beneficiaries of the Treasury as "more equal than others," and its hidden creation of a massive new disincentive to, and limit upon, effective tax reform.

10. *We must not "constitutionalize unto others" what we would not have them "constitutionalize unto us."*

One fair and final test of whether the proposed Amendment makes genuine sense, or is instead popular mostly because of the political benefits that come with being counted among its supporters, is whether those who favor the Amendment would be willing to subject themselves to the rigors it proclaims.

For the President and the Congess that are busily voting the highest deficits ever to go on record as favoring constitutional limits on similar conduct by their successors—starting "the second fiscal year" after the Amendment's ratification (Sec. 6)—at least suggests, in George Will's terms, that "current incumbents" are merely "strik[ing] a pose with an amendment that might be, in practice, 98 percent loophole" unless attitudes change so substantially as to make "the amendment . . . beside the point." Boston Globe, p. 83, col. 3 (July 25, 1982).

The refrain, "Stop me before I tax again!", reminds one of nothing quite so much as St. Augustine's famous prayer: "Oh Lord, save me from sin . . . but not just yet." If there were to be a Golden Rule of Constitutional Amendments, this proposed amendment, it seems, would violate it.

CONCLUSION

All ten criteria that a proposed amendment should surely have to meet—criteria of very general applicability with which I believe even this Amendment's sponsors could hardly disagree—therefore reveal the Balanced Budget Amendment to be unworthy of our Constitution.

Unless the Amendment's advocates show these criteria to be flawed—unless they successfully attack these "ten commandments" of the amendment process—their proposal can be accepted only if its failure to meet even *one* of these criteria can be convincingly refuted. Because it is our *Constitution* that we are, indeed, talking of amending, we simply cannot afford to proceed in the face of such grave, and thus far unanswered, constitutional objections.

[From the New York Times and Washington Post, June 22, 1982]

A CONSTITUTION SHOULD NOT EMBODY ECONOMIC THEORY

We, the undersigned, urge Congress to reject the proposed amendment to the Constitution which would require the federal budget to be balanced each year. We agree with the rule laid down decades ago by Justice Holmes, who said: "A constitution is not intended to embody a particular economic theory." Among our reasons for this position are these:

The proposed amendment would restrict the ability of the President and Congress to respond to a domestic economic crisis with an appropriate mix of fiscal and monetary policies.

The proposed amendment would leave little or no discretion for the President or Congress to increase spending for national security needs short of war.

The proposed amendment assumes that budget planning is an exact science when all recent experience shows that there are many uncontrollable forces which affect federal revenues and expenditures.

The proposed amendment would commit future Presidents and Congress to an economic policy which appears to be suitable at one particular time and may not be appropriate at another.

We agree on the goal of achieving a balanced budget, but this goal can be reached on the basis of economic cycles and not on the basis of an arbitrary, short time limit. This does not imply that we are in agreement on an appropriate level of federal spending or federal deficit at any particular time.

We urge all Americans to ask their senators and congressional representatives to oppose Senate Joint Resolution 58 and House Joint Resolution 350, which propose an amendment to the Constitution to require a balanced federal budget.

VOTE ON AMENDMENT NO. 1931

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Maryland (Mr. MATHIAS) numbered 1931. Under the previous order, there will be a 10-minute vote. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), and the Senator from Colorado (Mr. HART), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 28, nays 67 as follows:

[Rollcall Vote No. 273 Leg.]

YEAS—28

Baucus	Gorton	Mitchell
Biden	Inouye	Moynihan
Boschwitz	Jackson	Pell
Bradley	Kassebaum	Randolph
Bumpers	Kennedy	Rudman
Cohen	Leahy	Sarbanes
Cranston	Levin	Specter
Dodd	Mathias	Tsongas
Eagleton	Matsunaga	
Ford	Metzenbaum	

NAYS—67

Abdnor	Exon	Murkowski
Andrews	Garn	Nickles
Armstrong	Goldwater	Nunn
Baker	Grassley	Packwood
Bentsen	Hatch	Percy
Boren	Hatfield	Pressler
Brady	Hawkins	Proxmire
Burdick	Hayakawa	Pryor
Byrd, Harry F., Jr.	Heflin	Quayle
	Heinz	Riegle
Byrd, Robert C.	Helms	Roth
Cannon	Hollings	Sasser
Chafee	Huddleston	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jepsen	Stafford
D'Amato	Johnston	Stennis
DeConcini	Kasten	Symms
Denton	Laxalt	Thurmond
Dixon	Long	Tower
Dole	Lugar	Wallop
Domenici	Mattingly	Warner
Durenberger	McClure	Zorinsky
East	Melcher	

NOT VOTING—5

Danforth	Hart	Weicker
Glenn	Stevens	

So the amendment (No. 1931) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1928

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. MOYNIHAN), No. 1928, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll. Under the previous order, this will be a 10-minute rollcall.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Colorado (Mr. HART) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 12, nays 83, as follows:

[Rollcall Vote No. 274 Leg.]

YEAS—12

Byrd, Robert C.	Inouye	Moynihan
Cranston	Jackson	Pell
Dodd	Kennedy	Sarbanes
Eagleton	Matsunaga	Tsongas

NAYS—83

Abdnor	Exon	Melcher
Andrews	Ford	Metzenbaum
Armstrong	Garn	Mitchell
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Nunn
Biden	Hatch	Packwood
Boren	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Bradley	Hayakawa	Proxmire
Brady	Heflin	Pryor
Bumpers	Heinz	Quayle
Burdick	Helms	Randolph
Byrd, Harry F., Jr.	Hollings	Riegle
	Huddleston	Roth
Cannon	Humphrey	Rudman
Chafee	Jepsen	Sasser
Chiles	Johnston	Schmitt
Cochran	Kassebaum	Simpson
Cohen	Kasten	Specter
D'Amato	Laxalt	Stafford
DeConcini	Leahy	Stennis
Denton	Levin	Symms
Dixon	Long	Thurmond
Dole	Lugar	Tower
Domenici	Mathias	Wallop
Durenberger	Mattingly	Warner
East	McClure	Zorinsky

NOT VOTING—5

Danforth	Hart	Weicker
Glenn	Stevens	

So Mr. MOYNIHAN's amendment (No. 1928) as modified, was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent to proceed for 15 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if I could have the attention of Senators, these will be 10-minute rollcalls, and I urge Senators to remain on the floor. There are two more rollcalls back-to-back. After that we have caucuses on both sides of the aisle, so I urge Senators to remain on the floor so that we can do these next two rollcalls promptly.

VOTE ON AMENDMENT NO. 1996

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1996) of the Senator from California (Mr. CRANSTON). This will also be a 10-minute rollcall. The yeas and nays have been ordered,

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS). and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

The PRESIDING OFFICER (Mr. HAYAKAWA). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 36, nays 58, as follows:

[Rollcall Vote No. 275 Leg.]

YEAS—36

Andrews	Ford	Matsunaga
Bentsen	Heflin	Metzenbaum
Biden	Hollings	Mitchell
Bradley	Huddleston	Moynihan
Burdick	Inouye	Pell
Byrd, Robert C.	Jackson	Pryor
Cannon	Johnston	Randolph
Cranston	Kennedy	Riegle
Dixon	Leahy	Sarbanes
Dodd	Levin	Sasser
Eagleton	Long	Tsongas
Exon	Mathias	Zorinsky

NAYS—58

Abdnor	East	Murkowski
Armstrong	Garn	Nickles
Baker	Goldwater	Nunn
Baucus	Gorton	Packwood
Boren	Grassley	Percy
Boschwitz	Hatch	Pressler
Brady	Hatfield	Proxmire
Bumpers	Hawkins	Quayle
Byrd, Harry F., Jr.	Hayakawa	Roth
	Heinz	Rudman
Chafee	Helms	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jepsen	Specter
Cohen	Kassebaum	Stafford
D'Amato	Kasten	Symms
DeConcini	Laxalt	Thurmond
Denton	Lugar	Tower
Dole	Mattingly	Wallop
Domenici	McClure	Warner
Durenberger	Melcher	

NOT VOTING—6

Danforth	Hart	Stevens
Glenn	Stennis	Weicker

So Mr. CRANSTON's amendment (No. 1996) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1989

The PRESIDING OFFICER. The question is on agreeing to the Cranston amendment No. 1989. Under the previous order, this will be a 10-minute rollcall. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 18, nays 76, as follows:

[Rollcall Vote No. 276 Leg.]

YEAS—18

Bradley	Jackson	Moynihan
Byrd, Robert C.	Kennedy	Pell
Chafee	Leahy	Randolph
Cranston	Levin	Riegle
Eagleton	Matsunaga	Sarbanes
Inouye	Mitchell	Tsongas

NAYS—76

Abdnor	East	McClure
Andrews	Exon	Melcher
Armstrong	Ford	Metzenbaum
Baker	Garn	Murkowski
Baucus	Goldwater	Nickles
Bentsen	Gorton	Nunn
Biden	Grassley	Packwood
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Brady	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Rudman
Cannon	Hollings	Sasser
Chiles	Huddleston	Schmitt
Cochran	Humphrey	Simpson
Cohen	Jepsen	Specter
D'Amato	Johnston	Stafford
DeConcini	Kassebaum	Symms
Denton	Kasten	Thurmond
Dixon	Laxalt	Tower
Dodd	Long	Wallop
Dole	Lugar	Warner
Domenici	Mathias	Zorinsky
Durenberger	Mattingly	

NOT VOTING—6

Danforth	Hart	Stevens
Glenn	Stennis	Weicker

So Mr. CRANSTON's amendment (No. 1989) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, am I correct in saying now that the Senate will resume consideration of the Armstrong amendment?

The PRESIDING OFFICER. The Senator is correct.

RECESS UNTIL 2 P.M.

Mr. BAKER. Mr. President, ordinarily, on Tuesday, the Senate has recessed from 12 o'clock until 2 o'clock in order to accommodate the requirement that Members on both sides of the aisle attend official caucuses. We have encroached on that by almost 30 minutes, but I have done so with the concurrence, I believe, of the minority leader.

Mr. President, I ask unanimous consent that the Senate stand in recess from this moment until 2 p.m. today.

There being no objection, the Senate, at 12:27 p.m., recessed until 2 p.m.; whereupon, the Senate reconvened when called to order by the Presiding Officer (Mr. HEINZ).

Mr. THURMOND. Mr. President, we are ready to proceed with anyone who has an amendment. I believe the Senator from Colorado was supposed to be up next. I do not see him in the Chamber. We are ready to go. I suggest he be notified so he can come to the Chamber.

In the meantime, I suggest the absence of a quorum until he gets here, the time to be charged equally.

The PRESIDING OFFICER. The Chair states that the Armstrong-Boren amendment is the pending business of the Senate.

Mr. THURMOND. Mr. President, I do not see the Senator in the Chamber now. I suggest the absence of a quorum to give him an opportunity to get here. I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Does the Senator wish me to yield him time or does he have other arrangements,

Mr. HOLLINGS. Mr. President. I had arranged with the distinguished minority manager, the Senator from Arizona.

Mr. DECONCINI. Mr. President, I yield 15 minutes to the Senator from South Carolina.

Mr. HOLLINGS. I thank both of my distinguished colleagues.

Mr. President, I speak from experience. I have worked to balance the Federal budget—and in 1968 we succeeded. In a conference with George Mahon and the House Members in December of that year, we called Marvin Watson, received President Johnson's approval to cut $5 billion in spending, and obtained a balanced budget. At the State level as Governor, I wrestled with a constitutional provision (article 10, section 2, South Carolina constitution of 1895) which required that expenditures never exceed expected revenues. For many of the 50 years that this provision was in effect, the State of South Carolina's budget ran in the red. In 1949, I suggested a rule in the State house of representatives that on second reading, all appropriations bills should be accompanied with a certificate from the State auditor that expenditures were within the expected revenues or the bill would be automatically referred back to the committee. But the budgets continued in the red. When I took over as Governor in 1959, I submitted a proposal to increase taxes, pay the deficit, and stabilize our fiscal policy. The budget was balanced and for the first time, the bonds of South Carolina received a triple A credit rating.

We have maintained that rating since—not because of the constitution but because of the fiscal discipline reflected in our general assembly or legislative branch. Unless and until we can develop such a discipline in the National Congress, we will never balance our budget—the Constitution to the contrary notwithstanding. Perhaps the provision will assist in developing that discipline and for that reason, I shall vote for it. But it is misleading to think that it can supplant the discipline, or actually balance the budget. It is not a governor on the fiscal engine. It will not control the speed. The best that it can do is serve as a speedometer, a reminder, if you please, when we are speeding. But in no way can it control the speed.

As Senators and Congressmen, controlling the speed is our job. It always will be. It cannot be finessed. It cannot be blamed on the lack of a law. It can only be blamed on the lack of political will. As Felix Rohatyn, the distinguished financier who led the recovery of the city of New York stated, a similar provision in the city's charter "controlled nothing until the money ran out."

Most of the impassioned pleas on both sides are pure nonsense. The constitutional provision will accomplish neither what its proponents or opponents contend. It will not put algebra into the Constitution; it will not throw us into a depression. The article itself provides that a vote of 60 Senators can disregard it. Since January, we have voted 277 times in the U.S. Senate and 164 of those votes have been decided by majorities of 60 Senators or more.

The danger of this measure is one of false hope. We revere our Constitution. We feel that it can and must control. But as in the case of equal justice, economic balance will be difficult, and the bizarre appearance by the Nation's President on the Capitol steps inferring that this constitutional provision will require fiscal prudence is pure deception. The President comes about this honestly. He has been deceiving himself for years. The President tells us that for years we have been on a binge of tax and tax and spend and spend. He is right about the spending. But we started slowing down before he came to Washington. The fact is that the first spending cut or reconciliation bill was signed by President Carter. President Reagan is dead wrong about the taxes. In the 16 years that I have been in the Senate, I have never even had the opportunity of voting for a general tax increase until the Reagan-Dole proposal 2 weeks ago. In fact, prior to the Reagan revenue hemorrhage of last year, I voted for seven tax cuts amounting to a loss of revenue during the last decade of over $1 trillion. If the President had waited for the supply side tax cuts for business to take effect and then phased in the individual tax cuts—the way they did it in the 1960's—it might have worked. It was not mistakes of the past or problems that we inherited that got us into this trouble. It was the President's greedy grab of August last year.

He wanted too much all at once. The economic collapse that we are now experiencing was totally unnecessary. It was conceived by Kemp-Roth, passed

by Kemp-Roth and Reagan, and signed by President Reagan.

Last year, when the President presented his budget, he promised dramatic economic growth and a decline in budget deficits. In fiscal 1982, the budget deficit would be $45 billion. In fiscal 1983, the budget deficit would be $22.9 billion. In fiscal 1984, a virtual budget balance would be achieved. In fiscal 1985, the Nation would boast a budget surplus of $6.9 billion. Instead this past week, both the Congressional Budget Office and the Federal Reserve have predicted deficits of $150 billion for each of the next 3 years. Even Secretary Baldrige of Commerce agrees with this prediction. Last year, the President asked for $133.7 billion in spending cuts and the Congress gave him $135.1 billion. In August last year, the President asked for $750 billion in tax cuts and the Congress gave him $750 billion in tax cuts.

This year, the President astounded the Congress in February when he presented his budget calling for a $132 billion deficit for fiscal 1983. Senator LAXALT called the President's projected deficit "numbing." Senator ARMSTRONG, a Republican member of the Senate Budget Committee, stated, "We can't live with the deficits of the magnitude of those projected in the President's budget." Accordingly, the leaders of both Houses and both parties met as the "Gang of 17" to save us from fiscal disaster. But the negotiators were greeted at the door with a sign from President Reagan, "No Discussion of the Reagan-Kemp-Roth Tax Cut Wanted; No Defense Cut Allowed." Faced with an impossible task, the parties returned to their Houses where every Republican on the Senate Budget Committee joined every Democrat and unanimously rejected President Reagan's budget. But it was not long before the same budget was enacted by executive invasion. The distinguished Republican leadership of the Budget Committee that had been contending for truth in budgeting and a tourniquet on the Reagan revenue hemorrhage surrendered and joined the famous finagler Stockman—and finagled. To a contrived proposal in the Senate Budget Committee, all amendments were stonewalled. When the budget reached the floor, to make sure there were no escapees, the Republican leader corralled his sheep, holding the Senate in recess for 2 days. No Democrats were allowed. The TV that they have been crying for all year could not get past the two barred doors. After the White House budget had passed the Senate and House, the conference committee was presented another deception. It was late afternoon and we were told that a baseball game between Democrats and Republicans would not give us time to consider anything substantive. The conference adjourned but instead of playing ball, the Republicans again secured themselves in secret with David Stockman and the delay that we experienced the next morning when we reconvened was caused by Stockman "not having the papers ready". The White House budget was presented and again all amendments were stonewalled. The conference report was adopted, the invasion was complete, the White House declared victory. The President continues his self-deception when he cries, "Why don't you give us what we ask for." It is like Mae West crying for a life vest. Today, when the President talks about "spend and spend" one must realize that President Reagan has increased the size of Government spending from 23 percent of the GNP under President Carter to the present 24.1 percent. Moreover, having proclaimed in February that "we are not going to balance the budget on the backs of the taxpayers of America," the President now sets about balancing the budget on the backs of the taxpayers of America.

Adlai Stevenson, once asked whether he was conservative or liberal, replied:

That is not the important question—the important question is whether or not I am headed in the right direction."

On this score, there is reason for panic.

Since Lyndon Johnson left a surplus for Richard Nixon, each President has inherited a high deficit. Jimmy Carter inherited a $66 billion deficit from Gerald Ford. But during his term, he managed to cut it down to $27.7 billion. President Reagan inherited a $60 billion deficit but instead of heading us in the right direction, we are looking at a $140 billion deficit for this year and a $150 billion deficit for 1984 and 1985. Having killed the economy, the President begs for a constitutional amendment that cannot take effect until after his Presidency. And he begs for time. Time is what the President asked for last August. We were told that unemployment and business failures were the price we paid in getting inflation down. And that the economy would come roaring back in the spring. Now, after a year, with things getting worse, we realize that time is hurting rather than helping. What we need is action now. What we need is hope.

Let us pause for a minute and analyze the situation. The President has gotten everything he asked for. And he has had time. The financial officer of every company has believed in President Reagan. He has felt assured that deficits would be diminished and interest rates would go down. He rejoiced in the Reagan revenue hemorrhage for this practically eliminated the corporate tax and gave the best of investment credits, safe-harbor leasing, and depreciation allowance, all retroactively, commencing January 1981. But instead of the deficit lowering, it has doubled. Concerned, the financial officer is positive that in 2 or 3 years the deficits will surely be down. He hears the President call for more cuts in spending. He studies the Reagan budget closely. In 1985, defense will cost $300 billion, social security $200 billion, health $100 billion, veterans $25 billion. He understands that these will not be cut much if at all. Then he looks at the increased cost for interest on the national debt—it cannot be cut—$140 billion. We are bound to have $765 billion in spending in 1985 but the expected revenues are only $760 billion. Mercy. What is all this talk about cutting spending. Eliminating food stamps, the Agriculture Department, Commerce, Interior, the courts, the Congress, the FBI—eliminate the rest of Government—and there is still a deficit. The deficit projections all contemplate the $99 billion tax increase now before the Congress. The financial officer goes to the fine print to double check the revenues. He realizes that even with optimistic projections, the revenue hemorrhage of Reaganomics drains the budget $190 billion in 1985. The financial officer grabs the phone to talk to the chairman of the board. Panic has set in. Whatever plans for expansion or modernization the company has—stop, do not. He tells the chairman that the Government in the last two quarters of this year 1982 will borrow $100 billion and it will still be borrowing at this level or more in 1985. Interest rates are headed up over 20 percent. Do not invest in your own company. Put the money in money market funds and squat on your guaranteed profit. Accordingly, America's business goes into a freeze. Reagamortis has set into the economy. There is no plan in Washington to avoid the disaster of higher deficits and higher interest rates. The light at the end of the tunnel that the President talks about is a train on the track headed directly at us.

If the President and Congress fail to act this year, it is doubtful that American business will be able to tough it out in the time it takes for the next budget. For the new Congress to organize in January, the President to submit his budget in February, hearings and debate in both Houses, it will again be the 4th of July before any new budget or plan to lower the deficits can be adopted. This proposal for a constitutional amendment is intended deception between now and the election. Unfortunately, politics forbids any real accomplishment before the election. But this country needs hope; this country deserves hope. We could act right after the election. To do nothing the remainder of this year and half of next means another 11 months of bank failures, business bankruptcies, farms sold and millions

out of a job. But we can do something. We can enact the freeze that I proposed in February. This plan would have brought us a balanced budget—without a constitutional amendment—by fiscal 1985. With the time lost and the worsening conditions, the plan will not permit the budget to be balanced by 1985. But it will bring the projected deficit of $158 billion down to $38 billion. These are the main elements of my proposal:

It would impose a freeze on cost-of-living adjustments (COLA) in all Federal benefit programs with the exceptions of food stamps and SSI. The current benefit level for individuals would be frozen for 1 year, beginning January 1, 1983. For 1984 and 1985, a 3-percent COLA cap would be placed on the programs.

Beginning October 1, 1983, a 1-year freeze would be set on all Federal military and civilian pay. A 3-percent cap on pay increases would be in effect for 1984.

The plan would still permit 3 percent real growth in defense purchases.

Previously enacted tax indexing provisions would be repealed.

The scheduled July 1, 1983, 10-percent tax cut would be eliminated.

Together with lower debt service costs because of the smaller deficits produced by the plan, the 1985 deficit would be below $40 billion. I ask unanimous consent that a table highlighting the plan as estimated by CBO be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HOLLINGS PROPOSAL TO REDUCE PROJECTED DEFICITS

	1983	1984	1985
CBO deficits (July 1982) [1]	142–152	145–160	143–158
Deficit reductions [1]—SPENDING:			
1. COLA's 1-year freeze beginning Jan. 1, 1983; 3 percent cap in 1984 and 1985 (exempt food stamps and SSI)	3	12	16
2. Federal pay—1-year freeze beginning Oct. 1, 1983; 3 percent cap in 1984 (includes all civilian and military)		2	5
3. Defense—3 percent real growth in BA purchases each year	6	13	26
4. Interest savings from lower deficits	1	6	14
Revenue:			
1. Repeal indexing			9
2. Eliminate July 1, 1983, 10 percent rate cut	7	32	35
Total deficit reduction	17	65	105
Remaining deficits	124–135	80–95	38–53

[1] Assumes enactment of all policies of the first budget resolution for fiscal year 1983 (Senate Concurrent Resolution 92).

Note.—Numbers are CBO estimates.

Mr. HOLLINGS. The plan I have offered is both fair and effective. It would not be a program without sacrifice, but it would set us on a reliable glide path to a balanced budget without the economic chaos and disruption of the Reagan program.

This plan carries with it a compelling reminder. If a balanced budget constitutional amendment is finally approved, we will still have to adopt changes like those I have outlined to make the amendment work. Instead of deferring the time to several years down the road, when the amendment would become the law of the land, we should begin now to move firmly toward a balanced budget.

Mr. President, all last year, we heard about the psychology of expectations—that the fiscal affairs of government need not be exactly in the black at the moment but the expectation that the deficit would be eliminated would cause businesses to invest because they would feel sure that interest rates would be coming down. Today business feels sure they are going up. And they cannot make sense out of this President and this Congress. We have reached an impasse.

We all see joblessness, failures, and suffering. Yet we do not do anything about it. We can do for the single interest, but we cannot do for the common good. We can respond for the social security recipient, the defense contractor, the civil service retiree—but we cannot respond for the Nation as a whole. The realization that we are going to have to respond for the social security recipient come November or January either way ought to move us. The social security fund is busted. We are borrowing from the health insurance fund right this minute. We have a New York City disaster on our hands on a national basis.

The city of New York recovered by all parties and all levels sacrificing and working together for the common good. We can do it. We can do it in a special session immediately after the election. Not a session of polemics and fiddle-faddling over $4 billion, as we did last fall, but an honest-to-goodness program led by the President to get us off the track of high deficits and high interest rates and back on the track of America moving again. Such an approach as I have suggested would allow Reaganomics to work. If the President realizes this and leads the way, fine. But under no circumstances should we have a session to "cut discretionary, nondefense spending."

Mr. President, we need to freeze defense spending, we need to freeze entitlement spending, we need to freeze tax spending. This way we do not increase taxes. This way, we do not cut spending. This way, we save $187 billion that need not be spent. This way, we give the Nation hope today. Mr. President, Little Orphan Annie might have the luxury of dreaming about "Tomorrow" but we have the responsibility of doing something about the economy today.

I thank my distinguished colleague for yielding the necessary time.

I yield the floor.

Mr. CRANSTON. Mr. President, will the Senator from South Carolina yield time to me, please?

Mr. THURMOND. From the bill?

Mr. CRANSTON. Yes, Mr. President.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may yield to the Senator from California with the understanding that it will be charged to his side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California.

Mr. CRANSTON. Mr. President, I urge Senators and other observers to take note of the fact that, despite the conventional wisdom, it is by no means preordained that this constitutional amendment will be approved by the Senate. I suppose the odds are that it will be approved, but there are rising doubts among Senators who have hitherto been inclined to vote for this amendment as they listen to the debate, as they hear the points made by those who have sincere and serious doubts about the wisdom of the proposed constitutional amendment, and as editorials, commentaries, and economists are heard from from all across the country.

I personally know of at least six sponsors of the resolution on both sides of the aisle who, now, are not absolutely certain that they will vote for the constitutional amendment. Sponsorship does not mean an absolute commitment to vote for a measure.

Once upon a time in this body, there was pending the Bricker amendment to the Constitution relating to foreign policy matters. It had 80 cosponsors, but it wound up failing to pass the Senate. So I urge Senators to consider carefully the arguments that are being made and the various amendments and two substitutes that will be offered.

I shall offer tomorrow a substitute balanced budget constitutional amendment to give Senators an intellectually honest alternative to the administration's political monstrosity. Senator BUMPERS of Arkansas, this afternoon, will offer another alternative constitutional amendment relating to a balanced budget. If Senators want a balanced budget amendment to vote for from their private conviction or to demonstrate to their constituents their commitment to a balanced budget, we shall give them a choice of good amendments to vote for.

Personally, I would prefer that we balance the budget as soon as we can, without throwing the country into a depression, without a constitutional amendment. I believe we should balance the budget as fast as we can, too, without enshrining an economic document into the Constitution, and without putting the country into a straitjacket.

I believe that we can balance the budget by our normal processes, unless we hit a severe depression or some

international or national emergency, faster than it would take the States, in any case, to ratify a balanced budget amendment.

I predict that the States will not ratify the amendment now pending, even should it be passed by the Senate, which is not certain, and passed by the House, which is not certain. The States are becoming aware, for example, of a Wharton study indicating that State taxes would go up 38 percent if this constitutional amendment were adopted. The alternative would be a total disruption of present services in the States.

What will happen to revenue sharing? What will happen to block grants? What will happen to other aid to the States? What will happen as a result of new federalism, where more and more responsibilities will be given to the local governments and the States, but without the resources or the revenues needed to finance those responsibilities?

I predict that amendment will never become a part of the Constitution, even should it get through Congress, which is by no means certain.

Because of the momentary popularity of an amendment to require a balanced budget, a number of Senators are reluctant to vote against one because they are afraid they will be perceived as against a balanced budget. The substitute we are offering, mine and that to be offered by Senator BUMPERS, provides an opportunity to make plain that Senators are for a constitutional amendment, that they have supported a constitutional amendment, but that they have supported a sound and thoughtful one. The substitute that I shall offer faces economic and political reality, thus is far more likely to be observed than the amendment that is now pending, which will put the country into such a straitjacket that I expect it will be found necessary to find ways around it under certain circumstances. To do that is to demean the Constitution, but to do otherwise is to threaten the welfare of the country.

Charles Schultze, former Director of the Budget, has provided a memorandum which indicates various ways the amendment now pending could be circumvented if it was necessary. He suggests these ways:

1. Under the amendment it is quite possible to have a deficit in the budget without a specific vote of the Congress so long as neither the Congress nor the Executive tell anybody about it in advance.

2. Section 2 allows total receipts to grow no faster than the growth of national income in the prior calendar year, but the definition of "national income" as set forth in the Judiciary Committee report allows a wide scope for juggling the numbers.

3. The amendment over the years will clearly encourage the Executive and Congress to convert spending programs to regulations which mandate what ought to be governmental activities on private firms and individuals.

4. The limitation on revenue growth contained in section 2 will stimulate much greater use of tax expenditures.

There are other suggested ways to get around the constitutional amendment if it becomes necessary. We should not have to get around the constitutional amendment. We should not create a situation where that may be necessary.

I, therefore, urge that we either reject the pending constitutional amendment or adopt one of the substitutes, mine or that of Senator BUMPERS, that will provide a much more rational approach to this problem.

Mr. HART. Mr. President, will the Senator yield for 30 seconds?

Mr. CRANSTON. Certainly.

Mr. HART. Mr. President, I ask unanimous consent that two documents in opposition to the pending resolution to amend the Constitution be printed in the RECORD: One, a letter to all Senators dated August 3, 1982, from Archibald Cox, chairman of Common Cause and distinguished legal and constitutional scholar all of his life, and the testimony of Laurence Tribe, professor of constitutional law at Harvard University, delivered today to the House Committee on the Judiciary, documenting this eminent scholar's opposition to the constitutional amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMON CAUSE,
WASHINGTON, D.C., AUGUST 3, 1982.

DEAR SENATOR: The Senate is expected to vote shortly on the proposed constitutional amendment to balance the budget. As one who has devoted his life to study and defense of the Constitution, I urge you to oppose this amendment not on fiscal grounds but because its adoption would greatly damage the Constitution under which we have lived for almost two hundred years.

The amendment would damage the Constitution by inserting an inappropriate fiscal declaration irrelevant to the Constitution's basic purposes. The Constitution has two great functions. First, it establishes the structure of government, including the division of powers among the three branches and between the nation and the states. Second, it protects the fundamental human rights of individuals. This amendment does not serve either of these purposes.

The proposed amendment would further damage the Constitution by trivializing it for purely political purposes. The primary purpose of rushing to propose this amendment to the states apparently is to offset by a rather meaningless declaration of budgetary restraint any political reprisals for the huge deficit. To use the Constitution for such a purpose would not only trivialize it by an irrelevancy but in the long run would reduce the respect for, and therefore the effectiveness of, our bulwark of liberty.

The issue which faces the Senate therefore is not a question of fiscal restraint. The question is whether we damage the Constitution. I urge you to reject this politically expedient proposal, to vote against the balanced budget amendment, and to protect the Constitution.

Sincerely,

ARCHIBALD COX,
Chairman.

TESTIMONY OF LAURENCE H. TRIBE

I am honored by this Committee's invitation that I appear before it to shed whatever light I can as a constitutional scholar on the proposed Balanced Budget Amendment. The topic I have been asked to address is, of course, not whether that proposal is wise or foolish as a matter of policy, but, rather, what its adoption would do to the constitutional framework under which our Nation has spent nearly two remarkably successful centuries.

Chief Justice John Marshall set the stage for all such analyses when he wrote, in *McCullouch v. Maryland*, 17 U.S. (4 Wheat.) 316 (1819), that "we must never forget it is a *constitution* we are expounding"—*"a constitution intended to endure for ages to come." Id.* at 412. The Members of Congress are surely aware of how much is thus at stake in this controversy. Senator Gorton echoed John Marshall when he reminded his colleagues, in a debate on this proposal several days ago, "[w]e must keep very much in the forefront of our thoughts that it is the Constitution we are writing here." Cong. Rec. S 9393 (July 29, 1982). Indeed, as we "sail [] into [these] uncharted seas," *id.* 9395, even the Senate Judiciary Committee Report in favor of the pending proposal concedes that "a proposed amendment may be inconsistent with the purpose and spirit" of the Constitution in its "object," or in its "form or structure." Report on S.J. Res. 58 (hereinafter, "Senate Report") at 30-31 (July 10, 1981).

That Committee concluded that S.J. Res. 58 is not inconsistent with the Constitution's "purpose and spirit." The question before this body is whether the Senate Judiciary Committee was right or whether, carefully assessed, the proposed amendment should be found constitutionally defective—not "unconstitutional," of course, but nonetheless unfit to become part of our most basic legal charter.

My own conclusion, after much study and reflection, is that the proposed amendment is profoundly ill-suited for inclusion in our Constitution—and that its defects may be demonstrated by reference to criteria to which I believe all of us, including the amendment's sponsors, are deeply committed.

1. The Constitution should embody only fundamental law, not economic policy.

Justice Holmes observed long ago that a Constitution, if it is to serve people of fundamentally differing views, cannot "embody a particular economic theory" or policy. *Lochner* v. *New York*, 198 U.S. 45, 75 (1904) (dissenting opinion). He recognized, as had Chief Justice Marshall before him, that the Constitution would endure as our fundamental law only if it left to the political branches the choice of "means by which the powers it confers may be executed." *McCulloch* v. *Maryland* 7 U.S. 316, 407 (1819). Senator Hatch, a leading proponent of the Balanced Budget Amendment, approvingly quoted my own views to the same effect just a few days ago. See "Budget Rule: Yes—Politicians Need It," N.Y. Times, July 16, 1982, p. A27, col. 4. And the Senate Report in favor of this amendment likewise conceded that no constitutional provision should "mandate [a] particular economic policy."

Senate Report at 31; see also id. at 30 (quoting my work on this subject).

The proposed amendment, despite its sponsors' disclaimers, would do just that. Based expressly on the thesis that "most of the economic problems suffered by the nation in recent years are caused, in major part, by excessive government spending," Senate Report at 4 (*see also id.* at 32, 38, 40-41), the amendment is candidly defended by its supporters at least in part as representing "responsible economic policy." *Id.* at 4; *see also id.* at 25. The question is not whether we agree or disagree that our economic ills would be healed if budget deficits were curbed by requiring supermajority approval; that a balance of receipts and outlays should be thought annually rather than over longer periods; that such a balance should be achieved by reducing outlays rather than closing tax loopholes (*see* Part 9 *infra*); and that the current ratio of federal receipts to national income should not be allowed to grow without stepping on special brakes that are not applicable if the ratio should ever start to fall.

Those views may or may not be sound ones—today or in the year 2000. But that they *do* rest on quite specific theories about the economy, and *do* embody concrete policies for dealing with economic matters, cannot be doubted. By freezing these particular theories and policies into the Constitution, the Balanced Budget Amendment thus flouts the first and most basic axiom of constitutional suitability.

2. The Constitution should not be imprisoned in a maze of calculations.

Although a few constitutional amendments specify such details as the dates on which particular terms of office expire (e.g., Amendment XX), none has ever reduced our basic charter of government to an algebraic exercise. Yet Section 2 of the proposed Balanced Budget Amendment—which forbids receipts set forth for any fiscal year to "increase by a rate greater than the rate of increase in National income in the year or years ending not less than six months nor more than twelve months before such fiscal year" (absent a special contrary vote)—is necessarily explained by the Senate Judiciary Committee in terms of a set of mathematical formulas. *See* Senate Report at 48-49.

Perhaps the time will come when our children, or theirs, will be so immersed in the world of computers and of electronic wizardry that no one will be shocked to find differential equations in a poem or in a constitutional principle. But that day, happily, is not yet upon us; in the world *we* still inhabit, the Constitution is no place for quantitative formulas. To encumber it with such alien notions is to trivialize its majesty, reduce its ability to address *all* Americans, and take a sad step toward a less humane society.

3. A constitutional amendment should be a last resort: effective, and essential.

All are agreed, in principle, that preserving the Constitution's special role precludes resort to an amendment whenever some less drastic remedy might suffice.

Proponents of the Balanced Budget Amendment assert that no remedy short of a constitutional change can curb the alleged impulse to overspend (hence Section 1's limit on deficits) or the supposed tendency to let revenues automatically rise with inflation (hence Section 2's antidote to "tax bracket creep"—*see* Senate Report at 8-9). But a simple tax-indexing statute would completely solve the latter problem (if it *is* a problem).

And, as to the alleged impulse to overspend, the remarkable thing is that nothing in the proposed amendment would create any new method for resisting the precise pressures supposedly causing excessive appropriations. For one thing, the amendment's sponsors concede that none of its provisions requires Congress or the Executive to take any action if "actual receipts . . . fall below planned receipts," Senate Report at 48; *id.* at 75. The only safeguard against a budget that *looks* "balanced" solely because Congress adopts an unrealistically rosy estimate of receipts prior to the fiscal year (*see also* Part 4 *infra*) turns out to be Congress' posited desire "to act reasonably." *Id.* at 45. So much for the proponents' theory that this desire will "inexorably" be overcome by pressures from prospending groups! *See id.* at 3.

Equally telling, nothing in the Amendment puts Members of Congress under any new obligation to accompany specific votes for increased spending on particular programs with corresponding votes either to cut other spending programs or to impose increased taxes—the very obligation the amendment's sponsors suggest we *must* impose if we are ever to overcome the system's pro-spending bias. *See* Senate Report at 7-9, 28-31, 74. Although Section 1 insists that Congress and the President use their powers to "ensure that actual outlays" *for the fiscal year as a whole* "not exceed the outlays set forth in [the] statement" voted before the fiscal year began, this provision would not even be triggered until total outlays actually went over the top. And, even at that point, all the proposed amendment would require in order to make still further outlays lawful is enough vote in favor of a deficit—*not* votes that, according to the sponsors' own theory, will be deterred by incurring any disfavor among competing spending interests, or among taxpayers. *Id.* at 7.

No constitutional amendment is needed to require that those who favor deficits beyond a stated point go on record by voting to increase the statutory debt ceiling: it is no greater *accountability*, but a greater *substantive* tilt against deficits, that the three-fifths vote requirement seeks to impose. But that tilt, as will later be explained (*see* Part 5 *infra*), could well boomerang, and in any event has not been shown to require a *constitutional* change. By the sponsors' own admission, after all, a shared norm against deficit spending held the federal budget in satisfactory check from 1789 to 1932. *See* Senate Report at 19, 25-26, 32. If such an "unwritten Constitution," *id.*, sufficed for all those years, then the solution is to re-instill the attitudes that made it work—not to restructure our fundamental law as a shortcut substitute for such persuasion.

4. The Constitution should not pretend to command what it cannot control.

Reflecting its sponsors' belief that excessive spending and taxation trace to causes "sown in the nature of man," Senate Report at 27, the proposed amendment decrees a norm of budgetary balance and of limited tax revenue growth as though deviations from that norm were attributable to defects of will power that "the new Constitution" could overcome with its special voting rule. *Id.* In fact, however, outlays may rise to unplanned levels because natural disasters, foreign crises, or domestic needs suddenly demand unexpected levels of federal resources; and revenues may either fall because of unexpected recessionary trends or rise because of equally unexpected economic improvements.

To the degree that currently irresistable pressures from constituents are instead to blame for overspending and overtaxing, the Amendment in its current form not only fails to cope with the phenomenon's asserted cause (*see* Part 3 *supra*) but also invites uncontrolled circumvention—through congressional actions (a) "passing on new, unreimbursed costs to the States," Senate Report at 11; *id.* at 52 (asserting that a ban on any such pass-through, now deleted from the amendment, would be needed to plug this major loophole);[1] or (b) establishing new entities under federal charter with implicit taxing and spending powers, *id.* at 60; or (c) imposing new regulatory burdens on selected private, quasi-private, or quasi-public enterprises, *id.* at 77; or (d) using loan guarantees that do not count as "outlays" until a later year, *id.; cf. id.* at 7 (deferring the cost of spending measures seen as device for avoiding fiscal responsibility); or (e) simply overestimating receipts in order to include desired programs in the budget without *projecting* any deficit at the start of the fiscal year. *Id.* at 45. *See* Part 3 *supra*.

Although some sophisticated readers of the Amendment will see through any pretense that it can actually deliver fiscal restraint in the face of all these forces and options, the Amendment's message to the general public—the only message that could account for its appeal—is a bogus promise of reduced spending and taxation, a promise the Amendment simply cannot keep.

5. The Constitution should not empower minorities to block majority choices until satisfied with the majority's political or fiscal concessions.

Our Constitution's deep commitment to majority rule has been abandoned in the past only to protect individual and minority rights, or to check the executive—as through requiring super-majority approval of treaties—not to enhance the political leverage of the few over the many.

Yet the proposed amendment does just that when it empowers 41 percent of either House to block what may be crucial outlays. See Senate Report at 82 (Sen. Specter). The ironic result could well be higher, not lower, deficits. For the combined cost of all the pet programs that the majority may have to fund in order to win the minority votes needed in order to reach 60 percent approval of deficit spending could well be considerable—even greater, perhaps, than the size of

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[1] Nothing in current constitutional law, of course, prevents federal regulations from imposing federally unreimbursed burdens on states and localities—whether indirectly, as in *Hodel* v. *Virginia Surface Mining & Reclamation Ass'n., Inc.*, 452 U.S. 214 (1981) (upholding "steep-slope" provisions of Surface Mining Control and Reclamation Act; *National League of Cities* v. *Usery*, 425 U.S. 833 (1976), inapplicable where private businesses being regulated), or directly, as in *Federal Energy Regulatory Comm'n. v.* Mississippi, 102 S.Ct. 126, 2141-42 n.30 (1982) (upholding federal Public Utility Regulatory Policies Act as applied to compel state public utility commissions to consider specific rate-making standards in accord with federally mandated procedures; *National League of Cities* leaves Congress free to impose any conditions it sees fit even on state regulation *as such* in a federally preemptible field); and on state or city-run enterprises, as in *United Transp. Union* v. *Long Island R. Co.*, 102 S.Ct. 1349 (1982) (upholding federal Railway Labor Act as applied to state-owned railroad; *National League of Cities* wholly inapplicable to such state enterprises). The Senate Report's reliance on prior Supreme Court cases to suggest the contrary, *see* Senate Report at 52, is demonstrably incorrect.

the deficit for which the 60 percent vote was needed.

It is the worst sort of double-think to claim, as some of the Amendment's sponsors do, that such a scheme for giving minorities a lever with which to exact a fiscal premium from the majority would "make the budget process . . . more democratic." Senate Report at 28 (sic). In truth, and whatever motives would animate those in the minority who would be given this new leverage, the scheme is the very antithesis of democracy, and expresses instead a cynical mistrust of representative government.

6. Constitutional provisions should not nurture an Imperial Executive.

The amendment's sponsors seem united in their belief that their proposal would not resurrect the dreaded impoundment power asserted by several past Presidents. (*See, e.g.*, Cong. Rec. 18495 (Sen. Gorton), July 29, 1982; *id.* at 18501 (Sen. Hatch); *id.* at 18593 (Sen. Thurmond)). *See also* Senate Report at 61.

Yet if outlays begin to exceed those projected at the start of the fiscal year, Section 1 requires, among other things, that "the President, . . . through exercise of [his] powers under [Art. II], ensure that actual outlays . . . not exceed" those projected. On the face of it, this constitutional command would seem to override any merely statutory limit on executive impoundment authority, such as that of the 1974 Impoundment Act. And if the President concludes that *only* impoundment, decreed pursuant to his Article II powers as Chief Executive, can meet his duties under the new Amendment, then such an act—involving a refusal to spend appropriated funds on *whichever programs the President chooses to designate as the causes of excessive total outlays*—could well be deemed authorized by the proposed Amendment. *See, e.g.*, Cong. Rec. 18495 (Sen. DeConcini).

Despite the sponsors' contrary wishes, therefore, the Amendment creates a grave risk of swelling executive power in ways all agree would be extremely dangerous.

7. Constitutional provisions should not foster an Imperial Judiciary.

Constitutional provisions affirmatively empowering government action, and those securing specified individual rights against government, may be judicially enforced without necessarily requiring assertions of judicial power to manage the fiscal operations of government. Judicial enforcement of the proposed Balanced Budget Amendment, in contrast, would necessarily plunge judges into the heart of the taxing, spending, and budgetary process. As Senator Gorton put it in the other chamber several days ago, this "threat that we are vastly increasing the power of the judiciary—that we are inviting the Judiciary into the business of writing budgets for the people of the United States—is a threat [even] more grave than [that] of . . . Presidential impoundment . . .," Cong. Rec. 18490 (July 29, 1982). He noted the "paradox . . . that a number of Members who have most fiercely opposed the intervention of the judiciary into [busing, prayer, and other "social issues"] should not have proposed an amendment which is likely . . . to add to the legislative authority of the Federal courts." Id.

The Senate nonetheless defeated Senator Gorton's proposed limit on judicial review under the Balanced Budget Amendment—a narrow limit, at that [2]—by a vote of 51 to 45. Cong. Rec. 18505 (July 29, 1982). Before that vote, Senator Heflin had noted that not even the Gorton Amendment could keep "State courts from getting involved." *Id.* at S9400-01. Senator Hatch had expressed the view that, if "Congress itself ignores" the Balanced Budget Amendment, "Members of Congress would"—and should—"have standing [on the basis of] being foreclosed from performing their duties as Members of that body," leading to what "may [be] a justiciable issue." *Id.* at 9404.[3] Senator Hatch opposed the Gorton Amendment because it could change all that. Senator Thurmond had expressed fear that the Gorton Amendment could also "have the unfortunate effect of precluding a legitimate lawsuit by a citizen with judicial standing who wants to challenge the constitutionality of the failure to Congress to obey the provisions of Senate Joint Resolution 58." *Id.* at 9406. Without an explicit limit on judicial review, the Senate was reminded, would-be recipients of outlays halted pursuant to the Balanced Budget Amendment could surely go to court to challenge any such cut-off, *see* Cong. Rec. 18502 (Sen. Bumpers); and federal taxpayers claiming that Congress was raising and spending taxes in violation of the new Amendment's express restrictions on the spending and taxing powers of Congress could certainly obtain standing under *Flast* v. *Cohen*, 392 U.S. 83, 103-04 (1968). *See* Cong. Rec. 18490 (Sen. Gorton). In the face of Senator Bumpers' unrebutted suggestion that defeat of the Gorton Amendment would virtually assure a degree of judicial intrusion well beyond that contemplated by the Senate Report (at 62-66), *see* Cong. Rec. at S9405, the Senate defeated the Gorton alternative.

The dilemma for the sponsors of the Balanced Budget Amendment is an enormous one. If it were indeed as "self-enforcing and self-monitoring" as they assert, Senate Report at 66, then the need for it—a need premised entirely upon the supposed necessity of "external constraint," *id.* at 42, 75—would vanish. If, as seems more plausible, it is *not* meaningfully "self-enforcing," *see* Parts 3 & 4 *supra*, then there is no way to make it work without compelling the judiciary to take on the task of budget-master, creating evils at least as great as those the budget-balancers hope to solve.

8. The Constitution should not be used to stack the political deck against identifiable groups.

It is easy to see why the Senate Report in favor of the proposed amendment should have found it necessary to defend the proposal by asserting that it contains "nothing that would make it significantly more difficult to *increase* expenditures or taxation than to *reduce* expenditures or taxation." Senate Report at 28 (emphasis added). With all respect, that *has* to be nonsense if the proposed amendment is to achieve anything at all. Its entire premise, after all, is that the existing system's asserted bias toward more spending and taxation than most people "really" want, *id.* at 4-6, 27-28, needs structural correction.

But even if one were to accept as true the claimed existence of some such bias, the Balanced Budget Amendment would still be conspicously *unbalanced* in choosing to address *that* "bias" while saying and doing absolutely nothing about the corresponding bias in the *opposite* direction—the bias against spending *enough* on interests that are themselves too dispersed, too inchoate, or too voiceless (future generations in need of current capital investment, for example) to compete effectively with the groups favoring tax and spending limits *now*.

This bias, and not that ostensibly addressed by the Balanced Budget Amendment, is the one that is most closely analogous to the skew introduced "by the existence of the poll tax or the inability of eighteenn-year-olds to vote." Senate Report at 31. Particularly given Section 2's one-way ratchet against federal spending that grows *faster* than national income, but not against federal spending that grows *slower* than either national income *or* national needs, the Balanced Budget Amendment "necessarily means . . . a restriction on national social policies that protect the poor, the aged and the underrepresented." B. Marshall, "Budget Rule: No," N.Y. Times, July 16, 1982, p. A27, col. 2. *See also* Part 9 *infra*. Anything *but* "balanced," the Amendment's pretense at neutrality thus belies even its modest claim to making the "process . . . a more honest and open" one. Senate Report at 29.

9. The Constitution should not be used to build tax shelters into the foundation of our legal system.

Even within its own slanted ambit, and disregarding the way in which its very selection of problems to attack unfairly skews the political deck (*see* Part 8 *supra*), the Balanced Budget Amendment uniquely shelters the rich and powerful. For it conspicuously restrains only those amounts the Federal Government *collects* ("receipts"), and controls only the deficit gap between such amounts and the amounts the Federal Government *disburses* ("outlays"). *See* Senate Report at 45-48, 53-60.

Wholly excluded from this balance sheet are the tens (perhaps hundreds) of billions of dollars that never even *enter* the picture painted by the Amendment inasmuch as special tax loopholes, in the form of sheltered leasing arrangements or other indirect subsidies for the wealthy, have saved the rich even the trouble of rounding up annual votes in Congress for such implicit "outlays" in their favor. These groups evidently do not count as "spending interests," Senate Report at 6, that the Amendment's sponsors deem to be in need of restraint—but they are no less "intense and passionate," *id.*, and are no less successful in preserving their prerogatives at the expense of the U.S. Treasury—and all the rest of us.

The Balanced Budget Amendment is not, of course, responsible for the original existence of such tax subsidies—which many classify as "tax expenditures." But the Amendment *would* be responsible for giving such subsidies a constitutionally privileged and deeply entrenched status. They would be uniquely exempt from the Amendment's obstacles to spending. And, difficult as such tax shelters are to dislodge *now*, imagine the difficulty of insisting that they be replaced with direct subsidies and then debated as such in the annual appropriations process once the Balanced Budget Amendment had made it clear that any such shift would suddenly transfer these tax subsidies into the Amendment's arena of mandated

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[2] The limit would have stated: "The judicial power of the United States shall not extend to any case or controversy arising under this article, except for cases or controversies seeking to define the terms used herein, or directed exclusively at implementing legislation adopted pursuant to section 5."

[3] *See, e.g., Goldwater* v. *Carter*, 444 U.S. 996 (1979) (per curiam); *Coleman* v. *Miller*, 307 U.S. 433, 438, 441 (1939); *Kennedy* v. *Sampson*, 511 F.2d 430 (D.C. Cir. 1974).

"competition among the spending interests," Senate Report at 9, an arena that tax subsidies and shelters could otherwise continue to avoid altogether.

Indeed, Section 2 of the proposed Amendment would *directly* limit all moves to close tax loopholes inasmuch as such efforts, of course, create added "receipts" for the Federal Government and would thus count toward Section 2's constraint on the rate at which such receipts may grow without a special vote of Congress. By arbitrarily treating the elimination of each tax shelter as causing an increase in receipts rather than a reduction in outlays (contrast the elimination of social programs), the Balanced Budget Amendment doubly handicaps all attempts to enhance tax equity as a means of simultaneously reducing deficits and increasing fairness. Whatever one may say of any such strategy as a matter of policy, it seems unthinkable that it should be enshrined in the Constitution.

Among its most pernicious and least noticed defects as a candidate for inclusion in the Constitution, therefore, is the Balanced Budget Amendment's unwarranted treatment of certain previleged beneficiaries of the Treasury as "more equal than others," and its hidden creation of a massive new disincentive to, and limit upon, effective tax reform.

10. We must not "constitutionalize unto others" what we would not have them "constitutionalize unto us."

One fair and final test of whether the proposed Amendment makes genuine sense, or is instead popular mostly because of the political benefits that come with being counted among its supporters, is whether those who favor the Amendment would be willing to subject themselves to the rigors it proclaims.

For the President and the Congress that are busily voting the highest deficits ever to go on record as favoring constitutional limits on similar conduct by their successors—starting "the second fiscal year" after the Amendment's ratification (Sec. 6)—at least suggests, in George Will's terms, that "current incumbents" are merely "strik[ing] a pose with an amendment that might be, in practice, 98 percent loophole" unless attitudes change so substantially as to make "the amendment . . . beside the point." Boston Globe, p. 83, col. 3 (July 25, 1982).

The refrain, "Stop me before I tax again!", reminds one of nothing quite so much as St. Augustine's famous prayer: "Oh Lord, save me from sin . . . but not just yet." If there were to be a Golden Rule of Constitutional Amendments, this proposed amendment, it seems, would violate it.

CONCLUSION

All ten criteria that a proposed amendment should surely have to meet—criteria of very general applicability with which I believe even this Amendment's sponsors could hardly disagree—therefore reveal the Balanced Budget Amendment to be unworthy of our Constitution.

Unless the Amendment's advocates show these criteria to be flawed—unless they successfully attack these "ten commandments" of the amendment process—their proposal can be accepted only if its failure to meet even *one* of these criteria can be convincingly refuted. Because it is our *Constitution* that we are, indeed, talking of amending, we simply cannot afford to proceed in the face of such grave, and thus far unanswered, constitutional objections.

Mr. HART. I thank the Chair and I thank the Senator from California.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2010

Mr. ARMSTRONG. I believe the pending business is the Armstrong-Boren amendment.

I ask unanimous consent that the Senator from Indiana (Mr. QUAYLE) and the Senator from South Carolina (Mr. HOLLINGS) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Then it would be my purpose to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Then, Mr. President, I will simply take about a minute to sum up where I think we are, and then I am ready to go to a vote.

I urge all Senators, those in the Chamber and those in their offices, to read the discussion which occurred last night——

Mr. THURMOND. Mr. President, how does the time stand?

The PRESIDING OFFICER. Who yields time?

All time has expired.

Mr. ARMSTRONG. Mr. President, does time remain on the bill?

Mr. THURMOND. Mr. President, time has expired on the amendment, as I understand it.

I ask unanimous consent that 5 additional minutes be allotted to the proposer of the amendment and equal time, 5 minutes, be allotted to our side off the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I am grateful to the distinguished chairman for his courtesy.

As far as I am concerned, the issue is very simple. The amendment which Senators BOREN, QUAYLE, HOLLINGS, and I bring to the Senate this afternoon is a friendly amendment. Certainly there is no Member of the Senate that is more interested in the underlying cause of a balanced budget constitutional amendment than I.

If Senators feel, as I do, that this amendment adds a degree of clarity and precision, that it creates a specific threshold at which the public, Members of Congress and, if need be, a court can determine whether or not the Constitution is being violated, if Senators feel that this amendment responds, at least in part, to the criticism that the amendment is at present not sufficiently precise for public understanding, and if Senators feel, as I do, that having this amendment as a part of the fundamental proposal will improve the opportunity for passing it in this Chamber and in the other body and obtaining ratification of the requisite number of States, then I hope Senators support it.

Unless there are questions, I reserve the remainder of my time. I see the distinguished cosponsor from Oklahoma is present.

I yield to him or other Senators.

Mr. BOREN. I thank my colleague from Colorado. I will just briefly reiterate what he has stated.

I think that this amendment will strengthen the proposal before us. I think it is a friendly amendment. It simply says that we cannot increase the national debt level in effect at the time of the adoption or ratification of the constitutional amendment except by three-fifths vote. This merely provides us with an enforcing mechanism. The current proposal is a proposal that I support. It has been sold to me and sold to the American people by explaining that it would not allow an unbalanced Federal budget unless three-fifths of the membership of both Houses of Congress voted for a budget that was not balanced; that it would require some kind of emergency conditions to justify a three-fifths vote by both Houses.

That is what the American people think that this amendment does. It is what I have always felt that this amendment does. If, indeed, that is what we are trying to do, how could anyone who supports the concept of not having an unbalanced Federal budget except by three-fifths vote of both Houses be opposed to saying that we are not going to increase the debt level except by three-fifths vote of both Houses? If we have a balanced budget, there will be no need to increase the debt level because no new debt will be generated.

The problem is this: we have had estimates in the past, estimates that have been off, in the 4 years that I have been a Member of this body, by billions of dollars each year. Estimates in terms of receipts and outlays have been overly optimistic in every year, and I am concerned, as is the Senator from Colorado, that under the amendment as now drawn we could have a mistake in the estimates. We could overestimate the amount of the receipts because of being too optimistic about economic conditions. We could then find ourselves with a budget that is in deficit, 20 or 30—I believe this current year $50 billion off in terms of the estimates.

Then what would the amendment be, if it simply required us to adopt estimates at the beginning of the year that were in balance if, in fact, they were wrong, if, in fact, they resulted in deficits. There must be an enforcement mechanism. The ideal enforcement mechanism to insure that the only way we could have an unbalanced Federal budget would be by three-

fifths vote of both Houses of Congress is to tie it to this requirement being applied to any increase in the national debt limit.

I think it strengthens the amendment. I think it answers the argument of those who say that there is a loophole, that we are simply legislating and we have to come up with nice estimates that are in balance and that there is nothing in the amendment to protect us if those estimates prove to be wrong. It will do exactly what we told the people we are trying to do in this constitutional amendment, that we must have a balanced Federal budget every year in fact, not an estimate but in fact, unless three-fifths of the membership of both Houses of Congress deem otherwise.

That is all it says. That is what we have been telling the American people that this amendment says, and I think it will simply assure that the amendment will end up doing what we have been telling the people it would do all along.

Mr. THURMOND. Mr. President, I now yield 5 minutes to the distinguished Senator from Utah on the bill.

Mr. HATCH. Mr. President, the proponents of this amendment seem to be saying that this will strengthen the amendment and that the amendment should be an absolute balanced budget amendment. In fact, this amendment could strengthen this constitutional amendment to death. It may be something we can win on the Senate floor, but I think the amendment will make it more difficult than ever to win in the House.

When I approached BARBER CONABLE this morning about this subject—and he knew exactly what the amendment was—he said, "We can't do that because that will increase the bias in favor of increasing taxes."

That is precisely what this amendment does.

It is uneconomic, as it tries to make a flexible constitutional amendment into an inflexible, must-balance-the-budget at all costs amendment.

So, Mr. President, I rise in strong opposition to the present amendment. This amendment would require that a three-fifths vote be secured in order to raise the national debt limit. It also institutionalizes the national debt at over $1.1 trillion, or whatever it is right now, instead of the $400 billion which is the acceptable limit.

In any event, this amendment would undermine much of the flexibility of the proposed constitutional amendment. It would render it totally inconsistent with sound and responsible countercyclical economic policy and require taxes to be raised in the face of a recession or a depression.

Under the proposed constitutional amendment, there are two permissible form of deficit: (a) Congress by a 3-to-5 vote can choose to plan a deficit budget; or (b) an unexpected revenue shortfall could lead to a deficit budget following a planned balanced budget. The proposed Armstrong amendment would prohibit the second kind of deficit by requiring a 3 to 5 vote to raise the national debt ceiling if such a deficit arose. The result would be to require Congress to raise taxes in response to the economic circumstances of a recession or depression. No economist—of whatever economic philosophy—would recommend this as a normal response to a recession or depression.

Under the proposed amendment, we would be substituting an absolute and invariable requirement of an actual balanced budget in place of the present approach which recognizes that, under limited circumstances, a budget deficit arising from unexpectedly low levels of receipts ought to be tolerated. While the present amendment is consistent with sound countercyclical economic policy, the Armstrong amendment would substitute an economic policy totally at odds with this policy.

Mr. President, the Senator from Colorado (Mr. ARMSTRONG), I observe, made several inquiries yesterday with respect to the significance of the statement level of receipts, given the fact that this level was not ultimately binding upon Congress. I respond to him by observing that the level of receipts set forth in the statement required in section 1 is most important insofar as it defines the maximum permissible level of outlays under section 1 as well. Under the proposed amendment, there is an absolute obligation upon Congress and the President to conform actual levels of outlays with planned levels of outlays. In this respect, the present constitutional amendment is primarily a spending limitation, in that the spending level established in the constitutional amendment is one that cannot be breached without an extraordinary vote by Congress. The establishment of the maximum permissible level of receipts is most critical in its definition of the maximum permissible level of receipts.

The level of receipts set in the statement—which is to be set forth as a good faith estimate—thus would not be absolutely binding upon Congress if actual receipts developed at a different pace. This differing treatment of receipts and outlays is necessitated by the differing levels of influence that Congress has over the actual flow of these indicators. While it has great influence—indeed, total constitutional influence under article I, section 7 of the Constitution—over actual flow of outlays, it has relatively little influence over actual levels of receipts. The present amendment recognizes those facts of fiscal life.

Mr. President, the Armstrong amendment would transform the present amendment from one that is flexible in allowing Congress to respond to serious economic exigencies into one constantly requiring extraordinary 3-to-5 votes in order not to exacerbate recessions. I strongly urge opposition to this amendment.

I also note the difficulties of attempting to define the national debt limit in the constitutional amendment, as well as the questionable policy of writing into the proposed amendment a particular statute. Would the new section be repealed if this statute was repealed? I sympathize with the sincere efforts of the Senator from Colorado to strengthen the present amendment. I must, however, suggest that these efforts will unfortunately do precisley the opposite.

The PRESIDING OFFICER. The additional time has expired. Who yields time?

Mr. THURMOND. I yield the Senator 1 additional minute on the bill.

Mr. HATCH. Mr. President, under the present Senate Joint Resolution 58, we have three alternatives which are coequal. We can either lift the debt ceiling by a simple majority, we can cut programs if we wish by a simple majority, or we can add taxes by a simple majority.

If the Armstrong amendment is adopted, then Congress really has only one choice, and that is to increase taxes, because it will take three-fifths of the membership of both Houses to lift the debt ceiling.

No. 2, cutting programs during a recession has never been considered wise economic policy, so Congress will probably not choose to do that.

No. 3, adding taxes is not wise economic policy, either, but it is the only way, since it will take a simple majority to resolve the issue.

Consequently, the Armstrong-Boren amendment actually creates more difficulties and, in essence, undermines the total tax limitation approach that this flexible constitutional amendment is providing.

I hope all our colleagues will vote down this amendment, so that we can get about passing Senate Joint Resolution 58 and sending it to the House, where they will hopefully pass it as well.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber wishing to be recorded?

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—51

Andrews	Exon	Mitchell
Armstrong	Ford	Moynihan
Baker	Gorton	Nickles
Baucus	Hart	Nunn
Bentsen	Heflin	Packwood
Biden	Helms	Pell
Boren	Hollings	Proxmire
Brady	Huddleston	Quayle
Bumpers	Humphrey	Randolph
Burdick	Jackson	Riegle
Byrd, Harry F., Jr.	Jepsen	Rudman
	Kassebaum	Sarbanes
Byrd, Robert C.	Kasten	Sasser
Cannon	Kennedy	Simpson
Chiles	Leahy	Warner
Cohen	Long	Zorinsky
D'Amato	Mathias	
East	Metzenbaum	

NAYS—45

Abdnor	Goldwater	Melcher
Boschwitz	Grassley	Murkowski
Bradley	Hatch	Percy
Chafee	Hatfield	Pressler
Cochran	Hawkins	Pryor
Cranston	Hayakawa	Roth
DeConcini	Heinz	Schmitt
Denton	Inouye	Specter
Dixon	Johnston	Stafford
Dodd	Laxalt	Stennis
Dole	Levin	Symms
Domenici	Lugar	Thurmond
Durenberger	Matsunaga	Tower
Eagleton	Mattingly	Tsongas
Garn	McClure	Wallop

NOT VOTING—4

Danforth	Stevens	Weicker
Glenn		

So the amendment (No. 2010) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to and I ask for the yeas and nays.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. A motion to lay on the table is not in order until the time expires. If Senators will be in order, there is 20 minutes on the motion.

The majority leader is recognized.

Mr. BAKER. Mr. President, I am prepared to yield back my time on a motion to reconsider.

Mr. ARMSTRONG. Mr. President, I do not know how the time is controlled, but I would like to be heard on the pending motion if whoever controls time will yield to me.

Mr. BAKER. Will the Chair state how the time is controlled?

The PRESIDING OFFICER. The time is controlled between the mover of the motion and the manager of the bill.

Mr. BAKER. Mr. President, I have no objection to the manager of the bill delegating to the Senator from Colorado the time in opposition to the motion.

Mr. THURMOND. I am glad to yield the time in opposition to the motion.

Mr. ARMSTRONG. Is the time 20 minutes equally divided?

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. I thank the Chair.

Mr. President, I will be quite brief. We have seen quite a remarkable rollcall in which a number of people, quite a large number of Senators, who in fact believe in the substance and concept of the amendment we have just adopted nonetheless for tactical reasons have voted against it.

We have also seen a number of Senators who are not unsympathetic to the underlying purposes of the amendment who have nonetheless voted for it. I would like to urge all Senators as they consider the motion to reconsider, which I hope will be defeated, to vote not on the tactics of it but on what they think puts this amendment in its proper form for consideration and final passage.

It is my conviction that on substance we need some kind of provision which is definite. As the amendment came to us from the committee, it is tied to estimates—an estimate of outlays, an estimate of revenues, an estimate of the national income. I think for heaven's sake if we are going to put something in our Constitution we ought to have some point of definite reference. The national debt is by no means an ideal point of reference but as least it is definite, it is a number, it is a fact. It is something a court can determine.

More important, it is something the Senate can determine; something the people of this country can determine.

My friends, under the amendment as it came to us from committee, it would be perfectly possible for Senators to adopt a statement of receipts and outlays which is in balance and then through a series of good faith incremental actions proceed to undermine the balanced budget, and yet at no definite point would we cross the threshold, at no definite point would the Constitution be violated. But the cumulative effect would be to undo what we so piously did at the outset. Is that a far-fetched or a remote fear?

My friends, you know that it is not because that is exactly what we have done year after year. We have estimated receipts and outlays and then proven to be $20 billion, $30 billion, $40 billion, $50 billion at variance in the end.

I am not saying this amendment which we have adopted is a cure-all but I do say that it provides a valuable control on the increase of the national debt and a point of definite reference.

Mr. BOREN. Will the Senator yield for a question?

Mr. ARMSTRONG. In 1 minute I will be glad to yield to the Senator.

It provides a way by which we know where we are going. While it does not solve all problems, it certainly is a good point to start.

In my opinion, to simply say that you have to have a three-fifths vote to increase the national debt enhances the passage of this amendment through the Senate, the House, and through the country. I know there are Senators at least who have told me that absent some provision of this kind they do not intend to support this amendment on final passage. I would beg the attention of the majority leader and the managers of this bill. Let me repeat, this is not an unfriendly amendment. It is an amendment intended to enhance the prospect for passage of the constitutional amendment. Senators have said to me they do not intend to vote for final passage unless there is some provision of this kind contained in it. There may be some Senator who will say the opposite, but I want to make it clear that I am not trying to scuttle this constitutional proposal. It is near and dear to my heart.

I see the majority leader has risen. I would be pleased to yield to him or the Senator from Oklahoma.

Mr. BAKER. Mr. President, if I could say a word, I would like to yield control of the time on this important motion to the distinguished Senator from Arizona (Mr. DECONCINI). Having done that, I will ask him if he will yield me 2 minutes.

Mr. DECONCINI. I yield the majority leader 2 minutes.

Mr. BAKER. Mr. President, I have the highest regard for the Senator from Colorado. I am often impressed by his arguments and frequently conviced. But, Mr. President, in this case I must say that I am afraid that we are headed in a direction that will substantially impair the prospects that a constitutional amendment will be adopted.

It is not just on pure logic and reasoning that we address issues in this body. It is on this basis as well of what the prospects are for congressional action, in this case, final ratification by several States.

Mr. President, I am convinced that we will have difficulty in getting this resolution before the House of Representatives. I am convinced that it will be necessary to go the discharge route in order to accomplish that. I am convinced that it will be very difficult under House proceedings to modify

the bill where it now resides in the House Judiciary Committee. I have stayed in close contact with the distinguished ranking minority members of the House Judiciary Committee and the Ways and Means Committee to ascertain how different amendments will affect the prospect for final congressional action on this resolution and its ultimate submission to the States for their ratification or rejection.

The answer invariably has come back, "Do as little with it as you can." Some of these amendents are meritorious standing alone, some are not. But do as little as you can if we really are serious about trying to get this constitutional amendment through the Congress and ratified by the States.

It does not bother me at all or smack of cynicism to say that I am attracted to the amendment of the Senator from Colorado, but not on this resolution. I think it will substantially detract, Mr. President, from the prospects that this will become the law of the land as a generic part of our fundamental charter.

One final remark, Mr. President, if I might. I have jousted with my friend from Colorado on the debt limit, and so on. We have had some real go-rounds occasionally. He has taken me to the mat almost a time or two. We have not lost one yet but we have hung on by the skin of our teeth.

The Senator from Colorado is well known for his tenacity on this issue and for his insistence that we make it less convenient to increase the debt limit or even to prevent the increase of the debt limit of the Government of the United States. I am sympathetic.

This is no disparagement of my friend, but, Mr. President, I am reminded of the old adage of locking the barn after the horse gets out. We are not talking about what we are going to spend. We are not talking about the restraint that will be placed on ourselves with respect to appropriations. We are talking about whether we pay the bills or not. We are talking about what we do after the fact. We are talking about having two choices, as we say in Tennessee, and one is to pay the bill and the other is to beat them out of it.

Mr. President, I do not think we can do that. I think in the final analysis the debt limit now and in the future must accommodate to the business of paying the bills after we have spent the money. It is unpleasant, it is undesirable, but it is a fact of life that if we spend more than we take in, we have to borrow the money to pay for it. No amount of restraint on the debt limit is going to accomplish that purpose.

Mr. President, I anticipate that there will be a motion to table the motion to reconsider. I urge that, if that is the case, the motion to table be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BAKER. I yield to the minority leader, if I may.

Mr. ROBERT C. BYRD. Mr. President, I hope there will not be a motion to table. I urge my colleagues on this side not to move to table. I think we should vote up or down.

Mr. DECONCINI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Arizona has 7 minutes remaining.

Mr. DECONCINI. I yield 3 minutes to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I congratulate the Senator from Colorado for having made abundantly clear that the only means, the only mechanism, the only technique to balance the Federal budget resides in the political courage and willingness of this body of Senators, freely elected, freely voting, to do it. In this way, he has clarified the profoundly impractical character of the amendment before us.

Mr. President, this very morning, the Director of the Office of Management and Budget, David Stockman, appeared before the Senate Committee on the Budget, on which I serve. He was in a state of some perplexity, which would be the most generous term to describe his demeanor.

Last Friday, the administration released its midsession review of the economy and the Federal budget, its latest economic and deficit projections. Administration spokesman, claiming public anonymity, promptly disowned the validity of the projections.

This morning, the Secretary of Commerce has said, in the Washington Post, that the administration's new 1983 deficit projection is at least $20 billion to $30 billion too low. The Director of the Office of Management and Budget—trying to explain, or explain away, all this—said, "Well, you see, these are guesses here and uncertainties there, and events from outside our borders which we cannot control, here and there."

I ask, why will the projections under a balanced budget constitutional mandate be more reliable? But now they will constitute a constitutional offense.

The consequence of a constitutional amendment without the Armstrong amendment—which is, on its face, rigid and all those other things which the majority leader has said—is subterfuge on our part. And this will be dishonorable. The only alternative will be to turn the fiscal affairs of the United States over to the courts to determine which would confound our constitutional order as surely as anything I have yet heard proposed.

Mr. President, I am happy that the Senator from Colorado has shown us what a sham this amendment is and what a shame this debate has been for these last 10 days.

Mr. DECONCINI. Mr. President, I yield 2 minutes to the Senator from Delaware.

Mr. DOMENICI. Will the Senator yield to me to ask a question of the Senator from New York?

Mr. THURMOND. Mr. President, I yield for that purpose.

Mr. DOMENICI. Is the distinguished Senator for or against the amendment? I have heard him now for 2 or 3 minutes.

Mr. MOYNIHAN. I voted for the amendment.

Mr. DOMENICI. The Senator just urged the Senate to do something. What was it he urged the Senate to do?

Mr. MOYNIHAN. Examine your conscience.

Mr. DOMENICI. I thank the Senator.

Mr. BIDEN. Mr. President, that is what I have been doing for some time, examining my conscience. This is the first time I have spoken on this matter—not that that is of any great import to anybody except to me. I have voted on all of the amendments so, to that extent, I have spoken to them.

I have been seeking a rationale that would allow me to vote for what is obviously a politically very popular thing to do, to balance the budget. It is philosophically compatible with the way I think, that we should have some means of keeping a lid on what we do, because obviously, we are unable to discipline ourselves by ourselves thus far. We are all looking for mechanical devices to force us to do what is very difficult to do; that is, tell interest groups no, whether they be defense or social programs or whatever they happen to be.

So, for those two reasons, it is a very, very tempting thing to go out and support this. I said to my constituents at home that I would support the amendment if, in fact, there were some way, other than a declaration of war, to be able to work with the supermajority requirement. But we keep coming back to the point—at least, I keep coming back to the point—that the Senator from Colorado so accurately raised. I quote him:

> There is no definite point of reference.

He hit the nail right on the head. There is none. I do not know how, short of some mechanism like this one, and it is not very perfect; there is no point of reference.

The PRESIDING OFFICER. The 2 minutes of the Senator from Delaware have expired.

Mr. DECONCINI. I yield 1 more minute.

Mr. BIDEN. With the additional minute I have to speak to this amendment, let me say that we really are at a point where we all know—I believe most of us know—even those who strongly support this amendment, that there is a bit of subterfuge here. We know that there is no way of knowing for sure, even with this amendment, if we can balance a budget because of estimates and because of the way the budget process works. So we are going to pass this amendment.

We are going to make a good-faith effort to balance the budget once it gets through the States, that meets the constitutional requirement. Then we are going to be back in times of difficulty and we are going to be jerry-rigging the numbers just as the administration is doing today. The administration is saying flat out, "We do not want to upset the Congress now in their process." We are going to do the same thing. The little faith we have in this is going to be gone and we are going to be in trouble.

Mr. DECONCINI. Mr. President, how much time do I have?

The PRESIDING OFFICER. Two minutes and forty-five seconds.

Mr. DECONCINI. I yield 2 minutes out of the bill to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise in opposition to the Armstrong amendment. I do not think there is anyone here who is more concerned about balancing the budget than I am. But I think it is a mistake to adopt the Armstrong amendment. I hope I can explain quickly why I believe the amendment should be defeated.

If there is anything this constitutional amendment, as it comes before the Senate, does, it reverses two biases. It reverses the bias in favor of spending and it reverses the bias against taxation. That does not mean it puts spending or tax levels into some kind of concrete. It does not mean we shall get a balanced budget the week after we have this constitutional amendment as the organic law of the land. But it does those two things, reduce the bias in favor of overcommitting and overspending and reduces the bias against overtaxation.

The problem with the Armstrong amendment is it takes one of those biases and reverses it, the opposite way. I shall tell my colleagues why: In this constitutional amendment, one vote more than 50 percent is necessary in order to raise taxes. Under the Armstrong amendment, three-fifths of the Members of each body, would have to vote to increase the debt limit. I shall tell my colleagues what that is going to do. If that is built into the organic law, we are going to raise taxes every time, because we are not going to get the three-fifths vote to raise the debt limit. So we will do the easier thing; we will vote to raise taxes.

The idea that the Armstrong amendment would get rid of estimating problems is absolute baloney. You are going to be estimating, and making decisions based on estimates, as long as there is a Republic called the United States of America, as long as there is a Government.

Do my colleagues want to know what we are really going to do? We are going to get right down to the last month of fiscal years when there is no way to get around the latest estimate. Then we are not going to bankrupt the Government; we are going to increase taxes. That only takes a majority. We will not find three-fifths for the debt limit increase.

The Armstrong amendment has not been adequately thought through. Those who advocate this amendment say there is no point of reference unless it is adopted. I disagree. There is a point of reference. We shall have budgets every year, using the best estimates we can come up with, and then we shall look at actual experience and try to improve as we move along. I seriously doubt that any process much better than that is ever going to come around—whether or not the Armstrong amendment passes.

We can wish the estimating problems would go away, but they are not going to go away. It seems to me the Judiciary Committee and those who helped put the constitutional amendment together did an admirable job on one simple proposition, in behalf of the people of this country. They developed an amendment that, through the Constitution, would tell Congress, "Don't spend so much, don't commit so much." Now those who support the Armstrong amendment want something automatic. Senator ARMSTRONG says it will all work well because three-fifths are going to have to vote for a debt limit if it increases. I urge that we not do this.

Mr. BIDEN. Will the Senator from Arizona yield 1 minute on the bill for a question?

Mr. DECONCINI. I yield 1 minute to the Senator from Delaware.

Mr. BIDEN. Mr. President, I am asking the Senator from New Mexico a question: Is not the bias in this amendment supposed to be to balance the budget? It is not about taxes, it is not about spending, it is to balance the budget.

The Senator has just made a very compelling argument. He has said if this amendment passes, we are going to have to raise taxes in order to meet the requirements of the balanced budget. I thought that is what we were about. Is that not what we are about, balancing the budget?

Mr. DOMENICI. Mr. President, the Senator from Delaware may think we are about that. That is not what we are about. This Senator is not. This Senator is about balancing the budget at the lowest level of taxation that will get the job done.

Mr. BIDEN. I see.

Mr. DOMENICI. That is what this constitutional amendment proposes as a new national commitment——

Mr. BIDEN. Maybe we should say that.

Mr. DOMENICI [continuing]. As contrasted with the bias in favor of larger government and unbalanced budgets.

Mr. BIDEN. Should not the Constitution be fairly precise? What we should say is, what we are doing here, folks, is not looking at a balanced budget; we are looking at a balanced budget at the lowest level we can.

That is what we are here for, so everybody understands. That is what this amendment really means when we pass it. It is a nice way to define it. I am glad to have that legislative history.

That is ridiculous.

Mr. DOMENICI. The Senator can read the amendment and he will not need any constitutional interpretation because that is what it says. It limits the growth of revenues and it calls for balanced budgets.

Mr. BIDEN. It does not say that lowest amount. It says balance the budget.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. I believe that there remains under my control 6 minutes and 37 seconds.

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. I yield 2 minutes to the Senator from Oklahoma (Mr. BOREN), 2 minutes to the Senator from Indiana (Mr. QUAYLE), and reserve the remainder of the time to close the debate.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank the Senator from Colorado. Let us not get confused about the issue here. I thought we were debating the question when we started several days ago of an amendment which would require us to have balanced budgets constitutionally, unless three-fifths of both Houses of Congress said to the contrary. I have been going home and telling the people of Oklahoma I support that. I believe in balanced budgets. I do not believe it should be easy to unbalance the budget. In fact, I have been somewhat concerned that three-fifths might be too easy a task, and yet while we have been discussing this amemdment I have heard some who favor it say,

Oh, no, this is not an amendment that requires a balanced budget unless three-fifths of both Houses vote to unbalance it. It requires us to adopt some estimates. Let us keep it all flexible and if those estimates turn out to be wrong, let us let the budget be unbalanced $30 billion, or $40 billion, or $50 billion. For goodness sakes, do not put anything in this amendment that makes it definite that it will require a three-fifths vote of both Houses before we can have unbalanced budgets.

Mr. MOYNIHAN. Will the Senator yield?

Mr. BOREN. I thought that is what we were about, Mr. President. I thought that is what we were about.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. BOREN. I want an amendment that can only be vitiated by three-fifths vote of both Houses. It should not depend upon estimates. It should not depend upon technicians. There should have to be a balanced budget in fact unless three-fifths of both Houses say otherwise. The way to enforce that and to assure that that happens is to require that you cannot increase the national debt limit except by three-fifths vote of both Houses. If we have balanced budgets, there will not be another dollar added to the national debt after the passage of this amendment, in theory at least, unless three-fifths of both Houses so approve. We are simply making this amendment do what we have told the American people all along that we were proposing to do.

Mr. MOYNIHAN. Will the Senator yield for a question?

The PRESIDING OFFICER. The 2 minutes of the Senator have expired. The Senator from Indiana (Mr. QUAYLE) is recognized for 2 minutes.

Mr. QUAYLE. Thank you, Mr. President.

First of all, I want to point out that the Judiciary Committee has done a splendid job. The problem with the Armstrong amendment is that it happens to be a good amendment. It happens to enhance the prospects to restore the bias that everybody is talking about back into the Constitution, away from spending. But even though it is a good amendment, no, no, no, we cannot vote for it. We cannot vote for a good amendment on this floor. We cannot vote for it because every once in a while a little, mythical messenger from the House of Representatives comes over here, picks up the phone and says,

Do not touch that amendment because it will not get through the House of Representatives, cannot pass the House of Representatives if we change it at all, so do not change this amendment, do not change the resolution.

Even though the Armstrong amendment is a good amendment. How many times do people come up and say privately, "Yea, it is probably a good amendment."

I am absolutely appalled, Mr. President, that a disproportionate amount of this debate on this particular amendment is on tactics, political tactics. If we all want to just give our proxies to the majority and minority leader and go home and let them vote, fine. But if we want to abide by the Constitution, which says we have got to be 30 years of age to be in this place, then we ought to have the capacity to discuss on a substantive basis whether the amendment is a good amendment or not a good amendment and vote it up or down and quit horsing around, saying we cannot do it for political reasons.

The Judiciary Committee has done a good job. This is a good amendment and we ought to vote our conscience. I hope that Senators vote on this on the merits and not for some political rationale or political reason.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, I see another Senator seeking recognition. I will be glad to defer to him and save my remarks.

The PRESIDING OFFICER. The Senator has 3 minutes and 5 seconds remaining on his time and the other side has 2 minutes and 18 seconds. Who yields time?

Mr. MOYNIHAN. Will the Senator from Arizona yield to me?

Mr. DECONCINI addressed the chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. I yield 1 minute to the Senator from New York and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, this afternoon continues to be illuminating in surprising ways. We have heard the Senator from Colorado cogently explain why under this amendment none of the fiscal numbers produced will be reliable, and therefore some further standard is required. Then we heard the Senator from New Mexico say the amendment has two overall objectives: one is to end the bias in favor of spending in this body, and, the second is to end the bias against taxing. This is an amendment to rid our system of that old bias we have been laboring under against raising taxes. This bias has been with us, exerting its prejudice, since the Boston Tea Party, and the sponsors of the amendment say now we can get rid of it. Taxes can go up, and up, and up, and up, and we will be free at long last to act like George III was acting when we had that unfortunate misunderstanding—which was said to be something about taxation with representation for the people who pay the taxes. Now we know what we can do—tax and tax, if not spend and spend.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. THURMOND. Mr. President, I yield 3 minutes to the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The Senator can yield time on the bill.

Mr. THURMOND. I yield the rest off the bill.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to my good friend from New York, if I said that, then I was in error in some kind of improper use of double negatives, so let me try again. And if I prompt him to say something in rebuttal, I will try to see that he is given some time to respond.

Let me see if I can put it to the Senate as I understand it. The purpose of the constitutional amendment as I view it is to change two biases: both a bias toward overspending and a bias toward overtaxation. If Senators read the amendment carefully, they will find that basically the theme is moving toward a balanced budget, but with growth of tax receipts also restrained. I said, and I repeat, that if you take the Armstrong amendment and tack it on the end and you make the debt limit subject to three-fifths vote, while this constitutional amendment says you can raise taxes with 51 Senators voting for it, I say you have turned the two new biases that you thought you were creating at least halfway on their head because now you reinject a bias toward taxation, because it is easier to raise taxes than it is to reduce the excess spending because that requires a three-fifths vote. I think that is right, and I hope anybody that thinks to the contrary will look at it, study it. I think I am right.

However, the other thing that the Senator from Colorado is saying that really we have to understand is that we will not have to estimate any more if we have his amendment; that in some way the flaws of estimating will disappear.

They will not, my friends. They will be there when you vote for that debt limit 15 years from now just like they are today. And you are going to have to know what the bases for estimates are, and what the arguments are before you can vote intelligently on debt limits. Otherwise you would risk putting the whole Government out of business while you got some accountants to figure out whose estimate of GNP growth for the last 2 weeks of the fiscal year was right so that you can vote on the level of national debt that was precisely right.

I think we can implement a budget process with more realistic estimating and move toward a balanced budget

more directly and with less confusion than would be possible if the Armstrong amendment were adopted. I urge that we reject it.

Mr. MOYNIHAN. Will the Senator yield me 30 seconds just to acknowledge his very gracious statement?

Mr. DOMENICI. Indeed.

Mr. MOYNIHAN. I think the Senator will find that he did say what I related his having said. He has explained his slightly different judgment, but I do point out to him that he just used the words that this amendment in its total will "reinject the bias for taxation."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. I am saying this one, this one.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, has time expired?

The PRESIDING OFFICER. The 3 minutes yielded by the Senator from South Carolina have expired.

Mr. THURMOND. Mr. President, will the Chair state the question before the Senate?

The PRESIDING OFFICER. There is time remaining on the motion. There are 3 minutes and 5 seconds for the proponent of the amendment and 1 minute and 18 seconds under the control of the Senator from Arizona.

Mr. DECONCINI. Mr. President, I am going to yield in 30 seconds to the Senator from Delaware.

We are today witnessing a subterfuge. We look at the votes on the last issue, and there are those who are trying to make it tougher, and I like it tougher, but others who supported the Armstrong-Boren amendment in the hope that its adoption would hinder final adoption of Senate Joint Resolution 58.

This is not the ideal amendment I wanted to see considered by the Senate, but in order to obtain passage, we put together a concensus amendment. Those who voted for Armstrong-Boren, but who oppose Senate Joint Resolution 58 are engaging in a subterfuge in order to kill Senate Joint Resolution 58. It rests with those who want to go down that road to live with themselves and explain their motives to their constituents. I urge my colleagues to vote on the merits of Armstrong-Boren and not with the purpose of possible ulterior tactical advantage.

I yield to the Senator from Delaware.

Mr. BIDEN. Mr. President, I say to the Senator from New Mexico, who is still in the Chamber, that I challenge him to find in this constitutional amendment any reference to taxes, any reference to the word "taxes" and/or spending. What it says this amendment is all about is that Congress may amend such statement, provided revised outlays are no greater than revised receipts.

This is about a balanced budget. That is what Senator ARMSTRONG forces us to have to consider, and that is the very serious tragedy of this.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I should like to respond briefly to the issues that have been raised. I think I can sum it up very quickly.

I do not claim, as has been stated, that the adoption of this amendment will in any way eliminate problems arising from estimates. Estimates are a problem before or after this amendment.

However, the national debt is not an estimate. That is a known amount, and the limit of it is a known amount. Other estimating problems remain, but at least in this one narrowly defined, specific issue, the amount of the national debt is a known number. We raise it or we do not. We do it by a majority vote or a three-fifths vote. I think three-fifths is reasonable.

Second, there is a little implication running through the debate that somehow the form of this amendment, which the Senator from Oklahoma, the Senator from Indiana, the Senator from South Carolina, and I have brought forth is something we have brought up overnight. That is not so. It follows closely the language which appears in many State constitutions. I have not read recently the 38 State constitutions which contain some spending limit, although at one time a few years ago I did, and I do not recall that even one contained any reference to a statement of estimated receipts and outlays; but in many of them you will see almost the identical language which is the subject of the Armstrong-Boren-Quayle-Hollings amendment. Far from being new or untried or off-the-wall language, we have tried a very moderate, low-key, well-tested approach to the problem.

Third, I want to reemphasize the point Senator BOREN has made—that is, if we are serious about what we are doing, we should put some teeth into this amendment.

Mr. President, is the Senate in order?

The PRESIDING OFFICER (Mr. COCHRAN). Reasonably good order. [Laughter.]

The Senate will please come to better order. The Senator has a right to be heard.

Mr. ARMSTRONG. I thank the Chair.

The question is, Are we really serious about this? Do we really intend to put binding language in the Constitution which says either the budget will be balanced or, if not balanced, it requires a three-fifths vote? I have no doubt about how I feel about that, and all Senators can simply vote on that basis. This is a reasonable amendment to support.

Finally, I agree with those who have suggested that there not be a tabling motion, that there should be an up-and-down vote. The issue is clear. I sincerely hope the motion to reconsider will be defeated.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. ARMSTRONG. I do.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the Armstrong amendment was agreed to. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. THURMOND. Those who favor reconsidering will vote "aye"; those who oppose will vote "no." Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 56, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—40

Abdnor	Hatfield	Pressler
Baker	Hawkins	Pryor
Boschwitz	Hayakawa	Roth
Chiles	Heinz	Schmitt
Cochran	Johnston	Simpson
DeConcini	Laxalt	Specter
Denton	Levin	Stafford
Dole	Lugar	Stennis
Domenici	Matsunaga	Symms
Durenberger	Mattingly	Thurmond
Garn	McClure	Tower
Goldwater	Melcher	Wallop
Grassley	Murkowski	
Hatch	Percy	

NAYS—56

Andrews	Dodd	Long
Armstrong	Eagleton	Mathias
Baucus	East	Metzenbaum
Bentsen	Exon	Mitchell
Biden	Ford	Moynihan
Boren	Gorton	Nickles
Bradley	Hart	Nunn
Brady	Heflin	Packwood
Bumpers	Helms	Pell
Burdick	Hollings	Proxmire
Byrd, Harry F., Jr.	Huddleston	Quayle
	Humphrey	Randolph
Byrd, Robert C.	Inouye	Riegle
Cannon	Jackson	Rudman
Chafee	Jepsen	Sarbanes
Cohen	Kassebaum	Sasser
Cranston	Kasten	Tsongas
D'Amato	Kennedy	Warner
Dixon	Leahy	Zorinsky

NOT VOTING—4

Danforth	Stevens	Weicker
Glenn		

So the motion to reconsider the vote by which amendment No. 2010 was agreed to was rejected.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, before we proceed with the next amendment, I have been asked by the chairman of the Appropriations Committee to announce——

The PRESIDING OFFICER. Will the majority leader withhold? Could we please have quiet in the Chamber so we can hear the majority leader? Will Senators please take their seats? Will those Senators who are standing please take your seats?

The majority leader.

Mr. BAKER. Mr. President, I have been asked by the chairman of the Appropriations Committee, Senator HATFIELD, to announce that the markup on the supplemental appropriations bill will continue in room 1114 of the Dirksen Building. He asks that members of the Appropriations Committee present themselves there now so they can finish that markup and we can try to get the bill up yet this week.

Mr. President, I congratulate the Senator from Colorado for his success, his victory, on this amendment.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. ARMSTRONG. Mr. President, will the Senator yield to me for 30 seconds?

Mr. COHEN. I yield to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I would just like to acknowledge the gracious observations of the majority leader and thank him for his friendship and his kindness. I am sorry that we did not, at the outset, see this issue eye to eye. We are both striving for the same objective which is to get rid of the deficit and get spending in the Federal Government under control, not through some abstract reasoning but because it is important to the economic future of our country. He has been a leader in that field and I am sorry that we could not see this particular amendment eye to eye. But I am convinced that it will ultimately help us obtain the passage of the joint resolution in this Chamber and in the other body and in the country. To that end, I am absolutely dedicated, as I know he is, as well.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mr. BAKER. Mr. President, will the Senator withhold just for a moment while I take care of one other detail?

First of all, I express my deep appreciation to the Senator from Colorado. I can say from personal observation that no man in the Senate is more dedicated to those purposes than is he, I admire his work and I admire what he has done here. He won fair and square and I congratulate him.

Mr. President, I have one housekeeping matter. I ask unanimous consent that I may proceed for 1 minute on the subject of a message from the House of Representatives.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. BAKER. Mr. President, I understand this has been cleared on both sides.

DEPARTMENT OF DEFENSE AUTHORIZATION

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2248, the Department of Defense authorization bill for 1983.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendments to the bill (S. 2248) entitled "An act to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAKER. Mr. President, I move that the Senate disagree with the House amendments and agree to the conference requested by the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. CHAFEE) appointed Mr. TOWER, Mr. THURMOND, Mr. GOLDWATER, Mr. WARNER, Mr. HUMPHREY, Mr. COHEN, Mr. JEPSEN, Mr. QUAYLE, Mr. DENTON, Mr. BRADY, Mr. STENNIS, Mr. JACKSON, Mr. CANNON, Mr. HARRY F. BYRD, JR., Mr. NUNN, Mr. HART, Mr. EXON, and Mr. LEVIN conferees on the part of the Senate; and additional conferees for the consideration of section 1122 pertaining to the inspector general section of the bill, Mr. ROTH and Mr. EAGLETON.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The Senate continued with the consideration of the joint resolution.

Mr. THURMOND. Mr. President, I ask unanimous consent that after the Senator from Maine offers his amendment that the Senator from Nebraska, Senator EXON, follow him.

The PRESIDING OFFICER. The Senator from Nebraska will be next.

UP AMENDMENT NO. 1170

(Purpose: To provide for standing and judicial review under this article)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. Cohen) proposes an unprinted amendment numbered 1170.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, between lines 8 and 9, insert the following:

"Section 4. The judicial power of the United States courts shall extend to any case or controversy arising under this article.

"Section 5. Any person may commence an action for appropriate redress in any federal court of competent jurisdiction.

On page 4, line 9, strike out "4" and insert in lieu thereof "6".

On page 4, line 13, strike out "5" and insert in lieu thereof "7".

Mr. COHEN. Mr. President, unlike my colleague from Colorado, I send to the desk what might be characterized as an unfriendly amendment. It is rather simple in its wording, but I would assure you it is pernicious and it is calculated to serve as what one author has called a recipe for lawlessness and paralysis.

The amendment I am offering would add a new section to Senate Joint Resolution 58 expressly conferring standing on individual citizens, including Members of Congress, to bring suits for redress for violations and to enforce the provisions of the proposed constitutional amendment.

My offering this amendment might come as a surprise to some of those who noted that I was one of the more vigorous supporters of the Gorton-Rudman amendment offered last week to limit the Federal court's exercise of judicial review on the budget created by Senate Joint Resolution 58.

I offer this amendment not as an advocate of the court's involvement in the process but to be sure that the Senate's position on this issue is clear and unequivocal.

If Senate Joint Resolution 58 is adopted by the Congress and ratified by the States, the U.S. Constitution for the first time will include some specific provisions regulating the con-

gressional budget process. While the judicial branch has never been involved in the budget-making process, and I do not think it should be, the language of the proposed constitutional amendment threatens to result in the unprecedented intrusion of the judiciary in matters clearly within the power and authority of Congress.

The Gorton-Rudman amendment, which I believe the Senate unwisely defeated last week, was designed to maintain the status quo and to maintain the current separation of powers between the three branches of Government. Without this limiting language, I think we face the prospect of suits brought by individual taxpayers, perhaps even Members of Congress, challenging congressional budgetary decisions.

Budget matters are clearly the prerogative of the legislative and executive branches, and the constitutional amendment before us I believe is bound to alter this allocation of power and to insert the judiciary into the budget process in the role of an arbiter.

The sponsors of this resolution agree that the Federal judiciary should not become involved in the writing of budgets, and they argue the doctrines of justiciability, standing, and political questions are all going to insure that this will not occur.

Moreover, they say that the Judiciary Committee report on the resolution and the record of the Senate debate to date make it clear that the role of the courts in enforcing this amendment is intended to be restricted.

I note they use the word "restricted" but not "prohibited."

I believe the flaws in these arguments have been adequately detailed by Senators GORTON, RUDMAN, and others in the debate last week.

The threat of judicial involvement in the budget process in my judgment is very real. The report language, and statements made on the Senate floor last week asserting the unlikelihood of such action and the intention that there will be no extension of authority to the judicial branch, is not an adequate substitute for specifics in constitutional language what will limit the powers of the courts.

I would take my colleagues' time for a moment to go back to a case cited by Senator GORTON, *Flast* v. *Cohen* (392 U.S. 83 (1968)). Let me read the language where the Court said:

> We hold that a taxpayer will have standing consistent with article III to invoke Federal judicial power when he alleges that congressional action under the taxing and spending clause is in derogation of those contitutional provisions which operate to restrict the exercise of the taxing and spending power. The taxpayer's allegations in such cases would be that his tax money is being extracted and spent in violation of specific constitutional protections against such abuses of legislative power.

It seems to me, Mr. President, that by the rejection of the Gorton amendment, which I think was a reasoned and balanced approach to try and limit judicial involvement, at the same time protecting the court's authority to define constitutional language and to imterpret and determine the constitutionality of the so-called implementing language, I am concerned that the Senate's rejection of that amendment may be interpreted as an endorsement of taxpayer-initiated lawsuits and judicial intrusion on the budget-making process itself.

Therefore, I am offering this amendment to provide the Senate with the opportunity to affirmatively establish in the record its position on the potential expansion of the judiciary's role in the budget process and on the issue of standing of individual citizens to bring suits under the proposed constitutional amendment to enforce its provisions.

There is one other section that I want to cite. That is the committee's own report. The report language begins on page 66. I would cite this for my colleagues who feel that the courts simply are not going to get involved in this.

> Only as a final resort, and only under the most compelling circumstances (as, for example, when the practices of either the Congress or the Executive undermine the ability of the amendment to be self-enforcing), is there anticipated to be a significant role for the judicial branch.

"A significant role for the judiciary branch."

It seems to me what we have done by rejecting the Gorton-Rudman amendment is that we have invited such lawsuits in the future. We have invited the taxpayer to say, "My rights have been violated under this new constitutional amendment because you have an off-budget item, maybe a guaranteed loan in Wilmington, Del., or in Bangor, Maine, which ought to be in the budget. If that is in the budget, you will be out of balance and, therefore, you have violated the Constitution and violated my right as an individual citizen to have that constitutional amendment enforced."

Those are the constitutional questions that we are opening this up to.

Just as nature abhors a vacuum, I think I can fairly say that our Federal courts will welcome ambiguity as an invitation for intervention in areas where politicians are supposed to tread.

It has been pointed out again and again, in the reapportionment cases, in busing, in abortion, and in prayer. Senator RUDMAN talked last week about the court's supervision of the State mental institutions, how many toilets are required in prisons, or mandating the wearing of hair nets in kitchens. If they are going to assume jurisdiction to dictate hair nets and toilet facilities because it affects the individual rights of a prisoner, is there anybody in this Chamber, particularly those who have fought so strenuously to deprive the courts of jurisdiction, whether it be busing, prayer, or any other issue, who believes the courts will be discouraged from entertaining a Senator's, a Congressman's, or a taxpayer's lawsuit that insists that those loan guarantees and other off-budget items should be included as liabilities?

I know it has been said that there are some who see the court, by virtue of future appointments, becoming much more conservative in the years ahead. That may be for the next 2, 3, 4, or 5 years. But what we are doing is writing a constitution for a 100 years, not just for tomorrow. Perhaps the court cannot be packed by 1984. The forces of conservatism may not prevail if our economic problems continue to persist. But I submit to you the unpredictability of the future, economically or electorally, is precisely the point I am trying to make.

We are writing this Constitution not for a party or a philosophy or ideology but for all time.

I submit to the Senators that those who support the intervention of the Federal courts in the budget process should vote for this amendment. Those opposed to any expansion of the judiciary in this area ought to vote for its defeat.

I am urging the defeat of my own amendment, and I hope it will be a unanimous vote.

I would like to caution my colleagues that the defeat of this amendment will not cure the essential deficiency in the constitutional amendment as currently written. It will only return us to the same state of ambiguity which existed before the defeat of the Gorton amendment. It will return us to Flast against Cohen, to page 66 of the Judiciary Committee report, the position of neutrality where the courts will decide on the traditional basis whether standing and justiciability exist for individuals under the proposed constitutional amendment.

For those who resent the expansion of judicial power, this is not a happy prospect.

With that, Mr. President, I would urge my colleagues to defeat the amendment that I offer for the express purpose of putting the Senate on record as being fundamentally opposed to the judiciary intruding and extending itself into case and controversy issues which are otherwise, and have been heretofore at least, considered to be political issues and solely within the exclusive domain of Congress itself.

I reserve the remainder of my time.

Mr. GORTON. Will the Senator yield?

Mr. COHEN. I yield to the Senator from Washington.

Mr. GORTON. I thank the Senator from Maine, and I commend him on a thoughtful and imaginative attempt to repair the very considerable damage done to the concept contained in this resolution by the defeat of the amendment proposed by the Senator from New Hampshire and myself on Thursday last.

Unfortunately, while I believe that some repairs will be accomplished by the defeat of the amendment of the Senator from Maine, it will take more than simply its defeat to return to the status quo ante. That is the case because, before my amendment was proposed, we had before us as legislative history only the page or so contained in the Judiciary Committee report, the thrust of which was that standard concepts of justiciability, standing, and political question would either prohibit or very severely limit the judicial review of actions taken or not taken by Congress pursuant to the resolution. During the course of the debate, however, its proponents—the Senator from Utah, the very distinguished President pro tempore, and others—not only argued the lack of necessity for my amendment, but argued rather eloquently in favor of the activist judiciary to enforce it and, thus, have created a legislative history which, even after the defeat of this amendment, will, at best, be highly ambiguous.

I hope that, with the Senator from South Carolina and the Senator from Utah responding to the amendment before us now, would correct that misapprehension to the maximum possible extent. In any event, it is highly accurate to say that the shift in the separation of powers away from Congress and in favor of the courts, which will be almost inevitable as the result of the legislative history of this resolution as it stands before us now, may be repaired in part by the defeat of the amendment proposed by the Senator from Maine and that this becomes a highly useful debate on that ground alone.

Suffice it to say, Mr. President, that that kind of shift of the separation of powers would be highly undesirable. As a matter of fact, even if the resolution itself does have a positive effect on arresting the growth in spending, we may nevertheless be substituting for one evil an evil which is even greater.

I agree with everything the Senator from Maine has said. I agree with his conclusion. Members, unless they believe in judicial activism in this field, should vote against his amendment. I hope it will have some positive impact on the issue which he has described.

Mr. COHEN. Mr. President, I yield to the distinguished Senator from Delaware.

Mr. BIDEN. Mr. President, I congratulate the Senator in his very sincere attempt to remedy what I consider to be a serious defect in this amendment. The Senator quoted from page 66 of our Judiciary Committee report, where the proponents of the amendment state—by inference at least—that there is a significant role for the judiciary.

Mr. President, the Senator from the State of Washington and the Senator from the State of Maine have spoken about judicial activism. Let me speak very briefly to the other side of that coin. Let us assume that the judiciary does not desire to be an activist judiciary. Let us assume that the judiciary merely is doing what, under the Constitution, it is required to do: that is, consider the case. It may conclude, when it gets to the Supreme Court, that it is something it should not be involved in. But can the Senator imagine what is going to happen when, in fact, every year we go through the tortuous process of arguing whether or not we spend $6.8 billion to buy two big carriers or x billion dollars on four small carriers, or whether or not we project deficits based on economic growth at 3.4 or 5.5 percent of GNP?

It seems to me that, at a minimum, we would have—even if the judiciary does not want to be involved, shuns involvement, when involved takes the most conservative course possible—we still are going to have a circumstance where the Government and the Congress, in this case, will be in court on a regular and, I assume, time consuming basis.

Mr. COHEN. If the Senator will yield—for example, a serious example was given this year on the question of taking social security off the budget. Does the Senator recall that?

Mr. BIDEN. Yes, I do, Mr. President.

Mr. COHEN. It was seriously suggested by some people who said, "Look, it is really not the budget; it is money we put in long ago for our retirement and therefore, we should take it off."

What would happen under this proposed amendment if, in fact, a resolution or an amendment were introduced to take it off the budget and a disgruntled citizen says, "Wait a minute. If you take that off, the budget is out of balance and I want the budget balanced as the Constitution requires." It seems to me the citizen would be right. He could bring a lawsuit and that reluctant court could have no alternative but to take it under its consideration.

Mr. BIDEN. I agree with the Senator. I make one final point. It really speaks to the central issue the Senator is addressing. That is whether or not the courts can, should be, or would be involved in economic policy in this country.

My comment really goes farther back to the original amendment of the Senator from Washington. A number of my colleagues viewed voting for the amendment of the Senator from Washington as a court-stripping vote. I have a problem with that notion, because I do not think they looked very closely at it.

How do you strip the court of something they have no authority to deal with at this point? It is a question of whether or not we confer authority upon them that they do not have. Constant analogies were being made on the floor, which were lost on me and, I think, quite frankly, were made by people who misunderstood the issue, that this is synonymous with the attack—I see my friend from Alabama, who was chief spokesman for the position against the amendment—this is synonymous with stripping the court of jurisidiction over cases and controversies and other areas. Some of my liberal friends, which is not the Senator from Alabama, stood up and said this is like stripping the court of jurisdiction over busing, prayer, and every other thing we talked about.

I respectfully suggest it is none of that at all. It does not have anything to do with that. It says that we have to find a mechanism by which we can discipline ourselves to keep the budget in balance, keep control of the purse strings in a practical way. But when we do that, if we decide the only way to do that is through a constitutional process to change the biases, as the phrase was used by the Senator from New Mexico and others earlier, we do not want to go further than saying that this is a mechanism to discipline ourselves and say this is also a delegation to another branch of Government of constitutional responsibility we now hold.

We are, really and truly, unbalancing the balance if this constitutional amendment passes in the form it is now, because right now, there is a delicate balance among the three branches of Government. What we are doing here is not only passing an amendment that would in fact constrain us and help us in bringing the economy under control by forcing us to do certain things, but we are delegating, in the alternative, that power to the court. That is what was lost on everyone.

The Senator is making a serious attempt to at least bring it back to a position of ambiguity, because now, there is no question, those of you who remember our third-year course in legislation in law school, how, in fact, the courts look at legislative history in interpreting what they do. It is clear from the vote on the well-intended amendment of the Senator from

Washington that, strangely enough, he may have dealt a serious blow to the issue of whether or not the courts should be more involved; that is, because now, the Senate is on record as saying the courts can and should be involved even beyond what was anticipated in what is a very damaging report as it relates to the role of the court.

I really do not think—this is a phrase with which I shall end in a minute and I thank the Senator for his indulgence. The phrase is often used, "What the American people want." That is awfully presumptuous of the Senator from Delaware to suggest what the American people want.

But I suggest that what it appears the American people want is not a delegation of the budget process to the Supreme Court of the United States of America. They want us to run the country like they have to run their households. They want us not to spend more than we take in. I do not think they are saying to us, "What you really should do if you all can't figure that out, folks, we would rather have the Supreme Court making the judgment for us, or the district court or any other court."

I commend the Senator on what I must acknowledge is an attempt to cure a problem I am not sure is curable but at least is better than leaving things as they are now.

I intend to support the Senator by voting against his amendment. I thank him for his time.

Mr. COHEN. I thank the Senator for his comments, and I would like to make it again as clear as I can. This amendment will not cure the deficiency. The deficiency is still going to remain because it just puts us back prior to the time of the rejection of the amendment offered by the Senator from Washington and the Senator from New Hampshire. It puts us back to the case of Flast against Cohen. It puts us back to page 66 of the Judiciary Committee's report which says that there, in fact, is a significant role for the judicial branch if Congress cannot resolve its difficulties or cannot enforce its own amendment under the Constitution.

I reserve the remainder of my time, Mr. President.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment. The amendment provides that the judicial power of the U.S. courts shall extend to any case or controversy arising under this article. I, for one, certainly do not favor that, and I do not believe a majority of this Senate will.

This amendment would open up Senate Joint Resolution 58 to unlimited judicial review. We have rejected amendments to prohibit the courts from being in the position to enter the budgetmaking process. We should not now move in the other direction.

Mr. President, the distinguished Senator from Washington State offered an amendment to prohibit the courts from coming in. We rejected that amendment. Now, this amendment more or less invites the courts to come in, and we oppose this amendment.

What we have tried to do is to leave the courts just where we found them. In others words, not inject the courts into the matter either way.

There is no language in Senate Joint Resolution 58 one way or the other on the questions of standing, justiciability, or political questions. We leave those questions as they now stand.

Mr. President, we think that is all that is necessary. We again repeat that we oppose this amendment and hope the Senate will defeat it.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, in the absence of the distinguished Senator from Arizona, who is handling that side, I will take the liberty of yielding the Senator time to be charged to——

The PRESIDING OFFICER. Time charged to the Senator from Arizona.

The Senator from Arizona has no time.

Mr. THURMOND. Mr. President, is the Senator going to argue against it?

Mr. HEFLIN. I am with the Senator.

Mr. THURMOND. Mr. President, I yield to the Senator from Alabama and ask that the time be charged to me.

The PRESIDING OFFICER. Time will be charged to the Senator from South Carolina.

The Senator from Alabama.

Mr. HEFLIN. Mr. President, in looking at the two sentences of this proposed amendment, in my opinion they will do tremendous violence to other provisions in the Constitution of the United States. They deal with budgetary matters, but yet every phase of the Government is tied to appropriations and to budgetary matters.

The language in section 4 says, "The judicial power of the United States shall extend to any case or controversy arising under this article." If you have a threshold issue of budget, what does it do to the related matters?

Let us look at the Constitution under article III. Section 1 says, "The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish."

This, in effect, freezes the present structure of the U.S. court system as it would apply to budgetary matters. It means that it would be in the Constitution that budgetary matters and those matters that are linked to budgetary matters are within the breast of the court.

There are those—and I merely point it out to show the implications and the violence that can be done here—who would like to restrict the jurisdiction of the U.S. district courts, U.S. circuit courts of appeals, in certain social issues. If this is adopted, if it has a threshold entry into the court system dealing with budgetary matters, there is serious question for those advocates of diminishing the jurisdiction of the district courts and the circuit courts of appeals whether or not they could prevail by statutory language, or by statutory enactments.

I think it is a matter that, in a desire to push a point that does violence to other sections and to other matters, has not been thoroughly considered.

Section 2 says, "Any person may commence an action for appropriate redress in any Federal court of competent jurisdiction."

Now, again, that gives standing to anyone. It in effect goes toward those people who would restrict the remedies and restrict the jurisidiction of the U.S. courts, mainly the jurisdiction in the trial court and in the court of appeals. It would give them standing to start in any Federal court of competent jurisdiction on matters pertaining to the budget. If there are related matters, then it has an implication and raises other serious questions.

Now, as our court system has developed there has been a restraint on the part of the Federal courts in dealing with the internal workings of Congress. The courts have been reluctant to get into the internal workings of Congress and have developed certain theories such as a political restraint issue, so that when there they are matters that are political in nature, the courts have restrained themselves and have not taken jurisdiction of those cases.

Standing in court has been a very important issue. The expansion of standing, as this amendment would do, would violate many, many of the decisions that have held that you cannot get into court pertaining to these matters.

The justiciable controversy or the justiciability of it is another theory. I think we will have to look at the language here, see what it does to other sections of the Constitution and what it does to our practice as we know it today.

I feel that it is an unwise amendment, and I urge that it be defeated.

Mr. THURMOND. Mr. President, I wonder if anyone else wishes to speak on this amendment, pro or con. If not, we are willing to yield back our time, if

the Senator from Maine is willing to yield back his time.

Mr. COHEN. Mr. President, I should like to make a few concluding comments.

I find it somewhat interesting that the Senator from Alabama is talking about the violence that is being done by this amendment. There is violence being done by this amendment. Intentionally so. I opened by saying that it is a pernicious amendment. It is one that is calculated to produce paralysis and confusion. I stated in my opening statement what the purpose of this amendment is: So that we will all know what was done last week. What was done was exactly what the Senator from Alabama is suggesting: We have opened the door to the judiciary into areas where they have yet to tread.

If the history of law has not been logic but experience, let us see what has happened with the courts. Whoever thought they would get into reapportionment? It was once considered a political thicket into which the courts would not intrude or venture. But they ventured. So now they are rewriting all our reapportionment cases. They are supervising the busing of students. They are supervising the conditions in our mental institutions. They are mandating health codes.

There is virtually no area in our society in which the courts have not taken jurisdiction. Why? Principally because of our failure. Principally because of our political cowardice, that we have not dealt with those social issues and, by indifference, no, by timidity, we have let the courts assume jurisdiction. Now Members of the Senate have decided that we should reduce that jurisdiction, remove the jurisdiction from the Supreme Court and other courts.

I understand the violence. I am trying to prevent further violence in the political system. Budgetary matters should be off grounds for the Federal courts.

What I am concerned about is that the way the Gorton-Rudman amendment was defeated last week, we have opened those doors a little, at least, for the courts to intrude—that coupled with the Judiciary Committee's own report. I do not know what it means, but perhaps somebody on the committee can tell me what it means:

> Only as a final resort, and only under the most compelling circumstances (as, for example, when the practices of either the Congress or the Executive undermine the ability of the amendment to be self-enforcing), is there anticipated to be a significant role for the judicial branch.

What does that mean? You anticipate a significant role for the judicial branch.

What the Gorton-Rudman amendment tried to do was to say that there would be no significant role for the judiciary, and the Senate voted that down because we do not want to mess up the constitutional balance. Well, the Senate has upset the constitutional balance by rejecting the Gorton-Rudman amendment.

This amendment, which I hope is defeated—I am joining the Senator from Alabama in his condemnation of this amendment because I am trying to make explicit what is implicit in the Senate's action. What I am trying to do is to put us back at least to the point prior to the Gorton-Rudman amendment. It will not cure the deficiency. It will not cure what has been written into this amendment by the committee's report and by the case cited by the Senator from Washington, Flast against Cohen, which stated, I repeat so there will be no misunderstanding.

> [W]e hold that a taxpayer will have standing consistent with article III, to invoke federal judicial power when he alleges that congressional action under the taxing and spending clause is in derogation of those constitutional provisions which operate to restrict the exercise of the taxing and spending power. The taxpayer's allegation in such cases would be that his tax money is being extracted and spent in violation of specific constitional protections against such abuses of legislative power.

Well, we are about to create an amendment which invites that very kind of lawsuit. So if we want to return to ambiguity, this amendment will help us get back there.

I would prefer to have the amendment of the Senator from Washington accepted, to tell the courts, "This is one area you shall not intrude." It is for our constituents to make the judgment as to whether or not we have lived up to the constitutional mandate we impose upon ourselves.

For whom is this constitutional amendment? Is this for individual citizens? Obviously, the answer is no. The Senator from Alabama has said we do not want an individual bringing lawsuits. This constitutional amendment is not for any of the people back home. It is for us. It is a constitutional amendment that we are adopting for us. Why? Because we do not have the political courage to make the decision for prudently planning our spending and our taxing policies. We do not have the political courage to say that we cannot afford a $100 billion deficit. We are going to narrow it down to zero. Not one of us here is prepared to do that.

I recall that during the debate on the budget last spring an amendment was offered calling for a balanced budget by 1985, 22 Senators voted "aye" for the amendment.

So we are now considering the passage of an amendment not to protect the individual rights of the citizens of this country but to protect, I suppose, our citizens against ourselves.

Ultimately, in the final analysis, we are using the Constitution as a coverup. We are using it as a coverup because it is a cloak for our naked cowardice and our trembling reluctance to make the cuts and increase the taxes that are going to be necessary to balance the budget. If it is passed, it will allow us to say that we are fiscal conservatives, but not today, and not tomorrow—maybe by 1985, 1986, or 1987.

It reminds me of what Saint Augustine said: "Lord, give me chastity and continence, but not just now."

I urge the defeat of my amendment.

Mr. THURMOND. Mr. President, I am very pleased to join the distinguished Senator from Maine in voting against his amendment, as he has requested.

I yield back the remainder of my time.

Mr. COHEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HEFLIN. Mr. President, I move to table the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be granted 30 seconds to plead with the Senator from Alabama to withdraw his motion to table. This would be the first tabling motion.

The PRESIDING OFFICER. Is there objection?

Mr. HEFLIN. Yes, I object.

Mr. BUMPERS. The Senator objects to the 30 seconds?

Mr. HEFLIN. No.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator may proceed.

Mr. BUMPERS. Mr. President, this is deadly serious business. We are talking about a constitutional amendment on which the Senators, I believe, would like to vote up and down on every one of these amendments. To my knowledge, there has not been one tabling motion since we began debate on this amendment, and I earnestly plead with the Senator from Alabama to withdraw his request and to let Senators have an up-and-down vote.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine has yielded back his time.

Mr. COHEN. I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection?

Mr. HEFLIN. Mr. President, I am willing to withdraw my motion to table, but I do state this: There is a longstanding rule of interpretation of legislative history that the negating of an amendment does not carry with it all the legislative history which would imply that certain things were the in-

tention. There are many reasons why one votes "no" on an amendment.

Therefore, I think I should put into the debate the principle that has been decided by the courts on many occasions, that a negative vote on an amendment can go to many aspects of why you vote "no," rather than the specific language of the amendment.

Therefore, I withdraw my motion to table.

The PRESIDING OFFICER. The Senator has a right to withdraw his motion to table.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator has yielded back his time.

Mr. COHEN. I requested 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COHEN. Mr. President, so that the record will be clear, I say to my friend from Alabama that the purpose of offering the amendment was to say that individual citizens have the right to bring suit. I should like to have that rejected, because the record as it stands today is not clear, under the deliberations of this body, as to whether or not citizens could bring lawsuits. I am offering this amendment to try to restore some sense of balance to what I think was done last week.

So I should like to have the amendment voted down—as the Senator from Alabama does—to send a message to the Federal courts of this country that the Senate is on record as fundamentally and, I hope, unanimously opposed to the Cohen amendment.

Mr. HEFLIN. Mr. President, I think if the Senator looks at the decisions he will find that he is wishful thinking in that regard.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER. I annouce that the Senator from Missouri (Mr. DANFORTH), the Senator from Alaska (Mr. STEVENS), the Senator from Connecticut and (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER (Mr. EAST). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 0, nays 96, as follows:

[Rollcall Vote No. 279 Leg.]

NAYS—96

Abdnor	Bentsen	Brady
Andrews	Biden	Bumpers
Armstrong	Boren	Burdick
Baker	Boschwitz	Byrd,
Baucus	Bradley	Harry F., Jr.
Byrd, Robert C.	Heflin	Nunn
Cannon	Heinz	Packwood
Chafee	Helms	Pell
Chiles	Hollings	Percy
Cochran	Huddleston	Pressler
Cohen	Humphrey	Proxmire
Cranston	Inouye	Pryor
D'Amato	Jackson	Quayle
DeConcini	Jepsen	Randolph
Denton	Johnston	Riegle
Dixon	Kassebaum	Roth
Dodd	Kasten	Rudman
Dole	Kennedy	Sarbanes
Domenici	Laxalt	Sasser
Durenberger	Leahy	Schmitt
Eagleton	Levin	Simpson
East	Long	Specter
Exon	Lugar	Stafford
Ford	Mathias	Stennis
Garn	Matsunaga	Symms
Goldwater	Mattingly	Thurmond
Gorton	McClure	Tower
Grassley	Melcher	Tsongas
Hart	Metzenbaum	Wallop
Hatch	Mitchell	Warner
Hatfield	Moynihan	Zorinsky
Hawkins	Murkowski	
Hayakawa	Nickles	

NOT VOTING—4

Danforth	Stevens	Weicker
Glenn		

So Mr. COHEN's amendment (UP No. 1170) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, if I could have the attention of my colleagues for a moment and ask them, if possible, to remain—could we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. May we have order in the Chamber? If we could have order in the Senate, the Senator from Nebraska has the floor and is entitled to be heard.

The Senator will proceed.

Mr. EXON. I thank the Chair.

I am disappointed that I could not get my point across. I was trying to ask my colleagues to remain on the floor, but they disappeared before I had the chance to get the message across. The reason for that, Mr. President, is, I am trying to be helpful in expediting the work of the Senate. I was simply trying to suggest that if the Senators could remain on the floor, we could probably dispose of the amendment that I am about to offer and have a rollcall vote in 10 to 12 minutes, if things work out as we have anticipated.

UP AMENDMENT NO. 1171

(Purpose: To require the President to submit an advisory statement of receipts and outlays for each fiscal year to the Congress.)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) proposes an unprinted amendment numbered 1171.

On page 3, between lines 12 and 13, insert the following:

SECTION 1. Prior to each fiscal year, the President shall transmit to the Congress a recommended statement of receipts and outlays for that year. If outlays are greater than receipts the President shall include a statement specifying the reasons why total outlays for such fiscal year should exceed total receipts for such fiscal year. Such statement submitted by the President shall be used by the Congress in adopting the statement required in Section 2 of this article, in whatever manner the Congress, in its sole discretion, determines.

Renumber the succeeding sections accordingly.

Mr. EXON. Mr. President, for those who would be interested, I refer them to page S9575 of the CONGRESSIONAL RECORD that lays on our desk from yesterday's debate, wherein I outlined the amendment yesterday in hopes that someone would take a look at it and inform themselves as to what this Senator is trying to do.

Mr. President, I think the debate can be restricted on this so we can move along, because essentially the issue before us has been debated previously. In fact, it has been voted on previously.

What this amendment does is simply to make it possible for the constitutional amendment that we are considering to involve the President of the United States in balancing the Federal budget. The measure was debated at some length previously with a similar amendment offered by my friend, Senator FORD, from Kentucky. The amendment that I am offering has been "cleaned up" to lay aside some of the objections that were stated on the floor of the Senate when the Ford amendment was offered. Those objections were that if the Ford amendment had been accepted, it was believed that we would be giving the President of the United States some additional power that he does not have with regard to the budget process.

Those who will take time to read the amendment that I have offered will agree that it makes it very clear that we are not giving the President of the United States any more power or control over the budget. It simply says that he shall give us a balanced budget or tell us why he cannot submit a balanced budget. And it clearly says, also, Mr. President, that the recommendation of the President of the United States simply is advisory, because I think we all recognize and realize that the setting of the budget is essentially the responsibility of the Congress under the Constitution.

Why it is that the prime sponsors of the constitutional budget amendment, of which this Senator is an active cosponsor, why it is that those people

want to accept no amendments—it is very strange to this Senator.

Indeed, Mr. President, within the hour, we accepted a very controversial, a very meaningful amendment, offered by the Senator from Colorado. I think, therefore, we have essentially shattered, Mr. President, the argument that this amendment is not going to go anywhere unless we adopt the amendment exactly as reported out of the committee.

This is an amendment, Mr. President, that will obviously strengthen the chances of the passage of this constitutional amendment in the Senate and in the House since it will effectively bring together both the Congress and the President in their separate but parallel roles in meeting the stated goals of the balanced budget amendment.

Mr. President, I simply say that if we are sincere in trying to make this amendment meaningful and workable, I think it should be said once again that we are never going to have what we seek in this amendment unless we have the cooperation and the understanding of both the President of the United States, whoever he is and whenever that is, and the Congress of the United States, whoever serves in the Congress and whenever they serve.

The constitutional amendment for a balanced budget, even under the most optimistic timetable, could not be effected before 1986 or 1987 and would go on from there if passed here and ratified by the States. Therefore, I think it is unrealistic to say that we should not involve the President of the United States in the constitutional amendment provision with regard to balancing the budget.

We are taking a very unique step because of the fact that the national debt of the United States, indeed the budget of the United States, obviously has gotten completely out of hand.

Now it did not get out of hand completely, in the opinion of this Senator, in the last 40 years because no one cared. It did not get out of hand in the last 1½ years because no one cared. But the facts of the matter are that it is, in the opinion of this Senator, pretty much out of hand. It is out of control. And I am hopeful that we can do something, even if it is only a tiny step in the right direction, to get it back under control.

There is a necessity for the Chief Executive Officer of the Government to be involved in the Federal budget. Unless we have something like this, it seems to me some President at some time in the future could send over a budget that he knows is not balanced, or that he might concede is not balanced, for the reason that he might not want to take the stands, to make the hard decisions, for making the reductions in certain areas or raising revenue on the other hand to make the budget balance.

It seems to me that we may have a situation some time in the future when the President of the United States will simply say to the Congress, "Here is an unbalanced budget. Under the constitutional amendment that is in effect, it is your responsibility to balance that and not mine."

It seems to me, Mr. President, that this is not a revolutionary amendment. I have seen no reason why it should not be accepted, although I am willing to listen once again to those who may feel differently about the amendment offered by the Senator from Nebraska.

I will simply emphasize once again that I personally visited with the President of the United States about this. President Ronald Reagan is for the amendment that I am offering. He recognizes and realizes that he or some other President in the future has just as much responsibility to cooperate with the Congress toward the end that this constitutional amendment is supposed to address.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, we have acted on amendments similar to this one during the discussion of this constitutional amendment. I do not feel it is necessary to take but just a moment or two of our time.

Section 1 of Senate Joint Resolution 58 clearly includes the President in the budget statement to be adopted each year by Congress. "The Congress and the President shall"—those are the words of the amendment—"ensure that actual outlays do not exceed the outlays set forth in such statement."

We have rejected similar amendments on this point which have previously been offered and we do not see the need to take any more time now to further discuss this matter. We hope the Senate will reject this amendment.

Mr. BUMPERS. Will the Senator yield?

Mr. EXON. I yield such time as he may desire to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, the Senator from South Carolina has correctly pointed out that this amendment has been debated before. It is obvious to me that there is a lot of concern about a constitutional amendment putting the onus on the Congress to balance the budget when the President is the man who is the most powerful man in the Nation on spending matters. He has the most powerful weapon at his disposal, namely the veto. He brought this body to its knees less than 3 weeks ago with two successive vetoes to get a supplemental appropriations bill down to the level he wanted.

Yet, with all of that power that he is given by the American people and by the Constitution, this constitutional amendment has deliberately left the President out, as though Ronald Reagan were going to be President forever.

One of the strong objections I have to this amendment right now is the timing of it. It is very difficult for me to believe that a President who has submitted almost a half trillion dollars in deficits to this Congress for his 4-year term can honestly believe that a constitutional amendment for a balanced budget is a desirable thing.

What he is doing is saying, in effect, "Stop me, I am out of control." He is saying, "I promised the American people when I ran in 1980 that I would balance the budget."

I remember hearing him say one night on television during the campaign, "Jimmy Carter, if you cannot balance the budget by 1984, move over. I can."

Well, it is one thing to campaign for the Office, and it is another thing to get elected and keep your commitments.

The rest is history. We know what the deficit is for 1982. We know what it is going to be for 1983. We know what Alice Rivlin said it will be for 1984 and 1985. We are talking about a half-trillion dollars.

Well, if the President of the United States cannot balance the budget, is it fair for him to be holding press conferences, either on the steps of the Capitol or over in the East Room of the White House, telling the American people, "What is wrong with this country is, we need a constitutional amendment to balance the budget." It is cynicism of the rankest sort.

Mr. DECONCINI. Will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. DECONCINI. I just want to say to the Senator from Arkansas that I agree with the Senator, that for the President to indicate that this is the only answer is some cynicism. There is no question about it. It only underscores in this Senator's mind the fact that it is out of control.

Getting away for just a moment from the amendment of the Senator from Nebraska, there is no question that this administration has failed. They failed on their promise for a balanced budget. The President said the night before last, it is the Democrats, the Congress, that did not give him what he wanted. That is a lot of baloney and we know it. We gave him what he wanted. The problem is the program did not work.

The motives, to me, are not the best. The objective is still good. In my judgment, the objective to get a balanced budget by a constitutional amendment is where we ought to keep our focus.

Mr. BUMPERS. I think that is another story on the argument of whether we ought to incorporate economic formulas in the organic law of this Nation and alter the fundamental law in such a very radical and dramatic way. That is to chisel an economic formula in stone in the fundamental law of this country.

The reason I am debating this now is not to be partisan, but to say that I do find a great deal of cynicism for the President of the United States to say, "Not only can I not balance the budget, but I promised the American people if they would elect me I would, and now that I am President I not only cannot balance the budget, but I am offering you three times bigger deficits than have ever been incurred in this country in its history."

What he is saying is, "I cannot do it, but I do not want my successor to have any latitude in the matter. He must do it."

Well, I just think that this constitutional amendment that we have been debating here now for a week is fatally flawed because the leader of the Nation, the man who is really responsible to the American people for a balanced budget, is not a player.

I have heard debate on this floor saying, "We have only balanced the budget one time in the last 20 years and that was the Lyndon Johnson budget."

You hear people talk about in 1975 we had the biggest deficit we have ever had, under Gerald Ford. Now we say President Reagan is offering us a half trillion dollars in deficits.

That is what the man on the street in America says.

I will ask Senators, have they ever heard anyone sit around the coffee shop saying, "The last time we balanced the budget was in the 82d, the 85th, or the 86th Congress," or "The biggest deficit we ever incurred was in the 94th Congress." Of course not. The President of the United States is the one who gets the blame or the glory, not the Congress.

If we balance the budget next year, if this Congress suddenly broke out in a spate of responsibility and commonsense and decided to do something about entitlement programs, decided to do something about defense, decided to undo a part of the gargantuan tax giveaway we passed last year, and balance the budget next year, I guarantee you the President of the United States would be on the plane the next day going all over the country saying, "I balanced the budget."

Mr. DECONCINI. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. DECONCINI. I agree with the Senator. There is no reason we need to put this amendment of the Senator from Nebraska into the constitutional amendment. It is going to continue like that. Twenty or thirty or fifty years from now, there is going to be an administration. The President has the right or authority to present a budget if he wants to. He carries the burden. Administrations are going to carry the burden in the future just as they have in the past.

Mr. BUMPERS. Mr. President, we all know that old saying, "no guts, no glory." I do not think the President should get all the glory here if he is not going to have the guts to balance the budget.

Mr. DECONCINI. I think the Senator from Arkansas has pointed out clearly that all the glory is going to go home to this administration for the highest deficits ever, and rightly so. We are trying to save future administrations. This one cannot balance the budget. We are trying to provide a vehicle so some administration, some Congress, in some short period of time, maybe, will balance the budget.

Mr. FORD. Will the Senator yield?

Mr. BUMPERS. If I may, first, let me ask the Senator one question:

The President of the United States has, since the memory of man runneth not, offered a budget in January to the U.S. Congress; certainly, he has every year since I have been here. I see the distinguished Senator from Louisiana sitting over there. He has been here a lot longer than I have and I am sure he will verify this. Every January or February, I forget the date, we line up there in that center aisle, we march over to the House of Representatives, and everybody stands up when the President walks in and applauds. He walks up there and says, "Here is my budget for next year."

President Reagan did it; Gerald Ford did it; Jimmy Carter did it; they have all done it. Now, something he has been doing for 100 years, we do not even give him the opportunity to do under this amendment.

Are we saying here he cannot make that speech any more?

Mr. DECONCINI. Of course not. He can continue doing exactly what he has done in the past. I submit to the Senator from Arkansas that is exactly what he is going to do. This does not prohibit him from offering a budget.

Mr. BUMPERS. Why should he offer a budget? If he is not going to take some of the responsibility, I do not care what he thinks about the budget.

Mr. DECONCINI. For the very reason the Senator pointed out, the President of the United States is a very powerful office and he should present a budget. But this President and past Presidents have not balanced the budget. They have not come up with it.

Mr. BUMPERS. We are locking the Congress in. Let us lock the President in, too. Let us say to the President, "Use your veto power. Require us to override it with a two-thirds vote, not 60 votes as this amendment provides."

Let us say to the President, "You submit us a budget and if we do not hew the line, if it is not balanced, if we try to spend more than we take in, if we violate section 2 of this amendment, you veto it. Then 67 votes would be required, not 60, to unbalance the budget."

Mr. DECONCINI. If the Senator will yield, my final statement is that this amendment does not change at all what the President has done in the past and can do in the future. The only debate is really whether or not we want to put something in a constitutional amendment that would require it. I do not see the need for it. He already has the authority to offer any budget he wants. He has in the past and is going to in the future.

The question is whether or not it ought to be in the amendment itself. The amendment of the Senator from Nebraska makes it advisory. I do not think it is necessary to put it in the Constitution. That is where the Senator from Arizona differs from the Senator from Arkansas.

Mr. BUMPERS. If the Senator will yield, why on Earth does this amendment leave out, with a great deal of deliberation, the most powerful man in the United States?

Mr. DECONCINI. The framers of this amendment believe the President has the authority and will continue to have the authority to offer any budget or not to offer a budget. Under the Budget Act, I am advised that he is supposed to offer a budget and does. He is going to continue to do that. What is the reason to put it in? The reason to put it in is some people here feel strongly he ought to be a part of the constitutional amendment. Others do not feel it is necessary. I happen to come down on the side of those who feel that it is not necessary. He has all that authority.

Mr. EXON. Mr. President, I yield to the Senator from Kentucky, then I shall yield to the Senator from Colorado. I yield 3 minutes to the Senator from Kentucky.

Mr. FORD. I thank my distinguished friend from Nebraska, Mr. President.

Basically, this is the amendment or is similar to the amendments I have offered earlier. I want to make two observations.

One, we have seen here now, for days, that we do not want any amendment, we want it as it is, we want to have World War III before we can have an unbalanced budget. We are going to get an opportunity to vote on something different from that.

As the distinguished Senator from Arkansas said, we are excluding the most powerful individual in this country and his input in having a balanced

budget. The Senator from Arizona says the President can or cannot. If we do not have a partnership, I am not certain that we shall ever get to that balanced budget, because if we continue to get bad budgets, and I say bad budgets are huge deficits, from the Oval Office and he comes down here with all his ability and says, "I want this budget," he is going to force us to vote three-fifths to have a deficit budget and we are right back where we started from. He ought to submit a balanced budget.

Mr. President, I have heard too much in the last 24 hours from those who are stonewalling this amendment, any amendment, to the constitutional amendment, "I like your amendment," or "I like his amendment, I like what it says, I think it is the right direction. My conscience tells me that that is a good amendment and my conscience tells me to vote for it."

But they do not want any amendments. You go up and say, "Can you take an amendment?"

"Well, how do you feel about voting against all amendments, just all amendments, then voting for this amendment?"

"I am not sure."

"Well, we cannot take yours, then, We cannot touch yours."

Mr. President, you know what is going to happen when this amendment finally passes Congress? It is going to be the biggest political show this country has ever seen. It is going to come right out of the Oval Office. We are going to see it every time they can have a press conference on prime time at 8 o'clock so that everybody can hear that they are for it, to keep us from remembering that we already have a projected half-trillion dollar deficit now.

The call, I think, is important. The problem, I think, is severe. If both ends of Pennsylvania Avenue are not going in the same direction, the constituents of this country are in a great deal of trouble.

I thank the distinguished Senator from Nebraska for allowing me a little time. I hope this amendment passes and I hope the majority leader does not sit on the edge of the table with his foot headed west.

Mr. EXON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Nebraska has 7 minutes remaining.

Mr. EXON. I yield 2 minutes to the Senator from Colorado.

Mr. HART. I thank the Senator from Nebraska.

Mr. President, I wonder if the Senator from Arizona would be so gracious as to let me phrase a question that the Senator from Arkansas was asking one more time. I listened to most of the debate on the amendment offered by Senator FORD and I have listened to almost all the debate on this modification of that amendment and I have listened to the exchange. I must say to the distinguished sponsor of this resolution, I still do not understand why the President is not included.

I hear it said over and over again, he can or cannot offer a balanced budget. I understand that. What I want to know is, in the 4½ years it took to draft this, what decision was made that the President should not be required to offer a balanced budget? I still do not understand that simple fact.

Mr. DECONCINI. If the Senator will yield, I only restate to my distinguished friend from Colorado that it was the feeling of this member of the committee that helped draft the bill that that is an inherent power with the President now and that under the Budget Act, he has that authority statutorily and it was not necessary. I think that is what we are debating.

Mr. HART. But the Congress has that authority, too. It has the statutory authority to balance the budget.

Mr. DECONCINI. We have seen what the Congress has done.

Mr. HART. We have seen what the President has done.

Mr. DECONCINI. I do not know of any law telling the President to balance the budget. The only law I know is the Byrd amendment that tells the Congress to balance the budget.

Mr. HART. Why should the President of the United States not be required to balance the budget?

Mr. DECONCINI. In answer to the Senator from Colorado, I believe the President has whatever is necessary now, that power that we talk about, to offer a budget.

Mr. HART. It is not a power, it is a responsibility.

Mr. DECONCINI. I think he has a responsibility. I just do not see the need of putting it in a constitutional amendment. I think that is where the disagreement is.

Mr. HART. Why put it in the Congress? Why are we more out of control than the President of the United States? That is the question. Why is the Congress more out of control than a series of Presidents?

Mr. DECONCINI. I think, in reality, we are both out of control.

Mr. HART. Then why should not the President be in this amendment?

Mr. DECONCINI. As I mentioned just previously, it seems to me that this amendment is drawn in a fashion that does not get into the Executive authority, and I see no reason to put that in the constitutional amendment.

I realize the Senator from Arkansas, the Senator from Kentucky, the Senator from Colorado, and the Senator from Nebraska feel differently. I am just giving them this Senator's point of view on it. That is how I come down on the subject matter.

The PRESIDING OFFICER. The Chair wishes to advise that the 2 minutes of the Senator from Colorado have expired.

Mr. EXON. Mr. President, if I may just take a couple of minutes to try and summarize, then I will be glad to yield back. If the other side is ready to yield back, we can go ahead with a vote.

This discussion would leave anyone amazed, I think, at the reasoning for not including the President of the United States. The Senator from Arizona says the President can send up any budget he wants. That is the reason that we feel that the President should be required to send up a balanced budget, or in lieu thereof explain why he cannot and give the advice to us here who have the final responsibility.

The Senator from Arizona said there is no reason to include the amendment offered by the Senator from Nebraska.

I suggest, Mr. President, that there is every reason to include the amendment offered by the Senator from Nebraska if indeed we are sincere about reaching a balanced budget and simly not have a sham.

I am prepared to yield back the remainder of my time. I call for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. I am prepared to yield back my time, Mr. President, if the opponents are prepared to yield back their time.

Mr. DeCONCINI. We yield back our time.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I just want to say a word. If all the political and campaign talk is over now, I think we are ready to vote.

We have considered this question before. We have already acted upon it, but again I say that the amendment is clear in section 1 that the Congress and the President—not just the Congress, the Congress and the President—shall insure that actual outlays do not exceed the outlays set forth in such statement.

The President is a party to this part, a very important party. I want to make that point clear.

Now I am ready to yield back my time, if the able Senator from Nebraska is.

Mr. EXON. I yield back the remainder of my time.

Mr. THURMOND. Mr. President, we ask for the yeas and nays if they have not been ordered.

The PRESIDING OFFICER. They have already been requested.

All time having been yielded back, the question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Missouri (Mr. DANFORTH) and the Senator from Minnesota (Mr. DURENBERGER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 52, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—45

Andrews	Exon	Matsunaga
Baucus	Ford	Metzenbaum
Bentsen	Hart	Mitchell
Biden	Heflin	Moynihan
Boren	Heinz	Nunn
Bradley	Hollings	Pell
Bumpers	Huddleston	Proxmire
Burdick	Inouye	Pryor
Byrd, Robert C.	Jackson	Randolph
Cannon	Johnston	Riegle
Chiles	Kennedy	Sarbanes
Cranston	Leahy	Sasser
Dixon	Levin	Specter
Dodd	Long	Tsongas
Eagleton	Mathias	Zorinsky

NAYS—52

Abdnor	Gorton	Packwood
Armstrong	Grassley	Percy
Baker	Hatch	Pressler
Boschwitz	Hatfield	Quayle
Brady	Hawkins	Roth
Byrd, Harry F., Jr.	Hayakawa	Rudman
Chafee	Helms	Schmitt
Cochran	Humphrey	Simpson
Cohen	Jepsen	Stafford
D'Amato	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Lugar	Thurmond
Domenici	Mattingly	Tower
East	McClure	Wallop
Garn	Melcher	Warner
Goldwater	Murkowski	Weicker
	Nickles	

NOT VOTING—3

Danforth	Durenberger	Glenn

So Mr. Exon's amendment (UP No. 1171) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, will the distinguished manager of the bill yield 1 minute to me?

Mr. THURMOND. Mr. President, I yield to the able majority leader.

Mr. BAKER. Mr. President, if I may have the attention of the Senate for a moment, I wish to propound a unanimous-consent request.

Mr. President, it is clear that we are going to be here a while. It is almost imperative, I suppose, that we do all the amendments we can or that are going to be debated tonight because tomorrow we are going to have no time for that.

I expect that the Cranston amendment tomorrow plus general debate on the resolution will take us up until noon.

Therefore, I am prepared to stay as late as necessary to accommodate debate requirements of Senators.

I know of six other amendments that must be dealt with. I am not going to shop for a reduction in time on any of those, but I do urge Senators to consider it will take a long time to get through six amendments particularly with rollcalls on six amendments.

Mr. President, the Appropriations Committee is now in markup. A number of Senators have commitments that will take them away from the Hill for a little while this evening.

I have discussed this matter with the minority leader and he is agreeable, I believe, with the arrangement that I am about to propose.

(Mrs. KASSEBAUM assumed the Chair.)

ORDER STACKING VOTES TO BEGIN AT 7:45 P.M. TONIGHT

Mr. BAKER. Madam President, I ask unanimous consent that any votes that are ordered between now and 7:30 p.m. be stacked and occur in the sequence in which they are ordered beginning at 7:30, the first vote to be 15 minutes and any subsequent votes which are ordered back to back be 10 minutes each.

Mr. BOSCHWITZ. Madam President, reserving the right to object, and I shall not object, this gives me an opportunity to do something that I did not realize I would be able to do. Could we make that 7:40 or 7:45 p.m.?

Mr. BAKER. Madam President, I am afraid if I do not quickly agree to this request, there will be further bargaining. I urge the Chair to grant the request as soon as possible. I amend the request and so ask unanimous consent to make it 7:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. The Chair was very prompt, and I am grateful to the Chair and all Senators.

AMENDMENT NO. 1940, AS MODIFIED

(Purpose: To provide a statutory basis for a capital expenditures and operating expenditures budget)

Mr. HART. Madam President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an amendment numbered 1940, as modified.

Mr. HART. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with. May we have order in the Senate?

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 1, strike out through the end of the matter following line 14 on page 4 and insert the following:

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "Responsible Budgeting Act of 1982".

SEC. 2. The Congress finds that—

(1) a significant proportion of total Federal outlays are capital expenditures, which represent long-term investments in our Nation's future;

(2) it is sound and customary business practice to borrow funds to finance capital expenditures;

(3) except in extraordinary circumstances, the Federal Government should not engage in deficit spending to finance operating expenditures, because it is basically unfair and financially unwise to obligate future generations to pay for current consumption; and

(4) a budget of the United States Government which distinguishes between capital and operating expenditures is needed to inform the American public of the nature and extent of capital investments by the Federal Government.

SEC. 3. (a) Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(6) The term 'capital expenditure' means a budget outlay which is used by the Federal Government or by a State or local government or an agency or subdivision thereof, or a business or nonprofit organization, which receives such outlay from the Federal Government, for—

"(A) the construction, acquisition, or rehabilitation of a physical asset with a useful life of more than one year;

"(B) research and development, including basic research;

"(C) education, training, or vocational rehabilitation;

"(D) international development; or

"(E) financial investments, including loans for terms of greater than one year.

"(7) The term 'operating expenditure' means a budget outlay which is not a capital expenditure.

"(8) The term 'annual capital benefit cost' means the amount determined to represent the portion of the total capital expenditures incurred in a fiscal year and in all fiscal years preceding that fiscal year which is properly allocated to that fiscal year".

(b)(1) Section 202(a) of such Act is amended by striking out "and (3)" and inserting in lieu thereof "(3) information with respect to capital expenditures, operating expenditures, and annual capital benefit cost, and (4)".

(2) Section 202(f)(1) of such Act is amended—

(A) by striking out "and" after "total new budget authority," in the first sentence;

(B) by inserting a comma and "capital expenditures, operating expenditures, and annual capital benefit cost" after "total outlays" in such sentence;

(C) by striking out "and" after "budget authority" in the second sentence and inserting in lieu thereof a comma; and

(D) by inserting a comma and "capital expenditures, operating expenditures, and

annual capital benefit cost" after "budget outlays" in such sentence. (c)(1) Section 301(a) of such Act is amended—

(A) by redesignating paragraphs (6) and (7) as paragraphs (8) and (9), respectively, and

(B) by inserting after paragraph (5) the following new paragraphs:

"(6) the appropriate level of total capital expenditures, total operating expenditures, and the annual capital benefit cost;

"(7) an estimate of capital expenditures, operating expenditures, and the annual capital benefit cost for each major functional category, for contingencies, and for undistributed governmental transactions, based on allocations of the appropriate level of total capital expenditures and total operating expenditures;".

(2) Section 301(d) of such Act is amended—

(A) by striking out "and" after "total budget outlays" the first place it appears in paragraph (2) and inserting in lieu thereof a comma;

(B) by inserting "total capital expenditures, total operating expenditures, and annual capital benefit cost" after "total new budget authority," in such paragraph;

(C) by inserting a comma and "total capital expenditures, total operating expenditures, and annual capital benefit cost" after "total budget outlays" the second place it appears in such paragraph;

(D) by inserting a comma and "capital expenditures, operating expenditures, and annual capital benefit cost" after "budget outlays" the first place it appears in paragraph (3);

(E) by striking out "the estimate" in such paragraph and inserting in lieu thereof "the estimates"; and

(F) by inserting "total capital expenditures, total operating expenditures, annual capital benefit cost" after "total new budget authority," in paragraph (6).

(d)(1) Title III of such Act is amended by inserting after section 301 the following new section:

"LIMITATION ON EXPENDITURES

"SEC. 301A. (a) SPECIFICATION OF LIMITATION.—It shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget for any fiscal year beginning after September 30, 1985, or any amendment thereto or any conference report thereon if—

"(A) the adoption of such concurrent resolution as reported;

"(B) the adoption of such amendment; or

"(C) the adoption of the concurrent resolution in the form recommended in such conference report,

would cause the sum of the appropriate level of operating expenditures and the appropriate level of the annual capital benefit cost set forth in such concurrent resolution for such fiscal year to exceed the recommended level of Federal revenues set forth in such concurrent resolution for such fiscal year.

"(b) WAIVER.—The provisions of subsection (a) may be waived in the Senate or the House of Representatives with respect to the consideration of any concurrent resolution on the budget or any amendment thereto or any conference report thereon if, by a roll call vote, a majority of the Members of the Senate or the House of Representatives, as the case may be, present and voting, determines that the waiver of such provisions is necessary to ensure the national security or to provide remedies for an economic recession or depression.".

(2) The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 301 the following new item:

"Sec. 301A. Limitation on expenditures.".

(3) Section 904(b) of such Act is amended by inserting "(except section 301A" after "or IV".

SEC. 4. (a) Section 201(a) of the Budget and Accounting Act, 1921, is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after paragraph (4) the following:

"(14) estimated capital expenditures and operating expeditures and the estimated annual capital benefit cost for the ensuing fiscal year and projections of such expenditures and cost for each of the four fiscal years immediately following the ensuing fiscal year.".

(b) Section 201(d) of such Act is amended by striking out "section 301(a)(1)-(5)" and inserting in lieu thereof "section 301(a)(1)-(7)".

(c) Section 201 of such Act is further amended by adding at the end thereof the following new subsections:

"(k) Notwithstanding any other provision of law or of this Act, the budget transmitted pursuant to subsection (a) of this section, any supplemental summary submitted pursuant to subsection (b) of this section, or any statement of amendments or revisions submitted pursuant to subsection (g) of this section, shall not contain any request for budget authority that would result in operating expenditures or capital expenditures for a fiscal year if the sum of operating expenditures and the annual capital benefit cost for such fiscal year will exceed the estimated receipts set forth for such fiscal year in such budget, summary, or statement, as the case may be, except that the President may transmit a budget, summary, or statement containing a request for budget authority that would cause the sum of operating expenditures and the capital benefit cost for such fiscal year to exceed estimated receipts if such budget, summary, or statement contains a recommendation that the provisions of subsection (a) of section 301A of the Congressional Budget Act of 1974 be waived in accordance with subsection (b) of such section.

"(l) The budget transmitted pursuant to subsection (a) of this section shall include a statement describing the obligations for capital expenditures that will be incurred during the ensuing fiscal year and plans for the payment of such obligations during the ensuing fiscal year and succeeding fiscal years. Such plans shall be consistent with sound principles of financial planning.

"(m) For purposes of this section—

"(1) the term 'capital expenditure' has the same meaning as in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974;

"(2) the term 'operating expenditure' has the same meaning as in section 3(7) of such Act; and

"(3) the term 'annual capital benefit cost' has the same meaning as in section 3(8) of such Act.".

SEC. 5. Within two years after the date of enactment of this Act, the President shall prepare and transmit to the Congress a plan for the implementation of the amendments made by subsections (a) and (c) of section 4, and the Director of the Congressional Budget Office shall transmit to the Congress a plan for the implementation of the amendments made by section 3 with respect to annual capital benefit costs.

SEC. 6. (a) The provisions of this Act and the amendments made by this Act shall take effect on the date of enactment of this Act, except that the amendments made by sections 3(d) and 4(c) shall apply only with respect to fiscal years beginning on or after September 30, 1985.

(b) Notwithstanding the amendments made by sections 3 and 4 of this Act—

(1) the President and the Director of the Congressional Budget Office are not required to transmit to the Congress any information with respect to the annual capital benefit cost for any fiscal year beginning before October 1, 1985;

(2) the Congress is not required to include an appropriate level of an annual capital benefit cost in any concurrent resolution on the budget for any fiscal year beginning before October 1, 1985, or estimates of such cost for each major functional category in any such concurrent resolution on the budget; and

(3) the Committees on the Budget of the Senate and the House of Representatives are not required to include any information with respect to annual capital benefit costs in the reports required to accompany a concurrent resolution on the budget under section 301(d) of the Congressional Budget Act of 1974 for any fiscal year beginning before October 1, 1985.

Amend the title so as to read: "Joint resolution to amend the Congressional Budget and Impoundment Control Act of 1974 to provide for a capital and operating budget, and for other purposes.".

Mr. THURMOND. Madam President, will the Senator yield for a unanimous-consent request?

Mr. HART. Yes.

Mr. THURMOND. The distinguished Senator from California (Mr. HAYAKAWA) has been waiting around for several hours just to speak for 7 minutes. I wonder if the Senator will agree that he may speak and not count the time against the Senator's time?

Mr. HART. Certainly.

Mr. THURMOND. Madam President, I ask unanimous consent that the distinguished Senator from California be allotted 8 minutes against my time on this amendment. I wish to thank the distinguished Senator from Colorado for his courtesy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. The Senator from California is very grateful to the Senator from Colorado for yielding.

Madam President, I am not introducing an amendment, I am simply giving a speech in support of what we are doing, namely the resolution which we are debating today, which is so important for the future of our Nation. Senate Joint Resolution 58 not only requires the Congress to approve a Federal budget whereby outlays do not exceed revenues, but does so by means of an amendment to the Constitution. For me the distinction between statute and Constitutional amendment

is as important as the subject matter itself.

The Constitution of the United States is the guiding document for the conduct of our national Government. It provides a framework for the structure, responsibilities, and limits of the three branches of the Federal Government, and has been amended to outline basic rights of the citizenry. The Constitution has served as the foundation of our American Government for 195 years, and will endure for many more, I hope. It has survived because its provisions are the absolute basis upon which the machinery of government is built; it is timeless. Amendments to the Constitution, therefore, should address the foundation of government; all other matters should be dealt with by statute.

Criteria for subjects that are appropriately addressed in the Constitution are few: the structure of each House of Congress, the relationship between them, the responsibilities thereof, and the limits on congressional authority; the powers and responsibilities of the executive and the judicial branches of Government, and the rules governing the relationship among all the branches; basic rights and responsibilities of U.S. citizens; and, finally, matters which concern the very fabric of our Nation. Twenty-five of the twenty-six current amendments to the Constitution are, I believe, appropriate to the document. The one exception is a glaring example of the kind of damage that can be done to the integrity of our fundamentals of government.

The 18th amendment, prohibiting the sale and transportation of alcoholic beverages, was an inappropriate subject for the Constitution to address. It failed to meet even one of the criteria enumerated earlier. It was the rash result of a contemporary social concern, that could easily have been dealt with by statute. After 20 years the country realized its mistake, and repealed it with the 21st amendment. We learned a lesson 50 years ago, and we must take great care not to repeat our mistake.

Senate Joint Resolution 58 provides that the Congress shall agree to a statement of receipts and outlays for the following fiscal year in which outlays to not exceed receipts. With a three-fifths majority vote of each House, the requirement may be waived. Further, any tax increases must be voted on by each House.

The provisions of the resolution are clear, meet the criteria I have laid out for amendments appropriate to the Constitution, and respond to an urgent need.

The Constitution empowers the Congress to raise revenue by laying taxes and make appropriations, but makes no provision for any association between the two, except to require that, "a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time." I contend that, because Senate Joint Resolution 58 requires the Congress to act, and limits its authority with respect to a matter previously discussed in the Constitution, this resolution is indeed an appropriate subject for an amendment to the Constitution. This conclusion is, perhaps, the most important obstacle to overcome in judging the merits of this resolution. Remaining is to demonstrate need and effectiveness.

In my mind, there is no question of the need for a balanced Federal budget, and for some guidance to be provided for the Congress. Beginning in 1931, the Federal Government has consistently incurred deficits. Since that time, revenues have increased 19,232 percent and outlays have increased 18,373 percent. Yet the Federal budget has seen balance or surplus only seven times since then—seven times in 51 years. Clearly there has either been a conscientious effort to overspend revenues, or Congress has been unable to manage a budget.

If there were no adverse effects of such a policy—or lack thereof—there would be no need for remedial and compulsory action. However, during those last 50 years, and especially in the last 5 years when deficit spending has been at its worst, inflation has deprived Americans of their earning capacity, unemployment has crushed the ambitions of millions of Americans, and high interest rates are forcing businesses to close. The correlations between deficit spending and economic stagnation are too clear to deny.

I, personally, believe that the Federal Government has taxed Americans too heavily, has invaded too many markets and economies, and has provided too many services. I believe that a reduction in spending is absolutely necessary to encourage economic growth. This resolution provides a mechanism for that effort. But there are many who believe that the Government has not been engaged in too many activities. To those people I point out that this resolution does not require a reduction in spending. It merely establishes that it is the fundamental policy of the Federal Government that the budget will be balanced. While there is disagreement on the degree of spending activity, I think everyone will agree that spending should be financed through levies rather than by debt. Thus, this resolution will not force a specific socioeconomic policy on the Government through the Constitution. However, it will force the Congress to act in a responsible manner.

Once the Congress balances the budget, and maintains it in balance except for emergencies, I believe the economy will improve and stabilize. If we fail to balance the budget, there is a little hope for either economic recovery or stability.

Thus, it is important that the mechanism for establishing balanced budgets as national policy be one that mandates action. The only effective tool in guiding the Congress is the Constitution. By constitutional amendment, Congress would be directed to pursue a policy, and be restricted in the breach of that policy. We have seen that no other means is sufficient to carry out that mission: in 1978, the distinguished Senator from Virginia, Senator BYRD, offered an amendment, which was approved by the Congress and signed by the President, to require a balanced budget by statute. Obviously, although the effort was in earnest, a statutory requirement was not sufficient to bind the Congress. Only a constitutional amendment will have sufficient gravity to force action on our legislative bodies.

Yet, I should reiterate that this resolution, while requiring under normal circumstances a balanced budget, also anticipates situations which require deficit spending. By allowing a three-fifths majority of both Houses to approve budget resolutions with outlays exceeding receipts, a mechanism for extraordinary circumstances is provided.

It is equally important that, in addition to mandating a balanced budget, this resolution requires the Congress to vote on any revenue increases. Because of inflation, the incomes of Americans have risen over the years, pushing them into higher tax brackets, taking a bigger tax bite out of their paychecks, and increasing Federal revenues without the Congress having to vote on these increases. This "bracket creep" has allowed Members to be valiant benefactors of special interests, while being blameless for the ever-growing taxation of Americans.

Section 2 of the proposed amendment will act to inhibit additional spending unless its justification outweighs the negative impact of tax increases. In this way Members will be responsible and straightforward in their proposals to increase spending. When an increase in spending is warranted, the Congress is free to act, but it must also act to increase taxes. In my opinion, nothing could be more fair.

To conclude, Madam President, I believe we must establish that a balanced Federal budget is national policy. The only means of establishing that policy and carrying it through is an amendment to the Constitution. Finally, I am satisfied that Senate Joint Resolution 58 has been crafted in such a way as to provide limitations on the Congress, but allow deficit spending in extraordinary circumstances. I am proud to be a cosponsor of this resolution and urge its adoption.

89-059 O-86-20 (Pt. 14)

The PRESIDING OFFICER. Who yields time?

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Parliamentary inquiry. What is the status of the pending business at this point?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Colorado.

Mr. HART. I thank the Chair. How much time remains on the amendment?

The PRESIDING OFFICER. There are 152 minutes controlled by the Senator from Colorado.

Mr. HART. I thank the Chair.

Madam President, among the many faults of this amendment is the fact that it will discriminate very heavily, perhaps fatally, against one of the highest priorities that this country must face through the eighties and nineties, and that is the need to invest in the facilities, the capital infrastructure, of America's future.

At least two-thirds of the States in this Union and, for all practical purposes, all municipalities and local governments and all businesses in this country have capital budgets or capital expenditure budgets.

It is the United States of America, almost uniquely among governmental entities, perhaps among private and public entities together, that does not distinguish between investment in the long-term capital assets, if you will, the infrastructure of this Nation, and spending that one might call in the business sense the operating expenses of Government.

The amendment that I have offered is in the nature of a substitute to the constitutional amendment and is in the nature of a statutory substitute to take into account not only the fatal flaws in the resolution to amend the Constitution but also the desperate need that this country is beginning to face to invest in the long-term assets of our Nation.

Madam President, let me begin by outlining as briefly as I can what this amendment provides, if you will, in mechanical terms, and then summarize as best I can the arguments in its favor.

First of all, this amendment provides, beginning immediately, that is to say in fiscal 1984, that budgets transmitted by the President and adopted by the Congress must distinguish between capital expenditures and operating expenditures. This will, of course, allow decisionmakers and the public to begin to evaluate what our national capital expenditure priorities are in relation to each other and in relation to other Government spending.

Further, this amendment would define "capital expenditure" as a budget outlay used for the construction, acquisition, or rehabilitation of a fiscal asset with a useful life of more than 1 year. It would include research and development. It would include basic research, education, training, or vocational rehabilitation. It would include international development investment, or financial investments, including loans for terms greater than 1 year.

In addition, 2 years after enactment of this substitute, the President and the Director of the Congressional Budget Office are each required to report to the Congress on how the act's capital budgeting requirements should be implemented.

Then, starting in fiscal 1986, 2 years after the operative date of this proposal, a new budget process would go into effect. The President would be required, under law, to transmit and the Congress would be required to adopt a budget in which total operating expenditures plus what the act calls the "annual capital benefit cost,"—those two items together could not exceed total revenues. This would bring about a balanced budget—unless the President certifies, or a majority of both Houses of Congress find, that a budget deficit is necessary to insure the national security or to provide remedies for an economic recession or depression. The "annual capital benefit cost" is the cost in present dollars of financing the year's capital expenditures over their useful lives. The annual capital benefit cost is the true cost of all capital expenditures made during a year after taking into account the fact that capital expenditures provide benefits over a long period of time.

Then, finally, Madam President, each year the budget would be required to include a statement describing the new capital expenditures to be made during the fiscal year and setting forth how such capital expenditures would be paid for in a manner consistent with sound principles of financial planning. This capital budget statement would compel the President and the Congress to set capital expenditure priorities and to plan for the payment for capital expenditures over their useful lives.

Thus, Madam President, beginning with fiscal 1986—long before the constitutional amendment would become effective—the Responsible Budgeting Act, which is what the title of this proposal is, would require the Federal Government to have a fiscally responsible balanced budget. In addition, unlike the pending resolution that would amend the Constitution, this act would require the President to transmit a balanced budget to Congress. The President has at his disposal all of the information necessary to prepare such a budget. It is only fair that the responsibility for making the hard decisions that are necessary to bring about a balanced budget be shared between the President and the Congress.

In earlier colloquy with the Senator from Arizona, a leading proponent of the constitutional resolution, he seemed to me unable to answer the direct question why the President of the United States should not be required to share in this responsibility. He only responded, in response to that direct question, several times, that "The President presently has the power." The issue is not the Presidential power. The issue is Presidential responsibility.

Madam President, this Responsible Budgeting Act, which I am proposing, would require that, for the first time, the Federal Government prepare a capital budget—something done by virtually all of the municipalities and a large majority of the States, almost all of the States in the Union.

I would cite to my colleagues a statement in the August 1 New York Times by Treasury Secretary Donald Regan who said that:

> Perhaps the Federal Government should have (a capital budget) whether it has a balanced budget amendment or not.

Like most Americans, I believe that it is basically unfair and financially unwise to require future generations to pay for goods and services that are consumed by their predecessors. And it is equally unsound financial practice for this Government to treat long-term investments, including some of our most sophisticated weapons systems, such as aircraft carriers, submarines, and missile systems, as well as our transportation systems, our waste treatment facilities, the infrastructure of our cities and interstate transportation systems, to treat those as if they were fully consumed in the year in which their cost was incurred.

We all know, as a simple matter of fact, that these so-called capital investments in our country are enjoyed for 5 or 10 sometimes even 30 or 40 years. It is just fundamental fallacy and unwise financial practice to continue to pay for those under, in effect a current expense account, which is what the Federal Government does today and one of the reasons why it is so difficult to bring this budget into balance.

But, Madam President, if the Federal Government is to help rebuild the decaying infrastructure of this country and prepare our country for its future, it must have flexibility to finance capital expenditures in the same fiscally responsible manner used by America's businesses and by our States and local governments, that is, by financing capital expenditures on a pay-as-you-use basis. And this amendment will give the Federal Government that flexibility while still requiring a balanced budget.

Let me just say a word about the need for the capability to invest in this country's long-term future. This Nation's infrastructure—our roads, our bridges, our dams, our prisons, our rail and mass transit systems—are in a terrible state of decay.

In its cover story last week, Newsweek reported that "America's infrastructure . . . is heading toward collapse."

Our infrastructure is deteriorating for two major reasons. First, captial expenditures by our governments, by all levels of government but particularly our Federal Government, have dropped 30 percent since 1965.

In effect, we have been living off the fat of the land. We have not been reinvesting in that infrastructure and, therefore, it is decaying and falling apart. We are now beginning to see the cost to our Nation across the board in letting that decay continue.

Second, the Federal Government has no mechanism for setting priorities for capital spending and for determining how capital expenditures should be financed. This amendment is directed toward establishing that process for the first time. It is, by the way, a process that I have been advocating for some 4 or 5 years.

In a recent column in the Washington Post, David J. Mahoney, the chairman of the board of Norton Simon, Inc., cited estimates that it will cost between $2.5 and $3 trillion over the next decade just to maintain the current level of public services and infrastructure.

That says nothing about building and investing in the future and expanding the infrastructure in this country for economic growth. That, by the way, is a number verified and I think supported by studies carried out by the Joint Economic Committee and other committees of Congress.

Meanwhile, while all of this is going on, fewer students are taking fewer courses and spending fewer hours studying the subjects that will give them the skills they need to prepare for our country's future: math and science, foreign languages and communications. The Federal Government's commitment to research and development and to teacher training and aid to education have dropped sharply since the 1960's the great burst of investment in public education in the post-sputnik era.

Unfortunately, the proposed balanced budget constitutional amendment, Senate Joint Resolution 58, will drastically impair the ability of the Federal Government to play its central role in rebuilding the public infrastucture and preparing our country for the future. By requiring all capital expenditures to be financed on a "cash" basis, Senate Joint Resolution 58 will prevent the Federal Government from doing what virtually all of America's businesses and most of America's State and local governments do routinely: finance capital expenditures on a "pay-as-you-use" basis, paying for capital assets over their useful lives.

The resolution to amend the Constitution will drastically affect the Government's ability to play its central role in rebuilding the public infrastructure and preparing for our future.

If America's families were required to pay cash for their capital investments, few would be able to purchase a car or a house. If America's businesses were forbidden from borrowing to finance capital expenditures, they could not purchase the heavy equipment and new technologies they need to compete in today's markets.

To allow the Federal Government to finance the capital expenditures that this Nation will so desperately need in the 1980's and 1990's, we must prepare for that investment, and this amendment introduced as a statutory substitute for the pending resolution, the Responsible Budgeting Act of 1982 will permit us to do that.

This substitute, Madam President, is a statute because there is nothing wrong with the budget process created by our Constitution. Our country's failure to adopt the balanced budget in 20 of the last 21 years is attributable to a failure of our national leadership and a shortage of political courage, not in a shortcoming in our national charter.

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina.

Mr. THURMOND. Madam President, this is just another statutory proposal to the pending constitutional amendment. We have had several of those to come up. We have opposed them all because we feel if we are going to get results, we need a constitutional amendment and not another statute. A constitutional amendment is the only way, in our opinion, to achieve a balanced budget. We hope the Senate will not consider this amendment because it is proposed as a statutory procedure.

If we adopt this amendment, we will be changing in a fundamental way the Federal budget as structured. Maybe it is a good idea, but it should not be made part of this constitutional amendment.

We feel if the Senator wishes to offer this proposal, it should be in the form of a statute brought before the Senate at an appropriate time, but do not attempt to append it onto this constitutional amendment. We will have to oppose this, Madam President, as we have opposed other statutory approaches or attempts to substitute statutes for the constitutional amendment. We hope the Senate will defeat this amendment.

Mr. HART. Madam President, at such time as there are other Senators available, I intend to ask for the yeas and nays on the amendment. I guess that will not occur for another hour or so.

In order for the Senator from Massachusetts to be able to offer his amendment, I will ask unanimous consent that it be in order to set my amendment temporarily aside and proceed to the amendment of the Senator from Massachusetts.

Madam President, let me ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HART. Madam President, I ask unanimous consent to temporarily set my amendment aside.

Mr. THURMOND. I cannot hear the Senator.

Mr. HART. I ask unanimous consent that it be in order to set my amendment temporarily aside and proceed to the amendment of the Senator from Massachusetts.

Mr. THURMOND. The Senator does not want to finish the argument on this amendment?

Mr. HART. I have no further argument.

Mr. THURMOND. I am willing to yield back the remainder of my time if the Senator is willing to yield back his time.

Mr. HART. I would like to yield back the remainder at the time the vote is scheduled.

Mr. THURMOND. The vote is scheduled for 7:45.

Mr. HART. That is right, and it would be my intention at that time to yield back the remainder of my time.

Mr. THURMOND. Madam President, if he intends to yield back his time at 7:45 I will yield back my time then, too. I think it would be simpler if we got through with one amendment that we yield back our remaining time and proceed to another amendment.

Mr. HATCH. If the Senator will yield, would it be acceptable to the Senators to have a unanimous-consent agreement to yield back their time and have his amendment voted up or down at 7:45?

Mr. HART. I think that will be the case in any event. All I am trying to do is protect my time in case a Senator comes on the floor and wants to ask a question about this amendment, that I would have time to respond to the question. If there are no questions at 7:45, I will yield back my remaining time.

The PRESIDING OFFICER. Without objection, the amendment is laid aside.

AMENDMENT NO. 1985

(Purpose: To require the President to submit a balanced budget for fiscal year 1984 and succeeding fiscal years.)

Mr. TSONGAS. Madam President, my amendment is very similar to that of the Senator from Colorado. I thought it might be appropriate to make the arguments together and have the votes occur subsequently.

Madam President, this amendment was in the RECORD. Do I assume that the clerk has a copy?

The PRESIDING OFFICER. Amendment No. 1985?

Mr. TSONGAS. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS) proposes an amendment numbered 1985.

Mr. TSONGAS. Madam President, I ask unanimous consent that further reading of the amendment be disposed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 1, strike out all through the matter following line 14 on page 4 and insert the following:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202 of the Budget and Accounting Act, 1921, is amended to read as follows:

" 'SEC. 202. (a) Estimated expenditures for the ensuing fiscal year contained in the Budget submitted by the President pursuant to subsection (a) of section 201 may not exceed the sum of—

" '(1) the estimated receipts for such ensuing fiscal year contained in such Budget, and

" '(2) the estimated amounts in the Treasury at the close of the fiscal year in progress which will be available for expenditure during such ensuing fiscal year.

" '(b) If, on the basis of laws existing at the time the Budget for the ensuing fiscal year is transmitted pursuant to subsection (a) of section 201, the sum of—

" '(1) the estimated receipts for such ensuing fiscal year, and

" '(2) the estimated amounts in the Treasury at the close of the fiscal year in progress which are available for expenditure in such ensuing fiscal year,

will be less than the estimated expenditures for such ensuing fiscal year, the President shall include with such Budget recommendations for changes in such laws to ensure that the estimated expenditures for such ensuing fiscal year will not exceed the sum of the estimated receipts for such ensuing fiscal year and estimated amounts in the Treasury at the close of the fiscal year in progress which will be available for expenditure during such ensuing fiscal year.

" '(c) For purposes of this section—

" '(1) The term "estimated receipts" means all receipts of the Government during a fiscal year, other than receipts from the sale of Government obligations.

" '(2) The term "estimated expenditures" means all outlays of the Government during a fiscal year, other than capital expenditures and expenditures for payment of the national debt (exclusive of interest).

" '(3) The term "capital expenditure" means an expenditure which—

" '(A) is made in a fiscal year,

" '(B) adds a fixed asset or adds to an existing fixed asset during such fiscal year, and

" '(C) provides benefits in a future fiscal year by means of such addition.

" '(4) The term "fixed asset" means a physical asset (as determined by the Comptroller General of the United States).'.

"(b) The amendment made by this Act shall apply with respect to fiscal years beginning after September 30, 1983.".

Amend the title so as to read: "Joint resolution requiring the President to submit a balanced budget for fiscal year 1984 and succeeding fiscal years.".

Mr. TSONGAS. Madam President, I am offering an amendment that would substitute two statutory changes for the constitutional language of Senate Joint Resolution 58. My proposal revises the Budget and Accounting Act of 1921 in two ways:

It calls upon the President to submit a balanced budget beginning in fiscal year 1984.

My amendment excludes expenditures for capital assets from the balanced budget requirement. A capital asset is a physical asset like a building, or equipment with a useful life of at least a year.

I believe these two simple changes offer several advantages over the proposed constitutional amendment:

My amendment will move toward a balanced budget now, not at some indeterminate point in the future.

The constitutional amendment was offered ostensibly to show how strongly some people felt about reducing Federal deficits. Some have argued that a constitutional amendment is the strongest action that can be taken; that Senate Joint Resolution 58 is the best that can be done. I think we can do better. Why do we have to wait 2 fiscal years after all the States ratify this provision to achieve a balanced budget? I am not willing to wait. The cost to the economy is too great. Our economy needs strong medicine and needs it fast. The unemployment rate stands at 9.5 percent. More than 10 million Americans are out of work in an economy that lies dead in the water. Interest rates remain stubbornly high, producing a rising toll of corporate and personal bankruptcies. Business bankruptcies are averaging one every 5 minutes of every business day. My amendment calls upon the President to submit a balanced budget in January for fiscal year 1984. That is 5 months away; we need wait no longer. I favor a 5-month wait to an indefinite delay. With this amendment, we can create a budget process that bears fruit quickly.

My amendment protects the integrity of the Constitution.

My basic objection to Senate Joint Resolution 58, as it now stands, was aptly summed up in a Washington Post editorial:

It is grotesque for Senators and a President who cannot get their deficits under a $100 billion to support, piously, Constitutional language putting it at zero.

My colleague and friend, Senator MATHIAS, stated the point candidly:

I do not think we should use the Constitution as a fig leaf to cover our embarassment over that deficit.

I concur with that sentiment wholeheartedly. Voting for the balanced budget amendment answers none of the difficult questions that so perplexed this body a few weeks ago when it voted for a budget resolution with deficits now estimated to exceed $140 billion. Such constitutional language will constrain none of the budgetary leeway in this Chamber until long past 1984, a couple of elections away. From a politician's perspective, an election away is as good as forever. Two elections away is a point in the stratosphere. A constitutional amendment would advertise our commitment to fiscal restraint without forcing us to face the tough choices. The Constitution is the wrong place for such advertising. I believe we need substantive change instead.

My amendment is enforceable. Serious questions have been raised over the ability of the courts to adjudicate the provisions of this constitutional amendment. Proponents argue that previous statutory efforts to achieve a balanced budget have proved unenforceable, however, and all that is left to try is a constitutional amendment. I believe a statutory approach can be enforceable—we ostensibly pass enforceable laws every day. I believe previous statutory efforts failed for a particular reason. The statutory language of the Byrd-Grassley amendment, which became Public Law 95-435 requiring a balanced budget for fiscal year 1981, failed to specify who was responsible for producing a balanced budget. It mandated an outcome rather than a specific action by a specific party. This amendment makes it very clear what action is to be taken—the President is to submit a balanced budget in January. If he fails to do so, he is in violation of the law.

With responsibility so clearly specified, this statutory language is actually more enforceable than the constitutional amendment being offered. It is not clear what action the courts could take to enforce the constitutional amendment. The courts clearly could be used to force the President to abide by this statutory language.

Developing a capital budget and a balanced operating budget is good economics. The balanced budget constitutional amendment is bad business practice. Offered in the name of fiscal responsibility, it contains a budgetary rule that no family, corporation, or government can profitably live by. Simply put, the balanced budget

amendment says to the Federal Government, "You should not invest."

It does this by prohibiting borrowing through its restriction on deficits. Such a prohibition is anti-investment. What if families had no chance to borrow? If they could not borrow to buy a car or home, or to pay college tuition, they would give up most hope of improving their standard of living. If businesses did not borrow, there would be almost no new plant and equipment purchased, and no hope for business expansion.

If government cannot borrow, its ability to provide the public investments necessary for economic development is sharply impaired. Government cannot build and maintain the roads, the water and sewer systems, or other utilities that make up the so-called public infrastructure. This infrastructure supports all economic activity. It is governmental investment in public infrastructure that makes private enterprise feasible.

The balanced budget amendment simply ignores the demands for public investment. Criticism of Government debt has swirled around issues like the validity of Keynesian macroeconomic analysis and the appropriateness of deficit spending in providing economic stability. Right or wrong, this discussion ignores the fact that borrowing is an important part in creating and maintaining our public systems. Prof. Richard Musgrave of Harvard, perhaps the country's foremost expert in public finance, indicates the shortcomings of the balanced budget view contained in the proposed constitutional amendment:

> . . . taxes should equal outlays, i.e., the budget should be balanced. Such at least is the case regarding the financing of current public services. Capital expenditures (like those for public infrastructure) on the other hand, are appropriately loan-financed, with the debt thus incurred amortized over the life of the asset.

In other words, prohibiting borrowing for public investment makes no economic sense. A prudent investment generates future income sufficient to meet the expense of repaying the debt. Prohibiting such investment simply restricts that future economic prosperity.

Capital budgeting is good budget management.

It has been argued that the balanced budget amendment calls upon the Federal Government to do no more than State governments already do. Thirty-nine States are cited as having constitutional provisions limiting their ability to incur budget deficits. An additional eight States have similar statutory restraints. Fortunately for the residents of these States, virtually all of these State governments have provided themselves the authority to borrow to cover expenditures on some capital assets like roads, schools, and utilities. A description of the varying frameworks that permit States to finance capital assets without violating their constitutional and statutory covenants is contained in a report of the Congressional Reference Service that I shall submit for the RECORD, along with other materials as an attachment to my statement. Additional materials from the Congressional Reference Service and from the Census Bureau show the magnitude of financing these alternate structures allowed the States. The average State debt burden as a percentage of general expenditures is over 9 percent. This means that States fortunately continue to be active borrowers in the credit markets, and active investors in public infrastructure.

Capital budgeting will highlight the alarming condition of our public infrastructure.

The balanced budget constitutional amendment creates an obstacle to investing in our public infrastructure at a time when the need is greatest. The cover of Newsweek, and the front page of the New York Times have focused national attention on the alarming deterioration of our roads, bridges, sewers, and rails. Dr. Pat Choate, in a report for the Council of State Planning Agencies, has estimated the capital needs of rebuilding our public systems to be a mind-boggling $3 trillion—an amount approximately equal to our entire GNP. One-quarter of our Interstate Highway System is worn out and needs resurfacing. One-half of Conrail's rail and roadbed is deficient. Half of our local communities have water systems with strained or insufficient capacity. Twenty percent of this country's bridges are so dangerously deficient they are either restricted or closed.

Economic recovery and long-term prosperity will require public investment. All will agree, I think, that the failure of the balanced budget amendment to distinguish between Government investment and current operations will seriously hamper capital expenditures at a time of critical need within our national infrastructure. What do we get in return for the sacrifice of our roads and utilities? We get a fig leaf to cover our embarrassment over the high deficits that are a part of our current budgets. I, for one, am not willing to make that trade.

My amendment will produce lower deficits. My amendment excludes capital expenditures because it makes good economic sense to exclude them. It is not a loophole simply to avoid real spending control. It will not diminish the need to reduce the Federal deficits. The definition of capital expenditures used in this amendment is restricted to physical assets with a life of greater than 1 year—a standard accounting practice followed by businesses and many State governments. A preliminary estimate of the fiscal year 1983 budget submitted by the President suggests that $105 billion in expenditures would have been classified as capital expenditures under this definition. That original budget carried an implicit deficit of over $180 billion. A great deal of pressure remains to control Federal spending—about $75 billion of pressure.

CONCLUSION

For those who believe my amendment still leaves too much budgetary leeway, I say tighten it. But I urge my colleagues to adopt a standard we can live by beginning today. The public is demanding more than fig leaves to cover embarrassment over high deficits and magic elixirs that promise cure-alls for our economic woes. We must respond quickly, wisely, and in good faith.

Madam President, the amendment I have filed is similar to that filed by the Senator from Colorado in that it goes into the issue of how you calculate the budgets and whether, indeed, you have a separate category for capital expenditures. Let me explain what the differences are between the two. They are not that great, but they are significant enough that I wanted to have a separate vote on this one.

In terms of how you define capital expenditures, the Hart amendment would include items like research and development and education. I chose to use a different definition than that which is the standard operating procedure in accounting that would basically go into those categories that one is likely to find in the business world, State government, that kind of thing. It would be a more standard approach as to what would be included under capital expenditures.

The second difference is the question of the role of the President. Under Senator HART'S amendment, the President should submit a balanced budget by 1986, with the accounting procedures going into effect immediately, and the President being given a waiver provision by making a statement as to current economic conditions.

Under my amendment, the balanced budget would have to be submitted by the President in fiscal year 1984, without any of the 2-year time period delay. So I start off by suggesting what the differences are.

The thrust is very much the same. it seems to me that the arguments on this issue have been made ad nauseam, and I do not want to go into it in any great detail. What I am trying to establish is the fact that if the President of the United States is going to make such a to-do about supporting a balanced budget, we shall give him the chance to do it next year. I find it somewhat hypocritical for any public official to get up and say, "We want this to be done as soon as I am out of

office." It does not ring with credibility.

I am sure that if this thing is going to be taken seriously, there is a requirement that what we say have a ring of truth to it, not a ring of expediency. So the amendment would call upon the President to submit a balanced budget beginning in fiscal year 1984. I think it is fair to say that we all will look forward with anticipation to what exactly that will look like.

The second part of the amendment is that which has been referred to by the Senator from Colorado. It really is rather ironic that an issue like this should be in dispute, since, if we go into the various States and municipalities and businesses in this country, the difference between operating expenditure and capital expenditure is given. It is not a great, radical idea. Yet, for some reason, it is treated like that here.

One of the problems with the balanced budget amendment process stems from just exactly how people are reacting to that situation. When I was a member of the Lowell City Council, we tried to establish a flat rate on taxation so the tax rate would not be increased. What we did was accomplish that by taking the money out of capital expenditures. It was a rather successful, short-term political accomplishment, but over the long term, it did very little good for the city; in fact, I think it did the city a disservice. What I am trying to do is keep us from doing the same thing at the Federal level. If we get into a crunch, if we fail to achieve a balanced budget, the first thing that is likely to go is the capital expenditure category. That may be fine for any given year, but dooms the viability of the Nation's economy over the long term.

A capital asset is a physical asset like a building or equipment, whose useful life extends over more than a year, and the accounting procedures should recognize that reality. The argument can be made that the amendment is statutory but is not an amendment to the Constitution. I think that is to the good. I do not think our Constitution was meant to be marred by these accounting practices, especially by a Congress which is going to pass the highest deficit in history. That is hardly the kind of statesmanship our Founding Fathers would have approved of.

So, in essence, the argument of making a distinction between a capital budget and operating budget is that it is standard, it is good economics, it happens just about every place else. We should take the same attitude.

Madam President, I ask unanimous consent to have printed the report from the Congressional Research Service I referred to earlier, along with other materials from the Congressional Research Service and the Census Bureau. In addition to that, Madam President, there are two op-ed articles, both of them from the New York Times, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

[Attachment 1]

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., October 10, 1978.

From: Economics Division.
Subject: State Instrumentalities Issuing "Non-Guaranteed Debt."

Legislative authority to contract long-term debt without requiring an amendment to the State constitution is granted in Seventeen states. In eleven of these—Connecticut, Delaware, Illinois, Louisiana, Maryland, Massachusetts, Minnesota, Montana, New Hampshire, Tennessee, and Vermont—there is no restriction on the amount to be borrowed but extraordinary legislative majorities are required for passage; while in six—Georgia, Hawaii, Mississippi, Pennsylvania, South Carolina, and Wisconsin—limitations exist on the amount to be borrowed.[1] This memorandum brings together selected references which describe the legal devices used by the States to issue indebtedness which the courts have held does not contravene the constitutional prohibition on the use of the State's "full faith and credit" pledge for repayment.

All of the 50 States have issued some form of non-guaranteed debt as of June 30, 1980, either through State dependent agencies or separately organized activities (e.g. highway toll facilities and auxiliary enterprises at State institutions) or by State created special district-governmental entities. A tabulation in 1976 listed 677 such agencies in all the 50 States excepting Wyoming (see table 1). For the most part, the non-guaranteed debt has been issued for such traditional State functions as transportation facilities, educational facilities, and hospitals. The compilation in Table 2 illustrates the type of State activity for other than these traditional functions.

The following materials are appended following the above-mentioned tables:

1. An explanation of the Census method of classifying State debt using New York as an example. (From the First Boston Special Report on State Debt Burden, May 1977, pp. 11-14.)

2. "The Future of Moral Obligation Bonds as a Method of Government Finance in Texas" by Richard M. Jones in Texas Law Review, v. 54 (January 1976) pp. 314-335. See in particular the section on "Methods of Avoiding the Debt Limits" beginning on page 320.

3. "Public Authority Bond Issues: The Need for Legislative Reform" by S. Hochberg and K. Taylor in the New York Law Forum, volume 21 (Fall 1975) pp. 133-207.

4. See in particular the State authorities and agencies involved in State financial assistance for industry and in the issuance of industrial revenue bonds, and in financing pollution control programs. The 12th Annual Report in Industrial Development, January-February 1978, pp. 2-8.

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[1] CRS memorandum of December 1, 1977, "Constitutional limitations on State spending and size of State debt in the 50 States", by Lillian Rymarowicz, p. 4.

TABLE 1.—SEPARATELY CONSTITUTED FUNCTIONS OF STATE GOVERNMENTS

	Dependent agencies	Dependent activities	Special district governments
Total, 50 States	446	105	[1] 126
Alabama	30	4	2
Alaska	9	4	0
Arizona	2	5	1
Arkansas	7	2	0
California	8	0	4
Colorado	0	1	4
Connecticut	11	3	1
Delaware	6	0	1
Florida	13	1	2
Georgia	15	6	6
Hawaii	5	0	0
Idaho	3	1	0
Illinois	13	3	17
Indiana	7	1	1
Iowa	0	4	3
Kansas	3	1	2
Kentucky	18	2	2
Louisiana	51	8	12
Maine	12	1	2
Maryland	6	4	3
Massachusetts	21	0	2
Michigan	12	1	0
Minnesota	3	2	2
Mississippi	8	3	2
Missouri	4	0	7
Montana	3	0	0
Nebraska	2	0	0
Nevada	1	1	0
New Hampshire	5	1	1
New Jersey	15	3	6
New Mexico	4	0	2
New York	28	9	6
North Carolina	7	3	0
North Dakota	3	0	1
Ohio	13	6	2
Oklahoma	11	3	0
Oregon	2	2	0
Pennsylvania	12	3	5
Rhode Island	10	3	0
South Carolina	18	4	0
South Dakota	5	2	0
Tennessee	5	1	3
Texas	3	1	18
Utah	2	1	1
Vermont	7	3	1
Virginia	9	1	11
Washington	5	0	0
West Virginia	8	1	2
Wisconsin	7	0	0
Wyoming	0	0	0

[1] Multistate agencies have been counted only once in the total but appear in each State that is a party to the compact.

Source: Compiled by the Congressional Research Service from unpublished sources of the U.S. Bureau of the Census.

TABLE 2—STATE NON-GUARANTEED DEBT ISSUED FOR PURPOSES OTHER THAN HIGHWAYS, EDUCATION, HOSPITALS, AND WATER TRANSPORT, AS OF DECEMBER 1975

Alabama—State building authority lease purchase arrangements ($12.2 million); Industrial Development Authority ($13.2 million); and Pollution Control Finance Authority ($4.9 million).

Alaska—State housing agencies ($86.5 million); international airports ($31.2 million); and the State Development Corporation ($18.0 million).

Arizona—Coliseum and Exposition Center Board ($5.9 million).

Arkansas—State building authority lease purchase arrangements ($8.5 million); park system revenue bonds ($6.5 million); and Department of Pollution Control and Ecology ($1.4 million).

California—Department of Water Resources ($380.0 million); State Exposition and Fair ($13.0 million); and Mount San Jancinto Water Park Authority ($8.2 million).

Colorado—Department of Social Services-states nursing home ($1.4 million).

Connecticut—Housing Finance Authority ($150.8 million); and Department of Commerce-development authority ($15.0 million).

Delaware—Community Affairs and Economic Development ($19.7 million).

Florida—Lease purchase agreements ($21.5 million); Recreational Council ($18.3 million); and Key Aqueduct Authority ($11.3 million).

Georgia—State building authorities lease purchase agreements ($24.5 million); and State parks ($26.5 million).

Hawaii—Airports Division, Department of Transportation ($227.5 million).

Idaho—(None except by universities).

Illinois—Building Authority ($429.3 million) for university, hospitals, and other State facilities; Housing Development Authority ($182.0 million); Health Facilities Authority ($9.7 million); and Armory Board ($.7 million).

Indiana—State Law Enforcement Academy Building Commission ($3.2 million); Indiana State Fair Board and other lease purchase arrangements ($5.8 million).

Iowa—(None except by universities).

Kansas—Armory Board ($.4 million); and State Board of Health ($1.3 million).

Kentucky—State Property and Buildings Commission ($99.1 million); and Pollution Abatement Authority ($23.8 million).

Louisiana—State building authorities lease purchase arrangements ($53.4 million); and the Louisiana Stadium and Exposition District ($128.7 million).

Maine—State Housing Authority ($48.7 million); Municipal Bond Bank ($10.4 million); and Evergreen Valley Development Corporation ($4.5 million). (The totals reported by Moody's is $33.7 million higher than the amount shown by the Census Bureau).

Maryland—(None except as specified in the table).

Massachusetts—Housing Finance Agency ($104.5 million); Health and Educational Facilities Authority ($189.3 million); and Wood Hole, Martha's Vineyard and Nantucket Steamship Authority ($14.4. million).

Michigan—Hospital Finance Authority ($22.5 million); Housing Development Authority ($308.4); and State Natural Resources Commission ($11.7 million).

Minnesota—Housing Finance Agency ($30 million).

Mississippi—(Data not available on portion of bonds issued for port facilities which are not backed by the full faith and credit of the State).

Missouri—Board of Public Buildings ($18.7 million); and Park Board ($1.4 million).

Montana—(Data not available on obligations other than those issued by the colleges and university).

Nebraska—(None except as specified in table).

Nevada—(None except specified in table).

New Hampshire—Higher Education and Health Facility Authority ($16.6 million); and Water Resources Board ($2.6 million).

New Jersey—Health Care Facilities Financing Authority ($33.9 million); Housing Finance Agency ($155.3 million); Mortgage Finance Agency ($384.1 million); and New Jersey Sports and Exposition Authority ($302.0 million). (The last two agencies appear not to be included in the Census Bureau tabulation).

New Mexico—(Data not available on obligations other than those issued by the educational institutions).

New York—New York State Power Authority ($1,215.3 million); Urban Development Corporation ($761.5 million); State Mortgage Agency ($156.3 million); Atomic and Space Development Authority ($9.8 million); Job Development Authority ($68.8 million); Battery Park City Authority ($247.4 million); New York City Housing Development Corporation ($51.2 million); and New York City Educational Construction Fund ($63.6 million).

North Carolina—(None except as specified in table).

North Dakota—(None except as specified in table).

Ohio—Water Development Authority ($151.5 million); Department of Natural Resources ($8.9 million); and Public Facilities Commission ($408.9 million).

Oklahoma—Capitol Improvement Authority—lease purchase—($31.0 million); Industries Authority ($89.4 million); and Railroad Maintenance Authority ($6.0 million).

Oregon—(Has no non-guaranteed debt).

Pennsylvania—General State Authority ($767.5 million); State Public School Building ($667.2 million); and Higher Educational Facilities Corporation ($141.3 million). (As of June 30, 1974, no debt has been contracted by three newly created State agencies-Industrial Development Authority, Housing Finance Agency and Nursing Home Loan Agency).

Rhode Island—Health and Educational Building Corporation ($33.8 million); Industrial Building Authority ($33.6 million); and Housing and Mortgage Finance Agency ($67.1 million).

South Carolina—Public Service Authority ($383.9 million).

South Dakota—Building Authority ($6.9 million); Health and Educational Facilities Authority ($3.1 million); and Housing Development Authority ($27.0 million).

Tennessee—Housing Development Agency ($32.9 million).

Texas—The Census Bureau does not classify the following agencies as State agencies: Canadian River Municipal Water Authority ($84.8 million); Lower Colorado River Authority ($103.1 million); Trinity River Authority ($78.8 million); and Coastal Industrial Water Development ($170.0 million). The Armory Board indebtedness ($2.5 million) is included.

Utah—(None except by universities).

Vermont—Educational and Health Buildings Financing Agency ($20.3 million); Housing Finance Agency ($13.8 million); and Vermont Municipal Bond Bank ($115.5 million).

Virginia—Public School Authority ($106.8 million); and Housing Development Corporation ($52.5 million).

Washington—Columbia Storage Power Exchange ($265.9 million); and Public Power System ($319.3 million).

West Virginia—State Building Commission-lease purchase ($33.6 million); State Parks Commission ($2.2 million); Armory Board ($5.8 million); and Housing Development Fund ($29.2 million).

Wisconsin—State Agencies Building Corporation ($130.0 million educational, $170.0 million all other purposes); State Public Building ($13.1 million); and Housing Finance Agency ($37.6 million).

Wyoming—Capitol Building Commission ($4.2 million).

(Source: Moddy's Municipal and Government Manual, 1975 (2 volumes).)

TABLE 6.—STATE EXPENDITURE FOR DEBT SERVICE (I.E. DEBT REDEMPTION AND INTEREST) IN MILLIONS OF DOLLARS AND AS A PERCENT OF GENERAL REVENUES FROM THE STATE'S OWN SOURCES, FISCAL YEAR 1977

	General revenues	Total debt service	Debt redemption	Interest	Total debt service as a percent of State general revenues
Totals	121,190.6	12,011.1	6,874.8	5,136.3	9.91
Alabama	1,752.6	105.5	55.1	50.4	6.02
Alaska	946.2	106.9	57.7	49.2	11.30
Arizona	1,364.1	6.7	2.3	4.4	0.49
Arkansas	929.5	13.0	6.1	6.9	1.40
California	14,343.2	603.4	316.6	286.8	4.21
Colorado	1,388.8	16.9	9.2	7.7	1.22
Connecticut	1,782.8	441.7	280.8	160.9	24.78
Delaware	500.2	98.0	64.6	33.4	19.59
Florida	3,697.6	156.9	57.4	99.5	4.24
Georgia	2,192.8	133.6	69.2	64.4	6.09
Hawaii	877.7	132.9	56.8	76.1	15.14
Idaho	433.1	3.8	1.3	2.5	0.88
Illinois	6,034.3	377.6	178.8	198.8	6.26
Indiana	2,666.9	55.2	27.1	28.1	2.07
Iowa	1,558.7	10.6	4.8	5.8	0.68
Kansas	1,168.4	35.6	22.8	12.8	3.05
Kentucky	1,877.2	215.9	120.5	95.4	11.50
Louisiana	2,235.6	143.4	69.6	73.8	6.41
Maine	580.8	61.2	33.4	27.8	10.54
Maryland	2,662.4	290.9	148.1	142.8	10.92
Massachusetts	3,477.3	666.7	364.9	301.8	19.17
Michigan	5,763.5	255.3	150.2	105.1	4.43
Minnesota	2,916.0	162.1	107.3	54.8	5.56
Mississippi	1,168.7	74.0	33.7	40.3	6.33
Missouri	1,840.2	83.3	62.7	20.6	4.53
Montana	399.0	8.6	5.1	3.5	2.16
Nebraska	748.5	7.6	4.8	2.8	1.02
Nevada	378.6	5.2	2.7	2.5	1.37
New Hampshire	292.7	53.1	36.7	16.4	18.14
New Jersey	3,865.0	542.0	306.2	235.8	14.02
New Mexico	877.6	18.5	12.0	6.5	2.11
New York	12,927.7	4,787.4	3,183.7	[1] 1,603.7	37.03
North Carolina	2,794.8	112.8	51.8	61.0	4.04
North Dakota	451.7	6.3	2.8	3.5	1.39
Ohio	4,359.4	310.6	137.2	173.4	7.12
Oklahoma	1,503.8	71.2	25.6	45.6	4.73
Oregon	1,340.3	156.1	49.4	106.7	11.65
Pennsylvania	6,276.4	584.6	193.0	391.6	9.31
Rhode Island	588.0	69.7	45.0	24.7	11.85
South Carolina	1,501.5	110.8	61.8	49.0	7.38
South Dakota	302.2	12.5	2.0	10.5	4.14
Tennessee	1,792.2	102.2	48.4	53.8	5.70
Texas	6,007.6	198.7	85.4	113.3	3.31
Utah	688.2	13.9	6.8	7.1	2.02
Vermont	302.3	49.2	26.8	22.4	16.28
Virginia	2,611.8	88.9	43.8	45.1	3.40
Washington	2,492.7	123.2	57.3	65.9	4.94
West Virginia	1,048.4	144.7	81.2	63.5	13.80
Wisconsin	3,178.5	176.2	102.2	74.0	5.54
Wyoming	303.2	6.0	2.1	3.9	1.98

[1] Includes $285.8 million of interest payment for Municipal Assistance Corporation Debt and $267.3 million interest payments on State Housing Finance Agency Debt.

Source: State Government Finances in 1977.

TABLE 7.—DEBT SERVICE PAYMENTS AS A PERCENT OF GENERAL REVENUES FROM STATE SOURCES, FISCAL YEAR 1977

[In Descending Order]

Percent and number of States	States [1]
15 to 37 (7)	New York (37.0), Connecticut (24.8), Delaware (19.6), Massachusetts (19.2), New Hampshire (18.1), Vermont (16.3), and Hawaii (15.1).
10 to 14.9 (8)	New Jersey (14.0), West Virginia (13.8), Rhode Island (11.9), Oregon (11.7), Kentucky (11.5), Alaska (11.3), Maryland (10.9), and Maine (10.5).
5 to 9.9[2] 11	Pennsylvania (9.3), South Carolina (7.4), Ohio (7.2), Louisiana (6.4), Mississippi (6.3), Illinois (6.3), Georgia (6.1), Alabama (6.0), Tennessee (5.7), Minnesota (5.6), and Wisconsin (5.5).
2.5 to 4.9 11	Washington (4.9), Oklahoma (4.7), Missouri (4.5), Michigan (4.4), Florida (4.2), California (4.2), South Dakota (4.1), North Carolina (4.0), Virginia (3.4), Texas (3.3), and Kansas (3.1).
0.5 to 2.4 13	Montana (2.2), New Mexico (2.1), Indiana (2.1), Utah (2.0), Wyoming (2.0), Arkansas (1.4), North Dakota (1.4), Nevada (1.4), Colorado (1.2), Nebraska (1.0), Idaho (0.9), Iowa (0.7), and Arizona (0.5).
9.91 50	National Average. [2]

[1] Rankings are based on four digit decimals.
[2] National average.

Source: Computations by CRS from data in State Government Finances in 1977 issued by the U.S. Bureau of the Census.

DEFICITS AND DEFICITS

(By Robert L. Heilbroner)

Alarmed at the size of the mounting deficit, President Reagan has come out for a constitutional amendment to enforce a balanced Federal budget. After the amendment is ratified, the Government will be allowed to spend only what it takes in as taxes. No more borrowing, with its horrendous consequences. Financial virtue will have been restored.

I have a suggestion to make. Why not strengthen the fight against profligacy by widening the amendment to include deficits of all kinds? Specifically, why not make it unconstitutional for businesses to spend more money than *they* take in as their normal revenues?

There is, of course, a very good reason, small matters of constitutionality aside. It is that a prohibition on business "deficits" would bring an end to much economic expansion. When A.T.&T. wants to build a satellite, it doesn't normally pay for it from the revenues generated by your telephone calls. It goes out and borrows the money for its new capital investment, or issues new stock. So does Exxon and I.B.M. and the rest of the Fortune 500.

Of course, corporate borrowing and spending isn't called a "deficit." It's called business investment. Nor are the corporate bonds or new stocks looked on as evidence of profligacy. They simply indicate that the process of capital formation has been going on, giving us productive assets that we can kick with our feet, and securities that we can put into safe-deposit boxes. As a result, when we discover that A.T.&T.'s long-term debt has gone up from $32 billion in 1975 to over $50 billion today, we don't talk about profligacy, we talk about growth.

But why isn't this also true of Government? If it is productive for A.T.&T. to borrow money to loft a satellite, why isn't it all right for the Government to do the same thing? If it is growth-producing for Ford or General Motors to borrow money or issue shares to modernize their plant and equipment, why isn't it growth-producing for the Government to modernize the road system so that we can drive the new models without breaking their axles? If it is praiseworthy for I.B.M. to go to the public for money to finance a new research facility, why isn't it equally praiseworthy for the Bureau of Standards or the National Institute of Mental Health to do the same thing? If it is good to build airplanes and apartment houses and steel plants on borrowed money, why is it bad to borrow money to build public transportation or public housing or public waste-reclamation plants?

But, it will be said, the capital expansion of private firms generates additional sales for them, out of which they will be able to pay the interest on their additional debt. True. And isn't it also true that the capital investment of the public sector generates additional gross national product out of which more tax revenues will arise to finance the added interest on the public debt?

Thus, the balanced-budget amendment may save us from profligacy, but it may also force us into poverty, exactly as if the amendment applied to the private sector. For the Government sector, like the private sector, builds for the future, as well as using up wealth in the present. When we spend our public income for arms or postal services, we are consuming our wealth, as we do when we spend our private incomes for sporting rifles or telegrams. To give the budget-balancers their due, perhaps we should limit our public consumption expenditures to the normal flow of tax incomes that the public sector enjoys. But when we spend money for harbors or dams, or for aid to P.S. 162, we are increasing our future capacity to produce, just as surely as when we spend it on machine tools or an Ivy League education. There is absolutely nothing to be said for limiting investment spending, which is growth-producing, to our normal incomes, whether these incomes are derived from sales or taxes.

Looking at the functions of Government as investment or consumption does not tell us whether or not the Government is making wise political or social decisions. It does not even give us a guide as to whether the Government is making intelligent *economic* decisions. It is possible to make very bad investment choices and very wasteful consumption expenditures. Washington has plenty of examples of both to show for its money. So do Pittsburgh, Detroit, and Middletown, U.S.A.

Nevertheless, breaking down the Government budget into investment and consumption does not help remove what I consider to be the single most serious impediment to the effective use of our economic potential. This is the tendency to think of all Government spending as *essentially* consumption, and usually wasteful consumption at that. Before we fasten ourselves into a balanced-budget straitjacket, we should remember that American economic growth depends just as crucially on borrowing and spending for investment in the public sector as it does in the private.

[From the New York Times, Aug. 1, 1982]

CONSTITUTIONAL CON

The President, once a baseball broadcaster, now sounds like Leo Durocher, the former Dodger manager. Durocher watched with mounting anger one day as his third baseman let one, two, three ground balls through his legs. When it happened again, Durocher went out to play third himself. The very next ball bounced through his legs. He slammed the mitt down and shouted to the offending fielder, "You've got this position so knotted up that no can play it right."

Last week, it was the President who threw down his mitt. The subject was Federal deficits. They weren't of such concern in February when he proposed a $98.6 billion deficit for 1983. Better that, he said, than to touch his planned tax cuts. They "must not be tampered with in a vain attempt to cure deficits in the short-run."

But Mr. Reagan is plenty worried about the deficit now. So is Congress. The deficit will be closer to $160 billion than $98 billion. Who's to blame? Don't look at me, Mr. Reagan says with some heat. Blame the Democrats. Why, they gave the country 19 deficits in the last 20 years. They got the game so knotted up that no one can play it right.

Still, not to worry. The President has a magical solution: "The American people understand that we need fundamental reform . . . They want this Government to draw the line and to pass, without delay, a constitutional amendment making balanced budgets the law of the land."

What tempting simplicity! If Congress insists on behaving like an alcoholic, then ban cocktails. The trouble is the amendment stashes a bottle behind the sofa. It can't work.

The balanced budget amendment comes up for Senate action this week. Students of government—including conservatives—reject it as ignorant economics, destructive law, foolish administration and cynical politics. They are right.

The proposal would require Congress to adopt balanced budgets each year. Exceptions would be made for war or when 60 percent of both houses approved. Spending could increase not faster than the growth in "national income."

Why is it ignorant economics? Because the United States should not want to balance the budget every year; it should want to balance the economy.

In a recession, spending for unemployment and other benefit programs goes up. That's a desirable counter-cyclical effect; it's sensible to run a deficit then. Otherwise, the economy would nose dive. If the amendment were in effect now, there would be five million more unemployed.

Why is the amendment destructive law? Because it would stuff the Constitution with baloney. As Professor Burke Marshall of Yale Law School wrote on the Op-Ed page recently, "It trivializes the Constitution to try, for the first time, to write into it what are essentially economic and social legislative policies." These are fluid policies, not of permanent constitutional weight. The sponsors know that. This would be the first amendment ever which Congress had the power to waive.

Why is the proposal foolish administration? Because there's no way to make it work. Congress wouldn't even know if it was obeying. Consider the immense variations between the forecasts used when a budget is enacted and the outcome 18 months later. As Rudolph Penner, the conservative economist, has observed, the 1981 budget was balanced on paper for much of 1980—but there was finally a deficit of $58 billion.

Why is the proposal politically cynical? Because it is meaningless in practical terms. The President says that the amendment "could have a very profound effect." But Republican leaders have a very different view. "Frankly, it doesn't do a thing," says Senator Baker, the majority leader. "I don't think it would have any practical impact," says Senator Dole, the Finance Committee chairman.

If there are so many arguments against the amendment, why is the President for it? The only reason we can think of is that Mr. Reagan regards the voters as ignorant, docile and gullible, ready to thrill to the illusion of "balanced budget" but never grasp the reality of this wretched proposal. In short, he thinks they will be fooled. So, evidently, do a lot of Congressmen.

That's all the more reason for thoughtful citizens to stand up and say, No, we will not try to fool and we will not be fooled; a fraud's a fraud. Free people do not govern themselves by pretending to strap on a permanent straitjacket. They do it by making hard choices as they arise. The balanced budget amendment is not a constitutional matter at all. It's just a con.

Mr. TSONGAS. Madam President, at this juncture, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Madam President, the Senator's amendment is an interesting one, one deserving of study. My first concern with this amendment is that it is once again, a simple statutory approach. We have considered a statutory approach many times in this discussion on the balanced budget amendment. There are at least three cases in history which I can cite where statutory bills have passed requiring balanced budgets and were readily acceptable by a majority vote thereafter. We all know that in spite of those statutes we continued to suffer from deficit spending. Instead of a simple statute I believe we need an external constraint upon Congress in order to get Congress to live within its means.

No. 2, a deficit is a deficit, no matter what you call it. There are the same economic problems and the same economic difficulties arising from borrowing for capital outlays as for operating outlays. So the amendment does not change that.

No. 3, Senate Joint Resolution 58 does not prohibit capital budgets. Assuming we pass this amendment tomorrow and can get it through the House of Representatives and then through three-quarters of the States, the Senator could propose a statute at that point to establish a capital budget.

What Senate Joint Resolution 58 simply does require is that such a budget be subject to the same constitutional restraint as operating budgets are subject to.

No. 4, there is no effective means of distinguishing between capital outlays and operating outlays. One such rule of thumb would label a capital outlay as any expenditure which contributes to an asset having a useful life in excess of 1 year. By this rule, building and equipment outlays surely would qualify—but so would outlays for research, for education, and for medical care. These later items constitute a significant portion of the Federal budget.

Fifth, the private sector's use of capital investment reflects application of a profit criterion under which such expenditures are carried to the point of profit maximization for the firm, and not beyond. No such criterion exists for the Federal Government and, therefore, there exists no comparable natural limit to the Federal propensity to spend even on an identified list of projects.

Sixth, private families will borrow for capital items: home and automobile. Such items represent one-time, infrequent purchases, with a family going into debt in 1 year and repaying that debt in future years. The analogy to Federal operations would be a deficit in the first year and continuing surpluses in subsequent years.

Seventh, the Federal Government undertakes capital outlays in every year. To argue that the Federal Government should create an exemption for capital outlays in the face of this continuing stream of expenditures would be to justify a continuing stream of deficits.

Consider a community which must build a new school, or replace an existing school, as a one-time expenditure. One can argue that payment for the capital cost should be shared by the taxpayers over the useful life of the school.

By contrast, a growing community which must build a new school in every year sensibly pays for each school in full in the year in which built. Only in this way could the community's tax burden be stabilized over time.

The Federal Government is analogous to the growing community not to the single, one-shot outlay community. Every year is the occasion for items of capital outlays. Stabilization of the Federal tax burden generally requires payment in full during that year.

Eighth, if the gentleman was genuinely desirous of a true capital budget, I would suggest that we might be getting something that he did not really want. Does he want a budget that would require the depreciation of highways and bridges and dams and buildings and office equipment and post offices? I doubt that he would. That is the implication of an honest and true capital budget.

Ninth, the proposed amendment does not contain adequate restraints on the budget procedures, thus opening up the possibility for some accounting sleight of hand and the opportunity for Congress to avoid its duty to balance the budget.

For these reasons, Madam President, I oppose this amendment. It is clear to me that this amendment would only further delay our efforts to establish a balanced budget.

We are prepared to yield back our time and stack this vote immediately following Senator HART, if it is acceptable to the distinguished Senator from Massachusetts.

Mr. TSONGAS. Madam President, if I may state one point in rebuttal, I am disappointed that the Senator from Utah did not see the wisdom of my amendment. The way he rose with great enthusiasm, I thought maybe I had made my point successfully—apparently not.

I point out that in one of the addenda that I attached to the amendment is a listing of the various States—even if you can accept the fact that there is a difference between the private and public sectors, I do not happen to share that view since the accounting practice is one of longstanding in the private sector. But even if you accept that argument, one need look only at the various States to see that they have made the same differentiation. In the addenda that I have attached, I list not only the States but various agencies, port authorities, highway authorities, and others, where this kind of accounting not only is accepted but, indeed, has been in practice lo these many years.

Even, as I said, if one accepts the initial argument, it fails when one looks at what States have done in terms of their own practices.

I also yield back the time that has been allocated to me.

Do I assume correctly that this would follow immediately on the heels of the vote on the Hart amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. TSONGAS. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. We are prepared to yield back the remainder of our time, if the Senator from Massachusetts is stacking this vote immediately following the Hart amendment.

If he yielded back his time; then we yield back our time and stack this vote.

The PRESIDING OFFICER. The Senator from Massachusetts yielded just the time he was using to speak. Senator HART was reserving time that he had remaining.

Mr. HATCH. That is correct. It is my understanding that the vote on the amendment of Senator HART will occur at 7:45, and the vote on the amendment of Senator TSONGAS will occur thereafter; that the Senator from Colorado yielded back such time to speak before the 7:45 voting time.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. It appears that the Levin amendment is next. I understand that the Senator from Michigan is on the way to the floor. He has not yet arrived. I am prepared now to ask unanimous consent that it may be in order to suggest the absence of a quorum without charging it against either party.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

UP AMENDMENT NO. 1172

(Purpose: To allow a majority of the Congress to vote for deficit spending legislation once three-fifths of the Congress has declared a national emergency)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 1172.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, after line 14 add the following new section:

"SEC. 6. Notwithstanding the foregoing sections, three-fifths of the whole number of both Houses of Congress may declare a national emergency for the purposes of suspending section 1 of this article, and once such an emergency is declared, a majority of both Houses of the Congress may enact legislation to deal with such emergency even if such legislation will result in outlays exceeding receipts for any fiscal year. Such emergency may not be in effect for longer than two years from the date of its declaration, unless Congress by three-fifths of the whole number of both Houses of Congress votes extensions of the declaration of such emergency, subject to two year limitations. This provision shall not affect the authority of Congress by majority vote to declare a national emergency for purposes other than suspending section 1 of this article."

The PRESIDING OFFICER. Without objection, the Hart amendment is laid aside.

Mr. LEVIN. Mr. President, this amendment provides that if Congress, by a three-fifths vote, declares that a national emergency exists, then the budget resolution itself may be adopted by a majority vote.

Unlike some of the other earlier national emergency amendments, this amendment keeps the three-fifths requirement, but it recognizes that it might be possible to get a three-fifths vote for a deficit in an emergency, while it may not be possible to get three-fifths of Congress to vote for any specific budget or for a specific budget resolution. Those are two different issues.

Mr. President, I am troubled by the fact that the measure before us lumps together the broad policy issue of whether we should have an unbalanced budget in a national emergency with the specifics of a budget to be voted upon. The pending resolution requires three-fifths to vote simultanelously on whether we should have an unbalanced budget and on the specific character of that budget.

While there is some logic behind the three-fifths requirement as it applies to the policy decision of whether or not a national emergency exists so as to require an unbalanced budget, I fail to see the necessity for imposing a supermajority requirement on the specific legislative issue of implementing that policy.

Three-fifths of the Members of Congress recognizing that the country is faced with a national emergency so as to require an unbalanced budget is not the same as having three-fifths of the Members of Congress agreeing on the specific solution necessary to deal with that emergency.

Previous votes on national emergency amendments were said by proponents of this constitutional amendment to contain too many loopholes. It has been argued that if we were to permit a majority to declare that a national emergency existed, it would be too big a loophole. This amendment cures that problem by requiring that two-thirds of Congress vote to declare that a national emergency exists.

Previous national emergency amendments were also defeated on the ground that the emergency could last forever, that there was no end to it; yet, part of the provisions of the language in the amendments offered, and particularly the Senator from Georgia (Mr. NUNN), pointed out that if we simply said that a national emergency could be declared without end, we could get into the situation we got into after the Korean war, when a national emergency lasted for seemingly decades. This amendment cures that problem by setting a limit of 2 years on the declaration of the national emergency which two-thirds of Congress would have to vote in order to adopt an unbalanced budget.

Mr. President, the national emergency issues haunts this debate. There is real concern on the part of many in this Chamber relative to the issue of what happens if we have a national economic emergency or if we have a national physical emergency involving our very survival. Do we want to give the life or death power to a minority of Congress? That is the question by which some of us are very troubled.

However, giving the majority the right to declare an emergency may be too big a loophole for the proponents. This amendment should not be too big a loophole for the proponents, because this amendment provides that the national emergency waiver must be by a three-fifths vote of Congress, just as the proponents contend it should be.

Here the Senator from Utah, for instance, has repeatedly said that where there is a national emergency, then there will be three-fifths vote. I hope that that would be true. I think that that would normally be true and this amendment preserves that approach by allowing that kind of an action by Congress in case of a national emergency.

This amendment actually does for the language in the resolution before us what many of us, including I believe a number of proponents, already believed that the language did, which is to provide for a waiver of the balanced budget requirement by a three-fifths vote of Congress.

Mr. President, in summary, one very troubling aspect of the resolution before us is the fact that it takes two separate and distinct issues, the decision to unbalance the budget and the decision about the specifics of the budget, and rolls them into one vote and imposes on that one vote a supermajority requirement.

Melting those two issues into one critical decision is a mistake. Situations may arise where a national emergency exists and we should respond by adopting an unbalanced budget. Three-fifths of us might agree that we are in dire straits and spending above Federal revenues is required to right that situation. Fine. We should then be able to agree that we will have an unbalanced budget. But the budget statement or resolution that will come before us will not ask if we think that an emergency requiring deficit spending exists. Rather, that statement, as provided for in the pending resolution, will require us to agree that we should deficit spend in the specific ways in that specific resolution or statement.

While I may agree on the need and the broad nature of the response required in an emergency, I may have problems with the specifics in the resolution and my problem may well be shared by others of our colleagues, the net result being that while three-fifths of us would agree that it is an emergency and that we should spend more than we take in, three-fifths of us might not agree on the specifics of the spending resolution before us.

While a supermajority agrees that we should act by adopting an unbalanced budget we would only have a majority agree on how we should act. And the net result in those circumstances would be that we could not act at all under the terms of the constitutional amendment before us.

By requiring one vote to serve two purposes, the broad decision to have an unbalanced budget to meet a national emergency and the specific decisions relative to its nature and extent, the language can put us in a bind, and when you recognize that that bind requires a three-fifths vote before the rope can be loosened the bind can quickly become a gordian knot.

The amendment I offer today is designed to break that knot while still preserving the three-fifths vote necessary for the threshold decision to have an unbalanced budget. It meets the concern of the proponents that a supermajority exists to unbalance the budget before it is in fact unbalanced, but it meets one of the number of concerns of those of us who oppose the

amendment or have not decided on the amendment or are concerned about some of its aspect that it will unduly endanger our fiscal or economic security but unduly hamstring us in a national emergency.

Again, this amendment differs from the national emergency amendment or some of them previously rejected in that the three-fifths requirement would still be in place under this amendment to declare an emergency exists which in turn would permit an unbalanced budget.

And only after such three-fifths action were taken would a majority rule on the specific budget resolution before Congress.

The amendment places a 2-year limit on the national emergency declaration with the option of its being extended if Congress should vote to do so.

The 2-year requirement, Mr. President, is an attempt to avoid the problem of indefinite national emergency declarations which Senator NUNN and others warned us against last week and at the same time leaving us a flexibility to move to a 2-year budget cycle sometime in the future.

Mr. President, I yield the floor, reserve the remainder of my time, and suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time is the quorum call to be charged?

Mr. LEVIN. I ask unanimous consent that it be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in opposition to the Levin amendment. This amendment is another one which would allow a national emergency, other than a declaration of war, to be invoked and waive the effect of this constitutional amendment. We feel that this would be a mistake. If Congress clearly faces an emergency where deficits must be incurred to meet it under Senate Joint Resolution 58, Congress can already vote by three-fifths to incur deficits for that specific purpose. The constitutional amendment we are offering now does just that.

In my judgment, this amendment does not add anything to the proposed constitutional amendment. I am sure the amendment is well-intentioned, but we think it is unnecessary; therefore, we oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, what this amendment adds is the following: What if three-fifths of Congress agree that there is a national emergency so as to require an unbalanced budget but cannot agree by a three-fifths vote on the specifics of the unbalanced budget? That is what this amendment cures, this amendment cures that problem. That is a bind which this constitutional amendment could put the Congress in, and it is an unnecessary bind.

I think the proponents of this constitutional amendment were aiming at a three-fifths waiver, and my amendment preserves that waiver. It makes it clear that if three-fifths of the Congress votes that a national emergency exists so as to require an unbalanced budget, that is the hurdle that has to be met. Once this hurdle is covered, the specifics of the budget resolution should be adopted by the usual rules of Congress.

So I would respectfully disagree with my friend from South Carolina. This amendment does add a critical new feature, and that is that while preserving the three-fifths vote requirement in the constitutional amendment, while conceding for the purposes of this amendment the argument of the proponents that you want a supermajority before you unbalance the budget, what this amendment does is to solve the problem of what happens if you get three-fifths to agree that there is a national emergency so as to require the unbalanced budget but you cannot get three-fifths to vote for the specifics of the budget resolution or the statement itself. That is what this amendment adds without detracting from the purpose or the spirit of the constitutional amendment itself.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I think we will yield back our time if the Senator would like to yield back his time.

The PRESIDING OFFICER. Does the Senator from Michigan wish to yield back his time?

Mr. LEVIN. How much time does the Senator from Michigan have?

The PRESIDING OFFICER. Seventeen minutes thirty-four seconds.

Mr. LEVIN. Pardon?

The PRESIDING OFFICER. Seventeen minutes thirty-four seconds.

Mr. LEVIN. I would like to yield back all but 3 minutes of my time if that is agreeable to the floor manager.

Mr. THURMOND. I will yield back all but 3 minutes of my time. I was willing to yield it all back. I yield back all but 3 minutes, too.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I wonder if there is anybody else who wants to speak on this amendment pro or con? If not, Mr. President, we will just let the quorum run, and I suggest the absence of a quorum and let it run against this amendment equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I do not believe that there now is anybody else who wants to come over to speak on this, so I am now able to yield back the remainder of my time.

Mr. THURMOND, Mr. President, I yield back the remainder of my time.

We are ready to go to another amendment. If anybody has an amendment to offer we are ready to proceed with another amendment.

The PRESIDING OFFICER. The Chair would point out that a rollcall vote has not been requested on this amendment.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. I believe a rollcall was requested on the other amendments since 6 o'clock, were they not?

The PRESIDING OFFICER. The Senator is correct. There will be no votes until 7:45 p.m.

Mr. THURMOND. Mr. President, I do not see anyone here now who wishes to offer an amendment.

Mr. COHEN. Mr. President, I would like to make a statement.

Mr. THURMOND. I yield to the Senator from Maine.

Mr. COHEN. I thank the Senator for yielding.

The Senate will shortly vote on whether to adopt or reject Senate Joint Resolution 58. This may be one of the most important votes cast by this body during this Congress. No one, I am confident, takes lightly the prospect of amending the U.S. Constitution.

The eloquence and the wisdom of our Constitution lies in its embodiment of the fundamental principles which have guided this Nation. Any move to amend it must be approached with great caution. We must define what it is we are trying to achieve and determine whether the Constitution is the appropriate vehicle to accomplish this purpose.

Senate Joint Resolution 58, the balanced budget-tax limitation constitutional amendment, is being offered by its proponents as a means of correcting a bias in the present political process toward ever-increasing levels of

Federal spending. It is not being offered to safeguard individual rights, to correct a weakness in the constitutional structure of Government, or to define or limit the exercise of congressional powers. It is offered to address a political problem. Its purpose is to provide a more conducive political environment for the adoption of more fiscally responsible budget policies.

The Federal budget is enormously complex. Many Members of Congress and certainly the majority of the American public are not familiar with all of the complexities and the intricacies of the entire budget and its workings. However, we are aware of the escalating growth in Federal spending during the past decades, the rising Federal deficit, and the staggering level of the national debt. We have also felt and seen the effects of a stagnant economy, high inflation, and growing unemployment.

All of these matters have been extensively written about, discussed, and debated both within Congress and across the country. It is not necessary for me to cite the facts and figures which already are well documented and well known.

The desirability of reducing the Federal deficit and balancing the Federal budget are not hotly disputed questions. There are no advocates of continuous deficit spending. No one is opposed to balancing the Federal budget. Therefore, the question, is: Why have we not achieved these widely supported goals? Who or what is responsible for this failure? Is Congress incapable of fiscal discipline and, if so, why?

There are those who argue that Congress, as an institution, is incapable of fiscal responsibility. Our system of representative government is inherently biased toward greater spending and is unable to discriminate between the competing interests for the limited resources of the Federal Government.

Certainly every Member of this body is subject to the continuous demands of a multitude of special interests—and of individual constituencies who seek Federal subsidies, tax breaks, grants, loans, regulations, relief from regulations, or some other form of assistance. Each one is confident of the validity of its claim on the Federal Treasury and on the superiority of its need above other claimants. Each one is convinced that it is our duty as their elected representatives to protect and further their interest.

Are these demands upon us unwarranted? Is it irresponsible or wrong for Members of Congress to comply with such demands? The answer must be, "Of course not." A basic principle of our system of government is that we are here to represent the interests of those who elected us. Those voters are simply the aggregate of hundreds of individuals and groups, each with its own special needs and problems. As their representatives, we have a duty to repond to those needs.

What is equally important, however, is that we have a commensurate responsibility to our constituents as a whole and to the Nation. The question is whether Congress is capable of weighing the merits of the individual demands, of setting priorities, and of saying "no" to those requests which, in light of limited Federal resources, cannot be granted.

Some would say that the answer to this question is "no." The political reality is that most of us will in the near future be seeking reelection. That reality requires that we succumb to those demands. Our success is predicated upon not how well we balance the competing interests in relation to national needs and goals but rather how well we respond to each individual interest brought before us.

If this is so, is it because the American public as individuals cannot look beyond their own self-interest or because they do not fully understand the difficult problems we face as a nation?

If the latter, is it not incumbent upon Congress, and do we not have a duty, to educate the public on these issues? Do we not often neglect this responsibility by resorting to partisan debate and simplistic arguments in an attempt to win political victories and place blame elsewhere instead of engaging in productive dialog?

The American public supports responsible Federal spending and, I believe, wants the Federal budget in balance. Do they not also have a responsibility to educate themselves on the serious problems before us and the difficult choices which must be made? As citizens, do they not have a responsibility to consider the needs of the Nation as well as their own?

The past two decades have seen a vast and disorderly growth of the Federal Government. Directly or indirectly, it now touches almost every aspect of American life. Today, that rapid growth has been slowed, and we are in a period of transition. We are engaged in a reevaluation, and perhaps a redefinition, of the proper role of the Federal Government. We are debating in what areas has the Government overstepped its proper role and in what areas has it not gone far enough. National priorities are being reevaluated and national goals reassessed.

Our Nation's past is a history of struggle, of diversity, and of competing ideas. Today is no different. Opposing philosophies on the role of the Government, on America's proper place in world affairs, and on the future direction of both domestic and foreign policy continue to do battle in our homes, our workplaces, our universities, and in the Halls of Congress.

This is our legacy, our heritage. From the competing ideas and vying philosophies, we have forged compromise and built consensus. Today, we are in the process of trying to build such a consensus.

Reducing the Federal deficit and balancing the Federal budget are common goals. While we speak of uncontrollable Federal outlays versus "controllable" outlays, discretionary versus nondiscretionary spending, in truth all Federal spending is clearly within the control of the Congress.

Yet, we have failed to exercise that control to achieve the universally shared goal of reducing the deficits. Why? Could we not sit down today and devise a plan which would bring the budget into balance next year or the year after? Is not our failure to do so based on our inability to reach a consensus on national priorities and the allocation of limited Federal resources?

Until we can reach such a consensus on how to balance national defense requirements versus social policy goals versus appropriate levels of taxation, we cannot succeed in achieving our goal, either with or without a constitutionally mandated budget process.

As both proponents and opponents of a constitutional amendment have stated, there is no substitute for fiscal discipline and responsible fiscal decisionmaking. Statutory or constitutional constraints may make it politically or practically more difficult to continue deficit spending, but if there is no consensus on how to allocate Federal resources, no structural impediment is going to succeed in achieving a balanced budget. Where statutory restraints on spending have failed, constitutional restraints will also fail. We will simply invent more creative methods for circumventing the constraints imposed, as we have in the past, or we will reach a stalemate. Both of these results will have the effect of making constitutional requirements meaningless.

The unsuitability of writing economic principles and budget procedures into the Constitution and the problems which could result have been amply described by constitutional scholars and economists. Despite these objections to amendments such as the one before us, I considered whether such an amendment was necessary as a last resort—a final desperate attempt to achieve fiscal discipline. I concluded that neither the Congress nor the American public are so lacking in discipline and in commitment to achieving responsible spending policies that our only hope lies in attempting to substitute constitutional restrictions for national will.

Even if such constitutional requirements offered the only solution to our current dilemma, I believe the specific language of Senate Joint Resolution 58 contains such serious flaws that it is both unworkable and could result in

harm greater than any benefit it might confer. For these reasons, I must oppose its passage.

I will not provide a lengthy analysis of the specific weaknesses of the proposed amendment. The record already contains several detailed descriptions of these flaws. I would, however, like to make a few general observations.

Federal fiscal policy must be flexible in order to adapt to changing economic conditions and budgetary goals. But adopting constitutional strictures, we are foreclosing options and innovations not only for this generation but for future generations. We are creating a mechanism that may prevent the exploration of alternative mechanisms which may improve the budget process or may be necessary to adapt to future constitutional or economic changes.

Under the provisions of the amendment, Congress is required to adopt a budget statement prior to each fiscal year. Our own experience during this session of Congress in writing budget resolutions has shown us the difficulty in forecasting meaningful figures in advance of a fiscal year. National and world events that affect business conditions, random happenings, and unpredictable natural disasters all affect the level of Federal revenues and the demands on the Federal Treasury during any given fiscal year.

Accepting the lack of certainty in economic projections, it would still be necessary to decide which economic assumptions to utilize. A range of options will be open to us, from the most optimistic and unrealistic of estimates to those assuming the worst economic conditions. If Congress is as cowardly and irresponsible as many believe, which options are we likely to choose? What role are political motivations likely to play in that choice?

If, during the course of the fiscal year, it is clear that actual revenues will be lower than the estimate contained in the budget statement, the amendment does not require further congressional action even if a deficit will result. If Congress is not capable of fiscal responsibility, will it not be tempted to adopt optimistic revenue projections to avoid making the spending reductions necessary to achieve a balanced budget?

Assuming, however, that Congress does not attempt to circumvent the intent of the amendment by using unrealistic revenue figures, what would happen if, during the fiscal year, congressional action was necessary to insure that actual outlays did not exceed the figure provided in the budget statement? If a majority of both Houses could not reach a consensus on spending reductions or revenue increases, and if three-fifths of both Houses could not agree on a specific level of deficit, we would face a deadlock with meaningless and unenforceable constitutional requirements.

I do not believe that Members of the Senate or the House of Representatives would willfully violate the Constitution. However, the amendment would create a structure that could lead to such a situation if no consensus could be reached.

One of the most serious flaws in the proposed constitutional amendment is its potential shift of power to the Federal courts. The judicial branch has never been involved in the budget process, and I believe it should not be. This amendment, however, threatens to result in the unprecedented intrusion of the judiciary into the budget-making process, matters currently within the power and authority of the Congress.

Senator GORTON's and Senator RUDMAN's amendment to address this concern offered a reasonable approach to limiting judicial involvement while protecting the traditional and legitimate functions of the courts. I regret that this amendment, which would have substantially improved Senate Joint Resolution 58, was rejected by the Senate.

The approval of this amendment will be an admission to the American public and to ourselves that the individual Members of the U.S. Senate are incapable of responsible decisionmaking and that, without constitutional constraints, the Congress is incapable of acting on Federal budgetary matters in the best interest of the Nation.

We will not only be admitting our own defeat but the failure of the American political process as well. A constitutional amendment is only warranted when the intended purpose cannot be adequately achieved through other means. The justification for this amendment must, in part, be based on the determination that Members of Congress are not sufficiently capable of exercising fiscal restraint and that the electoral process is incapable of choosing individuals able to weigh the needs of the Nation, to make the hard choices and to respond to the desires of the American electorate.

Perhaps the current Members of this body should acknowledge defeat. But are we prepared to admit the defeat of future Congresses as well? Are we also prepared to tell the people of this country that they too have failed and are incapable of electing responsible representatives to the Congress.

If at the conclusion of this debate, Senate Joint Resolution 58 is approved by the Senate and subsequently adopted by the House of Representatives, it will be put before the States. Even if it is ultimately ratified by the requisite number of States, it will be several years before its provisions become effective.

If, without the structural constraints contained in the amendment, Congress lacks the discipline and the ability to reduce Federal spending by discriminating between the competing interests for Federal dollars and is incapable of reaching a consensus on balancing national goals, the interim years before the amendment could become effective would appear to be bleak for this Nation. And, if the amendment fails to be ratified, do we face a future without any hope of achieving a responsible fiscal policy?

The American people and the American economy cannot wait 4 or 5 or 6 years for responsible and prudent Federal budgeting. The American public and the Congress must be willing to make the difficult choices now. Our goal is clear. The task before us is obvious. If this country is unwilling today to make the sacrifices which may be necessary to reach a consensus on national priorities, how can we expect to be able to do so 5 years from now? The opposing philosophies, the competing interests, and the different goals will still exist.

Senate Joint Resolution 58 offers each of us the opportunity to cast a symbolic and painless vote in support of a balanced budget. But we cannot afford to adopt an easy and immediate political solution to a difficult and long-term problem. We cannot afford to adopt this amendment if it will alleviate the pressure on Congress to act now. The temptation to postpone these decisions is great but the choices will only be more difficult, the sacrifices greater, and the decisions only more painful the longer we delay.

The Constitution was never intended to serve as a shield for Congress to hide behind. But that is exactly what we are doing, using the Constitution as a coverup—it is a cloak for our naked cowardice, our trembling reluctance to make the cuts or increase the taxes that would be necessary to balance the budget.

What this amendment does is to allow us to say we are fiscal conservatives but not today, not tomorrow—but maybe in 1985, 1986, or 1987.

It reminds me of what St. Augustine said, "Lord, give me chastity and continence but not just now."

In conclusion, Mr. President, let me recall the words of Justice Learned Hand:

> Liberty lies in the hearts of men and women; when it dies there no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there it needs no constitution, no law, no court to save it.

The same may be said for fiscal responsibility.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 1940, AS MODIFIED

Under the previous order, the question is on agreeing to the amendment of the Senator from Colorado, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. BRADY) and the Senator from Minnesota (Mr. DURENBERGER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 23, nays 74, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—23

Bradley	Inouye	Mitchell
Bumpers	Jackson	Moynihan
Cranston	Kennedy	Pell
Dodd	Leahy	Randolph
Eagleton	Levin	Riegle
Ford	Mathias	Sarbanes
Hart	Matsunaga	Tsongas
Hollings	Metzenbaum	

NAYS—74

Abdnor	East	Murkowski
Andrews	Exon	Nickles
Armstrong	Garn	Nunn
Baker	Goldwater	Packwood
Baucus	Gorton	Percy
Bentsen	Grassley	Pressler
Biden	Hatch	Proxmire
Boren	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Burdick	Hayakawa	Roth
Byrd, Harry F., Jr.	Heflin	Rudman
	Heinz	Sasser
Byrd, Robert C.	Helms	Schmitt
Cannon	Huddleston	Simpson
Chafee	Humphrey	Specter
Chiles	Jepsen	Stafford
Cochran	Johnston	Stennis
Cohen	Kassebaum	Stevens
D'Amato	Kasten	Symms
Danforth	Laxalt	Thurmond
DeConcini	Long	Tower
Denton	Lugar	Wallop
Dixon	Mattingly	Warner
Dole	McClure	Weicker
Domenici	Melcher	Zorinsky

NOT VOTING—3

Brady	Durenberger	Glenn

So Mr. HART's amendment (No. 1940), as modified, was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I ask unanimous consent that I may proceed for 1 minute without it being charged against the bill, Mr. President.

Mr. MOYNIHAN. May we have order, Mr. President?

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BAKER. I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, this measure will be completed tomorrow at noon. We still have three amendments to deal with that we know of, according to my count, other than the Cranston amendment. I hope that the Senate will remain in session tonight until we dispose of those three amendments, specifically the Bumpers amendment, the Biden amendment, and the Heflin amendment, and then go out. That will keep us here perhaps until 10 o'clock or maybe a little after, but there is no other way that we can do that and still have only the Cranston amendment tomorrow, plus final passage, by noontime.

Mr. President, after we finish this matter at noon, it is my hope that we will go to the reconciliation bill, as I indicated earlier. I have submitted a unanimous-consent request for the consideration of the minority leader, and I now state it for his consideration and that of other Senators.

ORDER TO PROCEED TO S. 2774 TOMORROW AND FINAL VOTE TO OCCUR THEREON NO LATER THAN 4 P.M. THURSDAY, AUGUST 5, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that following the disposition of Senate Joint Resolution 58 on tomorrow, the Senate turn to the consideration of the second reconciliation bill, S. 2774; that the final vote occur on that bill no later than 4 p.m. on Thursday, August 5.

Before the Chair puts the question, Mr. President, may I say that it is my intention either by unanimous consent, if possible, or by motion to attempt to proceed to the consideration of the supplemental appropriations bill, if it is available—and I believe it will be—on Friday. However, it is not my intention to ask for rollcall votes on Friday or Monday. Indeed, later I will ask unanimous consent that if we do reach the supplemental appropriations bill on Friday, votes that may be ordered during Friday or Monday would be stacked to occur at a time certain beginning on Tuesday.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I will not object. In the first place, the majority leader does not need unanimous consent to proceed to the second reconciliation bill; it is covered by a 20-hour time limitation and no nongermane amendments are in order. So I would hope there would be no objection to that request.

The second part which the majority leader does not put in the form of a request is in fulfillment of the request on the part of various Senators, and it meets that request with respect to no votes being taken on Friday and Monday. As a matter of fact, although that is not a part of the unanimous-consent request, that is a factor in the agreement which the majority leader is seeking. I hope there will be no objection.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, reserving the right to object—and I shall not object—as a matter of fact, my question really relates, if I may have the majority leader's attention, to the three amendments he spoke about to be debated tonight.

I do not mean to be impolitic, but I wonder if by chance the majority leader has probed the question of whether we might debate those tonight and vote back to back tomorrow. Would that be too much to ask?

Mr. BAKER. Mr. President, in reply to the Senator from Louisiana, at the risk of sounding—no risk at all. I simply say I do not care. We can do that, so far as I am concerned, so long as we have the 12 o'clock deadline for final passage tomorrow. That is something that should address itself to the Members who have amendments to be dealt with tonight.

I point out, however, that if we do that and stack those votes tomorrow, it will consume a good hour available for debate on the Cranston amendment and general debate on final passage.

Mr. JOHNSTON. May we come in a little earlier?

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, may I say, also, that there is presently an order for convening at 9:30 in the morning. In order to accommodate what I have already described, I ask unanimous consent that the time for the Senate to convene tomorrow be changed from 9:30 to 9 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I urge that we not stack the votes tonight. If that is the will of the Senate, I will not object. But I point out that we will end up using a good share of the time between 9 and 12 tomorrow, which is otherwise available for debate, for rollcall votes. We are here and in good numbers, and I respectfully suggest that we go forward.

Mr. BUMPERS. I would object, anyway.

Mr. BAKER. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. BOSCHWITZ. Mr. President, reserving the right to object, I say to the

majority leader that I expect to be quite active in the reconciliation matter, and I have not been consulted with respect to the time. I wonder whether we can talk about it during the next vote and the majority leader might renew his request after the next vote.

Mr. BAKER. Mr. President, this has been a matter of fairly extensive negotiations, and it has been submitted to the caucuses on both sides. I hope the Senator will not object at this time. I believe it was discussed in the Democratic caucus. I made a representation at our luncheon today that this request would be made.

Requests of this sort, especially for a time that is substantially better than the 20-hour time limitation—assuming normal working hours—are sometimes perishable.

I hope the Senator will not object to granting that request at this time.

Mr. BOSCHWITZ. Is the time 4 p.m. on Thursday?

Mr. BAKER. Not later than 4 p.m. on Thursday.

Mr. BOSCHWITZ. Does the majority leader feel that we will have adequate time tomorrow evening?

Mr. BAKER. Yes. I urge Senators to remain tomorrow as long as they wish to do so, in order to debate the reconciliation bill.

The PRESIDING OFFICER. Is there objection to the majority leader's request? The Chair hears none, and it is so ordered.

Mr. BAKER. I thank the Chair. I thank the Senator from Minnesota and the minority leader and all Senator for their cooperation.

VOTE ON AMENDMENT NO. 1985

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. TSONGAS), No. 1985. Under the previous order there will be a 10-minute vote. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. BRADY), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. GARN), and the Senator from Pennsylvania (Mr. HEINZ) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 23, nays 72, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—23

Bradley	Cranston	Ford
Bumpers	Dodd	Hart
Cohen	Eagleton	Inouye
Jackson	Metzenbaum	Riegle
Kennedy	Mitchell	Sarbanes
Leahy	Moynihan	Sasser
Levin	Pell	Tsongas
Matsunaga	Randolph	

NAYS—72

Abdnor	Exon	Nickles
Andrews	Goldwater	Nunn
Armstrong	Gorton	Packwood
Baker	Grassley	Percy
Baucus	Hatch	Pressler
Bentsen	Hatfield	Proxmire
Biden	Hawkins	Pryor
Boren	Hayakawa	Quayle
Boschwitz	Heflin	Roth
Burdick	Helms	Rudman
Byrd, Harry F., Jr.	Hollings	Schmitt
Byrd, Robert C.	Huddleston	Simpson
Cannon	Humphrey	Specter
Chafee	Jepsen	Stafford
Chiles	Johnston	Stennis
Cochran	Kassebaum	Stevens
D'Amato	Kasten	Symms
Danforth	Laxalt	Thurmond
DeConcini	Long	Tower
Denton	Lugar	Wallop
Dixon	Mathias	Warner
Dole	Mattingly	Weicker
Domenici	McClure	Zorinsky
East	Melcher	
	Murkowski	

NOT VOTING—5

Brady	Garn	Heinz
Durenberger	Glenn	

So Mr. TSONGAS' amendment (No. 1985) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1172

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan (Mr. LEVIN), No. 1172. Under the previous order this will also be a 10-minute rollcall vote.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. BRADY) and the Senator from Minnesota (Mr. DURENBERGER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 60, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—37

Baucus	Exon	Metzenbaum
Biden	Hart	Moynihan
Bradley	Heinz	Nunn
Bumpers	Hollings	Pell
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Cannon	Jackson	Sarbanes
Chafee	Johnston	Sasser
Chiles	Kennedy	Specter
Cranston	Levin	Tsongas
Dixon	Long	Weicker
Dodd	Mathias	
Eagleton	Matsunaga	

NAYS—60

Abdnor	Gorton	Packwood
Andrews	Grassley	Percy
Armstrong	Hatch	Pressler
Baker	Hatfield	Proxmire
Bentsen	Hawkins	Pryor
Boren	Hayakawa	Quayle
Boschwitz	Heflin	Roth
Byrd, Harry F., Jr.	Helms	Rudman
Cochran	Humphrey	Schmitt
Cohen	Jepsen	Simpson
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dole	Lugar	Thurmond
Domenici	Mattingly	Tower
East	McClure	Wallop
Ford	Melcher	Warner
Garn	Mitchell	Zorinsky
Goldwater	Murkowski	
	Nickles	

NOT VOTING—3

Brady	Durenberger	Glenn

So the amendment (UP No. 1172) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

UP AMENDMENT NO. 1173

(Purpose: To permit additional outlays in the case of an unforeseen and imminent condition of military emergency)

Mr. HEFLIN. Mr. President, I send an amendment to the desk on behalf of myself and Mr. RANDOLPH.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN), for himself and Mr. RANDOLPH, proposes an unprinted amendment numbered 1173.

On page 3, line 21, insert before the period a comma and "except that if Congress, after the adoption of the statement of receipts and outlays, should find the Nation in an unforeseen and imminent condition of military emergency and so declare by a joint resolution adopted by a majority of the whole number of both Houses of Congress, the Congress may then, by a majority vote of the whole number of both Houses of Congress, provide for such additional outlays for the defense of the Nation as are necessary to finance the military response to the emergency which would cause the total outlays set forth for such year in such statement to be greater than the receipts set forth for such year in such statement".

Mr. HEFLIN. Mr. President, I have been giving some thought to a name for my amendment. I have decided that this is an amendment that could be properly labeled a protection amendment against the post-Vietnam syndrome. I will refer to that later.

Mr. President, the amendment I am offering to Senate Joint Resolution 58 is simple and straightforward, yet one that could prove vital to the national security of the United States.

Section 3 of the constitutional amendment to balance the budget authorizes the Congress to waive any of the requirements imposed upon it by the amendment for a year in which a declaration of war is in effect. While this exception to the general requirements of Senate Joint Resolution 58 is necessary, in my judgement it does not go far enough. Since this country can be in a state of military emergency at times other than when a declaration of war is in effect, I believe there may arise circumstances when Congress would want to spend significant amounts on national defense without a declaration of war. Congress must be given the necessary flexibility to respond rapidly when a military emergency arises.

A military emergency exception, in my judgment, is good. But it must be crafted in language to provide every possible safeguard against its misuse. I think the amendment that we have here today has been carefully crafted in a manner to provide the safeguards that are necessary.

First, if you will look at this amendment, you see that it says "except that if Congress, after"—and note the word "after"—"the adoption of a statement of receipts and outlays, should find the Nation in an unforeseen and imminent condition of military emergency and so declare by a joint resolution adopted by a majority of the whole number of both Houses of Congress, the Congress may then, by a majority vote of the whole number of both Houses of Congress, provide for such additional outlays for the defense of the Nation as are necessary to finance the military response to the emergency."

Now there are some very key words that are placed here for the idea of providing safeguards. First, a budget is adopted. My amendment will prevent any jockeying of figures from one program to another program with the idea that you could have a military emergency. It says first you must adopt the budget. Then, after that, if the Nation finds itself in an unforeseen—and I think you should pay attention to that word "unforeseen"; that means it had to arise after the budget was adopted—and imminent condition of military emergency and so declare by a joint resolution by a majority of the whole number of both Houses—in the Senate that is 51 votes; it is not a simple majority but 51. The word "after," the word "unforeseen," the words "majority of the whole number" are safeguards designed to prevent its misuse.

Now I want to point out it also calls for in this declaration that if the Nation is in a condition of military emergency it must be declared so by a joint resolution, which means that the President has to sign the resolution.

Now you have here, first, the budget being adopted. Second, you have to have it "after." You have to have an unforeseen state of military emergency to arise. You then have to have 51 votes in the Senate and a majority of the whole membership of the House of Representatives to declare that a condition of military emergency exists. The President must sign it. Then you have to come back after that and then vote to exceed the budget in regards to outlays but only for military purposes.

I think that that provides all the safeguards against its misuse. It provides the safeguards against any jockeying when the budget was originally adopted. This language, I think, is most important.

Then it also says "for the defense of the Nation." Now that is language that I think is important. This language in particular was picked out and selected for that use—"as for the defense of the Nation"—by David Stockman's office. And I think that these safeguards are here.

Now there is one other safeguard, and that is that the appropriations that could lead to deficit spending in regards to military purposes are for only the period of the remainder of the fiscal year. So if you had a situation where a military emergency arose, it would have to arise after the budget is adopted, it has to be unforeseen, it then has to have a majority vote of the whole membership of the House and the Congress and then the resolution so declaring it has to be signed by the President. You then come back with the other step; that is, then to provide for additional outlays only for defense and it can only last until the end of the fiscal year and then any future outlays would have to be by a three-fifths vote.

Now I believe that this is crafted in such a manner as to provide all safeguards that are necessary to prevent its misuse.

Let us take some hypothetical situations of how this would occur. You are 2 months into a fiscal year and a military emergency arises. It must be unforeseen and it has to be after the budget was adopted. You then have 10 months that would be remaining that you could vote by a majority of the whole membership before you would then meet the requirement of having to vote it by three-fifths.

Now this would mean, as I see it, that this is a safeguard in that you are allowed to come in by a majority of the whole membership for supplemental appropriations only to meet the military emergency.

You have under a provision in this constitutional amendment where taxes could be increased by a majority vote but military spending in a military emergency under the present language would require a three-fifths vote. You could have a set of facts where taxes were raised to meet a military emergency but the vote of three-fifths could not be obtained to spend the increase to meet the emergency.

I want to mention a word that you will hear a lot about if this constitutional amendment is ratified and we look to the future. That word is "proration." Perhaps it is a new word on the congressional scene, but in the States it is a word that is heard frequently, and it means a great evil. Under a set of circumstances in many States where this has occurred, and it occurs fairly frequently, you will have a situation where the estimate of revenues to come in have been overestimated and you find yourself where there is a shortage of the projected revenues coming into the Treasury.

You are then in a situation in the fiscal year where, in most States where they have these constitutional amendments, you do not have the three-fifths escape valve. What do you do? You have to then start worrying about monthly and quarterly payments. If the anticipated revenues are 5 percent less than the figure that was assumed when the budget was adopted, it means, under a balanced budget requirement, you have to have a cutback of 5 percent.

We will find ourselves in a situation, if a military emergency arose during a proration period, where there was a 5- or 10-percent shortage in regards to the revenues coming in, that you would then say, "Well, what do we do?" You would have every agency of the Government seeking to try to get additional funds. You would have a situation where the three-fifths would be required. But if you are in a military emergency, in my judgment the military expenditures ought to be given a better opportunity to pick up money, and, if they have to, to go into deficit spending to create it for that purpose alone.

In the ordinary course of events without proration there could be problems, but if there is proration that exists, then that is an added reason why there should be this provision which would allow for military emergency exception.

I want to also point out the War Powers Act. Under the War Powers Act the President takes certain action. Congress has 60 days in which it can do several things. In some instances that period of time can be extended for 90 days. But the President takes action and then, by a simple majority of the House and the Senate, we can find that under the War Powers Act the action of the President in taking that action can be approved. Then we find that we have to go into the question of this is a military emergency and, therefore, you need additional funds. Should then we be placed in the position of where it is necessary to get

a three-fifths vote for the additional amount of money that is needed for military purposes involved in that?

In my judgment, I think this amendment is tailored to the War Powers Act and, therefore, it is important in regards to the usage of that act and what would occur.

I want to point out that the administration has concerns about military emergency exceptions.

I ask unanimous consent that a statement of administrative policy dated July 13, 1982, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ADMINISTRATION POLICY

S.J. RES. 58—BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The Administration strongly supports S.J. Res. 58, the Balanced Budget/Tax Limitation Amendment to the Constitution, as drafted. Because the resolution has been drafted with care and its provisions considered in detail over an extensive period of time, the Administration would not support changes in Section 1 or 2 that have not had the benefit of such thoughtful consideration. The Administration does, however, believe that Section 3 should be broadened and would support the following change:

The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect or there is an unforeseen imminent threat to national security.

The Administration opposes any change that would delay ratification of the amendment or place its provisions in statute rather than the Constitution.

Mr. HEFLIN. I want to point out that on July 13, 1982, this statement was issued: "The administration strongly supports Senate Joint Resolution 58, the balanced budget tax limitation amendment to the Constitution, as drafted. Because the resolution has been drafted with care and its provisions considered in detail over an extensive period of time, the administration would not support changes in sections 1 or 2 that have not had the benefit of such thoughtful consideration." Listen to these words: "The administration does, however, believe that section 3"—that is the one that says they are suspended in the event of a declaration of war—"should be broadened and would support the following change: The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect or there is an unforeseen imminent threat to national security.

"The administration opposes any changes that would delay the ratification of the amendment or place its provisions in statute rather than the Constitution."

That was on July 13, 1982.

A number of Democrats and a number of Republican Senators were summoned to the White House on July 27. That was Tuesday a week ago. At that time, we met with the President. The only matter that was brought up pertaining to the constitutional amendment to balance the budget, and it was called for that purpose, was the expression first made by David Stockman of the need for a national security exception or a national defense emergency exception.

At that time, I discussed with him an amendment that I had. He said he wanted to get together and study it. Later, Dr. Annelise Anderson of this office and I worked on it. They wanted some different language. They wanted the words "unforeseen" and "imminent" placed in it. We agreed to that. The amendment I sent to the desk today is the work product of a joint effort between the White House staff and myself.

After we rewrote it and agreed on it, then the question arose as to whether or not the administration would go forward and would support it.

First, they said, "Well, what our position is going to be is that we will send out a statement of administrative policy in which we state we have no objection to the Heflin amendment. We agree with the concept." But they were not taking a positive advocacy position in regard to it.

Then we find the word comes back that they are going to oppose it because of the fact that they fear that if an amendment is adopted, it will weaken the chances of the passage of the overall amendment.

I listened to Senator QUAYLE and his argument about the Armstrong-Boren amendment. I wrote out what he said. He said, "There is some mythical messenger from the House of Representatives who is advocating political tactics." He went on to say, "We ought to quit horsing around for political reasons."

Then, to my utter amazement, today I had called to my attention that the Secretary of the Treasury, Donald Regan, testified this morning before a committee of the House. Here is the AP release.

The Reagan administration asked Congress today to broaden a proposed balanced-budget amendment to the Constitution to allow deficit spending during national emergencies short of war.

Treasury Secretary Donald T. Regan, in testimony prepared for a House Judiciary Subcommittee hearing, said the administration enthusiastically supports the overall amendment.

"Individual Americans, who must live within their own means, have every right to expect and demand that their Government do so as well," Regan said.

The proposed amendment, moving toward expected passage this week in the Senate, would prohibit the Government from spending more than in takes it, except in wartime—or unless both Houses of Congress vote by a 60-percent majority to allow deficit spending.

"A wide variety of events, not necessarily entailing a declaration of war, may pose threats to national security," Regan told the Judiciary Subcommittee on Monopolies and Commerical Law.

"The administration would encourage the Congress to amend (the constitutional amendment) to allow a broader range of events—unforeseen events posing an imminent threat to national security—to qualify for a waiver," Regan said.

It goes on. I ask unanimous consent that a copy of this Associated Press wire report be printed in the RECORD at this point.

There being no objection, the wire report was ordered to be printed in the RECORD, as follows:

BALANCED BUDGET

(By Tom Raum)

WASHINGTON.—The Reagan administration asked Congress today to broaden a proposed balanced-budget amendment to the Constitution to allow deficit spending during national emergencies short of war.

Treasury Secretary Donald T. Regan, in testimony prepared for a House Judiciary Subcommittee hearing, said the administration enthusiastically supports the overall amendment.

"Individual Americans, who must live within their own means, have every right to expect and demand that their Government do so as well," Regan said.

The proposed amendment, moving toward expected passage this week in the Senate, would prohibit the Government from spending more than it takes in, except in wartime—or unless both Houses of Congress vote by a 60-percent majority to allow deficit spending.

"A wide variety of events, not necessarily entailing a declaration of war, may pose threats to national security," Regan told the Judiciary Subcommittee on Monopolies and Commercial Law.

"The administration would encourage the Congress to amend (the constitutional amendment) to allow a broader range of events—unforeseen events posing an imminent threat to national security—to qualify for a waiver," Regan said.

The Senate is expected to take final action on the balanced budget proposal by noon Wednesday. Supporters of the proposed amendment, claiming they have more than the two-thirds or 67 votes necessary for approval, say a vote could come sooner.

At the outset of today's hearing, Representative Peter Rodino, D-N.J., chairman of the House Judiciary Committee, made clear he opposed the measure.

He called the proposal "an unwise and unworkable trivializing of a document that guarantees fundamental rights and provides the framework for the orderly function of government."

Rodino's opposition has kept the proposed amendment bottled up in his committee for months.

Mr. HEFLIN. I then requested that we be able to see Secretary of the Treasury Donald Regan's testimony. So we got from the House what he testified this morning. On page 5, I read what he stated there:

House Joint Resolution 350 also provides a deficit in wartime, permitting the Congress to waive its requirement for any year in which a declaration of war is in effect. A wide variety of events, not necessarily entailing a declaration of war, may, however, pose threats to national security. The ad-

ministration would therefore encourage the Congress to amend House Joint Resolution 350 to allow a broader range of events, unforeseen events, posing an imminent threat to national security to qualify for a waiver. The administration would be pleased to work with the sponsors of the amendment on language to insure flexibility to help meet an increase in outlays in a given year due to unforeseen events that are imminent threats to national security.

That is the testimony of the Secretary of the Treasury. When we met at the White House on July 12, as I stated before, the only matter that was brought up by the administration was their concern over a military emergency exception. Secretary of the Treasury Donald Regan was present at that time, along with the Vice President and the President. The President, in response to some statements that I made about the Vietnam war being an undeclared war, the Korean war being an undeclared war, and the fact that we served as the arsenal of democracy prior to World War II, pointed out to the group that was present that there were at least 125 times in the history of this country in which we had become involved militarily without a declaration of war.

Mr. President, in all fairness and all candor, I cannot state that the administration supports my amendment now. I can state that they approved the language of it. They were involved in rewriting it. In all candor, they may oppose it. But if there is opposition, it is not based upon the principle that is involved. The opposition is solely that certain people in the Senate and in the House have tried to tell them that this might weaken and might lessen the chance of passage of the constitutional amendment to balance the budget in the House of Representatives.

Mr. President, I have tried to figure out whom this amendment might offend. I have about come down to the only category that I could list, which would be conservative doves. I cannot identify many of those people. To put that word "conservative" and the word "doves" together is just about an impossibility.

Mr. President, I respect the floor manager and his efforts. I respect the efforts being made in the House of Representatives to pass this amendment. I am one of the original cosponsors of it. The first bill I introduced when I came to the Senate was a bill calling for a constitutional amendment to balance the budget. But I do not believe that this amendment that I offer is going to affect its passage. I think it is a needed principle, it is a needed exception that should be allowed, and I cannot, by any degree at all, get it past me, in my mind, that the administration does not agree. The extent that they went to to call a meeting on July 27 at the White House and the only subject that the administration brought up—there were other subjects discussed, but the only subject that was brought up was a military emergency exception to this constitutional amendment. When the President said there had been 125 times that the United States of America has been involved militarily without a declaration of war, that is a pretty good indication that he felt that there was a need for a military emergency exception to this amendment.

(Mr. MURKOWSKI assumed the chair.)

Mr. HEFLIN. Mr. President, the administration may oppose it. I do not know exactly whether or not the Secretary of the Treasury and the White House are on the same wavelength. But his statement in support of this concept was made this morning. I think the fact is that the White House, the administration, believes in this principle. They realize it ought to be placed in the resolution. They may have been talked out of it by that mythical messenger that Senator QUAYLE talked about that flies from the House of Representatives to the Senate and back again purely for political tactics.

In answer to this, I use the words of Senator QUAYLE when he said, "Let's quit horsing around for political reasons."

I think that this amendment is a vital amendment. It may well be the difference between this Nation's life and this Nation's death. America, in the past, has had the luxury of lead time to build our military resources up to meet the emergencies. World War II started in 1939. It allowed us to do a lot of things and to get ready before Pearl Harbor. The fact that the Japanese fleet turned around at Pearl Harbor and did not come toward the United States allowed us the luxury of leadtime and the luxury to buildup.

In the next war or the next real emergency we may face, we may not have that leadtime. I think it is most important that we adopt a military emergency exception which has all the safeguards to prevent its misuse. As I explained before, under the language, the budget has to be adopted before the military emergency can come into being, it has to come after the budget is adopted and it has to be an unforeseen military emergency that will arise. There must be a joint resolution passed by the whole membership of the House and the Senate and signed by the President, and then you can go toward deficit spending but for military purposes only, and only for the remainder of the fiscal year and, at the end of the fiscal year, you go back to the three-fifths requirement.

I think that is adequate safeguard to prevent its misuse. I want to talk about the number of undeclared wars in which America has deployed troops.

I have an appendix to a 1975 committee report from the Foreign Affairs Committee of the House of Representatives which gives the instances of the use of U.S. Armed Forces abroad from 1798 to 1975, and there are 183 instances of American troops deployed abroad without a formal declaration of war.

I ask unanimous consent that this appendix be printed in the Record at this point.

There being no objection, the appendix was ordered to be printed in the RECORD, as follows:

183 INSTANCES OF AMERICAN TROOPS DEPLOYED ABROAD WITHOUT A FORMAL DECLARATION OF WAR

APPENDIX II

INSTANCES OF USE OF UNITED STATES ARMED FORCES ABROAD, 1798–1975

(Inclusion of an event in this list does not connote either legality or illegality or significance. Many of these incidents were minor in nature.)

1798–1800—Undeclared naval war with France.—This contest included land actions, such as that in the Dominican Republic, city of Puerto Plata, where marines captured a French privateer under the guns of the forts.

1801–05—Tripoli.—The First Barbary War, including the George Washington and Philadelphia affairs and the Eaton expedition, during which a few marines landed with United States Agent William Eaton to raise a force against Tripoli in an effort to free the crew of the Philadelphia, Tripoli declared war but not the United States.

1806—Mexico (Spanish territory).—Capt. Z. M. Pike, with a platoon of troops, invaded Spanish territory at the headwaters of the Rio Grande deliberately and on orders from Gen. James Wilkinson. He was made prisoner without resistance at a fort he constructed in present day Colorado, taken to Mexico, later released after seizure of his papers. There was a political purpose, still a mystery.

1806–10—Gulf of Mexico.—American gunboats operated from New Orleans against Spanish and French privateers, such as La Fitte, off the Mississippi Delta, chiefly under Capt. John Shaw and Master Commandant David Porter.

1810—West Florida (Spanish territory).—Gov. Claiborne of Louisiana, on orders of the President, occupied with troops territory in dispute east of Mississippi as far as the Pearl River, later the eastern boundary of Louisiana. He was authorized to seize as far east as the Perdido River. No armed clash.

1812—Amelia Island and other parts of east Florida, then under Spain.—Temporary possession was authorized by President Madison and by Congress, to prevent occupation by any other power; but possession was obtained by Gen. George Matthews in so irregular a manner that his measures were disavowed by the President.

1813—West Florida (Spanish territory).—On authority given by Congress, General Wilkenson seized Mobile Bay in April with 600 soldiers. A small Spanish garrison gave way. Thus U.S. advanced into disputed territory to the Perdido River, as projected in 1810. No fighting.

1813–14—Marquesas Islands.—Built a fort on Island of Nukahiva to protect three prize

ships which had been captured from the British.

1814—Spanish Florida.—Gen. Andrew Jackson took Pensacola and drove out the British with whom the United States was at war.

1814-25—Caribbean.—Engagements between pirates and American ships or squadrons took place repeatedly especially ashore and offshore about Cuba, Puerto Rico, Santo Domingo, and Yucatan. Three thousand pirate attacks on merchantmen were reported between 1815 and 1823. In 1822 Commodore James Biddle employed a squadron of two frigates, four sloops of war, two brigs, four schooners, and two gunboats in the West Indies.

1815—Algiers.—The second Barbary War, declared by the opponents but not by the United States. Congress authorized an expedition. A large fleet under Decatur attacked Algiers and obtained indemnities.

1815—Tripoli.—After securing an agreement from Algiers, Decatur demonstrated with his squadron at Tunis and Tripoli, where he secured indemnities for offenses during the War of 1812.

1816—Spanish Florida.—United States forces destroyed Nicholis Fort, called also Negro Fort, which harbored raiders into United States territory.

1816-18—Spanish Florida.—First Seminole War.—The Seminole Indians, whose area was a resort for escaped slaves and border ruffians, were attacked by troops under Generals Jackson and Gaines and pursued into northern Florida. Spanish posts were attacked and occupied, British citizens executed. There was no declaration or congressional authorization but the Executive was sustained.

1817—Amelia Island (Spanish territory off Florida).—Under orders of President Monroe, United States forces landed and expelled a group of smugglers, adventurers, and freebooters.

1818—Oregon.—The U.S.S. Ontario, dispatched from Washington, landed at the Columbia River and in August took possession. Britain had conceded sovereignty but Russia and Spain asserted claims to the area.

1820-23—Africa.—Naval unit raided the slave traffic pursuant to the 1819 act of Congress.

1822—Cuba.—United States naval forces suppressing piracy landed on the northwest coast of Cuba and burned a pirate station.

1823—Cuba.—Brief landings in pursuit of pirates occurred April 8 near Escondido; April 16 near Cayo Blunco; July 11 at Slquapa Bay; July 21 at Cape Cruz; and October 23 at Camrioca.

1824—Cuba.—In October the U.S.S. Porpoise landed bluejackets near Matauzas in pursuit of pirates. This was during the cruise authorized in 1822.

1824—Puerto Rico (Spanish territory).—Commodore David Porter with a landing party attacked the town of Fajurdo which has sheltered pirates and insulted American naval officers. He landed with 200 men in November and forced an apology.

1825—Cuba.—In March cooperating American and British forces landed at Sagua La Grande to capture pirates.

1827—Greece.—In October and November landing parties hunted pirates on the Islands of Argenteire, Miconi, and Andross.

1831-32—Falkland Islands.—To investigate the capture of three American sailing vessels and to protect American interests.

1832—Sumatra.—February 6 to 9.—To punish natives of the town of Quallah Battoo for depredations on American shipping.

1833—Argentina.—October 31 to November 15.—A force was sent ashore at Buenos Aires to protect the interests of the United States and other countries during an insurrection.

1835-36—Peru.—December 10, 1835 to January 24, 1836, and August 31 to December 7, 1836.—Marines protected American interests in Callao and Lima during an attempted revolution.

1836—Mexico.—General Gaines occupied Nacogdoches (Tex.), disputed territory from July to December during the Texan war for independence, under orders to cross the "imaginary boundary line" if an Indian outbreak threatened.

1838-39—Sumatra.—December 24, 1838 to January 4, 1839.—To punish natives of the towns of Quallah Battoo and Muckie (Mukki) for depredations on American shipping.

1840—Fiji Islands—July.—To punish natives for attacking American exploring and surveying parties.

1841—Drummond Island, Kingsmill Group.—To avenge the murder of a seaman by the natives.

1841—Samoa.—February 24.—To avenge the murder of an American seaman on Upolu Island.

1842—Mexico.—Commodore T. A. C. Jones, in command of a squadron long cruizing off California, occupied Monterey, Calif., on October 19, believing war had come. He discovered peace, withdrew and saluted. A similar incident occurred a week later at San Diego.

1843—China.—Sailors and marines from the St. Louis were landed after a clash between Americans and Chinese at the trading post in Canton.

1843—Africa, November 29 to December 16.—Four United States vessels demonstrated and landed various parties (one of 200 marines and sailors) to discourage piracy and the slave trade along the Ivory coast etc., and to punish attacks by the natives on American seamen and shipping.

1844—Mexico.—President Tyler deployed U.S. forces to protect Texas against Mexico, pending Senate approval of a treaty of annexation. (Later rejected.) He defended his action against a Senate resolution of inquiry.

1849—Smyrna.—In July a naval force gained release of an American seized by Austrian officals.

1851—Turkey.—After a massacre of foreigners (including Americans) at Jaffa in January, a demonstration by the Mediterranean Squadron was ordered along the Turkish (Levant) coast. Apparently no shots fired.

1851—Johanna Island (coast of Africa), August.—To exact redress for the unlawful imprisonment of the captain of an American whaling brig.

1852-53—Argentina—February 3 to 12, 1852; September 17, 1852 to April 1853.—Marines were landed and maintained in Buenos Aires to protect American interests during a revolution.

1853—Nicaragua—March 11 to 13.—To protect American lives and interests during political disturbances.

1853-54—Japan.—The "opening of Japan" and the Perry Expedition.

1853-54—Ryukyu and Bonin Islands.—Commodore Perry on three visits before going to Japan and while waiting for a reply from Japan made a naval demonstration, landing marines twice, and secured a coaling concession from the ruler of Naha on Okinawa. He also demonstrated in the Bonin Islands. All to secure facilities for commerce.

1854—China—April 4 to June 15 to 17.—To protect American interests in and near Shanghai during Chinese civil strife.

1854—Nicaragua—July 9 to 15.—San Juan del Norte (Greytown) was destroyed to avenge an insult to the American Minister to Nicaragua.

1855—China—May 19 to 21 (f).—To protect American interests in Shanghai. August 3 to 5 to fight pirates near Hong Kong.

1855—Fiji Islands—September 12 to November 4.—To seek reparations for depredations on Americans.

1855—Uruguay—November 25 to 29 or 30.—United States and European naval forces landed to protect American interests during an attempted revolution in Montevideo.

1856—Panama, Republic of New Granada—September 19 to 22.—To protect American interests during an insurrection.

1856—China—October 22 to December 6.—To protect American interests at Canton during hostilities between the British and the Chinese; and to avenge an unprovoked assault upon an unarmed boat displaying the United States flag.

1857—Nicaragua—April to May, November to December.—To oppose William Walker's attempt to get control of the country. In May Commander C. H. Davis of the United States Navy, with some marines, received Walker's surrender and protected his men from the retaliation of native allies who had been fighting Walker. In November and December of the same year United States vessels Saratoga, Wabash, and Fulton opposed another attempt of William Walker on Nicaragua. Commodore Hiram Paulding's act of landing marines and compelling the removal of Walker to the United States, was tacitly disavowed by Secretary of State Lewis Cass, and Paulding was forced into retirement.

1858—Uruguay—January 2 to 27.—Forces from two United States warships landed to protect American property during a revolution in Montevideo.

1858—Fiji Islands—October 6 to 16.—To chastise the natives for the murder of two American citizens.

1858-59—Turkey.—Display of naval force along the Levant at the request of the Secretary of State after massacre of Americans at Jaffa and mistreatment elsewhere "to remind the authorities (of Turkey) * * * of the power of the United States."

1859—Paraguay.—Congress authorized a naval squadron to seek redress for an attack on a naval vessel in the Parana River during 1855. Apologies were made after a large display of force.

1859—Mexico.—Two hundred United States soldiers crossed the Rio Grande in pursuit of the Mexican bandit Cortina.

1859—China—July 31 to August 2.—For the protection of American interests in Shanghai.

1860—Angola, Portuguese West Africa—March 1.—To protect American lives and property at Kissembo when the natives became troublesome.

1860—Colombia, Bay of Panama—September 27 to October 8.—To protect American interests during a revolution.

1863—Japan—July 16.—To redress an insult to the American flag—firing on an American vessel—at Shimonoseki.

1864—Japan—July 14 to August 3, approximately.—To protect the United States Minister to Japan when he visited Yedo to negotiate concerning some American claims

against Japan, and to make his negotiations easier by impressing the Japanese with American power.

1864—Japan—September 4 to 14—Straits of Shimonoseki.—To compel Japan and the prince of Nagato in particular to permit the Straits to be used by foreign shipping in accordance with treaties already signed.

1865—Panama—March 9 and 10.—To protect the lives and property of American residents during a revolution.

1866—Mexico.—To protect American residents, General Sedgwick and 100 men in November obtained surrender of Matamoras. After 3 days he was ordered by U.S. Government to withdraw. His act was repudiated by the President.

1866—China—June 20 to July 7.—To punish an assault on the American consul at Newchwang; July 14, for consultation with authorities on shore; August 9, at Shanghai, to help extinguish a serious fire in the city.

1867—Nicaragua.—Marines occupied Managua and Leon.

1867—Island of Formosa—June 13.—To punish a horde of savages who were supposed to have murdered the crew of a wrecked American vessel.

1868—Japan (Osaka, Hiogo, Nagasaki, Yokohama, and Negata)—Mainly, February 4 to 8, April 4 to May 12, June 12 and 13.—To protect American interests during the civil war in Japan over the abolition of the Shogunate and the restoration of the Mikado.

1868—Uruguay—February 7 and 8, 19 to 26.—To protect foreign residents and the customhouse during an insurrection at Montevideo.

1868—Colombia—April 7—at Aspinwall.—To protect passengers and treasure in transit during the absence of local police or troops on the occasion of the death of the President of Colombia.

1870—Mexico, June 17 and 18.—To destroy the pirate ship Forward, which had been run aground about 40 miles up the Rio Tecapan.

1870—Hawaiian Islands—September 21.—To place the American flag at half mast upon the death of Queen Kalama, when the American consul at Honolulu would not assume responsibility for so doing.

1871—Korea—June 10 to 12.—To punish natives for depredations on Americans, particularly for murdering the crew of the General Sherman and burning the schooner, and for later firing on other American small boats taking soundings up the Salce River.

1873—Colombia (Bay of Panama)—May 7 to 22, September 23 to October 9.—To protect American interests during hostilities over possession of the government of the State of Panama.

1873—Mexico.—United States troops crossed the Mexican border repeatedly in pursuit of cattle and other thieves. There were some reciprocal pursuits by Mexican troops into border territory. The cases were only technically invasions, if that, although Mexico protested constantly. Notable cases were at Remolina in May 1873 and at Las Cuevas in 1875. Washington orders often supported these excursions. Agreements between Mexico and the United States, the first in 1882, finally legitimized such raids. They continued intermittently, with minor disputes, until 1896.

1874—Hawaiian Islands—February 12 to 20.—To preserve order and protect American lives and interests during the coronation of a new king.

1876—Mexico—May 18.—To police the town of Matamoras temporarily while it was without other government.

1882—Egypt—July 14 to 18.—To protect American interests during warfare between British and Egyptians and looting of the city of Alexandria by Arabs.

1885—Panama (Colon)—January 18 and 19.—To guard the valuables in transit over the Panama Railroad, and the safes and vaults of the company during revolutionary activity. In March, April, and May in the cities of Colon and Panama, to reestablish freedom of transit during revolutionary activity.

1888—Korea—June.—To protect American residents in Seoul during unsettled political conditions, when an outbreak of the populace was expected.

1888—Haiti—December 20.—To persuade the Haitian Government to give up an American steamer which had been seized on the charge of breach of blockade.

1888-89—Samoa—November 14, 1888, to March 20, 1889.—To protect American citizens and the consulate during a native civil war.

1889—Hawaiian Islands—July 30 and 31.—To protect American interests at Honolulu during a revolution.

1890—Argentina.—A naval party landed to protect U.S. consulate and legation in Buenos Aires.

1891—Haiti.—To protect American lives and property on Navassa Island.

1891—Bering Sea—July 2 to October 5.—To stop seal poaching.

1891—Chile—August 28 to 30.—To protect the American consulate and the women and children who had taken refuge in it during a revolution in Valparaiso.

1893—Hawaii—January 16 to April 1.—Ostensibly to protect American lives and property; actually to promote a provisional government under Sanford B. Dole. This action was disavowed by the United States.

1894—Brazil—January.—To protect American commerce and shipping at Rio de Janeiro during a Brazilian civil war. No landing was attempted but there was a display of naval force.

1894—Nicaragua—July 6 to August 7.—To protect American interests at Bluefields following a revolution.

1894-95—China—Marines were stationed at Tientsin and penetrated to Peking for protection purposes during the Sino-Japanese War.

1894-95—China—Naval vessel beached and used as a fort at Newchwang for protection of American nationals.

1894-96—Korea—July 24, 1894 to April 3, 1896.—To protect American lives and interests at Seoul during and following the Sino-Japanese War. A guard of marines was kept at the American legation most of the time until April 1896.

1895—Colombia—March 8 to 9.—To protect American interests during an attack on the town of Bocas del Toro by a bandit chieftain.

1896—Nicaragua—May 2 to 4.—To protect American interests in Corinto during political unrest.

1898—Nicaragua—February 7 and 8.—To protect American lives and property at Suan Juan del Sur.

1898-99—China—November 5, 1898, to March 15, 1899.—To provide a guard for the legation at Peking and the consulate at Tientsin during contest between the Dowager Empress and her son.

1899—Nicaragua—To protect American interests at San Juan del Norte, February 22 to March 5, and at Bluefields a few weeks later in connection with the insurrection of Gen. Juan P. Reyes.

1899—Samoa—March 13, to May 15.—To protect American interests and to take part in a bloody contention over the succession to the throne.

1899-1901—Philippine Islands.—To protect American interests following the war with Spain, and to conquer the islands by defeating the Filipinos in their war for independence.

1900—China—May 24 to September 28.—To protect foreign lives during the Boxer rising, particularly at Peking. For many years after this experience a permanent legation guard was maintained in Peking, and was strengthened at times as trouble threatened. It was still there in 1934.

1901—Colombia (State of Panama)—November 20 to December 4.—To protect American property on the Isthmus and to keep transit lines open during serious revolutionary disturbances.

1902—Colombia—April 16 to 23.—To protect American lives and property at Bocas del Toro during a civil war.

1902—Colombia (State of Panama)—September 17 to November 18.—To place armed guards on all trains crossing the Isthmus and to keep the railroad line open.

1903—Honduras—March 23 to 30 or 31.—To protect the American consulate and the steamship wharf at Puerto Cortez during a period of revolutionary activity.

1903—Dominican Republic—March 30 to April 21.—To protect American interests in the city of Santo Domingo during a revolutionary outbreak.

1903—Syria—September 7 to 12.—To protect the American consulate in Beirut when a local Moslem uprising was feared.

1903-04—Abyssinia.—Twenty-five marines were sent to Abyssinia to protect the U.S. Consul General while he negotiated a treaty.

1903-14—Panama.—To protect American interests and lives during and following the revolution for independence from Colombia over construction of the Isthmian Canal. With brief intermissions, United States Marines were stationed on the Isthmus from November 4, 1903, to January 21, 1914, to guard American interests.

1904—Dominican Republic—January 2 to February 11.—To protect American interests in Puerto Plata and Sosua and Santo Domingo City during revolutionary fighting.

1904—Tangier, Morocco.—"We want either Perdicaris alive or Raisula dead." Demonstration by a squadron to force release of a kidnaped American Marine guard landed to protect consul genera.

1904—Panama—November 17 to 24.—To protect American lives and property at Ancon at the time of a threatened insurrection.

1904-05—Korea—January 5, 1904, to November 11, 1905.—To guard the American Legation in Seoul.

1904-05—Korea.—Marine guard sent to Seoul for protection during Russo-Japanese War.

1906-09—Cuba—September 1906 to January 25, 1909.—Intervention to restore order, protect foreigners, and establish a stable government after serious revolutionary activity.

1907—Honduras—March 18 to June 8.—To protect American interests during a war betwen Honduras and Nicaragua; troops were stationed for a few days or weeks in Trujillo, Ceiba, Puerto Cortez, San Pedro, Laguna and Choloma.

1910—Nicaragua—February 22.—During a civil war, to get information of conditions at

Coriuto; May 19 to September 4, to protect American interests at Bluefields.

1911—Honduras—January 26 and some weeks thereafter.—To protet American lives and interests during a civil war in Honduras.

1911—China.—Approaching stages of the nationalist revolution. An ensign and 10 men in October tried to enter Wuchang to rescue missionaries but retired on being warned away.

A small landing force guarded American private property and consulate at Hankow in October.

A marine guard was established in November over the cable stations at Shanghai.

Landing forces were sent for protection in Nanking, Chinkiang, Taku and elsewhere.

1912—Honduras.—Small force landed to prevent seizure by the Government of an American-owned railroad at Puerto Cortez. Forces withdrawn after the United States disapproved the action.

1912—Panama.—Troops, on request of both political parties, supervised elections outside the Canal Zone.

1912—China—August 24 to 26, on Kentucky Island, and August 26 to 30 at Camp Nicholson.—To protect Americans and American interests during revolution activity.

1912—Turkey—November 18 to December 3.—To guard the legation at Constantinople during a Balkan War.

1912-25—Nicaragua—August to November 1912.—To protect American interests during an attempted revolution. A small force serving as a legation guard and as a promoter of peace and governmental stability, remained until August 5, 1925.

1912-41—China.—The disorders which began with the Kuomintang rebellion in 1912, which were redirected by the Invasion of China by Japan and finally ended by war between Japan and the United States in 1941, led to demonstrations and landing parties for the protection of U.S. interests in China continuously and at many points from 1912 on to 1941. The guard at Peking and along the route to the sea was maintained until 1941. In 1927, the United States had 5,670 armed men ashore in China and 44 naval vessels in its waters. In 1933 U.S. had 3,027 armed men ashore. All this protective action was in general terms based on treaties with China ranging from 1858 to 1901.

1913—Mexico—September 5 to 7.—A few marines landed at Claris Estero to aid in evacuating American citizens and others from the Yaqui Valley, made dangerous for foreigners by civil strife.

1914—Haiti—January 29 to February 9, February 20 to 21, October 19.—To protect American nationals in a time of dangerous unrest.

1914—Dominican Republic—June and July.—During a revolutionary movement, United States naval forces by gunfire stopped the bombardment of Puerto Plata, and by threat of force maintained Santo Domingo City as a neutral zone.

1914-17—Mexico.—The undeclared Mexican-American hostilities following the Dolphin affair and Villa's raids included capture of Vera Cruz and later Pershing's expedition into northern Mexico.

1915-34—Haiti—July 28, 1915, to August 15, 1934.—To maintain order during a period of chronic and threatened insurrection.

1916—China.—American forces landed to quell a riot taking place on American property in Nanking.

1916-24—Dominican Republic—May 1916 to September 1924.—To maintain order during a period of chronic and threatened insurrection.

1917—China.—American troops were landed at Chungking to protect American lives during a political crisis.

1917-22—Cuba.—To protect American interests during an insurrection and subsequent unsettled conditions. Most of the United States armed forces left Cuba by August 1919, but two companies remained at Camaguey until February 1922.

1918-19—Mexico.—After withdrawal of the Pershing expedition, our troops entered Mexico in pursuit of bandits at least three times in 1918 and six in 1919. In August 1918 American and Mexican troops fought at Nogales.

1918-20—Panama.—For police duty according to treaty stipulations, at Chiriqui, during election disturbances and subsequent unrest.

1918-20—Soviet Russia.—Marines were landed at and near Vladivostok in June and July to protect the American consulate and other points in the fighting between the Bolsheviki troops and the Czech Army which had traversed Siberia from the western front. A joint proclamation of emergency government and neutrality was issued by the American, Japanese, British, French, and Czech commanders in July and our party remained until late August.

In August the project expanded. Then 7,000 men were landed in Vladivostok and remained until January 1920, as part of an allied occupation force.

In September 1918, 5,000 American troops joined the allied intervention force at Archangel, suffered 500 casualties and remained until June 1919.

A handful of marines took part earlier in a British landing on the Murman coast (near Norway) but only incidentally.

All these operations were to offset effects of the Bolsheviki revolution in Russia and were partly supported by Czarist or Kerensky elements. No war was declared. Bolsheviki elements participated at times with us but Soviet Russia will claim damages.

1919—Dalmatia.—U.S. Forces were landed at Trau at the request of Italian authorities to police order between the Italians and Serbs.

1919—Turkey.—Marines from the U.S.S. Arizona were landed to guard the U.S. Consulate during the Greek occupation of Constantinople.

1919—Honduras—September 8 to 12.—A landing force was sent ashore to maintain order in a neutral zone during an attempted revolution.

1920—China—March 14.—A landing force was sent ashore for a few hours to protect lives during a disturbance at Kiukiang.

1920—Guatemala—April 9 to 27.—To protect the American Legation and other American interests, such as the cable station, during a period of fighting between Unionists and the Government of Guatemala.

1920-22—Russia (Siberia)—February 16, 1920, to November 19, 1922.—A marine guard to protect the United States radio station and property on Russian Island, Bay of Vladivostok.

1921—Panama-Costa Rica.—American naval squadrons demonstrated in April on both sides of the Isthmus to prevent war between the two countries over a boundary dispute.

1922—Turkey—September and October.—A landing force was sent ashore with consent of both Greek and Turkish authorities, to protect American lives and property when the Turkish Nationalists entered Smyrna.

1922-23—China.—Between April 1922 and November 1923 Marines were landed five times to protect Americans during periods of unrest.

1924—Honduras—February 28 to March 31, September 10 to 15.—To protect American lives and interests during election hostilities.

1924—China—September.—Marines were landed to protect Americans and other foreigners in Shanghai during Chinese factional hostilities.

1925—China—January 15 to August 29.—Fighting of Chinese factions accompanied by riots and demonstrations in Shanghai necessitated landing American forces to protect lives and property in the International Settlement.

1925—Honduras—April 19 to 21.—To protect foreigners at La Celba during a political upheaval.

1925—Panama—October 12 to 23.—Strikes and rent riots led to the landing of about 600 American troops to keep order and protect American interests.

1926—China—August and September.—The Nationalist attack on Hankow necessitated the landing of American naval forces to protect American citizens. A small guard was maintained at the consulate general even after September 16, when the rest of the forces were withdrawn. Likewise, when Nationalist forces captured Kluklang, naval forces were landed for the protection of foreigners November 4 to 6.

1926-33—Nicaragua—May 7 to June 5, 1926, to January 3, 1933.—The coup d'etat of General Chamorro aroused revolutionary activities leading to the landing of American marines to protect the interests of the United States. United States forces came and went, but seem not to have left the country entirely until January 3, 1933. Their work included activity against the outlaw leader Sandino in 1928.

1927—China—February.—Fighting at Shanghai caused American naval forces and marines to be increased there. In March a naval guard was stationed at the American consulate at Nanking after Nationalist forces captured the city. American and British destroyers later used shell fire to protect Americans and other foreigners. "Following this incident additional forces of marines and naval vessels were ordered to China and stationed in the vicinity of Shanghai and Tientsin."

1932—China.—American forces were landed to protect American interests during the Japanese occupation of Shanghai.

1933—Cuba.—During a revolution against President Gerardo Machado naval forces demonstrated but no landing was made.

1934—China.—Marines landed at Foochow to protect the American Consulate.

1940—Newfoundland, Bermuda, St. Lucia, Bahamas, Jamaica, Antigua, Trinidad, and British Guiana.—Troops were sent to guard air and naval bases obtained by negotiation with Great Britain. These were sometimes called lend-lease bases.

1941—Greenland.—Taken under protection of the United States in April.

1941—Netherlands (Dutch Guiana).—In November the President ordered American troops to occupy Dutch Guiana but by agreement with the Netherlands government in exile, Brazil cooperated to protect aluminum ore supply from the bauxite mines in Surinam.

1941—Iceland.—Taken under the protection of the United States, with consent of its Government, for strategic reasons.

1941—Germany.—Sometime in the spring the President ordered the Navy to patrol ship lanes to Europe. By July U.S. warships were convoying and by September were attacking German submarines. There was no authorization of Congress or declaration of war. In November, the Neutrality Act was partly repealed to protect military aid to Britain, Russia, etc.

1946—Trieste.—President Truman ordered the augmentation of U.S. troops along the zonal occupation line and the reinforcement of air forces in northern Italy after Yugoslav forces shot down an unarmed U.S. Army transport plane flying over Vennezia Giulla. Earlier U.S. naval units had been dispatched to the scene.

1948—Palestine.—A marine guard was sent to Jerusalem to protect the U.S. Consular General.

1948-49—China.—Marines were dispatched to Nanking to protect the American Embassy when the city fell to Communist troops, and to Shanghai to aid in the protection and evacuation of Americans.

1950-53—Korea.—U.S. responded to North Korean invasion of South Korea by going to its assistance, pursuant to United Nations Security Council resolutions. Congressional authorization was not sought.

1954-55—China.—Naval units evacuated U.S. civilians and military personnel from the Tachen Islands.

1956—Egypt.—A Marine battalion evacuated U.S. nationals and other persons from Alexandria during the Suez crisis.

1958—Lebanon.—Marines were landed in Lebanon at the invitation of its government to help protect against threatened insurrection supported from the outside.

1959-60—The Caribbean.—2d Marine Ground Task Force was deployed to protect U.S. nationals during the Cuban crisis.

1962—Cuba.—President Kennedy instituted a "quarantine" on the shipment of offensive missiles to Cuba from the Soviet Union. He also warned the Soviet Union that the launching of any missile from Cuba against any nation in the Western Hemisphere would bring about U.S. Nuclear retaliation on the Soviet Union. A negotiated settlement was achieved in a few days.

1962—Thailand.—The 3d Marine Expeditionary Unit landed on May 17, 1962 to support that country during the threat of Communist pressure from outside; by July 30 the 5,000 Marines had been withdrawn.

1962-75—Laos.—From October 1962 until 1975, the United States played a role of military support in Laos.

1964—Congo.—The United States sent four transport planes to provide airlift for Congolese troops during a rebellion and to transport Belgian paratroopers to rescue foreigners.

1964-73—War in Vietnam.—U.S. Military advisers had been in South Vietnam for a decade, and their numbers had been increased as military position of Saigon government became weaker. After the attacks on U.S. destroyers in the Tonkin Gulf. President Johnson asked for a resolution expressing U.S. determination to support freedom and protect peace in Southeast Asia. Congress responded with the Tonkin Gulf Resolution, expressing support for "all necessary measures" the President might take to repel armed attack against U.S. forces and prevent further aggression. Following this resolution, and following a Communist attack on a U.S. installation in central Vietnam, the U.S. escalated its participation in the war.

1965—Dominican Republic.—Intervention to protect lives and property during a Dominican revolt. More troops were sent as the U.S. feared the revolutionary forces were coming increasingly under Communist control.

1967—Congo.—The United States sent three military transport aircraft with crews to provide the Congo central government with logistical support during a revolt.

1970—Cambodia.—U.S. troops were ordered into Cambodia to clean out Communist sanctuaries from which Viet Cong and North Vietnamese attacked U.S. and South Vietnamese forces in Vietnam.

The object of this attack, which lasted from April 30 to June 30, was to ensure the continuing safe withdrawal of American forces from South Vietnam and to assist the program of Vietnamization.

1974—Evacuation from Cyprus.—United States naval forces evacuated U.S. civilians during hostilities between Turkish and Greek Cypriot forces.

1975—Evacuation from Vietnam.—U.S. naval vessels, helicopters, and marines were sent to assist in evacuation of refugees and U.S. nationals from Vietnam.

1975—Evacuation from Cambodia.—President Ford ordered U.S. military forces to proceed with the planned evacuation of U.S. citizens from Cambodia.

1975—Mayaguez incident.—President Ford ordered military forces to retake the SS Mayaguez, a merchant vessel en route from Hong Kong to Thailand with a U.S. citizen crew which was seized from Cambodian naval patrol boats in international waters and forced to proceed to a nearby island.

Mr. HEFLIN. I want to point out a few of these important deployments of troops where there was declaration of war. There were a lot of them in which there was some naval action. They were not as important, but there have been a great number in which we have had military action which necessitated additional expenditures for the military. They certainly could be classified as military emergencies.

In 1914 to 1917, there occurred the Mexican War, and there was a tremendous amount of activity. General Pershing won his reputation in the Mexican War, yet it was an undeclared war. Therefore, under this constitutional amendment it would have required a three-fifths vote for military operations.

In 1927, the United States had 5,670 troops ashore in China and 44 naval vessels in its waters. In August of 1918, the United States landed 7,000 troops in Russia in Vladivostok, and they remained there until January of 1920 as a part of an allied occupation force.

In September of 1918, out of those 7,000 American troops in Russia, we suffered some 500 casualties.

Now, let us consider what happened before our entry into World War II. We were the arsenal of democracy. We spent a tremendous amount of money on military preparations and military expenditures conveying ships to England. We sent many, many vessels. We had destroyers, we had convoys all during that time without a formal declaration of war.

The Lebanese situation brings to mind again that in 1958 we landed American troops in Lebanon. In 1962, you had the Cuban missile confrontation, at which time there was a quarantine of Cuba. Again, no declaration of war.

Then again we look to the vote that sticks out in my mind, that on the eve of World War II the draft was adopted by one vote in the House of Representatives.

Senator JENNINGS RANDOLPH at that time was in the House, and his vote was the difference between whether or not the draft was to be enacted at that time. If we had not had the leadtime with the draft being enacted, I shudder to think of the consequences that might have occurred to this Nation in World War II.

Then there was the Berlin airlift, which also involved a great deal of military expenditures. Again, at that particular time it may have been that three-fifths vote might have been required, but there have been occasions in which there is a congressional mentality that the difference in the Senate between 51 and 60 votes can well mean the difference between this Nation's life and this Nation's death.

Then I look at Korea. Korea was classified because it was not a declared war as a police action, and it went on for a number of years.

Then I look at the recent situation in Iran. We deployed troops in Iran in an effort to try to rescue the hostages and we also expended large sums of money dealing with a third ocean Navy. We had to put naval ships, aircraft carriers in and around the Persian Gulf and the Indian Ocean. All of these are instances of the expenditure of money without a declared war.

Then I come to Vietnam. Really, I suppose as I look over the history of this Nation there have been few wars that had the unpopularity of the Vietnam war.

Following the Vietnam war, within, say, 2, 3, 4 years thereafter, I shudder to think what would have occurred if we had had a military emergency. I believe the difference between 51 and 60 votes for military appropriations could have been indeed vital at that particular time. I cannot get that out of my mind, and it moves me to say that we do need this military emergency exception, with a post-Vietnam war syndrome manifesting itself in many ways in this country, a period which I do not believe most of us are proud.

I feel a military emergency exception is absolutely essential.

Let us look at some close votes, and there have been some close ones, in the history of this country. The House of Representatives declared war on Britain in 1812 by a 6-vote majority. We know about the draft and the fact that on the eve of World War II there was one vote, JENNINGS RANDOLPH'S vote, that made the difference in the

outcome of World War II in my judgment.

Then there is a vote which is somewhat different dealing with Vietnam. The vote that approved the withdrawal of the troops from Vietnam passed the Senate by nine votes.

In the Senate as we look at this military exception, the difference between 51 and 60 votes, I do not believe we ought to be playing political games with a mystical or mysterious messenger that flies back and forth between the Senate and the House. I believe this is a very serious matter and a matter in which the life of this Nation or the death of this Nation may well be involved.

I want to point out that there are a lot of things which can occur in the future, including strategic oil reserves and its relationship with a military emergency. I want to point out that we are faced in the not-too-distant future with a change of leadership in Russia. Dr. Shulman of the Russian Institute of Columbia University predicted about 6 or 7 months ago that there would be a change of leadership from a group in which the leaders are of the age 65 to 75, to a group of the age 40 to 55 in a matter of 5 years with some transitional changes taking place in the meantime.

The change in leadership may mean a lot of different things.

The Mideast is a powder keg, and I am worried about the Iranian-Iraqi war. I am worried about where Iran is getting its military might from today. I am worried about what Iran may do if it succeeds in taking over the Iraqi oilfields and what other nations may be on its list in that area.

It seems to me that as we move toward fiscal responsibility, a balanced budget, we should also take into account that military emergencies can arise. They have arisen in the past, when we have deployed troops abroad without a formal declaration of war, many times. That does not mean that we are going to need additional finances every time, but I have recited a number of instances in which it was extremely important that we did have the resources to meet the problem that existed at that time.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HEFLIN. I am about through, but I will yield to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, the Senator's amendment certainly does attract my favorable attention. Although the language in the resolution is what I would call adequate, this amendment gives more elasticity and more shifting ground for the difference in the vote.

I know by experience on this floor that when the Korean war started, we relied on the United Nations. During the war in Vietnam, the uncertainty was here, but there never was a crystallization of the real issue of declaring war. Congress backed off from it.

However, the language that was worked on in the War Powers Act, which Vietnam generated, shows this very problem.

Incidentally, if the proposed constitutional amendment—which I am very much in favor of and have been for years—is passed, I believe that the greatest experts we have in the use of the English language, coupled with the other qualities, must be brought in at the conference to work on this. But I think this is an improvement over the present proposal of the regular resolution.

I commend the Senator highly for the way he has spelled it out here—the words "unforeseen," "military emergency." As one who worked on the War Powers Act, I do not think we can improve on that language. It is spelled out clearly. It is protected all the way through, as I see it. I believe we will strengthen the amendment greatly and bring it closer to reality by adopting this amendment, which I hope the Senate will see fit to do.

I commend the Senator for his fine work.

Mr. RANDOLPH. Mr. President, will the distinguished Senator from Alabama yield for an observation?

Mr. HEFLIN. I am delighted to yield to the distinguished Senator from West Virginia, to whom I have referred on several occasions in my previous remarks, whose vote was a deciding factor in the adoption of the draft prior to World War II.

Mr. RANDOLPH. I thank my colleague.

Mr. President, it was on the evening of August 12, 1941, when in the House of Representatives, we were coming to the climax of very bitter debate, wide ranging in defense matters, with the decision to be made on the extension of the Selective Service Act. The vote, of record, was close. In fact it was 203 to 202. It was a decision by one vote. I supported the draft in that crucial action.

I well recall, the speeches during that debate. Yes; it was a bitter debate. Especially, as we neared the rollcall. Statements were made that no nation on Earth would even consider an attack on the United States of America and that we were a strong country and we did not have an urgent need for the extension of the Selective Service Act—the draft. Many of our colleagues argued that by continuing the Selective Service Act we were warmongers. I remember those cruel words. House Members searched their minds and hearts on that fateful day.

Perhaps the Japanese Imperial Empire, the warlords of Japan, felt there was a division in this country—one side for the draft, the other side against the draft. They may have believed there was a lack of unity within our country; that we were a Republic in which the lines were tightly drawn. Who knows? Recall, as I have said, that our vote was on August 12. The United States was attacked by sea and air on December 7 of that year, 1941.

Yes; the closeness of that vote indicated to the Japanese that we were not a united country, that we were divided, one against the other. That mistaken view might have occasioned their all out attack at Pearl Harbor.

There is always the importance of one vote. The knowledgeable Senator from Alabama has developed his case. I point out that several States of the Union have come into the Union by only one vote. Did the Senator mention that fact?

Mr. HEFLIN. No; I did not. But I understand that the State of Texas was annexed by only two votes. That is the only one I know of specifically in that regard.

Mr. RANDOLPH. Several States came into the Union by one vote.

One vote is highly important. A young man said to me recently, "What is the importance of my one vote?"

I replied: "That is a vote that belongs to you and no one else, and if you do not exercise it, it ceases to exist."

What I have said is not analogous to what the Senator from Alabama is saying, but it shows that one vote that is used is a very important vote; that one vote is perhaps the deciding vote on a vital issue.

I support the Senator's amendment. He has spoken with logic. It was very considerate of him to permit me to be a cosponsor.

I return again to that one vote, on August 12, 1941, of 203 to 202. In my considered judgment that result was exceedingly helpful in our successful struggle in defense of our Republic.

Mr. HEFLIN. I thank the distinguished Senator.

Mr. BIDEN. Mr. President, will the Senator yield a second?

Mr. HEFLIN. I yield to the distinguished Senator from Delaware.

Mr. BIDEN. It is probably useful that we do not know which States came in by only one vote. We may very well wish there were a two-thirds requirement.

Mr. HEFLIN. At this time I will reserve the remainder of my time until later.

Mr. THURMOND. Mr. President, I allot myself as much time as may be required.

Mr. President, this amendment purports to be an amendment to provide a waiver of Senate Joint Resolution 58 in times of military emergency which is unforeseen at the time Congress adopts a statement of receipts and outlays.

Senate Joint Resolution 58 already has a waiver for a declaration of war which is in section 3.

If the Nation is truly facing an emergency situation where military expenditures may be necessary to meet an imminent threat, I honestly believe Congress will take the necessary steps. What are the necessary steps? Either by three-fifths vote to incur a deficit, or to raise the revenues necessary to fund additional military expenditures.

Mr. President, I am sympathetic with the purpose of this amendment, but do not believe it is necessary to meet unforeseen military emergency situations. History tells us that Congress is not afraid to respond to national military emergencies.

Mr. President, we have opposed amendments seeking to place an emergency waiver in Senate Joint Resolution 58 based on the fact that under the proposed amendment Congress can waive its provisions with regard to deficits by three-fifths and with regard to revenues by a constitutional majority.

Mr. President, opponents have argued but what if Congress does not vote by those margins to meet the emergency situation? What then?

Congress has always responded to those emergency situations where the security of our Nation is at stake. The legislative record of Congress bears this out. Since before World War II Congress has consistently supported funding for emergency situations which threaten the security of the Nation.

Congress has risen to the occasion in the past and will continue to do so in my opinion under the provisions of Senate Joint Resolution 58. We do not need additional language in this amendment, and I will continue to argue that the amendment adequately provides a method for meeting such emergency situations.

Mr. President, I ask unanimous consent that a table showing the actions of Congress during emergency situations where more than the 60 percent necessary in this proposed amendment voted for the spending necessary to meet emergency conditions be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the Senator from Alabama indicated that the White House favors this amendment. I state categorically the White House is opposed to this amendment. I have talked to the White House myself and was told that a committee in the White House had considered this very amendment and decided against it. I want the record to show that.

I talked to Mr. Duberstein, the chief of liaison to Congress. He assured me that that was the official position of the administration on this amendment.

We feel that this amendment is unnecessary for the response that I have stated and for that reason we oppose the amendment.

EXHIBIT 1

HISTORY OF CONGRESSIONAL VOTES ON MAJOR DEFENSE SPENDING BILLS DURING URGENT MILITARY SITUATIONS (1937–82)

PRE-WORLD WAR II

Bill/law	Title/description	Amount	Year	House—Vote
H.R. 5232	Navy Department appropriations	$528 million	1937	Final passage: House—Voice; Senate—64 to 11. Conference report: House—Voice; Senate—Voice.
H.R. 6692	Army appropriations fiscal year 1938	$417 million	1937	Final passage: House—Voice; Senate—Voice. Conference report: House—300 to 42; Senate—Voice.
H.R. 8993	Navy Department appropriations, fiscal year 1939	$546.9 million	1938	Final passage: House—Voice; Senate—Voice.
H.R. 9995	Army appropriations fiscal year 1939	$459 million	1938	Final passage: House—Voice; Senate—Voice. Conference report: House—Voice; Senate—Voice.
H.R. 6149	Navy appropriations bill	$770.5 million	1939	Final passage: House—297 to 58; Senate—61 to 14.
H.R. 6791	Supplemental military appropriations	$223 million	1939	House—Voice; Senate—Voice.
H.R. 7805	Army and Navy appropriations, fiscal year 1941	$740 million	1940	Final passage: House—Voice; Senate—Voice. Conference report: House—Voice; Senate—Voice.
H.R. 9209	Military establishment appropriations, fiscal year 1941	$785 million	1940	Final passage: House—Voice; Senate—74 to 0. Conference report: House—Voice; Senate—Voice.
H.J. Res. 607	Additional Military Establishment appropriations, fiscal year 1941	$337 million	1940	Final passage: House—Unanimous; Senate—Voice.
H.J. Res. 614	Supplemental defense housing measure, fiscal year 1941	$75 million	1940	Final passage: House—Voice; Senate—Voice.
H.R. 10263	Supplemental national defense appropriations, fiscal year 1941	$5 billion	1940	Final passsage: House—Voice; Senate—Unanimous. Conference report: House—Voice; Senate—Voice.
H.R. 10572	3d supplemental defense appropriations, fiscal year 1941	$2 million (defense research)	1940	Final passage: House—Voice; Senate—Voice.
H.R. 4124	Supplemental national defense appropriations	$4.4 billion	1941	Final passage: House—327 to 0.
H.R. 4050	Supplemental national defense appropriations	$7 billion	1941	Final passage: House—336 to 55; Senate—67 to 19.
H.R. 6159	Supplemental military appropriations	$10 billion	1941	House—Voice; Senate—Voice.
H.R. 5788	Supplemental military appropriations	$6 billion	1941	Final passage: House—328 to 67; Senate—59 to 13.

Note: United States declared war on Japan Dec. 8, 1941, Germany and Italy Dec. 11, 1941.

PRE-KOREAN WAR BUILD-UP

Bill/law	Title/description	Amount	Date	House	Vote
1947					
H.R. 3493	Navy appropriations, fiscal year 1948	$3.1 billion	May 20, 1947	House	Voice.
H.R. 3493	Navy appropriations, fiscal year 1948	$3.3 billion	June 24, 1947	Senate	Voice.
H.R. 3493	Navy appropriations, fiscal year 1948, conference report	$3.2 billion	July 15, 1947	House, Senate	Voice.
H.R. 3678	Military establishment appropriation bill	$5.2 billion	June 5, 1947	House	Voice.
H.R. 3678	Military establishment appropriation bill	$5.6 billion	July 15, 1947	Senate	Voice.
H.R. 3678	Military establishment appropriation bill, conference report	$5.4 billion	July 25, 1947	House, Senate	Voice.
1948					
H.R. 6226	National defense supplemental, 1948	$923.1 billion	April 15, 1948	House	343 to 3.
H.R. 6226	National defense supplemental, 1948	$958.2 billion	May 6, 1948	Senate	74 to 2.
H.R. 6226	National defense supplemental, 1948, conference report	$948.9 billion	May 11, 1948	House, Senate	Voice.
H.R. 6771	National military establishment, military functions	$6.4 billion	June 2, 1948	House	350 to 2.
H.R. 6771	National military establishment, military functions	$6.8 billion	July 17, 1948	Senate	Voice.
H.R. 6771	National military establishment, conference report	$6.7 billion	July 19, 1948	House, Senate	Voice.
H.R. 6772	Department of the Navy	$3.6 billion	June 3, 1948	House	Voice.
H.R. 6772	Department of the Navy	$3.8 billion	June 15, 1948	Senate	Voice.
H.R. 6772	Department of the Navy, conference report	$3.7 billion	June 17, 1948	House, Senate	Voice.

PRE-KOREAN WAR BUILD-UP—Continued

Bill/law	Title/description	Amount	Date	House	Vote
1949					
H.R. 4146, Public Law 434	National military establishment appropriations bill, fiscal year 1950	$15.6 billion	April 13, 1949	House	271 to 1.
			August 29, 1949	Senate	Voice.
H.R. 6427, Public Law 430	Second supplemental appropriations bill	$1,079 million, included $915 million for military aid and Military National Establishment.	October 14, 1949	Senate	Voice.
			October 18, 1949		

KOREAN WAR

[North Korea invaded the Republic of Korea June 25, 1950. U.S. ground forces landed June 30. On July 24, President Truman asked Congress for $10 billion for armed services for Korean military operations]

Bill/law	Title/description	Amount	Date	House	Vote
1950					
H.R. 9526, Public Law 848.	1st supplemental appropriations/in direct response to the cost of the Korean war and President Truman's July 24 request.	$17.2 billion total. Included $11.6 billion for the Defense Department. $4 billion for military aid.	Aug. 26, 1950	House	311 to 1, final passage.
			Sept. 14, 1950	Senate	Voice, final passage.
H.R. 9920, Public Law 911.	2d supplemental appropriations/additional appropriations for the Korean war	$19.8 billion total. Included $16.8 billion for the Defense Department.	Dec. 15, 1950	House	Voice.
			Dec. 21, 1950	Senate	Voice.
			Jan. 1, 1951	House	Voice, conference report.
			Jan. 2, 1951	Senate	Voice, conference report.
1951					
S. Res. 99	Affirmed the dispatch of 4 U.S. divisions to NATO by President Truman		Apr. 4, 1951	Senate	69 to 21.
H.R. 9526	Supplemental appropriations for 1951	$16.8 billion total. $11.6 billion for military purposes.	Aug. 26, 1951	House	310 to 1, final passage.
H.R. 5054	Defense Department appropriations for 1952	$56.9 billion	Aug. 9, 1951	House	348 to 2, final passage.
			Sept. 13, 1951	Senate	79 to 0, final passage.
1952					
H.R. 7391	Defense appropriations for 1953	$45.7 billion	Apr. 9, 1952	House	Voice, final passage.
			June 30, 1952	Senate	66 to 0, final passage.
1953					
H.R. 5969	Defense appropriations for 1954	$34.4 billion total, $2 billion for the Korean War.	July 2, 1953	House	386 to 0, final passage.
			July 23, 1953	Senate	Voice, final passage.

SPUTNIK AND THE "MISSILE GAP"

[Sputnik was successfully launched on Oct. 4, 1957]

Bill/law	Title/description	Amount	Date	House	Vote
1958					
H.R. 9739, Public Law 325	Authorization of supplemental funds for construction of Air Force SAC bases	$550 million	Jan. 15, 1958	House	374 to 0, final passage.
			Jan. 30, 1958	Senate	Voice, final passage.
H.R. 10146, Public Law 322	Supplemental appropriations to accelerate strategic programs	$1.3 billion	Jan. 23, 1958	House	388 to 40, final passage.
			Feb. 8, 1958	Senate	78 to 0, final passage.
H.R. 12738, Public Law 724	Defense appropriations for 1959	$39.6 billion	June 5, 1958	House	390 to 0, final passage.
			July 30, 1958	Senate	71 to 0, final passage.
H.R. 13015, Public Law 685	Authorization for funds for military construction	$1.76 billion	July 10, 1958	House	379 to 2, final passage.
			July 30, 1958	Senate	80 to 0, final passage.
1959					
H.R. 7454, Public Law 166	Defense appropriations for 1960	$39.2 billion	June 3, 1959	House	392 to 3, final passage.
			July 14, 1959	Senate	90 to 0, final passage.
H.R. 5674, Public Law 149	Authorization for funds for military construction	$1.2 billion	Apr. 16, 1959	House	379 to 7, final passage.
			June 30, 1959	Senate	89 to 3, final passage.
S. 1096, Public Law 12	Authorization for funds for NASA	$48.4 million	Mar. 10, 1959	Senate	91 to 0, final passage.
			Apr. 14, 1959	House	Voice, final passage.
H.R. 7007, Public Law 86	Authorization for funds for NASA	$485.3 million	May 20, 1959	House	294 to 128, final passage.
			June 14, 1959	Senate	81 to 1, final passage.
1960					
H.R. 10809, Public Law 481	Authorization for funds to accelerate the Saturn rocket program	$915 million	Mar. 9, 1960	House	399 to 10, final passage.
			May 3, 1960	Senate	78 to 0, final passage.
H.R. 10777, Public Law 500	Authorization for funds for military construction	$1.2 billion	Mar. 9, 1960	House	407 to 4, final passage.
			May 13, 1960	Senate	Voice, final passage.
H.R. 11998, Public Law 601	Appropriations for defense for 1961	$40 billion	June 30, 1960	House	402 to 5, conference report.
			June 30, 1960	Senate	83 to 3, conference report.

VIETNAM WAR

Bill/law	Title/description	Amount	Date	House	Vote
1964					
H.J. Res. 1145	Southeast Asia resolution ("Gulf of Tonkin" resolution)		Aug. 7, 1964	House	414 to 0.
H.J. Res. 1145	Southeast Asia resolution ("Gulf of Tonkin" resolution)		Aug. 7, 1964	Senate	88 to 2.
1965 [1]					
S. 800	Military procurement authorization, fiscal year 1966	$15.2 billion	April 6, 1965	Senate	85 to 0.
H.R. 7657	Military procurement authorization, fiscal year 1966	$15.3 billion	May 5, 1965	House	396 to 0.
H.J. Res. 447 [2]	Supplemental appropriations for military operations in Southeast Asia	$700 million	May 5, 1965	House	408 to 7.
H.J. Res. 447	Military supplemental appropriations, fiscal year 1966	$700 million	May 6, 1965	Senate	88 to 3.
H.R. 9221	Defense Department appropriations, fiscal year 1966	$45.1 billion	June 23, 1965	House	407 to 0.
			August 25, 1965	Senate	89 to 0.
1966					
H.R. 12889, S. 2791	Supplemental Defense authorization for Vietnam war, fiscal year 1966	$4.8 billion	March 1, 1966	House	393 to 4.
			March 1, 1966	Senate	93 to 2.
H.R. 13546	Defense Department Vietnam supplemental appropriations, fiscal year 1966	$13.1 billion	Mar. 15, 1966	House	389 to 3.
			Mar. 22, 1966	Senate	87 to 2.
S. 2950	Military procurement authorization, fiscal year 1967	$17.5 billion	April 28, 1966	Senate	Voice.
			June 14, 1966	House	356 to 2.

VIETNAM WAR—Continued

Bill/law	Title/description	Amount	Date	House	Vote
S. 2950	Military procurement authorization, fiscal year 1967 (conference report)		July 12, 1966	Senate	81 to 1.
			July 12, 1966	House	359 to 2.
H.R. 15941	Defense appropriations, fiscal year 1967	$58.6 billion	July 20, 1966	House	393 to 1.
H.R. 15941	Defense appropriations, fiscal year 1967	$58.1 billion	August 18, 1966	Senate	86 to 0.
H.R. 17637	Military construction and housing appropriations, fiscal year 1967	$1 billion	September 14, 1966	House	346 to 3.
			October 10, 1966	Senate	Voice.
1967					
S. 665	Supplemental defense authorization for Vietnam war	$4.4 billion	March 1, 1967	Senate	89 to 2.
S. 665	Supplemental defense authorization for Vietnam war (conference report)	$4.5 billion	March 8, 1967	House	364 to 13.
H.R. 7123	Vietnam supplemental fiscal year 1967	$12.2 billion	March 16, 1967	House	385 to 11.
H.R. 7123	Vietnam supplemental fiscal year 1967	$12.2 billion	Mar. 20, 1967	Senate	77 to 3.
S. 666	Military procurement authorization, fiscal year 1968	$20.8 billion	Mar. 21, 1967	Senate	86 to 2.
H.R. 9240	Military procurement authorization, fiscal year 1968	$21.5 billion	May 9, 1967	House	401 to 3.
H.R. 10738	Defense Department appropriations, fiscal year 1968	$70.2 billion	June 13, 1967	House	407 to 1.
H.R. 10738	Defense Department appropriations, fiscal year 1968	$70.1 billion	Aug. 22, 1967	Senate	84 to 3.
H.R. 10738	Defense appropriations fiscal year 1968, conference report	$69.9 billion	Sept. 12, 1967	House	365 to 4.
			Sept. 13, 1967	Senate	74 to 3.
1968					
H.R. 16703	Military construction	$1.8 billion	Apr. 25, 1968	House	346 to 14.
			June 25, 1968	Senate	74 to 3.
S. 3293	Military procurement authorization, fiscal year 1969	$21.6 billion	Apr. 19, 1968	Senate	54 to 3.
			July 11, 1968	House	363 to 15.
S. 3293	Military procurement authorization, fiscal year 1969 conference report	$21.6 billion	Sept. 10, 1968	House	322 to 15.
			Sept. 11, 1968	Senate	Voice.
H.R. 18785	Military construction appropriations, fiscal year 1969	$1.7 billion	July 29, 1969	House	Voice.
			Aug. 1, 1968	Senate	71 to 3.
H.R. 18707	Defense Department appropriations, fiscal year 1969	$72.2 billion	Sept. 12, 1968	House	333 to 7.
H.R. 18707	Defense Department appropriations, fiscal year 1969	$71.8 billion	Oct. 3, 1968	Senate	55 to 2.
H.R. 18707	Defense appropriations, fiscal year 1969, conference report	$71.8 billion	Oct. 11, 1968	House	213 to 6.
			Oct 11, 1968	Senate	Voice.
1969					
H.R. 14751	Military construction appropriations, fiscal year 1970	$1.4 billion	Nov. 13, 1969	House	343 to 32.
H.R. 15090	Defense Department appropriations, fiscal year 1970	$69.3 billion	Dec. 8, 1969	House	330 to 33.
H.R. 14751	Military construction appropriations, fiscal year 1970	$1.69 billion	Dec. 8, 1969	Senate	82 to 0.
H.R. 15090	Defense Department appropriations, fiscal year 1970	$69.6 billion	Dec. 15, 1969	Senate	85 to 4.
1970					
H.R. 17123	Military procurement authorization, fiscal year 1971	$19.9 billion	May 6, 1970	House	326 to 69.
			Sept. 1, 1970	Senate	84 to 5.
H.R. 19590	Defense Department appropriations, fiscal year 1971	$66.4 billion	Oct. 8, 1970	House	274 to 31.
			Dec. 8, 1970	Senate	89 to 0.
H.R. 17970	Military construction appropriations, fiscal year 1971	$2.04 billion	June 11, 1970	House	308 to 57.
			Oct. 14, 1970	Senate	Voice.
1971					
H.R. 8687	Defense procurement authorization	$21 billion	June 17, 1971	House	331 to 58.
H.R. 8687	Defense procurement authorization	$21.4 billion	October 6, 1971	Senate	82 to 4.
H.R. 11731	Defense appropriations, fiscal year 1972	$70.8 billion	November 23, 1971	Senate	80 to 5.
H.R. 11731	Defense appropriations, fiscal year 1972	$70.5 billion	December 15, 1971	House	293 to 39.
1972					
H.R. 15495	Defense procurement authorization, fiscal year 1973	$21.3 billion	June 27, 1972	House	334 to 59.
H.R. 15495	Defense procurement authorization, fiscal year 1973	$20.5 billion	August 2, 1972	Senate	92 to 5.
H.R. 15495	Defense procurement authorization, fiscal year 1973, conference report	$20.9 billion	September 13, 1972	House	335 to 44.
H.R. 15495	Defense procurement authorization, fiscal year 1973, conference report	$20.9 billion	September 15, 1972	Senate	73 to 5.
H.R. 16754	Military construction appropriations, fiscal year 1973	$2.2 billion	September 25, 1972	House	293 to 12.
H.R. 16754	Military construction appropriations, fiscal year 1973	$2.3 billion	October 3, 1972	Senate	87 to 0.
H.R. 16593	Defense Department appropriations, fiscal year 1973	$74.6 billion	September 14, 1972	House	322 to 41.
		$74.5 billion	October 2, 1972	Senate	70 to 5.
H.R. 16754	Military construction appropriations, fiscal year 1973, conference report	$2.3 billion	October 12, 1972	House	333 to 10.
			October 12, 1972	Senate	Voice.
H.R. 16593	Defense Department appropriations, fiscal year 1973, conference report	$74.4 billion	October 12, 1972	House	316 to 42.
			October 13, 1972	Senate	Voice.

[1] February 1965: President Johnson ordered bombing raids over North Vietnam. On June 8, 1965, U.S. commanders authorized to commit 23,000 U.S. advisers to combat.
[2] H.J. Res. 447 was approved in less than 53 hrs. after President Johnson's request.

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. HEFLIN. In the Senator's table there are instances of votes on national defense efforts showing votes in high majorities. Does that mean that we do not need article III which says that we will suspend the three-fifths requirement in times of declared war? Does it mean that my amendment really does not have any effect? I feel the Senator's argument that we have had instances in the past of large votes approving military appropriations is correct. But I do not think that we can point to this post-Vietnam syndrome period that we had 4 or 5 years, that and state that if a military emergency or threat to national security were to arise that would have meant that we could have had under the circumstances additional deficit spending.

Also the fact is that here the Senator does not have the atmosphere of restraint on spending that we will have under the constitutional amendment. I think that that is another answer to that.

I thank the Senator for yielding.

Mr. THURMOND. Mr. President, we think that this amendment is adequate and the more we add to these amendments the more cumbersome they get. The House leaders tell us that it is going to make it very difficult if we add to this amendment. If something is really essential, really necessary, that is one thing. But we feel that this amendment is not necessary for the reasons that I just stated. We feel that Congress will take the necessary steps. They can do this, as I said, by either a three-fifths vote to incur a deficit or they can raise the revenues necessary to fund the additional military expenditures.

The chart I have, I think, is self-explanatory. This chart goes back to 1937 showing where the Congress overwhelmingly took action to take care of the situation in all those instances.

I wish to commend the able Senator from Alabama. He has been most helpful on this constitutional amendment. He is a most-valuable member of the Judiciary Committee, has great knowledge and experience as chief justice of the State of Alabama, which has served him well here, and we appreciate the good work he is doing. But we just feel that a constitutional amendment should be limited to the essentials, and that the amendment he has offered here is not essential to the purposes to be accomplished here. That is the reason why we oppose it.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. THURMOND. I would be pleased to yield.

Mr. BIDEN. Does the chairman of the Judiciary Committee believe that this amendment, the constitutional amendment, before us, if it had been law in 1970, 1971, and 1972, when Senator DENTON was in a prison camp in Vietnam, that we could have gotten a super majority on the floor of the U.S. Senate to run the deficit up or in 1974 when things were still going on, that he could have gotten a super majority to insure we would see to it that our military men would have what they needed, when they did not even have what they needed then? Does he think he could have gotten those numbers?

Mr. THURMOND. Mr. President, in response to the statement by the distinguished ranking member of the Judiciary Committee, with whom I have the pleasure of working regularly, I want to say I think these figures here for 1971 are very clear. Here is a defense procurement authorization which passed 331 to 58. That was H.R. 8687. Here is H.R. 8687, a defense procurement authorization, which passed by a vote of 82 to 4; defense appropriations for fiscal year 1972 passed 80 to 5; defense appropriations for fiscal year 1972 which passed 293 to 39. For 1972 you might say there are similar majorities.

Mr. BIDEN. Does the Senator think if the war had gone on he could have gotten those numbers in 1975 and 1976?

Mr. THURMOND. Well, Mr. President, I think the American people will stand by our country in time of emergency. I think public opinion will demand it, and the record shows in the past we have done that.

Mr. BIDEN. One last question, if I may: What does the Senator think would happen this year if the constitutional amendment were in place? Does the Senator think we would have voted the money we needed for defense or does he think we would have had to cut out—let me see, to balance the budget, if memory serves me correctly, we would have to cut out—new programs flat out, just cut them all out now in order to balance the budget to keep the military supplied, or does the Senator think we would have eliminated the tax cut?

I do not know what we would do. I am just curious as to what the Senator thinks. I know the Senator believes very strongly in the need for defense in time of an undeclared war, which we have now, as I am told by my conservative friends, that there is an undeclared war with the Soviet Union right now. What would we do?

Mr. THURMOND. Well, Mr. President, I think the people of the country will back the necessary funds to provide the necessary military establishment. I think that was clear last year and this year when President Reagan recommended such a large defense appropriation and made a request for a great increase, and after all public opinion controls, and Congress went along with him. So public opinion must have backed that increase.

Mr. BIDEN. So the Senator thinks public opinion would have supported these large deficits then?

Mr. THURMOND. I think public opinion supported the large defense expenditure. I do not think public opinion necessarily supported some of the other matters, but that is a matter of opinion.

Mr. BIDEN. I thank the Senator.

Mr. DENTON. Mr. President, if the distinguished senior Senator from Alabama will yield time, I would like to offer some opinions and ask some questions on this matter. I certainly want to adhere to the administration's position regarding this question. I want to take the counsel of my distinguished chairman of the Judiciary Committee who is managing the bill at this time, and the counsel of my distinguished chairman of the Armed Services Committee, also present in the Chamber at the moment.

I must say that I agree with the Senator from South Carolina that the thrust of my colleague from Alabama's proposed amendment is sound, and I respect the views of the distinguished Senator from South Carolina who had such a distinguished career in World War II and who has been such a staunch defender of this Nation's security, along with the Senator from Texas.

However, I believe this matter is of such importance that I would ask us to look further into it than we have in the last few minutes.

I have read Senator DOMENICI's comments on this matter when he considered the introduction of a similar amendment. He said:

> While I had some indication the administration wanted some additional language, and I thought some necessary, I have been persuaded there is reasonable likelihood we will be able to get the votes needed to establish Federal fiscal policies that are responsive to national emergencies other than war without providing for an additional waiver.

He goes on to say:

> I honestly believe we will not operate in a vacuum and we will offer our fiscal policy when we have emergencies of the type and sort of war. I have been persuaded that Congress will supply the requisite votes to get that done.

I believe all those who have been speaking to Senator HEFLIN's amendment would favor additional spending if there is some kind of unforeseen and imminent threat arising to our national security. I think the question concerns the exact method by which we take more comfort that that aim will be achieved. The question is whether recognition of a threat will be by a majority vote, or whether it will be more likely by a three-fifths vote? At the moment I am persuaded that it will be more likely by a majority vote.

However, I have one strong present reservation about the wording of the amendment of my colleague from Alabama, and that is that he refers to finding the Nation in an "unforeseen and imminent condition of military emergency." I think that we would have difficulty in applying the term "military emergencies" to a number of other threats to the national security which could arise and, indeed, Mr. Stockman and, I believe, the President or at least the White House have implied that they want language that provides for the possibility of an unforeseen or imminent threat to the "national security," I think that phrase is a more all-embracing, and one which could be more easily and more generally defined than the phrase a "military emergency."

I wonder if my respected colleague from Alabama would entertain a suggestion to change the words following "nation" in the third line of his unprinted amendment, and substitute "to find the nation with an unforeseen and imminent threat to the national security," and, thus, have it read, "should find the nation with an unforeseen and imminent threat to the national security as so declared by joint resolution adopted," and so forth? I believe that comes into identity with expressions from the White House, with the statements of David Stockman and, I believe, more clearly identifies that which is in the mind of Senator THURMOND, Senator TOWER, and my colleague Senator HEFLIN. A "military emergency" would not have to exist if, say, the nation discovered through intelligence sources that such and such an act might be taking place and if we did not do certain things by appropriating money or moving troops to such and such an area, which would take money, without violating the War Powers Act, we would be in great trouble.

I think this entire body would be in favor of a broader provision permitting concern for "national security" as a whole.

I ask the Senator from Alabama, would he agree to ask unanimous consent to make the change that I suggested?

Mr. HEFLIN. Yes, I would. I think the suggestion of amendatory language by the distinguished Senator from Alabama is wise and good. This in my amendment language went back and forth between the White House, Stockman's office, and my office. I had the language of "military urgency" in my original amendment. We finally agreed on the words "military emergency," but I think, in keeping with the language that was contained in the statement of administrative policy dated July 13, 1982, and in keep-

ing with the testimony of Secretary Donald Regan today, in which he uses the words "threats to national security," that that is an improvement on the language, and I, therefore, request unanimous consent to amend my amendment to reflect those words instead of the words "military emergency."

The PRESIDING OFFICER. Is there objection to the modification? Without objection, the amendment is so modified.

The amendment (UP No. 1173), as modified, is as follows:

On page 3, line 21, insert before the period a comma and "except that if Congress, after the adoption of the statement of receipts and outlays, should find the Nation with an unforeseen and imminent threat to the national security and so declare by a joint resolution adopted by a majority of the whole number of both Houses of Congress, the Congress may then, by a majority vote of the whole number of both Houses of Congress, provide for such additional outlays for the defense of the Nation as are necessary to finance the military response to the emergency which would cause the total outlays set forth for such year in such statement to be greater than the receipts set forth for such year in such statement".

The PRESIDING OFFICER. Who yields time?

Mr. HEFLIN. Mr. President, Senator TOWER was here and wanted to make a statement. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, if the able Senator from Alabama is ready to yield back his time, we are ready to yield back our time. I understood the Senator from Alabama would yield 2 hours on his amendment to the two managers of the resolution.

Mr. HEFLIN. Yes. I was waiting for Senator TOWER. He said he wanted to make his statement in support of this. But I do not know where he is right now. I do not want to hold this up any longer. I am willing to go to a vote.

I believe I have 8 hours under my control. I am willing to yield back 2 hours of that for the floor managers of the bill, if they desire it. I reserve the remainder of my time for possibly another amendment.

Mr. FORD. Mr. President, reserving the right to object, I would like to inquire what will the 2 hours yielded to the floor managers of the bill do? Does that just give them extra time to debate tomorrow? I thought we had an agreement that was basically that we would have one amendment tomorrow and then an hour on each side and then we would go to a vote at 12 o'clock.

I do not understand the yielding of the 2 hours to the manager of the bill. Could somebody enlighten me?

Mr. THURMOND. Mr. President, so far as the Senator from South Carolina is concerned, we could just yield it all back and get to a vote just as quick as we can on all the amendments.

Mr. FORD. That is fine. But I do not know why the 2 hours was yielded to the managers of the bill when we had 2 hours of debate tomorrow.

Mr. THURMOND. We did not need any time and we thought someone else might need it.

Mr. FORD. I see the distinguished majority leader is here. I thought we had the time limit for tomorrow. I was just trying to figure out how we were getting around that and what was going to happen beyond that.

Mr. BAKER. Mr. President, if the Senator will yield, I say to my friend from Kentucky that by reason of previous arrangements there apparently are 107 minutes, I believe, still available to the distinguished Senator from South Carolina on the resolution and 87 minutes under the control of the minority. I assume that if the Senator from Alabama were to relinquish 2 hours of his time it would be added to those totals and it would not affect the 12 noon vote on tomorrow.

Mr. FORD. Mr. President, I have no objection. I just did not understand. I thank the majority leader for his courtesy.

Mr. BAKER. I thank the Senator from Kentucky.

Mr. President, the Senator from Texas is in the Chamber. I hope we can dispose of this amendment pretty promptly because we have two others behind it and a decision has to be made shortly on whether we continue this debate tonight or go over to tomorrow. We presently have an order to convene at 9 o'clock tomorrow morning.

Mr. President, I hope we can finish soon.

The PRESIDING OFFICER. Who yields time?

Mr. HEFLIN. Mr. President, I yield to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I will be very brief. I think that the whole exercise on this constitutional amendment is the ultimate confession of failure on the part of the Congress of the United States. We are unable to discipline ourselves to do what we should do and, therefore, we feel constrained to try to institutionalize that discipline in the Constitution of the United States.

The Constitution is a document that was crafted very carefully and was the result of some of the best minds of the 18th century. It represented a spirit of compromise and a recognition of divergent interests and an ability to subordinate those differences to the greater good of creating a fundamental law for this country that has served us remarkably well when we consider the changing times and circumstances and demography and geography.

It is with a heavy heart that I see the Congress of the United States offer this amendment to the Constitution. I cannot help but believe there is great merit in what George Will said when he said we should not change the fundamental law, the Constitution.

This is a matter that should not really be in the fundamental law of this land. In fact, almost two-thirds of the States of this country requested a constitutional convention to consider such an amendment. There is a great deal of popular support for the submission of this amendment. Therefore, I think that we are obliged to submit it to a referendum of the people as they are represented in their respective State legislatures. Because I think it should be submitted to such a referendum and because I think there should be a great national debate on this issue, I intend to vote to report this amendment. However, if invited by any State legislature in the country, I would be deeply delighted to testify against its ratification.

I think that this whole exercise indicates that we do not know what the far-reaching effect of this amendment may be. Some think there are loopholes in it and it is not tight enough. Others think it may be too restrictive and impose undue burdens on the ability of the Congress to do its business. I do perceive the possibility that it could result in a paralysis of public action by virtue of matters acted on by the Congress being tied up in courts for months and perhaps even years.

My primary concern is the security of the United States of America and our ability to respond to emergencies in a timely way and with whatever resources may be required to deal with that emergency. Therefore, I believe that the amendment couched in its present terms is inadequate, and I therefore support the amendment offered by the Senator from Alabama. I think it is a constructive step.

I do have doubts that in a time of national emergency, or what might be perceived as a national emergency by some, there might be a sharp division then pending that would preclude a 60-percent majority that would enable us to act in an adequate way.

Therefore, I think it is prudent, in the interest of our security, to adopt the amendment that has been offered by the Senator from Alabama and I intend to support it and urge my colleagues to do likewise.

SEVERAL SENATORS. Vote! Vote!

Mr. HEFLIN. I have no objection to a vote. I reserve the remainder of my time on a possible second amendment.

I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

SEVERAL SENATORS. Vote!

Mr. THURMOND. If the distinguished Senator from Alabama is ready to yield back his time, I am ready to yield mine back.

Mr. BIDEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. How can one reserve time on an amendment and at the same time have a vote on that amendment?

The PRESIDING OFFICER. The unanimous-consent agreement under which the Senate is operating provided for a total of 6 hours to be divided among two amendments, divided in the manner the proponents and opponents of the amendments see fit.

Mr. BIDEN. I thank the Chair.

The PRESIDING OFFICER. Has the Senator from Alabama reserved the remainder of his time for use on a subsequent amendment and is he prepared to go to a vote?

Mr. HEFLIN. That is correct.

The PRESIDING OFFICER. In accord with the unanimous-consent agreement, the question is on agreeing to the amendment of the Senator from Alabama. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—47

Baucus	Ford	Moynihan
Bentsen	Glenn	Nunn
Biden	Hart	Pell
Bradley	Heflin	Pryor
Bumpers	Heinz	Randolph
Byrd, Robert C.	Hollings	Riegle
Cannon	Huddleston	Sarbanes
Chafee	Inouye	Sasser
Chiles	Jackson	Schmitt
Cohen	Johnston	Specter
Cranston	Kennedy	Stennis
Denton	Leahy	Tower
Dixon	Levin	Tsongas
Dodd	Matsunaga	Weicker
Eagleton	Metzenbaum	Zorinsky
Exon	Mitchell	

NAYS—51

Abdnor	Burdick	Dole
Andrews	Byrd,	Domenici
Armstrong	Harry F., Jr.	East
Baker	Cochran	Garn
Boren	D'Amato	Gorton
Boschwitz	Danforth	Grassley
Brady	DeConcini	Hatch
Hatfield	Mathias	Roth
Hawkins	Mattingly	Rudman
Hayakawa	McClure	Simpson
Helms	Melcher	Stafford
Humphrey	Murkowski	Stevens
Jepsen	Nickles	Symms
Kassebaum	Packwood	Thurmond
Kasten	Percy	Wallop
Laxalt	Pressler	Warner
Long	Proxmire	
Lugar	Quayle	

NOT VOTING—2

Durenberger Goldwater

So Mr. HEFLIN's amendment (UP No. 1173), as modified, was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

UP NO. 1174

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 1174.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the resolved clause, and substitute in lieu thereof the following:

"Section 1. Prior to each fiscal year, the President shall transmit to the Congress a budget for the United States Government for that fiscal year in which total outlays are no greater than total receipts, except the President may transmit to the Congress a budget for a fiscal year in which total outlays are greater than total receipts if the President includes with such budget a detailed statement specifying the reasons why total outlays for such fiscal year should exceed total receipts for such fiscal year.

"Section 2. After receiving the budget required by section 1 of this article, and prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts. The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject. The Congress and the President shall, pursuant to legislation or through exercise of their powers under the first and second articles, ensure that actual outlays do not exceed the outlays set forth in such statement.

"Section 3. Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the year or years ending not less than six months nor more than twelve months before such fiscal year, unless a majority of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

"Section 4. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect or for any fiscal year in which the Congress declares a national economic emergency by a majority vote of the whole number of both Houses directed solely to that subject.

"Section 5. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal.

"Section 6. Except to the extent provided in legislation enacted by the Congress after the effective date of this article, the judicial power of the United States shall not extend to that part of any case, controversy, claim, or defense arising under, or based in whole or in part on, this article, nor shall that part of any case, controversy, claim or defense arising under, or based in whole or in part on, this article be entertained or considered by any court of the United States or of any State.

"Section 7. The Congress shall enforce and implement this article by appropriate legislation.

"Section 8. This article shall take effect for the second fiscal year beginning after its ratification.

The PRESIDING OFFICER. The Chair invites all Senators who wish to converse to retire from the Chamber and asks Senators and others in the Chamber to be in order so that the Senator from Arkansas may be heard.

Mr. BUMPERS. Mr. President, this is an amendment in the nature of a substitute, and I will take about 5 minutes——

Mr. FORD. Mr. President, a point of order. The Senate is not in order. It is getting late and I think the Senator from Arkansas deserves to be listened to.

The PRESIDING OFFICER. The Senator from Kentucky makes a good point. It is the desire of the Chair to maintain a quiet atmosphere in the Chamber so that the Senator can be heard.

Mr. BUMPERS. Mr. President, this is an amendment in the nature of a substitute. It does three things. It embodies the entire amendment of the Judiciary Committee with the exception of the amendment that was adopted today and presented by the Presiding Officer, the Senator from Colorado, and the Senator from Oklahoma (Mr. BOREN). It does three more things. I am offering this amendment for a very simple reason. I think there are a lot of Senators who would like to vote for something they feel would be much more responsible than Senate Joint Resolution 58 in its current form.

It will give Senators an opportunity to vote for something that embodies three improvements.

No. 1, this amendment does, indeed, give the President a role in submitting a budget to the Congress. The amendment that I have offered on that subject is precisely the same language that the Senator from Kentucky had in his amendment. And, incidentally, the Senator from Kentucky is a cosponsor of this amendment.

So, if Senators feel that the President ought to at least be a bit player in this drama, this is an amendment that takes care of that.

No. 2, it embodies the proposition that by a majority vote the Congress may declare a national economic emergency. That has been debated extensively and I will not belabor it except to just make this one point. This country can be in as much trouble economically as it is in time of war. There is only one entity in the United States that can reverse an economic disaster, and that is the U.S. Government. What would we have done in 1932 had this amendment been in place? Everybody knows the answer to that. And so, if Senators believe that Congress ought to be able to waive the requirements of this by a majority vote and declare an economic emergency because there is an economic emergency, this amendment provides for it.

Third, this amendment contains the language of the Senator from Washington (Mr. GORTON) and the Senator from New Hampshire (Mr. RUDMAN) dealing with the court's jurisdiction over all challenges to this amendment.

It is difficult to comprehend what a nightmare this constitutional amendment can turn into. It does not take a fertile mind to conjure up hundreds of scenarios that would literally logjam every court in this country if we do not place some limits on judicial review.

There is the underlying assumption, I believe, by most of my colleagues that the courts are going to take the position that every challenge to how Congress handles this amendment is a political question and therefore the people of this country do not have any standing to sue.

Senators must understand that the U.S. Supreme Court, when it has dealt with challenges to the Constitution on occasion has, indeed, said, "That is a political question. That is not something this court is going to deal with."

For years and years and years the States in this country did not reapportion and all of a sudden came a case called Baker against Carr. I think it was 1962. The Supreme Court suddenly said, "This is no longer a political question; it is a due process and equal protection question." What the Court said is that challenges to districts on constitutional grounds would henceforth be heard. If you live in a district that elects a representative to the State legislature and there are 100,000 people in that district and the district adjoining that one elects one member to the legislature and only has 50,000 people, their vote counts twice as much as the vote where 100,000 people live. Baker against Carr set the stage, and after Reynolds against Sims every State in the Nation had to reapportion. All Senators remember that.

So, to assume that the courts of this country are going to take the position that every court case under this amendment presents a political challenge could be very dangerous indeed.

Take for example, the question we just voted on, the amendment by Mr. HEFLIN dealing with whether we are at war or not; can you imagine somebody raising the question in court, are we at war? Were we at war when we were in Korea? Were we at war when we were in Vietnam? The Constitution says we shall declare war, but there was no declaration of war in those instances.

To all my colleagues in the U.S. Senate, I have said it many times, but I want to say it again: You are dealing with the most sacred document known to man, with the exception of the Holy Bible, so far as this Senator is concerned. We should not amend it at a late hour, when people are tired. We should not amend it because somebody had a political idea. We should do it thoughtfully and deliberately.

I remind Senators that Thomas Jefferson, James Madison, and Ben Franklin did not see fit, in their wisdom, to put a provision such as this in the Constitution, and I dare say that we should not, either.

So I am saying that the courts should not have jurisdiction of challenges under this constitutional amendment, unless Congress gives it to them, and this amendment states clearly that proposition. We could decide to say that certain elements should be subject to court challenge. We can do that by legislation after ratification. But until we do that, I can envision Congress being subjected to all kinds of mandamus actions.

I can visualize some third-level bureaucrat saying he has taken it on himself not to issue another food stamp because, in his opinion, it will unbalance the budget. A food stamp recipient hauls that bureaucrat into court and says, "The budget is not unbalanced, and you don't have the right to withhold my food stamps."

Multiply that thousands of times, and those are just some of the possible scenarios that may develop.

This is a responsible amendment. In my opinion, it is a vast improvement. The three amendments I have incorporated in this substitute have been very well thought out by the sponsors who previously offered them here.

So, if you want to vote for something responsible and tell people you voted for something responsible, vote for this amendment.

Mr. THURMOND. Mr. President, every part of this amendment has been acted upon by the Senate and voted down. We are not going to take more time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I am willing to yield back my time, if the able Senator from Arkansas is willing to do so.

Mr. BUMPERS. If nobody else wishes to speak on it, I am prepared to do so.

Mr. FORD. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. FORD. Mr. President, I understand that the distinguished Senator from South Carolina says that all these things have been debated and it is now time to vote and there is no need to take any further time. This is the first time all three have been put together. It is the first time we have had an opportunity to vote on the three of them at the same time, en bloc.

Not many people here like what they are doing. Even the distinguished Senator from Texas (Mr. TOWER) said he is going to vote for the amendment, and then he will go to the legislature and testify against their ratifying the amendment. That is the kind of amendment we now have before us.

It does not make a great deal of sense to me that those people who are opposed to the amendment are still voting for it and yet think it is wrong.

Here is an opportunity to take three amendments to the constitutional amendment, which received at least 45 votes. Every one received at least 45 votes. I have seen a lot of pressure in this Chamber, but I have never seen any more pressure than was exerted to defeat at least one of them.

When they could not defeat the Armstrong amendment this afternoon, they backed off, and you saw people vote their conscience rather than political pressure, and they switched their votes. There was a larger vote this afternoon for the Armstrong amendment than we had on the others. But once the pressure was taken off, Senators began to vote their consciences. Now it is time. If you want to make a change for the better, you have the opportunity to vote en bloc for those amendments that have come very close to being adopted, if the political pressure had not been applied.

They put an arm around me and said, "I like your amendment. It's a good amendment. I wanted to vote for it, but they wouldn't let me."

I do not believe they would not let you. They asked you not to, and the political pressure was put on.

These are good amendments. This will give an opportunity for some of us who will not vote for it in its present form to vote for it tomorrow noon. So if we can get this amendment adopted, this substitute of the distinguished Senator from Arkansas, it will give some of us in this Chamber an opportunity to vote for this amendment who would not otherwise vote for it.

I thank the distinguished Senator from Arkansas for yielding.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I yield.

Mr. HART. If I correctly understand the argument of the Senator from Arkansas on this amendment, it is as follows: It is a chancy, if not dangerous, proposition to amend the Constitution of the United States. But if we are going to amend the Constitution of the United States, we should at the same time deny, for all practical effects, access of citizens and organizations in our society to the courts of the land to challenge the provisions of this constitutional amendment. Is that correct?

Mr. BUMPERS. It is correct, to this extent: Except such rights as Congress shall give by legislation subsequent to the ratification of the amendment.

Mr. HART. Subsequent to the ratification of the amendment.

Mr. BUMPERS. That is right.

Mr. HART. But this amendment does not spell out suits where citizens have standing.

Mr. BUMPERS. The Senator is correct.

Mr. HART. I gather that the Senator would agree that, as dangerous as it is to amend the Constitution, it is even more dangerous to amend the Constitution and then deny to the citizens of this country the right to challenge the constitutionality of the behavior of public officials under that amendment.

Mr. BUMPERS. The Senator is absolutely correct; because, in my humble opinion, unless you limit judicial review, there is no possibility of this constitutional amendment ever working.

If you allow every court in this country to entertain challenges, whether it is in the tax court dealing with a revenue question, whether it is in the Federal courts dealing with whether a particular outlay exceeds a balanced budget, this amendment, in my opinion, is absolutely unworkable.

I do not see how in the world it can work anyway. But I certainly do not believe it ever can work if everybody can successfully see who is disenchanted with what Congress has done or who sees some technical violation of their perception of the amendment. If that happens, then I assure you that the amendment does not have any chance of working.

Mr. HART. The net effect of what the Senator is saying is that if we amend the Constitution in the manner of this resolution, to balance the budget, in order to make that amendment work, we must, at the same time, foreclose a fundamental right of American citizens to challenge the constitutionality of the actions of public officials under that amendment.

Mr. BUMPERS. Let me say one other thing.

It is the opinion of this humble Senator-lawyer that the courts, under precedents that exist today, are not going actually to entertain and resolve the kinds of cases the Senator from Colorado has mentioned.

What I am saying is that the court in the past has changed its mind on what is political and what is not. It is my humble opinion that, right now, most every challenge that could be presented will be considered political, but I might be wrong.

Mr. HART. First of all the Senator from Colorado did not talk about any type of suit. I talked about any kind of a range of suits. It was not a specific political question I was talking about.

Frankly, what I am talking about is a suit brought by a citizen of the United States presuming ratification of this amendment which brought into question the constitutionality of the provision of the resolution that could become an amendment to the Constitution having to do with gaging the balance of the budget on a term in the resolution called national income, and we have seen in debate over the past week that no one on this floor can define what national income is nor do they want to.

Mr. MOYNIHAN. Mr. President, will the Senator from Colorado yield for a question?

Mr. HART. After I finish the thought.

So, in effect, what the Senator from Arkansas is saying is to make this constitutional amendment work we have to deny the rights of citizens in this country the ability to challenge in the courts of this country the notion of national income which no Senator on the floor is able to define.

I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Colorado.

With deepest regard for the Senator from Arkansas and he knows that there is not a person in this Chamber whose sense of the Constitution I hold in higher respect with regard to his judgment and his commitment. But in this report it states there are not only three algebraic formulas. But there is one paragraph that says the term national income may include and then there are five definitions of this possible meaning, and as a form of not contending anyone will accept one definition, I offered on the floor of the Senate the definition of the Department of Commerce now in place with respect to what national income means. The report says it will be defined by Congress later. But would I be wrong? And I ask either the Senator from Colorado or the Senator from Arkansas. Has the court ever accepted a congressional definition of a constitutional term as final? I believe it has not.

Mr. HART. It has not, to the recollection of the Senator from Colorado. And further and perhaps even more importantly, the Senator from Colorado cannot recall an instance in the history of this Republic where Congress has cut off access to the courts to the judicial branch of government by a citizen of this country to raise the issue.

Mr. BUMPERS. If I may just respond to the Senator from New York, I came to this floor yesterday and engaged the Senator from Utah in a colloquy on this very point because I think if there is anything that is likely to be successfuly challenged, it is this term "national income" which no one seems to know the meaning of.

Mr. MOYNIHAN. I sought to represent it on a blackboard if the Senator will recall.

Mr. BUMPERS. Yes.

Mr. MOYNIHAN. One of many possible definitions.

Mr. BUMPERS. And the committee report not only lists five possible criteria for determining what national income is, but it goes ahead to state two things: No. 1, that the list is not exclusive. No. 2, that it will be whatever Congress decides it shall be. It is not immutable, which means Congress may change yearly its determination as to what national income is. But to get down to the point of someone's right to challenge the determination by Congress of what national income is, it is my belief——

Mr. MOYNIHAN. May we have order, Mr. President?

Mr. HART. May we have order in the Senate?

Mr. BUMPERS. It is my belief that once Congress makes that determination it is not likely to be subject to challenge because of the political question doctrine. I believe that the constitutional scholars in this country would verify this. I believe that if Congress decides, for example, that gross national product is the same thing as national income for the purposes of defining it under this constitutional amendment, if we decide that GNP is what that is I do not believe that anyone could successfully challenge that under current precedents. I am not saying that I like that, and I am not saying that nonretrievability would be a universal rule.

But it is my belief right now that there are very few of those cases that courts will actually hear and decide. But unless we make a specific limitation on judicial reviews, I can tell you that there is a risk that the thousands of lawsuits that will be filed against Congress and members of the executive branch will bring Government to a halt.

Mr. RUDMAN. Mr. President, will the Senator from Arkansas yield for a question?

Mr. BUMPERS. Let me yield to the Senator from New Hampshire.

Mr. RUDMAN. I thank the Senator from Arkansas.

I believe that the Senator from Arkansas stated that this amendment embodied three other amendments including the Gorton-Rudman amendment.

Mr. BUMPERS. I apologize. It is not precisely the language of the Gorton-Rudman amendment.

Mr. RUDMAN. I believe the amendment of the Senator from Arkansas has a good deal of appeal and the Senator from Colorado and the Senator from New York raise I think very valid points.

The point raised, of course, questions what we would do about definitional controversies which normally exist with statutes and probably in this case constitutional amendments. Let me point out to the Senator from Arkansas that amendment 2005 introduced by the Senator from Washington and the Senator from New Hampshire contained this language:

> Except for cases of controversies seeking to define the terms used herein or directed exclusively and implementing legislation adopted pursuant to section 5.

I submit to the Senator from Arkansas that would probably cure some of the concerns expressed by the Senator from Colorado and others.

Mr. BUMPERS. I would be willing to modify my amendment. My amendment actually goes further in excluding the right to challenge this than did the Senator's amendment.

But I do not believe the Senator from Colorado voted for the Senator's amendment either. So I am not sure we picked up his vote with that change.

SEVERAL SENATORS. Vote. Vote.

Mr. THURMOND. Mr. President, is the Senator willing to yield back his time?

Mr. HART. Could I ask the Senator from Arkansas a further question? Earlier today the Senator from Colorado introduced into the RECORD the testimony of Laurence Tribe, professor of constitutional law at Harvard University, delivered today before the House Committee on the Judiciary.

On page 13 of that testimony Professor Tribe says as follows:

> The Federal taxpayers claiming that Congress was raising and spending taxes in violation of the new amendments expressed restrictions on the spending and taxing powers of Congress could certainly obtain standing under the case of *Flast* v. *Cohen* cited as 392 U.S. 831-968.

It is the opinion of the constitutional authority at Harvard University Law School that taxpayers would have standing to raise the issues that the Senator from Arkansas I believe just said that they would not. Does the Senator from Arkansas agree or disagree with that?

Mr. BUMPERS. I apologize. Would the Senator restate that? Do not read the whole thing over. Just summarize it.

Mr. HART. Professor Tribe at Harvard Law School says, citing a 1968 Supreme Court case, that Federal taxpayers would have standing, would presently have standing, to challenge the Congress decisions under this amendment about raising and spending taxes in violation of this amendment's restrictions on that power. In other words, the Supreme Court has ruled as recently as the last 14 years that taxpayers would have such standing.

What the Senator's amendment would do is take that standing away, if I understand it correctly.

Mr. BUMPERS. The Senator is correct.

Mr. GORTON. Mr. President, will the Senator yield?

Mr. BUMPERS. I would be happy to yield.

Mr. GORTON. The Senator is delighted to say he is precisely in agreement with that testimony of Professor Tribe, and it was to prevent that rather obvious course of action that the Senator from New Hampshire and I introduced our amendment last week. It was to cure exactly that problem that the Senator from Arkansas has included a similar although not identical provision in the amendment before us.

Mr. HART. I see. So the idea is to amend the Constitution of the United States and the problems that it creates such as concerned citizens not believing the Congress is living up to the constitutional restrictions one way or the other, that problem is to be taken away by further amendment to the Constitution to take away their right to bring suits in court.

Mr. GORTON. The concern that both the Senator from Arkansas has expressed and this Senator has expressed that in changing rules relating to the way in which the budget is adopted we not inadvertently cause a very substantial shift in the separation of powers away from the Congress of the United States in the direction of the courts. It is a conservative amendment in the sense that at the present time, given the present Constitution, courts, by and large, do not enter into the budget-making process.

The Senator from Arkansas, echoing what we said earlier, simply wishes to continue that 200-year precedent even though this constitutional amendment should become a part of our basic document.

Mr. HART. So it is the decision of the Congress of the United States to make the Constitution an economic document, and then say to the taxpayers, and the citizens of this country that they will not have standing in the courts of the United States to challenge the constitutionality of the operation of that economic behavior. I think that is the most outrageous argument I have ever heard.

Mr. BUMPERS. Let me say again what I have said. I am not saying they will not have any standing, but saying only that they will have the standing Congress sees fit to give them.

Mr. HART. If it sees fit to give it to them.

Mr. BUMPERS. Article 3 of the U.S. Constitution says there shall be a Supreme Court and such inferior courts as Congress sets up, and Congress sets up the courts.

Mr. HART. That is setting up courts; it is not talking about who has access to these courts.

We are going to make the Constitution of the United States an economic document and then tell the taxpayers and the citizens of this country they cannot sue under that economic document. That is the best argument I have ever heard against this constitutional amendment. If you have got to deny access to the courts to the people of this country because of what you are doing to the Constitution, that is the best argument not to adopt this resolution.

Mr. MOYNIHAN. Mr. President, will the Senator from Arkansas yield for a question?

Mr. BUMPERS. I would be happy to yield.

Mr. MOYNIHAN. I cannot too often restate my affection and regard for him in this matter, but is it not the case that this would be the first amendment ever to the Constitution which the Congress, by a vote, could suspend to what idea about the Constitution that 60 Members of this body might judge that a part of the Constitution does not obtain? Second, in support of the Senator from Colorado, we have had Marbury against Madison, the elemental fact that the Supreme Court will judge the meaning of the Constitution. How can we presume, after nearly two centuries, to deny the Court that most elemental of American liberties?

Mr. HART. The Senator from New York has put his finger right on the crux of the problem. I would ask the Senator from Arkansas this question: Would the amendment, if adopted, prevent a citizen of this country from

raising the issue of the constitutionality of the amendment itself?

Mr. BUMPERS. Absolutely not.

Mr. GORTON. Mr. President, will the Senator yield? This is a part of the Constitution. There is no challenge to the constitutionality of a part of the Constitution.

Mr. HART. I differ with the Senator on that.

Mr. BUMPERS. Someone might raise the question of constitutionality because it was not ratified correctly or some such thing as that. Of course, anybody could raise that.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes.

Mr. BIDEN. The Senator from Colorado's last question is like asking, can, in fact, the Congress deny the right of a citizen to challenge the constitutionality of the 14th amendment? How in the world can a citizen challenge the constitutionality of the constitutional amendment? I mean, talk about preposterous statements——

Mr. BUMPERS. That is the point the Senator from Washington is raising.

Mr. BIDEN. I know. I just want to raise another question. You know, the later the evening gets, the more ridiculous this whole discussion becomes.

Mr. GORTON. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes, I would be happy to yield.

Mr. GORTON. From what the Senator from New York pleads, he made an impassioned plea that this was an entirely unprecedented course of action. I beg to read to the Senator from New York the 11th amendment. It says:

> The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.

This has a precedent which is almost 200 years old, I will say to the Senator from Arkansas.

Mr. BUMPERS. The Senator is very perceptive. That is entirely correct. The answer to the Senator from New York's question is, yes, we have done it before. In the 11th amendment, we said no citizens of one State may bring an action against another State of which they are not citizens or residents.

Mr. MOYNIHAN. Could I not ask my revered friend that the first 10 and, as a matter of fact, the 11th and also the 12th amendments have to do with the sorting out—and the 13th as well, the sorting out—of the arrangements of the new Government in its very early years, and we have not ever since dealt in this body in this document, in this—it is truly a sacred document and, as he, the Senator from Arkansas said, and as we know to be true, not above the Bible itself is there, beyond the Bible is there, a more sacred document—we have dealt with the rights of Americans and the powers of Government, with one small unhappy interlude with respect to a past time given to some and not to others, but we have dealt with the powers of Government and the rights of citizens, and now we introduce an ephemeral enthusiasm of the ladies and gentlemen opposite, which is to be encompassed in the basic doctrine of our land and not to be subject to challenge in court.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. The answer to that question from the Senator from New York is yes, under this amendment.

Mr. BIDEN. Let me begin by saying that I think this whole amendment, the more I have listened to it—not the amendment of the Senator from Arkansas but the constitutional amendment that is not clear to all of us—is not very workable.

Mr. MOYNIHAN. Mr. President, may we have order?

Mr. BIDEN. That is all right; I am accustomed to it.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Senator from New York and the Senator from Delaware will suspend.

Mr. BIDEN. I quite frankly do not care whether the Senate is in order while I speak, as long as the official reporter gets what I am saying.

The point that I want to make, though, is very simple, and that is that we really are carrying out objection to the basic amendment, the underlying constitutional amendment, to the point of absurdity.

The fact of the matter is, there is precedent—the 11th amendment is the precedent.

The Senator from New York, who is one of the most persuasive and articulate Members of this body—possibly one of the most persuasive and articulare Members who has ever served in this body—has said, was not the Senator from Arkansas' argument—was not the 11th amendment defining the relationship of the branches of Government—I wish I could say it with the same inflection—the fact of the matter is, this is doing that. Is not this amendment, which is an ill-considered amendment, but is not this constitutional amendment attempting to define the relationship between the branches of Government as it relates to who has the budgetary authority? We are, in fact, not proscribing a right that the Supreme Court now has; we are just saying "You are not going to get a new one."

We are defining who holds what power. And we are saying to you, as we said in the 11th amendment, "You can not play in this game. You are not in. We are not dealing you in."

So there is nothing so wrong about that, but for the fact the amendment itself is wrong. That is the only problem with this. We are attaching a reasonable amendment to an unreasonable concept. The unreasonable concept is that you can define balancing a budget. That is the unreasonableness of this.

So let us not confuse reasonable arguments attached to unreasonable concepts with unreasonable arguments attached to unreasonable concepts.

This is a reasonable argument attached to an underlying amendment that is fatally flawed.

Mr. BUMPERS. I thank the Senator. And I yield back the remainder of my time.

Mr. THURMOND. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Arkansas (Mr. BUMPERS). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 65, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—32

Bentsen	Ford	Mitchell
Biden	Gorton	Nunn
Bradley	Heinz	Pell
Bumpers	Hollings	Pryor
Byrd, Robert C.	Huddleston	Randolph
	Inouye	Riegle
Cannon	Jackson	Sarbanes
Cohen	Levin	Sasser
Cranston	Long	Specter
Dixon	Mathias	Tsongas
Eagleton	Matsunaga	Weicker

NAYS—65

Abdnor	Exon	Melcher
Andrews	Garn	Metzenbaum
Armstrong	Glenn	Moynihan
Baker	Grassley	Murkowski
Baucus	Hart	Nickles
Boren	Hatch	Packwood
Boschwitz	Hatfield	Percy
Brady	Hawkins	Pressler
Burdick	Hayakawa	Proxmire
Byrd, Harry F., Jr.	Heflin	Quayle
	Helms	Roth
Chafee	Humphrey	Rudman
Chiles	Jepsen	Schmitt
Cochran	Johnston	Simpson
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
DeConcini	Kennedy	Symms
Denton	Laxalt	Thurmond
Dodd	Leahy	Tower
Dole	Lugar	Wallop
Domenici	Mattingly	Warner
East	McClure	Zorinsky

NOT VOTING—3

Durenberger	Goldwater	Stafford

So Mr. BUMPERS' amendment (UP No. 1174) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table is agreed to.

Mr. THURMOND. Mr. President, we are ready for the next amendment if Senator BIDEN is ready to present it.

The PRESIDING OFFICER. The Chair requests that Senators refrain from conversation. We are having difficulty hearing the discussion from the floor.

Does the Senator from Delaware seek recognition?

Mr. BIDEN. Yes, I do, Mr. President.

The PRESIDING OFFICER. The Chair will be pleased to recognize the Senator momentarily as soon as order is restored.

UP AMENDMENT NO. 1175

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware (Mr. BIDEN) proposes an unprinted amendment numbered 1175.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 10 strike all through page 4, line 14 and insert in lieu thereof the following:

"ARTICLE—

"SECTION 1. (a) Total outlays of the Government of the United States during any fiscal year shall not increase at a rate greater than the rate of increase in the gross national product in the last calendar year ending before such fiscal year, unless Congress by a vote of three-fifths of the whole number of both Houses shall have authorized a specific additional amount of outlays for such fiscal year.

"(b) The allowable rate of increase in outlays for any fiscal year set by subsection (a) shall be reduced, if the rate of inflation in the preceding calendar year is greater than 6 per cent, by one quarter of the amount by which the inflation rate exceeds 6 per cent.

"SEC. 2. Congress may waive the provisions of this Article for any fiscal year in which a national emergency declared by the President or the Congress is in effect.

"SEC. 3. Total outlays shall include all outlays of the United States except those for repayment of debt principal.

Renumber SEC. 6, "SEC. 4".

Mr. BIDEN. Mr. President, to the pleasure, I hope, of my colleagues, rather than taking an enormous amount of time, I shall limit my debate on this amendment to 5 minutes.

Mr. STENNIS. Mr. President, may we have order? Let us listen for 10 minutes, at least.

Mr. BIDEN. I shall try very hard to limit my remarks to 5 minutes so we can all go home. Anybody who wants a ride to Delaware with me after that is welcome to come.

Mr. President, my amendment is a fairly stark departure from the constitutional amendment that we have before us. It is, in essence, a substitute. Although it is a modification technically, it is a substitute.

I came to the floor, notwithstanding the doubt in the mind of my good friend from New Mexico about my sincerity on the issue, hoping that what I believe to be a flawed amendment from the Judiciary Committee could be corrected. I believe it could have been corrected and made workable if, in fact, we were able to adopt several of the amendments, one of which was something other than a declaration of war being required to obviate the need for the supermajority, one of which relates to the courts. There were several of them.

Without going into a great deal of detail, one thing we have all figured out today, particularly with the adoption of the Armstrong amendment, is that there is really no great point of reference in this amendment to determine what estimates mean, what they are, what they constitute, whether or not this is, in fact, even remotely moving us toward a balanced budget.

The Senator from New Mexico just struck a responsive chord in me when he said the two reasons for this amendment are to shift the bias, so that it is a bias against more spending and against higher taxes. He left out the notion of a balanced budget.

Now I understand why, because it is really not workable. It cannot be done. You cannot get from here to there. So, Mr. President, what I did is go back.

We have—I am not being facetious—a very progressive and very good Governor in my State, named Pierre DuPont, who testified before Budget Committee field hearings. In those hearings—I shall in a moment ask unanimous consent that his entire statement be put in the RECORD. In those hearings, he said, with regard to controlling Government spending:

And so the suggestion I would like to make to you gentlemen this morning is that the Federal budget process might come under better control if there were: First, legislative; and then, constitutional spending controls. I believe we must have a constitutionally mandated spending growth restraint mechanism and until we do, you're not liable to solve the very difficult problem that we have.

And it is a difficult problem. And it is one in which I think you need some help to solve. I am not talking about a balanced budget requirement. That would be unworkable, undefinable and, in any case, if you balance the budget at extremely high rates of taxation and spending you are not going to help yourself because that problem will be just as bad as the problem we have today.

I am not talking about a balanced budget requirement. I am not talking about a constitutional convention of any kind. I think that would be an enormous mistake.

He goes on from there.

Mr. President, I ask unanimous consent that the entire statement of Governor DuPont be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. PIERRE S. DUPONT, GOVERNOR OF THE STATE OF DELAWARE.

Governor DUPONT. Senator Biden, Senator Gorton, I appreciate the opportunity to be with you this morning. I congratulate the Budget Committee on taking its hearing process out into the field and, in fact, I was not aware that you even had such a process, but I appreciate the fact that you do, the fact that I was invited to participate and the opportunity to talk a little bit about the problem that I think we have and make a suggestion as to how we might perhaps come to grips with that problem a little more effectively than we have in the past.

Certainly our economy has become in the last two years the subject of an unprecedented debate. I don't reccall in my time in the Congress, or as Governor, years in which the Federal budget was of greater concern. Everyone is talking about it. Everyone is concerned about it and the public is beginning to put the budget under a magnifying glass and scrutinizing every aspect of it extremely carefully.

I think it is healthy. I think it is long past due. I think it is clear that inflation rates and interest rates, savings and investment rates, unemployment rates and tax levels are all too high and it is past time to consider as a country whether we want to continue the same kind of budget process and the same kind of program we had in the past or whether it isn't time to take a fresh look and perhaps begin a new approach.

The American people decided in 1980 that we ought to take a look at the process, and that is what you gentlemen are engaged in today and, as I say, I think it is a very healthy thing that we are engaged in this debate. I come at the problem from a somewhat different perspective than you do because it is not my assignment to try to put the Federal budget together, or to vote on it, or to offer specific amendments changing this section or that section.

So I would like to step back if I might and take a little bit longer view and I would like to present to you a brief commentary on where I think we are in terms of the budget and the process and then a specific suggestion that I think might help change the direction that the country has been going in that has caused us to have this debate in the first place.

And I would add that in terms of specifics—you are going to hear from a lot of witnesses in the next few days—most particularly, later today Schramm, our Secretary of Health and Social Services, is going to make a detailed presentation about her budget, and I think that is the budget that is most significantly affected by the President's proposals for 1983 and she will have chapter and verse of how the process is going to affect the health and social service programs that impact the people of Delaware.

So we are here today to take a look at the Federal budget, the steering mechanism by which the government directs the spending of our money and the future economic force

of our country. I think a lot of people have concluded over the past few years that the budget mechanism is out of synch and it is out of alignment with the state objectives that we have for our economy; stable prices; maximum employment; available credit; and steady economic growth.

Looking at the budget process over the past several years, it seems to me that one of its major flaws is its institutional bias that permits higher and higher taxes, higher and higher spending, and higher and higher deficits. It is the process that I think may hold hope for the solution to these problems.

Certainly Congress has tried a number of approaches and when I was there we passed a new budget process which all of us believed was going to substantially improve the entire budgeting process, but it hasn't really worked very well to achieve some of those basic goals.

By way of illustration, just look at the recent trend in deficit spending of the country. In the decade of the 1950s, the total budget deficits came to $27.5 billion over the ten years. In the sixties it rose to $60 billion. In the seventies to $300 billion. And in the first four years, including fiscal year 1983, of the 1980s, that deficit will aggregate almost $290 billion. And, of course, in fiscal year 1983 alone, as Senator Gorton just pointed out, we are talking of a deficit somewhere in excess of $100 billion.

Clearly, that is a problem. Sustained annual deficits of the magnitude of 90 or $150 billion present an enormous difficulty for the economy. I don't believe and I would guess you would concur that economic recovery is going to come to pass until we come to grips with those deficits, until we start reducing them and at least give a signal that we are serious about bringing them under control.

While we have deficits of that size we are going to have reduced investment, interest rates are going to stay high. If the choice is to monetize the debt, inflation rates will continue to stay high and economic growth is likely to remain very slow and sluggish.

Clearly we can't let this trend of $27 billion in the decade of the fifties and then $60 billion, and $300 billion and perhaps eight or $900 billion in the decade of the eighties continuing. How are we going to break the cycle? How are we going to change what I think everyone agrees is a continuing persistent 20-year pattern of spending more money than we are taking in?

It seems to me that that is the central problem of our economy and of the budget process today. Well, it seems to me that we might begin to solve the problem if we began to improve some of the machinery of fiscal management. We might begin to look at perhaps some of the weaknesses of the budget process itself.

And I speak with a little bit of knowledge on a much smaller scale of a similar problem because Delaware itself faced some similar economic problems to the ones that we are now facing on the national level. The Delaware economy is not the United States economy and the differences are more than six zeros tacked on to the end.

But I do believe we might have something to contribute because we have had some experience in his particular State at the State level that I think might have a useful analogy on the Federal level.

In the middle of the 1970s, Delaware was going through a very difficult economic period. We had the lowest bond rating of any State in the country. Five of our first seven years in the decade we ran serious operating deficits. In 1976 we were rolling over short-term paper in the amount of $150 million on a budget of less than $450 million. During the recession years of '74 and '75 our employment and income losses far exceeded those of the nation.

And a review of those desolate years would never have predicted the current stability or growth that we are enjoying now that we are into the 1980s. We were going through, just as America is now going through, a period of sustained high unemployment, high debt cost, sluggish economic growth and we were borrowing at an unprecedented rate.

When we came to grips with these problems we devised a broad financial and budget management program that began to strengthen our economy. Governor Tribbitt, just before he left office, took the first step by putting some limits on capital spending authorizations. We followed up tightening up on those even more.

We have consistently reduced per capita debt. We have taken the cost of debt service from 16 cents on the dollar in 1976 to 11 cents on the dollar this year. But central to the theme of our financial success story has been our ability to reduce the growth of State spending and this is where I think the Federal analogy applies.

The essential mechanism by which we accomplished this are two constitutional amendments: One, to limit and restrain our spending authority; second, to put legal limits on our taxing authority. These external controls on our budget process are not absolute prohibitions but they do set guidelines for us to follow and require our legislative process to set some priorities.

They restrict our freedom to continually tax and spend without regard to future consequences. They put a ceiling on our spending so that each year in the legislature the issue becomes how to slice the pie, not how to increase the size of the pie to accommodate all those who would like a larger slice.

And the result of these constitutional amendments has been for balanced budgets, no short-term debt, a nine percent tax cut, a bond rating that has gone up four times, the only State in America whose unemployment rate went down in 1980 instead of up, and in the middle of 1981 we stood third in the Nation in the rate of growth of personal income. I don't believe any of that would have come to pass but for the central concept of our new program which was a constitutional spending one.

And so the suggestion I would like to make to you gentlemen this morning is that the Federal budget process might come under better control if there were: First, legislative; and then, constitutional spending controls. I believe we must have a constitutionally mandated spending growth restraint mechanism and until we do, you're not liable to solve the very difficult problem that we have.

And it is a difficult problem. And it is one in which I think you need some help to solve. I am not talking about a balanced budget requirement. That would be unworkable, undefinable and, in any case, if you balance the budget at extremely high rates of taxation and spending you are not going to help yourself because that problem will be just as bad as the problem we have today.

I am not talking about a balanced budget requirement. I am not talking about a constitutional convention of any kind. I think that would be an enormous mistake. I am talking about a congressionally-enacted statute followed by a constitutional amendment to limit the growth of Federal spending.

The growth limit ought to be based on the outlays of the previous year adjusted upwards by GNP growth and downwards by some kind of an inflation penalty. You need simple majorities to solve the emergency problem. Perhaps an override for a particular year by a 60 percent vote. Perhaps an emergency one-time increase by a three-quarter vote of the Congress and some people have suggested that if you are under a declaration of war you could suspend the process entirely and that might be fine as well.

It is not simple. The definitional problems are complex. The mechanism for putting the whole process into place is difficult. The Congress and the President together have demonstrated for the past 20 years that spending, and tax increases, and deficits are going to continue to grow until we have some kind of restraint.

And I think if we had that kind of a process that the problems that we have seen over the past 20 years could be substantially mitigated. I very much support the concept of the President's economic recovery program, of tax reduction, and spending reductions, and additional resources to national defense.

I think for too long we have relied on higher and higher taxes and higher and higher spending, and the resulting increased deficits, and I think it is time to change direction. But you have a tough time changing that direction, and let me make a suggestion as to how you ought to approach the problem overall.

Clearly a $100 billion deficit is too high. Clearly we are not going to get an economic recovery of any kind until that problem is dealt with. And a key to reducing that deficit, it seems to me, is in allocating responsibility all across the board. We have approached the problem perhaps from the wrong perspective.

The President in his program seems to have suggested that first we are going to cut taxes by so much; second, we are going to raise the defense budget by so much; third, we are going to leave the entitlement programs just as they are; and fourth, we are then going to balance the budget by reducing everything else as much as we have to.

I don't have the exact figures but, when you take entitlements and defense you are somewhere up over 70 percent of the budget.

Senator GORTON. Closer to 80.

Governor DUPONT. Closer to 80. And, in fact, I don't think coming at the problem from that point of view is going to work. It seems to me that you have to allocate part of the solution of your problem to defense, to taxes, to entitlements and to the other spending programs as well. Perhaps not all equally but at least in the perception that it is being accomplished fairly and at least in fact there are some changes being made in all programs.

Defense clearly has to be increased because of the neglect of the past decade. But perhaps not as much as programs. Tax reductions, particularly the business oriented tax reductions that were hung on the Christmas tree when the bill got to the floor, ought to be re-examined.

Personally, I would be opposed to postponing personal tax reductions because those reductions for the average American taxpayer have been very small and I think

we have been overtaxed as people of this country, so I would leave that portion of it alone.

As to entitlements, it seems to me we are not going to come to grips with the problem until the growth of those entitlement programs is somehow limited, and that too, to be fair, must be across the board. All the programs must be affected.

Finally, of course, the balance of the program should take their fair share of the reductions, but in regard to State and local help, I would say that we went from $84 billion in fiscal 1980 to $60 billion in fiscal 1982, the current year, and the President's budget calls for even further reductions. Going from 84 to 60, a 25 percent reduction, is certainly our fair share of the reductions so I would suggest that perhaps we ought to start to look at some of the other areas before taking reductions there.

In short, I think we have a significant institutional problem in our budget process. We have a process that is designed to spend more money. We need a process that is turned around, that is designed to stop spending more money and try to bring spending growth under control.

I believe with the constitutional spending growth limit we could do that. I believe that would be beneficial for you all in the Senate and the Congress because I know how difficult it is when the folks come from home and ask for more money for a particular program. This would give you an argument to say, "Well, I would like to help but, look, we have this spending limitation and we have to live within it."

Secondly, I believe it would reduce the deficits. And thirdly, if we accomplish that it will start us on the road to much more significant real growth in the economy and that * * *.

Mr. BIDEN. The point the Governor makes, and I might add, I found out after doing a little research, the Senator from Pennsylvania (Mr. HEINZ) had a similar amendment that really gets at the crux of the problem in a more reasonable way. Instead of trying to go through the elusive process of balancing the budget, which we all acknowledge we will not even be able to estimate—and I acknowledge that GNP is not a precise mechanism. This says, "total outlays of the Government of the United States during any fiscal year shall not increase at a rate greater than the rate of increase of the GNP in the last calendar year," and so on.

So you have a measure. You do not have to sit and guess whether or not revenues are coming in from oil reserves on Federal land. You do not have to guess whether or not there is going to be flood, famine, whatever. You know what happened the year before. So what you do is tie in the amount of money that the Federal Government can spend to, in fact, the growth of the GNP.

Then it says—if the Senator calls for a vote again, I shall speak for an hour-and-a-half—"the allowable rate of increase for outlays in any fiscal year set by the subsection I just read shall be reduced if the rate of inflation in the preceding calendar year is greater than 6 percent," and so on. The point is that there are two yardsticks: Last year's inflation rate and last year's growth, in order for us to have some sense of where we want to go this year; rather than go through what is a charade of being able to accurately guess what the performance of the economy is going to be in the upcoming year.

There is much more to say, but I shall not say any more, except to conclude with a comment I made earlier today.

I say to Members of the Senate that the folks out there do not have a lot of faith in us. They think we do not know what we are doing. I do not understand how they came to that conclusion, but they do not have a whole lot of faith in us. They do not believe what we tell them, and they do not need another shot at what they will view as chicanery. They are all hepped up. They want a balanced budget amendment. And really what they want is what the Senator from New Mexico said. They want to cut the growth of taxation and they want to cut the growth of spending.

This is a reasonable thing to want, but we have told them the way we are going to do this is through a balanced budget amendment.

We are going to pass this constitutional amendment, and what minimal reservoir of good faith remains in the American public about the collective wisdom of this body will be dissipated incredibly rapidly because along comes 1985 or 1986. The amendment is now law, we have a $300 billion deficit or a $100 billion deficit or any other deficit, and they are going to say, "See, none of it matters even when you put it in the Constitution."

I will cease now. That is all I have to say.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. BIDEN. I yield back all my time, assuming the other side is not going to take more time than I did.

Mr. THURMOND. Mr. President, the Senator has offered an amendment as a substitute for the constitutional amendment we have been considering now for a number of days. We have studied this amendment, and we do not think it is superior to the amendment that we have. In fact, we think it is inferior to the amendment we have.

I am not going to take more time of the Senate. I yield back my time so we can vote.

The PRESIDING OFFICER. The question now is on agreeing to the amendment proposed by the Senator from Delaware.

Mr. BIDEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 10, nays 85, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—10

Biden	Inouye	Randolph
Cranston	Jackson	Tsongas
Eagleton	Matsunaga	
Ford	Metzenbaum	

NAYS—85

Abdnor	Exon	Moynihan
Andrews	Garn	Murkowski
Armstrong	Glenn	Nickles
Baker	Gorton	Nunn
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Brady	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Riegle
Byrd, Harry F., Jr.	Helms	Roth
	Hollings	Rudman
Byrd, Robert C.	Huddleston	Sarbanes
Cannon	Humphrey	Sasser
Chafee	Jepsen	Schmitt
Chiles	Kassebaum	Simpson
Cochran	Kasten	Specter
Cohen	Kennedy	Stennis
D'Amato	Laxalt	Stevens
Danforth	Leahy	Symms
DeConcini	Levin	Thurmond
Denton	Lugar	Tower
Dixon	Mathias	Wallop
Dodd	Mattingly	Warner
Dole	McClure	Weicker
Domenici	Melcher	Zorinsky
East	Mitchell	

NOT VOTING—5

Durenberger	Johnston	Stafford
Goldwater	Long	

So Mr. BIDEN's amendment (UP No. 1175) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1945

Mr. CRANSTON. Mr. President, I call up my amendment No. 1945 and ask that it be made the pending business for tomorrow.

Mr. FORD. Mr. President, if the distinguished Senator from California will withhold, I need 60 seconds or he can do this and then ask a question.

Mr. CRANSTON. Could I do this now and then yield to the Senator?

Mr. FORD. Certainly. I do not wish to lose my right.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HATCH. Mr. President, reserving the right to object, there may be one other amendment before the Cranston amendment. So I would have to object.

Mr. BAKER. The Senator may not object.

Mr. HATCH. They may call it up as a matter of right.

There may be another amendment in addition to the Cranston amendment.

The PRESIDING OFFICER. The Chair is having difficulty hearing the Senator.

Mr. THURMOND. Speak louder.

Mr. HATCH. There may be another amendment in addition to the Cranston amendment.

I wish to preserve that right. The Senator wishes to call up his amendment. Then we wish to ask unanimous consent that there be a right to call up one further amendment before the final vote.

Mr. BAKER. Mr. President, I believe I am correct, am I not, in saying that there is no unanimous-consent order in respect to this but rather an announcement that on tomorrow the arrangement would be the Cranston amendment plus final passage? Is that not correct?

The PRESIDING OFFICER. The Senator is correct. No unanimous-consent agreement has been entered into.

Mr. BAKER. This evening a few moments ago certain Senators who were involved in the so-called Armstrong-Boren amendment indicated that they might have a further amendment. I encouraged them to offer that amendment this evening if possible, in order to preserve the arrangement which had been proclaimed for tomorrow rather extensively and over some period of time.

It is my impression that they decided against offering that amendment and I, of course, cannot speak for them. If they decide to call up an amendment then I suppose they can do that.

But it had been my hope that if such an amendment were going to be offered it would be offered this evening and not in the morning and when I released our people and indicated there would be no more RECORD votes tonight it was on the basis I had been told that that amendment would not be offered.

Once again if there is to be an amendment on this I hope that there will be some possibility of doing that yet this evening. But we are in a bad situation now because we cannot have a rollcall vote on that this evening.

I am willing to abide by whatever arrangement the Members of the Senate wish to make.

But I wanted to make that observation so that no one might misunderstand and think there had been any cross wires on the arrangement that had been announced heretofore.

Mr. ROBERT C. BYRD. Mr. President, I appreciate what the majority leader has said.

The understanding was, although it may not have been ordered strictly by word, the understanding was that all amendments would be disposed of today, with the exception of an amendment by Mr. CRANSTON, and there would be 1 hour on that amendment. I understood he had 2 hours, and was willing to give up one of the hours. Then we would have 2 hours of debate on the constitutional amendment, and the majority leader and I discussed that yesterday. We entered into an agreement. I am sure that was my intent, my understanding of the agreement we entered into. I cannot speak for the majority leader but I feel that my understanding is—that he understood that that was our agreement.

I would hope there would not be another amendment now called upon tomorrow in addition to the Cranston amendment because the understanding was the Cranston amendment, which was the substitute the minority whip has been working on all along, would be the only amendment that would be voted on tomorrow.

If that agreement, if that understanding, is going to be breached, then I think other Senators would have a right to call up an amendment also if they so wish.

I would just hope, as the majority leader has expressed the hope, that we could stick to that understanding because it clearly was the intent and understanding. I had no idea there would be any effort to call up an amendment tomorrow or I would have sought to, in talking with the distinguished majority leader, tie the agreement down to the point that there would be no doubt. That is all I have to say.

(The following proceedings occurred after midnight:)

(Mr. HATCH assumed the chair.)

Mr. ARMSTRONG. Just an observation so there would be no misunderstanding. First, there had been some discussion of whether or not an amendment may be offered which would affect the Armstrong-Boren-Hollings-Quayle amendment. I do not know whether any such amendment will be offered nor whether if such an amendment is offered I would support it, but I did take the trouble to inquire at the desk whether or not a unanimous-consent agreement had been entered into which would preclude my right or the right of other Senators to offer such an amendment.

I did so in preparation for discussions with Mr. QUAYLE and Mr. BOREN, and we were given to understand that no agreement had been entered into. We were not, I guess, aware of the informal understanding. We were aware that the Senator from California (Mr. CRANSTON) had an amendment and it was the last major amendment that was scheduled, and that we had a 12 o'clock deadline. But what we wanted to be sure of was that we had not forfeited in any way the right to offer an amendment tomorrow.

I just want to clarify, first, if we had inadvertently trespassed on an understanding, it was purely by not being aware of it. We sought counsel at the desk as to what consent agreement had been entered into.

Frankly, I do not know whether or not we will have an amendment. If we do it will take little or no time. It would be either something that all of us could agree on or it would be agreeable to everybody, and it would not require extensive debate.

So with that explanation, Mr. President, Senators should be on notice that there may be an amendment to be offered maybe by the Senator from Utah or the Senator from Colorado. But in any case we apologize if we have trespassed on some private understanding.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I understand the remarks of the Senator from Colorado and I appreciate them. It really was not a private understanding though, it had been discussed at some length on the floor and publicly.

Mr. ARMSTRONG. I understand.

Mr. BAKER. But it is true, as he points out, no unanimous consent agreement was entered into. I am at fault, perhaps, in releasing our people because I pressed hard earlier tonight to suggest that if such an amendment was going to be offered that it be offered tonight rather than in the morning. There is no requirement that it be offered tonight instead of in the morning, but rather in order to preserve the arrangement that had been announced for tomorrow.

When I received word from another Senator, not the Senator from Colorado but another Senator principally involved in this amendment, that the amendment would not be offered tonight, I assumed that that meant the amendment would not be offered at all. If I was in error in that respect I apologize for it because had I known otherwise I would not have indicated to our clerks and to the minority leader and his representatives that that would be the last vote to occur this evening. I do not think there is anything we can do about it except to do the best we can.

It is now 1 minute to 12 at night, and——

Mr. BIDEN. Mr. President, will the majority leader yield for a question?

Mr. BAKER. Yes, I yield.

Mr. BIDEN. Does that mean then that those of us who have other amendments who did not forswear bringing them up will be able to bring them up tomorrow?

Mr. BAKER. Yes; any Senator can bring up any amendment, I will say to the Senator from Delaware. There is a general provision, a unanimous-consent order that was entered into some days ago which states that any amendment would have an hour's time limitation. It was some days ago. I do not remember the date.

We agreed that there would be specified amendments with time limitations totaling approximately 56 hours and any other amendment not so specified would be limited to an hour of debate, to be equally divided, and that the rollcall votes would occur not later than 12 noon on Wednesday and not earlier than 12 noon on Tuesday.

I believe I recite accurately the essence of the unanimous consent agreement. But nothing in there says that other amendments will not be in order. Indeed, other amendments are still in order. I hope we do not fall over that cliff, because that could be an endless prospect and we would end up then with that traffic jam that I inveighed against for days on end, that we would end up at 12 o'clock with a dozen amendments and no time for debate.

(Mr. ARMSTRONG assumed the chair.)

Mr. BIDEN. Mr. President, I would agree with that. That is why some of us went pell-mell tonight in short order into their amendments. But if the Senator from Colorado and the Senator from Utah are going to breach what I believe to be a clear understanding that everyone had, then I want to be on record to make it clear that I may have several more amendments tomorrow and I will use the full hour on each of the amendments, assuming I can get the floor.

Mr. BAKER. Mr. President, if I may be recognized, I think the situation as it relates to the rights of Senators has now been proclaimed accurately and clearly and all Senators are on notice that they are entitled to their rights. But they should also know that I think the best think to do is to try to sleep on this overnight and see if we cannot resolve it in the morning.

ORDER TO REDUCE LEADERSHIP TIME ON TOMORROW

Mr. BAKER. Mr. President, while I have the floor, I have discussed this with the minority leader. I ask unanimous consent that for tomorrow only the time allocated for the two leaders under the standing order be reduced from 10 minutes each to 1 minute each and that at the conclusion of that time, that is the time allocated to the two leaders under the abbreviated arrangements, the Senate return to the consideration of Senate Joint Resolution 58.

The PRESIDING OFFICER. Is there objection to the request? Hearing none, it is so ordered.

Mr. BAKER. Mr. President, I, for one, do not think I am in a position to mediate this any further. I will try to work out something overnight, and I will jealously guard and protect the rights of all Senators while, at the same time, hoping that we do not have the dilemma on our hands tomorrow.

BILLS HELD AT THE DESK—H.R. 6454 AND H.R. 6033

Mr. BAKER. Mr. President, I have two unanimous-consent requests that I hope the minority leader has seen and is in a position to consider.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I ask unanimous consent that H.R. 6454 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that H.R. 6033 be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am prepared to yield the floor or to proceed as the Senate may wish.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The Senate resumed consideration of the joint resolution.

AMENDMENT NO. 1945

(Purpose: Proposing an amendment to the Constitution to balance the budget, in the nature of a substitute)

Mr. CRANSTON. Mr. President, I call up amendment No 1945.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and Mr. MOYNIHAN proposes an amendment numbered 1945.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the resolving clause and insert in lieu thereof the following: "That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"'ARTICLE—

"'SECTION 1. Prior to each fiscal year, the President shall submit and the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts, except that total outlays may exceed total receipts for the sole purpose of maintaining the benefit schedule under the laws of the United States providing for social security and the benefits and services provided under the laws of the United States on account of the service of military veterans. The Congress may amend such statement in conformity with this article. Upon adoption of such statement or any revision of it, actual outlays for that year shall not exceed outlays set forth in such statement.

"'SECTION 2. The Congress may waive the requirement of this article for any fiscal year in which a national emergency has been declared by the President or by the Congress.

"'SECTION 3. The Congress shall have the power to enforce this article by appropriate legislation.

"'SECTION 4. This article shall take effect for the second fiscal year beginning after its ratification.'.

"Amend the title so as to read: 'Joint Resolution proposing an amendment to the Constitution to provide for a balanced budget.' ".

Mr. CRANSTON. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I am prepared to put us in a brief period for routine morning business. Does the Senator from Kentucky have a matter on this joint resolution?

Mr. FORD. I have a matter on Senate Joint Resolution 58. I would like to have someone yield me just a couple of minutes to ask a question that will require a yes or no answer. It is very simple.

Mr. ROBERT C. BYRD. Mr. President, is there any time left on this side on the resolution?

Mr. THURMOND. Mr. President, we would be pleased to yield the Senator a couple of minutes on the bill, if that is what he wants.

Mr. FORD. I promise I am not going to bring up an amendment or anything.

The PRESIDING OFFICER. In response to the minority leader's question, there is time remaining on the resolution.

Mr. ROBERT C. BYRD. I yield to the Senator such time as he may require off the resolution.

Mr. FORD. I thank the distinguished minority leader.

Mr. President, as my colleagues know full well by now, I am an ardent advocate of a 2-year Federal budget cycle. Since introducing S. 1683 last year, I have devoted much time and effort to circulating this concept among Members of Congress, other public officials, and outside experts. It is my fervent hope that this procedur-

al reform can be enacted soon, and begin to furnish its significant benefits to our challenging budget situation as soon as possible.

While Senate Joint Resolution 58 is not totally inconsistent with a 2-year budget cycle consisting of 2 separate fiscal years, it is my judgment that the ideal of a budget in balance is more realistic on a 2, rather than 1, year basis. Therefore I have introduced an amendment which would accommodate a 2-year budget cycle and also change the mandatory balance objective to a 2-year event.

There are several advantages in adopting this approach. It will reduce the rigidity which the mandate for annual balanced budgets creates, and thus lessen the need for use of the waivers presently built into the proposed constitutional amendment. By stretching the budget period to a more manageable span of time, it will increase the probabilities of success in both the President and Congress holding to a balanced budget.

If we are going to put a balanced budget and spending limitation standard into our Constitution, we should at least try to do it in a way which makes failure of compliance less certain, and successful compliance a reasonable probability.

As I have told the leadership, I do not intend to call up my amendment because it would no doubt be defeated. However, I would like to ask the distinguished floor leaders whether they believe anything in this amendment would prohibit the Federal Government from switching to a 2-year budget cycle. Does it mean that we will have to live with even more hastily considered appropriation bills?

In the past 5 years, deadlines for first and second budget resolutions have been met only twice out of 10 reporting dates. The lag in the other eight completions extended for as many as 74 days. And, or course, this coming year we may not even pass a second budget resolution. We will automatically allow the first budget resolution to become the second budget resolution.

In the same 5 years, only in 1 were all 13 regular appropriation bills enacted by the beginning of the fiscal year—and even in that year—fiscal year 1977—a continuing resolution was needed to fund some programs and for the 5 years, a total of 10 continuing resolutions had to be enacted.

The track record of recent years borders on making a mockery of the budget process.

In an article published in the March-April 1981 issue of Challenge, the Director of the Congressional Budget Office, Alice M. Rivlin, gave forthright expression to her views on the congressional budget process, and made several wise recommendations. Among those were her suggestion relating to a biennial budget system.

Dr. Rivlin commends the existing budget system as a vast improvement over the pre-1974 methods, but acknowledged a widespread public perception that Congress does a bad job of budgeting. She attributed this to two main factors; namely, first, the failure to accept and deal with economic uncertainty as an inescapable fact of life; and second, the propensity to try to do too much and make too many not-so-important decisions. She added:

> In particular the annual budget cycle is a pernicious one. For most activities of Government, annual review is too frequent.

Further, into her article, Dr. Rivlin observed:

> An obvious first step toward reducing the frequency of decisions on Government programs would be 2-year appropriations for almost everything. This would allow the Congress to use the first year of each 2-year session for oversight and the second to enact a 2-year appropriations.

Mr. President, it is interesting to note that while past OMB Directors have had some objections and reservations to biennial fiscal proposals, the present Director, David Stockman, was a cosponsor of H.R. 2000, a bill introduced in the 96th Congress to provide for just such a 2-year budget, authorization and appropriation system. Also this year, the General Accounting Office has already indicated its support for the concept. I might add that two of my more distinguished colleagues in this body have recently introduced their own proposals for a 2-year budget and appropriation cycle. I am referring to the Senator from Indiana, Mr. QUAYLE, and the Senator from Delaware, Mr. ROTH. Both of these Senators are very knowledgeable about the budget process.

Mr. President, I do not intend to delay this debate much longer; however, I would like to take just a few more minutes to voice what I consider to be some of the advantages of a 2-year budget system. Briefly, they are:

First, there will be savings of time, effort, and money;

Second, multiyear planning, budgeting, and appropriations will allow for more careful legislative work on all matters—new legislation, oversight, budget resolutions, and appropriations;

Third, extending the budget period can and should introduce a greater degree of spending discipline and stability, and can be a major, effective step in curbing inflation; and

Fourth, State and local governments will benefit greatly from the increased certainty of the Federal impact on their plans and budgeting.

Mr. President, I hope that Senate Joint Resolution 58 will not prohibit us from making this much-needed improvement in the way the budget for the Federal Government is funded. I believe a 2-year budget cycle would serve to remedy many of the current problems with the budget process. Moreover, it may be necessary to make this change if the balanced budget constitutional amendment is put in place. I predict that the President and Congress will need the additional time to deal in an intelligent and responsible manner with the hundreds of complex issues in a $700 billion budget.

If we are going to put a balanced budget and spending limitations standard in our Constitution, we should at least try to do it in a way which makes failure of compliance less certain and successful compliance a reasonable probability.

As I told the leadership, I do not intend to call up my amendment because it would no doubt be defeated. I have seen that three times this week and that is a bitter cup. However, I would like to ask the distinguished floor leaders whether they believe anything in this amendment would prohibit the Federal Government from switching to a 2-year budget cycle.

Mr. THURMOND. Mr. President, we know of nothing that would prohibit going to a 2-year cycle.

Mr. FORD. So the answer would be "No." I thank the distinguished floor manager of the bill. I thank the distinguished minority leader, the Senator from West Virginia, for allowing me this opportunity.

Mr. LEAHY. Mr. President, I rise in opposition to the constitutional amendment as reported from the committee and to speak in behalf of a series of amendments which were entered in the CONGRESSIONAL RECORD on July 1.

I am not calling up my amendments at this time. Instead, I would like to speak more broadly on the rationale for the constitutional amendment and in favor of my amendments.

The proposed constitutional amendment reflects the public perception, reported regularly in public polls, that the Federal Government should balance the Federal budget. I support a balanced budget. Everyone supports a balanced budget. But I also recognize that, at certain times, during recessions for example, a strict requirement for a balanced budget is a prescription for wholesale economic disaster and depression.

The proposed constitutional amendment embodies the economic theories of a small group of economists who believe that excessive Federal spending and taxation have been the major causes of our economic problems in recent years. In fact, it is fair to say that the seeds of this proposed constitutional amendment were planted the day after the inauguration, when Presidential aides took down the portraits

of Abraham Lincoln and Thomas Jefferson and replaced them with a portrait of Calvin Coolidge. In reality, it is impossible to establish a direct connection between deficits and the economic health of our Nation. The only period when the U.S. Government ran a surplus over an extended period of time was 1911 through 1930, yet the Depression followed.

By contrast, the period of the fifties and sixties were characterized by persistent deficits, but substantial economic growth.

Similarly, on the issue of inflation, both Council of Economic Advisers Chairman Weidenbaum and CEA member Niskanen have publicly stated that the evidence does not show any convincing relationship between inflation and deficits.

This does not mean that high budget deficits, especially today's abnormally high deficits, do not have serious negative economic consequences. Deficits can lead to excessive Government borrowing, which competes directly with private sector investment needs. They can lead to higher interest rates and, during times of strong economic growth, to higher inflation

But it is critical to understand that deficits are essential in certain circumstances to avoid recessions or depressions.

For example, the Republican version of the Joint Economic Committee's annual report for 1982 stated: "The ultimate result (of balancing the budget during a recession) could be the reemergence of a deficit requiring still further procyclical fiscal adjustment."

The greatest strength of our economic system is that there are hundreds of thousands of economic decisionmakers. Only those who make the most efficient decisions will survive.

However, this extreme diffusion of decisionmaking is also a market economy's greatest weakness. When confidence in the entire economic system is shattered or in great doubt, no rational individual businessman will sustain economic demand by making new investments or purchases of goods. Each individual will minimize his own risks by reducing his purchases and investments. All these individual decisions combined will create a declining spiral of demand which will throw millions out of work and cause tens of thousands of business failures. Ultimately, the failure of demand means a depression. I submit that Congress must have the flexibility to respond to recessions, so that devastating cyclical swings in the economy can be prevented. As former Senator Muskie has stated, We must "have time to pop the parachute before we hit the ground."

The Congressional Research Service issued a similar warning:

Strict enforcement of a budgetary balance would compel a Hooverlike reaction, in which expenditures are reduced to match a drop in government revenues. If this were to happen, the stabilizing capacity of the federal budget would be severely impaired and comparatively mild recessions could blow up into major depressions.

Or, as Nobel Prize-winner James Tobin stated:

Should a Congress, observing that its budget has fallen into deficit because of unexpected recession, cut expenditures and/or raise taxes to restore budget balance? To do so is to intensify the recession. Herbert Hoover pursued this course in 1930-32, without notable success for either budget or economy.

In 1979, even though the budget was in deficit, conservative economist Michael Evans and Alan Greenspan both opposed balancing the budget at that point because of its effect on the economy.

Therefore, it is essential that the Federal Government continue to have the ability to fully utilize fiscal policy where it is essential to prevent recession or depression.

The dangers of the constitutional amendment to our economy are clear from a series of studies done by the Council of Economic Advisers in the late seventies 1970's. These studies examine what would have happened to the U.S. economy if it had been forced into balance during recessionary periods.

These studies show that unemployment would have been increased by millions, and the country would have been thrown into a period of economic decline unprecedented since the Great Depression.

One study found that, in the 1973-75 period, the GNP would have declined by 10 percent—a massive decline—instead of the 2.6-percent decline actually incurred.

In 1975, unemployment would have reached 11.2 percent, instead of 8.5 percent. In 1976, unemployment would have reached 11.3 percent, instead of 7.7 percent. That is over 3.5 million more unemployed if the budget had been balanced.

Just this week, my colleague, Senator MOYNIHAN, asked Wharton Econometrics to determine the economic effects of balancing the budget in 1981.

GNP would have dropped by almost 9 percent.

The unemployment rate would have increased by almost 50 percent—to 15 million unemployed.

This is a staggering cost. It is wrong, very wrong, to throw 5 million Americans out of work so that a few politicians can wave a constitutional amendment at election time and pretend all our problems are solved.

This amendment will also make the Congress a pawn of the economic forces in the Nation and the world, rather than the protector of our Nation's economic health. Tight monetary policies of the Federal Reserve, OPEC price hikes, international monetary fluctuations can all throw the budget seriously out of balance. These extraneous actions will force Congress to cut Federal spending whether the social or military needs of the country can be met or whether it causes a depression.

Let me give some examples of how extraneous economic conditions have forced the budget into a deficit.

In 1974, President Ford had just come into office. He convened a symposium of well-known economists brought in from all over the country. We had finished the fiscal year ending the previous July with the smallest deficit in a number of years, $4.7 billion. On the basis of the advice that he got from the economists, he said, "We will have a balanced budget in the next fiscal year."

That was in October. In December, the bottom fell out of the economy. President Ford found he had to submit in January not a balanced budget, but a budget with a $52 billion deficit.

Even international currency speculation can destroy a balanced budget.

In 1978, Congress went out of session, and a continuing decline of the dollar caused the Federal Reserve Board to tighten monetary policy to raise interest rates in order to shore up international confidence in the dollar.

The result was to add $5 billion to the cost of interest on the Federal debt in the budget. So the deficit rose by $5 billion to $43 billion, and the Congress was not even in session.

I do not know what one does then. Do you put the Chairman of the Federal Reserve Board in jail because, by his action, he has caused the spending to go through the ceiling?

Mr. President, I have a series of amendments I plan to offer. I personally have serious misgivings about trying to change the proposed constitutional amendment. Trying to improve this constitutional amendment is like trying to teach a duck to sprint; the results just do not justify all the effort.

But the very real possibility that this amendment, flawed and dangerous as it is, may be approved by the Senate means that I must attempt to limit the damage.

The drafters of this constitutional amendment acknowledged the need for a national security waiver. In times of war, Congress is empowered to waive the restrictive provisions of the amendment. Mr. President, I submit that economic collapse constitutes an equally grave threat to our national security. As Dwight Eisenhower once said, "If our economy should go broke, the Russians would have won even a greater victory than anything they could obtain by going to war."

I believe the dangers of depression and economic collapse are as great as the dangers of war.

I believe Americans care as much about going to work as to war.

I believe jobs are as vital to our national security as armaments.

For these reasons, I intend to offer a series of amendments which make it clear that Congress places an equal priority on the avoidance of war and depression.

My amendments are to section 3 of Senate Joint Resolution 58, the waiver for national security section of the resolution.

The first amendment that I plan to call up will state that Congress may incur a deficit if it is necessary to prevent unemployment from exceeding 10 percent and 11 million unemployed.

I am beginning with this level of unemployment because I believe our present level of unemployment—over 10 million—is already completely unacceptable.

The unemployed machine toolworker in Vermont, the autoworker in Detroit, the construction workers in the South, the black teenager just 10 blocks from where we stand today, who have been out of work for months, know that we already have an unemployment disaster.

The enormity of our present unemployment crisis can be seen in the fact that 10 million unemployed is the equivalent of shutting down completely all the following industries: Metal mining, coal mining, oil and gas extraction, crushed stone, residential construction, highway construction, plumbing, heating, air-conditioning, carpentry, electricians, roofers, railroads, trucking, airlines, public utilities, and telephone.

Just this week, my colleague from New York released a study showing that unemployment would increase by almost 50 percent, about 5 million people, if we had balanced the budget in 1981. That is nearly the equivalent of throwing every working man and woman in New England out of work.

Mr. President, if this amendment fails, I shall follow with a series of amendments increasing the level of unemployment in the amendment by 2 percentage points until the point of 20 percent and 22 million unemployed is reached.

I believe the American public deserves to know how far we intend to permit the economy to deteriorate before we take the steps necessary to restore our economic health.

The economic theories of Coolidge and Hoover will not meet the Economic realities of the eighties. The American people want jobs, not nostalgia.

Mr. GLENN. Mr. President, the proposed balanced budget-tax limitation amendment to the U.S. Constitution may pose an easy vote for many Senators, but easy votes should not be mistaken for the tough decisions needed to solve our basic economic problems. Indeed, this particular vote is a prime example of the very phenomenon the amendment's supporters say they oppose: Ignoring future consequences in favor of immediate political benefits.

The committee's report states: ". . . the availability of unlimited deficit spending allows the political costs of spending measures to be deferred in time, while enabling the political benefits to be enjoyed immediately." Similarly, this amendment provides its supporters an easy vote for a measure of considerable current popularity—"pure political candy," to quote the New York Times—while deferring the consequences for a future time, future Congresses, future Presidents, and future taxpayers. It permits Members of the Senate to support an esteemed cause without having to admit that because this Government—this President and this Congress—went too far last year, we should postpone the third installment of the individual tax cut.

In effect, this amendment would declare that, since we cannot discipline ourselves, we instead should discipline those who come after us. As the Washington Post put it, "It is grotesque for Senators and a President who cannot get their current deficit under $100 billion to support, piously, constitutional language putting it at zero." Former Attorney General John Mitchell once reminded us, the important thing is "to watch what we do, not what we say."

More than 200 years ago, Alexander Hamilton argued that "Nothing * * * can be more fallacious than to infer the extent of any power proper to be lodged in the National Government from an estimate of its immediate necessities." Our Constitution has endured because of its flexibility and because the Framers of that great document took the long view. If it is to endure further, we must be equally farsighted.

Before we rush to judgment, we should listen to such voices as that of American Enterprise Institute resident economist Rudolph G. Penner, who has bluntly warned "that budget-limiting constitutional amendments should be avoided all together." In testimony to a House of Representatives subcommittee, Penner argued,

If the political will to limit budget growth does not exist, constitutional limits will not do much good and they could do a great deal of harm. If the political will to limit budget growth does exist, constitutional amendments are not required.

Just what kind of harm could such an amendment do?

For one thing, the state of the art of forecasting is such that we will wind up with a budget balance that is itself far from exact. Indeed, today's statements of receipts and outlays are at least as confusing as the proposed budget for fiscal year 1983 which was transmitted to Congress in February of this year was misleading. Just within the past few days, we have seen the deficit projections swell from the $103.9 billion target we established only last month to $110 to $114 billion, according to the Secretary of the Treasury, and to $141 to $151 billion, according to the Congressional Budget Office. Clearly, the earlier projections were misleading. Clearly, at least some projections now are wrong. And with this amendment in place, there will be enormous temptation to deliberately skew economic assumptions in the future. Erroneous forecasts, intentional or not, would then lead us into making erroneous decisions.

Second, the amendment would also limit the Government's ability to adjust its tax and spending policies to meet the changing needs of economic stabilization. That could easily lead to greater reliance on less efficient options, such as regulatory policies or credit allocations.

I believe the Federal budget should be balanced when it makes sound economic sense. In fact, I believe it would be healthy to operate with a surplus—and to reduce our outstanding indebtedness. But outlawing deficits by fiat would be virtually impossible—and it would frequently be unwise as well.

The proposed amendment would index any rise in tax revenues to the percentage increase in national income—a term that is left undefined and subject to changing interpretation. This clearly represents a constitutional limitation based on the kind of "immediate necessity" Alexander Hamiliton so wisely warned against.

The proposed amendment is a radical departure from our history and limits the flexibility of our Constitution. The last time we tried something like this, the result was the 18th amendment to the Constitution—and we recognized the mistake of that scheme by repealing it.

Mr. President, the people of this country are suffering from high interest rates, not from the Constitution. They are seeing money drained from the smaller communities of this Nation, they are seeing the number of unemployed escalate, and they are watching their friends and neighbors in small business bleeding and, all too often, dying the death of bankruptcy.

The times call for something other than a "pass the buck" resolution that ducks the real problems. Every Senator in this Chamber knows that there is more than a little hypocrisy involved here—and I, for one, refuse to indulge it. I shall vote against this shortsighted amendment and continue to work for long-run solutions. I do not always agree with David Stockman and his Office of Management and

Budget, but in this case, I fully share the sentiments expressed in OMB's report earlier this year. That report began by saying—and I quote—"The Constitution is not an appropriate vehicle for economic policy prescriptions (balanced budgets) nor should it be cluttered with potentially inflexible fiscal mechanisms that may not be appropriate to unforeseeable future circumstances."

Mr. President, I agree, and I wish that the President of the United States agreed with that report from his own Office of Management and Budget.

Mr. President, I ask unanimous consent that a column entitled "Balanced Budget Hoax," by George Will, which appeared in the Washington Post of July 25, 1982, be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 25, 1982]

BALANCED BUDGET HOAX

(By George F. Will)

God, preparing condign punishment for hot air emitted in support of humbug, turned the temperature up to 90 the day the President addressed a rally for a constitutional amendment to require balanced budgets. The rally to make government—that questing beast—obedient to "the people" was for people with tickets. A ticket to a rally for an amendment to "require" balanced budgets calls to mind the invitation a Lady Colfax issued, after the First World War, to a luncheon to "meet the mother of the Unknown Warrior."

But members of the sainted public could get tickets. Red tickets were for employees of the Republican National Committee and high-level employees of the—if you'll pardon the expression—government. They got to sit smack in front of the president. Blue tickets allowed lesser government employees to sit farther back from Himself. White tickets, handed out on the streets, put plain people, to whose salvation the rally was dedicated, at the rear.

Behind the president, stewing like prunes in their juices, were congress-persons and senators, some of whom sincerely support the amendment for which they were rallying. Legislators who did not feel ill-used obviously were properly used as applauding props.

Washington's air this season is thick with humidity and hoaxes, such as nuclear "freezes" that won't freeze anything, and "flat rate" tax programs without flat rates. So what is one more hoax among friends? This hoax—this trivialization of the Constitution—is, simultaneously, a confession of political incompetence and an assertion of intellectual mastery—mastery not noticeable in the results of recent economic policies.

At precisely the moment when economists are especially bewildered by the inability of their theories to encompass events, politicians, running for cover from the electoral consequences of their activities, are proposing to constitutionalize an economic doctrine. They would graft something evanescent onto something fundamental.

Under the amendment, Congress would be required to adopt, prior to each fiscal year, a statement of receipts and outlays, the latter not to exceed the former. But such economic numbers are estimates made of warm taffy, all gooey and stretchable.

Neither clairvoyance nor candor can be counted on in Congress or the Office of Management and Budget. So who will enforce what on whom if—when—the numbers are significantly wrong? Will the president control outlays by impounding appropriated funds? Will courts superintend the appropriations process?

If the latter, will every taxpayer have standing to sue? No one can know until courts speak. And they will speak, because the amendment does not stipulate that controversies under it are not reviewable by courts. Were that stipulation made, the amendment would become a receipe for paralysis and lawlessness.

The amendment says that total receipts in any fiscal year may not be set to increase at a rate faster than the rate of increase of national income in the previous calendar year. The implication of this is that whatever else the government has recently got wrong, the current ratio of federal spending to national income is just about right.

But, then, the amendment would allow Congress to change this ratio by a simple majority vote. And by a three-fifths vote, Congress could authorize a deficit—which is what Congress has been doing for generations. So, to enable current incumbents to strike a pose, some incumbents want to clutter the Constitution with an amendment that might be, in practice, 98 percent loophole. It would be that, unless the political culture and congressional mores changed substantially, in which case the amendment would be beside the point.

The amendment is long, but should be longer. It depends on Congress making precise projections, so it should contain 1,000 more clauses, four of which are:

Floods, hurricanes and other acts of God that wish to occur during the next fiscal year must register with OMB six months before the fiscal year begins, so Congress can know that relief-spending shall occur.

Agricultural commodities covered by price supports must inform the Agriculture Department if they are planning to materialize in inconvenient quantities in the next fiscal year.

Anyone planning to need unemployment compensation in the coming fiscal year must notify the Labor Department.

Before causing crises, tiresome foreigners must notify the U.S. Defense Department of any effects their crises will have on U.S. defense spending.

And . . . oh, yes: I love lobster, and own elm trees. Could Congress please require lobsters to grow on elm trees?

Sorry, I digress. It must be the heat.

● Mr. LEVIN. Mr. President, in an attempt to clarify some of the procedural issues associated with this balanced budget amendment, I recently sent Senator THURMOND a letter containing some fairly basic questions relative to this issue. He was kind enough to respond and I think it might be useful to share with my colleagues my questions and his answers. I believe they demonstrate that if we adopt this resolution we will have just begun a most difficult trip down some uncharted waters. As Senator THURMOND'S responses make clear, this legislation is not self-enforcing and, as a result, the Congress may have to establish new rules of procedure governing points of order as well as comprehensive enacting legislation. My point is simply that this amendment, despite its promises, does not provide us with a mechanism which assures a balanced budget.

Mr. President, I ask that my letter to Senator THURMOND and his responses be printed in the RECORD.

The letters follow:

U.S. SENATE,
Washington, D.C., August 2, 1982.

HON. STROM THURMOND,
Russell Senate Office Building,
Washington, D.C.

DEAR STROM: Because floor time is getting short, I would appreciate your answers to the following questions so that I can insert same in the Record in the debate on the pending amendment.

1. Assuming no change in the Senate rules and no changes in relevant legislation, will the Balanced Budget Amendment be violated if an appropriation bill is passed which breaches a spending target in the statement of outlays (assuming such statements contain such targets)?

2. If the amendment would be violated in question No. 1, what specific enforcement mechanisms and specific judicial remedies would exist to redress the violation?

3. If the amendment would not be violated in Question No. 1, how will the amendment act as a restraint on specific pieces of spending legislation?

4. Under current Senate rules, would a point of order lie against any appropriation bill which exceeded the amount set forth in the statement of outlays described in the Amendment?

Thanks for helping out in this manner.

Sincerely,

CARL LEVIN.

RESPONSES TO SENATOR CARL LEVIN

1. The assumption in this question is a tenuous one since the effective implementation of this amendment will almost certainly require comprehensive enacting legislation by Congress. Since there is an absolute obligation imposed upon Congress in Section 1 to conform actual outlays with planned levels of outlays, it is not unreasonable to suppose that Congress will have to establish procedures to ensure that this does not occur. Given the general constitutional direction in Article I, section 9 that no money shall be drawn from the Treasury "but in consequence of appropriations made by law", this does not appear to be an unreasonable obligation to impose upon Congress. Because the amendment would not be self-enforcing, Congress will almost certainly have to develop appropriate enacting legislation.

2. To repeat, the amendment would not be self-enforcing. There would be a clear responsibility placed upon Congress to develop procedures to ensure that it is capable of satisfying its new constitutional responsibilities under the proposed amendment. There are a variety of enforcement mechanisms that are available. These are described in greater detail on pages 60-66 of the Committee Report. These would include: the explicit responsibilities imposed upon Congress and the President by the proposed amendment, Congressional implementation legislation, limited judicial review, and, perhaps most importantly, public opinion. Because the thrust of the amendment is to

ensure that Members of Congress must cast votes on all tax increases, including the tax increase of deficit spending, it is anticipated that the public will be in a far better position to monitor the performance of their elected representatives, and to enforce the proposed amendment at the ballot box every other November.

3. Again, there is no serious question that Congress will have to develop effective implementation legislation. This is a function of Congress' constitutional responsibility under the "necessary and proper" clause to fully carry out its delineated constitutional authorities. The amendment will act as an indirect restraint by imposing an obligation upon Congress to develop effective implementation legislation to carry out its new responsibilities under the Balanced Budget amendment. Congress must determine the precise means by which actual outlays are to be effectively conformed with planned outlays. A variety of options could possibly be adopted, including points of order under the Senate rules, entitlement reforms, improved spending monitoring, etc.

4. Under current Senate rules, points of order lie against unconstitutional exercises of legislative authority. Given, however, that this fundamental issue would be in controversy, it would still probably be necessary for Congress to establish new rules to determine when and under what circumstances points of order would be available to challenge individual spending programs.●

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past the hour of 12:15 a.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR GLENN'S SPEECH AT THE NATIONAL CORN GROWERS CONVENTION

Mr. HUDDLESTON. Mr. President, today, the distinguished senior Senator from Ohio, JOHN GLENN, made a significant address at the National Corn Growers Convention in Des Moines.

In his remarks, Senator GLENN discussed the worsening state of the agricultural economy and the things he believes must be done to strengthen that economy.

As the senior Democrat on the Committee on Agriculture, Nutrition, and Forestry, I read Senator GLENN's speech with great interest, and I commend it to my colleagues.

Mr. President, I ask unanimous consent that the text of Senator GLENN's remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN GLENN

It is an honor to be here only one day after the President of the United States visited with you. But with all due respect, I see things a little differently than President Reagan.

Take the economy, for instance. Although the President admits that it's in terrible shape, he says that all the indicators are starting to improve—and that recovery is on the way. Now frankly, that scares me a little—because I remember what happened the last time we had a President who kept assuring us that prosperity was just around the corner.

Nevertheless, I hope the President is right—because if recovery doesn't come soon, there won't be much left to save. America's unemployment lines are longer today than they've been since 1938. Real interest rates are the highest they've been since 1932, there are more business bankruptcies than at any time since 1933, and now the Farmers Home Administration tells us that more farms will be forced into liquidation this year than at any time since the agency was founded.

And to top it all off, the Administration is swelling this sorry river of statistics with a sea of red ink from the biggest budget deficits in American history. Yesterday, as usual, the President tried to explain these deficits by blaming them on his predecessors. But you know, there were a few things the President forgot to mention.

He forgot to tell you that even by his Administration's own estimates, Federal deficits over the next 3 years will be larger than those of the last 4 Administrations combined. He forgot to mention that the trillion dollar national debt he inherited was 200 years in the making—the work of every President from George Washington to Jimmy Carter. But it's only going to take this President 3 years to run up 500 billion dollars worth of debt—half of what it took 39 other Presidents two centuries to accumulate. And let me add that these aren't figures we Democrats cooked up for political purposes. Last week, the nonpartisan Congressional Budget Office—whose past forecasts have proven highly accurate—announced that Federal deficits would total 140 to 160 billion dollars over each of the next 3 years.

That's why I find it a little cynical of him to call for a constitutional amendment requiring balanced budgets. Think about it! What he's really saying is that there ought to be a law against what he's doing. Now that's the height of political hypocrisy—and I think the American people are going to see right through it. In my opinion, we don't need a change in the Constitution—we need a change in the voodoo policies that caused this mess in the first place.

Ballooning budget deficits are keeping interest rates skyhigh—and if they don't come down, more and more farmers are going to be plowed under. Yesterday, President Reagan's advisors took him out to visit Donald Dee's farm outside Des Moines. But you know, if the President really wanted to know how his policies were working, he shouldn't have gone to a farm—he should have gone to a farm sale.

He would have had plenty to choose from. In fact, there are 5 times as many farms for sale in the Midwest this year as last year—and Iowa alone has lost a thousand of them.

In his speech yesterday the President quoted Thomas Jefferson as saying that farmers are "God's Chosen People." Well, farmers may be God's chosen people—but they sure don't seem to be Ronald Reagan's. It reminds me of a story I once heard about a farmer who owned a pig with a wooden leg. When a travelling salesman asked about it, the farmer told him that the pig had once saved his family's life by waking them up before a fire destroyed the farm house. "And that's how the pig got the wooden leg?" asked the salesman. The farmer shook his head. "When you have a pig like that," said the farmer, "you don't want to eat him all at once."

And that just about sums up how the Administration has been treating America's farmers. Instead of showing gratitude for everything you've done for this country, they're destroying you a little bit at a time.

Over the past two years, farm income has plunged 40% and parity has tumbled to 56%. Since February of 1980, the real value of farmland here in the Corn Belt has dropped an average of 19%—and the value of our agricultural exports will fall this year for the first time since 1975.

During the 1980 Presidential campaign, candidate Reagan asked whether you were better off than you were 4 years ago. Today, maybe he ought to be asking whether you're better off now than you were during the Great Depression. Last year, real farm income fell to its lowest level since 1934—and this year, it will be lower than it's ever been in American history.

In fact, about the only thing going up these days is what farmers owe to their bankers. Today, farm debt stands at more than 180 billion dollars—9 times more than net farm income. As Winston Churchill once said in another context: "Never have so many owed so much to so few."

But it's really no laughing matter. Because when you lose your shirt on every crop you take to market, it's not too long before your farm winds up on the market. Farm loan delinquencies are expected to reach 34 percent this year—much of it among younger farmers. But if we keep forcing them off the farm, we'll be losing a lot more than crops and money. We'll lose a way of life that can never be recovered.

Now the Administration says it's concerned about all this and wants to help. So first they helped by slashing the Department of Agriculture's budget by 20 percent for 1983—mostly in the areas of rural lending and crop support programs. Then they helped some more with a Reduced Acreage Program that hasn't worked and wasn't even announced until your crops were already planted. And now the Administration even refuses to use the authority contained in their own farm bill to make emergency loans to hard-pressed farmers.

But despite all this, they say everything will work out if we just give their policies a little more time. How much more time? Well, two weeks ago, Treasury Secretary Regan told us. The same man who once predicted that the economy would come "roaring back by spring" now says we can expect recovery—and I quote—"by the late 1980s or early 1990s."

Well, I'm afraid I've got some bad news for the Secretary. Because America's farmers just can't afford to wait another decade—or even another year. And I say that if this Administration really believes they can keep treating farmers like that hog with the wooden leg, then they're in for a bushel of trouble this coming November.

But it's not enough merely to criticize. The time for partisanship is past—and finger-pointing and buck-passing just aren't going to work anymore. The question now isn't who's responsible for getting us into this mess. The question now is who's going to be responsible enough to get us out. So in that spirit, let me briefly summarize a few specific actions to get our farms and our economy back on track.

First, Federal deficits must be cut—and that means that government spending must be reduced. But it must be reduced in a way that preserves the social fabric of our Nation. Fairness—fairness is the key. Because while we must eliminate fat and waste wherever we find it, we must never lose our compassion for those who need it.

Second, we must trim that enormous personal tax cut that upset the apple cart in the first place. Specifically, the 10 percent cut scheduled for next July should be postponed until the deficit and interest rates come down to manageable levels. Naturally, we all like tax cuts. You do, I do, everyone does. But I believe the people of this country would be willing to postpone next year's cut if it meant lower interest rates and a more balanced budget.

Third, Congress must ask the Federal Reserve Board to shoot for the high end of their own money supply targets. With lower budget deficits there must be enough money available to bring interest rates down and permit the economy to grow.

Fourth, we must throw a life-line to America's family farmers before it's too late. In the short-run, that means recognizing that while credit is no substitute for income, when there's no income, there's no substitute for credit. We're not going to resuscitate our economy by drowning our farmers—and that's why the Administration must immediately use the money Congress gave it to revive the Economic Emergency Loan Program.

Fifth, we must act boldly to reduce the bin-busting grain stocks that have deflated prices and exhausted our storage capacity. Doing that will require at least two things. First, it means supplementing the wheat and feed-grain set-aside programs that haven't worked with something that will. The Administration's so-called "RAP"—or Reduced Acreage Program—has failed because it's all stick and no carrot. But instead of correcting their mistake, they apparently want to perpetuate it—and I say the last thing farmers need now is another bum-RAP. That's why I'm a cosponsor of the voluntary, paid Acreage Diversion Plan now moving through the Senate. According to the Congressional Budget Office, combining paid acreage diversion with acreage reduction would raise the price of corn and other feed-grains by 10 percent, while reducing Federal outlays for these crops by nearly a billion dollars a year. Now that's an offer even a supply-side economist should find hard to refuse.

The other things we must do is aggressively expand our farm export markets. That will mean developing new marketing mechanisms at the national level and "check-off" programs like you have here in Iowa at the state level. But above all, it means showing the world that America is a reliable supplier who honors her contracts. America has traditionally been known as the Breadbasket of the World. But now we're in danger of becoming a kind of store that other countries use only in a pinch. Nothing destroy confidence and markets faster than uncertainty—and I say it's high time we stopped using food as a foreign policy weapon—and quit using farmers as diplomatic pawns.

And that brings me to last week's decision regarding the Soviet-American Grain Agreement. I know many of you were hoping for a new, long-term agreement. Others of you probably would be content with a one-year extension of the existing accord. Unfortunately, none of us knows for sure what the Administration's position actually is. In the advance text of yesterday's Presidential speech, the following line appeared—and I quote: "This Administration does not have—nor will we have—a grain embargo on the Soviet Union." But for some reason, that line was deleted when the speech was actually delivered. At yet another point in his speech, the President implied that Soviet grain purchases beyond the minimum requirements are still open to question.

Now what does all this actually mean? I'm not sure I know. But there's one thing I do know: any limitation on voluntary Soviet purchases is at least a partial grain embargo—no matter what the President calls it. But a Reagan embargo isn't going to end repression in Poland any more than the Carter embargo ended the Soviet occupation of Afghanistan. What it will do, however, is further enhance America's reputation as an unreliable supplier and cause the Soviets to purchase what they need from our international competitors.

In my opinion, that's bad foreign policy—and even worse economics. They can't use food for cannon fodder—and the money they spend for wheat is money they don't have for missiles. Frankly, I'd rather make it a little easier for them to buy our corn—and a little harder for them to target our cities.

Finally, I believe it is a grave mistake to let today's agricultural abundance lull us into abandoning our research and development efforts. In the past, these efforts have wrought miracles of productivity unmatched by any other nation on earth—including the doubling of our corn yield in just the last 20 years. But we cannot afford to rest on our laurels. The future demands that we sustain—and even increase—our commitment to R&D, especially in such vital areas as soil conservation and the rebuilding of our transportation infrastructure. That's why I oppose the Reagan Administration's shortsighted cuts in America's R&D budget—and that's why I applaud the NCGA's sponsorship of the National Corn Research Priorities Study of 1982. You've provided a comprehensive agricultural research agenda—one that I hope the Administration will heed, as well as read. They must learn that while cutting our research program may be penny wise for reducing this year's budget deficit, it's absolutely pound foolish for the long-term future of this Nation.

Let me close my remarks with one final thought. Today, I have talked about a few of the problems facing our country. That they are formidable—or that meeting them will not be easy—goes without saying.

But let's keep things in the proper perspective. Because for all our flaws, faults and imperfections, America remains the greatest nation on the face of this earth. If we ever forget that, the continuing stream of immigrants is there to remind us. They come from small villages in Latin America, Asia, and the Middle East. They willingly risk death at sea to escape the so-called "worker's paradise" that is Cuba, and they flock to us from behind Europe's Iron Curtain.

Why do they do it? They do it because America remains today exactly what it was at the time of its founding: a shining beacon of freedom and opportunity—a place where hopes and dreams can still come true.

So in these revolutionary times, let us remember that we ourselves are heirs to a great revolution. Perhaps Ralph Waldo Emerson put it best. Well over a century ago, he sought to calm the fears of an earlier generation this way:

"If there is any period one would desire to be born in, is it not the Age of Revolution, when the old and the new stand side by side and admit of being compared? When the energies of all men are searched by fear, and by hope. When the historic glories of the old can be compensated by the rich possibilities of the new era. This time, like all times, is a very good one, if we but know what to do with it."

Ladies and gentlemen, I believe you and I know what to do with it.

Thank you very much.

KIRK SMITH, MAN OF VALUE

Mr. GORTON. Mr. President, 1 month ago today, on July 4, 1982, my friend and colleague, J. Kirk Smith, died after a year-long battle against cancer. But today, I do not want to talk of Kirk's death, I want to hail his life.

Kirk was a journalist whose wide-ranging and distinguished career spanned almost 30 years. He was my press secretary, both during the 1980 election campaign and here in the Capital. He also served as press secretary to one of Washington's most colorful Governors, Albert Rosellini.

Kirk was long an active, committed member and administrator of newspaper guilds in Seattle and San Francisco. He also served on the management side in the newspaper business as assistant managing editor of Seattle's morning daily, the Seattle Post-Intelligencer.

The seeming paradox of his career is immediately apparent and easily explained. Kirk had what Democrats and Republicans, management and labor, wanted and needed—the rare ability to see and communicate the truth, objectively, but with compassion.

This ability served him well in meeting countless deadlines, settling acrimonious management-labor disputes and counseling a wide and diverse circle of devoted friends.

We are all saddened by Kirk's death, but one of his staff assistants is, she admits quite selfishly, also angered by his passing. She felt that having the chance to work so closely with him was one of the greatest opportunities offered to a young writer. She is sorely disappointed that she knew him only a short time, not nearly long enough or well enough.

I know how she feels. I knew Kirk Smith for many years, as a friend, confidant and ally. And yet, I felt as if I did not know him nearly long enough or well enough. I shall miss him greatly.

Emmett Watson, one of Kirk's closest friends at the Post-Intelligencer wrote a column following his death that I think does as good a job as is possible in the requisite space in summing up Kirk's profound contribution to his profession. It is entitled "Kirk Smith, Man of Value." I ask unani-

mous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Seattle Post-Intelligencer, July 13, 1982]

KIRK SMITH, MAN OF VALUE

The experience of living longer than your friends is no cause for complaint but it carries with it an inescapable, inexorable sadness. I am appalled in counting back the many good people I knew in the newspaper business who are now gone. The list of names would staff a good metropolitan newspaper.

Phil Taylor, Dick Sharp, Royal Brougham, George Varnell, Ruth Howell, Eddie Hill, John Randolph, Chick Kaplan, Nard Jones, Marion Stixrood, Cliff Harrison, Doug Welch, Leo Sullivan, Russell McGrath, Sam Angeloff and, only last Friday, Dick Stephens. All of these people had a strong impact on Seattle journalism and several were my own close friends. Some were well known, others less so, but all of them had a devotion to craft that was admirable and often inspiring. The old guard has changed gradually but it has changed. I think all of those mentioned herein would agree that journalism is better than it was since their times. Their replacements are better educated, more inclined to evaluate, more skeptical in the search for news and what it means.

On Sunday, memorial services were held for a man who, more than any of the others, was able to span those newspaper generations. Kirk Smith died little more than a week ago. He is by no means a household word to people who read daily newspapers. Yet he had a profound effect—even if some of them don't know it—on the people who work here today. For starters, Kirk Smith was a masterful journalist. In the year he worked at the P-1 and at other papers, his habits never varied. Each morning, while others stretched, yawned and procrastinated, Kirk Smith would have a telephone to his ear. Each day he would painstakingly gather his facts, then turn to writing in the afternoon.

The next morning, when you checked the paper, there would be one, sometimes two, often three, stories written by Kirk Smith. Perhaps his by-line would appear on only one of them. But each story, no matter how seemingly unimportant, was given its due; carefully crafted, beautifully written and factually accurate. There is a game one can play with such stories and I urge young hopefuls in journalism to play it. Take a story, any story, and read it through carefully. Then pick out key words, adverbs, adjectives and nouns, and see if you can come up with a substitute word that might better be used.

To do this with Kirk Smith's stories was a losing game. He always seemed to have the right word, the exact phrase, needed to convey a meaning. So what he did for everyone who read him was to set a standard of excellence that was to be admired and emulated.

That was the craftsman Kirk Smith. He had that blend of intelligence, humor, skepticism, honesty and compassion that made up the complete newspaperman. But he was much more than that. He always believed that newspapering was less a job than a profession and he devoted much of his life to elevating its stature. For many years he did not practice journalism; he worked with newspaper guilds in both San Francisco and Seattle. Once, when he helped bring in a sizable wage settlement at the P-1, the grateful employees begged to increase his salary as a guild officer. He refused, saying he would not take an increase greater than theirs.

As a guild officer, he helped settle countless disputes between management and employees. He acted as nursemaid, counselor, confidant to a profession rich in frustrated egos and congenital feelings of insecurity. There came a day back in 1978 when management recognized his gifts and made him assistant managing editor of this paper. "I will have to tell you," he said, in effect, when he accepted the job, "that the day a picket line forms around this paper, that will signal my automatic resignation. Even if I'm management, I can't cross a picket line of the people I work with. Some people have religion, I have that."

This paper has what is known as a "bitch board"—I suspect other papers also have one—on which employees tack up random thoughts, notes and comments on the way things are being run. The "bitch board" can be hilariously funny, often cruel and sarcastically instructive. It is interesting to note that during Kirk Smith's 23-month tenure as the working boss of this paper's newsroom, the bitch board was notably bland. I cannot claim to be a better friend of Kirk Smith's than hundreds of others in this business but we did talk now and then, candidly, as friends often do.

I good-naturedly berated him for wasting his talent. "With your gifts you shouldn't be just doing stories. You have a good way with people and a fine grasp of what journalism should be. You should get out of union work, you should get more into the running of newspapers." "Maybe so," he agreed, a bit sheepishly, "but let me tell you something. I get more fulfillment out of getting some young clerk a $7.50 raise than all that management has to offer."

Kirk Smith thought of sports as merely fun and games, a section to be tolerated in a newspaper. He was a natural athlete but never took his gifts seriously. He preferred reading and playing chess. Once I gave him a difficult computer chess game to try out. He beat it handily, then turned in an exquisite, two-page exposition on the computer's stupidity. He liked good drink, good talk, good work, good friends and his lovely family. He left us with all of his values intact.

MESSAGES FROM THE HOUSE

At 2:23 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2218. An act to provide for the development and improvement of the recreation facilities and programs of Gateway National Recreation Area through the use of funds obtained from the development of methane gas resources within the Fountain Avenue Landfill site by the city of New York.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 6033. An act relating the preservation of the historic Congressional Cemetery in the District of Columbia for the inspiration and benefit of the people of the United States;

H.R. 6091. An act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes; and

H.R. 6454. An act to amend title 18, United States Code, to clarify the applicability of offenses involving explosives and fire.

ENROLLED BILL SIGNED

At 4:36 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

S. 2218. An act to provide for the development and improvement of the recreation facilities and programs of Gateway National Recreation Area through the use of funds obtained from the development of methane gas resources within the Fountain Avenue Landfill site by the city of New York.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 5:18 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 6530) to establish the Mount St. Helens National Volcanic Area, and for other purposes; agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. DE LA GARZA, Mr. UDALL, Mr. WEAVER, Mr. SEIBERLING, Mr. FOLEY, Mr. WILLIAMS of Montana, Mr. BROWN of California, Mr. SKEEN, Mr. CLAUSEN, Mr. MORRISON, Mr. PASHAYAN, and Mr. CHAPPIE as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4365. An act to provide that per capita payments to Indians may be made by tribal governments, and for other purposes;

H.R. 4568. An act to direct the Secretary of the Interior to release on behalf of the United States certain restrictions contained in a previous conveyance of land to the city of Albuquerque, N. Mex., and for other purposes;

H.R. 4647. An act to award special congressional gold medals to Fred Waring, the widow of Joe Louis, and Louis L'Amour; and

H.R. 6159. An act to establish a program under the coordination of the Office of Science and Technology Policy for improving the use of risk analysis by those Federal agencies concerned with regulatory decisions related to the protection of human life, health, and the environment.

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4365. An act to provide that per capita payments to Indians may be made by tribal governments, and for other purposes; to the Select Committee on Indian Affairs.

H.R. 6091. An act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 6159. An act to establish a program under the coordination of the Office of Science and Technology Policy for improving the use of risk analysis by those Federal agencies concerned with regulatory decisions related to the protection of human life, health, and the environment; to the Committee on Commerce, Science, and Transportation.

HOUSE BILLS HELD AT THE DESK

The following bills were ordered held at the desk pending further disposition, by unanimous consent:

H.R. 6033. An act relating the preservation of the historic Congressional Cemetery in the District of Columbia for the inspiration and benefit of the people of the United States;

H.R. 6454. An act to amend title 18, United States Code, to clarify the applicability of offenses involving explosives and fire.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4647. An act to award special congressional gold medals to Fred Waring, the widow of Joe Louis, and Louis L'Amour.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DURENBERGER, from the Committee on Governmental Affairs, without amendment:

S. 2329. A bill to establish an Efficiency Advisory Roundtable to assist the Advisory Commission on Intergovernmental Relations in its activities concerning the New Federalism (with additional views) (Rept. No. 97-515).

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 6863. An act making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97-516).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Richard W. Heldridge, of California, to be a member of the Board of Directors of the Export-Import Bank of the United States.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON:

S. 2801. A bill to withdraw certain lands from mineral leasing, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DIXON (for himself, Mr. PERCY, Mr. HEINZ, Mr. KENNEDY, Mr. LEVIN, Mr. DECONCINI and Mr. METZENBAUM):

S. 2802. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to restore a former provision relating to the insured unemployment rate; to the Committee on Finance.

By Mr. SASSER:

S. 2803. A bill to create a Federal, State, and local drug forfeiture fund; to the Committee on the Judiciary.

By Mr. PELL:

S. 2804. A bill to authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correctional institutions to assist in the rehabilitation of criminal offenders, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATFIELD (for himself, Mr. PACKWOOD, Mr. JACKSON, Mr. GORTON, Mr. CRANSTON, and Mr. MURKOWSKI):

S. 2805. A bill to provide for the orderly termination, extension, or modification of certain contracts for the sale of Federal timber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, for no more than 30 days.

By Mr. HATFIELD (for himself, Mr. STENNIS, and Mr. DOMENICI):

S. 2806. A bill to restrict Federal funding of abortions; to the Committee on Governmental Affairs.

By Mr. ROBERT C. BYRD (for himself, Mr. CRANSTON, Mr. INOUYE, Mr. FORD, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. EAGLETON, Mr. HUDDLESTON, Mr. JACKSON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, and Mr. SASSER):

S. 2807. A bill to amend the Federal Reserve Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EAGLETON (for himself, Mr. LEVIN, Mr. DURENBERGER, Mr. HATCH, Mr. KENNEDY, Mr. METZENBAUM, and Mr. SARBANES):

S.J. Res. 225. A joint resolution to provide for the designation of the week beginning on November 21, 1982, as "National Alzheimer's Disease Week."; to the Committee on the Judiciary.

By Mr. COCHRAN:

S.J. Res. 226. A joint resolution to authorize and request the President to designate October 1, 1982, as "American Enterprise Day."; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATSUNAGA (for himself, Mr. INOUYE, Mr. STEVENS, Mr. MURKOWSKI, Mr. GOLDWATER, Mr. DECONCINI, Mr. DOMENICI, and Mr. SCHMITT):

S. Res. 441. A resolution to authorize and direct the Architect of the Capitol to install additional stars on the ceiling and walls of the Senate Chamber; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON:

S. 2801. A bill to withdraw certain lands from mineral leasing, and for other purposes; to the Committee on Energy and Natural Resources.

WILDERNESS PROTECTION ACT OF 1982

Mr. JACKSON. Mr. President, today I am introducing the Wilderness Protection Act of 1982. This legislation is almost identical to that which was favorably reported by the House Interior and Insular Affairs Committee by a vote of 34 to 7 on June 24, 1982. The measure is now awaiting action by the full House of Representatives.

Mr. President, this is a very straightforward bill. It would immediately and permanently withdraw lands in the National Wilderness Preservation System—except for lands in Alaska—from oil, gas, oil shale, coal, phosphate, potassium, sulfur, gilsonite, and geothermal leasing. National Forest System lands recommended to Congress for designation as wilderness, wilderness study areas, and further planning lands identified in RARE II would be temporarily withdrawn from such leasing. The bill also provides for mineral inventories of withdrawn areas, revocation of withdrawals in the case of urgent national need, the protection of valid existing rights, and for leasing under wilderness if exploration and extraction is below the surface and is accomplished from outside the wilderness.

Mr. President, the Congress has been embroiled in a debate over mineral prospecting, exploration, leasing, and development in wilderness and so-called wilderness candidate areas for the past 1½ years. This debate began early in 1981 when the Forest Service announced that it was considering issuing permits for seismic activities involving the use of explosives in the Bob Marshall Wilderness in Montana. At the same time, it was discovered that some 340 applications for oil and gas leases were pending within the so-called Bob Marshall Wilderness "complex"—the Bob Marshall, Scapegoat, and Great Bear Wilderness Areas. In response, the House Interior and Insular Affairs Committee voted on May 21, 1981, to invoke its emergency withdrawal authority pursuant to section 204(e) of the Federal Land Policy and Management Act and requested the Secretary of the Interior to make an emergency withdrawal of the Bob Marshall complex from mineral leas-

ing. The Secretary made the withdrawal and the matter is now being litigated in the Federal district court in Montana.

In the ensuing months the controversy over wilderness leasing heightened when leasing recommendations were developed for wilderness areas in California, Washington, Wyoming, and Arkansas, and when three leases were actually issued by the Department of the Interior in the Capitan Mountains Wilderness Area in New Mexico.

In November 1981, the Secretary of the Interior agreed to place a 6-month moratorium on leasing in wilderness areas in order to give Congress time to consider changes in the law. In late January, the Secretary extended the moratorium until the end of the current session of the 97th Congress. In the meantime, the Congress continues to consider a variety of statewide wilderness proposals, some of which withdraw wilderness lands from further leasing and others that do not.

Mr. President, I am introducing this legislation today because the debate over the past 1½ years has convinced me of three things. First, the people of this country are, for the most part, overwhelmingly opposed to oil and gas development in wilderness areas. In every instance, where leasing has been an issue, public reaction has been swift and negative. The strong sentiment in my State and elsewhere in the country is that wilderness and potential wilderness areas should be the last places to be leased. I concur in this view, and the bill I am introducing today will help insure that other lands are explored and developed first.

Second, I am convinced that the amount of oil and gas involved is very small. There are millions and millions of acres of Federal lands available for leasing that are not components of the Wilderness Preservation System. Secretary Watt, for example, has recently announced the implementation of a 5-year plan for leasing over 1 billion acres of the Outer Continental Shelf. By comparison, the amount of acreage withdrawn under his bill is quite small indeed. Further, experts at the Oak Ridge National Laboratory have indicated at hearings conducted by the House Interior and Insular Affairs Committee that wilderness and wilderness-candidate areas may only contain on the order of 3 percent of the Nation's undiscovered gas resources. Obviously, this figure is quite speculative, but even if it is 100 percent too low, it is clear that the potential energy loss is a relatively small price to pay for preserving our Nation's wilderness system.

Finally, I think it is very important that the Congress act before the end of this year. Secretary Watt has urged us to address this issue legislatively, and I think we should respond. Once the current moratorium expires at the end of this Congress, we will again be forced to deal with the leasing question through administrative confrontation, section 204(e) of FLPMA and the courts. It is clear that Secretary Watt intends to issue oil and gas leases between the end of this Congress and December 31, 1983, when the leasing authority expires under the terms of the Wilderness Act. I think we should deal with that eventuality now rather than wait to legislate in the crisislike and emotionally charged atmosphere that pervaded the Congress and the administration last year.

Mr. President, the only difference between the bill I am introducing today and the one reported from the House Interior Committee last month is that my bill does not include the so-called expedited procedures associated with the consideration of a recommendation of the President to permit leasing in a wilderness in the case of a national need to do so. It is my view that a decision such as this should be made in accordance with normal legislative procedures.

I understand that as a result of discussions between the bill's sponsors in the House and the chairman of the Rules Committee, a substitute bill also deleting the language will be offered when the measure comes before the House.

Mr. President, I am very hopeful that we can resolve this matter this year. I look forward to working with my colleagues on both sides of the aisle and in the House toward this end.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Wilderness Protection Act of 1982".

WITHDRAWALS

SEC. 2. Except as specifically provided in this Act, notwithstanding any other provision of law—

(a) lands designated by Congress as components of the National Wilderness Preservation System are hereby withdrawn from disposition under all laws pertaining to oil, gas, oil shale, coal, phosphate, potassium, sulphur, gilsonite, and geothermal leasing, and all amendments thereto;

(b) lands within the national forest system which have been recommended for designation as wilderness in Executive Communication 1504, Ninety-sixth Congress (House Document Numbered 96-119) are hereby withdrawn from disposition under all laws pertaining to oil, gas, oil shale, coal, phosphate, potassium, sulphur, gilsonite, and geothermal leasing, and all amendments thereto, until Congress determines otherwise or until a revision of the initial plans required by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 is implemented recommending the land concerned for other than wilderness designation, whichever comes first;

(c) wilderness study areas designated by act of Congress are hereby withdrawn from disposition under all laws pertaining to oil, gas, oil shale, coal, phosphate, potassium, sulphur, gilsonite, and geothermal leasing, and all amendments thereto for the period of interim wilderness protection and management of such wilderness study areas contained in the act of Congress designating such wilderness study areas;

(d) lands within the national forest system identified for further planning in Executive Communication 1504, Ninety-sixth Congress (House Document Numbered 96-119) are hereby withdrawn from disposition under all laws pertaining to oil, gas, oil shale, coal, phosphate, potassium, sulphur, gilsonite, and geothermal leasing, and all amendments thereto, until one year after the date of final approval and implementation of an initial forest plan covering the further planning area concerned pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976: *Provided, however,* That if any further planning area is recommended for wilderness in such initial plan it shall remain withdrawn for the period specified for recommended wilderness areas in subsection (b) of this section.

EXCEPTED LANDS

SEC. 3. The withdrawal and other provisions of this Act shall not apply to—

(a) any national forest system land released to management for any uses the Secretary concerned deems appropriate through the land management planning process by any statewide or other Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted;

(b) lands designated as congressional wilderness study areas in Colorado by sections 105 and 106 of the Act of December 22, 1980 (Public Law 96-560), land designated as congressional wilderness study areas in New Mexico by section 103 of the Act of December 19, 1980 (Public Law 96-550), or to lands within the River of No Return Wilderness, Idaho, which are subject to section 4(d)(1) of the Central Idaho Wilderness Act of 1980 (Public Law 96-312);

(c) Bureau of Land Management wilderness study areas, which have been identified pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579); or

(d) lands in the State of Alaska.

PROSPECTING AND INVENTORIES

SEC. 4. (a) Nothing in this Act shall prevent the Secretary of Agriculture or Interior from issuing under their existing authority in any area of national forest or public lands withdrawn pursuant to section 2 of this Act such permits as may be necessary to conduct to prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvements of existing roads or ways, for the purpose of gathering information about and inventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: *Provided, however,* That seismic activities involving the use of

explosives shall not be permitted in designated wilderness areas.

(b) The Secretary of the Interior shall augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting, in conjunction with the Secretary of Energy, the national laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to section 2 of this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, synthetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and X-ray defraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such as data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results.

(c) The Secretary of the Interior and the Secretary of Agiculture may prescribe such regulations, as they deem necessary, to insure that confidential, privileged, or proprietary information obtained by them or any officer or employee of the United States under this Act is not disclosed.

RECOMMENDATIONS OF THE PRESIDENT TO CONGRESS

SEC. 5. (a) At any time after the date of enactment of this Act, the President may transmit a recommendation to Congress that minerals prospecting, exploration, development, or extraction not permitted under this Act shall be permitted in a specified area or areas withdrawn pursuant to section 2 of this Act. Notice of such transmittal shall appear in the Federal Register and shall be conveyed to the Governor of the State in which the area or areas are located.

(b) A recommendation may be transmitted to the Congress under subsection (a) if the President finds that, based on available information—

(1) there is an urgent national need for the minerals activity; and

(2) such national need outweighs the other public values of the wilderness lands involved and the potential adverse environmental impacts which are likely to result from the activity.

(c) Together with a recommendation, the President shall submit to the Congress—

(1) a report setting forth in detail the relevant factual background and the reasons for his findings and recommendations;

(2) a statement of the conditions and stipulations which would govern the recommended activity; and

(3) in any case in which an environmental impact statement is required under the National Environmental Policy Act of 1969, a statement which complies with the requirements of section 102(2)(C) of that Act.

(d) Any recommendation made pursuant to this section shall take effect only upon enactment of a joint resolution approving such recommendation.

VALID EXISTING RIGHTS

SEC. 6. All provisions of this Act shall be subject to valid existing rights.

SEC. 7. The Secretary of the Interior is authorized to issue oil and gas leases for the subsurface of national forest or public land wilderness areas that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness or other nonsurface disturbing methods.

By Mr. DIXON (for himself, Mr. PERCY, Mr. HEINZ, Mr. KENNEDY, Mr. LEVIN, Mr. DECONCINI, and Mr. METZENBAUM):

S. 2802. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to restore a former provision relating to the insured unemployment rate; to the Committee on Finance.

INSURED UNEMPLOYMENT RATE

Mr. DIXON. Mr. President, today I am introducing legislation I feel is imperative to address the critical problem of unemployment extended benefits which is currently before us.

As you know, this Nation as a whole, is experiencing its highest rates of unemployment in the past 40 years. However, due to a change enacted last year in the Omnibus Reconciliation Act, the individuals who are experiencing the longest and most difficult period of unemployment—those who have exhausted their first 26 weeks of benefits—are not even counted when the States calculate their insured unemployment rates.

That rate bears little or no resemblance to the actual level of unemployment a State suffers. In my own State of Illinois, we are experiencing a total unemployment rate of 11.3 percent, but our insured rate is only 5 percent. The same is true in many other States, as the table included at the end of this statement shows.

The longer this recession and its accompanying record unemployment rates continue, the more this situation will worsen. It is indefensible for us to continue to ignore those people who are currently receiving extended benefits when we calculate the rate by which a State qualifies.

The bill I am introducing today, along with my colleague, Senator PERCY, would change the method of calculation of the insured unemployment (IUR), so that anyone receiving benefits—whether it be the first 26 weeks, the 13 weeks of extended benefits or, should it pass, the 13 weeks of Federal supplemental benefits—would be counted for the IUR.

By changing the method of calculating the IUR, we will be able to more accurately reflect those individuals who are actively looking for jobs and need to continue to receive benefits so that they do not become a burden on the State's welfare rolls.

Ten states "triggered off" extended benefits between June 1 and July 31. Their total number of unemployed did not decrease, however. My bill contains a provision making the new calculation retroactive to June 1 for purposes of counting those who were on extended benefits at that time. Those States who most recently "triggered off" are: Mississippi, June 19; New Jersey, June 19; Massachusetts, June 26; Arkansas, July 3; Maine, July 3; Minnesota, July 10; Delaware, July 17; Indiana, July 17; Maryland, July 31; and Alabama, July 31.

It is estimated that in these States, approximately 150,000 persons who were receiving extended benefits are no longer eligible. Should Illinois "trigger off," which it is scheduled to do shortly, an additional 50,000 people would be added to that list.

I urge my colleagues to support this bill, which will make an immediate difference. This problem will be further complicated if we do not make this change, because of the scheduled increase in the permissible IUR rate to 6 percent on September 26. Should this occur, it has been estimated that as few as 10 States would qualify for extended benefits, and they would not be those with the largest number of unemployed people.

In addition, this bill will address a problem relating to changes that States were required to make in State laws in order to conform with the Federal changes. It would enable them, for purposes of certification, to pay benefits without calling legislatures into special session,.

I am pleased to have the support of my colleague from Illinois, CHUCK PERCY, as an original cosponsor of this bill and also Senators HEINZ, KENNEDY, LEVIN, and DECONCINI.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2802

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 203(e)(1)(A) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended by section 2402 of the Omnibus Budget Reconciliation Act of 1981) is amended by striking out "individuals filing claims for regular compensation" and inserting in lieu thereof "individuals filing claims for compensation (including regular, extended, supplemental, and sharable regular compensation)".

(2) The amendment made by paragraph (1) shall apply for purposes of determining whether there are State "on" or "off" indicators for weeks beginning on or after June 1, 1982. For purposes of making such determinations for such weeks, such amendment shall be deemed to be in effect for all weeks, whether beginning before, on, after June 1, 1982.

(b)(1) In the case of any State with respect to which the Secretary of Labor has determined that State legislation is required in order to amend its State unemployment compensation law so as to include any requirement imposed by this section, such State's unemployment compensation law shall not be determined to be out of compliance under section 3304(c) of the Internal Revenue Code by reason of a failure to contain any such requirement for any period prior to the end of the first session of the State legislature which begins after the date of the enactment of this Act, or which began prior to the date of the enactment of this Act and remained in session for at least twenty-five calendar days after such date of enactment. For purposes of the preceding sentence, the term "session" means a regular, special, budget, or other session of a State legislature.

(2) Any State described in paragraph (1) may choose to implement the amendments made by this section, subject to the effective dates contained in this section, prior to the time that changes in the State unemployment compensation law are formally adopted if such State is not otherwise barred from doing so pursuant to State law.

Mr. PERCY. Mr. President, I am pleased to join my friend and colleague, ALAN DIXON, in an effort to address the extremely grave situation which confronts our own State of Illinois and others with respect to our continued ability to pay extended unemployment benefits. This legislation is the direct result of an emergency meeting of the Illinois congressional delegation, held yesterday, to consider the impact of a cessation of these benefits on the 50,000 unemployed in Illinois receiving them now, as well as a number of possible solutions to that problem. It is my belief that the Illinois delegation will unite in its effort to resolve this situation favorably for those who are suffering long-term unemployment because of the recession, and will cooperate with Governor Jim Thompson on this matter at every opportunity.

Federal law provides that an additional 13 weeks of unemployment benefits—beyond the regular, State-funded 26 weeks—may be paid in States with high unemployment. These benefits are funded by the States and Federal Government jointly and are paid when a specially calculated insured unemployment rate (IUR) reaches 5 percent. The Omnibus Budget Reconciliation Act of 1981 altered the formula by which the IUR is calculated to exclude from the count those who are already receiving extended benefits. Because of this and other changes in UI enacted at the same time, many unemployed in Illinois and about 10 other States are in danger of losing their extended benefits at a time when no economic upturn is foreseen and when the possibility of permanent reemployment is slight. With our regular unemployment rate at a tragic 11.3 percent level, our IUR is currently hovering around the threshold at a current rate of 5.002 percent.

The legislation we are introducing today would restore to the calculation of the IUR those who have exhausted their State benefits and are collecting extended benefits. If the purpose of the extended benefits program is to help those in high unemployment States, then it makes no sense to me that we are about to terminate it for those whose burden has been the heaviest and lasted longest. If these recipients had been counted in the IUR, Illinois' rate would have been in excess of 6 percent and would present a more accurate picture of conditions in our State.

Mr. President, I mentioned earlier that a number of States are in similar circumstances. The bill offered by my distinguished colleague to help our State may not be the answer for all of the others. It also entails additional Federal spending which we must make a reasonable effort to offset. But it is a starting point. I commend him for his initiative and his quick response to the situation. We will continue to work together, with our delegation, our Governor, and with other affected States to find the most feasible proposal that can be enacted the quickest before the unemployed in our States suffer the loss of the only assistance that for many of them is keeping their families together and off the welfare rolls.

UNEMPLOYMENT RATES AND IUR RATES BY STATE

State	Unemployment rate [1]	Number of people	IUR [2]
Michigan (3)	14.3	616,000	6.65
Alabama	13.2	225,000	4.89
Washington	12.3	246,000	6.31
Indiana (10)	11.4	292,000	4.29
South Carolina	11.4	170,000	5.32
Ohio (5)	11.1	566,000	5.45
Oregon	11.1	145,000	6.85
West Virginia	10.9	84,000	6.26
District of Columbia	10.6	33,000	3.55
Illinois (4)	10.6	586,000	5.00
Tennessee	10.6	221,000	4.96
Louisiana	10.3	192,000	4.19
Alaska	10.1	20,000	6.66
Mississippi	10.0	107,000	5.41
Idaho	9.8	43,000	6.65
Kentucky	9.8	159,000	5.42
Pennsylvania (6)	9.8	529,000	6.21
New Jersey (8)	9.7	355,000	4.5
Wisconsin	9.7	234,000	5.59
Arizona	9.3	122,000	4.0
Maine	9.3	49,000	4.31
Rhode Island	9.2	44,000	5.74
Arkansas	9.1	94,000	5.03
New Mexico	9.1	53,000	3.81
California (1)	9.0	1,085,000	4.90
North Carolina	8.7	256,000	4.35
Nevada	8.7	42,000	4.26
Maryland	8.6	189,000	3.96
Massachusetts	8.6	257,000	3.55
Montana	8.5	33,000	5.03
Missouri	7.9	187,000	3.82
New York (2)	7.9	633,000	3.60
New Hampshire	7.6	37,000	2.75
Vermont	7.6	20,000	5.10
Iowa	7.5	109,000	4.19
Georgia	7.4	197,000	3.19
Florida (9)	7.3	346,000	2.37
Delaware	7.1	22,000	2.93
Virginia	7.1	188,000	2.21
Utah	7.0	47,000	4.41
Colorado	6.9	107,000	2.83
Minnesota	6.7	144,000	3.76
Connecticut	6.5	105,000	3.25
Hawaii	6.4	29,000	3.31
Texas (7)	6.3	456,000	1.71
Kansas	5.5	64,000	3.93
Nebraska	5.4	43,000	2.60
Oklahoma	5.2	78,000	2.49
Wyoming	4.9	13,000	3.35
North Dakota	4.3	14,000	2.93

[1] As of May 1982.
[2] As of July 10, 1982.

By Mr. SASSER:

S. 2803. A bill to create a Federal, State, and local drug forfeiture fund; to the Committee on the Judiciary.

FEDERAL, STATE, AND LOCAL DRUG FORFEITURE FUND ACT OF 1982

● Mr. SASSER. Mr. President, on behalf of myself and the Senator from Arkansas (Mr. PRYOR), I am today introducing legislation to facilitate cooperation between Federal and State and local law enforcement agencies in combating drug trafficking.

In this country, violent crime rose by 11.1 percent in 1980, and law enforcement personnel are convinced that this surge of criminal activity is largely drug related. Drug trafficking is big business for organized crime. The estimate for the value of the illicit drug trade is $80 billion. That figure would make it the second largest corporation in the United States, behind Exxon and slightly ahead of Mobil.

The byproduct of this illegal industy is more violent crimes every year. In Tennessee, there were 20,824 violent crimes in 1980. These included 10,427 assaults, 8,208 robberies, and 489 murders. Other States fared no better. Georgia's violent crime total was 29,993. Florida is experiencing a virtual crime epidemic. earlier this month, in Cleveland, Tenn., Federal, State, and local law enforcement agents confiscated 1,200 pounds of pure cocaine worth nearly $400 million. Also taken were vehicles, weapons, and $450,000 in cash. This is the second largest cocaine seizure in U.S. history. Law enforcement officials believe the drugs were flown into Tennessee directly from Colombia.

Lest anyone think this was a fluke, about a year ago there was a similar raid in Sevier County, Tenn. that netted 600 pounds of pure cocaine with an estimated street value of $200 million. Officials say they only know about less than 1 percent of the illegal drugs coming into Tennessee and estimate that cocaine alone is a $500 million-a-year business in east Tennessee.

While drug enforcement is primarily a Federal responsibility, our State and local police are increasingly being drawn into the fight, for two reasons. First, many of the most successful drug busts require close Federal-State cooperation. The work does not begin and end with the arrest. Months and months of groundwork are necessary—surveillance, checking of leads, and

building up the record of evidence necessary to obtain a conviction. State and local law enforcement agents are an integral part of these efforts—efforts which require more and more of scarce resources.

In the seizure of Cleveland, Tenn., for instance, agents of both the Tennessee Bureau of Investigation and DEA had the major suspects under surveillance for a number of months. Knoxville's organized crime unit had also conducted surveillance operations and officers from Cleveland, Knoxville, and Bradley County were involved in the effort. Without the dedicated work of State and local law enforcement personnel, the Federal agents would simply be swamped in the drug flow. This cooperation, however, costs the departments in time and manpower—resources that are increasingly in short supply in these times of budget restraint.

The second reason for the increasing involvement of State and local officials is that they are the ones left to cope with the rising crimewave that is the result of the increasing drug traffic. They are the ones who have to cope with the vicious thugs who make our people feel unsafe in their own homes and afraid to walk the streets at night. These local crimes are the kinds that touch most people's lives—muggings, robberies, thefts, and often murder. While much of their cause and solution lie beyond the resources of local law enforcement, their control is a local responsibility.

Because of the increasing State and local involvement in Federal drug enforcements and the increasing crime which they are called upon to deal with, I am today introducing the Federal, State, and Local Drug Forfeiture Fund Act of 1982. This legislation has five main parts:

First, proceeds from the liquidation of assets seized in drug enforcement efforts would be put into a special trust fund.

Second, 50 percent of the funds available in any one year would be earmarked for Federal drug enforcement, prevention, and education efforts.

Third, 30 percent of the total available moneys would be available to the States on a per capita basis for the same purposes.

Fourth, the remaining 20 percent would be discretionary funds under the control of the Administrator of the Drug Enforcement Administration. These would be available for particularly promising programs in States where sufficient funds were not available under a State's block grant allotment. This will also compensate States which fare poorly under block grant formulas but which have a worthy program which should be funded.

Finally, in any drug operation in which there was significant State and local participation, the State would get 20 percent of the proceeds from that particular operation, right off the top.

Mr. President, the bill I am introducing today is a result of extensive discussions with Tennessee officials, law enforcement personnel, and U.S. and State district attorneys. It is one approach of many that might be offered and it would help to compensate State and local agencies for their cooperation in what are often primarily Federal cases.

I particularly want to recognize the contributions of Tennessee District Attorney General Richard Fisher and his staff. It was in his jurisdiction that the latest drug arrests were made. The support provided by his office was an integral part of this successful operation and is a perfect example of the imput by State agencies in drug enforcement efforts.

I want to stress that the money available from the trust fund would be available for drug abuse prevention and education programs as well as for enforcement purposes. While enforcement is important, we must remember that drug treatment and education programs can also be extremely valuable in educating our youth about the damage of drugs. This will help reduce the favorable image of drugs which drug dealers use as they prey on our young people. Consequently S. 2803 insures that drug abuse and education programs will receive their fair share of the available funds.

I intend to speak out further on this matter in the weeks ahead and draw the attention of my colleagues to this pressing national problem.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2803

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal, State, and Local Drug Forfeiture Fund Act of 1982".

SEC. 2. (a) Congress finds that—

(1) the rising level of drug trafficking indicates a need for increasing the resources allocated to drug enforcement, treatment, and education;

(2) the proceeds from drug enforcement operations should be utilized in the effort against drug trafficking and drug abuse;

(3) State and local law enforcement agencies are frequently significantly involved in Federal drug enforcements;

(4) such State and local cooperation entails significant expense to such agencies; and

(5) the proceeds from Federal drug enforcement efforts should be shared with State and local agencies.

(b) The purpose of this Act is to provide that proceeds from Federal drug forfeitures, security forfeited by drug offenders jumping bail, and fines imposed on drug offenders are used for Federal, State, and local drug law enforcement, treatment, and education activities.

SEC. 3. Section 1963 of title 18 of the United States Code is amended—

(1) in subsection (a)—

(A) by striking out "and" immediately before "(2)"; and

(B) by striking out the period at the end and inserting in lieu thereof the following: ", and (3) in cases in which the racketeering activity consisted of any offense involving dealing in narcotic or other dangerous drugs, which is chargeable under State law or any offense involving the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in narcotic or other dangerous drugs, punishable under any law of the United States, any proceeds or profits derived from any interest, security, claim, or property or contractural right, described in clause (1) or (2) of this subsection.";

(2) in subsection (c), by striking out the period at the end and inserting in lieu thereof the following: ", except that the Attorney General shall provide for the use of any such property forfeited in cases in which the racketeering activity consisted of any offense involving dealing in narcotic or other dangerous drugs, which is chargeable under State law or any offense involving the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in narcotic or other dangerous drugs, punishable under any law of the United States, for Federal, State, and local drug law enforcement, treatment, and education activities as provided in section 511 (h) of the Controlled Substances Act (Public Law 91-513; 21 U.S.C. 881 (h))."; and

(3) by adding at the end the following new subsection:

"(d) If the racketeering activity consists of any offense involving dealing in narcotic or other dangerous drugs, which is chargeable under State law or any offense involving the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in narcotic or other dangerous drugs, punishable under any law of the United States, it shall be presumed that all assets or other property of the convicted person are subject to forfeiture under this section, unless such convicted person proves otherwise by the preponderance of the evidence.".

SEC. 4. (a) Section 408 of the Controlled Substances Act (Public Law 91-513; 21 U.S.C. 848) is amended—

(1) in subsection (a)(2)(A) by adding after the phrase "the profits obtained by him in such enterprise" the following: ", including any profits and proceeds, regardless of the form in which held, that are acquired, derived, used, or maintained, indirectly or directly, in connection with or as a result of a violation of paragraph (1)"; and

(2) in subsection (a)(2) by adding at the end thereof the following flush material: "Any property forfeited under this section shall be disposed of as provided in section 511(h) of the Controlled Substances Act (Public Law 91-513; 21 U.S.C. 881(h))."

(b) Subsection (e) of section 511 of the Controlled Substances Act (Public Law 91-513; 21 U.S.C. 881) is amended to read as follows:

"(e) Whenever property is forfeited under this title the Attorney General shall dispose of the property as provided in subsection (h)."

(c) Section 511 of such Act is further amended by adding at the end thereof the following:

"(h)(1) There is hereby appropriated, to remain available until expended, for each fiscal year beginning after the date of the enactment of this subsection a sum equal to the proceeds from the disposition and sale during the immediately preceding fiscal year of all property, not required to be destroyed by law or harmful to the public, forfeited in cases under (A) this subsection, (B) section 408 of this Act, and (C) section 1963 of title 18, United States Code, where such forfeited property relates to drug racketeering, to be used as provided in paragraph (2). In addition and notwithstanding any other provision of law, any money paid as a fine by an offender as punishment for any offense involving dealing in narcotic or other dangerous drugs, which is chargeable under Federal law or any offense involving the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in narcotics or other dangerous drugs, punishable under any law of the United States and any security forfeited for failure to appear for proceedings under chapter 207 of title 18, United States Code, in connection with such offenses, shall be available for use as provided in paragraph (2).

"(2) The fund created by paragraph (1) shall be administered by the Drug Enforcement Administration and shall be distributed on an annual basis as follows:

"(A) 50 per centum to be retained by the Drug Enforcement Administration to be used for Federal level drug law enforcement, treatment, and education activities;

"(B) 20 per centum to be retained by the Drug Enforcement Administration to be distributed under regulations of the Attorney General to specific State and local programs that demonstrate effectiveness in drug law enforcement, treatment, and education activities; and

"(C) 30 per centum to be distributed to the States on a per capita proportional basis to be used for State level drug law enforcement, treatment, and education activities.

"(3) Notwithstanding any other provision of this section, where a State participates in a drug seizure in a substantial manner, as determined by the Attorney General, such State shall be entitled to 20 per centum of the proceeds from the property forfeited as a part of the seizure to be paid out of the fund created under this subsection.".●

By Mr. PELL:

S. 2804. A bill to authorize the Secretary of Education to provide financial assistance to States for use in expanding educational programs in juvenile and adult correction institutions to assist in the rehabilitation of criminal offenders, and for other purposes; to the Committee on Labor and Human Resources.

FEDERAL CORRECTIONAL EDUCATION ASSISTANCE ACT

● Mr. PELL. Mr. President. I am again submitting legislation entitled "The Federal Correctional Education Assistance Act." This bill is very similar to the one I introduced in 1979. It would authorize the Secretary of Education to make grants to State education agencies for educational programs for criminal offenders in correctional institutions.

I regret to say that the need for this legislation has not declined over the past 3 years. In fact, quite the opposite has occurred. Over the past several years there has been a 50-percent increase in the incarceration rate for adult offenders. Sadly, the prison population of our Nation is at an all-time high of about 500,000 people. In addition, another 1,800,000 juveniles and adults are on probation and parole.

Today, the United States spends about $6 billion a year to house inmates in State correctional facilities, local jails, and Federal institutions and centers. This amounts to almost $13,000 a year for each inmate. It is a staggering amount, which exceeds the cost of education for 1 year at either Harvard or Yale. In fact, on the average this Nation spends 2½ times as much money on keeping a person incarcerated than on sending a young man or woman to college.

As awful as these figures are, there might be some consolation if we knew that these people, while incarcerated, were being prepared for a productive, responsible life upon release from prison. That simply is not the case.

Of the $6 billion spent to maintain our prison system, between 80 percent and 90 percent is spent on control and security. Less than 20 percent is spent on rehabilitation and training. Of the 20 percent, the amount that is spent on basic and vocational education is very small. In fact, recent data from the National Institute of Education reveals that only 2 percent of the total cost of incarceration goes to vocational education and related programs. On the average, a State spends only 1.5 percent of its total correctional budget on inmate education and training programs. Further, corrections education programs are generally plagued by inadequate funds, space, equipment, and trained staff.

To make matters even worse, the lack of adequate education programs is further complicated by the nature of the prison population. As noted by the National Advisory Council on Vocational Education in its excellent report, "Vocational Education in Correctional Institutions":

The typical inmate is a 25-year-old male, with an uncertain educational background, limited marketable skills, and few positive work experiences. He completed no more than 10 high school grades and functions 2-3 grade levels below that. He is likely to be poor, having earned less than $10,000 in the year prior to arrest.

Although the U.S. prison population is ninety-six percent male, the plight of the incarcerated woman cannot be overlooked. She is typically under 30, a single mother with two or more children, poor and on welfare. She is likely to have problems with physical and/or mental health, drugs and/or alcohol.

This situation does not improve when a person is released from prison. The unemployment rate among ex-offenders is three times the rate for the general public. Those that do find jobs often work in low-income, semi-skilled positions. If they do not commit another crime, many ex-felons end their lives in suicide or dereliction among the skid-row population. As Chief Justice Warren Burger put it so eloquently:

Ninety-five percent of the adults who are presently confined in our Nation's prisons will eventually return to freedom. Without any positive change, including learning marketable job skills, a depressing number—probably more than half of these inmates—will return to a life of crime after their release.

The situation, in fact, is even more distressing than that described by the Chief Justice; 60 to 75 percent of the 150,000 offenders released from institutions each year will return to crime, and 30 to 50 percent will be recommitted to prison within 1 year. Among juveniles, the rate of recidivism reaches as high as 80 percent.

In response to this deplorable set of circumstances, the Chief Justice proposed in his 1981 report to the American Bar Association the introduction of mandatory educational and vocational programs for all inmates. He urged that every inmate who could not read, write, spell, and do simple arithmetic would be given that training. In addition, the Chief Justice recommended a large expansion of vocational training in the skilled and semi-skilled crafts. His recommendations were not only echoed but amplified and expanded upon by the report of the National Advisory Council on Vocational Education to which I have previously referred. That report should be required reading for every public official in this country.

The Chief Justice's recommendations combined with those of the National Advisory Council on Vocational Education clearly point to the need for a greater Federal commitment in the corrections education area. To my mind, their observations and findings provide strong support for the legislative initiative I undertook in 1979 and am renewing this year. In addition, they are buttressed by the results of studies in California, Maryland, New Mexico, Texas, and Washington which correlate a reduction in the recidivism rate with education and training received by the inmate while in prison.

The Federal Correctional Education Assistance Act would authorize $25 million a year in grants to State education agencies. The size of a grant would be determined by a ratio of a State's inmate population to the total inmate population in all States, but no State would receive less than $100,000. The States would have considerable latitude in the use of the Federal funds. They could be spent on a variety of education programs, including:

First, academic programs for basic education, special education, secondary school credit, postsecondary edu-

cation, fine arts, recreation, and health;

Second, vocational training programs;

Third, library development and library services;

Fourth, teacher training in correctional education, particularly in social education, reading instruction, and abnormal psychology;

Fifth, educational release programs for offenders, with special attention on vocational work release training programs;

Sixth, guidance programs, including testing, counseling, psychological evaluation, and placement services;

Seventh, supportive services, with special emphasis upon job placement and coordination of education services with other agencies furnishing services to criminal offenders after their release; and

Eighth, cooperative programs with business to provide job training for offenders.

Mr. President, I urge my colleagues to give this legislation their serious consideration. I would most certainly welcome their cosponsorship of this important measure. I look forward to the bill being referred to the Committee on Labor and Human Resources, and am very hopeful that it will eventually be the subject of hearings by the Subcommittee on Education, Arts, and Humanities. I ask unanimous consent that the full text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Correctional Education Assistance Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) existing educational programs in juvenile and adult correctional institutions are inadequate to meet the needs of accused individuals or convicted offenders;

(2) State and local educational agencies and other public and private nonprofit agencies do not have the financial resources needed to respond to the increasing need of the correctional system for appropriate institutional and noninstitutional educational services for accused individuals and convicted criminal offenders;

(3) education is important to, and makes a significant contribution to, the adjustment of individuals in society; and

(4) there is a growing need for immediate action by the Federal Government to assist State and local educational programs for criminal offenders in correctional institutions.

(b) It is, therefore, the purpose of this Act to provide financial assistance to the States to carry out educational programs for criminal offenders in correctional institutions.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "criminal offender" means any individual who is charged with or convicted of any criminal offense, including a youth offender or a juvenile offender;

(2) "correctional institution" means any—

(A) prison,

(B) jail,

(C) reformatory,

(D) work farm,

(E) detention center, or

(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders;

(3) "Secretary" means the Secretary of Education;

(4) "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(5) "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

AUTHORIZATION

SEC. 4. (a)(1) There is authorized to be appropriated $25,000,000 for fiscal year 1984, and for each succeeding fiscal year ending prior to October 1, 1986, to enable the Secretary to make grants to States in accordance with the provisions of this Act.

(2) Funds appropriated for any fiscal year may remain available until expended.

(b) The Secretary is authorized to make grants to State educational agencies and to make grants for programs of national significance in accordance with the provisions of this Act.

ALLOCATION

SEC. 5. (a)(1) In each fiscal year in which the funds appropriated pursuant to section 4(a) exceed $15,000,000 the Secretary shall reserve 3 percent of the funds appropriated for carrying out section 8.

(2) From the sums appropriated pursuant to section 4(a) in each fiscal year in which paragraph (1) does not apply and from the remainder of the sums appropriated pursuant to section 4(a) for each fiscal year in which paragraph (1) does apply, the Secretary shall allocate to each State $100,000 plus an amount which bears the same ratio to such sums or to such remainder, as the case may be, as population of the State in correctional institutions for the year preceding the year for which the determination is made bears to the population of all States in correctional institutions for such year.

(b) The amount by which any allotment of a State for a fiscal year under subsection (a) exceeds the amount which the Secretary determines will be required for such fiscal year for applications approved under section 7 within such State shall be available for reallotment to other States in proportion to the original allotments to such States under subsection (a) for that year, but with such proportionate amount for any such State being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year. The total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a fiscal year shall be deemed part of its allotment uder subsection (a) for such year.

(c) No sums appropriated pursuant to section 4(a) shall be used for purposes inconsistent with the Juvenile Justice and Delinquency Prevention Act of 1974.

USES OF FUNDS

SEC. 6. Grants made under this Act to States may be used, in accordance with applications approved under section 7, for the cost of educational programs for criminal offenders in correctional institutions, including—

(1) Academic programs for—

(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic;

(B) special educaiton programs as defined by State law;

(C) bilingual or bicultural programs for members of minority groups;

(D) secondary school credit programs;

(E) postsecondary programs;

(F) fine arts programs;

(G) recreation and health programs; and

(H) curriculum development for the programs described in this paragraph;

(2) standard and innovative vocational training programs;

(3) library development and library service programs;

(4) training for teacher personnel specializing in correctional education, particularly training in social education, reading instruction, and abnormal psychology;

(5) educational release programs for criminal offenders, with special attention given to vocational work release training programs;

(6) guidance programs, including testing, preparation, and maintenance of case records for criminal offenders, counseling, psychological evaluation, and placement services;

(7) supportive services for criminal offenders, with special emphasis upon job placement services and coordination of educational services with other agencies furnishing services to criminal offenders after their release; and

(8) cooperative programs with business concerns designed to provide job training for criminal offenders.

APPLICATION

SEC. 7. (a) A State desiring to receive a grant under this Act shall submit an application to the Secretary containing or accompanied by such information as the Secretary deems reasonably necessary, with such annual revisions as are necessary. Each such application shall—

(1) provide that the programs and projects for which assistance under this Act is sought will be administered by, or under the supervision of, the State educational agency;

(2) set forth a program for carrying out the purposes set forth in section 6 and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

(3) provide assurances that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any employee in such program because of race, color, creed, national origin, sex, political affiliation or beliefs;

(4) provide assurances that funds received under this Act will be used only to supplement, and to the extent practical increase, the level of funds that would, in absence of such Federal funds, be made available from regular non-Federal sources for the purposes described in section 6, and in no case may such funds be used to supplant funds from non-Federal sources; and

(5) provide for a three-year report to the Office of Education containing a description

of the activities assisted under this Act together with a description of evaluation programs designed to test the effectiveness of education programs assisted under this Act.

(b) Each application made under this Act may be approved by the Secretary if the Secretary determines that the application meets the requirements set forth in this Act.

PROGRAMS OF NATIONAL SIGNIFICANCE

SEC. 8. (a) From funds reserved pursuant to section 5(a)(1), the Secretary is authorized to make grants to State and local educational agencies, institutions of higher education, State correctional agencies, and other public and private nonprofit organizations and institutions to meet the costs of programs of national significance which the Secretary determines give promise of improving the education of criminal offenders.

(b) No grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing such information as the Secretary deems reasonably necessary.

PAYMENTS AND WITHHOLDING

SEC. 9. (a) The Secretary shall pay to each State which has an application approved under this Act an amount equal to the cost of an application approved under section 7(b) or section 8(b).

(b) Whenever the Secretary, after giving reasonable notice and opportunity for hearing to a State under this Act, finds—

(1) that the program or project for which assistance under this Act was made has been so changed that it no longer complies with the provisions of this Act; or

(2) that in the operation of the program or project there is failure to comply substantially with any such provision;

the Secretary shall notify such State or grantee, as the case may be, of the findings and no further payments may be made to such State or grantee, as the case may be, by the Secretary until the Secretary is satisfied that such noncompliance has been, or will promptly be, corrected. The Secretary may authorize the continuance of payments with respect to any projects pursuant to this Act which are being carried out by a State and which are not involved in the noncompliance.●

By Mr. HATFIELD (for himself, Mr. PACKWOOD, Mr. JACKSON, Mr. GORTON, Mr. CRANSTON, and Mr. MURKOWSKI):

S. 2805. A bill to provide for the orderly termination, extension, or modification of certain contracts for the sale of Federal timber, and for other purposes; by unanimous consent, referred jointly to the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry for not to exceed 30 days.

FOREST PRODUCTS INDUSTRY

Mr. HATFIELD. Mr. President, today I am introducing legislation designed to alleviate the acute economic distress of the forest products industry, an industry which is essential in meeting our Nation's housing needs. The lumber and wood products industry is the backbone of the economy of Oregon and other timber-producing States in the West. I am taking this action because I believe that many small, independent companies are on the verge of collapse and because the Federal Government is inextricably involved in the situation already. In my State, 73 lumber mills are closed. In Washington and California, the number of mills closed is 59 and 40, respectively. Let me emphasize that I am not asking the Federal Government to spend one nickel to aid this distressed industry. Rather, I am proposing that the Federal Government, which is the major seller of timber in the West, be empowered to modify or terminate its current timber sales contracts with them. Failure to act will wreak havoc upon those employed in the industry, local communities who rely on timber sales revenues, and the Federal timber sales program. The current recession has impacted industries throughout the Nation and, as in previous recessions, the homebuilding industry has been particularly hard hit. Some of my colleagues may ask, "Why should action be taken to aid one ailing industry? Why not put our efforts solely into an overall economic recovery which will bring about homebuilding?"

Mr. President, my answer is that I agree that we must continue to work toward overall economic recovery. But, without action soon to deal with this situation, that industry which must provide the building materials necessary to house our people will continue to be decimated by depression, and its structure will be severely and adversely altered by the time any substantial recovery occurs.

Since October 1, 1979, 10 wood products firms in Oregon have taken bankruptcy; 6 other companies that are involved in remodeling have also gone bankrupt. Although figures are not available, it can be safely stated that many other companies that have direct ties to the wood products industry have also gone bankrupt. Today, many other firms in the independent segment of the lumber and wood products industry are facing bankruptcy. In the West, these companies are almost totally reliant on Government timber for their raw material. Timber is purchased under contracts dictated by the Government which in many instances enjoys a monopoly position as their supplier. Typically, these forest products companies purchase Government timber on a schedule that provides them with a timber supply for several years, so that they may plan properly.

During the seventies, homebuilding demand was high and timber shortages were projected. Many companies invested substantial sums of money in mill improvements to allow greater utilization of timber. This increased the necessity to have a stable supply of timber under contract, and companies bid the highest prices possible for Government timber based upon their projections of lumber and plywood prices when the logs would be milled, usually at least 2 years in the future. Federal timber contracts have had little in the way of financial requirements on the part of the purchaser and, during the seventies this system worked; in fact, it worked particularly well for the Federal Treasury. In 1979, national forest timber receipts to the Treasury totaled $854.7 million. In 1980, the receipts totaled $614.6 million, and in 1981, receipts totaled $596 million. Although figures for 1982 are not available, the Forest Service estimates that receipts will be down substantially. During this decade we had Federal housing policies which fostered homebuilding. The entire picture has now changed. With the shift in the Federal economic program and through a combination of tight money, high interest rates, and deregulation of financial institutions, capital has been channeled away from housing. Housing starts have plummeted from the more than 2 million annually which characterized the seventies to less than 1 million.

This situation has put the companies who bid competitively for Government timber in a terrible bind. The prices of the lumber and plywood they produce are much lower than the prices of Government timber they have under contract. In Oregon and Washington, for example, there is about 20 billion board feet of Government timber under contract. As much as 75 percent of the volume under contract bid as of January 1, 1982, cannot be economically havested, resulting in a potential default situation of drastic proportions. Some of the very large companies, which also operate pulp and paper plants and have extensive timberland holdings would no doubt survive, but most of the small- and medium-sized companies would be forced to close down and default on their contracts. Massive defaults would create chaos for the companies, the Federal agencies which administer the contracts, the counties which share in the timber sale receipts, and those who work in the mills and in our forests.

This problem threatens the industry which is the predominant source of economic activity and is the largest single employer in the Pacific Northwest. Prior to its collapse, the lumber and wood products industry provided over one-fourth of all regional manufacturing jobs. In Oregon, about one-third of all manufacturing jobs have been in the lumber and wood products industry. When the jobs indirectly dependent upon the industry are taken into account, the livelihood of half of Oregon's population is at stake in the health of this industry.

Nearly 40 percent of the Nation's lumber production and over one-half of its plywood production has come

from the Pacific Northwest. The demise of this industry would have enormous impacts upon the Nation's balance of payments.

Since 1979, 22,000 of the 90,000 direct jobs in Oregon's products industry have been lost. Half of the mills in my State have shut down or curtailed operations. Many of those mills still operating are owned and operated by people who live in communities nearly completely dependent on the payrolls of the mills that operate there. But the outlook for their continued operation is, in many cases, very poor.

Mr. President, when two parties are involved in a contractual agreement, and drastically changed conditions disable one of those parties to the point whereby the contract cannot be fulfilled, there are two options: defaulting on or modification of the contract; that is precisely the choice we face today.

The States of Oregon, Washington, and California, all of which sell timber from their lands, have faced this issue directly with respect to their own forests. Each of these States enacted legislation to modify existing timber sales contracts. Oregon authorized modification of prices and extensions of its contracts. Washington authorized termination without penalty of a portion of its contracts and extensions. California authorized modification of contract prices. The legislation I am introducing today would provide similar authority to the Federal timber-selling agencies.

Mr. President, introduction of this legislation follows months of discussion and debate among those who are involved in and affected by the forest products industry. Last December, I proposed that the Department of the Interior modify its contracts so that prices would reflect current values. In the ensuing 8 months, many members of the industry have worked diligently to develop a proposal which represents their national viewpoint on this matter. Basically, that proposal would allow purchasers to terminate up to 40 percent of their timber sales contracts, extend other contracts for up to 5 years, and it would deal with the so-called purchaser credit issue by making ineffective purchaser credits effective. Senator McCLURE and I had pressed the industry to come up with a proposal which met their needs.

While the legislation I am introducing today encompasses some of these policies, it is not the proposal of the industry. My bill is much broader in its scope. It would provide the Secretaries of the Interior and Agriculture with the tools necessary to deal with the problems I have outlined through contract modification or termination, but it does not set out the specific methods of implementing them. For example, my legislation allows termination of a portion of timber sales but does not specify the portion. It also allows for price modification, which was not a part of the proposal developed within the industry. This legislation also does not include the timber purchaser credit issue.

The lack of these specific provisions is not an indication of my opposition to them. As the issue has been discussed over the months, it has gotten more and more detailed and, quite frankly, some of the details are the results of compromises within the industry. At this point, it is clear that public hearings are essential on this issue and I believe the need for more specificity should be a part of those hearings. Any such hearings should be broad in scope and allow for discussion of these issues by industry, labor, homebuilders, conservation groups, and representatives of the affected areas.

Today's legislation, then, is not introduced at the behest of any particular group. Rather, it is intended to address the issues faced by all of those whose lives and communities are affected by the forest products industry, not merely the companies who purchase and mill the timber. It represents my firm belief that the Federal Government must have the flexibility to deal with the crisis we face and allow small, independent businesses to continue to provide this Nation with housing materials at reasonable prices.

There is one additional threat should we not act. In Canada, where government timber is sold without competitive bidding and price is indexed according to economic conditions, Canadian manufacturers have increased their share of the U.S. market from under 19 percent in 1975 to more than 30 percent in 1981. Yet, at present, we face a situation where the policy of our Government is "hang tough" on contracts and let our own companies, workers, and communities hang.

Mr. President, I am pleased that Senators PACKWOOD, JACKSON, GORTON, and CRANSTON are joining me in introducing this legislation. I ask my colleagues to carefully consider the bill, the issue, and its ramifications nationally.

Mr. President, I ask unanimous consent that this bill be jointly referred to the Senate Energy and Natural Resources Committee and the Senate Committee on Agriculture. I have discussed this matter with the Senator from North Carolina, Senator HELMS, who is the chairman of the Senate Agriculture Committee, and with the Senator from Idaho, Senator McCLURE, who is chairman of the Senate Energy and Natural Resources Committee. Therefore, it has been cleared with them. I ask unanimous consent that it be jointly referred and reported back within 30 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follow:

S. 2805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that in order to avert widespread bankruptcies, sustain the flow of income from Federal forest lands to the Federal treasury and to units of local government, and assist in restoration of employment, it is in the national interest to provide for the modification of certain contracts for the purchase of timber from Federal lands.

SEC. 2. Upon a showing of economic hardship by the private contracting party, the Secretary of the Interior for public lands and the Secretary of Agriculture for national forest system lands are authorized to modify any timber sales contract bid prior to January 1, 1982. Such modifications may include—

(1) termination of a portion of timber sales contracts for the purchase of timber bid prior to January 1, 1982, held by a private contracting party;

(2) extension of the termination dates of such contracts, not to exceed five years beyond original termination dates of such contracts; and

(3) modification of the purchase price of the timber sold, reflecting current market values, for such contracts that are not extended.

SEC. 3. The Secretaries shall publish procedures for the modification of contracts pursuant to this Act in the Federal Register within 30 days after the date of enactment of this Act.

SEC. 4. The authority granted pursuant to this Act shall expire one year after the date of enactment of this Act.

● Mr. PACKWOOD. Mr. President, I am pleased to join Senator HATFIELD in introducing this bill to provide timber contract relief. This legislation is vital for the Pacific Northwest. It will provide significant aid to dozens of communities, workers, and businesses whose livelihood has been devastated by the current housing depression.

As a Senator from a State with one of the highest unemployment rates in the country, I am well aware of the disastrous condition of its principal industry. There is no question that the timber industry is in a state of collapse. It is experiencing its longest and deepest decline since the Great Depression. In Oregon, with a statewide unemployment rate of nearly 12 percent, communities dependent on logging and sawmills are experiencing unemployment rates well over 20 percent.

Current statistics relating to sawmills in Oregon provide a crystal clear picture of what is happening. Thirty-two percent of the sawmill workforce is either unemployed or working curtailed shifts.

And of the sawmills themselves, 37 percent are either closed or have cut

back their operations. I ask unanimous consent, Mr. President, that two charts showing these statistics be printed at this point in the RECORD.

OREGON SAWMILLS: CURRENT EMPLOYMENT SITUATION[1]

Normal number of workers, 31,076; workers unemployed, 3,232; workers on curtailed shifts, 6,588; and percent workers curtailed or unemployed, 32.

OREGON SAWMILLS: MILL CLOSURES AND CURTAILMENTS[1]

Normal number of mills, 210; mills closed, 27; mills with curtailed operations, 50; and percent mills closed or curtailed, 37.

These statistics, Mr. President, deal only with Oregon sawmills. Recent reports on other forest product operations, such as plywood and pulp mills, are just as dismal. For example, the American Plywood Association reported on July 24, 1982, that 28 of Oregon's 73 plywood plants are closed, and 9 are on curtailed schedules. This adds up to a total of 33 percent of the State's plywood capacity either out of action altogether, or just scraping by.

The primary cause of the timber depression is high interest rates. Mortgage interest rates of 17 percent and more have priced almost everyone out of the new home market. If people can not buy, builders can not build. If builders can't build, lumber and plywood can't be sold. According to the U.S. Forest Service, residential construction, the largest market for softwood lumber and plywood, has dropped from more than 2 million housing starts in 1978 to less than 1 million this year. Clearly, the long-term solution to the timber depression is a higher level of housing starts through lower interest rates.

In the short term, however, we are faced with the possible disintegration of a substantial part of the timber industry. If some way of moving more timber through the mills is not found, it will be a weak and ineffective industry we turn to when interest rates finally come down and the demand for housing booms.

The steep drop in demand for housing has made it uneconomical to cut Federal timber that was put under contract just a few months ago. Timber contracted for more than $300 per thousand board feet in 1979 or 1980 cannot be cut today, when new contracts are being sold at less than $200. In fact, the price of some of these older timber contracts is actually higher than the cost of finished lumber. The U.S. Forest Service recently estimated that nearly 90 percent of the National Forest timber under contract in western Oregon and Washington could not be cut, milled and sold at a price that would allow the producer to break even—let alone make a profit.

[1] As of July 24, 1982. Source: Western Wood Products Association.

Mr. President, if no action is taken to alleviate this situation, there will be a large number of timber sale defaults. There is no doubt that many firms will be unable to pay the damages resulting from defaulted sales, and they will go under. Their operations will close down; their workers will lose their jobs. Small timber operators in the Pacific Northwest, who purchase nearly 50 percent of Federal timber, will be the hardest hit. Many of them are 100 percent dependent upon Federal sales.

The bill we are introducing today, Mr. President, attempts to head off this timber contract disaster. For a period of 1 year, it authorizes the Secretaries of Agriculture and Interior to take the actions necessary to assure a strong, diverse forest products industry to meet the Nation's construction needs. It is not some kind of massive Federal assistance project; it is a short-term solution to a short-term problem. It buys the time needed by hundreds of workers, communities and businesses to get back on their feet.

No doubt some will say this bill is a single industry bailout. Nothing could be further from the truth. First, the Federal Government's timber revenue is dropping off dramatically as millions of board feet of timber under contract go uncut. Second, the defaulted timber sales which will occur without this bill mean high administrative costs for Federal agencies because defaulted sales must be resold, damages must be assessed, and collection efforts made. Finally, there is little doubt that many firms simply will be bankrupted by damages, so the Federal Government will never receive the original price of the timber sale. The bill we are introducing today will reduce or eliminate these costs to the Government.

Mr. President, no one in the Pacific Northwest has come easily to a decision favoring timber contract relief legislation. But during the last several months, as the timber economy has gone from bad to worse to disastrous, the idea has gained substantial support. I understand the Energy and Natural Resources Committee of the Senate intends to hold prompt hearings on this bill, and I urge the committee and the full Senate to approve it as quickly as possible.●

● Mr. JACKSON. Mr. President, I am pleased to join with Senator HATFIELD and several of my colleagues in cosponsoring this important piece of legislation.

As many of my colleagues know, unemployment in the timber industry in my part of the country is at historically high levels. The housing industry is in a bona fide depression; interest rates are out of sight; mills are closing; and bankruptcies in timber related businesses are at an all time high.

The legislation that we are introducing today is very straightforward and is designed to address at least one of the problems associated with this situation. The bill is designed to permit the Secretaries of the Interior and Agriculture to terminate or extend timber sale contracts for Federal timber on Federal lands or to modify the purchase price of the timber sold puruant to such contracts to more accurately reflect the current depressed market conditions.

Mr. President, without this legislation, I have no doubt that literally hundreds of small mills and timber companies in my State and other parts of the Pacific Northwest will default on outstanding timber contracts. This is not what may happen, Mr. President; this is what will happen unless we do something about it. Plant and mill closures, bankruptcies, and defaulted timber contracts are things none of us want and can only serve to exacerbate an already desperate situation.

This bill will certainly not solve all of the problems of the timber industry. We may well need to take additional steps to address other elements of this problem. It is however, a vehicle by which we can begin to address the very real needs of this sector of our economy.

Mr. President, I look forward to hearings before the Energy and Natural Resources Committee in the near future and hope that the Congress can move expeditiously on this measure.●

● Mr. GORTON. Mr. President, I am pleased to join my colleague from Oregon as a cosponsor of this legislation.

The United States has a 3-year backlog of sold but uncut timber. With the current severe slump in housing starts, timber prices have dropped dramatically since the late 1970's, when many small timber companies entered into contract agreements with the U.S. Forest Service. It is currently impossible for many of these companies to profitably harvest the high-priced contracts. As a result, many will be forced to default on their contracts, which could force hundreds of companies into bankruptcy.

I am very supportive of Senator HATFIELD's efforts to develop a proposal to aid the ailing timber industry. I am delighted that he has taken the initiative in introducing this legislation, and I look forward to having hearings held so that all interested parties can express their views on this proposal. It is my hope that Congress will take immediate action to move swifty on this bill.●

● Mr. CRANSTON. Mr. President, I am pleased to join Senator HATFIELD and others in sponsoring this legislation to provide for the termination, extension, or modification of existing contracts for Federal timber in in-

stances where there is economic hardship.

In the last few years timber companies bid high prices for timber on national forest and BLM lands, anticipating a boom in the housing industry. But housing construction has fallen off sharply and the timber industry is now suffering from the lack of demand for lumber and the consequent low lumber prices. Many companies cannot harvest the timber on Federal lands without sustaining substantial losses, and thus are likely to default on their contracts. Under existing law, the timber companies would have to pay a penalty for defaulting. This could force some companies into bankruptcy—unless the law is changed.

I believe that it is in the public interest to grant relief to timber companies which often are the single largest employers in a region and generate important income from Federal lands to local governments. The legislation being introduced today would permit such relief through the termination, extension, or modification of timber contracts on a case-by-case basis. The language in the bill is broad and needs refinement to insure that the assistance provided the timber companies is both economically sound and environmentally responsible. I am pleased that there will be hearings on the bill so that there can be full consideration of the impacts of the proposal. I may want to recommend modifications to the legislation at that time.●

By Mr. HATFIELD (for himself, Mr. STENNIS, and Mr. DOMENICI):

S. 2806. A bill to restrict Federal funding of abortions; to the Committee on Governmental Affairs.

FEDERAL ABORTION FUNDING RESTRICTION ACT

● Mr. HATFIELD. Mr. President, on April 15, 1982, I introduced the Federal abortion funding restriction bill as S. 2372 and placed the bill directly on the Senate Calendar. It was my intention to eliminate the hodge-podge of abortion riders that have bogged down the appropriations process since 1977, and to solidify existing Federal funding restrictions in statutory form. S. 2372 also provided an orderly and expeditious manner for the U.S. Supreme Court to review its landmark decision of Roe against Wade. The bill expressed the findings of the Congress that unborn children who are subjected to abortion are living members of the human species and that the fundamental principle of American law is to recognize and affirm the intrinsic value of all human life. By enacting this legislation, the Congress would be acting within its constitutional sphere of authority over the expenditure of Federal funds.

In the past few weeks I have heard from countless constituents and dozens of organizations that are deeply interested in or affected by this legislation. I have solicited their counsel and have found their suggestions to be very helpful.

Today I am introducing legislation which incorporates many of these suggestions. The basic thrust of my initiative remains unchanged. The modifications in the new bill should make clearer the constitutionality of this exercise of legislative powers. Briefly, the revised bill differs in the following ways:

First, S. 2372 prohibited the use of Federal funds "to perform abortions, to reimburse or pay for abortions, to refer for abortions, except when the life of the mother would be endangered if the child were carried to term."

It was my intent to codify existing regulations of the Department of Health and Human Services which forbid promoting or actively arranging abortions, but do not forbid giving medical advice or counseling regarding abortion. Recent Federal court decisions in Arizona and North Dakota call into question the constitutionality of restrictions on abortion referrals. If the prohibition of referral is broadly interpreted as interfering with the counseling relationship of doctor and patient, the statute may be an unconstitutional infringement on first amendment freedoms. *Planned Parenthood of Central and Northern Arizona* v. *State of Arizona*, No. Civ 80-665 Phx Wec (D. Ariz 1982); *Valley Family Planning* v. *State of North Dakota*, 489 F. Supp. 238 (D.N.D.), Aff'd 661 F. 2d 99 (9th Cir. 1981).

In order to make clear that only active promotion or arrangement of abortions is forbidden, the modified bill deletes the word "refer" and substitutes instead the language: "* * * to perform abortions, to reimburse, pay, arrange for or promote abortions.* * *"

Second, S. 2372 as originally introduced prohibited the use of Federal funds to "give training in the techniques for performing abortions, or to finance experimentation on aborted children." This language was interpreted by some as broadly restricting funding for medical schools teaching medical techniques which, though basic to a medical education, could be used to perform abortions. Because this provision was seen as interfering with the scope of medical education, I dedided some weeks ago to delete this section of the bill.

In any event, existing Federal statutes place limits on the Federal funding of experimentation on unborn children. The National Science Foundation Authorization Act of 1974 and the National Research Service Award Act of 1974 both limit the use of Federal funds to conduct research on a human fetus which is outside the womb of its mother and which has a beating heart. Although additional clarifying legislation may be necessary in the future, I believe that current restrictions in law are sufficient.

Third, S. 2372 had also provided that no federally funded institution could discriminate in the hiring of employees, or admission of medical students because of the employee's or applicant's opposition to abortion, or refusal to counsel or assist in performing abortions. It has been brought to my attention that persons who are not conscientiously opposed to abortion may also, in some circumstances, be discriminated against. In the interest of fairness, I have redrafted this provision to make it clear that no entity that receives Federal assistance may discriminate against an employee or applicant because of that person's convictions about abortion. The new language carefully tracks conscience clauses that have already been enacted by the Congress. (Health Programs Extension Act of 1973, Public Law 93-45; and the Nurse Training Amendments of 1979, Public Law 96-76).

Fourth, in order to provide an enforcement device to insure that Federal funds were not spent in unauthorized ways for abortions, S. 2372 granted the right to any person to bring a civil action against recipients of Federal funds. The enforcement problem is unique in this situation because the aborted child is unable to bring an action on its own behalf, and the parents are unlikely to contest the misuse of Federal funds. Critics of S. 2372 argued that the bill's solution to this problem granted unlimited standing to persons who may not have suffered any injury.

My modified bill provides that any aggrieved person may bring an action against a recipient of Federal funds if an alleged violation of this act occurs. A plethora of environmental statutes (such as the Clean Air Act, the Outer Continental Shelf Lands Act, Deep Water Port Act and Surface Mining Control and Reclamation Act) utilize similar language.

Inserting the requirement that the suing party be aggrieved insures that the courts will resolve the difficult issue of who has standing to sue. This provision enables the courts to continue their accustomed role of deciding if a real dispute based on actual injury to the complaining party exists.

Because the Congress has broad powers in its appropriations powers it is possible that the Congress could enact a statute which gives taxpayers the right to bring an action when Federal funds are improperly spent for abortion. However, this bill leaves to the courts the decision of whether a case or controversy exists. In essence, the new language makes it clear that

no constitutional problem exists with the standing requirement.

Fifth, my revised bill also makes it clear that only the recipient of Federal funds can be sued if a violation of Federal law occurs. If Federal funds are improperly spent to perform an abortion the mother could not be sued under this provision because the violation occurred. A strained reading of S. 2372 led some to conclude that such a result would have been possible. By striking the words "against any party, including a recipient of Federal funds" and substituting instead "against any recipient of Federal funds" we make it clear that only the entity and organization which receives funding need worry about a violation of Federal law in funding an abortion.

Sixth, I have also decided to delete the so-called Ashbrook amendment from my revised bill. Last year the House added a provision to H.R. 4121, the Treasury-Postal Service Appropriations Act of 1982, that prohibits the use of funds, except where the life of the mother is endangered, to pay for an abortion or the administration expenses connected with any health plan under the Federal employees health benefits program that covers abortions. The Senate has not adopted this language but the possibility continues to exist that a rider will be offered to either the Treasury-Postal bill or continuing resolution for 1983.

It is my belief that the Ashbrook amendment should be debated in the context of an appropriate authorization of the Federal employees health benefit program and not as a rider to an important appropriations bill. Even though the Federal Governmeent pays 60 percent of the health insurance cost of each Federal employee, I have not found a consensus to exist in the Senate on the Ashbrook amendment. Thus, I have decided to delete this provision in order to make the bill more acceptable to my colleagues. If the Congress decides to proceed with the Ashbrook amendment, it should be debated on a relevant statutory vehicle—not as a rider to an important appropriations measure.

Seventh, one of my primary objectives in introducing S. 2372 was to provide a vehicle for the Supreme Court to reconsider its much-criticized Roe against Wade decision. S. 2372 provided that if a State law was enacted pursuant to the findings in this legislation, and the statute was invalidated because of Roe against Wade, any party could appeal directly to the Supreme Court of the United States. The purpose of this provision was to provide an orderly but expeditious review by the U.S. Supreme Court of the abortion controversy.

Critics of S. 2372 claimed that the provision was biased; only so-called pro-life advocates could obtain expedited review. While I believe this criticism to be spurious—the chances are slim that a restrictive State law would be upheld by a Federal district court under Roe against Wade—I have nonetheless had the expedited review provision redrafted to insure that a right to expedited review is available whether the law is invalidated or upheld.

Moreover, to insure that the expedited review section is outcome neutral, I have eliminated the requirement that a State law may receive direct review only if it is expressly based on the findings in S. 2372. Instead, the bill I am now introducing allows for direct review of any State abortion law that is based upon the provisions of this act, regardless of whether the State accepts the findings of this act. As a result, the people of a State are free, through the actions of their elected representatives, to either accept the findings of this bill about the humanity of the unborn, or to reject them. In either case, the right to a direct appeal to the U.S. Supreme Court remains.

Mr. President, I would again stress that it was my intention in S. 2372, and it is still my intention today, to introduce a vehicle which States may use to obtain expeditious reconsideration of Roe against Wade. While this bill puts the Congress on record as valuing the life of the unborn, it does not mandate that States adopt these findings in order to receive expedited Supreme Court review. In short, this bill provides an orderly and expeditious process for review of the abortion controversy which is outcome neutral.

Nothing in this bill outlaws abortion. The only way that our abortion laws would be changed under this bill is if the people of a State, through their elected representatives, enact a restrictive abortion statute and that statute is upheld by the U.S. Supreme Court.

The legislation I am introducing today states that a fundamental principle of American law is to recognize and affirm the intrinsic value of all human life—including the unborn, and that there is an urgent need to bring the funding practices of the Federal Government into compliance with that principle. By deciding, within its sphere of constitutional authority, to value all human life, the Congress would be taking a bold step on behalf of the unborn. If this bill were enacted, the State legislatures and, ultimately, the Supreme Court would have to face the question of whether to value the humanity of the unborn as well.

Mr. President, it is my firm belief that this bill embodies the values that the Congress has chosen to adopt through repeated enactment of Hyde language in appropriations measures. I urge my colleagues to carefully review the provisions of this bill as a meaningful alternative to other abortion measures pending in the Congress.

Mr. President, I ask unanimous consent that the text of the bill be reprinted in the RECORD, followed by the original version of S. 2372.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2806

Be it enacted by the Senate and House of Representatives of the United States of America Congress assembled, That this Act may be cited as the "Federal Abortion Funding Restriction Act".

SEC. A2. The Congress finds that—

(1) it is a fundamental principle of American law to recognize and affirm the intrinsic value of all human life;

(2) unborn children who are subjected to abortion are living members of the human race; and

(3) there is an urgent need to bring the Federal Government into compliance with the principle of the intrinsic value of all human life as it relates to all matters affecting the lives of unborn children.

SEC. 3. In light of the findings in section 2, and pursuant to the duty of Congress to ensure that the Federal Government not kill innocent human beings or assist others in doing so—

(1) no agency of the Federal Government shall perform abortions, except when the life of the mother would be endangered if the child were carried to term;

(2) no funds appropriated by Congress shall be used to perform abortions, to reimburse, pay, arrange for, or promote abortions, except when the life of the mother would be endangered if the child were carried to term; and

(3) no institution that receives Federal financial assistance shall discriminate against any employee, applicant for employment, medical student, or applicant for admission to a medical school, on the basis of that person's opposition to, or support for, abortion or such person's reluctance or willingness to counsel or assist in the performance of abortions.

SEC. 4. (a) Any aggrieved person may commence a civil action, on his own behalf or on behalf of an unborn child, against any recipient of Federal funds who is alleged to be in violation of any provision of clause (1) or (2) of section 3.

(b) Any person or class which alleges it is aggrieved by conduct in violation of clause (3) of section 3 may commence an action for appropriate redress.

(c) The district courts shall have jurisdiction, without regard to the amount in controversy, to enforce compliance with the provisions of section 3.

SEC. 5. Any party may appeal to the Supreme Court of the United States from an interlocutory or final judgment, decree, or order of any court of the United States regarding the enforcement of this Act, or of any State law or municipal ordinance based on this Act, or any judgment, decree, or order which adjudicates the constitutionality of this Act, or of any such law or ordinance. Any party to such case shall have a right of direct appeal to the Supreme Court of the United States on the same terms as govern appeals pursuant to section 1252 of title 28, United States Code, notwithstanding the absence of the United States as a party to such case.

SEC. 6. If any provision of this Act or the application thereof to any person or circumstance is judicially determined to be invalid,

the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected by such determination.

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 42 of the United States Code shall be amended at the end thereof by adding the following new chapter:

"CHAPTER 101

"SECTION 1. The Congress finds that—

"(a) it is a fundamental principle of American law to recognize and affirm the intrinsic value of all human life;

"(b) unborn children who are subjected to abortion are living members of the human species; and

"(c) there is an urgent need to bring the Federal Government into compliance with the principle of the intrinsic value of all human life, regarding all matters affecting the lives of unborn children.

"SEC. 2. In light of the above findings, and pursuant to the duty of Congress to ensure that the Federal Government not kill innocent human beings or assist others to do so:

"(a) No agency of the Federal Government shall perform abortions, except when the life of the mother would be endangered if the child were carried to term.

"(b) No funds appropriated by Congress shall be used to perform abortions, to reimburse or pay for abortions, to refer for abortions, except when the life of the mother would be endangered if the child were carried to term.

"(c) No funds appropriated by Congress shall be used to give training in the techniques for performing abortions, or to finance experimentation on aborted children.

"(d) The Federal Government shall not enter into any contract for insurance that provides for payment or reimbursement for abortions other than when (1) the life of the mother would be endangered if the child were carried to term, or (2) by means of a special rider financed by the employee.

"(e) No institution that receives Federal financial assistance shall discriminate against any employee, applicant for employment, medical student, or applicant for admission as a medical student, on the basis of that person's opposition to abortion or refusal to counsel or assist in the performance of abortions.

"SEC. 3. Any person may commence a civil action, on his own behalf or on behalf of unborn children, against any party, including a recipient of Federal funds, who is alleged to be in violation of section 2 (a), (b), (c), and (d) above. Any person or class which alleges it is aggrieved by conduct in violation of section 2(e) may commence an action for appropriate redress. The district courts shall have jursidiction, without regard to the amount in controversy, to enforce compliance with the provisions of section 2.

"SEC. 4. In light of the above findings, and to expedite Supreme Court consideration of the interest of the States in protecting the lives of all human beings within their jurisdiction, if any State enacts legislation which prohibits or restricts abortions and which is expressly based on the findings in section 1 of this Act, and such legislation is invalidated by final order of any court of the United States, any party to such case shall have a right to direct appeal to the Supreme Court of the United States, under the same provisions as govern appeals pursuant to section 1252 of title 28, United States Code, notwithstanding the absence of the United States as a party to such case.

"SEC. 5. If any provision of this Act or the application thereof to any person or circumstance is judicially determined to be invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected by such determination.".●

By Mr. ROBERT C. BYRD (for himself, Mr. CRANSTON, Mr. INOUYE, Mr. FORD, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. EAGLETON, Mr. HUDDLESTON, Mr. JACKSON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, and Mr. SASSER):

S. 2807. A bill to amend the Federal Reserve Act; to the Committee on Banking, Housing, and Urban Affairs.

BALANCED MONETARY POLICY ACT OF 1982

Mr. ROBERT C. BYRD. Mr. President, I rise to introduce the Balanced Monetary Policy Act of 1982, legislation which is designed to bring down interest rates and thus to move our Nation out of a tragic and ever-widening recession.

Bold action by Congress is imperative, because the administration has embraced two economic experiments which together have brought our Nation to the brink of depression.

One of these, the "supply side" economic theory, which holds that tax cuts for the wealthy will bring prosperity to all, is now widely recognized as a failure.

The other administration economic policy is less well known, but no less of a disaster. I refer to the administration's support of tight money and high interest rates.

The Federal Reserve Board, in October of 1979, undertook a dramatic and far-reaching policy change. It embraced the monetarist economic theory that reducing the growth of the money supply is the only way to stop inflation. It therefore abandoned any attempt to control interest rates. The assumption was that if the growth of the money supply was sufficiently slowed down, and if interest rates were allowed to float freely, inflation would be halted and in time interest rates would come down on their own. Stripped of all the technical jargon, monetarists believe the only way to stop inflation is to start a recession.

Mr. Reagan, as a candidate for President, wholeheartedly embraced this monetarist dogma. As President, he has repeatedly affirmed his support for the Federal Reserve's tight-money, high-interest rate policy.

Some of us, I must say, had severe doubts about the monetarist theory from the start. On October 19, 1979, only days after the Board adopted this new policy, I said on the Senate floor:

> Ultimately, to control inflation we must produce more, not less. Attempting to control inflation or protect the dollar by throwing legions of people out of work and shutting down shifts in our factories and mines is a hopeless policy. . . . The Congress will be watching closely to ensure that the recession of 1974 and 1975 will not be repeated. . . . We will watch with concern the impact of this policy on small businesses which depend on credit markets for financing. We will watch its impact on the construction industry. . . .

Mr. President, we have now seen the results of this experiment with monetarism.

Between October 1959 and October 1979—that is, for the 20 years leading up to the new policy—the prime rate averaged 6.5 percent; and the Federal funds rate—the amount of interest that banks are allowed to charge one another—averaged 5.4 percent.

Between October 1979 and October 1981—the first 2 years of the new policy—prime averaged 16.8 percent and the Federal funds rate averaged 14.9 percent.

Those are shocking figures and they have had shocking results.

Today, 10.4 million Americans are out of work, and 2½ million of them lost their jobs since Mr. Reagan became President. The unemployment rate stands at 9.5 percent, the highest level since the Great Depression. Five hundred small businesses are failing each week, and the rate is above that of 1929. Home and farm foreclosures are at levels unknown since the 1930's. The automobile and construction industries have been devastated.

In 1981, domestic auto production and sales declined to 20-year lows, and 1982 has proven even worse for U.S. automakers. In June of this year, sales of domestically produced passenger cars declined to an annual rate of only 4.6 million, a decline of more than 12 percent from last June's depressed sales rate.

The impact of high interest rates has been even more devastating on the housing industry. In 1981, new private housing starts and sales of new single-family homes declined to all-time record lows and, as with the auto industry, conditions have declined even further in 1982.

In the face of widening economic disaster, in the face of immeasurable human suffering, in the face of pleas by corporate executives, conservative economists, and Republican officeholders for a change in the economic policy, the President and his underlings have no reply except to blame others for their mistakes and to assure us that prosperity is just around the corner.

Mr. President, too many innocent lives have already been sacrificed on the "altar of monetarism," too many men, women and children are suffering because of the theories of economic idealogues who do not have to pay the price of their mistakes.

The White House, with its promises of recovery, is living in a dream world. Let us look for a moment at the real world. In a recent article in the Washington Post, reporter Dan Balz described the new economic realities better than any statistics can. His article concerned the thousands of new American migrants who have been arriving in Texas from the North and Midwest in search of jobs. Mr. Balz writes:

> These newcomers are now found increasingly in pawnshops, hocking their few possessions to buy a meal; in soup kitchen lines in the inner cities of Houston and Dallas; huddled in broken-down campers near a downtown park; at the unemployment offices applying for out-of-state benefits; at the churches along the interstate highways that flow from the north, seeking emergency food assistance or money to fix a broken car; at the welfare office asking about benefits; at child welfare homes asking someone else to care for their children because they have been unable to find work.

Mr. President, this is not a description of the America of the thirties. This is not a fictional protrait from "The Grapes of Wrath." This is not some mythical kingdom called South Succotash. This is the United States of America, the greatest nation on earth, in the summer of 1982. At this very moment, millions of Americans are suffering terribly, and needlessly, because this administration has lost its economic gambles.

Today, high interest rates are "public enemy No. 1." More than any other single factor, they have caused this present, tragic recession.

The economist Lester Thurow summed up the problem succinctly in a recent Newsweek article:

> Capitalism, a system where individuals invest today to get more back tomorrow, simply doesn't work with high interest rates and the stagnant business conditions they create.

The truth of this proposition is everywhere around us. The administration may choose to hide its head, ostrich-like, in the warm sands of economic dogma, but the rest of us must face the facts. We cannot tolerate these sky-high interest rates—rates that until recently would have been considered usurious. Congress must act to bring down these killer interest rates before they bring down our economy and the strength and security of our Nation.

Mr. President, the Constitution authorized Congress to "coin money" and "regulate the value thereof." Congress created the Federal Reserve Board in 1913 as an instrument to assist in the carrying out of that mandate. But over the years the Board has tended to do the bidding of the administration in power. We have seen that happen recently, as the administration's economic ideologues have pursued their experiment with high interest rates and achieved such disastrous results. It is time for Congress to wrest control of monetary policy from the hands of a tiny band of monetary ideologues in the White House, the administration, and the Federal Reserve. It is time for basic economic policy once more to be set by those elected officials who must bear the final responsibility. It is time to restore commonsense, balance, and stability to monetary policy. To that end, I am today introducing the Balanced Monetary Policy Act of 1982.

As we all know, economics is a highly technical field. But at bottom what we are dealing with in this legislation is very simple.

We are talking about jobs.

We are talking about growth.

We are talking about economic recovery.

We are talking about the lives and well-being of hard-working Americans who deserve better than the uncertainty and hardship that the present administration has inflicted upon them.

Let me outline the specifics of my legislation.

The heart of this bill is a requirement that the Federal Reserve Board reestablish the traditional relationship between interest rates and inflation. Historically, short-term interest rates like the prime rate have run 1 to 4 percentage points above inflation. This is a level we can live with and that can give us jobs and economic growth.

My bill does not say that Congress should tinker with the technical details of monetary policy on a day-to-day basis. Rather, the act mandates the broad, fundamental goals of balance, public disclosure, and stability. This bill makes affordable interest rates once more a clearly defined national goal. It will restore balance to our monetary policy by requiring the Board to set targets for both money growth and real interest rates. In recent years, the Board has veered from one extreme to another—from ignoring inflation to ignoring high interest rates and the deep recession they cause. This bill is intended to stop this economic extremism and get us back to a balanced, commonsense middle-of-the-road policy.

The Federal Reserve Board has many tools at its disposal to bring rates down to reasonable levels. It has shown one way to bring rates down in the last few weeks as it lowered its so-called discount rate, which is the rate at which it loans to banks. By lowering this discount rate from 12 to 11 percent, the Fed has helped drive the prime rate down from 16.5 to 15 percent. But we have seen small drops in short-term interest rates before, only to have them wiped out by new increases in rates as the administration's tight money policy came into conflict with increasing budget deficits and business borrowing. My bill would bring interest rates down by making them an explicit part of Federal Reserve planning and assuring that the recent drops in the prime rate are maintained and expanded. If the prime rate were now at the historic levels mandated by this bill it would be somewhere between 9 and 11 percent—which is the goal of this bill.

The Fed has other tools besides the discount rate to reestablish the traditional relationship between interest rates and inflation. For instance, the Federal Reserve could bring down the "Federal funds" rates, which are the bank rates the Board controls most directly. These so-called Federal funds consist of the money that banks lend to each other overnight to help meet cash requirements of their day-to-day activities. The Board can raise interest rates on these loans by selling securities to banks, which the banks pay for, thus removing cash from their vaults and draining money from the total available for banks to lend to each other. Alternatively, the Federal Reserve can lower interest rates by buying securities from banks, thus providing banks with cash that makes more money available to the Federal funds markets and lowers the price of that money.

Using these purchases and sales, known as open market operations, the Federal Reserve can maintain reasonable control over the Federal funds rate.

While my bill would bring balance back to Federal Reserve policy by requiring it to make interest rates a significant part of its policy targets once more, it would not bring us back to the days when easy money fueled high inflation.

The most important difference between the interest rate targets established by my bill, and the old interest rate targets set by Federal Reserve Board is that the targets in my bill contain a countercyclical approach which dampens inflation before its begins to rage out of control. In the pre-October 1979 period, the Fed paid attention to interest rates, without any concern for inflation. Since October 1979, the Fed has concerned itself with only inflation and not at all with interest rates. My bill would establish a balanced approach to both these concerns.

The Federal Reserve Board would be required to keep real interest rates positive; that is, interest rates would have to stay above the level of inflation. Thus, the Board would have to watch both inflation and interest

rates. By keeping interest rates only slightly above inflation during recession and letting the spread rise as inflation began to build, the Fed could increase demand as a recession began to set in or it could slow loan demand before policymakers needed to use recession to fight inflation.

The Federal Reserve Board would continue to report to Congress twice a year, as under current law. In the first report, due no later than February 20 of each year, the Board would establish its targets for the growth of monetary and credit aggregated consistent with the traditional spread between short-term interest rates and inflation for the calendar year in which the report is presented.

In cases where there is a sudden increase in unemployment or inflation, my bill provides an escape clause designed to assure that the Federal Reserve Board can act to smooth out sudden surges in prices. The escape clause lets the Federal Reserve Board establish targets for interest rates above or below historic levels, as long as the Board notifies Congress in writing within 10 days of such changes and explains the reason for these changes.

My bill is not a straitjacket on Fed policymaking. It does anticipate that under certain severe conditions the Board may need to react suddenly, and provides a mechanism for the Board to do so.

There is nothing in this bill that will encourage inflation. We must continue the fight to lower inflation. But, once again, we must have a balanced policy, one that emphasizes lower interest rates—and economic recovery—along with the fight against inflation. We must keep both goals in mind. To ignore either goal—as this administration has done—is to court disaster.

We can look to West Germany for proof that such a balanced policy can succeed. There the central bank has paid attention to many economic variables including both interest rates and monetary growth, and the Germans have both lower inflation and lower unemployment than we do, with their unemployment at 5.8 percent and inflation running at only 5 percent.

Nor, Mr. President, can we lessen our fight against huge Federal deficits. We need to reduce this administration's record deficits, and we will continue to propose constructive ways to do so. But, once again, the point is balance. We must fight both battles—fiscal policy is part of the problem, but we must consider monetary policy along with it.

We must never forget that high interest rates are a direct cause of high deficits and that by lowering interest rates we can lower our deficits. This is true in two ways. First, high interest rates depress the economy, increase unemployment, and thereby cause both lowered tax revenues and higher spending for unemployment benefits. It has been, conservatively estimated that each additional percentage point of unemployment adds $25 billion to the deficit. Thus, the 2.1 percentage points that the unemployment rate has climbed during the Reagan Presidency—from 7.4 to 9.5 percent—has increased our deficit by more than $50 billion—half of what the administration projects it to be in fiscal year 1983.

Second, high-interest rates significantly increase the interest we must pay on our national debt. In fact, interest on the national debt is the fastest-growing element of the Federal budget—faster growing, for example, than either defense spending or social security. Ten years ago, interest payments took up 6 cents of every dollar spent by the Federal Government. For 1983 those interest payments will have more than doubled, to 13 cents out of every Federal dollar. These net interest payments will cost $97 billion in 1983—almost the entire projected deficit for that year.

Clearly, to lower interest rates would directly and dramatically lower our Government's annual deficits. We all want a balanced budget, and clearly lower interest rates would be a vital first step.

Mr. President, we cannot accept the premise that the only answer for inflation is recession. This is not an either/or choice. We have that again, but only if we pursue balanced, sensible policies that will lower interest rates.

Along with the need for balanced monetary policy, is a great need for the Federal Reserve to conduct its business in a more open, public manner. It has developed a tradition of secrecy that can only be harmful to public trust and ultimately to our economy. The American public is directly affected by the decisions of the Federal Reserve and the American public has a right to know what it is doing and why. My bill would therefore require the Board to make public its plans and goals in a variety of ways. Such public exposure would have the added advantage of bringing increased stability to the financial community. As things now stand, bankers and economists are second-guessing the Federal Reserve's ever-changing policy and this uncertainty creates a great many unnecessary and costly problems for our economy. To require the Board to report regularly to Congress, to publicly announce its policy changes, and to set yearly, rather than weekly, goals will go far toward bringing new stability to the financial community.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Balanced Monetary Policy Act of 1982".

SEC. 2. Purposes. It is the purpose of this Act to insure that monetary policy is conducted in a way which assures both economic growth and stable prices. It is the further purpose of this Act to return predictability and stability to financial markets, thus providing for lower, more stable real rates of interest.

SEC. 3. (a) Section 2A of the Federal Reserve Act is amended—

(1) by inserting "(a)" after "SEC. 2A."; and

(2) by striking out all after the first sentence and inserting in lieu thereof the following: "In furtherance of these goals the Board of Governors and the Federal Open Market Committee of the Federal Reserve System shall establish yearly targets for positive real short-term interest rates, consistent with historic levels and with sustained economic growth and stable prices. The Board of Governors and the Federal Open Market Committee of the Federal Reserve System shall also establish yearly targets for the growth or diminution of money and credit aggregates, consistent with the yearly targets for real short-term interest rates."

"(b) The Board of Governors and the Federal Open Market Committee shall take such actions as are necessary to assure that the targets for monetary aggregates, credit aggregates, and real short-term interest rate levels are achieved, on average, on an annual basis."

"(c) Nothing in this section shall be interpreted to require that the targets for short-term interest rates or for the growth or diminution of the monetary and credit aggregates be achieved if the Board of Governors and the Federal Open Market Committee determine that they cannot or should not be achieved because of unfavorable economic conditions such as rapidly accelerating inflation or high unemployment, and if within ten days of making such determination, the Board transmits a written report to the Committees of the Congress referred to in subsection (d) explaining the reasons for any revisions to or deviations from such targets and notifying the Committees of the new targets and of the objectives and plans for meeting those targets."

"(d) In addition, the Board of Governors shall transmit to the Congress, not later than February 20 and July 20 of each year, independent written reports setting forth—

"(1) a review and analysis of recent developments affecting economic trends in the Nation;

"(2) the objectives and plans of the Board of Governors and the Federal Open Market Committee with respect to achieving historic real short-term interest rate levels;

"(3) the objectives and plans of the Board of Governors and the Federal Open Market Committee with respect to the ranges of growth or diminution of the monetary and credit aggregates for the calendar year during which the report is transmitted;

"(4) the relationship of the aforesaid objectives and plans to the pursuit of full employment, stable economic growth, low inflation and affordable interest rates for productive sectors of the economy; and

"(5) the relationship of the aforesaid objectives and plans to the short-term goals set forth in the most recent Economic

Report of the President pursuant to section 3(a)(A) of the Employment Act of 1946 and to any short-term goals approved by the Congress.

As a part of its report on July 20 of each year, the Board of Governors shall include a statement of its objectives and plans with respect to the ranges of growth or diminution of the monetary and credit aggregates and the achievement of historical real short-term interest rate levels for the calendar year following the year in which the report is submitted. The reports and statements required under the two preceding sentences shall be transmitted to the Congress and shall be referred in the Senate to the Committee on Banking, Housing, and Urban Affairs, and in the House of Representatives to the Committee on Banking, Finance and Urban Affairs. The Board shall consult with each such committee on the reports and statements and, thereafter, each such Committee shall submit to its respective body a report containing its views and recommendations with respect to the intended policies of the Board.

"(e) To promote order and stability in the financial markets and full information about economic conditions for all citizens, the Board of Governors shall publicly announce changes in objectives and plans at the time those changes are determined.".

(b) The amendment made by subsection (a) takes effect one month after the date of enactment of this Act.

Mr. SASSER. Mr. President, I rise today as an original cosponsor of S. 2807, the Balanced Monetary Policy Act of 1982. This very constructive legislation offers the Congress an excellent means of easing the interest rate crisis that we now face.

Mr. President, the administration has failed dismally in its efforts to get interest rates under control. Real interest rates, the effective interest one has to pay after discounting for the rate of inflation, have averaged 6.5 percent, at least twice the historical level of real interest rates, since 1979. And for the first quarter of 1982, real interest rates were above the level of 12 percent.

These high real interest rates have devastated the economy, as evidenced by the fact that we are using less than 70 percent of our industrial capacity, and even less than 50 percent of capacity in some of our most basic industries like the steel industry.

High interest rates have crucified small business. We will see over 22,000 small business failures this year. We recorded over 13,000 by the end of July 1982. This year we should see the highest level of business failures that we have ever seen since the Great Depression. Already bankruptcy filings in Tennessee are up over 77 percent from last year, and 1981 was a very bad year for Tennessee small business.

And I contend that these business failures and bankruptcies are a direct result of the misguided interest rate policies of the Federal Reserve Board.

I would remind my colleagues that, by statute, the Federal Reserve Board is supposed to conduct its monetary policy to insure full employment and also to moderate long-term interest rates. Yet what do we see. Unemployment is at a level of 9.5 percent, and 10.5 million people are out of work. And we find that long-term interest rates stood at 14.2 percent in 1981, a full 7 percentage points above the 1960–81 average. Clearly, the Federal Reserve Board's interest rate policies have not succeeded in promoting employment or keeping long-term interest rates down.

As the Federal Reserve Board's misguided interest rate policies continue, we find that the confidence of the American people in the economy is failing; 48 percent of all Americans now believe that we are in a depression; 71 percent of all Americans, according to a recent Harris poll, now do not believe that the President can get us out of this recession.

Mr. President, one reason the American people are giving us hope is that interest rates, in real terms, are simply not dropping fast enough to promote an economy recovery.

And I believe that the American people want the Government to act to bring interest rates down. They do not want the Federal Reserve Board to pursue a monetary policy that destroys our economy.

The Balanced Monetary Policy Act of 1982 that we are introducing today provides the Federal Reserve Board with new interest rate guidelines that should help bring real interest rates down to a level of 1 to 3 percent.

I commend Senator BYRD and my other distinguished colleagues for introducing this legislation. It is my hope that S. 2807, will receive prompt and immediate consideration by the Banking, Housing, and Urban Affairs Committee and the full Senate.

By Mr. EAGELTON (for himself, Mr. LEVIN, Mr. DURENBERGER, Mr. HATCH, Mr. KENNEDY, Mr. METZENBAUM, and Mr. SARBANES):

S.J. Res. 225. Joint resolution to provide for the designation of the week beginning on November 21, 1982, as "National Alzheimer's Disease Week"; to the Committee on the Judiciary.

NATIONAL ALZHEIMER'S DISEASE WEEK

● Mr. EAGLETON. Mr. President, today my distinguished colleagues, Senators LEVIN, DURENBERGER, HATCH, KENNEDY, METZENBAUM, and SARBANES, and I are introducing a joint resolution declaring the sense of the Congress to be that the President is authorized and requested to issue a proclamation designating the week beginning November 12, 1982, as "National Alzheimer's Disease Week."

Of the 25 million people over the age of 65 in the United States today, as many as 3 million experience what is to them a disturbing loss of memory. Of these, more than 1½ million have senile dementia of the Alzheimer's type, the progressive decline in intellect that most people call senility.

Alzheimer's disease, a little-known but surprisingly common disorder, is an insidious and relentless deterioration of the mind. At first, the individual experiences only minor and almost imperceptible symptoms that are often attributed to emotional upsets or other physical illnesses. Gradually, the afflicted person becomes more forgetful, unable to perform routine daily tasks. As the slow and steady destruction of brain tissue progresses, the victim loses the ability to perform even the simplest tasks, leaving him or her totally dependent on others for their care. The patient often recognizes no one and talks to no one. As eloquently but tragically stated by the wife of an Alzheimer's victim in hearings before the Aging Subcommittee of the Labor and Human Resources Committee in 1980, "It's like a funeral that never ends."

The quantifiable, $14 billion impact on our health care system, as enormous as it is, is but a fraction of the true cost of this silent epidemic. The loss of productive members of society, disruption of families, and loss of human dignity are incalculable drains on our society as a whole.

Senile dementia, or Alzheimer's disease, is one of the most overdiagnosed and misdiagnosed disorders of the mind. One of the difficulties associated with the diagnosis is the common, albeit mistaken, view that senility in later life is a normal part of aging itself. Regrettably, even many physicians have accepted the erroneous notion that if you live long enough you will inevitably show a significant decline in intellectual functioning. Another common misconception is that nothing can be done for an individual once the diagnosis is made.

Proper medical care can reduce many of its symptoms, and sound counseling can assist the patient, as well as the family, in coping with its profound impact on the lives of all involved.

True, medical science does not yet know how to cure, prevent, or reverse Alzheimer's disease. But that does not mean we cannot and should not take practical steps to ease the burden on Alzheimer's victims and their families. To begin with, we can redouble our efforts to insure that medical schools and other health professional training institutes incorporate curriculums regarding this condition and other disease states related to age into their training programs. We can better educate the practicing medical profession, nurses, caseworkers, social workers, and health counselors with regard to the symptoms of this dread disease. We can and must continue to capitalize on the extraordinary promise of recent advances in brain research

which have given us the real possibility of treating and preventing Alzheimer's disease.

Mr. President, the purpose of this resolution is to increase public awareness of this disease now known only to a few. It is my hope that the declaration of National Alzheimer's Disease Week will lead to better understanding of the needs of Alzheimer's patients and their families, to a heightened awareness of our entire health care delivery system of the nature of this disease, to more intensive continuing education of physicians and nurses in the management of the disease, to bolstering families who too often are struggling alone to cope with the day-to-day vigil over the deterioration of loved ones, and to a systematic investment of additional resources in basic and clinical research into the cause of and treatment for this dreaded affliction.

I urge all of my colleagues to join with Senators LEVIN, DURENBERGER, HATCH, KENNEDY, METZENBAUM, SARBANES, and myself in supporting the purpose of this joint resolution as a step toward understanding and combating what is one of the great tragedies of human life.

Mr. President, I ask unanimous consent that the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 225

Whereas Alzheimer's disease produces senile dementia in 15 percent of all individuals who have attained the age of 65 and is responsible for over 50 percent of all nursing home admissions;

Whereas more than one million five hundred thousand American adults are affected by this surprisingly common disorder that destroys certain vital cells in the brain;

Whereas more than $14,000,000,000 is spent annually in treating the ravages of Alzheimer's disease;

Whereas one parent in one out of three families will succumb to this disease;

Whereas Alzheimer's disease is not a normal consequence of aging; and

Whereas an increase in the national awareness of the problem of Alzheimer's disease may stimulate the interest and concern of the American people which may lead, in turn, to increased research and eventually to the discovery of a cure for Alzheimer's disease: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on November 21, 1982, is designated as "National Alzheimer's Disease Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate activities.●

ADDITIONAL COSPONSORS

S. 479

At the request of Mr. ROBERT C. BYRD, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 479, a bill to designate the first Sunday in June of each year as "National Shut-in Day."

S. 1106

At the request of Mr. ZORINSKY, the name of the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1106, a bill to reform the insanity defense.

S. 1421

At the request of Mr. EAGLETON, the names of the Senator from Missouri (Mr. DANFORTH), the Senator from New York (Mr. MOYNIHAN), the Senator from Washington (Mr. JACKSON), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of S. 1421, a bill entitled the "National Archives and Records Administration Act of 1981."

S. 1698

At the request of Mr. DENTON, the name of the Senator from Illinois (Mr. DIXON) was added as a cosponsor of S. 1698, a bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. Armed Forces personnel.

S. 1809

At the request of Mr. CHAFEE, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1809, a bill to provide that a portion of the cost of studies undertaken by the Corps of Engineers be paid by non-Federal interests.

S. 1889

At the request of Mr. MATSUNAGA, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1889, a bill to establish the U.S. Academy of Peace, and for other purposes.

S. 1951

At the request of Mr. BENTSEN, the name of the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1951, a bill to change the penalties for possession of controlled substances under section 401(b) of the Controlled Substances Act.

S. 2103

At the request of Mr. PACKWOOD, the name of the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2103, a bill for the relief of Kok Sjen Su and Grace Su, husband and wife.

S. 2338

At the request of Mr. PERCY, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2338, a bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials.

S. 2485

At the request of Mr. LEAHY, the names of the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 2485, a bill to require the Secretary of Agriculture to establish a network of volunteers to assist in making available information and advice on organic agriculture for family farms and other agricultural enterprises, to establish pilot projects to carry out research and education activities involving organic farming, and to perform certain other functions relating to organic farming, with special emphasis on family farms.

S. 2554

At the request of Mr. PERCY, the name of the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 2554, a bill to require the Commodity Credit Corporation to dispose of Government-owned stocks of agricultural commodities.

S. 2585

At the request of Mr. CRANSTON, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Vermont (Mr. STAFFORD), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Ohio (Mr. GLENN), the Senator from Vermont (Mr. LEAHY), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 2585, a bill to provide that the Armed Forces shall pay benefits to surviving spouses and dependent children of certain members of the Armed Forces who die from service-connected disabilities in the amounts that would have been provided under the Social Security Act for amendments made by the Omnibus Budget Reconciliation Act of 1981.

S. 2618

At the request of Mr. ZORINSKY, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 2618, a bill to limit the retirement annuity of Members of Congress and former Members of Congress.

S. 2619

At the request of Mr. TSONGAS, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Rhode Island (Mr. PELL), the Senator from Pennsylvania (Mr. SPECTER), the Senator from North Dakota (Mr. ANDREWS), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maryland (Mr. SARBANES), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 2619, a bill to amend the Energy Security Act to extend the financing authority of the Synthetic Fuels Corporation to include projects for district heating and cooling and for municipal waste energy recovery, and for other purposes.

S. 2661

At the request of Mr. COCHRAN, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2661, a bill to improve farm commodity prices through expanded export development and the use of ad-

vance loans and payments under the price and income support programs to encourage participation in the acreage adjustment programs for wheat, cotton, rice, and feed grains.

S. 2700

At the request of Mr. CANNON, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 2700, a bill to amend title XVI of the Social Security Act to exclude from resources burial plots and niches and certain funds set aside for burial or cremation expenses for purposes of the supplemental security income program.

S. 2716

At the request of Mr. LEAHY, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as cosponsor of S. 2716, a bill to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion to improve, maintain, and develop markets for dairy products.

S. 2794

At the request of Mr. WEICKER, the name of the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2794, a bill to insure the intelligent and full utilization of marine resources.

SENATE JOINT RESOLUTION 199

At the request of Mr. THURMOND, the name of the Senator from South Dakota (Mr. ABDNOR), was added as a cosponsor of Senate Joint Resolution 199, a joint resolution proposing an amendment to the Constitution of the United States.

SENATE JOINT RESOLUTION 209

At the request of Mr. LEVIN, the names of the Senator from Rhode Island (Mr. CHAFEE) and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of Senate Joint Resolution 209, a joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 214

At the request of Mr. PERCY, the names of the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Joint Resolution 214, a joint resolution to authorize and request the President to designate the month of November 1982 as "National React Month."

SENATE JOINT RESOLUTION 220

At the request of Mr. PRYOR, the names of the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Georgia (Mr. NUNN), the Senator from New York (Mr. MOYNIHAN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Nevada (Mr. LAXALT), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of Senate Joint Resolution 220, a joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia to honor and commemorate members of the Armed Forces of the United States who served in the Korean war.

SENATE RESOLUTION 355

At the request of Mr. DECONCINI, the name of the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of Senate Resolution 355, a resolution expressing the sense of the Senate with respect to the need to continue Federal funding for energy conservation and renewable energy resources.

AMENDMENT NO. 2010

At the request of Mr. ARMSTRONG, the names of the Senator from Indiana (Mr. QUAYLE), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of amendment No. 2010 proposed to Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

UP AMENDMENT NO. 1127

At the request of Mr. CANNON, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of UP amendment No. 1127 proposed to H.R. 4961, a bill to make miscellaneous changes in the tax laws.

SENATE RESOLUTION 441—RESOLUTION RELATING TO THE NUMBER OF STARS ON THE CEILING AND WALLS OF THE SENATE CHAMBER

Mr. MATSUNAGA (for himself, Mr. INOUYE, Mr. STEVENS, Mr. MURKOWSKI, Mr. GOLDWATER, Mr. DECONCINI, Mr. DOMENICI, and Mr. SCHMITT) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 441

Whereas the number of stars on the ceiling and walls of the Senate Chamber do not reflect the present number of States in the Nation: Now, therefore, be it

Resolved, That (a) the Architect of the Capitol is authorized and directed to install two additional stars on the ceiling of the Senate Chamber and four additional stars on its walls.

(b) Expenses incurred under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Rules and Administration of the Senate.

AMENDMENTS SUBMITTED FOR PRINTING

WATER RECLAMATION FEASIBILITY STUDIES

AMENDMENT NO. 2011

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill (S. 2443) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

● Mr. CHAFEE. Mr. President, today I am submitting an amendment to S. 2443, a bill to authorize water reclamation feasibility studies. I would like to take a few moments, for the benefit of my colleagues, to explain the rationale and impact of this straightforward amendment.

The language of my amendment is quite similar to S. 1809, a bill I introduced last year which calls for local interests to pay 50 percent of future water resources studies undertaken by the U.S. Army Corps of Engineers. The only difference is the lower rate of local, non-Federal cost sharing required under this amendment.

Specifically, this amendment requires that a non-Federal interest—a State or States, or a local governmental entity, agree to pay 25 percent of the cost of each of the studies authorized by this bill.

The rationale for this approach is simple. Anyone who has seen our Federal water resources process at work recognizes the scattergun effect of the program. We fail to target projects. The States take whatever is made available. The Federal Government pays the full cost of the study and consequently there is no local constraint.

When I was Governor of Rhode Island I saw this happen. In the Senate, I see it replicated time and again.

My amendment simply says that none of these projects can be studied unless the local entities—the beneficiaries—agree to put up a small portion of the cost.

The benefit of this approach is twofold. First, since State and local government would fund a portion of the study there would be more Federal money available to fund necessary studies. Second, and perhaps most important, only those studies which have substantial local support would be undertaken. This will result in the completion of high priority studies at a faster rate than under the current system.

Mr. President, I believe this approach is close to one developing within the administration. Assistant Secretary of the Army (Civil Works) William Gianelli testified last June to the Senate's Water Resources Subcommittee that he was developing an approach for 50-50 cost sharing on new studies. I also would like to point out that last year when we enacted reforms to the Clean Water Act's construction grants program, the share local and State governments had to put for new sewage treatment plants was increased in phases from 25 to 45 percent. That change was supported

by the entire Senate, as well as the administration. Another innovative change we made in the Clean Water Act amendments last year was to require the local entity to put up 100 percent of the cost for the planning and design of the treatment plant. If the plan was approved by EPA for construction, the local entity would be reimbursed at the prevailing rate of the Federal-local cost share.

Mr. President, I am convinced my amendment is the proper approach to take with regard to these studies. Not only will we be able to save the Federal Treasury scarce funds with this amendment, we will be able to facilitate needed studies and define high priority projects. I believe the administration shares this belief. I would hope my colleagues will also recognize the value of this approach.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 3, following line 10, add the following new section:

"SEC. 2. No feasibility study authorized by section 1 of this Act shall be commenced until the appropriate non-Federal interests contract with the Secretary of the Interior to pay, during the period of such study, 25 per centum of its cost."●

AMENDMENT NO. 2012

(Ordered to be printed and to lie on the table.)

Mrs. HAWKINS (for herself, Mr. CHAFEE, Mr. MATTINGLY, Mr. PELL, and Mr. MURKOWSKI) submitted an amendment intended to be proposed by them to the bill (S. 2774) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, 97th Congress).

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water to consider H.R. 5161, to designate certain lands in the Monongahela National Forest, W. Va., as wilderness; and to designate management of certain lands for uses other than wilderness.

The hearing will be held on Wednesday, August 11, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

Witnesses are requested to limit their oral testimony to 5 minutes and to supply the subcommittee with 50 copies of their written statements 24 hours in advance of the hearing, as required by the rules of the committee.

Persons wishing to testify are requested to contact Mr. Tony Bevinetto of the subcommittee staff at the address listed above, telephone: 202-224-5161, by August 9, in order that the witnesses may be placed on panels and at the times convenient to the witnesses.

For further information regarding this hearing, please contact Mr. Bevinetto at the telephone number listed above.

Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water to consider S. 2118, to designate certain National Forest System lands in the State of Wyoming for inclusion in the National Wilderness Preservation System, to release other forest lands for multiple use management, to withdraw designated wilderness areas in Wyoming from minerals activity, and for other purposes.

The hearing will be held on Wednesday, August 18, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

Witnesses are requested to limit their oral testimony to 5 minutes and to supply the subcommittee with 50 copies of their written statements 24 hours in advance of the hearing, as required by the rules of the committee.

Persons wishing to testify are requested to contact Mr. Tony Bevinetto of the subcommittee staff at the address listed above, telephone: 202-224-5161, by August 16 in order that the witnesses may be placed on panels and at the times convenient to the witnesses.

For further information regarding this hearing, please contact Mr. Bevinetto at the telephone number listed above.

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget has changed its previously announced meeting time for the hearing with the Honorable Donald Regan, Secretary, Department of the Treasury, on Wednesday, August 4, from 9:30 a.m. to 9 a.m. The hearing will be held in 6202 Dirksen Senate Office Building as scheduled.

For further information, contact Nancy Moore of the Budget Committee at 224-4129.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, August 4, at 2 p.m. for the purpose of conducting hearings on the following nominations:

Judge Harry W. Wellford, of Tennessee, to be U.S. circuit judge for the Sixth Circuit Court of Appeals;

Mr. Antonin Scalia, of Illinois, to be circuit judge for the District of Columbia Circuit Court of Appeals;

Mr. Michael M. Mihm, of Illinois, to be U.S. district judge for the central district of Illinois;

Mr. Bruce M. Selya, of Rhode Island, to be U.S. district judge for the district of Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, August 4, in order to consider and act on the attached committee business:

COMMITTEE ON THE JUDICIARY

AGENDA: NOMINATIONS

U.S. circuit court judges

Judge Harry W. Wellford, of Tennessee, to be U.S. circuit judge for the Sixth Circuit Court of Appeals.

Mr. Antonin Scalia, of Illinois, to be circuit judge for the District of Columbia Circuit Court of Appeals.

U.S. district court judges

Mr. Michael Mihm, of Illinois, to be U.S. district judge for the central district of Illinois.

Mr. Bruce Selya, of Rhode Island, to be U.S. district judge for the district of Rhode Island.

U.S. attorneys

Mr. Frederick Scullin, Jr., of New York, to be U.S. attorney for the Northern District of New York.

Mr. Larry Thompson, of Georgia, to be U.S. Attorney for the Northern District of Georgia.

U.S. Marshal

Ms. Faith P. Evans, of Hawaii, to be U.S. marshal for the District of Hawaii.

Other

Mr. Constantine N. Dombalis, of Virginia, to be a member of the Commission on Civil Rights.

Dr. Guadalupe Quintanilla, of Texas, to be a member of the Commission of Civil Rights.

Bills

H.R. 3517—A bill to authorize the granting of permanent residence status to certain nonimmigrant aliens residing in the Virgin Islands. (Subcommittee on Immigration and Refugee Policy)

S. 2297—A bill to improve protections for the tenants of shopping centers under the Bankruptcy Act. (Subcommittee on Courts)

S. 2671—To provide for the establishment of a Commission on the Bicentennial of the Constitution. (Full committee)

S. 2552—To protect the safety of intelligence personnel and certain other persons. (Full committee)

S. 186—Criminal Justice Construction Reform Act. (Subcommittee on Criminal Law)

S. 2411—Justice Assistance Act of 1982. (Subcommittee on Criminal Law and Juvenile Justice)

S. 1758—Betamax Copyright Bill. (Full committee)

S. 2420—Omnibus Victims Protection Act of 1983. (Subcommittee on Criminal Law)

Commemorative resolution

S. J. Res. 188—To designate March 1, 1982, as National Recovery Room Nurses Day. (Introduced by Senator Inouye.)

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 4, at 10 a.m., to hold an oversight hearing on economic and social reforms in El Salvador.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, August 5, at 10 a.m., to hold an oversight hearing on economic and social reforms in El Salvador.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CITIZEN CRIME PREVENTION WORKS

● Mr. BIDEN. Mr. President, today I would like to recognize and pay tribute to an innovative and unique organization. The National Association of Town Watch (NATW) is a nonprofit nationwide network of citizen crime watch groups and local law enforcement agencies. Its founder and executive director, Mr. Matt A. Peskin of Wynnewood, Pa., established the organization early in 1981 in an effort to unite the thousands of citizen volunteers who are assisting their local police in organized crime watch programs. Mr. Peskin saw the need for a nationwide association through which local groups could share valuable crime prevention information and programs. By March of last year, the National Association of Town Watch had become a reality. Today, the organization has grown to include member groups in 22 States across the country and has even attracted membership from provinces in Canada.

There are several important characteristics I would like to relate to you about the organization. First, its members are only those who are affiliated with and working in cooperation with their local police. They are not vigilante groups. Rather, they are concerned citizens who have taken time to be trained and to work with the law enforcement agency in their particular community. Second, and perhaps most importantly, the organization has come a long way without a major source of funding. Through hard work, membership fees, and small contributions, NATW has been able to grow.

Mr. President, I believe that it is important that limited Federal support be available to local crime prevention programs, which have proven to be effective and worthwhile. It is my belief that the volunteer anticrime spirit can be enhanced if limited Federal resources and technical assistance are available. It is for this reason that Senator SPECTER and I introduced our Justice Assistance Act of 1982 (S. 2411) so that successful crime fighting programs can be continued.

The National Association of Town Watch just recently introduced and implemented a new dimension to the crime watch campaign that I strongly endorse. The program is called "letter carrier watch" and incorporates the voluntary services of local letter carriers to serve as additional eyes and ears while on their daily routes. The program is targeted at helping police combat the steadily growing number of daytime burglaries. Letter carriers are a valuable addition to an area's crime watch team for the following reasons: They know the neighborhoods quite well, their hours coincide with the time most day burglaries are committed, and many carriers are already adept at spotting suspicious activity. The suburban Philadelphia area and five other pilot areas across the country kicked off programs in their areas in May. Carriers attended awareness sessions conducted by crime prevention officers and the various components of the letter carrier watch were discussed. One of the major items outlined was safety. Carriers were instructed never to get physically involved in any suspicious circumstances—only to telephone the local police.

The program has certainly generated a great deal of public support. The program makes a great deal of sense. There is no real cost involved and, at the very least, it will serve as a deterrent to potential daytime criminals.

The carriers, the police, the community, and the media strongly support this program and I believe this to be an excellent crime prevention proposal. I urge every Member of the Senate to lend their support for expansion of the letter carrier watch program nationally.

I take my hat off to the National Association of Town Watch and to Mr. Peskin for showing us that the "spirit" is alive and well in communities across America. These citizens' groups and law enforcement agencies are fighting to keep their homes, their families, and their neighborhoods safe. Their efforts are paying off because they are working together. Mr. President, this is what "America" is all about.

I ask that the attached editorials be printed in the RECORD.

The editorials follow:

EVEN BETTER (II)

Yesterday, I talked about neighborhood townwatches; how they help citizens like you and me fight crime. And I told you that to join or form a Town Watch, you should call your local police department.

This is Lower Merion. It's a suburb of Philadelphia on the Main Line. I came here because it's a new idea to make Town Watches work even better!

Most Town Watches work at night. But in quiet, residential communities like this, a lot of burglaries occur during the day when nobody is home. But you know, there is someone around during the day.

Letter carriers. They know the neighborhoods where they deliver mail and they can recognize anything suspicious.

The National Association of Town Watch tried to organize a Letter Carrier Watch right here. And the letter carriers themselves were all for it.

But then the U.S. Postmaster General in Washington said no, that it was too dangerous.

Well, that's ridiculous. Town Watch doesn't stop crimes, it only reports suspicious activity to the police. And besides, letter carriers here want to help.

I'm going to send a copy of this editorial to William Bolger. He's the Postmaster General. If you agree with me that letter carriers should help fight crime, write to me and I'll send your letters along. I'm Pat Polillo and here's the address.

Pat Polillo—Vice President and General Manager-KYW Television

[From the New Spirit, May/June 1982]

COMMUNITIES APPLAUD LETTER CARRIER WATCH; POSTAL SERVICE SAYS: "TOO DANGEROUS"

(By Linda Kennedy)

The "Letter Carrier Watch" is a new wrinkle to the community crime prevention/awareness effort. The program incorporates the voluntary participation of local letter carriers as a component to an area's crime watch team. Once organized, local carriers attend an Awareness Session which is conducted by area crime prevention officers. The one-hour Session is designed to help increase the letter carriers sensitivity to suspicious activity and how to effectively report anything they may see. Most importantly, the letter carriers are instructed not to alter their routes, not to investigate suspicious circumstances and not to ever get physically involved.

The community, the local carriers, the police and local officials strongly support the effort and see the 'Carrier Watch' as a positive program in helping police combat daytime burglaries. There are 5 pilot programs underway, the first of which was kicked-off in the suburban Philadelphia area on May 20th. Similar efforts are orga-

nized in Tallahassee, FL, Madison, WI, Canton, OH, Texarkana, TX and Tulsa, OK.

Most recently however, areas have found that the Postal Service headquarters have directed letter carriers not to become involved in any kind of 'crime watch program'. According to U.S.P.S. spokespersons, the program would expose carriers to dangers not ordinarily part of their job . . . (?) Another official from the Postal Service said, "Our people are not law enforcement officers."

The U.S.P.S. attitude has not gone unchallenged. Ronald C. Hays, President of the Main Line Letter Carriers Association, describes the letter carriers participation as "an excellent idea." He is not alone. The U.S. Postal Service's opposition to NATW's "Letter Carrier Watch" has generated a flow of public support for the project.

WCAU-TV (CBS-Phila.) strongly supported the effort through several television editorials and news stories. The Philadelphia Inquirer said in a June 5 editorial, "carriers who wish to participate should be free to do so—with not only approval, but enthusiastic support from the U.S. Postal Service."

Susan Savage of Tulsa, Oklahoma and Anthony Moore of Canton, Ohio, both coordinators of Carrier Watch programs in their respective areas, expressed disbelief and anger when Postmasters in their communities discouraged implementation. Because the project is designed with carrier's safety in mind and offers the opportunity to increase the local letter carrier's awareness, the two coordinators, (along with many other groups and individuals), are asking "why?"

NATW Director Matt A. Peskin noted that a recent article in the Letter Carriers monthly publication, described the heroic actions of a letter carrier in South Carolina who spotted a burglary in progress. The carrier saw the broken window through which the burglars entered, went around to the back of the house and saw them inside, then went to call the police. Peskin said, "had that carrier attended our Awareness Session, he would have known to leave the area once he spotted the broken window." "By investigating the way he did," Peskin added, "he could have gotten his head blown off."

Peskin cited another glaring conflict in the Postal Service's thinking regarding crime prevention.

In a recent piece of correspondence from a Regional Director of the U.S.P.S., two Baltimore carriers received commendations from the U.S.P.S. for chasing down two armed holdup suspects. Peskin said, "first they commend a carrier for getting involved in a gun battle and then they tell us that the Letter Carrier Watch is too dangerous and that carriers aren't law enforcement officers?

The Association says it stands behind the program and urges all members, local carriers and concerned citizens to offer their support in favor of the program.

Stay tuned.●

SENATE JOINT RESOLUTION 224—JOINT RESOLUTION TO PREVENT NUCLEAR TESTING

● Mr. KENNEDY. Mr. President, on Friday, July 30, 1982, I introduced Senate Joint Resolution 224, a joint resolution to prevent nuclear testing, for myself and for 30 of my colleagues in the Senate.

I ask that the full text of Senate Joint Resolution 224 be printed in the RECORD.

The text of the joint resolution follows:

S.J. RES. 224

Whereas the United States is committed in the Limited Test Ban Treaty of 1963 and in the Non-Proliferation Treaty of 1968 to seek to achieve the discontinuance of all test explosions of nuclear weapons for all time;

Whereas a Comprehensive Test Ban Treaty would promote the security of the United States by constraining the U.S.-Soviet nuclear arms competition and by strengthening efforts to prevent the proliferation of nuclear weapons;

Whereas the Threshold Test Ban Treaty was signed in 1974 and the Peaceful Nuclear Explosion Treaty was signed in 1976, and both have yet to be considered for ratification by the full Senate;

Whereas the ratification of the Peaceful Nuclear Explosion Treaty and the Threshold Test Ban Treaty will ensure the effectiveness and full implementation of significant new verification procedures and so make completion of a Comprehensive Test Ban Treaty and further progress in strategic arms control more probable;

Whereas a Comprehensive Test Ban Treaty must be adequately verifiable, and whereas significant progress has been made in detection and identification of underground nuclear explosions by seismological and other means;

Whereas a Comprehensive Test Ban Treaty, to be effective, must ban nuclear explosions for peaceful purposes as well as nuclear weapons tests;

Whereas presently negotiations are not being pursued by the United States toward completion of a comprehensive test ban agreement;

Whereas substantial progress has been made in past negotiations on important elements of the Comprehensive Test Ban Treaty, including prohibition of nuclear explosions for peaceful purposes, as well as effective and unprecedented verification measures in the areas of seismic monitoring and on-site inspection; and

Whereas the past five Administrations have supported the achievement of a Comprehensive Test Ban Treaty: Now, therefore be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That at the earliest possible date the President of the United States should:

1. Request Senate consent to ratification of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties, signed in 1974 and 1976 respectively;

2. Resume trilateral negotiations toward conclusion of a verifiable Comprehensive Test Ban Treaty.●

THEODORE SORENSEN ON NUCLEAR TEST BANS

● Mr. BIDEN. Mr. President, last week the Reagan administration made a startling announcement that it intended to abandon negotiations for a Comprehensive Test Ban Treaty. At that time, Senator MATHIAS joined me in announcing that we would introduce a bipartisan resolution on July 29, demanding immediate resumption of the negotiations as well as submission of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties for Senate consent.

Five administrations, both Republican and Democratic, have pursued a comprehensive nuclear test ban since 1963, when President Kennedy signed and the Senate agreed to ratification of the Limited Test Ban Treaty. Theodore C. Sorensen, who was special counsel to President Kennedy, has written an eloquent and compelling article in the New York Times which makes clear the importance of this effort and condemns the Reagan administration's abandonment of these two decades of bipartisan commitment. Mr. President, I ask that Mr. Sorensen's important article be printed at this point in the RECORD.

The article follows:

[From the New York Times, July 25,1982]

TEST BAN AND EPITAPHS

(By Theodore C. Sorensen)

Ronald Reagan last week, in a move speaking volumes about his sincerity in the current strategic arms reduction talks, threw out 19 years of bipartisan American support for a comprehensive nuclear test ban treaty. The military arguments he accepted have heretofore been consistently rejected.

It was 19 years ago today that American, British and Soviet negotiators concluded and initialed in Moscow a treaty banning all nuclear weapons testing in the air, sea and outer space. John F. Kennedy called it "an important first step—a step toward peace [and] reason," adding that it was "a journey of a thousand miles." When W. Averell Harriman, the chief American negotiator, was welcomed home by his Georgetown neighbors, one woman brought her baby, saying, "What you did in Moscow will make it possible for him to look ahead to a full and happy life."

Because the treaty permitted undergound testing, it was indeed only a first small step toward slowing the nuclear arms race. Its text contemplated a future comprehensive ban. President Kennedy and Nikita S. Khrushchev, the Soviet leader, both hoped to resolve the one remaining obstacle to an underground-test ban—how to inspect suspicious seismic-disturbance reports. During these past 19 years, every President, regardless of party, actively sought an agreement between the United States and the Soviet Union to halt underground nuclear testing. For 19 years, arguments emanating from the Pentagon and nuclear-weapons laboratories about the need for more testing—to develop new weapons and enhance our confidence in existing weapons—were rejected by the White House.

Until last week.

With typical circuity, the Reagan Administration decision not even to negotiate for such a ban, once it had been involuntarily publicized, was attributed to a need to first redefine verification procedures for two interim, unratified, largely meaningless agreements that ban explosions over 150 kilotons. In truth, both superpowers can obtain all the test results they need below that threshold, which is 10 times the power of the Hiroshima bomb. Moreover, these interim agreements would both be rendered moot by a determinated Presidential com-

mitment to negotiate a comprehensive test ban. Because of new verification technology and procedures, such a pact seemed near in 1979 before it temporarily sank with the second strategic arms limitation treaty.

Opposition to a total ban from various military leaders and nuclear scientists in both Washington and Moscow over the last 19 years is not surprising. As Gen. Earle G. Wheeler testified regarding the 1963 treaty: "In the purest sense of the term, any agreement which limits the manner in which we develop our weapons systems represents a military disadvantage." Most armed services commanders, trained and paid and obligated to provide the strongest possible combat force, invariably want more tests, more weapons and more certainty about the reliability of their existing weapons.

These same arguments were all advanced in 1963 against the Limited Test Ban Treaty, by both active and retired commanders and by concerned citizens ranging from Edward Teller to Phyllis S. Schlafly. But their arguments were overcome by answers that are equally vaild today. The risks of an imperfect treaty were deemed less than the risks of an unabated arms race. A reduction in the tensions and economic burdens of the cold war was deemed worth the limitations on new weaponry. Preserving doubts in both the Kremlin and the Pentagon about the reliability of their respective stockpiles might someday stay a reckless hand. Establishing roadblocks to either superpower's development of destabilizing weapons might reduce future temptations to launch a surprise first strike. The Senate in 1963 listened, debated and approved the treaty by a vote of 80 to 19.

Unfortunately the ideology of those 19 is now in the saddle in Washington. The Reagan cold warriers advertise their plans for arms control with more hypocrisy than hope for success. They see no need for the superpowers to deter the spread of nuclear weapons by setting a good example. They want no part of a nuclear freeze, not even a mutual halt in testing warheads and weapons. Why should they? An Administration that can turn the clock back by decades on child labor and Social Security can easily go back to John Foster Dulles.

I would remind them of the statement of Everett M. Dirksen, the late Senate Republican leader, in switching to support the 1963 treaty, "I should not like to have written on my tombstone: 'He knew what happened at Hiroshima, but he did not take a first step.'" That first step in 1963 was impelled in part by a nuclear confrontation over Cuba the previous year. Let us pray that another such confrontation will not be required to produce the next step.●

REMARKS OF SENATOR MAX BAUCUS BEFORE THE NINTH CIRCUIT JUDICIAL CONFERENCE

● Mr. BIDEN. Mr. President, I would like to bring to the attention of the Senate a most provocative and interesting speech by our colleague, the junior Senator from Montana. On July 30 he delivered a statement before the Ninth Circuit Judicial Conference on the subject of legislation relating to the Federal courts now pending in Congress. The Senator calls upon Congress to deal with fundamental and recurring issues in the administration of criminal justice. These are the same matters addressed by S. 2572, the Violent Crime and Drug Enforcement Improvements Act of 1982 which both he and I and over half the Senate introduced a number of months ago. It now appears likely that the Senate will be voting on that bill in the near future.

I congratulate the Senator on his speech and ask that the full text of the speech be placed at this point in the CONGRESSIONAL RECORD.

The text of the remarks follow:

REMARKS OF SENATOR MAX BAUCUS

Being among so many members of the legal profession this afternoon, I'm reminded of the story of what happened when Pope John Paul the First died. It seems that he and a lawyer arrived at the front gate of heaven at the same time.

They were met by their guide. The guide walked them over to a beautiful palace and turned to the lawyer and said, "This will be your home." He then took John Paul and brought him to a small one room house with dirt floors and said, "Father, this is your home."

John Paul turned to his guide and said, "I don't want to be disrespectful, but why is it the lawyer gets a magnificent mansion, and I only get this one-room shack?"

"Well, Father," the guide responded, "we have many, many popes up here—but that's the first lawyer."

There is no question that here on Earth lawyers and lawmakers are viewed today with diminishing respect. The latest Harris Poll shows that only 16 percent of the American public has substantial respect for the legal profession and Federal lawmakers.

To make matters worse, the legal profession is behaving a lot like Rodney Dangerfield. It goes around muttering, "I can't get no respect." But it isn't doing much to earn any.

There should be little doubt that the judicial system is facing a crisis of confidence. Much of the blame rests with Congress.

First, Congress has failed to enact a set of reforms that could help restore respect and confidence in the legal system.

Second, Congress has been wasting much of its time considering proposals that run counter to the rule of law and are likely to diminish citizen respect for the law.

This afternoon I would like to discuss with you both sets of proposals—the first set is one that I believe ought to be quickly enacted. The second set presents a most serious threat to our form of government.

OUR CRIMINAL LAWS

There is no area of law that is in greater need of reform than criminal law. Violent crime is a source of fear and concern in every neighborhood and on every street:

People are afraid to visit city parks.

They're afraid to send their children to school.

They're afraid to walk to work in the morning and even more afraid to walk home at night.

Even in their own homes, they're afraid.

While the fear of crime and the rate of crime steadily increases, faith in the criminal justice system plummets. People are becoming more convinced every day that the criminal justice system is incapable of dealing with crime:

It's incapable of securing "guilty" verdicts against guilty defendants.

It's incapable of providing appropriate sentences for heinous crimes.

It's incapable of keeping dangerous persons off the streets and in the prisons.

These perceptions lie at the heart of the declining respect for the criminal justice system. It is these perceptions that Congress can and should be addressing.

THE INSANITY DEFENSE

Probably the most obvious area in need of immediate reform is the Federal rule on the insanity defense. The implications of the *Hinckley* decision go far beyond the public outrage about John Hinckley.

Simply put, it is difficult to respect a system that can actually acquit a person who short the President in full view of the entire Nation. That respect is further eroded by the fact that our rules may permit John Hinckley to be a free man in the very near future.

The blame should not be placed on the judge for the jury for the verdict of acquittal. The blame for this affront to our sense of justice has to be placed on the rules themselves.

The Federal insanity defense is confusing and unpredictable. It is not based on a clear statutory standard.

Several legislative solutions already have been introduced. Personally I favor adoption of a measure I co-sponored some time ago that would restructure the insanity defense. It would operate basically the same as Montana's law on the subject.

The essence of the Montana approach is that a person must have intended to commit the act he is being accused of. If his mental disease caused him to believe he was shooting a cabbage then the defense would be available.

When we change these rules we must also ensure that all mentally ill defendants receive appropriate treatment. Those who are acquitted on the basis of insanity should not be allowed to go back into the mainstream of society if they are still dangerous. The mentally ill who are convicted should be treated in prison.

This proposal would be a dramatic improvement in the insanity defense. I believe such a defense would give judges and juries a clear and more realistic way to assess the culpability of criminal defendants. And it would restore citizen respect for a criminal rule that is clearly not working today.

SENTENCING AND PAROLE

The insanity defense is only one of many criminal laws that are not working. Federal sentencing practices are another major source of public skepticism. Sentencing of convicted defendants is marred by inconsistency and doubletalk.

Today, Federal judges have too much discretion in imposing of sentences for Federal offenses. The length of a particular sentence is too dependent on the individual judge's personal sentencing philosophy. The result is that widely disparate sentences are being imposed for similar offenses and similar conduct.

Furthermore, public confidence is eroded when the system permits judges to publicly pronounce a 30-year sentence that may translate into only 5 or 6 years in prison. This judicial doubletalk is exacerbated by the uncertainty created by the parole system.

Let me be clear. I do not think that the blame for these problems lies with judges. Rather, I believe Congress has been unwilling to provide guidance. That is why I have advocated Congressional action in this area.

I strongly favor reforms that would reduce judicial discretion in sentencing and would eliminate the parole system as we know it.

Legislation I have co-sponsored would create a Federal commission to establish sentencing guidelines for Federal offenses. Judges would be bound by these guidelines unless they could specifically find aggravating or mitigating circumstances.

I do not mean to imply that we should handcuff judges. The bill would result in judges imposing sentences that they actually thought should be served rather than artificially inflated sentences—thus eliminating judicial doubletalk.

In addition, the bill would eliminate the possibility of early release on parole and with it the unpredictability of our current parole system. Good behavior in prison would still be recognized, but everyone—the public and defendant alike—would know ahead of time how many months of good time a felon would receive if they were a model prisoner.

These reforms bring increased predictability to the criminal justice system. Criminals would know what to expect. And everyone would be treated evenhandedly.

BAIL REFORM

There is one other area of our criminal rules that must be reformed. It is simply unacceptable for dangerous individuals who are in the custody of the courts to be permitted to go back on the streets to commit another crime.

Current Federal bail practices are designed to detain accused criminals who are not likely to reappear for trail. However, some judges are misusing the money bail system. The unfortunate result is that those dangerous defendants who have money or access to money—like those linked to organized crime—are released, while those who don't have money are not.

I have co-sponsored legislation that would eliminate money bail. Judges would thereby be required to determine whether the release of the accused would endanger the community.

This would be done in a full-blown hearing with civil liberty protections. If the accused were found dangerous, the judge could impose conditions on his release.

I believe this reform in bail procedures would bring more candor to the system by permitting judges to directly assess the impact of their decision on the safety and security of the community. It is a sensible and realistic approach to the need for reform in our bail rules.

The reforms in the insanity defense, sentencing, parole and bail that I have outlined this afternoon should be coupled with reform of the exclusionary rule and the imposition of a Federal death penalty for heinous crimes. This is a package of reforms that ought to be enacted by Congress at once.

If we don't act, the inequities I have outlined will continue. Equally important, public confidence will continue to erode.

Let us not, however, operate under any delusions. These reforms will not eliminate crime. They will end the perception that the rules of the criminal justice system are contributing to the continuing crime problem our country faces.

If we can dispel that perception, we will in fact have gone a long way toward restoring some respect for the system.

COURT JURISDICTION

You may be asking at this point why these reforms haven't been enacted. Partly it's because Congress has been spending time on another set of proposals. These pose a very real threat to our system of government.

Instead of working on a crime package and other needed judicial reforms, many Senators of the new right have been focusing the Senate's attention on the controversial social issues: School prayer, busing, and abortion.

So far their efforts to overturn Supreme Court decisions have failed. Their constitutional amendments are stalled.

Instead, they have begun to advocate a series of proposals that would permit Congress to overturn Supreme Court decisions by simple statute.

These Senators would strip the courts of the power to hear future cases on that issue. At last count, there are about 30 such bills pending in the House and Senate.

One would prohibit Federal courts from deciding abortion cases. Another would take away the Supreme Court's jurisdiction over cases involving school prayer. A third would prevent court action on school busing disputes.

Contrary to the claims of their proponents these measures would not outlaw abortion and school busing or legalize school prayer. The Supreme Court just would no longer provide a uniform, national interpretation of the Constitution. Instead, State courts would be given the last word on these matters.

The court stripping bills are actually an open invitation to the State courts to overrule decisions of the Supreme Court. They will breed disrespect of the rule of law.

As the Conference of State Court Chief Justices said:

"These proposed statutes give the appearance of proceeding from the premise that State court judges will not honor their oaths to obey the United States Constitution. . . ."

In the name of restoring "constitutional" decision making to the courts, the proposals in fact leave open the possibility of 50 "unconstitutional" decisions being handed down by the State courts.

Moreover, if Congress has the right to remove any constitutional right from the Court's jurisdiction, then, in effect, Federal courts could only protect those rights that a majority of Congress thought worthy of protection.

Constitutional guarantees—the hallmark of our society—suddenly will be swept aside by a simple majority vote. Constitutional rights could be "horsetraded" in the closing hours of each Congress. The bill of rights would become a political football.

It is important to keep in mind that court stripping is politically a two-edged sword. Although associated with the "new right" in the 97th Congress, such legislation could also be used in ways that would be anathema to the values of the "new right".

Why couldn't Congress impose onerous and discriminatory taxes and include a provision to prevent Supreme Court review of the constitutionality of all Federal taxation cases?

Why couldn't Congress attempt to preempt totally States from engaging in conduct traditionally within their power and remove Supreme Court jurisdiction over the 10th amendment?

As Senator Barry Goldwater has said:

"Whether or not Congress possesses the power of curbing judicial authority, we should not invoke it. As sure as the Sun will rise over the Arizona desert, the precedent will return to oppress those who weaken the courts. If there is no independent tribunal to check legislative or executive action, all written guarantees of rights in the world would amount to nothing."

It is for these very reasons that previous Presidents and previous Congresses have rejected the option of overturning by statute constitutional decisions of the Supreme Court.

President Lincoln and the 39th Congress responded to the infamous *Dred Scott* decision by proposing the 14th amendment. President Taft and the 61st Congress proposed the 16th amendment to overturn the Court's interpretation of the term "direct taxes".

The constitutional amendment process in article V of the Constitution has worked. We should continue to use it.

The proposals being debated in Congress today attempt to end run those requirements. By doing so they threaten to undermine the independence of the judicial branch of Government.

They also represent a direct threat to individual rights and liberties.

CONCLUSION

I raise these court stripping bills with you this afternoon because I believe they should serve as a warning to all of us who support reform of the judicial system.

Change alone will not bring added respect to our system of justice. Change must be careful, thoughtful and consistent with the fundamental principles of the Constitution.

The reforms in criminal rules that I am advocating today represent such responsible change.

The attempts to strip the Federal courts of their jurisdiction over constitutional issues are inconsistent with the basic principles of our Government. They will lead to less respect for the judicial system.

We cannot afford to sit back and let rules that aren't working continue to destroy public confidence in our system.

Nor, however, can we afford to enact changes that will fundamentally undermine the constitutional protections we all cherish.

Thank you.●

SEVENTH ANNIVERSARY OF HELSINKI ACCORDS

● Mr. HEINZ. Mr. President, 7 years ago, on August 1, 1975, the United States, the Soviet Union, and 33 other countries in Europe and North America accepted the principles and objectives embodied in the Helsinki Final Act as a guideline for developing peace, prosperity, and security in Europe.

The Helsinki Final Act, one of the flagships of détente, provides for increased trade and cultural exchanges, respect for basic human rights and the relaxation of military tension in Europe. These principles of cooperation established a blueprint for developing East-West relations along a path of peace.

Contrary to the original intent, the Soviet Union and its allies have, in many instances, systematically ignored and violated with impunity the principles relating to human rights and increased human contacts. Individuals in

those countries raised the human rights banner of Helsinki high, to be seen by all, only to have it trampled in successive repressive actions by their own governments.

The Soviet Union continues to restrict emigration, deny family reunification, jam Western radio broadcasts, restrict travel in general, invade bordering countries with the use of force and support repressive action and derogation of basic human rights, at home and in Poland.

Czechoslovakia continues to stifle dissident Charter '77 activists and harass religious believers. Romania continues to maintain excessive restraint on emigration and family reunification requests as well as imprison religious proponents. The list goes on indefinitely.

Regardless of the inability of individuals in the East to profit by these principles of freedom, the provisions of the Helsinki Final Act are far from meaningless. Greater vigilance by Western countries and individuals, strong endorsements of these basic human rights must continue to emanate from the countries of the free world.

For the last year and a half, I have been active as a member of the Commission on Security and Cooperation in Europe. This body monitors Soviet and Eastern European compliance with the high-minded principles of Helsinki. The two main CSCE review sessions at Belgrade and Madrid have placed human rights front and center on the international agenda. Our aim is to continue this vigilance and demonstrate solidarity with those individuals in the Soviet Union and Eastern Europe who ask only to be treated with dignity.●

THE SEVENTH ANNIVERSARY OF THE HELSINKI ACCORDS

● Mr. LEAHY. Mr. President, yesterday marked the seventh anniversary of the signing of a document which was to chart a new course in East-West relations: The Final Act of the Conference on Security and Cooperation in Europe. Signed in Helsinki on August 1, 1975, by 35 countries (all of Europe—except Albania—plus Canada and the United States) the Final Act broke new ground on the diplomatic front by recognizing that respect for human rights is an essential component of international relations.

Although 7 years is a short time, it has been enough time to expect to see at least some signs of sincere good will from the 35 participating states. I would be less than candid, however, if I did not say that I am disappointed—although not yet disillusioned—in the results achieved so far. Perhaps the most tragic irony in the Helsinki process so far is that the citizens of Eastern Europe have proven themselves to be far more willing to live up to Helsinki pledges than have their governments.

Seizing on the Final Act acknowledgement of the profound interconnection between government and the governed and the duties of governments to respect the individual liberties of their citizens, in 1976 and 1977 citizens decided to monitor their own governments' compliance with the Helsinki code of conduct. It is fitting that it was citizens in the most repressive Helsinki signatory state, the Soviet Union, who first recognized the liberating potential of the Final Act: Helsinki monitoring groups were organized in Moscow, Ukraine, Lithuania, Armenia, and Georgia. Rather than responding favorably to this genuine citizens' initiative, however, the Soviet authorities responded with their usual paranoia: Today, 50 of the original 76 Helsinki monitors are serving a total of over 440 years in imprisonment.

But the Helsinki idea had already germinated in the minds of people throughout that last vast empire, the Soviet Union. Other citizens' groups were organized: the Christian Committee to Defend the Rights of Believers, the Catholic Committee, and the Adventist Rights Groups joined together with Pentecostal Emigration Councils and Baptist ministers, printers, and prisoners' rights groups; other citizens banded together to espouse the rights of invalids, the victims of psychiatric abuse, and the denial of the rights of Soviet workers; writers' and painters' groups formed which tried to operate outside the constraints of official censorship; samizdat publications, ranging from unorthodox explorations of hidden facets of Soviet history to fervent espousals of Russian Orthodoxy, also flourished.

One may ask why I choose to focus on these citizens' initiatives in the Soviet Union when much larger groups, such as Solidarity in Poland, have been suppressed, or when other groups, such as the Freedom Fighters in Afghanistan, continue to fight and die? To such comments I would say that I am focusing today on relatively small groups of people who have responded to what makes the Final Act a powerful moral force in international affairs: the importance of individual initiative.

As a member of the Commission on Security and Cooperation in Europe—which is mandated to monitor and encourage compliance with the Helsinki Final Act—I have tried to focus on the efforts of the individual to achieve his or her Helsinki rights. One person who particularly impressed me with his brave spirit and compassion for others is Aleksandr Podrabinek, one of the members of the Working Commission on Psychiatric Abuse. Podrabinek and all the other members of the Working Commission are today imprisoned in the Soviet Union.

Podrabinek's efforts, including his remarkable book, "Punitive Medicine," has given hope to hundreds of victims of the continuing Soviet abuse of psychiatry. Such people are routinely locked up for such "crimes" as belief in God (Baptist believer, Anna Certkova, in psychiatric detention since 1974; Orthodox priest, Iosif Mikhailov, in Kazan Special Psychiatric Hospital since 1971; Muslim believer, Annasoltan Kekilova, under medical "treatment" since 1972) the defense workers' rights (despite continuing international protests, Vladimir Kelbanov and Aleksei Nikitin, remain in psychiatric detention) or attempts to emigrate (Pentecostal Fyodor Sidenko and Baptist Vladimir Khailo are both today in psychiatric hospitals).

Despite setbacks, we must continue to speak out in defense of those who cannot. Despite disappointments, we must persevere in utilizing the unique opportunity to defend human rights provided in the Helsinki Final Act.●

IMPORTS CAUSE TROUBLE FOR U.S. MUSHROOM GROWERS

● Mr. HEINZ. Mr. President, I bring to my colleagues' attention an article that was recently published in the Wall Street Journal entitled "U.S. Mushroom Growers Getting Mauled by Flood of Low-Cost Imports From China." This article accurately details the devastating effect imported mushrooms have had on the domestic industry.

Indeed, as the article points out, China shipped 27.4 million pounds of mushrooms last year, compared to a mere 17,000 pounds shipped in 1978. The article estimated that the Chinese will probably export twice that amount to the United States this year, or more than 54 million pounds. It added that "industry officials also expect China to send close to 25 million pounds * * * by way of middlemen in Hong Kong and Macao."

This tremendous increase in imports from China might force nearly a quarter of the Nation's 650 mushroom farms to go out of business, according to American Mushroom Institute estimates. Pennsylvania, where half of the Nation's $350 million crop is grown, is being particularly hard-hit by this surge of imports. In Chester County, Pa., were 60 percent of the State's crop is produced, the number of mushroom farms has dropped 60 percent from last year.

This news particularly distresses me because a number of us predicted it in 1980 when import relief was put into place. At that time, President Carter decided on a tariff rather than the quota recommended by the International Trade Commission, over my ob-

jections, for it was apparent at that time that the Chinese, being a non-market economy unmotivated by normal profit and loss considerations, would absorb the tariff, keep their prices low, and drive other importers out of the market. That is exactly what is happening to the detriment of the American growers.

Later this month, I shall be appearing before the International Trade Commission on behalf of the industry's petition against the Chinese under section 406 of the Trade Act of 1974. I hope other Senators will speak out on this issue as well, along with any other matter in which unfair trade practices have left many in our Nation unemployed. This time it is mushrooms, next time it may be another product. We must enforce our laws and international agreements on unfair trade practices.

Mr. President, I ask that the Wall Street Journal article be printed at this point in the RECORD.

The article referred to follows:

[From the Wall Street Journal, July 23, 1982]

U.S. MUSHROOM GROWERS GETTING MAULED BY FLOOD OF LOW-COST IMPORTS FROM CHINA

(By Paul A. Engelmayer)

KENNETT SQUARE, PA.—The U.S. mushroom-growing industry, which had huge profits as recently as three years ago, is being battered by cheap imports.

"We're just trying to breathe, trying to hold on," says Charles Nigro, a mushroom farmer in Pennsylvania, where half of the nation's $350 million crop is grown. "I've got an 18-year-old son, and I don't want him in the business," he says.

The outlook for growers is particularly grim here in southeastern Pennsylvania's Chester County, which produces about 60 percent of the state's mushroom crop. Kennett Square (population: 5,000), which lies in the heart of the county's gently rolling terrain, still proudly calls itself the mushroom capital of the world. But in this town, where even the gas stations sell mushrooms, more than a title is in jeopardy. "If we have another year like this," predicts Mr. Nigro, "this will be a ghost town."

BLAMING IMPORTS

A quarter of the 650 mushroom farms in the United States might go out of business this year, estimates the American Mushroom Institute, a trade group based here. In Chester County, the number of mushroom farms has dropped 60 percent from last year, to fewer than 100. The industry's slump, ironically, comes at a time when America's demand for mushrooms is greater than ever.

The farmers blame most of their trouble on the deluge of imports from the People's Republic of China. After exporting just 17,000 pounds of mushrooms to the United States in 1978, China shipped 27.4 million pounds here last year. That volume probably will nearly double this year. Industry officials also expect China to send close to 25 million pounds of mushrooms to the United States by way of middlemen in Hong Kong and Macao.

The Chinese ship only processed mushrooms and haven't attempted to sell fresh mushrooms in the United States. But the mom and pop farmers here accustomed to growing for the processed market find it hard to convert quickly to selling fresh produce. Processors lack even that option. When Oxford Royal a major cannery in Chester County, closed earlier this year, about 1,000 workers lost their jobs. Rocko Pugliese, executive director of Pennsylvania Food Processors, a trade group, expects more will go out of business soon. "We can't compete," he says.

The problems for U.S. growers began in early 1980, shortly after China received most-favored-nation status. In spite of a 1979 pledge not to dump mushrooms, the growers say, the People's Republic quickly targeted mushroom farming, which is very labor-intensive, as an ideal export industry through which to acquire foreign exchange.

"I wish they'd picked string beans," says Jack Kooker, the Mushroom Institute's executive director. Chinese embassy officials refuse to comment on the dispute.

The institute has called for import quotas like those imposed by the European community. Its case is argued by the Congressional Mushroom Caucus, a group of legislators from some of the 28 states that grow mushrooms. The International Trade Commission, whose call for quotas in 1980 was rejected by President Carter, is expected to repeat its support.

The mushroom caucus is sponsoring bills to label and promote domestic mushrooms and, along with the institute, has started an advertising campaign to stimulate demand. Meanwhile, more individual growers are marketing fresh produce. Product differentiation among farms, a grower says, will soon be "a necessity."

Growers are vulnerable for several reasons. Mushroom cultivation requires dark, dank, windowless concrete houses, where workers wearing head lamps cure and prepare the mushrooms and their compost. Farmers in trouble can rarely sell such facilities except to other mushroom farmers—few of whom are eager to invest now.

They are also being hurt by tight credit. Gary Kline, a senior loan officer at the Federal Land Bank, Avondale, Pa., says his agency has sharply restricted credit to farmers. Many farmers overextended themselves in the late 1970s, when 10 percent to 30 percent annual profit margins were common. Mr. Kline says the bank has started repossessing some farmers' equipment.

Growers who leave the industry are rarely prepared for other work. Often they have been mushroom farmers since they left school, having been taught the trade by their fathers. Richard Giancola inherited his mushroom farm near here from his father 25 years ago and reaped nearly $30,000 a year at the height of the mushroom boom. But this winter, he closed his family farm, advised by his accountant that the farm would be lucky to bring in $8,000 this year.

Today Mr. Giancola is earning about $5 an hour sifting mushrooms for another company. He hopes to leave Kennett Square for a new start. He is trying to sell his farm and two-story stone home for two-thirds of their assessed value of $335,000. But so far, there aren't any takers."I'm really going to take a beating," he says slowly. "I'm just negotiating whatever I can get."

Mr. Giancola, like many former growers, couldn't shift his production toward fresh mushrooms in time to escape the Chinese onslaught of processed ones. Growers of mushrooms for processing are being dealt a double blow from the Chinese imports and from America's growing preference for fresh mushrooms.

Fresh mushrooms now account for 57 percent of sales, up from 30 percent in 1969. The switch to fresh produce isn't easy; growers say it takes time and luck. Fresh mushrooms rely on eye appeal. Shoppers usually buy only snow-white, unscathed ones, and many of the highly perishable fungi discolor when exposed to light.

CHANGING JUST IN TIME

Growers aiming for the fresh market must adjust soil and other conditions to discourage less appealing brown or cream-colored produce. Learning to grow what's called "a tight, white mushroom" is "an attitude that's got to be instilled in your workers," grower Rick Malchione says.

With his father and uncle, he runs a farm that escaped the processed-mushroom industry just in time. Three years ago the farm got what the father, Mario, calls "a kick in the pants" from the imports when, within a month, processed-good prices fell to 47 cents a pound from about 67 cents. "It was enough to make us change our whole business," says Mario Malchione, who started the family farm 37 years ago.

Today the Malchiones send 80 percent of their produce to the fresh market, compared with none three years ago. The transition years were lean, but Mario Malchione concludes he was lucky. Ticking off the names of neighboring farmers who have gone out of business, he proudly examines a small case of shiny, white mushrooms and recollects: "We saw it coming . . . We said, the hell with cream."

Less foresighted growers are collecting unemployment benefits or leaving Chester County and their idle farms for wage labor. "A lot of people take this personally. They feel like failures," says the Mushroom Institute's president, Joseph Versagli, himself a grower since high school. "Most of them try to get out of the area because of the shame they feel."●

PROGRAM STABILIZES SUGAR PRICES; ULTIMATE WINNER U.S. CONSUMER

● Mr. JOHNSTON. Mr. President, I bring to the attention of the Senate an article which appeared recently in the Arkansas Gazette. When the Senate debated the 1981 farm bill's sugar provision, many of us tried to explain the peculiarities of the sugar market. This article does as good a job of describing that market, and its impact on both farmers and consumers, as any piece I have seen. I hope all Senators will have a chance to read it and that it will prove as enlightening to them as it has to me.

Mr. President, I ask that this article be printed in full in the RECORD.

The article follows:

[From the Arkansas Gazette, July 25, 1982]

PROGRAM STABILIZES SUGAR PRICES; ULTIMATE WINNER U.S. CONSUMER

(By Leland DuVall)

Arkansas farmers do not grow sugar beets. They concentrate on soybeans, rice, cotton, wheat, corn and a variety of specialty crops. Therefore, it might seem that people in the state would have little or no interest in the

kind of "sugar program" the Agriculture Department might offer.

The whole system under which commodities are produced and marketed in this country is interrelated—economically and politically—and farmers may be able to use the "sugar model" to help them understand such factors as how we got a farm program in the first place, the effects of government market intervention, and the reaction of the nonfarm population to the production-marketing system.

The "sugar title" of the Agriculture and Food Act of 1981 commanded special treatment, which removes it from the mainstream of farm legislation. President Reagan needed the votes of a few members of Congress to get approval for his "larger" program. He "struck a deal" with a few lawmakers who represented sugar growing districts and promised price supports for the crop in return for their vote.

Under the present sugar program, the price is supported at 17 cents a pound. Given the other factor that go into wholesale markets, this was expected to mean that sugar would reach the market at a price of about 20 cents a pound. Actually, the "delivered" price of raw cane sugar at New York is about 22 cents a pound, refined beet sugar at Chicago is about 27 cents a pound, the price of refined cane sugar at New York is 33 cents, and the world price of raw sugar is 7.5 cents a pound. Quotas limit our sugar imports.

No special understanding of markets is needed to see that the United States offers an attractive premium over the world price. If sugar moved freely, imports would hit the trade centers in such volume that the price would come down to meet the slightly strengthened world price. Raw sugar might be available at 10 cents a pound, instead of 22 cents. Those who argue the government has no business tinkering with the market make the case that the support program is adding 12 cents a pound to the "cost" of sugar at the retail level, at a time when people are concerned about inflation.

Since per capita consumption of sugar in the United States is about 80 pounds, an analyst might be tempted to multiply that amount by the 12 cents that is supposed to be the premium extracted because of the sugar program to determine how much the law adds to the cost of living. That works out to $9.60 cents a year per person in a higher cost for all food and drinks that contain sugar.

Nothing is that simple. Different people consume different quantities. Retail prices seldom come down just because the ingredients are cheaper. Once in place, the higher prices remain because consumers have become accustomed to the prices and volume would not be increased significantly by price cutting.

This tendency of retail prices for consumer goods to be highly sensitive to rising prices of raw materials and to ignore collapses in the market is the basis for arguments in favor of a "stabilized" commodity price. In the case of sugar, and of many other commodities, the role of the United States is that of the balancer.

1. This country is the world's major wheat producer and the supplier of grain where shortages develop. Large subsidies are offered in the European Common Market and in many other growing regions with the argument that the users do not want to rely exclusively on imports. The price of wheat grown in the European Community may be twice the price received by American farmers. Without import limits, the Europeans argue, United States would bury their farmers, force them out of business, and monopolize the market. Therefore, the amount of wheat bought in this country is determined by a formula designed to hold imports to the amount needed to assure adequate supplies—after their own wheat is marketed. Purchase in this country is at the lowest available price, but the resale to the mills is at the European premium price.

The same situation applies to many other commodities grown in abundance in this country and purchased around the world.

2. In the case of sugar, the roles are reversed. The United States currently produces about 55 per cent of the sugar consumed in this country and imports the remaining 45 per cent. Sugar is grown in at least 100 countries and all of them expect to export their surpluses. On balance, about 80 per cent of the world sugar supply is consumed in the country where it is grown.

The average cost of producing sugar (world basis) has been estimated at about 19 cents a pound. Farmers in the United States apparently just about match that level or they may be a little ahead of the game. Obviously, they could not hope to stay in business by meeting head-on the price at which the other producing countries are willing to sell their "surplus," or the amount left over after they have taken care of domestic needs. The simple truth is that the major sugar producing countries are prepared to sell their surplus at the price that will move the product.

This leaves American sugar farmers in position to be whipsawed between their production costs and the price at the ports for the "surplus" of other producing countries or, under current conditions, 7.5 to 10 cents a pound. Maybe next year or the year after, other sugar-producing countries would experience crop failures as they did prior to 1974 when the price soared to 65 cents a pound. In the absence of a "Sugar program," we might be able to buy raw sugar this year at 10 cents a pound or less.

If that happened, sugar production in the United States would be abandoned by reason of wholesale bankruptcy and we would depend entirely on foreign supplies. Remember that each producing country with excess capacity takes care of its own needs first then exports the "surplus" at the price needed to move the commodity. This summer, it is 7.5 to 10 cents, next year and the year after, there might be a smaller supply and a larger demand, with the United States bidding for virtually all its supply. The result could be "1974 with an adjustment for inflation." Maybe we need all the stability we can get in the commodity markets.●

DR. ABRAM N. SHULSKY

● Mr. GOLDWATER. Mr. President, I rise today to recognize the contribution of Dr. Abram N. Shulsky, minority staff director of the Senate Select Committee on Intelligence, who will be leaving our staff this month after 5 years of outstanding and dedicated public service. Abe Shulsky joined the Senate Select Committee on Intelligence in the spring of 1977, 1 year after it was set up under the provisions of Senate Resolution 400, and he has served the committee loyally and in an outstanding fashion since that time.

Before coming to our committee, Abe had a distinguished academic career. He graduated from Cornell University in 1964 with distinction in all subjects, and went on to earn an M.A. and Ph. D. in political science from the University of Chicago. The topic of his doctoral dissertation was "The 'Infrastructure' of Aristotle's Politics." From 1968 to 1970, he was assistant professor of government at Cornell University teaching courses on political theory; while from 1972 to 1974, he was assistant professor of politics at Catholic University here in Washington, D.C. From 1974 to 1977, Dr. Shulsky served as a political analyst for the Center for Naval Analyses, and wrote papers on naval planning, the political use of naval forces, and Soviet perceptions of the strategic arms race. Abe has written half a dozen works on political and military subjects.

During Abe Shulsky's 5 years with the Senate Select Committee on Intelligence, he made many important contributions to our oversight mission. Originally hired as a professional staff member, Dr. Shulsky has received repeated promotions within the committee. Although many of the activities with which Dr. Shulsky was involved are classified, and cannot be discussed in a public forum, his important contribution to our work is reflected in the strong endorsement he received from our current vice chairman, the distinguished senior Senator from New York, DANIEL PATRICK MOYNIHAN, in February 1981 when he was promoted to the position of minority staff director.

It is my understanding that Dr. Shulsky will be going on to the Department of Defense where he will be Director of the Office of START Policy. His judgment, scholarship, and knowledge of the Senate have been of great value to the members and staff of our committee, and these characteristics will be sorely missed in the future. However, the Senate's loss is the Defense Department's gain, and I think it is a reflection of Dr. Shulsky's capabilities that he is going on to such an important job.

On behalf of all the members of the committee, past and present, who have benefited from their association with Dr. Abram Shulsky, I want to express my personal thanks to him for his support of our activities over the years. He has shown exceptional dedication, loyalty, integrity, and service to the Select Committee on Intelligence, to the Senate, and to the Congress of the United States. We are grateful to him for his contributions and we wish him the very best in his future endeavors.●

FIGHTING TO KEEP AMERICAN JOBS FOR AMERICAN WORKERS

● Mr. MITCHELL. Mr. President, the strength and stability of our American society is founded in the fact that prosperity and opportunity are broadly available in our country, not the privilege of a chosen few. I know from personal experience that the opportunities in this Nation are the key to a better life.

My mother was an immigrant who worked all her adult life in textile mills in the Waterville area. The textile industry gave her work, and through that work my mother brought up five children who have enjoyed a far larger share of the American dream.

It is doubtful if my mother could have that same opportunity today. Jobs in textile mills, shoe factories, and countless other industries are disappearing, as more and more American jobs are lost to countries with cheaper labor. As a result, more and more Americans without technical or professional skills find themselves squeezed out of the labor market.

The textile and clothing plants in our Nation are our largest manufacturing employers. Nearly 2¼ million people work directly in this sector. Many hundreds of thousands more depend on it as a market for their raw products.

I am deeply concerned that we are in the process of exporting jobs in these industries for very minor returns.

Twenty-five years ago, fewer than 4 of every 100 garments sold in this country were imported. Today, for every 100 American-made woolen sweaters sold, 270 are foreign made. For every 100 American-made blouses sold, 160 foreign made ones are sold. In the 10 years between 1969 and 1979, imports of finished clothing increased 151 percent. In just that sector of the industry alone, almost a quarter million American jobs were lost.

Last year, when the President had the option of continuing a modest import relief system for the shoe industry, I strongly urged him to do so. Not only did our own Government agency, the International Trade Commission, recommend continued import relief, the clear facts of the case did so, as well. By last year, imports had captured about 50 percent of the nonrubber shoe market in the country.

But when he had the chance to decide in favor of American workers, the President chose to terminate the import relief program instead. By March of this year, shoe imports had captured fully 62 percent of the U.S. market. Since that Presidential decision, 16,000 jobs have been lost in the shoe manufacturing sector alone.

This year we are faced with two separate issues, both of which will affect the livelihood of Americans working in the shoe and textile industries. We will negotiate an agreement with the People's Republic of China to cover textile imports from that nation. And the President has proposed that virtually all goods from Caribbean nations be permitted to enter the United States duty-free, as a way to help those nations develop their industries and economies.

Textile imports to our country are governed by the Multi-Fiber Agreement (MFA), which sets the conditions within which we make trade agreements separately with each importing country

Last year, MFA was extended with a proviso that instead of letting imports increase by 6 percent per year, they would be held to the same rate of increase as the domestic market. In practice, this means the major importers—Taiwan, Korea, and Hong Kong—will maintain import volumes almost level, while less-developed nations will be allowed to increase their imports up to the overall limit. This is designed to make sure that imports do not grow faster than the market itself.

The modification in MFA was a substantial gain for textile manufacturers and workers. But its effectiveness relies on the will with which it is pursued and implemented. And there lies a serious question, since China has not signed the Multi-Fiber Agreement.

China today exports relatively small quantities of textiles to the United States. But the speed with which that giant nation can take advantage of trade relaxation is shown in the fact that last year imports to the United States of Chinese goods rose 75 percent above 1980. With any inducement in terms of lowered tariffs, there is no question at all that China could and would flood our market with its products. If that is allowed to occur, thousands more American jobs will be lost, and thousands more American families will find that more rungs in the employment ladder have been eliminated.

The President's proposal for a Caribbean Basin foreign aid package will provide $350 million in direct aid. It will encourage American industries—and jobs—to move to the Caribbean. And it will eliminate tariffs for imports from those nations except for textiles. I am grateful that this industry was given some protection, at least. But the protection given to textile workers will not protect shoe industry workers. I will be offering a similar exemption for these workers when the Senate Finance Committee considers its portion of the Caribbean Basin Initiative, as this proposal is called.

The Caribbean is an important part of the world. Its proximity to the United States makes it of particular concern to us. Because of the generally less-developed nature of Caribbean nations, well over 80 percent of their exports to the United States are already granted preferential trade treatment by U.S. law. The items not now given preferential treatment are, of course, those which are sensitive to imports. So the net effect of this initiative will be to expose import-sensitive industries and jobs they provide to direct competition as part of a foreign aid package.

This is ironic, because the U.S. sugar quotas the President supports restrict imports of the most important commodity produced by these nations. As long as our sugar quotas prevent the import of their most important export, the relaxed trade conditions will be nothing but a bandaid for Caribbean problems while inflicting yet another wound on American shoe workers. We can develop better foreign policies than to aid our neighbors at a cost that harms ourselves.

It is well past time that this administration stopped looking at American jobs as expendable bargaining chips in its foreign policy efforts.

It is time our Nation considered more seriously the full impact of its trade policy in today's world.

The United States has used its wealthy domestic market as a way to help many nations improve their economies, beginning with Japan and Germany after the Second World War. The system of preferences that lets less-developed nations sell us their goods on a reduced-tariff basis continues that policy today. The United States has long taken the lead in working to free trade from controls, and to encourage trade among nations in place of narrow nationalist protectionism. The experience of the Great Depression, which was aggravated by the virtual drying up of international trade, made our Nation recognize the long-range and adverse consequences of stifling the exchange of goods in the international marketplace.

At the same time, the reality today is that many nations, including such strong trading nations as Japan, have not only allowed the United States to lead in freeing its own market to imports, but have acted vigorously to protect their domestic societies from the disruptions caused by competing imports.

Our trade policies have not, in my view, taken these developments sufficiently into account. We cannot and should not allow entire industries in the United States to be effectively eliminated simply because a Third World nation finds the development of a shoe industry a helpful development tool. We should not allow the fruits of our technological genius to be used against us in the form of foreign imports, as was the case with television manufacture. And our Government ought not to encourage the export of U.S. jobs as part of its foreign policy initiatives.

The fact of the matter is that our Government must recognize that national wealth depends as much on job opportunities and prosperity for our people as it does on growth in foreign markets.

We should not be unthinkingly adopting policy that forces thousands of workers into premature retirement, that wastes skills learned over decades, and that can mean the virtual death of small communities which depend on a shoe factory or a textile mill.

The costs to our Nation of allowing such disruptions are huge. There are financial costs to the national treasury when people are thrown out of work. And there are costs to the Nation's productivity when the work and skills of a lifetime are suddenly and abruptly rendered superfluous. We will not remain a strong, resilient society if some of our people are faced with the threat that their skills and their efforts may unpredictably be no longer of value.

It is a fact that today we use the market mechanism of trade to pursue foreign policy goals. The Caribbean Basin Initiative and imports from China are both efforts to use trade leverage for foreign policy goals.

We have a real interest in helping Caribbean nations achieve stable, prosperous, economic growth. It will enhance our security. We have a real interest in maintaining good relations with China, the world's largest nation. It helps maintain the power balance in the world.

But it is time we contemplated our domestic policy goals in the context of trade law and trade agreements as well. We are in danger of using trade as a foreign policy lever without recalling at all its very serious and real impact for domestic policy.

Our economy is large enough and flexible enough to adapt to changes in world markets, industries, and technologies. But we should not take actions that accelerate such transitions without considering all the costs. As it stands, many smaller rural communities absolutely depend on textile and shoe plants to provide jobs. Many hundreds of thousands of American workers do not have advanced training or the likelihood of acquiring new skills. Many millions of dollars have been invested in textile, clothing, and shoe plants, resources that should be used, not allowed to lie idle while some other nation builds up its manufacturing plant.

It is an unbalanced trade policy which does not count the very real domestic costs of increased imports, particularly in industries which have already absorbed huge import surges in recent years.

We have a real interest in maintaining existing jobs in a deep recession. We have a strong national interest in maintaining the diversity of our industrial base. We should not allow ourselves to reach the point where we virtually rely on foreign nations for such fundamentals as shoes and clothing. We have a real national interest in making certain that entry-level jobs exist until we reach the point where each American worker can have advanced training in highly skilled work. We have a real interest in making transitions from one kind of industry to another without abrupt dislocations that devastate communities, waste investments in existing plants, and force families to uproot themselves.

In the Senate Finance Committee, I will be working to make certain that domestic policy considerations are given as high a priority as foreign policy concerns when trade issues are taken up. Only in that way can we develop a trade policy that serves the goal of easing the international exchange of goods for long-term prosperity, while maintaining the immediate shorter term stability of our own workers and industry.●

ON IGNORANCE, IDEOLOGY, AND ENERGY

● Mr. JACKSON. Mr. President, today's Washington Post contains an op-ed by Jospeh Kraft entitled, "Ignorance, Ideology and Energy." With one exception, I think Mr. Kraft is right on target in his analysis of the administration's energy policy or lack thereof. I am particularly glad that he noted the opportunity the U.S. Government lost in not moving to stimulate natural gas production in the region around Norway and thereby offering our European allies a real alternative to Russian natural gas.

I take exception to Mr. Kraft's assertion that in filling the strategic petroleum reserve the administration has performed well. Certainly in fiscal year 1981, their achievement of an average rate of fill of 292,000 barrels per day was a laudable accomplishment. However, as for fiscal year 1982, while the Congress appropriated sufficient funds to fill the strategic petroleum reserve at 300,000 barrels per day, the administration will in fact achieve an average rate of only about 193,000 barrels per day, according to the GAO. The average fill rate is dropping off rapidly in this fiscal year. The GAO projected, as of July 15, 1982, a fill rate of only 97,000 barrels per day in the month of July 1982.

The administration defends its record by arguing, correctly, that the fill rate of the strategic petroleum reserve is now limited by the availability of permanent storage capacity in the strategic petroleum reserve. On that basis they justified their 44-percent cut in the fiscal year 1983 budget request for filling the strategic petroleum reserve, as compared to the fiscal year 1982 appropriations. However, while the strategic petroleum reserve caverns have limited storage space, the private sector is glutted with it. The Congress has taken the initiative on this point. Last week the House and Senate adopted the conference report on S. 2332, the Energy Emergency Preparedness Act, over the initial objections of the administration. This bill would permit the use of surplus storage capacity in the private sector as interim storage until sufficient permanent storage is available. The use of interim storage will enable us to avoid the constraint of available storage capacity as a limitation on the strategic petroleum reserve fill rate. We are now waiting to see if the President will approve this legislation.

It should also be noted that while the administration was pleading lack of storage capacity as the reason why they could not fill the strategic petroleum reserve faster, they also attempted to defer $52.9 million in fiscal year 1982 funds for construction of strategic petroleum reserve storage facilities. This deferral would have delayed completion of the 750 million barrel strategic petroleum reserve from 1989 to 1990. Fortunately, Congress has resisted this effort, also. The House voted last week to deny the requested deferral.

Therefore, I reserve judgment on this administration's performance in filling the strategic petroleum reserve. If the President does not veto S. 2332, and if he aggressively pursues filling the strategic petroleum reserve at 300,000 barrels per day or more by using interim storage in fiscal year 1983, then and only then will we be able to commend the administration in his area.

Mr. President, I submit for the RECORD the article by Joseph Kraft entitled, "Ignorance, Ideology and Energy."

The article follows:

[From the Washington Post, Aug. 3, 1982]

IGNORANCE, IDEOLOGY AND ENERGY

(By Joseph Kraft)

Continued fighting in the Middle East draws new attention to the matter of energy security. Only now the country has a new and unusually candid spokesman on the perplexing subject. Secretary of the Interior James Watt has revealed an approach so hooked on free enterprise that it compromises this country's most vital foreign connections and weakens its energy security.

Watt showed the administration's hand in a letter to liberal members of Congress. His congressional letter is not to be confused with his letter to the Israeli ambassador, for which Watt apologized at the behest of the White House. On the contrary, at his news conference last week, President Reagan endorsed the congressional letter. In it, Watt wrote:

"It would be easier to explain to the American people why we have oil rigs off our coasts than it would be to explain to the mothers and fathers of this land why their

sons are fighting in the sands of the Middle East . . ."

The unmistakable implication is that the United States can unload its security responsibilities in the Middle East by finding more oil at home. But what engages the United States in the Middle East is not the oil need of this country. In fact, the United States currently brings in less than 5 percent of its oil from the Persian Gulf.

Japan, in contrast, imports over 80 percent of its oil from that part of the world. Western Europe brings in about 70 percent from that source. If the Persian Gulf fell to the Soviet Union, there would take place a major shift in the world balance of power. So it is for reasons of global security, intimately involving the welfare of our most important allies, that the United States commits itself to defend the Persian Gulf.

Ignorance of that basic fact is not confined to Watt. It pervades the approach of the administration to all the problems of energy and security. Witness particularly the current fight with the West European allies about their project to build a gas pipeline from Russia.

A good case can be made against the Russian pipeline project, and particularly the granting of easy credit terms to Moscow. But the administration's present policy of trying to apply sanctions against European firms engaged in the project is clearly not going to head it off. On the contrary, that policy only works to make bad blood between this country and France, Germany and Britain.

The right way to have scotched the project was to develop an alternate source of natural gas by increasing production in the North Sea territories adjacent to Norway, Britain and Holland. That requirement was made known to Reagan administration officials early in 1981. But almost nothing was done. Why?

Because the president, as he has repeatedly said, sees unleashing private enterprise as the answer to the energy problem. In keeping with that creed, the administration is dismantling the Department of Energy. First to go in the dismantling process was the international division of the department. But it was precisely the international division that had the know-how and interest necessary to set in motion the project for developing alternate gas sources in the North Sea.

So the free-market approach landed the administration in its present pickle on the Soviet pipeline deal. It delivered, as Watt still delivers, the message that the United States doesn't care about the energy requirements of its major allies.

Even this country's energy security, moreover, has not been well served by complete reliance on the market. The oil glut has made it difficult to use the price mechanism as an incentive for new production. In the past six months alone, the number of rigs active in this country has dropped from 4,500 to 2,900. To stimulate new ventures in oil and gas and coal, Watt practically has to give away the mining rights.

Still, the administration has moved to destroy various programs for synthetic fuel production and research into solar energy. Even the drive for nuclear energy—which the president favors—has been compromised by ineptitude in developing programs for waste disposal, and for more rapid certification on the design and siting of nuclear power plants.

In one area, to be sure, the administration has performed well. The Defense Department has been active in filling the Strategic Petroleum Reserve, so the United States is less vulnerable to an emergency cutoff in oil supplies.

Otherwise, the Reagan administration has made zero progress in improving this country's energy security. To calculate that any foreign policy objective ought to be subordinate to that energy program, is to calculate that something is less than nothing. It is sheer thoughtlessness. But, of course, the case against ideological zealots is precisely that they don't think.●

FROM THE ECHELONS OF POWER TO THE COUNTRY NEWSPAPER

● Mr. MITCHELL. Mr. President, the town of Ellsworth, Maine, is a quiet picturesque, unpretentious New England community. Like many other small communities, it has the benefit of having its own weekly newspaper, which dispenses to the townspeople news about other townspeople.

But the Ellsworth American is different. It has as its publisher, editorial writer, and sometimes reporter a man whose name many of you remember. He is James Russell Wiggins, former editor of the Washington Post, who, rather than retire, started a new career in the weekly news business in Maine in 1969.

I have the good fortune of knowing "Russ" Wiggins personally, and although we are not always on the same side of the issues, he always provides thought-provoking, well-founded, and stimulating arguments.

I wish to share with my colleagues a recent profile of James Russell Wiggins, which appeared in the August 2 edition of New England Business, which I submit for the RECORD.

The profile follows:

FROM THE ECHELONS OF POWER TO THE COUNTRY NEWSPAPER

Few things are harder to part with than power. So it's no surprise that for many executives retirement is a tough adjustment. Without the boardroom to kick around in, the company car to whiz about in, and the Wall Street Journal on the desk each morning, some executives are at a loss how to fill the hours. Hence the concept of the second career. Not as ambitious as the first, surely. Perhaps some consulting work, or a small business. For a newspaperman, the choice is easy. The retired city editor who leaves the hustle and bustle to run a nice, manageable country weekly is almost a legend.

At age 78, James Russell Wiggins is acting out the legend in rural Ellsworth, Maine, and he's properly overqualified for the part. For one thing, he's the former editor of the Washington Post, which makes him something of an oddity among the small newspaper crowd. And for another thing, his long journalistic career has left him more at ease with and troubled by the affairs of the world than the doings of the local Planning and Zoning Commission.

Financial position also sets Wiggins apart. Unlike most publishers of independent newspapers who have to hustle to break even, the Ellsworth American was subsidized by Wiggins for many years, appearing each week regardless of its profitability. "Russell supported it," says former Editor Jeff Beebe. In a move toward generating extra revenue, Wiggins changed the letter press to an offset press and now prints 13 weekly papers and a campus daily in addition to the American. Now, says Wiggins, the American is in the black.

The newspaper habit dies hard with Wiggins and he admits to spending more time than he thought he would in the American newsroom. He bought the paper in 1966 for $45,000 and began operating it in 1969, when he moved yearround to his former summer home in Brooklin, Maine, 24 miles from Ellsworth. "Newspapers are like dope, you know; they're addictive," he says with a grin. Nonetheless, not all newspapers are the same, and the American is hardly the arena for world politics Wiggins knew at the Post. "That was the peak of my business career," he says of his 21 years at the Post, adding, with characteristic understatement. "This is a very different operation. . . . We have 15 employees, and I don't know how in the hell many the Post has now, but they're legion." Wiggins joined the Post in 1947, after a stint as assistant to the publisher of the New York Times. Wiggins established a reputation at the Post as a demanding, ethically minded editor with a zeal for protecting the public's right to know, and he hasn't changed his standards at the 132-year-old American. He has, however, recognized the limitations of a rural weekly. "You can't put out the New York Times," he says. "But after all, the local people aren't necessarily stirred by great exercises of ingenuity anyway. They know what they want. They want to learn about town news." Wiggins writes the editorials, a column, an occasional news story and, with the license that comes with being his own boss, frequently contributes a poem or two of sentimental verse, usually about nature.

Desite his influence in Washington, particularly during the Lyndon Johnson administration and for a brief period in late 1968 and early 1969 when Johnson appointed him U.S. ambassador to the United Nations, Wiggins has a sense of how fleeting that influence might be. "I suppose everybody aspires to the esteem of their fellows and of society as a whole," he reflects. But he believes the fame of the journalist is fleeting, "a snare and a delusion. . . . The anonymity of the average life is pretty astonishing." While personally keeping a low profile, Wiggins is more than ready to take a strong editorial stand. When the Teamsters union came to town in 1976 to organize the police department, the American campaigned against it on the editorial page and must have had some impact. The paper was named in a Teamsters' suit as a force acting on behalf of the town to prevent the union activity. The suit was dropped.

Wiggins grew up in Luverne, Minn., the son of a building contractor, and his forebearers came from Baldwin, Maine. Self-educated, he has a voracious appetite for reading and is a serious historical scholar. His first job was on a small weekly in Minnesota. He later went to Washington as a correspondent for the St. Paul Dispatch, then served a stint as a combat intelligence officer in the Air Force in World War II. From there he went briefly to the Times and then to the Post. As the editorial voice of the Post during the Johnson administration. Wiggins was an ardent supporter of the Vietnam War, support much appreciated by Johnson, who once commented that Wiggins and his editorials were worth two military divisions. Now, in the boondocks of

Maine, Wiggins says he doesn't miss that power. "I never construed [the editor's job] as being a shaker and a mover's power to influence a particular situation," he says. The effect of the editorials, he says, was cumulative and couldn't be separated from the editorials of other papers.

Wiggins is at ease in his Maine newsroom, operating with a combination of formal good manners and exuberance. At his corner desk, he chats about town affairs with locals who stop by and he solemnly shakes hands with the children who tag along with their parents.

James Russell Wiggins' silver white hair is neatly slicked down, and his suit jacket stays on all day. If the jacket signals a concern for propriety, his smile is disarmingly boyish. No, the Ellsworth American is not the Post, but Wiggins is one for doing things right and having a pretty good time while he's at it.●

ANTI-FEDERALIST FALLACIES

● Mr. LAXALT. Mr. President, last January in his state of the Union message, President Reagan outlined the principles of his Federalism proposal. With a goal of revitalizing our Federal system, the President proposed the most sweeping realinement of Government activities since the New Deal.

During the last 6 months, the President and his staff have held extensive consultations with State and local leaders. These consultations have produced a fine tuning of the President's initial proposal. In the near future, the President's complete Federalism package will arrive on Capitol Hill to undergo the scrutiny of the legislative process. I am anxious for this process to begin.

As debate progresses, I have no doubt that opponents of this bold initiative will attempt to argue that State and local governments are ill equipped to handle programs currently administered by the Federal Government. Furthermore, the critics will argue that the President's plan will somehow hurt the poor and less fortunate. In the current issue of Policy Review, Richard S. Williamson, Assistant to the President for Intergovernmental Affairs, meets these arguments head on.

Mr. Williamson's essay is both timely and informative. Mr. President, I ask that Mr. Williamson's essay be printed in the RECORD.

[From the Policy Review, Summer 1982]

ANTI-FEDERALIST FALLACIES

(By Richard S. Williamson)

The Reagan Federalism Initiative calls for a reordering of priorities, and a sorting out of responsibilities among the various levels of government. Revenue resources will be returned to the states and municipalities to finance programs best handled by local governments, as the federal government phases out its role in these areas. This is a grassroots initiative.

Essentially the issue is simple. Do we defend the status quo of a big, federal government which costs too much and produces too little? Or do we show progress, change, and new solutions by moving forward and returning programs and resources to the people? Critics of this approach have nevertheless succeeded in establishing certain fallacies about the President's Federalism Initiative. How well do they withstand scrutiny?

Fallacy: State and local governments are less inclined than the federal government to provide adequate benefits for the poor.—The President's Federalism Initiative calls for a basic safety net of welfare programs. But much more importantly, this Administration is not so cynical as to feel that voters, when electing Congressmen and Senators, judge them on their compassion; but when electing state and local officials ignore this trait.

As Vermont Governor Richard Snelling recently wrote: "Today, state governments spend a larger share of their resources than does the federal government (even when defense is excluded) to meet the needs of the most unfortunate members of our society—the poor, the handicapped, the mentally ill and retarded, the socially maladjusted and lawbreakers."

Some have suggested that the minority poor will not receive adequate attention. This ignores not only the Voting Rights Act to assure universal suffrage, but also Supreme Court "one-man, one-vote" rules mandating apportionment in state legislatures to accurately reflect a state's entire population. It's noteworthy that a higher percentage of Blacks hold seats in the nation's state legislatures than in the Congress, and in many cities they dominate important government offices.

Fallacy: Income maintenance can only be appropriately handled by the federal government.—One of the purported problems of state and local governments assuming all welfare responsibilities is that it will cause a disparity of benefit levels. Yet that is already the case. The federal government does not administer Medicaid and Aid to Families with Dependent Children benefits now, it only provides matching funds to the state. They determine the dollar amount of payments, and it is different in every state. State and local governments can determine benefit levels consistent with the cost of living in their area. They can assure that needs tests are not artificial or manipulative, and that only persons entitled to assistance by genuine need receive it. They can institute work requirements, and they can eliminate the duplication of services. They can streamline administration and enact meaningful reforms.

Fallacy: State and local governments cannot be expected to assume new responsibilities after the cuts they have already received under the Reagan Administration.—In actual dollars, federal grants-in-aid to state and local governments totaled $24 billion in 1970. In one decade, that amount almost quadrupled so that by President Carter's last budget (fiscal year 1981), the total was $95 billion in federal aid. Now the President has proposed a reduction to $81 billion in fiscal year 1983. That will be the same level of aid—in constant dollars, adjusted for inflation—that state and local governments received in fiscal year 1972.

Fallacy: The poor will migrate to states with high welfare benefits.—Are we to assume that what motivates the poor is the desire to stay poor? People don't migrate for welfare, they migrate to get off welfare—to get a job. We reject the idea that there are significant numbers of freeloaders in this country who just want to stay on the public dole.

Data shows that there is absolutely no positive correlation between welfare benefit levels and population shift trends. If anything, they are inversely related. The South, for example, is a region of the country where welfare benefits are generally low. Yet because of a rapid growth in jobs, from 1967 to 1977, the region had a net immigration of low-income persons, and retained most of the poor population it already had. In turn, great numbers in this income group were converted to nonpoor status as they moved into the work force.

That we can go on with an ever-mushrooming federal government and business as usual is such an obvious fallacy as to not need answering. The opportunity to make government work again is much bigger than an accounting problem. We must seize this opportunity to reverse a trend that has begun to choke the federal government.●

THE INTERNATIONAL PEACE GARDEN

● Mr. BURDICK. Mr. President, we were privileged to have present in North Dakota, James C. Gildea, Assistant Postmaster General, who participated in the first day issue ceremony for the International Peace Garden Commemorative Stamp, at Dunseith, N. Dak., June 30, 1982. The occasion also marked the 50th anniversary of the International Peace Garden in my State of North Dakota. I submit for the RECORD the remarks of Mr. Gildea.

The remarks follow:

REMARKS OF JAMES C. GILDEA

Thank you and good morning ladies and gentlemen. I am delighted to be able to share this occasion with you.

I have heard so much about the International Peace Garden . . . about how beautiful the grounds are . . . and, frankly, I expected to be somewhat disappointed. I thought nothing could possibly live up to such acclaim. But, I was wrong.

Now that I am here and have seen for myself, I know that no words—or photographs—can do justice to this magnificent scene. Indeed, the beauty of this locale goes beyond the physical setting. It includes its purpose and its meaning. The International Peace Garden represents the noblest ideals of humankind—and, even more importantly, its very existence proves that these ideals are capable of achievement.

This garden is evidence that two countries which share a border—a border without fortifications—can respect one another and live in harmony as good neighbors for a long period of time, each dedicated to preserving this valued symbol of peace and friendship.

How wonderful it would be if the whole world could enjoy this kind of serenity and security . . . If no one ever again had to experience the pain of war, the agony of battle, the scars of conflict.

Wouldn't it be marvelous if we could channel the energies involved in hostilities toward increased understanding and cooperation among all peoples?

It would be marvelous indeed to have a sure method to inbue the world with the sense of trust and friendship that make this garden of peace possible.

As we gather here today, in celebration of this garden and all it represents, I cannot help but feel a sense of awe and profound hope for the future of human nature. I wish

that every American—every Canadian—I wish that every human being—could have the opportunity to come here. The International Peace Garden is inspirational. It is a place where one can actively rest.

What do I mean by "actively rest"?

I mean "rest" in the truest sense of recreation—to create anew, to restore and to refresh one's strength and spirit. And this kind of recreation or revitalization is hardly passive. It is an active kind of coming to peace with one's self, a coming to peace that can result in new enthusiasm for one's tasks . . . An enthusiasm that can permeate every phase of one's life with determination to do all one can to bring about a better and more peaceful world.

I have a personal interest in this particular stamp. I feel strongly that we should publicly acknowledge and celebrate symbols of enduring cooperation and peace between countries.

We should honor the places that speak of the beauty of peace.

To do so, is to focus attention on one of the most worthy of human ideals and goals. Such places are indeed deserving of wide recognition. A postage stamp is a fine way to bring this about. Millions of people around the world see and use and save postage stamps—stamps often encourage people to engage in research to learn more about the subjects depicted by them.

That is precisely what I hope happens in this instance.

As the beautiful International Peace Garden Stamps travel about the world, I hope they interest people in—and attract them to this incomparable setting.

The International Peace Garden Stamps can be acquired nowhere else in the world today—only here in Dunseith. Tomorrow, when they become available at post offices throughout the country, thousands of people will write to Postmaster Doeling to request the first day of issue cancellation that identified this day, this place and this auspicious event.

This stamp now becomes part of philatelic history.

This is a good time to think about the history of the garden itself.

How wonderful it was that in 1928, Dr. Henry J. Moore of Islington, Ontario, envisioned a garden on this international boundary line . . . and that the National Association of Gardeners of the United States, meeting in Toronto in 1929, approved his plan and selected this site.

How marvelous that the State of North Dakota and the province of Manitoba ceded more than 2,300 acres of land for this purpose. And of equal magnitude is what you have done here. You have nourished this park with time and effort, patience and care. You have made it a living emblem of the joy of peace, a precious treasure both of our nations cherish, one in which we can all take pride.

We of the U.S. Postal Service are very proud of our 206—very nearly 207—year record of delivering our Nation's mail, we take pride as well in providing the country with meaningful as well as attractive postage stamps. Stamps are often referred to as "our Nation's calling cards," because they represent us around the world—they not only have value as postage, they have important symbolic value as well.

And symbols of worthy ideals and noble purpose are no less important today than they were in 1932 when the International Peace Garden was dedicated.

In closing, I would like to say that I hope we will all live to see the day when all human beings share the pledge that was part of the dedication ceremony 50 years ago. It is inscribed on the cairn at the entrance to this park and closes this way: ". . . that as long as men shall live, we will not take up arms against one another."

Thank you.

Now it is my pleasure to present several albums containing the International Peace Garden Commemorative Stamp to the following distinguished persons:

The first, by tradition, goes to the President of the United States, and Mr. Reagan's will be delivered to the White House.●

PROPOSED INTRODUCTION OF BILL RELATING TO CRIMINAL LAW

Mr. THURMOND. Mr. President, I send a bill to the desk and ask that it be read the first time.

The PRESIDING OFFICER. The clerk will report.

Mr. ROBERT C. BYRD. Mr. President, what is the nature of the bill?

Mr. THURMOND. Mr. President, I send a bill to the desk——

Mr. ROBERT C. BYRD. Mr. President, I object to the introduction of the bill on this day.

Mr. THURMOND. Mr. President, I conferred with the Parliamentarian and I am following the procedure he outlined. Is it proper, Mr. President, for me to send the bill to the desk and ask that it be read, that it have first reading?

The PRESIDING OFFICER. A Senator may object to the introduction of a bill.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished Senator I personally have no feeling on this particular bill, but I do think that Senators on my side have expressed concern about this bill and they ought to at least have the opportunity to know that it is being introduced. It is only for that reason that I interpose the objection to the introduction of the bill on this legislative day.

Mr. THURMOND. Mr. President, I just want to say this: The distinguished Senator from Georgia, sitting on that side of the aisle, and the distinguished Senator from Florida, sitting on that side of the aisle, every morning have recited case after case that has been tried in State courts and later ends up in a Federal court and maybe they release the defendant entirely or grant a new trial after 8, 10, 15, or 20 years. It is a matter the Chief Justice of the Supreme Court has talked about. It is a matter the Attorney General of the United States has talked about. It is a very important matter from the standpoint of criminal law. It is very important from the standpoint of law enforcement.

If we want to do something about crime, this is an example of how to do it. I am introducing the very bill to try to carry out what the distinguished Senator from Georgia wants and what the distinguished Senator from Florida wants.

I merely want to introduce it and then let the Senate do with it what it pleases.

Mr. ROBERT C. BYRD. Mr. President, I may very well be very supportive of the bill. I do not know. What the distinguished Senator from South Carolina is attempting to do is get this bill on the calendar under rule XIV. I have no objection to that.

The Senator from Georgia is not here; the Senator from Florida is not here. I hope that the distinguished Senator will desist in attempting to introduce the bill tonight. Tomorrow, I might have no objection.

Mr. THURMOND. Mr. President, I withdraw it tonight, then—

Mr. BAKER. Mr. President, will the Senator withhold for a moment? Will the Senator yield to me?

Mr. THURMOND. I shall be very pleased to yield.

Mr. BAKER. Mr. President, it is my hope that tomorrow, the distinguished Senator from West Virginia, the minority leader, will withdraw his objection to the introduction of the bill at this time.

May I inquire of the Chair, has the Senator from South Carolina placed himself in a position to qualify for the introduction of a bill on the calendar today?

The PRESIDING OFFICER. The Senator has.

Mr. ROBERT C. BYRD. Mr. President, he certainly has a right to do so. Since I have objected to the introduction of this bill on this legislative day, on a new legislative day, he could introduce it and there may be no further objection. I hope the Senator will allow me, and he has indicated that he will, to talk to the two Senators whose names he has mentioned on my side of the aisle. There may be no objection. In that case, I shall have no objection.

Mr. THURMOND. I thank the Senator very much.

Mr. President, in view of that, I withdraw the bill.

Mr. BAKER. Mr. President, what is the status of the bill? Is the Senate now on notice that the Senator may introduce it on a later legislative day as a matter of right?

The PRESIDING OFFICER. The Senate is on notice that the Senator from South Carolina has attempted to introduce the bill, an objection has been heard, and therefore, on the next legislative day, the Senator may introduce the bill as a matter of right.

Mr. BAKER. I thank the Chair.

Mr. THURMOND. Mr. President, shall I withdraw it physically at this time or leave it at the desk?

The PRESIDING OFFICER. The Senator need not withdraw it.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, may I inquire, or will the Chair inquire if there is further morning business?

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

RECESS UNTIL AUGUST 4, 1982, AT 9 A.M.

Mr. BAKER. Mr. President, since I see no other Senator seeking recognition and the distinguished minority leader indicates he has no further business, I now move, under the previous order, that the Senate stand in recess until 9 a.m.

The motion was agreed to, and, at 12:12 a.m., the Senate recessed until Wednesday, August 4, 1982, at 9 a.m.

EXTENSIONS OF REMARKS

SOVIET PHYSICIANS COMMENT ON THE THREAT OF NUCLEAR WAR

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BINGHAM. Mr. Speaker, this week we will be considering House Joint Resolution 521, calling for a mutual and verifiable freeze in nuclear weapons, and the ratification of SALT II. The freeze resolution is based on the conviction that both superpowers have attained a level of approximate nuclear parity, and that a further buildup in arms can only be costly and destabilizing. Equally important, it is founded on the recognition that in a nuclear war there will be no winners, and that life and civilization as we know it may well cease to exist. In this respect, I believe the growing concern of the international medical community over the escalating nuclear arms race and its threat to humanity is particulary relevant.

The following excerpts from a TV program of the International Physicians for the Prevention of Nuclear War, produced and presented without censorship in the Soviet Union, are indicative of such concern. This organization has united distinguished physicians of diverse national and ideological backgrounds in a common front against the nuclear arms race. Of particular significance are the statements of the Soviet doctors on the subject of nuclear war and its consequences. They, like their American counterparts, hold no illusions as to the devastation of nuclear war, the absurdity of a "limited" nuclear exchange, and the economic and political ramifications of an international nuclear arms race. I commend the following statements to the attention of my colleagues, all made on Soviet TV:

FOR THE PREVENTION OF NUCLEAR WAR

CHAZOV. Dear television viewers: Today, we present to you as Soviet and American scientests and physicians working together in the movement, International Physicians for the Prevention of Nuclear War, an open discussion about the goals of our movement. The basic purpose of this movement is the preservation of life on earth. We must work to preserve life because nuclear weapons have accumulated on a gigantic scale, and because the threat of a nuclear catastrophe exists. I would like to introduce to you the participants in our discussion: our guest, Professor Bernard Lown, Professor at the Harvard University School of Public Health, a cardiologist and President of International Physicians for the Prevention of Nuclear War; Professor John Pastore, Associate Professor at Tufts University in Boston; Professor James Muller, Assistant Professor at Harvard University. The Soviet participants are Academician Mikail Kuzin, Director of the Institute of Surgery of Vishnevskovo; and Academician Leonid A. Ilyin, Director of the Institute of Biophysics, and President of the National Commission of the Soviet Union for Radiation Protection.

THE FALLACY OF A LIMITED NUCLEAR WAR

ILYIN. I would first of all in this presentation like to emphasize that the doctrine of so-called "limited" nuclear war, in my opinion, is completely untenable. Actually, the logic of contemporary military conflict with the use of nuclear and thermonuclear weapons is such that any nuclear war which might begin on a limited scale would irreversably and rapidly escalate to a global thermonuclear catastrophe.

CHAZOV. And I would only like to add that if a nuclear war begins, the nuclear catastrophe would be world-wide, as we concluded at our First Congress. There will not be a safe place in America or in Europe. All the data which we have presented are well known to apply to other countries. In that First Congress we spoke about the results in the United States of America, in England, and in other countries.

THE EFFECTS OF A NUCLEAR WAR IN EUROPE

ILYIN. This tablet shows the expected number of deaths from the population of the European continent as a result of nuclear blasts of 1,000 megatons. I would like to bring your attention to the resulting data: it means that it is clear that 314 million inhabitants of Europe would die in such a hypothetical attack. That is essentially one-half of the population of Europe, which is 671 million. 100 million people would be killed almost immediately; 68 million would die within two months as a result of radioactive fallout. Children, adults, old people, healthy, and sick people, pregnant women and fetuses still in the mothers' uterus would be affected.

CHAZOV. That is to say, Leonid Andreovich, that life in Europe would in general come to an end if such a nuclear conflict occurred.

ILYIN. Absolutely.

CHAZOV. And here we may discuss millions, but it is clear that in the case of such a catastrophe, Europe would basically cease to exist.

KUZIN. To speak of medical care during any war, we must always consider the number of wounded and the conditions under which medical personnel must work: the medications available, the hospital beds, etc. . . We talk about total war in Europe with 150 million wounded. This is incredible to try to imagine. Is it possible that a physician or any person might be able to imagine, that in a period of several days, or one day, that such an enormous number of wounded could be treated, could receive medical care? In Europe so attacked? If we speak of care, we must think first of all of who might give that medical care. If there are 150 million wounded needing medical care, those people who could give the care would be considerably lowered in number.

KUZIN. Therefore the situation will be extremely difficult. There is a second consideration. Seventy to 80 percent of the physicians will be killed, as Dr. Pastore told us occurred in Hiroshima; the hospitals will be ruined, the pharmaceutical agents will not be available. And all of this will create extraordinary difficulties for the provision of medical care. In the majority of cases, we are in agreement with what Bernard said as a specialist in sudden death, and as a cardiologist: that such care will be on a most primitive level.

LOWN. In case of a nuclear attack over one city, we would generate more burn casualties by a factor of 50 than all the burn beds available in the United States. And this becomes an absurdity that those who talk about a nuclear war have not considered. There is no medical response, not because we doctors are disinterested, but because nuclear war makes doctors irrelevant.

THE INCREASING RISK OF ACCIDENTAL NUCLEAR WAR

MULLER. Yes, in an 18 month period—over 150 mistakes in the computer systems of the nuclear weapons arsenals. Well, aside from computer errors, human beings make mistakes—we all make mistakes. But a mistake with nuclear weapons can end all of us. Then there is a problem which really concerns us doctors—of human aberration. As doctors, we treat people who have trouble with alcoholism, or with drugs, or have psychosis, schizophrenia. These are common failings of people, and normally they don't cause much trouble. But there are records now showing that every year there are at least 5,000 military personnel removed from work with nuclear weapons because of psychological problems. This includes drug abuse, with drugs such as marijuana, heroin; it includes people who have severe problems with alcohol, with psychosis. You think of the people who work with the nuclear weapons. They are down in the ground; they have buttons there that control the fate of the earth. It's amazing that it is not a higher number . . .

CHAZOV. Jim, to have the life of humanity in one button . . .

MULLER. Yes . . . I think it might lead anybody to drinking . . . these 5,000 people are not at first rejected from work. They were on the job working and were selected by doctors, identified by physicians as having these problems. So, they were already near nuclear weapons. So, people who say that the world could go on indefinitely with nuclear weapons aimed at everybody are missing the point. Sooner or later we're going to have terrible, terrible accidents. I've three things: I think that the risk of an accident is getting higher every day. And, it gets higher for three reasons. One is that these weapons are spreading to other countries, other countries that may not be as used to working with computers, who may not have as good a control. So, there's one—spread to other countries. Two: the counterforce; the development of aiming the nuclear weapons at other nuclear weapons shortens the time to decide if something is crazy on the computer or if there is a real attack. So, the time to solve these accidental problems is decreasing. And, finally, every new nuclear weapon we build adds one more weapon that can go wrong. It adds another

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

crew in a silo that can have trouble. So, the world is moving toward a higher and higher chance of an accidental nuclear war.

CIVIL DEFENSE

LOWN. I want to say something that is a little break in our discussion. And that is that there has been much controversy about civil defense. Civil defense requires a lot of investment of resources. Civil defense . . . I am talking only of nuclear war. Initially we talked of shelter programs. But it's clear that the shelter programs in targeted areas will become crematoria with the exhaustion of oxygen from fire storms, accumulation of noxious gases. The next policy is—let's evacuate populations. But evacuating is insane. It makes an assumption that we know where the bombs are going to fall; it makes assumptions about their sizes; it makes an assumption about weather conditions; it makes am assumption about the wind which will carry radiation.

MULLER. Will the people evacuate?

LOWN. And will the people evacuate? But furthermore there are negative aspects. That is—it fosters a sense of hope for people that somehow there is safety in this type of measure. Lastly, it becomes a factor to promote nuclear war. You know why?

CHAZOV. Well, nuclear war will have no winners. We believe that nuclear war will be the death of humanity.

LOWN. But if any nation begins to evacuate its people, it means it's preparing to strike, so it invites preemption. Furthermore, if you evacuate people, the economic cost is enormous. Every day the United States, for example, would lose billions of dollars. It compels the initiation of nuclear war. And we physicians have concluded that the only remedy is prevention—not civil defense measures. And we doctors have endorsed that at Airlie House, and at Cambridge, and it's time we said so openly.

THE ECONOMIC BURDEN OF THE NUCLEAR ARMS RACE

CHAZOV. Yes, but we have time. This is a question of the economic aspects of the nuclear arms race, and the tremendous burden for humanity. If we take, for example, medicine, what could we do for humanity, for the health of the people if we had the money which today is being spent on rockets? airplanes? submarines? I have presented on Soviet television the numbers several times. Only 10 percent of military budgets would be enough to feed all the hungry. Nuclear war is already claiming victims. The preparation is already claiming victims by the denial. Two hundred fifty million people have no housing in the world today and 300 million are unemployed, 550 million are illiterate, 700 million are undernourished, 900 million live on incomes less than 30 cents per day, and 2 billion have no access to sanitary water, which is the cause of 80 percent of all the illnesses in the world. I mean, this is a disgrace. This is obscene.

A NUCLEAR FREEZE

CHAZOV. As I thought, it is not difficult for me to appear on television to tell people that we must work for nuclear disarmament, because our nation has suffered war and knows its horrors. And, of course, they understand to what corners of the world our ideas are spread. Our people understand this very clearly. I think that our program today, which I'm certain will be seen by millions of people in our country, is unique. It is in harmony with their interests and with the struggle against nuclear weapons, against nuclear war. And I also believe that if all people realize, as we have, that the preservation of humanity requires a freeze and the elimination of nuclear weapons, then humanity can be saved. For this we work as physicians, as those who have taken the Hippocratic Oath. But people of all walks of life have come to the conclusion that they must struggle for the elimination of nuclear weapons.

LOWN. When you stand on the edge of an abyss, progress is not taking one step forward. Progress is stopping. Progress is stopping and then going back. We physicians at Cambridge said that the first step of the nuclear powers must be a freeze on all production, testing, and deployment of nuclear weapons and their delivery systems.

CHAZOV. And this, of course, was reflected in our Proceedings.

LOWN. This should be accompanied by mutually acceptable methods of verification. We, all of us, agreed on that. And I believe that we physicians must urge this, because this is the only sensible position in today's world.

CONCLUSION

MULLER. So, in both the East and the West we live in fear, and watch with darkest pessimism as the world moves inexorably toward nuclear war. Must this be our fate? Or do forces exist which can give our children the chance to live, and their children that same chance? Today I am optimistic because I believe such forces do exist. The very growth of technology, which has so abruptly presented to humanity the possibility of extinction, has also given us a powerful tool for survival. Scientific and technical progress has led to a massive system for exchange of ideas among people of all countries. This can facilitate a positive change in consciousness; a consciousness needed for survival.

The Soviet and American people bear a special responsibility for the resolution of the threat of nuclear war. Forty years ago, Americans and Soviets worked together against Hitler. We must now join together against the far greater threat of nuclear war. The struggle is much more difficult than the struggle against Nazism. We must now work against the accumulation of destructive force which, in limited quantity, brought us security, but in unlimited nuclear quantities brings only insecurity. Nuclear weapons have shattered forever the relationship between destructive force and national security. We who populate this planet at this moment, have a solemn obligation to all past and future generations. We must work to strengthen the ties between East and West, which are now weak and limited, and build these ties on a humanitarian basis. * * *

CHAZOV. Thank you, Jim.

To the people of the United States, we American and Soviet physicians are united by our concern for the future of peace on earth for life on our planet. We may differ in our views on many issues, but in one respect, we hold formally to our common point of view. The continuation of the arms race, and in particular the nuclear arms race, threatens humanity with catastrophe. Never since World War II has the situation been so grim. Never before has the burden of the mountains of weapons that surround us been so harmful to the people of the earth; and evermore lethal and sophisticated means of destruction. Nobody must remain indifferent to the fact that militaristic propaganda is attempting to make people think that military might will continue in the future to be the most effective instrument of politics; that nuclear war is not only conceivable, but even advisable in certain circumstances, and that one might expect victory in a nuclear war. To believe for a minute in the ordinariness of nuclear war, to believe that it would not result in anything extraordinary is to surrender to the mercy of those whose plans will turn our planet into an inferno.

We physicians, loyal to the oath of Hippocrates, know by virtue of our profession, the human tragedy of radiation sickness, burns and wounds, a nuclear war would create. We believe that everybody must know the truth about the real danger. Everybody should know what actually lies behind the talk about the plans for the use of nuclear weapons. World War II took a toll of 20 million lives in our country over the course of 4 years. We do not want a repetition of such a tragedy, either for ourselves or for others. We are fully aware that another world conflict, were it to happen today or tomorrow would, in a matter of hours, destroy entire peoples and countries and throw in doubt the future of life on earth. As you know, the explosion of a single one megaton nuclear bomb over a city with a population of 1 million would kill 300,000 people instantly, while 400,000 others would need medical care. But physicians in hospitals would also be destroyed. And thus, the wounded would be condemned to a slow and excruciating death. The amount of fissionable material accumulated in nuclear arsenals is sufficient to produce not one, but 50,000 such bombs. It is impossible to talk about the possibility of "limited" nuclear conflicts. The suffering of residents of Hiroshima and Nagasaki cannot be called limited in any meaningful sense of the word. And who could agree to be the one who is sacrificed? There is no ground for the hope that the first nuclear explosion would not be followed by a retaliatory strike and that the nuclear exchange would cease before the nuclear arsenals were emptied. In addition to malicious intent, a nuclear war may start by miscalculation, a technical malfunction, or a fatal turn of events. Nuclear weapons can lead to a nuclear war simply because they exist. That is why all people of the globe, irrespective of nationality, religion, or political views, should raise their voices against the nuclear arms race, against the plans of the use of nuclear weapons and against the very thought of nuclear war. Nuclear weapons should be outlawed, their production stopped, and their stockpiles destroyed. We address this message to you with the belief that reason will prevail. Thank you.

Thank you very much dear friends. Thank you to the television viewers. We hope that our work will bring a positive result.●

PERSONAL EXPLANATION: DEFENSE AUTHORIZATION

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BONIOR of Michigan. Mr. Speaker, on rollcall vote No. 232, July 29, 1982, on passage of the Department of Defense Authorization Act, 1983, H.R. 6030, I was paired in support of passage as one of seven pairs.

During the period of the vote on passage, I was in the Middle East as

part of a factfinding congressional delegation. Had I been present and voting, I would have voted against final passage.●

SUPPORT FOR GRACE'S DISMISSAL

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. GARCIA. Mr. Speaker, as you are well aware, on May 27, 1982, Mr. J. Peter Grace, the Chairman of President Reagan's Private Sector Survey on Cost Control, made both highly offensive and inaccurate statements concerning this country's food stamp program for the poor and truly needy. I and 147 of my colleagues openly urged the President to call for Mr. Grace's resignation after Mr. Grace called the food stamp program "basically a Puerto Rican program," and that, "900,000 Puerto Ricans live in New York City and they're all on food stamps." Unfortunately, Mr. Reagan has chosen not to act on behalf of the Hispanic community in this country. Responding to President Reagan's inaction on this issue, members of this community have joined me and my colleagues in our continuing efforts to obtain Mr. Grace's resignation. In this regard, I respectfully submit the following letter to the CONGRESSIONAL RECORD that was sent to me from Roberto M. Soto, the executive director of ASPIRA of New York, Inc. Mr. Soto's letter rightfully demonstrates a strong commitment of the Hispanic community to pursue Mr. Grace's resignation.

ASPIRA OF NEW YORK, INC.,
Bronx, N.Y., June 30, 1982.

Hon. ROBERT GARCIA,
U.S. Congressman,
Bronx, N.Y.

DEAR CONGRESSMAN GARCIA: On behalf of the Board of Directors, I wish to inform you that ASPIRA of New York, Inc. fully endorses your position with respect to the resignation of J. Peter Grace for his remarks against Puerto Ricans, as well as your view that the Governor of Puerto Rico should mind his own business when it comes to the Puerto Rican community of New York City.

As you are aware, we have withdrawn our solicitation of support from the Grace Foundation, in belief that it would be hypocritical for ASPIRA to solicit or accept any such support, in view of Mr. Grace's comments.

We will be adding our voice to yours and that of the other Puerto Rican community organizations and community leaders who are demanding Grace's ouster from his presidential post, and we are grateful to your office for allowing ASPIRA the opportunity to announce it's decision to end its previous relationship with the Grace Foundation at today's demonstration.

In closing, ASPIRA applauds your efforts in regard to the Grace matter and for being the only Puerto Rican elected official to actively keep this important issue alive in the community.

Very truly yours,

ROBERTO M. SOTO,
Executive Director.●

NURSING HOMES PROTECTIONS IN JEOPARDY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. ROSENTHAL. Mr. Speaker, I would like to call attention to an editorial which appeared in the New York Times on July 15, 1982. The editorial concerns the critical problems posed by the new nursing home regulations proposed this past May by the Secretary of the Department of Health and Human Services, Richard Schweiker. These proposals include: Biannual, rather than annual facility inspections; inspections performed over the phone, rather than in person at the facility site; the termination of mandatory 90-day resurveys for facilities in which violations have been discovered; and the elimination of a mandatory cancellation clause when facility violations have not been corrected quickly enough.

Secretary Schweiker claims these proposals would reduce waste in the nursing home bureaucracy. This position is one of the most disingenuous claims I have yet heard from the present administration. No one can really believe that nursing home care will remain what it is today if inspections of homes are made less frequent and less public, as these new proposals would effectively provide.

Mr. Schweiker's plan would affect the most vulnerable segment of our population: the elderly and the disabled. A nursing facility is often the last home its residents know; what is more the average stay of a resident is approximately 2 years. The "deregulation" that Secretary Schweiker proposes must be seen for what it really is: a euphemism for destroying the protection of nursing home residents.

No one supports waste in Government; no one endorses inefficiency. Secretary Schweiker claims his intention is to wipe out waste and inefficiency in the nursing home industry. These are laudable objectives. But I am hard-pressed to see how these goals are furthered by this new "deregulation scheme." Rather, this plan is a remarkably ill conceived one because it concerns an industry whose history has been plagued by numerous and severe violations of law and of ethical conduct. Deregulation will return the nursing home industry to the spotty, exploitive, and wholly inadequate conditions which were all too prevalent before proper regulation took hold.

The Times editorial points out the need for support of legislation which would demand the immediate withdrawal of Mr. Schweiker's proposals. Several of my congressional colleagues, including Representive PEPPER and Representive RATCHFORD, are sponsoring bills calling for just this. In addition, numerous citizens coalitions have demanded the retraction of these proposals. Finally, many letters have been sent to the Secretary questioning his policies, and he has, in many cases, yet to respond. I join with those who hold these sentiments.

The full text of the New York Times editorial follows:

NURSING HOMES NEED WATCHING

The Department of Health and Human Services says the new regulations it proposes for nursing home inspection are a technical adjustment to promote efficiency. They look more like an attempt to poke holes in a bureaucratic shield that protects 1.3 million nursing home residents.

The controversy began last winter when Secretary Schweiker tried to loosen standards for nursing homes that admit Medicare and Medicaid patients. Followed by a flurry of Congressional protest and unpleasant headlines, he promised to leave the standards alone. In May, however, Mr. Schweiker announced new rules, supposedly to focus enforcement on serious violators. But the relaxed regulations could also serve the original purpose of releasing the industry from standards.

Washington pays state agencies to perform annual inspections and to verify that violations are eliminated within 90 days. The proposed rules, subject to public comment this month, would let homes with good records go without inspection for two years and eliminate the mandatory follow-up for all. They would entrust much inspection to the private Joint Commission on Accreditation of Hospitals.

Critics argue passionately against a more flexible approach; if there are now a lot of homes with good records, they say, it is because of the rigid inspection schedules. The Joint Commission arouses more worry. Unlike state agencies, it does not publicize inspection reports; the draft rules require only that they be posted in nursing homes.

Critics also fear that the private group might fall under industry influence. They note that relaxation would come at a time when state inspections have already suffered deep cuts in Federal funding.

The nursing home industry that Mr. Schweiker seems so eager to deregulate has only recently overcome a sordid record of exploitation. One effect of the heavy flow of unsupervised Federal money in recent years was its attraction of a core of operators whose greed overcame any commitment to decent care. Only strong state and Federal regulations curbed the abuses. With many such operators still interested in exploiting the aged and their families, there is no good reason to believe supervision could now be safely relaxed.●

NO NEED TO EXTEND DAVIS-BACON IN H.R. 5540

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, soon the House of Representatives will consider H.R. 5540, the Defense Industrial Base Revitalization Act. It is a vitally important piece of legislation, but it contains language which further extends the application of Davis-Bacon wages beyond the original scope of the law.

The bill extends Davis-Bacon application beyond the original law by applying it to all laborers and mechanics employed for construction, repair or alteration of any project, or the installation of equipment, undertaken through programs included in this bill. Thus, employees of the direct recipient of Federal assistance would be covered by the Davis-Bacon Act when doing any of the above-mentioned work even though no contract existed between the employer and the Government for that work. Also, the bill extends Davis-Bacon to apply to installation of equipment. Currently, installation of equipment is covered only if incidental to other covered activity—construction, alteration, or repair. This bill would apply Davis-Bacon to the installation of computer and business equipment, laboratory equipment, or any other similar equipment.

The administration and many of our colleagues object to this extension of Davis-Bacon. Representative ERLENBORN will submit an amendment to strike this provision from the bill. I will fully support his amendment.

I want to emphasize that this amendment is not a vote to repeal Davis-Bacon—though I feel that reform of the law is needed—it is a vote to maintain the current law, and not further extend Davis-Bacon beyond its original intent and scope. No basis for extension has been shown, and I question the intent of the provision.

I urge my colleagues to join me in support of the Erlenborn amendment on this vital piece of legislation, the Defense Industrial Base Revitalization Act, H.R. 5540.●

WOMEN AND MINORITIES IN SCIENCE AND ENGINEERING

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. DYMALLY. Mr. Speaker, as a member of the House Committee on Science and Technology and of the Congressional Caucus for Science and Technology, I, along with others, have repeatedly and emphatically warned of the potentially devastating consequences of the current decline in our Nation's scientific and technological capabilities and productivity.

It is an irrefutable fact that the security and well-being of our great Nation are increasingly dependent upon significant advancements in the status of American science and technology.

One such advancement, of course, would be to tap the enormous pools of talent and potential which have heretofore remained relatively untouched. With this in mind, I am pleased to direct the attention of my distinguished colleagues to a recent report issued by the National Science Foundation.

Entitled "Women and Minorities in Science and Engineering," and published biennially, the report is a means through which Congress and selected Government officials may be apprised of the levels of female and minority participation in science and engineering employment and training.

The recent issue to which I have referred presents some alarming facts and statistics. Women and minorities are grossly underrepresented in all fields of science and engineering employment. Furthermore, very few women and members of minority groups are enrolled in science- or engineering-oriented educational programs, and fewer still are earning advanced degrees. The report also indicates, in agreement with what I and others have argued, that insufficient preparation on the secondary school level is responsible for many of the serious problems currently at hand.

I strongly recommend that my colleagues familiarize themselves with both the findings and the implications of this NSF study. It is indeed ironic that a nation so conscious of its dearth of natural resources should be so blind to the neglect of an abundant—in fact illimitable—resource: the human mind.●

THE FATE OF THE PALESTINIANS

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. FITHIAN. Mr. Speaker, I would like to call to the attention of my colleagues an article that appeared in the Washington Post on Thursday, July 29, 1982. The article entitled "The Fate of the Palestinians," which was written by Ralph D. Nurnberger, is one of those rare perceptions of a delicate situation in which much is to be gained by the unique insight of both the history and current events of this crisis. Mr. Nurnberger is successful in capturing the real issues and solutions in what has become a very complex situation which threatens a very tenuous peace in the Middle East.

The article follows:

THE FATE OF THE PALESTINIANS

World attention has been focused on the fate of the 6,000 PLO terrorists in West Beirut. Underlying the issue of their final destination is the question of where the Palestinian people should go, whether or not a "Palestinian state" should be established. Unfortunately, this question is often phrased in such a manner as to imply that Israel alone is responsible for finding a solution.

To understand the "Palestinian question," it is essential to analyze the history of the issue. The problem stems from the fact that approximately 600,000 Arabs left what is now Israel in the late 1940s. Most left during and after the War for Israeli Independence (1947–48), largely at the urging of Arab nations, which pledged that they could return to their homes when the Zionist state was destroyed. These Palestinians sought to escape the fighting and find refuge with their Arab brethren. This figure should be compared with the approximately 600,000 Jews who were expelled from various Arab states and immigrated to Israel.

The Arabs who left Israel in the 1940s were only a small fraction of the approximately 40 million refugees worldwide who were forced to find new homes in the same time period. The Palestinians are virtually the only people who have not yet been fully absorbed and assimilated in their new homelands. The reason is that the Arab nations preferred to keep the Palestinians as "refugees" as an act of policy. They decided to leave the burden of caring for Arab refugees with the world community in general to be handled by the United Nations Relief and Works Agency.

When discussing the problem of the Palestinians, it is important to remember that the majority already are permanently settled and have homes, jobs, etc., within historic Palestine. Approximately 500,000 live in Israel; 1,000,000 live in the West Bank and Gaza; 1,200,000 live in Jordan; and 300,000–400,000 live in Lebanon; of these, approximately 120,000 can still be categorized as refugees and live in "camps." (Even UNRWA admits that its statistics "do not necessarily reflect the actual refugee population owing to factors such as unreported deaths and births, false and duplicate registrations and unreported absences from the area of UNRWA operations. The agency presumes that the refugee population present in the area of UNRWA operations is less than the registered population.") In addition, 20,000 are in Syria, and 200,000 are scattered around the world.

With the exception of those living in camps in Lebanon, it is unlikely that the remainder would be very eager to leave their homes. The Palestinians in the camps are largely undereducated and unskilled; they are the victims of Arab propaganda and political designs. While these people could be absorbed by the Arab states, those nations have continued to utilize them as political pawns.

For the most part, the people in the camps do not trace their ancestors back to the West Bank or Gaza but to Israel proper. Thus, even if a "Palestinian state" were to be established in the West Bank, these refu-

gees would not be able to return "home." They do not feel an affinity for the West Bank nor does their propaganda indicate that they would be satisfied with this territory. Furthermore, the West Bank is simply not large enough nor does it have the productive capacity to handle such a massive influx of people.

A final point is that Jordan is already a "homeland" for the Palestinian people. Jordan was part of traditional Palestine; the majority of the present day population are Palestinian Arabs. Palestinian refugees were granted citizenship in Jordan and many government leaders are Palestinians.

In sum, Palestinians already live throughout the Arab world and have citizenship in Jordan. They form the majority of the Jordanian population. The refugee issue ought to be settled in accordance with the plans set forward at Camp David, possibly resulting in some form of confederation of the West Bank and Jordan. Obviously, this would involve bringing Jordan (and, one hopes, other "moderate" Arab states) into the peace process. The solution to the question is complicated, but possible. It would involve the participation and good will of the Arab nations. Now that the PLO has been removed as a military power in the region, a force capable of blackmailing Arab nations into support, it is possible that Jordan and Saudi Arabia will finally be willing to negotiate with Israel.●

POSTAL SERVICE COMMEMORATIVE STAMP HONORS JACKIE ROBINSON, AN EXTRAORDINARY AMERICAN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. SOLARZ. Mr. Speaker, I would like to bring to the attention of my colleagues and sports fans across this country that today Jackie Robinson is being honored by the issuance of a commemorative postage stamp, as a part of the Postal Service's black heritage series. Jackie Robinson was an outstanding athlete, as his election to the Baseball Hall of Fame indicates. But he was also an extraordinary human being who devoted his life to the struggle to combat prejudice and discrimination and to advance the cause of equal rights for all Americans.

I regret that I will be unable to be with Jackie's family and friends and other old Dodger fans today at the Central Post Office in Brooklyn to take part in the ceremonies marking the issuance of this commemorative stamp. But I am delighted that our Postal Service has seen fit to honor this great American whose accomplishments on and off the playing field made him a "favorite son" of Brooklyn and an example to all of us of what a determined and committed man, when given the opportunity, can accomplish.

Mr. Speaker, I ask that an article written by Ron Gabriel, the founder and president of the Brooklyn Dodger Fan Club, be included in today's RECORD. Mr. Gabriel's prose captures some of the magic of this man, whose hitting and running electrified millions of baseball fans during his 10 years with the Brooklyn Dodgers.

BROOKLYN PAUSES TO HONOR JACKIE ROBINSON

(By Ron Gabriel)

The main Post Office of Brooklyn will today hold a special ceremony in honor of the new Jackie Robinson Postage Stamp issued yesterday. Scheduled speakers include: Mrs. Rachel Robinson, his widow and President of the Jackie Robinson Foundation; Ron Gabriel, President of the Brooklyn Dodgers Fan Club, and authors Harvey Frommer and Roger Kahn. Jackie Robinson is the first baseball player ever to appear on a United States Postage Stamp. The issue is the fifth one issued in the Black Heritage USA series, the others honoring Dr. Martin Luther King, Jr., Harriet Tubman, Benjamin Banneker, and Whitney Young, Jr.

Jackie Robinson was an exciting, versatile competitor and an electrifying baserunner with the Brooklyn Dodgers. Combining these qualities with his superb batting and fielding skills enabled him to beat the opposition in a variety of ways. He was voted the National League's most valuable player in 1949, when he hit for a .342 average and drove in 124 runs. Robinson's ten year batting average was .311, and he set several fielding records for second baseman.

Jackie Robinson was a member of the 1955 World Champion Brooklyn Dodgers, as well as the National League Champion Brooklyn Dodgers of 1947, 1949, 1952, 1953, and 1956. Many have said that it was the presence of Jack Roosevelt Robinson who made the critical difference in Brooklyn winning 6 pennants in his 10 years as well as their first and only World's Championship on October 4, 1955.

Robinson retired from baseball in 1956, having spent his entire major league career with the Brooklyn Dodgers, and was inducted into the Baseball Hall of Fame in 1962. He died in 1972.

Jackie Robinson was born in Cairo, Georgia, in 1919, and his family later moved to Pasadena, California. In high school and later at the University of California at Los Angeles, Jackie earned national honors in football, basketball, baseball and track. He was the first four-letter man in UCLA's history.

Robinson's baseball career started with the Kansas City Monarchs of the Negro American League. In 1945, he batted a .345 in the league's all-star game. Branch Rickey, the president and general manager of the Brooklyn Dodgers, integrated baseball when he signed Jackie to play for the Dodgers' top farm team, the Montreal Royals. In his first season at Montreal, Robinson led the minor leagues with a .349 batting average.

Taunts, name-calling and physical threats became a way of life for Robinson, but, all the while, he was quietly racking up base hits and stolen bases. He rapidly became one of the most exciting baseball players of his era, earning the respect of Brooklyn fans of all colors and the love of black Americans from coast to coast.

His induction into the Baseball Hall of Fame resulted from his dual contributions to baseball—his brilliance on the field and his struggle that paved the way for hundreds of black athletes who followed.●

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS AMENDMENTS OF 1982

HON. MARVIN LEATH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. LEATH of Texas. Mr. Speaker, I rise to express my strong support of H.R. 6782, Veterans' Disability Compensation and Survivors' Benefits Amendments of 1982. Due to an illness in my immediate family, Mr. Speaker, I was unable to be present during consideration of this important legislation.

Mr. Speaker, this is a fair bill and one much deserved and needed by our Nation's disabled veterans. I wish to pay tribute to the strong leadership shown in bringing this bill to the floor by our great chairman, SONNY MONTGOMERY, by our very able ranking minority member, JOHN PAUL HAMMERSCHMIDT, and by the distinguished chairman of our Subcommittee on Compensation, Pension and Insurance, DOUG APPLEGATE. These individuals worked hard and diligently on this bill, and I am glad that it received the enthusiastic support of this body.

Mr. Speaker, I would like to call the special attention of Members to title II, section 210 of this bill, an amendment I offered to the full House Veterans' Affairs Committee and one that was accepted by a unanimous vote. This section will prohibit the Administrator of the Veterans' Administration from contracting for the performance of any activites carried out in a VA medical center, except to the extent that the facility is not capable of performing the activity or that contracting the activity out would enhance the quality of medical care offered by the facility.

This provision in no way prohibits or restricts any authority of the Veterans' Administration to enter into contracts or agreements with private or public agencies as described in paragraph 213 of title 38 of the United States Code.

It will protect the quality of health care in our veterans' hospitals. This amendment is identical to legislation I authored earlier this year, H.R. 6315. H.R. 6315 has been cosponsored by 24 of our House Veterans' Affairs Committee members. This section reaffirms our committee's position to prevent OMB from lessening the high quality of health care we in this Congress are providing to the veterans.

In my judgment, Mr. Speaker, high quality health care for our veterans is the No. 1 priority of the House Veterans' Affairs Committee. This is a bipartisan bill, and I am glad it received

the overwhelming support of the House of Representatives.●

H.R. 6901

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. HOWARD. Mr. Speaker, on July 29, I introduced H.R. 6901 to provide prompt action to resolve the problems facing New Jersey and Pennsylvania utility ratepayers affected by the accident at Three Mile Island. My bill will provide a supplemental insurance fund supported by those utilities operating nuclear power generation facilities throughout the entire Nation.

The accident at Three Mile Island has provoked a long and arduous debate regarding the factors leading up to the near-disaster at Three Mile Island. The people directly affected by Three Mile Island, either through loss of power supply or in proximity to the accident, will testify to the physical and financial trauma to which they have been exposed.

The nuclear industry has gathered a wealth of information from the experience of those operating the nuclear reactors at Three Mile Island. However, the damaged reactor still contains highly radioactive materials and is a continuing threat to the surrounding communities. The cleanup process has begun in earnest, but the financial resources do not currently exist to finish the job of returning the facility to a decontaminated state.

In my own State of New Jersey, utility ratepayers serviced by Jersey Central Power and Light Co. have faced extraordinary rate increases due to the high costs of supplemental power, and most recently through the State-approved inclusion of the costs of cleanup in the rate-base formula. This legislation is designed to reduce the overall passed-on costs associated with the dilemma at Three Mile Island. The proposal will raise $170 million through an annual fee system directed at nuclear utilities. This fee of $0.28363 for each kilowatt of proprietary share of power authorized by the facility's construction permit, will add an average of 15 to 62 cents annually to consumer bills if the various State regulatory bodies choose to pass on costs.

My proposal is not a "bailout" for the owners of Three Mile Island, but an effective aid in reducing the dangerous radioactivity still present at the damaged reactor site. In addition, this legislation acknowledges the necessity of cost-sharing among those utilities that have gained from the misfortune of those served by the nuclear facilities at Three Mile Island.

Federal financial involvement is ruled out in this proposal through an innovative and timely fee assessment program. In an age of budget reductions this legislation provides an effective and affordable answer to a serious health and safety problem without Federal expenditures. It is my strong hope that my colleagues will join me in supporting this important bill.●

MISSING CHILDREN

HON. PATRICA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mrs. SCHROEDER. Mr. Speaker, the House Subcommittee on Civil and Constitutional Rights has completed hearings on legislation which, if enacted, would be an important aid to the frantic efforts of thousands of parents each year who are searching for their missing children.

Representative PAUL SIMON of Illinois is the chief sponsor of this measure and has recently written about the matter of missing children in his weekly column. I commend it to the attention of my colleagues:

MISSING CHILDREN

Etan Patz, six years old, left home to catch the school bus on May 25, 1979—and no one has ever heard from him since. That happened in the State of New York.

I read about it and noticed his parents' statement that federal laws were inadequate to help in the search for missing children.

I asked Maryln McAdam of my staff to check it out and discovered that the FBI automatically keeps data on your car if it is missing, but information about your missing child is not similarly collected or kept unless there is evidence of kidnapping or violence.

So I introduced a proposed Missing Children Act in the House which would do two things: Put missing children on the national computer and enter information about the more than 1,000 bodies of children and adults each year which now are never identified. The cost of using the existing National Crime Information Center computer for this added purpose would be almost nothing and the benefits of the new service would be great.

Data on unidentified bodies should have been put on the computer a long time ago. When an unidentified body is found (as one was in Carbondale recently) that fact is reported to the state police and that is it. But if we had a national computer file, we might very well find that the deceased individual was listed as being missing from Maine or Montana or somewhere else.

It is important that families know when their relatives are dead, and sometimes it is important for criminal investigations. During recent hearings on the Missing Children Act one parent, John Walsh, described the torment of not knowing where to turn for news that could aid in the search for a missing son or daughter—in his case, a young boy who was later found murdered. Some states voluntarily exchange this kind of information by mail at intervals of six months or longer and those months of waiting are hard to endure, he said. We should be making that kind of information instantly available to anguished parents and law enforcement officials and we're not able to routinely do that now.

Of the missing children, most are runaways and show up within 24 hours somewhere. Fortunately.

But approximately 50,000 young people—no one knows the figure exactly—are not runaways and we do too little to try to protect them.

Some are taken by persons who yearn to have a child; some are taken for purposes of sexual exploitation; the causes and reasons vary, but the problems for the families are overwhelming and so is their grief.

To put these missing children on a national computer will not solve the problem but it could help solve some of the cases.

If a family in Illinois reports a child missing and suddenly a child appears in Florida under somewhat suspicious circumstances in a family to which it does not appear to belong, a national computer check would be a simple matter.

Since I have introduced this legislation—and Sen. Paula Hawkins, a Republican from Florida, has done the same in the Senate—I have met many parents of missing children. The agony and the uncertainty they go through is something I had only third-hand knowledge of prior to introducing this legislation.

I have had breakfast with Judge William Webster, head of the FBI, to discuss the proposal and I believe we have worked out legislation that will not be a burden to the agency and could be of great help in the protection of our nation's children.

Senator Hawkins and I have experienced difficulty in getting action because the legislative process sometimes moves painfully slow.

But President Reagan has indicated support for our measure, and we have strong support from people in both parties.

I believe that soon the children of the nation will have a little more protection.

It is long overdue.●

PITTSFIELD SOLUTION TO HIGH INTEREST RATES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. FINDLEY. Mr. Speaker, here is an example of how one central Illinois bank is dealing with the current interest rate situation:

The article follows:

PITTSFIELD BANK SEEKS TO STIMULATE PIKE'S ECONOMY

PITTSFIELD.—The Farmers State Bank in Pittsfield yesterday announced that it is setting aside $1 million for lower-cost loans to its customers who use the money to purchase goods from merchants in the local five-county area.

"The bank feels the local economy needs stimulating, and this is the manner in which we felt we could help the most," Lewis Grigsby Jr., executive vice president of the bank, said yesterday afternoon.

Grigsby said the bank is setting a maximum loan amount of $10,000 per qualified customer at an annual rate of interest of 11 per cent for the first year of the loan. The loans can be for automobiles, farm loans for fertilizer or any farm product, home remod-

eling or any product or appliance purchased from a Pike County merchant.

"The bank hopes that loans at 11 per cent interest will help both its own customers and also all Pike County merchants," Grisby said.

The offer of lower-cost loans goes into effect immediately, Grigsby stated.●

PASSING THE BUCKS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BEREUTER. Mr. Speaker, like many of my colleagues, I am totally dismayed that the leadership has prevailed and allowed the House to shirk its constitutional responsibility of drafting its own tax bill. This is one of the clearest examples of political gamesmanship, by factions in both parties, that I have witnessed since I came to Congress almost 4 years ago.

The Christian Science Monitor recently editorialized on the subject. Several points seemed particularly appropriate. I ask permission to have excerpts reprinted in the CONGRESSIONAL RECORD.

[From the Christian Science Monitor]

PASSING THE BUCKS

At a time when almost everyone in Washington agrees that upcoming massive federal budget deficits must be reduced to bring down the high interest rates that are dampening business confidence and working against an economic recovery, it is difficult to accept the rationale of the Democratic-controlled House Ways and Means Committee in avoiding the responsibility of drafting its own version of a new tax bill. The short-term politics of it are understandable, but what about the long-term public good?

It is not just that the House is the primary legislative chamber tasked with putting together revenue measures—that in itself is sufficient reason for showing the courage necessary to raise new taxes, whatever the political risk. But there is also the fact that the House leadership has apparently lost an opportunity to produce an alternative proposal that could prove beneficial to the economy and the American people by going beyond the limited Republican measure.

By declining to fashion its own alternative measure, the House leadership has abdicated its responsibilities to the American people. However, the House now has a special duty to take up the Senate measure in a fair and expeditious manner. To the extent that is done, the Democrats could redeem the timidity of the past few days.●

TWO MESSAGES FOR PEACE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. LEHMAN. Mr. Speaker, Mr. Jerome J. Hipscher, who resides in my congressional district, has provided me with two messages for all Members of Congress. These messages, one authored by Mr. Hipscher and the other written by four young people, urge the Congress to set aside a special time for prayers to be offered for peace in the world.

WORLD PEACE MONTH MESSAGE

Congress is an important place for the American people, it is a place in which dedicated Americans sit and decide how America is going to grow and develop in the years to come.

Soon we will be in the Year 2000, and one of the best gifts this Congress can give to mankind is the beginning of a World of Peace. How nice it would be for members of congress to look back and say "that they were a part of the special initiative to designate a time for reflections on peace as the beginning of a "new day" in the growth of the World and development of this great nation.

Now is the time for all members of Congress to think of the children of tomorrow and their children. I, as a member of the Korean War Veterans, have seen the horror of war. I had the dishonor of seeing civilians killed. The Children of War are a horrible sight to see. Would it not be nice to one day see all conflicts ended through peaceful means and save the lives of those who are innocent. Why should American youth and women and children of the world become the sacrificial lambs of those who feel war is crucial to their objectives and goals. As the greatest nation in the world and as a World Leader, I call on this great nation, as a Political Scientist and one who has been honored in the American Biographical books for community service to America to seek out world peace as the number one goal of this Congress.

I hereby call upon this distinguished body of lawmakers to designate a month which is sacred to God himself—December—as World Peace Month. This is the month of Christmas, as well as Moslem and Jewish High Holy Day periods. Let us really celebrate the month of December in prayers for peace around the world. May this Congress in December prepare a message for the United Nations which will become the landmark for world-wide peace. I wish to thank each and every member of Congress for their kind consideration and wish to all members a year of good health and peace.

Sincerely yours,

JEROME K. HIPSCHER,
American.

A MESSAGE FROM THE YOUTH OF AMERICA—WE URGE WORLD PEACE

JUNE 27, 1982.

Dear distinguished members of Congress, we as Americans look to you with honor and pride to help us make this world and nation a better place. It is not that we are afraid to fight or die for our nation, but it is the waste and devastation which war creates that we object to.

It is our hope that you will not be the Congress which will continue destroying the youth of America or allow people of other nations be innocently killed. With all the wars we have had to date nothing has been accomplished. Perhaps maybe it is a time to look back on history and aim for a world free from war.

We are urging that a resolution be introduced for December 1982 as World Peace Month and that this become a month of prayers. We further urge that a message be prepared for the United Nations setting in motion eternal peace among men.

It is our hope that this great Congress will deal with this resolution and its message of peace at an early date. We the youth bless this Congress and hope that our message and prayers will be answered very soon. We also advise Congress that we stand ready to fight for our Nation should the need arise, but hope that we can settle all future conflicts in peace and let it be said "that we have reached our final conflict and won the battle to end human misery and war." Thank you for your kind interest in the youth of America.

Sincerely yours,

PHILLIP HIPSCHER.
JACKIE COHEN.
ALLAN PAVADO.
VINCENT PRAVADO.●

TRIBUTE TO WHITEY FORD

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. WILLIAMS of Ohio. Mr. Speaker, I take this time to recognize one of the outstanding citizens and labor leaders of the Mahoning Valley—Marlin D. "Whitey" Ford.

I have had the pleasure and the privilege of knowing Whitey for 10 years. During that time I have come to know and respect Whitey for his hard work, his dedication, and his integrity.

For the last 8 years, Whitey has served as president of U.A.W. Local 1112 in Lordstown, Ohio. His tenure was one which saw the autoworkers of the Mahoning Valley make significant strides in the benefits which they receive from their company.

Whitey has also been deeply involved in various activities in his community. He has assisted many local charities and has served the public interest as a member of the Trumbull County Planning Commission.

Now Whitey has been promoted to a staff position with the United Auto Workers in their Detroit Headquarters. We, in the Mahoning Valley, will be losing a great friend and a fine man, but Doug Fraser and his headquarters team will be gaining an individual of unequaled performance and still greater promise.

Whitey, on behalf of the people of the Mahoning Valley, we will miss you. But we want you to know that you will always have a place in our hearts and you will always be welcomed back any time you want.

Good luck to you and Joanne.●

CONFERENCE OF MAYORS ENDORSES H.R. 5540

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BLANCHARD. Mr. Speaker, I would like to bring to the attention of my colleagues recent action taken by the Conference of Mayors at their 50th annual meeting in Minneapolis. On June 23, 1982, at the closing plenary session, the report of the resolutions committee was adopted containing a resolution pledging the conference's active support of H.R. 5540, "The Defense Industrial Base Revitalization Act."

The text of the Industrial Revitalization resolution reads as follows:

(1) Whereas, the country's industrial base is seriously threatened by high interest rates, the economic downturn and rising business bankruptcies; and

(2) Whereas, the national defense and military readiness of the country depend in part on maintaining the strength of our key industries; and

(3) Whereas, the House Economic Stabilization Subcommittee has adopted legislation (H.R. 5540) which would provide loans, loan guarantees, purchase agreements and price guarantees to businesses in priority defense industries, as well as funds to train workers for these industries; and

(4) Whereas, this bill, supported by both Democrats and Republicans, would not result in any additional expenditures,

(5) Now, therefore, be it resolved that the U.S. Conference of Mayors pledges its active support for H.R. 5540, to protect the industrial base, promote the revitalization of important industries, and bolster the military readiness and national defense of the country.

One of the objectives of the Conference of Mayors, as outlined in their constitution, is to safeguard "the interests, rights, and privileges of municipalities as they may be affected by legislation." By supporting H.R. 5540, the Conference of Mayors, representing 800 cities, is highlighting the positive contributions this legislation can make to urban development efforts and job-training programs, as well as recognizing the fact that the health of our basic industries is vital to the economic health of many of this Nation's cities.

I applaud the Conference of Mayors for their recognition of the wide-ranging benefits this congressional revitalization initiative encompasses, and I welcome and appreciate their support of H.R. 5540, "The Defense Industrial Base Revitalization Act."●

THE ECUMENICAL PATRIARCHATE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. COLLINS of Texas. Mr. Speaker, it is with special emphasis that I point out to the Members the great historical role of the Ecumenical Patriarchate of the Eastern Orthodox Church headquartered in Istanbul, Turkey. Christians of all religious denominations should recognize the great importance of the Ecumenical Patriarchate. Of course, this is especially true of the members of the various Orthodox churches.

San Francisco was the site of the 26th Biennial Clergy-Laity Congress of the Greek Orthodox Archdiocese of North and South America at which a significant resolution was passed on the question of the Ecumenical Patriarchate. I believe the resolution, adopted by the most prestigious Greek-Orthodox body outside of Greece itself and representing the views of the Greek-Orthodox faithful in the United States and throughout this hemisphere, is of special significance to the Members. Therefore, I wish to insert the resolution into the RECORD, trusting that my colleagues will make a special point to ponder its contents:

RESOLUTION ON THE ECUMENICAL PATRIARCHATE

Whereas, the Ecumenical Patriarchate of the Eastern Orthodox Church located in Constantinople (Istanbul) Turkey is a world religious center which has existed since the earliest days of Christendom and whose right to exist and freely operate in Constantinople has been affirmed by numerous international treaties; and

Whereas, the Ecumenical Patriarchate is, by canonical and historical right, the unending source of the spiritual life and inspiration of the Orthodox faithful throughout the world; and

Whereas, the Greek Orthodox Archdiocese of North and South America is under the direct jurisdiction of the Ecumenical Patriarchate of Constantinople; and

Whereas, the Government of Turkey has for a number of years pusued a course of repression and harassment against Eastern Orthodox Christians in Turkey and particularly against the Patriarchate and its institutions, including churches, its Theological School at Halki, its other schools, and its eleemosynary institutions; and

Whereas, the violations of human rights and religious liberty on the part of the Government of Turkey have been documented by such respective and objective international agencies as Amnesty International, the World Council of Churches, and the Council of Europe, and

Whereas, the ability of the Ecumenical Patriarchate to carry on its holy mission, to serve the spiritual needs of the Orthodox faithful of the world, including the Archdiocese of North and South America, and to guide, nurture and edify their religious life and to continue its valued historic and greatly needed leadership, inspiration and assistance to the co-operative efforts of Christian Churches and other religions for greater mutual understanding and actions are all seriously hampered and impeded by the onerous and crippling restraints imposed upon its most basic and fundamental activities by the Turkish government; and

Whereas, the Government of Turkey has subscribed to United Nations Resolution #36/55 on the elimination of religious intolerance.

Now, therefore, be it resolved by the 26th Biennial Clergy-Laity Congress of the Greek Orthodox Archdiocese of North and South America that we do hereby again declare our undying and unswerving allegiance to our Mother Church, the most Holy Apostolic and Ecumenical Patriarchate of Constantinople; and be it further

Resolved, that we again call upon the Government of Turkey to assure the human rights and religious liberty of Eastern Orthodox Christians, Jews and other religious minorities living in Turkey and to permit the Ecumenical Patriarchate of Constantinople to freely carry on its holy mission; and be it further

Resolved, that the Government of the United States of America is called upon to exert its influence upon the Government of Turkey to bring about compliance with established treaty obligations and international law, especially the European Convention of Human Rights (1950), the Helsinki Act (1975), and the United Nations Resolution #36/55 regarding the freedom of the Ecumenical Patriarchate of Constantinople to operate as an international world religious center, free of oppression and harassment; and, be it further

Resolved, that we do hereby again call upon the United Nations, the World Council of Churches, the National Council of Churches, the National Conference of Christians and Jews, and Patriarchs and Archbishops of all other Orthodox jurisdictions, His Holiness Pope John Paul II, His Grace the Archbishop of Canterbury, the presiding authorities and judicatories of all other Christian Churches, the American Council of Jewish Synagogues, the World Zionist Organization, and the International Organization of Human Rights to earnestly concern themselves with the unjustifiable and devastating restraints, restrictions, and harassments imposed by the Turkish Government upon the Ecumenical Patriarchate of Constantinople and the Greek Orthodox minority.●

SEVENTH ANNIVERSARY OF THE HELSINKI ACCORDS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mrs. FENWICK. Mr. Speaker, Sunday, August 1, marked the seventh anniversary of the signing of the Helsinki Final Act by the heads of state of 33 European nations, the United States and Canada. This historic event set in motion a process designed to help eliminate barriers and misunderstanding among the signatory states by fostering respect for human rights, facilitating human contacts, promot-

ing business and commercial relations, and elaborating basic principles of state-to-state relations.

This unique process, after 7 years, has produced very real benefits as well as sobering disappointments. Through the work of the Belgrade and Madrid meetings, held to assess the record of compliance by all signatory states with the provisions of the accords, concern for human rights has been established as an important and legitimate topic for discussion among sovereign states. No longer can any signatory of the Final Act convincingly claim that the manner in which it treats its own citizens is not a matter of concern to others. The Helsinki process has given rise to indiginous movements in several Warsaw Pact countries—notably Charter '77 in Czechoslovakia, the Helsinki Groups in the Soviet Union, and several concerned groups in Poland—which are courageously attempting to prod their governments to respect the provisions of the Final Act and other international documents to which they are signatories.

Unfortunately, the record has been far from rosy. The invasion and continued occupation of Afghanistan by the Soviet Union stands in stark contrast to the goals of security and cooperation fostered by the Final Act. The imposition of martial law in Poland and the role of the Soviet Union in encourging this dramatic shift away from the reform and renewal of Polish society set in motion by Solidarity, vividly demonstrates the shallow, cynical approach certain signatories have toward the spirit and letter of the Final Act. The brutal treatment of Helsinki monitors and the continual denial of requests of desperate people for reunification with their families abroad show a distressing disregard for international obligations as well as basic human decency.

While the record to date has been mixed, the hope and determination for a better society evoked among the people of the Soviet Union and Eastern Europe, has not abated. The Helsinki process was never expected to work miracles in a short period of time. For the people of Eastern Europe, accustomed through years of experience to living under repressive governments, the 7 years of hope and expectations aroused by the Helsinki process must seem a very short time indeed. We, in the Congress, on the U.S. Helsinki Commission, and in the administration must strive to hasten the day when these hopes and expectations are finally realized. Thank you, Mr. Speaker.●

H.R. 6159'S EMPHASIS IS ON RESEARCH

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mrs. HECKLER. Mr. Speaker, yesterday the House passed the Risk Analysis Research and Demonstration Act (H.R. 6159). The bill originated in the Science, Research and Technology Subcommittee of the full Committee on Science and Technology. As the ranking minority member on the subcommittee I have been closely following the bill in committee.

Mr. Speaker, I want to make it clear to my colleagues that this is a research bill. It is not intended to be a blueprint for immediately implementing risk analysis as a part of Federal agencies' decisionmaking and rulemaking processes. This point becomes especially important in relation to food safety laws. The Science and Technology Committee recognized the importance of clarifying the role of risk analysis in respect to food safety regulations and outlined those concerns in the committee views. Following are the committee views for the benefit of my colleagues. The position of the committee on this point should not be overlooked.

COMMITTEE VIEWS

RISK ASSESSMENT APPLICATIONS TO FOOD SAFETY LAW

The Committee recognizes that federal health and safety regulations have often been criticized because insufficient data are available to formulate or support the regulatory requirements. As a result, regulations addressing health and safety risks arising from industrial activities or consumer use have frequently been controversial, inconsistent, and duplicative. To implement the many laws Congress has enacted requiring regulation of both naturally-occurring and technologically-caused risks, Federal regulatory agencies have had to make decisions regarding the nature and extent of particular risks arising under their respective regulatory authorities. These decisions have often involved assessments of risk. However, the comprehensiveness and quality of such risk assessments has varied, and regulatory actions based on them have correspondingly varied in effectiveness. Such uncertainty in quality may lead to wasteful "overkill" expenditures for toxicity testing or to unwisely lenient safety standards. Health and safety regulations based upon scientifically deficient risk analyses can also lead to frequent, complex, resource-draining litigation between regulating agencies and affected parties.

Even when risk analyses are carried out, agencies also attempt to take into account a number of economic, social, philosophical, and political considerations prior to formulating the specific requirement of proposed regulations, depending upon degree of regulatory flexibility allowed under the agency's legislative mandate. These broader considerations are certainly necessary and appropriate in forming public policy. The Committee supports this legislation only as a means to analyze the risk assessment component of regulatory decisions in the Federal Government with a view toward eventual coordination and improvement of risk assessment activities.

The risk analysis component should provide a disciplined approach to the collection and assessment of all the data pertinent to a reasoned decision. It should include the elements of uniformity and consistency necessary to facilitate evaluation and increase the predictability of the final decisions. The application of risk assessment to the regulatory decisions may also provide insight into the information which should be disseminated to consumers to allow for informed individual decisions.

Despite the clear advantages of well researched and well coordinated risk assessment procedures, there are some problems when risk assessment is applied to food safety regulations. Maintenance of safety of the food supply has long been one of the strongest felt public policy goals of our society. A standard of conservatism toward any compromise with absolute safety in judging appropriativeness of food additives has been recognized and affirmed for many years. Additives for convenience of commerce or marketing have had a severe burden of proof of safety impressed on them, and simple economic advantage has not been a justification of risk.

This conservatism is not based on philosophy alone. Rarely do we have available a complete toxicological or epidemiological basis on which to determine health risks associated with the use of a new additive or other food substance. Even if a precise assessment of health risks associated with particular regulatory actions could be determined, some method of evaluating those risks would have to be developed. Exactly how the government might do this is difficult to envision; life and health risks are difficult to evaluate.

The protection and formation of the public's health should remain the prime focus of food safety regulations. Regulatory decisions guided by risk assessment will be limited by the nature, quantity and quality of the scientific data available and the sophistication and appropriateness of the assessment methodology. In the interest of public health, the food safety decisionmaking process should allow for flexibility to address issues of uncertainty, to weigh the significance of scientific results, and to exercise scientific and other kinds of public policy judgment.●

ADMIRAL GENE LA ROCQUE'S PRESENTATION TO THE UNITED NATIONS GENERAL ASSEMBLY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an address by Rear Adm. Gene R. LaRocque (retired) of the Center for Defense Information to the United Nations General assembly special session on nuclear disarmament.

For years Admiral LaRocque has been vitally contributing to the discus-

sion of our real security needs. He has been a steadfast opponent of excessive military expenditures which do not enhance our national security; the Admiral has applied his respected military expertise to promoting measures which will stop the mad escalation of nuclear weapons throughout the world.

I thank Adm. Gene LaRocque for his service to our country, and commend him and the Center for Defense Information for their efforts to show the United States that strong economic, social, and political structures contribute equally to national security and are essential to our strength and welfare.

I commend Admiral LaRocque's important statement to the attention of my colleagues:

PRESENTATION TO THE UNITED NATIONS GENERAL ASSEMBLY, SPECIAL SESSION II, BY REAR ADM. GENE R. LA ROCQUE, U.S. NAVY (RET.)

I am honored to address this Second United Nations Special Session on Disarmament. We meet here today in a climate of both despair and hope. Much of the world is at war but there is also a rising world consciousness that the nuclear arms race must be slowed, stopped, and reversed. This meeting of the world's governments can make the difference in developing concrete actions to move away from conflict toward a more stable and peaceful world order.

Armed conflicts exist today in some forty countries. Man's capacity for civilized savagery, applying the fruits of his intelligence to destruction, are constantly on display. Record levels of military spending and international arms trade are accompanied by superpower plans for unprecedented nuclear weapons expansion. Preparations to fight and win a nuclear war have increased. The United States and the Soviet Union are bitterly hostile to each other and are on a course toward nuclear war.

For many years there have been some in the United States who have perceived the Soviet Union as a threat to peace and security of the world.

At this moment the current U.S. political leadership has determined that it would be in the interest of the United States and promote peace and stability in the world if the Soviet Union were rendered impotent, economically, politically, and militarily.

It is equally apparent that the Soviet Union is determined to expand and strengthen its economic, political and military influence in the world.

The strength, determination, and intensity of feeling in both the U.S. and the Soviet Union on this fundamental difference puts both nations on converging courses which, if continued, will lead to war—nuclear war.

Does anyone believe civilization will survive a nuclear war?

Does anyone, any sane rational person believe our different philosophies, our economic and political competition warrant a nuclear war?

We, the representatives of non-governmental organizations have come here in the hope that we would witness the world leaders in serious, constructive discussion of measures to slow, stop and reverse the arms race.

So far we have heard far too much fear, distrust and animosity expressed here.

Has the U.N. become merely a forum to castigate our adversaries, build competing blocs and rattle sabers.

Do those national leaders who pollute this platform with their diatribes against other peoples, other nations, other systems serve their own nation, or do they condemn it to the calamity of nuclear war?

It is sometimes said that war is a natural condition of man. As a military man, I do not believe it.

I do believe breathing, eating, loving, caring are natural conditions of man.

People don't make war—governments do.

And our governments appear willing to accept war, even nuclear war, as a natural event.

There is not one nation in the world where the people want war.

People in the Soviet Union, in the U.S., in China, all are increasingly fearful that governments will sacrifice even their own children, and generations not yet born, for economic gain and political advantage.

Put very simply—will the Soviet Union and the U.S. destroy civilization to ensure that their economic system and their political philosophy dominate the world?

The answer is clear.

Both the U.S. and the Soviet Union are planning, training, arming, and practicing to destroy each other and all civilization.

Neither side expects to win. Neither can avoid losing.

As we proceed at ever increasing speed down the converging courses toward nuclear war, little time remains to alter course to avoid the catastrophe ahead of us.

It is no longer a question of whether we will have a nuclear war, only how soon?

We are arming for limited nuclear war, prolonged nuclear war, and general nuclear war.

We have tactical nuclear weapons, theater nuclear weapons, intercontinental nuclear weapons, offensive and defensive nuclear weapons.

All nuclear powers have nuclearized their army divisions, air wings, and warships.

Nuclear weapons have become conventional weapons and war plans on both sides call for explosion of nuclear weapons in the air, on the land, on the sea, under the sea and in outer space.

No longer can anyone hope that a war between the U.S. and the Soviet Union will stop short of nuclear war.

Once the war begins it will proceed uncontrollably until all civilization and perhaps all life on earth has been extinguished. Is it possible that four billion people have a death wish?

Or is it only our national leaders who are prepared for the death and destruction of life on this planet?

We need not stay on this course which leads to nuclear war.

But we cannot look to our national leaders to change course.

We cannot look to the U.N. to change course, unless there are among you fearless and courageous men and women who will speak for us.

Government leaders meeting in international fora have in the past proven so lacking in vision, so lacking in compassion for fellow humans, that they have been unwilling or unable to turn away from preparations for nuclear war.

We do not expect a dramatic change.

We do not expect a miracle, but we do ask that you face the facts squarely, and then act as representatives of the people rather than as representatives of governments which still see war as rational.

You know the facts.

There are over 50,000 nuclear weapons in the world.

Thousands more nuclear weapons are built each year.

All nuclear powers are planning, training, arming, and practicing for nuclear war.

We ask you as representatives of people everywhere to condemn in the strongest way those nations which propose to use nuclear weapons.

We ask that you condemn the continued testing of nuclear weapons.

We ask that you condemn the placement of nuclear weapons in foreign countries.

We are aware that you do not have authority here at the U.N.

But you do have a responsibility as the most important gathering of human beings on the surface of this planet.

Your moral judgments can be a force for the survival of this planet.

A courageous statement of your outrage at the approach of nuclear war might save us.

Your silence will doom us.

You are our only hope.

If we are to survive on this planet the nuclear arms race must be slowed, stopped and reversed. The time to start is now.●

USED CAR RULE RESOLUTION

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. HUGHES. Mr. Speaker, today I am introducing legislation which I believe will resolve the impasse between the Federal Trade Commission and the Congress on the subject of regulation of the sale of used cars. This legislation declares it the sense of Congress that the Federal Trade Commission should prescribe a rule requiring used motor vehicle dealers to make certain written disclosures regarding warranties and service contracts to consumers.

Many of us had reservations about the used car rule which we vetoed in May. One major reservation stemmed from its ambiguity with regard to a dealer's responsibility for disclosure of defects. A cautious dealer might well have felt obliged to perform inspections on most or all of his or her vehicles under the FTC rule, greatly adding to the cost of those vehicles, while an unscrupulous dealer might well have escaped the rule by pleading ignorance of known defects. In the final analysis, the disclosure provision of the rule provided very little consumer protection, because it did not provide the consumer with any certainty of knowing a vehicle's defects.

One provision of the FTC rule, however, received little attention and was noncontroversial. This provision, which is embodied in the resolution I am introducing today, would require a written statement of whether or not a warranty or service contract is available for each used vehicle offered for

sale and what the duration and other terms are of any such warranty or service contract. In addition, it would require dealers to list such information on a sticker placed prominently on each used motor vehicle.

I believe that this resolution strikes a healthy balance between the need to protect consumers from unscrupulous trade practices and the need to avoid excessively cumbersome and ambiguous regulations. Under this rule, a consumer would know the exact extent to which a dealer stands behind his product. And if the dealer is selling a car as is, with no guarantees, a consumer would be aware of that fact. As the same time, a dealer would have only to provide information which is customarily exchanged in used car sales in order to comply with the rule.

I welcome my colleagues' support of this sensible approach to Federal regulation of the used car industry.●

FRANCES MURPHY RUMELY, FIRST LADY OF LaPORTE

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. HILER. Mr. Speaker, the title of "First Lady" is defined frequently as the wife or hostess of a chief executive. It is also defined as the leading woman of an art or profession.

My hometown of LaPorte, Ind., recently lost its "First Lady" as a result of a tragic and senseless assault. Her husband, equally loved and respected by our community of about 22,000 citizens, still lies in critical condition.

But Mrs. Frances Rumely would not want us to be bitter. Love, happiness, and joy were the trademarks of her life, and she exuded those often-elusive qualities in every project, every cause, and every effort which attracted her energy and leadership. She was an inspiration.

The Reverend George Vrabley, pastor of St. Peter's Church, to which the Rumely's and my family belong, perhaps best characterized the unquenchable spirit and enthusiasm that was always evident. "Chances are she has already started a needlepoint circle up there, and maybe the Blessed Mother has already joined," he said.

No task was too great for her. After all, she raised seven children, all of whom, Mr. Speaker, have grown to become respected community leaders and civic participants.

I will sorely miss Fran Rumely, a very close and dear family friend. LaPorte misses her, and her shoes will not be filled easily. She has left behind, however, a great legacy of home, of charity, and of the beauty of life that is available to all of us.

I also want to include in the CONGRESSIONAL RECORD, for my colleagues to read, an excellent story from the LaPorte Herald-Argus which accurately characterizes Frances Murphy Rumely.

[From the LaPorte (Ind.) Herald-Argus]

STRONG-WILLED FAMILY, COMMUNITY LEADER

(By Les Lindeman)

The last and most definite thing each one of them said about Frances Murphy Rumely was that she let you know where she stood.

The certainty with which the slain 69-year-old wife of Mayor A. J. Rumely Jr. lived was reflected Monday in the clear and similar responses of her close friends and family as they reacted to her death.

A quintessential mother of seven children, five of whom have advanced university degrees, Mrs. Rumely was described as the family's "mortar" and "the stone that held the arch together."

Two recent triumphs for her were the birth May 15 of her 12th grandchild to her youngest daughter Frances Rumely Jones, 29, who lived nearby and the graduation from the University of Louisville medical school of 34-year-old daughter Marjorie Rumely Fitzgerald, herself the mother of two.

She raised her children in a large brick home at 1515 Michigan Ave. and as they scattered from LaPorte she became the family's communications network. "Thanks to her we never missed a stride when we were together," said her youngest son, John C., 30, director of the LaPorte Development Corporation.

She was born Frances Gertrude Murphy in Chicago Nov. 15, 1912, the youngest of 13 children. She grew up on the city's Near North Side and was graduated from Sacred Heart Academy. In 1935 she was graduated from The Saint Mary's of the Woods college, Terre Haute, and in 1937 from the Northwestern University Graduate School of Journalism, Evanston, Ill.

She worked in Chicago as an advertising copywriter for WGN Radio in the late 1930s before meeting Aloysius J. Rumely Jr. of LaPorte on a blind date. The two were engaged shortly thereafter and were married in Chicago Feb. 8, 1941.

To a disinterested neighbor, she could have been primarily a housewife but to those close to her she was a successful, independent businessperson, a very social woman deeply involved in community activities. She "loathed" housework but prided herself in her gourmet cooking and entertained in her home frequently.

She was decribed as a "sharp and quick-witted," "on the ball" woman who encouraged creative thinking and enjoyed "an astounding amount of energy."

Originally a city woman, Mrs. Rumely "took to LaPorte, quickly developing a great appreciation" for the small town atmosphere, said her eldest son Peter, 39, a South Bend stockbroker. She was active in numerous LaPorte organizations. For many years she was a member of the board of her Terre Haute alma mater and was president from 1971 to 1975.

In 1972 she began Creative Crest Mail Order House, a needlepoint kit distributing company and at the time of her death had 150 university outlets, according to John Rumely. Two designs featured LaPorte, and a new one, photographed in the *Herald-Argus* March 18, 1982 commemorated the city's sesquicentennial.

She appreciated the Rumely family's rich history and became close to her father-in-law, A. J. Rumely Sr., who started the LaPorte Foundry in 1916. From 1959 to 1972 she was executive secretary for the foundry.

In February, the *Chicago Tribune* published Frances Rumely's byline above a humorous freelance piece about a LaPorte, Ind., woman trying to survive a weekend of severe winter weather as her husband suddenly decides to clean the freezer. From time to time she freelanced for the *Herald-Argus* as well.

But her best known writing went into the family newsletter which she wrote every week or two and mailed to children in New York, Lousiville and Chicago as well as LaPorte.

She put more into newsletters, songs and poetry she wrote for family gatherings than she did into other writing, said sister-in-law Nancy Terzino.

She was committed to her children but let them set their own goals as opposed to influencing their direction. John said, "But then she held you to those goals," he added.

Though devoted to her children, her first allegiance was to her husband, several persons said. The two were active members of St. Peter's Church where they were nearly daily communicants. "They were very in touch with each other," said the eldest daughter Martha Rumely Scileppi, 35, of Chicago. "She was the strongest woman I have ever met. She was a lover of life—my father often called her 'my bride.'"

Her husband came to politics late in life, not running for city council until after he sold the LaPorte Foundry in 1975 and winning his first bid for mayor in 1979 at the age of 68. But Frances Rumely had faced a tough political issue as a school board member from 1960 to 1962 when the corporation built the new high school. The dedication plaque there bears her name.

"My father enjoys being involved and is happy when he is busy," Peter Rumely said of the mayor's political career, "and my mother supported it, tolerating the shortcomings, such as his being gone a lot."

"Serving the city is his (A. J. Rumely Jr.'s) first love," said John Rumely, "and she respected the great sense of belonging it gave him. But she withdrew from the political battles" into which he was inevitably drawn, he said.

Speaking at LaPorte Hospital early Monday morning, Martha quoted her mother as saying, "Your father and I started out together and we're going to end up together. You children are just passing through."

After talking about her mother for several minutes with great liveliness and composure, Martha said, "I can't believe she's dead."

"She absolutely had unbounded energy," said Dorothy Lanigan, wife of County Attorney Frank Lanigan, and friend of the Rumelys for 37 years. "They (Al and Frances) never ceased to amaze everybody they knew with their energy. And both of them were very healthy," she said after playing 18 holes of golf with the Rumelys Sunday.

"About 9 o'clock Saturday night she put her arms around me (and said) 'God, I love you.' You don't get over that," Lanigan said.●

RESOLUTION OF THE SECOND MEETING OF DEMOCRATS FROM YUGOSLAVIA

HON. JEAN S. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mrs. ASHBROOK. Mr. Speaker, during the 21 years of service in this House by my late husband, John Ashbrook, no subject concerned him more than the oppression taking place in the Communist countries. He would have been encouraged by the Resolution of the Second Meeting of Democrats From Yugoslavia.

This document, signed by a number of prominent persons from Yugoslavia now in the West, makes two particularly important points. One is explicit, the other implicit. The first is the demand for an end to the one party system that keeps Yugoslavia a country more in the Soviet mold, rather than a Western democracy. The second is implied by the names of the signers, which includes Mihajlo Mihajlov, the courageous Yugoslav dissident who was persecuted by the Tito dictatorship. The signers include members of the major nationalities of Yugoslavia. As in most of the Communist countries, the nationality problem remains a major one. It is important that those living in freedom, work together against the Communist dictatorship. The nationality problem must be solved by the principle of self-determination and this is only possible when the oppressed people are free of the Communist dictatorship.

The resolution follows:

RESOLUTION OF THE SECOND MEETING OF DEMOCRATS FROM YUGOSLAVIA

The second meeting of democrats from Yugoslavia was held in New York on June 27, 1982. At the same time in Belgrade, the League of Communists of Yugoslavia (LCY) was holding its 12th Congress. Both meetings had agendas for discussion which included national, economic, and sociopolitical conditions in the country.

The participants at the New York meeting declare the following:

The critical situation in the country and at the same time the stiffening of internal opposition to the regime, create a new situation which affords possibilities for a successful struggle, by democratic forces against the dictatorship of the one-party system. In this climate the opportunities for democratic forces in the West to support democratic tendencies in Yugoslavia have radically improved.

1. After 35 years of absolute rule the LCY has brought the country into an untenable socio-political and economic situation. While the 12th Congress of the LCY is uncritically glorifying the dead dictator and clinging to wornout slogans, the economic conditions in the country are worsening daily. According to official statistics, 14% of the workforce is unemployed, and 80% of these are young people. In addition there are one million guest-workers from Yugoslavia working in the West. The annual rate of inflation has reached 40%. The foreign debt is $18.5 billion which represents in per-capita terms more than that of Poland. Hundreds of thousands of acres of arable land are untilled, because for 35 years the LCY has imposed a farm policy which has been detrimental to the agricultural economy. As a result of this policy Yugoslavia lost its position as an exporter, and become an importer of agricultural goods, just as other communist ruled countries did. Instead of exporting agricultural products, Yugoslavia today exports its most qualified workers whose earnings are used to keep the bureaucratic structures in power.

2. The absence of political freedoms during the decades of one-party rule, as well as the stifling of any democratic opposition, brought about tragic strains among Yugoslavia's nationalities. The unresolved question of nationalities, in the multi-national community of Yugoslavia benefits only the communist dictatorship. The misuse of the slogan "brotherhood and unity" is an instrument by which democratic opposition is thwarted, and one-party rule is maintained. Such policy is responsible for the forced immigration from Kosovo and the bloody events in that province.

3. At same time, resistance to the regime is growing stronger everyday, particularly since the death of Tito. Democratic forces in Yugoslavia are openly seeking the means to publicize their views in the free world. Without fear of reprisals they are establishing the fact that democratic opposition to the one-party system exists. For the first time since World War II, under communist regime, numerous petitions, appeals, and protest letters, signed by hundreds of individuals have circulated. In these, demands have been made for:

Amnesty for political prisoners;

Changes in the criminal code and cancelation of the Article on so-called verbal crimes;

Permission to publish independent newspapers and journals;

Open letters have been sent to the government and mass meetings have been held in support of the Polish free trade union "Solidarity;"

Protests against arrests and imprisonment of writers.

To these appeals the regime is reacting with increased repression, the introduction of martial law in Kosovo, draconian sentences for dissidents and human right activists, and a campaign of vilification in the press.

In spite of all these measures the inner awakening and freeing of the individual from fear cannot be halted. Daily new instances of criticism of outmoded party dogmas are occurring.

The disregard of all international agreements on human rights which the Yugoslav government signed, criminal activities of the Yugoslav communist secret police against the critics of the regime, even on the territories of other countries, are becoming evident, even to those in the West who because of shortsightedness or pragmatic reasons, for decades supported the one-party regime in Yugoslavia.

Taking all this into consideration it is now becoming realistically possible for those of us who live in the free world to give more effective support to democratic forces in Yugoslavia.

4. The participants at the Democratic meeting in New York agreed that the situation in Yugoslavia requires the formation of a coordinating committee with the following aims:

A. Coordination of activities in support of democratic trends of many groups in Yugoslavia who are opposed to the regime; coordination of political action among Yugoslavia's guest-workers in West European countries, and cooperation with the emigres, organizations and associations that accept the principles of democratic dialog.

B. Creation of favorable atmosphere for constructive dialog about a better future for all peoples of Yugoslavia. The introduction of political and economic freedoms in Yugoslavia is a prerequisite for settling the national question. That means the abolition of the monopoly of the LCY and the introduction of political pluralism. Only when the democratic freedoms are assured, will the peoples of Yugoslavia have an opportunity to decide whether to continue to live in the Federal Republic, create a Confederation of States each having its own armed forces, or create independent states. The participants at the New York meeting salute every worthwhile effort toward formulation of democratic alternative to one-party dictatorship.

C. Preparatory action to organize Democratic Congress of the Peoples of Yugoslavia.

The Coordinating Committee invites all those who wish to support the aims of this resolution to write to one of the following addresses:

1. Committee for Democracy in Yugoslavia, P.O. Box 552, Manville, New Jersey 08835, U.S.A. For the Coordinating Committee: Vladimir Adzemovic (Serb), Marijan Batinic (Croat), Dr. Aleksandar Knezevic (Serb), Mihajlo Mihajlov (Yugoslav), Predrag Pajic (Yugoslav), Dr. Branko Peselj (Croat), Dr. Peter Remec (Slovene), Drago Sporer (Croat).

2. Komitee für Demokrtie in Jugoslawien, Rheinstrasse 15, D-6200 Wiesbaden, West Germany.●

THIRTIETH ANNUAL JAYCEE BOOTHEEL RODEO

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. EMERSON. Mr. Speaker, from August 12 to 15 the Sikeston, Mo., Jaycees will host the 30th Annual Jaycee Bootheel Rodeo. Last year's event earned the Sikeston Chapter of the Jaycees the Jaycee National Fundraising Project of the Year Award. More important than this recognition is the money the Sikeston Jaycees have raised for charity. Just this year the Jaycees made a 3-year pledge of $150,000 to the Missouri Delta Community Hospital. This is not the first time that the Sikeston Jaycees have taken an interest in the health care of Sikeston area residents. In the past few years, they have provided approximately $300,000 from rodeo revenues to the Kenny Rogers Cerebral Palsy Center in Sikeston.

The Jaycee Bootheel Rodeo provides some of the finest entertainment available anywhere. Its stature—it is the largest 4-day rodeo in Missouri and the 26th largest professioal Rodeo

Cowboys Association rodeo in the Nation (out of 600)—guarantees that our country's finest championship cowboys will be in attendance. They will be joined in Sikeston by outstanding musical entertainers Conway Twitty, T. G. Sheppard, Moe Bandy, Mickey Gilley, and Johnny Lee.

I have every expectation that this year's rodeo will be even more successful than those in past years and that the city of Sikeston and all of southeast Missouri will continue to benefit from this and other fundraising and service projects sponsored by the Sikeston Jaycees. The Jaycees are strong supporters of the American free enterprise system and the freedom it brings, and I am proud to recognize the Sikeston chapter for its outstanding achievement.●

COAST GUARD WOMEN MARK 40 YEARS OF SERVICE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. STUDDS. Mr. Speaker, later this year, we will mark the 40th anniversary of President Franklin Roosevelt's signature on legislation that allowed women to serve in the U.S. Coast Guard. As with the other Armed Forces during World War II, the Coast Guard needed all the men available for duty aboard combatant and noncombatant ships all over the world. In order to free men for duty in the combat zones, Women's Reserves were established in all the services. The unofficial nickname given to Coast Guard Women Reserves could not have been more apt. Taken from the first letters of the Coast Guard's motto and its English translation, the term SPAR (Semper Paratus—Always Ready) came to denote these dedicated women.

The SPAR corps began with fewer than 200 women who voluntarily left the Navy Women's Reserve to form the nucleus of the Coast Guard Women's Reserve. By the end of World War II more than 11,000 women were serving as SPAR's in many different fields: parachute rigger, radio technician, gunner's mate, cook, musician, and boat coxswain to name a few.

With the end of the war, and general demobilization, the SPAR corps was gradually disbanded. In July 1947 Congress terminated authority for a Women's Reserve in the Coast Guard and soon thereafter all women were discharged from the service. But 2 years later, the Coast Guard Women's Reserve was re-established and women were employed in various capacities and in small numbers up to 1972.

In 1972, the Coast Guard convened a board to study the subject of women in the Coast Guard. The board recommended that the Women's Reserve be expanded with a view toward expanding opportunities for women and, eventually, integrating them into the regular Coast Guard.

In 1973, women began to be actively recruited into the enlisted grades and also in that year women were admitted to Coast Guard officer candidate school. This marked the first time women had been fully integrated into any of the Armed Forces' officer training programs. Late in 1973, Congress voted to abolish the Women's Reserve—and SPAR's—in order to create a unified Coast Guard Reserve.

More specialties were opened to women later in the decade of the 1970's. In 1976, women were allowed to enter aviation maintenance specialties and to train to become pilots. Also in that year, women were—for the first time—admitted to an academy of one of the Armed Forces: the U.S. Coast Guard Academy. In 1977, all prohibitions against women serving in certain assignments, duties, and specialties were dropped and the Coast Guard assigned women to military vessels for the first time in U.S. history.

Today, Coast Guard women are routinely serving aboard ships in all capacities from storekeeper to sonar technician, a position considered to be combat-related and, thus, closed to women in the Navy. Women now command Coast Guard cutters and fly Coast Guard aircraft. Since 1942 women have served in the Coast Guard with distinction. They can be proud of their long association with a service as distinguished and extraordinary as the Coast Guard, and the Coast Guard, in turn, may congratulate itself for reducing prejudice and eliminating mis-guided restrictions governing the role of women in our Nation's Armed Forces. The partnership between the Coast Guard and its female personnel is a relationship which strengthens both, and which I can predict with confidence will grow ever stronger and beneficial to the country in future years.●

THE CDC: A QUESTIONABLE SOLUTION TO CENTRAL AMERICAN PROBLEMS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. GARCIA. Mr. Speaker, the wars of Central America continue. The violence there is unabated, and what is even more alarming is that the various conflicts are becoming regionalized.

Honduran and Salvadoran troops are fighting together against the guerrillas in El Salvador. Nicaragua, because of its increased sense of isolation, is talking about buying Soviet or more French warplanes to compete with the growing Honduran Air Force. Guatemala is still seeking U.S. financial assistance, and it desperately wants to purchase spare parts for their helicopters from the United States.

This increased militarization is taking place at the expense of escalating human rights violations and severe economic crisises among Central American nations. None of these nations are economically or politically solvent. They are all suffering from the tremors of dissent and worldwide recession. They can ill afford to pay the price of an expanding military. Legitimate dialog would seem to be the most reasonable course of action for achieving stability.

Yet, the only dialog that seems to be taking place is one sided, aimed at further alienating Nicaragua and antagonizing even the most reasonable left of center groups. It is, of course, legitimate and proper for the United States to support friendly governments. We must safeguard our interests. I do not believe, however, that this should be done at the expense of regionalizing the conflict in Central America, or further polarizing the various political factions there.

We are going to have to live with the nations of Central America for the indefinite future. That is why we must make a realistic assessment of their problems, and try to promote an honest dialog among warring political groups that will eventually lead to stability. This is the only way we will be able to achieve reasonable, strategic security with our Central American neighbors.

A recent press release from the distinguished Council on Hemispheric Affairs (COHA) discusses a newly formed Central American political organization, the Central American Democratic Committee (CDC). The COHA release points out the underlying significance of the CDC, and what it may represent to both United States and Central American policy interests. I submit the press release for examination by my colleagues.

[Press Release]

On January 19 of this year the foreign ministers of Honduras, El Salvador and Costa Rica met in San Jose to proclaim the creation of the Central American Democratic Community (CDC), "to promote democracy, obtain backing to resolve economic difficulties, and to utilize the inter-American system as a defense against aggression." The CDC reflects the desire of the Reagan administration to build a cohesive bloc of reliable allies in Central America to stem what it sees as "creeping Castroism" in the region, under the guise of promoting democracy and respect for human rights.

THE U.S. ROLE IN THE CDC

Three days after the January 19 joint proclamation in San Jose, the State Department announced that "the United States

completely supports the new initiative and will help where it is feasible and appropriate," implying that U.S. economic and military aid to the CDC countries would be forthcoming. The U.S. role has not been merely supportive, however. Evidence suggests that the U.S. played a decisive behind-the-scenes role in organizing the Community, and strongly pressed Costa Rica to join in an effort to provide the project with a veneer of democratic legitimacy.

One Costa Rican lawyer noted that the text of the original CDC resolution contains many Anglo-Saxon legal terms foreign to Latin American jurisprudence, strongly implying that the United States had a direct hand in the drafting of the document. The lawyer observed that "the resolution seems to have been written beforehand by an outside source and merely signed by Honduras, El Salvador and Costa Rica." A week before the signing, James Buckley, U.S. Undersecretary of State for Security Assistance, visited San Jose.

The CDC is widely seen in Latin America as an attempt to isolate Nicaragua from the rest of the Central American community. When Costa Rica joined in the last days of the administration of former President Rodrigo Carazo, several members of his cabinet called it "the greatest political error of his government," and Radio Reloj protested the move, saying that "Central America is one unit" and any Central American organization that does not include Nicaragua, Panama and Guatemala is useless.

Belize and Panama refused to join the CDC on the same grounds. On July 8, then-Panamanian President Aristedes Royo described the CDC as "an arrow aimed at the heart of Nicaragua."

On June 28 Salvadoran President Alvaro Magana visited Guatemala City and was reported to have discussed the possibility of that country's joining the CDC. Guatemalan Foreign Minister Eduardo Castillio Arriola later stated that he had received an invitation to join the DCD during Magana's visit, although this was quickly denied by U.S. State Department officials seeking to maintain the CDC's public image, given Guatemala's horrendous human rights record. However, Castillo Arriola was present as an observer at the July 7 meeting of the CDC in San Salvador, and later participated in a press conference with the other foreign ministers.

SECURITY ASPECTS OF THE CDC

The CDC charter calls on its members to "strengthen mutual political solidarity in all circumstances." Signatories also "reiterate their individual right to resort to collective security measures within the framework of treaties in force." These provisions of the charter worry those who have admired Costa Rica's long tradition of independence, democracy, and anti-militarism, and who fear that Costa Rica is being sucked into the vortex of the Reagan administration's muscle-bound Central American policy. These provisions also present a pretext for the Salvadoran and Honduran militaries to unite in a cooperative regionalization of the civil turmoil in Central America through the use of combined force against the insurgent movements throughout the area.

Nicaraguan officials point out that the CDC security resolution also embraces the 1948 Rio Treaty, which was designed to provide for collective defense of Latin American nations against extra-hemispheric aggression and to which Nicaragua is a signatory. By reiterating the mutual defense aspects of the Rio Treaty and coupling them with a commitment to political solidarity, the officials claim that the CDC members in effect are attempting to exclude Nicaragua from the inter-American community.

At their July 7 meeting in San Salvador, the CDC foreign ministers issued a statement demanding that Nicaragua "stop its arms race which is becoming a threat to peace in the region." Each representative present, including Guatemalan observer Castillio Arriola, agreed to contact the Sandinista government to express concern over its "disproportionate" arms buildup and to ask that Nicaragua "respect the principle of non-intervention in the internal affairs of other countries." Yet CDC member Honduras apparently does not feel compelled to abide by that principle. Honduras permits ex-Somocistas stationed along its northern border to operate with impunity against Nicaragua. This month, 3,000 Honduran troops were reported in El Salvador's Morazan province battling Salvadoran insurgent forces in joint operations with the Salvadoran army.

DEMOCRATIC, HUMAN RIGHTS CREDENTIALS QUESTIONED

According to the CDC charter, the member states share an "unshakeable devotion to democracy" and an "unlimited respect and defense of human rights." This hardly seems to describe the practices of the Salvadoran government, President Reagan's certification to the contrary notwithstanding. Salvadoran security forces were responsible for the deaths of 12,501 of its own citizens in 1981 alone, according to the Legal Aid Office of the archdiocese of San Salvador. Thousands more non-combatants have been killed this year.

In Honduras, incidences of clandestine abductions, torture, and murder of peasant, union, and student activists are steadily increasing. If Guatemala were to join the CDC, the seriousness of the CDC's commitment to human rights would be even more dubious. Thousands of Indian peasants have been massacred by the army in the course of an intensifying counterinsurgency campaign against suspected guerrillas in the northern and western highlands of that country.

Some have argued that the CDC, like CONDECA (the Central American Defense Council), is merely another paper tiger, meant to be more of a platform for anti-communist rhetoric than an effective, operational alliance. Another, more ominous interpretation is that the CDC was designed to enable the Reagan administration to ask Congress for what it perceives as a more palatable military aid request for "regional security," rather than having to ask for bilateral weapons grants to such controversial regimes as those now exercising power in El Salvador, Honduras and Guatemala.●

THE FIRST MARINE BAND

HON. JIM DUNN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. DUNN. Mr. Speaker, I want to commend the First Marine Band, under the direction of Col. David Jaehnig, for their dedicated service to our Nation.

The band has performed for numerous political figures and has served as the ceremonial band for U.S. Navy, U.S. Marine Corps, and U.S. Army functions. The band has traveled over 100,000 miles and performed in 20 States and provinces since 1977. After many performances, the band remains undefeated in concert competitions. The unit is the VFW championship band for the State of Michigan.

Operating without tax dollars, the band raises virtually all of its own funds. The entire membership, including instructors, are volunteers and pay to belong. Each summer the band members volunteer their personal money and time to tour internationally, serving as historical ambassadors for the United States. The band, having been hosted regularly by the Canadian military, has just completed an engagement in Ottawa, Canada.

Presently the band is touring our Nation's Capital and will be performing in Maryland. I welcome them to Washington and thank them for their patriotic service to our country.●

THE CASE OF FAIVEL SEGALIS

HON. JOSEPH F. SMITH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. SMITH of Pennsylvania. Mr. Speaker, I was deeply disturbed to learn from the National Conference on Soviet Jewry that the number of Jews allowed to emigrate from the Soviet Union has reached a 10 year low.

This setback for Soviet Jewry signals increasingly brutal disregard for human rights by the Soviet Union. In addition to closing the doors to Jewish emigration, Soviet officials have also stepped up their attack on Jewish efforts to study and celebrate their cultural heritage.

One case in which I am particularly interested in is Faivel Segalis. Faivel and Basia Segalis and their daughter live in Vilnius. All of their relatives have emigrated to Israel, leaving them alone in the Soviet Union since 1971. Faivel served in the army from 1969 to 1971. When he was released from the army on May 11, 1971, he was provided a visa. When he went for his visa, he was told that the whole situation had to be reviewed; subsequently, Faivel received a refusal due to his "army service."

The case of Faivel is one more example of the blatant violation of human rights by the Soviet authorities. It is becoming increasingly urgent that we in Congress speak out in behalf of Soviet Jewry. We must not be silent about the plight of Jews in the Soviet Union. We must let the Soviets know of our outrage at their deplorable treatment of Soviet Jews. It is my hope that Congress will continue to

speak out against the Soviet officials, which will eventually help win the freedom of the Segalis family and all Jews wishing to leave the Soviet Union.●

THE MADE-IN-AMERICA TRAP

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. FRENZEL. Mr. Speaker, today's, editorial in the New York Times leaded "The Made-In-America Trap" presents a point of view that is not very popular in this Congress. Unfortunately, the editorial is dead right.

As the editorial notes, job gains would be minimal under a local content bill, while American consumers would "pay dearly." Actually, the editorial does not mention the inevitable extra job loss in American exporting industries.

I invite the members attention to the editorial, which follows. It will not change the attitudes of those who are looking for symbols to show constituents they are concerned about unemployment, but it may make them feel a little nervous about their position.

THE MADE-IN-AMERICA TRAP

The problem, for 200,000 unemployed auto workers, seems straightforward: Japanese imports. And what they propose to do about it is simple: Under a bill co-sponsored by a majority of the House, companies selling more than 500,000 cars in America would have to manufacture them with 90 percent American parts and labor; those selling more 200,000 cars would be required to use 75 percent local content.

Fortunately, this "Fair Practices in Automotive Products Act" stands little chance of passing the Senate. It would rock the foundations of world trade, probably destroying as many jobs as it creates and reducing living standards here and abroad.

There is a danger, however, that some form of protectionism for autos will yet slip through Congress in this election year—costing American consumers billions and doing serious damage to the Western alliance.

The United Automobile Workers contend that "local content" legislation is long past due. The union notes that Western Europe—notably Italy and France—admit only token numbers of non-European autos without having provoked retaliation by Japan. It wants no restrictions on smaller foreign manufacturers, but would like to compel giants like Toyota to follow Volkswagen and Renault into American plants, creating American jobs and giving Detroit a fair fight.

But Japan's economic relationships with Europe are not analogous to its relations with the United States. Japan and the West Europeans are friendly rivals, exporting many of the same industrial products. Japan's trade with the United States is largely complementary, an exchange of American foodstuffs and raw materials for "middle-technology" manufactures. Then, too, American trade with Japan is more than a commercial relationship. It is the economic glue in a political bond that links the two great non-Communist powers of the Pacific in a strategically vital way.

In the crudest economic terms, Japan's losses from a "local content" law would not be matched by American gain. To be sure, two or three giant new Japanese plants in America, plus increased production by Detroit, would put perhaps 200,000 Americans to work. But they would largely displace most of the 160,000 other Americans who now sell, service and transport cars imported from Japan.

American consumers, meanwhile, would pay dearly for the "Made in U.S.A." label on Japanese autos. A strict "local content" rule would force some Japanese manufacturers out of the American market altogether. Others would need to concentrate on a few models to meet the 90 percent requirement. And as Japanese car makers absorb the higher American production costs, car prices would rise, in the estimate of the Commerce Department, by about 10 percent.

It is precisely this cost problem that has led Detroit to transfer some of its minor divisions to low-wage plants in northern Mexico.

The most disturbing aspect of all such protectionist legislation is that it would not long be confined to automobiles. The worldwide recession has created great pressure to protect jobs in every industrial country. Why would Japan (or, say, France) keep on importing American aircraft or chemicals or tractors when millions of its own workers are unemployed?

Neither the Senate nor President Reagan favor the auto workers' bill. But a "compromise" that sets more modest "local content" rules could prove tempting; particularly to a besieged Republican majority in the Senate. Once started down that road, Congress will find it increasingly difficult to stop or turn back.●

FOUR TAKEN INTO NATIONAL AVIATION HALL OF FAME

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. RHODES. Mr. Speaker, my good friend, and fellow Arizonan, Senator BARRY GOLDWATER, has enjoyed a long and distinguished career in Congress. Equally as distinguished have been his efforts on behalf of aviation. Over the years he has amassed an impressive list of awards and commendations for his contributions to aviation. The latest accolade which was bestowed on BARRY, was his induction into the Aviation Hall of Fame.

In its 20th year of existence, the Aviation Hall of Fame is adding the name of Senator BARRY GOLDWATER to its illustrious roster of notables who have helped to make the United States great by their outstanding contributions to aviation.

BARRY was selected for this well-deserved and prestigious honor in recognition of the 10,000 or more hours he has logged in civilian and military aircraft—for his service during World War II as an instructor and pilot—and for his strong support in the Senate of proposals to enhance America's military and civilian aviation.

I heartily congratulate BARRY on this latest recognition and commend to my colleagues an article from the Dayton Daily News of July 25, 1982, which covers the enshrinement of this year's honorees.

[From the Dayton Daily News, July 25, 1982]

FOUR TAKEN INTO NATIONAL AVIATION HALL OF FAME

(By Jack Jones)

Four aviation and space pioneers, including the commander of the first manned flight to the moon and a U.S. Senator, were enshrined in the National Aviation Hall of Fame in ceremonies Saturday night at the Dayton Convention and Exhibition Center.

Inducted at the formal affair, the 21st since Wilbur and Orville Wright were honored during the first ceremony, were former astronaut Frank Borman, chairman and chief executive officer of Eastern Airlines; Sen. Barry Goldwater, R-Ariz., who is a military pilot with more than 12,000 hours in the air; the late Frederick Rentschler, pioneer in the development of aircraft engines; and the late Wernher Von Braun, developer of rockets that led to manned space flight and lunar landings.

More than 600 persons attended the ceremonies, one of the highlights of Dayton International Airshow and Trade Exposition weekend.

Master of ceremonies Roy Clark, of television's country music "Hee Haw" show and himself an aerobatic pilot, summed up the evening this way:

"As many of you know, I love flying—and I've flown on Frank Boarman's Eastern Airlines, I've been powered along by Fred Rentschler's Pratt and Whitney 'Wasp' engines, I've benefited by much of the aviation legislation Barry Goldwater has sponsored, and I've shared with you the thrill of seeing Wernher Von Braun's rockets send men to the moon."

The four honored Saturday night joined 93 others previously named. Hall of Fame president A. G. Liefke presented a medal to cartoonist Milton Caniff, a former Daytonian, who has drawn portraits of all 97 pioneers.

Also receiving special honors were the U.S. Navy Blue Angels, who were to perform again today at the air show, and the Aircraft Owners and Pilots Association, the world's largest aviation organization, cited for its role in promoting general aviation and flight safety.

Using an approach that has become familiar in the annual ceremonies, the four enshrinees were presented for their honors by four men who previously had been honored.

Retired Rear Adm. Alan B. Shepard Jr., one of the original astronauts and the fifth person to walk on the moon, presented Von Braun.

Retired Col. Francis S. Gabreski, America's top living ace, served as the presenter for Rentschler. Retired Lt. Gen. Jimmy Doolittle, hero of blind flying and the Tokyo raid, presented Goldwater, and retired Gen. Bernard A. Schriever, who had a key role in development of missiles, presented Borman.

Von Braun, who died in 1977, was honored for contributions to the science of astronautics, including the development of rockets.

Local TV newsman Don Wayne narrated a documentary film on Von Braun's accomplishments, which included development in Germany of the V-2 and other rockets, and his directorship of NASA's Marshall Space Flight Center and his leadership in the development of the Saturn V booster.

Rentschler, widely recognized as "Mr. Horsepower" during a 40-year aviation career, also was honored for his roles in establishing one of the first transcontinental airlines, United, and in the building of the first practical helicopter and production of advanced Hamilton Standard propellers.

Rentschler was born near Hamilton, Ohio. He helped establish the Wright Aeronautical Corp., which built the Wright "Whirlwind" air-cooled radial engine used on Charles Lindbergh's solo flight across the Atlantic, and later founded Pratt and Whitney, which built "Wasp" and "Hornet" engines used widely during World War II. Rentschler later moved into the J-57 and J-75 jet engines.

Doolittle said of Goldwater, "Less known than his role as a senator is that as one of the nation's foremost aviation enthusiasts and most diversified and qualified pilots. He can fly any aircraft, including the largest commercial jets as well as our best military warplanes. . . . He has been the leading and most articulate spokesman for our nation's involvement on the entire spectrum of aviation and space technology."

He called Goldwater "one of America's most remarkable patriot-soldier-citizens."

The presentation on Borman included citations of his leadership of Eastern Airlines into the new decade of airline deregulation and mergers while gaining TV fame with his motto, "We have to earn our wings every day."

Gala-goers were shown a film that tells of Borman's career as a military test pilot and as an astronaut in the two-man Gemini manned space program when he piloted *Gemini 7* with Jim Lovell.●

THE OPENING OF THE DENNISON NATIONAL EXECUTIVE OFFICE BUILDING IN HOLYOKE, MASS.

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. CONTE. Mr. Speaker, clearly one of the greatest problems facing the American economy today is the tragedy of unemployment and, more broadly, the lack of industrial expansion in the private sector. High interest rates and fears that inflation may once again skyrocket to double-digit figures are stifling economic development all across this land.

That is why I am glad today, Mr. Speaker, to pay tribute to the Dennison Co. of Holyoke, Mass., who will Friday be celebrating the opening of the Dennison National Executive Office Building. Last year, I was able to help obtain an urban development action grant for Dennison and Wang Laboratories, a high-technology firm located and expanding in Massachusetts. On Friday, the hard work will be completed, and Dennison will open the doors to its new and expanded building, which will house 75 administrative and executive employees.

We hear all the time of the problems of intolerably high unemployment. But in the shadows of those concerns, Dennison has been quietly expanding, and they today employ over 2,000 persons. In fact, Dennison is the largest single employer in Holyoke. Their able leader and chairman of the board, Louis F. Oldershaw, calls this proud moment a further strengthening of "Our partnership with the city of Holyoke * * * the new headquarters is evidence of a new growth pattern for Holyoke."

On Friday, I will be fortunate enough to be at the ribbon cutting ceremony for the opening of the newest facility. Not only does this symbolize a new beginning for the company, it is also a celebration of the beginning of two centuries in the city. Dennison has been a part of Holyoke for 101 years, so this truly begins a second century of greatness. I know my colleagues join me in wishing them the best as they rush onward to the challenges of a third century of success.

Thank you, Mr. Speaker.●

IT IS NOT THE ISRAEL IT USED TO BE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BEREUTER. Mr. Speaker, I commend the following article by Mr. Milton Viorst found in the Washington Post of August 1, 1982, to my colleagues:

IT ISN'T THE ISRAEL IT USED TO BE: AN URGE TO SETTLE SCORES HAS OVERWHELMED ZIONISM'S IDEALISTIC DREAMS

(By Milton Viorst)

TEL AVIV.—On a balmy Saturday night two weeks ago, I found myself surrounded by a strange new Israel.

I was standing among 200,000 deliriously shouting Israeli citizens at a pro-war rally in the municipal plaza here. They were listening to Prime Minister Menachem Begin, arms waving and voice quivering, vow to deliver his country from terrorism.

The atmosphere was electric. Groups of young men in sandals and shorts punctuated the heavy air with rhythmic cries of "Begin! Begin!" and sometimes of "Begin the King! Begin the King!" The prime minister's hold over the crowd was so powerful that, had he called for a march on Lebanon, I had the feeling the tightly packed bodies would have headed north en masse.

Most of the Israelis I know did not go to the rally. They had seen this frenzy before, during Begin's reelection campaign, and they were disturbed. These demonstrations seemed to put on display an aggressive new culture, one that has caused shivers of apprehension among Israelis, as well as among Israel's allies throughout the world.

Later that evening I sat with some of my Israeli friends, watching the television replay on the late news. A few were supporters of the war in Lebanon, but all saw before them the symbol of an old order vanishing. Over and over I heard my friends say, "This is not the Israel I knew. These are not my people. This is not our Israel."

The Israelis I know, it should be understood, are not a cross section of the population. They are writers, doctors, diplomats, teachers, politicians. They are also Ashkenazis, which means that, like the overwhelming majority of American Jews, their origins and culture are European, chiefly central European. Most were born in Israel and have fought in all of its wars. Many have roots in the kibbutz movement and ties to the old ruling elite of the Labor Party.

The faces they saw on television were for the most part different from their own. They were the dark faces of Oriental Jews, products of the great wave of emigration, following Israeli independence in 1948, from Morocco, Iran, Yemen and other points in the Arab world. These Jews, called Sephardis, are currently half of Israel's Jewish population.

At the time of the great Sephardi migration, Zionist leaders assumed that Jews in large numbers would in due course also arrive from the West and from Eastern Europe. Relatively few actually did. But almost all the Sephardis are now in Israel.

Israelis have long taken for granted that the Sephardis would, at some time and in some way, reshape the country's culture, but most assumed that the traditional Ashkenazi values would prevail. This war rally upset my friends by making clear that the time of the Sephardis had already arrived, and that is had taken a form they had not anticipated.

Many American Jews have made much the same observation, uncomfortably perceiving an Israel which in many ways seems to have departed from its original promise.

Scholars conventionally describe the Sephardi influence in Israel as "Orientalization." The rally contained some of its features: a strong attraction to overstatement, a ready disposition to emotional display. My friends said the demonstration might easily have taken place in Cario or Algiers.

But Sephardi influence goes beyond such superifical concerns to the very purposes of Israel as a state. This is because the Sephardis grow out of a very different political, historical and territorial tradition from those who founded and long led Israel—and they have formed an alliance with a man who also differs sharply from Israel's earlier leaders.

The Sephardi-Begin alliance is an apparent paradox. Menachem Begin is a Polish Jew, a quintessential product of Eastern Europe, with neither knowledge of nor interest in Oriental culture. How did he become the tribune of the Sephardi masses?

Israelis dismiss the idea of opportunism; whatever one thinks of Begin, he is no hypocrite. He is faithful today to the vision he held as a young Zionist leader in pre-war Poland. While he has been in search of a following, the Sephardis have been in search of a leader. They were culturally drawn to his flamboyance. But it is sheer coincidence that his idea of Zionism, too, now seems tailor-made to fit them.

Begin's philosophy has a specific name: revisionism. For more than half a century, it has been a strong competitor to mainstream Zionism, and the conflict between the two wings has more often than not been extremely unfriendly.

This had been so since the days of Vladimir Jabotinsky, revisionism's Russian-born founder and seminal thinker. If Jabotinsky could be characterized in a phrase, it would be "Jewish nationalist," but with the emphasis far more on "nationalist" than on "Jewish." Compared to other Zionist thinkers, Jabotinsky had little interest in the Jewish religion, in Jewish culture, in Jewish moral values.

He had one objective—to set up a powerful Jewish nation-state—and until his death in 1940 he gave it every ounce of his energy.

Jabotinsky rejected the tenets of mainstream Zionism, which favored lawful purchase and colonization of the land in Palestine, negotiation with the great powers to guarantee a Jewish homeland, cultivation of a new Jewish society based on the tenets of egalitarian socialism. He regarded their practice as diversions from the Zionist goal.

Jabotinsky wanted to establish a state, without delay, and he was ready and eager to achieve it by the force of Jewish arms.

Begin became a Jabotinsky disciple in the late 1920s, joining the new revisionist organization, Betar, in his native Brestlitovsk. Revisionism's friends today say Betar looked for guidance to the Masaryk-Benes regime seeking to create a free and democratic Czechoslovakia. Its critics compare its doctrines to the autocracy of Pilsudsky in Poland and Mussolini in Italy.

Both in some measures are right. Begin has been unwaveringly faithful to democratic procedures. But Betar indisputably had an authoritarian side. Its members wore brown shirts. It exhorted discipline, collective action, strong leadership. It trained with arms for the day when it could liberate Palestine "on both sides of the Jordan."

Menachem Begin, by wending his way eastward through Russia, arrived in Palestine in 1942. A year later, at age 30, he became commander of the revisionist underground organization called Irgun. In 1944, while the allies were still fighting the Germans in Europe, the Irgun launched its war of independence against Britain.

The mainstream Zionists, now led by David Ben-Gurion, were furious. They had not given up their reliance on diplomacy and, as revelations of the Holocaust unfolded, it became clear that world public opinion had swung around in favor of a Jewish state.

Indeed, by 1947, diplomacy did succeed, but surely Irgun's clandestine campaign of death and destruction—which Begin refuses to call "terrorism"—had much to do with Britain's decision to depart.

Independence, far from healing the breach, drove the two wings of Zionism farther apart. By now the battle was over the configuration of the new state—the issue that has left Zionist thought in angry disarray ever since.

Before leaving, the British partitioned Palestine into two parts, in one of which the Jews predominated, in the other the Arabs. A partitioned Palestine was less than the mainstream Zionists wanted, but they chose to accept it.

The revisionists declared they would not—and indicated they would fight. The revisionists conceded no rights to the Arabs whatever over the land. They promised the Arabs equal treatment as individuals, but the overall hegemony in the country has to be Jewish.

The government of Israel—which the mainstream Zionists had become—was by now waging war with all the Arab states while looking warily over its shoulder at Begin's forces. In June 1948, Irgun men attempted to bring in a cargo of arms from a ship called the Altalena—and to arm themselves with some of the weapons. Ben-Gurion rejected this challenge to the government's authority. With Begin aboard, the Israeli army opened fire, killing a good number of Irgun men and sinking the ship. Begin has never recovered from his sense of outrage over the affair.

After the war, Begin and revisionism went into eclipse. He was elected to parliament, but the party he had formed hardly seemed significant. On the eve of the Six-Day War in 1967, he joined a government of national unity. But he withdrew when the government endorsed U.N. Resolution 242, which established the principle that as part of an overall peace settlement, Israel would return the territories it won in the war.

In retrospect, it is clear that the acquisition of these territories was the turning point in Israeli political life. While they were in Arab hands, revisionist territorial aspirations were a dream, in which few Israelis showed much interest. But after the war, the territories were a reality, too dazzling, too intoxicating for the Israelis to ignore.

Shlomo Avineri, former director-general of the Israeli foreign ministry and one of the country's most respected political scientists, says that since 1967, Israel's entire political agenda had been transformed by these territories.

"When I was a student," he remarks, "what we debated in school were the questions that were internal to Zionism—social justice, social democracy, the socialist models for our society, the organization of the kibbutzim. For my children, the debate is all external—our claims to the West Bank, our attitudes towards the Palestinians, the reach of our boundaries. These are issues not so much of Zionism as of Israeli nationalism."

For the Labor Party, these are complex issues, requiring a painstaking reconciliation between the demands of security and traditional Zionist values. Labor has reconciled this conflict badly and thus appears bumbling, indecisive and weak.

Begin knows no such dilemma, no need to find a subtle balance. "The country is either ours or it is theirs," he has said. "The Israeli army is the strongest in the region, and can settle whose the country is—that is what Jabotinsky wanted and what revisionism is all about. With this platform, the strength of Begin's party has grown consistently since 1967, until now it dominates Israeli politics.

This domination has come about largely through a steady shift in the voting habits of the Sephardi community. In the early days, Sephardis supported Labor, the party which had brought them to Israel, but gratitude turned into resentment of the Ashkenazi ruling elite with its "cultural imperialism," and Begin was the beneficiary. In last year's Knesset election, nearly 70 percent of Begin's votes were from Sephardis.

Avineri attributes the Sephardi support of Begin's "right-wing populism" to the traditinoalist and religious character of Oriental culture.

The Sephardis are indifferent to Ashkenazi talk of democracy, egalitarianism and socialism, concepts with which they have little familiarity. They respond to a strong leader like Begin who proclaims orthodoxy, certitude and faith.

Perhaps more important, they respond to Begin's identification of the enemy. For the Ashkenazis, shaped within the context of European anti-Semitism, the Arabs are a political inconvenience, a problem to be solved. To the Sephardis, who lived for centuries under Islamic domination, they are a detested foe with whom there are scores to settle. For them, Begin's message is not a distortion of the Zionist dream, a European creation they never really knew, but a call to strike back.

Over the protest of many of his followers, Begin returned the Sinai to the Arabs. But he made clear that even in exchange for peace, he has no more territory to cede. Furthermore, by referring constantly to Israel's current holdings as "Western Eretz Israel," he proclaims, if not the revisionist vow to expand eastward, then at least his conviction that the Arabs hold this region at the sufferance of the Jewish state.

"Practically speaking, we probably can't have Israel on both sides of the Jordan, though we revisionists have never given up the notion," Dr. Eli Tavin remarks. Tavin grew up with Begin in Poland and fought with him in the Irgun in Palestine. A director at the Jabotinsky Institute in Tel Aviv, he now dedicates much of his time to keeping alive the memory of revisionism's founder.

"The Palestinians never had the rights they claimed over the lands," Tavin says. "But Israel, as a political matter, is unlikely to get all the space that rightfully belongs to it.

"Nonetheless, we must build a state with sufficient territory to assure our independence and our freedom of action again in the region. We need room to bring in millions more Jews. We must be strong enough to ensure our survival among 100 million Arabs. We think the war in Lebanon was necessary, and most Israelis support us in that. In fact, I think most of Israel is at last committed to the revisionist interpretation of Zionism."

Abba Eban, an Ashkenazi and a warhorse of the Labor Party, disagrees vigorously with Tavin's view. A former foreign minister and ambassador to the United States, Eban has long preached the necessity of reaching an accommodation with the Arabs. He contends that Israelis are too few in number and too dedicated to more humane objectives to count forever on dominating the Arabs by military force.

In behalf of the Labor Party, Eban argues that the revisionist reign will be short, and that most Israelis still favor territorial compromise in the interest of peace. "We would not have started the war in Lebanon," he says, "and do not believe in a Greater Israel." The very word "revisionist," he adds, acknowledges that "we are the norm." Before long, he argued, Israel will reaffirm at the polls the values of the Zionist mainstream.

More impartial than either Tavin or Eban, Avineri is convinced that the future lies, if not with the revisionists, then with something like the revisionists' vision. The Sephardis, with a higher birth rate than the Ashkenazis, will soon be a clear majority, he says, and the Labor Party, if it is to come to power again, must modify its doctrines to correspond with what they want.

What Avineri seems to be saying is that it is naive—for the American government, for Western Jews, for friends of Israel anywhere—to believe that Menachem Begin will give up any of the land that he calls "Eretz Israel," no matter what the prospects for peace.

As for his Sephardi followers, who take their political lessons from the millenia in

which they lived uneasily with the Arabs in the Middle East, a peace based on compromise with their neighbors is of less interest than a peace based on domination.

Begin's ascendancy, Avineri says, symbolizes the Orientalization of Israeli politics, if not of Israel itself, and there is no sign that the trend will be reversed.●

PAINT IT BLACK

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. FORSYTHE. Mr. Speaker, for the past several months, Members of this body have been debating the issues of balancing the budget and reducing interest rates. During this time, we have received advice from economists and other financial wizards who speak of solving our Nation's economic problems through complex interrelated sets of approaches. While these suggestions may be useful, our economic problems persist. Perhaps, the solution is much simpler than we have imagined.

Manny Wolf is not an economist. He is a horse farmer from Flemington, N.J. Manny does, however, have his own ideas on solving our financial problems. Last Sunday's edition of the Newark Star Ledger carried Manny's illuminating suggestion. I would like to take this opportunity to share with my colleagues Manny's horse of a different color approach to solving our Nation's fiscal problems.

The article follows:

[From the Sunday Star-Ledger, Aug. 1, 1982]

A COLORFUL SOLUTION TO MONEY WOES

DEAR EDITOR: As a farmer who raises standardbred horses in Hunterdon County, I think there is such a simple solution to the economic woes of balancing the budget in the United States that it is right at the end of our noses.

Change the color of the money.

There is so much cash money under mattresses and in bank vaults and home safes that the national debt would be wiped out if everybody had to trade their green money for cash of another color. The holder would have to pay the taxes and explain to the Internal Revenue Service how they got this cash. Our political economists don't need a Ph.D. to figure it out.

The dope peddlers, racketeers and gamblers who deal in cash only would be out of business. I can assure you it would make a hell of a dent in our national debt and set things on a straight and narrow path.

MANNY WOLF,
Flemington.●

PEYSER NUCLEAR FREEZE STATEMENT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. MARKEY. Mr. Speaker, our distinguished colleague from New York, Mr. PEYSER, at the request of the Middletown Times-Herald Record in Rockland County, N.Y., submitted a statement supporting a mutual and verifiable nuclear freeze. With the Congress due to consider this important issue this week, I would like to commend the gentleman from New York for his eloquent remarks and respectfully offer them to my colleagues for their review.

STATEMENT BY THE HONORABLE PETER A. PEYSER OF NEW YORK

(As it appeared in the Middletown Times-Herald Record on Sunday, July 18, 1982)

As one of the 122 original sponsors in the House of Representatives of the resolution calling for an immediate, mutual, and verifiable nuclear "freeze," I believe this issue is among the most important facing our country and the world today. It is not a Democratic or Republican issue. It is a people issue. Although our government has sought to control the spread of nuclear weapons, the goal of reversing nuclear proliferation has proved elusive. Each successive technological breakthrough has led to a new generation of weapons, and now the superpowers possess the ability to destroy each other and the world many times over.

Much of the impetus for the nuclear freeze movement can be traced to the public reaction against the Administration theorists and military strategists who advocate with a cavalier attitude that a nuclear war can be limited, or even winnable. The casual talk of a limited nuclear war, together with the Administration's 5-year projection of a $1.6 trillion defense build-up, have raised alarms about our nation.

The resolution I co-sponsored, which the Administration opposes, calls on the United States and the Soviet Union to sit down and negotiate a mutual and verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles and other delivery systems. It also calls for the beginning of mutual and verifiable reductions in their nuclear arsenals. This resolution is a first step back from the brink, a vehicle to move forward with real reductions in nuclear weapons.

A second resolution, hastily conceived by the Administration to blunt the outcry of those who oppose the nuclear madness, is not a mutual nuclear weapons freeze, but a formula for mutual escalation. The proponents of this resolution would not endorse reductions in nuclear weapons until such time as the U.S. augmented certain of its weapons systems.

Freeze advocates achieved their first significant legislative victory when the two measures were considered by the House Foreign Affairs Committee. By a vote of 28-8, with a majority of both Republicans and Democrats on the Committee supporting the measure, the Committee reported the freeze resolution.

President Reagan and the supporters of his military budget insists that the "Soviets have a definite margin of superiority over the United States" which forces us to procure more nuclear weapons. Yet neither he nor any senior American military officer suggest they would trade the American arsenal for the Soviet one. Nor has anyone ever claimed that we couldn't destroy the Soviet Union with our warheads should they ever launch a first strike. In fact, according to the Department of Defense's annual report for 1982, the U.S. and the Soviet Union are at a standoff in strategic nuclear power.

No one disputes the fact that the United States currently has more deliverable warheads than the Soviet Union, the U.S. having about 9,000 warheads on our well-dispersed strategic delivery system compared to the Soviets 7,500 warheads, With 72% of the Soviet warheads on their larger land-based missiles, the Administration believes their greater throw weight poses problems for defending our missiles.

To counter the strength of the Soviet's land-based missiles, the U.S. has deployed its warheads in a strategic triad, with missiles found on land, on bombers, and on nuclear powered submarines, Even if everyone of our land-based missiles were destroyed in the unlikely event of a perfectly synchronized successful surprise attack by the Soviets, the United States would still have over 6,000 warheads on our bomber and submarine fleet with which to retaliate.

And, in these highly flexible weapons systems, the United States has the lead. Our submarines are quieter and harder to locate than the Soviets; and our submarine launched missiles are more accurate. In addition, our anti-submarine warfare is superior. In effect, we have an invulnerable retaliatory force at sea. American long-range bombers are superior to the Soviets, and can be airborne within minutes after an attack was detected. A nuclear freeze now would hold the Soviets to their current levels and thus maintain the American edge in these critical weapons systems.

Since the resolution which I support calls for a halt to all testing, production, or deployment of new nuclear weapons systems, any activity in this area would be evidence of a violation. Therefore, illegal activity could be more easily detected with a freeze in place than without a freeze where non-allowable activities could be disguised among those that are allowable.

Using sophisticated satellite detection systems with highly accurate cameras, listening posts equipped with electronic and infrared sensors on ships, planes and land bases in key parts of the world, and with unmanned seismic installations in the Soviet Union, American officials believe we have the technology and skills to police any arms control agreement. Together with data exchange, on-site inspection and restrictions on concealment practices which we could negotiate, the United States would have the means to catch any militarily significant treaty violation in time to take defensive action.

Those who justify an escalation in the arms race by claiming that it is needed as a "bargaining chip" in any negotiation with the Soviets have failed to take notice of history. When given the chance, the Soviet's have shown a determination to match us weapon for weapon.

Given the fact that the United States maintains a lead in virtually all strategic systems other than land-based missiles, and our ability to effectively monitor a freeze, the overriding question to me then is: Which enhances our national security more,

freezing the status quo in place followed by arms reduction talks, or engaging the Soviets in a renewed round of nuclear "one-upsmanship" which will lead us who knows where?

To me, the United States and the world are better off with the freeze.●

AMERICA'S FREEDOM RIDE

HON. JOSEPH F. SMITH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. SMITH of Pennsylvania. Mr. Speaker, I rise today to acknowledge my support and strong feelings toward the young men and women of "America's Freedom Ride," which began yesterday in New York City and which will end up in Washington, D.C. on September 17, after bicycling through all 50 of the continental United States. This event marks the beginning of a commemoration honoring that historic convention which took place in Philadelphia during the summer of 1787, as well as the document and ideologies which it gave birth to.

Even though the actual 200th anniversary is 5 years away, it is important that we ignite the enthusiasm of the American public in joining in the celebration of the bicentennial of the U.S. Constitution. The question is also posed to the people of this country as to how we should appropriately honor this great landmark in our history when 1987 finally does arrive.

The scenario of the Convention should serve as an inspiration to all Members of this 97th Congress. The delegates were forced to endure an exceptionally hot and muggy summer which I am sure led to many "heated" debates. These Founding Fathers came together at a time when our country was in political turmoil. The Articles of Confederation lacked the cohesiveness necessary to govern the Thirteen Original States as one solidified nation. Luckily, these great minds which came together in Philadelphia were not afraid to stick their necks out and create a revolutionary type of government. Little did they know that the document they created would be a precedent to the entire free world for centuries to come.

I truly hope my colleagues will join me in supporting "America's Freedom Ride" and will continue to promote enthusiasm in their own districts. The Constitution of the United States represents democratic ideals inherent in this country since its birth. Most people take this document for granted, so what better time to show appreciation for the democracy it created then on its 200th birthday.●

A SNEAK ATTACK ON 10 MILLION ELDERLY IN TAX BILL?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BIAGGI. Mr. Speaker, according to an article in this morning's New York Daily News, contained in the pending tax bill H.R. 4961 is a little known provision which could have a major impact on the economic lives of some 10 million senior citizens.

According to the article, the provision would make a major change in the procedure under which Federal taxes are withheld from private pensions. Under present law, workers, upon retirement, make a determination about how much money, if any, will be withheld from their benefit payments and this choice stays in effect until the benefits cease or a new plan is established.

Again, according to the article, "a section of the Senate bill provides that the private retirement payments be subject to the 10-percent withholding unless the retiree files a Government form specifically electing not to be withheld." Apparently failure to complete this form by the end of a given calendar year means that the 10-percent withholding is imposed beginning January 1 of the following year.

As an original member of the House Select Committee on Aging, I consider this provision to be patently unfair to a segment of our population which can ill afford this type of burden. In addition to the inherent confusion this new provision could cause for senior citizens, it can create genuine financial hardships for many others. At present, less than 4 percent of existing private pension plans are indexed for inflation. If a new 10-percent Federal withholding tax is also added, this will make millions more elderly more vulnerable to the effects of inflation, thus driving many elderly who worked all their lives for a decent retirement into the despairs of poverty.

I have today written to both Chairman ROSTENKOWSKI and Chairman DOLE urging that this provision of the Senate-passed version of H.R. 4961 be repealed. The text of my letter to Chairman ROSTENKOWSKI follows, as well as the aforementioned New York Daily News article.

[From the New York Daily News, Aug. 3, 1982]

A 10 PERCENT PENSION TAX?

(By Jerome Cahill)

WASHINGTON (News Bureau).—A little-noticed provision of the Senate-passed tax bill could subject 10 million senior citizens covered by private pension plans to 10 percent federal tax withholding on their retirement benefits.

Opponents called attention to the pension-withholding section yesterday as lobbyists stepped up a campaign to derail the catch-all measure, which would raise $98 billion in revenue over three years. Senate-House conferees open work on the bill today.

Under present law, workers upon retirement decide how much money—if any—will be withheld from their benefit payments, and this choice stays in effect until benefits cease, or a new withholding plan is set up. Most retirees have chosen not to have their benefits reduced by withholding.

A section of the Senate bill provides that the private retirement payments be subject to the 10 percent withholding unless the retiree files a government form specifically electing not to be withheld.

The bill requires the retiree to fill out a government form every year. Otherwise, the 10 percent withholding becomes effective the following Jan. 1.

Paul Jackson, an actuary who works for a number of private pension plans, said the withholding feature will cause confusion among the elderly, over-withholding in some cases, and outright loss of benefits if the pensioner dies before his IRS refund check arrives months later.

Jackson urged that the section be repealed. If that fails, opponents are pressing for an exemption for pensions of $7,400 a year per retired couple.

U.S. HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
SUBCOMMITTEE ON HUMAN SERVICES,
Washington, D.C., August 3, 1982.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, Longworth Office Building, Washington, D.C.

DEAR DAN: In your capacity as Chairman of the House conferees to the bill H.R. 4961, I am urging you to work for the repeal of the provision in the Senate-passed bill which would impose a new federal withholding tax requirement on private pensions.

It is my understanding that the provision requires retirees to file a government form specifically declining a 10 percent withholding rate from their pensions. Failure to do so would result in a 10 percent withholding rate beginning January 1, 1983. Estimates indicate that as many as 10 million senior citizens, covered by private pension plans, could be adversely affected by this change in the law.

As as original member of the House Select Committee on Aging, I consider this provision to be patently unfair and in fact, will make many senior citizens even more vulnerable to the ravages of inflation. As you know, less than 4 percent of private pension plans today are currently indexed to inflation. If a new 10 percent withholding tax is added on, this will produce intolerable hardships for many elderly citizens.

As you reconvene the conference this afternoon, I hope that you can look favorably upon my request.

With kindest regards, I am

Sincerely,

MARIO BIAGGI, *Chairman.*●

HONORING RAOUL WALLENBERG

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. LANTOS. Mr. Speaker, on this day, August 4, 1982, Raoul Wallenberg's 70th birthday, I would like to call to the attention of my distinguished colleagues a statement made by Dr. Michael Berenbaum, executive director of the Jewish Community Council of Greater Washington, on June 22, 1982 at the interfaith tribute to Raoul Wallenberg.

Raoul Wallenberg's heroism on behalf of those oppressed during World War II shines forth as a tribute to humanity in mankind's darkest hours. It is an impossible task to properly pay tribute to Wallenberg's contributions, yet Dr. Berenbaum has so eloquently captured the light and spirit of Raoul Wallenberg in the following statement, which I commend to my colleagues:

We are gathered here to remember, to recall the acts of a man, whose courage and whose imagination illuminated a world of almost total darkness.

One rare individual, a Swedish diplomat, a junior member of the delegation decided that he could not remain a bystander. He knew and by his actions he taught us that silence in the face of evil is acquiescence, that inaction is tacit compliance if not active support of the crime. Raoul Wallenberg, who is now 70 years old, was born to a family of stature and wealth. This is not the sort of background one would expect for the champion of the downtrodden, for one who completely identified with the oppressed. Wallenberg's actions read like the story book romance of action comics. He rented buildings and flew the Swedish flag over these buildings; thus, they became extensions of the embassy, providing diplomatic immunity for the Jews warehoused in these premises. He printed passports and provided papers for additional thousands of Jews, at a period of time when one's fate depended upon identity papers; when the state would define the individual as stateless and proceed to punish and ultimately kill him as such. European Jews were then without a state and with recognized citizenship in the countries of their birth.

Sweden became the adopted homeland of these Hungarian Jews and Wallenberg's passports, their ticket, their documents for life.

So powerful is the tale of his deeds that they have entered the domain of legend. We hear of documented stories of Wallenberg chasing trains to the Hungarian border, stopping them in just the nick of time, and declaring the passengers Swedish citizens, thus rescuing these Jews from the flames of Auschwitz; an aristocratic super-man to the rescue.

Wallenberg represented the power of the imagination to determine that things could be otherwise, the commitment of a man not to stand aside and see others perish and suffer, but to use and perhaps even to abuse the powers of his office and the possibilities afforded him by his wealth to change the fate of those destined to perish. Of Wallenberg it could be said that he fought a solitary war for the Jews against a Nazi machine that fought a war against the Jews. But more than that, he dared to dream and to act in solidarity with his fellow person. He chose the path of active resistence, stretching the potentials of his office to their maximum.

We know that when the Soviets liberated Budapest in 1945, Wallenberg went to see them with a plan to restore Jews to their villages and their homes, to allow them to repossess their material belongings and resume their normal life. For his efforts, he was arrested and deported to the Soviet Union. After a prolonged delay of close to a decade the Soviet Union admitted that he was held in prison and had died there in 1948. Yet reports continue to surface, as recently as last year that Wallenberg is still alive. We must remember Wallenberg and spare no effort to free him.

We remember a man who chose to say yes to solidarity with the oppressed, who dared to dream and who used his imagination to save the lives of 100,000 men, women and children, who have in turn given birth to more life, human creativity, joy and beauty in this world.

Were we to forget, our own humanity would be diminished.●

ANTI-ARSON ACT IS POSITIVE MOVE

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mrs. HECKLER. Mr. Speaker, the United States is now the arson capital of the industrialized world. This despicable crime against people and property kills more than 1,000 and injures well over 3,000 people every year. Annual direct property loss exceeds $1.7 billion, and indirect losses have climbed above the $15 billion mark. Yesterday the House made significant progress in controlling the spread of arson by passing the Anti-Arson Act of 1982 (H.R. 6454).

For such a heinous crime arson is shockingly risk free. For every 100 fires classified as suspicious or incendiary there is an average of only 9 persons arrested, only two convicted and only 0.7 actually incarcerated.

The Federal Government does have a role to play in combating arson. The U.S. Fire Administration (USFA), a part of the Federal Emergency Management Agency (FEMA), has been playing a very effective role in assisting State and local fire authorities in arson prevention and control. As the ranking minority member on the Science, Research and Technology Subcommittee, which has funding and oversight authority for the USFA, I have opposed the administration's efforts to close down USFA's valuable programs in arson and fire prevention and control.

While there appears to be some progress in the discussions to preserve these programs, a great deal of apprehension still exists in the Congress and the fire service community for the safety of the Fire Administration's work. In the area of arson alone, the USFA's accomplishments are significant.

First. The USFA is exercising a leadership role in coordinating Federal antiarson initiatives. It has established a Federal arson task force encompassing 12 Federal agenices with concerns in arson. Federal arson task force cooperative initiatives include programs to detect and investigate arson rings, training of arson investigators and prosecutors, implementation of State and local arson task forces, establishment of juvenile firesetter counseling programs, revision of insurance application forms and underwriting practices for improving measures to combat arson fraud, and education of the public role in preventing and controlling arson. These programs have been successful in reducing the arson problem in many localities.

Second. USFA's report to Congress on the "Federal Role in Arson Prevention and Control" (August 1979) contained 67 recommendations for preventing and controlling the crime of arson.

Third. USFA's report to the President on "Progress in Implementation of a National Arson Strategy" (October 1980) indicated that 66 of the 67 recommendations in the report to Congress had been addressed and that 200 activities related to the 67 recommendations had been initiated by Federal, State, local, and private sector agencies.

Fourth. USFA's arson technical assistance program helped establish more than 250 State and local arson task forces. These task forces have produced effective results in arson control, as for example:

The Las Vegas/Clark County, Nev., arson task force apprehended the convicted arsonist of the Hilton Hotel fire within 20 hours;

Prosecution of arson increased by 18 percent in Salt Lake City, with conviction in 14 of 15 cases. Identification of incendiary fires rose by 24 percent due to increased awareness by investigators; and

In East St. Louis, Ill., prior to the establishment of the city's arson task force, there had never been an arrest for arson. In the first 4 months of its existence, the task force investigated 53 determined arson cases, made 14 arrests and apprehended two juveniles. Four convictions have already resulted and an additional four indictments realized. This is much better than the national average.

Fifth, USFA developed an arson information management system (AIMS) to help identify arson early warning patterns, design intervention

strategies and manage investigation and prosecution uses. Accomplishments include, for example:

AIMS in Phoenix helped apprehend and convict an arsonist responsible for 29 fires and $2.5 million in losses; and

AIMS in Boston helped apprehend and convict a ring of 33 arsonists.

Sixth. USFA established a national juvenile firesetter counseling program. Children and juveniles are responsible for half of the incendiary fires in the United States. This program assists communities in identifying and treating youthful firesetters. While relatively new, its results promise to be impressive, for example:

In Bolingbrook, Ill., 98 percent of 110 juveniles apprehended for setting fires and then counseled have not set further fires.

In Los Angeles County, 40 percent of the 378 juveniles apprehended and counseled did not set further fires.

Seventh. USFA established an arson resource center offering the most comprehensive reference service in the United States. The Center publishes the Arson Resource Exchange Bulletin; Arson Resource Directory; and helpful manuals like the "Arson Control Guide for Volunteer Fire Departments" to help volunteer firefighters detect symptoms of arson and safeguard the evidence necessary to obtain a conviction.

Eighth. USFA recruited 20 fire cause and origin experts to serve on ATF's national response teams. These specialists have proved instrumental in helping investigators identify arson evidence and apprehend suspects.

Ninth. The National Fire Academy with USFA cooperation delivered an "Arson Shield" training program at six localities nationwide. These two week training sessions covered Fire/Arson Detection; Fire/Arson Investigation; Arson Task Force Assistance; Arson Information Management Systems (AIMS); Juvenile Firesetters Counseling; and Arson Awareness and Public Education.

I should also note that FEMA has just released the second edition of the Arson Resource Directory, which I would highly recommend to my colleagues as a most valuable resource for State and local fire services.

I would like to thank my colleague from Pennsylvania (Mr. WALGREN), the chairman of the Science, Research and Technology Subcommittee, for his tremendous guidance and support in preserving the arson and fire prevention programs at the U.S. Fire Administration. The subcommittee has benefited from his fine leadership.●

WITHHOLDING ON INTEREST: A BIG MISTAKE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. McKINNEY. Mr. Speaker, last Sunday an article appeared in the New York Times written by the chairman of the Economic Policy Committee at Citibank, outlining some of the defects in the proposal to withhold 10 percent of interest and dividends currently included in H.R. 4961, the Tax Equity and Fiscal Responsibility Act. As many of my colleagues on the Banking Committee are aware, I have raised similar arguments against the withholding proposal in the past and as regards the current proposal, which I believe is a serious mistake. I would like therefore to print the article in the RECORD for the information of my colleagues:

CITIBANK VERSUS NEW WITHHOLDING RULES

(By Leif H. Olsen)

The proposal passed by the Senate to withhold taxes on interest and dividends would in effect impose on the public added costs of a dollar for each dollar of additional revenue the Government hopes to collect.

What appears to have been overlooked is the fact that this proposal will cost savers and investors more than the taxes withheld on such income. They will lose their opportunity to earn interest and dividends on the money the Government proposes to take away during the year, and the public in general will have to bear the cost and inconvenience of the system.

Furthermore, it is jarringly incongruous to see a proposal adopted which runs directly counter to what has become bipartisan national policy, namely the encouragement of higher savings and investments. It is also incongruous to hear wishful talk in Washington of the old idea of a flat income tax, which would simplify things for the taxpayer, at the same time that Congress proceeds to add cost and complexity to the tax burdens of savers and investors.

The withholding proposal would collect taxes of 10 percent on interest and dividends as they are paid during the year by banks, corporations and financial institutions. This would deprive taxpayers of at least $1.7 billion they would otherwise earn through interest and dividends on the money the Government now plans to withhold. And it will increase the cost to companies that must administer the withholding. And individuals will ultimately bear those costs as they are incorporated in the pricing structure of the corporations.

All told, the loss of income to savers and investors, together with the cost to the private sector of operating the withholding system, could match the Senate Finance Committee's estimate of $3.9 billion in additional annual revenues that the Government will receive in the next several years as a result of greater compliance in reporting interest and dividends.

Here is how it would all work. Millions of savers and investors—whose funds are used to buy mortgages, bonds and stocks, to make loans, and to otherwise support the supply-side of the economy—will receive an estimated $300 billion in interest and dividends in 1983. A 10 percent withholding tax would take away $30 billion from that total by year-end. This averages out to $15 billion for the year as a whole. Left in the hands of taxpayers and invested at, say 11 percent, that $15 billion would yield nearly $1.7 billion before taxes and before taking into account exemptions. But that is only part of the cost of the system.

The total would rise to well over $3 billion when you include the cost to financial concerns of operating the withholding system. The best estimate of that cost, which is probably low, is $1.5 billion a year. Thus, the Government, in order to collect an estimated $3.9 billion in taxes, would require the public to pay an additional estimated $3.2 billion in lost interest and administrative costs, plus the very real costs of added time and a whole new set of regulations.

While the Senate proposal does provide exemptions for some individuals, the ultimate cost to taxpayers should include the time, exasperation and, in some cases, anguish of people getting exemption forms, filling them out, verifying the information and finally getting them approved. For instance, exempt individuals over 65 must have income tax liabilities for the preceding year of no more than $1,500, or $2,500 on a joint return. Corporations are also exempt among a large number of other organizations and government entities. It is clearly a proposal aimed at individuals.

The cost to the consumer must also include the hardship that overwithholding will impose on millions in moderate circumstances or dependent on interest incomes. Taxpayers in general overpay taxes to the Federal Government every year. Refunds on 1981 taxes, for example, amounted to $47 billion or 18 percent of total personal income taxes withheld. Although the intent of the bill is to improve taxpayer compliance in reporting interest and dividend income and paying taxes on that income, some of that unreported income goes to people who would be exempt anyway due to their nontaxable status.

There are many, particularly individual elderly people, who simply do not have to report their interest and dividend income. On the other hand, those who deliberately cheat on their tax payments will surely find new ways of continuing that practice.

The net of all this is that to try and capture some tax evaders, the Government will extract an additional cost from all savers and investors.

There must be a better way. Interest and dividend-paying companies now file reports with the Internal Revenue Service on how much they pay individuals, using Social Security numbers to identify the recipient. Broadened reporting of this type, coupled with greater and more effective use of this information by the I.R.S. to increase tax compliance, would yield more revenue with proportionately less cost than withholding taxes.

How much revenue the Treasury will ultimately capture is only an estimate. That estimate is probably equaled by the direct expense to consumers plus the time and exasperation the lower-income elderly will spend in getting exemptions. The entire proposal may look promising to the Government with a large deficit to cover, but from the point of view of the taxpayers, it is not worth the cost. Cuts in Government spending would be better.●

ALWAYS IN A HURRY, HE TOOK TIME TO CARE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a story that appeared in the Birmingham News on Wednesday, July 21, 1982.

The article written by Mr. Clarke Stallworth, news associate editor, is a heart-filling tribute to his late father, Dr. Clarke Jackson Stallworth. Following is that article:

DR. CLARKE JACKSON STALLWORTH

When I think of him now, one memory of him floats to the surface of my mind.

I am looking through the kitchen window of our big barn of a house in Thomaston, and he is striding up behind the stores, coming home from his office a block away.

He is a little man, who uses suspenders to hold his pants up. And he always wears a tie, which usually doesn't match his shirt, and a snap brim straw hat.

He is taking quick steps, chopping the ground with his stride, I marvel at the vigor, and the strength, and the purpose, in his walk. He seemed always to know what he wanted, and he usually wanted it right then.

And when he gets to the porch, my father laughs and snaps his fingers high in the air. My black dog, Foots, launches himself up off the porch, grinning his dog smile. He knows he will get the breakfast scraps now.

My father was born in 1890 near Beatrice, in Monroe County. His father, John Stallworth, was a farmer, and worked all his seven children in the fields.

When my father was 10, a neighbor resented a slur made by the hot-headed John Stallworth, and shot him dead at a country store. John Stallworth was 40 years old when he died.

Behind him, at the rambling farmhouse near Beatrice, there was Miss Tex, the tiny mother, pregnant with her eighth child.

When my father was four or five years old, Miss Tex had a pot of peach preserves bubbling in the yard. He fell backwards into the cauldron, and the angry burns almost killed him.

But my grandmother and her black cook took turns, holding the little boy across their laps. They held him, backside open to the healing air, for six weeks, and he lived.

But his rump was a mass of scar tissue, and I remember, years later, seeing him in the bathtub, and wondering if everybody's father had wrinkled rumps.

On the Monroe County farm where he grew up, the children worked, and Miss Tex tried to farm. The older children left, and sent money back to educate the younger ones.

My father finished the eighth grade, and went on to Emory University in Atlanta. He graduated there, and then went to the University of Maryland medical school in Baltimore.

He remembered the poverty of medical school—tomato soup and crackers for lunch.

After his graduation from medical school, a fellow doctor asked him to practice with him in Baltimore. But my father wanted the freedom of the country, and he came back to Alabama.

He came to Marengo County in 1916, began to practice, and married my mother, Mary Carter Adams. There were five children—the oldest, Mary King; the twins, Margaret and Madelyn; me; and the youngest, Helen Burke, named for a steamboat on the Alabama River.

When he started practicing medicine in Thomaston, he rode a horse to visit his patients. I asked him once why he rode a horse, didn't they have cars in 1916.

He laughed. They had cars, but they didn't have roads. A horse was the only way to get to some places off the main road.

He remembered how his feet froze to the stirrups on rainy winter nights.

My mother and father worked hard, and in 1929 had realized a dream. They owned a drug store, with my father's office connected to it, and they had 400 acres of rich Black Belt farm land.

The Depression hit, and they lost it all. The drug store folded, the land went for taxes, and my father swore he would never hold anything but cash.

I remember one day a traveling merry-go-round came to town and set up in a vacant lot across from our house. Sawdust, a calliope, and those marvelous prancing wooden horses.

It was mid-afternoon when the merry-go-round cranked up, and my father was taking a nap on a screened-in porch. I woke him up, and asked him for a nickel to ride the merry-go-round. He told me he didn't have a nickel.

I thought he was lying, and went back across the street and helped the merry-go-round man clean up, and earned a couple of rides. Years later, he told me he really didn't have a nickel that day.

Through the Depression he hardly ever saw money, but we had plenty to eat. He hooked a little trailer onto the black Chevrolet and rattled over the country roads, gathering a shoat here, some roasting ears there, a heifer here, a mess of collards there.

On Sundays, he loaded the trailer full of kids and we would take off for Bradford's Pond, near Sweetwater. There, among the water lilies and the jukebox music coming across the water from the honky tonk, I learned to swim.

He liked to tell this story about himself.

A crazy woman near Thomaston whipped out a pistol and shot her husband dead in the front yard. The body lay there, and the woman sat on the front porch, rocking. Everybody was afraid to go down there, for fear she would shoot again.

Finally, they convinced my father that he should go. After all, he was the doctor.

He drove up in the front yard, and the man lay dead in the sand. My father went over to the body, shaking his head and scolding.

"I swear, it looks like this could have been avoided," he told the country woman, rocking on the porch. She whipped out the revolver from underneath her apron.

"What did you say?" she demanded, waving the pistol.

"I said: it's a wonder you didn't kill the @%&! before now," he said, with some fervor.

When I was growing up, I hated shoes, and went barefoot until I went to high school. But going barefoot, I stepped on a nail now and then, and this made my father mad.

I would go to his office, knowing what was to come but scared not to go. He would scowl at the tiny hole in my foot, cuss me for my stupidity in stepping on the nail, and wind a wisp of cotton onto a toothpick.

He would dip the toothpick into Methiolate and plunge the thing into the bottom of my foot. Then he would twist it, making sure the medicine touched all parts of the wound. It was the most exquisite pain I have ever known, and I can feel it now, just thinking about it.

When the war began, money began to trickle back into Marengo County, after a 10-year-drought, and my father began to accumulate some cash. People told him he should buy land, but he held onto the cash. The Depression had burned him.

I must have been a trial to him. When I reached 16, I wanted to use the car, and he didn't want to let me have it, because he might need it to go on a call.

And there were his socks. When I ran out of socks, I would sneak a pair of his from the drawer.

I remember him holding up a sock, shaking his head disgustedly. My feet were bigger than his, and the socks were big at the ankles. He was never able to wear them after I enlarged them. He said I had fat feet.

We had other disagreements, as fathers and sons do, but we loved each other in our ways.

In his office, he had a bantering manner which black people loved, and they came to see him from all over the state, from as far as Mobile.

A black school teacher called me Monday, and said he was a truly kind man. She also said he was one of the "jokin'est men" she ever knew.

During the war, when black people left for Detroit and Cleveland and Chicago, they would call him with a message for their families still in Thomaston. And he would deliver the messages.

My father developed cataracts in his 80s, and he had an operation, but it didn't work out. He wore the thick, pop bottle glasses which gave him huge eyes, too big for his face. And he shuffled across the street to his office—one little shuffle at a time—because he couldn't see where he was stepping.

He retired in 1981, after practicing 65 years in Thomaston. Early this year a stroke hit him, and he was semi-paralyzed. He couldn't talk, and now he stayed in bed.

It was hard to recognize him in that bed. He seemed to have shrunk, from the vigorous, hard-striding figure of my youth, to a wizened little man with the pop bottle glasses and the big eyes.

My father, Dr. Clarke Jackson Stallworth, died late Saturday afternoon at the age of 92.

The funeral was Monday in Thomaston Cemetery. There were some well-meaning flowery things said about him. But one of the ministers said one thing exactly right.

He said my father would always be a part of Thomaston, Alabama.

Mr. Speaker, not many people achieve the measure of admiration and respect that Dr. Clarke Jackson Stallworth enjoyed. He earned that admiration and respect because he genuinely cared about people and about the welfare of his community.

He was a rarity—a man who had the vitality and know-how to be extremely effective in getting things done, yet warmth and sensitivity that made him a beloved leader.

Dr. Clarke Jackson Stallworth's life should serve as a memorial to him for

all time in Thomaston, for he truly devoted it to serving the people that he loved and cared for. He left many fond memories and I am sure that this fine outstanding gentleman will never be forgotten.

Mr. Speaker, it is indeed an honor for me to share this tribute with my colleagues in the House of Representatives. He will be deeply missed by me and all others who were touched by his life.●

EDITORIAL COMMENT ON THE TAX BILL

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. BEREUTER. Mr. Speaker, as we consider that part of the budget process which requires us to increase revenues, perhaps we should look to the counsel of the Norfolk, Nebr., Daily News, which recently offered editorial comment on the legislation passed in the Senate. The paper states that the current proposal has merit, but that we will have to act to make sure that the good continues to outweigh the bad. That task is now made considerably more difficult by the refusal of the House leadership to permit the House to draft its own version of a bill.

I have included the full text of the editorial in the RECORD and commend it to the attention of my colleagues.

[From the Norfolk Daily News, July 24, 1982]

GOOD OUTWEIGHS BAD?

The Reagan administration supports the new tax package proposed mainly by Sen. Bob Dole and GOP members of the Senate Finance Committee on the grounds that it will help reduce the size of the deficit. It is billed as the "biggest tax increase" ever proposed for the federal government. It follows a plan labeled as the "biggest tax cut," the three-year, 25 percent reduction in tax rates adopted in 1981.

Numbers in economic terms have become so large in America that it is difficult for any tax and budget package important enough to have desirable, or adverse, effects not to constitute some sort of new "record."

The package adopted by the Senate on a 50–47 largely partisan vote is said to provide for $99 billion in tax increases over the next three years. It would also reduce the projected rate of federal spending for Medicare, Medicaid and aid to the needy by an estimated $17.5 billion over the next three years. A House of Representatives less disposed to give the president what he requests will not look kindly on the latter adjustment in spending rates, sensible as it is to tighten eligibility and to have the Medicare portion of these aid programs financed by slightly higher fees from those who participate.

If the measure does, in fact, have the practical effect of reducing the deficit enough to bring down interest rates, than the overall benefits will be great. It could spur new economic activity, without inflation. But the measure is built on some dubious estimates. For one thing, it is guessed that $12 billion extra will be realized by the U.S. Treasury because of withholding tied to interest and dividend payments. That figure assumes that interest and dividend income to individuals is now being evaded to an extent that will be corrected $12 billion worth by the withholding provision.

The tax bill writers are also assuming that cigarette smokers and telephone users will make little effort to cut down to offset higher tax rates. One hopes, of course, that the smokers will keep puffing away, the better to support spending programs in the style to which politicans have become accustomed.

Boosting taxes is not the way to economic recovery; simplification of the system and reducing federal spending is better. But the package has an important change for the future in providing an indexing of capital gains taxation in 1985 and beyond, to match that proposed in the income tax system in that same year. Inflation-caused run-ups in values will not find spenders in Congress aided by the same inflation that they cause.

So there is merit in some features of the measure. The problem posed in Washington is whether or not the good features will survive action in the House and the subsequent conference between the Senate and House. Presently, the good may slightly outweigh the bad in the bill. But the disposition of Speaker Tip O'Neill and his partisans will be to change the package enough to boost revenue without cutting the deficit at all. It will take all of Mr. Reagan's persuasive powers to avoid that result.●

H.R. 6862—CIVIL SERVICE RECONCILIATION

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. LUNDINE. Mr. Speaker, today during consideration of H.R. 6862, civil service reconciliation, we were again faced with a difficult decision concerning the appropriate level of compensation for retired Federal employees. This is especially difficult, given our tenuous national economic circumstance and rising Federal deficits. In the past, I have consistently supported measures which provide for an adequate and fair compensation of retired Federal employees. In addition, I have been opposed to proposals which focus the burden of reduced Government spending disproportionately on a single group in our society. For this reason, during the recent budget debate, I joined with 326 of my colleagues, including my colleague from Illinois, Mr. DERWINSKI, in passing the Downey amendment, which rejected a 4-percent ACP on cost-of-living adjustments for Federal retirees. While this amendment was overwhelmingly adopted, the budget proposals which it amended were defeated. Unfortunately, the budget adopted by Congress for fiscal year 1983 returned the 4-percent cap for fiscal years 1983, 1984, and 1985.

While I am very disappointed with this and many other provisions of the 1983 budget, I did feel it was imperative for Congress to end the budget stalemate which was threatening the stability of our economy and reach an agreement. Now that the budget has been agreed on, I firmly believe that it is the responsibility of the appropriate committees to make the necessary budget reductions, and I share Mr. DERWINSKI's concern for the integrity of the budget process. The package we considered today makes only 8.5 percent of savings required by the budget for fiscal year 1983 alone. Clearly, the Post Office and Civil Service Committee has fallen short of making the reductions called for in the budget resolution.

Consistent with my record of support for Federal retirees, I could not support a motion to recommit which was founded on the imposition of a 4-percent cap on cost-of-living adjustments. However, neither could I support the reconciliation bill reported by the Post Office and Civil Service Committee, which did not even come close to achieving the savings required by the budget resolution.●

PRIME MINISTER GANDHI ON UNITED STATES-INDIA COOPERATION IN SCIENCE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. FUQUA. Mr. Speaker, last week the Prime Minister of India, Hon. Shirmati Indira Gandhi visited the United States. In addition to her meeting with the President and the Secretary of State, The Prime Minister also met with a large group of scientists and engineers here in Washington. Mrs. Gandhi has a strong and longstanding interest in science, an interest which is most clearly evidenced by the fact that she also holds the Office of Science Minister in her country.

The Prime Minister's remarks to the group covered developments in science in India and also the expanding, bilateral science cooperation between the United States and India. The importance of science to both India and the world is indicated by the simple statistic that in terms of the number of engineers and scientists, India is the third ranking nation in the world.

The Prime Minister's address to American scientists was arranged jointly by the science attaché at the Embassy of India in Washington, Dr. R. D. Deshpande, and by Dr. J. Thomas Ratchford, associate executive officer of the American Association for the Advancement of Science. I think it is an important address with a message of long term importance, and

I commend it to the attention of my colleagues in the Congress.

The address of Indira Gandhi follows:

ADDRESS OF SHIRMATI INDIRA GANDHI, PRIME MINISTER OF INDIA BEFORE THE AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

Dr. Bromley, Eminent Scientists, I am delighted to have this opportunity of being in such a distinguished gathering. In India I meet representatives of your Association every year at out own Science Congess.

The development of a country with 700 million people has to be an endogenous effort, relevant to our needs and concerns. India is just too vast to be bailed out by any country or group of countries.

Scientific endeavour, as success in any other walk of life, instills confidence in a society and leads it to a higher sense of achievement and fulfillment. Apart from the raising of traditional skills and techniques, using available materials in agriculture and rural crafts, our efforts in science cover a wide spectrum, encompassing work in some frontier areas of atomic energy, space science, oceanography, electronics and fundamental research in mathematics, particle physics, molecular biology and so on.

Why should India, which is still wrestling with the more obvious of basic needs, concern itself with such advanced areas? Scientists are aware that new knowledge is often the best way of dealing with old problems. We see our space effort as relevant for national integration, education, communication and the fuller understanding of the vagaries of the monsoon which rules our economic life. Mapping from the sky also gives information about natural resources. Oceanography augments food and mineral supplies. Modern genetics open out vast possibilities. Home-grown expertise has helped our oil exploration. Had we been wholly dependent on foreign experts, we would not be producing 16 million tonnes of petroleum a year.

Knowledge cannot be fragmented. How can one say which kind of knowledge is immediately applicable? Basic research has led to much of applied science. Also, can we compel our scientists to be content with repeating the work of others? Our national Science Policy Resolution says: "It is an inherent obligation of a great country like India with its traditions of scholarship and original thinking and its great cultural heritage, to participate fully in the march of science, which is probably mankind's greatest enterprise today."

Hence for India, science is essential for development and no less for the intellectual self-reliance and creativity of our people. Years ago, Cecil Powell pointed out: "In the long run, it is most painful, and very expensive, to have only a derivative culture and not one's own, with all that it implies in independence in thought, self-confidence and technical mastery. If we left the development of science in the world to the free play of economic factors alone, there would inevitably result a most undesirable concentration of science and scientists and too few centres, those rich in science becoming even richer, and those poor, relatively poorer."

When we became free it was clear to us that we needed heavy industry and advanced science based technology to safeguard our independence and to make us self-reliant. But this did not mean the neglect of small-scale and even village industries. In fact our policy was to encourage these in every way. These different segments are equally necessary and complement one another. Small changes such as the fitting of tires in bullock carts and the use of biogas plants can bring immediate relief and efficiency to the rural population. Unfortunately the tendency of local people is to give greater importance to and press for big industrial units in their areas. I do feel that technological development should be shaped and diversified to suit local conditions and cultural settings, and as far as possible, use locally available natural and human resources. Obviously we can profit by technology only when we are able to generate and bring it within our means. The appropriate integration of traditional and emerging technologies, particularly in the fields of micro-electronics, bio-technology and satellite imagery is an area worthy of your attention. This will help to avoid the often observed adverse impact of new technology on ecology, energy requirement and employment generation.

The union of science and international politics has led us to an anxious state. In spite of all the exertions of developing countries and projects of multilateral and bilateral cooperation, 95 percent of the world's R. & D. is still confined to the industrialized nations. Almost 60 percent of this is military-oriented and of the rest, a good part of even basic scientific and engineering research is directed to problems specific to advanced economies. Colin Norman writes: "Part of the reason for the current military build-up is the fear of conflict over control of resources, particularly oil. Numerous studies have concluded that the amount of energy saved by each dollar spent on conservation greatly exceeds the amount that could be gained from each dollar invested in boosting energy supplies."

In developing countries the emphasis must be on curbing diseases such as gastro-enteritis and sleeping sickness, but Max Perutz points out that in the West only the largest firms can now afford to develop new drugs and they also restrict their research to diseases of the affluent, for fear of risking their investment. We must know more about the physiology of reproduction to make family planning effective, understand the chemistry of soils, methods of water conservation and the genetics of plant species which can improve yields in adverse conditions.

If the world is to be a better place for all, it is important to direct technological changes towards areas which are more economically and socially backward, both internationally and within countries, and at all times to try to avoid or balance the undesirable side-effects of such changes.

The gap between the industrialised and the developing is growing and is naturally affecting their preoccupations. The developing have to find their own solutions, but it is not easy for them to forge entirely different paths and much as we try, our economies are influenced by the trends and policies of the affluent. For instance, modernising agriculture to increase production is essential but this consumes vast amounts of energy, so that an energy shortage can cause a shortage of grain.

The resources for our development have been predominantly our own—more than 90%. However, we do need outside inputs in investment and in science. Conceived and implemented as cooperation based on mutual respect that can be a catalyst and can constitute "superchargers" as Homi Bhabha used to say, to the engine of our own domestic effort. The scope for cooperation is immense. Global conferences end with inspiring and laudable statements. But their commitments are seldom honoured.

Carefully selected and well-managed programmes of cooperative work in science, in areas unconnected with defence and commercial considerations can build true links of understanding. The persons involved speak a common language of science. Shared experience can bring succor to millions all over the world. Compared with other areas, such cooperation does not cost much.

The profusion of international awards garnered by American scientists each year speaks of intellectual vitality, and of the dynamism of U.S. science and technology. These achievements are part of human progress.

The American scientific community is truly international. Some scientists of high calibre were born here and others like Albert Einstein and Enrico Fermi sought refuge. Persons like Prof. S. Chandrasekhar and Prof. Hargobind Khorana came from my country. We are proud of the work that Indian scientists are doing here and are glad that most of them continue their interest in India. Thousands of Indians have proved their worth in American science and technology.

Our satisfaction with the accomplishments of Indian scientists in not unmixed. The exodus of talented young men and women from developing countries has been described as technological assistance in reverse, i.e. from the poor to the rich. When they return, they could be a bridge for the transfer of technological ideas and skills. In India many talented do stay on. Sometimes the very lack of grants and opportunities challenges their creative skills.

There are many rewarding areas in which American and Indian science can cooperate and some of these are:

1. Improvement of food production, especially of grain legumes and oilseeds, and minimising dependence on mineral fertilisers through biological nitrogen fixation.

2. Biomass production and the application of tissue culture and genetic engineering to produce quick-growing trees which can provide fodder and fuelwood for our vast rural population and also improve the environment.

3. Biomedical research to control leprosy, tuberculosis and waterborne diseases, and for fertility control through immunology and other advanced techniques. As some of you may have heard there have recently been some exciting developments in India on leprosy control.

4. Materials research to reduce energy consumption and costs.

These are some areas which I hope the joint panel on Science and Technology which President Reagan and I have agreed to set up, will look into.

In these, the most advanced knowledge can be profitably applied to some old problems which are the hard core of underdevelopment and without solving which, mass poverty cannot be overcome. The thrust of most technological advance in Europe and America has been to save labour. Developing countries need technology to promote employment but conserve capital and energy. Energy saving is vital even for affluent countries, so work in this area would also help them.

I share the concern of a growing number about the dangers with which the human species is threatened. Today the responsibil-

ity for the future lies with all citizens no less than those who are in positions of authority, and perhaps most of all on scientists as thinkers and seekers after truth. Nothing is stronger than the mind awakened and the human spirit aroused. Let us harness them to clear goals and high purposes.●

HONORING JOSEPH KUCHARSKI

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. HOYER. Mr. Speaker, I would warrant a guess that many in this body are ardent fans of the grand old game of baseball. The residents of Maryland's Fifth Congressional District are especially lucky in this respect as we are within a very long fly ball of the Baltimore Oriole's Stadium. This factor has undoubtedly influenced the life of one young man in Prince Georges County, Joseph Kucharski.

A young man of keen sight with a throwing arm to match, Joe signed with the Baltimore Orioles on June 25, 1982, as the team's No. 1 draft choice. He came to this enviable position after 3 outstanding years at the University of South Carolina, and several more at Surrattsville Senior High School, where he played for Coach Lou Jenkins.

At USC, Joe was the top pitcher on the team, showing steady improvement from his freshman year 4 to 2, to his junior year, when he won 11 out of 14 games. His cumulative record over the 3 years he played at USC was 21 games won, 7 lost.

In 1982 Joe had an outstanding season, leading the club in wins 11, innings pitched 112, and strikeouts 93, while completing 6 games out of 15 starts. In the 112 innings he pitched, Joe walked only 22 batters.

At the end of the season, Joe led USC to the College World Series, and was subsequently named to the third team of the 1982 NCAA All-American baseball team.

Since joining the O's, Joe has played for the Hagerstown Suns, the minor league team owned by the Orioles. He is now 2 to 0 in the Carolina league.

Mr. Speaker, it is always a pleasure to see a young person succeed in his or her chosen field, and I know that you will join me in wishing Joe a future of no hit games and low earned run averages.●

AMENDMENTS TO H.R. 5320

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. DYMALLY. Mr. Speaker, with the approval of the authors of the Job Training Partnership Act, it is my intention to submit the following amendment to H.R. 5320.

These amendments would:

First, extend the jobs skills enhancement provisions of this bill to those workers whose skills are no longer sufficient to make them employable in our increasingly technical workplaces;

Second, assure that plans for job training to be conducted under this bill would specify the arrangements for both worksite and classroom activities and experiences, particularly requiring that classroom training will enhance occupational preparedness and career development; and

Third, require that the Secretary will include job skills teachers among those categories of persons who will be provided preservice and inservice training.

PROPOSED AMENDMENTS TO COMMITTEE SUBSTITUTE FOR H.R. 5320

On page 5, line 8 after "worksite," insert "as well as those with obsolete skills."

On page 23, change letters "(F)", "(G)" "(H), and "(I)" to (G), (H), (I), and (J), respectively, and insert on page 23 between lines 5 and 6: "(F) assurances that arrangements with employers which include training at both the worksite and in a classroom, will, to the extent feasible, provide for prior agreement with the employer on length of time to be spent in the classroom and length of time to be spent on the worksite. Such arrangements shall also assure that time to be spent in the classroom is the minimum necessary for occupational preparedness as described by employers, and that classroom training will enhance the trainee's career opportunities, productivity, and capability for career advancement;"

On page 123, line 22 after "personnel," insert "including job skill teachers."●

NEED FOR CHANGE IN FEDERAL BUDGET SYSTEM

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. GREEN. Mr. Speaker, I would like to share with my colleagues a most interesting speech given by David Mahoney, chairman and chief executive officer of Norton Simon, Inc., before the Women's Forum in New York City on July 28, 1982. This speech is particularly timely as we continue our way through the budget process.

A FEDERAL CAPITAL BUDGET: AN IDEA WHOSE TIME HAS COME

(By David Mahoney)

I believe the current budget system has failed America and we need a change.

In normal times, the federal budget process would not be a topic of much interest to you or me, but the current situation in Washington has become a problem that no American can afford to ignore.

Former Vice President Mondale once said that "Washington is 67 square miles surrounded by reality." When you read the morning newspapers, you will find it hard to disagree with that observation.

I think we have a problem when I read that the Congress is expected to pass a constitutional amendment requiring a balanced budget—this, I remind you—only a month after approving a budget with more than a $100 billion deficit. And only two months after our Congress voted, for the 43rd time since 1955, to raise the national debt ceiling.

The media now feature statements from our elected representatives extolling the virtues of a flat-rate tax. This, I remind you, is just one year after both Republicans and Democrats fought in the halls of Congress to out-do the other in granting special tax breaks and incentive loopholes.

In this age of the new paradox, we also see Congress voting for the largest peacetime military buildup in our history, at the same time Congress is seriously considering a freeze on the construction and deployment of nuclear weapons.

This unusual turmoil in Congress has been exploited by special interest groups and even-bolder lobbyists. Certainly, I do not claim that all of the confusion, contradictory positions and renewed interest in simplistic solutions is entirely due to the failure of the federal budget process. When there is confusion in Congress, there is confusion in America itself. We are in a period where America's fundamental values are being questioned and new priorities are being examined.

Just like everyone else, I would do some things differently if I were the president. But, President Reagan's administration has forced the nation to look at our situation and problem solving programs to see if they are, in fact, accomplishing what was intended. In my opinion, this is a healthy process.

As a taxpayer, a businessman, and one who is concerned about my country's future and the welfare of the elderly and disadvantaged of America, I want our government to do the best possible job. I want our elected representatives to make the right decisions.

As the chairman of Norton Simon Inc., I try to hire the brightest people I can find. I put them to work in a system designed to produce the best of their ideas.

The system and people combine to produce one product—information. With this information, we make decisions. If our decision is based on good information, then we can succeed. If not, we fail.

Some time ago, when the confusion in Congress reached record levels, it became obvious there was something wrong with the federal budget system. I began to question their priorities and the quality of the information on which our lawmakers were committing our resources.

For example, I just could not believe that the richest nation on earth has to choose between school lunches for children and the MX missile. Or that we must reduce our commitment to the elderly and disadvantaged of our society to buy an aircraft carri-

er. Yet, that is what our elected representatives were telling us.

I've taken a hard look at America, our people and our assets and concluded that our lawmakers are making decisions based on an incomplete financial analysis.

There is a preponderance of other evidence that the federal budget system is a failure. Congressional decisions are deferred and deadlines not met. Budgets are repudiated and forecasts invalidated only days or weeks after being submitted. Does anyone believe or have any confidence in the deficit projections, or the system that produced them?

Please understand. I am not challenging the integrity of our men and women who serve in government. I believe our representatives in government are sincere, but misinformed and misled by a budget system that does not provide an accurate picture of America's assets and liabilities.

HISTORY OF THE BUDGET PROCESS

At the time the Congressional Budget and Impoundment Act of 1974 was passed, supporters said the new budget procedures would result in a more efficient budgetary system and tighter control over spending.

We now know how that failed.

Deficits have increased dramatically. More importantly, the budget process has produced little except partisan rhetoric, confusion, fear, polarization, and uncertainty about the future course of U.S. economic policy.

The uncertainty keeps interest rates at historic highs. The confusion of the budget process and its impact on the economy causes the elderly to fear for their Social Security pensions, and the less privileged in our society to lose their hopes for a better life.

It is clear to me, and to many others in this country, that a change is needed.

BUDGET REFORM

In December, Norton Simon Inc. will help sponsor a program conducted by The Conference Board to provide more exposure and debate to a number of budget issues. Among the issues to be discussed are the economic significance of the federal budget and national debt, the impact of the budget on capital markets, and the relation between inflation, unemployment, and the federal budget.

Most importantly, the Conference Board meeting will also examine the federal budget process itself. Specifically, we will discuss the need for the government to revise its accounting system to a comprehensive budget system which recognizes capital investment.

President Reagan recently gave budget reform a boost when he called the current budgetary system, ". . . the most irresponsible Mickey Mouse arrangement that any governmental body has ever practiced." This was no overstatement.

THE UNIFIED BUDGET

Under the current "unified" budgetary system, operating expenses, such as salaries, office supplies and travel are lumped together with capital expenditures, such as roads, land purchases, and building construction.

Unlike nearly all corporations, and most state and local governments, the federal government makes no distinction between capital and operatiing expenses. For example, when the Senate opens its new $175 million Philip Hart office building after the elections this Fall, the entire cost of the building will have already been expensed!

Even though that building will be in constant use for 50 to 60 years, or longer, the government expensed the total cost in the four or five years it took to build it. Under standard business accounting practices, this new building would be shown on the balance sheet as a $175 million asset. On the government's books, the $175 million is added to the deficit over the four-year period.

If business used the federal government's system of accounting, the years of our greatest investment in new plants, vehicles, or other capital items, would be our years of greatest deficit, or of lower profits.

For example, the use of the federal system would have lowered AT&T's 1981 profits to $9 billion from $19 billion. For IBM, it would have reduced profits by $7 billion that same year. Many of the Fortune 1000, particularly the aggressive growth companies, would show significant red ink losses.

If the average American followed the government's accounting system, very few could ever afford to purchase a house or car. Today's "unified" budget system is dangerously misleading. It fails to recognize the nation's capital assets, and encourages higher deficits by hiding future costs. It provides no formal planning for the maintenance and replacement of America's vitally important public infrastructure.

In an era of limited financial resources, such as today, a unified budget gives our elected representatives misleading information that could lead us to abandon our commitment to education, jobs, health, and a better life for America's less privileged citizens.

THE CAPITAL IDEA

If a unified budget causes these problems, why not shift the federal government to a business-style accounting system, that is—a capital budget? This is a question that I, a growing number of men and women in Congress, and the General Accounting Office are asking today. It is an idea that has the support of strange bedfellows as supply-sider Jack Kemp and the liberal Tip O'Neill, and the legendary Hubert Humphrey. Although legislation calling for a capital budget was introduced in the Congress only last month, a federal capital budget is not a new idea.

The 1949 Hoover Commission first proposed the idea that federal expenditures be separated into current operating expenses and capital investments. The Truman Administration ignored the recommendation.

In 1967, President Johnson's commission on budget concepts came to a conclusion opposite that of the Hoover Commission. The Johnson Commission felt that a capital budget would unduly emphasize "bricks and mortar" spending at the expense of other government programs. The Office of Management and Budget (which, incidentally, was the only federal agency to oppose a GAO report recommending a capital budget) now uses the Johnson study as an excuse for not adopting a capital budget today.

OMB has been wrong before and they are wrong about capital budgeting. OMB cites a number of reasons for their opposition. They say a capital budget would pose "nearly insurmountable" accounting problems in depreciating government property. Granted an M-1 battle tank is not an Avis rental car. But, OMB offers a false argument since the government already does some planning and estimating of the lifecycle of a tank. A capital budget would make this process more formal and budget for replacements.

OMB says a capital budget would disguise the deficit. Wrong again. A capital budget is the closest we can get to full disclosure with the federal budget. No off-budgeting, no hidden costs, no surprises down the road. A capital budget is a more open and realistic method of budgeting. It can help government executives be better managers. With more information, I am willing to bet that budget deficits will go down, not go into hiding.

Finally, the OMB says a capital budget would hurt social programs since they would compete with capital investments. Does OMB really believe that social programs are not competing with military equipment today?

In my opinion, these OMB arguments are not persuasive. I am reminded that in Washington, information is power. My guess is that OMB is really fighting a full disclosure budget for that reason.

A capital budget would not be a panacea, or a "quick fix" for our serious economic problems. But, it would dramatically change our perception of America's worth and the strength of our economic base.

AMERICA, INC.

For discussion purposes, let's put America on a capital budget and transform the U.S. Government into America, Inc., with a business-style balance sheet. There would be several surprises.

First, we would discover that America, Inc., our government, has enormous assets that are not widely publicized or known. America, Inc.'s land holdings consist of more than 700 million acres—one-fifth of our nation's oil and gas resources, 50 percent of our coal, 80 percent of our oil share, 50 percent of our uranium, and 50 percent of our geothermal energy resources. America, Inc. is indisputably asset-rich.

It may surprise you that no one really knows how much America, Inc.'s total assets are worth. Incredibly, we've never taken a complete inventory. Capital budgeting would force such an accounting, giving Congress and the President accurate information about our net worth on which to base national policy.

Another surprise would be that America, Inc., like other large corporations, has a serious need to improve its capital investments program. America's public facilities are wearing out faster than they are being replaced. It is estimated that it will cost up to $3 trillion over the next decade to maintain just the present level of services and public infrastructure.

Currently, the U.S. Government has no system for planning or setting priorities for these needed public works expenditures. A capital budgeting system would establish a formal system of long-range planning to manage the maintenance and construction of the public infrastructure necessary for private sector growth. It would replace the haphazard tradition of focusing on single projects advocated by individual politicians in our current wasteful and indefensible "pork barrel" process.

A capital budget would give us the most pleasant surprise of all—a new perspective on America, Inc.'s debt and its "deficits". America, Inc.'s long-term debt today is about $1.1 trillion—by any measure a lot of money. But, rhetoric aside, how significant is a $1 trilion debt? Historically speaking, it's not much to be unduly alarmed about.

The best way to view a national debt is to compare it with the size of our national economy—the Gross National Product. The

national debt at the end of World War II was slightly larger than the Gross National Product. In the late 1950's, debt was about 50 percent of GNP. By 1974, it was 25 percent of GNP. Last month, when our national debt reached the $1 trillion mark, it equaled about 28 percent of Gross National Product—up slightly from 1974, but hardly an alarming growth.

Another way to evaluate national debt is to look at the total debt of the entire U.S. economy. Total debt in America, including private and public sectors, is $4.5 trillion. Of that, $1 trillion is federal debt. Private citizens owe $1.5 trillion, two-thirds of which are home mortgages. U.S. corporations account for $1.2 trillion of debt. State and local governments owe one-third of a trillion dollars, and the remaining $500 billion is owed by small businesses, farmers and foreign borrowers.

Deficit projections, ranging from $92 billion to $233 billion over the next five years are a constant feature of the front pages, and a favorite subject for all politicians to deplore. The current "unified" accounting system distorts the significance of these numbers because it ignores the real assets of America.

Please don't misunderstand me. I am not saying that deficits, particularly in the $100 billion-and-up range, are not important. They are important. They drive up interest rates, crowd out private sector borrowing, and prolong recession. They must be dealt with.

PERSPECTIVE

But, they must be dealt with in the perspective of America's total net worth. The deficit is not the single most important indicator of our national net worth. The rhetoric surrounding the deficits has caused many Americans to overlook, and to doubt, their country's real economic strengths.

Perspective—that's what we need in America today.

Just consider a few facts that don't appear in our Gross National Product or in all of the "doom and gloom" articles and speeches about the state of America today:

With only five percent of the world's population, America accounts for more than 21 percent of the world's output.

Just the eastern part of the U.S., including the "depressed" northern states, produces more than all of the Soviet Union.

In an energy-dependent world, the U.S. has oil, gas and coal reserves greater than any other nation.

The U.S. government owns some 700 million acres of land—rich, prime land that is not reflected on our books, yet constitutes the world's greatest real estate asset.

Consider productivity. American productivity—our gross domestic product per employed person—exceeds that of every country in the world. American productivity is ahead of most of Europe by more than 10 percent, and is ahead of most of Japan by 30 percent. Yes, you heard me correctly, America is 30 percent more productive than Japan.

One more thing. Cathedrals are not built by cynics, and neither was America. The American spirit is priceless and indomitable. Men and women who believed in themselves, their God and this land made America the world's greatest nation. Our most priceless asset, freedom, is intact.

Forgive me for that bit of flag-waving. But, I think it is about time someone did it. Americans need to have their confidence restored in themselves and in their country.

I would like to close by reading you one more item. It is a quote by George Washington Carver. It says a lot about my personal philosophy, and helps me keep my perspective:

"How far you go in life
Depends on your being tender with the young
Compassionate with the aged,
Sympathetic with the striving
And tolerant of the weak and the strong.
Because someday in life
You will have been all of these."●

ALEKSANDR PARITSKY

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. MOLINARI. Mr. Speaker, I rise today in order to inform my colleagues of the current situation of Aleksandr Paritsky, a Soviet Jewish prisoner of conscience.

In 1976, Mr. Paritsky applied for an exit visa to Israel. Mr. Paritsky, a radio electronic engineer, was refused permission to emigrate and has been unable to work in his profession since 1977. In January 1981, his academic title, Kandidat of Technical Sciences, was rescinded by the authorities.

KGB agents broke into the home of Mr. Paritsky on August 28, 1981 and arrested him for "defaming the Soviet State." In a November 1981 trial he was sentenced to 3 years in a labor camp.

I have recently received word that Mr. Paritsky has been refused permission to emigrate at least until 1990. In addition, he is being forced to live under extremely trying conditions. In response to these latest developments, I recently sent a telegram to Soviet Ambassador to the United States, Anatoly Dobrynin, expressing my strong opposition to the Soviet Government's decision regarding Mr. Paritsky's emigration status and the treatment he is receiving by the authorities.

The case of Mr. Paritsky serves to further point to the necessity for significant and immediate improvements in the human rights situation in the Soviet Union, particularly the treatment of Soviet Jews wishing to emigrate.●

H.R. 6542—A NATIONAL CONSENSUS FOR WILDERNESS PRESERVATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. PORTER. Mr. Speaker, very soon the Congress will be acting on a measure to preserve and protect America's vanishing wilderness. The Wilderness Protection Act of 1982, H.R. 6542, will prevent the issuance of thousands of oil and gas leases currently pending for virtually very acre of wilderness in the lower 48 States. It is a bipartisan compromise crafted after many hours of heated debate and active public dialog on the subject of wilderness leasing.

Under the Wilderness Act of 1964, new oil and gas leases and hardrock mining claims are permitted in wilderness areas until the end of 1983. Since the act was adopted, however, administrations of both parties have followed a policy of restraint regarding leases in the wilderness, even though they were permitted, because of a belief that wilderness areas contained few minerals of value and limited oil and gas reserves.

But earlier this year, Interior Secretary James Watt, speaking on "Meet the Press," proposed that leasing in the wilderness be banned for the next 18 years after which wilderness areas would be fully opened to energy production. His plan would also have shifted the responsibility for designating which lands qualify as wilderness from the Congress to the President and the Secretary of the Interior, and removed from wilderness consideration all those lands presently under review, or those areas not designated by 1984.

There was swift and vocal reaction from the public to the Watt proposal. An overwhelming majority of the American people support protection of the environment and the retention of pristine wilderness areas. The public outcry to the Secretary's plan confirmed the general understanding in our country, running across all political persuasions, that if we destroy wilderness it is gone forever, lost not only to ourselves but to all future generations and cannot be recreated. The American people want wilderness lands protected and spared from energy development, except in the most vital circumstances.

Once the Secretary's plan was announced, various committees of the Congress began to hold hearings on the subject of wilderness protection. H.R. 6542, the bill that will be before the House in the next few weeks, is the result of those meetings.

H.R. 6542 does not go as far as some environmental groups would like, especially in its failure to address the subject of hardrock mining, which will continue to be allowed under mining laws passed in the last century. But, like many pieces of legislation, the bill is a compromise; it will not fully please anyone. Yet even with their reservations, most of the major environmental groups have expressed their support for this legislation.

You might ask, just what is a wilderness? A wilderness area is a special place, nominated by the citizens that live nearby, and designated as such by the Congress. Final determination on

a wilderness classification is made only after a thorough review of all the comments received on both sides. Once designated a wilderness, the land is then protected under the Wilderness Act to be held in perpetuity for future citizens' enjoyment. A wilderness is thus considered a place of significant merit and one chosen by the Congress to be maintained and protected for generations to come.

Many will argue that wilderness areas should be opened to energy exploration because our country is faced with a dangerous dependency on foreign sources of energy. I, too, am in support of increased domestic energy production and in periods of national energy emergency, certainly we should not close off our options. Fortunately, under H.R. 6542, the President, with congressional approval, can declare that wilderness areas be opened in periods of overriding national need for oil and gas production.

H.R. 6542, the Wilderness Protection Act of 1982, reflects a national consensus for wilderness preservation, a goal of the highest priority on our national agenda, and one I strongly support.●

SEVENTH ANNIVERSARY OF SIGNING OF THE HELSINKI FINAL ACT

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. RITTER. Mr. Speaker, August 1 marked the seventh anniversary of the signing of the Helsinki Final Act. On this day in 1975, the leaders of 33 European nations, the United States, and Canada agreed to enhance European security and cooperation through increased trade, cultural, and scientific exchanges, and the relaxation of military tensions. In addition, the Final Act legitimized, for the first time, the issue of human rights as a fundamental principle guiding relations between states. All of the Helsinki Final Act provisions carry equal weight, including those concerned with human rights.

Unfortunately, Mr. Speaker, the Soviet Union and some East European nations have not only ignored, but have flagrantly violated these human rights provisions. The Soviet Union's butchery of the people and nation of Afghanistan, the brutal suppression of the Polish people, and the quashing of dissident movements within its own borders illustrate the degree of the Kremlin's contempt for the Helsinki accords. Many members of the Moscow, Ukrainian, Lithuanian, Georgian, and Armenian Helsinki monitoring groups, who took seriously the recognition in the Final Act that "institutions, organizations, and individuals have a relevant and positive role" to play in fostering the aims of the accords, have suffered harsh reprisals. The Soviet record of compliance with such provisions of the Final Act as family reunification, binational marriage, religious freedom, free flow of information, as well as its treatment of individuals belonging to national minorities, is poor indeed. Soviet actions, in stark contrast to the letter and spirit of the Helsinki accords, vividly demonstrate the chasm between Soviet pronouncements and Soviet reality. The records of several other Warsaw Pact nations, particularly those of Romania, Czechoslovakia, the GDR, and now Poland, are not much better.

Although some of the signatories do not comply with the ideals of the Final Act, we should not abandon the Helsinki process. The accords have given to all signatories the prerogative to inquire into the status of human rights among the Helsinki nations. No country, by signing the Final Act, can any longer legitimately say that its disregard for human rights is its own "internal affair." The Helsinki process provides a valuable mechanism for the Western democracies to press for the liberalization of the regimes in Eastern Europe. We should not forfeit those opportunities.

As a member of the Commission on Security and Cooperation in Europe, I pledge my commitment to the ideals embodied in the Helsinki Final Act and my continued efforts in behalf of those whose fundamental rights are stifled.●

STATEMENT OF PRESIDENT'S COMMITTEE ON MENTAL RETARDATION

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. MURPHY. Mr. Speaker, the President's Committee on Mental Retardation has adopted an important statement of support for the Education of All Handicapped Children Act, Public Law 94-142, and for section 504 of the Rehabilitation Act. The statement encourages the President to take a public stand to halt all efforts to change these laws and their regulations in ways which would adversely affect mentally retarded children.

This Committee's support is significant since it represents the views of a membership newly appointed by President Reagan. Their action has reaffirmed a bipartisan consensus on the need for these Federal statutes and for regulations that implement them effectively.

Their statement is also timely. Proposed revisions in the regulations for Public Law 94-142 will be published in the Federal Register this week. And we are informed that the Department of Justice has nearly completed work on a new set of coordinating regulations for section 504. Both sets of regulations have a critical impact on the lives of handicapped children and adults, and there is understandable widespread concern that an overemphasis on deregulation and cost-benefit analysis may weaken national commitment to justice and equality of opportunity for handicapped Americans.

Mr. Speaker, I sincerely hope that President Reagan will be listening to the voices of disabled citizens and to the parents of handicapped children as they comment on the proposed regulations. And I hope he will attend to the admonition of his own Committee on Mental Retardation that these laws and their regulations "constitute an investment, rather than a burden to society."

The Committee statement follows:

PUBLIC LAW 94-142 AND SECTION 504 AND POSITION OF THE PRESIDENT'S COMMITTEE ON MENTAL RETARDATION

Whereas disabled children and adults have historically been denied the right to obtain a meaningful education, appropriate vocational training, and access to basic human services, and have been relegated to a role of dependency and a loss of human dignity; and

Whereas the Education of All Handicapped Children Act, Public Law 94-142, was passed into law to guarantee disabled children a right to a free public education provided in conjunction with specific related services which would allow them to have an equal educational opportunity; and

Whereas Section 504 of the 1973 Rehabilitation Act guarantees that as these disabled children grow into adulthood, they will be provided with equal access to the educational, training, employment, social services, transportation and housing services available to the nondisabled; and

Whereas the implementation of both of these laws through federal regulations over the last five years has resulted in greater opportunities for meaningful educational programs for over 4 million disabled children throughout the country, and uncounted numbers of disabled adults from lives of total dependency and low self-esteem to productive lives through increased employment and training opportunities and expanded avenues to social services and community life; and

Whereas the premise that some disabled persons would not be able to benefit from meaningful educational and training opportunities, and that a determination should be made regarding the extent to which disabled people would either benefit from or contribute to the operations of a program in a manner which would be "socially beneficial" to all parties, speaks to age-old prejudices against the disabled, denies them basic human dignity, and is antithetical to the concept of equal citizenship; and

Whereas these two laws were passed because similar protections were not and are not available through existing states' statutes: Therefore, be it

Resolved, That the President's Committee on Mental Retardation reaffirms their

strong commitment to retaining the existing laws and regulations pertaining to Public Law 94-142 and Section 504 in substantially their present form, and encourages the President to take a positive and public stand to halt all efforts to change these laws through regulatory and legislative reform that would adversely affect mentally retarded citizens. Through these laws, the way has been cleared for preparing a large segment of our society to moving from lives of dependency to greater independency by becoming tax-paying citizens. Public Law 94-142 and Section 504, and their implementing regulations constitute an investment, rather than a burden, to society.●

SNARED ON NAMIBIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. McDONALD. Mr. Speaker, U.S. national security is again imperiled by the "fig leaf" diplomacy practiced by the U.S. Department of State whenever Soviet expansionism is the problem.

The United States is playing a leading role among the Western five—United States, Canada, France, Great Britain, and West Germany—nations of the so-called contact group trying to arrange for a United Nations supervised election of a constituent assembly to write a new constitution for an independent Namibia. Namibia is a territory under the jurisdiction of the Republic of South Africa by reason of a 1920 mandate of the League of Nations. South Africa has agreed to Namibia's independence, provided it is the product of a fair and free election and not a rigged or cosmetic maneuver to hand Namibia to the Soviet bloc.

The Soviet-sponsored terrorists of the South West Africa People's Organization (SWAPO), financed, trained, and equipped by the Soviets and supported by 25,000 Cuban soldiers in Angola, has been trying to seize control of Namibia for the last several years through the usual Soviet tactic of terrorism, camouflaged in the false plumage of a local "liberation" movement. SWAPO bases are in Marxist Angola, which was seized by a Soviet front in 1975 and is now a springboard for Soviet expansionism in other parts of Southern Africa.

It now appears that the U.S. State Department is slipping and slithering toward a "fig leaf" solution which is made to appear as if there is a fair and free election in Namibia when in fact we know that the SWAPO forces will ultimately take over. It was this same type of fig leaf diplomacy that lost Vietnam, North Korea, Afghanistan, some of the Middle East countries, and eastern European countries to Soviet Empire expansionism.

The Reagan administration will suffer its worse foreign policy defeat if it lets Namibia become another Vietnam to be taken over by the Communist surrogates of SWAPO while U.S. State Department bureaucrats pretend there has been a "democratic" solution. The following article by Bui Anh Tuan, which appeared in the Washington Times recently, points out the parallel between what is happening in Namibia and the failure of U.S. fig leaf diplomacy in other parts of the world recently, and I call it to the attention of my colleagues.

[From the Washington Times, July 30, 1982]

SNARED ON NAMIBIA

(By Bui Anh Tuan)

According to the United Nations and the Western "contact group" (West Germany, France, Great Britain, Canada and the United States), South Africa and SWAPO (Southwest Africa People's Organization) have reached a basic agreement on the future of Namibia.

On the surface, this is good news. But, as paradoxical as it may appear, it would have been better to have no news at all. The negotiations over Namibia show that it is easy for the Soviet Union to manipulate the world body and pull the wool over Western eyes.

South Africa has ruled Namibia, a former German colony, since 1920 under a league of Nations mandate. In 1966, the United Nations revoked the mandate and established a mechanism to prepare that Texas-size country of 900,000 blacks and 100,000 whites for independence. Until then, things were fine, although Third-World U.N. officials are still at a loss to explain away the coincidence between its move against Pretoria and the launching by the pro-Soviet SWAPO of a bloody terrorist campaign in the name of independence.

The U.N. overstepped its bounds when it recognized SWAPO, which speaks for a single major tribe, as "the sole and authentic representative of the people of Namibia," a country of 12 population groups, eight languages and 16 dialects. Furthermore, it has spent large amounts of money—to which Americans contribute a sizeable 25 percent—on buttressing a guerrilla organization whose leader, Sam Nujoma, is deeply committed to fighting U.S. capitalism and building a totalitarian Marxist-Leninist regime, and whose communist-trained troops keep on abducting children, assassinating political opponents and destroying crops and water pipelines.

The Washington-based SWAPO lobby claims that what is really at issue is the question of black rule vs. white rule. Nothing is further from the truth. Apartheid is as dead as a doornail in Namibia, which is being administered by a duly elected interim government, composed of a 50-member National Assembly and a 12-member Ministers' Council representing all population groups.

Indeed, the ruling Democratic Turnhalle Alliance maintains very close ties to Pretoria, but there is nothing wrong with that. With the Soviet-Cuban threat to the north, it is foolish for South Africa to dump its Namibian protégé and embrace a Soviet proxy.

In terms of human rights, the Soviets are despicable. When it comes to loyalty, however, they deserve an A-plus. We abandoned Indochina, the Shah's Iran, anticommunist Angola and Somoza's Nicaragua, and came close to abandoning Taiwan and South Korea. By contrast, the Soviets left no stone unturned in propping up their puppets—Karmal in Afghanistan, Samrin in Cambodia and Jaruzelski in Poland. Like it or not, Namibia now offers the outside world an opportunity to gauge the credibility of U.S. foreign policy.

The liberals argue that, since our European allies favor SWAPO we can hardly do otherwise. Remember Zimbabwe: Following in Britain's footsteps, we have traded a moderate black, Bishop Abel Muzorewa, for a radical one. Instead of pluralism, Robert Mugabe promotes an anti-white, anti-U.S., one-party dictatorship. Remember Nicaragua: While we warn the Sandinistas against beefing up their war machine, our European allies shower them with sophisticated weapons. Remember the Soviet gas pipeline project: We say "no," while our European allies say "yes." A defiant "yes." All of that teaches that unity of goals does not necessarily mean unity of views, and that it is high time we stopped baby sitting for interests that run counter to ours.●

SAVE NAMIBIA FROM SOVIET CONTROL

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. FINDLEY. Mr. Speaker, when he was a candidate, President Reagan made two radio broadcasts concerning the importance of keeping Namibia (South West Africa) from falling into the hands of the Soviets. Russia's "resource war" to gain control of the sources of strategic minerals of the Middle East and Africa has been enhanced in recent years by participation of Soviet-sponsored Cuban troops in various countries of Africa.

For years the Soviets have been trying to seize control of Namibia, largely because it has the largest uraniun mine in the world, one-sixth of all of the uranium in the free world, and significant other mineral resources, including gold, tin, lead, silver, lithium, cadmium, arsenic trioxide, germanium, dioxide, diamonds, oil, and gas.

The deep water port at Luderitz could be converted into a base for Russia's nuclear powered submarines to bisect the oil lifeline from the Middle East, a sea route over which almost 70 percent of the energy and mineral supplies for the NATO countries must pass each year. Indeed, nearly 26,000 ships a year come around the Cape of Good Hope and when one considers that the Russians now heavily influence South Yemen, Ethiopia, Mozambique, and Angola, it is easy to see that if Namibia is dragged behind the Soviet "iron curtain," the probability that all of southern Africa will pass under the control of the Kremlin becomes almost a certainty.

Namibia, which is the last colonial area in Africa, has been promised its independence by the Republic of South Africa. However, the Russians

have been using the surrogate terrorist forces of the South West Africa People's Organization (SWAPO) backed by Cuban soldiers and the Marxist government of Angola, to try and seize control of Namibia by force.

The Western governments of the United States, France, Canada, Great Britain and West Germany have been trying to work out impartial elections under U.N. supervision so that the people of Namibia can exercise their right of self-determination free from Russian influence and domination. However, groups in the United Nations General Assembly are trying to "rig" the election so that the Soviet-sponsored SWAPO terrorists can prevail by fair means or foul.

Bill Rusher, publisher of the National Review, has written an interesting article which appeared recently in the Washington Times, and which I believe should be read by all of my colleagues in Congress. U.S. national security will be seriously imperiled if we let Namibia become a mini-Vietnam and agree to some solution in Namibia which will lead ultimately to Communist control.

The article follows:

[From the Washington Times, July 21, 1982]

FOR A FREE NAMIBIA, GET CUBA OUT OF ANGOLA

(By William Rusher)

NEW YORK.—The negotiations over independence for Namibia (formerly South West Africa) are coming down to the crunch, and observers will be watching to see whether the United States makes the withdrawal of 18,000 Cuban troops now stationed in nearby Angola a precondition of elections for Namibia's new government. If the United States doesn't, the Cuban's presence just over the border will make it difficult for Namibians to vote free of the intimidating possibility that Cuban soldiers may overrun their country (and punish them individually) if the communist-backed South West Africa People's Organization losses the elections.

When the former Portuguese colony of Angola became independent in 1975, civil war promptly broke out among various factions seeking control. Cuban troops soon arrived to assist the faction backed by Moscow, which thereupon more or less won the struggle and proclaimed in 1976 the establishment of the People's Republic of Angola. The communist regime, however, has never completely defeated the forces of the Angolan anti-communist leader Jonas Savimbi, and Cuban troops have therefore stayed on in Angola ever since to prop up Moscow's Angolan puppets.

With Angola in the communist bag, Soviet attention next shifted to Namibia, a pre-World War I German colony that was soon scheduled to become independent of its longtime trustee, the Republic of South Africa. The South West Africa People's Organization, whose Soviet-armed guerrillas were based just over Namibia's northern border in Angola, was duly recognized by the United Nations as the sole representative of the people of Namibia—quite a surprise to more than a dozen political parties operating democratically in the territory.

At that point negotiations began for elections in which both these parties and SWAPO would participate. In addition to their representatives, spokesmen for South Africa and Angola as well as for the major Western powers and the so-called "front line" African states have all taken part in the negotiations. Meanwhile, there have been persistent terrorist attacks by SWAPO's guerrillas across the border into Namibia, and retaliatory strikes by Namibian and South African forces against SWAPO's bases in Angola.

It is agreed on all sides that South Africa's troops will withdraw from Namibia once elections have been held and its independence is proclaimed. But Cuba, Angola and SWAPO have so far firmly resisted every suggestion that Cuba's troops ought simultaneously to be withdrawn from Angola. Recently South Africa has indicated that agreement on this step is a necessary precondition to a Namibian settlement.

The position of the United States, whose negotiating team is led by Assistant Secretary of State for African Affairs Chester Crocker, is less clear. The ostensible reason for the presence of Cuban troops in Angola is to protect that country from an invasion by South Africa from its bases in Namibia—an alleged threat that will obviously vanish once South Africa's forces are withdrawn from those bases and returned home. On the other hand, if SWAPO is dissatisfied with the results of the election, what is there to prevent Cuban troops from overrunning Namibia and installing SWAPO to rule it, once the South Africans are gone? Common sense would seem to dictate the simultaneous withdrawal of South African and Cuban forces from Namibia and Angola respectively.

A further complication is provided by the fact that the Gulf Oil Corp., is heavily involved in the production of oil in the Cabinda district, an Angolan enclave in the Congo delta. This has required Gulf to stay on notably friendly terms with Angola's pro-communist regime and even with the Cuban forces there, and Gulf has unquestionably pressured the United States government to improve relations with the People's Republic.

For their part, American liberals have tended—as usual—to go along with the Communists' refusal to link Namibian independence to a Cuban pullout from Angola. They seem ready to accept almost any nonbinding promise the Communists may make to "think about it" once Namibia is independent. But conservatives are warning the Reagan administration not to settle for vague promises. Let the Cubans leave Angola on Namibia's Independence Day, and not a moment later.●

EVIDENCE MOUNTS AGAINST THE CLINCH RIVER BREEDER REACTOR

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. PORTER. Mr. Speaker, in the next few weeks we will once again be asked to approve funds for one of the largest pork barrel projects in the history of this Nation, the Clinch River Breeder Reactor.

The evidence continues to mount against this project for a variety of reasons the least of which is its extraordinarily prohibitive cost of $3.57 billion.

An article appeared in the August Reader's Digest emphasizing that "Senator Baker's Costly Technological Turkey" is of poor economic value and should be abandoned. I suggest that my colleagues in the House give the Reader's Digest article their careful attention and review. For this reason, I insert the article in the CONGRESSIONAL RECORD for all to consider.

SENATOR BAKER'S COSTLY TECHNOLOGICAL TURKEY

CAN THE PRESIDENT AND CONGRESS REALLY BE SERIOUS ABOUT REDUCING BUDGET DEFICITS IF THEY SUPPORT FUNDING SUCH A BLATANTLY POLITICAL PORK BARREL?

(By Ernie Beazley)

When Ronald Reagan was elected President, he received a popular mandate to cut waste and curb the growth of government spending. To carry out that mission, the President had the support of a new generation of Republicans, whose party had gained control of the Senate for the first time since 1954.

But while the federal budget knife has slashed a number of questionable programs, it hasn't even nicked an experimental nuclear power plant in eastern Tennessee that will cost taxpayers at least $3.3 billion—fives times the original estimate—if and when it is completed in 1989.

Known as the Clinch River Breeder Reactor, the project has been ranked by the respected Congressional Quarterly as one of Congress's seven great sacred cows. "A colossally mismanaged boondoggle," says Time. "A costly, ill-conceived technological turkey," says the New York Times. "A white elephant recognized as uneconomic even by the nuclear industry," says The Wall Street Journal.

Yet Clinch River has survived mounting criticism because of its support by Senate Majority Leader Howard Baker (R., Tenn.), in whose home state the plant is being built; the Reagan White House, which partly for political reasons sides with Baker instead of federal budget director David Stockman, a critic of the breeder; and the nation's largest utilities, which have a vested interest in the project.

To critics, Clinch River is a dramatic example of pork-barrel politics, as well as a graphic reminder that raw political power and a vocal constituency are more important to a project's survival than economic merit is.

MAGIC PYRAMID

The Clinch River saga began in the 1940s, when physicists developed the theoretical principles of breeder reactors. Unlike conventional nuclear reactors, which consume their fuel in operation, breeder reactors could, through a series of complex atomic reactions, "breed" more fuel each year than they consumed. Physicists envisioned a new world in which the mechanics of energy production were forever changed. It was, as Rep. John Edward Porter (R., Ill.) has noted, a vision of "a magic pyramid of energy that excited the imagination of an energy-hungry world."

In 1969 the Atomic Energy Commission (AEC) and some of our largest electric utili-

ties proposed Clinch River to demonstrate the commercial feasibility of breeder reactors. President Nixon agreed, and in 1970—at the urging of the powerful Joint Committee on Atomic Energy—Congress authorized the 375-megawatt facility to be built near Oak Ridge, Tenn. The utilities, believing the United States would be short of nuclear-generated electricity at the end of the century, pledged $257 million to ward the estimated $699-million cost. The Tennessee Valley Authority (TVA), which among utilities is probably the nation's largest investor in nuclear energy, agreed to operate the plant and buy its electricity when it started up in 1979. Clinch River, the AEC convinced Nixon, was "our best hope for meeting the growing demand for economical, clean energy"

OMINOUS PREDICTIONS

More than a decade later the economics of the breeder have become a disaster. Construction has yet to begin, even though Congress has poured $1.2 billion into the project. The price tag has leaped from the initial $699-million estimate to $3.57 billion, and even the most ardent supporters of the reactor concede that that figure is optimistic. Worse, the government's share of liability has increased from roughly $400 million to $3.3 billion—eight times the original estimate. In fact, in 1975 the government agreed to pick up all cost overruns for the project while limiting the utilites' contributions to the original $257 million.

As the economics have deteriorated, critics believe the case for Clinch River has also fallen apart. When the AEC persuaded the Nixon Administration to support the project, it did so with ominous predictions of a dire shortage of nuclear fuel. The AEC forecast that by the year 2000 nearly 1000 nuclear reactors would be operating. Natural reserves of uranium 235, which fuels conventional reactors, would quickly be used up, and only breeder reactors could prevent the nation from rapidly exhausting its nuclear-fuel supplies.

But nuclear energy has become a troubled industry. Today the Department of Energy expects only about 170 reactors to be in operation by the end of the century. Not a single reactor has been ordered since 1978, while dozens have been deferred or canceled. The TVA, for example, has slashed its nuclear construction program in half. And the feared shortage of uranium hasn't materialized, as demand—and price—have slumped dramatically.

Even the Department of Energy's own research advisory board, composed of businessmen, scientists and professors, recommended deferring Clinch River last fall because of its "low urgency, low economic potential, low benefit-to-cost ratio." Uranium reserves, the board noted, were ample "for at least 40 years and possibly well beyond." As Senator Gordon Humphrey (R., N.H.) declares, "I'm not opposed to breeder-reactor technology, but the essential problem of Clinch River is that it makes no economic sense." In fact, other pro-nuclear opponents of the project argue that Clinch River gives the damaging impression that commercial nuclear power is dependent on government subsidies.

The poor economics of the breeder today appear to have been confirmed in Europe. The French, who are a year away from completing their first commercial breeder reactor, the Super-Phenix, now believe it will cost almost twice as much to build as conventional nuclear-power plants. France was considering building six breeders, but the Super-Phenix experience may well change those plans. Indeed, CIA analyst James Cochrane, according to Electrical World, believes the high cost of Super-Phenix portends a bleak future for the entire French breeder program.

OUTSTRETCHED PALMS

It was economic reality that caused Stockman, a strong nuclear-power advocate, to withdraw his support for the breeder program. In 1977, as a Michigan Representative, he wrote what remains the most forceful indictment of Clinch River: "Continuing massive subsidies for the project is totally incompatible with our free-market approach to energy policy. Today it is the nuclear-breeder lobby looking for a large, uneconomic subsidy. Tomorrow it will be the solar-power gang, then the windmill freaks, and so on in a never-ending stream of outstretched palms."

By no means have all advocates of nuclear power withdrawn their support for Clinch River. For example, the prestigious Scientists and Engineers for Secure Energy (SE2) remains steadfast. "I believe that it will not only produce power, it would also produce experience," argues SE2 member Eugene P. Wigner. But a growing number of authorities have become skeptical. "The Clinch River breeder is a nuclear Concorde," asserts Princeton physicist Frank von Hippel, chairman of the Federation of American Scientists. "Like the supersonic passenger plane, it may be technologically appealing, but it cannot be justified economically."

Damning evidence was turned up in July 1981 by a House subcommittee staff, which charged that Clinch River was a "cost and technical fiasco" plagued by "loose unenforceable contracts." In 1975, for example, the government awarded a non-competitive contract to a company to build 11 steam generators for $56.7 million. By 1981 the government terminated the arrangement after paying out $143 million for only two generators.

A General Accounting Office report this year reaffirmed the non-competitiveness of the contract award. The Congressional Budget Office (CBO) drew similar conclusions in its multi-volume study of strategies to reduce the federal deficit. The future need for breeders is at best "unclear," says the CBO study, and scrapping Clinch River would save taxpayers $1.2 billion over the next four years alone.

PLAYING HARDBALL

Clearly, Clinch River seems to be the kind of pork barrel President Reagan has attacked in the past. How, then, can the White House justify its support for the project? The answer, says critic Rep. Judd Gregg (R., N.H.), is "politics and Howard Baker."

The breeder would be located in Baker's native eastern Tennessee. Already more than 500 of his constituents are at work on the engineering phase of the project. Actual construction will provide another 4,200 taxpayer-subsidized jobs, and the project itself perpetuates the area's role as a leader in nuclear research and development.

Explaining the Reagan Administration position, Stockman was quoted in *The Atlantic:* "It just wasn't worth fighting. [The Reagan economic-recovery program] will go nowhere without Baker, and Clinch River is just life or death to Baker." Added Stockman: "A very poor reason, I know."

But new budget-minded members in the House had a different idea as Congress considered President Reagan's first budget last year. The freshman-laden House Science and Technology Committee voted 22 to 18 against additional funding for the project despite heavy pressure from the White House, the nuclear industry, several Senators and even Vice President George Bush. Ten of 13 new committee members voted against more money for the breeder reactor.

In the days leading up to the vote, lobbying pressure for support of Clinch River became incredibly intense. Freshman Rep. Jim Dunn (R., Mich.) said he was told that if he did not vote to continue the project, $2 million for a research cyclotron at Michigan State University in Lansing might be erased.

"It is not uncommon to find many lobbyists and special interests playing what is termed 'hardball,'" says Rep. Howard Wolpe (R., Mich.). "But on this particular issue, I think someone is out there playing with pistols and Tommy guns." The hardball paid off. On July 24, 1981, a Friday afternoon when 40 members were absent, the House voted 206 to 186 to continue funding Clinch River.

Nurturing home-state projects through Congress is nothing new for Senator Baker. Working together with other Tennessee Republicans and Democrats, he has successfully steered legislation that brought his state the $127-million Tellico Dam and the projected $203-million Columbia Dam. He aided in blocking a federal budget office proposal to eliminate interest-rate breaks for TVA powerplant-construction funding. He also helped foil plans by the Navy to move the 240-member technical training command at the Memphis Naval Air Station to Pensacola—a move defense officials estimate would save $1.8 million annually.

GETTING OUT-MUSCLED

On November 4, 1981, the Clinch River appropriation reached the Senate. While Baker worked the floor for votes, Senate Energy Committee chairman James McClure (R., Idaho) spoke for the project. McClure is a strong advocate of Clinch River, in part because hundreds of millions of federal dollars go to breeder-reactor research—much of it in Idaho.

Initially, Baker's forces narrowly lost a test vote, and for a few minutes it appeared the Senate had closed the door on Clinch River. But the Senate voted again. This time five Senators—including Wendell Ford (D., Ky.)—switched votes, and Clinch River prevailed 48 to 46. Just the week before, Baker and McClure had thrown their support behind federal funding of a $2.3-billion synthetic-fuels plant in Ford's home state.

"It was good old-fashioned armtwisting," said a Senate aide who worked against Clinch River. "We just got out-muscled. There's no other way to explain it."

With Congress desperately searching for ways to reduce the federal deficit, some Capitol Hill observers say there is a chance the project might be killed. But Howard Baker, a popular Majority Leader with strong Administration support, has demonstrated that he is not to be underestimated. While Baker's unflagging attention to his home state has earned him appreciation back there, his critics question whether such support is suitable for someone supposedly leading the White House charge to reduce budget deficits.

Three days after last year's Senate vote the Chicago *Tribune* summed up the politics behind Clinch River: "Baker, who once threatened to oppose President Carter's emergency energy plan just because the Clinch project wasn't in it, is advancing the

thing mostly on the basis that he wants it, and he's Majority Leader. The danger of this is that it rolls the log. Senators supported it in the hope, if not the commitment, that Baker would look kindly on their pork barrels when they come up.

"The average American is bearing a pretty heavy burden as it is. With an eye to next November, the House and Senate would do well not to add to the weight of Baker's indulgences. This is not the United States of Tennessee."●

LITHUANIAN RECALLS FREEDOM BID

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1982

● Mr. DERWINSKI. Mr. Speaker, Captive Nations Week continues to be remembered in various newspaper articles that appeared in publications across the country. As a special feature, the News World of New York, provided reports of various activities in the countries held captive by the Soviet Government.

I wish to insert the first two of a series of articles on the Captive Nations which appeared in the April 30, and May 7 editions of the News World. Also included is a proclamation from the mayor of the city of Anaheim, Calif., the Honorable Don R. Roth, which is followed by articles from the New York Times of July 20, and the July 20 edition of the San Francisco Chronicle.

The articles follow:

[From the News World, April 30, 1982]

LITHUANIAN RECALLS FREEDOM BID

(On Nov. 23, 1970, while the U.S. Coast Guard Cutter Vigilant was moored alongside the Soviet mother ship Sovetskaya Litva off the coast of Martha's Vineyard, Mass., a member of the Soviet crew, Simas Kudirka, leaped across to the American vessel and to what he thought would be certain freedom. To his dismay, U.S. officials refused him asylum and allowed Soviet sailors to come aboard and carry him back.

(After spending nearly four years in a Soviet prison, Kudirka was released, due in large part to his mother's American citizenship and the outcry made by many exiles living in the United States.

(Now living in Brooklyn, his mother's birthplace, Kudirka recalled that first experience with America in an interview with The News World's Patrick J. Martin.)

Explain some of the events that led to your desperate bid for freedom.

One day, soon after the Second World War, I was on my way home from school when I was arrested by the KGB. After beating and interrogating me to gain information about the [Lithuanian] partisan movement still operating after the war to oppose the Russians, they told me that they would make a deal with me.

"OK, Simas," The KGB officer said, "it's enough. No one from your classroom will know that you were here. I want you to do nothing except to watch your friends and see if they read leaflets or the wrong books." They wanted me to be an informer.

I went to my friends in the forest [the Lithuanian resistance movement] and told them that I am being forced to spy on them for the KGB. But they said: "Look, be smart. Play a game. Tell them that we have found out that you are working for the KGB and that we can't trust you."

After six months of this game I told the partisans that I wanted out of this way of life; I must join them. They said: "No, it is better that you leave this place. You must become a sailor and try to escape to Sweden and tell the story of what is going on here. We are losers. America will not come to help so we must die. We realize this, but you have a chance. Use this chance."

Without knowing this kind of background, you cannot understand the situation. Why did I suddenly jump ship? Why did I try to escape from my own country, my own relatives? Because of the pressure. We are forced to betray in order to survive.

Over the next several years you went on many sea journeys. What was your first encounter with Americans?

On Nov. 23, 1970, we met to have discussions between American and Russian fishing companies to determine fishing permission for the Russian boats. I was on a fishing factory, and was the radio operator at the time.

During this meeting, we saw the Americans and thought, "My God, they are not gangsters, not murderers, not Ku Klux Klan, but people smiling and waving to greet us." But we must be loyal and we must not smile and must not greet them.

The KGB has many people working for them aboard these ships. They say, "If we see you waving to the 'SOB' American imperialists, then we don't trust you anymore and you will lose your job."

The Americans then began to throw cigarette packages, beer cans and Coca Cola over to our ship.

Why were the doing that?

To share. Son of a gun, the Americans were giving these things for maybe 35 to 40 minutes. It was OK. The KGB commissar [political officer] was watching what was going on but did not interfer. To them, business is business.

But when the Americans were finished with their gifts, one of them came from inside the cabins with a stack of magazines and started throwing them to us as well. Some fell into the sea, but the others fell on the main deck. Both a girl and a boy picked up a few copies and hid them, because for us, these magazines and newspapers from foreign countries are strictly forbidden.

The KGB man immediately ran down from the lifeboat deck and confiscated the copies from these two and told them they would no longer have jobs.

At that moment, a revolution, an explosion occurred inside myself. All the things that I had held deep down for so long began to come up. After so many years of political indoctrination I suddenly see the Americans, these so-called imperialistic Americans, are giving us gifts, not bullets. And from our side, we receive threats, always threats.

I decided that I could no longer live here. No more double standard. No more speaking one thing but thinking another. No more!

At what moment did you decide to jump ship?

Later that evening, after the Americans had left, I made my decision. I knew some English because of my work as a radio operator so I approached and American naval officer and asked if they could give me asylum. I explained: "I no Rusky. I no Russian. Lithuania." He didn't understand.

I went to my cabin and wrote a note that said: "Dear Comrade, I wish to go with you. If it is possible, please give me a signal and I will be watching. Simas."

I folded the piece of paper, put it into one of the packages of cigarettes they had thrown to us, and like a gift, I threw it back. It landed near an American officer who opened it and saw the note. He was a smart man so he took out one of the cigarettes, lit it and then moved to a cabin to read the message.

Later, he came out and nodded to me. I was sure. The time was now. I quickly went to my cabin, destroyed all my letters and some literature by Alexander Solzhenitsyn and then I was ready.

Our ships were close together, so I made a running jump and landed on the American side. Three crewmen from my ship saws me jump- and it wasn't long until an alarm was sounded. Soon the Russians started negotiations to get me back, because from the "beautiful Soviet ship, suddenly one slave had escaped."

The captain of the Sovetskaya Litva and the KGB office made what they call a "high seas protest" to the American captain, which means that if someone commits a crime then he must be returned to the country in which the crime was committed.

They were claiming that I entered the captain's cabin, broke open the safe and stole 3,000 rubles. Then I jumped overboard and hid it on the American ship. The American captain came and asked me if I had stolen these things, but all I had was my shirt and pants.

He understood but the final decision had to come from the top, in America. The decision came from an admiral, who maybe received an order from the State Department. Who knows? We have no clear picture to this day who made the decision.

On what ground was the decision made?

It was a matter of what was more important, me or the fishing agreement between the Americans and the Russians.

When did you first suspect that something was wrong?

For a long time I sat in a room waiting. One hour, two hours, so long, and still the engines did not start. Then the captain came in and began to ask me why I had jumped and I kept saying, "To be free, to be free."

Then finally he explained that I must return to my ship. I said, "My God, why?" He said I must go. I said, "I can't!" I finally said, "Ruskies—Siberia—Kaput!"

I started crying, and I thought: "My God, it is better that they shoot me immediately. This way will be without pain, without long years in concentration camps, without interrogation, without beatings. You stupid Americans don't understand these things."

But what can I do? I must be polite on his ship. At last, the captain prepared to leave. He greeted me for the last time, said, "Goodbye, Simas," and then he also began to cry. To this day I have nothing against him, because by his tears his soul was washed.

[From the News World, May 7, 1982]

ESTONIAN STRIKE LEADER OPTIMISTIC

(By Vicki Tatz)

Since calls began to be issued in December for Estonians to strike on the first working day of each month, response has been limited, according to the sketchy reports reaching the West. But dissatisfaction with the

communist authorities is "almost general," an exiled Estonian says.

Sergei Soldatov, who was expelled a year ago after serving a six-year jail term for his dissident activities, said that while only a minority take the risky course of political activity, others express their opposition to the Soviet Union through religious or even criminal activities.

Soldatov, now living in Munich, West Germany, said in an interview here that he is "very optimistic" that change will come to his country and the rest of the Soviet bloc because "people will only take so much."

"Conditions in the Soviet Union [Estonia, Lithuania and Latvia were annexed in 1940] are only conducive to moving in the direction of democratic principles and self-determination. It's fertile ground, and the regime isn't doing anything to eliminate that feeling," he said.

Most galling are the economic conditions, which he described as "desperate."

GRAIN SALES CHECK DISCONTENT

Discontent would be "even further along" if the West didn't sell wheat and other grains to the Soviets. Only such sales "keep the situation from totally exploding," he said.

Adding to the dissatisfaction are the "very unpopular" war in Afghanistan, sympathy for the Solidarity free trade union movement in Poland and a feeling that the local authorities treat Estonians with disdain.

About one-fourth of the population are religious and restraints on the church also fuel unrest. Believers are only permitted to practice within the church itself, for example, not in the home. Dissidents among the church leaders try to organize children's camps and secret seminars.

"There is a general tendency for more young people to get involved in church activities," Soldatov said "It's one way to channel your dissatisfaction."

Soldatov's own dissident activities started in 1966. One of the founders of the Estonian Democratic Movement and a principal strategist for the group, he also participated in the activities of the Democratic Movement of the Soviet Union. He was a co-editor of the Estonian underground periodicals the "Estonian Democrat" and the "Estonian National Voice."

The Estonian Democratic Movement developed close cooperation with nationalistic movements in Lithuania and Latvia, with human rights activists in Leningrad and Moscow and with the democratically minded officers of the Baltic Fleet.

They also maintained close contacts with members of the Estonian Lutheran Church. Estonian Baptists and the religious movement in general.

At the end of 1972, Soldatov helped write the "Memorandum to the U.N. General Assembly" and the "Letter to the U.N. Secretary-General," which called for freedom and independence for Estonia.

After these documents became public in the West in 1974, Soldatov and several other authors were arrested. Soldatov received a six-year sentence. Then his 17-year-old son was arrested in trumped-up charges to pressure Soldatov into recanting. The son was sentenced to five years in a labor camp.

The decision to expel him seems to have been made while he was still in prison, Soldatov said, "They talked to me while I was in the camps about not fitting into society unless I was willing to recant. But I always made it known I would continue my activities."

After he was released in January 1981, Soldatov continued to be watched and his movements were restricted. In May 1981, he and his wife were placed on a plane headed for the West, without letting them wait until their son was released from prison a couple of months later.

The authorities have still not made good on their promise to let the son emigrate to join his parents. "They're holding him like a hostage because I speak out," he said.

While Soldatov speaks out in the West, dissident activities continue in his homeland. Leaflets advocating work stoppages began to be distributed in June 1981, six months before the first attempt to organize one was made. It's a broad-based movement, involving workers and technicians as well as intellectuals.

The regime reacted swiftly, rounding up and interrogating hundreds and searching their homes for the contraband leaflets. "Not everyone's so careful, so inevitably some [leaflets] were found." Approximately 150 people were detained, and some are still being held.

The most obvious result of their activities is that normally scarce food items appear in the shops on the days strikes are called, a sign, Soldatov said, that the authorities are afraid. The incentives tempt people out of their homes and make them less likely to join the protest, he explained.

PROCLAMATION

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Czechoslovakia, Romania, East Germany, Bulgaria, China, North Korea, North Vietnam, Cuba and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving people of the captive nations look to the United States as the citadel of human freedom and human rights and to the people of the United States as the leaders in bring about their freedom and independence;

Now be it hereby proclaimed by the Anaheim City Council that the week of July 18 to 24, 1982, be declared "Captive Nations Week in Anaheim" and call upon all residents to recognize the plight of these captive peoples and support their just aspirations of freedom.

Authorized by the Anaheim City Council this 20th day of July, 1982.

[From the New York Times, July 20, 1982]

PANEL URGES REAGAN TO GUARD CREDIBILITY OF VOICE OF AMERICA

(By Bernard Weinraub)

WASHINGTON, July 19.—An official report to President Reagan strongly urged today that the Voice of America and its parent body, the International Communications Agency, remain free from "stridency and propaganda." It recommended that they "take particular care" to broadcast news abroad with objectivity.

The report by the United States Advisory Commission on Public Diplomacy was laced with gentle criticisms of some of the recent programs and decisions of the communication agency.

"Actions and policies which are easily misinterpreted and cast doubt on the organization's commitment to truth can seriously damage it," the report said.

The commission is an independent, bipartisan, seven-member group set up by Congress to report to the President annually on the communications agency. Its report said that the "V.O.A.'s credibility is its most precious asset," and that the agency should "take particular care to ensure that public perceptions of the Voice of America not erode the high standing it now has."

The report was issued as President Reagan spoke at a Rose Garden ceremony at which he signed a Captive Nations Week proclamation. He said that numerous countries had fallen prey to Soviet ideology and that the overseas radio stations beaming broadcasts to the Soviet Union and Eastern Europe would be modernized.

For the last year, the Voice of America itself has been riven by turmoil, and several officials have resigned amid indications that the communications agency was pressing for a tougher American response to Soviet propaganda. There were accusations by Voice journalists that the I.C.A.'s leadership under Charles Z. Wick, a California businessman and friend of the President's, had sought to make the Voice tougher on Soviet bloc nations and less inclined to report bad news about America—a criticism denied by Voice officials.

Officials at the I.C.A. said there would be no comment on the report.

The commission chairman is Leonard I. Silverstein, a Washington lawyer. The members of the committee are Tom C. Korologos, vice president and director of legislative affairs for Timmons & Company in Washington; Lewis Manilow, former president of the Chicago Museum of Contemporary Art; Jean McKee, director of government relations for the General Mills Restaurant Group; Olin Robison, president of Middlebury College in Vermont; Neil Sherburne, chairman of the Association of Governing Boards of Universities and Colleges, and Mae Sue Talley, retired business executive, publisher and civic leader.

[From the San Francisco Chronicle, July 20, 1982]

REAGAN CALLS SOVIET UNION "PERIL TO PEACE"

WASHINGTON.—In a Rose Garden ceremony, President Reagan inaugurated "Captive Nations Week" yesterday with the singing of "God Bless America" and an attack on the Soviet Union.

Under a blazing sun, the President signed a proclamation designating the special week and charged that the "ideological obsession" of the Soviet Union "remains the single greatest peril to peace among nations."

Reagan won applause from an audience of ethnic leaders and members of Congress when he said that "consistent with budgetary restraints," he is moving to modernize the Voice of America, Radio Free Europe and Radio Liberty, three stations beamed to Communist countries.●

SENATE—*Wednesday, August 4, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Sovereign God, Lord of the nations, there are moments in history which are cosmic in their implications even though the matter of the moment gives no indication. As has been said, "Great events swing on small hinges." The Senate may face such a moment today. Having debated many hours, the moment of decision now confronts them.

God of our Fathers, our incredible Constitution has served this Republic well for 200 years. Our Founding Fathers leaned heavily upon Thee in bringing it to birth out of costly struggle and sacrifice. Grant that the leadership of this hour will look to Thee no less than their honorable predecessors.

Gracious Lord, architect of history to whom all the future is known, guide the Senators in their final deliberation and decision. Let Thy perfect will be done in this place today. We pray in His name whose life on Earth was the incarnation of Thy will. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized for 1 minute.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, at the conclusion of the abbreviated time allocated to the two leaders under the standing order, the Senate will resume debate on Senate Joint Resolution 58, at which time the Cranston amendment No. 1945 will be the pending question. There is a 2-hour time limitation as specified in the unanimous-consent order.

The vote on passage of the joint resolution will occur no later than 12 noon today.

Mr. President, I yield the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The acting minority leader is recognized.

Mr. CRANSTON. The acting minority leader has no statement or need for the floor at this time.

BALANCED BUDGET—TAX LIMITATION CONSTITUTIONAL AMENDMENT

The PRESIDENT pro tempore. The Senate will resume consideration of Senate Joint Resolution 58. The clerk will report.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 58) proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

The Senate resumed consideration of the joint resolution (S.J. Res. 58).

AMENDMENT NO. 1945

(Purpose: Proposing an amendment to the Constitution to balance the budget, in the nature of a substitute)

The amendment is as follows:

Strike all after the resolving clause and insert in lieu thereof the following: "That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"'ARTICLE —

"'SECTION 1. Prior to each fiscal year, the President shall submit and the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts, except that total outlays may exceed total receipts for the sole purpose of maintaining the benefit schedule under the laws of the United States providing for social security and the benefits and services provided under the laws of the United States on account of the service of military veterans. The Congress may amend such statement in conformity with this article. Upon adoption of such statement or any revision of it, actual outlays for that year shall not exceed outlays set forth in such statement.

"'SECTION 2. The Congress may waive the requirement of this article for any fiscal year in which a national emergency has been declared by the President or by the Congress.

"'SECTION 3. The Congress shall have the power to enforce this article by appropriate legislation.

"'SECTION 4. This article shall take effect for the second fiscal year beginning after its ratification.'.

"Amend the title so as to read: 'Joint Resolution proposing an amendment to the Constitution to provide for a balanced budget.' ".

The PRESIDING OFFICER (Mr. HAYAKAWA). Debate is on the Cranston-Moynihan amendment, with a 2-hour time limit. Who yields time?

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. The substitute amendment that I have offered is now before the Senate. I yield 10 minutes to the Senator from Missouri.

Mr. DECONCINI. Mr. President, will the acting minority leader first yield to me for a question?

Mr. President, I say to the acting minority leader that we are short on the time, having a time certain at 12 o'clock to vote. There are a couple of Senators on our side, namely Senator STENNIS and Senator ROBERT C. BYRD, of West Virginia, who have asked me to yield them a certain amount of time off the bill, which I have indicated I would do.

Mr. CRANSTON. I ask that this time be charged off the bill, incidentally.

Mr. DECONCINI. What time?

Mr. CRANSTON. The time the Senator is taking now.

Mr. DECONCINI. That is fine. I would be more than happy to have it charged off the bill.

Yesterday I thought we had arranged with the Senator from California to limit the debate to 20 minutes a side on his substitute amendment.

Mr. CRANSTON. I just indicated to the Senator from Arizona that I should like to confer with him while someone speaks, so I will do so immediately. I yield 10 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. I thank my colleague.

The PRESIDING OFFICER. The Senator may proceed.

FAILED REAGANOMICS NOW BRINGS FORTH A CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

Mr. EAGLETON. Mr. President, as we approach a final vote on Senate Joint Resolution 58, the constitutional amendment mandating a balanced budget, we might well pause and contemplate the events of the past year

which serve as a prelude to the vote which is soon to occur.

A year ago at this very time, the Congress enacted President Reagan's 1981 tax bill. On August 3, 1981, the Senate passed a conference report on the tax bill and the House followed suit on August 4. The euphoria of Reaganomics was omnipresent. The President had already won his budget fight and with the enactment of his tax bill, he could declare victory for his economic program. On August 5, 1981 he stated:

"In my view, the passage of this legislation marks the single most important achievement of the past 200 days. It represents the first serious step taken in decades to stop the growth of government, to end government's unwarranted intrusion into our lives, and to rebuild the foundations of our economy." *Weekly Compilation of Presidential Documents*, August 10, 1981.

A year ago, the President was predicting that there would be no recession; that the enactment of his budget and tax measures would insure a period of prosperity; that corporations would use their new tax breaks to usher in a period of massive capital investment which would create many new jobs; that the budget deficits for 1982 and 1983 would be negligible ($42 billion for fiscal year 1982; $23 billion for fiscal year 1983) and that, indeed, the budget would be balanced in 1984.

On August 16, 1981, Treasury Secretary Regan underscored that prediction:

"Our deficit will be about $45 billion in 1982, and we will be aiming for a balanced budget later. There should be less need for the government to borrow. We are trying to get our fiscal house in order so that there will be more funds available to the private sector." *Washington Post*, August 1, 1982.

Now, it is 1 year later; the President's economic plan has had time to work its will on the economy. The tax bill has been in place for nearly a year; the Reagan administration has just resubmitted budget estimates for the second budget of its tenure. As we stand ready to commit the country to casting into concrete an economic formula to govern us for all time, it is only right that we should review the record of where we have been this last year.

I offer the following illustrations:

Corporate profits: "American companies, plagued by low demand, high interest costs, and weakening prices, are reporting dismal corporate profits." *New York Times*, August 2, 1982.

After-tax corporate profits, as reported for the first quarter of this year plunged by a whopping 30.2%, which is the second largest plunge on record after the 30.6% decline that occurred in 1951. *The Money Market Tactician*, E. F. Hutton, June 1982.

Capital investment: "The combination of high interest rates and sluggish sales in key markets is forcing reductions—and in some cases deep cuts—in planned spending for new factories and equipment across a broad spectrum of American industry.

"In recent weeks, companies in fields that are feeling the harshest impact of the recession have announced that they were reducing their earlier projections of capital spending this year and deferring projects in midstream." *New York Times*, August 2, 1982.

Fragility of the banking system: "The sudden collapse of these two seemingly minor institutions (Penn Square Bank and Drysdale Government Securities) has sent shock waves through the banking industry and placed new burdens on a financial system that is already strained." *New York Magazine*, July 19, 1982.

Crisis in the savings and loan industry: "More than 400 firms . . . must find merger partners to avoid potentially irreversible losses of net worth. Still others—at least 200 and possibly more than 600 under the worst-case assumptions—will require financial assistance from the deposit insurance agencies to arrange mergers." *The Plight of the Thrift Institutions* by Andrew Carron, 1982.

"The thrifts are in trouble for doing just the same thing that the regulators and Congress told them to do—charge low interest rates on long-term mortgages. Here are names that came through the Civil War, the world wars, the Great Depression, and the bank holidays—only to get in trouble now." Muriel Siebert, New York State banking superintendent. *Newsweek*, March 15, 1982.

Decimated housing industry: Housing starts plunged 15.3% in June from May, 1982. Some economists predict that persistently high mortgage rates may hold this year's home-building activity below last year's, which was the lowest since 1946. *Wall Street Journal*, July 20, 1982.

Staggering unemployment: "Skepticism toward old approaches to combating unemployment arises at a time when joblessness affects more people than at any time since the 1930s. In May, 9.5 percent of the workforce—10.5 million people—could not find jobs, and the toll is expected to go even higher in the coming months." *US News & World Report*, July 5, 1982.

Bankruptcies: Even if a fledgling recovery produces real economic growth this year, corporate failures will rise to levels unseen since the height of the Depression, according to Edward I. Altman of New York University, one of the nation's leading experts on business bankruptcies.

Even assuming a modest but sustained recovery in the second half of the year, Altman predicts that the number of business failures recorded by Dun & Bradstreet Inc. this year could still climb to more than 25,000 and the business failure rate may reach 85 to 90 per 10,000 companies, the highest level of failures since 1933, when the level stood at 100. *Business Week*, July 12, 1982.

Gargantuan budget deficits: "(Commerce Secretary Malcolm) Baldrige became the first member of President Reagan's Cabinet to declare publicly what many administration officials acknowledged privately when they issued the midyear budget review, which showed a $115 billion budget deficit for fiscal 1983, beginning October 1.

"Baldrige's estimate would put the deficit more in line with the $140 billion to $160 billion estimated by the Congressional Budget Office and many private forecasters." *Washington Post*, August 3, 1982.

It is against this backdrop of failed Reaganomics that we consider this constitutional amendment as strenuously advocated by President Reagan. Having brought us economic havoc with his own economic program, President Reagan now wishes to shackle future Presidents and future Congresses by writing an inflexible economic theory into the Constitution. President Reagan, having guaranteed us incredible and historic budget deficits for his term of office, wishes to deny to future Presidents and future Congresses any flexibility in dealing with the economic variables which they may face.

As I have stated before, budget arithmetic has no place in a Constitution that is devoted to the rights and obligations of the American people. Budgets are bound to economic circumstances that shift like a reed in the wind; they may not be bound by absolute laws. We will find that fact out all too quickly, those of us who do not know it now, if this amendment passes the Congress and becomes part of our Constitution. And if we fail to face up to this reality, we need only turn to the American people who are not fooled by such a charade or to Wall Street and the financial markets of this country which will recognize that this amendment does not provide for budgetary responsibility at all.

Mr. President, this constitutional amendment is more than a "fig leaf" to cover past economic failures. I am reminded of the children's story of "The Emperor's New Clothes" when the proud emperor paraded through the streets—wearing not a stitch of clothing—yet believing he was elegantly dressed because he was foolish enough to believe the people who told him so. Let us not be so foolish. Soon enough, the American people will find out that we are not wearing any clothes—contrary to our efforts to assure them that we are.

This amendment, once ratified, will stand as a testimonial to the ultimate in political hypocrisy or the ultimate in economic folly. It will either be ignored in its observance or it will be observed in its economic ignorance.

Mr. CRANSTON. Mr. President, I yield 10 minutes to the Senator from New York (Mr. MOYNIHAN).

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I thank my friend, the distinguished acting minority leader.

Mr. President, I am honored to be a principal cosponsor, with the Senator from California, of this measure.

Before the Senator from Missouri leaves the Chamber, I wonder if I might detain him for a moment to thank him for his remarks. They are in the tradition we have come to associate with him—the tradition of candor, of rigor, and of fact in the face of fear and superstition, or worse.

However, I should like to make one observation. Toward the close of his remarks, refering to Senate Joint Res-

olution 58 as introduced, he said, "when this becomes part of the Constitution." I wonder if the Senator will agree with me that events of the past several days—the amendments added, the arguments made—make it highly unlikely that this matter ever will become part of the Constitution, once the American people have a real look at it.

Mr. EAGLETON. I think the debate has been very beneficial, and thus I think it is less likely that this measure will become part of the Constitution; and perhaps we might have so evaluated it, say, 1 month or so ago. However, I am a bit disturbed by the mad momentum——

Mr. MOYNIHAN. In this body.

Mr. EAGLETON [continuing]. That seems to be propelling this constitutional amendment in this body. We will have to see what the House does. But there certainly does seem to be a mad momentum within the confines of this body.

Mr. MOYNIHAN. It may emerge today that the one institution to which the framers of the Constitution looked for sobriety, for reflection, and for consideration based on experience, will be the one institution to be panicked.

Mr. EAGLETON. Sadly, I agree with the Senator from New York.

AMENDMENT NO. 1945

Mr. MOYNIHAN. Mr. President, it is with that thought that the Senator from California and I offer a substitute by way of an amendment to the Constitution, one which clearly establishes the objective of a balanced budget, which should and necessarily will be our objective.

As, in the end, you cannot spend more than you have, so there are certain inexorable limits to what a society can consume. In the end, over time, it cannot consume more than it produces. Yet, some people of a simplistic turn of mind would apply this rational limit in a rigid 12-month time cycle, despite the contrary wisdom, the world over, of persons of experience in political economy, economists, and statesmen. It is not in the nature of an industrial economy or society to run on the 12-month cycle from a more primitive agricultural era, and the effort to fashion countercyclical policies has been a part of the experience of industrial nations for a century.

We should not disparage this achievement. Between 1965 and 1980—a period one would think was one of prolonged misfortune in the United States—the Nation's real, or inflation-adjusted, gross national product actually doubled. A miracle!

The human race has had no such experience previously of the most prosperous Nation on Earth after taking three centuries to get to that point, doubling its prosperity in 15 years.

What are the guiding principles of the amendment offered by the Senator from California? First of all, prior to each fiscal year, the President shall submit, and Congress shall adopt, the statement of receipts and outlays for that year which is balanced, with the single exception of outlays required to maintain the benefit schedule under the laws of the United States providing for social security and the benefits and services provided American citizens under the laws of the United States on account of service in the military.

I take it as a point of pride that I have served in the Cabinets of the two preceding Presidents of the party on the other side of the aisle. I can recall the present Secretary of State, a distinguished American economist, a conservative—as he wishes to be thought—and a careful man as everyone would acknowledge him to be. I can remember Secretary Shultz as Director of the Office of Management and Budget sending to Congress what was then and would still today be termed a "full employment budget." What is a full employment budget, in the usage of the economists? It is one which shows what Federal outlays and Federal revenues would be if the economy were operating at full employment. And at full employment, these outlays would be equal to those revenues.

In the absence of full employment, there would be a deliberate deficit designed to stimulate the economy. And not 10 years ago, a Republican President and a Republican Director of the Office of Management and Budget could propound that public policy, both reasonably and well, and have it accepted as the responsible proposal it was here in Congress.

Today, we would deny ourselves that flexibility, and with it the capacity to learn and grow.

I think it would be fair to say that there is not a more learned Member of this body than the distinguished Presiding Officer. No one is as senior or as respected and, I know, in his own profession revered for his studies in semantics, in the structure, and logic and meaning of language. His works are encyclopedic and extraordinary.

And he knows with what regularity ideas change. He comes from a world in which the quest for new and better ideas is institutionalized, a quest which characterizes the modern age—the age of reason, as it was called, from which our Constitution emerged.

The great idea of the framers of our Constitution was to commence an experiment with democracy, something new in the world, and which—as experiments must be—would be self-correcting. This order would therefore seek toward truth, and not simply propound its beginning and preside over their administration or occasional emendation.

How very different is the spirit of Senate Joint Resolution 58—a fearful, resentful rejection of knowledge and inquiry. And how it may be judged in the world: Has America changed, is she no longer the place of new ideas and bold enterprise, but rather become fearful, anxious, resentful, uninterested in ideas and in fact rejecting of ideas. That is why we have offered a substitute proposal, one which does what the Constitution can properly do: State a certain general proposition about governance, in the nature of an idea.

Does the Presiding Officer mean to suggest my 10 minutes have expired?

The PRESIDING OFFICER. Yes.

Mr. MOYNIHAN. Might I ask another 5 minutes from the distinguished Senator.

Mr. CRANSTON. Absolutely. I yield such time as the Senator needs.

Mr. MOYNIHAN. I thank the Senator. He is very generous.

What we do here is declare a national objective, provide a simple mechanism by which each year that objective can be pursued, and enable the Nation to make a rational decision to forgo rigid adherence in a given time period to insure the continued benefits scheduled under the laws of social security and the laws providing for persons who are entitled to benefits and services on account of their service in the armed services of the United States. Those two groups of people are particularly looked to; this, Mr. President, would be a constitutional innovation not without significance.

Our Constitution does not mention social security. Our Constitution does not mention veterans. And yet, from the Nation's very earliest days, Congress has provided for veterans. I should not say the earliest days. I believe it was not until the 1820's and the early-1830's that Congress provided for veterans of the Revolutionary War. But in one form or another, the States had done so earlier. Then Congress did so, and veterans became the first class of beneficiaries ever to be so acknowledged by Congress. And no one in this Chamber has been more concerned for their rights and well-being than the senior Senator from California. It is not surprising that he proposes a constitutional amendment which, for the first time, would acknowledge the status of veterans and this is a perfectly responsible thing to have done, as is the decision to give constitutional status to the idea that older persons, disabled persons and persons otherwise dependent have rights to which Congress must be attentive.

Congress can provide that their benefits may go up or may go down, but they become a class. Older people

would be more secure in this Nation with this amendment.

Mr. President, I do not wish to digress, but there is much concern in our country today about the status of social security. Just this last Saturday, the distinguished senior Senator from Pennsylvania and I held hearings on behalf of the Committee on Finance in Buffalo, N.Y., and in Pittsburgh, Pa. While taking testimony from unemployed workers in Buffalo, I was surprised to hear a workingman, a family man in his midthirties suggest that one of the reasons he was having difficulty getting back into the plant from which he had been laid-off was that the older workers have become fearful of retiring because of late they have heard that the social security system was not what they had thought it would be. They have heard it might not pay them their benefits.

What an extraordinary thing, but given some of the things said in the Chamber of late on that subject, one knows and one recognizes how it could happen.

Mr. President, I want to stress that the amendment before us is not the one reported from the Judiciary Committee. The sponsors have excised the provision that the Federal Government must provide the resources for any additional responsibilities given to the States. And I note from this morning's Washington Post the nice point made on the editorial page that sponsors did not consult the Governors of the States when that clause was dropped. Yet, it is to the State legislatures that this amendment will go if adopted by Congress. And then, yesterday this body adopted an amendment which, one must state, jeopardizes the credit of the United States of America. I hesitate to say it, but this amendment, written, if we adopt it at noon today and the House follows, would put in jeopardy the credit of the United States; $1 of unanticipated costs could threaten the Treasury with default, and the world monetary system would go into chaos.

It has been observed in the press today that the States are in great need of moneys to support unemployment insurance under the Social Security Act, and the States have been forced to borrow, I believe some $3 billion. It may go as high as $10 billion. They have that right under the law. They must repay—and conversely, they have the right to borrow. It is automatic. In the same way, Federal deficits go up and down. When they pay back, Federal borrowings are accordingly reduced.

Suppose, under this amendment, there is a sudden wave of unemployment. The States exercise their right to borrow. Despite the amendment, there is an unanticipated Federal deficit. But without a three-fifths vote, Treasury cannot borrow, and for the first time in the history of the American Government, cannot meet the obligations of the Federal Government.

I suggest to you, Mr. President, that should, by some unhappy circumstance, this amendment, as modified, become part of the Constitution, Standard & Poor will begin to issue ratings for U.S. Treasury securities, an inconceivable circumstance until this moment.

What irresponsibility. What absolute folly.

The sponsors are showing the world how to take the most secure financial instrument in the world, and trivialize and debase it. How to destabilize the American and world monetary systems and in consequence threaten chaos.

We offer an alternative, a gentle and responsible response to an admitted problem. This amendment declares it to be the object of the United States to have its fiscal affairs in balance. It recognizes that this balance is more likely to take place over a period of time not demarcated by the Earth's orbit around the Sun, but rather by the rhythms of rise and fall in industrial activities.

I am not a person of any particular competence in business cycle theory—long been the province of the National Bureau of Economic Research, founded at Columbia University and not so long ago chaired by our current distinguished Ambassador to the Federal Republic of Germany, Dr. Arthur Burns. But beginning in the 1920's under the direction of a great American economist, C. Wesly Mitchell, we began to study the business cycle and to note the patterns.

I do not think any standard duration has emerged for the cycle, although about 30 to 40 months is a characteristic peak-to-peak, trough-to-trough phenomenon. You see, it is not the 12 months that the Earth takes to orbit the Sun. We do not live as a society organized in such a way that you plant the wheat in the spring and watch it grow in the summer and then harvest it in the fall, so you know how much richer you are. We cannot just measure when the wool clip comes in, or the apple crop, or whatever else is the agricultural mainstay of any particular preindustrial economy.

But we do talk to the need to balance. We enshrine in the Constitution—and I use the word "enshrine" with care because anything in the Constitution ought to be venerated—the idea of balance.

We also acknowledge two classes of citizens for whom special protection is required and so provided. They are, first of all, persons protected by the Social Security Act and entitled to benefit thereunder; and veterans of the armed services who are recognized on account of their military service.

As I stated earlier, Mr. President, the first class of citizens who were beneficiaries of special acts by this Congress were the veterans of our Revolutionary War.

Since 1935, we have also instituted a social insurance system that provides benefits for some 36 million Americans at any given time, and protects almost 97 percent of the American population.

A Constitution that begins with a direct reference to the general welfare is obviously a Constitution that could properly be amended with a reference to the Social Security Act, far and away the Nation's most comprehensive provision for the general welfare.

I will just read that opening preamble to the Constitution:

> We, the People of United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare . . .

Now, Mr. President, I cannot urge too much—particularly in the presence of the distinguished senior Senator from California whom I see standing and who I think might like to speak—that the preamble to the Constitution talks about providing for the common defense. The substitute constitutional amendment we have here gives the first constitutional acknowledgement to veterans and their entitlements. And that same preamble speaks of providing for the general welfare; again, for the first time, we have a constitutional acknowledgement of that class.

It is, I repeat, a gentle reasoned response to an acknowledged difficulty. It states the purposes and objectives of the Government, whilst leaving open possibilities for innovation, responses to new emergencies, the development of new ideas, changing judgments of the population. It reserves to the basic law of the land the prudent proposition that, over time, the fiscal affairs of the Government must be in order and balance. This amendment acknowledges the inexorable fact that over time you cannot consume more than you produce.

Now, this amendment could become law.

It would not be the subject of fear and anxiety, anger and incomprehension. It would be accepted as a responsible and feasible measure. It would be adopted by legislatures which will never adopt the distorted and deeply flawed amendment that is gradually accreting on the other side of the aisle. And on this side, too. I want to be clear on that point.

While the prudence of the American people and their respect for the Constitution endures, Senate Joint Resolution 58, as presently mutilated, will never become a part of that document.

There have been 26 amendments to the Constitution. Twelve were adopted in the first decade of our national life;

the next 14 over the succeeding two centuries.

This transparent ploy to avoid our responsibilities on this floor, and debase the Constitution to do so, will not impress the people and it will not be adopted by them.

On the other hand, the alternative we offer as a substitute could be adopted, and might well be. There are those who would see a necessary measure in its declaration of national purpose. Given the clear difficulty industrial nations generally have had balancing their outlays with their incomes, ours is not a unique experience. And no one acquainted with these circumstances would assert that there is a simple resolution for it—as simple as the courage, backbone, and principles of fortitude and determination that are thought to have inspired earlier leaders under different circumstances. The world over, responsible leaders confront this problem. And it is appropriate to recognize it as such in the Constitution, and declare a general purpose to resolve it and, in so doing, to not begin to dismantle the country's basic social compacts.

I know there are those who feel that the discussion of social security has not been at the level they might wish, and they are no doubt right. Yet, they would do well to know some of the things said on this floor yesterday. Yesterday on the floor of the U.S. Senate, in the aftermath of that particularly devastating amendment adopted in the midafternoon, a senior Member of this body made a private remark that, without mentioning his name, ought to be recorded. He said, we are going to have to provide for "automatic entitlement reductions"—that is, whenever the vagaries of the world economy, or the needs of national defense, or the prospect of building a new canal somewhere west of the Mississippi, as against one east of the Mississippi—I am not going to raise Tenn-Tom in the presence of the distinguished majority leader when such projects come along, then there will be automatic entitlement reductions.

Well, that is a way of dismantling the most important and the only national social insurance system this country has. One which affects all of us. One around which our working lives are in many ways organized.

One child in three born in the United States today may expect, before reaching the age of 18, to be a recipient of benefits under title IV, which is the title for the aid to families with dependent children program. It is now almost universal for persons over 65 to receive social security benefits. In between, the protections against disability and the insurance against unemployment are pervasive and fundamental institutions of this society. Agreed-upon institutions. And it is not irresponsible of the American Council of Retired Persons to see the amendment that came out of the Judiciary Committee as a disguised attack on social security, because it is. It is a mechanism which will produce only three alternatives: Reduce benefits under social security, make extraordinary cuts in national defense, or nearly abolish all other programs of the Federal Government.

Mr. President, several times I have brought to the floor the Wharton Econometrics simulation of what Senate Joint Resolution 58 would have entailed were it in place this year and next—14 percent unemployment, a $1 trillion loss in the Nation's GNP, revenue losses to the Federal Government in the range of $150 billion a year. Now the results, as yet, are only simulated. But this simulation is not one from which the most distinguished economists in the country dissent. To the contrary, just as 1,028 economists pleaded with Herbert Hoover in May of 1930 not to sign the Smoot-Hawley tariff—but he did, and in 2 years American exports had plunged by two-thirds—today we have heard the same plea from the economics profession. Do not adopt Senate Joint Resolution 58, or the economy will be at peril. They have simply given their professional judgment that it would be deeply unwise of us to proceed as the Judiciary Committee has proposed.

I referred a while ago to the jeopardy which the amendment, as it is now constituted presents to the credit of the United States. Since the 1960's, the only formal or official backing for the U.S. dollar has been the word and credit of the U.S. Government. Remember, our monetary system is based only upon the general confidence in the productiveness of our economy and in the power and prudence of our Government. Our money system has no commodity base. There is no gold base. Somewhat bizarre suggestions have been made to peg the dollar to the Dow Jones commodity index. Happily, I do not yet see that happening. Our dollar credit is only as secure as the trust we inspire in our credit. And three-quarters of all the Western central bank reserves are held in U.S. dollars. Three-quarters. The world money system rests on the dollar, and the dollar is officially backed only by the credit of the U.S. Government.

If it were ever to be thought that the U.S. Treasury might default on the instruments of Government debt, as a consequence of a mechanical working of a constitutional requirement adopted in the midst of a confused and abbreviated debate, the world monetary system could collapse. It has collapsed before Mr. President. But in the past, at least, it has been the result of large events and many circumstances, not of the misjudgment of a body that has prided itself for its capacity for reasoned deliberation.

Mr. President, the alternative which we have offered avoids all such difficulties. I repeat, it is a gentle remedy for an acknowledged malady. It suggests the Nation's capacity to learn from its difficulties and to respond responsibly, and in so doing not to jeopardize those dependent on social insurance or veterans benefits.

Let us be responsible about the nature of our political system. We do not have a constitution written in some far-off Valhalla. We have the work of Alexander Hamilton and James Madison, men who acknowledged conflict. It is the myth of most nations that conflict either does not exist or will soon disappear. The principal alternative to our Government at this time is the Marxist system, in which people are promised an ideal society; indeed, one so free of conflict it will not require any government at all. That is not the basis on which the framers built a solid Government which has endured for two centuries. We built it, as Madison said in the 10th Federalist, upon the recognition that interests can and do conflict.

When you jeopardize the interests of the aged in this country, and when you jeopardize the interests of the war veterans in this country, do not expect your legislation to be adopted. We surely should have enough realism and responsibility to know that.

Twice in this Congress there have been brought to this floor measures endangering social security. I thought them to be irresponsible, and these measures were defeated by unanimous votes, such as 96-to-nothing on the 22d of May a year ago.

So let us be responsible. Here is an alternative that can pass, that can be adopted.

We are much in the debt of the Senator from California who brings it forward. I am honored to be asked by him to be a principal cosponsor. I look forward to hearing his ultimate views in this matter.

Mr. CRANSTON. I thank the Senator from New York for his partnership in this very important matter. I thank him for his eloquence and logic in presenting the case for the substitute we have offered and against the pending amendment that came out of the committee in one form and is now in a rather startlingly different and even more adverse form.

This substitute amendment is designed to give Senators an intellectually honest alternative to the administration's proposal. If Senators want to vote for a balanced budget amendment, whether out of conviction or to demonstrate to their constituents their desire for a balanced budget, then the Senator from New York and I have given them a good amendment to vote for. Because of the monetary popularity to require a constitutional

balanced budget amendment, a number of Senators are reluctant to vote against one because they feel it would be hard to explain a vote that could be perceived as a vote against a balanced budget.

Personally, I would prefer that we balance the budget without a constitutional amendment, but if we are going to adopt a constitutional amendment, let us see to it that it is a good one.

The substitute that the Senator from New York and I have offered is intellectually honest because, unlike the administration's version, it faces economic and political reality and thus is far more likely to be observed. The administration's amendment would straitjacket the Government if it became part of the Constitution and Congress tried to live up to it. That means Congress could be forced to circumvent the Constitution in order to deal with some future economic or other national crisis.

Subjecting the Constitution to this kind of game playing demeans our most precious democratic institution.

Senator TOWER of Texas last night best described what this amendment is: A threat to the security of our Nation, a threat to our political system of checks and balances, a threat to our ability to function caused by super majority votes, political impasse, paralysis of effective, active, Government, a threat to future leadership, and assurance of timid, consensus Government.

Much has been made that Congress will rise to the occasion when required to muster a three-fifths vote for a true national emergency. An imminent crisis is one matter. That is easy to spot. But anticipation, preparedness, which may be extremely costly and for the sake of the economy might be best financed through deficit borrowing, is not always easy to determine. Nor is it easy to determine the remedy for a perceived problem. The three-fifths vote could create great differences in achieving a timely and effective remedy.

Mr. MOYNIHAN. Will the Senator from California yield for a question?

Mr. CRANSTON. Absolutely.

Mr. MOYNIHAN. Does the Senator by chance recall the margin by which the House of Representatives agreed to a 1-year extension of the selective service, approximately 9 months before Pearl Harbor?

Mr. CRANSTON. 203 to 202.

Mr. MOYNIHAN. That is not, I think, a three-fifths majority.

Mr. CRANSTON. It is not even a majority of the House itself. That is a great example. The world was in flames. The world was at war. Most Americans knew that we were on the way to war. And yet putting selective service in place passed by only 1 vote.

A former President of the United States, Gerald Ford, wrote a letter to Lane Kirkland, President of the AFL–CIO, dated June 1. I will read the first three sentences:

DEAR LANE: It was, as always, a real pleasure to talk with you, and I was especially pleased to know of your concern with the so-called balanced budget constitutional amendment. As I indicated to you, my views on this proposal are very strong in opposition. It is unworkable and would raise false hopes.

The former President has continued that position. He is quoted in the Denver Post on July 22 as stating that:

The proposed constitutional amendment to require a balanced Federal budget is a "procedural crutch." It will just raise false hopes. In my judgment, it will not work.

There have been 10 days of debate, Mr. President, on the resolution. It has been established that the pending resolution cannot work without evasion and resort to subterfuge. If we are to have an amendment to the Constitution to require a balanced budget, it should be a workable one, one that is realistic, one that can be lived with honestly. The amendment that the Senator from New York and I offer is a realistic proposal, one which faces economic and political reality.

Our amendment will, one, require the President to submit and the Congress to adopt a balanced budget. The President will have to be involved in the operation, as is not the case in the amendment that came out of the committee.

Two, it provides for a waiver of the amendment when the President or the Congress declares a national emergency. That is to get around the exemption, the only exemption in the measure as reported from the committee, which stated that we can have a deficit if we declare war. Rather obviously, we may want to spend significant sums on national defense without having to declare war on someone, whether it be the Soviet Union or Iceland, or whatever foreign nation.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. CRANSTON. Yes, Mr. President.

Mr. MOYNIHAN. I wonder if he does not recall the statement of President Washington that the best means to avoid war is to be prepared for it. The amendment that is the alternative to the Senator's amendment—or ours, if I may say so—does it not suggest that, rather than declaring war, we might avoid war by being ready to do so?

Mr. CRANSTON. Exactly.

Mr. MOYNIHAN. What madness, what madness, is there any other course.

Mr. CRANSTON. "Madness" is the apt word to describe the provision in the amendment as it came out of the committee.

I note that Senator JOHN TOWER, the chairman of the Committee on Armed Services, therefore had grave questions about that aspect of it. He supported an amendment designed to remedy that proposal and President Reagan is supporting, according to the press, the approach that is embodied in this specific point of our amendment, declaration of a national emergency by Congress or the President as the way to permit deficit spending rather than simply a declaration of war. It is rather astounding that the supporters of the amendment that came out of the committee are opposing all amendments to their utmost except one rather minor one that they accepted, regardless of the merits, regardless of the fact that the President of the United States, who is the chief advocate of this constitutional amendment, now perceives a serious weakness in it and is supporting the change in that provision. But the committee opposes that change.

A third point about the substitute that we have offered is that it would permit a deficit for the sole purpose of maintaining social security benefits and veterans' services and benefits. But I want to stress that that would not mean that there would be a large deficit authorized by what we are proposing.

First, the Social Security Trust Fund normally should be in balance. In such a case, the cost of maintaining social security benefits would not contribute to the deficit. If the economy dips sharply into a recession or if the Social Security Trust Fund otherwise runs out of balance, the Cranston-Moynihan amendment will assure that the Constitution will not require Congress to cut social security benefits in order to balance the budget. The deficits in that account are never going to be huge. They would undoubtedly be less than the present deficits under all foreseeable circumstances.

Second, as to the dimensions of a deficit that would be contemplated or conceivable because of the exemption of veterans benefits, let me say this: Veterans' services and benefits recently have been within a range of 3 to 4 percent of total Federal budget spending. Thus, the share of the deficit attributable to veterans' services and benefits would be about 3 to 4 percent of the total deficit. For example, in a deficit year of $100 billion, veterans costs would account for about $3 to $4 billion in deficit spending—a relatively small deficit by today's measurements.

That is all that would be authorized or would be foreseable under our amendment.

Another point about our amendment, summing up what it does, is that it would require that actual spending not exceed projected spending as set forth in the budget and it empowers Congress to enforce the requirement by appropriate legislation.

Fifth, it maintains the ability of Congress to operate the Government on a pay-as-you-go basis. Ours is a good faith balanced budget amendment. It requires a balanced budget from the President and Congress. Congress can amend the budget, but it cannot approve deficits except in conformity with the amendment's limitation and exceptions—the social security benefits and the veterans' services and benefits and when a national emergency has been declared by Congress or by the President.

The concept of waiving the balanced budget requirement for national emergencies has been attacked as a loophole, but let me read from a publication of the Tax Limitation Research Foundation. On this point Dennis Ippolito writes:

> Without a genuine national emergency, however, the political branches of the Government could not suspend a constitutional expenditure limit. Unlike a statutory limit, the loophole is relatively narrow and difficult to exploit.

I believe this is a correct assessment; Congress would not abuse the provision.

These are realistic provisions, Mr. President. They will work. It seems evident that Senate Joint Resolution 58 is an undercover attack, insofar as some of its supporters are concerned, not all of them, on social security and veterans' benefits.

The PRESIDING OFFICER (Mr. DURENBERGER). All of the time of the Senator from California has expired.

Mr. CRANSTON. I urge my colleagues to support the substitute.

Mr. DECONCINI. Will the Senator from South Carolina yield to me?

Mr. THURMOND. Mr. President, I yield 3 minutes to the distinguished Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank the Senator from South Carolina.

I rise in opposition to the substitute amendment. I think it is clear that this amendment is not necessary. First, as the distinguished Senator from California has pointed out, the social security funds are not in deficit. There has been adequate provision in the past to borrow from the surplus funds, so we are not talking about a deficit in social security.

Second, military veterans realize the problem of this Nation economically. This Senator has opposed every effort and will continue to oppose every effort to reduce such benefits in any manner.

The third point is that Senate Joint Resolution 58 is to cover all expenditures so that there is no escape, so that Congress must face the hard decisions of where they are doing to spend dollars. I think that there are enough Members in this body, as proven in the past, that are not going to continue to go along with reductions in veterans benefits or reductions in social security. For that matter, if we should adopt the substitute, what about Federal retirees? What about railroad retirees? Are they to be not exempt, then, from the constitutional amendment?

I say it is grossly unfair. It is not necessary, and it really guts Senate Joint Resolution 58 and makes a hoax of an amendment that would, indeed, require the Congress to adopt a budget and live within the income that it can receive from the taxpayers and no longer be on the binge that it has been over the last 20 or more years.

It is time for us to be serious. If people do not want a balanced budget amendment, fine, let us say so. But let us not kid ourselves that the substitute is anything but to draw the eyes of the public away from what the intent of Senate Joint Resolution 58 is; that is, to require a balanced budget adopted by both Houses except in time of war or when three-fifths of both Houses agree that there should be a deficit adopted.

What more could be put into an amendment for flexibility or put into an amendment for the real purpose, to insure a balanced budget except in extreme emergencies, thereby requiring a three-fifths vote?

I thank the Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield 5 minutes to the able Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank the Senator.

I must oppose the substitute amendment offered by my friend, the ranking member of the Committee on Veterans' Affairs.

I fully appreciate the very legitimate concerns that have led the Senator to offer the amendment, which is to exempt social security and veterans programs from the terms of the balanced budget amendment to the Constitution that we are considering today.

I can assure Senators that I have a familiarity with the issues concerning veterans, as I have chaired the Senate Veterans' Affairs Committee—a rather grisly task at times—and I agree that when we deal with problems of budgetary constraint, there cannot be any category of spending more worthy of our deference than spending for veterans' benefits and services. We have to be aware of the national constituency of 30 million veterans, how they feel, how they respond to what we try to do, how they sometimes feel quite aggrieved with our activities with the budget.

However, I do not see how we can leave out social security and the Veterans' Administration, two of the largest categories of Federal spending. In fiscal year 1983, it is estimated that social security expenditures will be almost $175 billion and the VA budget will be nearly $25 billion, a total of some $200 billion in outlays or 26 percent of the entire Federal Budget. Thus, this substitute amendment would exempt from the need to balance the budget programs which account for more than one-quarter of all fiscal year 1983 expenditures. The end result, I fear, would simply be a constitutional amendment which would say, "Sure, have a go at it, go ahead and balance the budget—but only about three-quarters of it. As for the other one-quarter, go ahead and run up any size deficit that you might wish."

It does not take a wizard in economics to realize that this would pretty much defeat the purpose of the balanced budget amendment. Either we balance the entire budget or we do not. There can be no exceptions to that. If you are trying to build a dam across a river raging out of control, you do not leave a gaping hole in it, especially not one that is one-quarter the size of the dam itself.

And by that I assure Senators that I do not mean to suggest that we should balance the budget on the backs of the veterans. The burden of a balanced budget amendment obviously need not fall disproportionately on the Veterans' Administration. It need not even fall equally on the Veterans' Administration. Rather, within the framework of the balanced budget the Congress will have the flexibility to apportion the necessary savings as it sees fit. Some will be reduced more than others, some categories increased more than others. We will have the option of addressing the problem on the other side by increasing revenues. Our present pattern of priorities in veterans' programs need not change. We can, and I think should, continue to recognize the very great importance of compensating veterans for disabilities incurred in the line of military service and providing quality health care to eligible veterans, but for heaven's sake, we must continue to look at the entire spectrum of veterans' spending. I strongly feel that the VA should never be constitutionally exempted from responsible attempts to restrain Government spending. That cannot be.

During my brief tenure as Chairman of the Veterans' Affairs Committee—which may be even more brief than I would have ever dreamed before I finish my duties—we have managed to find several hundred million dollars in what I think might be deemed responsible cost savings within the VA, and futher reductions are possible in the future. But under present law—and consider this, please—when a veteran turns 65 he or she becomes automatically eligible for a broad spectrum of nonservice-connected benefits, sometimes without regard to individual need.

The Senate Veterans' Affairs Committee is presently in the process of examining many various nonservice-connected benefits, especially questions concerning health care eligibility.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator have expired.

Mr. SIMPSON. I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. In addition, Mr. President, the VA is in the process of reexamining and reformulating completely its criteria for the construction of VA medical facilities. I see no need to hamper such efforts by removing, as this amendment would, all practical motivation for pursuing any further responsible fiscal restraint in these significant areas of Government spending.

For those of my colleagues who object to the balanced budget amendment, as the sponsor of this amendment sincerely does, or for those who do not pale at the thought of massive deficit spending or continuing our present budget practices, you might vote for the present amendment or against the balanced budget amendment itself, because they will have the same result. That result will be deficits without any practical limit.

But if we are serious about balancing the budget, we should get on with it. I urge my colleagues to reject the present substitute amendment and to adopt instead Sente Concurrent Resolution 58 in its present form.

I thank the allocater of the time on this particular substitute amendment.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I discussed with the manager of the bill, Senator THURMOND of South Carolina, that he is prepared to yield 15 minutes to the distinguished Senator from Mississippi for remarks on the bill.

Mr. HART. I wonder if the Senator from Arizona will yield for a question in this amendment?

Mr. DECONCINI. I yield for a question.

Mr. HART. I notice in his remarks in opposition to the amendment which the Senator from Arizona assured our colleagues, as well as presumably others, that he would continue to oppose cuts in veterans benefits as he has all along. Is that not the problem? I thought that this constitutional amendment was designed to help us get over the irresistible pressure from various interest groups not to cut their benefits. Is there a way that we can balance the budget according to the mandate of this amended Constitution without reducing veterans benefits and social security?

Mr. DECONCINI. I think there is, and I have offered a number of suggestions where money should be cut, as has the Senator from Colorado, other than veterans benefits, which the administration has attempted to reduce. I think it is clear to the Senator from Colorado as it is to the Senator from Arizona that the budget could be balanced without attempting to do it on social security recipients or railroad retirees or Federal retirees or health care benefits or many other areas.

Mr. HART. The Senator from Colorado has yet to see a budget that balances a deficit of $150 billion and includes a continued increase of defense spending, and includes tax cuts of the sort that we passed last year, and that prevents the veterans and a lot of other people from being cut.

Mr. DECONCINI. If the Senator will yield in response, I agree with the Senator. As the Senator knows, I have supported deferment of part of that tax cut until the budget is balanced. I think that the Senator from Colorado has voted in the same manner, realizing that you cannot just do what is politically popular all the time. You have to be realistic about balancing the budget.

I also believe scrutinizing defense can be done.

Mr. STENNIS. Will the Senator yield? Mr. President, I do not know who has the floor but I have 48 minutes' time in my own right. I have agreed to yield all except 20 minutes.

Mr. DECONCINI. I yield.

Mr. STENNIS. If we are shooting to get through by 12 noon and time is going to be taken up otherwise, I am going to claim the time that has been allotted to me.

Mr. DECONCINI. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, as I now understand it, I have 15 minutes yielded at this point by the Senator from South Carolina and if some time in my own right can be had later, I will get a few minutes then.

Mr. President, Senate Joint Resolution 58, the proposed constitutional amendment providing for a balanced budget, presents the Senate and the Congress with an unprecedented opportunity to get our fiscal, financial, and budgetary affairs under control. If we do not seize this opportunity and adopt Senate Joint Resolution 58, it may be many years before a similar opportunity will present itself again.

I certainly do not mean to suggest that the amendment will in and of itself assure a balanced budget. It cannot, standing alone, assure that Federal expenditures and Federal revenues will not grow faster than the national economy. Whether or not balanced budgets will in fact be achieved will depend upon the budgetary decisions made by future Congresses and by future Presidents. The constitutional amendment will provide us with a tool or process to move to a balanced budget, but it will not substitute for the political discipline and political will which is required to get our financial affairs under control.

Mr. President, we are confronted with a serious and definite challenge. That challenge is presented to all Members of the Senate no matter how long they have served. The newer Members, who share less responsibility for the fiscal and financial situation we find ourselves in, are nevertheless challenged to take action that will help to get us out of the fiscal bind we are now in. They found this situation when they came to the Senate, but nevertheless have a responsibility to join in correcting it.

The older members have perhaps an even greater challenge and responsibility. They were here through the years as our fiscal affairs went from bad to worse. They know what the problems is and they know how the problem arose and how it mushroomed. We certainly have the burden and responsibility of acting positively and aggressively to cure our financial ills.

As I have studied this matter, Mr. President, I have concluded that many of our budgetary problems could have been averted if the amendment we are now considering had been in effect 20 years ago. In 1960, the gross Federal debt was $291 billion. At the end of fiscal year 1982, it is estimated to be $1.1 trillion. Thus, since 1960 the national debt has grown by $809 billion. I am convinced that this growth in the national debt, or a substantial portion of it at least, would not have occurred if the constitutional amendment had been in effect during this period.

We have in addition established so-called entitlement programs. These are programs where increases in spending are indexed to increases in cost of living. They have contributed more than anything else to the tremendous Federal deficits were run year after year. According to the Congressional Budget Office, total outlays for benefit payments under entitlement programs for fiscal year 1983 will be about $366 billion. I am definitely convinced that we would not have these entitlement programs of such magnitude if a balanced budget constitutional amendment had been in effect. In addition, I doubt that we would have had a retirement program in effect which saw retirees receiving a pension greater than the salary received by them at the time of retirement because their retirement payments were indexed to the cost of living.

Inflation, high interest rates, and many of our other economic problems are related to and result from excessive Government spending. These problems, I believe, would not be as

great as they are had a balanced budget constitutional amendment been adopted 20 years ago.

The fact is, Mr. President, that our present political and governmental system is biased toward excess spending. Federal budgets are wildly out of balance and promise to be out of balance for the next several years. It seems to me that the answer to the problem lies in the adoption of a constitutional amendment which will put stringent controls on the budgetary processes and eliminate the biases which now result in deficit spending.

I know, of course, that the Congress as a whole is concerned with inflation, high interest rates, and high unemployment. As individuals, however, each Congressman confronts pressures to increase spending. The reality of our budgetary system has shown that the collective need to control spending is no match for the pressures each individual Member faces to increase it.

While our tendency over the past 20 years and more has been toward increased and higher levels of Federal spending, I do not believe that such deficit spending reflects the real will of the American people on the overall size of the Federal budget. Federal spending is pushed toward the artificially high levels because Members of Congress have powerful incentives to spend the taxpayers money while they face few compelling offsetting incentives to reduce expenditures.

Assuming that we run a deficit in fiscal years 1982 through 1985—and certainly we will—it will mean that in the past 50 years we will have run deficits in 42 years and surpluses in only 8 years. On the spending side, Federal expenditures amounted to less than 3 percent of our gross national product when President Hoover took office, while for fiscal year 1982 they will absorb 24 percent of our total output, a peacetime record.

The fact is that this great increase in Federal spending has crowded private borrowing and private spending out of the money market. This is true despite the fact that larger amounts of private spending, both on consumer goods and on the investments in plants and equipment, are absolutely vital to our economic growth. I doubt that it is any accident that our country's economic decline relative to other countries began during the period of excessive spending and unprecedented growth in Federal involvement in our economy.

The great upsurge in Federal spending cannot be attributed to a failure to elect capable and competent people to the Congress. We do have such people. Nevertheless for years we have rushed toward bigger deficits, higher taxes, and greater Government spending. This illustrates that we are faced with an institutional defect. The trend toward more spending, bigger Government, higher deficits, and economic instability reflects the decision of men and women in Congress who, as individuals, cannot resist the pressures brought upon them to increase spending.

Some argue that legislation can be drafted which will require the Congress to put the Nation's fiscal house in order. Past experience has shown, however, this to be false. For example, the Budget and Impoundment Control Act of 1974 provided major reforms to enable the Congress to consider individual spending measures in the light of overall budget objectives. In the Humphrey-Hawkins Full Employment Act, a balanced budget was declared to be a national public priority. An amendment by Senator HARRY F. BYRD, JR. to an International Monetary Fund measure was enacted into law and requires that, beginning with fiscal year 1981, total budget outlays of the Federal Government shall not exceed its receipts. In 1979, a provision in a measure to increase the public debt limit stated that "Congress shall balance the Federal budget." This required the Congressional Budget Committee to propose balanced budgets for fiscal year 1981 and subsequent years.

Unfortunately, nothing has come of these measures, and none of them has effectively prevented the Congress from spending substantially more than is received. The problem is that a balanced budget or tax limitation statute can itself be repealed by the simple expedient of adopting a new statute or a new budget which is in conflict with the earlier amendment.

It seems clear that history should have taught us that statutes cannot correct a situation or eliminate the existing bias toward spending. The constraints of a constitutional amendment are clearly needed. A balanced budget constitutional amendment will reduce the ability of special interests to influence legislation by raising the cost to members of this and the other body of voting with those interests. It corrects the current imbalance between the general public interest and the interest of diverse special groups. In particular, it will force the Congress to compare the benefits and costs of a whole range of programs and to make decisions on the relative priority of competing programs.

It has been claimed, Mr. President, that the amendment proposed by Senate Joint Resolution 58 would put the Congress in a strait jacket and deprive it of the flexibility which might be necessary to meet unusual economic situations and emergencies if and when they arose. This argument, I believe, is without merit. Under the amendment, three-fifths of the Members of each House can vote for an unbalanced budget and make appropriations in excess of receipts. As we have seen in the past, it is not very difficult to get a three-fifths majority of each House of the Congress with respect to some action that the Congress deemed desirable. I do not believe that the requirement that three-fifths majority be obtained before we can resort to deficit financing will unduly restrict the Congress.

As a matter of fact, I would personally like to see this particular provision strengthened. I believe that a three-fifths majority of each House will be attained all too easily when the special spending interests bring their powers to bear to lobby for deficit financing. However, I recognize the politics of the situation and am willing to go along with this provision.

Mr. President, during the course of this debate, we have had many numbers and a great deal of budgetary data discussed and placed in the RECORD. I have some information on accrued fiscal obligations of the U.S. Government as of September 30, 1980, which will dwarf the previous figures by comparison. I have had a chart prepared and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks. All of the figures in the chart are at the end of fiscal year 1980 except public debt, which is at the end of fiscal year 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STENNIS. Mr. President, let me discuss this chart very briefly. It shows the public debt to be $1.1 trillion as of September 30, 1982, and other liabilities, such as interest on the public debt and accounts payable, to be $130.2 billion as of September 30, 1980.

Undelivered orders are $452.4 billion; long-term contracts are $20.5 billion; and agencies securities outstanding are $6.6 billion.

The contingencies represent financial commitments that may or may not become liabilities in their full amount, depending on future conditions and events. The chart shows a deficit in military retired pay of $364.8 billion; a deficit in social security trust funds of $3,040 billion; a deficit in civil service retirement and disability funds of $164.4 billion; a deficit in railroad retirement funds of $14.6 billion; and a deficit in veterans' compensation and pension fund of $65.3 billion. Under miscellaneous, the largest item is $2,219 billion for insurance commitment, which includes such things as Federal Deposit Insurance Corporation and Federal Savings and Loan Insurance Corporation.

I thought these figures would be of interest to the Senate in giving a better insight into our existing financial situation. I should warn again that the numbers on the chart should not be added together since they are basically dissimilar types of commitments.

"Contingencies" are particularly uncertain. They represent commitments which have the basic characteristic or uncertainty—First, as to whether conditions or events implicit will ever occur to cause a liability to be incurred or second, if they do occur, as to when, with what frequency, and to what degree. It is clear that the obligations listed under the annuity programs are more likely to fall due than the other contingencies, such as the insurance commitments.

Mr. President, it is very, very difficult for me to understand how anyone who is familiar with the fiscal affairs of this Nation can oppose this amendment and assert that our problems can be solved by statute. In my judgment, this is a rather mild amendment, but I believe that it will be a sound first step toward balancing the Federal budget. Because of this I shall vote for it and urge my colleagues to support it. I say once again that since the issue has been raised we will be in worse shape than ever if the resolution is defeated. If it is defeated, it will be many years before we get close to approving such a constitutional amendment again.

Mr. President, this has been a splendid debate. A lot of work has gone into it, and all the points that have been made have been timely and well conceived; they have been based on the highest principles under which we can possibly operate with respect to the complex and delicate constitutional issues involved.

I claim no special knowledge of the Constitution of the United States, even though I studied it very hard in law school. However, I have lived under it, day to day, for many years. I have been a constitutional officer either in my State or in this body. Therefore, I am no newcomer to this problem.

I served for several years as a trial judge in a court of unlimited civil and criminal jurisdiction in my home State. I had the final say in signing decrees that sometimes took away everything a man had, including his home. In signing death warrants, I reviewed very carefully in my mind whether a person had all his constitutional rights safeguarded, before I would sign the order that carried with it the death penalty. So I am no stranger to operating under the far-reaching provisions of this sacred document.

I have been on the Appropriations Committee of the Senate for more than 25 consecutive years. Just before then the war in Korea erupted. I will never forget hearing the report that President Truman had already sent troops into Korea. There had been no declaration of war, and I felt that I had been inadequate. But we all took comfort from the fact that we were acting under the authority of the United Nations which had declared the intervention to be legal.

I was here when we went into Vietnam. There was no declaration of war, and no compliance here with the plain words of the Constitution. I did not go into action then and regretted it later and vowed that when the fighting was over—I supported the fighting but actively opposed going in—that I would do all I could to see that the breath of life was blown back into the provision that the Congress had the power to declare war, which meant no one else had that power.

I joined as one of the leaders, from the beginning, in the War Powers Act and stayed with it all the way through, to the last day, to the last vote. As I recall, I had charge of the time on the floor.

So, I am no newcomer to these problems. All of these experiences now add up. I have been on the Appropriations Committee that handled the so-called big money bills—the Department of Defense, the Department of HEW, and others—year after year. I handled many of them on the floor. I say this just to emphasize my experience in these matters.

I know now, as certain as I know anything, that we have to put some kind of limitation and restriction on the power of Congress—the naked power, as the law now is—to appropriate money ad infinitum whether we have it or not, to say that the sky is the limit. As things are now, there is no sky and no limit of any kind.

We have the possibility of a Presidential veto, but we have the naked power to override it, and then that money is appropriated, regardless of whether we have it or not.

I do not want to abolish a lot of these programs. I was here when the war in Vietnam ended, and many sought to take some of the military money and give it to social programs and services. I am not trying to abolish these programs now. I know it cannot be done and it should not be done—that is, abolishing them. But some curtailment, some limitation of power, must be put upon the Congress of the United States. Otherwise, our constitutional system is in peril.

Let me cite a few statistics. These are powerful figures to me; 66 to 68 million people—that is the best information we have—are on Government roles of one kind or another and receive payments of one kind or another from the Federal Government. The people receiving those payments are not to be condemned or blamed. They are entitled to them under the law. There is no stigma attached to that. But I say that we have run wild with these programs. We have not been rigid enough and careful enough. We have to take a second look. Those demands will not become less voluntarily; they will increase.

There is another fact of life, and this is a terrific fact: I am told repeatedly, and the President of the United States has said this—his staffs are telling him—that every 1-percentage point increase in unemployment under present law, costs the Federal Treasury $25 billion to $27 billion on an annual basis. It is unbelievable, but it is true. That means that of all the reductions we made here last year, about $35 billion to $37 billion, $25 billion of it is struck away, gone, evaporated, just by the increase of 1 additional percentage point in unemployment.

Something has to be done about situations such as that. The problem will not go away. It will not become less unless we act. It will become greater by far.

We have the natural expanding needs of the Government, the natural expanding needs of the people—I mean legitimate needs—that are involved in our economy. We cannot let unemployment continue to mount. Something will have to be done. I think every Member of this body knows that, and every Member is yearning for some remedy that will relieve us from that situation. I feel sure that the President of the United States and all his advisers are looking for a solution. That applies to Mr. Volcker—I mention him by name because I recently contacted him on this problem—and the Secretary of the Treasury and others.

I have been out among businessmen, those I knew and some I did not know except by reputation—small business, intermediate business, big business—and no one has a complete remedy.

The adoption of this amendment will be a start toward some kind of effective restraint on Government spending. I speak with great deference. This is not a remedy to get us out of the present dilemma we are in with reference to our economy.

I was here, on this floor, actively speaking for a constitutional amendment in this field as early as 1976, 6 years ago. According to the memorandum I have here, 56 of my colleagues have come here since that date.

So this is no new thing for me. I am no Johnny-come-lately making a jerry-built approach to this matter. This is a deep, fundamental problem that has been gradually getting worse and worse and worse.

I say to those Senators who were not here in those years that they should not think that that $100 billion budget limit was passed casually. I know of the dilemma of the then-President of the United States, the late Lyndon Johnson. I personally know the day and night work and worry that he gave to that subject matter, and he was one of the most powerful men who has occupied that position.

He did not want to pass that $100 billion mark. And he managed for 1 year to avoid it, as I recall, by a few

million dollars, but it just was under the $100 billion mark.

So all the heartaches, headaches, and agony that could be imagined have gone into these problems as we came along the way, but they have continually grown larger and larger and larger. So it is up to us now. It is up to us to correct the problem and put in some controls, not for the present emergency—we will get out of this fiscal bind we are in now—but for the future. This is not for the protection of the membership of this body. No, no, no, it is for the protection of the Constitution of the United States and the taxpayers of this Nation. The Constitution is the source of our freedom and provides protection for the basic things of society including the family and everything else that we treasure.

So I do not think there is anything that could be more important than this subject matter. I am proud of the careful attention it received from every type of mind and Member here. I hope this resolution will pass by a very impressive vote and then go to the House of Representatives and pass there.

So I applaud with all the rest the conscientious effort that has been here. I have known many of these men for years. They speak with a conscience and a responsibility. But let us pass this resolution. I hope the House of Representatives will also approve this amendment. Then, when it goes to conference, there will be a need for experts in language and constitutional law to be called in beyond the valuable staff members of the committees, and really analyze and perfect this language with the skill and finesse that were shown by our Founding Fathers. I still marvel at the fact that the matchless men who wrote our original Constitution could come up with such a wonderful instrument.

We can get the right language that represents both the letter and the spirit of the prevailing sentiment here and what we are trying to accomplish. We can do a better job, and meet conditions that are more challenging more serious, and graver, I think, than anything that has confronted our Nation in many years. Unless something is done, our people are going to be cut off from ways of making a living, of fulfilling their obligations and paying their debts, of having a chance to educate their children. Everything is at stake, as I see it, if we are going to continue to have these personal and individual rights of all kinds under which we have grown to be free and happy. We have grown to be a prosperous and powerful nation. Demands ahead of us are even greater. I hope we can have some self-discipline, some self-restraint. I do not have any doubt the people want something effective, effective even though they may not like all of it to start with. They will praise the name of those who tried. They will praise the name of those who brought this instrument up in the light of the problems of the day and took steps to correct the situation.

So, Mr. President, with the understanding, if there is available time, there will be a few minutes on my time allowed me later in the debate, I gladly yield back the time now to the Senator from South Carolina.

I yield the floor, Mr. President.

EXHIBIT 1

Statement of liabilities and other financial commitments of the U.S. Government as of Sept. 30, 1980

	Billions
1. Liabilities:	
Public Debt	[1] $1,100.0
Other liabilities such as interest on public debt and accounts payable	130.2
2. Undelivered orders	452.4
3. Long-term contracts	20.5
4. Agency securities outstanding	6.6
5. Contingencies (represent financial commitments that may or may not become liabilities in their full amounts, depending on future conditions and events):	
Deficits in annuity programs:	
DoD retired pay	364.8
Social security trust funds	3,040.0
Civil service retirement and disability funds	164.4
Railroad retirement	14.6
Veterans' compensation and pensions fund	65.3
Miscellaneous:	
Government loan and credit guarantees	321.3
Insurance commitments	2,219.0
Unadjudicated claims	16.9
International commitments	12.5
Other contingencies	15.7

[1] Sept. 30, 1982.

NOTE.—The list above constitutes basically dissimilar types of obligations or commitments. Therefore, the numbers should not be added together.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield myself such time as may be needed.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, this amendment is being represented as an acceptable substitute for Senate Joint Resolution 58. It is not. I repeat this amendment is not an acceptable substitute. This amendment drops section 2 which reverses the present inclination in our present system to increase Federal spending caused by bracket creep in the Federal tax system. This amendment singles out social security and veterans benefits for exemption from the balanced budget amendment.

Mr. President, I have always supported social security and I have always supported the veterans and I would do anything I can to help our senior citizens and those who served our country so faithfully in uniform. However, we cannot accept favored treatment for any group. We think it would be improper to give a priority status under this amendment to any group.

Mr. President, the Cranston amendment also changes waiver for a declaration of war to a national emergency. This Senate has rejected numerous votes similar to this and we should also reject this one.

Mr. President, this is not, I repeat, an acceptable alternative to Senate Joint Resolution 58 and that is what it is proposed to do, to substitute this for this resolution upon which so much work has been done and upon which we have been working here for 2 weeks now to get passed and which 80 percent of the people of this Nation favor, a balanced budget and the constitutional amendment to bring about a balanced budget.

The Senate has already rejected several of the provisions contained in the Cranston substitute, and I urge the Senate to reject this amendment.

Mr. President, yesterday I listed a number of business and industry associations in favor of the constitutional amendment which we are advocating. I believe that list has 135 business organizations, which is practically all the business organizations of this Nation of any consequence.

I also want to add to that list four more, the American Farm Bureau Federation, which represents the leadership among the farmers of the Nation; the National Association of Realtors, the National Tax Limitation Committee, which is trying to bring about a tax limitation in the Nation; and the National Association of Wholesalers and Distributors and their affiliated organizations. In other words, the business community of this Nation has endorsed this amendment, strongly favors it, and wants it passed.

Now, there has been something said about economists, and they have quoted some economists or some other people.

I hold in my hand a letter addressed to me dated August 2, 1982.

The letter reads this way:

AUGUST 2, 1982.

Senator STROM THURMOND,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: We urge your support for S.J. Res. 58, the proposed Balanced Budget/Tax Limitation Amendment to the U.S. Constitution. In our view, the proposed amendment is a responsible, constructive measure, both in its constitutional and fiscal respects.

Though the Congress must focus its attention on the year-to-year budgetary and policy issues, the institutional setting within which the Congress resolves these problems also must be addressed. In our judgment, the proposed amendment would strengthen that setting by removing structural biases which have eroded Congressional control

over federal spending and deficits. This erosion reflects the absence of the substantial political accountability that should be the hallmark of our democracy.

The proposed amendment would provide that political accountability, yet also would incorporate elements of flexibility conducive to responsive and responsible action by the Congress in the light of changing political and economic circumstances.

We would urge you to view proposals to modify S.J. Res. 58 with great care. As it stands, the proposed amendment has been drafted carefully, both to achieve the structural changes required and to yield a broad bi-partisan consensus of support.

We believe S.J. Res. 58 deserves your support and favorable vote.

Sincerely,

LIST OF SIGNERS

Ryan C. Amacher, Economics, Clemson University.
Martin Anderson, Economics, Hoover Institution, Stanford University.
John H. Anthony, Psychology, Houston, Texas.
Peter H. Aranson, Economics and Political Science, Emory University.
Peter Beckmann, Engineering, University of Colorado.
James P. Beckwith, Jr., Law, North Carolina Central University.
William Beranek, Economics, University of Georgia.
Richard A. Bilas, Economics, California State College, Bakersfield.
Duane M. Bonner, Economics, National College of Education.
Andrzej, Brzeski, Economics, University of California, Davis.
James M. Buchanan, Economics, Virginia Polytechnic Institute and State University.
Robert L. Bunting, Economics, Macalester College.
Warren L. Coasts, Jr., Economics, International Monetary Fund.
Bernard L. Cohen, Physics, University of Pittsburgh.
Marshall Colberg, Economics, Florida State University.
Mark Crain, Economics, Virginia Polytechnic Institute and State University.
Michael R. Darby, Economics, University of California, Los Angeles.
Arthur M. Diamond, Jr., Economics, Ohio State University.
Thomas J. DiLorenzo, Economics, George Mason University.
June Teufel Dreyer, Political Science, University of Miami.
Dean S. Dutton, Economics, Brigham Young University.
Ross D. Eckert, Economics, Claremont McKenna College.
Frank Falero, Economics, California State University, Bakersfield.
H. E. Frech, III, Economics, University of California, Santa Barbara.
Milton Friedman, Economics, Hoover Institution, Stanford University.
Janice J. Gabbert, Classics, Wright State University.
Patrick J. Garrity, International Relations, Public Research Syndicated.
Adam Gifford, Jr., Economics, California State University, Northridge.
Thomas J. Hamilton, Business, College of St. Teresa.
Paul R. Hanna, Education, Hoover Institution, Stanford University.
Harmon H. Haymes, Economics, St. Mary's College of Maryland.
Randall Holcombe, Economics, Auburn University.
W. H. Hutt, Economics, University of Dallas.
Fred E. Inbau, Law, Northwestern University.
William Jennings, Economics, California State University, Northridge.
Marc A. Johnson, Economics, North Carolina State University.
Thomas Johnson, Economics, North Carolina State University.
Walter H. Judd, Retired Member of Congress.
Raphael G. Kazmann, Civil Engineering, California State University, Los Angeles.
Vladislav Krasnov, Russian Studies, Monterey Institute of International Studies.
Robert Krol, Economics, Security Pacific National Bank.
Everett C. Ladd, Political Science, University of Connecticut.
J. Clayburn La Force, Economics, University of California, Los Angeles.
Dwight Lee, Economics, Virginia Polytechnic Institute and State University.
Richard B. McKenzie, Economics, Clemson University and Heritage Foundation.
Henry G. Manne, Economics and Law, Emory University.
Delores Martin, Economics, University of Nebraska at Lincoln.
Roger E. Meiners, Economics, Emory University.
Manfred Meitzen, Religion, West Virginia University.
Allan Meltzer, Economics, Carnegie-Mellon University.
Eric Meltzer, Executive Director, Taxpayers Foundation.
Marion Montgomery, English, University of Georgia.
Aurelius Morgner, Economics, University of Southern California.
Richard F. Muth, Economics, Stanford University.
Ramon Myers, Senior Fellow & Curator Scholar, Hoover Institution.
Thomas Nagle, Economics, University of Chicago.
Ronald Nash, Philosophy, Western Kentucky University.
Attiat F. Ott, Economics, Clark University.
Raymond B. Palmquist, Economics, North Carolina State University.
E. C. Pasour, Economics, North Carolina State University.
Benedict Pedrodtti, Economics, California State University, Northridge.
William H. Peterson, Economics, University of Tennessee.
Sylvester Petro, Labor Law, Institute for Law Analysis.
Mark Pulliam, Law, Los Angeles, California.
Alvin Rabushka, Political Economy, Hoover Institution, Stanford University.
Grover Rees, Law, University of Texas.
Paul Roman, University of New York at Plattsburgh.
John W. Sell, Economics, College of Wooster.
John Semmens, Economics, Arizona Department of Transportation.
Tom Silver, Political Science, Public Research Syndicated.
Herbert E. Sim, Economics, University of Notre Dame.
Eli M. Spark, Law, Catholic University.
Alan Stockman, Economics, University of Rochester.
Phillip P. Storrer, Accounting, California State University.
Wm. Craig Stubblebine, Economics, Claremont McKenna College.
Richard J. Sweeney, Economics, Claremont McKenna College.
John Teppermarlin, Economics, Council of Municipal Performance.
Richard H. Timberlake, Jr., Economics, University of Georgia.
Eugenia Toma, Economics, California State University, Northridge.
Mark Toma, Economics, California State University, Northridge.
James H. Toner, Political Science, Norwich University.
George W. Trivoli, Finance, Nova University.
Ronald Utt, Economics, Chamber of Commerce of the United States.
Ernest Van den Haag, Public Policy, Fordham University.
Charles D. Van Eaton, Economics, Hillsdale College.
Karen I. Vaughn, Economics, George Mason University.
Eric Voegelin, Political Science, Hoover Institute, Stanford University.
Bernard J. Way, International Relations, Monterey Institute of International Studies.
Clinton H. Whitehurst, Jr., Economics, Clemson University.
G. C. Wiegand, Economics, University of Illinois.
Walter E. Williams, Economics, George Mason University.
Natalie Grant Wraga, History and Political Science, Lovettsville, Virginia.
Colin Wright, Economics, Claremont McKenna College.

I hope this letter was sent to every Senator. That is a list of 93 economists, and most of these are economists teachers in the institutions of higher learning in this country.

Mr. President, I have just stated that this particular constitutional amendment, not some substitute, not some alternative, not some amendment in lieu of this, has been endorsed by the farmers of this Nation, by the business community of this Nation, by the economists of this Nation, and by the scholars whom I have listed in the RECORD by means of the letter I just read.

We feel that we have the right amendment, we feel this is the amendment the people of this country want and, as I say, it has been endorsed by all of these organizations.

The people of this country want this amendment. The people of this country demand that we stop this spending. Again I want to say that for the last 21 years we have not balanced this budget but one time. In the last 25 years it has been balanced only twice. Congress has not shown the restraint to do it. Congress has not shown the fortitude to balance this budget. Therefore, it seems the only apparent way it can be done is through a constitutional amendment that will mandate it, that will force it, that will make Congress balance this budget.

With all the pressures on Congress that should be a relief to the Members of Congress, too. Then they can tell the people who come to them, "We have got to balance the budget and,

therefore, we cannot spend more than we take in."

Mr. President, for the reasons I have mentioned here, we are opposed to the pending amendment, and we hope it will be defeated.

I yield such time as the able Senator from Utah requires.

Mr. HATCH. Mr. President, I will take a very short time because I understand the distinguished Senator from Arkansas would like some of our time, and I am amenable to that, so I will try to save some time for him.

Mr. President, the Cranston amendment basically provides for a social security waiver from the requirement of a balanced budget; a veterans benefits waiver from the requirements of a balanced budget requirement, and for a national emergency waiver; and, it would drop section 2 which, is the taxing and spending limitation proviso.

We have had a variety of amendments brought forth throughout this debate, all of which for the most part, were intended, to complicate the matter so that it will be more difficult to pass the constitutional amendment to require a balanced budget.

This amendment is very similar to many other amendments which have been proposed and we have voted on almost every aspect of it except the veterans benefits. It seems to me that this amendment ought to be rejected simply for one reason, that the only reason this amendment was proposed was to kill the balanced budget amendment.

I urge all Members of the Senate to vote against this. Let us vote up and down on the balanced budget amendment as presently amended.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, will the Senator from Utah be kind enough to yield to me?

Mr. THURMOND. Mr. President, how much time remains?

The PRESIDING OFFICER. Nineteen minutes.

Mr. THURMOND. Does the Senator wish to speak in behalf of the amendment or against it?

Mr. BUMPERS. Neither one. I want to address the resolution because by the time we get through voting there will not be any time left.

Mr. THURMOND. I would be pleased to yield to the able Senator from Arkansas 5 minutes.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, when I came to the Senate in 1975 I honestly felt that one of the most legitimate demands to which the people of this country were entitled was a balanced budget. I even believed it was perhaps best accomplished by a constitutional mandate.

I had just finished 4 years as Governor of my State, a State which requires a balanced budget, and so I felt we should require no less of the Federal Government even though the responsibilities of the Federal Government to our people are quite different. We have to provide for the common defense and we have to provide a viable economy; we have to provide for health, education, and welfare. Even so, after 7½ years my belief that we should and could routinely balance the Federal budget remains unchanged.

But what I have changed my mind about is mandating a balanced budget by economic formula to be indelibly and irreversibly embodied in the organic law of this country. I am not sure I could ever vote for such a fundamental change in the Constitution, but I know I could never vote for one as poorly drafted as this one. I could never vote for one where the results in the future are so poorly explained by its most ardent proponents.

I could never vote for one that seems to me as politically tainted as this one, one that seems almost certainly to be drafted to meet the political exigencies of the moment, namely diverting the attention of the American people away from the unvarnished fact that the President of the United States is presenting this Congress with staggering deficits projected to run almost $500 billion in his 4-year term of office.

How can one reach any other conclusion in light of the fact that this amendment place no responsibility on the one person who can come closest to producing a balanced budget, and where the proponents have literally stonewalled every effort to make the President even a small partner in the entire process.

What a travesty. What a travesty to exclude the President from any responsibility; the person who holds the most powerful club in Government the Presidential veto—the weapon he has used twice on the same bill less than a month ago in order to hammer Congress into a submission on the supplemental appropriation bill. For that matter, the proponents of this amendment have stonewall every single proposal offered by every Senator who has had a suggestion of any kind on how to improve the proposal in both substance and clarity.

It seems to me that the same Members of this body who are the principal proponents of this amendment consider defense, entitlements, and tax cuts sacrosanct will vote against achieving a balanced budget if any one of those matters is touched, even though every one of us here knows that these are the items that must be dealt with if we are to balance the budget. And even the President has said these items are sacred. So we know the champions of this amendment are not really serious about balancing the budget. What they are serious about is the politics of balanced budgets. But forget the politics and consider the merits.

First, even though the President's budget has historically been the centerpiece of our budget deliberations, the President is hardly mentioned here. Surely, the most powerful man in office in America ought to be required to give Congress some guidance on what he wants and does not want. Surely, the person who can force Congress to produce a two-thirds vote—not three-fifths but a two-thirds vote—before it can spend a dime, should play some role in the process of achieving a balanced budget.

From a pragmatic point of view, Mr. President, if Congress should achieve a balanced budget, no one would receive more glory. Should he not also earn it? Repeatedly during debate on this resolution the question has been asked of the sponsors: "Why has the President been omitted from responsibility?" There have been no answers. So the most powerful office in the United States does not even rate a "bit part" in this drama, and I suspect the real reason is because he has requested it.

Second, under section 2 of the proposal there is a limitation on how much revenues the Government may receive. Without defining national income, the amendment states that the Government may not collect more revenues in one year than it did the last, unless the increase is no greater percentage increase than the percentage increase in national income (whatever that is) for the preceding year. For example, if the growth rate of national income from 1981 to 1982 was 5 percent, then the Government may not project revenues that exceed 5 percent growth in 1983 over those of 1982. It seems to me that if revenues exceeded 5 percent growth, Congress would have to refund the excess or be in violation of section 2. To whom would such refunds go? Income tax payers? Airline ticket purchasers? Cigarette purchasers? Jewelry purchasers? Who?

But that is not as difficult as what do we do if national income drops—and that is particularly relevant now, because gross national product (GNP)—if I dare use GNP interchangeably with national income—is declining. What if GNP drops 5 percent in 1982? If the amendment were in effect, would we be obliged to cut taxes by 5 percent? Would we not be in violation of section 2 if we did not? And if GNP were dropping, would not that be a certain indicator that we were in a recession or depression, high unemployment, all demanding Government action—even an unbalanced budget? How would we have responded to the economic calamity of 1932 had this amendment been in effect? There

are many fine economists who are predicting a similar economic debacle in the immediate future, and if they are proven right, God forbid, what is Government's role? Only the Federal Government can reverse economic malaise, and while it could be done under this amendment, the chore would be infinitely more difficult.

Then there is the problem of a 6-month to 1-year lag in determining revenues. You could easily have a slack economy with a zero or declining GNP, but 1 year later a red-hot economy. Maybe we had voted a deficit in order to stimulate the economy. Should not the Government then recapture some of its debt? Not under section 2. It would be a violation.

And finally the question of judicial review. While this amendment would, by most precedents, be difficult to challenge in the courts, we cannot depend on the courts holding every challenge without standing because the challenge presents a "political question." The Supreme Court has changed its mind before on what is political and what is not—and it can do it again. If it does, how will it answer all these questions which have remained unanswered during this debate? And are not we abdicating our responsibility to the courts whom the sponsors of this bill distrust intensely? It does not require a fertile imagination to conjure up thousands of scenarios in which Congress, members of the executive branch, and even rank and file bureaucrats are subjected to suits seeking mandamus. Nor is it difficult to imagine thousands of bureaucrats making independent judgments as to whether or not the terms of the amendment are being complied with, and acting accordingly.

Mr. President, if this proposal makes economic sense, why has virtually every economist in the country opposed it? If it were a good conservative idea, why have two of the most widely read conservative writers in America, George Will and James Kilpatrick, opposed it? And if it were good fundamental law, why did not Thomas Jefferson, James Madison, and Benjamin Franklin, some of the brightest people this country has ever produced, why did they not put it in the Constitution? Well, they did not put it in because it had then and has now no place in our fundamental law. The problem this amendment is designed to cure is not economic, it is political, and this amendment will not stiffen the spines of otherwise spineless politicians, and so it will fail at least in that purpose.

Mr. President, I have agonized over this matter. I have over and over again found myself rationalizing the several reasons why I could vote aye. But, as I have analyzed them, I had to be true to myself and admit that every one of those reasons was political and without real merit. It is honest conviction on my part that this amendment, if it is ever ratified, will create more mischief, will not work, will create a judicial nightmare, and will leave the American people with a new sense of betrayal.

I fervently hope that there is a new awareness emerging in this country, an awareness that tells the native intelligence of the people when they are being pandered to, when they are being patronized, and when they are being deceived.

So the voters may vent their wrath in a way quite different from that which is anticipated here today.

This document we call the Constitution is so dear and sacred to me, second only to the Holy Bible. Of about 1,900 proposals over a 200-year history, people of this country, in their infinite wisdom, have seen fit to tinker with it only 26 times.

Mr. President, I am convinced that we do ourselves and our Nation and our constituents a grave disservice in what we are about to do.

I thank the Senators for yielding me this time.

Mr. THURMOND. Mr. President, I yield 2 minutes to the able Senator from Maryland.

Mr. MATHIAS. Mr. President, I thank the distinguished chairman of the Judiciary Committee for yielding me 2 minutes.

I ask unanimous consent that an essay which appeared in the Time magazine issue of August 9, 1982, be printed in the RECORD at this point.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

AN AMENDMENT THAT SHOULD NOT PASS

Rick (Humphrey Bogart): How can you close me up? On what grounds?

Captain Renault (Claude Rains): I'm shocked! Shocked to find that gambling is going on here.

Croupier (handing money to Renault): Your winnings, Sir.

Renault (briskly): Oh. Thank you very much.—"Casablanca"

The first thing one notices about the constitutional amendment is a certain discrepancy between behavior and rhetoric. The part of Captain Renault this year is being played by Ronald Reagan and the United States Congress. They are shocked to discover that budget deficits are going on in Washington. They have had recourse to a helpful old political appliance, something that might be called the Moral Dissociator. This device, a sort of reality override, is always useful in tight spots. It makes the politician disappear, and then materialize again on the other side of the room, the safe side.

The President proposes the largest budget, with the largest deficits, in American history. Then he marches up to the Capitol to stage a rally demanding a constitutional amendment that would require a balanced federal budget. "I don't feel self-conscious at all," Reagan tells a press conference. He argues the (at least partial) truths that he inherited ever growing commitments from Presidents before him and that a big tax cut might be a profitable jolt for the economy. Congress performs its own impressive feats of dissociation. The polls consistently show that between 70% and 75% of Americans favor a balanced-budget amendment. It is an election year. A majority in the Senate, possibly to be echoed in the House, proceeds along the lines of an entertaining but abject logic: Stop me before I kill again. The sponsors of the amendment to mandate balanced federal budgets have flocked to the Constitution, as to the Wizard of Oz, to ask for a superego, to plead for the discipline that they have been unable to enforce upon themselves. It is an evasive and unworthy and essentially political exercise. The oldest living constitution in the world should not be dragged onstage to perform in such charades. It is undignified.

Amending the U.S. Constitution usually takes years. It is rarely done. As Chief Justice John Marshall said, the Constitution should be "a superior paramount law, unchangeable by ordinary means." When one is working in marble, it is not wise to doodle, or use the chisel impulsively. But precisely because the chances of succeeding with an amendment are remote, there has always been something satisfying theatrical and essentially safe about proposing amendments to enshrine various panaceas, transcendent gripes, noble urges and crackpot illuminations. The process is a little like the custom of nominating obscure favorite sons at political conventions, not because they have any chance of being nominated or elected. God forbid. It is just nice to hear the name boom in the hall, to have the transient thrill, something to tell the grandchildren. The mere proposal of a constitutional amendment amounts to national billboarding for an idea, and perhaps even a way of drawing the poison out of certain issues by bringing them briefly into the hypothetical presence of the sacred text.

There have been more than 9,400 proposals to amend the Constitution. Many have been frivolous. Over the generations, Americans have pushed amendments to restore states' rights, to "recognize the authority and law of Jesus Christ," to redefine treason, to prohibit racial intermarriage, to embrace world government, to outlaw pornography. The Equal Rights Amendment has just perished, for the moment. An amendment that would permit school prayer is showing signs of life; it is supported by President Reagan, who, for a conservative, seems suprisingly eager to change the nation's basic legal text.

In one instance, the U.S. became confused about the difference between the billboard and the marble. In 1919, it ratified a disastrous amendment outlawing alcoholic drinks. Then it spent 14 years fighting over whether and when and how to repeal the error. Americans should instinctively know that amending the Constitution every time the wind shifts is a sort of decadence. It suggests a nation dipping into capital, burning its deepest ideas for firewood.

The balanced-budget amendment is still in the billboard stage, the stage at which a certain amount of cynicism and carelessness and political opportunism is expected behavior. For that reason, the debate is still somewhat unreal, as if the amendment were a harmless issue, as if it had no consequences. All over Capitol Hill one hears private talk, even from those who will vote for the thing, that of course the amendment is basically nonsense, but it just won't do in an

election year to be caught voting against a balance budget. The popular impulse propelling the amendment is strong and wide. Organized labor opposes the amendment. But otherwise those against it tend to be professionals, scholars, commentators and economic experts. A prominent exception is Conservative Milton Friedman, who hopes that the amendment will "provide for a gradual ratcheting down of Government spending as a fraction of [national] income."

Whatever the political cynicism of Congress, it is responding to an immense popular disgust with high taxes and Big Government. In recent years, a balanced-budget amendment has made its way relentlessly through the state legislatures. Thirty-one of them have called for a constitutional convention to consider it. If three more states join the movement, the first such convention in the nation's history may be called. Politicians ranging from Edward Kennedy to Barry Goldwater fear that such a convention might turn into a "devil's playground." No one knows whether the delegates could be limited to the balanced-budget amendment. They might be ominously tempted to try to remodel the entire American constitutional structure, including the Bill of Rights. Such fears do not reflect much trust in the American people, of course, but it is that prospect, among others, that has led Congress to take the budget amendment so seriously.

All this has brought the balanced-budget amendment much closer to being carved into the Constitution than it rationally ought to be. The Senate may approve the amendment this week. It will have a tougher time getting through the House. "This thing is complete bull," says an aide to a Senate leader who happens to support the amendment. "Somebody had better stop it."

Superficially, one risks being thought a perverse neo-Keynesian mandarin if one comes out against balanced budgets. It is like being against motherhood—or worse. The balanced-budget amendment stipulates that before each fiscal year, Congress shall prepare a plan in which income and outgo match. The rule may be waived in time of war. Otherwise, deficit spending is permitted only when three-fifths of both houses approve the indulgence.

The best argument for the amendment sees it as a kind of Gordian stroke through the tangled indiscipline and unaccountability of Congress. Nothing less than a constitutional amendment, say its supporters, can break the deeply ingrained habit of profligate spending. The amendment would make it easier for Congressmen to say no. It would make them clearly visible when they said yes. It would force members to think twice about what is now automatic. Thus, argue the sponsors, the amendment would change the working premise of Congress, and begin to break the cycle of profligacy that has pushed the national debt beyond $1 trillion.

Intention and means should be distinguished. There is no question that growth in Government spending must be curtailed. The question is whether this constitutional amendment would accomplish that purpose. The amendment is like proposing to stop an orgy by rolling a grenade under the door: frag the bureaucratic waterbed. It is an extreme solution, feckless and fanatic. It may be satisfying at the moment, but it involves a messy aftermath.

One of the odd notes sounding through the fiscal debate is a sort of muffled cry for vengeance. The amendment will be a terrible swift sword, a judgment at last. I will impose discipline upon a nation that has felt itself losing control in a thousand ways, control not only of its money but its morals and its neighborhoods and its place in the world. The balanced-budget amendment is a metaphorical gesture with meanings that transcend the fiscal.

But gestures are ephemeral. When the hard, working details are examined, some voters who now like the grand gesture may reflect on what that will really cost. By the most optimistic predictions, assuming a brisk and lasting economic recovery, the federal deficit will still be at least $100 billion by 1986, when the amendment might become operative. Who would suffer if that $100 billion were suddenly eliminated from Government spending or added to taxation? Revenue sharing for the states would be the first to go. Medicare and Social Security would be vulnerable. So would civilian pensions. Neither defense nor social programs would be immune.

Government should be forced to make choices about priorities, of course. But that is exactly the point. The amendment is morally inert, and as single-minded as a natural disaster: Government by earthquake.

The specific case against the amendment focuses on four main themes:

(1) The Government's ability to serve as a balance wheel for the nation's economy would be crippled by the amendment. "We've been struggling to control the business cycle for 150 years, and we're finally getting better at it," says Senator Daniel Moynihan of New York. "In the 15 years ending in 1975, our per capita gross national product after inflation doubled. We were able to do it because we had the flexibility to iron out the inevitable wrinkles in the business cycle. The amendment would destroy that ability and subject us again to the feast-or-famine mercies of economic panics." Explains liberal economist Walter Heller: "When recession cuts revenues and boosts jobless pay, the resulting deficits help restore purchasing power and promote recovery. Trying to prevent such deficits by boosting taxes and slashing budgets would simply throw the economy into a deeper tailspin."

(2) Being easy to evade, the amendment may simply reduce respect for the legal system as a whole. The amendment specifies no punishment for those who violate it. Since the Government's budget-making process begins 21 months before the end of the given fiscal year, accurate forecasting is virtually impossible. Economic and budget assumptions can be doctored. All the states except one now have annual balanced-budget requirements, but they slip out of the straitjacket by capitalizing their long-term improvements, spreading the cost of bridges and highways and the like out over their useful life. The temptation to pursue such federal budgeting with mirrors would be overwhelming.

(3) The amendment is not sufficiently flexible. Government is not clairvoyant. It cannot foresee the year's natural disasters, for example, and the expenses they might entail. The amendment permits deficit spending only in case of war, but ignores the possibility that additional defense expenditures may be needed in anticipation of, or to forestall, war. Constitutional amendments, like art, should imitate life, or at least bear some working relationship to it.

(4) The reason that conservatives, of all Americans, should recoil from the amendment is that it would irreparably alter the checks and balances in the Constitution. It would require Congress to cede enormous power to the courts and/or the President. Federal Reserve Board Chairman Paul Volcker, who opposes the amendment but supports its goals, has warned Congress that the arrangement could give the President a line-item veto of the entire budget and grant him, in effect, the power to impound any federal funds he wishes. Congress would no longer be able to mandate or create new programs. In the name of balancing the budget, the President could theoretically drop entire programs without any possibility of congressional review.

Beyond that difficulty looms the immense question of who would enforce the amendment. To legal experts it is conceivable that the whole federal budget, item by item, might end up for review by the Supreme Court. Says Yale Law Professor Burke Marshall: "This would be the breeding ground for an enormous amount of litigation." Conservatives who condemn the activism of American judges should wonder whether they really want to watch the courts of the land running the appropriations process.

In the early 1980s, the prevailing thrust toward constitutional amendments (such as ones that would outlaw abortion and permit school prayer) tends to be conservative. In the 1930s, the amending impulses were apt to be liberal (proposals to set a minimum wage, for example, and even "to prohibit war"). At that time, Supreme Court Justice Willis Van Devanter spoke scornfully of "the idea that the Constitution must be amended and treated as if it were a rubber ball so that each succeeding child may play with it according to varying inclinations." The Constitution is not a ball. It is the rules of the game; it is the game itself.

Gladstone called the American Constitution "the most wonderful work ever struck off at a given time by the brain and purpose of man." The secret of its endurance has been its flexibility. However admirable its intentions, the balanced-budget amendment is a brittle, inflexible business. Its wheels are square. It is not worthy of the company it aspires to join.

Mr. MATHIAS. Mr. President, I have asked the pages to put a copy of this essay on the desk of every Member of the Senate. But since the time for reading essays is growing short, let me summarize the four points that are made in this article, because I think they are important to Senators who are about to cast an extremely important vote. The four points that Time magazine makes as a specific case against the amendment upon which we are about to vote are:

One, the Government's ability to serve as a balance wheel for the Nation's economy would be crippled by the amendment.

Two, being easy to evade, the amendment may simply reduce respect for the legal system as a whole.

Three, the amendment is not sufficiently flexible. Government is not clairvoyant. It cannot foresee the year's natural disasters, for example, and the expenses they might entail.

Four—and this is the reason, Mr. President, that I discussed in the Senate the day before yesterday—the

reason that conservatives, of all Americans, should recoil from the amendment is that it would irreparably alter the checks and balances in the Constitution.

Mr. President, I hope that, short as the time now is, every Senator will have an opportunity to read this essay from Time magazine and ponder it in his heart or her heart before casting this significant vote that could affect this Republic for the generations to come.

Mr. THURMOND. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 9½ minutes remaining on the amendment.

Mr. THURMOND. How much time does the other side have?

The PRESIDING OFFICER. Time has expired on the other side.

Mr. HART. Mr. President, will the Senator from Arizona yield me 3 minutes on the bill?

Mr. DECONCINI. Mr. President, I yield 3 minutes to the Senator from Colorado on the bill.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, we face this terrible vote in the next hour for one simple reason: the Congress of the United States is suffering a failure of political will. As a simple matter, it is easy to hold public office when times are good. It is difficult to hold public office when times are bad. Times are bad. The people of the country seek simple solutions. Too many Members of Congress are too willing to provide them, even at the expense of the sanctity of the Constitution of the United States.

The Nation and its Congress are victims of two difficulties: one is the economic downturn that our country has faced for the last decade; the second is a failed economic experiment put forward by the President of the United States last year and supported, unfortunately, by overwhelming majorities of both Houses of Congress and both political parties.

That failed experiment has produced the highest deficits in the history of this Republic. It promises even worse. We as a nation, we as a Congress, are a victim of both of those events.

It is symbolic, I think, of the hypocrisy of our political age that in the span of 7 days the President of the United States can hold a press conference on the steps of the Capitol of the United States demanding that the Constitution, the charter of this country, be amended to incorporate yet another political and economic experiment, and then in the same period of time insist upon a 11- or 12-percent increase in defense spending.

The President talks about cutting Government spending but does not include 25 percent or more of the budget of the United States; namely, that allocated to the Pentagon and the Defense Department.

Mr. President, the real defect in this proposed constitutional amendment, this resolution, is contained in section 2, which denies one of the two options available to us to balance the Federal budget, and that is to raise taxes.

I say there is a failure of political will and a failure of political courage because it has been 32 years since this country has had a President who had the courage to come to the Congress and the American people to ask for tax increases to pay for defense buildup. That was President Harry Truman, a President whose reputation has been enhanced in recent years because of that political courage. It was in 1950 when President Harry Truman came to the Congress of the United States and asked for a tax increase to pay for the defense buildup necessary to prosecute the military action in Korea.

This current President comes to the people and comes to the Congress with the biggest military buildup in the history of this Republic and, instead of increasing taxes, he cuts the taxes of the people of this country.

It is because of that, Mr. President, that our country faces the economic calamity that it does, which fuels the drive in this body for an amendment to the Constitution of the United States—premised upon mathematical equations contained on pages 48 and 49 of the committee report, which I dare say no more than 100 people in this country have ever read.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HART. Mr. President, I think if the Senate of the United States adopts this resolution today it will be one of the most catastrophic mistakes in the history of this Republic.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from South Carolina.

Mr. THURMOND. Mr. President, I understand the time on the other side has expired.

The PRESIDING OFFICER. That is correct.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 27, nays 73, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—27

Biden	Hawkins	Moynihan
Bradley	Inouye	Pell
Burdick	Jackson	Randolph
Byrd, Robert C.	Kennedy	Riegle
Cannon	Leahy	Sarbanes
Cranston	Levin	Sasser
Eagleton	Mathias	Specter
Ford	Matsunaga	Stafford
Glenn	Metzenbaum	Weicker

NAYS—73

Abdnor	East	Melcher
Andrews	Exon	Mitchell
Armstrong	Garn	Murkowski
Baker	Goldwater	Nickles
Baucus	Gorton	Nunn
Bentsen	Grassley	Packwood
Boren	Hart	Percy
Boschwitz	Hatch	Pressler
Brady	Hatfield	Proxmire
Bumpers	Hayakawa	Pryor
Byrd, Harry F., Jr.	Heflin	Quayle
Chafee	Heinz	Roth
Chiles	Helms	Rudman
Cochran	Hollings	Schmitt
Cohen	Huddleston	Simpson
D'Amato	Humphrey	Stennis
Danforth	Jepsen	Stevens
DeConcini	Johnston	Symms
Denton	Kassebaum	Thurmond
Dixon	Kasten	Tower
Dodd	Laxalt	Tsongas
Dole	Long	Wallop
Domenici	Lugar	Warner
Durenberger	Mattingly	Zorinsky
	McClure	

So Mr. CRANSTON's amendment (No. 1945) was rejected.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. May we have order in the Senate.

Mr. DECONCINI. addressed the Chair.

The PRESIDING OFFICER. The Senate will please return to order.

The Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank my colleagues for the interest and courtesy they have shown during the past week's debate on Senate Joint Resolution 58. The discussion has been highly spirited——

Mr. HART. Mr. President, the Senate is not in order. Senators cannot hear.

The PRESIDING OFFICER. The Senator's point of order is well taken. Senators will please take their seats. Those wishing to converse will retire to the cloakrooms.

The Senator from Arizona.

Mr. DECONCINI. Mr. President, the discussion has been highly spirited, but I believe all Members have acted on their own highest standards and have done their best to do right by it.

I want to pay particular thanks to the Senator from South Carolina (Mr. THURMOND), the distinguished chairman, for his diligence in pursuit of this matter over many, many years, long before I came here, also the Senator from Utah (Mr. HATCH).

I want to mention a few staff people: Bob Fiedler of my office, Erick Hultman, Steve Markman, and Rick Branden of Senator CHILES' staff.

Work, for me, on a method or process to bring about Federal balanced budgets began the day I arrived in the Senate. At that time the country had run deficits 15 of the previous 16 years. Throughout the past 4 years the Constitution Subcommittee of the Committee on the Judiciary has held extensive hearings on various concepts to bring about a balanced budget or spending limitations. We have heard from spokesmen from every walk of life. We considered many, many alternatives before finally hitting on the formula that has produced Senate Joint Resolution 58. It is a testimony to the neutral budgeting principles embodied in its language that it has come through the past days debates virtually unscathed. The time will shortly arrive for final passage and it is with a clear conscience and a firm belief that I shall recommend to you that it be adopted if we are to ever return this country to sound fiscal policies at the Federal level.

I alluded earlier to the fact that 15 of the 16 years prior to my arrival in the Senate we had run a deficit; that was not to suggest that I or anybody else could have done any better in the past 6 years. The facts speak for themselves: In 1977, the budget deficit was about $45 billion while estimates for the coming years deficit ranges to over three times that amount. During the past two decades deficits have run in all but a single year. They have come during good and bad times. They have come with this body controlled by different parties and leaders. They have come under Presidents who were Republican and Democrat. Most recently this has meant deficits coming under an administration whose basic promise to the American people was to get spending under control and balance the budget. But the promises and hopes for sound fiscal policy has been dashed despite their good intentions. The result has been a deafening and rising clamor by the people of this country to take the ultimate step in attempting to save ourselves by writing fiscally sound practices into that document, the Constitution, which has served us so well since our inception and whose precepts this country has followed and lived by to our resulting good fortune.

Over the course of the debate, many alternative proposals of a statutory nature were proposed as substitutes for the amendment. I commend the authors of those proposals for their sincere efforts to grapple with the deficit problem. But I must add that their efforts appear to me to be too little too late. If the principles embodied in their amendments had been followed for the past two decades, we would not find ourselves in the economic pinch we are in today. The time for statutory tinkering has past—we must establish sound fiscal practices; that is, a norm of a balanced budget, and we must do so in the document we all revere—the Constitution of the United States.

Mr. President, being from the West as I am, and having been brought up in an atmosphere of self-dependence with a skeptical view toward those who felt they knew what was best for me, I have subscribed generally to Jefferson's theorem that the Government which governs least governs best. Thus, the startling increase in the role played by the Federal Government in our lives comes as a great concern to me. The Government can do much good, but too much government is necessarily intrusive. We have heard many figures bandied about this week but the most troubling to me were those that reflected the growth of Government. For instance, in 1929 Government outlays as a percent of gross national product were 3.11 percent. By this year, that figure has reached over 24 percent. An eightfold increase in 50 years. Our first $100 billion budget came in 1962, and two decades later it has increased nearly eightfold. When people speak about Government spending and control run amok it is clear of what they speak. And if that spending becomes even more total and domination of our lives even more complete by the Government, the specter of totalitarianism and the horrors it entails will as surely descend on America as it has on other nations where the government has grown to control all aspects of life.

One further item must be addressed. We have heard all week from opponents of this measure that it is a hoax; that it will not work. I disagree. But it will only work if the Members of this body want it to work and if they make the tough decisions to permit it to work. If we continue a business-as-usual attitude of spending the country into oblivion and letting future generations pay for our mistakes, then it will not matter what the Constitution dictates. We, the Members of Congress, must decide once and for all that we will not continue to play the hoax of deficit spending on the American public; we must cease the hoax of paying simply lipservice to balancing the budget; we must cease the hoax of deluding and misleading the American public about what we are really doing down here while they are crying for balanced budgets and fiscal responsibility. This amendment will only be as good as the Members of Congress who enforce it.

Finally, I urge that this amendment be adopted so that future generations are not saddled by our profligence. Each generation must pay its debts as they are accrued. Our bequest to our children should not be a trillion dollar debt. The time is now, the place is here, for us to take a step toward assuring future Americans of the same opportunities we have enjoyed. I urge adoption of Senate Joint Resolution 58, the balanced budget/spending limitation amendment to the Constitution.

Mr. President, I now yield to the Senator from Massachusetts for 2 minutes on the bill's time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. May we have order, Mr. President.

The PRESIDING OFFICER. The Senator's point of order is well taken. The Senate will be in order. Senators will please take their seats.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the amendment we are being asked to vote upon today is an insult to the Constitution and an embarrassment to Congress and the country. It has been denounced with virtually one voice by constitutional scholars and economists, and I hope the Senate will summon the courage to reject it.

For nearly 200 years, it has been accepted constitutional wisdom that the Nation's fundamental document does not enshrine any particular economic theory. In an eloquent dissent criticizing his fellow Supreme Court Justices for departing from this rule at the turn of the century, Justice Oliver Wendell Holmes stated the principle in a famous aphorism: The Constitution "does not enact Mr. Herbert Spencer's social statics."

The same principle applies today. A specific formula for balancing the Federal budget does not belong in the Federal Constitution. The Constitution was never intended to enact Ronald Reagan's trickle down economics.

It is a sign of the dire straits in which the Reagan administration and the Republican Party find themselves today that they have stooped to this political charade to shore up their failing economic policy. The Senate must not be a party to this irresponsible scheme to turn voodoo economics into voodoo constitutional law.

I return the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island has been seeking recognition.

Who yields time?

Mr. DECONCINI and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield 2 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I oppose this resolution because I believe it is wrong to impose on the Constitution a provision that is plainly unworkable.

Debate has shown that even Senators who support the resolution have doubts about its workability. Many are determined to vote for the resolution nonetheless, in the hope that somehow it will be made to function. They are, in my view, permitting hope to overcome the lessons of experience.

The amendment just will not work.

It will not work because of the enormous difficulty of cutting outlays to maintain balance as a fiscal year is in progress, thus requiring us either to gut important social and defense programs, or to raise taxes.

The result: Taxes will be raised and those will be excise taxes, taxes on the consumer because it is only those taxes that will produce revenue swiftly, and that is what is required under this constitutional amendment.

It will not work because the budget actions we would have to take to attempt to maintain budget balance could worsen recessions, generating more unemployment.

It will not work because the provision for super majorities could create stalements in which a willful band of only 41 Senators could by their absence—they do not even have to be present—prevent spending in times when a strong majority of 59 consider that a national economic or military emergency requires it.

It will not work because it will be evaded by Congresses determined to invent new ways to spend by using off budget agencies and ingenious new budgetary inventions. It will be avoided by Congresses determined to achieve its objectives by making States and local governments, and the private sector, pay for them.

Proponents of the amendment see it as an important step toward economic stability and budget sanity. I see it as destabilizing and as the cause of even deeper public cynicism about Congress.

I simply am not willing to take the risk of abusing the Constitution by a provision whose warts are so big and so plain.

If we want to balance the budget, we have the power to do it now or whenever we decide. We do not need to use the Constitution as a prop in this grand show of our dedication to fiscal responsibility.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield a half-minute to the distinguished Senator from New Mexico.

Mr. SCHMITT. I thank the very distinguished Senator from South Carolina and commend him and his committee and those supporting and working for this legislation for their efforts and for moving this balanced budget amendment to the floor.

This piece of legislation will be the most important on which this Congress will act. Senator THURMOND has guided Senate Concurrent Resolution 58 successfully through committee and now to the floor. Each Member of this body and the American people should thank and commend him for his leadership.

A balanced budget on a yearly basis is not a novel idea. The committee report contains a full legislative history and is replete with the thoughts of previous leaders and Members of Congress on this subject. What is novel and unique about this proposed constitutional amendment is the notion of political accountability.

This legislation does not mandate economic policy; it will not lead us into a depression; and it will not put Congress in a fiscal straitjacket. If enacted, this constitutional amendment will do one thing—it will show the American people exactly who in the Congress wants to be fiscally responsible and who does not. By looking at one vote, the American people will be able to tell who wants a balanced budget and lower taxes and who wants to continue adding to the huge public debt.

A balanced budget was an implicit article of the Constitution. A specific prohibition on Government spending and public debt was not made permanent in the Constitution because it was never contemplated that one day the public debt would exceed one-third of the gross national product.

The Constitutional Convention did, however, see the necessity of having to amend the Constitution from time to time. With the question of ratification weighing heavy on their shoulders, the delegates to the Constitutional Convention wanted an amendment process which could originate in the legislature. The States were pushing a process which could originate with the States. In order to insure that the proposed Constitution would be ratified, James Madison and others helped fashion the compromise we now know as article V of the Constitution.

Today we can see the compromise fashioned in those early days at work. While the Congress has steadily been adding to the Federal debt, the American people at the State level have been crying for relief from the growing debt. The result of that cry can be seen in the 31 States which have called for a Constitutional Convention on this issue unless Congress acts. Only three more States need act and this matter will be out of the hands of Congress. At least two States may act on a petition for a Constitutional Convention this summer; the leaderships of the legislatures in a few other States have made promises on future consideration of like petitions.

Article V of the Constitution is unclear on the procedure by which a Constitutional Convention would convene, sit, and proceed. It is also not clear: What the scope of the convention would be, how much of the Constitution could be amended. I would hate to see a Constitutional Convention bog down with the weight of other constitutional issues of the day and not act on a balanced budget amendment.

This Congress must send this proposed amendment out to the States. Forty-seven of the 50 States have constitutional or statutory mandates for balanced budgets. They are responsible and the Federal Government has not been. Mr. President, if we do not send out this amendment to the States, the 31 States calling for a Constitutional Convention will become 34.

Amending the Constitution should not be taken lightly. Thomas Jefferson was not in favor of often amending the Constitution or statutory law. However, he also recognized that eventually a society will grow and progress to a new set of laws and constitutional prescriptions. In recognizing this need, Jefferson compared the original mandates of a nation to a man wearing clothing fashioned for him as a youth. Later, Jefferson said that, "the public debt is the greatest of dangers to be feared by a republican government."

It has been said that Congress as an institution cannot say no. It is time for us to cast off the cloak of a youth and take on the cloak of an adult and learn to say no. No, we will not spend more than we take in; no, we will not become the employer of first resort; no, we will not become the lender of first resort; no, we will not set up a risk-free welfare State in the United States based on a massive and growing public debt.

This amendment has been called unworkable and cumbersome. It is not. Simply, Senate Joint Resolution 58 would require:

First, the Congress to adopt a statement of the Federal budget in which outlays do not exceed receipts—unless three-fifths of Congress decides otherwise;

Second, the Congress and the President to insure that actual outlays do not exceed actual receipts; and

Third, that Federal revenues not grow at a greater rate than the growth rate of national income, unless a majority of both Houses vote otherwise.

These three fiscal imperatives will move us toward a balanced budget. The amendment may not go far enough. I would like to see a provision for the retirement of the public debt. If we balance the budget year after year, we will still have a national debt

over $1 trillion unless we make a provision for debt retirement.

The opponents of this proposed amendment claim that it is unenforceable. Mr. President, this amendment is enforceable by the most effective sanction available to a public official—the voting booth. The American public can look at 1 vote, not 100, and find out who is fiscally responsible and who is not.

The American people are a canny lot. They have already begun to weed out the fiscally irresponsible. In July of 1978, the senior Senator from Virginia offered an amendment which would mandate a balanced Federal budget in fiscal year 1981 and every year thereafter. That amendment was agreed to on a rollcall vote of 58 yeas and 28 nays. Of those voting "yea," 70.6 percent of them are still in this body today. Of those voting "nay," only 46 percent still sit in this Chamber.

Mr. President, I do not mean to imply that our various constituencies voted to retain or reject us as Senators on the basis of our votes on the Byrd amendment. They voted to send us to Washington or send us home on the basis of our overall record. Looking over the list of the aye votes and the list of Senators still in this body, I see more fiscal conservatives than fiscal liberals, some changing before our very eyes.

I might also say that this measure does not just show the American people who wants a balanced budget and who does not. This measure will also show the American people who wants higher taxes. Senate Concurrent Resolution 58 provides that a majority of the whole number of both Houses must pass, as a separate vehicle, a bill authorizing new receipts above the rate of growth of national income. Again the people can look at one vote and see which of their legislators voted to take more money from the working man's paycheck.

Mr. President, I say to my fellow conservatives, especially some recent born-again conservatives, that the heart of conservatism is not just budget balancing—it is budget balancing, lower taxes, and smaller government. This amendment goes to that fundamental premise of conservatism.

Senate Concurrent Resolution 58 does not mandate economic policy. Some would like to do that with an income policy complete with wage and price controls. Instead, this amendment will require the Congress to adopt a plan of a balanced budget and live up to that plan. If 60 Members of this body and 261 Members of the other body vote to adopt a budget plan in which outlays exceed receipts, then Congress can adopt an unbalanced budget. Where is the mandate of economic policy? Where does Senate Concurrent Resolution 58 tell us whom to tax, where to spend, and what program to support? Nowhere.

It is essential that Congress send the amendment out to the States for ratification soon. This is the last component of the Republican policy of putting truth into the fiscal budgeting process. We have reduced inflation so the Treasury is no longer enriched on a massive scale through repaying lenders with inflated dollars. We have indexed the tax brackets to inflation so the Government will no longer profit from bracket creep. Now, if Congress wants more money from the taxpayers, it has to vote for tax increases. Under Senate Concurrent Resolution 58, if Congress wants to spend more money than it takes in, it has to vote to spend more money than it takes in. The accounting formula for fiscal responsibility will be complete.

Mr. THURMOND. Mr. President, I yield 1 minute to the distinguished Senator from Washington and then a half-minute to the distinguished Senator from Idaho.

Mr. CRANSTON. Mr. President, a point of order. The time is supposed to be evenly divided between that side of the aisle and this side of the aisle.

The PRESIDING OFFICER. The Senator is correct, and it shall be.

The Senator from Washington.

Mr. GORTON. Mr. President, over the past several months I have devoted a great deal of attention to Senate Joint Resolution 58, the balanced budget-tax limitation amendment. Achieving a balanced budget has been my major goal since I took my seat in the Senate. Last February, I proposed a plan to the Senate Budget Committee that would have allowed us to work out our fiscal problems and to achieve a balanced budget by 1985. My budget proposal was introduced as an alternative to the unacceptable budget sent to Congress by the President.

The President's budget was unacceptable and not a single Member of Congress supported it for a number of reasons, the first of which was the fact that the Federal budget would remain unbalanced for the foreseeable future and that the projected deficits were substantially too large. The President's budget included a substantial increase in the rate of defense expenditures, did not face up to the uncontrolled growth of entitlement spending, and recommended additional cuts in discretionary spending programs which had been cut substantially the previous year. It was thus both ineffective and unfair.

Given the political realities of the time, the Budget Committee and the Senate adopted a plan which, while vastly superior to the President's in that it made substantial progress toward the reduction of future deficits, still will not achieve a balanced budget in the foreseeable future. I believe that had we faced up to the real challenge last spring and adopted a fiscal policy similar to the one I proposed, which included meaningful entitlement reform, economic recovery would not now be so seriously threatened by high interest rates.

This recent experience with the budget process led me to give close and serious scrutiny to the proposed constitutional amendment to balance the budget. Senate Joint Resolution 58 is designed to deal with a perceived bias within the Federal Government toward increased levels of Federal spending. It is evident to me, and to almost everyone, that a substantial bias does exist in favor of even more Government spending. The persistence of Federal deficits over the last four decades, during economic good times and bad, is ample testimony to this fact. The existence of this bias may be accounted for by the fact that the benefits of each spending program are concentrated among a relative few persons, while the costs are dispersed among all taxpayers. The beneficiaries have every incentive to lobby to continue and to expand their programs while the individual taxpayer has much less incentive to resist those efforts. Given these incentives, the special interest groups win and the taxpayer loses.

The proposed constitutional amendment to balance the budget, as reported, is unfortunately so seriously flawed as not to redress the bias toward every-increasing Government expenditures. Moreover this amendment is misnamed, for there is nothing in the amendment reported by the Judiciary Committee that would insure an annually balanced budget. All that is required is that the Congress adopt a statement of outlays and receipts that is in balance. That is all that is required unless a three-fifths vote of the entire membership of both Houses can be mustered to pass an unbalanced statement—not an unbalanced budget—but an unbalanced statement, which is not at all the same thing, as the debate on the amendment has made abundantly clear.

Suppose, after adopting a statement that is in balance, receipts fall below the level projected so that an unbalanced budget is in prospect. What will happen then? According to the amendment the Congress may amend its original statement—the operative word is may since Congress is not required to do so. Congress is, in my opinion, unlikely to amend its original statement and likely to allow the actual budget to remain in deficit. Such a deficit will be constitutional. Senate Joint Resolution 58 simply does not require a balanced budget but only a balanced statement; it is simply not enforceable as drafted by the Judiciary Committee.

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This serious defect was remedied in significant part by the passage of the Armstrong-Boren amendment. This amendment would require a three-fifths vote of the Members of both Houses before the legal limit on the debt ceiling could be raised. This provision puts an actual enforcement mechanism in the amendment. In the event of a deficit a supermajority will be required to raise the debt limit to allow the Government to sell the bonds needed to raise the necessary funds. Without such an action, the Congress will be unable to spend more than the Treasury takes in.

The Armstrong-Boren amendment, however, is just that; it is not a substitute for the procedural requirements of Senate Joint Resolution 58. Those requirements, especially when coupled with the Armstrong-Boren amendment, are a formula for stalemate.

The inevitable result will be that budgets will be prepared by the judicial branch. The power to make basic, fundamental, and final decisions about the taxing and spending policies of this Nation will shift from the Congress to the judiciary.

This is clear from the debate on the proposed amendment. It is especially clear from the discussion of the amendment I offered which, by insuring the maintenance of the status quo with respect to judicial review of the budget-making process, was designed to prevent such a shift in legislative authority.

My primary concern during the entire debate on this amendment has been that by incorporating a balanced budget requirement into our Constitution we risk transferring to the executive and judicial branches the powers currently exercised by the Congress to establish the fiscal policy of this Nation. Although I agree that there is a need to adopt procedures to eliminate the current bias toward ever-increasing spending, I do not believe that there is any basis for changing the present separation of powers among the three branches.

With respect to the probable transfer of congressional power over the fiscal process to the President, I am concerned that the last sentence of section 1 of the amendment, as reported, could be read to give to the President additional constitutional powers over the budget-making process, including the power to impound funds and to impose item vetoes. The amendment offered by the Senator from New Mexico (Mr. DOMENICI) seems largely to have removed this concern.

I cannot, however, make the same statement with respect to the power of the courts to exercise judicial review over the budget decisions made by the Congress. Quite the contrary, I believe that this amendment constitutes an open invitation to the judiciary to become involved in the process of writing the budget.

For nearly 200 years, the courts of this country have declined to involve themselves in reviewing the budget decisions of the Congress. The taxing and spending power of article I, section 8, of the Constitution, is given exclusively to the Congress. The judiciary has deferred to that constitutional grant of power. The proposed amendment, however, as a "specific constitutional limitation" on the taxing and spending power of article I, section 8, would, under the Supreme Court's holding in *Flast* v. *Cohen* (392 U.S. 83 (1968)) inevitably result in judicial review of the fiscal process established in this amendment. The exercise of judicial review in this instance would result in a significant shift of power over the budgetmaking process to the courts, and a corresponding shift away from a democratic form of government.

Prof. Laurence H. Tribe of Harvard University has expressed the same concern about the result this amendment will have on the powers of the judicial branch. In testimony delivered before the House Judiciary Committee recently, Professor Tribe said the proposed amendment would compel "the judiciary to take on the task of budget-master." He pointed out that this result would occur because—

> * * * federal taxpayers claiming that Congress was raising and spending taxes in violation of the new Amendment's express restrictions on the spending and taxing powers of Congress could certainly obtain standing under *Flast* v. *Cohen*.

I am convinced that in the absence of an express restriction on the judicial power to hear and decide cases arising under this amendment, the courts for the first time will become involved in the budget-writing process. I cannot support such a profound change in the current separation of powers between the Congress and the judiciary without being certain, at the very least, that the amendment will actually result in a balanced budget—a result that the sponsors of the amendment are unable to assure with any degree of certainty.

I will, therefore, vote against Senate Joint Resolution 58 because it is both ineffective in accomplishing its stated purpose—a balanced budget—and because it endangers the current separation of powers established by the Constitution which has proven to be an enduring hallmark of our national liberties.

Although I will not vote for Senate Joint Resolution 58, I do believe that enacting the essence of this amendment as a statute has merit. By doing so, we can experiment with a new system in a way in which changes to meet unforeseen circumstances will be far easier than would be the case with a constitutional amendment. In addition, we should seriously consider the Armstrong-Boren approach as the exclusive method of control. It may well be that it makes the rest of Senate Joint Resolution 58 surplusage. While this proposal is defective, the problem remains and must be addressed.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

THE BALANCED BUDGET AMENDMENT WILL CONTROL FEDERAL DEFICITS

Mr. SYMMS. Mr. President, I strongly support the constitutional amendment providing for a balanced budget.

Federal spending is out of control, and a new control mechanism is required. This fact is indicated by the enormous and ever-rising national debt. There have been Federal budget deficits in 26 of the past 31 years.

I believe that the failure to limit spending growth stems from an inherent bias of the budget process toward ever-increasing spending. The number of entitlement program beneficiaries has increased rapidly, relative to the number of taxpayers, and the cost of entitlement programs has risen even faster. At the same time, Congress has become increasingly reluctant to make the changes needed to hold back the excessive growth in transfer payments.

The chief cause of this budgetary bias is the imbalance of power between special interest groups and the general taxpayer. The so-called needs of each special interest group are heard loud and clear—and, taken individually, the cost of each special program to the taxpayer is relatively small. This encourages a congressional majority to satisfy the special interests at the expense of the taxpayer. Taken collectively, however, the costs of maintaining all these programs has added up to an oppressive tax burden and record deficit levels.

I am convinced that this pro-Federal spending bias can not be rectified within existing congressional procedures. Given the scope of the problem and the record of congressional failure in trying to limit spending growth, a constitutional mandate is needed to restore balance to the budget process.

The purpose of the balanced budget constitutional amendment is to make the budget process more responsive and democratic, and more neutral, by reducing the structural bias toward greater spending that is now built into our political system. To change this bias, the amendment would work to restrain both deficits and taxes.

Mr. President, the amendment would limit growth in taxes by requiring that the percentage increase in tax receipts in any given fiscal year be no greater than the prior calendar year's percentage growth in national income. This could reduce the automatic non-

legislated increases in the tax burden that result from inflation-induced bracket creep.

The amendment would restrain deficits in two ways. First, it would force Congress to plan a balanced budget. Planned outlays must be no greater than planned tax receipts, thus assuring a balanced budget. Second, the amendment would require that actual outlays not exceed planned outlays. This is required by the amendment.

But the balanced budget amendment is flexible enough to permit Congress and the President to make necessary adjustments if special circumstances arise. A war or a severe threat to our national security are examples of special circumstances. Congress could vote to accept a deficit if three-fifths of the full membership of each body feels such a deficit is necessary.

Mr. President, for most of our history, balancing the budget was considered a major obligation of Government, even though this obligation was unstated in the Constitution. When deficits were incurred, usually due to war expenditures, efforts were made to restore balance by running surpluses. The deficits of the Civil War were followed by 28 years of surpluses. The deficits of World War I were followed by 10 years of surpluses.

But since 1950, the budget has been in deficit for 26 out of 31 years. And we have had a surplus in only 1 of the last 21 fiscal years. Obviously, the Government's sense of fiscal discipline has greatly diminished over the past three decades.

To restore the needed discipline to the budget process, I support the balanced budget amendment. Its enactment would add to the budget process the balance so badly needed between tax spenders and taxpayers. In doing so, it would help end the seemingly automatic process of ever-growing expansion of the Federal sector that has increased tax burdens to the point where the vitality of the American economy has been seriously jeopardized.

I ask the Senate to approve this constitutional amendment, so that the ratification process may begin quickly.

Mr. President, a Gallup Poll released on June 13, 1982, indicates strong popular support for the balanced budget amendment. The Gallup Poll stated:

> The electorate is unequiviocal in its support for an amendment to the U.S. constitution that would mandate a balanced Federal budget each year. In the latest Gallup survey, 74 percent of Americans who are familiar with the proposal favor the constitutional amendment.

The Gallup Poll broke down public support as follows:

> 83 percent among Republicans.
> 67 percent among Democrats.
> 76 percent among independents.

As favoring the balanced budget amendment.

Mr. President, my reasons for supporting the balanced budget amendment should be stated in more detail. Even the fiscal year 1983 budget recently completed in the Congress fails to correct the most fundamental U.S. national problems. Our basic national problems, in order of priority, are:

First, Federal spending obligations are uncontrolled, due to the rate of growth in the social entitlements. Domestic entitlement spending has risen dramatically over the last decade, and will continue its rise in the next decade, unless spending priorities are reordered.

Second, domestic, nondefense spending priorities have created ever-larger Federal deficits, which have the effect of dislocating our free enterprise economy through "stagflation," creating unemployment, inflation, and high interest rates.

Third, the overall military superiority now achieved by the Soviet Union has now created a danger of nuclear blackmail threats and world war unprecedented since 1939.

Fourth, high rates of taxation to attempt to pay for deficit supported social welfare have stifled free market economic activity, savings, capital investment, and agricultural and industrial productivity.

An objective observer of the adverse American strategic and economic situation in the world today could conclude that uncontrolled entitlement spending and ever-increasing taxes and deficits are placing ever-greater constraints on defense spending to address the ever-growing Soviet military threat. Not only is the American economy performing very badly in satisfying defense needs, but our industrial productivity and balance of trade is wholly unsatisfactory.

Thus the structure of Federal spending priorities is weakening the United States both internationally, as well as sapping our domestic economic strength.

Marxist-Leinists around the world can only applaud the way Congress spending practices have hamstrung what was formerly the strongest military and economic power in the world. The very structure of our Federal spending priorities must be fundamentally reordered to promote economic growth, prosperity, full employment, and a strong national defense.

The present fiscal year 1983 budget does not achieve such a reordering of spending priorities. Most significantly, it fails to reduce nondefense domestic spending sufficiently. This fact is the reason that, despite huge tax increases, there is still an unacceptable budget deficit. Moreover, ever-growing entitlement spending makes it impossible to increase our defense budget commensurate with the Soviet threat.

In sum, uncontrolled entitlements are the cause of tax increases, high deficits, poor economic performance, and a weak defense posture.

Mr. President, the fundamental constitutionally mandated purpose of the Federal Government is to "provide for the common defense." Keeping America free, strong, and at peace is the most beneficial social program that the Federal Government can provide for all American citizens.

Mr. President, constitutionally, mandating Congress to balance its budget is an idea long overdue. The Congress has proven year after year its inability to balance its budget so in my view the only recourse for the taxpayer is to require it through the Constitution. I have advocated this for a long time and am delighted that Senator HATCH's proposal of which I am a cosponsor is finally before the Senate. It is time to force Congress to mend its ways and it is high time the Congress put a cap on how much Government can take from peoples' paychecks in taxes.

Mr. President, to complete my analysis of the reasons Senators should support the balanced budget amendment, I ask unanimous consent to have an article from Fortune magazine—June 14, 1982—entitled "Americans' Hate Affair With Deficits," printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, this is a historic day, and I urge all my colleagues to vote for this amendment.

I compliment the distinguished members of the Judiciary Committee who brought this matter to the floor. I thank them for their diligent efforts on behalf of the American people. This is something the American people want, and I hope we will give them the opportunity to have the 50 States either reject or ratify this amendment, which I think is vitally needed.

[Exhibit 1]

AMERICANS' HATE AFFAIR WITH DEFICITS

(By Everett Carll Ladd)

Many social critics argue that the huge deficits troubling the national government and economy have roots deep in the political culture. Habituated to wealth and progress, the critics say, the modern public requires all manner of good things now and expects the impossible—fewer taxes and more services. In the face of such "demand overload," spending beyond revenue becomes almost unavoidable.

But do the opinion polls, in fact, support the notion that federal deficits reflect public improvidence? Polls have been conducted regularly for some 45 years now—since the beginning of the period in which deficits have been a recurring part of the American national experience. The library of the Roper Center for Public Opinion Research contains more than 4,000 such polls taken in the U.S. from the mid-1930s to the present. Now, for the first time, we have

combed this major resource to identify long-term trends in American's views about deficits and what they would like government to do about them.

The answer comes with extraordinary decisiveness. The U.S. today is a befuddling mix of liberal and conservative impulses. But on the question of balancing budgets, we are a nation of conservatives. Americans resent big government deficits. They blame them for the inflation that has beset the country for most of the last decade, and they focus on them as the prime symbol of a loss of discipline and accountability in the governmental process. With a consistency rarely seen in public-opinion polling, the populace for more than 40 years has indicated an abiding aversion to deficits every time and every way it has been asked.

Americans are, moreover, highly self-conscious about their fiscal conservatism, as may be seen in the Roper Organization poll summarized in the chart on the preceding page. When respondents were asked whether they think of themselves as liberal or conservative on a variety of issues, they labeled themselves conservative—"opposed to unconventional ideas"—on the matter of deficit spending by the extraordinary margin of 9 to 1.

A MIDDLE-CLASS CODE

One of the roots of this remarkable fiscal conservatism seems to be the middle-class character of American society, where values like frugality and economic responsibility are notably strong. People are supposed to balance their own budgets; governments should do the same. "Living within one's means" is the very essence of this middle-class code.

In societies lacking such a bourgeois makeup—for example, in Britain, with its strong aristocratic and working-class traditions—deficits seem less controversial. Over the last decade Britain has experienced deficits frequently greater (measured as a proportion of GNP) than those of the U.S. Yet deficits as such have not loomed large in British political debate. Indeed, British pollsters have never even asked respondents what they think of balanced budgets. "Deficits are hardly an issue here," says Robert Worcester of Market & Opinion Research International, one of Britain's leading polling organizations. The very terminology for deficits used in the U.K.—"public-sector borrowing requirements," or PSBRs for short—attests to the technical and bloodless nature of the issue there.

Another source of the national passion for budget balancing is that Americans see it as a symbol and test of discipline and responsibility in government. Increasingly they have come to feel that modern government is out of control. A great variety of recent polls have shown, for example, that the people doubt that any Administration could bring the federal budget into balance. One by-product of this pessimism has been the widespread endorsement of a proposed constitutional amendment requiring a balanced federal budget (see page 71). Since 1976, when the question was first put to a national sample the public has overwhelmingly backed the idea. Last September, Gallup found 78% in favor of it, including large majorities of every social group—young and old, rich and poor, white and black.

In addition to bourgeois values and responsible government, a third point in favor of balanced budgets is that Americans believe they will help curtail inflation. Economists may be divided on the question of what part government deficits have played in the high inflation of the last decade. But the public is nearly unanimous: it thinks deficits cause inflation, and it wants deficits reduced in the belief that this would contribute to a long-term lowering of inflation rates.

It is scarcely possible to overstate popular frustration with the inflation of the past decade. While there have been ups and downs in the degree of public concern, depending on how fast prices were shooting up at any given time, inflation has unquestionably been public enemy No. 1. The public holds governmental actions, especially spending in excess of income, more responsible than anything else for inflation. In March 1981, when an ABC News/Washington Post poll asked a national sample to evaluate various causes often cited for inflation, 82% described "government's spending more than it takes in" as a very important cause. Only 44% thought that people "not working as hard as they used to" was an important cause.

This striking consensus in opposition to deficits has tended to align the American electorate against the tax-cutting schemes of politicians. Some political figures think it is good economics to cut taxes; supply-siders, for example, have argued that reductions in taxes can lead to increased revenue by stimulating economic growth. Of course, the supply-siders also regard tax cutting as good politics, as do many other politicians unburdened by theoretical enthusiasms.

But the public rejects the supply-siders' economic argument, and this has undercut their political strategy. Dramatic evidence of this came during the 1980 presidential campaign, when Ronald Reagan's popularity was achieved despite his advocacy of tax cuts. The Republican's call for a big immediate cut in federal taxes never helped him electorally. Whenever voters were asked to assess the cut by itself, they opposed it. They told pollsters, by decisive margins, that they did not believe it possible to cut income taxes and reduce the deficit at the same time. And they said their preference was to balance the budget first.

Just after the Reagan Administration took office, Americans indicated that they had not changed their minds. "If you had to choose," CBS News/New York Times interviewers asked in January 1981, "would you prefer a balanced federal budget or a large tax cut?" Three-quarters of the respondents favored a balanced budget, with the proportion the same among Republicans, Democrats, and independents.

LOUD AND CLEAR IN 1941

Since January 1981 we have witnessed the irony of a conservative Republican Administration backing tax cuts in the face of large deficits, while the populace was resisting tax-reducing largess. "There was a major cut in federal income taxes passed last year. And it is being phased in over a three-year period—would you be willing to postpone this tax cut in order to reduce the federal deficit?" Gallup asked in March 1982. Even during a recession, 76% favored postponement. Other polls have shown somewhat smaller proportions willing to give up tax cuts already enacted, but all have recorded the same commitment to reducing deficits even when it hurts.

This striking support for budget balancing goes back at least to the spring of 1941. With Europe at war and America on the edge of being drawn into it, the question arose of how government should pay for its increasing defense expenditures. Gallup asked respondents whether they thought the government should meet the defense costs by new taxes or by new borrowing. The answer came back loud and clear: four out of five urged higher taxes.

Just after World War II, Americans by nearly the same margin said they preferred to keep taxes where they were and balance the budget—this despite the strong appeal of tax reduction as an element of domestic demobilization.

In 1953, when the Republicans controlled the White House and both houses of Congress, some party leaders urged elimination of the excess-profits tax and a 10% income-tax reduction in what is now heralded as an early "supply side" initiative. Eisenhower was against these measures, but crusty old Daniel Reed of New York, chairman of the House Ways and Means Committee, backed them passionately. Calling himself a disciple of Andrew Mellon, who, he said, as Secretary of the Treasury in 1922 had cut taxes for the same end, Reed argued, "If we would get rid of the excess-profits tax and give the individual taxpayer a break, we would actually bring in more revenue."

The public simply did not buy it. Gallup asked, "Some members of Congress argue that federal income taxes should be cut 10% beginning this July 1. Others argue that income taxes should not be cut until the budget is balanced. With which side do you agree?" By roughtly 3 to 1, the people rejected this fledgling supply-side proposition. The margin against was somewhat greater among people of higher social status—for example, 84% to 16% for the college educated, compared with 66% to 34% for the grade-school trained—but it was strong across all social groups.

A DEAF EAR TO KEYNES, TOO

In the early 1960s, at the time of the now fabled Kennedy tax cut, Gallup again asked whether the pubic wanted a tax cut to spur business activity, or no tax cut so long as "the national budget is out of balance by some billions of dollars each year." Once more the public rejected the supply-side argument—this time by a margin of 58% to 41%.

And it isn't only supply-siders who are taking the back of the public's hand. For half a century Americans have been told by Keynesians as well that they needn't worry too much about government deficits. And yet the public's thinking has been little swayed. On the matter of deficits, the people's heart has belonged to conservative economists who preach the "old-time religion" of balanced budgets.

Though the public's preference for budget balancing over tax reducing has been a constant, its view of government spending has been somewhat more ambiguous. Much has been made of public demand for governmental services and public unwillingness to back cuts in specific programs. At the same time, however, since the mid-1970s Americans have strongly endorsed spending restraint as a basic principle—to slow government's growth and bring the budget into balance. Polls show that while the Reagan Administration has lost support for opposing domestic programs the public likes, it has won approval for its general commitment to spending restraint.

A VIABLE UN-SANTA CLAUS

For political strategists, the consensus against deficits implies a big political market in the U.S. for traditional conservative economics. For a long time now, some Republicans have worried that the GOP would doom itself to permanent minority

status if it insisted on being the voice of fiscal responsibility and let the Democrats play Santa Claus. Actually, the austerity route, while not risk free, offers a coherent and promising alternative to the pork barrel. Voters can respond positively to sincere and effective efforts to bring deficits under control.

Americans hold generally to fiscal values consistent with long-standing conservative commitments. They are surprisingly prudent and restrained. Again and again over four decades, they have confounded their critics—who say they want always to have their cake and eat it too—and admonished government not to give them tax reductions until the budget is balanced. Their heartfelt fiscal conservatism, if appealed to rather than rejected or ignored, can be a powerful weapon in the battle against federal deficits.

Mr. DECONCINI. Mr. President, I yield 5 minutes to the distinguished Senator from California.

Mr. CRANSTON. Mr. President, I will be very brief, in order to allow all who wish to speak to have that opportunity.

First, I say to sponsors of the original resolution that this is no longer the resolution they sponsored. It has been changed. It was changed dramatically last night.

There was a time when an amendment offered by Senator John Bricker of Ohio had 80 sponsors, in the early 1950's. It seemed to be very appealing. It related to the Constitution and to treaties and to executive agreements. But when the matter was thought through, it failed to pass the Senate. I hope that a like intellectual process will lead to rejection of the pending amendment.

The Senate must not hogtie the Federal Government into coming up with a strictly balanced budget every year, come what may.

We must retain a Government capable of action; a Government of action, cabable of fighting against unemployment and recession; a Government of action, capable of action to meet national emergencies; a Government of action, capable of protecting the security and vital interests of the United States.

Some people draw a false parallel between the Federal Government and the States, pointing out that States are required to balance their budgets year in and year out.

But I point out that the States do not have responsibility for national defense. The Federal Government does, and the Federal Government must, if this Nation is to survive in freedom, retain the power to unbalance the budget when national defense demands.

Some people draw a false parallel between the Federal Government and private families. Families, they say, have to balance their budget and cannot spend more than they make. Why should the Federal Government be different?

How many families, I ask, do balance their budgets each month—or even each year?

Are those who draw the parallel suggesting that families should not be permitted to go into long-term debt to finance the purchase of a home? Or a car? Or a camper? Or a boat?

Are they suggesting that families should be forbidden to use credit cards? Should they be forbidden to buy on the installment plan?

No. Of course not.

Such false analogies are just that—false and misleading. And dangerous.

Let us balance the budget as soon as we safely can, without jeopardizing national security or throwing the Nation into a depression.

Once we attain a balanced budget, let us keep it balanced as long as economic conditions and the domestic and world situation permit it to remain balanced.

But our hunger for a balanced budget should not unbalance our thinking; our search for a balanced budget should not cause us to unbalance our constitutional processes.

The American democracy has grown great and has prospered on a diet of moderation, of commonsense, and of balance.

Let us beware lest a mindless lust for a balanced budget divorced from reality causes America to lose its sense of proportion and lose its sense of political and economic balance.

I have many objections to the proposed amendment but my major objection is that it could completely paralyze the Government so that we would be unable to deal with social and economic problems swiftly and effectively.

I object to enshrining one economic theory in the Constitution. I object to putting a statistical concept—namely, something that it undefined, "national income"—into the Constitution. I object to providing an amendment that will lead people to hope that it will cure our economic problems, when it will not. I object to the fact that we will either have to follow it to the letter if it is enacted and then paralyze the Government, or we will have to evade it, which will lead to a loss of hope, and a loss of confidence in the Government. And that seems to me to be demeaning to the Constitution.

There is one great absurdity in the proposed amendment. The one exemption it provides is to permit deficit spending if we declare war. But we may want to spend more on national defense purposes to deal with a perceived threat to our national security without declaring war on the Soviet Union or some other nation.

I object to the fact that under this amendment the President would have great new unprecedented powers which Richard Nixon tried to seize when he was President. Congress prohibited him from exercising them. Now Ronald Reagan seeks those powers through a constitutional amendment—namely, the impoundment powers. This constitutional provision would plainly give the President the authority to deny funds for any particular program that he does not like, whether it be the Coast Guard or the Environmental Protection Agency—both programs that President Reagan has exhibited disdain for—or workmen's compensation or social security, which he has tried to cut, or anything else.

I favor a balanced budget. But I think we can achieve it more swiftly without all the time and trouble it takes to pass a constitutional amendment. If we did it instantly, we would have a severe depression, and as we move toward a balanced budget we should use wiser priorities than those that President Reagan submits.

I say "no" to the pending resolution.

Mr. President, I yield 2 minutes to the Senator from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. I thank the Senator from California for yielding. I shall be brief.

Mr. President, I oppose the amendment, and I shall vote against it.

This constitutional amendment has undergone substantial modifications through its consideration by the Judiciary Committee and the full Senate. As the amendment was reported from the Judiciary Committee, and as a result of the work of my good friend from New Mexico, Senator DOMENICI, and his committee, I felt that much progress had been made toward improving the workability of this amendment.

However, yesterday, the Senate, against my wishes and without my support, amended this constitutional amendment when the Armstrong-Boren amendment was adopted. That amendment requires a supermajority every time we reach the limit on the national debt.

I do not mind supermajorities. We have them in our rules. They can be an effective method of keeping the Congress from thoughtless overpromising. We have seen too many expectations raised too often by well-meaning but unrealistic actions by the Congress. But requiring a supermajority every time we encounter a debt ceiling bill, as we do not just once but several times a year, is going to make Government unworkable and will result in bringing Government to a halt time and again when there is a recession.

Inviting all the dangers and uncertainties of on-again-off-again, stop-and-go Government is simply contrary to commonsense and sound public policy. So, Mr. President, notwithstanding the need to control Government spending and get deficits down, I

cannot support an unworkable amendment.

I join my colleagues who believe we must resolve this budget deficit crisis, and I salute the people who have been working for a responsible amendment. Unfortunately, in its present form, I cannot support it.

The PRESIDING OFFICER. The time of the Senator has expired. The time of the Senator from California has expired.

Who yields time?

Mr. DECONCINI. Mr. President, I yield 1 minute to the Senator from Vermont (Mr. LEAHY).

Mr. LEAHY. I thank the Senator.

Mr. President, I urge my colleagues to vote on this matter as they would if this were a secret vote. Every Member of this body knows that if this were a secret vote, this constitutional amendment would be lucky to receive 15 votes. This is government by slogan. It does not belong in the Constitution.

I have heard colleagues many times say, "Thank God, after we vote this thing through, the States of the Union won't ratify it." Is that not passing the buck in the worst possible way?

This is not a statute on some boondoggle on an appropriations bill. This is the Constitution of the United States. Let us vote our conscience. Let us stop planning what is going to be in our reelection campaign brochures. Let us vote what is right for the country. Let us vote it down.

Mr. President, I think the Senate should understand what the immediate consequences would be if this constitutional amendment were in effect today.

Revenues for the coming fiscal year are projected at $665.9 billion. The first budget resolution for fiscal year 1983 projects total outlays at $769.9 billion, and the corresponding deficit estimate is $103.9 billion. There is a projected excess of $103.9 billion in outlays over receipts. And this projection is unrealistically optimistic. The administration now forecasts a 1983 deficit of $114 billion, and the CBO estimate is from $140 to 160 billion.

Now if this amendment were in effect, Congress would, before October 1, be required to adopt a statement of balanced outlays and receipts.

Never mind that the Senate has just voted to raise taxes, in the midst of the current recession, by $20.9 billion in 1983. Never mind that we have required entitlement cuts of $5.9 billion in 1983, defense cuts of $7.6 billion, and another $12 billion in cuts in other areas—military pay, pension COLA's, and other areas. These tax and spending "austerity" measures are already assumed to have been passed in reaching the deficit projections made by Congress, the administration, and CBO. These deficit reduction measures total $46.4 billion—a substantial tightening of fiscal policy, especially in the context of the current recession. Yet, $46.4 billion is barely a start when measured against the additional deficit reduction measures of $103, $114, or $140 billion, you pick the forecast, which would be required by Senate Joint Resolution 58.

Before October 1, under the requirement of the pending resolution, Congress would be responsible for outlining an additional $103 to 140 billion in spending cuts—let me repeat—$103 to $140 billion in spending cuts. Unless, of course, we decided to go back and raise taxes for a second time, a second time in the midst of the current devastating recession.

Let me just put this in perspective. At this time $140 billion in spending cuts would cripple our Government, it would devastate the economy.

The first budget resolution assumes that we will spend $214 billion on defense in 1983. This assumes a defense spending cut of $7.6 billion.

Might I inquire of the distinguished floor manager, do you favor additional cuts in defense this year?

The 1983 budget contains $23.8 billion for veterans. This assumes a $2 billion cut in veterans' benefits and services.

Would the floor manager care to recommend further reductions in veterans' benefits?

The 1983 budget contains $170.8 billion for social security. The National Commission on Social Security Reform is scheduled to issue its recommendations to Congress in November.

Does the floor manager care to make social security recommendations prior to the issuance of this report?

The 1983 budget contains $64 billion for medicare and medicaid. This figure already reflects the $3.5 billion in medicare and medicaid cuts we approved last week in the Finance Committee reconciliation bill.

Does the Senator favor additional medicare and medicaid reductions?

The 1983 budget estimates interest payments of $80 billion on the national debt. I know of no way Congress can reduce this number.

Mr. President, if Congress does not wish to make additional cuts in defense, veterans' benefits, social security, or medicare, some $552.9 billion in 1983 spending will be off limits for further cuts.

That leaves just $217.3 billion from which to make $140 billion in spending cuts next year.

Mr. President, if Senate Joint Resolution 58 were in effect today, we would be forced to dismantle some 64 percent of the Federal Government between now and October. This is the ultimate 64 million—or should I say billion—dollar queston.

Mr. President, I inquire of the distinguished Senator from South Carolina whether he has thought through, in his own mind, just how he would go about recommending $140 billion in additional spending cuts between now and October 1.

Does the Senator think the current recession is more severe than other recent recessions? Is it, then, a typical recession?

Is it not, then fair, to assume that the pattern of revenues and outlays and deficits we see this year is typical of a recessionary period?

I ask these questions to make a critical point. The 64-percent dismantling of the Government I speak of is not some hypothetical abstraction. It is not an exercise in political oratory. It is a very real threat, a very real example of exactly what would happen, what will someday happen if we approve this constitutional amendment.

I point out that it will take years to ratify this amendment, and that it is therefore pointless to use today's budget situation to make my point.

I point out to the Senator that he may not be willing to face today's deficit problem—indeed the current administration appears unwilling to face the problem.

But if we approve this amendment, we are saying that we expect some future Congress to do what we dare not do today. Because I can guarantee, Mr. President, that the first time a recession comes along, this amendment will force just such a drastic dismantling of the Government, if it is taken seriously. I repeat, if it is taken seriously.

That, Mr. President, gets to the crux of the matter. I do not believe many of the proponents of this amendment are serious about it. I do not believe they have seriously and thoughtfully considered the wisdom of forcing balanced budgets each year during recession or boom.

I wish the deficit problem were easy. I wish we could somehow guarantee constant economic growth, low interest rates and inflation. And I am sure the proponents of this amendment share my wishes.

But Mr. President, I am not proposing to enshrine my wishes in the U.S. Constitution. That is the tragic mistake my colleagues will make if they vote to approve Senate Joint Resolution 58.

Mr. DECONCINI. Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty minutes remain until the vote, which will occur at 12 noon.

Mr. THURMOND. How much time remains to each side?

The PRESIDING OFFICER The time has been equally shared between both sides. Ten minutes remains to each side.

Mr. DECONCINI. I yield 2 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. I thank the Senator from Arizona.

Mr. President, I oppose the constitutional amendment, not as a liberal big spender but as one who shares the concern of all others for fiscal responsibility.

I have spoken against a constitutional amendment for several years, because I do not think we should look to the Constitution as a placebo for what is our responsibility here on the floor of the U.S. Senate or the floor of the House of Representatives.

I think it is very sad, as a matter of fact, that the Senator from Vermont would believe that we should have a secret vote.

In fact, it seems to me what troubles me more than anything is that we have been hypocritical on this issue and it becomes much easier to vote for a constitutional amendment to balance the budget than it does for us to exercise our judgment and our wisdom on votes that will indeed lead us to fiscal responsibility.

So I find us in a very distressing time, and we should look to our own consciences I believe in addressing fiscal matters and looking to the Constitution as a happiness and security blanket which we hope will give us some courage to do, as a matter of fact, that which we were elected to do.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, I yield to the Senator from Mississippi 2 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 2 minutes.

Mr. STENNIS. Mr. President, I thank the Chair. I shall be quite brief.

Earlier today I addressed the point that language of this amendment resulted in close votes on many of the amendments to it.

If we are fortunate enough to get this measure to a conference between the House of Representatives and the Senate, then real experts in language are going to have to be called in to put this delicate situation in precise words as was done in writing the original Constitution of the United States.

But even then I refer the Senate to Beveridge's "Life of John Marshall" where he developed extensively the Virginia conference where the question was whether or not they would adopt the Constitution at all. Leading the opposition there was George Mason, the man who wrote the original Bill of Rights of Virginia which anteceded the Declaration of Independence, which anteceded, of course, the Constitution. He was a member of the conference and never would sign the Constitution. He never did sign it.

One of the main reasons he gave was it did not clearly define the boundaries of the powers of the central government and those reserved to the States. I say he fought it to the limit. It passed by a narrow vote. Only the overwhelming influence and far-reaching influence of George Washington saved the day.

New York followed suit and approved it. It became law. But out of George Mason's position grew the first 10 amendments—the Bill of Rights. That is my point. We will never have perfect language here in the original version. George Mason never signed; he died soon thereafter. But his influence led and out of all that came the first 10 amendments, 9 amendments, maybe. And there is where we get our language. This can happen again.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. DECONCINI. Mr. President, I yield 20 seconds to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I share many of the concerns expressed by the sponsors of this proposed legislation. I share their clear desire to bring the Federal budget back under control after two consecutive decades of deficit spending. We simply cannot afford to continue on this path which has taken us to the point where we now face the highest budget deficits in history.

The problem, as we all know, is that Congress—in its desire to meet the many needs of the American people—finds it easier to provide programs and tax cuts than to eliminate programs and raise taxes.

In this year of the biggest budget deficit in our peacetime history, we must recognize that deficits can be created both by excessive spending and by irresponsibly large tax cuts. In fact, I argue that our current deficit is caused primarily by the tax cut of 1981. After we agreed to cut nondefense spending in 1982-84 by $130 billion in the first Reconciliation Act of 1981, we then proceeded to waste that exercise in bipartisan fiscal responsibility by increasing defense expenditures $150 billion and giving a tax cut worth $340 billion over the same 3-year period. The result was predictable—high interest rates, high unemployment, slow growth and even bigger deficits.

How much better off would we have been if we had simply cut nondefense spending and given a 1-year tax cut to offset inflation and social security increases and to streamline the depreciation rules? I suggest that more Americans would be working today, interest rates would be much lower, the economy would be growing and the deficit would be much lower.

Why then did we not just halt the momemtum in Federal spending and then stop? That was, after all, what many people of both parties had said for a decade would get the economy moving. I suggest we did not because the Congressmen and Senators could not resist the temptation to give away the biggest tax cut in history—even if their better judgment told them it would flood the Federal Treasury with red ink. Now to cure that lack of judgment in tax policy and to cure the lack of control on spending that was evident until the Reconciliation Act of 1981, we are considering a constitutional amendment to balance the budget.

Some say the amendment is so full of loopholes as to render it incapable of achieving its objective; others say it will lead to economic paralysis. Personally, I do not know which is more likely. But if it is the first, we will have acted cynically, even hypocritically. If it is the second, our economy is in imminent danger.

After hearing this debate and giving the issue long consideration, I believe that a constitutional amendment is not the answer and that the enactment of this legislation could cause far more harm than good.

Since the adoption of our Constitution in 1789, the amendment process has been used very sparingly; 12 of the 26 amendments to the Constitution protect the rights of individuals; these include the Bill of Rights (amendments 1 through 10), the prohibition of slavery (amendment 13), and the guarantee of due process and equal protection (amendment 14). Five amendments extend the right to vote: to all races (amendment 15), to both sexes (amendment 19), to the District of Columbia (amendment 23), to all income classes—that is, prohibiting a poll tax (amendment 24), and to 18-year-olds (amendment 26). Seven amendments deal with how our Government should be structured: judicial power (amendment 11), the electoral college (amendment 12), counting former slaves in apportionment of the House of Representatives (amendment 14), the income tax (amendment 16), popular election of Senators (amendment 17), fixing dates of congressional sessions and Presidential inaugurations and Presidential succession (amendment 20), limiting Presidential tenure (amendment 22), and Presidential disability and succession (amendment 25).

Of the 26 amendments enacted, all but two have been drafted to correct a flaw in the original structure of the Constitution or to protect the fundamental rights of American citizens. Care has been taken to avoid endorsing specific programs or to impose restraints on the Government's need to act beyond the minimum necessary to assure individual liberties and preserve a Federal system. The only two exceptions are those amendments which were passed to establish prohibition and then repeal it. In my opinion and

in the judgment of many noted legal scholars, the proposed balanced budget amendment is more like the prohibition amendments than any of the 24 others dealing with individual liberties or Government structure. Like the prohibition amendments, the balanced budget amendment reflects more transitory concerns. Our experience in the case of prohibition should not be forgotten or ignored now.

The Constitution is our most important public document, the foundation of our democracy. There is no need to change it in any way in order to achieve a balanced budget. Nothing in the Constitution stands in our way. We can have a balanced budget whenever enough Members of Congress are ready to vote for one, and it is either an illusion or a self-revealing admission to say that Senators have so little discipline that we need to change the fundamental law of the land to force us to do what we have the power to do now.

In other words, Mr. President, I feel as others have said that economic theories come and go but the Constitution remains. Why clutter up the fundamental law of the land with a specific fiscal policy, which will be very difficult to change if future experience proves it unwise.

In addition, Mr. President, passage of this amendment could pose a threat to the economic health of the Nation. Establishing a constitutional requirement for a balanced budget could reduce the flexibility which the Constitution now gives to the President and Congress to pursue economic growth and stability. The most recent example of fiscal policy explicitly designed to provide a dramatic boost to the economy occurred last year when President Reagan sent Congress a package of budget and tax cuts. As I pointed out earlier, the program has not succeeded, and I did not support the full program. But the President should not have been constitutionally prohibited from making the attempt and getting majority approval of Congress. Make no mistake, President Reagan, under this amendment, and without a 60-percent vote of Congress, would have been prevented last year from passing the biggest tax bill in history. Would we really have wanted to prevent this President with the majority approval of Congress from taking actions which he saw were necessary to avoid what his budget director called an "Economic Dunkirk?" Would we want any future President or Congress to be limited in their response to a true economic or national security crisis? I think the answer to both questions is no.

On a more modest scale, we currently have programs that operate as automatic economic stabilizers. That is, when the business cycle turns down, these programs automatically provide more funds to the economy, thus helping to offset the worst effects of the cycle. These programs—such as unemployment insurance, AFDC and SSI—assist those people who are most directly affected by a sagging economy. While Congress has not always fashioned effective, recession-specific countercyclical spending programs, these automatic stabilizers can and do smooth out the valleys of the business cycle. They do moderate recessions and prevent recessions from becoming depressions.

Under the proposed constitutional amendment, however, unless 60 Senators agreed, these automatic stabilizers would be curtailed or other programs would be sacrificed to keep them going. No one knows how this would work or if it would work. Will Congress have to approve deficit spending with 60 votes each month as unemployment grows and the social security fund dwindles? Or, will we take gross estimates and moving averages as determinants of constitutional action. How could we be held to gross estimates which, for example, in the last year have been so inaccurate? No one knows.

What is clear is that this amendment has a bias toward increased taxes. Under the amendment, it takes 60 votes for Government to spend more than it takes in, but only a constitutional majority (51 votes) to raise Government's revenues. Imagine a year when a deficit looms up after we are into the fiscal year 6 months. The Constitution requires a balanced budget and Congress cannot marshall 60 votes for deficit spending. But 51 Senators agree to tax business to raise the revenue. Clearly business will be taxed and the budget will be balanced, but I am not sure our economy will be better off.

Furthermore, the proposal before us is more seriously flawed by the addition of Senator ARMSTRONG's amendment to require 60 Senators to raise the debt limit beyond the permanent level of $1.1 trillion. Without annual, semiannual or even quarterly passage of debt limit bills, the functions of Government would grind to a halt. If the debt limit is held hostage to an extraneous piece of legislation or if 60 votes cannot be mustered, the U.S. Government will not only be unable to pay social security or fund the national defense but it also will be in default. Such a default would hold grave repercussions for all those governments, banks, corporations, and individuals who hold dollars or dollar denominated assets in the international finance system.

Another danger in this legislation is that it could increase existing incentives to evade the budget process. Perhaps the most troubling unintended consequence could be an increase in Government regulation of business. Again, last year's budget process provides an excellent example. During Budget Committee deliberations on the first budget resolution for fiscal 1982, spending cuts were sought wherever they could be found. Several members of the committee suggested that several billion dollars could be "saved" if the Congress merely required oil companies to store oil for the strategic petroleum reserve, rather than the Federal Government. Of course, this would not have saved a penny; the United States as a whole would still be spending $3 billion to buy and store oil in case of an oil supply disruption. The only difference would have been that the private sector would have spent the money rather than the public sector.

Nonetheless, these members of the Budget Committee argue that this maneuver would reduce the budget deficit. Mr. President, if we adopt this balanced budget amendment, the pressure to make the oil companies buy oil for the SPR will grow. And the burden will not fall only on the oil companies. In an attempt to balance the budget, would Congress require all employers to retrain displaced workers? Would Congress require businesses to fund extended unemployment benefits? Or to avoid paying unemployment benefits, would Congress prohibit businesses from laying off workers? I do not know. But I do know that the pressures to regulate businesses will mount, thus increasing the cost of doing business and slowing economic growth and undoing much of what we have tried to accomplish these last years.

The committee report acknowledges that the balanced budget amendment also does not prohibit or control loan guarantees, which have the same effect as other spending programs in that they give preferential treatment to certain borrowers. Some borrowers go to the head of the line. If any credit is left by the time those at the end of the line get to the credit window, it costs more: interest rates are pushed higher.

Tax expenditures represent another gaping hole in the fiscal responsibility sought by the sponsors of this balanced budget amendment. As tax rates have risen, many groups have sought relief through special treatment in the tax laws. We all know what success special interest groups have had in obtaining special tax preferences in the tax laws. Passage of this proposal will increase the incentive and hence the numbers of special interest groups seeking tax breaks and also those seeking to replace "spending" with tax preferences as a way to protect Government programs.

Mr. President, there is one final loophole that State governments ought to be especially concerned

about. When this legislation was reported out of the Judiciary Committee, it included six sections. The fourth section read as follows:

> The Congress may not require that the States engage in additional activities without compensation equal to the additional costs.

But when the legislation was brought to the floor, the original section 4 had been deleted. I have to ask, why? What does the deletion of section 4 mean?

The committee report provides the rationale for including the original section 4. It reads:

> This provision reflects the concern of the Congress that ratification of the proposed amendment *may introduce stronger pressures on the Congress to shift a portion of its fiscal responsibilities to the States* and their local units of governments *through mandates* imposed on these governments. (Emphasis added.)

I think the committee's concern about mandated costs is an extemely valid one. But somehow that protection was stripped from the resolution on its way to the Senate floor. Why? State governments will have to ratify this amendment; they should be told why their protection was stripped away. The same people who pay Federal taxes also pay State taxes. The hope this amendment holds out is truly illusory if, as a result, State and local income and property taxes increase.

Mr. President, these loopholes—increased regulation of business, loan guarantees, tax expenditures, and greater State and local responsibilities—will be greater with this constitutional amendment than without it.

Finally, Mr. President, passage of this constitutional amendment probably will provide grounds for taxpayers to sue the President or Congress. There are already zealots waiting to tie up the federal courts in order to assure that their version of a Federal budget prevails. The prospect of the courts deciding budget issues is not appealing. Picture if you will a taxpayer group that disagrees with the manner in which the constitutional amendment was implemented and therefore sues the Government. For example, Senate Joint Resolution 58 provides that Government revenues may not increase at a rate greater than the rate of growth in "national income." Presumably, the Congress will have to define national income for these purposes. National income could be defined as aggregate personal income of the Nation or the value of total goods and services or the Commerce Department's definition which is changed and updated frequently. If a taxpayer group disagreed with the particular definition chosen by the Congress, it could sue the Congress. The entire judicial system, perhaps culminating with the Supreme Court, might have to consider and decide this detail of the budget process. Such a case or a similar one relating to the effect of a particular economic assumption on the budget could lead to the court forcing across-the-board cuts in entitlement programs such as social security or in other Government programs—in effect usurping the role of the legislative branch.

The delays associated with this judicial review could have ominous implications for Government operations. And it would do nothing to solve the concerns underlying this amendment—how to bring about fiscal responsibility. This issue reemphasizes my earlier point that the problem here is political. The solution should be political, not constitutional. A constitutional solution to a political problem will lead to judicial and constitutional problems.

So what is the alternative? The basic alternative to Senate Joint Resolution 58, Mr. President, is Presidential and congressional leadership and determination.

But there are other good alternatives to this legislation. I voted for one offered by the distinguished Senator from Connecticut, Senator DODD, who proposed a statutory approach that would have led to a balanced budget by 1985. If it had not been defeated, the Dodd pay-as-you-go amendment would have established a revenue and outlay baseline as of fiscal year 1982. Any increase in outlays over these baseline levels would have to be financed with spending cuts, tax increases, or both. This means that if we wanted to increase defense spending or provide cost-of-living adjustments to poor people and retirees, we would have to pay for them through spending cuts or tax increases. With the economy expanding, more people working, and tax receipts rising, the existing deficit would have been eliminated by 1985. Now here is a meaningful alternative, one that could actually lead to a balanced budget in the foreseeable future, and one that would require some politically tough votes. Unfortunately, the pay-as-you-go alternative failed.

There were other alternatives. Senator BUMPER'S substitute would have added a measure of flexibility by allowing the Government to borrow during a year in which both Houses declared a national economic emergency. Further, it would have avoided that threat of judicial overload; specifically, Senator BUMPER'S alternative would have prohibited court intrusion unless expressly provided in legislation. This was an alternative constitutional amendment to balance the budget that was not burdened with several of the unacceptable provisions of Senate Joint Resolution 58. I voted for that alternative, but it failed.

Other alternatives were offered, some as alternative balanced budget amendments, some as modifications of Senate Joint Resolution 58, still others as statutory alternatives. Senator CRANSTON joined Senators DODD and BUMPERS in offering more acceptable substitute amendments. I supported these substitutes. They were defeated. Senators HEFLIN, MOYNIHAN, DIXON, and CRANSTON offerred modifications to Senate Joint Resolution 58 that would have added necessary flexibility to Senator Joint Resolution 58 in times of military or economic emergencies. I supported these modifications. These amendments were defeated. Senators HART, BAUCUS, and MATHIAS offerred statutory alternatives that would have changed existing law instead of the Constitution in order to balance Federal budgets. I supported these statutory alternatives.

Mr. President, a balanced budget will never arrive without difficult political choices. And it is those tough choices we are elected to decide. Just as we exercise our judgment on other legislative issues, the public has a right to expect their elected officials to exercise judgment and moderation in responding to our serious fiscal and economic problems.

We should be discussing how we reassess and redistribute the functions of Government to eliminate duplication and unnecessary programs. We should be deciding how to make the taxpayers' dollars go further. We should be debating a unified budget that honestly tells the taxpayers where their dollars are going. We should be creating a fair and simple tax system with a broader base and far lower rates. And we should be clear about how best to get our deficits down.

Instead we are putting in place a lengthy process to absorb the attention of Congress and the States in an effort which at best will not be timely enough to solve our current economic problems and at worst will create new ones.

I cannot support the balanced budget amendment. I must vote no.

Mr. DECONCINI. Mr. President, I yield 20 seconds to the Senator from Delaware.

Mr. BIDEN. Mr. President, the need for the Congress to exercise greater discipline in acting on budget matters has been clear to me for many years. When I became a member of the Budget Committee at its inception in 1974, it was clear that the Federal Government was in serious fiscal straits. That is why, in 1975, I sought to improve the level of fiscal discipline by introducing into the Senate the first sunset legislation—legislation to require the periodic termination and careful review of every Federal spending program. I have fought for sunset legislation since then and, while there were some successes, as when it passed

the Senate, it was never finally enacted. I believe that, had it been adopted, spending would be under much tighter control and our deficit problems would be smaller, or perhaps nonexistent. Other similar legislative actions that I have proposed over the years include sunsetting Government regulatory agencies subjecting many uncontrollable Federal spending programs to regular annual appropriation, and requiring regular review of tax loopholes which flourish unwatched in the Tax Code. This last idea, by the way, has gained some popularity this year in the tax bill passed by the Senate.

But, all in all, while most Senators talked about fiscal responsibilities few of them apparently wanted to enforce it upon themselves and my initiatives in that direction did not succeed. For that reason I was hopeful, even sympathetic, when the Judiciary Committee moved to report a constitutional amendment to require a balanced budget. It was my hope this effort might finally result in a sound proposal to impose fiscal discipline upon Congress. The proposal as finally reported by the Judiciary Committee clearly had flaws—in fact one section of the amendment was dropped from the proposal after it was reported from committee. So I was not able to support it in committee, but I had hopes that it could be improved on the Senate floor.

But as the Senate consideration of the constitutional amendment got underway, it became clear that the flaws were even greater than was originally apparent. I had always been concerned that the ability to meet emergencies swiftly and decisively was not incorporated in the constitutional amendment. Because meeting most emergencies required a supermajority vote, a vote of three-fifths of the Members of each House. Only in the midst of a declared war could a congressional majority act without hesitation to meet an emergency.

There was no provision for meeting a serious external threat to our national security which demanded that we strengthen our defenses without the votes of a supermajority. There could be times when we should spend large amounts of money to build our defenses, to prevent war, and to assure our freedom—times when we would not be at war. Actually we are in such a time right now. I do not believe that Congress should be involved in logrolling and debate in an effort to get a supermajority for defense preparedness.

Our Nation is only as strong as its economy. We cannot defend ourselves against enemies abroad, or take action on domestic problems, if we do not have a strong economy. Yet this amendment would hamper congressional efforts to meet and deal with economic emergencies. The Federal budget represents more than one-fifth of our total economy. There is no way to pretend that the Federal Government's actions do not affect the economy for better or worse.

There will be few people, I think, who believe that individuals who lose their jobs through no fault of their own should be denied the ability to keep themselves afloat. There will be few who believe that in times of low productivity and stagflation that industry should not be granted tax relief to encourage investment as we have just recently done. I believe that most people think that in times of high inflation Congress should be able to act to preserve the value of the social security pensions of our retired citizens. All of these actions, and many others, could tend to unbalance the budget at times when natural economic forces were tending in that direction also. I do not believe that most Americans want to see pensions or unemployment benefits or productivity eroded while Congress seeks to persuade a supermajority to act.

As debate proceeded on the Senate floor, another flaw in the amendment became clear. By allowing judicial review of a wide variety of actions taken by the Congress on the economy and the budget, the amendment might well grant large powers to the Supreme Court to act on such matters. Decisions on the economy, on Government spending, and on taxation clearly belong with the elected legislative branch. The courts should not be directly involved in annual decisions on the size of growth in the gross national product and its effect on revenue estimates. Yet this amendment could well result in such a shift of authority.

Many other Senators identified these problems areas as well. A number of proposals were offered to overcome them. There was a proposal to allow an unbalanced budget when necessary to meet a national emergency declared by the President or the Congress. A proposal was offered to allow urgent national defense expenditures other than when the country was at war. An amendment was offered to restrict the actions of the courts on economic and budgetary matters. But the sponsors and supporters of the constitutional amendment refused to consider any changes and all of these proposals were defeated.

As the debate went on I became discouraged that the proposed constitutional amendment could be shaped into a workable proposal that would truly result in a balanced budget. Then in the debate on the next to last day of Senate consideration, I found that it was clear that the proposed budget process had no real reference points, no real way of assuring its success. The whole process appeared to founder on an inability to develop the kinds of budget estimates that would indeed assure a balanced budget. In fact it seemed certain that our inability to forecast the economy and to estimate Federal revenues and spending would prevent the amendment from achieving the balanced budget that the amendment purported to guarantee and that I had been seeking for many years. So last evening I offered a different budget amendment that would tie Federal spending to the growth of the economy in the previous year, with a small inflation penalty. This amendment would have overcome many of the estimating problems and would have restrained the growth of Federal spending. It would have undoubtedly resulted in balanced budgets for much of the time—more often than the proposal before the Senate. My amendment was not successful.

It then became clear that the proposal before the Senate could not be shaped into a workable proposal because of the opposition of the managers of the resolution. I was discouraged at the thought that one more opportunity to secure fiscal discipline was clearly destined to fail. It was fatally flawed and would never achieve what I believe all Americans want—a balanced budget at reasonable levels of Federal spending and taxation. So I determined that I would vote against final passage of the constitutional amendment today.

Mr. President, it is certainly an understatement to say that the condition of Federal finances today is deplorable. And it is the trend of those finances that is particularly disturbing. Because the trend is rising deficits.

In fiscal year 1982 it is clear that the Federal Government will run its 14th deficit in a row. There will have been only one surplus in the last 23 fiscal years, beginning with fiscal year 1961. Prior to that time there had been years in deficit and years in surplus, but certainly no clear trend toward permanent deficits. And even after 1960, for a number of years deficits showed no clear upward trend.

Even after what is still the record deficit in 1976 of $66.4 billion, it looked as though deficits were resuming their irregular pattern, subsiding to $27.7 billion in fiscal year 1979. But it now appears certain that fiscal year 1982 will break the fiscal year 1976 record deficit of $66.4 billion by soaring to over $105 billion, nearly double the record deficit. And there is now a clear tendency for deficits to move higher and higher. This trend is illustrated by the so-called baseline deficits developed for budget planning purposes this spring which showed deficits climbing from $182 billion in fiscal year 1983 to $216.0 billion in fiscal year 1984, to $232.5 billion in fiscal year 1985.

The budget document finally adopted by Congress shows that trend being

reversed, with deficits falling to $60 billion in fiscal year 1985. But CBO reestimates of that deficit show it nearer $150 billion in 1985. And that assumes a favorable economic climate for the next 3 years, something that is not in sight yet.

As a result of all of these deficits, we now have a national debt that exceeds what used to be the almost mythological number of $1 trillion. Congress just voted, over my objection, to raise the debt ceiling to $1,143.1 billion and shortly we will take up another debt limit bill to raise it still higher.

Clearly a major culprit in all of this is the growth in Federal spending over past decades. Since 1960 Federal spending has grown from $97.8 billion in 1961, the first year in our historic string of deficits, to $657.2 billion in fiscal year 1981—an increase of 570 percent in 20 years. And about half of that growth has occurred in the 5 fiscal years following our record deficit year, fiscal year 1976.

Inflation has unquestionably had a lot to do with the rapid growth in Federal spending in the last several years. But it is not too encouraging to look at the real growth in Federal spending from 1977 through 1981. In nominal terms spending grew by $292.7 billion or 80 percent. But in real terms spending went up by $55.7 billion or 20 percent, about 4 percent per year. That means the Federal Government during that period increased in size by 4 percent every year. And in relation to the growth in the size of the economy, the picture is not much better. In fiscal year 1977 budget outlays were 21.5 percent of the gross national product, while in fiscal year 1981 it was 23 percent of GNP a post-World War II record.

But, Mr. President, there are two elements that go into making a deficit—spending and revenues. And it is clear that over the past decade, we have been granting tax preferences in record amounts. In fiscal year 1977, the economic subsidies and incentives provided to individuals and businesses through the tax code totaled $113 billion. By 1981, total tax incentives were $229 billion. They more than doubled over 5 years. This kind of revenue profligacy more than matches the 80-percent rise in direct budget spending during the same time. This major tax reduction was followed by the Reagan administration's tax cuts which will cost another $747 billion in 5 years. Taken together, these revenue hemorrhages explain the deficits with which this country will be afflicted.

Mr. President, these kinds of figures are literally breathtaking. It is essential that we take some kind of action to prevent further runaway spending and revenue giveaways during the next 5 years. Our deficits are already running out of control as a result of the last 5 completed years. Another such 5 years would be disastrous.

For that reason, Mr. President, I intend to continue my quest for fiscal responsibility. I regret that I must vote against the proposed amendment. But it is only a delusion. It will not work. Those of us who are concerned about fiscal discipline in Congress must continue our pursuit of a means to achieve it.

Mr. DECONCINI. Mr. President, I yield 10 seconds to the Senator from Michigan.

Mr. RIEGLE. Mr. President, I strongly support the need to get the Federal budget into balance—and to exercise strong and steady restraint on Federal spending.

The proposed constitutional amendment is not the way to achieve this necessary fiscal restraint. I believe the amendment is unworkable and offers no serious prospect of having any effect on our Nation's current economic situation.

Even if ratified by the States, such an amendment would not take effect for several years.

In the current climate of severe economic difficulty—I believe this legislative push is for political reasons and purposes, and not for reasons of sound long-term economic strategy and policy.

I also am deeply troubled by the fact that this amendment provides for minority rule, and I flatly reject that concept.

From time to time there are votes of very great consequence here in the Senate, where vital issues must be settled at moments of intense political controversy.

It is on those hard votes, that Senators must strive to meet the highest test of conscience, commonsense, and common good.

This amendment is unworkable and has no place in our Constitution.

I believe that if this vote were taken in secret, this amendment would be rejected overwhelmingly. It should be as readily rejected in the cold light of day.

Mr. DECONCINI. Mr. President, I yield 10 seconds to the Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator.

Mr. President, I doubt if there is any Senator who has tried harder than I to find justification for supporting passage of a constitutional amendment requiring a balanced Federal budget.

I have spent hours on the Senate floor, listening, debating, probing, searching, trying to be convinced that a measure such as this would provide a workable and effective means of achieving a balanced budget. I have yet to be convinced.

Frankly, the longer I listened, the more convinced I became that it is the wrong course to take.

I am for a balanced budget. I think the country needs one and that the President and the Congress must produce one. But, the proposed constitutional amendment, in its present form, will hinder rather than improve that objective.

The amendment now before the Senate is so seriously flawed that it should be rejected and I will vote against it for the following reasons:

First, it does not guarantee either participation or cooperation from the President. Congress and only Congress is required to produce a balanced budget. No similar requirement is imposed on the President, even though the only way a balanced Federal budget can ever be reached is with the full cooperation of both the legislative and executive branches of Government.

Second, it clears the way for a major shift of power and authority over the spending process from Congress to the courts. The amendment has no guarantee, no safeguard that the courts will not become involved in the budgetmaking process. In fact, legal precedents indicate that the opposite most likely will occur. If this amendment is approved, I foresee the day when Government appropriations will be decided in the courts and not the Congress. There will be a constant battle between Congress and the courts over where the ultimate authority of the spending policies of this country rests. If you think that busing, school prayer and other social issues have dominated activities of the Supreme Court, just wait and see what happens if this amendment is approved.

Third, little consideration has been given to the impact adoption of this amendment will have on State and local governments. The quickest and surest way to balance the Federal budget is to transfer the responsibility for major programs to the States. The pitfall here is that, under present conditions, most States simply do not have the resources to accommodate new responsibilities. Already, State and local resources are being pressed to the limit. More than 30 States have been forced to raise taxes in the past year.

Using the fiscal year 1983 first budget resolution as a benchmark, an analysis prepared by Wharton Econometric Forecasting Associates concluded that Federal outlays to State and local governments would be cut 71.1 percent—forcing an average increase in State taxes of 38.6 percent—if the constitutional amendment requiring a balanced Federal budget was in effect today. Is this what we want to do?

Fourth, the requirement that outlays do not exceed revenues most

likely will lead to higher taxes. Either that or it will inspire a host of new evasive accounting procedures to produce a balanced budget. Some of these techniques could involve the use of new forms of budgeting, capital budgets, off-budget expenditures, and spending throught tax exemptions and credits. Thirty-one States now require a balanced budget, but these States do not use the same budgeting procedure as the Federal Government. If the Federal Government last year used the same procedure as Kentucky, its budget would have been balanced.

Another reason that the States must have a balanced budget is that they cannot print money. The Federal Government can. There is a very real danger that, if this amendment is approved, attempts will be made to balance the budget by printing more money. This would result in a rate of inflation far beyond what we have now. The one sure way to prevent this is to switch to the gold standard; perhaps this is what some of the proponents of this amendment have in mind as the next step.

Fifth, finally, there is the Constitution itself. Changing the Constitution in any way, shape or form should not be lightly considered. In a time when people hold their institutions with increasing little regard, respect for the Constitution remains firm. In using the Constitution for spelling out something that Congress and the President should already be doing, are we endangering the one institution people still hold in respect? The Constitution represents the essential framework for our system of government. It has served us well and should not be changed simply to reflect the whims of time.

Along with others, Mr. President, I tried to correct some of the more obvious shortcomings of the amendment and make it more acceptable.

Twice, I offered language in different forms to require the President to be a partner in the budget process. Twice, these amendments were rejected.

I also supported an amendment to insure that none of Congress powers over the fiscal process would be transferred to the courts and that the courts could not become involved in the budgetmaking process. It, too, fell in defeat.

In sum, the imperfections of the proposed amendment cannot be denied and the implications—to the country, to State and local governments, to our system of government and to the Constitution itself—cannot be ignored.

In reality, this amendment is nothing more than a diversion. It blurs the issue of continued budget deficits and buys 7 more years of breathing room—the estimated time it will take for States to ratify the amendment, if passed, and 2 additional years for Congress to enact implementing legislation for something that we already have an obligation to do.

What this amendment resembles is the congressional equivalent of the four-corner stall. It invites delay. It avoids confronting a problem that demands decisive action now.

This amendment will not give the country a balanced budget in 1983, 1984, or 1985. This is what we should be concentrating on now and where we should be directing our efforts, instead of 1989 or some future date.

The supporters of this amendment would have you believe that this amendment would bring about improvement now. That is wrong and a false promise to the American people.

It should not take a constitutional amendment to force the Congress to have a balanced budget. Even if the amendment is approved, the only way it will ever work is if and when Congress and the President muster the will to balance the budget.

We should not have to wait 7 years for a constitutional amendment to force us to find that will. We ought to be able to find it on our own and that is why I urge this amendment be rejected.

Mr. DECONCINI. Mr. President, I yield 2 minutes to the Senator from Ohio.

Mr. GLENN. Mr. President, I thank the distinguished floor manager.

The proposed balanced budget-tax limitation amendment to the U.S. Constitution may pose an easy vote for many Senators, but easy votes should not be mistaken for the tough decisions needed to solve our basic economic problems. Indeed, this particular vote is a prime example of the very phenomenon the amendment's supporters say they oppose: Ignoring future consequences in favor of immediate political benefits.

The committee's report states: "* * * the availability of unlimited deficit spending allows the political costs of spending measures to be deferred in time, while enabling the political benefits to be enjoyed immediately." Similarly, this amendment provides its supporters an easy vote for a measure of considerable current popularity—"pure political candy," to quote the New York Times—while deferring the consequences for a future time, future Congresses, future Presidents, and future taxpayers. It permits Members of the Senate to support an esteemed cause without having to admit that because this Government—this President and this Congress—went too far last year, we should postpone the third installment of the individual tax cut.

In effect, this amendment would declare that since we cannot discipline ourselves, we instead should discipline those who come after us. As the Washington Post put it:

> It is grotesque for Senators and a President who cannot get their current deficit under $100 billion to support, piously, constitutional language putting it at zero.

Former Attorney General John Mitchell once reminded us, the important thing is "to watch what we do, not what we say."

More than 200 years ago, Alexander Hamilton argued that:

> Nothing . . . can be more fallacious than to infer the extent of any power proper to be lodged in the national government from an estimate of its immediate necessities.

Our Constitution has endured because of its flexibility and because the framers of that great document took the long view. If it is to endure further, we must be equally farsighted.

Before we rush to judgment, we should listen to such voices as that of American Enterprise Institute resident economist Rudolph G. Penner, who has bluntly warned "that budget-limiting constitutional amendments should be avoided all together." In testimony to a House of Representatives subcommittee, Penner argued:

> If the political will to limit budget growth does not exist, constitutional limits will not do much good and they could do a great deal of harm. If the political will to limit budget growth does exist, constitutional amendments are not required.

Just what kind of harm could such an amendment do?

For one thing, the state-of-the-art of forecasting is such that we will wind up with a budget balance that is itself far from exact. Indeed, today's statements of receipts and outlays are at least as confusing as the proposed budget for fiscal year 1983 which was transmitted to Congress in February of this year was misleading. Just within the past few days, we have seen the deficit projections swell from the $103.9 billion target we established only last month to $110 to $114 billion, according to the Secretary of the Treasury, and to $141 to $151 billion, according to the Congressional Budget Office. Clearly, the earlier projections were misleading. Clearly, at least some projections now are wrong. And with this amendment in place, there will be enormous temptation to deliberately skew economic assumptions in the future. Erroneous forecasts, intentional or not, would then lead us into making erroneous decisions.

Second, the amendment would also limit the Government's ability to adjust its tax and spending policies to meet the changing needs of economic stabilization. That could easily lead to greater reliance on less efficient options, such as regulatory policies or credit allocations.

I believe the Federal budget should be balanced when it makes sound economic sense. In fact, I believe it would be healthy to operate with a surplus—and to reduce our outstanding indebtedness. But outlawing deficits by fiat

would be virtually impossible—and it would frequently be unwise as well.

The proposed amendment would index any rise in tax revenues to the percentage increase in national income—a term that is left undefined and subject to changing interpretation. This clearly represents a constitutional limitation based on the kind of "immediate necessity" Alexander Hamilton so wisely warned against.

The proposed amendment is a radical departure from our history and limits the flexibility of our Constitution. The last time we tried something like this, the result was the 18th amendment to the Constitution—and we recognized the mistake of that scheme by repealing it.

Mr. President, the people of this country are suffering from high interest rates, not from the Constitution. They are seeing money drained from the smaller communities of this Nation, they are seeing the number of unemployed escalate, and they are watching their friends and neighbors in small business bleeding and, all too often, dying the death of bankruptcy.

The times call for something other than a "pass the buck" resolution that ducks the real problems. Every Senator in this Chamber knows that there is more than a little hypocrisy involved here—and I, for one, refuse to indulge it. I shall vote against this short-sighted amendment and continue to work for long-run solutions. I do not always agree with David Stockman and his Office of Management and Budget. But in this case, I fully share the sentiments expressed in OMB's report earlier this year. That report began by saying—and I quote:

> The Constitution is not an appropriate vehicle for economic policy prescriptions (balanced budgets) nor should it be cluttered with potentially inflexible fiscal mechanisms that may not be appropriate to unforeseeable future circumstances.

Mr. President, I ask unanimous consent that a column entitled "Balanced Budget Hoax" by George Will, which appeared in the Washington Post of July 25, 1982, be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

BALANCED BUDGET HOAX

(By George Will)

God, preparing condign punishment for hot air emitted in support of humbug, turned the temperature up to 90 the day the president addressed a rally for a constitutional amendment to require balanced budgets. The tally to make government—that questing beast—obedient to "the people" was for people with tickets. A ticket to a rally for an amendment to "require" balanced budgets calls to mind the invitation a Lady Colfax issued, after the First World War, to a luncheon to "meet the mother of the Unknown Warrior."

But members of the sainted public could get tickets. Red tickets were for employees of the Republican National Committee and high-level employees of the—if you'll pardon the expression—government. They got to sit smack in front of the president. Blue tickets allowed lesser government employees to sit farther back from Himself. White tickets, handed out on the streets, put plain people, to whose salvation the rally was dedicated, at the rear.

Behind the president, stewing like prunes in their juices, were congresspersons and senators, some of whom sincerely support the amendment for which they were rallying. Legislators who did not feel ill-used obviously were properly used as applauding props.

Washington's air this season is thick with humidity and hoaxes, such as nuclear "freezes" that won't freeze anything, and "flat rate" tax programs without flat rates. So what is one more hoax among friends? This hoax—this trivialization of the Constitution—is, simultaneously, a confession of political incompetence and an assertion of intellectual mastery—mastery not noticeable in the results of recent economic policies.

At precisely the moment when economists are especially bewildered by the inability of their theories to encompass events, politicians, running for cover from the electoral consequences of their activities, are proposing to constitutionalize an economic doctrine. They would graft something evanescent onto something fundamental.

Under the amendment, Congress would be required to adopt, prior to each fiscal year, a statement of receipts and outlays, the latter not to exceed the former. But such economic numbers are estimates made of warm taffy, all gooey and stretchable.

Neither clairvoyance nor candor can be counted on in Congress or the Office of Management and Budget. So who will enforce what on whom if—when—the numbers are significantly wrong? Will the president control outlays by impounding appropriated funds? Will courts superintend the appropriations process?

If the latter, will every taxpayer have standing to sue? No one can know until courts speak. And they will speak, because the amendment does not stipulate that controversies under it are not reviewable by courts. Were that stipulation made, the amendment would become a recipe for paralysis and lawlessness.

The amendment says that total receipts in any fiscal year may not be set to increase at a rate faster than the rate of increase of national income in the previous calendar year. The implication of this is that whatever else the government has recently got wrong, the current ratio of federal spending to national income is just about right.

But, then, the amendment would allow Congress to change this ratio by a simple majority vote. And by a three-fifths vote, Congress could authorize a deficit—which is what Congress has been doing for generations. So, to enable current incumbents to strike a pose, some incumbents want to clutter the Constitution with an amendment that might be, in practice, 98 percent loophole. It would be that, unless the political culture and congressional mores changed substantially, in which case the amendment would be beside the point.

The amendment is long, but should be longer. It depends on Congress making precise projections, so it should contain 1,000 more clauses, four of which are:

Floods, hurricanes and other acts of God that wish to occur during the next fiscal year must register with OMB six months before the fiscal year begins, so Congress can know that relief spending shall occur.

Agricultural commodities covered by price supports must inform the Agriculture Department if they are planning to materialize in inconvenient quantities in the next fiscal year.

Anyone planning to need unemployment compensation in the coming fiscal year must notify the Labor Department.

Because causing crises, tiresome foreigners must notify the U.S. Defense Department of any effects their crises will have on U.S. defense spending.

And . . . oh, yes: I love lobster, and own elm trees. Could Congress please require lobsters to grow on elm trees?

Sorry; I digress. It must be the heat.

Mr. GLENN. Mr. President, there are four basic reasons I feel why this amendment should be defeated.

First, it is poor economics. We built into our whole system many countercyclical aspects that tend to level out the booms and busts in our society. The analogy that the distinguished Senator from California made a little while ago about eliminating family borrowing is applicable in that direction. Our Nation needs this countercyclical factor still in our economy.

Second, it is destructive of law. It is writing economic and social policy into the Constitution if this passes, and I do not wish to see that. The Constitution is a timeless document or should be that has changed only very infrequently, and I do not see this as being one of those times.

Third, I think it is foolish administratively because no one has yet come up with any formula that I know of for defining how we would define revenues in advance. Are we to use Mr. Stockman's figures of last year? Are we to use the administration's figures of earlier this year, now being upgraded almost daily by $20 to $30 or $40 billion at a crack? There is no way anyone can forecast what the revenues of this country are going to be considering the business cycle with even any hope of $50 to $75 billion accuracy. So to lead any part of our public thinking we can will be misleading.

Fourth, I think it is politically cynical. We can vote to balance the budget here by our actions if we do it. Senator HARRY F. BYRD, JR., of Virginia had written into law back 3 or 4 years ago, I believe it was, a requirement that expenditures will not exceed revenues. What has happened to all of that? It is there for everyone to see.

Mr. President, I oppose this for those reasons. It is poor economics, destructive of law, it is foolish administratively, and politically cynical to let the people of this country think we are going to do something we have not been able to do just because we pass a constitutional amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAUCUS. Mr. President, I am strongly committed to balanced budg-

ets. I am willing to make the tough choices involved in cutting back Federal spending.

Furthermore, I strongly support executive branch and legislative branch reforms that can mean balanced budgets for years into the future.

It is clear that the current system actually encourages increased Government spending and increased taxes. This is indeed the time to eliminate those biases and help Congress keep a lid on spending and taxes.

Yet, Mr. President, we should not let ourselves be hoodwinked into amending the Constitution just to correct these biases. Amending the Constitution is a solemn act.

Congresses for 200 years have considered constitutional amendments, but only 26 have been approved. We should not be stampeded into approving this amendment just because it is the politically popular thing to do.

SENATE JOINT RESOLUTION 58 PROVISIONS

Not only do I support requiring a three-fifths majority for the approval of a deficit budget, but I also support legislation that would make such a provision part of the law.

Not only do I support the principle of avoiding hidden tax increases, I also support legislation that would make a recorded vote on all tax increases, hidden or otherwise, a legal requirement.

I am not simply supporting the goals of this resolution. Far from it. I believe the substantive provisions can make a real difference in the way this Government conducts its business.

The issue for me is not whether the provisions contained in Senate Joint Resolution 58 are wise, because I have concluded that they are.

For me, the sole issue, is whether these provisions should be contained in the Constitution of the United States.

INAPPROPRIATENESS OF THE TERMS

The Constitution should be reserved for terms that represent broad general principles. The definitional problems posed by Senate Joint Resolution 58 are recurrent. What are total receipts? What are expenditures? What is national income?

During the course of the debate, one thing has become clear—these terms are not the kind of general principles that can easily be interpreted by the courts. Rather, they are precise economic definitions that in some instances require two pages of complicated algebraic formulas to explain.

On the surface, it would seem to be simple to define a balanced budget. But the national economy is so complex that its many components cannot be taken account of in two or three economic terms.

This is not to say that these economic terms should not be used—in fact, we use them in statutes all the time. But in statutes these definitions can be set and reset. We do not have such a luxury if we place such terms in our Constitution. They should not be locked in stone.

CONSTITUTIONAL PROVISIONS ARE INFLEXIBLE

The Constitution should only include provisions that will withstand the test of time.

The country has already learned a lesson from putting temporal issues in the Constitution. The 18th amendment was a response to the growing movement for prohibition. The 21st amendment repealed that provision from the Constitution. Temporal issues do not belong in the Constitution.

Neither do provisions that are likely to need revision. The constitutional amendment procedure in article V of the Constitution is very cumbersome. It requires two-thirds of Congress or two-thirds of the States to propose the amendment, and three-fourths of the States to ratify the amendment.

This same requirement applies to any future modifications that might need to be made to the amendment. Provisions that need fine tuning and adjustment do not belong in the constitution.

This is particularly true as it applies to economic policy.

Economic management requires constant adjustment.

This is precisely why Paul Volcker, Chairman of the Federal Reserve Board and a distinguished economist has opposed the balanced budget constitutional amendment. He has said:

> If the Congress does finally conclude that additional restrictions on the budget process such as those outlined in this proposal are desirable, I would suggest that they be first tried out by incorporating them in the congressional budget process.

Economists recognize the need to experiment and fine tune economic policy. Such adjustments cannot be done through the Constitutional amendment process.

ECONOMIC POLICY IN THE CONSTITUTION

Furthermore, the Constitution should not be used to implement specific economic policy.

Senate Joint Resolution 58 has been presented by its proponents as a simple operating principle of Government: Government should not spend more than it has.

But the framers of the Constitution and the drafters of Senate Joint Resolution 58 both realized that such an operating principle could not be absolute and must have some exceptions.

The framers recognized this and specificially gave Congress the power to borrow.

The authors of Senate Joint Resolution 58 recognized this by permitting deficit spending by a three-fifths vote of Congress and by writing in specific exceptions for declarations of war.

Both recognize the need for Government to borrow and spend to meet a variety of national needs.

Often such needs are economic in nature.

Conservative economist, Mr. Rudolph Penner of the American Enterprise Institute, has opposed the balanced budget constitutional amendment because he believes it will hamstring governmental efforts to bring the economy under control. Mr. Penner favors supply-side economics. He believes in substantial tax cuts to stimulate the economy.

Although this may create momentary deficits, in his view, such a tax cut will lead to more productivity, more investment, more jobs, more income, and eventually balanced budgets. But Mr. Penner's point is that it takes lower taxes, and perhaps increased deficits, to do the job.

When a new economic theory, like supply-side economics, comes along, Congress can and should decide which theories it wants put in place and which ones it does not want to put in place. The constitutional amendment would place very strict limits on Congress and make it less likely that certain economic policies could be adopted to address economic problems.

JUDICIAL INTERFERENCE WITH THE ECONOMY

Perhaps the most important criteria to apply in assessing whether a proposed constitutional amendment makes sense is whether we want the Judiciary to handle the problems the amendment raises.

Given the current skepticism about judicial activism and judicial interference, it is highly doubtful that the American public wants our judges to start managing the economy. It is ironic that many of those who scream loudest about judicial activism are pushing a constitutional amendment that will give our courts the responsibility to police fiscal and economic issues.

The courts are not equipped to deal with such issues, and we should not let them.

The fact that the Senate has considered an amendment to preclude judicial review of this amendment should serve as evidence that these provisions do not belong in the Constitution.

If we do not want the Supreme Court and lower Federal courts to enforce the balanced budget provisions and to interpret the economic terms, then we should not place them in the Constitution.

PROBLEM SOLVING AND THE CONSTITUTION

The Constitution was not designed to include all the specific rules needed to respond to short-term problems. The constitutional amendment process was not designed for this purpose either.

The problem at hand—the economic crisis this country fares—is a perfect

example. Soaring deficits and soaring interest rates need to be brought under control. The people of this country want relief immediately.

This proposed constitutional amendment may take up to 7 years to be ratified. It would then take several more years before its impact would be felt.

Americans cannot wait that long.

The housing and timber industries cannot wait that long.

The unemployed cannot wait that long.

These problems call for immediate action, not constitutional revisions that may take 10 years to take hold.

THE ALTERNATIVE

Simply because this material does not belong in the Constitution, it does not mean we cannot do anything about the problem.

For several years, Senator MATHIAS and I have been advocating that new budget discipline procedures be incorporated into our Federal laws.

Our legislation proposes what I believe is the correct way to impose constructive restraint on the burgeoning Federal budget.

The measure uses two basic procedures to accomplish this objective: First, no deficit spending could be enacted unless both Houses of Congress have agreed to deficit by three-fifths votes. Second, each Member of Congress would be required to vote for or against any tax increase greater than the percentage increase in the gross national product—including the tax increases brought on by inflation.

In essence, the measure will insure that Congress decisively confronts proposed increases in Federal taxation and Federal spending.

There are many advantages to this approach. First, it could go into effect immediately. It would not require a lengthy ratification process. It could apply to the very next Federal budget.

Second, the statutory approach would permit Congress to experiment with the provisions. The statute could be adjusted by additional legislation. Definitions could be clarified easily. Provisions could be altered if changing circumstances required it. The provisions could be continually fine tuned.

Unfortunately, the Senate rejected this approach yesterday. But I still believe it is the correct course of action.

Senator MATHIAS and I pursued this approach because we believe it is important for the Senate and the American public to understand that there are real workable alternatives to the proposed constitutional amendment.

In conclusion, as we vote on this proposal, let us keep in mind that it is the U.S. Constitution we are talking about amending.

The proposed reforms may be appropriate, they make sense, they may work. But they should be part of our laws, not part of our Constitution.

We should keep in mind that any failure on our part not to balance the budget is not a failure of our Constitution. It is a failure of us as a people to make the appropriate demands on our legislature. And, it is the failure of Congress to implement the desires of its constituents.

Let us remember that people must balance budgets, not constitutional clauses.

As a U.S. Senator, I have an important responsibility to do what I can to restore stability to our economy. Part of that, in my view, is to move our Government back toward balanced budgets.

But my first responsibility, and in fact my duty under my oath of office, is to uphold the Constitution of the United States.

Mr. President, when it comes to fiscal matters, I am a conservative. When it comes to amending the Constitution, I am also a conservative. I think amending the U.S. Constitution is a very serious matter.

I urge my colleagues to be careful. We can rush to balance budgets, but let us not rush to amend the Constitution.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield 2 minutes to the distinguished Senator from Alabama.

Mr. DENTON. Mr. President, last night with almost no Senators present in the Chamber during the preceding debate we had a vote on a matter which I consider to be of equal importance to the vote on the balanced budget amendment as a whole. It was a vote on whether or not Congress could adopt by joint resolution and a majority vote of the whole number of both Houses of Congress a resolution which would permit the appropriation of such moneys as necessary to meet an imminent threat to our national security. By a very close vote the Senate rejected this vitally important amendment to the balanced budget proposal.

I feel very strongly that the amendment would have been a proper means of insuring our national security and of increasing our chances of surviving an unforeseen military emergency.

I am not schooled enough in the affairs of politics to understand fully all of the minute ramifications of this particular constitutional amendment. I will support it. I am persuaded that it is proper. However, I hope that in some manner and as soon as possible, perhaps in the manner which was suggested by the Senator from Mississippi, a House-Senate conference, we will address this situation. From 1969 to the present the Congress, both the House and the Senate, has failed, I believe to perceive several threats to the national security. Those threats were acknowledged by the State Department and the President of the United States. As a result of that failure, we have suffered setbacks in the Mideast and Southeast Asia has been lost.

I ask that we all, without partisan politics, address this matter in our consciences and ask if a simple majority vote is not perhaps the best way to recognize and meet an imminent threat to our national security.

Mr. THURMOND. Mr. President, I yield 2 minutes to the distinguished Senator from Alabama.

Mr. HELFIN. Mr. President, I join with my colleague from Alabama in the hope that we can find a method by which when a threat to the national security arises that we can have in the Senate the difference between 51 and 60 votes. Those nine votes may be essential to the Nation's life or the Nation's death.

I do not want to re-fight that but I think this amendment goes toward something that is needed, and badly needed, today, and that is to give us some protection from destruction within or from suicide by Congress.

There is a need for budgetary discipline. This constitutional amendment resolution is a step toward obtaining budgetary discipline and a step toward eliminating the destruction of this Nation from within.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield 2 minutes to the distingushed Senator from Nebraska (Mr. EXON).

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, a point of inquiry. I was promised 5 minutes. Am I now down to 2 minutes?

Mr. THURMOND. I wish we had more time. If the Senator can do it in 2 minutes.

Mr. EXON. Mr. President, in the next few minutes, we will be casting another of those so-called "historic" votes in the U.S. Senate.

We are about to vote on a constitutional amendment that has been described, time and time again, by proponents, as "what the people of the United States want." It is this Senator's opinion that indeed the people of the United States want a workable and enforceable constitutional amendment to force fiscal responsibility on the President and the Congress.

To take that assumption, however, and turn that assumption into a mandate to pass "this" constitutional amendment, places the authors of this constitutional amendment in a posture of attempting to wrap the cloak of public opinion around "their baby" which may not be the child the people bargained for.

Mr. President, this is not a perfect amendment in my opinion. Those who oppose any constitutional restraint on Federal spending are naturally opposed to the passage of anything.

The debate yesterday on the Armstrong amendment was the most revealing and informative of the entire exercise. The Armstrong amendment was the only wording suggested in the whole debate that really "put the decisionmakers' feet to the fire" on a balanced budget.

It was amazing to this Senator from Nebraska that the managers fought the Armstrong amendment as hard as they fought this Senator's amendment yesterday that would have brought the Office of the President of the United States into the balanced budget process. Indeed, the managers of the amendment appeared inconsistent in opposing measures to strengthen the effectiveness of the supposed goal of the amendment.

It is true, also, Mr. President, that efforts were underway last night and continued this morning to "water down" the Armstrong amendment.

One of the managers of the bill has told me that if language, along the lines of my and Senator FORD's amendment, bringing the President into the process, is included in the House language will not be objected to in conference.

I intend to support passage here today. I reserve the right to take a final look at the product of the Senate-House conference.

But it is time to vote. It is time to take a stand. My bottom line impression is that this seems to me, on balance, that this is a step in the proper direction. We simply must somehow address the ever-escalating deficits and spending, which continue to drive up the national debt that is stifling any chance for an economic recovery.

Mr. LEVIN. Mr. President, the balanced budget constitutional amendment which we are asked to support today puts into the hands of a minority of the Congress the control over our national security and our economic well-being. We should not adopt a constitutional amendment which would allow a minority of the Congress to stop our military preparations to deter war or to stop a defense buildup during a military crisis. We should remember that the decision to institute the draft just prior to World War II was passed by a margin of only one vote in the House of Representatives.

I support reducing the deficit. I believe that the only way that we are going to get interest rates to come down and the economy to grow is if we reduce the pressure of Federal borrowing and at the same time have the Federal Reserve Board ease its overly tight money policy. I believe that this Congress is going to have to make hard choices, unpopular choices, in the days and weeks ahead if we are going to get the economy moving in that direction.

Further, legislation to mandate a balanced budget might be an appropriate mechanism to help to implement such an economic plan. During the debate, I voted for a substitute to Senate Joint Resolution 58 which included the exact provisions of Senate Joint Resolution 58, but which was in the form of a statute and not a constitutional amendment. This would have allowed time to test out a balanced budget mandate with the provisions of Senate Joint Resolution 58. It would have recognized that serious doubts have been raised during the debate concerning the workability of the balanced budget amendment in its present form. It would have allowed Congress to act with the speed which the national interest may require sometime in the future to adjust the legislative mandate to reality. On the other hand, by the time a balanced budget constitutional amendment is itself amended the disastrous consequences which would have led to the need for change may have already occurred.

But I cannot support this balanced budget amendment, not Senate Joint Resolution 58. I cannot support an amendment which locks into the Constitution a rule which gives a minority of the Members of the House and the Senate veto power over this Nation's economic policy. By requiring a vote of three-fifths of the House and Senate to approve an unbalanced budget, this amendment subverts the democratic process as a matter of principle and threatens to immobilize and confuse economic or military decisionmaking in practice. We should not thus weaken our democracy. We should not take away the right of a majority to act in time of military or economic danger.

Based on 1980 census data, Senators representing the 21 smallest States, less than 13 percent of the population, would have life-and-death control over the Federal budget if Senate Joint Resolution 58 became part of the Constitution. Now I recognize that under the Constitution, the Senate was supposed to represent States and not population. But the framework also provided for rule by a majority of the States and not by a minority of States. Further, the committee report accompanying Senate Joint Resolution 58 argues that one of the objectives of the amendment is "to alter the spending bias in order to make the budget process more responsive and more democratic." But how does the budget process become more democratic if through a constitutional amendment control over the budget is given to Senators representing an even smaller percentage of the population than is currently the case, and to an absolute minority of the population as represented by the Members of the House? How, I ask, is less democracy the cure for too little democracy? Under what pretense can we argue that elections give winners a mandate to govern when at the same time we write into the Constitution a provision which has the clear potential for subverting that mandate?

Standing by themselves, these constitutional arguments provide sufficient justification for opposing Senate Joint Resolution 58. In addition, however, they have practical implications for the present and the future which will make it impossible for the Congress to develop a workable or meaningful budget process. Passage of this amendment will either lead to stalemate or a budgetary charade. Either event means that at an absolute minimum before taking a determined constitutional jump, the prudent action would be to take a tentative legislative step.

We only have to look at what happened this year in the House and Senate with respect to the first budget resolution for fisal year 1983 to get a foretaste of the chaos which the balanced budget amendment would create. In the House, over a 2-day period, seven budget plans were offered, including one calling for a balance budget for fiscal year 1983. All the plans failed to receive a majority, let alone the three-fifths vote which Senate Joint Resolution 58 envisions. It was only after a 2 week delay, which President Reagan argued jeopardized his entire economic program, that the House was able to agree on a budget resolution which provided for a $100 billion deficit, and then only by a vote of 219 to 206—well below the three-fifths requirement. In the Senate, a balanced budget plan for fiscal year 1983 was not given any serious chance of passage. The $116 billion deficit plan which was finally approved only passed by a margin of 49 to 43, again substantially below the three-fifths requirement. And this year was not an aberration. In the words of a report by the Library of Congress, "It bears noting that in recent years most of the concurrent resolutions on the budget have passed the House with razor-thin majorities, sometimes fewer than a handful of votes."

Therefore, if this year is to be any guide, neither 60 percent of the House or Senate was willing to vote for a deficit and balanced budget plans could not even garner simple majorities. In other words, if the balanced budget amendment has been in effect this year, there would have been budgetary anarchy amid urgent calls for bold economic measures. At a time when the financial markets were looking for reassurance, they would have found chaos. This is not to say that the first budget resolution for fiscal year 1983 which the Congress has approved is without fault. Indeed, I voted against it. It is, I think, fair to argue, however, that if there had been an amendment

in place such as Senate Joint Resolution 58 even that budget resolution would have been beyond our grasp.

This prospect for stalemate does not only apply to domestic programs, which many of the proponents of Senate Joint Resolution 58 think should be trimmed back, but to the realm of national security as well. While it is true that the amendment allows Congress to waive the balanced budget requirement by a majority vote in time of war, the three-fifths requirement could present insurmountable obstacles in the way of defense preparations prior to war. If Senate Joint Resolution 58 becomes part of the Constitution, then in order to prepare for war or to deter war, the United States must first be at war, unless three-fifths of the Congress votes for deficit spending. The approval of the draft by only one vote in the House of Representatives prior to World War II has to raise question whether the three-fifths requirement can be met even in the face of an imminent threat to national security.

I supported the Heflin amendment which would have allowed this Nation to run a deficit in order to finance military preparations prior to war. Again, this is the least we could do to make Senate Joint Resolution 58 consistent with the national interest. But once again the proponents of Senate Joint Resolution 58 preferred a flawed unaltered amendment to an attempt to assure that this amendment has the flexibility to have a majority of the Congress safeguard this Nation's military posture in times other than war.

During the debate on Senate Joint Resolution 58, I attempted to improve the balanced budget amendment and meet these basic concerns about the undemocratic and impractical nature of the three-fifths requirement. I offered an amendment which stated that if three-fifths of the Congress voted to declare a national emergency, then a majority would still have the authority to take the specific steps necessary to deal with that emergency. The amendment which I offered would have improved Senate Joint Resolution 58 because Senate Joint Resolution 58 requires, in effect, that three-fifths of the Congress, in a single vote, agree on both the existence of an emergency and the specific measures we ought to adopt to deal with that emergency. The dual nature of the decision is particularly troublesome and may hamper our ability to respond to difficult economic conditions. For example, three-fifths of the Congress may agree that an emergency of sufficient magnitude to require an unbalanced budget does, in fact, exist; yet three-fifths of the Congress may not be able to agree on what the level of imbalance ought to be or what specific programs ought to be funded by the increased governmental spending they agree is required. The amendment I offered would have reduced that possibility and would have allowed the Government to respond more effectivley to emergency conditions. Unfortunately, a majority of the Senate did not agree with me; but I accept the decision of the majority.

In addition, during the debate, I voted for the Cranston substitute which would have required a balanced budget, but with two significant differences from Senate Joint Resolution 58. First, it would have prevented the budget from being balanced on the backs of social security recipients and veterans. Second, it would have allowed the amendment to be waived in an emergency, whether foreign or domestic, military or economic, which treatened the Nation. These are reasonable differences which a moment's reflection would recognize as essential to Democratic and responsible government.

Mr. President, I, therefore, can see no benefit coming out of the passage of Senate Joint Resolution 58. It will subvert the principle of majority rule and give a minority of the Congress a veto over our Nation's economic and military policy. The balanced budget amendment is no substitute for a balanced economic policy. It seeks to cloak us with fiscal responsibility while we vote for $100 billion deficits and trillion-dollar debt ceilings. We deliver the security of our Nation to a minority of us. The price is too high, and we should not pay it.

Mr. MOYNIHAN. Mr. President, may I ask the sponsors a question? Does the amendment of the Senator from Colorado adopted yesterday make it impossible to reduce the national debt, by making permanent the debt limit as it exists at the moment of ratification?

Last, Mr. President, may I report the observation we all have heard privately on this floor so many times in the past week: If this were a secret ballot, and conviction rather than politics were the only consideration this amendment would not attract more than 20 votes. Can we not ask for, and expect, acts of conviction on a matter of the Constitution?

Mr. DECONCINI. I yield to the distinguished Senator from California.

Mr. CRANSTON. Time magazine summarized the amendment superbly as an amendment that should not pass. The Government's ability to serve as a balance wheel for the Nation's economy would be crippled.

Easy to evade, the amendment may simply reduce respect for the legal system as a whole. The amendment is not sufficiently flexible. It cannot foresee the natural disasters we may have to deal with.

It would irreparably alter the checks and balances in the Constitution.

Beyond that difficulty looms the immense question of who would enforce the amendment. To legal experts it is conceivable that that whole Federal budget, item by item, might end up for review by the Supreme Court. We do not want the Supreme Court involved in our budget process.

Mr. THURMOND. I yield 10 seconds to the distinguished Senator from Oklahoma.

Mr. NICKLES. Mr. President, the question is are we going to be able to restrain ourselves? We have not been able to restrain ourselves. Since 20 years ago today it is almost $800 billion out of control. We need this amendment.

Mr. THURMOND. I yield 10 seconds to the distinguished Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I rise in support of the amendment. The American people are desperate. The obligation is ours for fiscal responsibility, and we answered with a $1 trillion deficit. The interest on the national debt is $100 billion. I believe the constitutional amendment will give us the discipline that this body needs.

Mr. THURMOND. I yield 1 minute to the distinguished Senator from Georgia (Mr. MATTINGLY).

Mr. MATTINGLY. I rise in support of the constitutional amendment. It is not a perfect amendment. But as history progresses in the United States so has the Constitution been amended.

For 21 of the last 23 years we have had unbalanced Federal budgets. It is time for the constitutional amendment.

Mr. THURMOND. I yield 10 seconds to the Senator from Iowa.

Mr. JEPSEN. Mr. President, we do derive our powers from the bottom, and what we are doing now, after 60 hours of debate, is presenting a proposed constitutional amendment to balance the budget, and let the people of this country act on it. I support the amendment.

Mr. THURMOND. I yield 1 minute to the distinguished Senator from North Carolina (Mr. EAST).

Mr. EAST. Mr. President, I wish to speak on behalf of the balanced budget amendment. I wish to commend Senator THURMOND, Senator HATCH, Senator DECONCINI, and others who have labored so hard on its behalf.

In defense of this, I would note that what it does do is it shifts the balance in favor of fiscal responsibility, and as a constitutional advance I think that in and of itself would commend it.

This amendment does what the Constitution is supposed to do, limit our appetite, and I think in this case it has been proven in recent years and decades that we do not have the appetite to limit ourselves.

Constitutions exist for that purpose in our Anglo-Saxon history, and I look on this as very much in keeping with that tradition.

State governments are now operating under such constitutional restraints, and I think this would be a very positive shift in the Federal system for the Central National Government to come under similar constitutional parameters.

I commend to my colleagues that they support this very important amendment.

Mr. HATCH. Mr. President, there are several miscellaneous matters relating to the interpretation of Senate Joint Resolution 58 that I would like to clarify. Most of these observations are directed to matters referred to in the Judiciary Committee report on the proposed amendment.

On page 48 of the report, the committee defines the term "increase" as used in section 2 of the amendment. This definition may be somewhat misleading. While the concept of "increase" may be positive or negative in the sense of referring to an increase or decrease in the rate of national growth during the base period, it would clearly not preclude Congress from choosing to set a level of receipts in its budget or statement less than the maximum permissible level of receipts. In other words, should the economy grow by a 5-percent rate during the base period, the maximum level of increase in budget receipts, without the need for the required vote, would be 5 percent; should the economy decline by a 5-percent rate during the base period, the minimum level of decrease in budget or statement receipts, without the need for the required vote, would be 5 percent. Thus, the term "increase" denotes the idea of change with respect to the evolving level on national growth; with respect, however, to the maximum permissible level of receipts, normal arithmetic concepts would obviously control.

With respect to the waiver during wartime described in section 3 of the amendment, it was the intent of the drafters of the amendment that procedures consistent with the rest of the amendment be followed upon the termination of such "declaration of war." Upon its termination, Congress would use as its base period for determining maximum permissible receipts the last fiscal year for which a statement was prepared that was consistent with sections 1 and 2 of the amendment. The new level of receipts for the fiscal year being planned would be the level of receipts in that statement increased by the rate of growth in the economy since that time. The extraordinary level of receipts and expenditures in force during the "declaration of war" itself would not provide the basis for the computation of the receipts or expenditures levels in statements following the "declaration of war."

With respect to the requirement in section 1 relating to the three-fifths vote in order to approve a deficit, I believe that the text of the amendment, as well as the report, are clear that such a vote is to take place in a context apart from the consideration of other issues. More specifically, it is the intent that any such vote cannot include a qualifying or conditioning statement regarding either the nature of the circumstances which lead Congress to consider the necessity of a deficit, or the particular uses to which such a deficit would be allocated. The question to be placed before Congress in order to conform to this provision is the question of whether or not a specific level of deficit will be approved—period.

Finally, I would emphasize because there has been some confusion on this point that, in developing its statement of outlays and receipts for the forthcoming fiscal year, Congress is supposed to use the latest available statement level of receipts for the previous year multiplied by the growth in the economy. As we make clear in the report then, it is the statement level of receipts that provides the base level of receipts for each fiscal year. There is absolutely no need whatsoever to have to be engaged in estimations in this process.

Mr. THURMOND. Mr. President, soon the Senate will vote on a measure that is truly historic in nature.

Senate Joint Resolution 58 is a proposed constitutional amendment to require the Federal Government to achieve and maintain a balanced budget. It is a proposal that has been called for by many Members of Congress, including myself, for decades. It has been, and I hope it will be, the judgment of a majority of the Senate, that the only way a balanced Federal budget can be achieved is through passage of this constitutional amendment.

Mr. President, the Federal budget has more than tripled in the last 11 years. The current estimate of $700 billion plus, for fiscal year 1983, is far beyond our ability to sustain for much longer. Compounding the effect of growth of the Federal budget is the fact that tax receipts to offset them have not kept up. Thus, the public debt continues to grow and is now in excess of $1 trillion, 200 million.

NEED FOR BALANCED BUDGET AMENDMENT

There are many reasons why the budget has grown to such proportions in such a short time. In the last 20 years, the Congress of the United States has not been able to control Government spending. Mr. President, the budget has only been balanced once, one time, in the last 21 years. I know of no individual or corporation that could afford to stay in business with constant deficits like those incurred by the U.S. Government.

The growth of entitlements has also contributed more than anything else, to a large Federal budget program because of cost-of-living escalators attached to them. Total outlays for benefit payments for fiscal year 1983, according to the Congressional Budget Office, will be $365.9 billion. These benefits include social security benefits, $173.5 billion; medicare, $55.3 billion; unemployment compensation, $22.6 billion; civil service retirement and disability, $21.1 billion; medicaid, $17 billion; food stamps, $9.6 billion; and the list goes on and on.

Congress has not lived up to its own laws in recent years in enacting Federal budgets that are not balanced. Section 7 of Public Law 95-435 states:

Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Mr. President, this is a public law authored by my good friend and colleague Senator HARRY F. BYRD, JR. Virginia. It has been ignored by the Congress the past 2 fiscal years. A constitutional amendment is the only way. Congress must obey the Constitution.

Mr. President, as many former Governors in this body know, State governments have been much more capable of managing their budgets than has the Federal Government. Annually, more States incur surpluses instead of deficits, although that, too, is becoming more difficult. The principal reason is that most States have constitutional prohibitions on spending more than what is received in revenues.

My State of South Carolina has a statute and a constitutional provision, as well as a rule of the House of Representatives, that revenues and expenses must be balanced and, if revenues fall, legislative action must be taken to reduce expenses. Balanced budgets by governments can be achieved. A constitutional amendment is clearly the best way to do it.

Mr. President, during the subcommittee hearings on Senate Joint Resolution 58 and the related measures that were before the subcommittee, testimony was heard from almost every conceivable quarter. Economists, constitutional scholars, law professors, businessmen, trade groups, Government officials, and numerous Members of Congress filled our extensive hearing record with views and advice on how this legislation should be drafted.

A few who testified opposed outright the proposal for a constitutional amendment to balance the budget saying that it is unworkable and places an economic straitjacket on the Congress and the President. We have considered those criticisms and have included in the proposed amendment

several changes to meet those criticisms for a suspension of the effect of the amendment following a declaration of war by the Congress. The Congress also has a certain amount of flexibility in the consideration and adoption of the statement of receipts and outlays. It may be a simple statement or as complex as is necessary to describe the anticipated revenues and expenditures in the fiscal year being addressed.

Mr. President, Senate Joint Resolution 58 adopts a consensus approach on several key issues. It represents the views and criticisms of a wide variety of legal and economic experts and knowledgeable citizens. It has been debated on this floor for 11 days. It will be submitted to the States, if approved by the Congress, for their study and ratification. We cannot afford to debate the matter further. The time has finally come for the Senate to vote on a constitutional amendment to balance the budget. Senator HATCH, Senator DECONCINI, Senator HEFLIN, and others on the Judiciary Committee should be recognized for their efforts to bring this matter to the Senate floor. I will elaborate on those efforts prior to the vote.

CONCLUSION

Mr. President, this legislation is the result of a broad, bipartisan effort. The fact that there are now 63 cosponsors on Senate Joint Resolution 58 speaks for itself. If Senators have not joined by now, I urge them to do so before we vote on this matter. It is late in the year. The time is right. I urge Senators to vote favorably on Senate Joint Resolution 58.

Mr. President, I have waited 28 years to witness the Senate vote on a constitutional amendment to balance the Federal budget. Senate Joint Resolution 58 can restore our Government to a position of efficiency, fairness, and responsiveness to the American people. It is simple, straightforward, and reverses two inclinations which now exist—toward increased spending and increased taxes. If we can turn these two around, then we are on our way toward a balanced budget. I urge my colleagues to adopt this constitutional amendment.

Mr. PERCY. Mr. President, I rise in support of Senate Joint Resolution 58, the resolution before us that will amend the Constitution to give Congress a mechanism to balance the budget.

We are considering here today a resolution that would conform the Federal budget to the standards of many States, including my own State of Illinois. The Governor of our State is constrained by a balanced budget and must work diligently throughout the year to keep revenues and spending in balance.

It is that regimen of working constantly throughout the year for balanced budgets that this resolution, when added to the Constitution, will impose. Just as a major corporation, the corner store, and families must juggle their income and spending, so too should the Federal Government.

The fact is that in the past 20 years, however, we have only had one balanced budget. So the record of the Federal Government on this score is not good.

We began to address the problem of Federal fiscal policies back in 1973 and 1974. At that time, I worked closely with Senator Sam Ervin to write the Budget Reform Act of 1974. That gave Congress a semblance of fiscal order. It gave us, for the first time, a comprehensive mechanism to view spending in its totality. Before, appropriations bills had come to the floor one by one and we never had a complete picture of where we were or where we were going.

The Budget Reform Act changed that. Like a business, we began to have a better understanding of spending decisions' impact on the economy. We began to cope with economic forecasts that form the basis of all projections for Federal spending and revenue developments. This experience with the budget process has been far from perfect, but it has given us the type of experience we will need when this resolution takes effect in a few years. The statement of outlays and revenue required by this resolution will not be too different from the first budget resolution we now have.

Unlike the present budget process, however, Senate Joint Resolution 58 will give budgeting some new teeth that it does not now have. These new tools will give us a better chance to balance the budget and bring spending and taxes in line.

But before I continue with a description of how I think the balanced budget will help, I want to spend just a moment on the reasons why we have to turn to this last resort; namely, amending the Constitution.

The budget process that we created in 1974 has been an important step toward fiscal discipline. I am proud to be an original coauthor of that legislation.

But legislation alone is not enough. The fiscal record just since 1974 is evidence enough of that.

Spending continues to grow at an ever-increasing clip even with this legislative control mechanism. On top of that, we passed a law in 1979 that mandated that Congress balance the budget in fiscal 1981. The $58 billion deficit of that year shows the ineffectiveness of that simple law.

In addition to these growing deficits, Federal spending continues to consume an ever larger share of our national income. The Federal budget has not been tamed and is growing beyond the historical limits of Federal Government involvement in the economy.

Mr. President, I ask unanimous consent that a table be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal Government outlays—share of economy

Fiscal year:	*Percent of GNP*
1964	19.2
1965	17.9
1966	18.6
1967	20.3
1968	21.4
1969	20.2
1970	20.2
1971	20.4
1972	20.4
1973	19.6
1974	19.5
1975	22.5
1976	22.7
1977	22.0
1978	22.0
1979	21.4
1980	23.0
1981	23.7
1982 estimate	24.2
1983 estimate	22.5
1984 estimate	21.6
1985 estimate	21.1

Source: 1983 Budget of the President.

Mr. PERCY. This table shows so well how rapidly Federal spending is growing. We are departing from the norm of the 1950's and early 1960's when Government outlays ran at about 19 percent of GNP. You will notice that since 1975, we have hit a new, higher plateau with spending hitting 22 percent of GNP. Last year, spending as a share of GNP hit an all-time high of 23.7 percent and this year the President estimates it will climb even higher to over 24 percent, despite our $130 billion spending reduction implemented this year.

Economists have been telling us for some time that the large deficits we have experienced—totalling about $400 billion just for the 1970's—are the root cause of the inflation that has wracked the economy for so long. These large deficits must be paid for in some fashion and it is left to the Federal Reserve to take care of them by printing money to cover them. The dictionary defines inflation as an increase in the volume of money and credit relative to the goods available. For most Americans, that is manifested in a general rise in the price of goods, but that is only the symptom. The cause stems from monetizing all that Federal debt, which now exceeds $1 trillion.

Mr. President, I recently received a letter from my good friend, Dr. Milton Eisenhower, about Senate Joint Resolution 58 and he makes some of these same points about the economic need for this resolution. Dr. Eisenhower writes:

I have been among those who have worked actively for a constitutional amendment which would require the Federal Government to maintain a balanced budget, save in emergency situations when the Congress by three-fifths vote and the approval of the President could incur a deficit.

Dr. Eisenhower continues:

Obviously this would not normally be sound procedure, but it is far better than the undisciplined actions of the legislative establishment which has ignored fiscal responsibility and now, after nearly 50 years of reckless actions, our Nation is near economic collapse.

Clearly the time has come for strong action that will begin to right the course we are on now. I, for one, do not approach amending the Constitution lightly. It is the supreme law of our land and is dearly loved by all Americans. We must exercise care when we amend it. It has served us well for nearly 200 years and it is my hope that it will retain the flexibility that has made it our guiding light for so long.

The amendment before us, which I have cosponsored, does maintain that flexibility. It requires the Congress to set forth its planned spending and revenues each year and then directs that the plan, with spending and revenues in balance, be honored. If Congress chooses to exceed this planned balance, it need only vote by three-fifths to do so. Deficit spending is not prohibited, but the spending bias that now exists is reversed in favor of spending and taxing restraint.

The Judiciary Committee reported a resolution several years ago that went this far but had a glaring fault. It would have sanctioned a balanced budget through higher taxes. I could not support that resolution and I am grateful the committee went back to the drawing board last year. Senate Joint Resolution 58 is much better in its present form because it limits taxes to the growth in the national economy unless Congress votes to do otherwise.

This provision should contain Federal revenue growth. It will eliminate the so-called bracket creep that has automatically pushed taxpayers into higher and higher tax brackets in recent years. The Federal Government has been the beneficiary of the bracket creep for it has brought in more revenue without forcing Congress to vote for a tax increase. Under Senate Joint Resolution 58, Congress would have to vote if it wanted a tax rise.

The resolution reported by the Judiciary Committee was, however, still not perfect in every way.

I have worked with my colleagues—Senator DOMENICI, the chairman of the Budget Committee—and Senator CHILES—to fashion an amendment that would cover some problems we have diagnosed in Senate Joint Resolution 58. The Senate voted on our amendment a few days ago and I was gratified that it passed 97 to 0. I will not repeat my comments that I spoke at that time, but let it suffice to say that our amendment will first, make sure that the President will not inadvertently be given new grants of authority over spending in this resolution; and second, Federal loan guarantees will not be allowed to proliferate. We have plugged the loan guarantee loophole with this amendment, thereby removing one of my greatest concerns with Senate Joint Resolution 58.

I have also voted for other amendments that I felt would improve Senate Joint Resolution 58.

An amendment was offered to broaden section 3 so that Congress could waive the resolution in cases of war. I have seen instances during my lifetime when we were not in a war, but a national emergency demanded swift action. This section should not prevent us from responding to a military or economic threat declared by Congress. A floor amendment was offered to broaden this exemption to include national emergencies. It failed, even though the President has expressed his support recently for just such an exemption.

I also supported an effort to preclude the courts from becoming overly involved in spending decisions. That role is given explicitly to the Congress by the Constitution. But I am concerned that activist judges could become deeply involved in budget decisions. Forty-five of us supported this worthy amendment and I am disappointed it did not carry.

Overall, however, this is a sound resolution. It is not perfect, but I will vote for its final passage. We need the fiscal discipline it will impose on Congress. These unusual times, with very large deficits and extraordinary interest rates, demand it. The people of Illinois have been demanding it for years.

In closing it might be useful to point to a recent capital markets study conducted by Oppenheimer & Co. A significant group of the largest money managers on Wall Street and across the Nation believe congressional enactment of this resolution this year will impact favorably on currently high interest rates. What is more, they could see an impact with the next 12 months or less.

So I will support Senate Joint Resolution 58 because it is a relatively flexible amendment that will bring some order to our fiscal house while honoring the flexibility that has been the hallmark of our Constitution.

Mr. ZORINSKY. Mr. President, in early 1977, when I arrived in the Senate, one of my first acts was to cosponsor a proposed constitutional amendment requiring a balanced Federal budget. My reasoning was simple. The people of Nebraska, who had sent me here as their representative, overwhelmingly favored this idea. So, of course, did I. We felt that a constitutional requirement was the only way the budget would ever be balanced on the Federal level.

Five and a half years later, Mr. President, I am more convinced of that than ever. All recent administrations have enthusiastically embraced the concept of a balanced budget. And several have worked hard to achieve a balanced budget. Unfortunately, despite the best of intentions, such efforts have repeatedly fallen short of their goal. To me, that is a persuasive argument for the resolution before us today.

Of course, 5 years ago, when I first cosponsored a Senate resolution calling for a constitutionally mandated balanced budget, I was a member of a pretty select group. We were called radicals and revolutionaries for championing such a preposterous idea. Some told us what we were talking about just could not be done. Still others said it should not be done.

I did not listen to either group. Instead, I continued to listen to the people of Nebraska. And I listened to my own conscience. It did not know much about Keynesian economics or about fiscal policy or about any other kind of economic policy. It only knew that, as a small businessman for 23 years, if I did not balance my checkbook, I would not stay in business. It also knew that every other resident of my State had to live by the same standard. They had to balance their checkbooks, if not every month then certainly over the course of a year. It knew that the State government of Nebraska had to balance its checkbook. And it knew that the city of Omaha, whose mayor I was before coming here, had to balance its checkbook. So why, my conscience asked, should the Federal Government be any different? Why should it be able to spend money indiscriminately, irrespective of how much money was coming in? Why should not it, too, have to balance its checkbook?

Now, that is a rather simple way of looking at things, I will admit. It is certainly a lot simpler than Keynesian economic theory. But I stuck with it. And a funny thing happened over the years. That relatively small band of cosponsors and backers in 1977 began to grow. Perhaps it had something to do with all those Federal deficit figures coming out of Washington, a hemorrage of red ink that fewer and fewer politicians could ignore. Or perhaps it was the American people themselves, who become increasingly disgusted with the special license the Federal Government seemed to have—a license to print as much money as it needed, regardless of how much money it had, to fund its bloated budgets year after year.

And, today, as we debate Senate Joint Resolution 58 on the Senate

floor, it has more than 60 cosponsors. It was a long time coming, but I think perhaps the message has finally arrived in the halls of the Senate that the United States ought to balance its budget just like everyone else.

The argument is made that this resolution is too rigid, that a certain amount of flexibility is needed when a 1-percent change in unemployment can add or subtract $30 billion from the deficit.

By way of an answer, I would ask my colleagues, how much flexibility do you want? Provision is made in Senate Joint Resolution 58 for reestimation of budget targets if warranted by changing economic circumstances. Congress may at any time provide for specific deficits by a three-fifths vote of both Houses. And provisions of Senate Joint Resolution 58 would be set aside automatically in the event of war.

All this resolution would do is establish balanced budgets as the norm for the Federal Government. State legislatures, working under similar constitutional provisions, have demonstrated the practicality of balanced budget mandates with much stricter restraints than these.

I want to help dispel, also, the notion that a balanced Federal budget is somehow a new or radical idea. The fact is we have operated with a balanced Federal budget through three-quarters of our Nation's history. As one of my colleagues put it during the the debate last week, Senate Joint Resolution 58 proposes not so much a change in the Constitution as a restoration of an idea that the founders of our Nation seem to have accepted without question.

"There does not exist," wrote Thomas Jefferson, the author of the Constitution, "an engine so corruptive of government and so demoralizing of the nation as a public debt. It will bring on us more ruin at home than all the enemies from abroad * * *"

With 200 years' worth of hindsight, I would venture to say Jefferson was not far from wrong.

We have been living with annual budget deficits now for 50 years. For 150 years—years, by the way, in which we grew from a collection of frontier States and wilderness to the mightiest, most powerful, most envied nation on Earth—we managed to keep annual spending in line with tax receipts. We balanced our national checkbook.

And even in the last 50 years, the accumulation of our national debt has been mostly slow and gradual. In 1940, after 8 years of deficit spending, the national debt stood at $50.7 billion. At the close of World War II, after a tremendous buildup in arms and military hardware, the debt was still only $270 billion. Through the 1950's and 1960's, it gained only another $112 billion.

But then came the 1970's. In one inflation-racked decade, the national debt tripled. In fact, it doubled in just the 5 years from 1975 to 1980. Today, it stands at the historic $1 trillion mark. And, unless there is a dramatic change, it will increase another 50 percent—to $1.5 trillion—by 1986. Once again, I ask my colleagues, can there be a better argument for the resolution before us?

Today, $3 out of every $4 borrowed in this country is borrowed by the Federal Government. Is it any wonder interest rates remain stubbornly at 14 percent? Is it surprising that the economic recovery plan we so enthusiastically embraced last year has not lived up to expectations? In the next 6 months, this Nation will borrow an average of $489 million each day to keep the Government going. To service our trillion-dollar debt, we will pay more than $130 billion in interest in the next fiscal year.

Somewhere, someday, sometime, somehow, this cycle of ever-growing, never-ending deficit spending must stop. It is sapping our economic strength and turning us into a nation of deficit-finance junkies, hooked on the habit of forever spending more than we take in. It will not be easy to turn things around. And it will not happen over night. It is difficult to bring a speeding locomotive to a screeching halt. It is even more difficult to throw it into reverse. But we have got to start somewhere. The time has come for us to act. The time has come for us to apply the breaks, once and for all, to that racing engine of deficit financing.

The Chinese have a saying: "Even the longest journey must begin with a single step." There is a long journey ahead of us if we are going to reverse the trend of the last 50 years. Let us take that first step by approving Senate Joint Resolution 58 at the close of this debate.

Mr. ARMSTRONG. Mr. President, yesterday I pointed out the similarity between the constitutional amendment now being considered by the Senate and the well-tested similar provisions of many State constitutions.

For the benefit of all Senators I submit the following report of such provision.

The report follows:

SUMMARY OF CONSTITUTIONAL PROVISIONS ON BORROWING FOR CASUAL DEFICITS AS OF DEC. 31, 1978

Type of provision	Number of States	States
No authority exists:		
Without constitutional amendment.	3	Florida, Montana, and North Dakota.
Without approval by referendum.	1	Arkansas.
Authority limited to a fixed dollar amount [1].	18	Alabama, Arizona, California, Colorado, Idaho, Iowa, Kansas, Kentucky, Missouri, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Washington, and Wisconsin.

SUMMARY OF CONSTITUTIONAL PROVISIONS ON BORROWING FOR CASUAL DEFICITS AS OF DEC. 31, 1978—Continued

Type of provision	Number of States	States
Limitation on borrowing for casual deficits is included in the ceiling on the total amount of debt outstanding expressed as:		
A percent of total assessed valuation for general property taxation [2].	3	Nevada, Utah, and Wyoming.
A percent of State revenue [3].	2	Mississippi and New Jersey.
Casual deficit borrowing is stated as a percent of total revenues:		
Which must be repaid prior to the end of the fiscal year [4].	5	Georgia, Illinois, Maine, Michigan, and Rhode Island.
Which must be repaid within a year of the date of issue [5].	2	(Illinois), Louisiana, Virginia.
Short-term debt is allowed without limitation if the indebtedness is repaid:		
Prior to the end of the fiscal year.	1	Hawaii.
Within a year of the date of issue or prior to the end of the next fiscal year [6].	4	Alaska, New York, Pennsylvania, and South Carolina.
Legislative authorization to borrow for casual deficits generally exists without restrictions as to amount of indebtedness or terms of debt service and redemption [7].	11	Connecticut, Delaware, Indiana, Maryland, Massachusetts, Minnesota, New Hampshire, North Carolina, Tennessee, Vermont, and West Virginia.

[1] See table for detailed description.

[2] Limitations based on stated percentages of assessed valuations amounted to the following debt ceilings during fiscal year 1977: $39,000,000 in Nevada, $48,000,000 in Utah, and $25,000,000 in Wyoming.

[3] The authorization to borrow in Mississippi amounted to $1,800,000 to $2,600,000 depending on the interpretation of "State revenue" for fiscal year 1978 and to $68,000,000 in New Jersey also for fiscal 1978.

[4] Computations based on fiscal year 1977 data indicated a ceiling for Georgia of $159,000,000. Illinois borrowing in anticipation of revenues was limited to $268,000,000 during fiscal year 1977. In Michigan, borrowing in anticipation of revenues during fiscal year 1977 was limited to $139,000,000 and in Rhode Island to $132,000,000 in fiscal 1977. In Rhode Island there is the additional provision that no money shall be borrowed unless all money previously borrowed under such a provision is repaid. The Maine limitation is the lesser of 1 percent of total property tax valuation or 10 percent of "undedicated revenues" which in fiscal year 1977 amounted to $86,000,000 under the former and $42,000,000 under the latter.

[5] In Illinois there is also a separate authorization "for emergencies or failures of revenue" (amounting to $1,600,000 during fiscal year 1977). The comment in Illinois, Smith-Hurd Annotated Statues (p. 244) is as follows: "These authorizations apparently can be combined to allow up to an amount equal to 20 percent of State appropriations." In Virginia, the permissible amount for 1-year loans during fiscal year 1977 was about $585,000,000.

[6] In New York notes in anticipation of authorized bond issues may extend to 2-year maturitites and notes in anticipation of bond sales for construction of housing may be issued for 5 years. In Pennsylvania the debt limit does not apply to the financing of expenditures to rehabilitate areas affected by man-made or natural disasters.

[7] In Minnesota, constitutional provisions limit certificate of indebtedness to total biennial appropriations which may be refunded for an additional 17 months if not repaid prior to the end of the biennial period. Statutory provisions in New Hampshire set limitations on borrowing in anticipation of various types of revenues. A 1971 Tennessee statute added the "full-faith-and-credit pledge of the State to tax anticipation notes issued by Tennessee.

Source: CRS compilation on constituitonal provisions of the 50 States. Op.cit. Financial data on which the computations were based were derived from "State Tax Collections" issued by the U.S. Bureau of the Census, "Moody's Government Manual, 1978," and State budget documents.

AMOUNT OF BORROWING AUTHORIZED BY CONSTITUTIONAL PROVISIONS FOR CASUAL DEFICITS RELATED TO FISCAL YEAR 1977 STATE TAX COLLECTIONS

State	Year of provision's adoption	Amount	
		Limitation (thousands)	Fiscal year 1977 taxes (millions)
Alabama	1901	$300	$1,404
Arizona	1912	350	1,160
California	1879	[1] 300	12,589
Colorado	1876	100	1,077
Idaho	1890	[1] 2,000	368
Iowa	1857	250	1,293
Kansas	1861	[1] 1,000	969
Kentucky	1891	500	1,560
Missouri	1945	1,000	1,598
Nebraska	1875	100	613
New Mexico	1912	200	598
Ohio	1851	750	3,571

AMOUNT OF BORROWING AUTHORIZED BY CONSTITUTIONAL PROVISIONS FOR CASUAL DEFICITS RELATED TO FISCAL YEAR 1977 STATE TAX COLLECTIONS—Continued

State	Year of provision's adoption	Amount	
		Limitation (thousands)	Fiscal year 1977 taxes (millions)
Oklahoma	1907	500	1,139
Oregon	1859	50	973
South Dakota	1889	100	200
Texas	1876	200	4,750
Washington	1889	400	2,100
Wisconsin	1848	100	2,733

[1] The limitation includes all State purposes including casual deficits.

PROCEDURAL REQUIREMENTS FOR THE INCURSION FOR STATE LONG-TERM INDEBTEDNESS AS OF DEC. 31, 1978

Constitutional amendment (15 States)	Ratified by a popular referendum (18 States)	Legislative authorization	
		Without a stated ceiling (11 States)	With a limitation (6 States)
Alabama	Alaska	Connecticut	Georgia [11]
Arizona	California	Delaware [10]	Hawaii [12]
Arkansas	Florida [5]	Illinois [10]	Mississippi [13]
Colorado	Idaho	Louisiana [10]	Pennsylvania [14]
Indiana [1]	Iowa	Maryland	South Carolina [15]
Missouri	Kansas	Massachusetts	Wisconsin [16]
Nebraska	Kentucky	Minnesota [10]	
Nevada [2]	Maine	Montana [10]	
North Dakota	Michigan	New Hampshire	
Ohio	New Jersey [6]	Tennessee	
Oregon	New Mexico [7]	Vermont	
South Dakota [3]	New York		
Texas	North Carolina		
Utah [4]	Oklahoma		
West Virginia [1]	Rhode Island		
	Virginia [8]		
	Washington		
	Wyoming [9]		

[1] Does not apply to borrowing for casual deficits which is allowed without limitation as to maximum amount or term of indebtedness.

[2] The 1977–79 biennial budget estimates the debt ceiling for general obligation bonds at $38,800,000 (i.e., 1 percent of the total State assessed valuation) and the "unused bonding capacity" at $31,300,000 (i.e., without requiring a constitutional amendment).

[3] State indebtedness without constitutional amendment is limited to ½ percent of total assessed valuation for specified capital outlays. The State no longer levies a property tax.

[4] General obligation borrowing under the constitutional limitation is set at 1.5 percent of taxable property valuation; however the State does not levy a property tax. Specified nonproperty taxes are designated in constitutional amendment authorizing debt presently outstanding.

[5] General obligation bonds for capital projects other than schools and highways cannot exceed 50 percent of total State taxes for 2 preceding years (i.e., $3,100,000,000 during fiscal year 1978). Referenda are required for project approval and for taxes which will provide the funds for debt service and redemption.

[6] In practice, a referendum is required for all State general obligation borrowing since the amount of total debt outstanding equivalent to 1 percent of total appropriations in New Jersey presently accounts for about $68,000,000. A referendum is also required for the provision of taxes to service and retire the bond issue.

[7] For fiscal year 1977, the ceiling of 1 percent of total assessed valuation ($32,500,000) afforded a margin of $7,500,000 for borrowing without a referendum. A referendum is also required for the approval of taxes to service and retire the bond issue.

[8] The ceiling for fiscal year 1978 amounted to $484,700,000 (i.e., 25 percent of 1.15 times the annual average of general sales and income taxes for the 3 fiscal years preceding incurrence of debt).

[9] A referendum is required if the proposed indebtedness together with the debt outstanding exceeds the sum equivalent to 1 percent of the States assessed valuation or $24,800,000; a referendum is also required if current revenues are not sufficient to meet debt service requirements.

[10] Constitutions require an extraordinary margin for enactment: in Delaware ¾ of the membership in the General Assembly; in Louisiana, Montanna, and Massachusetts ⅔; and in Illinois and Minnesota ⅗. Popular referendum for approval of indebtedness is an option in Illinois and Montana.

[11] The State treasurer's office determines the amount of total indebtedness which can be outstanding in terms of the total general obligations and guaranteed debt which can be serviced by 15 percent of the total net Treasury receipts. (For fiscal year 1974, the estimated authorized debt was $345,000,000.)

[12] According to the certificate of total indebtedness of the State of Hawaii as of Nov. 1, 1977, the amount equivalent to 3.5 times the average net general revenues of 3 fiscal years preceding was $2,333,000,000. The margin of debt to be issued was $372,000,000.

[13] The sum equivalent to 1.5 times the total State revenues in the highest of 4 preceding fiscal years provides a debt limitation of $1,800,000,000 if based on revenues from own sources. (If computation is total general revenues, the amount is $2,600,000,000.)

[14] All net debt for capital projects cannot exceed 1.75 times the average of annual tax revenues for the previous 5 years—$9,200,000,000 in fiscal year 1979. Debt may be issued outside of the limit if approved at a referendum.

[15] The ceiling on general obligation bonds is stated in terms of 7 percent of State general revenues devoted to debt service or $149,500,000.

[16] The State's Legislative Audit Bureau determines the constitutionally mandated debt stated as the lesser of 0.75 percent of the aggragate value of all taxable property or 5 percent of the taxable valuation offset by the total public debt, bond security fund, and net indebtedness of the building corporations. (The ceiling for fiscal year 1974 under the first alternative amounted to $341,000,000.)

STATE CONSTITUTIONAL PROVISIONS CONCERNING THE AUTHORITY OF THE GENERAL ASSEMBLY TO CONTRACT DEBTS

(As of December 31, 1978)

ALABAMA—ARTICLE XXIII, SECTION 213

Prohibits the creation of any State debt whatsoever . . . "provided, the Governor may be authorized to negotiate temporary loans never to exceed three hundred thousand dollars, to meet the deficiencies in the Treasury, and until the same is paid no new loan shall be negotiated;" constitutional amendment XXVI (1933) took over unpaid warrants outstanding on September 30, 1932 ($16.9 million) and other provisions in Acts, 1932, Extraordinary Session, p. 298; also declared null and void any warrants issued after the adoption of the amendment to the extent that funds were not on hand to cover payments (i.e., all State creditors would receive a pro-rata share of funds available). A November 7, 1978 amendment authorized State bonded indebtedness up to $15 million for the improvement of penal and correctional institutions.

ALASKA—ARTICLE IX, SECTIONS 8 AND 10

"No State debt shall be contracted unless authorized by law for capital improvements and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law, and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective." (Section 8)

"The State and its political subdivisions may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year." (Section 10)

ARIZONA—ARTICLE IX, SECTION 5

"The State may contract debts to supply the casual deficits or failures of revenues, or to meet expenses not otherwise provided for; but the aggregate amount of such debts, direct or contingent, whether contracted by virtue of one or more laws, or at different periods of time, shall never exceed the sum of three hundred and fifty thousand dollars; and the money arising from the creation of such debts shall be applied to the purpose for which it was obtained or to repay the debts so contracted, and to no other purpose." In addition the State may borrow money to "repel invasion, suppress insurrection, or defend the State in time of war"; but the money thus raised shall be applied exclusively to the object for which the loan shall have been authorized or to the repayment of the debt thereby created.

ARKANSAS—ARTICLE XVI, SECTION 1

Prohibits the issuance of State indebtedness of any kind except by referendum. The State cannot issue any interest bearing Treasury warrants or script.

CALIFORNIA—ARTICLE XVI, SECTION 1

"The Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any debts or liabilities exceed the sum of three hundred thousand dollars ($300,000), except in the case of war to repel invasion or suppress insurrection, unless the same shall be authorized by law for some single object or work to be distinctly specified therein which law shall provide ways and means, exclusive of loans, for the payment of the interest of such debt or liability as it falls due, and also to pay and discharge the principal of such debt or liability within 50 years. . . ." Law must be ratified by popular referendum.

COLORADO—ARTICLE XI, SECTION 3

". . . debt to provide for casual deficiencies of revenue . . . (after the valuation of the State shall equal one hundred million of dollars) . . . shall not exceed one hundred thousand of dollars."

CONNECTICUT—NO CONSTITUTIONAL LIMITS

The legislature may provide for the issuance of State debt in the same manner as for other State purposes. (Statutory provisions, however, stipulate that total State debt is not to be in excess of 4½ times the total tax receipts during any fiscal year.)

DELAWARE—ARTICLE VIII, SECTION 3

"No money shall be borrowed or debt created by or on behalf of the State but pursuant to an Act of the General Assembly, passed with the concurrence of three-fourths of all the members elected to each House, except to supply casual deficiencies of revenue, repel invasion, suppress insurrection, defend the State in war, or pay existing debts; and any law authorizing the borrowing of money by or on behalf of the State shall specify the purpose for which the money is to be borrowed, and the money so borrowed shall be used exclusively for such purpose; but should the money so borrowed or any part thereof be left after the abandonment of such purpose, or the accomplishment thereof, such money, or the surplus thereof, may be disposed of according to law."

FLORIDA—ARTICLE VII, SECTION 11a

"State bonds pledging the full faith and credit of the state may be issued only to finance or refinance the cost of state capital projects upon the approval by a vote of the electors provided that the outstanding principal shall never exceed fifty percent of total state taxes for the two preceding fiscal years." (Does not include bonds for schools and highways covered by Article XII.)

GEORGIA

A constitutional amendment approved on November 7, 1972, completely revised the former prohibition against direct State debt. Under the new provisions, the State may borrow to cover temporary deficits up to five percent of the total revenue receipts, less refunds, of the State Treasury in the fiscal year immediately preceding and any debt so incurred shall be repaid before the last day of the fiscal year in which it is incurred. No debt may be incurred for general obligation or guaranteed revenue obligations if the highest annual debt service requirements for the then current year or any subsequent fiscal year exceed fifteen percent of the total revenue receipts, less refunds, of the State treasury in the fiscal year immediately preceding. ("Debt service" includes interest and repayments of principal.)

HAWAII—ARTICLE VI, SECTION 3 (6TH PARAGRAPH)

"Bonds to meet appropriations for any fiscal period or to meet casual deficits or failures of revenue, if required to be paid within one year, may be issued by any political subdivision under authorization of law and of its governing body without regard to any debt limit." A constitutional amendment adopted in 1968 repealed the debt lim-

itation measure by a percentage of property valuation. The provision now reads, "Bonds may be issued by State when authorized by a two-thirds vote of members to which each House of Legislature is entitled, provided that such bonds at time of authorization would not cause total of State indebtedness to exceed a sum equal three and one-half times average of general fund revenues of State in three fiscal years immediately preceding session of Legislature authorizing such issuance." (Text of constitutional amendments adopted at the November 7, 1978 election is not available.)

IDAHO—ARTICLE VIII, SECTION 1

This provision sets the debt limit at two million dollars except in case of war, to repel an invasion, or suppress an insurrection, and for capital improvements authorized for some single object or work to be distinctly specified therein when approved by voters at a general election. The law shall provide for the payment of interest on such debt and liability as it falls due within twenty years of the time of contracting thereof.

ILLINOIS—ARTICLE IX, SECTION 9, SUBSECTIONS A–F

Section 9 in the Constitution of 1970 has no counter part in previous State constitutions. Its six subsections include: a broad definition of "State debt" which includes both direct and indirect obligations; an authorization to contract debt either by a three-fifths vote of the legislature or a general referendum; a limitation on debt in anticipation of revenues; a limitation on borrowing to meet emergencies or deficiencies in revenues; authorization to refund outstanding debt within the term of maturities of the existing debt; and permission to contract direct and indirect State debt without the pledge of the State's tax revenues or full faith credit. The text of sections b through d follows.

"State debt for specific purposes may be incurred or the payment of State or other debt guaranteed in such amounts as may be provided either in a law passed by the vote of three-fifths of the members elected to each house of the General Assembly or in a law approved by a majority of the electors voting on the question at the next general election following passage. Any law providing for the incurring or guaranteeing of debt shall set forth the specific purposes and the manner of repayment." (Section 9b)

"State debt in anticipation of revenues to be collected in a fiscal year may be incurred by law in an amount not exceeding 5 percent of the State's appropriations for that fiscal year. Such debt shall be retired from the revenues realized in that fiscal year." (Section 9c)

"State debt may be incurred by law in an amount not exceeding 15 percent of the State's appropriations for that fiscal year to meet deficits caused by emergencies or failures of revenue. Such law shall provide that the debt be repaid within one year of the date it is incurred." (Section 9d)

("Constitutional Commentary" in the Smith-Hurd Annotated Statutes, Volume I, p. 244 states the following concerning subsections 9(c) and 9(d): These authorizations apparently can be combined to allow revenue-anticipating financing, if the requisite circumstances exist, up to an amount equal to 20 percent of the "State's appropriation.")

INDIANA—ARTICLE 10, SECTION 5

"No law shall authorize any debt to be contracted on behalf of the State, except in the following cases: To meet casual deficits in the revenue, to pay the interest on the State debt; to repel invasion, suppress insurrection, or if hostilities be threatened, provide for the public defense." (A recent history of the use of the "casual deficit" provision is not available. For a description of earlier uses see "Indiana State Finance II," in Business Conditions published by Federal Reserve Bank of Chicago, February 1947.)

IOWA—ARTICLE VII, SECTIONS 2, 4, 5, 7, AND 8

"The State may contract debt to supply casual deficits or failures in revenues, or to meet expenses not otherwise provided for; but the aggregate amount of such debts, direct and contingent whether contracted by virtue of one or more acts of the General Assembly, or at different periods of time, shall never exceed the sum of two hundred and fifty thousand dollars. . . ." (Section 2)

Except for Section 2 above and loans to repel invasion, suppress insurrection, and defend the State in time of war (Section 4), State debt can only be incurred by a procedure similar to that of amending the constitution (Section 5). The debt must be authorized for a single work or a distinctly specified object; the authorization must impose a direct annual tax sufficient to pay interest and principal as it becomes due within 20 years from the time the debt is contracted; and it must receive a majority of all votes cast at a general election in anticipation of which prescribed notice to voters shall have been given.

KANSAS—ARTICLE 11, SECTIONS 6 AND 7

"For the purpose of defraying extraordinary expenses and making public improvements, the State may contract public debts; but such debts shall never, in the aggregate, exceed one million dollars, except as hereinafter provided." Every law authorizing a debt must specify a purpose and levy a tax which cannot be repealed until the principle and interest is discharged. Section 7 directs that such laws be submitted to the voters for approval at some general election.

KENTUCKY—SECTIONS 49 AND 50

"The General Assembly may contract debts to meet casual deficits or failures in the revenue; but such debts, direct or contingent, singly or in the aggregate, shall not at any time exceed five hundred thousand dollars." (Section 49)

All other debt must be authorized at a general election. An annual tax must be provided to discharge the debt within 30 years. (Section 50)

LOUISIANA—ARTICLE 7, SECTIONS 6 AND 7

The five subsections of Section 6 make the following provisions concerning the contracting of State debt:

A. Any direct or indirect debt by the State or by a State board, agency, or commission must be approved by two-thirds of the elected members of each house of the legislature. "The debt may be incurred or the bonds issued only if the funds are to be used to repel invasion; suppress insurrection; provide relief from national catastrophies; refund outstanding indebtedness at the same or lower effective interest rate; or make capital improvements, but only in accordance with a comprehensive capital budget, which the legislature shall adopt."

B. The comprehensive capital budget shall list the nature and location of the project, the amount allocated, and the order of priority.

C. Full faith and credit of the State is pledged for all the purposes enumerated and may or may not be pledged for revenue bonds issued with the approval of the State Bond Commission (Section 8 of Article 7).

D. The legislature may submit to public referendum any proposal for the incurrence of debt for any purpose not authorized by a two-thirds vote of the elected members of each House.

E. "Nothing in this Section shall apply to any levee district, political subdivision, or local public agency unless the full faith and credit of the State is pledged to the payment of the bonds of the levee district, political subdivision or local public agency."

In Section 7 provision is made for emergency borrowing as determined by the Interim Emergency Board and the written consent of two-thirds of the elected members of each House of the legislature. The amount so authorized cannot exceed one-tenth of one percent of total State revenue receipts for the previous fiscal year. Repayment of such debt shall be the first priority on the State general fund in the succeeding fiscal year.

MAINE—ARTICLE IX, SECTION 14

Provides that the total State debt should not "exceed two million dollars, except to suppress insurrection, repeal invasion, for war purposes; and except for temporary loans to be paid out of money raised by taxation during the fiscal year in which they are made. . . ." All other debt must be authorized by a two-thirds vote of both Houses and approved by a majority of voters at a general election. "Temporary loans to be paid out of moneys raised by taxation during any fiscal year shall not exceed in the aggregate during the fiscal year in question an amount greater than 10 percent of all the moneys appropriated, authorized and allocated by the legislature from undedicated revenues to the General Fund and dedicated revenues to the Highway Fund for that fiscal year, exclusive of proceeds or expenditures from the sale of bonds, or greater than 1 percent of the total valuation of the State of Maine, whichever is the lesser. (Amendment CVII (1965) and Amendment CXII (1969))

In November 1976, the following addition (Section 5) to Article V was adopted: "The Legislature shall enact general law prohibiting the use of proceeds from the sale of bonds to fund current expenditures and shall provide by appropriation for the payment of interest upon and installments of principal of all bonded debt created on behalf of the State as the same shall become due and payable. If at any time the Legislature shall fail to make any such appropriation, the Treasurer of State shall set apart from the first General Fund revenues thereafter received a sum sufficient to pay such interest or installments of principal and shall so apply the moneys thus set apart. The Treasurer of State may be required to set apart and apply such revenues at the suit of any holder of such bonds. The prohibition on use of proceeds from the sale of bonds to fund current expenditures shall only apply to those bonds authorized on or after July 1, 1977."

MARYLAND—ARTICLE III, SECTION 34

"No debt shall be hereafter contracted by the General Assembly unless such debt shall be authorized by a law providing for the collection of an annual tax or taxes sufficient to pay the interest on such debt as it falls due, and also to discharge the principal thereof within fifteen years from contracting same. The annual tax or taxes required to be collected shall not be collected in the event that sufficient funds to pay the prin-

cipal and interest on the debt are appropriated for this purpose in the annual State budget . . . but the General Assembly may authorize the Board of Public Works to direct the State Treasurer to borrow in the name of the State, in anticipation of the collection of taxes, such sum or sums as may be necessary to meet temporary deficiencies in the Treasury. . . . The State Treasurer is authorized to make and sell short-term notes for temporary emergencies, but such notes must only be made to provide for appropriations already made by the General Assembly."

The following substitute for Section 34 was defeated by the voters in the November 7, 1978 election.

"Subject to the approval of the Board of Public Works and as provided by law, the State Treasurer is authorized to make and sell short-term notes in the name of the State, in anticipation of the collection of taxes, or other revenues, including the proceeds from the sale of bonds, to meet temporary deficiencies in the treasury but such notes must only be made to provide for appropriations already by the General Assembly. Any revenues anticipated for the purpose of such short-term notes must be so certain as to be readily estimatable both as to the time of the receipt and as to the amount."

MASSACHUSETTS—AMENDMENT ARTICLE LXII SECTIONS 2, 3, AND 4

"The commonwealth may borrow money to repel invasion, suppress insurrection, defend the commonwealth, or to assist the United States in case of war, and may also borrow money in anticipation of receipts from taxes or other sources, such loan to be paid out of the revenue of the year in which it is created." (Section 2)

"In addition to the loans which may be contracted as before provided, the commonwealth may borrow money only by a vote, taken by the yeas and nays, of two-thirds of each house of the general court present and voting thereon. The governor shall recommend to the general court the term for which any loan shall be contracted." (Section 3)

"Borrowed money shall not be expended for any other purpose than that for which it was borrowed or for the reduction or discharge of the principal of the loan." (Section 4)

MICHIGAN—ARTICLE 9, SECTIONS 14, 15, AND 16

"To meet obligations incurred pursuant to appropriations for any fiscal year, the legislature may by law authorize the State to issue its full faith and credit notes in which case it shall pledge undedicated revenues to be received within the same fiscal year for the repayment thereof. Such indebtedness in any fiscal year shall not exceed 15 percent of undedicated revenues received by the State during the preceding fiscal year and such debts shall be repaid at the time the revenues so pledged are received, but not later than the end of the same fiscal year." (Section 14)

"The State may borrow money for specific purposes in amounts as may be provided by acts of the legislature adopted by a vote of two-thirds of the members elected to and serving in each house and approved by a majority of the electors voting thereon at any general election. The question submitted to the electors shall state the amount to be borrowed, the specific purpose to which the funds shall be devoted, and the method of repayment." (Section 15)

Section 16 authorizes the State to borrow under the pledge of its full faith and credit to make loans to school districts.

MINNESOTA—ARTICLE IX, SECTIONS 5, 6, AND 7

Section 5 authorizes the legislature to contract debt by a vote of at least three-fifths of the members of each house of the legislature for the following purposes:

(a) to acquire and to better public land and buildings and other public improvements of a capital nature and to provide money to be appropriated or loaned to any agency or political subdivision of the state for such purposes if the law authorizing the debt is adopted by the vote of at least three-fifths of the members of each house of the legislature;

(b) to repel invasion or suppress insurrection;

(c) to borrow temporarily as authorized in section 6;

(d) to refund outstanding bonds of the state or of any agencies whether or not full faith and credit of the state has been pledged.

(e) establish and maintain highways subject to limitations of Article XIV

(f) promote reforestation, and public and private forests and wildlife preserves

(g) airports and air navigation

(h) State agricultural resources

(i) All other purposes authorized elsewhere in the constitution.

Section 6, restricts "temporary borrowing" to the total fund appropriations for a given biennium. Subdivision 3 has the following detail:

"As authorized by law, certificates of indebtedness may be issued during each biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 into the next odd-numbered year, in anticipation of the collection of taxes levied for and other revenues appropriated to any fund of the state for expenditure during the biennium."

No such certificates shall be issued with respect to any fund when the amount thereof with interest thereon to maturity, added to the then outstanding certificates against the same fund and interest thereon to maturity, will exceed the then unexpended balance of all moneys which will be credited to that fund during the biennium under existing laws; except that the maturities of any such certificates may be extended by refunding to a date not later than December 1 of the first full calendar year following the biennium in which such certificates were issued. If moneys on hand in any fund are not sufficient to pay all non-refunding certificates of indebtedness issued on such fund during any biennium and all certificates refunding the same, plus interest thereon, which are outstanding on December 1 immediately following the close of such biennium, the State auditor shall levy upon all taxable property in the State a tax collectable in the then ensuing year sufficient to pay the same on or before December 1 of such ensuing year, with interest to the date or dates of payment." Other debt may be issued for public land and buildings and other public improvements of a capital nature, for public highways, and to provide monies to be appropriated or loaned to any agency or political subdivision of at least three-fifths other members of each branch of the legislature.

Section 7 provides, "Public debt other than certificates of indebtedness authorized in Section 6 shall be evidenced by the issuance of the bonds of the state. All bonds issued under the provisions of this section shall mature in not more than 20 years from their respective dates of issue and each law authorizing the issuance of bonds shall distinctly specify the purposes thereof and the maximum amount of the proceeds authorized to be expended for each purpose. The state treasurer shall maintain a separate and special state bond fund on his official books and records. When the full faith and credit of the state has been pledged for the payment of bonds, the state auditor shall levy each year on all taxable property within the state a tax sufficient with the balance then on hand in the fund to pay all principal and interest on bonds issued under this section due and to become due within the ensuing year and to and including July 1 in the second ensuing year. The legislature by law may appropriate funds from any source to the state bond fund. The amount of money actually received and on hand pursuant to appropriations prior to the levy of the tax in any year shall be used to reduce the amount of tax otherwise required to be levied."

MISSISSIPPI—ARTICLE 4, SECTION 115

"Neither the State nor any of its direct agencies, excluding the political subdivisions and other local districts, shall incur a Bonded indebtedness in excess of one and one-half (1½) times the sum of all the revenue collected by it for all purposes during any one of the preceding four fiscal years, whichever year might be higher."

MISSOURI—ARTICLE III, SECTION 37(2)

"On the recommendation of the governor, for a temporary liability to be incurred by reason of unforseen emergency or casual deficiency in revenue, in a sum not to exceed one millon dollars for any one year and to be repaid in not more than five years from its creation, and (3) when the liability exceeds one million dollars, the general assembly as on constitutional amendments, or the people by the initiative may also submit a measure containing the amount, purpose and terms of the liability, and if the measure is approved by a majority of the qualified electors of the State voting thereon at the election, the liability may be incurred and the bonds issued must be retired serially and by installments within a period not exceeding twenty-five years from their date. Before any bonds are issued under this section the general assembly shall make adequate provision for the payment of the principal and interest, and may provide an annual tax on all taxable property in an amount sufficient for the purpose."

MONTANA—ARTICLE VIII, SECTION 8

"No State debt shall be created unless authorized by a two-thirds vote of the members of each house of the legislature or a majority of the electors voting thereon. No State debt shall be created to cover deficits incurred because appropriations exceed revenues."

NEBRASKA—ARTICLE XIII, SECTION 1 AND 3

"The State may, to meet casual deficits or failures in the revenues, contract debts never to exceed in the aggregate one hundred thousand dollars, and no greater indebtedness shall be incurred, except for the purpose of repelling invasion, suppressing insurrection, or defending the State in war . . ." Amendments to this section have authorized borrowing for the construction of highways payable from tolls or from State revenues closely related to the use of highways upon the approval of three-fifths of the Legislature and also the issuance of revenue bonds by the Board of Regents of the

University of Nebraska, the board of Trustees of the Nebraska State Colleges, and the State Board of Education.

Section 3 allows the State to gurantee or make long-term, low-interest loans to Nebraska residents seeking adult or post high school education at any public or private institution in the State.

NEVADA—ARTICLE 9, SECTION 3

"The State may contract public debts; but such debts shall never, in the aggregate, exclusive of interest, exceed the sum of one percent of the assessed valuation of the State . . ."

NEW HAMPSHIRE

There are no constitutional restrictions on the authority of the legislature to borrow. Statutory limitations, last amended in 1967 (N.S. Revised Statutes Annotated 6:15), are as follows: "If money due from the State is demanded and there are not sufficient funds in the Treasury available for the payment of the same, the Treasurer under the direction of the governor and council is authorized to borrow on the State's credit for a period of not more than one year, at the lowest rate of interest obtainable, such sums as may be necessary, provided that at no time shall the indebtedness of the State pursuant to the authority granted by this section exceed the sum of fifteen million dollars." In addition, statutory provisions cover the issuance of short term notes in anticipation of bonds authorized by the legislature. Such notes may be issued in maturities up to five years of the date of original issue (N.H. R.S.A. 6-A4).

NEW JERSEY—ARTICLE VII, SECTION II, PARAGRAPH 3

States that the total State debt for all purposes "shall not exceed at any time one percentum of the total amount appropriated by the general appropriation law for that fiscal year, unless the same shall be authorized by law for some single object or work distinctly specified therein." No such law shall take effect unless approved by a majority of legally qualified voters. This provision does not apply to debts incurred for purposes of war or to repel invasion, or to suppress insurrection, or to meet an emergency caused by disorder or act of God. Exception is also made for any money deposited with the State by the U.S. Government.

NEW MEXICO—ARTICLE IX, SECTIONS 7 AND 8

"The state may borrow not exceeding the sum of two hundred thousand dollars in the aggregate to meet casual deficits or failure in revenue or for necessary expenses." The State may also contract debt to suppress insurrection and to provide for the public defense.

Section 8 provides that no other debt can be contracted unless it is authorized by law for some specified project and is approved by a majority of all votes cast thereon at a general election. The total amount of the debt so created for State purposes cannot exceed one percent of the assessed valuation of all the property subject to taxation in the State as shown by the preceding general assessment.

NEW YORK—ARTICLE VII, SECTION 9

This section authorizes short term debts in anticipation of taxes, revenues and proceeds of sale of authorized bonds. Debts in anticipation of the receipts and taxes must be within the amount appropriated and must be repaid within one year from date of issue. Debts in anticipation of proceeds of the sale of bonds shall be repaid within two years except that debts in anticipation of housing bonds authorized by Article XVIII shall be repaid within five years. In addition the State may incur debt to repel invasion, suppress insurrection, or defend the State in war, or to suppress forest fires.

All other debt, as specified in Section 11, must be authorized by law for some single work or purpose and be approved by a majority of all the votes cast for and against it at a general election.

NORTH CAROLINA—ARTICLE V, SECTION 4

The General Assembly may contract full faith and credit debt for the following purposes: to fund or refund a valid existing debt; to borrow in anticipation of taxes due and payable within the fiscal year to an amount not exceeding fifty percentum of such taxes; to supply a casual deficit, to suppress riots or insurrections, or to repel invasions. "For any purpose other than those enumerated, the General Assembly shall have no power during any biennium, to contract new debt on behalf of the State, to an amount in excess of two-thirds of the amount by which the State's outstanding indebtedness shall have been reduced during the next preceding biennium, unless the subject be submitted to a vote of the people of the State. . . ."

NORTH DAKOTA—ARTICLE XII, SECTION 182

The State may issue or guarantee the payment of bonds up to two million dollars but bonds in excess of this amount must be secured by a first mortgage upon real estate not to exceed one-half of its value or upon the property of State owned utilities, or enterprises in excess of ten million dollars. All other indebtedness must be authorized for a clearly defined purpose with a provision for repayment within thirty years from the date of issue. Debt may be issued irrespective of these limits, "for the purpose of repelling invasion, suppressing insurrection, defending the state in time of war, or to provide for the public defense in case of threatened hostilities."

Amendments to the constitution permitting borrowing for specified functions contained varying statements on the amount of indebtedness which could be contracted. For example, Articles 59 and 65 authorized fixed dollar amount borrowing for World War II and Korean War veterans; Article 60 authorized a fixed tax for the financing of a medical center; Article 76 authorized general obligation borrowing "for the purpose of promoting the economic growth of the State, the development of its natural resources, and the prosperity and welfare of its people," not to exceed an amount equal to five percent of the full and true value of all taxable property in the State and also authorized the issuance of revenue bonds with no stated limit for the same purpose; Article 87 authorized such principal amounts as determined by the legislature to cover the cost of Vietnam veterans' compensation.

OHIO—ARTICLE VIII, SECTIONS 1, 2, AND 3

Section 1 permits the State to contract debts to supply casual deficits or failures in revenues, or to meet expenses not otherwise provided for but the aggregate amount shall never exceed seven hundred and fifty thousand dollars.

Section 2 allows borrowing to repel invasion, suppress insurrection, defend the State in war, or to redeem the present outstanding indebtedness of the State, but for no other purpose whatever. As of January 1976, ten subsections have been added by constitutional amendment authorizing State debt for particular purposes. (A constitutional amendment which would have repealed section 1 and permitted State borrowing within the limitations that payments on the State's total outstanding debt would not exceed six percent of the State's annual revenues was defeated in the election on November 8, 1977.)

Section 3 specifies that no other debts (than those authorized in Sections 1 and 2) may be created on behalf of the State.

OKLAHOMA—ARTICLE X, SECTIONS 23, 24, AND 25

Section 23 allows the Governor to issue a deficiency certificate on behalf of any department, institution, or agency within the limits of current appropriations which the State Auditor issues as part of the public debt. The total of such obligations, however, cannot exceed $500,000 in any fiscal year.

Section 24 authorizes the State to contract debt to repel invasion, insurrection or war.

Section 25 is as follows, "Except the debts specified in sections 23 and 24 of this article, no debts shall be hereafter contracted by or on behalf of this State, unless such debt shall be authorized by law for some work or object, to be distinctly specified therein; and such law impose and provide for the collection of a direct annual tax to pay, and sufficient to pay, the interest on such debt as it falls due, and also to pay and discharge the principal of such debt within 25 years from the time of the contractng thereof. No such law shall take effect until it shall, at a general election, have been submitted to the people and have received a majority of all votes cast for or against it in the election."

OREGON—ARTICLE XI, SECTION 7

This section limits State indebtedness to $50,000 except in case of war or to repel invasion or suppress insurrection or to build and maintain permanent roads. Total State debt shall not exceed four percent of the assessed valuation of all the property in the State.

PENNSYLVANIA—ARTICLE VIII, SECTION 7 (2)

This section authorizes the Governor, State Treasurer and Auditor General, acting jointly to issue tax anticipation notes having a maturity within the fiscal year of issue and payable exclusively from revenues received in the same fiscal year. Debt may be incurred for capital projects itemized in a capital budget if such debt will not cause the amount of all net debt outstanding to exceed one and three quarters times the average of the annual tax revenues deposited in the previous five fiscal years as certified by the Auditor General. If the question of debt for specific purposes is submitted and approved at popular referendum, it can be issued without regard to any limitations.

RHODE ISLAND—ARTICLE XXXI

The State may borrow in anticipation of receipts from taxes in amounts not to exceed twenty percent of the receipts from taxes during the next prior fiscal year. In addition, the State may borrow in anticipation of receipts from other sources in amounts not to exceed ten percent of such other sources during the next prior fiscal year. The aggregate of all such borrowing, however, cannot exceed thirty percent of the actual receipts from taxes during the said next prior fiscal year. No money shall be so borrowed in anticipation of such receipts in any fiscal year until all money so borrowed in all previous fiscal years shall have been repaid. For all other purposes,

State debt is limited to $50,000, without recourse to State-wide referendum.

SOUTH CAROLINA—ARTICLE X, SECTION 13

The State is authorized to issue indebtedness in two categories: by a two-thirds vote of each House of the General Assembly or by a majority vote of the qualified electors; or indebtedness payable only from a revenue-producing project or from a special source which does not involve revenues from any tax.

Following is a summary of the eight provisions:

1. "General obligation debt" refers to any indebtedness of the State which is secured in whole or in part by a pledge of the full faith, credit, and taxing power or the State. Such debt shall be for a public purpose and shall mature not later than 30 years from the time incurred.

2. If the General Assembly fails to allocate sufficient tax revenues for the payment of principal and interest, the State Comptroller General shall levy and the State Treasurer shall collect an ad valorem tax without limit on all taxable property in the State sufficient to meet such payments.

3. The General Assembly may also pledge general tax revenues for highway bonds initially secured by highway funds provided that the maximum annual debt service on all highway bonds so additionally secured shall not exceed fifteen percent from the "sources of revenue" (i.e. so much of the revenues as may be made applicable by the General Assembly for State highway purposes).

4. State institution bonds initially secured by a pledge of tuition fees may be additionally secured by a general obligation pledge provided the maximum annual debt service on all State institution bonds do not exceed ninety percent of the sums received from tuition fees of the prior fiscal year.

5. The maximum debt service on general obligation bonds for any public purpose, (excluding highway bonds, State institution bonds, tax anticipation notes and bond anticipation notes) shall not exceed seven percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for State highway and State institution bonds).

6. State tax anticipation notes shall be expressed to mature not later than ninety days from the end of the fiscal year in which such notes are issued. Such notes shall be secured by a pledge of the tax anticipated as well as the full faith credit and taxing power of the State.

7. Bond anticipation notes shall be expressed to mature not later than one year following the date of issuance but the General Assembly may authorize that they be refunded or renewed. In addition to the proceeds of the general obligation bonds, such notes are secured by a pledge of the full faith, credit and taxing power of the State.

8. The General Assembly may prescribe by law the procedures to incur indebtedness for any public purpose payable solely from a revenue producing project or from a special source (not including tax revenues). All indebtedness incurred pursuant to the provisions of subsection (9) shall contain a statement on the face thereof specifying the sources from which payment is to be made.

The "new Article X" of the South Carolina Constitution went into effect January 1, 1979.

SOUTH DAKOTA—ARTICLE XIII, SECTION 2

This provision sets $100,000 as the limit for "defraying extraordinary expenses and making public improvements or to meet casual deficits or failure in revenue." The State may borrow to develop the resources and improve the economic facilities; engage in works of internal improvement, own and conduct proper enterprises or give its credit or aid to any association or corporation organized for such purpose provided that such association or corporation be subject to regulation and control by law. A two-third vote of the members of each branch of the legislature is required for adoption. The indebtedness of the State for other than casual deficits enumerated in section 2 shall not exceed one-half of one percent of the assessed valuation of the property of the State, provided, however, that outstanding indebtedness can be refunded or refinanced.

TENNESSEE

There are no constitutional restrictions on State borrowing; legislation authorizing State indebtedness requires only a simple majority in the General Assembly. A State Funding Board (composed of the Governor as chairman, State Treasurer, Secretary of State, Chief of Finance and Administration, and the State Comptroller) is responsible for debt policy and administration. The board, for example, issued notes and bonds to fund the "floating indebtedness" outstanding on June 30, 1937. (Tennessee Code Annotated 9-901.) In 1971, an Act was passed to provide full faith credit of the State of Tennessee to the tax anticipation notes payable from current fiscal year revenues.

TEXAS—ARTICLE III, SECTION 49

"No debt shall be created by or on behalf of the State, except to supply casual deficiencies of revenue, repel invasion, suppress insurrection, defend the State in war, or pay existing debt; and the debt created to supply deficiencies in the revenue, shall never exceed in the aggregate at any one time two hundred thousand dollars." An amendment added in 1942 allowed: "For the purpose of financing the outstanding obligations of the General Revenue Fund of the State and placing its current accounts on a cash basis the legislature of the State of Texas is hereby authorized to provide for the issuance, sale, and retirement of serial bonds, equal in principal to the total outstanding, valid, and approved obligations owing by said fund on September 1, 1943, provided such bonds shall not draw interest in excess of two (2) percent per annum and shall mature within (20) years from date."

UTAH—ARTICLE 14, SECTION 1

"To meet casual deficits or failures in revenue, and for necessary expenditures for public purposes, including the erection of public buildings, and for the payment of all Territorial indebtedness assumed by the State, the State may contract debts, not exceeding in the aggregate at any one time, an amount equal to one and one-half percentum of the value of the taxable property of the State, as shown by the last assessment for State purposes, previous to the incurring of such indebtedness. But the State shall never contract any indebtedness, except as in the next Section provided, in excess of such amount, and all monies arising from loans herein authorized, shall be applied solely to the purposes for which they were obtained." (Section 2 allows debt for public defense irrespective of the debt limit.)

VERMONT

There are no constitutional restrictions on the State's authority to borrow. Statutory provisions require that a contract by the Treasurer for borrowed money be countersigned by the Secretary of State and the Auditor (V.S.A. 32-901), the Treasurer with the approval of the Governor determine the sale of bonds in the best interests of the State (V.S.A. 32-95) notes in anticipation of authorized bond issues shall bear maturities not to exceed one year except that notes issued for shorter periods may be refunded by the issue of other such notes maturing within the required period (V.S.A. 32-955): and notes issued in anticipation of Federal funds for highway construction cannot exceed $5 million in principal at any one time and cannot exceed one year in maturities (V.S.A. 19-47).

VIRGINIA—ARTICLE X, SECTION 9

The "State debt" section carries authorization for the Commonwealth to contract debt to (a) meet emergencies and redeem previous debt obligations; (b) acquire capital projects pledging the full faith and credit of the State; (c) guarantee certain revenue producing projects; and (d) issue obligations for which the full faith and credit of the Commonwealth is not pledged.

Under subsection (a) the General Assembly may (1) contract debts to suppress insurrection, repel invasion, or defend the Commonwealth in time of war; (2) permit the Governor to meet casual deficits in the revenues or in anticipation of the collection of revenues for the then current fiscal year within the amount authorized by appropriations. "Such indebtedness cannot exceed thirty percentum of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the preceding fiscal year and that each such debt shall mature within twelve months from the date such debt is incurred; and (3) contract debt to redeem a previous debt obligation of the commonwealth. The full faith and credit of the Commonwealth is pledged to any debt created under this subsection.

Under subsection (b), "No such debt shall be authorized by the General Assembly if the amount thereof when added to amounts approved by the people authorized by the General Assembly and not yet submitted to the people for approval, under this subsection during the three fiscal years immediately preceding the authorization by the General Assembly of such debt and the fiscal year in which such debt is authorized shall exceed twenty-five percentum of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor or Public Accounts for the three fiscal years immediately preceding the authorization of such debt by the General Assembly." Indebtedness for capital projects must be approved by a referendum.

Under subsection (c) debts secured by the full faith and credit of the Commonwealth in addition to a pledge of net revenues derived from rates, fees, and other charges are not included in the specified debt limit provided this is distinctly specified in the law authorizing same.

WASHINGTON—ARTICLE VIII, SECTIONS 1 AND 2

The first section authorizes the State to borrow to meet casual deficits or failure in revenues, or for expenses not provided for up to an aggregate of $400,000. In addition the State can borrow to repel invasion, suppress insurrection, or defend the State in war. Otherwise borrowing can be authorized

for some single work or object which must be adopted by popular referendum.

WEST VIRGINIA—ARTICLE X, SECTIONS 4 AND 5

"No debt shall be contracted by this State, except to meet casual deficits in the revenue, to redeem a previous liability of the State, to suppress insurrection, repel invasion or defend the State in time of war; but the payment of any liability other than that for the ordinary expenses of the State, shall be equally distributed over a period of at least twenty years." In addition, Section 5 authorizes the levy of a tax to cover any deficiency incurring in the prior year. (No limitations exist.)

WISCONSIN—ARTICLE VIII, SECTION 5

This section allows the levying of tax to cover the deficiencies of the prior year; section 6 permits a debt for extraordinary expenses up to $100,000; section 7 allows borrowing for public defense; and section 8 stipulates a three-fifths majority of all the members elected to each house on all fiscal bills. An amendment adopted in 1969 authorized the legislature to authorize borrowing "to acquire, construct, develop, extend, enlarge or improve land, waters, property, highways, buildings, equipment or facilities for the classes of public purposes specified by the legislatures as the funds are required." The total amount of public debt outstanding in any calendar year shall not exceed an amount equal to the lesser of: three-fourths of one percent of the aggregate value of all taxable property or five percent of the taxable valuation offset by the total public debt, bond security fund and net indebtedness of the building corporations as determined by the State's Legislative Audit Bureau.

WYOMING—ARTICLE XVI, SECTION 1

"The State of Wyoming shall not, in any manner, create any indebtedness exceeding one per centum on the assessed value of the taxable property in the State, as shown by the last general assessment for taxation, preceding; except to suppress insurrection or to provide for the public defense." Section 2 adds, "No debt in excess of the taxes for the current year shall in any manner be created in the State of Wyoming, unless the proposition to create such debt shall have been submitted to a vote of the people and by them approved; except to suppress insurrection or to provide for the public defense."

SOURCE

Compiled from a check of individual State Constitutions by the Congressional Research Service as of December 31, 1977. Developments in 1978 were obtained from the National Civic Review article of January 1979, by Albert L. Sturm "State Constitutional Developments During 1978." Where possible complete texts of the provisions were obtained from State documents issued in 1978 and 1979.

Mr. THURMOND. Mr. President, as floor manager of this measure, I feel compelled to rise and recognize on this Senate floor the hard work of a number of my colleagues.

The Senator from Utah (Mr. HATCH), chairman of the Subcommittee on the Constitution, has been my strong right arm on this constitutional amendment to balance the budget. He has worked diligently in the subcommittee, in committee, and on the floor these past few weeks to put this bipartisan measure together. I deeply appreciate the able and competent assistance he has rendered to me, to the Senate, and to this country.

As evidence of the bipartisan effort exerted on this amendment, I must recognize the Senator from Arizona (Mr. DECONCINI), ranking minority member of the Subcommittee on the Constitution and a hard-working member of the full committee. He has exhibited leadership in the committee and here on the floor in helping bring Senate Joint Resolution 58 to final disposition.

Mr. President, another distinguished member on the other side of the aisle, Mr. HARRY F. BYRD, JR., of Virginia, deserves special recognition. He is not a member of the Committee on the Judiciary, but he has been most active on the Senate floor during the consideration of Senate Joint Resolution 58. The Senator from Virginia is committed to balancing this Federal budget. His father, former Senator Harry F. Byrd, Sr., was also dedicated to that objective. It was a distinct privilege to have Senator BYRD on our side in this debate.

The distinguished Senator from New Mexico (Mr. DOMENICI), chairman of the Senate Committee on the Budget, has also been a stalwart here on the floor during consideration of Senate Joint Resolution 58. He knows how important the budget process is and how important a balanced budget is to this Nation. I appreciate his support and active assistance on this constitutional amendment.

Two other members of the Senate Committee on the Judiciary, Senator GRASSLEY and Senator HEFLIN, deserve special mention for their good work on Senate Joint Resolution 58. They are both able and competent Members of the committee and the Senate. They deserve the thanks of all Senators.

Mr. President, we must not overlook the time, energy, and labor expended by staff members on Senate Joint Resolution 58. I want to especially recognize the following staff members for their hard work: Eric Hultman and Dennis Shedd of my staff; Stephen Markman for Senator HATCH; Robert Feidler for Senator DECONCINI; George Peller for Senator DOLE; and Charles Wood for Senator SIMPSON.

Mr. President, I must also recognize the participation of all the Senators who have offered amendments and taken an active role in this historic debate—Senators ARMSTRONG, BAUCUS, BOREN, BUMPERS, CHILES, CRANSTON, COHEN, DIXON, DODD, DOLE, EXON, FORD, GORTON, HART, LEAHY, MATHIAS, MOYNIHAN, RUDMAN, TSONGAS, and others who have sponsored, cosponsored, or have spoken on amendments.

Finally, Mr. President, I must acknowledge the tremendous aid, wise counsel, and valuable assistance of my good friend, the able majority leader. He has stood by us throughout the many hours of debate, consideration of amendments, and votes on Senate Joint Resolution 58. The majority leader has once more revealed his extraordinary leadership abilities and mastery of the gentle art of persuasion. To have him on my side has been most reassuring.

Mr. DIXON. Mr. President, throughout my adult life and my public career of 31 years, it has always been a basic tenet with me that we must be especially careful in tampering with that basic document which guides our lives and destiny in this great Nation of ours, the Constitution of the United States of America.

As a statement of principles and as a legal foundation for our very being, the Constitution has served us well. Our Nation is now 206 years old. That makes us the oldest, continuous, viable democracy in the world. None other has ever lasted so long.

Surely we have been doing something right. Surely our Constitution has served us well during these two centuries.

Yet it is left to us to assure the continued vitality and resilience of our country. This charge is both a responsibility and a challenge.

Many amendments have been proposed to our Constitution, Mr. President. Most have been rejected—and wisely so. All of those ultimately adopted thus far have resulted from congressional action. None has derived from a constitutional convention.

This brings us to the point of consideration of Senate Joint Resolution 58. I said during my election campaign in 1979 and 1980, Mr. President, while seeking a seat in this distinguished body, that I had certain reservations about a constitutional amendment mandating a balanced budget.

My objections were three:

First, along with a lot of other folks who view themselves as moderates, I am skeptical that any constitutional convention would successfully resist the temptation to rewrite our Constitution even though the convention might be called to consider only one subject.

Second, in the perilous times in which we live and with history as our guide, it seems to me, Mr. President, we should be extremely careful not to limit our Nation's ability to respond instantly in time of national emergency or war.

Third, we need only look about us to remind ourselves that during periods of dire economic conditions, we must maintain the flexibility to respond with legislation and appropriations designed to serve our citizens and keep our country economically sound.

In connection with these misgivings, I said during the 1980 election campaign, and I quote, "I would not favor an amendment to the U.S. Constitu-

tion drafted by a constitutional convention, but I would consider an amendment developed by Congress taking into account national emergencies such as war or depression during which exception to the balanced budget might be made."

So we have now come to this point, Mr. President. We have before us an amendment drafted not by a constitutional convention, but by Congress. This route, it seems to me, is by far the preferable one.

The goal of the balanced budget is certainly one I embrace, and the vehicle of a constitutional amendment to achieve this goal is a means I can accept. However, Mr. President, I continue to entertain reservations about the capacity of this proposed amendment to deal effectively and flexibly with periods of national economic recession and depression.

Mr. President, if this distinguished body passes this resolution today, I am hopeful that the House of Representatives will address the issue of economic flexibility and add language to the amendment that will provide for national economic emergencies.

In view of the amendments adopted to Senate Joint Resolution 58 by this body, I believe the likelihood is great that the ultimate resolution of this issue will rest with a conference committee between the two Houses.

I expect to use my influence to encourage colleagues in both bodies to improve the content of this amendment by including national economic emergencies in the final version of Senate Joint Resolution 58.

Mr. HATCH. Mr. President, I rise one final time in behalf of the present amendment, one final time to emphasize that the issue in this debate is not economic philosophy. It is not Keynesianism; it is not econometric models; it is not supply-sidism. It is accountability in government.

The principal purpose of Senate Joint Resolution 58 is to restore accountability in the fiscal process by eliminating the present spending bias within our political system—a bias that results from the availability of hidden tax increases. These hidden tax increases may result from so-called tax-bracket creep or from the operation of deficit spending. In either event, they permit Members of Congress—the elected Representatives of the people—to respond to the spending interests in Washington by voting for new spending without having to cast necessary votes in favor of new taxes. They permit Members of Congress to convey the illusion that there is such a thing as a free lunch to the American people, that we can spend and spend without having to pay for that spending.

Senate Joint Resolution 58 will end this fiscal illusion, this fiscal charade, this fiscal legerdemain. That is its principle purpose. It says to Congress that, if you want to continue on spending and taxing the American people into bankruptcy that you are going to have to inform them of the costs of such spending. You are going to have to let them know that such spending is going to be paid for by higher taxes, by higher unemployment, by higher inflation, or by higher interest rates.

Mr. MITCHELL. Mr. President, over a year ago, the conservative columnist, James J. Kilpatrick, observed that the "road to hell is paved with good intentions. The Senate Judiciary Committee has taken off down that road in a cloud of commendable motives." He was talking about the balanced budget amendment to the Constitution. Kilpatrick said then that it was a preposterous idea. He was right.

The motive behind the effort to find a counterbalance to the pressures for Federal spending is sound. There are intense pressures in our society which encourage the Federal Government to spend money. Our Nation's historic prosperity itself is, paradoxically, perhaps the major incentive for spending. In a Nation so rich, so well-endowed with resources, so free to exercise its economic ingenuity, it is tempting to believe that all social, defense, and foreign policy problems can be solved by spending money.

I believe very strongly that in today's economic circumstances, the budget must be balanced. I have consistently supported efforts to achieve that goal. I proposed an alternative economic program that through a combination of a freeze on domestic programs, a reduction in the rate of increase in the defense budget, and deferral until the economy recovers of a portion of last year's tax reduction program, would have achieved a balanced budget by 1986, with substantially smaller deficits each year between now and 1986.

The process of learning that all our problems cannot be solved with money has been a slow one. Even today, there are many devoted to the notion that if sufficient resources are made available, any goal must be achievable.

In recent years, that view was held by those concerned with social problems. Today, it is the champions of defense superiority who argue that more dollars are the answer to the problems of a postwar world which no longer recognizes automatic U.S. military superiority.

It is well past time that we rejected that notion, in defense and foreign affairs as well as in domestic policy.

Unfortunately, the proposal before us, which is intended to limit government by limiting its financial activities, will not succeed in controlling either the financial activities or the powers of government. It is a fraud.

I am pleased to be able to join my senior colleague from the State of Maine, Senator COHEN, in voting against this unsound and seriously defective proposal. Senator COHEN's dedication to the principle of fiscal responsibility has been demonstrated throughout his career. But his dedication to the principle of constitutional soundness is equally strong. Senator COHEN has clearly and succinctly outlined his objections to taking this route to correcting those budgetary problems. I commend him for his remarks. As Senator COHEN said, the proper approach to take to amending the Constitution is a conservative one. And simply because a proposal embodies an aspect of conservative thought does not make its inclusion in the Constitution of the United States any more sensible when its effects would be clearly contrary to the national interest.

The Constitution is a relatively brief, general statement of political and civil rights. For that reason, it has endured for over two centuries as the principal law for a Nation that has undergone enormous growth and change.

When it was adopted, there were 4 million Americans living in 13 States along the Atlantic seaboard. No one, not even the most visionary of the Founding Fathers, could then have foreseen that 200 years later there would be 230 million Americans, living in 50 States spanning the continent and stretching thousands of miles into the Pacific.

Who among us can say what America will be like 200 years from now? Indeed, the pace of change in human affairs is accelerating so rapidly that we are now unable to predict even a few years into the future, let alone centuries.

The Constitution defines the political and civil liberties of citizens which cannot be violated by government. It does not establish any specific domestic policy, foreign policy or economic policy. Indeed, that has been one of its major strengths. It is limited to those ideas of freedom and liberty which do not depend on any economic or social theory to be valid. To inject into that document an economic theory will undermine the best and most stable constitutional document in the world.

All of this should cause us to proceed with great caution when we consider changing the Constitution, especially when the change does not involve basic political rights, but rather an economic theory.

The proposal before us would amend the Constitution of the United States to require a balanced Federal budget each year.

It uses terms, such as budget, outlays, and national income, whose meaning could be altered at will. It requires no cooperation from the President. It creates constitutional authority for an economic theory. It woud be

the first and only constitutional provision that Congress may waive. It invites the courts to intervene in the budget decisions of the Federal Government. It makes adoption of an annual budget more difficult than a declaration of war.

The proposal says, first, that Congress shall adopt a statement of revenues and spending that shall be in balance. A three-fifths majority of the full Congress, not just those present and voting, may waive that requirement. The three-fifths requirement may itself be ignored in the case of a declaration of war. The proposal declares that taxes may not rise faster than the previous year's national income. A simple majority of the whole Congress may waive that requirement.

This proposed amendment will not achieve its stated purpose. Each of its provisions raises more questions than it answers.

1. THE WAIVER PROVISION

Although the amendment would require a balanced budget, that requirement could be waived by a vote of three-fifths of all the Members of each body of Congress. This is in recognition of the obvious fact that there may be some years—of war, depression or deep recession—in which balancing the budget would not be in the national interest.

But no other provision in the Constitution may be waived by Congress under any circumstances. If a principle is not good enough to be applicable at all times, does it belong in the Constitution, which is intended to endure for all time? I believe not.

2. DISHONEST BUDGETING

The requirement that Congress adopt a statement of revenues and receipts in balance is a direct invitation to dishonest budgeting.

Every Federal budget is a statement of future events.

In January 1982, for example, the President proposed a budget for fiscal year 1983 which commences on October 1, 1982, and ends on September 30, 1983. Each annual budget is based on assumptions or predictions of future economic events.

If the President and the Congress predict that unemployment will be low, tax revenues will be high, and interest rates moderate, there will be no difficulty in balancing the budget on paper. Presidents of both parties have made similar optimistic and unfounded assumptions for years. This amendment would give constitutional sanction to such fictions.

We know today that the deficit for 1983 is going to be higher than the $104 billion projected in the budget resolution that Congress passed just a few weeks ago. The administration said in its mid-year review, published last week, that it will be $10 billion higher. But just yesterday, the Secretary of Commerce, who is one of the administration's principal economic spokesmen, said that the deficit will be $20 to $30 billion higher. And the Congressional Budget Office estimates it will be $40 to $60 billion higher.

No one in this administration can agree on economic predictions that hold for 2 or 3 months. This proposal would have the Constitution require us to invent an economic prediction that would be accurate for 18 months. It simply cannot be done. The amendment would not only encourage optimistic and misleading budgetary predictions, it would mandate them. It writes an invitation to deception into the fundamental document of our Government.

3. WHAT IS A BUDGET?

The amendment does not define budget, so budget could be anything that any Congress wanted. Today the budget does not include Federal loan guarantees. Yet, loan guarantees with a face value of $309 billion represent existing Federal commitments. Nothing in this amendment could prevent any future Congress from financing Government activities by loan guarantees rather than direct appropriations. Indeed, that is precisely what some States have done to meet their constitutional balanced budget requirements.

The example of the 39 States whose constitutions require a balanced budget is frequently cited in support of this amendment. If the States can do it, the argument goes, why can not the Federal Government?

The answer is that the States do not do it. What the States do is use an accounting system that has two budgets: An operating budget and a capital budget. While the operating budgets are in balance—as the laws require—all expenditures for capital purposes, such as land, buildings and other long-term assests, are not included in the States' operating budgets.

The Federal budget, on the other hand, includes all expenditures, operating and capital. If the amendment were adopted, there is nothing to prevent any future Congress from simply adopting the method of accounting used by the States and setting up two Federal budgets. Since about 20 percent of current Federal expenditures are for capital purposes, the operating budget would be balanced, even though nothing had changed but the accounting.

In 1981, for example, the Federal budget showed a deficit of $58 billion. If the States' method of accounting had been used, however, that same budget would have shown a surplus of $74 billion.

Since 1969, the Federal budget has included social security. Prior to 1969, it did not. In 1969, inclusion of social security allowed the administration of the time to produce a balanced budget—but that budget was balanced with social security surpluses, and nothing else. There is nothing to prevent a future Congress from moving social security or any other program into or out of the budget to achieve a balance on paper. When the health of the economy and demographic changes produce surpluses in the social security system—as is now projected for the period from about 1990 to 2010—there will be nothing to prevent a Congress of that time from spending against those surpluses, even though the funds are dedicated for social security purposes and do not really balance other spending in any meaningful sense of the term. Similarly, when economic and demographic factors produce shortfalls in the social security system—as is now the case and as projected for after 2010—Congress could move social security out of the budget, as it was before 1969. Indeed, there is already legislation pending to do just that.

There is nothing in this amendment to prevent Congress from simply passing along costly programs by mandating them for the States or private industry. Congress could, as Charles Schultze, the former Chairman of the Council of Economic Advisers has pointed out, require private pension programs to include health coverage to lessen the burden on the medicare program. Congress could require higher unemployment taxes during a recession to take the pressure off the Federal Government. Congress could require employers of women to establish day care centers. There is no end to the ingenuity with which any future Congress could respond to public demands for services by forcing either the States or the private sector to provide for them. It would balance the Federal budget, but not in a way that most Americans would think worthwhile.

The primary effect of this amendment would be to encourage dishonesty in budgeting. In the last budget year and in this one, we saw phony budget and economic predictions made because they suited the political needs of this administration. This administration is not unique in wanting to present itself as having the answer to our economic problems. No President has ever forecast that his economic program will cause a recession. Both administrations and Congresses avoid these unpleasant possibilities by using unrealistic economic predictions. We may not be able to stop that, but at least we should not enshrine the practice as constitituional doctrine.

4. WHAT IS NATIONAL INCOME?

The amendment limits taxes to the basis of the previous year's growth in national income.

The amendment does not define national income. That definition would

be written by the Congress. It could include or exclude anything a particular Congress wanted. In 1 year, we could include revenues earned by U.S. companies overseas. In another, we could exclude them. That is exactly what was recently done. Unitl 1980, the Commerce Department's definition of national income excluded many overseas earnings. Their inclusion after 1980 raised national income by many billions of dollars. Under the proposed amendment, our tax policies would hinge on the definition of national income, obviously a great incentive to increase that definition by any means possible.

5. WHAT IS A MAJORITY?

The Constitution now requires two-thirds majorities of those present and voting for only the most serious policy decisions—treaties, impeachment, overriding a Presidential veto. Nowhere does the Constitution demand a majority or any proportion of the whole membership. To do so is to give a virtual veto power to absentees. Under this proposal, 41 Senators who chose to be absent could frustrate the will of the majority. Vacancies would count as a negative vote. Absentees would have unjustified influence over the deliberations of the Congress. That is not a procedurally sound way to assure agreement. The constitutionally demanded two-thirds of those present represents a sufficient hurdle without the artificial notion of a supermajority of the whole body, which this proposal contains. Indeed, if our Constitution demands no more than a simple majority to commit our Nation to war, it is difficult to see the basis on which such majorities are warranted to adopt an annual budget for the Nation.

The requirement for the so-called supermajority votes for deficits but not for tax increases will bias the Congress towards raising taxes. The amendment requires three-fifths of the full Senate—that is 60 Senators, regardless how many are present and voting—to unbalance the budget. But it only requires 51 Senators to raise taxes. Similarly on the House side, three-fifths are required to vote for a deficit, but only a majority for a tax increase. Why should there be two different definitions of majority in one amendment?

Additionally, there is the technical factor, which the staff of the Office of Management and Budget has raised, that a tax increase brings in higher revenues within 3 months, whereas spending cuts take between 3 months and 3 years to show results. Any Congress faced with a budget imbalance would have a clear predisposition to vote for higher taxes rather than rely on uncertain budget savings which may not be achieved in time to balance that year's budget.

6. THE AMENDMENT IS NOT GOOD ECONOMICS

The economic argument against requiring a balanced budget every single year is well know. Over 170 professional economists, including 6 Nobel Prize winners and 11 former presidents of the American Association of Economists, have testified that insisting on a balanced budget every year flies in the face of economic sense.

From 1911 to 1930, the Federal budget ran a consistent surplus. That did not prevent the stock market collapse of 1929 or the Great Depression. From 1930 to 1932, President Hoover argued that a balanced budget was essential, and worked to raise taxes and cut spending to achieve that goal. Today's economic judgment on those actions is not in dispute—such actions deepened the Depression.

More recently, the Federal budget ran consistent deficits throughout the 1950's and 1960's, a time we now look back on as a period of stable economic growth. Those deficits did not impede economic growth, nor did they, in and of themselves. cause inflation.

In fact, of course, there is absolutely no professional agreement or consensus among the economic community that deficits by themselves cause inflation. Earlier this year when the administration presented its 1983 budget, the Treasury Secretary, Donald Regan, the administration's chief economic spokesman, argued, vigorously that deficits do not, by themselves, cause inflation. As Secretary Regan said at a Joint Economic Committee hearing in January. "* * * there is no evidence that huge deficits as a percent of GNP are inflationary or cause high rates of interest."

The emphasis should be on fiscal policy in relation to economic conditions. But this amendment would prevent us making any judgment at all about what fiscal policy is needed in any given set of economic conditions.

A balanced budget every year would make our business cycles have more impact on the economy, because it would prevent Federal policy from moderating their effects. If the budget had been balanced during the recession from 1973 to 1975, instead of the GNP dropping by 2.6 percent as it did, we would have seen a 10 percent drop. Instead of the unemployment rate being 8.2 percent, we would have seen 11.2 percent out of work. In 1981, with a balanced budget requirement, we would have had a 9 percent drop in GNP and 15 million unemployed, rather than the 10 million now out of work.

In practical fact, if Federal policy were as closely tied to the cycles of the economy as this balanced budget amendment would tie it, the worst tendencies in every business cycle would be intensified. When business activity slowed and tax revenues dropped, we would have to cut spending, withdrawing billions from the economy and making the recession worse. When business activity was up and the pressures on prices and wages strong, we would have to cut taxes, putting even more money into the economy and intensifying the danger of inflation.

The fact of the matter is that the business cycle in a free economy is not wholly under Government direction. This amendment would make Government follow the business cycle and would cause more damage to the economy than the unfettered ups and downs of commercial activity cause by themselves. That is not a prescription we should write into the Constitution of the United States.

It is instructive that this administration, which is surely second to none in its verbal adherence to fiscal discipline, did not see fit to recommend a balanced budget for 1982 or 1983 and, indeed, will not propose a balanced budget during its tenure in office. The President recognizes—although he may not admit it—that a balanced budget in this recession would deepen our economic woes.

The simple fact is that our economy affects the Federal budget as much if not more than the conscious decisions of the President or the Congress. A 1-percent increase in unemployment adversely affects the Federal budget—in lost revenues and added costs for unemployment compensation—by $25 to $30 billion. No one has suggested that the passage of this or any other amendment will prevent private companies from laying workers off. Yet the proponents of this amendment are suggesting we put Congress in the position of making good the economic costs of such private decisions.

At the end of 1978, speculation in international exchange rates forced the Federal Reserve to tighten money supplies and raise interest rates to strengthen the dollar. The Fed did so, adding $5 billion in higher interest costs to the deficit. That occurred without any action by either the President or the Congress.

In 1974, the budget was almost in balance, with a $4.6 billion deficit. Yet by October of that year, the bottom dropped out of the economy and the following year we had a $66 billion deficit. There was nothing President Ford or the Congress of the time could have done to prevent that outcome. A study by the Council of Economic Advisers showed that to bring the budget back into balance, Congress would have had to cut $150 billion in spending in 1975 and 1976, further slowing the economic recovery. This balanced budget requirement will force us to take such counterproductive and economically damaging actions in future recessions.

The business cycle in our economy takes no account of the wishes of any

political party or any political candidate.

It is manifestly obvious that Congress by itself cannot determine the course of the economy. This amendment is an effort to persuade the public that we can. To that extent, it is a fraud.

The Office of Management and Budget has already pointed out that this amendment is, in practice, technically unenforceable. The total tally of spending does not become available until 20 days after the end of the fiscal year. We would have to either introduce highly cumbersome and questionably useful accounting practices, or we would have to tacitly agree to violate the Constitution on a more or less permanent basis.

7. THE FEDERAL COURTS WILL BE WRITING THE FEDERAL BUDGET

In 1968, the Supreme Court ruled that:

A taxpayer will have standing consistent with Article III to invoke federal judicial power when he alleges that congressional action under the taxing and spending clause is in derogation of those constitutional provisions which operate to restrict the excercise of the taxing and spending power. The taxpayer's allegation in such cases would be that his tax money is being extracted and spent in violation of specific constitutional protections against such abuses of legislative power.

The proposed amendment would of course, be subject to court review. The amendment would have to be implemented by legislation and that legislation, like all congressionally enacted legislation, would be subject to court review as well.

Although its sponsors have expressed faith that the courts would not intervene in the budget-writing operations of the Congress, it is difficult to find any justification for that faith. It is ironic that those who have expressed confidence in the restraint which would be shown by the Federal courts include in their ranks some who have been the most vocal critics of the Federal courts for their alleged judicial activism in recent years.

As a former Federal judge myself, I believe it is impossible for anyone to predict, with any degree of certaintly, what the courts may do at some future time.

Twenty years ago, the Supreme Court overturned what was, at the time, a century-long tradition of nonintervention in political questions by ruling on apportionment, giving us the one-man-one-vote rule. Even if a court today declined to intervene in budgetary issues, there is nothing by which this Congress can bind a court in the future to such restrain.

The fact of that matter is that any Member of Congress, any affected party, indeed, any citizen could challenge Congress judgment on a budget. A ruling granting standing to such a challenge would, of course, be subject to review. But in the meantime Federal Government actions would be held hostage. Suits could arise over any number of issues: How should loan guarantees be treated in the budget? Should revolving funds be fully accounted for in the budget? Should dedicated revenues, such as social security funds, be allowed to offset spending in some other the portion of the budget?

All of those would be perfectly valid questions to raise, and for each of them there are citizens and Members of Congress with a sufficient interest to raise them.

We have seen what very different economic predictions are possible, when within 3 months, Congress enacts a budget which it says will produce a deficit of $104 billion, the White House then projects a deficit of $115 billion, the Commerce Secretary says it will be $135 billion, and the Congressional Budget Office says it will be at least $140 billion. How could such different interpretations avoid becoming the subject of court ruling? And what would happen to the Government of the country while such cases wound their way through the courts?

The fact is that no one today can say with any certainty at all whether the courts will decline to rule on budgetary matters or not. Adoption of this amendment may well be opening the door to governmental and constitutional chaos.

8. PRESIDENTIAL BUDGETS

The sponsors of this proposal have argued successfully that it is not necessary to include in it a requirement that the President propose a balanced budget. Yet it is a fact that Congress does not produce the budget in a vacuum. It is a product on which Congress works its will after the President prepares and submits the budget. To ignore that reality is to make a mockery of this entire effort to get the budget under control.

All of us know that, even as we debate this constitutional amendment applying to future budgets, the entire executive branch, the Office of Management and Budget and the White House are working on their proposals for the fiscal year 1984 budget. This morning's New York Times carried a story to the effect that defense spending next year would be up 17.3 percent over the fiscal year 1983 level. This administration's budget for fiscal year 1984 will shape our budget debate and our final budget decisions. Yet this amendment, which is supposed to control the entire budget process, excludes entirely one of the partners in that process.

That may be good politics for 1982, but it is not a recipe for good government in the future. If we set up a system in which the branch of Government which provides spending estimates and carries out spending activites need have no responsibility whatever for spending decisions, we are setting up a situation for a continuing crisis as the Congress and executive branch pass the buck back and forth.

The American people have surely seen more than enough buckpassing over budget matters in recent years. It does credit neither to our political system nor to our commonsense to exclude the President from the budgetary process for the simple reason of avoiding election-year embarrassment.

It is, finally, politically cynical for a President who proposed and supported, and a Congress which just a few weeks ago voted, the highest deficits in history, to invoke the virtues of balancing the budget.

Clearly, this claim means it would be good for some future Congress and some future President to balance the budget, but not for this Congress or this President. And equally clearly, it means it would be good to distract public attention from the realities of the current budget, for which we are responsible, by imposing restrictions on future budgets that are beyond our present control.

If the economic soundness of this theory is, indeed, as overwhelming as its proponents claim, then surely there is no reason why they should not be willing to put it into practice themselves.

If the need to balance the budget is so obvious and so evident, why cannot this President submit a balanced budget and why cannot this Congress endorse it?

Senators MATHIAS and BAUCUS have, in fact, proposed that we adopt the language of this amendment as a statute. That would make it apply immediately—to this President, this Congress, this budget. I voted for that proposal because I believe if anyone needs the discipline it is the current President and Congress. But it was, unfortunately, defeated, with most of those who support the amendment voting against it. They want to discipline future Congresses. But they want no part of that discipline themselves.

If it is good enough for some future President and some future Congress to balance the budget, it should be good enough for this one. If this balanced budget medicine is, in fact, good for the country, we should take it ourselves without delay.

In February, the President said his deficit could not be lowered by tampering with his version of a tax cut in a vain attempt to cure deficits in the short-run. What is this balanced budget proposal if it is not an attempt to cure deficits in the very short run of a single fiscal year?

What concerns us today is how to regain the stable growth we enjoyed 20 years ago. This President has of-

fered and supported the least accurate economic projections of any administration in recent history. He has proposed, supported, signed into law, and is presiding over the largest Federal deficits in history. Yet he is now demanding a balanced budget requirement to apply to his successors in the White House, but not to him.

The proponents of this amendment are very vocal about the political pressures that lead Congress to resist spending cuts. But they are not willing to be equally open about the political pressures that lead Congress to engage in charades with our Constitution. There are political pressures in both instances.

It is easy and politically beneficial to pretend you have done something by voting for a balanced budget amendment. It is harder and politically difficult to suggest, in seriousness, that economic realities have derailed last year's tax and budget policies, and that we need a midterm change of course. It is easier to blame the failures of will today on the policies of the past. It is easier, but it is not right. We should not tamper with our Constitution for the sake of saving political face in an election year.

The fact is that nothing can take the place of political will. Nor do slogans about balanced budgets take the place of sensible fiscal policy.

For all these reasons, I shall vote against the amendment.

Mr. President, there have been a great many thoughtful editorials, columns, and articles setting forth the reasons why this amendment should not be adopted. I ask unanimous consent that the following brief representative sample of material be reprinted at this point in the RECORD: Columns by James J. Kilpatrick, George Will, Rudolph Penner, and Jude Wanniski, as well as a selection of editorial comment from the New York Times, the Washington Post, the Wall Street Journal, and the Portland Press Herald.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Star, June 2, 1981]

BALANCED BUDGET PROPOSAL SIMPLY WOULDN'T WORK

(By James J. Kilpatrick)

The road to hell, so the maxim reminds us, is paved with good intentions. The Senate Judiciary Committee has taken off down that road in a cloud of commendable motives.

The committee has proposed a constitutional amendment to compel adoption of balanced federal budgets. The proposal is preposterous.

The committee's intention, to repeat, is altogether sound. If there is a prime cause of the inflation that afflicts our economy, it lies in the inability of successive Congresses to control federal spending. Only twice in the past 50 years has Congress achieved a small surplus. The accumulating deficits now approach one trillion dollars. Money pours out of the Treasury at the rate of two billion dollars a day, or $22,000 a second.

Almost no one questions the desirability, as a general proposition, of balanced budgets. John Randolph of Roanoke long ago proclaimed what he termed "the philosopher's stone" of sound fiscal management: "It is pay as you go, sir! Pay as you go! "But no parliamentary masters ever have devised a mechanism for making Randolph's rule enforceable.

The Senate committee's pending efforts follows in this futile tradition. Section One of the proposed amendment directs Congress prior to each fiscal year to adopt "a statement of receipts and outlays for that year in which total outlays are no greater than total receipts." Any schoolboy with a tally stick could run up such a statement in a moment. All that is required is that one conjure up a list of revenues, $700 billion; and in a parallel column a list of outlays, $700 billion. So much for the statement.

A WAIVER, OF COURSE

The proposed amendment continues saying the "the Congress may amend such statement." Precisely so. If an invitation to dishonest budgeting were engraved by Tiffany's, it could not convey a clearer meaning in particular exigencies, by a three-fifths vote in each house, Congress could waive the limitation.

In its second section, the amendment would command that total receipts for a given fiscal year "shall not increase by a rate greater than the rate of increase in national income in the last calendar year." The provision is gauzier even than "privileges and immunities" or "due process of law." The "national income" is a work of statistical guesswork. The "rate of increase" in this fictional compilation is thus illusory. Whatever these conjectures might be, they would require that anticipated revenues for the fiscal year that ends Sept. 30, 1990, be linked to the "national income" in the calendar year 1988. This is nonsense.

The third section says that Congress may waive the whole idea of a balanced budget whenever a declaration of war is in effect.

A MIND-BOGGLER

Section Four boggles the mind: "The Congress may not require that the States engage in additional activities without compensation equal to the additional costs." What state activities are "additional" activities? And what does this have to do with a balanced federal budget?

A fifth section attempts to define "total receipts." A sixth section would make the amendment effective in the second fiscal year following ratification.

I do not mean to be overly critical, but a constitutional amendment without effective means of enforcement is a nullity. It carries no more weight than a resolution endorsing safe driving. Simply to declare that the budget shall be balanced is to echo Glendower's famous boast that he could summon spirits from the vasty deep. "Why, so can I," says Hotspur, "or so can any man, but will they come when you do call for them?"

Over the years I suppose I have scrutinized 50 versions of a balanced budget amendment. Politically speaking, the effective versions are not feasible, and the feasible versions are not effective. I am impelled to the conclusion that the only remedy for fiscal extravagance is to elect frugal people to the Congress. To paraphrase Justice Stone's famous observation on the Supreme Court, the only check upon the spending power is the members' own sense of self-restraint.

That laudable characteristic is a rare and feeble quality in Congress, but it offers a better hope than the flawed proposal now heading for the Senate floor.

[From the Washington Post, July 25, 1982]

BALANCED BUDGET HOAX

(By George F. Will)

God, preparing condign punishment for hot air emitted in support of humbug, turned the temperature up to 90 the day the president addressed a rally for a constitutional amendment to require balanced budgets. The rally to make government—that questing beast—obedient to "the people" was for people with tickets. A ticket to a rally for an amendment to "require" balanced budgets calls to mind the invitation a Lady Colfax issued, after the First World War, to a luncheon to "meet the mother of the Unknown Warrior."

But members of the sainted public could get tickets. Red tickets were for employees of the Republican National Committee and high-level employees of the—if you'll pardon the expression—government. They got to sit smack in front of the president. Blue tickets allowed lesser government employees to sit farther back from Himself. White tickets, handed out on the streets, put plain people, to whose salvation the rally was dedicated, at the rear.

Behind the president, stewing like prunes in their juices, were congress-persons and senators, some of whom sincerely support the amendment for which they were rallying. Legislators who did not feel ill-used obviously were properly used as applauding props.

Washington's air this season is thick with humidity and hoaxes, such as nuclear "freezes" that won't freeze anything, and "flat rate" tax programs without flat rates. So what is one more hoax among friends? This hoax—this trivialization of the Constitution—is, simultaneously, a confession of political incompetence and an assertion of intellectual mastery—mastery not noticeable in the results of recent economic policies.

At precisely the moment when economists are especially bewildered by the inability of their theories to encompass events, politicians, running for cover from the electoral consequences of their activities, are proposing to constitutionalize an economic doctrine. They would graft something evanescent onto something fundamental.

Under the amendment, Congress would be required to adopt, prior to each fiscal year, a statement of receipts and outlays, the latter not to exceed the former. But such economic numbers are estimates made of warm taffy, all gooey and stretchable.

Neither clairvoyance nor candor can be counted on in Congress or the Office of Management and Budget. So who will enforce what on whom if—when—the numbers are significantly wrong? Will the president control outlays by impounding appropriated funds? Will courts superintend the appropriations process?

If the latter, will every taxpayer have standing to sue? No one can know until courts speak. And they will speak, because the amendment does not stipulate that controversies under it are not reviewable to courts. Were that stipulation made, the amendment would become a recipe for paralysis and lawlessness.

The amendment says that total receipts in any fiscal year may not be set to increase at a rate faster than the rate of increase of national income in the previous calendar year. The implication of this is that whatever else the government has recently got wrong, the current ratio of federal spending to national income is just about right.

But, then, the amendment would allow Congress to change this ratio by a simple majority vote. And by a three-fifths vote, Congress could authorize a deficit—which is what Congress has been doing for generations. So, to enable current incumbents to strike a pose, some incumbents want to clutter the Constitution with an amendment that might be, in practice, 98 percent loophole. It would be that, unless the political culture and congressional mores changed substantially, in which case the amendment would be beside the point.

The amendment is long, but should be longer. It depends on Congress' making precise projections, so it should contain 1,000 more clauses, four of which are:

Floods, hurricanes and other acts of God that wish to occur during the next fiscal year must register with OMB six months before the fiscal year begins, so Congress can know that relief-spending shall occur.

Agricultural commodities covered by price supports must inform the Agriculture Department if they are planning to materialize in inconvenient quantities in the next fiscal year.

Anyone planning to need unemployment compensation in the coming fiscal year must notify the Labor Department.

Before causing crises, tiresome foreigners must notify the U.S. Defense Department of any effects their crises will have on U.S. defense spending.

And . . . oh, yes: I love lobster, and own elm trees. Could Congress please require lobsters to grow on elm trees?

Sorry; I digress. It must be the heat.

[From the New York Times, Mar. 28, 1982]

THE NONSENSE AMENDMENT

(By Rudolph G. Penner)

In the near future Congress might, with the support of the Administration, proposed a constitutional amendment to the states that appears to require a balanced budget.

At first sight, it would seem extremely ironic for the very same Congress and Administration, who colaborated last summer to enact policies leading to record-breaking long-run deficits, to now propose amending the Constitution to impose spending, tax and deficit constraints.

The irony quickly disappears, however, upon closer examination. The favored amendment, Senate Joint Resolution 58, is so fraught with loopholes that it imposes little restraint. Its main effect is to allow politicians to go firmly on record in favor of the concept of a balanced budget while continuing to allocate society's resources however they please.

The amendment does not actually require a balanced budget. It says that the Congress, prior to the beginning of a fiscal year—which, incidentally, can be redefined however the Congress wishes—must adopt a "statement" of receipts and outlays in which outlays are not greater than receipts.

A deficit can be approved by a three-fifths majority. The most meaningful provision requires a majority of the entire membership of the House and Senate to approve percentage increases in receipts greater than the prior year's increase in national income, but even this provision raises problems because "national income" is a statistical concept that is frequently revised and redefined.

It is, of course, easy to adopt such a statement. As recently as last December, Congress adopted a statement telling us that fiscal year 1982 outlays would be $695 billion, receipts $658 billion, and the deficit $38 billion. Recently the Congressional Budget Office estimate that actual outlays will approximate $740 billion and the deficit $109 billion.

Perhaps the Supreme Court should have declared that the absurd economic forecast used for the December budget estimates was unconstitutional, but a lawyer might have trouble with that concept.

The amendment also states that "the Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement." That sounds serious. But never fear, the committee report on the amendment emasculates that strong language by saying, "There is no intention to alter the division and separation of powers now characteristic of the relationship between the Congress and the President." If the drafters of the amendment had really been serious, they would have given the President impoundment power and pressured him to use it whenever the amendment required it.

As it now stands, the amendment is likely to lead to an impasse. Optimistic outlay estimates will be adopted and when the estimating error becomes obvious, it will frequently be impossible either to muster a Congressional majority to cut outlays or to muster the three-fifths majority necessary to sanctify a deficit. The only important result will be that the Constitution is demeaned.

A more meaningful amendment could easily be drafted. But I believe that would do more harm than good. It would pressure Congress and the President into using nonbudget tools to capture economic resources. Even the proposed amendment might have the same result to the extent that tax burdens are restrained.

Regulations, government-sponsored, privately owned corporations and other devices can be used to re-allocate resources as effectively as spending and taxation. As such activities escape the modicum of control imposed by current budget processes, they are more likely to run wild.

President Richard M. Nixon once proposed an enormously expensive health insurance plan implemented largely outside the budget. It used regulations to force private sector provision of a publicly designed insurance plan. Luckily, that never passed.

However, serious problems arose in New York State when politicians felt pressured to circumvent constitutional constraints. Constitutional restraints on the budget—and the state has many such provisions—played some role in the creation of independent agencies such as the Urban Development Corporation, which subsequently ran amok and then collapsed financially.

Constitutional restraints also encouraged the adoption of dubious accounting practices by New York City, which later suffered a near bankruptcy, and resulted in the invention of moral obligation bonds that turned out not to be so moral.

A common excuse for Congressional action on a constitutional amendment is that 31 of the required 34 states have passed a call for a constitutional convention that would meet to formulate a balanced budget amendment. Many fear that such a convention would do much mischief and would perhaps feel free to propose amendments totally unrelated to the budget.

Lawyers vigorously debate how such a convention would be organized and whether it could be restricted to consider only a balanced budget amendment. But it is often forgotten that there is an ultimate constraint on such a convention. Its work would have to be ratified by 38 states.

While a call for a convention would create much uncertainty, I cannot help but believe that if the convention provoked a well-publicized, informed debate on public control, the results would be more sensible and effective than S.J. 58.

I do believe that our political system contains a bias toward higher levels of spending and deficits than the vast majority of the populace desires. But I doubt that the Constitution can practically be used as a remedy any more than it could be used to prevent the consumption of alcoholic beverages.

However, if constitutional remedies are sought, they should be in the area of enhancing the President's control of the budget. Presumably, the President, who represents the whole nation, is somewhat less vulnerable to special interest pressures than the Representatives and Senators who represent more limited geographical areas and economic interests.

We might, therefore, consider reforms providing the President with impoundment and item veto powers, something that the present Congress is unlikely to contemplate, because it would reduce their power more than does S.J. 58.

Although S.J. 58 may be a horrible idea whose time has come, it did sneak up on us because few experts took it seriously. Perhaps, a more vigorous debate will yet prevent the Congress from making a terrible mistake.

[From the Washington Post, Aug. 1, 1982]

THE BALANCED BUDGET AMENDMENT—THE IDEA IS LUDICROUS

(By Jude Wanniski)

Even before he was sworn in as director of the Office of Management and Budget, David Stockman was warned by his supply-side friends that, if he wasn't careful, he would soon be facing deficits of more than $100 billion a year. A number of us had observed that Stockman, as early as December 1980, had begun his drift away from the economic-growth agenda that had been central to supply-siders and the Reagan presidential campaign. In trying to balance the budget directly, he would only invite recession, shrink the tax base, explode entitlement payments and balloon the deficit.

The supply-side prescriptions involve dramatic fiscal and monetary reforms that would head off an "economic Dunkirk," which is the phrase Stockman himself used in a memo that advanced those reforms for the president-elect's consideration. Fiscal policy would be directed at restoring production incentives through lower tax rates. Monetary policy would aim at fixing the value of money instead of its quantity, having the Fed target the price of gold instead of some "M" quantity of money.

The monetary reform was critical. Lewis Lehrman, who was the supply-side candidate for Treasury secretary and had helped formulate the Stockman "Dunkirk" memo, then asserted that such a reform would result in a 6 percent prime rate in 18 months. Lehrman further argued that only in this way could the budget be balanced in

the future. Given a $1 trillion national debt, the difference in financing at 5 percent and 15 percent is roughly $100 billion a year. To supply-siders, at least, it seemed inconceivable then and now that the budget could ever be balanced without correct monetary policy.

This bit of recent history is worth recalling in light of the Reagan administration's commitment to a constitutional amendment requiring a balanced budget. Dave Stockman was opposed to such an amendment when he was a supply-sider because he was aware of the impact of monetary policy on the economy and, thus, the government's revenues and outlays. But since casting his lot with the Old Time Religionists in the Republican Party and inviting the recession that has produced $100 billion deficits, Stockman has endorsed the constitutional amendment. In fact, he was key to selling White House chief of staff Jim Baker on the idea, which now has President Reagan looking foolish.

Having failed the president on economics, Stockman could only devise this political ploy to make it appear that it is Congress that lacks the discipline to balance the budget. But this Congress has given the president virtually everything he has asked of it. In his press conference last week, Reagan complained that Congress had not given him the tax cuts he originally promised, "the full supply-side program." But it was Stockman who talked him into postponing the first year of the tax cut in order to squeeze more revenues out of the higher rates. Nor is there anything on the record to support the president's claim that Congress has denied him meaningful spending cuts.

The Democrats are not making much of a stink about the constitutional amendment because they are smart enough to know that it is horrible politics to identify with a mania for balanced budgets during a recession, and that Reagan is simply carving himself a place in history alongside Herbert Hoover. They also know, because Democratic economists are generally smarter than Republican economists, that the amendment is basically a silly idea that could not withstand the scrutiny of the amendment process. Why not help them vote it out of Congress and have the Republicans spend the next decade breaking their picks in the state legislatures? The budget is a monetary as well as a fiscal document, which introduces so many variables that the very notion of requiring balance becomes ludicrous.

When Federal Reserve Chairman Paul Volcker testified July 20 before the Senate Banking Committee, Sen. Alan Cranston of California drew him into a discussion about the balanced budget amendment after Volcker asserted that the deficits were purely a fiscal problem ("We can't cure the federal budget through monetary policy," said Volcker).

"Would you see any problem," asked Cranston, "in requiring the president to state the monetary policy which is assumed to underpin the balanced budget statement just so you have some idea of what to expect and upon what the balanced budget was based in terms of monetary policy?"

Said Volcker: "I'm skeptical about enshrining that kind of thought in law. You have got a problem, a kind of threshold problem, of how you measure monetary policy. Now we struggle with that all the time."

Volcker, who refused to say whether he was for or against the balanced budget amendment, was certain nevertheless that spending must be cut and/or taxes raised in order to reduce the deficit and bring down interest rates that will invite economic recovery. But he also told the committee that recovery is on the way because "we have a large government deficit that is pumping out purchasing power."

Such statements merely add to the sense of intellectual bankruptcy among our policymakers that could not be remedied by the proposed constitutional amendment. At last November's meeting of the Fed's open-market committee, the minutes revealed the authentic "voo-doo economics": "Committee members in general believed that additional weakness in economic activity could well be accompanied by further declines in interest rates, which would be constructive in supporting economic activity."

The public seems to be telling the pollsters that it favors a balanced budget, which no doubt has helped the president down this path. But the pollsters might as well ask the people if they prefer bull markets over bear markets, booms over busts, expansions over depressions, and have the sentiment enshrined in the Constitution. There is always some combination of tax rates, spending programs, regulatory policies and Federal Reserve policies that will produce a balanced budget over time in an environment of economic growth. But that policy mix can't be prepackaged. It has to be constantly rediscovered through the political process, because the economy is forever changing.

Nor is it necessary that the budget ever be balanced. As a corporation or a nation grows more productive, its debt can grow as long as its proportion does not outpace production. And a nation has to be able to run deficits to get through bad times the same way we expect families to borrow when the breadwinner is out of work. Those who have resources to lend will do so as long as they see the family or nation having the potential and prospect of getting back to work.

In this sense, the deficits we are now running are politically and economically proper, the net result of the Stockman-Baker-Volcker strategy that created them. The Stockman-Baker-Volcker idea of reducing them through spending cuts and tax increases would only drive the economy deeper into recession, as would a constitutional amendment that would require a Hooveresque response of this kind. The deficits will not disappear until we get economic growth. Economic growth will come with a supply-side monetary reform that fixes the value of money instead of its quantity, and not a moment sooner, no matter what the Constitution says.

[From the New York Times, Aug. 1, 1982]

CONSTITUTIONAL CON

The President, once a baseball broadcaster, now sounds like Leo Durocher, the former Dodger manager. Durocher watched with mounting anger one day as his third baseman let one, two, three ground balls through his legs. When it happened again, Durocher went out to play third himself. The very next ball bounced through his legs. He slammed the mitt down and shouted to the offending fielder, "You've got this position so knotted up that no one can play it right."

Last week, it was the President who threw down his mitt. The subject was Federal deficits. They weren't of such concern in February when he proposed a $98.6 billion deficit for 1983. Better that, he said, than to touch his planned tax cuts. They "must not be tampered with in a vain attempt to cure deficits in the short-run."

But Mr. Reagan is plenty worried about the deficit now. So is Congress. The deficit will be closer to $160 billion than $98 billion. Who's to blame? Don't look at me, Mr. Reagan says with some heat. Blame the Democrats. Why, they gave the country 19 deficits in the last 20 years. They got the game so knotted up that no one can play it right.

Still, not to worry. The President has a magical solution: "The American people understand that we need fundamental reform. . . . They want this Government to draw the line and to pass, without delay, a constitutional amendment making balanced budgets the law of the land."

What tempting simplicity! If Congress insists on behaving like an alcoholic, then ban cocktails. The trouble is the amendment stashes a bottle behind the sofa. It can't work.

The balanced budget amendment comes up for Senate action this week. Students of government—including conservatives—reject it as ignorant economics, destructive law, foolish administration and cynical politics. They are right.

The proposal would require Congress to adopt balanced budgets each year. Exceptions would be made for war or when 60 percent of both houses approved. Spending could increase no faster than the growth in "national income."

Why is it ignorant economics? Because the United States should not want to balance the budget every year; it should want to balance the economy.

In a recession, spending for unemployment and other benefit programs goes up. That's a desirable counter-cyclical effect; it's sensible to run a deficit then. Otherwise, the economy would nose dive. If the amendment were in effect now, there would be five million more unemployed.

Why is the amendment destructive law? Because it would stuff the Constitution with baloney. As Professor Burke Marshall of Yale Law School wrote on the Op-Ed page recently, "It trivializes the Constitution to try, for the first time, to write into it what are essentially economic and social legislative policies." These are fluid policies, not of permanent constitutional weight. The sponsors know that. This would be the first amendment ever which Congress had the power to waive.

Why is the proposal foolish administration? Because there's no way to make it work. Congress wouldn't even know if it was obeying. Consider the immense variations between the forecasts used when a budget is enacted and the outcome 18 months later. As Rudolph Penner, the conservative economist, has observed, the 1981 budget was balanced on paper for much of 1980—but there was finally a deficit of $58 billion.

Why is the proposal politically cynical? Because it is meaningless in practical terms. The President says that the amendment "could have a very profound effect." But Republican leaders have a very different view. "Frankly, it doesn't do a thing," says Senator Baker, the majority leader. "I don't think it would have any practical impact," says Senator Dole, the Finance Committee chairman.

If there are so many arguments against the amendment, why is the President for it? The only reason we can think of is that Mr. Reagan regards the voters as ignorant, docile and gullible, ready to thrill to the il-

lusion of "balanced budget" but never grasp the reality of this wretched proposal. in short, he thinks they will be fooled. So, evidently, do a lot of Congressmen.

That's all the more reason for thoughtful citizens to stand up and say, No, we will not try to fool and we will not be fooled; a fraud's a fraud. Free people do not govern themselves by pretending to strap on a permanent straitjacket. They do it by making hard choices as they arise. The balanced budget amendment is not a constitutional matter at all. It's just a con.

[From the Wall Street Journal, Mar. 29, 1982]

CONSTITUTIONAL COP-OUT

The current deficit panic in Congress is generating a surge of support for a balanced budget/tax limitation amendment now before the Senate and House. The proposed constitutional amendment, as embodied in Joint Resolution 58, would require Congress to adopt a balanced budget and taxes would, in effect, be indexed to the prior year's economic growth. A three-fifths vote would be required to spend more than the government takes in.

The amendment has 52 sponsors in the Senate and the White House has been making noises that it might climb on the bandwagon. A powerful group of conservative Republicans and Democrats in the House wants to force an up-or-down vote on the amendment as their condition for approving any increase in the debt ceiling.

There is considerable appeal to such an amendment, and we think it deserves more careful consideration than the out-of-hand dismissal it has been receiving in some liberal quarters. Its proponents, including Milton Friedman and such taxpayer groups as the National Tax Limitation Committee and the National Taxpayers Union, make a powerful argument that such a measure would greatly strengthen the ability of the budget processs to withstand the special interests.

Moreover, they argue, adoption by the Congress of such an amendment, even though it might take several more years to gain approval of the requisite three-fourths of the states, would signal the markets that we are finally getting serious about restoring fiscal discipline. Interest rates would start to move down; economic recovery would begin. And congressional action would forestall the current grass-roots effort to call a constitutional convention for the same purpose, which might prove difficult to control. Some 31 states have already approved a convention and the upper houses of two more have agreed; a total of 34 is needed to force a convention.

We have no burning desire to see the Constitution thrown open to the tender mercies of the political process if Congress fails to act. But frankly we are doubtful such a convention would ever take place; that 34th state is always a tough one to sell, and there will inevitably be second thoughts from the first 33. We also have serious reservations about Joint Resolution 58 itself.

For one thing, we doubt that passing a law can fix the situation. Although the joint resolution includes language intended to prevent Congress from spending off-budget what it wouldn't be allowed to spend on-budget, that would be a lot easier said than done. We feel confident that our ever-inventive legislators would have little difficulty finding ways to impose costs on society if it's in their electoral interests to do so. Increased regulation and mandates on other political jurisdictions might be the price of pro forma budget balance at the federal level.

And while the experience of the last several decades leads us to sympathize with the notion that Congress could use a little budgetary restraining, we are loath to tamper with the formulas established by the Founders. They possessed a wise grasp of broader and even longer-range political concerns in apportioning power the way they did. The draft passed by only one vote before World War II; we must be careful not to paralyze ourselves by making it too difficult for our representatives to act.

Lastly, what happens under such an amendment if Congress simply decides to evade its obligations? Will some judge order the Senators and Representatives arrested? It is a sound principle to avoid making laws that cannot be readily enforced.

It's not inconceivable that our objections could be overcome. But we fear that many congressional supporters of a balanced budget-tax limitation amendment are simply engaging in a game of constitutional cop-out. Such an amendment would probably take at least four or five years to get on the books and another few years to be phased in. By then most of our current legislators will be departed from the scene. Meanwhile, they will feel free to conduct business as usual. We doubt this prospect will greatly reassure the markets.

We also think the notion of a budget-balancing amendment does injustice to the electorate, which is discovering ways of its own to hold down spending and limit taxes. That is what the 1980 election was largely about. Ronald Reagan and the 1981 Congress have already indexed taxes, for all practical purposes, and the pressure of prospective deficits is finally forcing Congress to consider controlling the uncontrollables. So far, it's mainly talk, but that's a healthy step forward from last fall, when President Reagan's effort to raise the Social Security issue was so peremptorily rebuffed.

So in our view the political system shows signs of working in the right direction. We could probably live with a balanced budget amendment that was coupled with substantial progress in getting current spending under control without jeopardizing tax relief. But it would be a shame if a balanced budget amendment became a vehicle for relieving the pressure on Congress to act. We are confident that those who think they can pull the wool over the voter's eyes this fall with such cosmetic tactics will meet the same rough treatment at the polls that many of their colleagues received in 1980.

[From the Washington Post, July 27, 1982]

THE CONSTITUTIONAL AMENDMENT—SO YOU WANT A BALANCED BUDGET . . .

There is so much impassioned support for the balanced budget amendment—fiery rhetoric in Congress, a presidentially led rally on the Capitol steps—that you have to assume both the president and Congress really wish that such a constitutional mandate were already in force. (Surely they wouldn't wish something on their successors that they're not willing to live with themselves?) The question, then, is this: what would happen if Congress were to pass the amendment, and 38 state legislatures, eager to support this noble cause, rushed into special session and ratified it?

Well, look out. Closing the deficit would require cutting spending—or raising revenue—by at least $260 billion over the next three years, and possibly much more. This would be in addition to the $380 billion in deficit reduction measures that Congress is already painfully trying to enact just to get the deficit headed downward. Let's look at some of the choices Congress would have to make.

The easiest part of the budget to cut is usually the so-called "discretionary" domestic programs. These are mostly grants-in-aid to states for things such as pollution control, education, health and urban development. But these programs recently took huge cuts and are slated for $35 billion in further reductions over the next three years. In any case, the proposed constitutional amendment prohibits placing new fiscal burdens on states, so it's not clear that it would allow even the cuts in these programs that are already planned.

Another way to save the needed money is called "going after the entitlements." These are programs that more or less assure certain people, such as the poor or aged, of certain benefits. The trouble is that the programs that most people wouldn't mind cutting—welfare and food stamps—are small items in the budget, and they are already due for very big cuts.

That still leaves the big pension programs—Social Security, Medicare and military and civil service pensions. But Congress already plans politically risky curbs on all of these except Social Security. Even if Congress were to work up the courage to cut Social Security benefits, you'd have to cut benefits almost in half to get the needed savings. Not only is this out of the question, but, since Social Security is funded by an earmarked payroll tax, the funds shouldn't be used to cover other programs anyway.

That leaves defense. Even with the cutbacks voted in the budget resolution, it's worth noting that planned increases in defense spending will absorb all of the growth in general revenues over the next few years—and then some. This is why the deficit is so big even with cuts in other programs. But Congress has been busy in recent weeks voting for every big-ticket item the Pentagon wants so that there is little reason to expect it would be willing or able to make hard choices in this area.

As for raising taxes, Finance Committee Chairman Robert Dole has found little enthusiasm—and only a bare margin of Republican support—even for going after tax cheats.

This is why there is a day-dreamish quality about the current enthusiasm for a balanced budget amendment—a childish wish by Congress that if it were just forced by some outside power to do "what's right," all the real and urgent difficulties would fade away. That's not only foolish; it also distracts attention from the practical efforts being made by congressional leaders to get the deficit under control—efforts that are far more deserving of administration and congressional support than the pious and fatuous hopes embodied in the balanced budget amendment.

* * * TELL IT TO THE JUDGE

A number of sound arguments have been raised against the constitutional amendment to require a balanced budget besides the fact that no one (see above) has a clue how to achieve this noble goal. The amendment does not permit the flexibility government needs to adjust to different economic conditions. It tends to discourage honest budgeting and gives Congress and the administration an incentive to phony-up the numbers, so they can say there is no deficit when in fact there is. And there is the irony

that this amendment is proposed by a president who has been unable to present a budget that is balanced for this year—or for any year in the foreseeable future.

But for those who find these arguments unpersuasive, let us advance another, in the hope that it might lead them to show the caution that is appropriate when alterations in the Constitution are proposed. It is this: the constitutional amendment purporting to require a balanced budget would be an open invitation to the courts to intervene in the budgetary process—a process that even the most activist courts heretofore have left pretty much alone.

To understand why the courts would intervene, consider some of the language in the amendment, and ask whether or not reasonable people might interpret it differently:

"Prior to each fiscal year, Congress is required to adopt a statement . . . in which total outlays are no greater than total receipts." Economists and budget analysts will always disagree on what should be counted as "outlays" and "receipts"; remember the fuss last year when David Stockman proposed that certain "off-budget" items should be included in the budget? If the amendment is ratified, such disputes might end up in court.

"The Congress and the president shall ensure that actual outlays do not exceed the outlays set forth in such statement." Who is supposed to enforce this? The local sheriff? There is undoubtedly a federal judge somewhere willing to try.

"Total receipts . . . shall not increase by a rate greater than the rate of increase in national income." National income is an even more elusive concept than government outlays or receipts. It is determined by statistical methods, about whose validity reasonable people can and do differ. Perhaps taxpayers who feel that the government's receipts and their own taxes have increased more rapidly than this clause allows would have standing to sue. Could a court then order taxes lowered? Which taxes? By how much?

"The Congress may not require that the states engage in additional activities without compensation equal to the additional costs." Anyone familiar with the assiduousness with which states lobby for greater federal aid and sue when they have the slightest hope of getting more will recognize that this clause will be the subject of hundreds of lawsuits. States will argue again and again that their "compensation" is not equal to "additional costs" or that activities are "additional." The courts will decide whether they are right.

We find it odd that so many conservatives who have inveigled against judicial activism are supporting a constitutional provision that would spawn so much litigation over undeniably political issues—how the government raises and spends money. We wonder if they have reflected on the fact that most of the sitting federal judges were appointed by President Carter, and that there are among their number many whom conservatives would consider dangerous judicial activists. It is possible to imagine misguided lower court decisions that, though ultimately overturned, could in the meantime change congressionally established policy on taxes, defense and domestic spending. Is this what the president and others who rejoiced at the results of the 1980 election want?

[From the Portland Press Herald, May 4, 1982]

BUDGET—A TOOTHLESS AMENDMENT

President Reagan's endorsement of a proposed constitutional amendment requiring a balanced federal budget—a proposal echoed by the Maine Republican Convention last weekend—may be smart politics but it remains a bad idea.

The president's support may tend to divert public attention from the fact that Reagan, who as a candidate promised to balance the budget by 1984, is presiding over an administration that will produce the first $100 billion annual deficit in the nation's history.

The amendment backed by the president has a superficial ring of appeal but it's a largely toothless gesture. Because everyone recognizes that there are times when deficit spending may be unavoidable (during war) or advisable (during recessions or depressions), nobody believes in an ironclad balanced budget amendment.

As a result, the compromise proposal seeks an amendment to the Constitution which would require that the budget be balanced except when it shouldn't. Just three-fifths of the members of Congress could vote to overturn the amendment whenever they chose.

Supporters of the amendment say that's okay since politicians would be unlikely to vote openly for deficit spending out of fear of voter reprisal. Maybe. But would they hesitate to unbalance the budget if the alternative were to cut services drastically for those same constituents?

There's no question that the current and projected federal deficits are far too large. Unless the president and Congress agree to work together to substantially reduce deficits, the chances of the economy recovering from the present recession will be severely jeopardized.

But the way to accomplish that goal is by accepting the fact that $100 billion deficits are intolerable and by working with courage and diligence to reduce them. A constitutional amendment composed of little more than hollow words isn't going to solve our problems.

Mr. SPECTER. Mr. President, the constitutional amendment mandating a balanced budget is the toughest issue which has confronted the U.S. Senate in my relatively short tenure here. Because of its serious implications, I solicited views of my constituents through a letter dated May 4, 1982, which I requested 16 Pennsylvania newspaper editors to publish. In that letter, I outlined the competing arguments and noted that this was the only time I had asked for such constituents' opinions. To date, I have received: in favor, 48 letters, 20,255 postcards; against, 112 letters.

In addition, I have had discussions with many individuals, met with groups, studied organizations' recommendations, reviewed hearings' transcripts and listened to extensive debate in the Senate Chamber. The issue is extraordinarily complex as well as controversial. Whichever way I vote, many constituents, supporters and friends will be disappointed.

My considered judgment to vote in favor of the amendment results from weighing the burdens of the existing national debt and continuing deficits; the disadvantages from restricting majority rule; and the serious potential problems posed by a prospective constitutional convention.

Deficits in 19 out of the last 20 years have been a major factor in the economic problems facing our Nation today. We have a national debt in excess of $1,000,000,000,000. The interest on the debt this year exceeds $106,000,000,000. These figures are persuasive of the need for strong action to halt the growth of the national debt.

A nation, like a family, should live within its means. It is unfair to saddle future generations with our failure to pay for what we spend. While we should be able to limit spending without constitutional constraints, the historical fact is that the Congress has not done so.

The most compelling consideration is the potential for disaster from the convening of a constitutional convention on the vote of 3 additional States to join the 31 which have already called for a convention on this issue. Once convened, such a convention might rewrite the entire Constitution. In the only precedent, the Constitutional Convention of 1787 was convened to deal with the limited issues of amending the Articles of Confederation on regulation of interstate trade and the taxation of citizens of the various States. Ignoring that limited mandate, an entirely new Constitution emerged.

That precedent provides authority for a convention with a limited call to rewrite the entire Constitution. If our Constitution were to be reconsidered today, the Bill of Rights would not emerge unscathed and the jurisdiction of the Federal courts would be drastically limited. Those are dangers which must be avoided.

In voting for this amendment, I hesitate about granting the power to a minority (41 percent) of the Congress to overrule a 59 percent vote that a waiver is warranted from the mandate for a balanced budget. In practice, this problem may be more theoretical than real with the safety valve of suspension of the requirement for a balanced budget on a three-fifths vote. It has been my experience that there are customarily more than 60 votes in the Senate on important matters where a reasonably clear-cut need exists.

I am also troubled by the appearance of hypocrisy which surrounds this issue. It is certainly open to question whether this Congress should initiate a constitutional mandate for future Congresses to balance the budget when this Congress has not done so. However, the reality is that this Congress would doubtless utilize

the 60 percent waiver clause if the amendment were now in effect.

In the long run, we will be a stronger nation if we can find the way and the will to balance the budget and reverse the historical bias in favor of spending and against taxing by requiring a super majority of 60 percent before deficit spending can be authorized.

Mr. SARBANES. Mr. President, amendment of our Constitution is a matter of grave import. As the fundamental charter under which our Nation has grown and prospered, the Constitution defines the framework and procedures of our Government, and guarantees the rights and liberties of the individual. With a few notable and unsuccessful exceptions, the Constitution has not in the past been amended to include specific policies dealing with particular substantive problems. Instead it has generally been recognized that such policies should be arrived at through the decisionmaking process established by the Constitution and should not be included in the basic document of our governance.

Mr. President, many commentators have pointed out that the inclusion of this proposed amendment in our Constitution would have the most serious consequences for our Nation's ability to deal effectively with major economic and national security crises. In my judgment, this is an extremely important consideration in evaluating the proposal before us, and I ask unanimous consent that a number of editorials and articles addressing this subject be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 21, 1982]

THE BALANCED BUDGET AMENDMENT—FORMULA FOR A DEPRESSION

The constitutional amendment to require a balanced budget now has 60 sponsors in the Senate. That makes it very likely to be passed when it comes to the floor, perhaps this week. The immediate motive here is wretchedly trivial—to provide a little shelter for a conservative Senate as it raises the federal debt limit. Because the federal budget deficit is rising under Mr. Reagan, most of those 60 senators are feeling highly vulnerable on the subject of debt and, before lifting the limit, they want an opportunity to demonstrate their allegiance to fiscal orthodoxy. It is an absurd reason for tampering with the Constitution.

By enforcing the rule of a balanced budget, this amendment would leave no discretion whatever to a president and Congress to combat recessions. Theoretically, the amendment would allow a deficit by a three-fifths vote in each house of Congress. In reality, governments are always slow to acknowledge economic trouble ahead, and it is utterly unlikely that Congress could react sufficiently quickly, or unanimously, to avert real damage. Under the iron commandment of continuous balance, a recession like the present one would quickly turn into a true depression on a scale that this country has not seen since the 1930s.

The Senators who support this amendment speak for a part of America that has been prosperous so long that it takes prosperity for granted, and no longer remembers the fearful cost that a country pays for obscurantist policy. When private demand declines, as it periodically does, the process quickly becomes self-perpetuating unless it is offset by public demand—that is, deficit spending by the government. While it is currently fashionable to deride Keynesian doctrine, Mr. Keynes' answer to recession was right 45 years ago, is right today and will continue to be right in the future. One sincere testimonial to it comes from the Reagan administration, which is relying on it to end the present recession and is explicitly counting on next month's tax cut—and the larger deficits that it will cause—to pull the country back into a pattern of faster growth.

Undoubtedly it would be desirable to run the Federal budget fairly close to balance over a period of years, taking the better times and the worse ones together. But to declare that the budget must necessarily balance every year, good or bad, unless the country is actually at war, is to invite the scarifying spirals of the 1930s and the 1890s. It is grotesque for Senators and a President who cannot get their current deficit under $100 billion to support, piously, constitutional language putting it at zero. Conservatives in particular might note that there are only two ways to do it quickly—a tremendous reduction in Mr. Reagan's defense plans or a tremendous increase in taxes. Senators sponsoring this amendment might usefully be asked which alternative they support.

One sturdy Republican, Charles McC. Mathias of Maryland, describes this amendment correctly when he terms it the instrument of "sluggards and cowards," incapable of the hard thinking and the hard votes that orderly budgets require.

[From the Washington Post, July 27, 1982]

THE CONSTITUTIONAL AMENDMENT—SO YOU WANT A BALANCED BUDGET . . .

There is so much impassioned support for the balanced budget amendment—fiery rhetoric in Congress, a presidentially led rally on the Capitol steps—that you have to assume both the president and Congress really wish that such a constitutional mandate were already in force. (Surely they wouldn't wish something on their successors that they're not willing to live with themselves?) The question, then, is this: what would happen if Congress were to pass the amendment, and 38 state legislatures, eager to support this noble cause, rushed into special session and ratified it?

Well, look out. Closing the deficit would require cutting spending—or raising revenue—by at least $260 billion over the next three years, and possibly much more. This would be in addition to the $380 billion in deficit reduction measures that Congress is already painfully trying to enact just to get the deficit headed downward. Let's look at some of the choices Congress would have to make.

The easiest part of the budget to cut is usually the so-called "discretionary" domestic programs. These are mostly grants-in-aid to states for things such as pollution control, education, health and urban development. But these programs recently took huge cuts and are slated for $35 billion in further reductions over the next three years. In any case, the proposed constitutional amendment prohibits placing new fiscal burdens on states, so it's not clear that it would allow even the cuts in these programs that are already planned.

Another way to save the needed money is called "going after the entitlements." These are programs that more or less assure certain people, such as the poor or aged, of certain benefits. The trouble is that the programs that most people wouldn't mind cutting—welfare and food stamps—are small items in the budget, and they are already due for very big cuts.

That still leaves the big pension programs—Social Security, Medicare and military and civil service pensions. But Congress already plans politically risky curbs on all of these except Social Security. Even if Congress were to work up the courage to cut Social Security benefits, you'd have to cut benefits *almost in half* to get the needed savings. Not only is this out of the question, but, since Social Security is funded by an earmarked payroll tax, the funds shouldn't be used to cover other programs anyway.

That leaves defense. Even with the cutbacks voted in the budget resolution, it's worth noting that planned increases in defense spending will absorb all of the growth in general revenues over the next few years—and then some. This is why the deficit is so big even with cuts in other programs. But Congress has been busy in recent weeks voting for every big-ticket item the Pentagon wants so that there is little reason to expect it would be willing or able to make hard choices in this area.

As for raising taxes, Finance Committee Chairman Robert Dole has found little enthusiasm—and only a bare margin of Republican support—even for going after tax cheats.

This is why there is a day-dreamish quality about the current enthusiasm for a balanced budget amendment—a childish wish by Congress that if it were just forced by some outside power to do "what's right," all the real and urgent difficulties would fade away. That's not only foolish; it also distracts attention from the practical efforts being made by congressional leaders to get the deficit under control—efforts that are far more deserving of administration and congressional support than the pious and fatuous hopes embodied in the balanced budget amendment.

[From the Baltimore Sun, July 20, 1982]

KICKING THE DEFICIT HABIT

There are few scenes more offensive than a moralist with liquor on his breath preaching about the evils of strong drink. No amount of hymn singing or tambourine playing can cover the aroma—or the hypocrisy.

Well, there's scant difference between that scene and the one played out on the U.S Capitol grounds yesterday over a balanced budget amendment to the Constitution. The band music and staged flag waving could not cover the fact that President Reagan ushered in the age of the $100 billion deficit. He campaigned on the promise of balanced spending and members of Congress gave him just about everything he asked for. And yet, through bad judgment, poor estimates and economic events beyond their control, the government failed to achieve anything remotely resembling a balance. So the latest gimmick is the supposed budget-balancing amendment that seeks to tie the hands of future leaders.

The proposed amendment would make it difficult and embarrassing for lawmakers to overspend. A three-fifths vote would be needed to approve deficit spending and a majority in each house would be required to raise taxes. That's a fine goal. The big problem is that it seeks to achieve this economic goal in the document that defines our rights of citizenship. Why not do it by statute, as Senator Charles Mathias (R, Md.) has proposed? Or, better yet, why not bring spending under control through the collective will power of the president and responsible members of Congress? That route has been available all along, to the extent the economy permits.

Eighty economists signed a letter to Congress spelling out reasons they oppose this amendment. The first is that economic forecasting is not an exact science, and that budgets based on these forecasts may not be reliable regardless of what's written in the Constitution. They suggest it is bad policy to enact a budget that would be balanced in a recession. That, in itself, could worsen the recession. They also point out that interpreting the Constitution is the job of the judiciary and that the amendment would pull the courts into the business of economic policy-making.

Another major problem is that Congress could find ways around the amendment. That bothers the economists. It bothers the chairman of the Senate Budget Committee, who knows to well the distortions created by off-budget items such as loan guarantees and revolving funds. And it bothers us. Members of Congress have shown initiative and inventivness in spending money over the years. That's how we got in the current mess, and only an equal dedication to restraint will get us out. The solution is not a constitutional amendment. The solution is self-discipline.

[From the Baltimore Evening Sun, July 20, 1982]

PROTECTING VIRTUE

President Reagan has a remarkable facility for using slightly risque metaphors. He did this with skill and alacrity yesterday when he went to the Capitol steps to kick off the balanced budget amendment. Living within your budget, he said, is like protecting your virtue—you just have to learn to say "no."

So we had here the spectacle of a president and a congress which are about to give us the most unbalanced budget in history solemnly committing their predecessors to never do it again. In this context, to carry on Reagan's metaphor about virtue, it's a bit like the shady lady in court who pleads, "Judge, if you'll just give me a couple of more years on the streets, I promise I'll go straight and become the most virtuous woman in town."

Obviously Ronald Reagan is not responsible for the unbalanced budget, but then neither is any other single individual who was either present or absent at yesterday's dog-and-pony show kicking off the balanced budget amendment drive. We arrived at our present predicament of a trillion dollar accumulated debt because previous congresses and previous presidents felt that the alternative was worse than debt.

In fact, it would have been theoretically possible to balance the budget this year. All Congress needed to do was sharply cut back on all social programs, including Social Security and Medicare, and to scrap Reagan's proposals for a military build-up.

But of course that was unacceptable to anyone. We have our record unbalanced budget this year because, in an ironic way, Reagan made the same choices that Lyndon Johnson made back in the mid-60's when he determined to have his social programs and fight the Vietnam war at the same time—a decision which more than any other single one led to the spiral of inflation which gripped the country for the next 15 years.

Is there any reason to believe that presidents and congresses will react any differently in future years? It is easy enough to commit one's successors to virtue, but not a single person present at yesterday's extravaganza would have been willing to submit and iron-clad, inescapable balanced budget amendment.

That's why the amendment is riddled with escape clauses. And that's why we can fully expect future congresses and presidents to invoke those escape clauses in the same perfunctory manner that they now seek the occasional increases in the national debt which are necessary to keep government from coming to a complete halt. And that's why yesterday's kickoff of the balanced budget amendment was basically a ploy designed to save political skins as the November elections approach.

[From the New York Times, Aug. 1, 1982]

CONSTITUTIONAL CON

The President, once a baseball broadcaster, now sounds like Leo Durocher, the former Dodger manager. Durocher watched with mounting anger one day as his third baseman let one, two, three ground balls through his legs. When it happened again, Durocher went out to play third himself. The very next ball bounced through his legs. He slammed the mitt down and shouted to the offending fielder, "You've got this position so knotted up that no one can play it right."

Last week, it was the President who threw down his mitt. The subject was Federal deficits. They weren't of such concern in February when he proposed a $98.6 billion deficit for 1983. Better that, he said, than to touch his planned tax cuts. They "must not be tampered with in a vain attempt to cure deficits in the short-run.

But Mr. Reagan is plenty worried about the deficit now. So is Congress. The deficit will be closer to $160 billion than $98 billion. Who's to blame? Don't look at me, Mr. Reagan says with some heat. Blame the Democrats. Why, they gave the country 19 deficits in the last 20 years. They got the game so knotted up that no one can play it right.

Still, not to worry. The President has a magical solution: "The American people understand that we need fundamental reform. . . . They want this Government to draw the line and to pass, without delay, a constitutional amendment making balanced budgets the law of the land."

What tempting simplicity! If Congress insists on behaving like an alcoholic, then ban cocktails. The trouble is the amendment stashes a bottle behind the sofa. It can't work.

The balanced budget amendment comes up for Senate action this week. Students of government—including conservatives—reject it as ignorant economics, destructive law, foolish administration and cynical politics. They are right.

The proposal would require Congress to adopt balanced budgets each year. Exceptions would be made for war or when 60 percent of both houses approved. Spending could increase no faster than the growth in "national income."

Why is it ignorant economics? Because the United States should not want to balance the budget every year; it should want to balance the economy. In a recession, spending for unemployment and other benefit programs goes up. That's a desirable countercyclical effect; it's sensible to run a deficit then. Otherwise, the economy would nose dive. If the amendment were in effect now, there would be five million more unemployed.

Why is the amendment destructive law? Because it would stuff the Constitution with baloney. As Professor Burke Marshall of Yale Law School wrote on the Op-Ed page recently, "It trivializes the Constitution to try, for the first time, to write into it what are essentially economic and social legislative policies." These are fluid policies, not of permanent constitutional weight. The sponsors know that. This would be the first amendment ever which Congress had the power to waive.

Why is the proposal foolish administration? Because there's no way to make it work. Congress wouldn't even know if it was obeying. Consider the immense variations between the forecasts used when a budget is enacted and the outcome 18 months later. As Rudolph Penner, the conservative economist, has observed, the 1981 budget was balanced on paper for much of 1980—but there was finally a deficit of $58 billion.

Why is the proposal politically cynical? Because it is meaningless in practical terms. The President says that the amendment "could have a very profound effect." But Republican leaders have a very different view. "Frankly, it doesn't do a thing," says Senator Baker, the majority leader. "I don't think it would have any practical impact," says Senator Dole, the Finance Committee chairman.

If there are so many arguments against the amendment, why is the President for it? The only reason we can think of is that Mr. Reagan regards the voters as ignorant, docile and gullible, ready to thrill to the illusion of "balanced budget" but never grasp the reality of this wretched proposal. In short, he thinks they will be fooled. So, evidently, do a lot of Congressmen.

That's all the more reason for thoughtful citizens to stand up and say, No, we will not try to fool and we will not be fooled; a fraud's a fraud. Free people do not govern themselves by pretending to strap on a permanent straitjacket. They do it by making hard choices as they arise. The balanced budget amendment is not a constitutional matter at all. It's just a con.

[From Time Magazine, Aug. 9, 1982]

AN AMENDMENT THAT SHOULD NOT PASS

(By Lance Morrow)

The first thing one notices about the constitutional amendment is a certain discrepancy between behavior and rhetoric. The part of Captain Renault this year is being played by Ronald Reagan and the United States Congress. They are shocked to discover that budget deficits are going on in Washington. They have had recourse to a helpful old political appliance, something that might be called the Moral Dissociator. This device, a sort of reality override, is always useful in tight spots. It makes the politican disappear, and then materialize again on the other side of the room, the safer side.

The President proposes the largest budget, with the largest deficits, in American history. Then he marches up to the Capitol to stage a rally demanding a constitutional amendment that would require a balanced federal budget. "I don't feel self-conscious at all," Reagan tells a press conference. He argues the (at least partial) truths that he inherited ever growing commitments from Presidents before him and that a big tax cut might be a profitable jolt for the economy. Congress performs its own impressive feats of dissociation. The polls consistently show that between 70% and 75% of Americans favor a balanced-budget amendment. It is an election year. A majority in the Senate, possibly to be echoed in the House, proceeds along the lines of an entertaining but object logic: "Stop me before I kill again." The sponsors of the amendment to mandate balanced federal budgets have flocked to the Constitution, as to the Wizard of Oz, to ask for a superego, to plead for the discipline that they have been unable to enforce upon themselves. It is an evasive and unworthy and essentialy political exercise. The oldest living constitution in the world should not be dragged onstage to perform in such charades. It is undignified.

Amending the U.S. Constitution usually takes years. It is rarely done. As Chief Justice John Marshall said, the Constitution should be "a superior paramount law, unchangeable by ordinary means." When one is working in marble, it is not wise to doodle, or use the chisel impulsively. But precisely because the chances of succeeding with an amendment are remote, there has always been something satisfyingly theatrical and essentially safe about proposing amendments to enshrine various panaceas, transcendent gripes, noble urges and crackpot illuminations. The process is a little like the custom of nominating obscure favorite sons at political conventions, not because they have any chance of being nominated or elected. God forbid. It is just nice to hear the name boom in the hall, to have the transient thrill, something to tell the grandchildren. The mere proposal of a constitutional amendment amounts to national billboarding for an idea, and perhaps even a way of drawing the poison out of certain issues by bringing them briefly into the hypothetical presence of the sacred text.

There have been more than 9,400 proposals to amend the Constitution. Many have been frivolous. Over the generations, Americans have pushed amendments to restore states' rights, to "recognize the authority and law of Jesus Christ," to redefine treason, to prohibit racial intermarriage, to embrace world government, to outlaw pornography. The Equal Rights Amendment has just perished, for the moment. An amendment that would permit school prayer is showing signs of life; it is supported by President Reagan, who, for a conservative, seems surprisingly eager to change the nation's basic legal text.

In one instance, the U.S. became confused about the difference between the billboard and the marble. In 1919, it ratified a disastrous amendment outlawing alcoholic drinks. Then it spent 14 years fighting over whether and when and how to repeal the error. Americans should instinctively know that amending the Constitution every time the wind shifts is a sort of decadence. It suggests a nations dipping into capital, burning its deepest ideas for firewood.

The balanced-budget amendment is still in the billboard stage, the stage at which a certain amount of cynicism and carelessness and political opportunism is expected behavior. For that reason, the debate is still somewhat unreal, as if the amendment were a harmless issue, as if it had no consequences. All over Capitol Hill one hears private talk, even from those who will vote for the thing, that of course the amendment is basically nonsense, but it just won't do in an election year to be caught voting against a balanced budget. The popular impulse propelling the amendment is strong and wide. Organized labor opposes the amendment. But otherwise those against it tend to be professionals, scholars, commentators and economic experts. A prominent exception is Conservative Milton Friedman, who hopes that the amendment will "provide for a gradual ratcheting down of Government spending as a fraction of [national] income."

Whatever the political cynicism of Congress, it is responding to an immense popular disgust with high taxes and Big Government. In recent years, a balanced-budget amendment has made its way relentlessly through the state legislatures. Thirty-one of them have called for a constitutional convention to consider it. If three more states join the movement, the first such convention in the nation's history may be called. Politicians ranging from Edward Kennedy to Barry Goldwater fear that such a convention might turn into a "devil's playground." No one knows whether the delegates could be limited to the balanced-budget amendment. They might be ominously tempted to try to remodel the entire American constitutional structure, including the Bill of Rights. Such fears do not reflect much trust in the American people, of course, but it is that prospect, among others, that has led Congress to take the budget amendment so seriously.

All this has brought the balanced-budget amendment much closer to being carved into the Constitution than it rationally ought to be. The Senate may approve the amendment this week. It will have a tougher time getting through the House. "This thing is complete bull," says an aide to a Senate leader who happens to support the amendment. "Somebody had better stop it."

Superficially, one risks being thought a perverse neo-Keynesian mandarin if one comes out against balanced budgets. It is like being against motherhood—or worse. The balanced-budget amendment stipulates that before each fiscal year, Congress shall prepare a plan in which income and outgo match. The rule may be waived in time of war. Otherwise, deficit spending is permitted only when three-fifths of both houses approve the indulgence.

The best argument for the amendment sees it as a kind of Gordain stroke through the tangled indiscipline and unaccountability of Congress. Nothing less than a constitutional amendment, say its supporters, can break the deeply ingrained habit of profligate spending. The amendment would make it easier for Congressmen to say no. It would make them clearly visible when they said yes. It would force members to think twice about what is now automatic. Thus, argue the sponsors, the amendment would change the working premise of Congress, and begin to break the cycle of profligacy that has pushed the national debt beyond $1 trillion.

Intention and means should be distinguished. There is no question that growth in Government spending must be curtailed. The question is whether this constitutional amendment would accomplish that purpose. The amendment is like proposing to stop an orgy by rolling a grenade under the door; frag the bureaucratic waterbed. It is an extreme solution, feckless and fanatic. It may be satisfying at the moment, but it involves a messy aftermath.

One of the odd notes sounding through the fiscal debate is a sort of muffled cry for vengeance. The amendement will be a terrible swift sword, a judgment at last. It will impose discipline upon a nation that has felt itself losing control in a thousand ways, control not only of its money but its morals and its neighborhoods and its place in the world. The balanced-budget amendment is a metaphorical gesture with meanings that transcend the fiscal.

But gestures are ephemeral. When the hard, working details are examined, some voters who now like the grand gesture may reflect on what that will really cost. By the most optimistic predictions, assuming a brisk and lasting economic recovery, the federal deficit will still be at least $100 billion by 1986, when the amendment might become operative. Who would suffer if that $100 billion were suddenly eliminated from Government spending or added to taxation? Revenue sharing for the states would be the first to go. Medicare and Social Security would be vulnerable. So would civilian pensions. Neither defense nor social programs would be immune.

Government should be forced to make choices about priorities, of course. But that is exactly the point. The amendment is morally inert, and as single-minded as a natural disaster: Government by earthquake.

The specific case against the amendment focuses on four main themes:

(1) The Government's ability to serve as a balance wheel for the nation's economy would be crippled by the amendment. "We've been struggling to control the business cycle for 150 years, and we're finally getting better at it," says Senator Daniel Moynihan of New York. "In the 15 years ending in 1975, our per capita gross national product after inflation doubled. We were able to do it because we had the flexibility to iron out the inevitable wrinkles in the business cycle. The amendment would destroy that ability and subject us again to the feast-or-famine mercies of economic panics." Explains liberal Economist Walter Heller, "When recession cuts revenues and boost jobless pay, the resulting deficits help restore purchasing power and promote recovery. Trying to prevent such deficits by boosting taxes and slashing budgets would simply throw the economy into a deeper tailspin."

(2) Being easy to evade, the amendment may simply reduce respect for the legal system as a whole. The amendment specifies no punishment for those who violate it. Since the Government's budget-making process begins 21 months before the end of the given fiscal year, accurate forecasting is virtually impossible. Economic and budget assumptions can be doctored. All the states except one now have annual balanced-budget requirements, but they slip out of the straitjacket by capitalizing their long-term improvements, spreading the cost of bridges and highways and the like out over their useful life. The temptation to pursue such federal budgeting with mirrors would be overwhelming.

(3) The amendment is not sufficiently flexible. Government is not clairvoyant. It cannot foresee the year's natural disasters, for example, and the expenses they might

entail. The amendment permits deficit spending only in case of war, but ignores the possibility that additional defense expenditures may be needed in anticipation of, or to forestall, war. Constitutional amendments, like art, should imitate life, or at least bear some working relationship to it.

(4) The reason that conservatives, of all Americans, should recoil from the amendment is that it would irreparable alter the checks and balances in the Constitution. It would require Congress to cede enormous power to the courts and/or the President. Federal Reserve Board Chairman Paul Volcker, who opposes the amendment but supports its goals, has warned Congress that the arrangement could give the President a line-item veto of the entire budget and grant him, in effect, the power to impound any federal funds he wishes. Congress would no longer be able to mandate or create new programs. In the name of balancing the budget, the President could theoretically drop entire programs without any possibility of congressional review.

Beyond that difficulty looms the immense question of who would enforce the amendment. To legal experts it is conceivable that the whole federal budget, item by item, might end up for review by the Supreme Court. Says Yale Law Professor Burke Marshall: "This would be the breeding ground for an enormous amount of litigation." Conservatives who condemn the activism of American judges should wonder whether they really want to watch the courts of the land running the appropriations process.

In the early 1980s, the prevailing thrust toward constitutional amendments (such as ones that would outlaw abortion and permit school prayer) tends to be conservative. In the 1930s, the amending impulses were apt to be liberal (proposals to set a minimum wage, for example, and even "to prohibit war"). At that time, Supreme Court Justice Willis Van Devanter spoke scornfully of "the idea that the Constitution must be amended and treated as if it were a rubber ball so that each succeeding child may play with it according to varying inclinations." The Constitution is not a ball. It is the rules of the game; it is the game itself.

Gladstone called the American Constitution "the most wonderful work ever struck off at a given time by the brain and purpose of man." The secret of its endurance has been its flexibility. However admirable its intentions, the balanced-budget amendment is a brittle, inflexible business. Its wheels are square. It is not worthy of the company it aspires to join.

● Mr. QUAYLE. Mr. President, we are currently in the midst of debate on the constitutional amendment to balance the budget. Our current budget process, while it has helped to inform the Congress on spending and fiscal matters, has become extremely unwieldy and time consuming. If we are to carry out the purposes of the balanced-budget amendment, the budget process will need to be reformed in a number of ways.

Today, the budget process is so time consuming that it barely leaves time for normal legislative activity. The current cycle, which calls for two budget resolutions every year, results in great uncertainty which makes long-range planning difficult for individuals and groups participating in Federal programs. We clearly need to move to a longer budget cycle.

The July 16, 1982, issue of Science carried an article by Willis H. Shaply that explains the importance of long-term planning in budgetary matters for major R. & D. projects in the sciences. I ask that this article be printed in the RECORD.

The article follows:

R & D IN THE FISCAL 1983 BUDGET

The President's budget for fiscal year 1983 treated R & D fairly well, given the economic exigencies and the policy orientations of the Reagan Administration.* Within these policies, some fine-tuning of the amounts for R & D deserves serious consideration; some of this may be done by Congress as it acts on the details of the budget. What will be the outcome in Congress? The spending targets in the budget resolution leave open the possibility that the R & D budgets finally approved by Congress could approximate closely the recommendations in the President's budget.

For budget function 250, the only category that consists entirely of R & D (National Science Foundation, Department of Energy general research, and NASA), the resolution provides exactly the same amounts as in the President's budget. This is preferential treatment. The general congressional guideline of freezing 1983 budgets for discretionary spending at the fiscal 1982 budget levels would have meant a cut of about 10 percent.

Totals for most of the other functions also seem adequate to include the amounts budgeted for R & D, except for national defense R & D, where the 3.6 percent reduction in total budget authority could mean a cut of as much as $1 billion in the $4.4 billion increase recommended in the budget.

The final outcomes, however, will depend on how R & D is treated by Congress in the detailed authorization and appropriations bills, and whether the appropriations bills as passed are acceptable to the President. Detailed congressional action could produce R & D budgets that are revised, perhaps improved, versions of the President's budget. But a presidential veto and another standoff between the President and Congress would probably result again this year in percentage across-the-board reductions applied indiscriminately to R & D along with programs.

The longer term outlook for R & D is, at best, bleak. Even under optimistic economic assumptions, total funding available for nondefense R & D faces a reduction in constant dollars of as much as 30 percent over the 5-year period FY 1983 to FY 1987, unless continued high deficits, substantial increases in taxes, a major cutback in defense, or some combination of these becomes acceptable economically and politically. The establishment of plans and priorities for federal support of R & D within a total level of resources that is declining in real terms is the single greatest challenge facing the scientific and technical leadership in the government and the scientific and technical community as a whole.

There are plenty of other challenges. I will mention only three:

(1) There is the challenge to all of us to see that something, besides talking, is done about the problems of science and engineering education at all levels. Our decentralized education system needs leadership. Will the federal government provide it? If not, who will?

(2) There is the challenge to industry to show that the U.S. private sector, in the favorable regulation and tax environment of the Reagan Administration, can match competition from other nations in developing and marketing new and improved products based on advances in science and technology.

(3) There is an urgent challenge to Congress and the Executive Branch to find ways to temper the operation of the budget process. I counted 160 distinct steps in the budget process as it now "works." At a minimum, we must insulate from controversies on overall budget policy the core of largely noncontroversial functions of government for which the range of likely budget adjustments does not have an appreciable impact on the size of the deficit, the level of revenues, or the state of the economy. We should be able to conduct important activities like R & D within the framework of approved long-range plans and clearly defined envelopes, without the continual disruptions and uncertainties that characterize the present budget process.●

Mrs. HAWKINS. Mr. President, I rise in support of Senate Joint Resolution 58, a proposal that will impose sorely needed fiscal restraints on the Federal Government.

The Federal Government is not only in a state of gross imbalance, it is in a state of self-contradiction. Presently, the Government's budget objectives contradict what actually happens at the end of the budget process. Stable prices, low interest rates, low deficits, low taxes, and low spending are Congress' budget objectives. Yet, somehow, these objectives elude us year after year. We might say that the idea of budget restraint contradicts the reality of budgetary excess. Rhetoric and results are in conflict. We are not the only ones who say it, though. Eighty percent of the people in this country say it. Thirty-one States say it by calling for a constitutional amendment to balance the budget. The President says it. A national debt of over $1 trillion says it all. Taxes and spending are at peacetime records of GNP that says it and I am up here saying it again. We need a way to end this contradiction.

Only a constitutional amendment as proposed by Senate Joint Resolution 58 will eliminate this conflict. History has proved that statutes are not tough enough. As Senator GRASSLEY pointed out recently, Public Law 95-435 mandated a balanced budget for fiscal year 1981. Yet, when the books were closed for fiscal year 1981, the deficit stood at $58 billion. The lesson the Senate must learn is simple. Only a constitutional amendment can guarantee long-term fiscal prudence. Only a constitutional amendment can end the country's dilemma.

Mr. President, there are three schools of fiscal restraint in this country. They seek to close the gap between words and deeds. The first is the balanced-budget school. It fears the effects of deficits on inflation and

interest rates. The second, the supply-side school, fears the destructive effects on high tax rates on incentives. The spending limitation school fears that Federal spending will absorb increasingly record percentages of our Nation's resources. The constitutional amendment, I believe, will unite these schools behind the proposition that balanced budget, at lower levels of taxes and spending, is worth fighting for.

Members who want to balance the budget will be increasingly able to get their way. Under the amendment at least 321 Members of Congress will have to vote for an imbalanced budget. It will be hard to deny the budget balancers. Presently, the votes of 60 Senators are required to end a filibuster. Under the amendment, 60 Senators will also be required for red budget ink flow. In addition, 60 percent of all House Members simultaneously will have to agree to deficit spending. In effect, I predict there will be the equivalent of two-House filibusters in progress whenever imbalanced budgets are proposed. Think of the difficulty stopping a one-House filibuster. Think of the difficulty in stopping one in each Chamber. This amendment does not lack enforcement.

Consider the experience of State governments. According to the Senate Judiciary Committee, 39 States have constitutional provisions limiting their ability to incur budget deficits. My question is, If the States can make a successful attempt to balance their budgets, why cannot the Federal Government?

To please the supply-siders, the amendment has a "truth-in-taxation" clause. This section requires Congress to vote any time taxes are expected to grow faster than the national economy. Such a procedure discourages "tax bracket creep" whereby taxes automatically go up faster than a worker's paycheck. "Tax bracket creep" is due to the unholy interaction of the Tax Code and inflation. Right now, a worker who receives a 10-percent pay raise sees his tax bill go up 15 percent. Now, millions of average citizens are in tax brackets once reserved for the rich. By requiring a tax vote each year, Congress will remain under annual pressure to offset bracket creep. This procedural change will keep taxes lower than they would be otherwise. Take-home pay and incentives will be higher.

The effect of requiring a balanced budget while keeping taxes as low as possible will encourage long-term Federal spending restraint. Congress will not have the freedom to go on a spending binge.

Mr. President, balance and restraint are what the amendment promises. Quite simply, a balanced budget and restraints on Government taxation and spending. As an additional benefit, this constitutional amendment will strengthen the implicit weakness of the budget process. That is the susceptibility of Congress to external pressure groups without enough regard for the taxpayers interests.

Under the amendment, if expensive new spending programs are adopted, old programs must be reduced or eliminated. Or, Congress must vote to raise taxes. Either way, wasteful spending will be discouraged. This healthy pressure will, over time, squeeze out the least justifiable spending already in place. It will transform many existing programs from sources of waste and abuse into sterling examples of Federal forethought. "Crowding out" will take on a new and positive meaning.

For these important reasons, I urge the Senate to pass Senate Joint Resolution 58.

LET'S TAKE CHARGE AND BALANCE THE BUDGET

Mr. McCLURE. Mr. President, at long last this body is addressing a measure to check the uncontrolled and unlimited growth of Government. At long last we have a chance to do more than talk about returning commonsense and fiscal responsibility to the methods by which the Government functions. At long last we can say to our citizens, and to the world watching, that this great experiment in people governing themselves and living their lives as they choose is not doomed to go the way of other civilizations.

We have before us a solution that, while it is not perfect, is a solution that will work. For once let us give this country something that it really needs. Government spending is bleeding our Nation dry. The best minds agree that this is happening. Those on both sides of the aisle see it and know we must address it. The American people delivered a clear message in November 1980. They are tired of wasted tax dollars, they are tired of inefficient agencies and they know that deficits are strangling our economy and their livelihood.

Today we have a clear and decisive step to take charge again of our Government, and I long to have the people know that we on this side of the aisle want to bring the Government under control, at long last. Let the people know we stand for something different from what they have experienced in recent times.

I saw the irresponsible direction Government spending was taking as a freshman Congressman and therefore supported a measure in the 90th Congress to require a single appropriations bill so that we might more closely examine total Government spending and facilitate its control. Throughout my service in Congress, I have supported legislation to limit expenditures from exceeding revenues. For too long we have failed in any attempt to set spending priorities for the Government. Instead, we have appropriated for the collective priority of everyone, every Member and every special interest. With all due respect to the distinguished chairman and ranking minority member of the Budget Committee, the Budget Act has not worked as I believe it was intended. The bottom line is that even with this act we are still unwilling to control spending.

Mr. President, I feel as strongly about this issue as any other we have ever considered while I have been a Member of this body. In January of 1979, I introduced, with Congressman CRANE in the House, a joint resolution calling for a constitutional amendment to provide that appropriations made by the United States not exceed one-third of national income. At about the same time, I introduced the initial legislative proposal to put a cap on the level of Federal expenditures. After 16 years of working in Congress and sponsoring 50 bills to reverse the tax and spend philosophy which dominates Washington, I believe we have found a way to achieve our goal.

We all agree that it is imperative the Federal Government adopt and stick to a policy of spending no more than it takes in as revenue. Limiting the size of Government is essential if we are to get the economy moving at full capacity again. No one is free if he does not own the fruits of his labor. Limiting the power of Government to spend our money is the most important issue we face. The most important benefit will be the preservation of this country as the land of the free where, as George Washington said, Government is the servant, not the master of the people. Our society has been one in which men and women, regardless of the circumstances of their birth, have known there were no boundaries to what might be achieved with effort and ingenuity. That faith has been the essential dynamic force in the economic life of our Nation.

It is an indisputable fact that our country's productivity growth has exhibited a slowing in recent years, absolutely and relative to that of other countries. This is a matter of great concern to the future of our Nation. Because of the slowing of the underlying rate of productivity growth—to a pace a third less rapid in the last 10 years than in the 1950's and early 1960's—we can no longer boast of having highest per capita standard of living in the world. Some are, perhaps, willing to accept that but I believe far more is at stake than national prestige. It involves a question of the spirit and vitality of our Nation. Clearly, one reason for the lag in productivity is the lack of capital available for investment and replacement of plants and equipment, and one reason that is true is that Government competition for

credit to finance its deficit forces others out of the money market. Milton Fredman, who won the 1976 Nobel Prize in economics, correctly states that—

The basic problem of the United States today is that Government interference is threatening to strangle the true source of our achievement.

I have continually said that the current economic crisis demands something more substantial than the superficial effort to provide a psychological symbol of fiscal restraint. This is especially true when the method employed in attempting to balance the budget is to raise taxes.

The political implications of trying to tighten up on any program have proven to be greater than the capacity of this body to confront. The result that we give is that on Monday, we take an action; on Tuesday we take another action; on Wednesday, we take another action; next week, we shall take another action, and the hope for a balanced budget goes down in flames.

Mr. President, if there is one message that comes through to me from my constituents when I visit at home is that the hard-working men and women of this country are tired of paying taxes to support programs the political institutions of this country do not have the courage to control.

The amendment we have before us requires that Congress adopt a statement of receipts and outlays for every year. And in each year outlays shall not be allowed to exceed receipts unless three-fifth's of the Members of both Houses deem it necessary. Naturally this can be waived during any fiscal year in which a declaration of war is in effect. In calculating receipts, the rate of increase in receipts shall not exceed the rate of increase in national income unless Congress enacts a bill that directly approves specific additional receipts. This provision undoubtedly leaves the temptation for Congress to continue on its spending spree but I suppose, as in many compromises, an imperfection will always exist. I continue to be opposed to increasing taxes in an effort to balance the Federal budget. Those who continue to promote this alternative are not correctly addressing the problems of the day.

While this amendment does allow taxes to be increased, it mandates that any increases be consistent with the expansion of our economy. In a recent Washington Times editorial the concept is simplified. They state that "Congress can't let our taxes go up faster next fiscal year than the economy grew last calendar year." This is correct and this provision effectively indexes our tax structure in a similar fashion to the indexing provision included in the Economic Recovery Tax Act of 1981.

Often conventional wisdom proves to be conventional but not wise. This proved to be the case with some of our spending habits and also to the widespread notion that any adjustment in the social security benefit levels to regain solvency for the fund would be politically disastrous—at least to those who want increased levels of spending and unfortunately, by those who seek political advantage from the fears of those dependent upon social security for their necessary living expenses. When families or businesses incur repeated and rising operating deficits, bankruptcy inevitably follows. This is what will happen if the problems associated with social security and other entitlement problems are not addressed. We know from past experience that by simply raising the tax involved will not cure this illness. Complete reform of the entitlement system is the only answer. In my own experience, the older people who are most directly affected are concerned about the stability of the fund, those younger workers who face many years of payments into the funds, are not confident they will ever receive any payments in return, and all our people distrust the political process. This amendment will eliminate any opportunity for a short-term response. It will go a long way in restoring trust to our political system so that we can deal with the most serious problem facing us. This country needs men and women who trust the American people to vote the same good sense and determination as the American people themselves, show. It is time to recognize that statesmanship and good politics are sometimes the same.

I urge my colleagues to support this important amendment and let us move ahead to more important problems facing this great Nation.

I ask unanimous consent that the editorial from the Washington Times be printed in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX SPENDING BLUES? TRY THIS

Tired of federal lawmakers spending to satisfy this, that and the other special-interest group? And leaving you holding the deficit-inflation recession bag?

Want to fix it so Congress can't set out to spend more than we all earn? Got a migraine over the thought that some post-Reagan Congress will stick it to you on taxes, as in the bad old days? By letting bracket-creep do its thing without Congress having to lift a finger? Or take the blame?

Have we got a solution for you. It's called the Balanced Budget-Tax Limitation amendment to the Constitution. The Senate's giving it the once-over right now. Already, it has the bipartisan support of 66 members. And Ronald Reagan's blessing. And yours (79 percent of you across the nation said so in a recent Market Opinion Research poll).

So it's settled. The Senate will pass it. The House too. Then the required 38 state legislatures. Right? You know better. There are powerful pro-spending forces out there bent on arm-twisting and vote-buying.

They'll trot out some economists who'll call it snake oil. Say it'll shackle the Congress. Make policy for it. Strangle the economy come recession.

Well, snake oil it isn't. As for shackles, all it'll do is make Congress sign a pledge every year. That it won't shell out more than the government expects to rake in by fiscal year's end. Say $800 billion, just for example.

This is the balanced budget part. If the Hill boys want to spend more, three-fifths of them will have to stand up and be counted.

Suppose tax revenues exceed $800 billion. A windfall for spenders? No way. By fiscal years's end, they couldn't spend a penny more than the $800 billion they promised. The feds get the surplus, which they can apply to the trillion dollar national debt.

Suppose tax revenues fall below $800 billion. The government could still hand out 800 billion smackers, and there would be a deficit. Honest error. So nobody sends Congress to the slammer.

Now, the tax limitation part. It says Congress can't let your taxes go up faster next fiscal year then the economy grew last calendar year. If estimates show this is about to happen, lawmakers will have to cut back taxes. Unless a majority want to vote otherwise—on the record.

This is especially neat. It limits spending to economic growth. This used to be called fiscal responsibility. Nobody practiced it. Now they'd have to. Even your biggest-hearted, softest-headed legislator doesn't fancy being a constitutional felon.

Best news last. The fog spreaders will try to tell you this'll starve the economy in bad times and over-excite it in good times. Wrong. There's a 21-month lag built in. Between the economy's performance last year and the next fiscal year's taxing-spending limit.

So if you've fallen into a recession, you automatically end up with a mildly stimulative deficit. If you're coming out of recession, your calendar-year base for taxes and spending will be lower than actual revenues. Automatic thermostat. No overheating.

And get this: Congress couldn't sneak through more spending by unloading more burdens on state and local governments. The 10th Amendment already say no to federal interference with their operation.

Sound good? It is.

Mr. ROBERT C. BYRD. Mr. President, today we near the end of an historic debate on a constitutional amendment that would attempt to insure a balanced budget.

This debate comes at a time when there is widespread concern about Federal deficits, and with good cause. We have seen, in the past 2 years, a President elected on a pledge of balanced budgets, who has sponsored tax cuts and defense spending increases and a tight money policy that have led to record deficits, deficits that may amount to $150 billion or more next year.

Clearly, a balanced budget is a worthy goal. The question is whether this particular amendment is the best

vehicle to achieve that commendable goal.

I must confess to many doubts.

Some of our colleagues have raised serious objections to this amendment. They have questioned whether it will harm the economy. They have asked if it is enforceable. They have questioned the wisdom of requiring a three-fifths vote of Congress to make exceptions to the amendment. They have questioned the restrictions on the raising of revenues. They have asked whether the amendment might produce congressional stalemates that the courts would be called upon to resolve.

Mr. President, all these questions and others, have been raised, and I must say they trouble me greatly.

Nonetheless, I have decided to cast my vote in favor of the amendment.

There are two main reasons for my decision.

First, we must all agree that excessive Federal deficits are a matter of genuine concern. Somehow, we must break our old habits and move back toward more prudent, more responsible fiscal policy. This amendment, even if imperfect, can be an instrument to help us in that difficult task. We have never had deficits in this country like we have today. We face an extraordinary situation, and perhaps the extraordinary step of a constitutional amendment is what we need to start on the road back to economic responsibility.

Second, Mr. President, we must recall that the vote today is not the end of the process, but only the beginning. If the Senate approves this amendment, and if the House of Representatives approves a similar measure, in all likelihood a conference will be necessary to develop a new version to be considered by both Houses. It is my hope that many of my concerns and those of my colleagues will be alleviated by the work of that conference. If a conference version is approved by both Houses, three-quarters of the State legislatures must then ratify it in order for it to become law. A great national debate will take place. I believe that debate will be healthy. I believe it will force citizens and elected officials to focus on the urgent questions of public spending and national priorities.

Under our Democratic system, to put a question of this magnitude directly to the people is a wise and proper action.

Therefore, I will vote for the amendment—and thus vote to put this question directly to the American people. I cannot doubt that their ultimate decision will be the right one.

Mr. THURMOND. Mr. President, I yield 1 minute to the distinguished Senator from New Mexico, and then the remainder of the time, 3 minutes, to the majority leader.

Mr. DOMENICI. Mr. President, I think the free industrial nations are burdened more today with the problem of controlling their fiscal matters than any other problem.

The challenge of the next 50 years for the free nations of the world, including ours, will be economic. For those who say this will not work I ask if what we have been doing has worked.

I am confident Congress can implement this constitutional amendment and change the bias which has been in favor of special interest groups, in favor of overcommitting and overpromising against dwindling resources.

The passage of this amendment will reverse that bias, and when properly implemented will give us a chance to enter this next 100 years fiscally responsible, sound, properly using our National Government and its resources.

Mr. THURMOND. I yield the remainder of the time to the distinguished majority leader.

Mr. ARMSTRONG. Mr. President, is the Senate in order?

The PRESIDING OFFICER. The point is well taken. The Senate is not in order.

Mr. BAKER. Mr. President, time is running out and it is in order enough for me.

Mr. President, it is perhaps an assault on the dignity of this body, certainly one on our vanity, when I point out that the Senate of the United States could not amend the U.S. Constitution even if they wanted to.

We have one role to play, and that is to seek the concurrence of the House of Representatives in submitting this amendment for the consideration of the 50 States for their ratification before it becomes a part of the fundamental charter for the governance of America. That is what we are doing, Mr. President.

I want to say right now for the record that it is our responsibility to submit this issue to the people. We alone cannot decide. We must acknowledge that 31 States have already memorialized the Congress to call the Second Constitutional Convention in the history of this Republic for this purpose.

It is our responsibility, in my view, it is our opportunity, in my judgment, to submit an amendment to the Constitution to the House of Representatives and to the several States for their consideration. I will support it. I believe the Senate should pass it.

The PRESIDING OFFICER. The time has expired.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. For what purpose does the Senator wish to be recognized?

Mr. RANDOLPH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. RANDOLPH. Would it not be proper for Senators—it is not required—in our decisionmaking on this vital matter, to vote from our desks?

The PRESIDING OFFICER. It is not required.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 69, nays 31, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—69

Abdnor	Exon	Nunn
Andrews	Garn	Packwood
Armstrong	Goldwater	Percy
Baker	Grassley	Pressler
Bentsen	Hatch	Proxmire
Boren	Hatfield	Pryor
Boschwitz	Hawkins	Quayle
Brady	Hayakawa	Roth
Burdick	Heflin	Rudman
Byrd, Harry F., Jr.	Helms	Sasser
	Hollings	Schmitt
Byrd, Robert C.	Huddleston	Simpson
Cannon	Humphrey	Specter
Chiles	Jepsen	Stafford
Cochran	Johnston	Stennis
D'Amato	Kasten	Stevens
Danforth	Laxalt	Symms
DeConcini	Long	Thurmond
Denton	Lugar	Tower
Dixon	Mattingly	Wallop
Dole	McClure	Warner
Domenici	Melcher	Zorinsky
Durenberger	Murkowski	
East	Nickles	

NAYS—31

Baucus	Gorton	Metzenbaum
Biden	Hart	Mitchell
Bradley	Heinz	Moynihan
Bumpers	Inouye	Pell
Chafee	Jackson	Randolph
Cohen	Kassebaum	Riegle
Cranston	Kennedy	Sarbanes
Dodd	Leahy	Tsongas
Eagleton	Levin	Weicker
Ford	Mathias	
Glenn	Matsunaga	

The VICE PRESIDENT. On this vote, the yeas are 69, the nays are 31, Two-thirds of the Senators present and voting having voted in the affirmative, the joint resolution is passed.

The joint resolution (S. J. Res. 58), as amended, was passed as follow:

S. J. RES. 58

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States,

which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts. The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject. The Congress and the President shall, pursuant to legislation or through exercise of their powers under the first and second articles, ensure that actual outlays do not exceed the outlays set forth in such statement.

"SECTION 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the year or years ending not less than six months nor more than twelve months before such fiscal year, unless a majority of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

"SECTION 3. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect.

"SECTION 4. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal.

"SECTION 5. The Congress shall enforce and implement this article by appropriate legislation.

"SECTION 6. On and after the date this article takes effect, the amount of Federal public debt limit as of such date shall become permanent and there shall be no increase in such amount unless three-fifths of the whole number of both Houses of Congress shall have passed a bill approving such increase and such bill has become law.

"SECTION 7. This article shall take effect for the second fiscal year beginning after its ratification.".

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

Joint resolution proposing an amendment to the Constitution altering Federal budget procedures.

Mr. BAKER. Mr. President, is there an order for the Senate to proceed to the consideration of the reconciliation bill?

The VICE PRESIDENT. There is such an order.

Mr. BAKER. I ask unanimous consent to proceed for 2 minutes prior to the execution of that order.

The VICE PRESIDENT. Without objection, the majority leader is recognized.

Mr. BAKER. Mr. President, I take this opportunity to commend all Senators for their conduct during this debate. It is indeed a historic time. Any time we attempt to change the basic, fundamental charter of the Government of the United States, it is important. This one is especially so.

Mr. LEAHY. May we have order, Mr. President?

The VICE PRESIDENT. The Senate will be in order.

The Senator will suspend. Senators are asked to take their seats.

The majority leader may proceed.

Mr. BAKER. I think, Mr. President, that what we have done today in submitting this joint resolution to the House of Representatives marks a turning point in the policies of this Government and of this country. In the course of the debate, Mr. President, we have consumed 11 days, 57 hours. There have been 30 rollcall votes, 32 amendments were considered.

Mr. President, it was not an easy time, and I want to offer my special congratulations to the distinguished managers of this resolution; of course, to the distinguished chairman of the committee (Mr. THURMOND), the equally distinguished Senator from Utah (Mr. HATCH) and the distinguished Senator from Arizona (Mr. DECONCINI) for their skillful management of this legislation. As always, I offer my gratitude to the distinguished minority leader for his cooperation in making the difficult task a little less difficult.

I express my personal gratitude to all Senators and to the excellent staff who made it possible for the Senate to deal with an important issue in an orderly way in a brief time.

Mr. President, I am prepared to provide additional time for other Members to speak on this subject if they wish or to proceed with the consideration of the reconciliation bill as they may prefer.

Mr. HATCH. Mr. President, let me take just a minute to thank those individuals who have worked so hard for so long to develop Senate Joint Resolution 58 and to marshall support for it throughout the country. I apologize in advance for those who I might inadvertently overlook.

Although their contributions are well recognized, I would like to extend particular admiration for the efforts of the majority and minority floor manager of this measure. Senator STROM THURMOND, the principal sponsor of Senate Joint Resolution 58, has been the congressional leader for a balanced budget for most of the 28 years that he has been a Member of this body. He has persevered through many difficult years in order to raise this issue to its present level of national prominence. There is no Member of this body who deserves more credit on the present amendment than the very distinguished senior Senator from South Carolina.

The Senator from Arizona, Mr. DECONCINI, has been the other outstanding leader here on the floor of the U.S. Senate. He has worked tirelessly in this role, as well as tirelessly in his entire tenure in the Senate, in pursuit of a strong and effective balanced budget constitutional amendment. There is no man who is as much responsible for the success of Senate Joint Resolution 58 as Senator DECONCINI for it is he who has insured that this effort has remained always a bipartisan effort. He has demonstrated unusual political courage in many respects in the firmness of his position.

We cannot overlook the tremendous contribution that has been made here either by the distinguished majority leader (Mr. BAKER). The Senator from Tennessee was an early cosponsor of this amendment and has worked as hard as any Senator possibly could to put the proposed balanced budget amendment in the U.S. Constitution. He deserves the commendation of every person throughout the country who believes in a balanced Federal budget.

Although I cannot possibly mention every Senator who has made a contribution, I wish to single out several others. Senator HARRY F. BYRD, JR. has been a leader in the balanced budget effort ever since he has been in this body. As with his father, also a distinguished Member of the Senate, he has introduced and worked in behalf of a balanced budget constitutional from the moment the great people of the State of Virginia sent him to this body to represent them. Senator DOMENICI, the author of amendments to Senate Joint Resolution, 58 adopted on the floor, has played a leadership role in working to make the proposed amendment a genuinely workable measure. He deserves inestimable credit for this role. Senator GRASSLEY has played a leadership role in both the House and the Senate in behalf of the balanced budget constitutional amendment. Senator MELCHER has worked as hard as any Member of this body to maintain Senate Joint Resolution 58 as a genuinely bipartisan measure, and has labored many hours on the floor of this body during the course of the debate that is now ending. Senator DOLE, too, has played an active role throughout this process.

Let me also thank every other Senator in this body who has cosponsored Senate Joint Resolution 58 or who has supported it today on the floor. In paraticular, I think that the country owes a particular measure of gratitude to those Senators who held firm on the many floor amendments offered during this debate. While many were tempting—I know that I personally

was attracted by some of them—I am deeply appreciative of those Senators who placed the long-term interests of the proposed amendment, and the long-term interests of the country, before various floor amendments that they might have personally preferred.

Let me also thank the principal House sponsors of the companion balanced budget amendment in that body. In particular, I wish to commend the distinguished Congressman from New York (Mr. CONABLE), the distinguished Congressman from Georgia (Mr. JENKINS), and the distinguished Congressman from Florida (Mr. BAFALIS).

There are a large number of outside organizations that have worked tirelessly on this issue for many years. I wish to express my appreciation to them all. Two organizations, in particular, deserve the greatest and the most enduring credit—the National Tax Limitation Committee and the National Taxpayers Union. I cannot say enough about the work of these organizations in the States, in Congress, and throughout the country in behalf of the present measure. There would have been no amendment without the work of these organizations. They worked on this issue for years before most other organizations were even aware of it. For the National Tax Limitation Committee, let me extend special appreciation to Lewis Uhler, William Shaker, William Tobin, Margot Singleton, and John Buckley for all of their personal efforts on this issue. For the National Taxpayers Union, let me thank James Davidson, David Keating, and George Snyder for all that they have done. Each of these individuals ought to feel great pride in their contribution. It has been a pleasure to have been able to have worked with them on the present amendment for several years. I look forward to continuing this relationship.

Let me also thank the American Farm Bureau, the U.S. Chamber of Commerce, the National Federation of Independent Businesses, the National Cattleman's Association, and countless other organizations for their work in behalf of Senate Joint Resolution 58. More than 150 national organizations lent their support to this effort.

In addition, there were a number of distinguished members of the academic community who deserve the appreciation of supporters of Senate Joint Resolution 58. One that I would particularly like to single out would be Prof. Craig Stubblebine, director of the Center for the Study of Law Structures at Claremont College. Professor Stubblebine has provided a strong intellectual foundation to the present effort throughout the years, and has worked closely with the Subcommittee on the Constitution in developing the official committee report on Senate Joint Resolution 58. There is no individual who deserves more credit, and who has worked longer, on Senate Joint Resolution 58 than Professor Stubblebine. I will always be grateful for his efforts.

Two others that I would like to mention would be Prof. Alvin Rabushka of the Hoover Institution at Stanford University who has also made an unusal contribution to the development of Senate Joint Resolution 58 and, of course, Prof. Milton Friedman, lately also of the Hoover Institution, who has been an intellectual driving force for many years in behalf of a constitutional amendment to restore fiscal responsibility to this Nation. The distinguished member of the President's Council of Economic Advisers, Dr. William Niskanen, also deserves appreciation for his long-time efforts on this issue.

Finally, I cannot overlook the truly outstanding staff efforts that have been made on behalf of Senate Joint Resolution 58. A tremendous amount of staff effort has gone into the development of a consensus constitutional amendment approach over the past 4 years.

In particular, I would like to express my appreciation for the efforts during the past 4 years of my chief counsel on the Subcommittee on the Constitution, Stephen Markman. Without his assistance in the development of this consensus amendment, as well as his efforts in preparing the official committee report, Senate Joint Resolution 58 would never have enjoyed its present success.

In addition, let me extend my appreciation for the efforts of other key staff in bringing Senate Joint Resolution 58 to its present position. These would include Eric Hultman of Senator THURMOND's staff who has spent many long hours on the floor assisting the majority floor manager, Robert Feidler of Senator DECONCINI's staff who has done the same for the distinguished minority floor manager, and George Pieler of Senator DOLE's Finance Committee staff.

Let me also thank Charles Wood, Dennis Shedd, Robert Fulton, Rick Brandon, Hayden Bryant, Richard Allen, Jeff Bergner, Mitch Daniels, and Jennifer Visick for their outstanding efforts in behalf of the proposed amendment.

Mr. GRASSLEY. Mr. President, this is truly an historic occasion. I stand to praise my colleagues for their wisdom and courage in adopting Senate Joint Resolution 58. For years, I have wondered how long the Congress could ignore the demands of its citizens that the Federal Government be responsible with the public purse. As a result of 20 years of congressional insensitivity, our citizens have been convinced that the Government would never willingly stop its own growth. But today, Mr. President, the citizens of this great Nation have ample cause to rejoice. A majority of the Members of this body have finally acknowledged, and taken decisive action to correct the strong institutional bias that leads us to greater governmental spending than is desired by either the general populace or its elected representatives.

Mr. President, during the extensive debate in which the Senate has been engaged, we have heard many compelling arguments on this issue, both pro and con. I do not wish to launch a vicious attack on those of my colleagues who chose not to support this proposal. I am sure that they acted according to their consciences just as I did. These are issues over which reasonable men may honestly disagree.

In fact, I would be deceiving my colleagues were I to say that I am undoubtedly certain that this proposed amendment is the answer to the economic ills of this country. I would be the first to admit that the proponents of this amendment may hold legitimate doubts about its probable success.

Why then did I support this proposed amendment, Mr. President?

Because the only other alternative, business as usual, is simply not acceptable. The bottom line is that we have attempted every other means available to remedy this critical problem.

It was hoped that the 1974 Budget and Impoundments Act would allow Congress to regain some control of the budget process. Since that time the raising of the debt ceiling has become a twice-annual ritual.

In 1979, Congress passed the Byrd-Grassley amendment which mandated a balanced Federal budget by fiscal year 1981. That public law has been totally ineffective as it was overridden by succeeding legislation.

We are truly at a crossroads in this country's history. The Senate has finally recognized the necessity of some significant action to regain control of rampant Federal spending and the consequential inflation and unemployment.

Critics of this proposed amendment argue, first that it is unnecessary and second that it puts the Federal budget into a constitutional straitjacket. They claim it is unnecessary because Congress could restrain Federal spending tomorrow simply by having the guts to render 51 votes to do so. They claim that this proposed amendment is a political cop-out.

How I wish that this were so. I would hope that those of my colleagues who have suggested this alternative will live up to their contentions on the next budget resolution vote. History makes me doubt that this is a realistic alternative. To criticize this proposed amendment as a copout by Congress for its failure to impose fiscal self-discipline is like telling an

insane individual that his problems are all in his head.

This proposed constitutional amendment was purposely designed to allow for fiscal flexibility. It does not read some particular economic doctrine or dogma into the Constitution. It simply corrects for the institutional spending bias that has placed the average taxpaying citizen at a decided disadvantage.

To say that this proposed amendment is unworkable or will be unsuccessful is no argument at all. We have heard countless doomsday prophecies regarding this proposal. Its critics claim that it will lead us to severe economic crisis.

These arguments are most amusing. I remind my colleagues that it is severe economic crisis that has lead us to adopt this proposal in the first place. I would not advise a drowning man to neglect a life preserver for fear that it might not float. While it is not perfect, I believe that this proposed amendment is workable and will be successful. I would suggest that many of the critics of this proposal are simply opposed to any measures which would impose fiscal restraint on the Federal Government.

In closing, I would suggest that none of these prophesies have proven true at the State level. These laboratories for republican government have demonstrated that this proposal is necessary, logical and more than appropriate. Once again, I congratulate my colleagues.

ORDER TO POSTPONE CONSIDERATION OF S. 2774 UNTIL 1 P.M. TODAY

Mr. BAKER. Mr. President, it will take a little while for the Members who will manage the reconciliation measure to take their places and to assemble their staff and maybe just a little while to cool off. I ask unanimous consent that the Senate postpone the consideration of the reconciliation bill until 1 p.m. today.

The VICE PRESIDENT. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time between now and 1 p.m. be devoted to the transaction of routine morning business and that Senators may speak for not more than 5 minutes each.

The VICE PRESIDENT. Without objection, it is so ordered.

(Mr. NICKLES assumed the chair.)

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. I thank the Chair.

THE UKRAINIAN FAMINE 50 YEARS AGO

Mr. PROXMIRE. Mr. President, the year 1982 marks the 50th anniversary of the artifically induced famine or holocaust that killed millions of Ukrainian peasants and workers. Because the holocaust in the Ukraine was not an isolated incident, a discussion of the famine illustrates the need for the United States to ratify the Genocide Convention to prevent future genocidal activities.

The Ukrainian people have never been on fully hospitable terms with the Russians. After the Bolshevik Revolution, the Ukrainian National Army fought against Communist Russia until 1920, when they were defeated by the Russians. In 1922, the Ukrainian Government was forced to join the Union of Soviet Socialist Republics. From 1923 to 1930, the Ukrainian people struggled to maintain some Ukrainian national and cultural independence. During this brief period, sometimes called the Ukrainian renaissance, the Ukrainian Government managed to make the Ukrainian language the official language of the region, and as a result, Ukrainian literature flourished. A class of well-educated intelligentsia began to take over the leadership and Ukrainian national culture and identity was at its peak.

In 1932 and 1933, Stalin and the Communist Party formulated a policy to destroy the Ukrainian people's quest for freedom and independence. The plan was directed against two principal segments of the Ukrainian population: the intelligentsia and the peasantry. Moscow ordered the closings of academies and institutes and banned many publications. Hundreds of Ukrainian intellecutals were also arrested and executed in connection with anti-Soviet activities in the Ukraine.

The Soviet assaults on the intellectual class were not surprising as they have occurred frequently throughout Russian history. But in 1932, Stalin targeted the Ukraine peasantry as the group to be punished for its resistance to the enforced collectivization of agricultural programs. Stalin purposely estimated high yields for the unharvested grain. From these unrealistically high estimates, Stalin established high quotas. When the farmers could not meet these quotas, the farmers were punished and their crops were confiscated, leaving them to face certain death from hunger. There are no official statistics as to the number of victims of the genocidal famine in the Ukraine. Ukrainian publications estimate that several million people died from starvation or disease.

The satellite countries in Eastern Europe have historically been the victims of Russian genocidal campaigns. We must not continue to be passive in our resistance to genocide. We must actively join the 88 other countries who have ratified the Genocide Convention. Anything less than an active role in this area is a disgrace to our country that claims to be a champion of human rights.

NUCLEAR NONPROLIFERATION AND UNITED STATES-INDIA EUPHORIA

Mr. PROXMIRE. Mr. President, I am struck by an apparent euphoria circulating in Washington circles about our suddenly improving relations with India as a result of Prime Minister Gandhi's sweeping tour of this country. I welcome efforts to strengthen our friendship with one of the world's more powerful, yet troubled lands. I am certain that many others share in my belief that a stronger alliance between our two countries can only serve to strengthen both.

However, Mr. President, I am also reminded by an editorial in the August 2 New York Times that one critically important basis of our relationship is eroding in a manner which could ultimately have a devastating effect on the world's people. This administration's aversion to enforcement of the Nuclear Non-Proliferation Act could cause damage that far offsets any benefit obtained from our improved dealings with India. This harm could well be suffered in areas far outside the borders of India or the United States.

By relaxing the agreement that India must obtain its uranium fuels from the United States and by giving up its right and duty to object to India's reprocessing its nuclear waste for yet-undisclosed purposes, the Reagan administration is ignoring an enormous growing threat. The increased availability of fuels from which nuclear weapons can be made should not be tolerated. The more that these fuels and the information about their use is disseminated throughout the world, the greater is the likelihood that someone or some country may use these in a horrifying show of force.

The precedent set by allowing India to use its nuclear resources for undisclosed purposes signals our other allies that the United States can and does willingly cave in to our once firmly held policy of trying to halt nuclear proliferation. Why then should other nations abide by agreements made with the United States which restrict the use of nuclear fuels?

Mr. President, I ask unanimous consent that the New York Times editorial "Tarapur 3, Nonproliferation 0" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TARAPUR 3, NONPROLIFERATION 0

The eight-year struggle with India over its nuclear weapons program is ending in a draw. The Reagan-Gandhi deal is not a defeat for either side, but neither is it a victory for nonproliferation.

The laudatory aim of the settlement was to sweeten the atmosphere for a rapprochement, symbolized by Mrs. Gandhi's first visit in a decade. But in strictly nuclear terms, India gained. By substituting France for the United States as the supplier of civilian nuclear fuel, the deal eliminates the American pressure, through fuel delays and cutoffs, to get New Delhi to accept "full-scope" safeguards—international inspection of all its nuclear facilities.

Mrs. Gandhi comes away with a guarantee of nuclear fuel for at least 11 more years without having to prove her claim that she's not making bombs. She has not even promised, like her predecessor, not to conduct another nuclear explosion. There is ground for complaint that the deal undercuts the Nuclear Non-Proliferation Act. As Representative Edward Markey, put it: "India gets the uranium and U.S. nonproliferation policy gets the shaft."

Still, a second Indian weapons test has not, in fact, occurred for eight years—undoubtedly because of American pressure and world opinion. It remains unlikely. There have been other gains. India's clandestine diversion of civilian nuclear aid made the world more alert to the dangers lurking in peaceful nuclear projects. There has been a general tightening of precautions by all the nuclear supplier nations. And no other potential weapons maker has so far exploded a nuclear device.

The Indian-American standoff had in any case become unstable. An agreement in 1963 obligated the Indians to use American fuel in the American-built reactor at Tarapur. But, uniquely, it also obligated the United States to supply the fuel—for the reactor's presumed life of 30 years. Thus when Congress in 1978 insisted that fuel be denied nations whose programs were not fully inspected, India had a legal case for declaring the agreement broken.

That risked the diversion of American aid to military projects. Most disturbingly, India maintained it no longer needed American consent to reprocess nuclear waste, even if the resulting plutonium fuel could also be used as a bomb explosive. It notified the U.N. that spent American fuel rods were being shipped to a new reprocessing plant.

Given India's political importance, there was a strong case for liquidating this controversy—provided a vigorous antiproliferation program were in place for the rest of the world. The surrender to India can be defended as a surrender to necessity, to retain the remainder of the 1963 agreement's inspection and reprocessing safeguards. But the Indian deal is sadly symbolic of the Reagan Administration's weakened interest in nonproliferation. It has been making other deals that similarly circumvent the spirit, if not the letter, of the Non-Proliferation Act.

South Africa and Brazil, whose American fuel is also blocked by the law, have also been helped to European substitutes, although they had no comparable legal claims. Supplies and equipment for sensitive facilities, which the Carter Administration would have opposed without the law requiring it, have been approved for Argentina and South Africa. Pakistan's nuclear transgressions have been overlooked in providing military and economic aid.

Most important, the Ford-Carter campaign against premature use of plutonium as a fuel has been abandoned at home and in Europe and Japan. And this context gives the new Indian arrangements a somber cast. Once plutonium is widely used in key countries, it will be hard to deny to other friends. Congress had better look again, and fast.

Mr. PROXMIRE. Mr. President, I yield the floor.

THE CRIME CONTROL ACT OF 1982, TITLE IV—HABEAS CORPUS REFORM

Mr. CHILES. Mr. President, this is the 12th consecutive week in which Senator NUNN and I have delivered daily messages to the Senate urging action on the reform of habeas corpus procedures. We have undertaken this campaign because we are convinced that use of the "great writ" has harmfully strayed from its useful purpose of insuring that a person receives a full and fair trial. Habeas petitioning has become a free-for-all in recent years, and the delays and endless reviews which have resulted because of this petitioning threaten the stability of our criminal justice system.

We do not feel this situation should be tolerated any longer, and we are imploring our colleagues to take up legislation that is pending on the Senate calendar to address this problem. Senator NUNN and I plan to continue our daily reminders about the need for such remedial legislation until we see movement in this direction.

In the past few weeks of speeches, I have spent considerable time talking about the abusive and repetitive use of habeas petitions by State prisoners to attack their convictions. I have discussed the frivolous nature of so many of these petitions; that they often focus on minor technicalities or ridiculous claims, without even raising a point of innocence. I have indicated the waiting game that many prisoners play when filing petitions; that some even wait decades before raising a challenge, thus prejudicing a State's ability to defend its conviction. I have told of the detrimental effect that such petitions have on the efficient functioning of our court system; that they clog up our courts and drain legal resources that could be used to prosecute felons. Finally, I have told of how the habeas review process undermines the integrity of our State courts, as well as that of our entire judicial system; it allows cases to be litigated over and over again, and in the process, dilutes the notion of finality, a notion which is essential to any system of justice.

Throughout these talks, I have recounted actual habeas petition cases which vividly demonstrate the problems that I have mentioned. I think these cases have helped to convey the public's frustration with our judicial system. It is difficult to explain to law-abiding citizens why our justice system allows a convicted felon to delay his sentence, or even worse, occasionally get off the hook entirely. It is little wonder that the public has lost confidence in the judicial system, and that we here in Congress have been called on to make reforms in the system.

From another standpoint, I think the cases I have presented have also helped to convey the frustration of the people in our judicial system, the people directly involved in a process gone astray. I am, of course, talking about our prosecutors, magistrates, attorney generals, State judges, and Federal judges—right up to the Supreme Court. These are the individuals who must handle habeas corpus petitions in some form or another, and I can tell Senators that the majority of them do not like the present situation either. In fact, they have been quite vocal in their support of legislation to reform habeas corpus procedures.

As a sampling of this support, I have received letters of enforsement for the bill that Senator NUNN and I have introduced from the Florida Prosecuting Attorneys Association, the National Association of Attorney Generals, the National Governors' Association, the National Conference Chief Justices, and individual attorney generals throughout the country. In addition, more general support for habeas corpus reform has come from the President's violent task force, the Justice Department, and numerous reputable State and Federal judges. There have even been opinions rendered by those sitting on the highest court in our land, the Supreme Court, regarding the need to tighten up on the habeas corpus appeal process.

Some of the individuals articulating support for reform in this area have been especially lucid on the subject. I want to spend time today sharing with the Senate some of the more thoughful comments that I have come across. To start, there is Jim Smith, the attorney general form my State of Florida. Attorney General Smith knows the abuses of habeas petitioning as well as anyone, and he has been one of the main forces behind the move for reform. In his comments before the Senate Judiciary Committee during the recent hearings on habeas corpus reform, Jim Smith said:

> Speaking for Florida, I can say that those petitions * * * arising from the expansion of constitutional rights from the Bench * * * have created unwarranted chaos in the administration of justice.

Attorney General Smith went on to say:

> Abuses in the writ have become so commonplace today as to be virtually codified as devices with which to challenge alleged errors of search, arrest, confession, or trail—often decades later—which issues could and should have been raised at the trial or on

direct appeal. It is virtually impossible for States to defend such claims so long after the original trial.

This view concerning the defensive position in which a State is placed as a result of abusive habeas petitioning is expanded on in the comments of another expert in the field, W. Ward Reynoldson, chief justice of the Supreme Court of Iowa. Judge Reynoldson also testified before the Senate Judiciary Committee, and here are some excerpts from his informed views:

From the insight and perspective I have acquired as Iowa's chief justice, I have grave concerns relating to the pursuant functioning of federal habeas corpus litigation. There is an unrelenting oversight of State judicial operations, and continued duplication of judicial efforts in an area of crushing Federal case load and limited funding.

On the State level, our presecutorial resources are being squandered, our judges frustrated, and our citizens disillusioned by the lack of finality in criminal convictions. The redundancy of collateral Federal habeas corpus attacks on State judgments and the specter of State supreme court decisions, carefully researched and reasoned to provide defendants the full panoply of Federal constitutional rights, being set aside by the ruling of a single Federal district judge, are shackling our criminal law.

Another State supreme court justice, Judge Ben Overton of the supreme court of Florida, has made observations which clearly reflect on the protracted nature of habeas petitioning. Judge Overton has offered the view that:

No other country in the world has anywhere close to the number of judicial proceedings necessary to make a judicial conviction final as we do in this country. * * * What I am saying is, the present process is much too cumbersome and time-consuming.

Then we can turn to the insightful words of a man who has been calling for habeas corpus reform for a number of years now, Judge Henry Friendly, member of the U.S. Court of Appeals for the Second Circuit. In an article published in the University of Chicago Law Review in 1971, Judge Friendly wrote:

The proverbial man from Mars would surely think we must consider our system of criminal justice terribly bad if we are willing to tolerate such efforts as undoing judgments of conviction. * * * His astonishment would grow when we told him that the one thing almost never suggested on collateral attack is that the prisoner was innocent of the crime. His surprise would mount when he learned that collateral attack on a criminal conviction is almost unknown in the country that gave us the writ of habeas corpus and has long been admired for its fair treatment of accused persons. * * * The system needs revision to prevent abuse by prisoners, a waste of the precious and limited resources available for the criminal process, and public disrespect for the judgments of criminal courts.

Finally, I wish to cite the thoughtful views of two of our U.S. Supreme Court Justices, as well as the views of the Chief Justice for this body. First, there is Justice Powell dissenting in the recent decision of Role against Lundy. Justice Powell observed:

The present scope of habeas corpus tends to undermine the values inherent in our Federal system of Government. To the extent that every State criminal is to be subject indefinitely to broad and repetitious Federal oversight, we render the actions of State courts serious disrespect in derogation of the constitutional balance between the two systems.

Next, the newest member of our highest Court, Justice O'Conner, has written very cogently in Engel against Isaac:

Collateral review of a conviction extends the ordeal of trial for both society and the accused, and thus works to undermine the finality of litigation.

Liberal allowances of the writ, moreover, degrades the prominence of the trial itself. * * * Our Constitution and laws surround the trial with a multitude of protections for the accused. Rather than enhancing these safeguards, ready availability of habeas corpus may diminish their sanctity by suggesting to the trial participants that there may be no need to adhere to those safeguards during the trial itself.

We must also acknowledge that writs of habeas corpus frequently cost society the right to punish admitted offenders. * * * Passage of time, erosion of memory, and dispersion of witnesses may render retrial difficult, even impossible. While a habeas writ may, in theory, entitle the defendant only to retrial, in practice it may reward the accused with complete freedom from prosecution.

And last, we have one of the many quotes by our Chief Justice relating to this matter. In his 1981 end-year report on the judiciary, Justice Burger did more than speak out on the abuse of habeas petitioning; he called on Congress to so something about it. The Chief Justice wrote:

I hope Congress will promptly consider limiting Federal collateral review of State court convictions to claims of manifest miscarriages of justice. The administration of justice in this country is plagued and bogged down with lack of reasonable finality of judgments in criminal cases.

Let us heed the words of the Chief Justice of our land, as well as the educated opinions of the other individuals I have mentioned here. It is time the Senate get to work on the legislation which is pending to reform habeas corpus procedures. Such reform is one of the moves we have to take if we expect to return respect to our criminal justice system.

Mr. CHILES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

GEORGIA DAY

Mr. MATTINGLY. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 442) to declare February 12, 1983, as "Georgia Day."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. RANDOLPH. Mr. President, I reserve the right to object, and I shall not object.

Has the able Senator from Georgia cleared this matter with the minority leader and, of course, with the ranking minority member on the Judiciary Committee?

Mr. MATTINGLY. Yes. I say to the distinguished Senator that it has been cleared by both the majority and the minority.

Mr. RANDOLPH. That is correct. I simply confirm what Senator MATTINGLY has indicated, that clearance has been made on both sides of the aisle. I also wish to add that I am a cosponsor of the resolution. I am delighted, of course, to be included as one believing that it does us well to give attention not only to the State of Georgia and its people and the heritage of that area but also from time to time do it in this body because we are, of course, a country that has a richness of substance, vision, and spirit. To think of that from time to time is wholesome. We are a republic of 50 United States.

Mr. MATTINGLY. I thank the distinguished Senator very much.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, I thank the distinguished colleague for asking questions whether or not it has been cleared. I think it was very appropriate of him, and I thank him for actions in protecting the minority in that regard.

The Senator from Georgia was correct. It had been cleared.

But I wish to thank my colleague for that.

Mr. RANDOLPH. I thank our able minority leader.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The cosponsors of the resolution (S. Res. 442) are as follows:

Mr. MATTINGLY, Mr. NUNN, Mr. BAKER, Mr. BIDEN, Mr. BRADLEY, Mr. COHEN, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. EXON, Mr. GORTON, Mr. GRASSLEY, Mr. HATFIELD, Mrs. HAWKINS, Mr. HAYAKAWA,

Mr. JOHNSTON, Mr. KASTEN, Mr. MATHIAS, Mr. NICKLES, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIEGLE, Mr. ROTH, Mr. SYMMS, and Mr. THURMOND.

Mr. MATTINGLY. Mr. President, I rise today to introduce a resolution to declare February 12, 1983, as Georgia Day. On that day, my fellow Georgians will celebrate the 250th anniversary of the founding of our State. I believe the anniversary celebration of one of this country's "original 13" is an event which should be recognized and celebrated by all the citizens of this country.

Throughout our history, Georgia has played a vital role in the making of this great Nation. As early as the 1730's, Georgiaof this country's "original 13" is an event which should be recognized and celebrated by all the citizens of this country.

Throughout our history, Georgia has played a vital role in the making of this great Nation. As early as the 1730's, Georgia opened trading posts for the mother country, England. The State continues to foster trade and today has become a commercial center of the Southwest and the entire country.

As political relations between the colonies and Britain worsened, the people of Georgia moved forward in the spirit of freedom to help forge a new government. By a unanimous vote on January 2, 1788, the State Constitution Convention became the fourth in the land to ratify the Constitution of the United States. In the tradition of the early colonists, native sons and daughters continue to serve our Nation and to defend and preserve the freedom our Constitution guarantees.

As the history of our Nation bears upon each State of this Union, Mr. President, so does the history of one State upon the Nation. On behalf of all the citizens of my home State, I invite all the people of America to join in the celebration of Georgia's 250th birthday and I urge my colleagues to support this resolution to declare February12, 1983 as Georgia Day.

Mr. President, I urge the immediate adoption of this resolution.

Mr. NUNN. Mr. President, I rise in support of the resolution introduced by Senator MATTINGLY and myself which establishes February 12, 1983, as Georgia Day.

When James Oglethorpe and a small group of settlers sailed up the Savannah River and landed at Yamacraw Bluff in 1733, the land that is now Georgia had already played a key role in American history for more than 100 years, as a frontier both of European settlement in North America and between the English and Spanish colonies, Georgia occupied a key strategic and economic position as early as the 16th and 17th centuries.

With the formal founding of Oglethorpe's settlement at Savannah, Georgia assumed a prominent position as 1 of the original 13 English colonies. From its beginning, Georgia has exemplified the highest ideals of American life—humanitarianism and philanthropy; private initiative and free enterprise; personal liberty and religious freedom.

In fact, in many ways, Georgia can be seen as a model for America. Unlike ventures financed mainly by government resources, Georgia was founded primarily on the basis of private funds. Hundreds of Englishmen contributed money and other necessities to provide a new economic opportunity for those who were less fortunate. These settlers in Georgia achieved impressive success in establishing a thriving economy in the new world. Georgia was also, from its earliest years, a magnet for those seeking religious freedom.

Georgians quickly developed strong loyalties to their colony, and many figured prominently in the struggle for American independence. This tradition of partriotism and sacrific established in the American Revolution endures to the present.

Today, Georgians can be proud of their achievements and their heritage. The State has a diversified and growing economy, and Georgia products are sold throughout the world. In all areas of American life-science, business, religion, communications, the arts—Georgians continue to be among our Nation's leaders.

Mr. President, I am proud to represent Georgia in the U.S. Senate, I urge my colleagues to join the people of Georgia in recognizing the 250th anniversary of the founding of our State by approving this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 442) was agreed to.

The preamble was agreed to.

The resolution with its preamble, read as follows:

S. RES. 442

Whereas in 1983 the State of Georgia will mark the two hundred fiftieth anniversary of its founding; and

Whereas the State of Georgia was one of the thirteen original colonies and the fourth State to ratify the Constitution of the United States; and

Whereas the people of the State of Georgia have designated February 12, 1983 as "Georgia Day" commemmoration of the State's semiquincentenary and the celebration oaf Georgia's history and contributions to the growth of this Nation: Now, therefore, be it.

Resolved, That February 12, 1983, is declared "Georgia Day", and the Senate urges all citizens to join in the recognition of this anniversary with appropriate activity.

Mr. MATTINGLY, I thank the Chair.

Mr. PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescined.

The PRESIDING OFFICER (Mr. SCHMITT). Without objection, it is so ordered.

OMINIBUS RECONCILIATION ACT OF 1982

The PRESIDING OFFICER. The cleark will state S. 2774 by title

The legislative clerk read as follows:

A bill (S. 2774) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1983 (S. Res. 92, 97th Congress).

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself such time as I need off the bill.

Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted for use on the floor of the Senate during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, today, we begin consideration of S. 2774, the Omnibus Reconciliation Act of 1982. This bill was reported by the Budget Committee pursuant to subsection 310(c)(2) of the Congressional Budget Act of 1974 and to reconciliation instructions contained in Senate Concurrent Resolution 92, the first budget resolution for fiscal year 1983.

This bill is the result of a cooperative effort by seven committees. I believe the chairman of some of those committees may want to comment in greaterdetail about the portions of the bill that they are responsible for. I would like to make a few broad comments about the entire bill and about the reconciliation process itself.

The Budget Committee's role in reporting this bill is a ministerial one. When more than one committee is given reconciliation instructions with the same reporting date, the Budget Act requires the Budget Committee to package the bills offered by the committees to facilitate the work of the Senate. Section 310(c)(2) of the Budget Act states that the Budget Committee shall receive the reports of the instructed committees and shall report them to the Senate "without any substantive revision."

The budget resolution instructed eight Senate committees to report legislative changes. The Finance Committee was given an earlier reporting date than the other committees. In accordance with subsection 310(c)(1), the Finance Committee bill (H.R. 4961) was reported directly to the full Senate. That bill has already been passed by

the Senate and is now in conference. The bill now before the Senate (S. 2774) contains the legislation recommended by the other seven Senate committees that received reconciliation instructions.

These seven committees were instructed to achieve $11.2 billion in outlay savings during fiscal years 1983 through 1985. The committees actually achieved more than the required savings. As a result, the reductions in deficits proposed in this bill total $12.3 billion over the next 3 years.

This reconciliaton bill continues the process begun last year of ratcheting down the growth of Federal spending. It is an outstanding performance, and I want to commend all the committees for their responsiveness to the reconciliation instructions. I have some tables and some brief narrative highlights that show the deficit reductions recommended by the seven committees. I ask unanimous consent that these be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

HISTORY OF RECONCILIATION

Mr. DOMENICI. Mr. President, I would like to give the Senate a brief review of the use of reconciliation procedures. The first major attempt to use the reconciliation provisions of the Budget Act was made by the Senate in 1979. That year the Senate version of the second budget resolution for fiscal year 1980 contained reconciliation instructions to several committees. The House version, however, did not contain these instructions, and the reconciliation provisions ultimately were dropped.

In 1980, reconciliation instructions were included in the first budget resolution for fiscal year 1981. Until that time, it had been assumed that reconciliation instructions could only be part of a second budget resolution. The decision to use reconciliation in 1980 was made by the Democratic congressional leadership and emerged from a series of discussions with the Carter administration about ways to reduce budget deficits.

In 1980, the Senate passed two separate reconciliation bills, a spending reduction bill and a revenue increase bill. These bills were then combined in a single bill (H.R. 7765) which received final congressional approval on December 3, 1980. That bill produced an estimated reduction of $10.5 billion in the deficit for fiscal year 1983, the third year after enactment.

In 1981, the Congress passed a much larger reconciliation package for fiscal year 1982 than the earlier one for fiscal year 1981. The 1981 bill dealt with spending reductions only; there were no revenue reconciliation instructions. The 1981 bill, H.R. 3982, was estimated to produce savings of $51.4 billion in fiscal year 1984, the third year after enactment.

This year, we once again have two Senate bills reported in response to reconciliation instructions. H.R. 4961, known as the Tax Equity and Fiscal Responsibility Act of 1982, contains the changes reported by the Finance Committee both in revenue laws and in laws governing spending programs within the Finance Committee's jurisdiction. This bill was passed by the Senate during the July 22, 1982, session. If approved in the present form it will produce revenue increases of approximately $42.2 billion and spending reductions of approximately $7.7 billion in fiscal year 1985, the third year after enactment.

The bill now before the Senate—S. 2774—then, is the fifth reconciliation bill the Senate has considered. This bill will provide deficit reductions of $5.7 billion in fiscal year 1985.

Mr. President, the bottom line is that the bill now before the Senate, together with the other reconciliation actions taken during the past 2 years, will reduce the Federal deficit in fiscal year 1985 by at least $117 billion. This means that, had the reconciliation actions not been taken, the fiscal year 1985 deficit, which is projected in the latest budget resolution to be $60 billion, would have been about $177 billon—nearly triple the deficit projected in the latest resolution.

These reductions in Federal deficits will loom even larger in the years beyond fiscal year 1985 as the effects of the reconciliation actions have increasing impact on a growing Federal budget.

Mr. President, I ask unanimous consent that a table which summarizes the reconciliation history I have just discussed be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DOMENICI. Mr. President, the major conclusion I reach from this brief historical review is that reconciliation has become an indispensable tool in ratcheting down the growth of Federal spending. Congress would have undoubtedly achieved some of the deficit reduction actions even if there had been no reconciliation. I doubt very much, however, that without reconciliation it would have been able to make the dramatic turnaround in spending policies that has occurred. Likewise, I doubt that a tax bill of the type passed by the Senate this year would have been even remotely possible without the availability of reconciliation to focus the issues and limit debate.

Let me return now to some brief overview comments on the bill before us—S. 2774.

CAPS ON COLA'S

This bill contains what I believe is a major breakthrough on the issue of automatic indexing of Federal retirement programs. Beginning with provisions for automatic increases in Federal employee retirement benefits, adopted in 1962, automatic cost-of-living adjustments—COLA's—have been growing in cost and adding more and more to our budgetary problems. The first significant move to begin tightening the laws and limiting cost growth from COLA's was made in 1976 when the so-called 1-percent kicker was eliminated from Federal employee retirement programs. Last year, the 1981 Reconciliation Act replaced twice-a-year adjustment in Federal employee retirement programs with annual adjustments.

But these past efforts to reduce the costs of COLA's were piecemeal at best.

This year the Senate committees have shown the politicial will to take substantial action to limit the cost of COLA's. This bill places a 4-percent cap on COLA's in Federal employee retirement programs. One of the tables that I have asked to be inserted in the RECORD at the conclusion of my remarks shows the reductions in costs due to this change in COLA's.

If the 4-percent cap sounds stringent to some, I would call their attention to a few facts. First, inflation as measured by the Consumer Price Index has been 3.2 percent for calendar year 1982 thus far. Inflation measured by the GNP deflator has been 2.4 percent. These are 6-month figures, but a 4-percent COLA will offset most of the recent inflation retirees have actually experienced.

Second, these COLA changes do not discriminate unfairly against Federal retirees in relation to recipients of social security, railroad retirement, and other pension programs. There will undoubtedly be a full review of COLA's in these other programs after the National Commission on Social Security Reform reports its recommendations for restoring social security solvency later this year.

Third, the COLA savings in this bill do not involve any cuts in benefits from current levels. I repeat: Benefits will not be cut. For example, the average annual benefit for civil service retirees will increase from $12,552 to $14,119 between now and 1985 under the provisions of this bill. The COLA cap will save $5 billion over the next 3 years. This is 41 percent of the total $12.3 billion in deficit reductions provided for in the bill. Nevertheless, retirees will receive an increase in benefits over the 3-year period.

OTHER SAVINGS

Let me now mention very briefly some of the major non-COLA provisions of this bill:

Dairy price supports. Title I of the bill contains the Agriculture Committee's recommendations that scheduled increases in milk price supports be eliminated. This will save $1.5 billion during the next 3 years.

Food Stamps. Also included in title I is a reauthorization and reform of the food stamp program which will reduce costs by $2.5 billion during the next 3 years. I especially want to commend the Agriculture Committee for coming up with major savings in the food stamp program. But yet doing so in such a way that the impact on the most needy recipients is minimized.

FHA mortgage insurance premiums. Title III contains the Banking Committee's proposal that purchasers of homes with FHA insured loans pay the present value of insurance premiums at the time of settlement rather than spreading these premiums over the life of the loan. This change will reduce Federal deficits by $2.1 billion over the next 3 years.

Reforms in veterans programs. Title VII of the bill contains several reforms in veterans compensation and pension programs. It also provides for user fees to be charged to purchasers of houses with VA insured mortgages. The various changes recommended by the Veterans' Affairs Committee will reduce Federal spending by $560 million during the next 3 years.

REVISED DEFICIT PROJECTIONS

Most Senators are aware that the administration and the Congressional Budget Office have recently revised their estimates of the deficits we will face in the next few years. These deficits are predicted to be higher than we had originally projected when we passed the first concurrent resolution on the budget for fiscal year 1983. This was certainly disappointing news to me, as I am sure it was to all Senators.

But these new projections make it all the more important that we pass the deficit restraint and the program reform of this reconciliation bill. If we do nothing, we will have deficits much larger than the most pessimistic forecasters are now predicting. To keep interest rates down, to prevent future increases in taxes, and to allow the economy to expand and create more jobs, we must exercise the fiscal restraint called for in this bill.

I urge the Senate to pass this bill.

EXHIBIT 1

SUMMARY OF RECONCILIATION RECOMMENDATIONS

The following tables summarize the savings achieved by the seven committees as reported in the bill and compare them to the reconciliation instructions to the seven committees. Table 1 provides an overall summary of the bill and the reconciliation instructions. Table 2 provides a summary of spending reductions by committee. Table 3 provides a summary of the recommended reductions in cost-of-living adjustments for retirement programs. Table 4 provides details of the savings within each title of the bill.

All of the dollar amounts in the tables have been estimated by the Congressional Budget Office based on the submissions of the seven committees to the Budget Committee. Details may not add to totals due to rounding.

TABLE 1.—SUMMARY OF SAVINGS

[By fiscal year, in millions of dollars]

	1983	1984	1985	Total 1983–85
Recommendations in bill:				
Reduction in budget authority	−1,476	−2,556	−3,741	−7,773
Reduction in outlays	−2,492	−4,022	−5,664	−12,177
Increase in revenues		+94	+55	+149
Reduction in deficit	−2,492	−4,116	−5,719	−12,326
Reconciliation instructions to committees:				
Reduction in budget authority	−1,073	−2,188	−3,379	−6,640
Reduction in outlays	−2,144	−3,704	−5,336	−11,184
Increase in revenues				
Reduction in deficit	−2,144	−3,704	−5,336	−11,184

TABLE 2.—SUMMARY OF SPENDING REDUCTIONS BY COMMITTEE

[By fiscal year, in millions of dollars]

Committee		1983	1984	1985	Total 1983–85
Agriculture, Nutrition, and Forestry	BA	−1,091	−1,410	−1,739	−4,240
	O	−1,091	−1,410	−1,739	−4,240
Armed Services	BA	−213	−694	−1,233	−2,140
	O	−213	−694	−1,233	−2,140
Banking, Housing, and Urban Affairs	BA				
	O	−695	−697	−687	−2,079
Commerce, Science, and Transportation	BA	−4	−16	−28	−48
	O	−4	−16	−28	−48
Foreign Relations	BA		−2	−4	−6
	O	−2	−8	−15	−25
Governmental Affairs	BA		−242	−535	−777
	O	−320	−1,005	−1,760	−3,085
Veterans Affairs	BA	−168	−192	−202	−562
	O	−167	−192	−202	−560
Total spending reductions in bill	BA	−1,476	−2,556	−3,741	−7,773
	O	−2,492	−4,022	−5,664	−12,177
Total reconciliation instructions to Committees	BA	−1,073	−2,188	−3,379	−6,640
	O	−2,144	−3,704	−5,336	−11,184

TABLE 3.—REDUCTIONS IN COST-OF-LIVING ADJUSTMENTS FOR RETIREMENT PROGRAMS

[By fiscal year, outlays—in millions of dollars]

	1983	1984	1985	Total 1983–85
Military retirement	−212	−691	−1,228	−2,131
Public Health Service commissioned officers retirement	−1	−3	−5	−9
Coast Guard retirement	−4	−15	−27	−46
Foreign service retirement	−2	−8	−15	−25
Civil service retirement	−270	−917	−1,633	−2,820
Total reductions in cost-of-living adjustments	−489	−1,634	−2,908	−5,031

TABLE 4.—SAVINGS BY TITLE

[By fiscal year, in millions of dollars]

		1983	1984	1985	Total 1983–85
TITLE I					
Agriculture, Nutrition, and Forestry Committee					
Food stamps	BA	−825	−826	−886	−2,537
	O	−825	−826	−886	−2,537
Dairy price supports	BA	−150	−520	−845	−1,515
	O	−150	−520	−845	−1,515
Export subsidies	BA	−116	−64	−8	−188
	O	−116	−64	−8	−188
Total spending reduction in title I.	BA	−1,091	−1,410	−1,739	−4,240
	O	−1,091	−1,410	−1,739	−4,240
Reconciliation instruction to committee.	BA	−779	−1,083	−1,428	−3,290
	O	−779	−1,083	−1,428	−3,290
TITLE II					
Armed Services Committee					
Military retirement cost-of-living adjustment.	BA	−212	−691	−1,228	−2,131
	O	−212	−691	−1,228	−2,131
Public Health Service commissioned officers retirement cost-of-living adjustment.	BA	−1	−3	−5	−9
	O	−1	−3	−5	−9
Total spending reduction in title II.	BA	−213	−694	−1,233	−2,140
	O	−213	−694	−1,233	−2,140
Reconciliation instruction to committee.	BA	−213	−693	−1,231	−2,137
	O	−213	−693	−1,231	−2,137
TITLE III					
Banking, Housing, and Urban Affairs Committee					
FHA mortgage insurance premiums (total spending reduction in title III).	BA				
	O	−695	−697	−687	−2,079
Reconciliation instruction to committee.	BA				
	O	−695	−697	−687	−2,079
TITLE IV					
Commerce, Science, and Transportation Committee					
Coast Guard retirement cost-of-living adjustment.	BA	−4	−15	−27	−46
	O	−4	−15	−27	−46
Reductions in size of FCC and ICC[2].	BA	−[1]	−1	−1	−2
	O	−[1]	−1	−1	−2
Total spending reduction in title IV.	BA	−4	−16	−28	−48
	O	−4	−16	−28	−48
Reconciliation instruction to committee.	BA	−4	−15	−27	−46
	O	−4	−15	−27	−46
TITLE V					
Foreign Relations Committee					
Foreign Service retirement cost-of-living adjustment (total spending reduction in title V).	BA		−2	−4	−6
	O	−2	−8	−15	−25
Reconciliation instruction to committee.	BA		−2	−4	−6
	O	−2	−8	−15	−25
TITLE VI					
Governmental Affairs Committee					
Spending Reduction:					
Civil service retirement cost-of-living adjustment.	BA		−240	−534	−774
	O	−270	−917	−1,633	−2,820
Other civil service retirement changes.	BA		[3]−2	[3]−1	[3]−8
	O	−50	−88	−127	−265
Total spending reduction in title VI.	BA		−242	−535	−777
	O	−320	−1,005	−1,760	−3,085
Reconciliation instruction to committee.	BA		−240	−534	−774
	O	−374	−1,053	−1,793	−3,220
Revenue Increase:					
Civil service retirement (total revenue increase in title VI).			+94	+55	+149
Reconciliation instruction to committee.					
Total Deficit Reduction		−320	−1,099	−1,815	−3,234
TITLE VII					
Veterans Affairs Committee					
Compensation	BA	−40	−41	−42	−122
	O	−40	−41	−42	−122
Pensions	BA	−39	−51	−56	−146
	O	−37	−51	−56	−144
Home loan user fee	BA	−90	−100	−104	−294
	O	−90	−100	−104	−294
Total spending reduction in title VII.	BA	−168	−192	−202	−562
	O	−167	−192	−202	−560
Reconciliation instruction to committee.	BA	−77	−155	−155	−387
	O	−77	−155	−155	−387

[1] Less than $500,000.
[2] Reduction in authorizations.
[3] Excludes budget authority effect of proposed revenue increases.

AGRICULTURE COMMITTEE: MAJOR PROVISIONS OF TITLE I

Reauthorizes and reforms the food stamp program for three years.

Caps food stamp spending at $11.9 billion in FY 1983, $12.3 billion in FY 1984, and $13.2 billion in FY 1985.

Continues the Puerto Rico nutrition block grant at $825 million annually and gives states the option to convert food stamps to a similar block grant.

Restrains benefit indexation, combats fraud, improves administrative requirements, tightens employment and workfare provisions, and provides significant incentives for error rates reduction in food stamps.

Eliminates scheduled increases in milk price support levels by maintaining the current $13.10 per hundredweight minimum support level through FY 1985.

Requires that part of the expected wheat, feed grains, cotton, and rice price support deficiency payments be paid to farmers in advance at the time of planting rather than after harvest as is now required.

Provides authority to use Commodity Credit Corporation funds to increase agricultural exports by subsidizing interest rates on export loans and other direct export subsidies. The net effect of the higher exports would be to reduce price support expenditures by $0.2 billion over three years.

ARMED SERVICES COMMITTEE: MAJOR PROVISIONS OF TITLE II

Allows cost-of-living adjustments (COLAs) to increase by 4 percent in each fiscal year 1983-1985 for recipients of military and public health service pensions. Under existing law these COLAs are linked automatically to COLAs for civil service retirees. For civil service COLA provision, see Title VI.

BANKING, HOUSING, AND URBAN AFFAIRS COMMITTEE: MAJOR PROVISIONS OF TITLE III

Excludes Federal Housing Administration (FHA) mortgage insurance premiums from the maximum mortgage and down payment requirements imposed on single-family homebuyers whose mortgages are insured by FHA. This enables the Department of Housing and Urban Development (HUD), by regulation, to increase FHA mortgage insurance premium collections by requiring the FHA-insured homebuyer to pay the present value of the premiums in a lump-sum payment at the time of settlement rather than on a monthly basis over the 30-year life of the loan.

COMMERCE, SCIENCE, AND TRANSPORTATION COMMITTEE: MAJOR PROVISIONS OF TITLE IV

Limits the cost-of-living adjustment (COLA) for Coast Guard retired personal to 4 percent per year. The COLA limitation for Coast Guard retirees is consistent with the COLA modifications reported by the Governmental Affairs Committee for all civil service retirees. For civil service COLA provision, see Title VI. Under current law, cost-of-living adjustments for Coast Guard retired pay, as well as other military retirement benefit programs, are tied to the civil service retirement program.

Reduces the maximum size of the Federal Communications Commission (FCC) from seven to five members, beginning July 1, 1983.

Reduces the maximum size of the Interstate Commerce Commission (ICC) from eleven to five members beginning January 1, 1983. Currently the ICC has six members.

FOREIGN RELATIONS COMMITTEE: MAJOR PROVISIONS OF TITLE V

Allows cost-of-living adjustments (COLAs) to increase by 4 percent in each fiscal year 1983-1985 for recipients of foreign service retirement pensions. Under existing law these COLAs are linked automatically to COLAs for civil service retirees. For civil service COLA provisions, see Title VI.

GOVERNMENTAL AFFAIRS COMMITTEE: MAJOR PROVISIONS OF TITLE VI

Allows automatic cost-of-living adjustments (COLAs) to grow by 4 percent in each fiscal year 1983-1985 for the civil service retirement program.

Reduces civil service retirement outlays or increases revenues by closing loopholes in current law that allow some retirees to receive benefits far in excess of what they contributed, and allows disability recipients to adjust their earnings levels to stay on the rolls.

Sets forth additional civil service retirement reforms that: Limit early retirements; reduce benefits to early retirees; and require payment for credited service transferred from other retirement systems.

VETERANS AFFAIRS COMMITTEE: MAJOR PROVISIONS OF TITLE VII

Recommends certain reforms in the veterans compensation and pension programs proposed by the President in his FY 1983 budget request.

Contains entitlement reforms similar to those enacted for the Social Security program last year. These reforms include rounding the amount of compensation and pension benefit checks down to the nearest lower dollar, and terminating student benefits under the veterans pension program beginning in FY 1983, with a phase-out by April 1985 for currently eligible students who reach age 18 by October 1, 1982.

Delays the payments of compensation and pension benefits, or changes in those payments, until the first day of the first full month of entitlement.

Institutes changes in dependency status under the compensation and pension programs at the end of the month in which the change occurs instead of at the end of the calendar year as is currently the case.

Realigns dependents' allowances under the compensation program so that the allowance for one child would be $50 per month and the allowance for each additional child would be $40 per month each instead of the varying amounts currently in effect.

Adjusts the rounded monthly compensation benefit of veterans with a 10-percent disability rating downward by $1. In this way, the least severly disabled veterans will share a slight reduction in benefits similar to that for more severely disabled veterans affected by the rounding down of benefits proposal.

Includes the President's proposed Veterans Administration (VA) housing loan origination fee, but provides an exemption for service-connected disabled veterans.

EXHIBIT 2.—DEFICIT REDUCTIONS ACHIEVED THROUGH RECONCILIATION

[In billions of dollars]

	Deficit reductions in 3d year after enactment [1]		
	Outlay reductions	Revenue increases	Total deficit reduction
Fiscal year 1980: H.R. 7765 [2]	4.1	6.4	10.5
Fiscal year 1981: H.R. 3982 [3]	51.4	.....	51.4
Fiscal year 1982:			
H.R. 4961 [4]	7.7	42.2	49.9
S. 2274 [5]	5.7	.1	5.7
Grand total	68.9	48.7	117.5

[1] As estimated at the time the bills were approved.
[2] Fiscal effects are prorata 1-year portion of cumulative 5-year estimates. Senate's original bills: S. 2885 (spending reductions) and S. 2939 (revenue increases).
[3] Senate's original bill: S. 1377.
[4] As passed by the Senate.
[5] As reported to the Senate.
Note: Details may not add to totals due to rounding.

Mr. DOMENICI. Mr. President, the distinguished junior Senator from Washington, Senator GORTON, is going to manage the bill in my stead at this point. I yield the floor to him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I voted to report S. 2774, the Omnibus Reconciliation Act of 1982, to the Senate because I strongly support the provisions of this bill which put some controls on the so-called uncontrollable retirement programs—the cost-of-living adjustments, in particular.

I have been on record advocating such controls for several years. This is a good first step. But I have also been on record, as the Senate well knows, for an across-the-board budget plan of shared sacrifice in getting the deficits down.

Unfortunately, this bill does not contain such a plan. It will save $12.3 billion off the deficit over the next 3 fiscal years. That is good. But it is not good enough. We are looking at deficits of $150 billion each year for the next 3 years. And we cannot afford to wait much longer to deal with these deficits. Waiting means more borrowing and higher interest rates. Waiting means no sustained economic recovery. Waiting means economic disaster for this country.

Yesterday I proposed a budget plan that attacks the three causes of our deficits—entitlement spending, tax spending and defense spending. And it would yield a deficit of under $40 billion by fiscal year 1985.

My plan would freeze the cost-of-living adjustments for all programs, except food stamps and SSI, for 1 year beginning January 1, 1983. It would limit subsequent COLA's to 3 percent in 1984 and 1985. These actions would save $31 billion more than the budget resolution.

Defense spending would be limited to 3 percent real growth in defense purchases each year for the next 3 years. This is the level the NATO allies committed themselves to and would save $45 billion over the fiscal year 1983-85 period.

Mr. President, it is a fallacy to believe that the Federal Government can give a tax cut when it does not have the money. The dollars that the people receive from the tax cut are more than eaten away by the high in-

terest rates caused by the Government having to borrow the money to finance the tax cut. Thus, my plan would freeze in place the existing tax rate cuts we have already received and postpone the July 1, 1983 tax cut until we have the money to pay for it. Combined with repealing indexing, this would save $83 billion in fiscal year 1983–85.

These actions, together with freeze on Federal pay in fiscal year 1984 and a 3 percent cap in fiscal year 1985 and the resultant interest savings from lower deficits, would yield deficits in the range of $125 billion to $135 billion in fiscal year 1983, $80 billion to $95 billion in fiscal year 1984, and $38 billion to $53 billion in fiscal year 1985.

Mr. President, these are the kind of actions we must take if we are to restore economic growth in our country and give the people hope. The bill we will consider today and tomorrow is but one of the steps we must take. There remains a much greater job yet to be done.

Mr. GARN. Mr. President, title III of S. 2774 contains changes to FHA mortgage insurance programs that complement the administration's plans to collect insurance premiums when the mortgage is issued rather than in annual installments. These up-front premiums would increase Government fee income by nearly $2 billion over the next 3 years. Homebuyers would finance the premium by increasing the original loan balance and would have roughly the same total monthly payments as under the current system.

I want to clarify a number of points that have been raised since the Senate Banking Committee unanimously reported these provisions.

First, when HUD implements this proposal it would require changes to the current regulations regarding mortgage insurance premiums, downpayments, and maximum mortgage amounts. Thus, the specific plan would be reviewed by Congress and the public before implementation. Given the complexity of some of the issues enumerated below, I would expect HUD to provide full documentation of its analysis of this plan, including these issues, in the preamble to its proposed regulatory changes.

Second, this proposal should not result in such high fees or higher monthly payments or other unfavorable terms that FHA insurance can no longer help moderate income homebuyers obtain low-downpayment mortgages. HUD has indicated that the up-front premium payment would be 3.1 percent of the mortgage amount and would typically result in total monthly payments that are no larger than total payments now required for the mortgage payment plus the annual mortgage insurance premium. This specific proposal does not appear to disqualify potential borrowers. I ask that HUD's recent letter to me be inserted in the record to indicate the terms on which this proposal was considered.

Third, this proposal should be implemented only if the actuarial soundness of the FHA insurance fund can be preserved. Clearly only a false saving will have been achieved if insufficient insurance premiums are collected under this plan and additional appropriations are required in the future to cover the Government's guarantee against mortgage defaults.

Fourth, I expect the specific proposal issued in HUD regulations to include a mechanism to rebate some of the up-front premium to the homebuyer if the loan is paid off early in the life of the mortgage. HUD's proposed collection of 3.1 percent of the mortgage assumes that the average FHA loan—life would be 13 years. Thus, a homebuyer who sells the house and pays off the mortgage before then has already paid for 13 years of insurance. It is only fair to give rebates for the unearned portion of the premium. According to the association of private mortgage insurers, the Mortgage Insurance Companies of America, State insurance commissioners typically require private mortgage insurers to rebate 65 percent of up-front premiums for loans paid off after 2 years or 40 percent for loans paid off after 5 years.

Finally, two other issues should be examined by HUD before formally proposing this plan. The additional mortgage amount required will increase the fees and points that lenders charge to originate the loan. It is not clear whether these additional charges would be paid by the borrower or the home seller. This proposal has a significant administrative advantage to HUD and mortgage servicers by eliminating collecting and accounting for periodic insurance premiums. These administrative savings could perhaps also be applied to the millions of outstanding FHA insured loans through either an optional premium payoff by current borrowers or forgiving the premium payments after a certain year in order to reduce the administrative burden and in recognition of the rebates currently provided for seasoned loans.

Mr. President, I ask unanimous consent to have printed in the RECORD certain material relating to this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., July 20, 1982.

Hon. EDWIN (JAKE) GARN,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to a request from Mr. Phil Sampson of your staff for a detailed explanation of HUD's proposed collection of a one-time FHA mortgage insurance premium, payable at the time of loan closing. More specifically, he asked that we provide a summary, an analysis of its impact on the home buyer and a review of its actuarial soundness. These considerations are presented below.

1. Summary of Proposal:

HUD intends to change the method of collecting mortgage insurance payments (MIP) from the current monthly payments, calculated at .5 percent per year on the outstanding loan balance, to a single one-time premium, payable at the time of loan closing. This "up front" MIP is expected to be 3.1 percent of the loan amount, which is the present value of a .5 percent MIP payable over the first 13 years of a 30-year loan, discounted at 12.0 percent.

The FY 1983 Budget assumed that implementation of the "up front" premium program at the start of FY 1983 would increase HUD's net income collections as follows:

Net additional proceeds

Fiscal year:	*Millions*
1983	+$695.1
1984	+573.1
1985	+459.1

The estimates assumed single family insurance written of $24,390.4 million each year ($24.4 billion) and an "up front" premium of 3.1 percent based upon a 12 percent discount rate.

The Department intends to continue the payment of participating dividends to mortgagors who terminate their mortgages after ten years from date of endorsement, provided the loan is not in default. These participating dividends would be payabe to home buyers who pay the one-time MIP and also to homeowners with an existing FHA-insured loan.

The home buyer can pay the one-time MIP from his or her own resources or it can be financed out of the mortgage loan proceeds, provided the loan meets the current statutory requirements regarding loan amount and loan-to-value ratios. HUD has submitted a legislative proposal that would exclude the "up front" MIP from these statutory provisions and Section 203(b)(9), which prescribes the minimum downpayment.

2. Impact on Home Buyer:

The chief effect of the "up front" premium is a reduction in the long-term cost of mortgage insurance to the home buyer because a 3.1 percent one-time premium is 14 percent less than 3.6 percent, which is the present value of a .5 percent MIP payable over 30 years, discounted at 12.0 percent.

Currently, a home buyer purchasing a $50,000 house will have settlement costs averaging $2,200, bringing the acquisition cost to $52,200. The loan permissible in this case under Section 203(b) is $50,090, which necessitates a downpayment of $2,110 by the home buyer at the time of loan closing. The resultant initial loan-to-value (sales price) ratio is 100.2 percent.

Assuming no change in the homeowner's downpayment of $2,110, a 3.1 percent MIP

payable at the time of loan closing financed out of the mortgage loan would amount to $1,603. Including this MIP would increase the acquisition cost to $53,803 and the mortgage loan to $51,696, assuming no change in the home buyer's initial downpayment of $2,110. The resultant loan-to-value ratio is 103.4 percent. If Section 203(b)(9) is not amended, the homeowner's downpayment rises to $2,200, while the loan amount declines to $51,606 and the initial loan-to-value ratio becomes 103.2 percent.

The annual debt service to repay $1,603 over 30 years at 15.5 percent is $250.94. In contrast, the first year's annual MIP of .5 percent on a $51,696 mortgage is $258.38. While the annual debt service is a level payment, the annual MIP declines over time because it relates to a decreasing outstanding loan balance. For a loan repayable in 30 years, the annual MIP will be higher than $250.94 until the 12th policy year. Thereafter, it will be lower. In terms of annual payments, it is evident that the home buyer is slightly better off by paying a one-time premium at the time of loan closing than by paying a monthly MIP during the first 12 years of the loan. Historically, about half of the 30-year loans insured under Section 203(b) have been terminated before the 12th policy year.

As detailed in Table 1, for a 30-year loan, participation dividends are paid to the mortgagor whose mortgage is terminated without default after the 10th policy year. Those dividends have ranged from 7.4 percent of total premiums paid by the mortgagor in the 11th policy year to 100 percent beginning in the 21st policy year. As stated above, HUD intends to continue the dividend payments, following inauguration of the "up front" MIP.

In purchasing a $50,000 home, the home buyer incurs an initial mortgage of $51,696 to cover (a) the settlement costs, (b) the one-time MIP plus (c) the balance of payment for the purchase of the home. Assuming that house prices rise by a modest 2.5 percent per year, the home could be sold at $51,250 at the end of the first policy year, when the outstanding 15.5 percent mortgage amount declines to $51,607. This would produce a capital loss of $357 plus sales cost, if the property is sold after one year of ownership. Historically, less than one percent of homes financed by Section 203(b) loans have been sold in the first year of ownership.

If the property is held by the homeowner for two years, its value rises to $52,531 (assuming price appreciation at 2.5 percent per year), while the outstanding mortgage declines to $51,503. This results in a capital gain of $1,028 disregarding sales cost, if it is sold then. If the property is held for three years, the capital gain increases to $2,463 disregarding sales cost; for four years, it grows to $3,950 disregarding sales cost; and for five years, it grows to $5,493 disregarding sales cost; (see Table 2). If house prices grow by 5.0 percent per year, the capital gains are correspondingly higher, as shown in Table 2.

3. Impact on Actuarial Soundness:

In the HUD study submitted to Congress pursuant to Section 309(a) of the Housing and Community Development Act of 1979 (copy enclosed), various simulation models were presented to test the effects of a one-time MIP, if it had been in effect during FY's 1961–1980. The key effects are the impact on the annual net income earned by, and the insurance reserves held by, the Mutual Mortgage Insurance Fund (MMI).

According to Table 3 (based on a 3.0 percent one-time MIP), if a 3.1 percent one-time MIP had been in effect, substantial net income would have been earned by the MMI Fund in 17 out of these 20 years. More important, the insurance reserve would have grown to over $2.2 billion by September 30, 1980. The actual reserve on that date was $2.6 billion. Collection of the MIP at the time of loan closing means that more funds are at hand before the heavy incidence of claims that ordinarily occur in the early policy years.

Assuming house prices rise by only a modest amount, e.g. 2.5 percent per year, the financing of the MIP out of mortage loan proceeds would increase the loan-to-value ratio in excess of 100 percent during the first two years of the loan. Since high loan-to-value ratios are the principal cause of loan defaults, this could lead to a greater volume of insurance claims.

A high loan-to-value ratio does not, of course, result in a default, unless the homeowner finds the monthly mortgage payment too burdensome relative to his or her monthly income. Defaults tend to be triggered by such factors as loss of income resulting from unemployment, death or illness, by divorce or other changes in family composition, by inordinate expenses such as heavy medical bills and by improvident budget management by the homeowner.

Moreover, as shown in Table 4, the average loan-to-value ratios for VA-guaranteed home loans exceeded those for FHA-insured home loans during each year during the decade 1971–1980. The delinquency rate was lower for VA-guaranteed loans in each of these years.

The Department of HUD has no way to predetermine whether the "up front" premium collection will lead to an increase in insurance claims. However, to allow for such a possibility, it intends to charge a 3.1 percent one-time premium, which implies a present value discount rate of 12.0 percent. If actual claims do not rise, the resultant increase in net income for the Mutual Mortgage Insurance Fund will be available for distribution of participating dividends.

In this connection, it is noted that those private mortgage insurance companies which collect a one-time mortgage insurance premium at the time of loan closing, charge 2.75 percent of the loan amount. This charge provides 15 years of insurance coverage for the top 25 percent of the loan.

Some critics of the up-front premium propose that provision should be made to pay rebates of the "unearned premium" if the mortgage is terminated during the first ten policy years. Such rebates, when coupled with the aforementioned premium reduction, is actuarially unsound and could produce substantial losses to the Mutual Mortgage Insurance Fund, jeopardizing the payment of participating dividends to homeowners who terminate their mortgages beginning the 11th policy year.

HUD regards the one-time premium as a major adminstrative reform that would eliminate the massive bookkeeping HUD now performs to bill and collect mortgage insurance premiums. It would also relieve the work burdens for mortgagees who would be spared from making monthly remittances of the MIP collections, as is now required by Section 530 of the Housing and Community Development Act of 1980.

For the reasons set forth above, we highly recommend the acceptance of this improvement in Government efficiency.

Sincerely,

PHILIP ABRAMS,
General Deputy Assistant Secretary-Deputy Federal Housing Commissioner.

TABLE 1.—MMI FUND DISTRIBUTIVE SHARES TO BE PAID, CY 1982

[Percent of premiums paid-in that mortgagors receive back as distributable shares]

Age of loan (years)	Repayment period		
	20 yr	25 yr	30 yr
1 to 10	0	0	0
11	6.19	3.57	7.41
12	16.72	14.40	21.67
13	20.98	19.92	31.01
14	28.55	28.69	41.76
15	40.36	41.86	55.18
16	52.91	55.71	68.11
17	61.69	65.93	76.77
18	68.10	73.57	82.17
19	79.39	84.96	91.11
20	87.07	92.42	97.45
21		97.10	100.00
22 to 30		100.00	100.00

TABLE 2.—EFFECTS OF HOME PRICE APPRECIATION UPON CAPITAL GAIN AND LOAN/VALUE RATIOS WHERE 3.1 PERCENT MIP INCLUDED IN LOAN

[L/V in percent]

Policy year	Outstanding mortgage amount	5 percent annual increment			2.5 percent annual increment			0 percent annual increment		
		Amount	Gain	L/V	Amount	Gain	L/V	Amount	Loss	L/V
0	$51,696	$50,000		103.4	$50,000		103.4	$50,000		103.4
1	51,607	52,500	$893	98.3	51,250	−$357	100.7	50,000	−$1,607	103.2
2	51,503	55,125	3,622	93.4	52,531	1,028	98.0	50,000	−1,503	103.0
3	51,382	57,881	6,499	88.8	53,845	2,463	95.4	50,000	−1,382	102.8
4	51,241	60,775	9,534	84.3	55,191	3,950	92.8	50,000	−1,241	102.5
5	51,077	63,814	12,737	80.0	56,570	5,493	90.3	50,000	−1,077	102.2

Note: Mortgage equals 0.97×$25,000 + 0.95×($25,000 + $2,200 + $1,603 + $90). Loan amortized over 30 years at 15.5 percent interest.

TABLE 3.—MUTUAL MORTGAGE INSURANCE FUND HYPOTHETICAL REVENUES AND RESERVES ASSUMING A 3-PERCENT INITIAL AND 0-PERCENT ANNUAL PREMIUMS STARTING IN 1961 [1]

[In thousands of dollars]

Fiscal year ending	Premiums	Interest on available funds	Other revenues	Total revenues	Total actual expenses	Net income [2]	Total reserve balances [3]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
June 1960 [4]	112,776	15,050	16,210	144,036	42,764	95,487	558,256
June 1961	231,474	18,518	20,258	270,251	48,705	210,692	755,054
June 1962	238,165	20,379	20,446	278,989	68,543	196,796	935,894
June 1963	229,816	19,857	66,017	315,690	132,300	151,121	1,066,435
June 1964	234,109	21,394	34,299	289,801	157,949	96,105	1,145,884
June 1965	239,152	24,656	28,214	292,023	209,708	95,693	1,233,569
June 1966	251,904	20,639	24,910	297,453	179,392	124,060	1,345,964
June 1967	177,120	21,143	28,124	226,388	207,092	40,236	1,387,797
June 1968	210,093	24,583	24,146	258,821	180,813	98,333	1,481,816
June 1969	198,289	33,589	25,659	257,537	153,731	103,324	1,580,646
June 1970	165,993	45,727	26,318	238,038	139,763	87,810	1,664,791
June 1971	188,558	59,149	36,595	284,302	149,779	120,263	1,781,260
June 1972	187,908	69,072	31,592	288,572	187,521	50,087	1,821,522
June 1973	98,076	78,955	17,036	194,068	199,697	(83,099)	1,711,742
June 1974	62,260	79,416	13,339	155,014	212,849	(63,846)	1,612,828
June 1975	108,987	93,047	16,265	218,299	268,036	(27,010)	1,542,853
September 1976 [5]	236,837	136,184	23,826	396,847	340,478	89,331	1,579,140
September 1977	167,912	118,629	28,892	315,433	241,515	73,788	1,615,066
September 1978	208,068	131,642	35,395	375,104	232,342	121,568	1,680,165
September 1979	368,094	147,551	40,766	556,411	266,324	268,955	1,896,053
September 1980	383,102	164,370	28,060	575,533	227,271	277,139	2,118,158

[1] Existing mortgages as of 1960 are assumed to continue to pay a 0.500-percent annual premium.
[2] Net income shown is hypothetical revenues less actual expenses (shown) and net of adjustments to valuation allowances (shown in Table B–3).
[3] Total reserve balances is the sum of actual balances in the reserve accounts adjusted for the hypothetical changes in revenues.
[4] Actual figures are shown for 1960.
[5] 15-month period includes transitional quarter.

TABLE 4.—COMPARISON OF LOAN-TO-VALUE RATIOS WITH DEFAULT RATES

Year	Average loan-to-value ratio			End of year delinquency rate [3]		Average term of mortgages		
	FHA [1]		VA [2] (percent)	FHA [4]	VA	FHA		VA
	New	Existing				New	Existing	
1971	91.6	92.4	97.5	1.82	1.18	29.9	28.9	([5])
1972	91.0	92.4	97.5	1.81	1.03	30.0	29.0	29.3
1973	91.3	93.5	97.9	1.88	1.05	30.0	28.8	29.3
1974	89.4	91.0	97.7	1.98	1.13	30.0	29.0	29.4
1975	90.5	92.7	97.0	1.84	1.13	30.0	29.3	29.4
1976	90.7	93.4	97.1	2.07	1.32	30.0	29.4	29.4
1977	91.0	93.5	96.9	2.02	1.21	29.9	29.4	29.6
1978	90.6	93.5	96.4	1.99	1.23	29.9	29.5	29.7
1979	89.4	92.1	96.1	2.06	1.19	29.9	29.5	29.8
1980	88.28	89.61	93.7	2.45	1.53	29.9	29.5	29.8

[1] Sec. 203(b) loans. [2] Guaranteed loan. [3] Loans delinguent 60 days or more; number of loans delinguent per 100 loan outstanding. [4] Excludes FHA 235 and 237 programs. [5] Not available.
Source: Data obtained from Department of Housing and Urban Development and the Veterans' Administration.

REBATES OF 3.1 PERCENT UP FRONT PREMIUM [1] IF MORTGAGE TERMINATED DURING 1ST 12 YR

Termination during year:	Rebate amount
1	$1,374
2	1,170
3	989
4	829
5	686
6	559
7	447
8	348
9	260
10	182
11	113
12	53

[1] Premium of $1,603.

Mr. RIEGLE. Mr. President, shortly I will be offering an amendment that would restore the COLA adjustments for Federal and military retirees. I have been asked by the leadership on the other side not to send this amendment to the desk at this time. I have agreed not to sent it to the desk, but I, of course, will send it to the desk a short time from now. I thought, in order to try to make use of this time, that I would provide an initial explanation of the amendment that I will be offering.

I am offering it for myself and on behalf of other Senators, Senator ROBERT C. BYRD, Senator BURDICK, Senator SARBANES, Senator KENNEDY, and Senator DECONCINI. I invite other Senators to join as cosponsors as we debate this amendment this afternoon and as we come to a vote on it.

On Friday, July 30, I submitted amendment No. 2007 to the omnibus reconciliation bill, S. 2774. This amendment will restore full cost-of-living adjustments to Federal and military retirees. The Governmental Affairs Committee has placed a 4-percent cap on these adjustments and my amendment will eliminate that cap and insure equity among all Federal retirement programs. In this instance, Federal retirees, both civil service and military retirees, have been unfairly singled out in this bill.

The reconciliation measure mandates budget cuts totaling $12.3 billion.

The imposition of a 4-percent cap on these particular retirees will force 42 percent of these cuts to come from Federal pensions. These retirees, on the other hand, comprise about 1 percent of the national population. I think that on its face it is unfair to ask this particular part of the population to assume a burden of this size, especially in light of the reductions in retirement benefits that occurred just last year.

I might say that, at the same time, our social security retirees and our railroad retirement retirees both received their full cost-of-living adjustments—as they should; and I strongly supported them receiving it and have fought so that they would receive it. The only major Federal retirement program to be limited in its protection against inflation now is the Civil Service System. There is really no justification for it. It is not equitable. My amendment would restore the equity among these programs.

I might also say that Federal annuitants are not some of the most wealthy people living off the largesse of the Federal Government. They receive, on the average, an annual pension of $11,544, which I might say is fully taxable. Those who are on social security, of course, do not face the Federal tax burden, whereas, the Federal retirees in this case do. And because their pensions are fully taxable, more than 20 percent of the annuity that I just described that is received by the average Federal pensioner is re-

turned in taxes to either the Federal, State, or the local levels.

So these pensions are fully taxable, and, as I say, looking at the lifetime of work and the professional contribution by those citizens involved, both military and civilian, I think these are figures that are reasonable ones and sound ones and these people ought not to be singled out and treated in a discriminatory manner.

The first year cost of this amendment may be $29 billion less than that assumed in the bill. That would be based on a revised CBO inflation projection of 6.3 percent in 1983. We will not know precisely what that figure will be until we move forward, but that is the latest projection from the Congressional Budget Office.

In addition, Congress will have an ample opportunity to reassess this matter next year during the normal budget cycle in light of changing economic circumstances.

The House Post Office and Civil Service Committee has approved full COLA's for Federal pensioners, as a matter of fact, on the grounds that any limitations, as I have said here, would be both inequitable and unfair. The full House of Representatives has indicated its approval of the full COLA just within the last few days by a vote of 236 to 160. So the House is clearly on record. It was a strong vote. It was a bipartisan vote. And it ought to be a strong vote and a bipartisan vote here in the Senate.

So there is not any confusion about it, let me make it crystal clear that my amendment specifically excludes, leaves out, Members of Congress from receiving future increases that would be greater than 4 percent. I do not want the issue confused. I am willing to see the cap remain on for retired Members of Congress. So this amendment, which would remove the cap for Federal employees who are retirees, would not apply to Members of Congress. Members of Congress would stay under the cap and the other retirees would be treated as social security recipients and railroad retirees and others are in this country.

It is very important that that distinction be understood. We are not removing a cap for Members of Congress who are retirees, only for those other Federal employees who I think ought not to be treated in a discriminatory manner. That would further insure that the benefits of this amendment will be directed to those that are most dependent upon fixed incomes for survival.

I hope that the Senate will support this amendment in the interest of equity for employees who have spent their entire career in Government service.

I ask that the text of the amendment be printed in the RECORD at the conclusion of my remarks so that it is there as a matter of record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. RIEGLE. In addition, as I have said earlier, I will not send the amendment to the desk at this time. I hope to be recognized first in the order of things to lay the amendment down later, although there is no firm understanding on that. I have agreed to a request from the Senator from New Mexico to not send the amendment to the desk at this time pending discussions that are taking place with the leadership on the other side. I agreed to his request.

Finally, I would just say this: I think it is very important to attract the best people in our country who want to aspire to Government service, those people who come in for a lifetime of work, a formal career in Government service, in public service, whether it be in civilian or military capacities. These men and women give tremendous effort and hard work to the purposes of this Nation. I think it is important that we continue to be able to attract the best people in our society into public service.

We all know that there are certain disincentives to public service. That has historically been the case for a variety of reasons. But one of the reasons I think that we properly maintain incentives is by making sure that Federal employees are treated like everybody else is treated, and that if we have retirement programs that are adjusted for inflation, with COLA factors, that they will be treated the same way as others in the private sector, whether they be social security recipients, those of the railroad system, or others in other parts of our society.

I do not think there should be two standards. I think there should be one standard. I think the workers who work for the Government, who work for the people, are entitled to the same protections, to the same considerations, as people in other walks of life.

As the facts show, we, if anything, have been less generous over the years to the Federal retirees, and most recently last year when there were special cuts and savings mandated that affected them.

I think at this stage of the game, with inflation still very much in the picture in this country, it is important that those citizens who have given a lifetime of good work to this country receive the same protections under the law, receive the same consideration, receive the same response, as we are making available to other groups.

I think there is no valid reason to draw a differentiation here and to create two classes of retirees, and, in the case of the second class, treat them literally in a second-class status. I think it is wrong. It would be my hope that it would be the judgment of the Senate today to act with an even hand, to treat all classifications of retired workers for which we have some responsibility in the same fashion.

I will reserve further comments until a little bit later in the process when I actually will submit my amendment and send it to the desk.

EXHIBIT 1

On page 74, strike out line 17 and all that follows through page 75, line 2 and insert in lieu thereof the following:

LIMITATION ON COST-OF-LIVING ADJUSTMENT OF ANNUITIES OF FORMER MEMBERS OF CONGRESS IN FISCAL YEARS 1983, 1984, AND 1985

SEC. 601. (a) In each of fiscal years 1983, 1984, and 1985, the percent increase under section 8340(b) of title 5, United States Code, in any annunity payable under subchapter III of chapter 83 of such title to any individual who serves as a Member of Congress after the date of enactment of this Act shall not exceed 4 percent.

(b) In the case of an annunity described in subsection (a) and to which section 8340(c) of title 5, United States Code, applies in fiscal year 1983, 1984, or 1985, the term "applicable percent change computed under subsection (b) of this section", as used in such section 8340(c), means the lesser of—

(1) the applicable percent change computed under section 8340(b) of title 5, United States Code; or

(2) 4 percent.

Mr. RIEGLE. Unless someone else wishes to speak, I will enter a quorum call at this point, the time to be charged equally to both sides.

Mr. GORTON. Will the Senator withhold that?

Mr. RIEGLE. Yes.

Mr. GORTON. First, I want to thank the Senator from Michigan for his agreeing to the desire of the leadership to hold off on any amendments for a few moments. I am also grateful that he decided not to waste this time but to outline his proposal, which will obviously be discussed at length and voted on either this afternoon at the very latest or tomorrow.

I should like to follow suit, however, in discussing at least in outline the issues which seem to me to be involved in the amendment which will be proposed by the Senator from Michigan. It will, by all odds, be the most important of all the amendments to this reconciliation bill as it involves some $5 billion of the slightly more than $12 billion in savings over the next 3 years embodied in the bill which is before the Senate at this point.

It is a matter of some irony, I think, that we look at the juxtaposition between the debate this morning on a constitutional amendment to encourage a balanced budget and the debate this afternoon on this reconciliation bill.

As recently as an hour ago, 69 of the 100 Members of this body voted for a constitutional amendment which, were

it in effect at the present time, would require budget cuts or tax increases which would pale to insignificance the tax bill passed by this body 2 weeks ago and the budget cuts contained in the reconciliation bill which is before us right now.

We have had the luxury over the course of the last 2 weeks of debating budget theory. We are here dealing with budget practice.

As an individual Senator, I can sympathize and agree in the abstract with the position adopted by the Senator from Michigan. No one wants to cut back on benefits received by any significant percentage of the citizens of the United States. The political pressures to increase those benefits, in fact, have been so great and a lack of willingness on the part of the Congress to fund them on a current basis is so great, that we are now faced with what the Senator from Michigan in several hearings before the Budget Committee during the course of this week has rightly pointed out to me, by far the largest budget deficits in the history of this country.

This reconciliation bill is a modest—and I say that advisedly—attempt to take a step toward the control of a number of Federal spending programs, entitlements, and otherwise.

The Senator from Michigan opposes this rather modest limitation on cost-of-living adjustments for two of our major retirement programs, first because he says it is inappropriate in comparing them with those in the private sector, and, second, it is unjust because similar restrictions have not been placed on certain other federally funded retirement programs.

The Senator from Michigan, I am sure, would however, be willing to confess to the fact that one of the reasons that this set of retirement programs is now being treated differently from others is his own strong and repeated opposition to any control over the cost-of-living adjustments in any Federal retirement program. The statistics of the matter inevitably lead us to the conclusion that without creating some rational controls on the growth of retirement programs we will never balance the budget or even restrict the growth of the Federal budget to no greater than that increase in national income in the United States.

In fact, of course, all Federal retirement programs have had cost-of-living adjustments which are more generous than somewhere between 95 and 99 percent of all the private retirement programs in the United States, and which have been so generous, in fact, that those cost-of-living adjustments have caused them to increase more rapidly in real terms than the compensation of Americans who are actually at work paying the taxes which support these programs themselves.

Quite specifically, in the field of civil service retirement, these cost-of-living adjustments have raised retirement benefits with a considerably greater degree or rapidity than the compensation of the civil servants who are to become entitled to them. We have had the irony, not just in the last year but in the last half dozen years, of creating a situation in which it was economically advantageous to retire, even for Federal civil servants who were at the peak of their careers and who were most productive, because they could end up getting larger increases in compensation in retirement than they could by staying with their jobs and providing services to the people of the United States.

On a second level, of course, it will absolutely be necessary, as has been recognized so eloquently by the distinguished senior Senator from South Carolina in his own speeches on the budget, rationally to control the cost-of-living adjustments and the numerous other Federal programs, retirement and otherwise.

This Senator regrets that Congress lacked the courage last year and this year to complete action to adopt policies which almost every Member of Congress knows to be necessary. With the assistance of the Senator from South Carolina, restrictions on the growth of cost-of-living adjustments in many Federal programs were passed last year by the Senate Budget Committee, by the entire Senate, and at one point, at least on a tentative basis, by the House of Representatives as well before political reality, so-called, reared its head and caused Congress to back away.

The Senator from South Carolina and many others made similar abortive attempts to accomplish such a task this year as well on an across-the-board basis. We now are quite certain that we will, in some respect or another, treat with these problems shortly after the election or by the beginning of the next Congress.

That fact does not, however, mean that we should not make rational decisions where rational decisions are appropriate. The particular cap here is one which will have no significant budgetary impact largely because of the reduction in the rate of inflation which has been one of the affirmative elements of our economic troubles over the course of the last year or so.

In any event, there is no possibility, literally no possibility, of this Government coming close to reducing deficits to a reasonable level or to balancing the budget unless and until a rational, thorough, and across-the-board examination of the eligibility for entitlement programs and of methods by which the costs of those retirement programs are increased is taken on and brought under control by the Congress of the United States itself. This represents a modest attempt to do so. It is not an unjust attempt to do so. It will soon be accompanied by other, similar programs.

It is the heart of the reconciliation bill which is before us. It is the heart of our attempt to control deficits. It is vitally important to the believability of the financial markets and of the American people and the courage of the Congress to do something about Federal spending programs, which are out of control. It is, I dare say, a key to the current welcome but far too modest reduction in interest rates. It is a key to continuing to reduce those interest rates and, thus, to economic recovery.

It is the hope of this Senator, Mr. President, that the amendment about to be proposed by the Senator from Michigan will be rejected—not because anyone wishes to hurt any individual in this society but because it is a part of a process absolutely essential to economic recovery.

Mr. RIEGLE. Will the Senator yield, Mr. President?

Mr. GORTON. The Senator, at this point, will yield the floor and allow the Senator from Michigan to speak if he wishes to.

Mr. RIEGLE. Mr. President, I thank the Senator.

I just wanted to respond to a point or two at this time to the Senator from Washington.

We all want economy in Government. There are 100 Senators who want economy in Government. We are all trying to make certain economies in various areas of Government. We thought we had made one, modest though it was, in the defense outlays projected into the future, in the budget resolution that was adopted. Those figures happen to be higher than I thought was necessary, but the will of the Congress, with the agreement of the White House, was to lock in on those numbers. Just within the last week, the President has now indicated publicly that the lid is off on the defense numbers and that that agreement is no longer one that he intends to abide by. So Federal spending is apparently going to increase in that area—at least, the administration is going to seek to spend more money there.

That helps focus the issue, because the question here is not whether we seek economy in Government, which is what we all seek, but what constitutes a fair balance, what is equitable, where the cuts are to be made, where the spending restraint is to come. I think the issue here and the burden is really carried by those who want to cap these pensions as to why it is that these groups of pensioners deserve different treatment than other groups of Federal pensioners.

Why is it that retired military personnel or retired Federal civilian personnel should be seen and treated in a different way than those under social security or those under railroad retirement? What is the substantive differentiation between those classes of retired workers?

I think, when one gets right down to it, there really is no substantive differentiation. They ought to be treated in an equitable fashion. There ought not to be one group treated in one fashion and another group treated in a discriminatory fashion. There is really no basis for that other than the argument that says, we have to save some money in the budget and here is a tempting target, so let us move in on this target of Federal retirees.

It just seems to me that that is the wrong way for us to try to solve this fiscal problem. It is the wrong way to try to address the real question of the equities here. There are plenty of areas in the Government and in the budget where we can and should be saving money. We have, and I speak now as a member of the Senate Committee on the Budget, all kinds of sacred cows still in the budget. I mentioned the defense area, which is clearly one. We have Western water projects, still very lavishly funded. We have money in there on the revenue side in terms of some of the special tax breaks that were given to the big oil and gas companies last year. That is not a spending item, but it certainly is on the revenue side and has an impact on the size of the deficit and getting those deficits under control.

There are any number of other special projects. The Clinch River breeder reactor is a very obvious one. That sticks out like a sore thumb, because anybody who looks at it is tempted to conclude that that is in there for political reasons.

It is in there because the majority leader of the Senate, a man whom I like very much and respect in terms of his work in the Senate, has a very strong interest in that particular project because it happens to fall within his region. We all understand that. That is a natural impulse, for one to want to be sensitive to and try to defend projects in his own home State. But the fact that that particular project has a very weak justification on its own and ought to come out of the budget or be substantially reduced still leaves us having to face the fact that it is kept in there, it is protected, it is kept at a high funding level, for political reasons.

You do not even have to take my word for that. I happened yesterday to be reading David Stockman's celebrated article in the Atlantic magazine of last year, and even the Budget Director of this administration made a reference in those remarks to the Clinch River breeder reactor as an item that he would like to do something about but, unfortunately, the politics were such that he could not.

I do not mean to hang the whole burden on just that particular item. That is why I mentioned several, but I use those as illustrations of the fact that the budget is honeycombed with special interest projects, special interest giveaways, pork barrels of various kinds that are in the budget that bloat the budget, bloat the deficits, and so forth. If we are serious about wanting to cut spending, fiscal discipline, then we have to take that sharp knife and we have to go into each part of the budget; we cannot spare any single part of it, but we are not seeing that. We are seeing a double standard applied in the budget cutting. We are seeing certain classes of activities and people, their programs and their circumstances are being cut to the bone. Then, over on the other side where all the sacred cows are, we see money being furnished in lavish amounts and there is waste and bloated inefficiency on that part of Government to the tune of tens of billions of dollars, far more than enough to see to it that the Federal retirees got a fair shake with the same COLA that was given to other retirees who have to look to the Federal Government for their cost-of-living inflation adjustments.

We have plenty of ways to solve this problem, and the only reason really that the Federal retirees have been targeted here is that it is seen by those who are pushing this particular proposal that those classes of retirees are perhaps less able to fight back effectively, and the people who push that would rather put the cuts on those retirees by squeezing down their benefits and creating a second-class status for them than they would go after some of the waste in the defense budget, some of the waste in some of the other departments of the Government. They just prefer not to have to go after those other targets.

Those targets are there. They have been exempt up until this time. I for one an ready to join them, if they are ready to go in the other direction where there is real waste in the Government. Let us cut out that waste. We can easily find the amount of money that is involved to give the Federal and military retirees the COLA adjustment that the cost-of-living would dictate. We can find the money in other areas of the budget.

That is really our challenge. The challenge is to face the issue that we are talking about, national spending priorities. There is not 1 gram of equity in terms of the proposition that says that the Federal retirees ought to have a cap in the area when we ignore all these other bloated areas of the budget where the real drive for economy and for savings has not yet taken place.

That is the issue here. It is the weakest and the flimsiest of arguments that I think the other side advances because there is no substantive basis for them to single out the civilian and the military retirees to say that they deserve some kind of second-class treatment and yet the money goes rolling out the door in all these many areas, in many cases to the pet projects of people who are prepared to make this cut but are not willing to find those savings in other bloated areas of the budget from which that money could easily come.

Mr. SARBANES. Will the Senator yield for a comment?

Mr. RIEGLE. I yield to the Senator from Maryland.

Mr. SARBANES. I want to commend the Senator from Michigan for this amendment and am pleased to join as a cosponsor. I particularly want to underscore two points which he has been making in the course of this debate.

One is that it is really a matter of priorities. As the Senator from Michigan has pointed out, there is extensive spending in the military, including the President's recent statement that he does not intend to adhere to the agreements he reached with Members on the other side of the aisle with respect to budget projections. Also there are other spending items in the budget which one could look at and very quickly reach the conclusion that honoring this commitment is more important than carrying forward those projects.

Third, there are the matters that were done on the revenue side with respect to the budget, in which it could be concluded that the revenues being forgone do not meet a public purpose to the degree that honoring the commitment that was made to Federal civilian and military workers with respect to their retirement years. This is not some idle commitment or obligation. Do we take it seriously or not? It seems to me Senators have to ask the question, how seriously should we take this commitment? I for one happen to think that these undertakings and obligations are really of the first order. We are talking about people who have worked an entire lifetime to help build the strength of the Nation, and now we come in and place this cap on them, single them out from all other groups for this treatment. I think it is unfair treatment.

The Senator from Michigan also addressed the point, Why is this happening? My own view is that it is happening because a number of people have fastened on the Federal employee as a handy whipping boy or whipping girl.

There is no reason to do that. Most Federal employees are dedicated, able, committed public servants. I do not deny that there may be some in a very large establishment like the military

or civilian government, just like in large private establishments, who may not be doing all that they can do. However, it is terribly unfair to dedicated, committed public employees, which I think are the vast majority of those who are now working for the Government or have worked for the Government in the past, to simply treat them as second- and third-class citizens. That treatment is a poor response to the contributions they have made over the years. It is also making it more difficult to attract able people to the Federal service today because they see this kind of treatment that is handed out, this discriminatory treatment against the former Federal employee. It has also become more difficult to hold in the Federal service today able and dedicated employees many of whom have much greater opportunities in the private sector in financial and economic terms. Many Federal employees are forgoing significant benefits financially and economically in the private sector because they have a commitment to public service.

I am not only talking about highly trained individuals, medical personnel, scientists, engineers, architects, people who do very complicated work, but also those who do the important daily administration that is necessary in order to make a Government of 225 million people function. What this cap reflects is a disdain for that contribution and a willingness, as the Senator from Michigan has pointed out, to accord discriminatory treatment, unfair treatment toward this group of dedicated men and women who are military and civilian retirees.

While in recent years we have adjusted military pay to try to make it more comparable with the civilian opportunities, that was not the case for many, many years. One of the important offsetting benefits that was held out to those who committed to a military career in those earlier years was the nature of the retirement program. Meeting this commitment to our Federal retirees, both military and civilian, in my judgment ought to have a higher priority than many of the other things that are contained in the budget plan before us, whether it is in the area of military expenditures, other domestic expenditures or the erosion of the revenue base. We are asking those basic questions of priority. We are really asking how imporant is it as a nation to meet this commitment. I think it is quite important, and therefore I am pleased to join in cosponsoring the amendment of the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for his comments.

Many of us have served in Congress long enough to have been here during the Vietnam war. I recall during that time going out to our military hospitals in the Washington area and seeing young men from across this country and from my home area in Michigan who had been grievously wounded in the Vietnam war, who had been taken out by air evacuation and brought back finally to hospitals in the United States, many of them to hospitals in the Washington area, because they needed extraordinary medical attention and care. They needed the finest medical skills and service that could be brought to bear within the military health system.

I had a chance to meet and talk with many of the doctors who served in the military over the years, all of whom were paid less, far less, than they could earn in private practice. They were there undergoing an economic sacrifice, because they were doing a public good. They were trying to save lives and they were trying to save the eyesight or the limbs of veterans who had been wounded in a severe way in the Vietnam war. This went on for years and years.

So, with respect to the jobs of the kind to which the Senator from Maryland refers, we are not talking about somebody who is shuffling papers at a desk somewhere and who would just wear the anonymous label of bureaucrat. We are talking about millions of people who served in a variety of capacities: In the space program, in medicine, in science and engineering. These people have devoted their lives and have taken lower salaries in order to try to do the necessary work of this country—not for themselves, but in the name of all the people of the country, to try to give us an ability not only to lead ourselves and to lead this country but also to try to give leadership to the rest of the world.

So I can imagine how they must feel after working for an entire lifetime and having made the decision to stay in the public service and thinking they had retirement arrangements they could depend upon, so that in their retirement years, if the cost of living rose sharply, there would be some adjustment to it so that they could not lose the value of their pensions and they would be able to live in their retirement in a decent fashion.

Now, suddenly, they find that this Government and this administration comes along and wants to tear away those protections. It is a broken promise; it is unfair and inequitable. I think it is wrong. I think it is wrong in terms of the basic proposition that underlies it, that we should have two classes of retirees and that we treat one in a diminished way versus another.

We voted on the Senate floor on social security, and I helped participate in that fight to make sure that we kept the full COLA participation for those under social security.

There was a big fight about that, and most of the people on the other side were on the other side of that issue. However, we were finally successful in turning that around, so much so—and I am sure the Senator from Maryland recalls this—that even though the Reagan administration was opposed to having the full COLA increases for the social security recipients, lo and behold, when they were made available this year, partly because of the efforts of Members on this side, we found the administration, in their political ads—the Republican Party—taking credit for those COLA adjustments. So I have to assume, based on the fact that I have seen those political advertisements within the last several weeks, that in principle, in that area, they support COLA adjustments, because they are taking credit for them.

However, they are coming back on the other side and now are moving to cut those COLA requirements.

Mr. President, I should like to make an inquiry of the Senator from New Mexico. We spoke earlier about a request from that side that I not send my amendment to the desk, and I agreed not to send it to the desk, and I have not done so.

In light of the fact that when the amendment is sent to the desk there will be a 2-hour limitation, I am not sure we would need the full 2 hours. I would not want to yield back part of the time now, but my judgment is that because we have already started the discussion, we will not need the full 2 hours. Therefore, we perhaps could use somewhat less than that and finish our amendment whenever the agreement if for the actual vote and then go on to other items, so other Senators would not be disadvantaged with respect to their amendments.

My thought is this: I am open to trying to set a time for a vote on the Riegle amendment at a mutually agreeable time later in the afternoon which will accommodate people. With the notion that we will establish such a time, and we are attempting to do that now, is there any objection to my sending my amendment to the desk now and proceeding on it? When the time runs, I am prepared, for a period of time, to let the vote be postponed until we have reached an agreement as to a time today for that vote.

(Mr. LUGAR assumed the chair.)

Mr. DOMENICI. Mr. President, I assure the Senator that there is no intention on our side other than that his amendment will be the first amendment. Since we are trying to work out a time certain later this afternoon to work on the Senator's amendment and let everybody know it—and that is being checked on the Senator's side—I prefer that we continue the discussion for a few more minutes. Then we can accommodate the Senator from Michigan to call up his amendment, and we

will know when we will vote on it. This discussion is as if the Senator had called up the amendment.

I do not want to use my time on the bill if we can get this clear agreement.

Mr. RIEGLE. The Senator and I are in agreement on that. Let us try to resolve this matter in the next 10 minutes, if we can.

Mr. President, I return to the argument we were discussing a moment ago. I have seen many situations of extraordinary service to our country by Federal personnel, civilian and military, who now are retirees.

I mentioned doctors because I recall being struck by the tremendous contribution they made throughout the Vietnam war, when we faced having to respond to the medical needs, to the wounds, of some 300,000 young Americans who were wounded in that war. We lost 55,000 who were killed, but more than 300,000 were wounded.

Those doctors were willing to serve the country and to meet the needs of those veterans and all those military people as they were injured. Those doctors were working at far below the standard salary levels, on the average, of doctors in the private sector. Do we not owe those doctors something? Do we not at least owe them the fact that we will keep our word? Should we not at least keep the bargain we struck with them at the time—that if they were going to be in the Federal service, they could count on the Federal retirement system they were paying into? I think they should be able to count on it.

There is a matter of honor here, as well as a matter of equity.

I can cite others in other fields. In the space program, we have some of the best engineering talent in this country working on our space program, helping us accomplish extraordinary feats, going to other planets, taking Americans to the face of the Moon and bringing them back—people who could have been working in the private sector for three, four, or five times the salary.

They chose to work in public service, and they chose to work at lower salary levels. But one of the things they knew at the time was that there was a Federal pension program they were paying into and which they could count on, once their productive years were over and they were in retirement.

Now we are coming along and saying: "Sorry, we are breaking that deal. We are not going to honor the commitments any more. You cannot go back and reclaim those years. Now you are at retirement age, but we are not going to give you the cost-of-living adjustments which you were promised and which in good faith you thought you could count on."

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. SARBANES. I wish to say to the Senator from Michigan that this attack and onslaught on dedicated Federal public servants reflected in this COLA cap, but also, reflected in many other ways in how both the retired and current Federal work force is being treated, is having a devastating impact on the attitudes and the morale of people.

Two women whose husbands work in the space program, came to see me during a community visit simply to voice their anguish at the attitude that is now taking hold with respect to the contribution and the dedication of the Federal employee. They told me that the point has been reached where their husbands are embarrassed, upon being asked where they work, to admit that they are employed by the Federal Government. Both employees are highly trained, highly skilled, highly educated individuals, occupying very important roles in the space program which, after all, is one of the programs that has brought America right to the outer edges of technology, knowledge, and science. If we are going to maintain our world leadership in important areas clearly, that is one essential aspect of maintaining that world leadership. Yet these men are now embarrassed to admit the nature of their employment because of the barrage under which the Federal employee has come.

It is just not fair to literally thousands and thousands of dedicated, able, committed public servants.

This COLA cap is reflecting that attitude which has manifested itself in other ways as well as we know in terms of the treatment of the current employees.

I think the implications of continuing this kind of treatment with respect to the quality of our Federal work force are extremely serious. Obviously we are going to need a Federal work force to perform essential and necessary functions and it should be a matter of concern I think to every Member of the Senate.

Mr. RIEGLE. I thank the Senator for his comments.

I, also, have talked with people like that, either those who work for the Government or members of their family, who express the same kind of distress.

Part of it is also grounded in the fact that we do have some people in the Government today in the administration who are so anti-Government—I mean it is such an ideological fervor that in a sense they are creating and attempting to create the idea that anyone or anything connected with Government is somehow wrong or almost inherently an evil force.

Mr. SARBANES. Mr. President, will the Senator yield on this point?

Mr. RIEGLE. I yield.

Mr. SARBANES. We have the contradictory situation of the heads of certain agencies treating their employees as though they were the enemy.

The Public Printer at the Government Printing Office is one example of a manager who has unleashed a barrage against the very people who work for him and upon whom he relies to perform essential services. No one is more sensitive to that than Members of Congress who, of course, rely upon the employees of the Government Printing Office for the CONGRESSIONAL RECORD and realize the kind of time deadlines and pressures under which they work. And yet their own boss, in effect, instead of trying to work with them to improve productivity, morale, and output, has taken a highly confrontational, critical position toward his own employees.

I do not believe that that is the way to secure better job performance.

Mr. RIEGLE. I thank the Senator.

I want to just say one additional thing about the way the COLA's are calculated on these pensions. What we are talking about here for the future years is whether this class of pensioners, the Federal retirees, the civilian and military, are going to be capped with a 4-percent COLA factor when, according to current projections, the value of their pension is actually going to be eroding at a figure of about 6.3 percent.

So the difference that we are talking about is between the 4 percent and the 6.3 percent, but I might just say that if for some reason inflation became much more severe and inflation were actually 10 percent, these folks would still be stuck with the 4-percent cap; in other words, they would just fall further behind.

But my point is this: Why should the integrity of the pension that these people have to rely on be damaged in this fashion?

The COLA adjustment does not provide any additional real income. It does not provide one extra penny of real disposable income. All the COLA adjustment does is to adjust for inflation, for the cost-of-living increase, so that even though these people would be getting a somewhat higher pension, when they go to the store to spend it, they are not going to be able to buy any more.

The question is when they go to the store are they going to be compelled to buy less because their pensions are being eaten away by inflation? One of the ways they are being eaten away is by the bloated deficits in this budget for all the sacred cow items that have not been cut.

So it is really a double wrong. It is a double wrong because we have in here favored areas where we are not exercising economy in Government and we are turning around and we are putting

the burden for that waste and for that special interest privilege on the backs of a few people. And we are saying: "We are sorry your pensions are going to have to go down in real terms. We are going to stand here and let the inflation eat away the value of your pension."

I think that is wrong. I just think it is wrong. I think it does not matter which classification of worker we are talking about. How do we make the differentiation? Here in this seat sits someone who has earned social security protection. He gets the COLA. He should get it. Next to that person sits someone with railroad retirement. This body voted to give him the full COLA. He should get it. I agree he should get it. In the next chair sits someone who is a military officer in this country and we are saying: "Oh, no, I am sorry. We are not going to give you the same treatment because for whatever the reasons you are not so worthy and we are going to take some of yours away."

That is not right. There is no equitable basis upon which to make that distinction. It is wrong, arbitrary, and discriminatory.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. RIEGLE. I yield.

Mr. SARBANES. To underscore how arbitrary and discriminatory it is, the fact is that with respect to those people, the other retirees that the Senator made reference to under social security and railroad retirement—and I support them receiving the full cost of living—their retirements are not taxable.

Mr. RIEGLE. That is right.

Mr. SARBANES. The Federal retirees, military and civilian, who are having a cap placed on their COLA are taxable with respect to the retirement incomes which they receive. We have the discriminatory impact compounded in this instance in the fact that we are placing the cap on the one retirement program where the retirement benefits at a certain point become taxable to the individual receiving them.

Mr. RIEGLE. That is exactly right. Here we are right now in this country struggling to maintain a military with a voluntary system. We have done away with the draft, and we are trying to encourage people to come into the military on a voluntary basis and to come in and take critical job assignments, and at great risk, in time of war or conflict, to their very own survival. We are asking people to come in as pilots, to come in and serve in submarines and in all different capacities, and we are having a hard time attracting the most talented people in our society into the military whom we need.

Now we are about to say to somebody we are asking to come in and to be a fighter pilot or to serve in any other capacity than that, say, "By the way, at the other end, if you come in and give your life in a professional way to military service for your country, when it comes time for your pension we are not going to give you the same treatment as anybody else. We want you to take a lesser treatment. We want you to stand second in line, not for any reason that is solid and can be put forward, but simply because we need to save some money in the budget, and you are the chosen target.

I think that is wrong, and that is exactly what is the matter with this budget situation today. It is riddled with a double standard, and we are out there punishing certain people and treating those people as second-class citizens. On the other hand, we are turning around and treating other people as favored groups, dumping more money on them than they can possibly use. That is just not right, and that is the fundamental issue here, and I think it is wrong.

I think it is wrong to say that to our retired military people, and I think it is wrong to say it to our retired civilian people. This is the situation.

You talk about savings, we have one project alone in the defense budget, the Maverick missile project, a $5 billion program, and that is what we are talking about here in rough dollars in terms of this COLA cap as it stretches out over 3 years—not 1 year but 3 years.

Here is just one of a multitude of programs in the Defense Department. This particular missile, in controlled circumstances and isolated circumstances, has hit its targets less than 40 percent of the time, and we have simpler systems that are less expensive that would get the job done, and we are blowing $5 billion there.

We are blowing $2 billion on a public works project, a well-known one, in one part of the country; $3 billion on the Clinch River breeder reactor, and yet we are telling these retired military personnel and retired civilian personnel, "Sorry, folks, even though we made the deal, even though you gave us a lifetime of work, even though you paid in, and even though you pay the taxes on your benefits, we are cutting you. We do not want you to stay even with inflation. You are just going to have to get ground down out there."

That is wrong, and I hope the people on the other side of the aisle will face up to the inequities of this situation, and instead of this blind rush to go out and implement this double standard, to instead stand up on this thing and treat people fairly.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield without losing my right to the floor if the Senator from Alaska has a request he wishes to make.

Mr. STEVENS. I thank the Senator.

UNANIMOUS-CONSENT AGREEMENT ON AMENDMENT NO. 2007

Mr. President, I ask that the Senator, who is the sponsor of his amendment 2007, give us his comments on this proposed unanimous-consent agreement. I ask unanimous consent that when Senator RIEGLE offers his amendment 2007 that it be the pending business under the statutory time limitation and that the vote occur in relation to the Riegle amendment at 5:15 p.m. today.

I further ask unanimous consent that any rollcall votes, ordered after debate is concluded on the Riegle amendment and by 5:15 p.m. today, occur following the vote on the Riegle amendment, and that they occur in the sequence in which the yeas and nays were ordered, with 5 minutes of debate on each amendment following the Riegle amendment, to be equally divided between the author of the amendment and the manager of the bill.

Mr. RIEGLE. I have no objection.

I would say if there are intervening amendments just prior to the vote on my amendment to come at 5:15, I would like the same understanding, 5 minutes to a side just so that we can summarize for Senators who will be here.

Mr. STEVENS. I further ask unanimous consent that at 10 minutes after 5 on the amendment then pending, if the Riegle amendment debate has concluded before that time, that it be set aside and that there be 5 minutes equally divided on the Riegle amendment, with the vote to commence as indicated previously at 5:15 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. Mr. President, I am happy that that has been done. I thank the Senator from Michigan and the distinguished Senator from West Virginia for their cooperation, and I do ask that pursuant to this agreement the Senator now send his amendment to the desk.

Mr. RIEGLE. I thank the Senator.

Mr. DOMENICI. Could I also thank the Senator from Michigan for his cooperation.

Mr. RIEGLE. I appreciate the kind words. I am most happy to cooperate with my friends on that side of the aisle.

AMENDMENT NO. 2007

(Purpose: To apply the 4-per centum limitation on the cost-of-living adjustment of annuities only to annuities of Members of Congress who retire after the date of enactment of this Act)

I now ask, Mr. President, that the clerk report my amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) proposes an amendment numbered 2007.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike out line 17 and all that follows through page 75, line 2, and insert in lieu thereof the following:

LIMITATION ON COST-OF-LIVING ADJUSTMENT OF ANNUITIES OF FORMER MEMBERS OF CONGRESS IN FISCAL YEARS 1983, 1984, AND 1985

SEC. 601. (a) In each of fiscal years 1983, 1984, and 1985, the percent increase under section 8340(b) of title 5, United States Code, in any annuity payable under subchapter III of chapter 83 of such title to any individual who serves as a Member of Congress after the date of enactment of this Act shall not exceed 4 percent.

(b) In the case of an annuity described in subsection (a) and to which section 8340(c) of title 5, United States Code, applies in fiscal years 1983, 1984, or 1985, the term "applicable percent change computed under subsection (b) of this section", as used in such section 8340(c), means the lesser of—

(1) the applicable percent change computed under section 8340(b) of title 5, United States Code; or

(2) 4 percent.

Mr. RIEGLE. Mr. President, the clock, of course, will now begin to run on this amendment. It is my understanding, and let me inquire of the Chair, am I correct in thinking that 2 hours are afforded this amendment, equally divided? Am I correct in my understanding?

The PRESIDING OFFICER. That is correct, a 2-hour time limit, equally divided.

Mr. RIEGLE. That clock starts running now. I just want to announce to those Senators within the sound of my voice who may wish to speak on this amendment, either on our side or the other side, that they may wish to come to the floor at this time so that we can have a chance to hear those comments.

I do not know how much of the 2 hours we will in fact use. We have had some debate time now, and once it is clear, if I could have an indication from Senators who wish to speak on my side of the issue, as to any time requests that they may have, we will be able to better judge how to use the time and to make sure we have sufficient time for Members.

If it develops we do not need all the time, I will be happy to yield it back at the end so that we can move on to the amendments of others who may be waiting.

At this point I would just make another brief comment here, and then I will yield the floor, and that is to say that I think this is a fundamental issue. It is a clear issue of equity and fairness in how we are going to treat people and whether we are going to give people the same treatment or whether we are going to have two standards and, in a sense, a double standard that applies in this case.

The House, as I pointed out, voted overwhelmingly on this issue 236 to 160, a strong bipartisan vote, to adopt what, in effect, is the Riegle amendment now here before the Senate, and I hope that we will keep all of our retirees on the same footing, that we will treat them with the same degree of equity, particularly in light of the additional comments made by the Senator from Maryland that the Federal retirees differ in the respect that they pay taxes on their benefits.

Unlike those on social security, whose benefits are not taxable, those who recieve Federal pension, their pensions are taxable and, as a matter of fact, it is a conservative estimate that at least 20 percent of their annuity actually is returned in the form of taxes to Federal, State, and local governments.

So what we have here, I think, is a straightforward proposition. I would only add the thought that I think that the amount of money we are talking about over a 3-year period of time we can pick up in lots of other areas of the budget. We can debate where best to do that at another time.

I think what Congress and what the Senate are being asked to decide now is whether we want our retirees all on an equal footing; whether we want to treat them all the same way. Once we have reached that decision, if we do, we can find other savings in the budget. I am confident of that as a member of the Budget Committee. We can find room in the budget to match these savings in any one of a variety of ways. That will be something the Senate as a whole and the committees as a whole will have to judge. But we will not have that decision unless we make today's decision, and that is the one that is before us now, and that is whether we are going to treat our Federal retirees, our military and civilian retirees, in the same fashion that we treat other retirees who fall under the jurisdiction of Federal authority.

I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I am pleased to join the Senator from Michigan (Mr. RIEGLE) as a cosponsor of this important amendment to restore the full cost-of-living adjustment for the Nation's 1.8 million Federal retirees. Federal civilian and military retirees are the only retirees who have had their annual COLA's capped by this omnibus reconciliation bill. The proposed 4-percent ceiling on their annual cost-of-living adjustment for each of the next 3 years unfairly singles out one small group of older Americans for an inequitable cut in their hard-earned and justly deserved retirement benefits.

For these Federal civilian and military retirees living on fixed incomes, the annual COLA is an indisputable necessity in a time of serious economic difficulties for all Americans. Retirees rely on receiving their full annual adjustment in order to enable them to meet the continually rising cost of living.

It must be understood that this is a catch-up adjustment. It is an effort to adjust retirement benefits at the end of the year to take into account the price increases which occurred during the course of that year. Federal retirees are no different from any other group of retirees: They have paid into their retirement system and now rely on receiving their benefits to meet their living expenses. If these benefits are unfairly reduced, Federal retirees and their families will not be able to live their retirement years in the dignity and financial independence that their work and years of service to our country have earned them.

I am deeply disturbed by the practice of eroding the retirement benefits of Federal civilian and military employees. Unlike social security and railroad retirement benefits, Federal retirement annuities are fully taxable. yet this is the second year in a row that these benefits have come under assault. Last year's reconciliation bill deprived Federal retirees of one of their two annual cost-of-living adjustments, a system which had been adopted in 1976 when the existing 1 percent add-on for Federal retiree pensions was removed by Congress. Federal retirees last year also only narrowly avoided having this single annual adjustment postponed from March to October 1982. I have consistently voted against such legislative proposals to reduce the cost-of-living adjustments for Federal retirees and strongly supported several amendments to restore full civil service retirement benefits during consideration of the fiscal year 1982 and 1983 Federal budgets.

This proposed 4-percent cap on Federal civilian and military retiree COLA's would severely undermine the financial security and well-being of these retired public servants, which have already been strained by last year's cuts. Our Nation depends on the dedicated public service and high quality of performance of Federal employees to keep our complex Government, both civil and military, in operation. It is essential that we promote and maintain a stable Federal retirement system and reliable retirement benefits in order to attract and retain competent and dedicated public servants.

These assaults on Federal civilian and military retirees have undermined the morale of current Government employees and the ability of the Federal Government to continue to pro-

vide Americans with a whole range of services which are important to the well-being of our Nation. We must honor the promises we have made to Federal retirees, thereby demonstrating the value we place on service to this country.

I commend my colleague from Michigan for offering this amendment and urge my other colleagues to join in supporting the measure pending before the Senate.

Mr. RIEGLE. I thank the Senator. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, will the distinguished Senator from New Mexico, the manager of the bill, yield me some time?

Mr. DOMENICI. I yield such time as the distinguished Senator from Alaska requires.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I do not think anyone in the Senate feels more strongly about maintaining commitments to our Federal retirees, both civilian and military, than I do. We have fought time and again to protect the retirement income of Federal retirees.

We now come to some strange times and I think that the Senate must review those times to vote intelligently on the Senator's amendment.

I would point out that the Senate earlier this year recommended no cost-of-living adjustments in 1983 and rejected an amendment that would provide a 4-percent cost-of-living adjustment. I think that the Senate must be reminded of that. On May 21, the distinguished Senator from Florida, Mrs. HAWKINS, offered an amendment to insist on at least 4 percent and that was defeated. As we worked the budget resolution through, the conference agreed with Mrs. HAWKINS that there would be a 4-percent cost-of-living adjustment for retired civil servants and military personnel.

We have to ask ourselves really why have we gotten to the point where we need to have a cap; why there must be a cap? First, the Senate should recall that until 1967, there was no automatic cost-of-living adjustment for Federal retirees, either civilian or military. There was no commitment then made to the people who are working and who are retiring now that when they retired they would get a cost-of-living adjustment. As a matter of fact, it has been but 15 years since we have had a cost-of-living concept added to the retirement program of the Federal Government. Less than 5 percent of the people in this country who receive a pension receive any cost-of-living adjustment.

We have reached a point now that the retirement fund is so much in deficit that we are transferring $12 billion from the general Treasury to the retirement fund this year to make up for the deficits that exist in order for it to keep its solvency. We have already crossed the bridge for the Federal retirement system that we have not crossed for the social security system. And we must do that annually now. The major reason for this subsidy is the cost-of-living adjustment. As we have increased retirement income for those who have retired, we have not increased the contributions for those who are still working. At least we have done that with social security.

I have warned this body time and time again that the Federal retirement system is in worse shape than the social security system. We are working on a retirement bill now to modify this, to try to put it back to the situation where we can say to the new people that come on board, "We guarantee you that the Government can keep their commitment."

As chairman of the Post Office and Civil Service Subcommittee of the Governmental Affairs Committee, I cannot make that commitment now because of the fiscal circumstances that the U.S. Government faces. But we have to look at this as to why we need a cap. We need a cap because of the problems that exist in our economy.

One of the basic problems is we are adjusting from the worst period of inflation the country has known in recent history. As we went into that inflationary period, as the cost of living went up, we did in fact adjust the COLA's. The cost-of-living adjustments were made for retired civil and military people. We are now coming out of that swing.

Let us look at how we got the cost-of-living adjustment for this year. In December of 1981, data was processed comparing the prices then with the year before. The adjustment made in March of this year was for a change in price over the prior 15 months.

Now by definition, those indices for this cost-of-living adjustment that are being sought now were taken at a time when the inflation factor was twice what it is now.

The problem is that unless we have some limitation on our spending the people who are hurt worst are the retired people if we go back into another inflationary spiral.

I do not know about the rest of you, but I have gone out and talked to my retired people. And I would point out to you that there are more Federal employees per capita in Alaska than any other State in the Union. And I know what I am doing when I recommend to the Senate that we should take whatever action is necessary in order to prevent that inflationary spiral from commencing again. Because my retired Federal employees told me, both civilian and military, "Senator, do what you have to do to prevent inflation from hitting us again, because as the spiral goes up, there is no way to adjust fast enough to meet inflation."

The one time when we can do it, and do it legitimately and without pain, is on the down side of the inflationary spiral. Now we can take the action that is necessary to prevent this economy from going awry again.

Mr. President, I also happen to be chairman of the Defense Appropriation Subcommittee. I have heard the distinguished Senator from Michigan and others ask why we do not cut somewhere else. Yesterday the Appropriations Committee, at my request, cut $2 billion from the defense budget supplemental.

At my suggestion we are making the cuts now in compliance with the budget resolution. We will cut $8.5 billion from the 1983 defense budget that is before us. Within this year the Senate, if it follows my recommendation, will have cut $10.5 billion from the defense budget.

This is not a happy thing for this Senator from Alaska to be asked by the Senate to do. Again I want to point out the Senate requested my subcommittee to make this recommendation to the full Governmental Affairs Committee and the Governmental Affairs Committee to make it to the Senate through the Budget Committee. We are complying with the budget process. People must have responsibility here. The Senate instructed us to bring back a bill which put a 4-percent cap on retiree cost-of-living adjustments.

It is not an easy thing to do, but we must do it. We must do it because the people who will be hurt worse, who will be the worst served in the whole country, if we go back through the inflationary spiral of the 4 years that preceded us, are the very people who are being capped by this.

They have told me, individually, the ones I have talked to, "Do what is necessary to prevent that."

Mr. President, since 1976 Federal retirees cost-of-living adjustments have been in excess of 70 percent while those who are currently in the work force have gotten less than 40 percent. That has been because we have, in fact, put caps on the cost-of-living adjustments for the people who are still working for the Federal Government but we have not in the past put them on cost-of-living adjustments for those who retire.

What that has led to has been what I believe the Senator from Maryland alluded to a minute ago. It has, in fact, led to people retiring early, and it has increased the cost of Government.

Just think of this. If a person retires early from the Federal Government, the employee must be replaced, so the

cost of that retiring person's job must be borne by the budget. The early retirement cost is also an increased burden under the Federal retirement system because the cost-of-living adjustment in retirement is in excess of what it would have been had the person stayed on the job.

We find there has been a pyramiding of employment costs because of the incentive that has been given to people to retire early due to the fact that the cost of living for retired people was not capped, whereas it has in fact been capped repeatedly for those people who are still working for the Federal Government.

We have the situation the Senate addressed here not too long ago with the Mattingly amendment where people had been in the Congress for years. The former Speaker of the House had compensation in retirement in excess of $100,000 while that of his successor was $70,000. Why? Because the successor had his pay capped but the cap did not apply to retired Government employees.

These things are leading to inequities that are hard to remedy. I have warned about this. I have gone to the Government employees union meetings here, in my home, and throughout the country. The retirement fund is in jeopardy. Continued cost-of-living adjustments that have no relationship to the contributions of the fund mandated by the Congress in terms of political largesse are destroying the retirement system. It must be brought back into shape. It must be brought back into shape because the time is going to come that if it does not get back to where it is actuarily sound, Congress is going to be forced into the position of not being able to make that annual contribution from the Treasury, from taxpayer funds, into the retirement fund.

Should that day come, and I point out again that is $12 billion this year, the people who are in Government who expect their retirement plans to be secure are going to realize that they are not secure.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. STEVENS. Yes.

Mr. DOMENICI. That $12 billion is in addition to any employer-employee contribution, is that correct?

Mr. STEVENS. That is absolutely correct. It is made up, I might say to the Senate, of a myriad of payments that are necessary because of actions taken by the Congress in the past of increasing benefits under the retirement system which were not involved in the actuarial base at the time the contributions for both the employer and employee were computed.

As a consequence of even just this 4 percent, and it was not computed, this 4 percent further strains the fund. Unlimited cost-of-living adjustments based upon statistics that are by definition at least 15 months old at the beginning of the fiscal year, are totally unwarranted.

Again, I urge the Senate to listen to those of us who are trying to make this fund sound at the same time to be equitable to those Federal retirees who are affected by our actions. I think the Senate should realize that had it not been, I believe, for the persistence of the distinguished Senator from Florida we would not have the 4 percent here because the Senate voted for no cost-of-living adjustment on May 21 of this year.

The distinguished Senator from Michigan offered an amendment, which was also defeated back in May, that would have had unlimited cost-of-living adjustment, or at least not a cap for the fiscal year 1983 and 4 percent thereafter.

I say to my good friend from Michigan we are in agreement after 1983. His amendment would have put a 4-percent cap after 1983, in 1984 and 1985. But 1983 comes after an election year.

It is time that Congress understands that the Federal retirement system cannot withstand the peregrinations of politicians. We cannot make these adjustments every 2 years to try and solve our own consciences as we go out and try to face the people we want to get votes from to come back. We must realize that their future requires actuarial computations as far as the solvency of this system upon which they rely. We cannot mislead them to believe that they can rely wholly upon the taxpayers of the United States to meet a retirement system, and yet that is what we were doing. Every year it has increased the demand on taxpayer funds in the Treasury to keep the retirement fund solvent.

I say to the Senate that there is no alternative now to responsibility. A responsible Senate is going to keep the commitment in budget resolution of a 4-percent adjustment. In our first go-round, as I indicate, we said nothing, but as we went through it and realized the whole balance, we agreed to 4 percent, which I think is fair and just.

If I had the ability to do so, Mr. President, if we were in better times and we could look at the actuarial basis for restoration of the retirement fund, I, too, would be in the forefront of saying no cap because I do believe that the people who have committed their lives to this country have foregone the possibility of the gains that come from the private sector and ought to have the stability of a retirement base without any vacillations. But, again, we are doing this because of the total commitment to restoration of fiscal solvency which, by definition, if we succeed, the people who will be benefited most will be those people who will be affected most by another inflationary spiral, and those are the retired people.

They are hurt first, as the inflationary spiral swings up. By definition, again, as the inflationary spiral swings up, with that 18-month delay in computing of the cost-of-living adjustment, they never catch up. This is the one time when we can say, "Look, we are going to maintain a level 4 percent adjustment through this period, because we believe we are now in a period of relative stability for inflation."

We believe now, Mr. President, we should see in the vicinity of 6 percent on an average for inflation. That is still too high, mind you. I am reminded that President Nixon put in effect wage and price controls when we had 4.5 percent inflation. So no one should be complacent at 6 percent, and I am not. But it is a lot better than 20 percent, 22 percent. The way to keep it down there, under 6, is not to take actions which stimulate a total disruption in our economy.

Mr. President, I shall say just a few more words, then yield to my good friend from New Hampshire, who wants to comment.

The problem we have is not our annual deficits. The problem we have is the accumulation of deficits. It is that national debt that the Senate addressed yesterday. That national debt is not Republican and it is not Democratic. It is there because we had the New Deal and came out of the Depression. We were not able to pay the bill.

We went into World War II and we were not able to pay that bill.

We went into Korea and we were not able to pay the bill for that war.

We then went into the whole concept of the Great Society. We were not able to pay for that.

We went into Vietnam. We are not able to pay the Vietnam debt yet.

And guess what? We have a $1.1 trillion debt, with $135 billion in 1983 for interest on that national debt.

Who do you think is paying that interest on the national debt, Mr. President? It is the people in this country who are paying taxes and they cannot continue to pay an ever-increasing national debt. Incidentally, Mr. President, interest on the national debt was $95 billion in 1981 and is $135 billion in 1983.

The taxpayers cannot pay that kind of increase in interest and pay an ever-increasing deficit in the retirement fund. If we continue this course, something is going to give. I have told my good friends who are fellow Federal employees that the thing that is going to give first is going to be the retirement system of the Federal Government if we are not careful.

Mr. President, so long as I am able to speak on the floor of the Senate, I want to speak for the benefits of Fed-

eral retirees. I think I am today speaking in their best interest in urging the Senate to maintain the course that we established earlier this year and to realize that those of us who have responded in the Senate with this bill have done so because we were requested by the Senate to do this. To change it this time, now, after we have gone through the work that was necessary to get a bill back here to comply with the instructions of the Senate would be a serious mistake. These are not instructions at the request of the President, we are complying with the Senate budget resolution. I say, Mr. President, there is no alternative but to defeat this amendment for those who want to restore some fiscal solvency to the U.S. economy.

I say to my good friend that he yielded to me, but the distinguished Senator from New Hampshire wants to be heard.

Mr. DOMENICI. I am going to yield to him in a moment.

Mr. President, before the distinguished Senator from Alaska yields the floor, I want to say that every U.S. Senator should have been present to hear that speech. It not only addressed the issue that is before us, but I commend him for laying before the Senate the problem this country faces. The Senator from Alaska has been in the vanguard of protecting Federal employees. He has always been concerned about Federal civilian and military pensions. I commend the Senator for taking the position that the best way to help and protect these pensions is to be reasonable with reference to the automatic cost-of-living adjustments for the next 3 years. I do not think anyone is going to do any better.

I yield whatever time the distinguished Senator from New Hampshire desires at this point. How much time does he wish?

Mr. RUDMAN. Ten minutes will be fine.

Mr. DOMENICI. I yield 10 minutes to the Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I think it is ironic that, at 12 noon today, we all sat or stood in this Chamber with a glow of achievement as the Senate, by a vote of 69 to 31, passed a resolution recommending that Congress send to the States a constitutional amendment to balance the budget. There are those in the press who have written with some cynicism of that, saying it was, in fact, a political cop-out for those who really have no intention whatsoever of balancing the budget, noting it would be a very good vote to point to with pride as one ran for reelection.

I know the Senator from Michigan did not vote for that resolution. I do know the Senator from Michigan, yesterday, gave his support to the amendment introduced by the Senator from Colorado (Mr. ARMSTRONG), which, in my view, set a more stringent test in this constitutional amendment than it originally contained. That is, it required a three-fifths vote of this Congress to raise the national debt ceiling. The Senator from Michigan voted for that, and I commend him for that, because I voted for it also.

Now, 2 hours later, that glow of achievement and good feeling is, I believe, rapidly deserting this Chamber, because now, Mr. President, we have to do some things that are not easy, and are not particularly nice. We have to tell some folks in this country that everyone is going to have to share the burden of an economic situation which needs strong recovery, which can only be led by a Congress that has the discipline to reduce the deficits that we face.

I believe there are some statistics that ought to be shared with my colleagues here this afternoon, because, although we have many fine retired Federal employees in New Hampshire, many of whom are my friends, and many veterans and service people who have retired, the fact of the matter is that they have fared rather well compared to the population at large. Let me point out to the Senator from Michigan and those who are interested some interesting statistics from the private sector, where the great majority of Americans earn their living and draw their retirement.

This year, three-fifths of all wage settlements in the first 6 months of this year, covering about 2 million workers, provided either no wage increase at all or reduced wages. Meanwhile, the average Federal annuitant receives $1,000 a month; the average social security beneficiary less than $400.

Mr. President, if there is a chart that made an impression on me from all the statistics that we are furnished in this body, it was this chart furnished by Senator DOMENICI, the distinguished chairman of the Committee on the Budget, sometime last year. I kept it because it tells an interesting story. Let me simply summarize in words what this charts says.

The chart provides, for the period 1970 to 1981, some comparative rates of increase. If you are on social security, for every $100 of retirement you received in 1970, you would receive $305 in 1981. If you were a civil service retiree, you received $276 in 1981 for every $100 you received in 1970. If you were an average American, working out there in the private sector, the vast majority of the American people, the vast majority of our constituents, your pay increased to $221 over that period. The CPI went up to 249.

In other words, as the Federal retirees' pensions increased $176, they went up roughly 27 points ahead of the CPI and 55 points faster than the average workers. That does not seem to me to be unfair treatment. Admittedly, their wages in many cases were lower than those in the private sector. But I might say to you, Mr. President, that Federal workers generally, even with the RIF's of this year, have a great deal more security and other fringe benefits than most people who work in the private sector.

The Senator from Michigan sent us all a letter several days ago in which he quoted some figures which I want to take gentle disagreement with. In his letter, the Senator from Michigan pointed out that there are about $12.3 billion in cuts over 3 years in this bill, and he pointed out that this particular cut amounts to about 42 percent of that. That, of course, is somewhat misleading. Let me just point out what we are really doing here.

This bill mandates $12.3 billion in cuts over 3 years. The tax bill mandated $99 billion in tax increases, and there is a $17 billion reduction in medicare, medicaid and welfare cuts, totaling $128.3 billion of biting various bullets—I think fairly distributive.

This cut of approximately $5 billion amounts to about 4 percent of the total and does not, I think, indicate Federal retirees are being singled out.

Mr. DOMENICI. Will the Senator yield?

Mr. RUDMAN. I certainly will.

Mr. DOMENICI. I say to the Senator that he is absolutely right. I call attention to another fact I think he would agree with, that even his numbers which yield 4 percent do not take into consideration the saving that will occur in the appropriated accounts because they are frozen more or less in the resolution. There is substantial restraint for the years the Senator is referring to contemplated in those particular accounts, is that not correct?

Mr. RUDMAN. The Senator is absolutely correct. I serve on the Appropriations Committee, and I expect there will be further cuts across the board. As the distinguished chairman of the Appropriations Committee pointed out, there will be substantial cuts in the defense area, reluctantly, but necessary in order to share the burden evenly in this country.

To just summarize in the few moments remaining, Mr. President, I think it is important to point out that this reconciliation provision does not cut anyone's benefits by one dime. What is does is retard their growth. I am perfectly willing to go back to the State of New Hampshire and say to the Federal retirees in New Hampshire, "I believe this is in your best interests if we are to reduce the enormous cost of Government and thus reduce inflation," which is the cruelest tax of all on the retired of this country, be they Federal retirees or social security retirees.

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Finally, Mr. President, let me just say this to my good friend from Michigan. I think we all lament Michigan's unemployment of 14.4 percent, much higher than that in many areas of his State. In the automobile manufacturing industry alone there are about 150,000 unemployed people in Michigan out of a total of 620,000 people unemployed in that State.

I submit to the Senator from Michigan and to the Senate that if we are going to continue to have interest rates come down, as they have in the last 60 days, down to the area of 11 or 12 percent, which according to most automotive economists will then lead the American public to start buying cars again, if we are going to reduce unemployment in the Senator's State, in my State, and throughout this Nation, then we are going to have to do the tough thing.

Mr. President, 3 hours ago we voted 69 to 31 that we believe we ought to have a balanced budget. I hope that an hour from now we have the willpower and the fortitude and the stamina to start doing the kind of things that must be done if we are in fact going to restore the health of this economy.

I thank the Senator from New Mexico for the time he yielded.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time does the distinguished senior Senator from Arizona need?

Mr. GOLDWATER. Not more than 3 or 4 minutes.

Mr. DOMENICI. I yield 5 minutes to my good friend, the senior Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I could not help but hearing what the gentleman from New Hampshire said, and I really am rather amazed, realizing that on this day we passed the first constitutional amendment resolution in nearly 30 years I have been here, that already we are beginning to prove to the American people that it is not going to work.

I remember the distinguished senior Senator from California standing on the floor just 3 hours ago and telling us that we did not need this amendment; all we had to do in this body was to vote to cut the spending. Here we are, at 3 o'clock in the afternoon, being asked to spend $7 billion.

Mr. President, we do not have $7 billion. Social security is bankrupt. The railroad retirement fund is bankrupt. The civil service retirement fund, as far as I know, is bankrupt.

Now, I maybe should not be talking on this floor because I get retirement pay as a retired military man. I am going to vote against any increase in this fund.

I remember a real cliffhanging election I got tied up in in 1964, and I did my darndest to tell the American people they were in trouble; their retirement funds were going broke.

Oh, they did some of the dirtiest cartoons about me. I remember my old esteemed friend Hubert Humphrey going around cutting up social security cards; that was what GOLDWATER was supposed to be doing.

Well, I did not have to do it. Just leave it to the Democratic Congress long enough and, sure enough, they cut up all the cards in America. I am hoping there is enough left for me to have a little slice when I retire in a few years.

However, what we are doing here today is the very thing that has caused deficits over 40 years in this country.

I think two of those 40 years we have had balanced budgets.

What causes high interest rates? Spending money we do not have.

I remember making a speech on the floor of the Senate one day saying the country would be bankrupt, and then I asked my good friend Milton Friedman what he thought about that. He says, "You're wrong. We will never go bankrupt as long as we print paper money with no value. We just keep on printing it." He said, "The country will be mighty insolvent, though." And I said, "Well, as a businessman, I do not know much about the difference between bankruptcy and insolvency."

As far as the military augument, I remember going on duty a long, long time ago as a second lieutenant making $115 a month. The only thing that attracted people to the military in those days outside of their desire to serve their country was that little, shiny, last rung on the ladder, the retirement to which they did not have to contribute.

That kept the people in uniform. It kept attracting people to get into uniform.

Now we have a different system, because since 1958 the people who retired never paid any money into a retirement fund, so we are obligated to pay them. It was a promise. Since they have that time, they will receive the military retirement.

Mr. President, I am completely opposed to this. I can buy the argument that people need it; everybody needs more money in this country, but we are not going to do them a bit of good by giving them money that we do not have.

I do not care how much we argue about it, how much we talk about it, how hard we play the violin in this body. We do not have the money. When some of my friends wake up to that fact, maybe we will begin to see in this country some progress toward balanced budgets.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, I should like to respond to some of the comments that have been made, but the Senator from Arkansas, who has been a leader in this effort, wishes to speak at this time and I yield whatever time he may require. He has been a leader in this effort, and I ask unanimous consent that his name be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

Mr. PRYOR. I thank the distinguished Senator from Michigan for yielding to me at this time.

Mr. President, I have only a few remarks. I did not plan to make a statement this afternoon. But in view of some of the remarks that have been made this afternoon in the Chamber, I thought it might be interesting for one Member of this body to attempt chronologically to set the record straight as to what has happened to Federal retirees since 1976.

First, in 1976, the Congress eliminated the 1-percent add on. This issue was hotly debated during that particular session of Congress.

One year later, in 1977, we eliminated the retirement income credit that was certainly a benefit for the Federal employees.

In the same year, 1977, the sick pay tax exclusion also was eliminated. It was passed by this body and the other body and enacted into law.

In 1978, the social security spouse offset was established.

In 1980, the COLA lookback provision was eliminated.

In 1980, the prorating of initial cost-of-living adjustments was established, and in 1980 the twice-a-year COLA was reduced to once each year.

Mr. President, I am fully aware of what we have done this afternoon by a vote of 69 to 31, as the distinguished Senator from New Hampshire and the distinguished Senator from Arizona have pointed out. In fact, I was one of the 69 Senators who voted with the majority on that particular issue.

I think the point needs to be made, and needs to be made rather clearly at this stage, that it is not the Federal retirees of America who have put this country in fear of going broke. It is not the Federal retirees of America who have caused the inflationary spiral we have seen in the past several years or even in the past decade in this country.

Also, Mr. President, in looking at the whole issue of Federal retirees, we are always taking one minute example of one Federal retiree who is receiving more than he or she should receive.

When I go back to Arkansas—and I am sure it happens when my friend from Michigan goes back to Detroit and other areas of his State, and when my friend from New Hampshire goes back to his beautiful State—people come up in the coffee shops and town meetings and say, "Senator RUDMAN, Senator RIEGLE, Senator PRYOR, what are you fellows going to do up there about Carl Albert making that huge retirement benefit?"

Mr. President, I have heard a great deal about Carl Albert's pension over the last 3 years. I served with him in the other body. He is a very fine American. But, I, too, believe some individuals may be drawing more than they should be drawing.

However, with regard to this aspect of the civil service retirement system, the abuse of one individual earning far more than the majority of other annuitants has been corrected. In the future, as a result of a provision in this legislation, as reported by the Committee on Governmental Affairs, annuitants, whose income exceeds the current pay of their former Government position, will not be eligible for future cost-of-living adjustments.

I am certain that other isolated instances also could be pointed out to the Members of this body where some individuals are drawing more than might seem to be equitable by other citizens of our land. However, once again, let us look at the record.

The average monthly annuity for the Federal retiree is $962. The average monthly annuity for Federal survivors is just $419 each month. Most Federal retirees are not receiving any other form of pension, including social security, when they retire from the Federal work force. In my opinion, we are looking at a particular group of individuals, 1.6 million civilian retirees and survivors and 1.32 million military retirees who are receiving annuities, but who are not bankrupting this Nation at all.

Mr. President, I also believe that it is absolutely imperative that our colleagues in this body take a very close look at the real causes of inflation and the real causes of overspending within our American system. We must understand that these retirees and these survivors are not the cause of inflation, but that their cost-of-living adjustments are granted, as a matter of fact, as the result of inflation. Congress, in its wisdom has granted these increases to offset inflation. Cost-of-living adjustments are based upon a formula which measures the percentage change in the Consumer Price Index for a period beginning 15 months before the actual date of each particular adjustment.

Mr. President, if we really want to look at some of the causes for inflationary growth and why we cannot get control of the budget, I do not think we have to look any further than at what is happening today in the Defense Department and the Department of Energy.

Let us, for a moment, consider the Department of Energy legislation that is going to be before this body in a very few weeks. I must admit that these are issues about which little is really known and which I have only begun to look into.

Interestingly, when the first nuclear bombs were dropped on Hiroshima and Nagasaki, then President Truman was deeply worried about the fact that he did not want the nuclear bomb production to be under the control of the military. I think his fears were well founded and certainly justified.

As a result, the Atomic Energy Commission was created. The Atomic Energy Commission, since that time, has since become a large part of the Department of Energy.

Now, in the Department of Energy authorizations one finds large appropriations for nuclear warfare. In fact, the production of nuclear weapons, from 1980 into 1987, represents a 231-percent increase in the production of nuclear warheads in this country.

Mr. President, this one particular area accounts for a very large part of the Federal budget, and this is where a great many people in the country believe savings should be made, not from retirees, not from social security recipients, not from those individuals who do not have a choice, and not from individuals who have given many years of service to their country in Federal service.

The budget reconciliation bill is an attempt to single out Federal beneficiaries and strike meaningful benefits, which will result in the lowering of their quality of life.

I sincerely think we have made a commitment, and we will be going back on this commitment, if only 1 year after we have eliminated the twice-a-year cost of living, moving it to a once-a-year program, we now cap the same annuitants. I hope we will give that once-a-year formula an opportunity to work before we take another stab at the Federal retirees. I hope that, in good conscience, we will think about these individuals, who have given their time and their service to this great country of ours, and not single them out and once again blaming them for the cause of inflation or blaming them because we have a deficit of over $100 billion. I hope we will look at the real reasons behind that deficit and the real reasons behind that inflationary spiral. I urge the adoption of the Riegle amendment.

Mr. RIEGLE. I thank the Senator.

Mr. President, I want to respond to some of the points that have been made.

First, let me make several facts clear.

No. 1, the amendment I am proposing would retain the cap on congressional pensions. I want my friend from New Hampshire and others to realize that I am not taking the cap off with respect to Members of Congress. We are keeping that on. It would only take the cap off for other Federal retirees.

Second, I think it is important to have in the RECORD the fact that at the present time, Federal pay levels are running about 18 percent below comparable pay levels for the same work in the private sector. That differential, which is calculated each year, is an important part of the information we have to consider when we are trying to also evaluate the meaning of pension and pension guarantees for Federal employees.

I thought the Senator from New Hampshire used a fine phrase when he said everybody should share the burden. I certainly subscribe to that notion. The Senator is on the Appropriations Committee, and he sees the budget from that vantage point. I serve on the Budget Committee, and I see it from that vantage point. We do not have a budget that shares the burden in an equitable fashion. It is inequitable in many basic ways and that lies at the heart of this discussion.

(Mr. HELMS assumed the chair.)

Mr. RIEGLE. Now, I want to say also to the Senator from New Mexico, who has now returned to the floor, and others who raised the question of the Federal deficits and the degree and also, I might say, even more importantly the Senator from Alaska who stressed this issue is really the major point that I heard him make, namely, that this is really a deficit reduction matter and this is going to get down the inflation rate and this is going to spur recovery and so forth, and so the Federal retirees should willingly see that they are really the key to unlocking this problem of massive deficits and massive inflation, and so forth. All of that is hokum and nonsense and he knows it. He knows that is hokum.

His party is in here right now with a budget that projects deficits out over the next 3 years that most private economists say will add up to something over $500 billion, that is, if we do all these things. We are talking about aggregate deficits in excess of $500 billion over the next 3 years.

What are we talking about in this amendment over the next 3 years? We are talking about $5 billion; $5 billion as against $500 billion, and probably a figure closer to $600 billion is less than 1 percent.

So do not put the burden on the backs of the Federal retirees, civilian and military, to say somehow or another they really lie at the heart of

whether or not we are going to get inflation under control and get Federal deficits under control. This administration and the party in control of this Senate has let the budgets get wildly out of control. The deficits are rising. They are not coming down. They are going right through the stratosphere. That is why longer term interest rates are not dropping.

Even in the last few days with a 1-point cut in the Federal discount rate by the Federal Reserve System there was some brief easing of short-term rates and the stock market started to improve. It was jumping up over the last week. It was down again yesterday. Short-term rates went up yesterday because people are concerned and what the top financial experts in the country are saying who are coming in to talk to us and talk to us privately they are saying that the country is in such desperately serious economic trouble that we may in fact go into a depression. That is what they are saying privately. But what they are looking at is that $500 billion dificit over the next 3 years.

And to take that urgent issue, and to sweep it right out the door and take it out of here by talking about the balanced budget amendment in 1985 or some other thing or to talk about reducing the COLA adjustment for Federal retirees is to miss the whole point.

Yes, we do have a budget crisis, but it is the bloated defense spending, it is the bloated spending for other sacred cows in the budget. That is where the problem lies.

So do not dump that burden off on our retirees. Reagan tried to do that a few months ago on social security. Oh, it was the social security recipients' fault. People on social security were creating all of this excessive spending. That is a lot of baloney. It is just not true. It is just not true. It is an out-and-out lie.

And the fact of the matter is Senator can take and go right through the budget as to what is causing these deficits in the $100 billion to $200 billion and $300 billion range, and will find that is overspending on all these other things.

So it is hypocritical in the extreme, it seems to me, to come in here and whine and complain about the deficits when, in fact, that is the party and that is the administration that has produced these deficits. As a matter of fact, Congress right now is proposing spending levels beneath what the President wants. If he had his way and if we approved his budget line by line we would have even bigger spending and bigger deficits. That is just a fact of the matter. We have actually cut below the level of what the President himself wants.

So I do not think it is fair to the Federal retirees up in Alaska or Michigan or some other place to come in here and to suggest that somehow or another they are the key to bringing these deficits under control and they are the key to the future inflation problem. That is just dishonest, and it is hokum. I think the people who say that know that.

They may trot that out for political reasons, but they are not real reasons. As a matter of fact, we can do away completely with any cost-of-living adjustments for the Federal retirees for the next 3 years and we are not going to make a serious dent in this deficit. And that is well known. So let us not kid each other. Let us not pretend about it. And let us not try to make them scapegoats for the fact that there is not any spending discipline on that side of the aisle. That is just the hard fact. They can complain about us as big spenders, and so forth and so on. We do not run the Senate. We do not run the administration. These deficits are deficits coming off that side of the aisle and with approval of that side of the aisle.

That is what is holding up the interest rates. I wish to see them come down to the 11 or 12 percent that the Senator from New Hampshire speaks about. I wish to see them go lower than that. I do not think they are going there. I do not think they are going to go that low because I think we have an impossible economic program in place right now that is not working and everyone of any consequence througout the country who follows it closely knows it is not working.

The only persons left who apparently have not figured it out are the people right around the inner circle in the White House who think everything is fine, even though we have 10.5 million people unemployed across the country and losing another business to bankruptcy every 20 minutes around the clock 7 days a week. We have a depression in the housing and construction industries, and we have a near depression in auto, steel, farming, and a host of other areas. We have financial institutions failing. We have the Governments of Canada and Mexico on our immediate borders in terrible economic shape. Our allies are in serious economic trouble.

And Senators come in here and take items as small as this in percentage terms and try to stand the truth on its head and say this is the key to solving all our economic problems. That is a lot of baloney, just as the balanced budget amendment earlier today is a lot of baloney because it does not do anything now, next week, next month, or next year. It is not designed to do anything now. It is designed to take the focus off right now and put it off into the distant future.

So do not come in here talking about fiscal responsibility, because this is the most fiscally irresponsible Senate and administration that we have ever had in this country because the deficits are larger than they have ever been and they are out of control and there is no prospect that they are coming under control. That is just the hard fact.

They may not want to admit it and they may want to fuzz it up any way they wish but they are not fooling the financial markets and they are not fooling other people around the country. It is getting to be a desperate situation.

Many unemployed people are looking for work across the United States who have exhausted their unemployment benefits and do not know where to turn, and that side of the aisle avoids serious discussion of national spending priorities. They have not even been willing on that side of the aisle to extend the unemployment benefits for an additional 13 weeks and, yes, that is related to this because it is directly a question of national priorities.

The last two times in this country when we had severe recessions we had Republican Presidents; we had first Nixon and then Ford. They both supported and voted for and signed into law legislation that allowed us to put on an extra 13 weeks of unemployment compensation so unemployed workers would not go hungry and so their kids would not go hungry.

But the ideologes in this administration came in before the Finance Committee the other day and flatly rejected 13 additional weeks of unemployment compensation and when asked "What is your plan for getting people back to work," they said, "We have no plan." We have no plan. That is what is on the record.

I do not think they care very much, quite frankly. I have not seen any sign of it.

The President also himself says let the unemployed workers vote with their feet. Yet try to find a job in this country. We have 10.5 million people unemployed. We have not had that many people out of work in the United States since 1948, 34 years ago. There are no jobs to be had. I have had people leave Michigan and go to Texas and go to the west coast and go the east coast to find jobs. There are not jobs there to be found.

Then the other side comes in here today with this hokum about economics, with deficits over $500 billion over the next 3 years and they are going to come in and pound on the Federal retirees. The Federal retirees are not getting something for nothing here. We are talking about the value of their pension eroding because of the inflation. This is a catch-up adjustment. It does not give them an extra dime. It just protects the value of their pensions that they have had in the past.

And the notion that this just happened yesterday is also false. We brought into being the automatic cost-of-living adjustments in 1967. That is how long they have been around and before that period of time back in 1965, 1966, 1963, and 1958 we had other major adjustments along these lines to try to help Federal retirees.

So any suggestion by the Senator from Alaska or anyone else that this is a new issue and that we have not looked at this issue and understood its importance in the past is just not true. We have, but it is not until this crowd came into power in the last 2 years that we have seen our Government turn its back on these things, turn its back on the extra 13 weeks on unemployment, turned its back on social security, turned its back on maintaining the COLA's under the Federal retirement programs, and a host of other things.

That is what really is at the heart of this thing. Do not come in here and fuzz it up with a lot of talk about balancing the budget. They are not within 10 million miles of balancing the budget. There is no serious interest in the Senate right now for balancing the budget. Their party over on that side of the aisle controls the Senate. They have enough votes to come in here this afternoon and balance the budget. They are not going to do that because they want to fund all their pet schemes. They want the Clinch River breeder reactor. They want the Tennessee-Tombigbee and they want the water projects. They want the big giveaways for the oil and gas companies. They all want something. They put it all in the budget. And so now they have these bloated deficits and so someone comes along and says let us take it out of the hides of the Federal retirees. Let us take it out there. Let us go get $5 billion there over the next 3 years. Even though that sounds large, it is less than 1 percent of the overspending problem.

So it is hypocrisy in its rankest form. It is special interest Government, and it is the kind of Government I am afraid we get when we see the proliferation of special interest committees and the political action committees.

I looked the other day at a list of political action committees. It is like a phonebook in a small city, computer runs on one side of a sheet of paper. With all the lofty talk about sacrifices, half the Members of the Senate are millionaires in their own right. I am talking about people well enough to do, so they do not need pensions, and I think many of them do not understand the meaning of pensions to people who have to live and pay their bills day-by-day and week-by-week on the pensions they get.

So we come in here with a lot of sanctimonious and pious talk about sacrifice by people who are eating well every single night, and have more money than they know what to do with.

I am not here to begrudge them that kind of personal and private wealth, but let us have some understanding of what life is like to people who are not millionaires, and people getting by on $600 or $200 a month from pensions at the end of a lifetime of work, and all they have, they do not have the inherited wealth, the perquisites and goodies enjoyed by others, and who are struggling to get by.

Let us not take it out of their hides. If you want to make cuts, let us make cuts where it hurts us. There are things in this budget that are going to hurt Members of Congress and all our favored interests. You do not see the cuts coming there. We do not cut there. We will cut other places. We will cut people under disability, under social security. This administration is cutting them out by the tens of thousands without even a medical review. We have had two people in the State of Michigan, as a matter of fact, who committed suicide, one who went down to the social security office, after they had been cut off, one desperately ill, who could not provide for his family, who came down and shot himself literally on the sidewalk.

These are the kinds of things happening in this country, and we sit around here smug and well-fed and well taken care of, and so forth, and we talk about sacrifice. We do not know the first thing about sacrifice here in the Senate.

If you want to get serious and come in here with some bills to cut $40 billion or $50 billion or $60 billion out of the deficit, then that is serious. I do not see that happening. That is not happening in the Budget Committee. That is not happening here today. You are just in here chiseling the retirees, just like you tried to chisel the social security retirees a few months ago.

We ran you off on that one, and I hope we run you off on this one today. When I offered my legislation earlier, the vote as 47 to 43, and I will tell you I would have won the vote were it not for the strong-arming going on down in the well, and we will win today if there is not the same strong-arming. I know today the White House is making calls, they are trying to pressure people to vote against this amendment, and they may succeed, but they are not going to succeed indefinitely because there are many people in this country who in the end are going to insist on a fair shake for the average citizen, and that is what we are talking about here.

You cannot come in here when you are promoting deficits of $100 billion to $200 billion to $300 billion and talk about economy in Government because it is an outright fraud, and the fact you may wear the Republican label and that is supposed to make you synonymous with fiscal responsibility, that does not wash anymore. You have got to come in here with budgets that are honest, and you are not doing that.

David Stockman came before the Senate committee yesterday with a budget that is so phony that there is not anybody in the country who believes it, not even the administration, not even Secretary Baldrige, who yesterday in the paper made the comment that he did not believe those numbers. He expects the deficit to be $20 to $30 billion higher.

I asked Secretary Regan about it today, and do you know what he did? He laughed at it in the committee because he was embarrassed about it. He is embarrassed because the numbers were dishonest. Everybody knows the numbers are dishonest.

Do you know what their answer was, do you know why they said they could not use honest numbers? They said, "If we update it it will be too confusing. We will confuse the Congress, and we do not want to confuse the Congress. We had better use the old and dishonest figures."

What is going on around here? Let us not make the people who are out there, who are retirees under social security or retirees out of the military or civilian service, let us not make them the scapegoats.

We are not sacrificing. If we really believed in sacrifice then let us apply it to our programs. I will tell you something: When I see somebody come in, the chairman of the Budget Committee or somebody come in, to take the money out for the Clinch River breeder reactor then I will know we are serious.

But you are not serious, you are not the least bit serious. So that sacred cow and all the other sacred cows are safely protected in this budget, and as long as that is the truth you cannot come in here and have it mean anything when you say you are tightening up the program and you are going to bring down the inflation rate and balance the budget, and so forth, because it is all just untrue. It is just not honest. It is dishonest. You are not fooling anybody. You are not fooling the financial markets, I will tell you that. I talk to the heads of the banks and investment companies in this country, as the rest of you do, and they are not fooled by it. They know you are not for real. You are just playing games. Stockman was playing games yesterday with a budget that is not honest.

So these are the fundamental issues before us.

I hope we can vote up or down on whether or not we ought to have pen-

sion protection for our retirees on the merits of that issue and not try to saddle all of the rest of the economic problems on their backs or on this narrow question.

Let us address this question. If the equities and the merits argue for them to have this cost-of-living adjustment to make up for what inflation has eaten away of their pension dollars and their pension value, their cost of living, then let us make up for it, let us restore that. Let us put them on the same footing as other retirees.

If you want to take $5 billion out of the budget let us find a place to take it out where it is fair and where there is real waste going on. When you are ready to do that you will find you will have a lot of votes around this place.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Does the distinguished Senator from Delaware, the chairman of the Governmental Affairs Committee, desire to speak?

Mr. ROTH. Yes, I desire 3 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise to oppose this amendment. The adoption of this amendment would mean that we are abandoning our fight to restore the economy, repudiating the budget resolution we passed only 2 months ago, and dealing the final blows to the credibility of the budget process.

This past June, after long deliberations and negotiations, the Congress agreed to a budget resolution which requires significant reductions in the projected deficits in coming years. I know of no expert consulted on this course of action who did not support the reduction of the deficits. This carefully constructed budget resolution which we passed only 2 months ago directed committees to make savings in specific amounts so that the budget agreement is more than just a piece of paper. I do not think we can overstate the significance of this budget resolution to our economic future. In addition to the positive direct economic impact of the budget resolution, it is extremely important that we calm the financial markets by charting a responsible course and sticking to it. Today we are considering whether we should abide by this agreement and retain the most significant spending decision in it, or whether we should ignore our responsibility and abandon the entire agreement. The adoption of this amendment would destroy our budget agreement. It would obliterate the most significant component of the spending package.

Frankly, as chairman of one of the committees which has jurisdiction over the Budget Act, this disturbs me greatly. In fact, such a move would constitute an abandonment of the congressional budget process. It would show the American people that their worst fears about Congress are true. Even when we make decisions, we cannot stick to them for a modest 2 months. What is the point of passing a budget resolution if we are not going to stick to it?

Finally, I firmly believe that the way to help all retirees is by reducing inflation. This budget reconciliation agreement is a further step toward that goal. Cost-of-living adjustments are always too little too late. We are trying to address the causes of inflation in this reconciliation legislation. A recent study from the Department of Labor entitled "Major Collective Bargaining Settlements in Private Industry, First 6 Months of 1982" indicates that three-fifths of those covered in the study received no COLA increase during this period.

For these people, like for all retirees, it is important that inflation is being brought under control. This amendment, however, would signal a dramatic retreat from that fight.

I yield back the floor.

Mr. DOMENICI. Mr. President, I would inquire of the distinguished Senator from Michigan how much time he thinks he is going to need for his amendment and for those who might be speaking?

Mr. RIEGLE. Let me inquire. I think I have about 20 minutes left on my side.

The PRESIDING OFFICER. The Senator has exactly 24 minutes.

Mr. RIEGLE. I am going to reserve that time. I have sent calls out to those who have indicated they would like to speak that this would be a good time to come over and do so. So I will just reserve my time.

Mr. DOMENICI. I thank the Senator. Mr. President, I yield myself 5 minutes.

Mr. President, I really could not believe my ears a while ago. I was not in the Senate when the distinguished minority leader, allegedly talking on fiscal matters, said: "Well, a billion here and a billion there, it all adds up."

I think I heard this afternoon "$5 billion here and $5 billion there does not matter." I am not sure that is what I heard, but I think I heard that.

The distinguished Senator from Michigan, arguing eloquently against saving $5 billion, said that it did not matter; that deficits were so large that we ought not be concerned about $5 billion.

Mr. President, if we could find some $5 billion items, it would not take us long to get where we ought to be.

Now, that is not the real issue.

Mr. RIEGLE. Will the Senator yield at that point?

Mr. DOMENICI. Mr. President, I had many opportunities when the Senator was speaking to have been prompted by the notion of asking if he would yield. I did not do that. I would rather complete my thoughts and then he will have his time.

Mr. RIEGLE. I did not want that moment to go by and have you think I have agreed with your interpretation.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. DOMENICI. Of course, I would not expect the Senator to agree with that interpretation, no more than I agree with many of the interpretations made here by my good friend from Michigan.

It is also rather interesting that other than a casual mention of a few things like Clinch River and pulling some projects out of the air, the Senator talked about spending more money. He did not talk about saving money. If it was not this $5 billion in additional costs, it was something else we ought to be spending money on. But even that is not the issue.

Mr. President, there is only one possible argument in favor of this amendment, only one. Nobody can stand here and defend a proposition that the Federal civilian and military retirees of the United States have been treated shabbily by their Government. That is an impossibility. There is no pension plan in the world, Mr. President—I repeat, in the world—better than those two pension plans.

Maybe that is what we ought to advertise—that we have the best pension plans in the world. But to say that they have been treated shabbily is to deny reality.

The distinguished Senator from New Hampshire, a freshman Senator, stated the case admirably. Compare these two pension plans with those available in the private sector. There is no comparison, no comparison at all. These plans are so much better and the retirees have been treated so much better by the taxpayers of this country and its national Government that there is no comparison.

If you want to use numbers, retired Federal employees benefits grew over the last 12 years by 176 percent. And somebody would have the audacity to come here and say we have been treating Federal retirees poorly. The wages of the average working man and woman in that same period of time, in good times and bad, went up 124 percent. The Consumer Price Index, a measurement that in the last 5 years everyone that analyzes it acknowledges that it overstates inflation, has gone up 154 percent during that same period.

Mr. President, it is just unfair to come to the floor of the Senate and say that Federal retirees have been treated shabbily. So there is only one issue remaining. Is the Government Operations Committee, in responding

to the budget resolution by recommending a 4-percent increase, treating them shabbily?

Mr. President, I just do not believe the average American is going to buy that interpretation. I do not think the average American thinks that Federal civilian and military retirees who have received increases in excess of inflation over the past 12 years and who are now going to be asked to take only 4 percent, I do not think the average American is going to believe we are treating them shabbily.

So there is only one possibility, and that is that we are unfair because we have not treated in the same way every retiree that has money coming from the Federal Government. I am sure that if it has not already been made, it will be made an argument: Why did we not do this to every retiree, including railroad retirees and social security retirees? Well, Mr. President, I will say at the outset, from this Senator's standpoint, I think we should have. But I am not upset about it. I think we will get the other retirement programs under control also. I think we will find a way in the next few months when the National Commission on Social Security Reform, bipartisan in nature, looks at those other programs.

I think we will come to our senses. And I think the public is going to end up supporting what that blue ribbon commission says. Mr. President, we are going to have to have reform in all of those retirement programs because, as a matter of fact, we have overcommitted, overpromised, overspent. For anyone to contend that there was some kind of a contract, that we are taking away the retirees money, that there was an annuity, is not true.

You heard the distinguished Senator from Alaska, who chairs the subcommittee, divulge the startling fact that $12 billion of general taxpayers' money must be transferred to the civil service retirement fund this year to make sure that the civilian retirement program involved in this amendment can honor its pension committments; $12 billion.

I wish we had taken care of funding all those promises when we made them. But we did not do that.

In fact, Mr. President, we are not even sure how many billions of unfunded benefit promises exist with reference to the Federal civilian and military retired. It is certainly beyond the $5 billion range. On that score I would agree with my friend from Michigan. It is in the hundreds of billions of dollars unfunded liability for these programs.

Mr. President, is it unfair for this body at this point in history to ask those two retirement funds to take a 4-percent increase instead of a higher cost-of-living adjustment? First, Mr. President, I think inflation during the year they will be getting those checks will be closer to 4 percent than anything else. That makes it rather fair, not unfair.

But, Mr. President, to say that, "Since we did not do it to social security, we should not do it to these two funds," is ignoring the fact that social security costs employer and employee much less than Federal employee pension plans. They are not even in the same ball park in terms of cost to the employer and employee. The cost to employers of a generous retirement plan, including social security, is in the neighborhood of 20 percent of payroll. The comparable figure for Federal civilian employment is 30 percent.

Mr. President, there are many other reasons that I could argue here on the floor to clearly justify the courageous vote of this institution when it voted in the budget resolution and when the U.S. House of Representatives voted it in—and now we are only implementing it—many, many reasons I could give. Suffice it to say that the U.S. Government will not get its budget under control, will not even come close until the uncontrollable accounts of this country are controlled. There are two before us that we are beginning to control. We are not letting the programs just run without Congress saying anything about them, letting them automatically increase.

I am reminded that many people say if Congress would just go home we would not spend money. The American people would be dumbfounded if they knew that if Congress went home 65 percent of our budget would spend without us being here; 65 percent. Interest on the national debt and the entitlements would just spend automatically. Congress could go home and 65 percent would continue to spend.

In addition, if one thought the programs would just spend, they would be mistaken. That part of the budget would grow at about 12 to 14 percent a year all by itself, with no action on our part.

So, Mr. President, I want to commend some very distinguished and courageous Senators that have spoken out here today. Senator ROTH, the chairman of the committee that has responsibility over one of these major pension programs, came here and spoke. His committee did what it had to do.

The distinguished Senator from Alaska, Senator STEVENS, gave one of the finest and most eloquent speeches I have heard with reference to fiscal responsibility, the uncontrollable accounts, and these two programs that we are talking about.

The distinguished junior Senator from New Hampshire, Senator RUDMAN, had the facts, understands the issues, and urges that we do what we know is right and what we must.

I am pleased to join these Senators today in urging that the Senate, which heretofore agreed to a freeze on these accounts, and then in conference went up to a 4-percent level, to adopt and comply with that resolution. How are we ever going to be believed if we do not?

I really believe the American people understand this issue. I think the retirees understand it. I just do not believe that anyone thinks $5 billion in fiscal restraint does not mean anything. I think the public knows it means something, and I think we know it does.

I anxiously await the vote on this amendment because it will tell me whether the U.S. Senate really is serious or not. This will be a precedent-setting action when we vote this 4-percent increase. It will say to all of the entitlements and so-called uncontrollables, "We are serious about ending the business of overspending, overcommitting, overpromising, bringing these programs back into rein and under control."

(Mrs. HAWKINS assumed the chair.)

Mr. HELMS. Will the distinguished Senator yield?

Mr. DOMENICI. I yield to my good friend.

Mr. HELMS. Madam President, aside from the arithmetic and aside from the logic just expressed by the distinguished Senator from New Mexico, I want to compliment him for the restrained, gentlemanly way in which he has participated in this debate. He has avoided demagoguery, and I admire him for having done so.

I listened attentively to one of the speeches in which a distinguished Senator talked about the "fat cats" and the "millionaires" over on this side. Well, I feel deep sympathy for such paupers on the other side as Senator KENNEDY, Senator BENTSEN, Senator METZENBAUM, and others. As for what the Senator from Michigan called "special interest" projects, I will be interested to see whether the Senator will take on one of the most distinguished and remarkable Americans I have ever known, who sits on the other side of the aisle who has long been the chief and most persuasive proponent of the Tennessee-Tombigbee. I do not know whether that debate will ever occur.

I do want to say to my friend from New Mexico that he is upholding the finest traditions of this Senate when he restrains himself when others attack his sound positions, using exaggerations and misrepresentations.

The logic of his argument and the arithmetic of his argument are both irrefutable, and I, like the Senator from New Mexico, will be very much interested in observing the vote at 5:15.

I thank the Senator.

Mr. DOMENICI. Madam President, I made reference to the unfunded benefit promises for military and civilian retirement plans of the U.S. Government.

I would like to now state for the record what staff has found out about this unfunded liability. I said it is in the hundreds of billions. Let me just state for the record it is $900 billion. It is not $900 million but $900 billion. The unfunded promises are growing, incidentally, because we are certainly not putting enough money in the budget to pay for the commitments made.

Madam President, I want to close by again saying that I really think $5 billion matters. I really think the budget resolution, when you look across all of it, appropriated accounts, entitlements, taxes to be raised, how they are to be raised, is a fair and responsible approach to deficit reduction. It is not as much as I would like but it is not unfair. It takes money, growth, resources out of many accounts of Government and I think does it in about as fair a way as we have ever done it here.

I really do not believe that it is true to say that we are picking on anybody, that the Federal retirees and military retirees are being mistreated, and that nobody else is bearing any burden. I just do not think the facts bear that out.

I yield the floor.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Madam President, two points, I think, should be made. I know the Senator from North Carolina is not now on the floor. He spoke a moment ago with reference to me. He was not on the floor earlier when I spoke, as far as I know.

I see he has now returned to the Chamber.

I would say to the Senator—I do not recall that the Senator was here when I spoke though he may have been listening on the intercom—my point was this, and I do not want to be misunderstood or have anyone attempt to have me be misunderstood, which I am sure he would not want to do: I spoke in the context of sacrifice. We need sacrifice in this country right now. We have very little sacrifice in the budget. The deficits are out of control. They are up over $100 billion. In fact, the President asked for deficits even higher. We came in with spending levels that are lower than what the President sought. In fact, if we gave him precisely what he asked the deficits would be larger than they presently are.

What I said was this: We talk a lot about sacrifice. There was much debate earlier about putting the cap on the Federal retirees having to do with the sacrifice they should be asked to make by those who hold that side of the argument.

My point is this: We do not impose much sacrifice on ourselves. We have not imposed any great sacrifice here on the Senate, on our close friends, or on interest groups that we may favor on either side of the aisle. I am concerned that part of that may be the fact that the Senate is not experiencing, and I am talking about the Senate as a group of individuals, is not experiencing across the board the level of hardship and suffering that people outside the Senate today, rank and file citizens, are experiencing.

I think sometimes we may talk about what a small amount a pension might be, $250 a month, $50 a month, and what it might mean to a person here or there. I have a concern that much of that conversation shows a lack of sensitivity, a lack of understanding, a lack of sense for how profoundly important that may be to the person in circles quite different than ours who relies, perhaps solely, on that pension.

It is that lack of sensitivity and that lack of understanding of what the impact of these cuts are in human terms that disturbs this Senator.

I would hope that thought is clear to my colleague. If it is not, we can talk about it further.

Mr. HELMS. If the Senator will yield, he said he did not know whether I was on the floor when he was speaking. I was not on the floor. I was presiding over the Senate. I heard every word the Senator said. I fully agree that this is a difficult time for many Americans. I was not alluding to anything the Senator said about such hardships. What I was alluding to was the Senator's pointing to this side of the aisle and using words such as fat cats and millionaires, as if straightening out this country is a partisan matter. It is not. Virtue does not reside entirely on this side of the aisle or that side. The point I would make is that if we do not get together and stop playing politics with the economic travail in this country, stop demagoguing—then nothing constructive is going to happen. That was the point I made and I reiterate it now.

I do not know how many millionaires there are in the Senate. I know one Senator who is not a millionaire.

Mr. RIEGLE. You now know two.

Mr. HELMS. All right. I would say to the Senator it is totally irrelevant what HOWARD METZENBAUM is worth, what TED KENNEDY is worth, or what JOHN HEINZ is worth. I envy none of them, and certainly would not derogate anybody who is wealthy. What is important is what we, Democrats and Republicans, are going to do about the economic crisis in America. Painful as it may be, as politically hazardous as it may be, we have a duty to examine the costs of all Federal programs. Why get up and shout that the proposed 4-percent Federal pension cap is unfair when, as the Senator from New Mexico pointed out, there is no private pension system that even has a built-in COLA?

Mr. RIEGLE. Will the Senator yield?

Mr. HELMS. Yes; gladly.

Mr. RIEGLE. Does the Senator know what the projected deficit is now for 1983, the most current estimate?

Mr. HELMS. I will tell the Senator this, that the interest on the Federal debt which has been piled up for 35 or 40 years—and forgive this partisan observation but it has been one party largely in control of Congress throughout those years—the interest alone on the national debt will far exceed $100 billion.

Were it not for that trillion dollar debt and the enormous drain on the taxpayers merely to pay the interest on it, the deficit would be manageable.

Mr. RIEGLE. Would the Senator answer my question? Does the Senator know what the latest projection is on the deficit for 1983?

Mr. HELMS. I do not know the latest projection. Does the Senator know?

Mr. RIEGLE. It is certainly above $115 billion. The administration says it will be $115 billion.

Mr. HELMS. I am sure it will.

Mr. RIEGLE. I gather the Senator is willing to accept those numbers.

Mr. HELMS. I am willing to accept them because, as I have been saying, it is the result of 35 years of bipartisan irresponsibility by Congress.

Mr. RIEGLE. Has the Senator from North Carolina or anybody on that side, the folks in control, come in here with a proposal to balance the budget this year or reduce those deficits or substantially cut them in half?

Mr. HELMS. I shall tell the Senator what I did. About 2 months ago, I offered an amendment that would have cut $103 billion in Federal spending across the board. The Senator from Michigan voted against that amendment. A 6.5-percent cut across the board. The Senator from Michigan voted against it, even though my proposed across-the-board cut in spending would have amounted only to a 6½-percent cut in the spending of all Federal agencies.

Mr. RIEGLE. If the Senator would yield, I say to the Senator I gather others did, too. I gather the majority did, if it did not pass.

Mr. HELMS. That is correct. That is one of our faults around here.

Mr. RIEGLE. The Senator is on the majority side. I used to sit on that side of the aisle. I have been in the majority and the minority, as well as he. The Senator is in a position to come in and make substantial reductions in the budget if that is his belief.

Mr. HELMS. And the Senator from Michigan will vote against them.

Mr. RIEGLE. Mr. President, I did not refer to any Senator by name in terms of personal wealth, not one. I want the record to be clear on that. The Senator from North Carolina has done so. That is his decision to make. But I do not want any inference to the suggestion that I had done so, because this Senator did not do so. It was the Senator from North Carolina.

Mr. HELMS. I spoke with intent to praise. I am delighted that people in America are able to become millionaires, including those who inherit it.

Mr. RIEGLE. I only say I want the record to be clear that the Senator from Michigan did not name Members by name as the Senator from North Carolina did.

Mr. HELMS. I was presiding over the Senate and I saw the Senator talk about the fat cats and the millionaires. Clearly he was making a partisan speech. I do not fault him, but his intended inference was clear, I say to the Senator, and I felt that he should be challenged by his friend, the Senator from North Carolina.

I say again: Let us stop this partisan bickering and work together to reduce Federal spending and restore a measure of stability to the Nation.

Mr. RIEGLE. I say to the Senator it was not my intention, and I think my remarks will show in that regard, to make a partisan distinction on that point and I did not make a partisan distinction on that point.

Mr. HELMS. Not unless the Senator changes the record.

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. Madam President, I suggest the absence of a quorum.

Mr. HELMS. Equally charged, to both sides.

The PRESIDING OFFICER. Without objection, the time will be charged to both sides. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. RIEGLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I intend to vote for this amendment, but I will do so with some mixed emotions. I support it because I believe that it maintains a very important principle—that cost of living adjustments in benefits ought to be related to increases in the cost of living. I object to the committee bill, and voted against it in the Governmental Affairs Committee, because the 4 percent cap they place on COLA destroys that relationship. The 4 percent cap establishes, for the first time, a principle which suggests that cost-of-living increases ought to be set at a certain level no matter what the real increase in the actual cost of living is. I find that principle unacceptable. It is inequitable, it is unfair, and it is irrational.

At the same time, I also recognize the need to restrain entitlements in an equitable way. Because of that, I proposed an amendment in the Governmental Affairs Committee which I thought was a reasonable approach to the problem. My amendment called for providing COLA equal to the increase in the Consumer Price Index minus 2 percent. That approach protected the link between COLA and actual cost-of-living increases while at the same time recognizing the need to restrain Federal spending. While my proposal did not save all the money that the Budget Committee instructions required, it saved most of it and was a reasonable compromise. Unfortunately, it did not receive sufficient support.

Given the choices before us, I will vote for this amendment, in the belief that it represents the better choice.

Mr. KENNEDY. I am pleased to join the Senator from Michigan in sponsoring this amendment which would restore full cost-of-living adjustments for Federal and postal retires.

The proposal to place a 4-percent cap on COLA's for Federal employees would impose 42 percent of the cuts called for in the reconciliation bill on 1 percent of the population and would make the civil service retirement system the only major Federal retirement program which does not fully protect beneficiaries from the effects of inflation.

During the past 2 years we have refused to cut cost-of-living adjustments for railroad retirees. We have refused to reduce cost-of-living adjustments for social security recipients despite the administration's desire to do so.

In each case we refused to take those steps because we have recognized that it is unfair and inequitable to permit the erosion of purchasing power of retirees and their dependents. Yet this reconciliation bill reduces Federal retirees pensions for the second time in 2 years.

The question is why have we singled out Federal retirees for this treatment. They face the same erosion of purchasing power that others on fixed incomes experience. Like other elderly citizens, they spend a greater portion of their income on necessities such as fuel, food, and medical care— necessities whose costs have increased more rapidly than the CPI. In addition, unlike many annuitants, Federal retirement benefits are subject to Federal taxation. I think the answer is very simple.

Since taking office in January of 1980, the Reagan administration and its allies in Congress have conducted a ceaseless, unremitting attack on the Federal workforce.

The President has repeatedly told us that he would not ask any group in our society to bear an undue share of the burden of his program. But if we look at the facts, it is clear that Federal workers are paying a disproportionate share of that burden.

In the last 2 years, this administration has proposed, and with few exceptions we have adopted, cuts in wages, retirement income, health insurance, and workers compensation coverage for employees that no one in this body would dare impose on any other group of workers in this country.

Last year we cut $500 million from Federal retirees' benefits by eliminating the twice yearly cost-of-living increase.

We imposed a 4.8-percent ceiling on the annual pay increase for Federal workers as opposed to the 5.5-increase recommended by President Carter. Despite the fact that Federal employees have steadily lost ground to private sector workers performing comparable work since 1978 and have not once received the full increase called for by the Comparability Act since that time.

The administration proposed, and Congress approved, a 16-percent reduction in employees health benefits and a 31-percent increase in the average health insurance premiums.

This year its been more of the same. The pay increase has been capped at 4 percent. Federal workers will now be required to pay an additional 1.3 percent of their income for medicaid. That is a pay cut of 1.3 percent so the real pay increase will be only 2.7 percent.

For the second year in a row, the administration has proposed unjustifiable changes in the Federal Employees Compensation Act which would drastically cut benefits and make it much more difficult for injured workers to prove legitimate claims.

The administration has reduced the Federal service by 40,000 jobs, over 8,000 employees have been RIF'ed, and it is clear that many thousands more will lose their jobs in the months ahead as the administration continues its efforts to dismantle the Federal Government.

Mr. President, despite the views of this administration, it is clear there are many crucial functions which simply must be performed by the Federal Government. And we need committed, dedicated civil servants to carry out these programs and to enforce our laws.

An administration that is so fond of talking about incentives ought to think about what its policies are doing to the morale of Federal employees and to the effectiveness of the Federal service. It ought to consider the consequences of a policy that will drive the

very best employees out of the Federal service.

We must reject the proposed cap on Federal retirees' COLA's because it is unfair and unjust. But we must also reject it to tell the administration that Federal workers have already been asked to sacrifice more than their fair share.

This vote provides an opportunity to say enough is enough. It is an opportunity to say that we recognize the service our Federal retirees have performed for their country. It is an opportunity to say to the Federal employees of this country: We understand how difficult these 2 years have been; we recognize the contributions you have made and are making; we believe in public service and we will fight to make certain that in the years ahead you can once again be proud to work for your Government and serve the people of this country.

Mr. MATSUNAGA. Mr. President, I rise in strong support of the amendment offered by the distinguished Senator from Michigan (Mr. RIEGLE) which will restore full cost-of-living adjustments for Federal and military retirees.

Frankly, Mr. President, I am disappointed and disturbed that we find ourselves on the floor again trying to beat back another unwarranted attack on Federal and military retirees. This time, in an attempt to meet its budget-cutting instructions under the first concurrent budget resolution, the Senate Committee on Governmental Affairs has recommended that we cap Federal and military retirees cost-of-living adjustments at 4 percent, not only in the next fiscal year 1983, but also in fiscal years 1984–85.

It is bad enough that the budget resolution called for a 4-percent cap on Federal COLA's in fiscal year 1983, when social security and railroad retirement recipients will receive a full 7.4-percent COLA next year.

But to recommend a 4-percent limitation on COLA's for 3 consecutive years, without regard to rises in inflation, without regard to increases in the cost of living, without regard to the fact that Federal retirees receive an average pension of only $11,544, which is fully taxable, and without regard to the fact that their fellow annuitants on social security and railroad retirement will probably be receiving full COLA's geared to the CPI, is unreasonable, irresponsible, and downright unfair.

What is even more unconscionable, Mr. President, is the fact that by limiting these COLA's, we will be singling out the 3 million Federal and military retirees who comprise only 1 percent of our Nation's population for a disproportionate share of the Federal budget cutting burden. It has become a cliche, Mr. President, but I do not think this proposal can be described in any other way than an attempt to balance the budget on the backs of retired Federal and military personnel.

Mr. President, I think it is important to this debate that we look at what else we have done to the Federal retirement program over the past several years. Let it not be said that this is the first instance where Federal retirees have been asked to sacrifice in the name of budget cutting. I believe that the record shows that they have already done more than their part to help reduce the price tag of the Federal retirement program.

Federal retirees have sacrificed, Mr. President. They sacrificed last year when we took away their twice-a-year COLA adjustment, saving the Federal budget $513 million in fiscal year 1982. They sacrificed in 1980 when we eliminated the proration and look-back provisions, saving $23 million. And they sacrificed in 1976 when we eliminated the 1-percent "kicker."

Mr. President, each time the Congress took these actions cutting Federal retirees' benefits, we assured them that there would be no further erosion of benefits. Nevertheless, the Congress has cut Federal retirement again and again and again, and there is no end in sight. The Congress has clearly turned its back on Federal retirees over and over again and now, with this recommendation by the Governmental Affairs Committee, we are proposing to make them second-class citizens to social security, railroad retirement, and veterans annuity recipients whose benefits are likely to continue to be indexed to inflation.

Mr. President, we must stop this trend, this emasculation of the Federal retirement program, here and now.

We must not forget that our Government made a contract with these people when they entered public or military service. We told them that if they perform their term of service with the Government, accept pay that is in many cases below comparable jobs in the private sector, pursue their duties dilligently, that we will agree to provide them in their years of retirement a decent annuity—I repeat, Mr. President, a decent annuity, not an extravagant one. In my view, by denying them adequate cost-of-living increases over the next 3 years we will surely be making that annuity a less than decent sum.

Mr. President, I urge my colleagues in the strongest of terms to vote in favor of the Riegle amendment. The House of Representatives has already upheld its Post Office and Civil Service Committee's recommendation to reject a 4-percent cap on Federal retirees COLA for fiscal year 1983. Let us take the only fair and equitable course and vote to treat Federal and military retirees, who have faithfully served their country, like all other Federal annuity recipients, by providing them with full COLA's as a hedge against the ravages of inflation.

Mr. THURMOND. Mr. President, while I am greatly concerned about the economic difficulties facing many of our retired citizens, including former civil service workers and military personnel, I must oppose Senator RIEGLE's amendment to remove the 4-percent cap on cost-of-living adjustments.

We are faced with the prospect of massive budget deficits in the next several years, even if the spending reductions and revenue increases mandated under the budget resolution, which will lower these deficits by $379 billion over the next 3 years, are signed into law. This 4-percent cap on COLA's for all Federal retirees will save $5 billion. These Federal retirement programs are among the entitlement programs whose cost has been spiralling out of control. If we are to be successful in the effort to rein in Federal spending, reduce these staggering deficits, get interest rates down, and promote economic recovery, all parts of the Federal budget must bear some reduction.

Mr. President, I repeat, we are facing a serious fiscal and economic crisis in this Nation, and all must be willing to make some sacrifices if we are to extricate the Nation from this dilemma. This is a reasonable measure under the circumstances. In fact, there are many who advocate that benefits should be frozen at current levels until the budget is balanced. We do not ask for that here. This bill would still provide for annual inflation adjustments, but it would cap them at 4 percent for the next 3 years. It is a sound and necessary proposal, and I hope the Congress will adopt it without change.

Mr. RIEGLE. Madam President, I have no other requests for time on my side at this point. I do not know if anybody is planning to speak on this side. If not, and if we are both prepared to yield back, I would be prepared to do so. In the unanimous-consent agreement, we have 5 minutes set aside to be divided equally, just before the vote occurs.

Let me ask for the yeas and nays on my amendment, Madam President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. If there are no further requests for time, I would be willing, if the other side is willing, to yield back the time, recognizing that there is time before the vote, 5 minutes equally divided. What that would do is make it possible for anybody else who wants to bring an amendment up to do that so the work of the Senate is facilitated.

Mr. QUAYLE. Madam President, will the Chair state what the parliamentary situation is?

The PRESIDING OFFICER. Presently, the amendment of the Senator from Michigan is pending. There is an order that a vote occur at 5:15.

Mr. QUAYLE. What is the remaining time situation? Is that equally divided between the Senator from Michigan, now, and the Senator from Indiana?

The PRESIDING OFFICER. The time on the amendment is controlled by the Senator from New Mexico and the Senator from Michigan.

Mr. QUAYLE. How much time is remaining to each?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes and 50 seconds; the Senator from Michigan has 14 minutes, 50 seconds.

Mr. RIEGLE. What the Chair is saying is that I have 14 minutes left. I am prepared to yield back any time on this point. I have nobody else waiting to speak on this side. We shall have 5 minutes to speak on this, equally divided, at 5:10. The vote is at 5:15. We can put this issue aside for now and other amendments, if there are any, can be brought up.

Mr. QUAYLE. I would have no objection to that, Madam President.

I would put it in the form of a unanimous-consent request, if I can summarize what the Senator is trying to do, to ask unanimous consent that all time, except for the 5 minutes for the Senator from Michigan and the Senator from New Mexico, be yielded back; and further ask unanimous consent to set aside this amendment.

Mr. RIEGLE. I do not think we need to seek unanimous consent. That is part of the order now standing. It is just a matter of yielding back the remainder of our time if we are not interested in using it. I think we can facilitate the work of the Senate if we yielded back the remainder of our time and let the consent order stand as presently entered.

Mr. QUAYLE. I have no problem with yielding back everything but 5 minutes, if the Senator wishes to do likewise.

Mr. RIEGLE. The Senator is referring to the 5 minutes in the order that comes back to us at 5:10.

Mr. QUAYLE. So we yield back all our time and come back on this at 5:10?

Mr. RIEGLE. Yes, so we are protected with the 5 minutes built into the order, coming back at 5:10.

Mr. QUAYLE. Right. I am prepared to yield back.

Mr. RIEGLE. I yield back my time as well.

Mr. QUAYLE. I suggest the absence of a quorum, Madam President.

The PRESIDING OFFICER. On whose time?

Mr. QUAYLE. Equally divided.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

Who yields time?

Mr. HELMS. I yield myself such time as I may require on the bill.

Mr. President, for the RECORD, will the Chair state the time constraints with reference to this reconciliation bill? As I understand it, a time certain for a vote on final passage has been set for tomorrow at 4 o'clock. Is that correct?

The PRESIDING OFFICER. No later than 4 o'clock.

Mr. HELMS. I thank the Chair.

Is my understanding correct that each amendment, unless otherwise stipulated in a lesser amount, is entitled to 2 hours of debate?

The PRESIDING OFFICER. Each first-degree amendment.

Mr. HELMS. I understand. I thank the Chair.

Mr. President, I propound these questions because we are running into a little arithmetical problem, and I am concerned about Senators not offering their amendments now but waiting until tomorrow. I do not find a way to calculate in my mind how we can take 10 amendments, each with 2 hours, and fit them into a timeframe for tomorrow.

I mention that just as an implicit suggestion that it would be fine if amendments could be called up this evening and debated, and perhaps votes on those amendments could be delayed until tomorrow.

In any case, let me address myself to the recommendations of the Senate Committee on Agriculture, Nutrition, and Forestry.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. QUAYLE. I thank the Senator for yielding.

I inform the Senate we have between now and 5:10 p.m. before we go back to the Riegle amendment for 5 minutes of debate and we will vote on it at 5:15 p.m. so those Senators who might have an amendment they want to bring up between now and then should do so.

Mr. HELMS. That is correct.

MR. QUAYLE. We encourage and solicit the cooperation to have the amendments brought up now because, as the Senator from North Carolina so aptly put it, we are running out of time. We are going to be voting on final passage tomorrow at no later than 4 p.m. We have a list of possibly 13 amendments with the exception of the Riegle amendment, and for the convenience of the Senate and Senators who want to have these amendments debated, we are marking time between now and 5:10 p.m., so everyone should be on notice that this is the parliamentary situation we find ourselves in this afternoon.

I thank the Senator for yielding.

Mr. HELMS. I thank the Senator for his comment.

Actually, am I correct that there will be 10 minutes equally divided between Mr. RIEGLE and Mr. DOMENICI beginning at 5:50 p.m.? Is that correct?

The PRESIDING OFFICER. Five minutes equally divided.

Mr. HELMS. Five minutes equally divided.

The PRESIDING OFFICER. It will begin at 5:10 p.m.

Mr. HELMS. Each Senator has 2½ minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I understood it a bit differently but the Chair is in charge.

Mr. President, the Committee on Agriculture, Nutrition, and Forestry, of which I am chairman, has done what I believe to be a responsible job in achieving the level of savings required by the first concurrent budget resolution. In fact, the level of savings recommended by the Agriculture Committee exceeds the requirements by $950 million over the 3 fiscal years covered by the bill. In other words, we are proposing to save almost a billion dollars more than we are directed to save.

The committee recommendations achieve savings of $1.091 billion in fiscal year 1983, $1.410 billion in fiscal year 1984, and $1.739 billion in fiscal year 1985.

These savings are achieved in large measure through savings in the food stamp program, $2.5 billion, and the dairy program, $1.5 billion, and through an export promotion proposal totaling about $188 million.

Although our recommendations result in savings exceeding that required by the budget resolution, the savings achieved by the committee represent only 28.5 percent of those recommended by the administration in the food stamp area and only about 55 percent of those recommended for the dairy program.

So while, Mr. President, I am pleased with what the committee has achieved, I must acknowledge that we could have done more. I believe that additional savings could be made in the programs within our jurisdiction, particularly the food stamp program which constitutes half of the entire budget of the Department of Agriculture, $11.3 billion for the food stamp program during the current year.

From time to time, I read about the enormous cost of the farm program

and those same newspapers and magazines do not mention that half of the appropriated funds for the Agriculture Department go for one program, the food stamp program, this fiscal year, $11.3 billion.

In addition to that, I recognize that there are Senators who believe that additional savings could also be made in other areas within the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry.

It is clear that the food stamp program, as the largest program within the Agriculture Department, needs, and can sustain, significant reductions. The same is true of the rapidly growing dairy price support program, and I am informed that the able Senator from Florida (Mrs. HAWKINS) will have an amendment in that regard.

Mr. President, because the committee has failed to adopt a level of savings even marginally close to those proposed by the administration, these two programs, food stamps and dairy, obviously will be at the forefront of the programs in which the administration will need to make further reductions in the months and years to come.

So, it seems to this Senator that the committee's recommended levels represent a minimum reduction for which there is a broad consensus in our committee.

I have been around here for about 10 years, and I have not yet perceived that it is a sin to spend less of the taxpayers' money than some would wish to do, and I certainly think it is no sin for us to do better than the budget resolution requires us to do. This is especially true in these economic situations in which we find ourselves in this country when the overall budget confronting us now anticipates a deficit of well over $100 billion for the fiscal year 1983. The report from the administration and the Congressional Budget Office indicates that the deficit may be significantly larger than that, possibly as much as $140 billion to $160 billion.

So as I was trying to emphasize in the debate with the distinguished Senator from Michigan a little while ago, there is a crying need for all partisan politics to be dropped, for Democrats and Republicans to work together to reduce Federal spending, and to reduce the incredible deficit that we now face in this country.

If we do not do that there is not going to be any recovery in the economy. The interest rates are not going to come down. Inflation is not going to be brought under control.

So I think our No. 1 priority has to be a spirit of unity coupled with a determination to do what is right, and we know what that is, because every dollar that we fail to cut from these and other programs is another dollar added to the deficit.

The deficit, however great it is, is obviously a result of the profligacy and irresponsibility of the Congress of the United States over a period of 35 or 40 years. There is no getting around that. When you reflect upon the nightmarish $1 trillion Federal debt and the prospect of the interest alone on that debt costing the taxpayer well in excess of $100 billion a year, then you can see who created the deficit crisis that exists today and how they created it. Bipartisan folly, by Republicans and Democrats alike, is responsible for the maddening situation in which our country finds itself.

The levels of savings achieved by the Committee on Agriculture, Nutrition, and Forestry for fiscal year 1983 alone are $1,467 billion less than recommended by the administration for the food stamp program, and $525 million less for the dairy program, thereby adding to the deficit which had been forecast.

We have a jargon all our own in Congress. We call this lost savings which, of course, increased the deficit and which, of course, will slow the rate of economic recovery, and that is the problem.

We fiddled around here for well over a year, dancing around our obligations, and, to be perfectly blunt about it, playing politics. Here we are in a crisis situation. That is why I, as chairman of the Committee on Agriculture, stand here and acknowledge that the committee's recomendations concerning this reconcilation are absolutely the minimum savings. We should do more, and I hope we will do more, by action of this Senate.

In addition to achieving the reconciliation savings, the committee's recommendations also include reauthorization of the food stamp program for 3 fiscal years, and a number of provisions to reduce the food stamp program's susceptibility to fraud and abuse.

Also included in our recommendations are provisions to simplify the administration of the program and to provide more State flexibility in the administration of the program.

Mr. President, I ask unanimous consent that a summary of all provisions recommended by the Committee on Agriculture, Nutrition, and Forestry and the related budget impact, as estimated by CBO, the Congressional Budget Office, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF RECOMMENDATIONS OF COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

FOOD STAMP PROGRAM REDUCTIONS

Definition of household.—The Committee recommendations would require that all related persons who live together be treated as a single household, unless one of the related persons is age 60 or older or is disabled.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization levels	−55	−58	−61
Estimated outlays	−55	−58	−61

Indexing of thrifty food plan.—The measurement periods used for each October's adjustment to the cost of the thrifty food plan would be revised. The adjustment scheduled for October 1, 1982, would be based on food price changes for the 18 months ending March 31, 1982. The October 1983 adjustment would be based on changes in the 13-month period ending April 30, 1983. The October 1984 adjustment would be based on changes in the 13-month period ending May 31, 1984. The October 1985 adjustment would be based on changes in the 13-month period ending June 30, 1985. Each subsequent October 1 adjustment would be based on the 12 months ending the preceding June 30 (the same as under current law).

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−430	−246	−160
Estimated outlays	−430	−246	−160

Income eligibility.—The Committee recommendations would revise the income eligibility test for households without an elderly or disabled member. The recommendations would require that these households must have net monthly incomes (after the various expense disregards and deductions) below 100 percent of the Federal poverty level, in addition to meeting the 130 percent of poverty gross income test, in order to be eligible for food stamps.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization levels	−5	−5	−5
Estimated outlays	−5	−5	−5

Cost-of-living adjustments to Federal benefits.—The Committee recommendations would require that the July cost-of-living increases in Social Security, SSI, Veterans, and Railroad Retirement benefits not be counted as income for food stamp purposes until October of the same year, when the indexing of food stamp allotment levels occur.

[Cost by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	+19	+21	+23
Estimated outlays	+19	+21	+23

Standard deduction and Excess shelter/dependent care deduction.—The Committee recommendations would delay the July 1, 1983, adjustment of the standard deductions until October 1, 1984. The Committee recommendations would also delay the July 1, 1983, adjustment to the ceiling on shelter/dependent car expenses deductions until October 1, 1983.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−42	−110	−100
Estimated outlays	−42	−110	−100

Standard utility allowance.—The Committee recommendations would specifically permit a State agency to use a standard utility allowance in computing a household's excess shelter expense deduction. An allowance that does not fluctuate within a year to reflect seasonal variations would be permitted but an allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense and for households in public housing units with central utility meters. Prorating of the allowance would be required in the case of households sharing a residential unit.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−90	−93	−97
Estimated outlays	−90	−93	−97

Assets.—The Committee recommendations would preclude the Secretary, with some exceptions, from altering the food stamp financial resources limitations which were in effect as of June 1, 1982.

Categorical eligibilty.—The Committee recommendations permit the States to consider a household in which all members receive Aid to Families with Dependent Children benefits and whose income does not exceed the income standard of eligibility as having satisfied the resource limitations under the food stamp program.

Approval of periodic reporting forms.—The committee recommendations would remove the requirement that the Secretary of Agriculture design or approve the forms used by the States for non-periodic reporting of changes in household circumstances.

Waiver of reporting requirements.—The Committee recommendations would permit the Secretary of Agriculture, upon the request of a State, to waive any food stamp periodic reporting rules (other than those exempting certain categories of recipients from periodic reports) to the extent necessary to allow the State to establish periodic reporting rules for food stamps that are similar to those for the Aid to Families with Dependent Children program.

Employment and job search requirements: voluntary quit.—The Committee recommendations strengthen work registration and job search requirements by providing that an entire household would be disqualified for failure to comply with whatever reasonable job search requirements are prescribed by the Secretary. Such disqualification would remain in effect until the requirement is complied with. The recommendations would also specifically provide that households would be ineligible to participate in the food stamp program if a member of the household subject to these provisions, without good cause, refuses to report for a job interview, refuses to provide information regarding employment status or availablity for work, or refuses to report for a work opportunity.

The Committee recommendations would permit the Secretary to impose a job search requirements on applicants for food stamps, as well as recipients.

The Committee recommendations would lengthen the period of food stamp program ineligibility due to voluntarily quitting a job from 60 days to 90 days and permit the Secretary to fix the starting point of the period of disqualification for participants. The recommendations would also extend the definition of a voluntary quit without good cause (and the attendant period of ineligibility) to include Federal, State, or local government employees who have been dismissed from their jobs because of participation in a strike against the government entity involved.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−23	−25	−26
Estimated outlays	−23	−25	−26

Parent/caretaker exemptions.—The Committee recommendations would eliminate the exception from work registration for parents or caretakers of children when the parent or caretaker is part of a household in which there is another able-bodied parent or caretaker subject to food stamp work requirements. The effect of this provision is to require a second parent or caretaker in a household to register for work when the youngest child in the household reaches age 6.

Hours of employment.—The Committee recommendations would revise the work registration requirement to exempt those individuals (i) employed a minimum of 150 hours per month or (ii) receiving monthly earnings equal to the applicable minimum wage rate multiplied by 150 hours, rather than those employed 30 hours per week or receiving earnings equivalent to the minimum wage times 30 hours.

Department of Labor participation.—The Committee recommendations would remove the requirement for joint issuance of regulations on work registration by the Secretary of Agriculture and the Secretary of Labor and would remove the requirement that these regulations be patterned on those for the WIN program.

Post secondary students.—The Committee recommendations revise food stamp eligibility requirements for post secondary students by limiting participation by students with dependents to those with dependent children under age 6 and students who are receiving aid to families with dependent children. Students who are mentally and physically unfit, under age 18 or over age 60, employed a minimum of 20 hours per week or engaged in work study program would continue to be eligible to participate in the food stamp program if they otherwise meet the eligibility requirements.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−10	−10	−11
Estimated outlays	−10	−10	−11

Income and assets of ineligible aliens.—The Committee recommendations would require that all the income and assets of an ineligible alien be attributed to the remainder of the residential unit of which the alien is a member for purposes of determining food stamp eligibility of and benefits due the household.

Prorating benefits.—The Committee recommendations require food stamp benefits to be prorated to the day of application for recertification if the application for recertification occurs during the thirty day period following the end of the last month for which benefits were received. Currently households that are recertified for participation during this thirty day period receive the full months benefits.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−2	−2	−2
Estimated outlays	−2	−2	−2

Effect of noncompliance with other programs.—The Committee recommendations would prohibit any increase in food stamp benefits to households on which a penalty resulting in a decrease in income has been imposed for intentional failure to comply with a Federal, State, or local welfare law.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−2	−2	−2
Estimated outlays	−2	−2	−2

House-to-house trade routes.—The Committee recommendations would authorize the Secretary of Agriculture to limit the operation of house-to-house trade routes to those that are reasonably necessary to provide adequate access to households if the Secretary finds, in consultation with the Department's Inspector General, that approval of house-to-house trade routes damages the integrity of the food stamp program.

Approval of State agency materials.—The Committee recommendations would prohibit the Secretary of Agriculture from requiring that the States submit for prior approval, State agency instructions, interpretations of policy, methods of administration, forms, or other materials, unless the State determines that they alter or amend its plan of operation for the food stamp program or conflict with the rights and levels of benefits to which households are entitled.

Bilingual personnel and printed materials.—The Committee recommendations would eliminate the current requirement for State agencies to use appropriate bilingual personnel and printed materials in administering the food stamp program in those portions of political subdivisions in the State where a substantial number of low-income persons speak a language other than English. The recommendations would allow the States the option of using such personnel and materials.

Points and hours of certification and issuance.—The Committee recommendations would eliminate the current requirement that State agencies comply with Federal standards with regard to points and hours of certification and issuance. States would be able to design their own points and hours procedures recognizing their own unique States administrative structures.

Authorized representatives.—The Committee recommendations would permit the Secretary of Agriculture to restrict the number of households for which one individual may serve as an authorized representative and to establish criteria and verifica-

tion standards for representatives and for households that may be represented.

Disclosure of information.—The Committee recommendations allow the disclosure of information obtained from food stamp households to persons connected with the administration or enforcement of other Federal assistance programs and federally assisted State programs.

Expedited service.—The Committee recommendations would require that expedited 5-day service be provided to households (1) having gross incomes lower than $85 per month or headed by a destitute migrant or seasonal farmworker and (2) having liquid assets of not more than $100. A State agency would not be required to provide this expedited service to a given household more than once in a 6-month period, unless that household is headed by a destitute migrant or seasonal farmworker.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−20	−20	−20
Estimated outlays	−20	−20	−20

Notice of benefit reduction or termination.—The Committee recommendations would permit the States to immediately reduce benefits or terminate a household from the food stamp program when a written notice is received from the household that clearly requires such a reduction or termination.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−10	−10	−10
Estimated outlays	−10	−10	−10

Duplicate receipt of food stamps.—The Committee recommendations would require State food stamp agencies to establish a system and take periodic action to verify that no individual is receiving food stamps in more than one jurisdiction in the State.

Certification system.—The Committee recommendations would permit each State to choose whether (1) AFDC and general assistance households must have their food stamp application included in their AFDC or general assistance application, and (2) food stamp applicants must be certified eligible based on information in their AFDC or general assistance case file, to the extend reasonably verified information is available in the file. The States would continue to be required to (1) conduct unified interviews for potential food stamp and AFDC recipients and (2) allow SSI recipient households to apply for participation in the food stamp program by executing a simple application at a social security office.

Assurance of nonduplication with "cashed out" benefits.—The Committee recommendations would require the Secretary of Agriculture to require State food stamp agencies to conduct at least annually verification or other measures to ensure that individuals who have been "cashed out" of the food stamp program are not also receiving food stamps.

Verification of interest and dividend income.—The Committee recommendations would authorize the Secretary of Agriculture, in those States or portions of States in which the Secretary finds it would be useful to protect program integrity, to require the Inspector General of the Department or a State agency, or both, to request and use information on the interest and dividend income of a household available through the Federal income tax system.

New or modified issuance procedures.—The Committee recommendations would authorize the Secretary of Agriculture to require a State agency to implement new or modified issuance procedures that the Secretary finds would improve program integrity and be cost-effective.

Disqualification, penalties, and bonding for retail food stores.—The Committee recommendations would raise the maximum civil money penalty from $5,000 to $10,000 for each violation of the Food Stamp Act or regulations which is committed by a retail food store. The recommendations would also set by statute the periods of disqualification applicable to retail food stores. The disqualification period for the first violation shall be for a reasonable period of time between 6 months and 5 years. The disqualification period for a second violation shall be for a reasonable period of time between 12 months and 10 years. The retail food store would be permanently disqualified for a third violation or for trafficking in food stamps or authorization documents. The Committee recommendations would permit the Secretary to require retail food stores which have previously been disqualified or subjected to a civil penalty to furnish a bond to cover the value of food stamps they may redeem in violation of the Act. The Secretary would prescribe the amount and other terms and conditions of such bond by regulation.

Alternative means for collection of overissuances and States' share of recovered monies.—The Committee recommendations would permit States to use other means of collection for fraud and non-fraud overissuances besides cash repayment and benefit offset which are currently provided.

The Committee recommendations would also specify that States could retain 50 percent of recovered overissuances arising from fraud and 25 percent of recovered overissuances arising from non-fraud, except in the case of State error in which case there could be no State retention of recoveries.

Fraud claims collection procedure.—The Committee recommendations would allow the household of a disqualified person 30 days after a demand for an election to choose between a reduced allotment or repayment in cash to reimburse the Government for any overissuance of food stamp benefits.

Repayment through unemployment benefits and Federal income tax refunds.—The Committee recommendations would permit States to collect overissuances of food stamps from those found guilty of fraud or of having otherwise violated the Food Stamp Act or regulations by having appropriate amounts withheld from unemployment compensation due the individual.

The Committee recommendations would also allow collection of overissuances of food stamps from those found guilty of fraud or of having otherwise violated the Food Stamp Act or regulations by withholding, by the Secretary of the Treasury, of appropriate amounts from any Federal income tax refund to the individual and payment of such amounts to the State agency.

Collection through Federal income tax refunds would be made upon request by the State agency if (i) the dollar amount of the overissuance has not been collected through reduction in the household's allotment, repayment in cash, or collection through unemployment compensation benefits within 3 months of the determination of the overissuance and (ii) the uncollected overissuance (plus any other amounts owed the State agency under similar provisions of Federal law) equals $100 or more.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−2	−2	−2
Estimate outlays	−2	−2	−2

State liability for errors.—The Committee recommendations would revise the provisions of the Food Stamp Act governing State liability for errors. The Federal share of a State's administrative costs would be reduced for States with payment error rates exceeding nine percent in fiscal year 1983, seven percent in fiscal year 1984, and five percent in fiscal year 1985. States would not be sanctioned for fiscal year 1983 if their payment error rates were reduced by a third of the difference between a base period rate and five percent and would not be sanctioned for fiscal year 1984 if their payment error rates were reduced by two thirds of the difference between the base rate and five percent. Each State would lose five percent of the Federal portion of its program administrative costs for each percentage point (or portion thereof) by which the State fell short of its error reduction goal. States would also continue to be liable to the Secretary for certification losses due to negligence or fraud.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−90	−200	−325
Estimated outlays	−90	−200	−325

Financial incentives for low error rates.—The Committee recommendations would revise the provisions governing financial incentives for low error rates by reducing the existing 65 percent Federal share of State administrative costs (for cumulative error rates below 5 percent and a low rate of invalid denials) to 60 percent and by eliminating the 60 percent and 55 percent initiatives.

Employment requirement pilot project.—The Committee recommendations would authorize the Secretary of Agriculture to conduct pilot projects in each of the 7 administrative regions of the Food and Nutrition Service of the Department of Agriculture to determine the effects of making nonexempt individuals ineligible to participate in the food stamp program if they do not meet certain requirements as to employment.

Studies.—The recommendations would require the Secretary to study and report to the House and Senate agriculture committees by February 1, 1984, on the effect of reductions in food stamp benefits provided under the Omnibus Budget Reconciliation Act of 1981, the Agriculture and Food Act of 1981, and any other laws enacted by the 97th Congress that affect the food stamp program.

The Committee recommendations would also delete three studies that have been completed and delete a requirement for an annual report to Congress on the effect of elimination of the purchase requirement.

Appropriation authorization.—The Committee recommendations would extend the authorization of appropriations for the food stamp program for 3 years as follows: for all of the program except the Puerto Rican block grant, $11.9 billion for fiscal year 1983, $12.3 billion for fiscal year 1984, and $13.2 billion for fiscal year 1985. For the Puerto Rican block grant an authorization of $825 million would be provided for each fiscal years 1983 through 1985.

Similar workfare programs.—The Committee recommendations would require the Secretary to promulgate guidelines for food stamp workfare programs which would enable the political subdivision operating these programs to operate them in a manner consistent with similar workfare programs operated by the subdivision. A political subdivision could comply with food stamp workfare requirements by operating (i) a workfare program under the Aid to Families with Dependent Children program or (ii) any other workfare program which the Secretary determines meets the provisions and protections contained in the food stamp program.

Exemption of WIN participants from workfare.—The Committee recommendations would delete the current exemption from the workfare requirements for food stamp participants who are involved at least 20 hours a week in a WIN program and provide that a State may, at its option, exempt such participants from the workfare requirements.

Workfare hours of employment.—The Committee recommendations would revise the maximum number of hours that an agency operating a workfare program could require of a participating member. Under the recommendations, a workfare participant could not be required to work more hours than equal the value of the allotment to which the household is entitled or more than 30 hours a week when added to any other hours worked during a week for compensation (in cash or in kind) in any other capacity.

Optional block grant.—The Committee recommendations would permit a State, at its option, to elect to operate a low-income nutritional assistance block grant to finance expenditures for food assistance for needy persons within the State in lieu of operating a food stamp program within the State. The State would be allowed to design its own low-income nutritional assistance program. States making such an election would receive at the start of the fiscal year a percentage of the annual Federal food stamp appropriation, other than the amount apportioned to Puerto Rico, equal to their proportionate share of food stamp benefits (including cash benefits in lieu of food stamps and the Federal share of State administrative expenses) during the period April 1, 1981, through March 31, 1982. No State would receive less than 0.25 percent of the non-Puerto Rico appropriation.

Disabled veterans.—The Committee recommendations would treat disabled veterans and disabled survivors of veterans in the same manner as disabled persons who receive supplemental security income benefits or who receive disability or blindness benefits under the Social Security Act.

[Cost by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	+5	+5	+5
Estimated outlays	+5	+5	+5

Rounding of computations for the thrifty food plan and deductions.—The Committee recommendations would revise the rounding rules for annual adjustments to the cost of the thrifty food plan to provide that rounding would occur only after the thrifty food plan amounts had been calculated for all household sizes and the amounts would then be rounded down to the nearest whole dollar.

Also, after adjustment for inflation, the result in both the standard deduction and the excess shelter/dependent care deduction would be rounded down to the nearest whole dollar increment.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Estimated authorization level	−68	−69	−93
Estimated outlays	−68	−69	−93

DAIRY

Milk price support.—The Committee recommendations would establish the minimum level of price support for milk at $13.10 per hundredweight through September 30, 1985.

[Savings by fiscal years, in millions of dollars]

	1983	1984	1985
Budget Authority	−150	−520	−845
Estimated Outlays	−150	−520	−845

FARM PROGRAMS

Advance deficiency payments.—The Committee recommendations would provide for the Secretary to make advance deficiency payments for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice whenever an acreage limitation or set-aside is implemented by the Secretary. For the 1982 and 1983 crops, the Secretary would be required to make advance payments, as follows: (1) for 1982 crops, the payment would equal 70 percent of the projected final payment and would be made as soon as practicable after October 1, 1982; and (2) for 1983 crops, the payment would be made as soon as practicable after producers sign up for the programs, but not before October 1, 1982. For the 1984 and 1985 crops, the Secretary would be authorized but not required, to make advance payments in amounts up to 50 percent of the projected final payments. The recommendations also require that any overpayments be refunded to the Secretary by producers by the end of the marketing year for the crop involved. Any advance payments made to a producer who fails to meet the program requirements must be repaid, with interest, immediately.

AGRICULTURAL EXPORT PROMOTION

Agricultural export promotion.—The Committee recommendations require the Secretary of Agriculture to use between $175 million and $190 million of Commodity Credit Corporation funds for agricultural export promotion activities to discourage and neutralize agricultural export subsidy programs by foreign countries. The Secretary would be required to use the funds to buy-down the rate of interest on export credit financing for a term of up to 10 years or to initiate price subsidy programs with respect to one or more agricultural commodities that have been or are involved in unfair trade practice cases under section 301 of the Trade Act of 1974, as amended, as the Secretary determines appropriate to neutralize subsidies on the same commodities by foreign countries. In addition, the Secretary would be authorized to guarantee the repayment of loans for which interest reduction payments are made. The recommendations also provide for the Secretary to target the subsidies to maximize the effects in neutralizing foreign subsidies and require the Secretary to safeguard the usual marketings of U.S. agricultural commodities.

[Savings by fiscal years, in million of dollars]

	1983	1984	1985
Budget authority	−116	−64	−8
Estimated outlays	−116	−64	−8

Mr. HELMS. I thank the Chair. Mr. President, I suggest the absence of a quorum with the time to be equally divided.

Mr. QUAYLE. Mr. President, will the Senator withhold?

The PRESIDING OFFICER (Mr. ABDNOR). Will the Senator withhold?

Mr. HELMS. I withhold.

Mr. QUAYLE. Mr. President, I would just like to again make the point that we have between now and 10 minutes after 5 before we go back to the Riegle amendment and any Senator desiring to bring up his or her amendment, I would certainly, on behalf of the chairman of the Budget Committee, the distinguished Senator from New Mexico, encourage them to do that.

We have reportedly 13 amendments to finish between now and 4 o'clock tomorrow afternoon, and any Senator desiring to get before the Senate as early as possible to make it convenient on himelf or herself and the Senate that we do not get into a rush situation tomorrow afternoon, I hope we might be able to take up an amendment, maybe two amendments, between now and then, depending on how long each Senator wants to discuss the issue.

So again I make that plea, Mr. President, that those desiring to have an amendment on this reconciliation bill do so as promptly as possible.

We will put in a quorum call, and I suppose we can keep it going until someone else wants to speak. But, hopefully, we will get an amendment or two between now and the hour of 10 minutes after 5.

With that, Mr. President, I suggest the absence of a quorum and I ask unanimous consent that it be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DECONCINI. Mr. President, in 1976, Congress eliminated the so-called 1-percent kicker from the Federal retirees' cost-of-living adjustment. In 1981, Congress eliminated the twice-yearly COLA for Federal retirees. And now in 1982, this Congress is seeking to continue this pattern of neglect by capping the cost-of-living adjustments for Federal retirees, both civilian and military, at 4 percent for fiscal year 1983.

The Congress has granted full COLA's to both social security annuitants and railroad retirees, and it is only fair that this same COLA be extended to civil service system retirees. It is simply wrong that this Congress should penalize retired Americans for having worked for the Federal Government. Increases in the price of bread do not affect a Federal retiree any less than a social security retiree, therefore, where is the justification for singling out Federal retirees for this shabby treatment?

I have joined Senator RIEGLE in cosponsoring this amendment to lift the 4-percent cap on COLA's for civilian and military Federal retirees. I am convinced that this Congress can find more reasonable places to reduce the outrageous deficit that is facing us than to reduce the COLA for Federal retirees, a group comprising only 1 percent of our population. It is not the fault of these retirees that the administration has not been able to control a budget deficit threatening to go above $150 billion which already is the highest peacetime deficit in our history.

I urge my colleagues in the Senate to join Senator RIEGLE and myself in supporting this amendment. Let us send a message to Federal retirees that we have not forgotten their commitment to the Federal Government and that we will not forget our commitment to them.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold that request?

Mr. DECONCINI. I withhold it.

The PRESIDING OFFICER. The Chair would like to address the Senate.

Under the previous order, there are 5 minutes of debate remaining to be equally divided, on the amendment of the Senator from Michigan. Who yields time?

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I should like to make an inquiry of the majority leader, if I may.

I have heard that there may be a requirement to delay the vote a bit. I am quite happy to do that. Is that accurate or inaccurate? Are we still on the 5-minute call?

Mr. BAKER. Mr. President, it had been my plan to go ahead with the vote at 5:15. It may be what the Senator has in mind is that there are a number of Senators who are on their way back to the Capitol, and I hope that we would have some flexibility in closing this vote, not in opening it.

Mr. RIEGLE. I understand.

May I request under that circumstance then, since we started a little bit past 5:10, when the Chair repeated the order, if we might start our 5 minutes from now?

Mr. BAKER. Would this be satisfactory? Mr. President, I ask unanimous consent that the 5 minutes of debate to be equally divided as provided for in the previous order begin at this moment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I thank the Chair. I yield myself 1½ minutes. I want to quickly summarize and say that this amendment, which would restore the full COLA for retired civilian and military employees in the Government, would exclude the Congress. It is very important that that be understood, that the cap would remain in place for congressional pensions.

Second, what this is designed to do is to provide equity in putting all of our retirees on the same footing. Today social security recipients and railroad retiree recipients receive the full COLA adjustment. I think they should. I have supported that. I think Federal retirees should be treated in the same fashion. They have sustained several cuts just in recent years. In addition to that, their benefits, of course, are fully taxable.

I think we can make the savings, the amount of money we are talking about over the next 3 years, in a number of areas in the budget which I discussed earlier.

Yesterday the House on the basis of a 236-to-160, a strong bipartisan vote, approved an amendment that is the equivalent of mine. I think these pension protections are important incentives to attract and keep the best people in civilian and in military service. I think it is especially important with the voluntary military concept. What we are talking about here is fairness among retiree groups and our ability in attracting and maintaining the highest caliber persons in career public service on both sides of the Federal Government, military, and civilian.

I reserve the remainder of my time.

Mr. SARBANES. Will the Senator yield for 30 seconds?

Mr. RIEGLE. I yield for 30 seconds.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I want to commend the very able Senator from Michigan for offering this amendment and for the leadership which he has taken with regard to it.

I want to underscore two points which he made. One is that this is really a matter of honoring our obligations, and I think that the Government ought to deliver on that, with respect to those who have contributed so much to its effective performance.

Second, there is obviously a matter of fairness and equity among retirees. The Federal military and civilian retirees are being capped even though they pay taxes on their retirement benefits, while other retirees are receiving their entitled cost of living adjustment to their benefits which are tax free. There is a double inequity taking place here which I think is extremely unfair. I think this body ought to go on record as holding the position that the full cost of living adjustments ought to be given to all retirees entitled to them. It is not a go-ahead cost of living. It is simply a catchup to bring people abreast of price increases which they have suffered and experienced over the course of a year. I commend the Senator from Michigan for his initiative.

Mr. RIEGLE. I thank the Senator and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Two and a half minutes remain.

Mr. DOMENICI. I yield as much of the 2½ minutes as the Senator from Alaska desires.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator from New Mexico, and I hope that the Senate will recall that the Senate budget resolution required us to vote out this COLA cap for retirees. That action was taken after a long debate here in May, at which time the Senate preliminarily took a position against all COLA's for this year. There was a suggested freeze. We now have a 4-percent figure, and it is a fair figure in view of all the circumstances.

I want to remind Senators that those people working for the Federal Government are going to be limited to 4 percent. This keeps the same level of COLA, cost-of-living adjustment, for those who are retired civil servants and retired military people. They are the people who will benefit most if we can keep the inflationary spiral under control and bring interest rates down, and that is what we are trying to do.

This is not an unfair burden. As a matter of fact, we have cut substantially in other areas. I pointed out earlier this afternoon that we cut $2 billion out of defense yesterday. We have

$8.5 billion coming out of the 1983 bill, and we are cutting across the board as far as Government programs are concerned trying to bring down the Federal deficit. This is a key vote in that regard.

The Senate voted for no cost-of-living adjustment in May. The budget resolution gave us the leeway to bring in a 4-percent cost-of-living adjustment, and that is what we have done.

I do think that the Senate must be consistent, having instructed the committees to bring this back. I hope the Senate will realize that we have responded to the request of the Senate in the budget resolution and will again approve the action we have taken in compliance with the budget resolution. The 4-percent cap will achieve savings of approximately $5 billion over a 3-year period. It will do so in a way that will actually preserve the retirement fund because, as I pointed out previously, this year alone we are going to put $12 billion of taxpayers' funds from the Treasury into the retirement fund because that retirement fund is already in trouble. Unless that retirement fund is in fact capped right now, next year the payment into the fund will have to increase, and it will further exacerbate the problem.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

The Senator from Michigan has 30 seconds.

Mr. RIEGLE. Mr. President, I hope the Members of the Senate will support this amendment because it clearly is wrong and unfair to have two separate classifications of retirees who are treated differently on these COLA arrangements, to have the social security recipients and railroad retirement recipients treated one way where they get the full cost of living, which they should get, and to tell the retired military and civilian personnel that they are second-class people and they will not receive the same treatment, I think is wrong. I think we can make savings, and we should, in other areas of the budget, but this is not the place to target it. It is not fair, it is not consistent, and I hope the Senate would support this amendment

The VICE PRESIDENT. All time on the amendment has expired.

Mr. DOMENICI. Mr. President, have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Michigan.

The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. STENNIS) is necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—48

Andrews	Exon	Metzenbaum
Baucus	Ford	Mitchell
Bentsen	Glenn	Moynihan
Biden	Hart	Pell
Bradley	Hawkins	Pressler
Bumpers	Heflin	Pryor
Burdick	Heinz	Randolph
Byrd, Robert C.	Huddleston	Riegle
Cannon	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cranston	Kennedy	Specter
DeConcini	Leahy	Stafford
Dixon	Levin	Tsongas
Dodd	Mathias	Warner
Durenberger	Matsunaga	Weicker
Eagleton	Melcher	Zorinsky

NAYS—51

Abdnor	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Percy
Brady	Hayakawa	Proxmire
Byrd, Harry F., Jr.	Helms	Quayle
	Hollings	Roth
Chafee	Humphrey	Rudman
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
D'Amato	Kassebaum	Stevens
Danforth	Kasten	Symms
Denton	Laxalt	Thurmond
Dole	Long	Tower
Domenici	Lugar	Wallop
East	Mattingly	
Garn	McClure	

NOT VOTING—1

Stennis

So Mr. RIEGLE's amendment (No. 2007) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Senator from Hawaii (Mr. MATSUNAGA) be listed as a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the Senator from Michigan permit me to make an inquiry about the remainder of the schedule today?

Mr. RIEGLE. I, of course, will. I have a couple of more requests.

The PRESIDING OFFICER. The majority leader has been yielded to.

Mr. BAKER. Mr. President, I withdraw my request. If the Senator wishes to go ahead of me, he may do so.

Mr. RIEGLE. No; I am prepared to yield if the Senator wants to make his request.

Mr. BAKER. You go right ahead.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I ask unanimous consent that Senator MOYNIHAN be listed as a cosponsor and Senator MELCHER be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I would like to ask the distinguished majority leader if he would at this time outline the program for the rest of the day.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

It would be my hope that the managers of this bill on both sides could dispose of another amendment or two, perhaps three, this evening.

There has been some inquiry on both sides of the aisle as to whether or not votes might be stacked. I am perfectly agreeable to that if it can be worked out by unanimous consent. I do not insist on that, even if I had the right to do so, and that is that we do two or three more. But once again I will sing an old song, and that is we have a time certain for final passage tomorrow at 4 o'clock, and I do not want to have a traffic jam during the day tomorrow on amendments that have been called up and there is no time during which Members can debate them. So if Members can do that, I would urge them to offer another amendment or so tonight.

JOINT REFERRAL OF S. 2805

Mr. HATFIELD. Mr. President, yesterday I introduced a bill relating to the timber industry problem, and I asked at that time unanimous consent that it be reported back by the Senate Energy and Natural Resources Committee within 30 days, and the Committee on Agriculture on a joint referral within 30 days.

I ask unanimous consent now to remove——

Mr. FORD. Mr. President, the Senate is not in order. The Senator is talking about a committee in which I am interested.

The PRESIDING OFFICER. The Senator from Kentucky is correct. The Senate is not in order. The Senator from Oregon (Mr. HATFIELD) can restate it. Who yields time to the Senator from Oregon?

Mr. HATFIELD. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATFIELD. Mr. President, I was reciting the fact that yesterday I introduced a bill having to do with the timber industry's problems, and I had asked unanimous consent for it to be jointly referred to the Senate Committee on Energy and Natural Resources and the Senate Committee on Agriculture.

I asked further by unanimous consent that it be reported back from both committees within 30 days.

Now I would like to ask unanimous consent that the 30-day requirement to report be lifted and not applied to the Senate Committee on Energy and Natural Resources. I have checked with the chairman of that committee, and it is his wish, and that is my wish as well.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I am advised that this is agreeable with our side, so I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I did not hear the request.

Mr. HATFIELD. I would be happy to repeat it the third time.

Mr. DOLE. Is the Committee on Agriculture exempted from the 30-day requirement? I was just trying to protect my chairman.

Mr. HATFIELD. Mr. President, the chairman has been protected already by consultation.

Mr. McCLURE. Mr. President, will the Senator yield? I think it would help the record if I would indicate that I have talked to Senator JACKSON, the ranking minority member on the Committee on Energy and Natural Resources, and this is in accordance with his view and desire.

I also talked with Senator HELMS, chairman of the Committee on Agriculture, and he has no disagreement with the request of the Senator from Oregon.

The PRESIDING OFFICER. Are there objections? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no need for recognition.

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 9 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent, if I may do so, if the Senator will yield for that purpose, that when the Senate completes its business today it stand in recess until the hour of 9 a.m. on tomorrow.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

LEADERSHIP TIME REDUCED TO 1 MINUTE

Mr. BAKER. Mr. President, I further ask unanimous consent that the time allocated to the two leaders under the standing order be reduced for tomorrow to only 1 minute each.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RESUMING CONSIDERATION OF S. 2774

Mr. BAKER. Mr. President, I ask unanimous consent that after the time for the two leaders under the standing order the Senate immediately resume consideration of the Omnibus Reconciliation Act of 1982, S. 2774.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I further ask unanimous consent after final disposition of this measure at 4 p.m. on tomorrow that there be a brief period for the transaction of routine morning business to extend not past the hour of 5:30 p.m. in which Senators may speak for not more than 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE FOR THURSDAY AND FRIDAY OF THIS WEEK

Mr. BAKER. Mr. President, in further reply to the minority leader, on tomorrow we will continue to debate this measure and dispose of amendments in respect to it. At 4 o'clock a vote will occur on this measure, to be followed then by a period for the transaction of routine morning business. Members will observe that no provision is being made for special orders in the morning, and I would urge Senators who have need for special orders tomorrow to speak in morning business which will be provided for after 4 p.m.

ORDER FOR RECESS UNTIL 10 A.M. FRIDAY

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business on Thursday that it stand in recess until the hour of 10 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. On Friday, Mr. President, I would anticipate that either by unanimous consent or on motion the Senate will be asked to proceed to the consideration of the supplemental appropriations bill.

Mr. President, on Friday the hope of the majority leader is, of the leadership is, that opening statements could be made on both sides of the aisle and general debate might be conducted as long as that is useful. I do not anticipate that Friday will be a late day. Indeed, there will not be votes on Friday. If votes are ordered on Friday, they will be stacked under the previous order on Tuesday.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. Mr. President, I respectfully suggest to the majority leader that he get unanimous consent now to proceed with the supplemental appropriation on Friday and not use a motion because that might require a rollcall vote.

Mr. BAKER. Mr. President, I agree with the minority leader. As soon as I can check with certain Members I will be happy to pursue that subject.

Mr. ROBERT C. BYRD. Because Senators have been promised there will be no rollcall votes on Friday.

Mr. DOMENICI. Will the majority leader yield for a question?

Mr. BAKER. Yes, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I would just like to suggest to our distinguished majority leader that we are aware of 12 amendments—there could be more, but we are aware of 12. Under the law, each of those amendments could be entitled to 1 hour for each side, which would be 2 hours per amendment. We start at 9 and we have to finish by 4.

Obviously, unless we do something tonight to get some amendments up, we are not going to have 2 hours for each amendment and we ought to start early in the morning.

Anyone who has them ought to get them up so we can start voting tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I am advised that Mr. KENNEDY is agreeable to reducing the time on one of his amendments, an amendment on veteran student benefits, to 30 minutes, equally divided.

Mr. HOLLINGS. The other one will be accepted.

Mr. ROBERT C. BYRD. We are trying to get that done tonight. We will attempt on this side to get another amendment or so up. I know that several amendments are on the other side of the aisle also. We are going to do our best on this side of the aisle to get one or more of the amendments up and possibly to cut the time on those amendments so as to accommodate expedition on the bill.

Mr. President, I say again to the distinguished majority leader that the minority is willing to waive the 3-day rule on the supplemental appropriation bill. If he could clear it on his side he could get consent to proceed now so as to insure there would be no vote on a motion to proceed.

Mr. BAKER. Mr. President, I can assure the minority leader that, to the extent I am able to avoid that vote—and I think I will be able to avoid that vote. Even if there is a motion or vote ordered, I would ask that it be put over. Indeed, I believe there is an order now that any votes ordered on Friday or Monday be put over until Tuesday.

The PRESIDING OFFICER. I am advised by the Parliamentarian that there is not such an order.

Mr. BAKER. Mr. President, I am not going to pursue that at this moment. I will pursue it and have a further announcement to make later.

Mr. President, I yield the floor.

Mr. HOLLINGS. Mr. President, we are awaiting the distinguished Senator from Massachusetts. There is a briefing at the moment on Lebanon. As soon as that is complete, he will be here and ready to submit an amendment.

Mr. JOHNSTON. Will the Senator yield?

Mr. HOLLINGS. I yield to the distinguished Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I wonder if the distinguished floor managers or perhaps the majority leader might answer a question. A mention was made about stacking votes until tomorrow. For those of us who would like to make plans whether to eat dinner at home or whether to plan to stay for the duration, could we get an answer to that?

Mr. BAKER. Mr. President, if I may respond, I may say that in the role of majority leader I find many satisfactions but I also find many distressing responsibilities and duties. One of those distressing responsibilities and duties is to be the bearer of bad news. The bad news in this case is, apparently, there would be an objection to stacking votes for this evening. I hope that we can still get an amendment or two disposed of, either by voice vote or, if necessary, by a rollcall vote. But I also hope, if I could be persuaded to take my seat, that we might get it done before 7 o'clock.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COHEN). Without objection, it is so ordered.

OMNIBUS RECONCILIATION ACT OF 1982

The Senate continued with the consideration of the bill (S. 2774).

UP AMENDMENT NO. 1176

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1176.

On page 82, line 1, strike out all through line 24.

On page 83, line 2, strike out "subsections (b) and (c)" and insert "subsection (b)".

On page 83, line 13 strike out all through line 17.

Mr. STEVENS. Mr. President, the Governmental Affairs Committee fully complied with the instructions it received from the Senate. In fact we went $14 million better, if it is properly calculated during the 3-year period of this resolution that we are complying with now.

During consideration of the proposals we had, to comply with the reconciliation instructions, we were then under the misimpression that the committee actually would fall short of the required savings. Therefore, at my request, we reluctantly adopted a provision that now I find unnecessarily burdens survivors in the civil service retirement system.

Under the current law, annuitants receive their annuities monthly. When the annuitant dies, the annuity terminates as of the date of death and the survivor benefit commences.

Under the proposal recommended by the committee, the annuitant's payment would terminate at the end of the month prior to his death. The survivor's benefit would commence at the beginning of the month. The effect would be to reduce the overlapping of the payments to the survivor.

We feel that since the savings associated with the change is small, $33 million over the 3 years, and because we now find that we overcomplied with the instructions of the reconciliation resolution, that this amendment is in order. I think in view of the understanding developed since we originally suggested it to the committee, that it is absolutely necessary to remove this inequity from the bill.

The amendment that I have offered would strike the provision from the reconciliation bill that deals with the question of payment when an annuitant dies.

I hope the managers of the bill will be able to accept the amendment. I know of no one who will disagree.

Mr. DOMENICI. Mr. President, on behalf of the majority, I am aware of this amendment. I am aware of the dollars involved. It is not a large amount of money. The Senator is correct. We are willing to accept the amendment.

Mr. HOLLINGS. Mr. President, on the minority side, we agree that the amendment is appropriate and we will accept it on this side.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield back the time remaining to this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 1176) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1177

(Purpose: Amend section relating to membership on the Interstate Commerce Commission)

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD), for himself, Mr. CANNON, and Mr. LAXALT, proposes an unprinted amendment numbered 1177.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 73, strike all from line 11 through line 7 on page 74, and insert in lieu thereof the following:

"INTERSTATE COMMERCE COMMISSION

"SEC. 403. (a) Effective January 1, 1983, each office within the Interstate Commerce Commission provided in section 10301(b) of title 49, United States Code (except the office prescribed by law to expire on December 31, 1985) which was vacant as of July 1, 1982, is abolished.

"(b) Effective January 1, 1983, section 10301(b) of title 49, United States Code, is amended (A) by striking '11' and inserting in lieu thereof '7', and (B) by striking '6 members' and inserting in lieu thereof '4 members'.

"(c) Upon expiration of the term of office as a member of the Interstate Commerce Commission which is prescribed by law to expire on December 31, 1982, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985, and such office shall be abolished immediately after the expiration of that date.

"(d) Upon the expiration of the term of office as a member of the Interstate Commerce Commission which is prescribed by law to expire on December 31, 1983, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985, and such office shall be abolished immediately after the expiration of that date.

"(e) Effective January 1, 1986, section 10301(b) of title 49, United States Code, is amended (A) by striking '7' and inserting in lieu thereof '5', and (B) by striking '4 members' and inserting in lieu thereof '3 members'.

"(f) Nothing in subsection (c) or (d) of this section shall be construed as prohibiting the reappointment of any person serving in such office in terms expiring on December 31, 1982 or December 31, 1983, respectively.".

Mr. PACKWOOD. Mr. President, this amendment is offered on behalf of Mr. CANNON, Mr. LAXALT, and myself.

In the bill, the committee recommended reducing the Interstate Commerce Commission to five members on

January 1, 1983. The amendment changes this by reducing the ICC initially to seven members on January 1, 1983, and then reducing it further to five members on January 1, 1986. We are proposing the amendment for two reasons. One, it allows that current chairman, who otherwise would be a lameduck, to be reappointed for an additional 2-year term. Two, it keeps the bipartisan balance that would otherwise be out of balance on the Commission.

I know of no objection to the amendment.

Mr. DOMENICI. Mr. President, the Senator from Oregon has two amendments listed. I assumed this was going to be the Coast Guard COLA amendment. I do not think I have any objection to this amendment, but I have not worked on clearing it.

Mr. HOLLINGS. Is this the ICC or COLA?

Mr. DOMENICI. This is the ICC.

Mr. HOLLINGS. We would have to object at this time.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand the distinguished Senator from Arizona might want to say something on the Packwood amendment that is pending.

Mr. GOLDWATER. Mr. President, this amendment has been thoroughly discussed on our side on the committee. The chief reason we want to reduce the size of the Commission is the same as for many other agencies of Government. As we proceed with regulatory reform, particularly with the Federal Communications Commission and the Interstate Commerce Commission, we do not have need for as many members as we used to have. Furthermore, it is clear that this amendment—affecting two of the largest regulatory bodies we have—will bring about greater efficiency.

I think this amendment has been worked out to the complete satisfaction of everyone involved. I hope that other committees of the Senate charged with the control of regulatory agencies could accomplish the same kind of reduction, because this means savings to the American taxpayer and a much better performance on the part of the agency.

Mr. President, I support the chairman of the Commerce Committee fully on this and urge the passage of the amendment.

Mr. PACKWOOD. Mr. President, I thank the Senator from Arizona. I emphasize again that there has been study after study on the size of Federal agencies. Most studies advocate five, and some three. With the exception of the ICC and the FCC, all other regulatory commissions now have five people. The only reason we are making the exception for 2 years on the Interstate Commerce Commission is to keep the party balance and to make sure the chairman is not a lameduck for the latter half of his term.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that factsheets on the Interstate Commerce Commission and the Federal Communications Commission be printed at this point in the RECORD.

There being no objection, the factsheets, were ordered to be printed in the RECORD, as follows:

FACTSHEET ON THE INTERSTATE COMMERCE COMMISSION [ICC]

STATUS OF THE MEMBERSHIP

The current statute provides that the ICC shall be composed of 11 members. However, the ICC has not had its full complement of members since before 1977; instead, its membership has ranged from 4 to 9. Today, it has only 6 members. Under the amendment, the ICC would be reduced to 7 members on January 1, 1983, and 5 members on January 1, 1986.

WHY SHOULD THE MEMBERSHIP BE REDUCED

1. The primary reason for reducing the number of members of the ICC is to effect budget savings for the agency. The Congressional Budget Office (CBO) estimates that total budgetary resources necessary to support each member are approximately $472,000 per year. These include $345,000 for salaries and personnel benefits, and $127,000 in related overhead and administrative costs.

2. It makes little sense to continue the ICC at its current size in view of its reduced responsibilities stemming from various regulatory reform measures. These measures include the Motor Carrier Act of 1980, the Household Goods Transportation Act of 1980, and the Staggers Rail Act of 1980. With the passage of the Bus Regulatory Reform Act, the ICC's responsibilities are expected to be reduced further in the future.

3. Various experts have recommended that the ICC's membership be reduced in order to maximize the effectiveness and speed with which it operates and the clarity of its decision making. In a comprehensive 1977 study of Federal regulation, the Senate Committee on Governmental Affairs, working with the Commerce Committee, concluded that "in order to provide the optimum balance between collegiality and maximum efficiency for multimember commissions, we believe that such commissions should consist of five or three members." In the same year, Commissioners Dan O'Neal and Charles Clapp testified before the Commerce Committee that the membership of the ICC should be reduced. Back in 1971, the Administrative Conference of the United States concluded that: "The advantages of the collegial form, if it is to be retained, can best be achieved with a limited number of members, ordinarily no more than five. A larger complement of members should require an affirmative demonstration of functional advantage and not be justified merely on the basis of tradition."

4. The fact that the ICC has been working with fewer than 11 members since before 1977 is evidence that the full complement is not necessary.

FACTSHEET: FCC REDUCTION

1. The proposal would reduce the size of the FCC to 5 from 7 members.

2. The reduction will take place on July 1, 1983, allowing for an abbreviated appointment to the term of office which expired on June 30, 1982.

3. The second term, expiring on June 30, 1983, will not be filled.

4. The terms of other members ar not affected.

5. The number of members constituting a quorum as of July 1, 1983, is reduced to 3 from 4.

6. Cost savings: $100,000 in FY 83 and $500,000 annually, thereafter.

7. The FCC reduction idea is not new:

a. Recommended in a January 1971 study entitled "A New Regulatory Framework: Report on Selected Independent Regulatory Agencies" (prepared by the President's Advisory Council on Executive Organizations);

b. Recommended in April 1974, by former FCC General Counsel Henry Geller in "A Modest Proposal to Reform the Federal Communications Commission" The Rand Corporation;

c. Recommended by the Senate Committee on Governmental Affairs in a "Study on Federal Regulation," Vol. IV, "Delay in the Regulatory Process" 95th Congress, 1st Session, July 1977; and

d. Recommended by the Comptroller General of the U.S. in July 1979, in "Organizing the Federal Communications Commission for Greater Management and Regulating Effectiveness."

8. Other Federal regulatory bodies that function with five members or less:

(a) the Civil Aeronautics Board;

(b) the Commodity Futures Trading Commission;

(c) the Environmental Protection Agency;

(d) the Equal Employment Opportunity Commission;

(e) the Federal Maritime Commission;

(f) the Federal Trade Commission;

(g) the National Labor Relations Board;

(h) the National Transportation Safety Board;

(i) the Nuclear Regulatory Commission;

(j) the Occupational Safety and Health Review Commission;

(k) the Postal Rate Commission; and

(l) the Securities and Exchange Commission.

Mr. DOMENICI. Mr. President, while we are waiting for a response, I want to address the distinguished chairman of the Commerce Committee. It is my understanding that the distinguished Senator from New Mexico (Mr. SCHMITT) has been very active in streamlining and making more effective regulatory commission activity. It is this interest that results in this amendment. Is that correct?

Mr. PACKWOOD. Mr. President, not only has he been active in committee, these provisions in S. 2774 were proposed by him in the Commerce Committee. He is the person who deserves the most credit on the committee.

Mr. STEVENS. Mr. President, will the Senator yield to me for just a moment?

Mr. DOMENICI. I am pleased to yield whatever time the Senator from Alaska desires.

Mr. STEVENS. Mr. President, it was our hope we might get additional amendments. We have disposed of my amendment that will not require a rollcall. Is the Senator aware of any other amendments we might get up, other than the pending Packwood amendment?

Mr. DOMENICI. I think there is a Simpson amendment listed and it can be taken care of in the technical amendments at the end of the debate. We are waiting to see if Senator KENNEDY might come to the floor to propose his amendment on veteran student assistance. If he does, we desire not to vote tonight but to put it over and vote tomorrow. I know of no other amendments than that.

Mr. STEVENS. Mr. President, I know the distinguished Senator from Oregon wants to proceed. Does he have another amendment?

Mr. PACKWOOD. I have a technical amendment on the Coast Guard as soon as we are able to dispose of this one.

Mr. HOLLINGS. Mr. President, I understand, just for the record, we have tried to counsel with the Senator from Nevada (Mr. CANNON) the ranking member on our Commerce Committee. The distinguished chairman, the Senator from Oregon (Mr. PACKWOOD), I am told, has checked with him. On that basis, we are glad to let this amendment go by at this time.

Mr. DOMENICI. We yield back any time we might have in opposition to the amendment.

Mr. HOLLINGS. I yield back our time, Mr. President.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment (UP 1177) was agreed to.

Mr. DOMENICI. I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1178

(Purpose: To make technical corrections)

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an unprinted amendment numbered 1178.

Mr. PACKWOOD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 72, strike line 4 through line 14, and insert in lieu thereof:

"SEC. 401. For cost savings achieved through a limitation on the amount of the annual adjustment of retired and retainer pay of members and former members of the uniformed services, in satisfaction of the reconciliation requirements of section 2(b)(2) of the first concurrent resolution on the budget for fiscal year 1983, see section 601 of this Act and section 1401(b) of title 10, United States Code."

Mr. PACKWOOD. Mr. President, the purpose of this amendment is to bring the language restraining the Coast Guard retired pay COLA into technical conformity with the other titles of the bill. The reported bill put a cap on the authorization for Coast Guard retired pay at the levels assumed in the budget resolution, rather than relying on the tie to civil service retirement law.

The limitation on the authorization could pose future problems if the actual costs of the program vary from CBO's estimates. This amendment eliminates the authorization cap, but would provide the same savings, and would prevent future difficulties if actual program costs differ from CBO's estimates. My understanding from the Budget Committee is that this amendment does not affect the savings attributed to the Commerce Committee and enables the Commerce Committee to remain in full compliance with its reconciliation instruction.

It is the intention of the Commerce Committee to treat Coast Guard retirees in exactly the same manner as other armed services retirees, in the matter of the retired pay COLA.

Mr. DOMENICI. Mr. President, we have no objection to the amendment. We support it and think it is in order.

Mr. HOLLINGS. Mr. President, we concur in the amendment on this side. We yield back our time.

Mr. DOMENICI. We yield back any time we might have.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment (UP No. 1178) was agreed to.

Mr. DOMENICI. I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I thank all Senators for their participation and cooperation on these amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield to me for the purpose of making an inquiry? The Senator from New Mexico has the time. Will he yield me some time?

Mr. DOMENICI. All the time the Senator from Alaska desires.

Mr. STEVENS. Mr. President, it is my understanding we are unable to get an amendment called up now because of the briefing that is going on to the general membership of the Senate. I think we have to recognize that. It is related to the world situation. It is a very important meeting and Members do not want to leave. Under the circumstances, it would be my intention to ask the Senate, with the agreement of my good friend from West Virginia, to set this bill aside so we can handle routine matters and announce there will be no more votes this evening.

Mr. HOLLINGS. Mr. President, before we set it aside, could we have the understanding on the record that the amendment of the Senator from Ohio (Mr. METZENBAUM) will be called right after convening and the two leaders have their time in the morning? I think that is the understanding, but it ought to be on the record so not only the Senator will understand but the membership will know that the Metzenbaum amendment will be up at 9 o'clock in the morning.

Mr. STEVENS. It is certainly agreeable, and, subject to the agreement of the Senator from West Virginia, it is our intention to limit leader time tomorrow morning to just 1 minute and to ask that morning business and the special orders take place after the controlled time which ends at 4 p.m., tomorrow afternoon.

May I ask my friend from West Virginia if that is correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. He is in agreement. There is general agreement and that will be the policy.

Mr. President, there will be no further votes this evening. Pending the arrival of the material so we can handle the routine matters here before we close, I suggest the absence of a quorum.

Mr. DOMENICI. Mr. President, will the Senator withhold?

Mr. STEVENS. I withhold.

Mr. DOMENICI. We have no objection to the understanding that the Metzenbaum amendment will be the first one up in the morning. However, I do not want to imply by that that we

are waiving any objections we may have to the amendment relative to germaneness and the like.

Mr. HOLLINGS. Right.

Mr. DOMENICI. With that understanding, I have no objection.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION INCREASE IN EXPENDITURES OF COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of Senate Resolution 431, and that the Senate proceed immediately to its consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

Resolution (S. Res. 431) increasing the limitation on expenditures by the Committee on Governmental Affairs for the training of professional staff.

The PRESIDING OFFICER. Without objection the committee is discharged, and without objection the Senate will proceed to consider the resolution.

The question is on agreeing to the resolution.

The resolution (S. Res. 431) was agreed to, as follows:

Resolved, That section 13(b)(2) of Senate Resolution 333, Ninety-seventh Congress, agreed to March 11, 1982, is amended by striking out "$1,500" and inserting in lieu thereof "$8,500".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FINANCIAL INTEGRITY ACT OF 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that the Chair lay before the Senate calendar No. 438, Senate bill 864.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 864) to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs with an amendment to strike out all after the enacting clause, and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Financial Integrity Act of 1981".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) fraud, waste, and mismanagement have caused a serious crisis of confidence in Federal Government programs and agencies;

(2) fraud and errors in Federal programs are more likely to occur from a lack of effective systems of internal accounting and administrative control in the Federal agencies;

(3) effective systems of internal accounting and administrative control provide the basic foundation upon which a structure of public accountability must be built;

(4) effective systems of internal accounting and administrative control are necessary to provide assurance that Federal assets and funds are adequately safeguarded as well as to produce reliable financial information for the agency;

(5) systems of internal accounting and administrative control are necessarily dynamic and must be continuously evaluated and where necessary improved; and

(6) reports regarding the adequacy of the systems of internal accounting and administrative control of each Federal agency are necessary to enable the executive branch, the Congress, and the public to evaluate the agency's performance of its public responsibilities and accountability.

(b) It is hereby declared to be the policy of the United States that—

(1) each Federal agency must maintain effective systems of internal accounting and administrative control as an integral part of its management practices;

(2) the systems of internal accounting and administrative control of each Federal agency shall be evaluated on an ongoing basis and when detected, weaknesses must be promptly corrected; and

(3) all levels of management of the Federal agencies must involve themselves in assessing and strengthening the systems of internal accounting and administrative control to minimize fraud, errors, abuse, and waste of Government funds.

DEFINITIONS

SEC. 3. As used in this Act:

(a) The term "President" means the President of the United States.

(b) The term "Comptroller General" means the Comptroller General of the United States.

(c) The term "Director" means the Director of the Office of Management and Budget.

SEC. 4. Section 113 of the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 66a), is amended by adding at the end thereof the following new subsection:

"(d)(1) To ensure that the requirements of subsection (a)(3) of this section are fully complied with, the head of each executive agency shall, on the basis of an evaluation conducted in accordance with guidelines prescribed under paragraph (5) of this subsection, prepare a report describing whether the agency's systems of internal accounting and administrative control are sufficient to provide reasonable assurance of meeting the objectives of such systems as specified in subsection (d)(6) of this section. Such report shall be issued by each agency no later than December 31, 1982, and by December 31 following the end of each fiscal year thereafter.

"(2) The reports shall be signed by the head of each executive agency and addressed to the President. Such reports shall also be made available to Congress and the public.

"(3) The reports shall indicate whether—

"(A) the agency's systems of internal accounting and administrative control fully comply with the requirements of subsection (d)(6) of this section; or

"(B) such systems do not fully comply with such requirements.

"(4) In the event that the head of an agency prepares a report described in paragraph (3)(B), the head of such agency shall include with such report an identification and description of any material weaknesses in the agency's systems of internal accounting and administrative control and the plans and schedule for correcting any such weaknesses.

"(5) By June 30, 1982, the Director of the Office of Management and Budget, in consultation with the Comptroller General, shall establish guidelines for the evaluation by agencies of their systems of internal accounting and administrative control to determine such systems' compliance with the requirements of subsection (d)(6) of this section. The Director, in consultation with the Comptroller General, may modify the format for the reports required by subsection (d)(1) or the framework and guidelines for conducting the agency evaluations from time to time as deemed necessary.

"(6) Internal accounting and administrative controls shall be established in accordance with standards prescribed by the Comptroller General, and shall provide reasonable assurances that—

"(i) all obligations and costs are in compliance with applicable law;

"(ii) all funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

"(iii) all revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.".

Mr. STEVENS. Mr. President, I move that the Senate disagree with the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

UP AMENDMENT NO. 1179

(Purpose: Amendment in the nature of a substitute to the Federal Managers' Financial Integrity Act of 1982)

Mr. STEVENS. Mr. President, I send an amendment to the desk on behalf of the chairman of the committee, the distingusihed Senator from Delaware (Mr. ROTH), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), on behalf of Mr. ROTH, proposes an unprinted amendment numbered 1179.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. This Act may be cited as the "Federal Managers' Financial Integrity Act of 1982".

SEC. 2. Section 113 of the Accounting and Auditing Act of 1950 (31 U.S.C. 66a) is amended by adding at the end thereof the following new subsection:

"(d)(1)(A) To ensure compliance with the requirements of subsection (a)(3) of this section, internal accounting and administrative controls of each executive agency shall be established in accordance with standards prescribed by the Comptroller General, and shall provide reasonable assurances that-

"(i) obligations and costs are in compliance with applicable law;

"(ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

"(iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

"(B) The standards prescribed by the Comptroller General under this paragraph shall include standards to ensure the prompt resolution of all audit findings.

"(2) By December 31, 1982, the Director of the Office of Management and Budget, in consultation with the Comptroller General, shall establish guidelines for the evaluation by agencies of their systems of internal accounting and administrative control to determine such systems' compliance with the requirements of paragraph (1) of this subsection. The Director, in consultation with the Comptroller General, may modify such guidelines from time to time as deemed necessary.

"(3) By December 31, 1983, and by December 31 of each succeeding year, the head of each executive agency shall, on the basis of an evaluation conducted in accordance with guidelines prescribed under paragraph (2) of this subsection, prepare a statement—

"(A) that the agency's systems of internal accounting and administrative control fully comply with the requirements of paragraph (1); or

"(B) that such systems do not fully comply with such requirements.

"(4) In the event that the head of an agency prepares a statement described in paragraph (3)(B), the head of such agency shall include with such statement a report in which any material weaknesses in the agency's systems of internal accounting and administrative control are identified and the plans and schedule for correcting any such weakness are described.

"(5) The statements and reports required by this subsection shall be signed by the head of each executive agency and transmitted to the President and the Congress. Such statements and reports shall also be made available to the public, except that, in the case of any such statement or report containing information which is—

"(A) specifically prohibited from disclosure by any provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs,

such information shall be deleted prior to the report or statement being made available to the public.".

SEC. 3. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof the following new subsection:

"(k)(1) The President shall include in the supporting detail accompanying each Budget submitted on or after January 1, 1983, a separate statement, with respect to each department and establishment, of the amounts of appropriations requested by the President for the Office of Inspector General, if any, of each such establishment or department.

"(2) At the request of a Committee of the Congress, additional information concerning the amount of appropriations originally requested by any office of Inspector General, shall be submitted to such Committee.".

SEC. 4. Section 113(b) of the Accounting and Auditing Act of 1950 (31 U.S.C. 66a(b)), is amended by adding at the end thereof the following new sentence: "Each annual statement prepared pursuant to subsection (d) of this section shall include a separate report on whether the agency's accounting system conforms to the principles, standards, and related requirements prescribed by the Comptroller General under section 112 of this Act.".

Mr. ROTH. Mr. President, I am pleased that the Senate today is considering S. 864, the Financial Managers' Integrity Act of 1982. We have been working with our House counterparts to develop an acceptable compromise version of this bill and I believe the amendment we have developed will go far toward improving agency internal controls systems. I commend Senator EAGLETON, the distinguished ranking member of the Governmental Affairs Committee, for his initiative in developing this legislation.

I believe this legislation, if implemented effectively, can help to improve the management of Federal programs and strengthen agency accounting systems. The bill has as its primary objective the improvement of internal agency control systems to prevent fraud, abuse, and waste in Government. The underlying premise of the bill is that inefficient or wasteful spending should be, to the greatest extent possible, prevented before it is allowed to happen. Greater efforts must be made to reduce to a minimum the opportunities for fraudulent activity and the ineffective financial procedures which exist in many Federal agencies. A little more care in designing agency administrative mechanisms can yield a great deal more savings down the road.

I view improvements in the efficiency of Government as a vital corollary to spending restraint. Simply stated, the Government must do more with what it has, and the elimination of fraud, abuse, and waste will make that possible. The provisions contained in S. 864 are designed to make Government managers accountable for the efficient and effective operations of programs under their control. I believe the public has become cynical about the effectiveness of the Federal Government, in great measure, because no one seems to be responsible for anything in Government today. When things go wrong in Government, no one seems to know why. When they go right, we know exactly whom to thank.

The Financial Integrity Act is designed to insure that whether things to right or wrong, someone is clearly responsible for insuring that action will be taken to correct problems and insure continued improvements.

I think the problem of inadequate internal controls is very serious. Fraud and inefficiencies in Government programs remain undetected due to weak, inadequate, or nonexistent internal control mechanisms. Many cases of fraud that do occur might have been prevented had effective internal control mechanisms been in place. Last May, our committee held hearings on a General Accounting Office report which revealed over 77,000 cases of fraud and other illegal activities in 21 Federal agencies over a 2½-year period. The results of that report document what has been suspected for years: Crime pays in Government. One of the major reasons such fraud occurs is the fact, as Elmer Staats, the former Comptroller General, pointed out, that top level management has devoted too much time to getting the dollars out and too little to making sure we know how well those dollars are spent.

Strong internal controls should be an integral part of a well-managed program, not an afterthought. Private sector companies are increasingly including "management reports" describing the condition of their accounting and internal control systems in their annual reports to shareholders. Such reports typically affirm management's responsibility for the company's financial statement and comment on the adequacy of the company's internal accounting controls. A recent survey by the accounting firm of Ernst & Winney of the top Fortune 1,000 companies revealed that management acknowledged its responsibility for the company's financial statements in 100 percent of the reports and in 41 percent of the reports there was some assurance given that the company's system of internal controls was adequate. The Federal Government itself has required private sector corporations to establish effective internal control systems. For example, the Foreign Corrupt Practices Act re-

quires the chief executive officers of corporations to verify that their corporations maintain effective internal control systems. In short, the private sector is moving to improve its accounting and financial control systems and the Government itself has required private sector companies to clean up their act. We can ask no less of the Government.

I believe the Financial Managers' Integrity Act can help improve the management of Government programs and prevent the unnecessary loss of taxpayer dollars. I urge my colleagues to support its enactment.

Mr. SASSER. Mr. President, the Financial Integrity Act, S. 864, will, if enacted, improve the way in which the Government watches its money. The key is strengthened accounting procedures: The first line of defense against fraud, waste, and abuse in government programs.

Passage of S. 864 will give "teeth" to the Accounting and Auditing Act of 1950, the law that has required Federal agencies to follow accepted accounting and administrative practices for more than 30 years.

Unfortunately, the Federal agencies just have not taken this law seriously. Only 64 percent of all Federal agency accounting systems have been approved by the Comptroller General as the Accounting and Auditing Act requires. Both the Department of Defense and the Department of Health and Human Services operate with accounting systems that have not been approved by the Comptroller General. Yet the budgets of these two Departments represent a large proportion of the total Federal budget.

How will the Financial Integrity Act help the situation? Well, for one thing passage of S. 864 means that the head of each Federal agency will be held accountable for his agency's internal control system. The individual heading up the agency will have to report to the Congress and the public on the efficiency and financial integrity of the agency's programs. In other words, we can fix the blame, if necessary. Or, on the other hand, give a well-deserved pat on the back.

Further, the Financial Integrity Act clarifies the separate but complimentary roles of the Office of Management and Budget, the General Accounting Office, and the Federal agencies in establishing and maintaining effective internal accounting and administrative controls.

I am proud to cosponsor this legislation. It continues a battle against mismanagement in the Federal Government that I have waged ever since I became a U.S. Senator.

Establishing stringent and effective internal accounting controls in the Federal agencies goes hand-in-hand with work I have already done in the Senate to reduce fraud, waste, and abuse in the Federal Government. Two bills with this objective that I shaped in the last Congress are now pending action on the floor in the 97th Congress. One, S. 1249, would increase the efficiency of governmentwide efforts to collect delinquent debts owed to the United States. Studies show that some $34 billion such bad debts now remain uncollected by the Federal Government. Another bill, S. 807, has a title that sets forth procedures to improve the use of audit resources in monitoring the Federal grant system.

In 1979, I established the General Accounting Office "hotline" to which over 32,000 cases of mismanagement within the Federal agencies have been reported since 1979.

The provisions of S. 864 complement these efforts of mine.

Why are internal control systems in such a state of disrepair? Well, it is because top management in the Federal agencies gives the greatest priority to the delivery of funds and services. Safeguarding public assests has been at the bottom of the list of priorities.

The Financial Integrity Act, S. 864, if enacted, will lead to greater priority and more effective controls over the tasks and functions that lead to the delivery of the funds and services.

Along the way, the Senators sponsoring this bill hope that money can be saved in the Federal budget. For example, a recent GAO report identifies $14.3 billion in unresolved audit findings representing potential recoveries, rebates, revenues, or savings for the Federal Government.

Mr. President I urge passage of this important bill.

Mr. EAGLETON. Mr. President, Senate passage of legislation like S. 864, followed by its enactment into law, has been a goal of mine for the past few years. This legislation seeks to strengthen the internal accounting and administrative controls maintained by Federal agencies, which former Comptroller General Elmer Staats once called the first line of defense against fraud, waste and program abuse. In recent years, there has been no shortage of speeches on the issue of fraud and waste in Government, but the significant steps which realistically promise to improve the situation occur with far less frequency. This legislation should operate as a significant deterrent to fraud and waste in Government by improving the Federal agencies manage their programs and resources. It is impossible to predict savings with any precision, and no one benefits from claims that cannot be documented, but I am convinced that substantial savings will result in future years as the process required by S. 864 makes a major change in the way Federal agencies conduct business.

Beginning with the GSA scandal, which surfaced in 1978, the public has been continually bombarded by reports of staggering levels of fraud, waste and abuse in Federal programs. In one memorable revelation, the Inspector General at Health, Education, and Welfare estimated that between $6.3 billion and $7.4 billion was misspent annually at his department as a result of fraud, abuse and waste—at a minimum. An official of the General Accounting Office knowledgeable in this area estimated that same year that fraud in Federal programs could range anywhere from $12 to $25 billion annually.

This level of fraud, program abuse, and just plain waste in Federal programs is unacceptable. We cannot permit the squandering of billions of dollars at this time of skyrocketing deficits and budgetary austerity. This misuse of Federal funds robs resources which might otherwise be available to meet legitimate, ever pressing, human needs. It promotes understandable public cynicism about all Federal programs, eroding support for these activities.

There is no miracle, overnight cure to these problems. A government as large as ours will never be perfectly administered, and there is a morally bankrupt, but widely held, notion that stealing from the Government is somehow "less bad" than stealing from an individual.

But at the same time, billions of dollars lost to fraud, waste, and program abuse does not just happen. Those billions are lost because of distinct, identifiable failings in performance by the Federal Government, and I believe that we have an obligation to understand and identify those failings and to devise workable solutions that can improve the situation.

We followed this pattern in 1978 when we enacted the Inspector General legislation. The Governmental Affairs Committee and its House counterpart had discovered that the audit and investigative units of the Federal agencies were woefully understaffed and lacked the necessary visibility and independence in the agencies. The IG legislation responded directly to those problems by centralizing audit and investigative authority in one high-level political appointee with the clout and independence needed to conduct audits and investigative operations and to enhance the economy and efficiency of the agencies. Most observers regard the Inspector General legislation as the most significant step taken by the Federal Government to combat fraud, waste, and program abuse.

The effort to strengthen internal controls reflected in S. 864 is a logical followup to the Inspector General legislation. Since 1976, GAO has issued a series of reports showing that inad-

equate internal controls are the No. 1 problem facing Federal agencies. An August 1980, report summarized the findings of GAO's reviews of 11 agencies' fiscal offices and found "widespread, similar and prevalent financial control weaknesses" which caused GAO to believe that "similar problems exist throughout the Government."

Horror stories abound where fraud, waste, and mismanagement can be directly attributed to inadequate internal controls. For example:

At Labor's Employment Training Administration, action had not been taken to record auditor's exceptions to costs charged against grants. In May 1978, the agency had from 1,524 audit reports a total of $218 million in questioned costs that had never been recorded.

A financial clerk in the Department of Transportation embezzled over $856,000 in Federal mass transit funds. The clerk simply substituted his name on six vouchers instead of the names of the mass transit agencies supposedly receiving the money. His supervisor did not properly preaudit vouchers, but simply signed them over. The Government never discovered this fraud. It came to light only because of an alert bank teller who questioned the size of the deposits being made in the embezzler's account.

Over $25 million has been paid out erroneously because of internal controls weaknesses in the supplemental security income program, according to an August 1979, GAO report.

Hearings before Senator CHILES' subcommittee in 1980, indicated that over the last 10 years, Washington-based Federal agencies had bought $1.2 billion of new office furniture, even though 373 million dollars worth of new or slightly used furniture was in storage. Agencies had no management systems to determine what furniture they had on hand before buying new items.

Regrettably, these cases where wrongdoing or a problem was detected represent only the tip of the iceberg. GAO has reported a total of 77,000 cases of fraud and other illegal acts alleged against 21 major agencies in the 2½ years ending March 31, 1979. Very few of these cases involved brilliant, criminal minds executing elaborate, fool-proof schemes to defraud the Government and the public. Most of the illegal acts were probably perpetrated with the same subtlety as the clerk who passed himself off as a mass transit system. They occurred because internal controls had broken down, where commonsense, everyday procedures were not followed, presenting people with an open invitation to steal. It in no way excuses those who acted illegally to observe that a well-mananged agency would not have given them the opportunity in the first place.

S. 864 would amend the Accounting and Auditing Act of 1950, by requiring ongoing evaluations of the adequacy of systems for internal accounting and administrative control of each executive agency. These evaluations, under guidelines to be established by the Office of Management and Budget, are to be conducted to determine whether the agencies' internal accounting and administrative control systems are in compliance with standards which will be prescribed by the Comptroller General. An annual statement signed by the agency head will state the effectiveness of the agency's internal controls or, if necessary, outline a schedule for strengthening any weaknesses found in those controls.

The Accounting and Auditing Act of 1950 already contains the general requirement that agencies maintain adequate systems of internal administrative and accounting controls. Plainly, however, that admonition has been honored all too often in the breach. S. 864 would, in Comptroller General Bowsher's words, "put teeth" into the requirement that agencies maintain internal controls by mandating an ongoing system of evaluation to insure that internal controls are effective, and by requiring the agency head to sign on the line that the agency's controls are effective, or, if they are not, to identify material weaknesses and set forth a plan and a schedule to remedy those weaknesses.

By holding the agency head accountable, S. 864 attempts to deal with a basic failure in the way Federal agencies have conducted "business as usual" and to change management attitudes up and down the line. As Mr. Staats has said:

> The reason internal controls systems are in a state of disrepair is that top management has devoted most of its concern and emphasis to delivering funds and services, and that effective controls over tasks and functions which lead to the delivery of these funds and services have had a low priority. Because of top management's insufficient concern for internal controls, middle management reflects this same indifference.

It is necessary to convince Federal managers that the responsibility to deliver funds and services carries with it the obligation to do so in a financially sound way.

No one disputes the need for strengthening internal accounting and administrative controls in the Federal agencies. However, the Reagan administration has taken the position that the goal should be pursued administratively, rather than through legislation. Testifying for the administration last November, Ed Harper, then Deputy Director of OMB, pointed out that OMB had recently issued Circular A-123 dealing with internal controls, and expressed the fear that the legislation could create confusion in the agencies.

In rejecting OMB's position, our committee found several factors compelling. All the other expert witnesses who have studied the issue—Comptroller General Bowsher, the Association of Government Accountants, the Institute of Internal Auditors and the American Institute of CPA's—expressed the view that legislation was needed. They believed, as I do, that the legislative route was preferable because of its permanence, and because it adds the weight of Congress concern to the cause of strengthening internal controls. There is no doubt in my mind that executive branch indifference to internal controls has reflected, to some extent, Congress indifference, and our preoccupation with delivering services and funds, rather than doing so efficiently. Serious change is more likely to occur if the agencies believe that Congress sincerely means it, as well as OMB.

OMB does have a leadership role to play in this area, and a legitimate concern that the legislation not undercut efforts already undertaken. However, S. 864 recognizes that role by giving OMB the lead in establishing guidelines which the agencies will use to evaluate their internal control systems. Moreover, while GAO, rather than OMB, would prescribe the standards for internal controls, Comptroller General Bowsher has noted that these standards would not be inconsistent with the very general standards included in OMB Circular A-123.

In sum, S. 864 represents a significant step toward sounder financial management in the Federal Government. Obviously, the legislation is not self-executing; its success will require a sustained commitment on the part of agency officials, OMB, GAO, and the Congress in its oversight capacity. However, the fact that Congress and the Executive have joined GAO in realizing the importance of the somewhat arcane and technical issue of internal controls bodes well for the future. Our budgetary problems will not disappear anytime soon; nor will the public's anger at revelations of waste and fraud in Federal programs. We owe it to the taxpayers to make sure that our efforts to prevent and detect fraud and waste and to improve the financial management of the Federal Government improve in sophistication and intensity. S. 864 can represent an important part of that improvement.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1179) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the en-

grossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of H.R. 1526, the House companion bill, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1526) to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. STEVENS. Mr. President, I move to strike all after the enacting clause of H.R. 1526 and to substitute the text of S. 864 as amended by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 1526) was passed, as follows:

H.R. 1526

SECTION 1. This Act may be cited as the "Federal Managers' Financial Integrity Act of 1982".

SEC. 2. Section 113 of the accounting and Auditing Act of 1950 (31 U.S.C. 66a) is amended by adding at the end thereof the following new subsection:

"(d)(1)(A) To ensure compliance with the requirements of subsection (a)(3) of this section, internal accounting and administrative controls of each executive agency shall be established in accordance with standards prescribed by the Comptroller General, and shall provide reasonable assurances that—

"(i) obligations and costs are in compliance with applicable law;

"(ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

"(iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

"(B) The standards prescribed by the Comptroller General under this paragraph shall include standards to ensure the prompt resolution of all audit findings.

"(2) By December 31, 1982, the Director of the Office of Management and Budget, in consultation with the Comptroller General, shall establish guidelines for the evaluation by agencies of their systems of internal accounting and administrative control to determine such systems' compliance with the requirements of paragraph (1) of this subsection. The Director, in consultation with the Comptroller General, may modify such guidelines from time to time as deemed necessary.

"(3) By December 31, 1983, and by December 31 of each succeeding year, the head of each executive agency shall, on the basis of an evaluation conducted in accordance with guidelines prescribed under paragraph (2) of this subsection, prepare a statement—

"(A) that the agency's systems of internal accounting and administrative control fully comply with the requirements of paragraph (1); or

"(B) that such systems do not fully comply with such requirements.

"(4) In the event that the head of an agency prepares a statement described in paragraph (3)(B), the head of such agency shall include with such statement a report in which any material weaknesses in the agency's systems of internal accounting and administrative control are identified and the plans and schedule for correcting any such weakness are described.

"(5) The statements and reports required by this subsection shall be signed by the head of each executive agency and transmitted to the President and the Congress. Such statements and reports shall also be made available to the public, except that, in the case of any such statement or report containing information which is—

"(A) specifically prohibited from disclosure by any provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs,

such information shall be deleted prior to the report or statement being made available to the public.".

SEC. 3. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof the following new subsection:

"(k)(1) The President shall include in the supporting detail accompanying each Budget submitted on or after January 1, 1983, a separate statement, with respect to each department and establishment, of the amounts of appropriations requested by the President for the Office of Inspector General, if any, of each such establishment or department.

"(2) At the request of a committee of the Congress, additional information concerning the amount of appropriations originally requested by any office of Inspector General, shall be submitted to such committee.".

SEC. 4. Section 113(b) of the Accounting and Auditing Act of 1950 (31 U.S.C. 66a(b)), is amended by adding at the end thereof the following new sentence: "Each annual statement prepared pursuant to subsection (d) of this section shall include a separate report on whether the agency's accounting system conforms to the principles, standards, and related requirements prescribed by the Comptroller General under section 112 of this Act.".

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that Calendar No. 438, S. 864, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEST FLIGHT PHASE OF THE SPACE SHUTTLE PROGRAM

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 724, House Joint Resolution 541.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H. J. Res. 541) concerning the successful completion of the test flight phase of the Space Shuttle Program.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

UP AMENDMENT NO. 1180

(Purpose: To congratulate the National Aeronautics and Space Administration and all persons involved in the success of the test flight phase of the Space Shuttle program)

Mr. STEVENS. Mr. President, I send to the desk an amendment on behalf of the Senators from California (Mr. HAYAKAWA and Mr. CRANSTON).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), on behalf of the Senators from California (Mr. CRANSTON and Mr. HAYAKAWA), proposes an unprinted amendment numbered 1180.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the Congress of the United States congratulates the National Aeronautics and Space Administration, the members of the Astronaut Corps, prime contractor Rockwell International, associate contractors Martin Marietta and Thiokol, the thousands of Shuttle subcontractors throughout the United States, and the tens of thousands of dedicated Space Shuttle workers who contributed to the successful completion of the Space Shuttle test flight period and to the entry of our Nation into a promising new era of spaceflight for the benefit of the people of the United States and all mankind.".

Strike out the preamble and insert in lieu thereof the following:

"Whereas when the Space Shuttle Columbia flew through a blazing reentry and skimmed to a perfect landing on the Fourth of July 1982, at Edwards Air Force Base, California, the National Aeronautics and

Space Administration successfully completed the test flight phase of the Space Shuttle program and began a new era of operational Space Shuttle missions;

Whereas in four test missions, the Space Shuttle Columbia, a reuseable spaceship designed to provide routine space travel for a wide variety of scientific, commercial, and military payloads at reduced costs and with a high reliability of success, lived up to its promise as the most advanced spacecraft in the world;

Whereas in four test missions, the Columbia was lifted from earth, orbited in the vacuum of space like a satellite, operated a variety of scientific experiments, tested the capability of the remote manipulator system to deploy satellites in orbit and to retrieve satellites, descended into the earth's atmosphere, was piloted by astronauts like a conventional winged airplane, and was landed at Edwards Air Force Base, California, and at White Sands missile range, new Mexico;

Whereas the Space Shuttle Columbia, the newly completed Space Shuttle Challenger, and the sister shuttles Discovery and Atlantis, now under construction, will be able to fly repeatedly back and forth from space as an operational space transportation system;

Whereas the Space Shuttle orbiters will accommodate an unprecedented variety of payloads including a fully equipped scientific laboratory (Spacelab) provided by the European space agency, underscoring the commitment of the United States to international cooperation in space activities;

Whereas using the unique qualities of the space environment (weightlessness and a near perfect vacuum) the Space Shuttle orbiters will be used for experiments to produce special alloys, metals, glasses, crystals, and pharmaceuticals that cannot be performed on earth;

Whereas the Space Shuttle orbiters will place in orbit satellites to observe the earth's weather, provide improved communications, discover new mineral resources, monitor crop and timber yields, help United States forces to navigate, and monitor arms control agreements;

Whereas the Space Shuttle orbiters will also place in orbit the most powerful space telescope and will launch scientific probes to explore the planets;

Whereas the Space Shuttle program is a national enterprise, geographically and technologically, requiring tens of thousands of skilled workers to design, develop, test and evaluate the various Space Shuttle components;

Whereas the Space Shuttle program has been judged by independent research organizations to have a positive effect on the national economy, creating jobs, reducing inflationary pressures and forwarding the development of advanced technologies; and

Whereas the Space Shuttle program is a source of great national pride and the United States now holds world leadership in its proven ability to operate a reusable Space Shuttle: Now, therefore, be it".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 1180) was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 541) was read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering nominations on the Executive Calendar, commencing with calendar No. 883, also calendar No. 884, and the nomination—if consent is granted—of Maj. Gen. Charles G. Cooper, of the Marine Corps, which was reported today by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished acting majority leader state again the items on the calendar that he wishes to dispose of?

Mr. STEVENS. The request is to proceed to the consideration of calendar No. 883, under Department of Commerce, and calendar No. 884, under Export-Import Bank of the United States.

Mr. ROBERT C. BYRD. There is no objection.

Mr. STEVENS. Also, the nomination of Maj. Gen. Charles G. Cooper. The nomination is at the desk.

Mr. ROBERT C. BYRD. Is that at the request of Mr. TOWER?

Mr. STEVENS. That is at the request of the distinguished Senator from Texas (Mr. TOWER).

Mr. ROBERT C. BYRD. Mr. President, I have been persuaded to yield on that request and to interpose no objection, lengthy or otherwise.

Mr. STEVENS. The distinguished Senator from West Virginia is gracious, as always.

Mr. President, I ask unanimous consent that the Senate go into executive session for that purpose.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. STEVENS. Mr. President, I ask unanimous consent that the nominations to which I have referred be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF COMMERCE

Robert G. Dederick, of Illinois, to be Under Secretary of Commerce for Economic Affairs.

EXPORT-IMPORT BANK OF THE UNITED STATES

Richard W. Heldridge, of California, to be a member of the board of director of the Export-Import Bank of the United States.

U.S. MARINE CORPS

Maj. Gen. Charles G. Cooper, to be Lieutenant General in the U.S. Marine Corps.

Mr. STEVENS. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed consideration of legislative business.

AFGHANISTAN—THE FORGOTTEN WAR

Mr. ROBERT C. BYRD. Mr. President, as world attention is riveted on the crisis in the Middle East, strategic arms negotiations between the United States and the Soviet Union, and the growing division in the Atlantic Alliance over economic issues, Afghanistan remains the forgotten war.

However, the war has not been forgotten by the freedom fighters in Afghanistan, nor by the Soviet Union's own moslem population.

Newsweek magazine's Andrew Nagorski recently traveled to a Soviet Central Asian republic bordering on Afghanistan. He found the war was having an increasingly unsettling influence on the region's young Muslim population.

The Tajik muslim community lives on both sides of the Soviet and Afghanistan border. According to the August 9 edition of Newsweek the Soviets have "sent a proportionately far greater number of them (Tajiks) to fight in Afghanistan."

There has to be an element of racism in a decision such as this. Rather than risk high casualties among ethnic white Russians, the Soviets appear to be content to have muslims killing muslims in Afghanistan. One can only wonder why the Islamic world has not raised a hue and cry about this set of circumstances.

Certainly this is not lost upon the ethnic Tajiks of the Soviet Union. As Nagorski reports, while they largely accept the Soviet rationale for the war, they balk at fighting the Afghans because of their common faith.

"People here don't like to go to Afghanistan because they are Muslims too," one teenager was quoted as saying.

There is even evidence of the young taking steps to avoid the Soviet draft so they are not compelled to serve in Afghanistan. And Afghans living in Tajikistan say they will not return to Afghanistan until the fighting is over.

One Tajik was quoted as saying that if he were in Afghanistan he would join the freedom fighters.

It is estimated there are now 100,000 Soviet troops in Afghanistan. Yet, for all the modern weaponry at the disposal of the Soviets the freedom fighters refuse to submit to Russian oppression. The fertile Panjshir Valley has been the target of most of the fighting in Afghanistan in recent months. Several hundred Afghan troops have defected to the side of the freedom fighters, bringing tanks and other military equipment with them, according to published reports.

The July 5 edition of Time magazine carried a stirring report on the Afghan resistance. The report paints a picture of increasing frustration on the part of the Soviet military in attempts to break the back of the Afghan nationalists.

Mr. President, the Islamic world is very outspoken over Israel's attempts to rid themselves of PLO terrorism, but strangely silent when it comes to the Soviet Union sending Muslims to kill Muslims and so is the United States and the American press strongly silent. I ask unanimous consent that the two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Newsweek magazine, Aug. 9, 1982]

SOVIET UNION—WORRIES ALONG THE BORDER

Since the Soviet Army invaded Afghanistan two and a half years ago, Moscow has ensured that most Soviet people remain ignorant and indifferent about the war. But the Soviet leaders have not succeeded entirely in preventing the Afghan trauma from spilling across their own frontiers. Last week Newsweek's Andrew Nagorski traveled to Tajikistan, a Soviet Central Asian republic bordering on Afghanistan, and found that the war has had a profound—and unsettling—influence on the region's young Muslims. Nagorski's report:

The 21-year-old Tajik soldier I met in Dushanbe, Tajikistan's capital, was on leave from duty in Mongolia, and he counted himself lucky that he had escaped service in Afghanistan. "Mongolia is better—it's less dangerous," he said. "Many people from here have died in Afghanistan. Mothers get telegrams that their sons have been killed and their bodies are being returned. From my village, one boy's body came back with his nose and ears cut off." The soldier shook his head slowly. "No one wants war," he said. "No one wants to die."

Throughout Tajikistan the Afghanistan war is an immediate and emotional issue. Tajiks live on both sides of the border, and because of those ethnic ties, the Soviets have sent a proportionally far greater number of them to fight in Afghanistan. Casualty figures are top secret, but a caretaker at one of Dushanbe's four cemeteries says that one or two bodies a month come back from Afghanistan in sealed coffins. The bodies are often mutilated—the trademark of the basmachi, as the locals call the Afghan rebels. "We are not allowed to open [the coffins] because a leg, nose or ear are often missing," the caretaker explained.

Ethnic Tajiks largely accept the Soviet rationale for the war, but balk at fighting the Afghans in part because of their shared faith. "People here don't like to go to Afghanistan because they are Muslims, too," said a teenager from a village outside Dushanbe. Islam is a powerful force in Tajikistan. The mullah at one mosque in Dushanbe said that 5,000 worshipers attend Friday services. "Everyone here is a believer," said another elderly Muslim. That may be less true of young Tajiks. Still, most of them are proud of their Islamic heritage.

Non-Tajiks also have reason to worry about the war. Two-fifths of Tajikistan's 4.2 million residents belong to other nationalities—Russians, Uzbeks and others—and the young people among them are nervous about serving in Afghanistan. Three young Russians I talked with at Komsomol Lake, a popular summer retreat, confided that the war had touched each of their lives. One had a brother serving in Afghanistan. Another's father performed "ideological work" in Kabul. A third was cramming for college-entrance examinations—in hopes, he said, of avoiding the draft.

All three Russians voiced support for the official Soviet line: that Afghanistan is a "defensive" war. "If we were not there, you Americans would put in missiles to use against us," said the would-be college student. But he admitted nervousness about the idea of personal sacrifice. "I could be dead in two years," he said. Another of the young men quietly told the story of a friend who had recently lost a brother in Afghanistan. "He, of course, was stunned—he cried for days," said the Russian. "It took him some time to accept that this was necessary for his country."

Relief: Afghans living in Tajikistan are also naturally eager to avoid the war. At Komsomol Lake I met two Afghan students who freely admitted their relief at being in the Soviet Union rather than on the other side of the border. Along with several hundred of their countrymen, they had enrolled in Dushanbe's colleges, at least in part with the intention of skirting the draft. "In Afghanistan there is shooting and killing," said an 18-year-old Afghan who was entering a five-year physical-education course. "Here it's nice and quiet. I don't intend to go back until it is quiet there, too."

Opinion concerning Afghanistan divides across the generation gap. Elderly Tajiks do not seem nearly as worried about the war as draft-age men. "Now it's quieter than before in Afghanistan," said an aging worshiper at one mosque. Older locals seem more likely to accept Moscow's assurances that the situation in Afghanistan is being "normalized." But even they are far more sensitive to the ramifications of the war than most Russians. One middle-aged technician I spoke with in Dushanbe conceded that the Soviet occupation has damaged U.S.-Soviet relations—an analysis loyal Soviets elsewhere would almost never offer publicly. "They tell us many things," he said. "But we understand that relations started to deteriorate after Afghanistan."

Not all the young locals share the misgivings about the war. One 22-year-old Tajik claimed that he was eager to serve in Afghanistan "to go abroad, to see something new." An 18-year-old Muslim at the Dushanbe bazaar said that he would fight, too—on the other side. "If I were in Afghanistan, I'd join the basmachi," he proclaimed. Far more representative were the young men, both Tajik and Russian, who formally accepted Moscow's rationale for the war—but wanted to stay home if at all possible. "If we have to go, we will," one Russian student said without enthusiasm. Then he added, "we're there because the Afghans asked for our help—at least that is what they teach us." The student's voice trailed off at this point, betraying a hint of doubt. With those doubts on the rise, the Soviet leaders must start worrying about the hearts and minds of the young comrades on the border.

[From Time magazine, July 5, 1982]

AFGHANISTAN—BOGGED DOWN IN A FRUSTRATING WAR

A RARE GLIMPSE OF SOVIET FORCES UNDER GUERRILLA FIRE

(Virtually forgotten amid the headlines from the Middle East and South Atlantic is a stubborn conflict in Afghanistan, where determined guerrillas continue to resist a 100,000-strong Soviet occupation force. Last month, in the largest operation since their December 1979 invasion of Afghanistan, the Soviets tried to root out the well-disciplined mujahedin of the lush Panjshir Valley, north of Kabul. Time's William Dowell spent 22 days, disguised in a native tunic and baggy pantaloons, trekking over 16,000-ft passes with a guerrilla caravan in order to witness the combat. Dowell's report:)

Day after day, the ominous whine and then the gray-green shapes of Soviet Mi-8, Mi-24 and Mi-6 helicopters appeared like a horde of bloated locusts over the green fields and mountain streams. The jagged, snow-capped peaks of the Hindu Kush, the mountain chain that rings the valley, muted the roar of the bombing, making it sound like distant thunder.

Against this onslaught were pitted some 2,000 regularly armed Panjshiri and an additional 1,500 to 2,000 guerrillas who had flooded in from neighboring valleys on the promise that they would be issued weapons to aim at the shuravi, the Afghan term for the Soviets. "We were happy when we heard the Soviets were coming," said one guerrilla. "When they were bombing us, there was nothing we could do. Now we have something to shoot at."

As the offensive progressed, the Soviets discovered just how frustrating it can be for a cumbersome, heavily equipped modern army to try to catch up with a smaller, highly motivated and elusive guerrilla foe. They would send in five or six helicopters to circle the area; by the time each helicopter had moved into position, most of the villagers had scurried into shelters. Moreover, many of the bombs failed to detonate, mostly because they ricocheted off mountain rocks. The guerrillas promptly sawed the bombs open, removing the explosives for use as mines. Total casualties after the

Soviets dropped 223 bombs on the village of Parandeh: one villager killed, one wounded, and one dead cow.

Three days after the beginning of the Soviet offensive, Soviet and Afghan army tanks tried to enter the valley from Golbahar in the south. First the Afghan tanks charged through a narrow opening. When the Soviets tried to follow, the guerrillas set off charges of dynamite, starting a landslide that isolated the Afghans from the Soviets. Several hundred Afghans defected to the guerrillas' side, bringing nine tanks with them.

When the Soviets resorted to heavy bombing, most of the guerrillas simply slipped away into another valley. I was less than half a mile from the Soviet position at Ab Darrah, surrounded by guerrillas who were in jubilant spirits. From a mountain overlooking the valley, we could clearly see the Soviet camp. It had a triangular perimeter, with six self-propelled howitzers lined up neatly in a row, and next to them eight BM-21 mobile rocket launchers, well known to military experts as Stalin organs.

From another peak about 5,000 ft. above the valley floor, we were able to look down into Khonis, a village in which the Soviets had set up a base. Tanks with huge rollers to predetonate mines were sweeping the main road through the town. Another tank was trying to move a destroyed armored personnel carrier out of the way. Some Soviet soldiers were sitting on a large carpet they had removed from an abandoned home. In the river was the wreckage of two Soviet helicopters that had been shot down earlier in the fighting. From time to time, the Soviets fired machine guns at the hillside. But they did little more than leave a slight ringing in the guerrillas' ears.

The main force behind the Panjshiri guerrillas is former Engineering Student Ahmed Shah, 28, who operates under the name Massoud. The scion of one of Kabul's wealthiest families, Massoud first ran into trouble with authorities for being involved with Islamic groups. He has turned the valley into a virtually autonomous state, with independently functioning schools, finances, food distribution, prisons and security committees. He has managed to capture a sizable quantity of Communist supplies. As a result, all his guerrillas wear regular uniforms—Czechoslovak combat boots, fatigue pants and field jackets— and most are equipped with Soviet AK-47 rifles. Massoud has also set up an extremely effective intelligence organization with the help of a number of Afghan government officials. He regularly receives Soviet reports on rebel effectiveness, and on occasion gets maps showing Soviet battle plans. In February, when a Soviet-Afghan operation seemed on the point of encircling Massoud's forces, sympathetic Afghan officers opened a line of retreat, allowing Massoud to slip back into the valley.

Although they have not trapped Massoud or the other mujahedin, the Soviets have prevented irrigation of the crops, and that could lead to drought and famine later in the year. The Soviets wanted to move a thousand Communist volunteers into the Panjshir to settle the valley, but a convoy carrying the volunteers was ambushed and destroyed. Meanwhile, the mujahedin have been attacking elsewhere in Afghanistan. A section of the pipeline that takes natural gas from Afghanistan to the Soviet Union was blown up several weeks ago. The latest reports from Kabul say that trucks are still bringing in Soviet bodies for shipment home.

We had hired donkeys to carry our backpacks, but nonetheless had a difficult time reaching the top of the pass that led back out of the Panjshir Valley. As we reached the summit, we saw before us a seemingly unending stream of small guerrilla pack trains, each laden with heavy machine guns, rocket-propelled grenade launchers, burlap sacks of ammunition, mortars and AK-47s. The horses stumbled as they tried to climb the zigzagging paths. Each group that passed us smiled, embraced our guide and said, "Mandanaresh" (Do not be tired), the traditional Afghan greeting to travelers. It was as though the Soviet offensive had never occurred.

TRIBUTE TO DR. ABRAM N. SHULSKY

Mr. MOYNIHAN. Mr. President, I rise to pay tribute to Dr. Abram N. Shulsky. In a few days, he will have concluded 5 years of distinguished service on the staff of the Select Committee on Intelligence, first as a professional staff member and, since January 1981, as minority staff director.

During his tenure he has assisted all Members, but I made the major claim on his time in my capacity, first as a member of the committee, and presently as its vice president. As a consequence, I believe I am uniquely qualified to attest to Dr. Shulsky's professional excellence. He has displayed time and again an unusual grasp of the complexities and subtleties associated with the role of intelligence in the formulation and conduct of foreign and defense policies. Schooled in mathematics and political philosophy, Dr. Shulsky has exhibited in his analyses depth, precision, and that most important of political qualities—prudence.

In all, Dr. Shulsky has worked tirelessly and selflessly to advance the committee's common objective of rebuilding the capabilities of and respect for our Nation's intelligence community. The progress we have achieved is in no small way attributable to his contribution.

Perhaps the most important responsibility of the Select Committee has been to assess the ability of the intelligence community to monitor compliance by the Soviet Union with nuclear arms agreements. This has been a matter of singular personal concern to me and I have benefited enormously from Dr. Shulsky's expertise in this area. It is not surprising, therefore, that the excutive branch now wishes to employ his talents. This coming week Dr. Shulsky will assume his new position as Director of Office of START Policy in the Department of Defense. We wish him well in that new assignment not only because he is our friend, but because he will be working on a problem with the most profound consequences.

Mr. President, the statement I have made on the departure of Dr. Shulsky is one of gratitude for his service to his country. Because of the security requirements inherent in the work of the Intelligence Committee, very few persons can know its nature and quality and only rarely can we publicly acknowledge it. I am happy to have this occasion to do so and I know that the sentiments I have expressed are fully shared by all other members of the Intelligence Committee.

SALUTE TO THE NATIONAL PROGRESSIVE BAPTIST CONVENTION

Mr. METZENBAUM. Mr. President, tomorrow, the Progressive National Baptist Convention will convene in Cleveland, Ohio. I want to extend my congratulations to the delegates for choosing Cleveland and Rev. Otis Moss to host the conference. I particularly want to commend Rev. Ralph Canty who is the current president of the convention. His distinguished work in the areas of civil rights and equal opportunity through the Savannah NAACP is widely known. His presence on the board of directors of the Baptist World Alliance and community immediate care facility further demonstrates his concern for the most disadvantaged of our society. As postor of the Savannah Grove Baptist Church, he has been the source of spiritual leadership for its members for 15 years.

I hope the conference will be as productive for the delegates and Reverend Canty as prior ones have been.

MESSAGES FROM THE THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United Stated submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

FIFTH REPORT ON MANUFACTURED HOUSING—MESSAGE FROM THE PRESIDENT—PM 160

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with Section 626 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, I am transmitting the Fifth Report on Title VI of the Housing and Community Development Act of 1974 (Manufactured Housing).

RONALD REAGAN.

THE WHITE HOUSE, *August 4, 1982.*

BUILDING ENERGY STANDARDS—MESSAGE FROM THE PRESIDENT—PM161

The PRESIDING OFFICER laid before th Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the requirements of Subtitle H of Title V of the Energy Security Act (42 U.S.C. 8286b), I hereby transmit the second annual report covering calendar year 1981 prepared by the Department of Energy on the Federal coordination of factors and data used in the development of building energy conservation standards.

RONALD REAGAN.

THE WHITE HOUSE, *August 4, 1982.*

HOUSE BILL REFERRED

The following bill, received from the House of Representatives on yesterday, was read the first and second times by unanimous consent, and referred to the Committee on Energy and Natural Resources:

H.R. 4568. An act to direct the Secretary of the Interior to release on behalf of the United States certain restrictions contained in a previous conveyance of land to the city of Albuquerque, New Mexico, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary reported that on today, August 4, 1982, he had presented to the President of the United States the following enrolled bill:

S. 2218. An act to provide for the development and improvement of the recreation facilities and programs of Gateway National Recreation Area through the use of funds obtained from the development of methane gas resources within the Fountain Avenue Landfill site by the city of New York.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4007. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Congressional Decision Needed on Necessity of Federal Wool Program;" to the Committee on Agriculture, Nutrition, and Forestry.

EC-4008. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, notification of intent to obligate $33 million in the Navy Stock Fund for war reserve stocks; to the Committee on Armed Services.

EC-4009. A communication from the Director of Facility Requirements and Resources, Office of Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics transmitting, pursuant to law, notice of intent to proceed with an Air Force Reserve construction project; to the Committee on Armed Services

EC-4010. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, notice of a decision made to convert the maintenance of containers, textiles, tents, and tarpaulins at Fort Hood, Texas, to performance under contract; to the Committee on Armed Services.

EC-4011. A communication from the Secretary of the Air Force transmitting, pursuant to law, a report that the Maverick weapons system has exceeded by more than 25 percent the total program acquisition unit cost; to the Committee on Armed Services.

EC-4012. A communication from the Chief, Legislative Division, Office of Legislative Liaison, Office of the Secretary of the Air Force transmitting, pursuant to law, a report on experimental, developmental, and research contracts of $50,000 or more for January 1 through June 30, 1982; to the Committee on Armed Services.

EC-4013. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, the fiscal year 1981 report on the operations of the Bank; to the Committee on Banking, Housing, and Urban Affairs.

EC-4014. A communication from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, notice of the inability of the Commission to render a decision within the prescribed time in the matter of Light Density Surcharge Brunswick, Missouri—Omaha, Nebraska, Line, N&W; to the Committee on Commerce, Science, and Transportation.

EC-4015. A communication from the Director, Minerals Management Service, Department of the Interior transmitting, pursuant to law, a report on a refund to CNG Producing Company of an excess royalty payment; to the Committee on Energy and Natural Resources.

EC-4016. A communication from the Director, Minerals Management Service, Department of the Interior transmitting, pursuant to law, a report on a refund of an excess royalty payment to Union Texas Petroleum Corporation; to the Committee on Energy and Natural Resources.

EC-4017. A communication from the Director, Minerals Management Service transmitting, pursuant to law, a report on a refund of excess royalty payment to Tenneco Oil Company; to the Committee on Energy and Natural Resources.

EC-4018. A communication from the Acting United States Trade Representative transmitting, pursuant to law, a report relative to U.S. rights under trade agreements and on U.S. response to unfair trade practices of foreign governments, July 1, 1981 through June 30, 1982; to the Committee on Finance.

EC-4019. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Analysis of Energy Reorganization Savings Estimates and Plans"; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-1101. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Agriculture, Nutrition, and Forestry:

"RESOLUTION

"Whereas, a significant amount of the meat consumed in the United States is imported from foreign countries; and

"Whereas, Louisiana and other states have enacted legislation to require that the consumer be informed of the origin of meat purchased in retail outlets; and

"Whereas, the federal courts have consistently struck down this type of legislation; and

"Whereas, the federal courts uniformly hold that foreign meat which has passed through the inspection program operated by the United States Department of Agriculture is of the same quality as domestic meat; and

"Whereas, the United States Department of Agriculture has admitted that many foreign countries allow the use of hormones, chemicals, and pesticides which have been banned in the United States; and

"WHEREAS, in recent months reports have been published showing that shipments of foreign beef which were inspected by the United States Department of Agriculture were found to be adulterated with horse meat and kangaroo meat; and

"WHEREAS, the United States Congress writes the laws which are administered by the United States Department of Agriculture and appropriates the funds on which that department operates; and

"WHEREAS, in keeping with other consumer protection programs which the United States Congress has initiated in recent years, the Congress should initiate an investigation of the foreign meat inspection program to assure consumers that they are purchasing wholesome meat for themselves and their families.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the United States Congress is hereby memoralized to appoint a Congressional committee to investigate the foreign meat inspection program operated by the United States Department of Agriculture and to report the findings of that investigation to the Louisiana Legislature.

"Be it further resolved, that a copy of this Resolution shall be transmitted without delay to the presiding officers of each house of the Congress and to each member of the Louisiana Congressional Delegation."

POM-1102. A resolution adopted by the Washington State Sportsmen's Council, supporting the Federal apportionments of Land and Water Conservation Funds to the State of Washington; to the Committee on Energy and Natural Resources.

POM-1103. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, the amount of hazardous waste which must be disposed of in this country each year is increasing dramatically; and

"Whereas, the public has become increasingly concerned with regard to the potentially harmful effect of such waste on the public health and safety and the environment; and

"Whereas, the number of hazardous waste disposal facilities is decreasing in the face of increasing demand, and under present circumstances and law, the imbalance between supply and demand is likely to further increase in the foreseeable future; and

"Whereas, any decrease in the number of existing hazardous waste facilities increases the distance necessary to transport hazardous waste in order to properly dispose of it; and

"Whereas, there have been an increasing number of spills and accidents on the nation's highways involving the transportation of hazardous materials, which threaten the health, safety, and welfare of the citizens of this country; and

"Whereas, an increase in the distance which it is necessary to travel in order to properly dispose of hazardous waste encourages illegal disposal; and

"Whereas, while a completely risk-free environment cannot be provided, we as a nation must do all in our power in order to minimize the risk of significant harm to the public from the adverse effects of exposure to hazardous substances;

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Congress of the United States is hereby memorialized to encourage the development of hazardous waste treatment and disposal facilities in each state in the union by, among other things, development of a system of financial incentives which will encourage the development of hazardous waste treatment and disposal sites within the boundaries of each state.

"Be it further resolved that copies of this Resolution be transmitted to the Secretary of State and presiding officer of each house of the Legislature of each of the other states in the United States, to each Senator and Representative from Louisiana in the Congress of the United States, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate."

POM-1104. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"RESOLUTION

"Whereas, the Pittman-Robertson Fund is derived from an eleven percent excise tax on sporting arms and ammunition and a ten percent tax on handguns; and,

"Whereas, the Department of Wildlife and Fisheries receives approximately one million a year from the Pittman-Robertson Fund, thus making the monies from said fund essential to this state's wildlife management program; and,

"Whereas, passage of H.R. 6115 would result in a loss of approximately $600,000 to Louisiana for wildlife restoration and hunter safety education per year; and,

"Whereas, state funds are not available to supplant the loss of funds that would result from the passage of H.R. 6115.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Congress of the United States is hereby memorialized to oppose the passage of H.R. 6115.

"Be it further resolved that copies of this Resolution be transmitted to the Secretary of State and presiding officer of each house of the Legislature of each of the other states in the United States, to each Senator and Representative from Louisiana in the Congress of the United States, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate."

POM-1105. A resolution adopted by the Council of the City and County of Honolulu, Hawaii requesting Congress to amend Federal tax laws to provide for the establishment of individual housing accounts to assist first-time buyers; to the Committee on Finance.

POM-1106. A resolution adopted by the Board of Commissioners of the City of Dothan, Ala. urging Congress to oppose changes in municipal bonds and industrial revenue bonds; to the Committee on Finance.

POM-1107. A resolution adopted by the Board of Trustees of the Village of Glencoe, Ill. favoring an immediate bilateral freeze on the testing, production, and deployment of nuclear weapons and their delivery systems; to the Committee on Foreign Relations.

POM-1108. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, nearly two thousand five hundred American servicemen remain unaccounted for in Southeast Asia, including thirty-six Louisiana citizens; and

"Whereas, past experience shows that diplomatic pressure and the force of world opinion can have a strong impact on the Vietnamese government; and

"Whereas, through such efforts an accounting of the whereabouts of these brave men may well be achieved, resulting in the return of many of them; and

"Whereas, the Louisiana Legislature wishes to join the "American Spirit" effort to secure the release of these courageous Americans.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Legislature of Louisiana does hereby memorialize the President and Congress of the United States to redouble their efforts to secure the release of the nearly two thousand five hundred Americans still listed as Prisoners of War or Missing-in-Action in Southeast Asia.

"Be it further resolved that copies of this Resolution shall be transmitted to the President of the United States, to each member of the Louisiana congressional delegation, and to the secretary of the U.S. Senate and the clerk of the U.S. House of Representatives."

POM-1109. A resolution adopted by the Council of the City of Baytown, Texas opposing the passage of the Public Employee Pension Plan Reporting and Accountability Act of 1982; to the Committee on Governmental Affairs.

POM-1110. A resolution adopted by the Washington State Sportsmen's Council, requesting Congress to take action to cause the termination of treaties, reservations and all special privileges, related thereto, with all citizens within the boundaries of the United States and to extinguish rights and privileges that are not available to other citizens under the general laws of the Nation; to the Select Committee on Indian Affairs.

POM-1111. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, there are presently 2,177 Haitian refugees being held to detention facilities in the United States; and

"Whereas, these refugees have been given neither 'refugee' or 'asylum' status, but remain classified 'entrants'; and

"Whereas, as 'entrants' the Haitians are not entitled to benefits normally given to immigrants; and

"Whereas, these immigrants have come to the United States to escape persecution in Haiti.

"Therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring, that the President and Congress and all governmental agencies involved are hereby urged and requested to take all necessary steps to insure treatment of Haitian refugees equal to that given all other refugees.

"Be it further resolved that a copy of this Resolution be transmitted to the President of the United States, the Clerk of the House of Representatives of the United States, the Secretary of the United States Senate, and Congress, and the Board on Refugee Resettlement of the United States Department of State."

POM-1112. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, the recent verdict of not guilty by reason of insanity in the case of *United States of America versus John Hinckley* has shocked the nation; and

"Whereas, the controversy regarding this verdict has raised serious questions concerning the present federal criminal statutes relating to the insanity defense; and

"Whereas, such statutes should immediately be studied and evaluated and corrective legislation enacted.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Congress of the United States is hereby memorialized to proceed promptly to study and evaluate present federal criminal statutes relating to the insanity defense and to enact legislation to correct such statutes.

"Be it further resolved that a copy of this Resolution shall be transmitted to the clerk of the United States House of Representatives and the secretary of the United States Senate and to each member of the Louisiana delegation in Congress."

POM-1113. A joint resolution adopted by the General Assembly of the State of Illinois; to the Committee on Rules and Administration:

RESOLUTION

"Whereas, This Senate recognizes the vital importance of coal to the many citizens of Illinois who have dedicated their lives to its production, and the importance of coal

to the economic health of the State of Illinois; and

"Whereas, Coal as a mineral and coal as an industry both possess a history which has not been described; and

"Whereas, One centralized location would facilitate the telling of the history of both coal and the coal industry; and

"Whereas, Because of the inadequate relating of coal's history, both coal as a mineral and coal as an industry suffer from images which do not do justice to the multiuses of coal and fails to recognize the many contributions of coal to our society; and

"Whereas, The exhibition of society's uses of coal in everyday life, and the technology behind the coal industry, would better explain the use of coal, thus leading to the promotion of the production of Illinois coal; and

"Whereas, The large number of citizens of the State of Illinois involved in the production of coal would develop a cooperative spirt by working together on a project promoting coal and in the sharing of its facilities as a central locale for the exchange of ideas; and

"Whereas, No institution in the United States is dedicated to honoring by a Hall of Fame past miners in our nation's history; therefore, be it

"Resolved, by the Senate of the Eighty-Second General Assembly of the State of Illinois, the House of Representatives concurring herein, that the General Assembly recognizes and promotes the establishment of a National Coal Museum, to be located near West Frankfort, Illinois, to tell the story of one of our State's strongest resources, coal, and the story of the people and industry behind the production of Illinois coal; and be it further

"Resolved, That a suitable copy of this resolution be forwarded by the Secretary of State to the Director of the Illinois Department of Commerce, the Director of the Illinois Department of Conservation, the Illinois Chamber of Commerce, the United States House of Representatives, the United States Senate, and the President of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 188. Joint resolution to authorize and request the President to designate March 1, 1983, as "National Recovery Room Nurses Day".

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: in the Army Reserve there are 324 appointments to the grade of major general and below (list begins with Clifton C. Capp), Maj. Gen. Charles G. Cooper, U.S. Marine Corps, to be lieutenant general and Rear Adm. James J. McHugh, U.S. Navy, to be Judge Advocate General of the Navy. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Army there are 182 promotions to the grade of colonel and below (list begins with Alfred T. Forrest), in the Army there are 601 promotions to the grade of colonel and below (list begins with Creighton W. Abrams), in the Army there are 39 appointments to the grade of major and below (list begins with Paul J. Luedtke), in the Naval Reserve there are 1,066 permanent promotions to the grade of commander (list begins with Richard S. Abele), in the Navy and Naval Reserve there are 12 permanent appointments to the grade of captain and below (list begins with Norbert F. Reichenback), in the Naval Reserve there are 512 permanent appointments to the Navy to the grade of lieutenant commander and below (list begins with Terry R. Otterman) and in the Air Force National Guard there are 6 promotions to the Air Force Reserve to the grade of lieutenant colonel (list begins with Phillip S. Core). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nomimations ordered to lie on the Secretary's desk were printed in the RECORD of July 12 and July 26, 1982 at the end of the Senate proceedings.)

By Mr. THURMOND, from the Committee on the Judiciary.

Antonin Scalia, of Illinois to be U.S. circuit judge for the District of Columbia Circuit;

Michael M. Mihm, of Illinois, to be U.S. district judge for the central district of Illinois;

Frederick J. Scullin, Jr., of New York, to be U.S. attorney for the northern district of New York for the term of 4 years;

Faith P. Evans, of Hawaii to be U.S. marshal for the district of Hawaii for the term of 4 years;

Larry D. Thompson, of Georgia, to be U.S. attorney for the northern district of Georgia for the term of 4 years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HAYAKAWA:

S. 2808. A bill to provide for the restoration of the fish and wildlife in the Trinity River Basin, Calif., and for other purposes; to the Committee on Environment and Public Works.

By Mr. SCHMITT:

S. 2809. A bill to establish within the Office of Science and Technology Policy a Presidential Program for the Improvement of Science and Technology, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CHILES:

S. 2810. A bill for the relief of certain Federal employees killed or injured in the collapse of a building; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATTINGLY (for himself, Mr. NUNN, Mr. BAKER, Mr. BIDEN, Mr. BRADLEY, Mr. COHEN, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. EXON, Mr. GORTON, Mr. GRASSLEY, Mr. HATFIELD, Mrs. HAWKINS, Mr. HAYAKAWA, Mr. JOHNSTON, Mr. KASTEN, Mr. MATHIAS, Mr. NICKLES, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIEGLE, Mr. ROTH, Mr. SYMMS, and Mr. THURMOND):

S. Res. 442. A resolution to declare February 12, 1983, as "Georgia Day."; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 2808. A bill to provide for the restoration of the fish and wildlife in the Trinity River Basin, Calif., and for other purposes; to the Committee on Environment and Public Works.

RESTORATION OF FISH AND WILDLIFE IN THE TRINITY RIVER BASIN

● Mr. HAYAKAWA. Mr. President, today I am introducing legislation which would enhance the Trinity River Basin fish and wildlife population in northern California. A companion bill was introduced in the House of Representatives by Congressmen CHAPPIE, CLAUSEN, and SHUMWAY. Supported by conservationists as well as water groups in my State, my bill would carry out the recommendations of the Trinity River Fish and Wildlife Task Force. At the request of the Congress in 1976, this group of local, State, and Federal officials spent 6 years developing a management program designed to restore the Trinity River Basin fish and wildlife populations to their 1963 levels.

Mr. President, when the Trinity River division of the Federal Central Valley project was completed in 1963, a major part of the Trinity River flow was diverted out of the basin. Soon after the project was operating, serious changes were noticed in the Trinity River. While the Trinity river used to flush itself free of silt, once the Trinity and Lewiston dams were built, about 85 percent of the Trinity River's natural runoff was diverted. Sand began covering up the salmon and steelhead fish spawning areas. This prevented the eggs from hatching, re-

sulting in a 90 percent decline in the salmon and steelhead population.

To correct this problem, the Trinity Task Force in its study entitled the "Trinity River Basin Fish and Wildlife Management Program" recommended a number of changes including the modernization of the Trinity River Fish Hatchery and the construction of fish rehabilitation facilities. The bill I am introducing today would authorize to be appropriated $33 million to carry out the Trinity River Basin Fish and Wildlife Management Program. An additional $2 million annually for a 10-year period would be authorized to cover maintenance costs.

Mr. President, when Congress authorized the Trinity River Division in 1955, the Secretary of the Interior was authorized and directed to adopt appropriate measures to insure the preservation and propagation of fish and wildlife. My bill simply underscores the Secretary of the Interior's authority to mitigate the detrimental effects of fish and wildlife resulting from the construction and operation of the Trinity River division of the Central Valley project.

I ask unanimous consent that the text of this bill be printed in full.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS

SECTION 1. The Congress finds that—

(1) the construction of the Trinity River division of the Central Valley project in California, authorized by the Act of August 12, 1955 (69 Stat. 719), has substantially reduced the streamflow in the Trinity River Basin and badly damaged pools, spawning gravels, and rearing areas causing a drastic reduction in the anadromous fish populations and a decline in the scenic and recreational qualities of such river system;

(2) the loss of land areas inundated by two reservoirs constructed in connection with such project has caused substantial reductions in the populations of deer and other wildlife historically found in the Trinity River Basin;

(3) the Act referred to in paragraph (1) of this section directed the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") to take appropriate actions to insure the preservation and propagation of such fish and wildlife and additional authority was conferred on the Secretary under the Act approved September 4, 1980 (94 Stat. 1062), to take certain actions to mitigate the impact on fish and wildlife of the construction and operation of the Trinity River division;

(4) activities other than those related to the project have also had an effect on fish and wildlife populations in the Trinity River Basin and are of such a nature that the cause of any detrimental impact on such populations cannot be attributed solely to such activities or to the project;

(5) a fish and wildlife management program has been developed by an existing interagency advisory group called the Trinity River Basin Fish and Wildlife Task Force; and

(6) the Secretary requires additional authority to implement a basin-wide fish and wildlife management program in order to achieve the long-term goal of restoring fish and wildlife populations in the Trinity River Basin at the level existing immediatley before the start of the construction of the Trinity River division.

TRINITY RIVER BASIN FISH AND WILDLIFE MANAGEMENT PROGRAM

SEC. 2. (a) Subject to subsection (b), the Secretary shall formulate and implement a fish and wildlife management program for the Trinity River Basin designed to restore the fish and wildlife populations in such basin to the levels existing immediately prior to the start of the construction referred to in section 1(1) and to maintain such levels. The program shall include the following activities:

(1) The design, construction, operation, and maintenance of facilities to—

(A) rehabilitate fish habitats in the Trinity River between Lewiston Dam and Weitchpec;

(B) rehabilitate fish habitats in tributaries of such river below Lewiston Dam and in the south fork of such river; and

(C) modernize and otherwise increase the effectiveness of the Trinity River Fish Hatchery.

(2) The establishment of a procedure to monitor (A) the fish and wildlife stock on a continuing basis, and (B) the effectiveness of the rehabilitation work.

(3) Such other activities as the Secretary determines to be necessary to achieve the long-term goal of the program.

(b)(1) The Secretary shall use the program described in section 1(5) of this Act as a basis for the management program to be formulated under subsection (a) of this section. In formulating and implementing such management program, the Secretary shall be assisted by an advisory group called the Trinity River Basin Fish and Wildlife Task Force established under section 3.

(2) The Secretary shall coordinate the activities undertaken under such management program with the activities of State and local agencies, and the activities of other Federal agencies, which have responsibilities for managing public lands and natural resources within the Trinity River Basin.

TRINITY RIVER BASIN FISH AND WILDLIFE TASK FORCE

SEC. 3. (a) There is established the Trinity River Basin Fish and Wildlife Task Force (hereinafter in this Act referred to as the "Task Force") which shall be composed of fourteen members as follows:

(1) One officer or employee of the California Department of Fish and Game to be appointed by the administrative head of such department.

(2) One officer or employee of the California Department of Water Resources to be appointed by the administrative head of such department.

(3) One member or employee of the California Water Resources Control Board to be appointed by such board.

(4) One officer or employee of the California Department of Forestry to be appointed by the administrative head of such department.

(5) One officer or employee of the United States Fish and Wildlife Service to be appointed by the Secretary.

(6) One officer or employee of the United States Bureau of Reclamation to be appointed by the Secretary.

(7) One officer or employee of the United States Bureau of Land Management to be appointed by the Secretary.

(8) One officer or employee of the United States Bureau of Indian Affairs to be appointed by the Secretary.

(9) One officer or employee of the United States Forest Service to be appointed by the Secretary of Agriculture.

(10) One officer or employee of the United States Soil Conservation Service to be appointed by the Secretary of Agriculture.

(11) One officer or employee of the United States National Marine Fisheries Service to be appointed by the Secretary of Commerce.

(12) One individual to be appointed by the board of supervisors of Humboldt County, California.

(13) One individual to be appointed by the board of supervisors of Trinity County, California.

(14) One individual to be appointed by the Hoopa Tribe of the Hoopa Valley Indian Reservation, California.

Any vacancy on the Task Force shall be filled in the manner in which the original appointment was made.

(b) If any member of the Task Force who was appointed to the Task Force as an officer or employee of a United States department or agency or as an officer or employee of a California State department or board leaves such office or employment, he may continue as a member of the Task Force for not longer than the end of the fourteen-day period beginning on the date he leaves such office or employment.

(c)(1) Members of the Task Force who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Task Force.

(2) No moneys authorized to be appropriated under this Act may be used to pay any member of the Task Force for service on the Task Force or to reimburse any agency or governmental unit for the pay of any such member for such service.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. There is authorized to be appropriated—

(1) for the construction authorized in this Act, beginning on October 1, 1983, and to remain available thereafter until expended, the sum of $33,000,000, or, if there is an increase or decrease in the engineering cost indexes applicable to the types of construction involved between the month of May 1982, and the date of enactment of any appropriation for such construction, such sum adjusted by such increase or decrease; and

(2) for the cost of the operations, maintenance, and monitoring authorized by this Act, the sum of $2,200,000 annually for a ten-year period beginning on October 1, 1984.

All costs incurred pursuant to this Act shall be nonreimbursable and nonrefundable.●

By Mr. SCHMITT:

S. 2809. A bill to establish within the Office of Science and Technology Policy a Presidential Program for the Improvement of Science and Technology, and for other purposes; to the Committee on Commerce, Science, and Transportation.

89-059 O-86-27 (Pt. 14)

NATIONAL SCIENCE AND TECHNOLOGY IMPROVEMENT ACT OF 1982

● Mr. SCHMITT. Mr. President, today I have the privilege of introducing the "National Science and Technology Improvement Act of 1982." The essential purposes of this bill are the strengthening of the research capabilities of our academic institutions and the encouragement of our men and women to assume careers in science, engineering and technology.

Congresswoman MARGARET M. HECKLER, ranking minority member of the House Subcommittee on Science, Research and Technology, is introducing companion legislation today in the House of Representatives. Congressman LARRY WINN, JR., ranking minority member of the House Committee on Science and Technology, has introduced legislation which incorporates some of the provisions of my legislation.

The "National Science and Technology Improvement Act of 1982" is necessary, timely, and appropriate. Necessary, in that our national security and welfare are increasingly dependent on our ability to realize and commercialize innovations successfully in an ever more competitive, often hostile world. Timely, in that there is a widening recognition by Government, business, and the public of the necessity to improve our national scientific and technological enterprise. Appropriate, in that this legislation does not preempt or foreclose responsibilities which properly belong with State and local governments, educational authorities, or the private sector.

The evidence of the need for action is compelling:

The percentage of U.S. patents granted to foreign inventors has increased from 22 percent to 40 percent between 1965 and 1981;

The rate of increase of productivity of this Nation is the lowest of the industrialized nations;

Much of our rapidly growing domestic consumer markets for high technology goods and services—television sets, video and audio recorders are examples—has been taken over by foreign competitors;

The research instrumentation of our colleges and universities, where the majority of the Nation's basic research is conducted, has been aging steadily while the pace of sophistication of such equipment has been increasing;

Plans for national defense and expansion of high technology industries are dependent on technically skilled manpower, which is in limited supply and for which the preparatory infrastructure is woefully inadequate;

About half of all high school graduates—the proportion is even higher for most minorities and women—have taken no mathematics or science beyond the 10th grade, thus effectively precluding responsible careers in scientific, engineering, and technical fields;

The number of precollege mathematics teachers has decreased 77 percent in the decade 1971-80, according to the National Science Teachers Association, which reports a comparable decline of 65 percent for science teachers; and

Approximately 1,700 university engineering faculty positions, about 10 percent of the total, remain unfilled because of the absence of interested, qualified candidates.

While students leave advanced degree work prematurely for high industrial salaries, we have seen in recent years more and more of our teachers, at both the precollege and university levels, leave the educational sector for better professional opportunities in business and industry. This trend is akin not only to eating our seed corn but to shooting our farmers. We cannot continue on this course for long before our business and industries and our national defense will be unable to maintain their enterprises competitively.

The Federal Government must recognize and address this problem, as must school authorities, college and universities, professional societies, State and local governments and industries and businesses. The Federal role is essential, but cannot be preemptive.

Fortunately, a number of initiatives have been taken and more are being developed. Many professional societies, including the National Academy of Science, the National Academy of Engineering, the American Society of Engineering Education, the American Association for the Advancement of Science, the National Science Teachers Association, and the National Society of Professional Engineers, have made aspects of science, engineering, and technical manpower topics of high priority for studies, forums, and service programs.

Several States have undertaken major initiatives to improve the climate for high technology industry, including reform of public education. The city of Houston, as an example, introduced salary differential incentives to attract and hold scarce, qualified teachers of science and mathematics in the primary and secondary schools. The State of Michigan, with the cooperation of the automobile unions, industries, and the universities, is investing tens of millions of dollars to make the Wolverine State the robotics center for the Nation and the world. There has been a number of announcements of major research agreements between universities and industries; a good example is Agrigenetics Corporation, which has offices in Santa Fe, N. Mex., and is funding some $55 million of research and development on recombinant DNA and applied biotechnology. The work is being conducted under limited partnership arrangements with more than a dozen universities and research institutes across the United States. The Federal involvement must not stifle these healthy, responsible efforts.

At the same time there are very important roles which are appropriate for the Federal Government and which my legislation is intended to emphasize. The Federal Government supports about half, or $36 billion, of the Nation's research and development and some two-thirds, or $6 billion, of the basic research. Most of the latter is conducted in colleges and universities, where our scientific and engineering leadership, in turn, is trained and educated.

There are shortages of faculty, particularly in some of the engineering disciplines, because of the inability of universities to outbid competing industries for the limited pool of qualified manpower. Consequently student interest is much greater than our capacity to educate or keep our best students in an academic research environment.

We know that new faculty in these fields face enormous demands to compete for research funds, mostly Federal, and to compile a record of research accomplishment. Successful faculty achieve a reputation and gain tenure in their institutions, usually within 7 years, after which they are likely to remain in the academic environment. My bill recognizes this and provides for Presidential Science and Engineering New Investigator Awards for promising young faculty. The awards, which can run up to $100,000 for each of 5 years, will permit untenured faculty of exceptional promise the freedom and resources necessary to establish a successful record of research and teaching. The awards further provide an incentive for the private sector to share in the support of this critical manpower.

The situation at the precollege level is perhaps even more critical. Ours is the most technologically advanced and dependent society in the world. This requires an increasingly sophisticated understanding of science and mathematics by all citizens if they are to enjoy the benefits which science and technology make possible.

However, there has been a steady erosion in the abilities and even the exposure of the bulk of our primary and secondary school students to science and mathematics. Even if we determine that this course must be reversed, the qualifications of the bulk of our teachers is not up to the task. A recent survey by the National Science Teachers Association indicated that 50 percent of newly employed science and math teachers were unqualified to teach their subjects. Most of these

were employed on an emergency basis because no qualified teachers could be found.

Since there is little likelihood that there will be a major surge of qualified students into these teaching careers and because of the pace of change of science and technology, it is absolutely necessary that we improve the understanding and subject matter competence of those teachers who are already in our schools. Fortunately, more and more States share this view, so that there is an excellent opportunity for the Federal Government to reinforce and help realize responsibilities which rest primarily with the States.

My bill addresses this problem in two ways—by helping to improve the knowledge and skills of those professionals already teaching science and mathematics and by helping to examine ways of increasing the population of qualified science and mathematics teachers.

First, we propose that a major inservice teaching improvement program for science and mathematics teachers to be developed in cooperation with the States. Training, along with development of instructional materials would be accomplished through university departments of mathematics, physical and biological sciences. Funds authorized for the program would be primarily for stipends for those teachers taking part.

We would further have a study completed for the Congress to better determine the nature and pattern of the shortages of science and mathematics teachers and, equally important, an array of options for increasing the pool of manpower where true shortages exist. One such option, for example, might be to retrain current teachers in subject areas where there are manpower surpluses. This would capitalize on proven teacher skills and concentrate on people whom statistics show are most likely to remain in the profession.

There are other major problems of scientific and technical manpower which must be confronted by the Nation. My bill calls on the Federal Government to begin an assessment of these problems and an examination of options for their resolution. Among the problems which must be confronted are:

The requirement to retrain a scientifically and technically skilled work force in the face of changing skills needs in the workplace; and

Our limited understanding of the powerful influences—such as television—on preschool children which establish their role models and shape their perceptions of the nature of science and technology.

As to the first problem, we must realize that ours will be a relatively aging work force during the next decade. The National Commission for Employment Policy estimates that the "youth share" of the labor force will decline from 23.5 percent to 18.4 percent during the 1980's. By contrast the number of middle adult workers will increase dramatically; Bureau of Labor Statistics analyses project that the number of adults 35–44 years old in the work force will increase from the 16.7 million in 1975 to 33.7 million in 1995. These estimates are not conjectural since everyone who will be working in the 1980's has already been born.

Therefore we will be less able to count on new young scientists, engineers, and skilled technical workers to provide scientific and technical leadership; a greater share of this leadership will have to come from those already in the work force. At the same time the emergence of new fields of technology and new frontiers in science will require reshaping and redirection of the skills of these mature skilled workers. We have little experience and even less capability in meeting this challenge.

As to preschool influences, there is very clear indication that children at these ages are actively forming impressions which strongly influence their attitudes toward science and technology. It is equally true that electronic media are the source of the most influential stimuli for most of these children. These media can be a critically important means for conveying the place and promise of science and technology and the important roles which science, engineers, and other technical professionals play in our society and the world.

I am well aware, for example, of the impact which the resource center at the University of New Mexico is having on youngsters, particularly young Hispanics in the Southwest. This center, one of four sponsored by the National Science Foundation in different regions of the United States, includes among its activities Saturday Science Academics for youngsters, inservice training of precollege teachers, career counseling workshops, and consulting scientists programs. The experience of the university's resource center is showing not only the natural interest of youngsters in science and technology but also how that interest can be captured and nurtured.

Another crosscutting issue regards the responsibilities of business and industry for academic research and scientific and technical education. Industry and business are the primary users of scientific and technical manpower as well as the results of basic research; they have a shared and critical stake in the health and success of these academic research and educational enterprises. My legislation recognizes and capitalizes on this shared responsibility of the private sector and the Federal Government by encouraging matching funding. We propose that those Federal agencies which are extensively involved in basic research and, in turn, support most of the academic basic research, should be encouraged to share with the private sector the support of these academic activities. Support can take many forms—research instrumentation, facilities improvement, scholarships, fellowships, science education, as examples.

In hearings this spring on the reauthorization of the National Science Foundation, I asked several of the representatives of technical societies whether industry recognizes a responsibility to support academic research and education and whether it is receptive to sharing the support of these enterprises with the Federal Government. The response was even more positive than I had hoped and lead me to believe that it an imaginative lead is taken by the Federal Government, industry will respond.

I am proposing that this Federal leadership be clearly centered in one agency; one of such a nature that it can deal effectively and authoritatively with other Federal agencies which need to be involved. That agency is the Office of Science and Technology Policy in the Executive Office of the President.

I believe that this Office is concerned about the problems addressed by my legislation and can provide the leadership required. In addition, this administration has shown strong support for funding of basic research in the face of general budgetary restraint and for tax policy and regulation reforms which improve the climate for private-sector support of research and development. These actions show an understanding of the importance of nurturing a strong national capability in science and technology.

Hearings which have been held by my Subcommittee on Science, Technology and Space; contacts with industry, academic organizations, professional societies, State governments, students and parents; attention in the media, all indicate that the Nation recognizes and shares the concerns which my legislation addresses. I believe that the approach which I am proposing is responsive, appropriate, and efficient.

Mr. President, I ask unanimous consent that a copy of the "National Science and Technology Improvement Act of 1982" and a section-by-section analysis of the bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2809

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "National Science and Technology Improvement Act of 1982".

FUNDINGS AND PURPOSES

SEC. 2. The Congress finds that—

(1) the Nation's welfare and security have been and increasingly are dependent on the vitality and productivity of research and development in science and technology;

(2) the advantages which the Nation has enjoyed due to research and development in science and technology are being challenged increasingly and vigorously by other nations, with adverse implications for the economic competitiveness and national security of the United States;

(3) the most important elements of research and development are the men and women who make the discoveries and inventions and who transform such discoveries and inventions into new goods and services and contributions to our national security;

(4) the numbers and preparation of scientific and technical manpower are both qualitatively and quantitatively inadequate for the needs of the Nation;

(5) women and minority populations have historically been underrepresented in science, engineering and technical professions and can make much greater contributions to meeting the Nation's needs for research and development in science and technology; and

(6) achieving and maintaining a superior capability for research and development in science and technology is a national responsibility which must be actively assumed and shared, as appropriate, by the public and private sectors.

POLICY

SEC. 3. (a) The Congress declares that it is the policy of the United States to—

(1) promote international leadership by the United States in science and technology;

(2) pursue Federal responsibilities for research and development, particularly those for basic research, applied research and engineering applications;

(3) encourage the availability of scientific, engineering, technical manpower necessary to achieve the policies of this Act; and

(4) encourage the support of the private sector in meeting the Nation's needs for research and development and for science, engineering and technical manpower.

(b) The Congress further declares that the primary responsibility in the Executive branch for developing policies for Federal support of research and development and science engineering, and technical manpower lies with the Office of Science and Technology Policy in the Executive Office of the President.

PRESIDENTIAL PROGRAM FOR THE IMPROVEMENT OF SCIENCE AND TECHNOLOGY

SEC. 4. There is established in the Executive Office of the President a Presidential Program for the Improvement of Science and Technology, to be administered by the Office of Science and Technology Policy. Such Program shall consist of science and technology policy assessments, Research Capabilities Improvements, Presidential Science and Engineering New Investigators Awards, and a Presidential Science and Mathematics Improvement Program, as provided in this Act.

SCIENCE AND TECHNOLOGY POLICY ASSESSMENTS

SEC. 5. (a) The Office of Science and Technology Policy will undertake of currently critical problems of science and technology policy, including, but not necessarily limited to—

(1) the nature and distribution of shortages of qualified primary teachers and secondary teachers of science and mathematics, along with recommendations for increasing the relevant manpower pools; and

(2) the problem of retraining workers in fields of decreasing employment and from traditional skills to new skills appropriate to emerging high technology business and industry.

(3) those influences which are most consequential to the interest of preschool children in science and mathematics and the factors which are most likely to increase the population of children who are competent in science and mathematics.

The Office of Science and Technology Policy shall submit such assessments, along with any recommendations for further action, to the Committee on Commerce, Science and Transportation in the Senate and the Committee on Science and Technology in the House of Representatives prior to the submission by the President to the Congress of the Federal Budget for fiscal year 1984.

RESEARCH CAPABILITIES IMPROVEMENT

SEC. 6. (a) There is established a Federal Program for University Research Facilities and Science and Technical Manpower Improvement, for the purpose of upgrading academic research, instrumentation and facilities for the physical and biological sciences, and engineering. Any Federal agency with obligations for basic research in excess of $100,000,000 in any fiscal year is authorized to make grants by means of the Program. Such grants shall be made to any academic institution for research and instructional scientific equipment, renovation of research facilities, fellowships, scholarships, and such other purposes as the Director of the Office of Science and Technology determines are most appropriate to promote academic research and manpower improvement in mathematics, the physical and biological sciences, and engineering.

(b)(1) The Office of Science and Technology Policy will develop guidelines and plans for agency participation in the Program established under subsection (a) of this section. Such guidelines and plans shall include a provision that the Federal contribution in any fiscal year to grants under such Program shall not exceed the amount of funds contributed for such grants by the private sector.

(2) The Director of the Office of Science and Technology Policy shall submit such guidelines and plans to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives prior to the submission by the President to the Congress of the Federal Budget for fiscal year 1984.

(c) The Director of the Office of Science and Technology Policy shall submit a report at least annually on such Program to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science and Technology of the House of Representatives.

(d) The Program established under subsection (a) of this section shall continue in effect for five years after the date of enactment of this Act. Continuation of such Program after that date shall require the specific authorization of Congress.

PRESIDENTIAL SCIENCE AND ENGINEERING NEW INVESTIGATORS AWARDS

SEC. 7. (a) There is established within the Executive Office of the President the Presidential Science and Engineering New Investigators Awards Program to support and encourage promising new scientists and engineers to establish careers in academic research. The Program shall be administered by the Office of Science and Technology Policy.

(b) The Director of the Office of Science and Technology Policy, after consulting with such other persons as the Director considers appropriate, shall select the recipients of such awards from individuals who—

(1) are untenured faculty members in mathematics, the physical or biological sciences, or engineering;

(2) have received a doctoral degree in one of these disciplines or has reentered academic research within 5 years before the award is made; and

(3) show unusual promise in their respective fields.

(c)(1) Any such award will consist of—

(A) a base research support grant of $25,000 per year for five years; and

(B) at the discretion of the Director, an additional research support award of up to $75,000 per year for five years of which the total annual Federal share shall not exceed $25,000 and shall be contingent upon private and other non-Federal unrestricted matching of at least $2 for each Federal dollar awarded.

(d) Any such award shall be made on the basis of merit only and may not be used to pay the salaries of Presidential Science and Engineering New Investigators during any academic year.

(e) There is hereby authorized to be appropriated for the Presidential Science and Engineering Young Investigators Awards not to exceed $10,000,000 for the fiscal year ending September 30, 1983; $20,000,000 for the fiscal year ending September 30, 1984; $30,000,000 for fiscal year ending September 30, 1985; $40,000,000 for fiscal year ending September 30, 1986; and $50,000,000 for fiscal year ending September 30, 1987.

PRESIDENTIAL SCIENCE AND MATHEMATICS IMPROVEMENT

SEC. 8. (a) There is established within the Executive Office of the President a Presidential Science and Mathematics Improvement Program. Such Program shall be administered by the Office of Science and Technology Policy which shall develop a plan and guidelines for the Program. To ensure that the Program reflects appropriately the plans and intentions of the separate States, and assist them in their responsibilities, the Office of Science and Technology Policy will coordinate activities of such Program with the Governors of the separate States.

(b)(1) The plan and guidelines developed pursuant to subsection (a) of this section shall, at a minimum, provide for stipends for eligible teachers of precollege science and mathematics in order that they may participate in programs designed to improve their instructional skills and subject-matter knowledge. Such programs could include development of instructional material for teachers through university departments of mathematics, physical and biological sciences; teacher institutes and resource centers; and other innovative instructional programs.

(2) The plan shall include criteria for selection of participants in such programs.

(3) The nominations of eligible participants in such programs shall primarily be the responsibility of State and local school authorities.

(4) At least one-half of the funds necessary for stipends will be made available through non-Federal sources.

(c) There is hereby authorized to be appropriated for the Presidential Science and Mathematics Improvement Program not to exceed $5,000,000 for the fiscal year ending September 30, 1983; $10,000,000 for the fiscal year ending September 30, 1984; $30,000,000 for the fiscal year ending September 30, 1985; $55,000,000 for the fiscal year ending September 30, 1986; and $55,000,000 for the fiscal year ending September 30, 1987.

SECTION BY SECTION ANALYSIS: NATIONAL SCIENCE AND TECHNOLOGY IMPROVEMENT ACT OF 1982—SENATOR HARRISON (JACK) SCHMITT

Section 1. Titie.—"National Science and Technology Improvement Act of 1982."

Section 2. Findings and Purposes.—Emphasizes the importance of R & D in science and technology to our national welfare and security; the need to improve the quality and quanity of our scientific and technical manpower; the need to improve academic research capabilities; and the shared responsibility required of the public and private sectors.

Section 3. Policy.—Promte national leadership in science and technology by suporting R & D and developing the necessary manpower base in cooperation with the States and the private sector. The Office of Science and Technology Policy has the primary responsibility in the Executive branch for developing policies for R & D and science, engineering and technical manpower.

Section 4. Presidential Program for the Improvement of Science and Technology.—Authorizes the Director of the Office of Science and Technology Policy to establish programs in Sections 5, 6, 7, and 8.

Section 5. Science and Technology Policy Assessments.—Requires OSTP to undertake assessments of currently critical problems of science and technology policy, including:

Shortages of primary and secondary science and mathematics teachers;

Retraining skilled workers for new demands of high technology business and industry; and

Influences on preschool children which determine their interest in science and mathematics.

Assessments with any recommendations are to be reported to the Senate Commerce, Science and Transportation Committee and the House Science and Technology Committee prior to the President's FY 1984 budget submission.

Section 6. Research Capabilities Improvement.—OSTP is authorized to establish private sector cost sharing programs in Federal R. & D. agencies with basic research budgets in excess of $100 million. Grants are to universities for research and instructional scientific equipment, facilities renovations, fellowships and scholarships and other purposes determined by the Director of the Office of Science and Technology Policy. Plans and guidelines are to be submitted to the Senate Committee on Commerce, Science and Transportation and the House Science and Technology Committee by the Director of OSTP prior to the President's FY 1984 budget submission. The program terminates in five years, unless specifically reauthorized.

Section 7. Presidential Science and Engineering New Investigators Awards.—Authorizes the Director of OSTP to make awards to untenured faculty with unusual promise as researchers in the sciences and engineering. Grants are for 5 years and consist of a $25,000 base grant plus up to $75,000, of which no more than $25,000 are federal funds. Authorized: $10 million in FY 1983; $20 million in FY 1984; $30 million in FY 1985; $40 million in FY 1986; and $50 million in FY 1987.

Section 8. Presidential Science and Mathematics Improvement.—OSTP is authorized to develop, in coordination with the States, a program of in-service training programs for precollege teachers of science and mathematics. Funds are available for instructional materials and for stipends, which are available on a 50% match with non-federal sources. Authorized: $5 million for FY 1983; $10 million for FY 1984; $30 million for FY 1985; $55 million for FY 1986; and $55 million for FY 1987.●

ADDITIONAL COSPONSORS

S. 1701

At the request of Mrs. HAWKINS, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1701, a bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of certain deceased individuals and in the location of missing children and other specified individuals.

S. 1969

At the request of Mr. PRYOR, the names of the Senator from Michigan (Mr. LEVIN), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 1969, a bill to prohibit the use of appropriations for the payment of certain lobbying costs.

S. 2061

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2061, a bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public and Indian lands, and for other purposes.

S. 2420

At the request of Mr. HEINZ, the names of the Senator from Massachusetts (Mr. TSONGAS), the Senator from Vermont (Mr. LEAHY), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 2420, a bill to protect victims of crime.

S. 2610

At the request of Mr. CHAFEE, the name of the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 2610, a bill to delay Treasury regulations on the debt-equity issue.

S. 2730

At the request of Mr. HEINZ, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 2730, a bill to place a moratorium on continuing disability investigation terminations under titles II and XVI of the Social Security Act.

SENATE JOINT RESOLUTION 188

At the request of Mr. INOUYE, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 188, a joint resolution to authorize and request the President to designate March 1, 1983, as "National Recovery Room Nurses Day".

SENATE JOINT RESOLUTION 205

At the request of Mr. EAST, the names of the Senator from Vermont (Mr. STAFFORD), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of Senate Joint Resolution 205, a joint resolution to designate September 1982 as "National Sewing Month."

SENATE JOINT RESOLUTION 209

At the request of Mr. LEVIN, the name of the Senator from Nebraska (Mr. EXON) was added as a cosponsor of Senate Joint Resolution 209, a joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week."

AMENDMENT NO. 2007

At the request of Mr. RIEGLE, the names of the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New York (Mr. MOYNIHAN), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of amendment No. 2007 proposed to S. 2774, an original bill to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, 97th Congress).

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water to consider S. 2186, to authorize the Secretary of the Interior to acquire certain lands by exchange at Indiana Dunes National Lakeshore in the State of Indiana, and for other purposes; and S. 2710, to establish a wilderness area in the Hoosier National Forest area, Indiana. The hearing will be held on Thursday, August 12, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth at 224-7146 or Ms. Meredith Spencer at 224-7150.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON TOXIC SUBSTANCES AND ENVIRONMENTAL OVERSIGHT

Mr. RUDMAN. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances and Environmental Oversight, of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, August 4, at 2 p.m., to hold an oversight hearing on the implementation of the Toxic Substance Control Act by EPA.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. RUDMAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, August 5, at 9 a.m., to hold a business meeting to consider pending calendar business, provided S. 956, the Dam Safety Act, is not considered 2 hours past the convening hour of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HEALTH BUDGET CUTS—IMPACT ON THE NATION'S CITIES

● Mr. KENNEDY. Mr. President, during the debate last year over proposed budget cuts in health programs, particularly preventive health programs, I predicted the cuts would have a devastating impact on the health status of millions of Americans. The administration argued that the proposed cuts were not really cuts at all but would be offset by greater program efficiency, reduced redtape and better targeting on populations in need. And the administration prevailed—virtually all of the public and preventive health programs sustained significant reductions in Federal support.

A year later, it is becoming increasingly obvious that the administration was wrong. Fewer children are being immunized against preventable childhood diseases; screening for lead-based paint poisoning, which can cause serious and permanent brain damage if left untreated, is down; hypertension screening programs have been closed. Maternal and child health programs are turning away at-risk mothers and children.

Particularly hard hit by the cutbacks are the poor of this Nation's cities. On July 15, 1982, representatives of the U.S. Conference of City Health Officers addressed the impacts of Federal budget cuts on local public health programs. I ask that the prepared remarks of the chief public health officials of the cities of Philadelphia, Detroit, Baltimore, Chicago, and San Francisco be printed in the RECORD.

The remarks follow:

STATEMENT OF JOHN B. WALLER, JR.

Good morning. I am Dr. John B. Waller, President of the U.S. Conference of City Health Officers and Public Health Director of the City of Detroit. The Conference of City Health Officers is the Washington-based representative for the nation's city and county health departments and is an affiliate of the U.S. Conference of Mayors.

I am here today to discuss with you the Administration's budget priorities and health policies as they relate to: prevention of illness and injury; the protection against disease; the promotion of health for all persons regardless of social or economic status; and, the special health needs of the poor, the elderly, mothers and infants, children, and the disabled.

Joining me are public health directors from some of this country's largest metropolitan areas: Dr. Stuart Shapiro, Commissioner of Health for Philadelphia; Dr. John De Hoff, Commissioner of Health for Baltimore; Dr. Hugo Muriel, Commissioner of Health for Chicago; and Dr. Mervyn Silverman, Director of Health for San Francisco.

Dr. David Sencer of New York had planned to be here today but was forced to remain home because of a pending hospital strike in no small measure the result of budget cuts and local fiscal constraints.

The five health officers present speak for approximately nine million individuals. These people, our cities—all of our cities—not just the old Northeastern cities are in trouble.

More and more workers are becoming unemployed. The cost of living is increasing. Health costs are going up. Local tax bases are disappearing because businesses large and small are going bust and out-of-work people can't pay taxes. While all of this is going on, local governments face increasing pressure to do more—in health, in human services, in housing, and other areas—for the ever growing legions of poor and near poor, for undocumented aliens, for the aged, for children, and for refugees whom we welcome to our communities, but point out are here because the federal government decided to admit them but declines to assume full responsibility for them.

The federal government is opting out in the guise of new federalism. It is turning its attention away from human needs. Local governments, the providers of last resort, can't ignore human needs. But, the well may soon run dry.

In oil-rich Tulsa, there has been a gradual rise in the infant mortality rate. Cuts in clinic hours brought on by cutbacks in the Maternal and Child Health program make it difficult for low income women to obtain pre-natal care.

In Des Moines, only one half of the needed home health care is available. The United Way, one of those voluntary agencies we hear so much about, lately, has contributed all it can to supplement city and county resources, but it isn't nearly enough. Who loses? The elderly, abused children, the home-bound, and dependent adults.

A veneral disease epidemic continues in the United States. In September, Tucson will lose federal funds that pay for the manager of a five county VD clinic and some clinic staff. Backup laboratory services, which now can't be maintained at adequate levels, will be reduced, too.

Seattle's Indian Board, the only program for the City's Indians, may well go out of business. In 1982 the Board had a $2 million budget. The Administration wants to erase 1.2 million of this with elimination of funding for Title V of the Indian Health Care Improvement Act. $700,000 more will be cut when a $900,000 grant from the Department of Health and Human Services is terminated and replaced with a $200,000 phase out grant.

The United States Conference of City Health Officers takes issue with this and with similar scenarios being played out in most every city in this country. We take issue with the fact that the Administration would have us spend $46 million in 1983, an increase of almost 300 percent over 1982, on nuclear attack civil preparedness for a war no one can win and which almost certainly isn't worth living through, while at the same time radical surgery is being performed on medicare, medicaid, and discretionary health programs to the tune of almost $5 billion.

What is going on here? How can Americans rationalize a social priority expressed through our federal government expenditures which places emphasis on preparing for death and destruction by nuclear holocaust rather than preventing disease and disability and promoting a healthy living environment for us all.

Let me share a few numbers with you. In the area of childhood immunization, for 1982 the Administration requested a 34 percent cut in funds from 1981. Congress settled on a ten percent cut which, taking into account the rising cost of vaccine, results in at least a 30 percent cut from 1981. The public health community was outraged and warned this would result in increases in measles and rubella and eventually in the re-emergence of polio. HHS Secretary Schweiker recently relented; he called upon Mr. Stockman to okay a $6 million supplemental in 1982 and a $5.5 million increases for 1983 because the country might be 4 million vaccines short. 4 million!

The President refused to sign this measure twice, vetoing it along with other programs in an emergency supplemental appropriations bill.

How many other program calls will be judged wrong; too late. We don't want to wait around and find out.

Rodent control—in Detroit we speak more colloquially of rats—has been lumped into the preventive health and health services block grant. This means cities with the need for urban rat control programs have to justify for legislators in their state capitals—many in rural areas—the need for continuation or strengthening of programs that serve only certain areas in the state. This is often hard to do.

Have you ever seen an infant who's been bitten by a rat? I have.

We want this to stop. We want it to stop now. Let's get our priorities straight. Stop trading healthy children for helicopters. Stop trading lead based paint poisoning prevention programs for lethal weapons. Stop abandoning our old, poor, disabled for a disaster planning charade the Wizard of Oz would have had a hard time believing.

One of my favorite quotations of Thomas Jefferson states the care of human life and happiness is the first and only legitimate objective of good government. This quotation is proudly displayed as you enter the offices of the City of Chicago Health Department.

STATEMENT OF DR. STUART H. SHAPIRO, COMMISSIONER OF HEALTH, PHILADELPHIA, PA.

The citizens of our cities are feeling the pain of abandonment.

Over the last two decades the federal government has developed many programs to preserve people's health and to meet special health needs. I am at a loss to explain why these programs, which do contribute to keeping the public healthy, have been singled out for cutbacks by the federal government. I understand the need to balance the budget. This is not the way to do it. If the issue truly is to make health programs more accountable and more efficient, I can tell you that the new federalism with decreased funding will not accomplish these goals. The theory that these cuts can be assessed by improved program administration and targeting by the states and by the private and philanthropic community is simply not true. That is not a partisan statement. That is the opinion of the apolitical Government Accounting Office and the non-partisan Congressional Budget Office.

As Health Commissioner for the City of Philadelphia I join with the other Health Commissioners to say loudly and clearly that the budgets being proposed and enacted are dangerous to the health of the citizens of this great country. The suggested economies will be enormously costly in the longrun. Human suffering will increase. The so called "safety net" which is supposed to protect the truly needy from serious hardships is no safety net at all. It looks more like Swiss Cheese, with more holes than cheese.

The programs which will be hardest hit are those which have clearly been shown to prevent disease and suffering. They are cost-effective programs which have prevented the need for costly long-term hospital and custodial care. For example:

Drug and Alcohol Programs in Philadelphia have been but by 11%. Studies show that when heroin addicts join methadone programs their rate of crime drops significantly as does their possession of hand guns. Hundreds of addicts wanting and needing treatment will not be able to get services. Is our government asking addicts to steal to support a habit because there are no treatment slots available?

In terms of Maternal and Child Health care, eliminating prenatal care is not cost-effective. The United States tragically ranks 14th worldwide in infant mortality. Infant mortality must go down. It will not with the cuts being proposed by the Federal Government. It is far cheaper to offer prenatal care to a poor woman than it is to pay for a lifetime of special services and/or custodial services for a handicapped child.

Cost-effective preventive programs such as programs to detect and treat veneral disease, tuberculosis, and lead poisoning are being cut. Immunization programs are certainly not keeping up with inflation.

Medicare and Medicaid programs are inadequately funded today. And the $5 billion in cuts will make it worse. According to a recent study nine hospitals in Philadelphia are facing the threat of bankruptcy. Hospitals are facing an unconscionable dilemma—a Hobson's choice—of limiting care to the poor and unemployed or risking the end of all care by ending in bankruptcy.

When the Federal Government or a state government cuts a health department budget, the entire system of care suffers. The fabric holding the health care system together is very delicate. It is like fine silk, not a sturdy cotton. If we destroy the fabric of agencies providing care or permanently weaken these agencies by forcing them to use endowments for routine operating expenses, reduce staff or cut eligibility, then even if by some miracle the program for economic recovery does work, we will have virtually no health system remaining.

The irony of all this is that while these cuts are taking place, President Reagan is supporting a 4.2 billion dollar program to relocate two-thirds of the American public in case of the imminent threat of nuclear war. I believe that that expenditure is wrong. I believe we should not waste 4.2 billion dollars on a program to vacate people from our cities in case of nuclear war when millions of Americans are going hungry and are unable to receive even minimal health services. That 4.2 billion dollars should be spent on domestic programs which prevent and alleviate human suffering.

I am not saying that we should spend money in an unsystemmatic way. We must create a set of health and social programs that are more efficient, less costly and more accountable. We do need systemwide targeted reforms and we do need reform in the way we finance health care, but the budget cuts being proposed will not get us to that goal.

I hope my message is clear. We must learn to live within a budget; that budget, however, must meet, not hide our obligations. The budget today is not meeting those obligations. We are all feeling the pain of abandonment.

STATEMENT OF DR. JOHN DE HOFF, COMMISSIONER OF HEALTH, BALTIMORE, MD.

Health and medical services in Baltimore City have been reduced as a result of funding reductions by the Reagan Administration, compounded by unemployment and continuing severe inflation. Budgetary dollar reductions can be equated to service losses because health services are labor intensive.

Services to people in Baltimore have suffered these losses:

FUNDING REDUCTIONS

Family Planning—Baltimore City Health Department had a $1,000,000 annual budget in this area. For fiscal year 1983, $400,000 is available, representing a 60 percent cut.

Maternal & Infant Care and Children & Youth Programs—A cut of 25 percent in federal funds reduces services and limits intake to only high risk pregnancies.

Air Pollution—A 20 percent reduction in monitoring and control activities of industrial emissions will occur.

Food Processing Plant Inspections—A 40 percent federal cut equates to a $25,000 loss to Baltimore City Health Department.

Federal Congregate Eating Program for the Elderly (Eating Together in Baltimore)—A 20 percent cut means that 1,000 fewer meals per day will be served.

High Blood Pressure Control—A 15-20 percent reduction in funds limits the screening of new clients and follow-up of persons under treatment.

Influenza Vaccination Program—Federal program funds were eliminated.

Neighborhood Health Centers—One, the East Baltimore-Medical Plan, or possibly two will lose all federal support. Others may lose up to 30 percent of federal funding. West Baltimore Community Health Center has laid-off 25 workers. Chesapeake Health Plan has only fiscal year 1982 carryover funds.

Health Promotion—A two-thirds reduction in money available to the state resulting in total loss of funds for Baltimore City.

UNEMPLOYMENT

Hospitals are suffering from the unemployment of patients which is running at 11 percent for the metropolitan area and as high as 70 percent in predominantly black areas. Greater Baltimore Medical Center (GBMC), heavy in specialty care, notes "a sharp decrease in inpatient revenue," a drop in outpatient care, a rise in charitable care requests and in bad debts. Some GBMC physicians have had a 45-50 percent decrease in office visits, even in the white-collar Towson-Timonium area, according to hospital director, Paul Becker.

INFLATION

Baltimore City Health Department staff have noted an increase in homeless young people and "bag people," and have reports of requests to neighborhood residents for "backdoor meal handouts." Staff substantiates newspaper reports (Baltimore Sun) of dispossessed or transient families living in autos or packing board shelters.

STATEMENT OF DR. HUGO MURIEL, COMMISSIONER OF HEALTH, CHICAGO, ILL.

Chicago, a city of 3 million people where health care expenditures average 4-5 billion dollars a year, has a Health Department of diminishing fiscal resources. Statistics show that the problems of infant mortality, tuberculosis and venereal diseases in Chicago are slowly decreasing, but are certainly not keeping pace with national levels. Unless the private and public sectors address the preventive aspects of these pressing problems in a more forceful manner the health care system in Chicago and elsewhere will suffer serious setbacks.

It is imperative that direct action be taken immediately to solve this problem. But, because of the elections in November of this year, no one wants to talk about badly needed services. Why, because services require financial resources which in turn means an increase in state and local taxes. Despite the lack of attention to this matter, there is a growing demand from the public for more and better services. This demand is not unfounded as we see medical providers screening patients and refusing services to those who do not pay cash or have full health insurance coverage. Consequently public health facilities are being forced to provide for those being turned away from other medical providers.

The key to the success of preventive medicine is a coordinated effort by both the individual as well as the public and private sectors. In the past year and one-half state and local health departments have been faced with a growing demand for services yet find themselves with less fiscal resources.

In order to establish the required priorities that would give the health care providers the resources with which to facilitate preventive medicine a National Health Policy is needed. Such a policy would not only establish a direction by which preventive medicine would lead to further reductions in disease but also promote the overall well being of man.

STATEMENT OF DR. MERVYN F. SILVERMAN, DIRECTOR OF HEALTH, SAN FRANCISCO, CALIF.

San Francisco faces a reduction of services totalling approximately $10 million dollars from cuts in funding of services contained in the block grant categories, cuts in Commu-

nity Health funding, Mental Health funding and cuts in Medicare and Medicaid. Since these are not uniformly distributed some services are completely eliminated while others are affected in varying degrees. But the main problem is:

The cities are being hit from all sides. i.e.:

(1) Direct revenue reduction as a result of Federal and State cuts

(2) Increased demand for services resulting from—(a) The poor economy; (b) Dumping by private providers no longer able to provide low-cost services.

The reality is, the cities are the providers of the last resort.

We are seeing a number of paradoxes:

(1) As the needs and demands increase our ability to meet them decreases

(2) While the Federal government gives lip service to the benefits of prevention (and at the same time reduces funding for it) we are forced to shift scarce dollars to acute care—thus making a short-term solution which will lead to a long-term problem that is much more costly, both in terms of dollars and more importantly in human suffering. For example the relatively few dollars that may no longer be spent on Heart Attack risk reduction per person are exceeded a hundred times by the huge expense to treat the preventable myocardial infarction.

If the problems and concerns raised here today are any indication, the nation will return to a system of acute and episodic health care for the poor and the increasing number of near poor, with an accompanying reduction in vital community health prevention programs.

To reverse this trend we must have a commitment on the part of the federal government and the nation's citizens to preserve community public health services.

Public hospital revenues must be protected, as proposed by the Senate Finance Committee and as currently considered by Ways and Means. All of our vital acute and public health services must be sustained or all will decline together. We must be equally vigilant to the effects in both quarters, for without protection of resources to meet indigent health care needs, I fear we will see the end of public health as we know it. Despite the financial and humane bases for investment in public health, cities and counties are currently forces to the limits of their ability to sustain these services. We have tightened our belts as far as possible. It is now time to draw the line and demand no further reductions in either indigent or preventive health care programs.

PROGRESS ON THE MEDICAL FRONT

● Mr. METZENBAUM. Mr. President, for the past 20 years a group of dedicated physicians and researchers at the Stanford University Medical Center have been working toward a cure for those who have been stricken with Hodgkin's disease.

Led by Drs. Henry S. Kaplan and Saul Rosenberg, this team of medical professionals has given hope to the thousands of people who develop this disease each year.

Hodgkin's disease was practically incurable when research into its treatment began at Stanford. Today, 75 percent of the cases are permanently cured, thanks largely to the work of Drs. Kaplan and Rosenberg.

Mr. President, the medical news these days is often depressing. We hear of new and puzzling diseases with alarming regularity. But we do not often hear of the triumphs. I believe we should pay tribute to the scientists and researchers, providing us with the good news from the medical front. Accordingly, I ask that an article on the efforts of Drs. Kaplan and Rosenberg, published in the June 1982 edition of the Stanford Observer be printed in the RECORD.

The article follows:

[From the Stanford Observer, June 1982]

HODGKIN'S DISEASE SUCCESS STORY

Stanford University Medical Center—home of some of the most advanced cancer research in the world—celebrated an anniversary last month with a unique scientific symposium updating progress in Hodgkin's disease and paying tribute to the hundreds of patients who helped make it possible.

The anniversary marked a full 20 years since Stanford launched a series of daring experimental trials to treat patients with both early stage and advanced Hodgkin's disease.

Until that time treatments, mostly with low voltage radiation, were palliative and this cancer of the lymphatic system, which strikes about 8,000 people a year between the ages of 20 and 40, was commonly believed to be incurable.

Today aggressive diagnosis and treatment can lead to better than 80 percent survival at five years for all stages of the disease, according to Stanford's published figures. Seventy-five percent of the patients are permanently cured.

Even more dramatic have been the cure rates in children, with a 96 percent survival rate at 11 years, and with 93 percent of the children never experiencing a relapse.

The anniversary symposium Saturday, May 8, in the Sherman Fairchild Auditorium, was organized by two pioneers in the field of Hodgkin's disease, Dr. Saul Rosenberg and Dr. Henry S. Kaplan. It focused heavily on the work of Stanford faculty members, their past accomplishments and future directions.

And it included talks by another important figure in the field, Dr. Vincent DeVita, director of the National Cancer Institute in Bethesda, Md.

It was DeVita who in the mid-sixties introduced the concept of clinical trials using a four-drug combination in patients with advanced Hodgkin's. And it was this combination called MOPP, which stands for the first letter of each drug—mustard, oncovin, procarbazine, and prednisone—that in later Stanford trials was used in conjunction with radiotherapy to produce even more dramatic results than those obtained by radiation alone.

But the real stars in the anniversary event, according to Kaplan and Rosenberg, were the patients. More than 500 of the 800 patients who took part in Stanford's clinical trials, and who are now cured of Hodgkin's disease, accepted invitations to attend.

Clinical trials of new procedures and treatments are conducted only when the benefits are believed to outweigh the risks to the patient. They must also provide information that would be of benefit to society's future patients.

Nevertheless, terminal cancer patients taking part in experimental trials do risk side effects, pain and possible disability for a chance at life. And for this reason, the role each patient has played in making new procedures more effective and safer for the next generation of patients cannot be overemphasized, according to Kaplan and Rosenberg.

"Many of the best insights, the most productive insights that we have gotten along the way, came from observations in particular patients," said Kaplan. "They taught us new lessons which gave us the new ideas."

"We doctors in clinical research know that patients with a life-threatening illness are truly 'in the trenches,' " DeVita said.

It takes courage and commitment of the patient's family and friends, and physicians count on that heavily when the treatment of the disease is difficult to tolerate, he added. "We won't be satisfied until all patients are cured by therapies as easy to use as some used to treat infections."

Another speaker, Dr. Armand Hammer, chairman of the President's Cancer Advisory Panel, spoke briefly about his interest in cancer research, especially hybridoma technology and its future promise in diagnosis and cancer treatment.

Kaplan and Rosenberg received a standing ovation during the afternoon program planned as a tribute to former patients.

It was the mid-1950s when Kaplan began treating Hodgkin's patients with orthovoltage radiation and nitrogen mustard in an attempt to cure the disease while it was still localized.

Experience with a handful of cases, mainly those of Dr. Vera Peters of Toronto, suggested that radiation would do the job, but in half the patients recurrences developed in the next chain of lymph nodes beyond the last one that had been irradiated.

Judging correctly that the effectiveness of radiation treatment was limited by the low-powered kilovolt X-ray equipment, Kaplan worked with Prof. Edward Ginston and a group of physicists at Stanford and helped develop the first megavoltage clinical linear accelerator to be made in the western hemisphere.

In the early 1960's Kaplan, using the linear accelerator, was able to deliver large tumor-killing doses of radiation—as high as 4,500 rads—deeper into the bodies of patients with advanced Stage III Hodgkin's. Treatments were spread over a period of up to four weeks and could be tolerated safely by the patients' skin.

(Hodgkin's disease is divided into four stages with Stage I being the minimal involvement.)

The procedure Kaplan used is called total lymphoid irradiation. It involved giving massive radiation doses to nearly all the lymphoid tissues of the body, while protecting other vital organs from ill effects by the use of lead shields tailor-made for each patient.

Even though the patients with the advanced disease had no chance of cure, the idea of total lymphoid irradiation was criticized at the time by some of Kaplan's colleagues.

"Radiotherapists of that day had an almost superstitious fear of treating people both above and below the diaphragm with large doses of radiation," Kaplan recalled.

"But today above 40 percent of the patients treated 20 years ago with the so-called radical high dose are still alive. They represent the first group of Stage III patients ever cured."

Success required not only the accelerator, but also other developments. One was the

histopathologic staging of the disease, accomplished at the Armed Forces Institute of Pathology by Dr. Robert Lukes. Another was lymphangiography, a diagnostic test developed in Europe. This test uses an opaque dye, injected into the small lymph channels of the feet, to highlight the lymph nodes in the abdomen in X-rays.

The Stanford group used lymphangiography routinely for all patients in their clinical trials as well as all other Hodgkin's patients.

"These studies added a great deal to the understanding of the natural history of Hodgkin's disease," said Kaplan. "We succeeded in showing that in probably 90 percent of all cases the disease disseminates as if it originated in a single site and progressed by what we call contiguous spread within the lymphatic vessels.

"It doesn't just appear helterskelter all over the body. It has a highly predictable pattern of spread, while in the remaining cases, the disease is presumably disseminated through the circulatory system."

As a result, the Stanford collaborators developed an aggressive program against Hodgkin's disease that routinely included laparotomy and splenectomy as well as radiotherapy, with chemotherapy added in the advanced stages as a potential treatment ally.

Laparotomy and splenectomy involve a surgical incision in the abdominal region to remove tissue samples from the liver and lymph nodes near the spine, and to remove the spleen for biopsy.

An important discovery of the Stanford group was that the spleen in Hodgkin's patients was often a site of silent disease virtually undetectable by the lymphangiogram. Another finding was that the cancer spread by traveling from the spleen to the liver and possibly to the bone marrow.

In about 30 to 35 percent of the cases the extent of lymph involvement had been misdiagnosed. With laparotomy and splenectomy added to lymphangiography, the group was now able to determine accurately the extent of anatomic spread of Hodgkin's disease and then properly treat it will intensive megavoltage radiation.

As Kaplan was establishing the usefulness of the linear accelerator, Rosenberg was working with him and pioneering new developments in cancer clinical trials and chemotherapy as director of the Division of Medical Oncology.

"Twenty years ago the field of chemotherapy and medical oncology didn't exist at Stanford or in most places in the world," Rosenberg said.

"This division has grown from one faculty member, in 1965, to more than 65 people today, and is one of the largest in the Department of Medicine."

Rosenberg's interest has been developing protocols to improve the treatment of lymphomas. He helped establish the value of the laparotomy and bone marrow biopsy techniques. Starting in 1968, he began testing with Kaplan the value and role of MOPP treatment in combination with radiotherapy in patients with Stage I, II, III of Hodgkin's disease.

The combined therapy, according to Kaplan and Rosenberg, proved beneficial for many patients, and these series of treatment trials, conducted over a six-year period, improved the survival and cure statistics beyond what they had been.

In 1974 Kaplan and Rosenberg began new studies in which radiation and chemotherapy alternated, less toxic drug combinations were used, and new patterns of radiation and drugs were attempted in patients with the most advanced disease.

Among the less toxic drug combinations was PAVe, which stands for a three drug combination similar to MOPP. It is used as an alternative to MOPP because it is better tolerated by the patients.

Those trials were ended in 1980 and are still being evaluated, but it is clear, according to Kaplan and Rosenberg, that PAVe has proved to be every bit as good as MOPP, and more acceptable to the patients.

Kaplan and Rosenberg are now trying to perfect the powerful treatment programs with even less toxic drug combinations, without adversely affecting the cure rates.

Instead of MOPP and PAVe, which almost invariably render males sterile and produce the risk of leukemia developing later, patients will be given a combination of the drugs vinblastine, bleomycin, and methotrexate, or VBM for short, after receiving radiation treatment.

Patients in the middle or advanced stages will also be treated with drugs other than MOPP, with MOPP reserved for cases when relapse occurs after initial treatment.

Kaplan's and Rosenberg's major concern now is the patients' quality of life. Even during the early years, radiation therapy was frequently associated with complications in some patients. They included radiation damage to the heart muscle, bone growth abnormalities, acute leukemia, and sterility in both males and females.

Modifications in techniques have prevented many of these from happening today. Children, for example, with Hodgkin's disease can now be treated without the impairment of bone and muscle growth induced by radiation. Kaplan solved the problem by reducing the dose and extent of radiation and adding chemotherapy.

Recently, the group also reported that 20 of 26 women had succeeded in becoming pregnant following treatment for Hodgkin's disease at Stanford, and giving birth to healthy babies.

"It's a measure of our success that in a disease that was once invariably fatal, we now have the luxury of looking into (the quality of life)," Kaplan and Rosenberg told a reporter recently.

Using, for example, less toxic drug combinations such as VBM is perfectly justified in patients with favorable prognosis, they believe.

" If VBM works it would be a substantial contribution," Kaplan said. "If it proves not to be sufficiently effective, then we have MOPP in the background as a salvage regimen since its efficacy has already been well proved in patients relapsing after treatment of limited disease."

Kaplan and Rosenberg said that the major advances made at Stanford in two decades of clinical trials with Hodgkin's disease patients were based on clinical guesses—and the guesses usually have turned out to be right.

Other speakers at the meeting were Drs. Ronald Castellino, Ronald Coleman, Sarah S. Donaldson, Ronald F. Dorfman, Eli J. Glatstein, and Richard T. Hoppe.●

NEW BABY MARKS 6TH GENERATION

● Mr. HAYAKAWA. Mr. President, the family—what a wonderful organization. Where else can you receive the love and caring we as human beings so desperately need and want? And the satisfaction of this need comes not only from our immediate family and descendants, but in the knowledge and understanding of our ancestors who so often become little more than a recognized name.

Many of us here in the Senate know first-hand the life-giving experience of becoming a parent or grandparent. But can any of us truly understand the incredible pride, enthusiasm, and love that must be experienced by the birth of a great-great-great grandchild? Such a feeling is well known to a living six-generation family in California.

Tara Katheleen Peters was born to parents Kimberly and George Peters on March 12, 1982, in Redwood City, Calif., becoming the sixth living generation in her maternal family. Her historic line from grandmother through great-great-great grandmother includes Kathleen Jo Ann Jacobi, Kathlene Langella, Olene Cox Hutto, and Frankie Underwood.

I extend my heartiest congratulations to Tara Kathlene Peters and her living ancestors. She is indeed fortunate to have the opportunity to know and enjoy them during her life.

Mr. President, a touching article entitled "New Baby Marks 6th Generation" appeared in the Millbrae Sun newspaper shortly after Tara's birth. I commend it to my colleagues' attention and ask that it be printed in the CONGRESSIONAL RECORD.

NEW BABY MARKS 6TH GENERATION

(By P. C. Fergusson)

Everyone knows by now that a 7 lb. 6 oz. baby girl born Friday morning in Redwood City is the only living sixth generation family member in the United States.

But what everyone doesn't know is that Millbrae Sun columnist Ben Langella is now a great grandfather.

Just like a journalist, "If there isn't any news, I make some," laughed Langella last week, hours after his new family member was born.

Dressed in a black tuxedo and white ruffled shirt, Langella was on his way to his other occupation (after staying up all night at Kaiser Permanente Hospital) when he stole a few moments to tell his colleagues what being a member of this historic family is really like.

Besides writing a notoriously opinionated and much-read column for the Sun-Leader, Langella works as a ringside announcer at the San Francisco Civic Auditorium (among other places), and is a Vice President at Millbrae's Great Western Savings and Loan.

"I've always had a nose for news," said Langella last week. "But in all my years of writing, I've never come across a story like this one."

"The odds against having six generations living at the same time—it's incredible!" he said, obviously a little incredulous himself.

The new baby girl, Tara Kathlene Peters, is the latest addition to a matriachal line as long as your arm, and then some.

Frankie Underwood ("Granny") started it all back in Dublin, Georgia when she gave birth to her first child, Olene, at the age of 18.

Granny, now 91, was born "when we were still fighting the Indians," said Langella, and she has personally seen the rise and fall of 16 American presidents.

"When she was young, women didn't even have the vote, now that's all that's left of her family. It's a small step for mankind, and a giant leap for womankind," Langella said.

Each member of this incredible clan married and gave birth before the age of 20, and each first born child was a girl.

Frankie begat Olene and Olene begat Kathlene and Kathlene begat another Kathlene and that Kathlene begat Kimberly and Kimberly, last week, begat Tara Kathlene.

Perhaps Langella's infamous nose for news had something to do with his marrying into this strong-blooded brood back in 1944.

Langella brought his bride from Georgia to the West Coast. The two have lived in Burlingame for the last 10 years. His granddaughter, Kimberly, with a little help from husband, George, put Redwood City on the map last week.

With stars in his eyes the usually cool columnist brimmed with excitement Friday evening.

"There was a media blitz for the birth the likes of which I haven't seen since the 49ers went to the Super Bowl," he said.

"Every television channel in the Bay Area showed up at the hospital including 2, 4, 5, 7, 11, 13, 14, and 36. There were national newstreams from the three big networks, and AP, UPI, and the Bay Area News Service. There was even a Spanish speaking channel there."

Even the President got into the act. The mother received a telegram from Ronald Reagan, congratulating her on the new arrival.

Langella got the word that the baby was on the way Thursday night at 10 p.m. He and his family, accompanied by the media, got to the hospital at 11 p.m.

The doctor in charge, Dr. Glenn Miller, said the production could take all night long. "But Kimberly fooled us. She went into the delivery room at 2:30 and at 3:07 the baby was born."

Members of channel seven's news team were allowed in the delivery room. They are producing a 30 minute documentary on the big event. Langella stayed in the waiting room, however, "I couldn't go in the room. I would have fainted," he said.

Today the family is the only one living in the "civilized world" with six generations, Langella said. "There have been 11 such families in the last 30 years, but none of them were all women," he said.

Just as Tara Kathlene entered the world, so she will enter the Guiness Book of World Records. And she knew she was a star, Langella said. "At seven hours old she was already posing for the cameras."

Sun photographer Ciro Buonocore was the first to get a still photograph of the baby. Congressman Tom Lantos showed up soon after the birth to share in the celebration. He promises to put the birth in the Congressional Record, Langella said.

Both doctors involved in the pre-natal care predicted the baby would be a boy, Langella said.

"Never let a doctor tout you on a horse, a baby, or the end of the world," he laughed.

But the 58-year-old grandfather knew all along that it would be a girl, he said. "It had to be. It makes such a great story. As soon as my granddaughter was married I started asking her when the famous baby would be born.

"As a newsman, I knew it had to be a girl. I planned it that way," he said.●

FIRST ANNIVERSARY OF REAGANOMICS

● Mr. GLENN. Mr. President, 12 months ago, President Reagan signed into law his Economic Recovery Act. On that occasion he told us that just as soon as his complete tax and spending packages were enacted, a new wave of confidence would wash over our economy and recovery would immediately follow.

Well, the President's programs have been in effect for 1 year now and our economy has taken a turn all right—a turn for the worse. Interest rates are higher than at any time since 1932, unemployment lines longer than at any time since 1938, farm income at its lowest level in American history, and the rates for business bankruptcies and bank failures are the highest since the Great Depression. Housing starts, auto sales and plant capacity utilization rates are at the lowest rate in decades. That is an unbelievable indictment.

In my home State of Ohio, the tragic effects of the President's economic program are painfully evident. Unemployment has risen from 8.5 to 12.3 percent—but those cold statistics understate the grim realities of Reaganomics. That 4-percent increase in unemployment represents 200,000 Ohioans who have lost their jobs and reflects the untimely closing of 1,500 businesses across the State. Two hundred thousand workers from the steel communities of Youngstown and Warren, from the auto-producing communities of Toledo and Lorain, from the small towns with light industries throughout the State—200,000 workers who are now standing in the longest unemployment lines since the Great Depression.

Greeting the unemployed are State agencies that have been literally bankrupted by the President's brutal budget cuts of last year. Higher State taxes have been levied to meet these needs, but they cannot forestall the fallout of Reaganomics—a fallout that strips deserted women of child support, closes the shelter of social security, and poisons the wellspring of confidence in Government policy and economic recovery.

Mr. President, this is not a happy anniversary for the State of Ohio and it is not a happy anniversary for our ship of state. Rather it is a tragic memorial to the sinking fortunes that the President's policies have launched. And like memorials to the sinking of the *Titanic*, the tragedy of this anniversary is that our economy could be moving forward to the port of prosperity rather than sliding down into the icy waters of triple-digit deficits—if we had only changed direction.

Last year I, along with several of my Democratic colleagues, urged a change of course—a smaller tax-cut package and more humane budget cuts—to stimulate investment, create jobs, and maintain employment; to restore confidence in our fiscal policy, reduce interest rates, and minimize suffering. Our suggestions were rejected and now the cries of the unemployed, the bankrupt, and the defenseless are deafening.

We must respond to those cries and right our course with spending reductions wherever possible that preserve the social fabric of our country; with a monetary policy that supplies enough money to bring interest rates down and permits the economy to grow; but most important of all, with a reduction of the enormous tax cut that fatally flawed the President's program from the very start.

Only by so acting can we establish an economic policy that is worthy of commemoration and truly a cause for celebration.●

FTC FUNERAL RULE

● Mr. METZENBAUM. Mr. President, last week the Federal Trade Commission approved a rule to protect American consumers from unscrupulous sales practices in the funeral industry. This is a much-needed and sensible rule.

Almost 2 million funerals are arranged each year at an average cost of more than $2,400. Yet bereaved families, confronted with the emotionally difficult task of arranging funerals for loved ones, are particularly vulnerable to high pressure and dishonest sales tactics. Oftentimes, consumers are misled into buying burial services they do not need or cannot afford. In fact, it is not unusual for grief stricken people to be told that State laws require embalming or that expensive caskets are needed for cremation.

The FTC has spent 10 years documenting these and other abuses. And the agency has responded to these problems in a straightforward and fair way. The FTC funeral rule will simply require that funeral directors provide itemized prices to consumers and prevent them from misstating legal, crematory, or cemetery requirements.

Mr. President, what could possibly be wrong with that?

Not a thing.

And judging from an editorial which appeared in the Cleveland Plain Dealer this Sunday, August 1, I am not alone in this thinking. Indeed, I believe that over the next few weeks, it will become clear to Members of Congress that the great majority of people in this country want them to support the FTC funeral rule.

I ask that the Plain Dealer editorial be printed in its entirety in the RECORD.

The editorial follows:

FUNERAL GRIEF

The Federal Trade Commission has committed the cardinal sin of trying to regulate a little common-sense consumer protection into the funeral industry, and it's about to get raked over the congressional coals for its trouble.

Congress has 90 days in which to review the regulations and, if it wishes, overrule them. From all indications, Congress wishes.

It took The FTC 10 years of research, diligent study, politicking and compromise to come up with the regulations it just issued. Its proposals are basic, hardly outlandish. The rules would require undertakers to itemize their costs, and not force consumers to buy so-called "package deals" that may include costly or unwanted items. The rules require funeral directors to furnish price over the telephone. They would make it illegal for funeral directors to misrepresent the laws—there is evidence that funeral home personnel sometimes tell bereaved customers that state law requires embalming when it doesn't, for instance, or that a casket is required to be used for cremation.

Officials at the National Funeral Directors Association, representing the industry, have a lot of niggle-naggling objections to the procedures and processes used by the FTC to pass the regulations, but end up objecting to just two major items. No business, they contend, should be forced to price its goods in any particular way; to force funeral directors to sell their service item by item is a violation of their individual rights as businessmen. We disagree; it is a consumer's right to know what he or she is buying, and to buy only those services and goods desired. Funeral directors aren't prohibited from offering "package deals," as long as they also provide the alternative.

Finally, the association objects to the fact that the regulations apply only to funeral homes—door-to-door casket salesmen, for instance, would not be covered, and thus may have an unfair competitive advantage.

We agree. All those who provide similar goods and services should be covered by the regulations. This, however, is no reason to scrap the whole 10 years' worth of work. The FTC should merely propose including those not covered, expanding the present regulations after they're in place.

Polls show that most Americans favor regulating the funeral home industry. Without some type of protection, grief-stricken relatives and friends can too easily fall prey to the unscrupulous practices of the unethical fringe. They can also be victimized in a less obvious way—by paying for services they don't want or need, forced into it by funeral directors who only sell "package deals."

Congress should listen to the American people and to common sense, not to the shouting of a special interest group pinched by necessary and reasonable federal regulations. The funeral home regulations should stand.●

REFORM OF PUBLIC SERVICE DELIVERY

● Mr. DURENBERGER. Mr. President, I was very impressed by a recent article in the St. Paul Dispatch, outlining the many ways in which the city of St. Paul, Minn., has successfully reformed the city's role in public service delivery. As a resident of the twin cities, and as an ardent believer in the reform of public service delivery, I am proud of the initiatives undertaken by the city of St. Paul, and the fine results being achieved there

Minnesota has long been at the forefront of alternative service delivery. There, as in a growing number of communities across the Nation, the public and private sectors are working to find new ways of providing public services.

The need for this change is clear enough: Government has been spending too much money trying to do too much for too many and getting too little positive result in the process. Citizens are crying out not for less service, but for better service. And to achieve that, we must reevaluate the Government's methods of doing things.

The article concerning St. Paul includes excellent examples of alternative public service delivery. For instance, the city has given the job of trash removal entirely to the private sector, replacing a government monopoly with a free marketplace. The city maintains an inspection and enforcement system to insure adequate trash removal.

Some other services are purchased by the city from the private sector, such as engineering and design services, building maintenance and rental of snow emergency equipment. And the city also contracts within the government itself, buying or selling services through joint agreements with other governmental bodies. Such agreements include certain fire protection and crime services, health services and library resources.

These new approaches to service delivery have enabled the city of St. Paul to greatly cut down the size of city government, reduce costs and, perhaps most important, improve services at the same time. In some cases, private business has proven to be better equipped to efficiently deliver a service; in others, the new contract competition between government and business has a way of getting those government programs to shape up, or lose out.

The options in public service delivery include every conceivable combination of government, business, nonprofit and volunteer organizations. And the use of these options, is growing. I like to think of Ralph Waldo Emerson's observation, "Invention breeds invention." The success of innovative public service alternatives in cities like St. Paul can only help spread these initiatives across the country. With that hope in mind, I ask that the article in the St. Paul Dispatch be printed in the RECORD.

The article follows:

ST. PAUL EXCELS IN CUTTING GOVERNMENT DOWN TO SIZE

(By Peter G. Hames)

I first met Dr. E. S. Savas in 1974. At the time, he was building a reputation as an expert on government contracting for trash removal services. You may know that the city of Minneapolis has a unique arrangement whereby the city collects trash in half of the city and contracts out with private firms for trash removal from the other half of the city.

The city of Saint Paul has gone even farther by, in 1980, simply getting out of the trash removal business. Now, the marketplace is allowed to operate independent of any city involvement. The city has maintained its responsibility to insure that trash is removed through an inspection and enforcement system.

In the 10 years since the City Charter was changed to the strong mayor form of government, the chief executive has been looking for ways to increase the efficiency of city operations. A number of strategies have been followed, including contracting for services. The following is a list of services which the city purchases from the private sector:

Materials testing services;

Billings and collections for paramedic and ambulance services;

Referral of non-emergency calls for paramedic and ambulance services to private firms;

Engineering and design services for construction;

Entertainment and education courses in city parks and recreation centers;

Building maintenance;

Rental of heavy duty snow removal equipment during snow emergencies;

Storage of voting machines.

In addition to contracting with private firms for services, the city also contracts with other governmental bodies to either buy or sell services. The following is a list of governmental agencies which, through joint powers agreements, share services:

The Police Department sells crime analysis services to other law enforcement agencies. It also sells patrol services to the State Fairgrounds and is negotiating with adjacent municipalities to provide that service.

The Fire Department has a mutual aid pact with the city of Minneapolis to provide backup services in event of a major fire. In addition, they provide fire suppression services, on a contractual basis, to Minnesota Mining and Manufacturing, and adjacent municipalities. The Fire Department has the most modern fire training facility in the metropolitan area and rents it out to other fire departments.

The city provides purchasing, personnel, election and police services on a contractual basis to the St. Paul School District. In addition, the city and school district share facilities and staff for recreation and education courses.

The health division has contracts with St. Paul-Ramsey Medical Center and Ramsey County to provide health services.

The library system is tied in to metropolitan and statewide library resource networks.

The city water department sells water to a number of adjacent municipalities.

The city purchases data processing services from Ramsey County.

The above have been a major reason why the city workforce has been reduced almost 30 percent in the past 10 years.

Contracting with private firms or other governmental agencies doesn't always work. For example, the city does produce its own asphalt for use by city crews. Each year the city solicits bids from private asphalt firms, but none of them can meet the city's price.

To handle the city's need to dispose of diseased elm trees, the city hired a private firm to operate a chipper facility. The firm was simply unable to manage the project efficiently, and the city took it over.

Private firms do provide a measure against which city services can be compared. For example, we received a proposal from a private firm to provide animal control services to the city. Since we already have such a function, the manager was given the opportunity to meet the terms of the proposal. Not only did he meet the terms, but he provided more service.

As another example, when the city found it necessary to wage war against the dutch elm beetle, it hired a number of private firms. When it found that those firms had a better price for the service, the city found a way to reduce its costs.●

SOVIET "ACTIVE MEASURES"

● Mr. SYMMS. Mr. President, I continue to be concerned about Soviet "active measures," which include the following types of activities practiced by the Soviet Union: Propaganda, disinformation, forgeries, subversion, and terrorism.

The Soviet Committee for State Security or KGB is under the direct control of the Central Committee of the Communist Party of the Soviet Union. Two Central Committee departments direct the KGB's "active measures," the International Department under Party Secretary Ponomarov, and the International Information Department under Party Secretary Zamyatin.

Soviet "active measures" are perpetrated by the KGB under direct control of these Central Committee departments. There is also strong evidence that "active measures" are specifically approved by the Politburo, so we can conclude that Soviet President Brezhnev is personally knowledgeable about each "active measure," and plays a personal role in approving them. Thus when the Soviet Union forges a letter purportedly signed by President Reagan or other American leaders, Leonid Brezhnev was personally involved.

Soviet "active measures" are not simply the mischievous acts of a "rogue elephant" Soviet KGB running amuck, outside of Soviet political control. Soviet "active measures" are in fact an integral part of Soviet foreign policy, and are designed to achieve specific Soviet foreign policy objectives, such as to defeat America and promote the world revolution.

When we hear talk of a possible United States-Soviet summit meeting, we therefore should perhaps think twice about sitting down at the same negotiating table with Leonid Brezhnev, who was personally involved in forging a letter ostensibly signed by President Reagan. Brezhnev also personally authorized the forging of letters by former President Carter and former Vice President Mondale, in 1977 and 1978. Yet Carter and Mondale nevertheless met with Brezhnev at the June 1979 SALT II summit.

Soviet "active measures" were rare in the early years of détente, from 1972 through 1976. But with the advent of the Carter administration in 1977, Soviet active measures resumed in ever-increasing number and effectiveness. Perhaps the Soviets perceived the Carter administration as weak and indecisive, and as their highly successful anti-neutron-bomb propaganda campaign of 1977-78 proved, the KGB can directly achieve the cancellation of American military programs.

The fact that Soviet active measures are continuing at an intensified pace during the Reagan administration indicates that the United States must redouble its efforts to unmask, deflect, and repel Soviet disinformation, forgeries, and propaganda. The Carter administration strongly resisted the efforts of my distinguished Republican colleagues, Senators GORTON, HUMPHREY, and GARN, to expose Soviet forgeries in 1979. Nevertheless, after overcoming much resistance, Senators HUMPHREY and GARN did bring to public attention the CIA's detection of the Soviet forgeries of 1976 through 1979. The House and Senate Intelligence Committees also helped to expose these Soviet forgeries.

The Reagan State Department, in contrast to Carter's, has now admirably taken the lead to exposing Soviet forgeries. Accordingly, Mr. President, I request that the following documents be printed in the RECORD, for the information of all Senators: "Soviet Active Measures: Forgery, Disinformation, Political Operations" U.S. Department of State, October 1981; "Soviet Active Measures: An Update" U.S. Department of State, July 1982; an article from International Security Review, summer 1982, entitled "Unspiking Soviet Terrorism," by Arnoud de Borchgrave; and, finally, a speech by Arnoud de Borchgrave in Coeur d' Alene, Idaho, to the Republican Western States Conference in October 17, 1981.

The material follows:

SOVIET "ACTIVE MEASURES": FORGERY, DISINFORMATION, POLITICAL OPERATIONS

(The following paper was prepared by the Department of State in response to requests for information from a number of individuals, private groups, and foreign governments.)

In late 1979, agents of the Soviet Union spread a false rumor that the United States was responsible for the seizure of the Grand Mosque of Mecca.

In 1980, a French journalist was convicted by a French court of law for acting as a Soviet agent of influence since 1959.

In August 1981, the Soviet news agency TASS alleged that the United States was behind the death of Panamanian leader Omar Torrijos.

These are three examples of a stream of Soviet "active measures" that seek to discredit and weaken the United States and other nations. The Soviets use the bland term "active measures" *(aktivnyye meropriyatiya)* to refer to operations intended to affect other nations' policies, as distinct from espionage and counterintelligence. Sovet "active measures" include:

Written or spoken disinformation;

Efforts to control media in foreign countries;

Use of Communist parties and front organizations;

Clandestine radio broadcasting;

Blackmail, personal and economic: and

Political influence operations.

None of this is to be mistaken for the open, accepted public diplomacy in which virtually all nations engage extensively. Public diplomacy includes providing press releases and other information to journalists, open public broadcasting, and a wide variety of official, academic, and cultural exchange programs. By contrast, Soviet "active measures" are frequently undertaken secretly, sometimes violate the laws of other nations, and often involve threats, blackmail, bribes, and exploitation of individuals and groups.

Soviet "active measures" do not always achieve Moscow's objectives. In some cases, Soviet operations have failed because of ineptitude or because targeted individuals or governments have responded effectively. However, Soviet "active measures" have had some success, and they remain a major, if little understood, element of Soviet foreign policy.

The approaches used by Moscow include control of the press in foreign countries; outright and partial forgery of documents; use of rumors, insinuation, altered facts, and lies; use of international and local front organizations; clandestine operation of radio stations; exploitation of a nation's academic, political, economic, and media figures as collaborators to influence policies of the nation.

Specific cases of Soviet "active measures" included here are: the Soviet anti-theater nuclear force (TNF) campaign in Europe; the Soviet anti-"neutron bomb" campaign; Soviet activities in support of the leftists in El Salvador; the Soviet campaign against the U.S.-Egypt relationship and the Camp David process.

"Active measures" are closely integrated with legitimate activities and Soviet foreign policy. Decisions on "active measures" in foreign countries are made at the highest level of authority in the U.S.S.R.—in the Politburo of the Communist Party Central Committee—as are all other important decisions of Soviet foreign policy:

The activities are designed and executed by a large and complex bureaucracy in which the KGB and the International Department of the Communist Party of the Soviet Union (CPSU) Central Committee are major elements. The International Information Department of the CPSU Central Committee is also deeply engaged in such activities. Actual operations abroad are carried out by official and quasi-official Soviet representatives, including scholars, students, and journalists, whose official Soviet links are not always apparent. The highly centralized structure of the Soviet state and the state's pervasive control and direction of all elements of society give Soviet leaders impressive free use of party, government,

and private citizens in orchestrating "active measures."

The open societies of the industrial democracies and many developing nations, and the ease of access to their news media, often give Soviets open season for "active measures." Many Western and developing countries ignore or downplay Soviet "active measures" until Soviet blunders lead to well-publicized expulsions of diplomats, journalists, or others involved in these activities. The Soviets are adept at making their policies appear to be compatible or parallel with the interests of peace, environmental, and other groups active in Western and developing societies.

By contrast, the Soviet Union denies access to its mass media for foreigners who might criticize Soviet society or the foreign policies of the U.S.S.R.

While the United States remains the primary target, Moscow is devoting increasing resources to "active measures" against the governments of other industrialized countries and countries in the developing world. Moscow seeks to disrupt relations between states, discredit opponents of the U.S.S.R., and undermine foreign leaders, institutions, and values. Soviet tactics adjust to changes in international situations but continue, and in some cases intensify, during periods of reduced tensions.

"ACTIVE MEASURES" TECHNIQUES

The tactics and emphasis of Soviet "active measures" change to meet changed situations. For instance, Soviet use of Marxist-Leninist ideology to appeal to foreign groups often turns out to be an obstacle to the promotion of Soviet goals in some areas; it is now being deemphasized though not completely abandoned. At the same time, some religious themes—notably the Soviet assertion that the Islamic religion occupies a favorable position in the U.S.S.R.—have assumed greater significance, as Moscow courts Islamic countries in Africa and the Middle East.

Similarly, while Soviet-dominated international front groups still are important in Soviet "active measures" abroad, Moscow is broadening its base of support by using more single-interest groups and fronts formed for particular purposes to promote its goals.

Soviet "active measures" involve a mix of ingenious and crude techniques. A brief sample of types of activities includes the following.

Efforts to manipulate the press in foreign countries

Soviet agents frequently insert falsely attributed press material into the media of foreign countries. In one developing country. Soviets used more than two dozen local journalists to plant media items favorable to the U.S.S.R. Soviets have also used the Indian news weekly Blitz to publish forgeries, falsely accuse Americans of being CIA personnel or agents, and disseminate Soviet-inspired documents. In another country, the Soviets used local journalists to exercise substantial control over the contents of two major daily newspapers.

Forgeries

Soviet forgeries—completely fabricated or altered versions of actual documents—are produced and circulated to mislead foreign governments, media, and public opinion. Recent Soviet forgeries are better and appear more frequently than in the past. Among forgeries that Soviet agents have produced and distributed are bogus U.S. military manuals and fabricated war plans designed to create tensions between the United States and other countries. In some cases, the Soviets used actual documents passed to the KGB by U.S. Army Sergeant Robert Lee Johnson (who was eventually arrested and convicted as a Soviet agent) as models for style and format in Soviet forgeries. In one case, Soviet agents, seeking to disrupt NATO theater nuclear force modernization, circulated a forged "top secret" letter from Secretary of State Cyrus Vance to another Western foreign minister.

Disinformation

Soviet agents use rumor, insinuation, and distortion of facts to discredit foreign governments and leaders. In late 1979, Soviet agents spread a false rumor that the United States was behind the seizure of the Grand Mosque of Mecca. In another case, Soviet officials "warned" officials of a West European country that the CIA had increased its activities in the country and that a coup was being planned. Sometimes these disinformation campaigns appear in foreign media suborned by the Soviets, enabling Moscow to cite foreign sources for some of the distortions and misstatements that often appear in the Soviet media. A recent and particularly egregious example was the August 1981 TASS allegation that the United States was behind the death of Panamanian General Omar Torrijos.

Control of international and local front organizations

Moscow controls pro-Soviet international front organizations through the International Organizations Section of the International Department of the CPSU Central Committee. Front organizations are more effective than openly pro-Soviet groups because they can attract members from a broad political spectrum. Prominent among these fronts are the World Peace Council, the World Federation of Trade Unions, the World Federation of Democratic Youth, and the Women's International Democratic Federation. Moscow's agents use Soviet "friendship" and cultural societies in many countries to contact people who would not participate in avowedly pro-Soviet or Communist organizations. The function of front, "friendship," and cultural groups is to support Soviet goals and to oppose policies and leaders whose activities do not serve Soviet interests.

To complement organizations known for pro-Soviet bias, the Soviets sometimes help establish and fund ad hoc front groups that do not have histories of close association with the Soviet Union and can attract members from a wide political spectrum.

Clandestine radio stations

Soviet Union operates two clandestine radio stations: the National Voice of Iran (NVOI) and Radio Ba Yi, which broadcast regularly from the Soviet Union to Iran and China. Moscow has never publicly acknowledged that it sponsors the stations, which represent themselves as organs of authentic local "progressive" forces. The broadcasts of both of these Soviet stations illustrate the use of "active measures" in support of Soviet foreign policy goals. For instance, NVOI broadcasts to Iran in 1979–80 consistently urged that the American diplomatic hostages not be released, while Soviet official statements supported the hostages' claim to diplomatic immunity.

Economic manipulation

The Soviet Union also uses a variety of covert economic maneuvers in "active measures" operations. For example, a Soviet ambassador in a West European country warned a local businessman that his sales to the U.S.S.R. would suffer if he went ahead with plans to provide technical assistance to China. In another industrialized country, Soviet agents sought to increase local concern over the stability of the dollar by driving up the price of gold. This was to be accomplished by manipulating a flow of both true and false information to local businessmen and government leaders. The gambit failed because the Soviet officials who attempted to carry it out did not fully understand the financial aspects of the operation.

Political influence operations

Political influence operations are the most important but least understood aspect of Soviet "active measures" activities. These operations seek to exploit contacts with political, economic, and media figures in target countries to secure active collaboration with Moscow. In return for this collaboration, Soviet officials offer inducements tailored to the specific requirements or vulnerabilities of the individual involved. In 1980, Pierre-Charles Pathe, a French journalist, was convicted for acting as a Soviet agent of influence since 1959. His articles—all subtly pushing the Soviet line on a wide range of international issues—were published in a number of important newspapers and journals, sometimes under the pseudonym of Charles Morand. The journalist also published a private newsletter which was regularly sent to many newspapers, members of parliament, and a number of foreign embassies. The Soviets used Pathe over a number of years to try to influence the attitudes of the prominent subscribers to his newsletter and to exploit his broad personal contacts.

In other cases, Soviet officials establish close relationships with political figures in foreign countries and seek to use these contacts in "active measures" operations. Capitalizing on the host government official's ambition, his Soviet contact claims to be a private channel to the Soviet leadership. To play upon his sense of self-importance and to enhance his credibility within his own government, the host government official may be invited to meetings with high-level Soviet leaders. The Soviets then exploit the local official to pass a mixture of true, distorted, and false information—all calculated to serve Soviet objectives—to the host government.

Use of academicians and journalists

Soviet academicians, who often are accepted abroad as legitimate counterparts of their non-Soviet colleagues, frequently engage in "active measures." Unlike their free world counterparts, they must play two roles—their legitimate academic pursuit of knowledge for its own sake and their political activities on behalf of the Kremlin. Soviet academicians are obliged to obey instructions from bodies which plan and control Soviet "active measures" activities. Similarly, Soviet journalists often engage in "active measures" operations in addition to serving as representatives of Soviet news agencies. One KGB officer in an industrialized country used his journalistic cover to pass forgeries, as well as to publish numerous propaganda articles aimed at influencing the media of the host country.

CASE STUDIES

The Soviet anti-TNF modernization campaign in Europe

The Soviet campaign in Europe against NATO TNF modernization is a good illustration of Soviet use of "active measures."

After a long and unprecedented buildup of Soviet military strength in Europe, including the deployment of new SS-20 nuclear missiles targeted on Western Europe, the NATO ministers in December 1979 decided to modernize NATO's TNF capabilities. The Soviets immediately began an ongoing, intensive campaign to develop an environment of public opinion opposed to the NATO decision. (Of course, not all opposition to the TNF modernization decision is inspired by the Soviet Union or its "active measures" activities.)

In this campaign, Soviet diplomats in European countries pressured their host governments in many ways. In one European country, the Soviet ambassador met privately with the Minister of Commerce to discuss the supply and price of oil sold by the Soviet Union to that counry. During the discussion, the ambassador gave the minister a copy of Leonid Brezhnev's Berlin speech dealing with TNF. He suggested that if the host government would oppose TNF modernization, the Soviet Ministry of Foreign Affairs might persuade the Soviet Ministry of Foreign Trade to grant more favorable oil prices.

Moscow has spurred many front groups to oppose the TNF decision through well-publicized conferences and public demonstrations. To broaden the base of the anti-TNF campaign, front groups have lobbied non-Communist participants, including antinuclear groups, pacifists, environmentalists, and others. In some cases, the activities of these broad front groups have been directed by local Communist parties. Soviets have predictably devoted the greatest resources to these activities in NATO countries where opposition to the TNF modernization decision is strongest.

In the Netherlands, for example, the Communist Party of the Netherlands (CPN) has set up its own front group—Dutch Christians for Socialism. In November 1980, the Dutch "Joint Committee—Stop the Neutron Bomb—Stop the Nuclear Armament Race," which has ties to the CPN, sponsored an international forum against nuclear arms in Amsterdam. The forum succeeded in attracting support from a variety of quarters, which the CPN is exploiting in its campaign to prevent final parliamentary approval of the TNF decision.

The Soviet campaign against enhanced radiation weapons (ERW)

The Soviets, throughout 1977 and early 1978, carried out one of their largest, most expensive, and best orchestrated "active measures" campaigns against enhanced radiation (neutron) weapons. (Again, not all opposition to the U.S. decision to produce the enhanced radiation weapon is Soviet inspired.)

This Soviet campaign has had two objectives: first, to halt deployment of ERW by NATO; second to divide NATO, encourage criticism of the United States, and divert Western attention from the growing Soviet military buildup and its threat to Western Europe and the world.

Phase one occurred throughout the summer of 1977. The Soviets staged an intense propaganda blitz against ERW and the United States, involving numerous demonstrations and protests by various "peace councils" and other groups. This phase culminated in a Soviet-proclaimed international "Week of Action.

Phase two began in January 1978 with Soviet propaganda exploitation of a letter from Leonid Brezhnev to Western heads of government warning that production and deployment of ERW constituted a serious threat to detente. A barrage of similar letters from members of the Supreme Soviet went to Western parliamentarians. Soviet trade union officials forwarded parallel messages to Western labor counterparts.

Phase three came in early 1978 with a series of Soviet-planned conferences, under different names and covers, designed to build up the momentum of anti-ERW pressure for the U.N. Special Session on Disarmament of May-June 1978. These meetings and conferences, held throughout February and March, were organized either by the World Peace Council or jointly sponsored with established and recognized independent international groups.

The Soviet campaign succeeded in complicating allied defense planning and focusing criticism on the United States. A top Hungarian Communist Party official wrote that "the political campaign against the neutron bomb was one of the most significant and successful since World War Two." The propaganda campaign did not end in 1978; it was incorporated into the anti-TNF effort. With the recent U.S. decision to proceed with ERW production, the Soviets have begun a new barrage of propaganda and related "active measures."

Soviet "active measures" toward El Salvador

Complementing their overt public support for the leftist insurgency in El Salvador, the Soviets have also engaged in a global "active measures" campaign to sway public opinion. These activities include a broad range of standard techniques, including forgeries, disinformation, attempted manipulation of the press, and use of front groups. The obvious dual purpose has been to increase support for the insurgency while trying to discredit U.S. efforts to assist the Government of El Salvador.

In 1980, Salvadoran leftists met in Havana and formed the United Revolutionary Directorate (DRU), the central political and military planning organization for the insurgents. During the same period, the Salvadoran Revolutionary Democratic Front (FDR) was established, with Soviet and Cuban support, to represent the leftist insurgency abroad. The FDR and DRU work closely with Cubans and Soviets, but their collaboration is often covert.

The FDR also supported the establishment of Salvadoran solidarity committees in Western Europe, Latin America, Canada, Australia, and New Zealand. These solidarity committees have disseminated propaganda and organized meetings and demonstrations in support of the insurgents. Such committees, in cooperation with local Communist parties and leftist groups, organized some 70 demonstrations and protests between mid-January and mid-March 1981 in Western Europe, Latin America, Australia, and New Zealand.

The FDR and DRU are careful to conceal the Soviet and Cuban hand in planning and supporting their activities and seek to pass themselves off as a fully independent, indigenous Salvadoran movement. These organizations have had some success in influencing public opinion throughout Latin America and in Western Europe. The effort of the insurgents to gain legitimacy has been buttressed by intense diplomatic activity on their behalf. For example, at the February 1981 nonaligned movement meeting in New Delhi, a 30-man Cuban contingent, cooperating closely with six Soviet diplomats, pressed the conference to condemn U.S. policy in El Salvador.

At another level, the Soviet media have published numerous distortions to erode support for U.S. policy. For example, an article in the December 30, 1980 *Pravda* falsely stated that U.S. military advisers in El Salvador were involved in punitive actions against noncombatants, including use of napalm and herbicides. In another particularly outrageous distortion, a January 1, 1981 article in the Soviet weekly *Literaturnaya Gazeta* falsely stated that the United States was preparing to implement the so-called certaur plan for "elimination" of thousands of Salvadorans.

Campaign against the U.S.-Egyptian relationship and the Camp David process

In the Middle East, Moscow has waged an "active measures" campaign to weaken the U.S.-Egyptian relationship, undermine the Camp David peace process, and generally exacerbate tensions. A special feature of Middle East "active measures" activities has been the use of forgeries, including:

A purported speech by a member of the U.S. Administration which insulted Egyptians and called for "a total change of the government and the governmental system in Egypt." This forgery, which surfaced in 1976, was the first of a series of bogus documents produced by the Soviets to complicate U.S.-Egyptian relations.

A forged document, allegedly prepared by the Secretary of State, or one of his close associates, for the President, which used language insulting and offensive to President Sadat and other Egyptians and also to other Arab leaders, including King Khalid of Saudi Arabia. This forgery was delivered anonymously to the Egyptian Embassy in Rome in April 1977.

A series of forged letters and U.S. Government documents, which criticized Sadat's "lack of leadership" and called for a "change of government" in Egypt. These forgeries surfaced in various locations during 1977.

A forged dispatch, allegedly prepared by the U.S. Embassy in Tehran, which suggested that the United States had acquiesced in plans by Iran and Saudi Arabia to overthrow Sadat. This forgery was sent by mail to the Egyptian Embassy in Belgrade in August 1977.

A forged CIA report which criticized Islamic groups as a barrier to U.S. goals in the Middle East and suggested tactics to suppress, divide, and eliminate these groups. This forgery surfaced in the January 1979 issue of the Cairo-based magazine Al-Dawa.

A forged letter from U.S. Ambassador to Egypt Herman F. Eilts, which declared that, because Sadat was not prepared to serve U.S. interests, "we must repudiate him and get rid of him without hesitation." This forgery surfaced in the October 1, 1979 issue of the Syrian newspaper Al-Ba'th.

CONCLUSION

The Soviet Union continues to make extensive use of "active measures" to achieve its foreign policy objectives, to frustrate those of other countries, and to undermine leadership in many nations. On the basis of the historical record, there is every reason to believe that the Soviet leadership will continue to make heavy investments of money and manpower in meddlesome and disruptive operations around the world.

While Soviet "active measures" can be exposed, as they have often been in the past, the Soviets are becoming more sophisticated, especially in forgeries and political influence operations. Unless the targets of Soviet "active measures" take effective action to

counter them, these activities will continue to trouble both industrialized and developing countries.

[From the U.S. Department of State, Bureau of Public Affairs, July 1982]

SOVIET ACTIVE MEASURES: AN UPDATE

(This report describes Soviet "active measures" which have come to light since the publication of Special Report No. 88, "Soviet Active Measures: Forgery, Disinformation, Political Operations," in October 1981.)

The Soviet Union uses the term "active measures" (aktivnyye meropriyatiya) to cover a broad range of activities designed to promote Soviet foreign policy goals, including undercutting opponents of the U.S.S.R. Active measures include disinformation, manipulating the media in foreign countries, the use of Communist parties and Communist front groups, and operations to expand Soviet political influence. In contrast to public diplomacy, which all nations practice, Soviet active measures often involve deception and are frequently implemented by clandestine means. Active measures are carried out not only by the KGB but also by the International Department and the International Information Department of the Central Committee of the Communist Party of the Soviet Union.

The active measures discussed in this report are necessarily limited to those that have been publicly exposed. They make clear that these activities take place worldwide. The open societies of many industrialized and developing countries afford the Soviets opportunities to use active measures to influence opinions in favor of Soviet policies and against those of the United States and its allies. It is our hope that this report will increase public awareness and understanding of Soviet active measures and thereby reduce the likelihood that people will be deceived.

FORGERIES

Forgeries are a frequently used active measures technique. Several have come to light in recent months. Their appearance has been timed to influence Western opinion on current sensitive issues. As far as we are aware, only one of these recent forgeries achieved uncritical publication.

Forgeries are usually sent through the mail to journalists, officials, or other persons who might make them available to the media. Forgeries normally do not carry a return address, nor is the sender identified in a way that can be checked. How the document was acquired invariably is vague.

The NATO Information Service Documents. In late October 1981, Spanish journalists living in Brussels received form letters purporting to come from the NATO Information Service. The letters enclosed a publicity packet that had been updated to include Spain as a new member of the alliance. As the Spanish Parliament was still debating Spain's application to join NATO, the letter could impress Spaniards as showing contempt for Spain's democratic institutions. The journalists checked with NATO, and stories in the Spanish press spoke of a forgery designed to influence Spain's domestic debate on NATO.

The President Reagan Letter to the King of Spain. In November 1981, an attempt was made in Madrid to surface a forged letter from President Reagan to the King of Spain. In terms likely to offend Spanish sensitivities, the letter urged the King to join NATO and to crack down on groups such as the "OPUS DEI pacifists" and the "left-wing opposition."

After an initial mailing to Spanish journalists failed to obtain publication, the forgery was circulated on November 11 to all delegations (except the U.S. and Spanish) to the Conference of Security and Cooperation in Europe (CSCE), then meeting in Madrid. This time several Madrid newspapers ran stories that exposed the letter as a fabrication probably of Soviet origin.

The Clark-Stearns Letter. In January 1982, a forged letter and an accompanying research analysis dated September 23, 1981, from Judge William Clark, then Deputy Secretary of State, to the U.S. Ambassador to Greece, Monteagle Stearns, circulated in Athens. This forgery indicated U.S. support for the conservatives in the October Greek elections and alluded to a possible military coup if Socialist leader Andreas Papandreou won at the polls. On the basis of Embassy assurances that the letter was a fake, it was not initially published. Several weeks later, after copies had been circulated at the CSCE in Madrid, the Athens daily Vrathini published a story describing the letter as of doubtful authenticity and probably attributable to a "third-country" intelligence service.

The Swedish Mailgrams. During the week of November 8, 1981, at least 10 mailgrams—initiated by telephone calls to Western Union—were circulated to journalists in the Washington, D.C. area. Supposedly sent by U.S. Government officials, the mailgrams offered to make available the text of an alleged secret agreement for U.S. use of the Swedish base at Karlskrona for intelligence purposes.

The mailgrams were sent immediately after the furor caused by the grounding of a Soviet submarine in restricted waters off the Karlskrona naval base. Their timing supports the conclusion that the effect was an attempt to offset the bad publicity the Soviets received from the incident.

The Haig-Luns Letter. The April 22, 1982 edition of the Belgian leftist weekly De Nieuwe published a letter supposedly sent in June 1979 by retiring NATO Commander Alexander Haig to NATO Secretary General Joseph Luns. Both NATO and U.S. officials branded the letter a fabrication.

The forged letter discussed a possible nuclear first strike and called for "action of a sensitive nature" to "jolt the faint hearted in Europe" opposed to intermediate-range nuclear force modernization. The timing of the false letter was related to the many antinuclear demonstrations which took place in Europe in the spring of 1982. The letter appeared again in the Luxembourg Communist Party newspaper, Zeitung, on May 10.

The Department of Commerce Document. In late May 1982, just before the Versailles economic summit, an alleged U.S. Government document dated February 18, 1982 circulated in Brussels. Purporting to be the recommendations of a working group on strategic economic policy chaired by the Secretary of Commerce, the document twisted U.S. policy on sensitive trade issues in a way likely to stimulate friction between the United States and its European allies. Several journalists brought the matter to the attention of U.S. officials, who promptly branded it a forgery. As far as we are aware, the media have not reported the fabricated document.

MEDIA MANIPULATION/DISINFORMATION

The purpose of disinformation efforts is to gain public acceptance for something that is not true. Since Soviet media lack credibility, the goal is to achieve publication of false news in reputable non-Communist media. Soviet media, such as TASS or Radio Moscow, are then able to cite credible sources in replaying a story in the hope that it will be picked up by other non-Communist media. Disinformation also is frequently placed in pro-Soviet news outlets outside the Eastern bloc in the hope that it will be replayed by independent media or simply gain acceptance through repetition.

Angola/Zaire/South Africa. One Soviet campaign has been to discredit U.S. policy in southern Africa—in particular, the credibility of U.S. efforts to solve the Namibia problem—by media stories that the United States is trying to oust the Government of Angola. A number of recent examples illustrate this effort.

On September 15 and 23-24, 1981, the Portugal Hoje of Lisbon, a paper close to the Socialist Party, published reports that U.S., Zairian, and South African representatives had met secretly to conspire against the Angolan regime. The source for the story, an Angolan traveling to Lisbon, claimed he had stolen Zairian documents as proof, but he never made the documents available. Both Zaire and the United States denied the allegations. TASS promptly picked up the Hoje story, and in turn it was replayed in a number of African papers, including the Jornal de Angola.

On December 22, 1981, Diario de Lisboa, a pro-Communist paper, reported that the United States was supporting "2,000 specially trained gunmen" based in Zaire to attack Angola. The State Department denied the story December 24, but TASS nonetheless picked it up. In turn, a number of African papers and radio stations and the Flemish Socialist daily De Morgen replayed the allegations on the basis of the TASS account.

A similar story was carried in the April 17, 1982 Congolese newspaper Etumba, which alleged a meeting in 1981 between the United States, South Africa, and others to plot against Angola, the U.S. Embassy in Brazzaville promptly denied the report.

The Seychelles Coup Attempt. A day after the November 25, 1981 attempt by a group of mercenaries to overthrow the Government of the Seychelles, Soviet news reports were implying that the CIA was responsible. In keeping with frequent Soviet practice, these accusations were attributed to unnamed, and therefore unverifiable, "African radio commentaries." Despite a statement by Seychelles President France Albert René on December 2 that his government had no indication of any foreign involvement other than South African, Soviet media continued to accuse the United States. In December, several African newspapers (among them the Nairobi Nation and Lagos Daily Times, the leading dailies in Kenya and Nigeria, respectively) repeated the story. Soviet media then replayed the allegations, citing the African papers as sources.

The Pakistani Mosquitoes. In the wake of compelling evidence that the Soviets are using chemical weapons in Afghanistan and supplying mycotoxins for use in Laos and Kampuchea, Moscow has launched a disinformation effort focused on Pakistan. The February 2, 1982 Literaturnaya Gazeta alleged that the antimalaria program of the Pakistan Malaria Research Center in Lahore was a CIA-financed effort to breed special mosquitoes "which infect their victims with deadly viruses as part of U.S. plans to introduce biological warfare into Afghanistan." In fact, the Pakistan Malaria

Research Center has been conducting antimalaria research for 20 years. Much of the funding comes from the U.S. National Institutes of Health and AID through a contract with the University of Maryland. The State Department promptly labeled the Soviet charges "utterly baseless."

The American Center Director Dr. David Nalin told the Baltimore Sun on February 9, 1982 that the allegations were a Soviet disinformation effort to counter U.S. "yellow rain" charges. Nonetheless, TASS continued to carry the false stories, which were replayed not only by regular disinformation outlets, such as Bombay's Blitz and the New Delhi Patriot, but also by independent newspapers not usually associated with Soviet propaganda, such as the influential Times of India and Pakistani daily Jang, and the Muslim News of Capetown, South Africa.

A Moscow-funded Greek Newspaper? Another way to exert media influence is by secretly subsidizing a newspaper. This may have occurred recently in Greece. In May 1982, the Athens daily Messimvrini charged that a new large circulation daily, To Ethnos, had begun publication in September 1981 thanks to a secret Soviet subsidy of $1.8 million; Messimvrini alleged that covert payments were continuing. The Greek Government has ordered an investigation.

Military Base Hoaxes. A disinformation staple is to float false stories about U.S. military cooperation. Recent examples from Soviet and Communist media have included false stories that the United States has or intends to establish bases on the Honduran island of Amapala, the Colombian island of San Andres, and in the Comoros Islands off the east coast of Africa. Although these have not gained credence, one relating to Pakistan attracted more attention. As a result, the Pakistan Foreign Ministry on December 10, 1981 found it necessary to deny Radio Moscow's assertion that the United States would seek military bases in Pakistan during a visit by Secretary of State Haig. Among other things, the Radio Moscow account falsely asserted that Indian Foreign Minister Rao had claimed in the Indian Parliament that Pakistan had agreed to provide bases for the U.S. Rapid Deployment Force.

FRONT GROUPS/PRO-MOSCOW COMMUNIST PARTIES

Front groups are nominally independent organizations that are controlled by the Soviets, usually through the International Department of the Central Committee of the CPSU.[1] These organizations have been sought to build support for Soviet foreign policy goals. In recent months the main thrust of front activity has been to try to see that the peace movement in Western Europe and the United States is directed solely against U.S. policy and that it avoids any criticism of the Soviet nuclear threat. The 1982 program of the World Peace Council, for example, calls for:

"Further intensification of actions against the dangers of nuclear war and the deployment of new U.S. weapons of mass destruction in Western Europe . . . ."

"National events (demonstrations, seminars, colloquia, etc.) with international participation 'against nuclear arms build-up and the deployment of U.S. missiles in Europe; for peace and detente in Europe.'"

"International meeting of mayors and elected representatives (city councilors, municipalities, etc.) and of peace forces from European towns and regions where new U.S. nuclear missiles are to be deployed . . . ."[2]

Communist parties linked with Moscow have pursued the same path. The impact of the fronts and local Communist groups varies markedly from country to country and is difficult to evaluate. Nevertheless, awareness is increasing that the Communists and their supporters are attempting to channel the peace and antinuclear movements to serve Moscow's purpose. This has led to friction within the movement in some countries.

In West Germany, after efforts by the German Communist Party (DKP) in early April 1982 produced anti-U.S. slogans without mentioning the Soviet nuclear arsenal as a threat to peace, Petra Kelly, a prominent leader of the Environment Party (the "Greens") publicly criticized the Communists. She repeated this criticism when interviewed on CBS Television during President Reagan's visit to Bonn. Similarly, in Austria, the original platform adopted by the organizers of a peace march on May 15 under pressure from pro-Moscow Communists avoided criticism of Soviet atomic weapons. The non-Communists later regrouped; as a result the Austrian Youth Council issued a less one-sided platform.

POLITICAL INFLUENCE OPERATIONS

Political influence operations, especially those using agents of influence, are harder to detect than other active measures. In these operations, individuals disguise their KGB connection while taking an active role in public affairs. Exposure, when it occurs, is frequently the result of an espionage investigation. The scale of improper Soviet activities is reflected in the publicized expulsion of 19 Soviet officials involved in espionage and active measures cases from 10 countries during the first 5 months of 1982. Among these were the expulsion of the Soviet military attache from Washington and the uncovering of spy nets in Indonesia and Singapore.

Denmark. In October 1981, the Danish Government expelled Vladimir Merkulov, a KGB officer serving as second secretary of the Soviet Embassy, for improper conduct, including directing the activities of Danish agent-of-influence Arne Herloev Petersen. An April 17, 1982 Danish Ministry of Justice statement detailed Petersen's work with the KGB.

In the summer of 1981, the Soviets arranged to cover Petersen's expenses for a series of advertisements in which Danish artists expressed support for a Nordic nuclear-weapons-free zone.

Petersen brought foreign policy documents provided by the Soviet Embassy to the North Korean Embassy; on Soviet instructions he misrepresented the documents as coming from an American journalist.

Petersen provided information several times to the Soviet Embassy on the Danish "left Wing" and on "progressive" journalists who were not Communists Party members.

Petersen arranged for the printing of a pamphlet attacking British Prime Minister Thatcher. The text was supplied by the Soviet Embassy.

The Ministry of Justice noted that clandestine meetings between Petersen and a succession of three Soviet "diplomats" (of whom Merkulov was the latest) had extended over several years. Petersen specifically was requested by his KGB handlers not to join the Danish Communist Party.

The Danish Government decided not to prosecute Petersen, although it declared that he violated Danish law. In a television interview 2 days after the official statement, the Danish Foreign Minister challenged Petersen to sue for slander so that the full extent of the government's evidence could be made public.

Sweden. Soviet Third Secretary Albert Liepa was expelled in April 1982. According to a Swedish Foreign Ministry spokesman, Liepa had made systematic efforts to collect information on and exert influence over the Latvian exile community in Sweden. Before his assignment to Stockholm, Liepa had been chairman of a committee based in Riga concerned with maintaining "cultural ties" with Latvians living outside the Soviet Union.

UNSPIKING SOVIET TERRORISM

(By Arnaud de Borchgrave)

Editor's Note: The Reagan Administration's commitment to replacing former President Jimmy Carter's emphasis on human rights with an aggressive new concern over terrorism has been attacked by liberals and civil libertarians as an "overreaction" and a "resurgence of McCarthyism." Columnist Tom Wicker worries about "a panicky new political reaction against 'terrorism,'" and Blaine Hardin, writing in the Washington Post Magazine, suggests that allegations of Soviet support of international terrorism may be based more on "anti-Communist conservatism" than "genuine intelligence information." In an article in the Los Angeles Times, Diana Johnston calls Secretary of State Alexander Haig's charges of Soviet complicity in international terrorism "controversial," and goes on to say that, "This is one of those neat theories balanced precariously on a few clues, in superb defiance of masses of contradictory evidence."

(The aforementioned journalists are only a few of the growing chorus of negative voices that would have us believe that the problem lies in Washington rather than in Moscow, that terrorism is an insignificant problem when measured on the yardstick of other international concerns, and finally that the Soviet Union can in no way be implicated as a party to terrorist crimes. The debate over Soviet and East Bloc complicity in international terrorism has been clouded by, at best, duplicity and naivete on the part of the liberal press and, at worst, by a conscious, calculated, and systematic disinformation campaign designed to observe Moscow's support—directly or by means of proxies—of nearly every terrorist movement in the world. This, in turn, has undermined efforts by the United States to achieve new policies for the control and suppression of international terrorism.

(It is against this backdrop that Arnaud de Borchgrave, using secret French intelligence documents, provides fresh and compelling evidence of Soviet training, financing, arming, and guidance of international

[1] See Foreign Affairs Note, The World Peace Council, Instrument of Soviet Foreign Policy, Department of State, April 1982. Other well-known international fronts are the International Institute for Peace (IIP), The World Federation of Trade Unions (WFTU), the World Federation of Democratic Youth (WFDY), the International Union of Students (IUS), the Women's International Democratic Federation (WIDF), the International Association of Democratic Lawyers (IADL), the World Federation of Scientific Workers (WFSW), the International Organization of Journalists (IOJ), the Christian Peace Conference (CPC), the International Federation of Resistance Fighters (FIR), and the Women's International League for Peace and Freedom (WILPF).

[2] World Peace Council: Programme of Action 1982 published by the Information Center of the WPC, Helsinki.

terrorists. Moreover, the reaction de Borchgrave encountered when he sought to go public with this evidence is indicative of the skepticism and often outright hostility that greets those whose political views are contrary to the prevailing liberal beliefs and values espoused by many members of the mass media.)

Leslie H. Gelb of The New York Times recently wrote that early Reagan Administration charges that the Soviet Union was directly helping terrorists were essentially based on information provided a decade ago by a Czech defector, Major General Jan Sejna. Sejna did indeed provide fascinating evidence of links between the KGB and its proxy services and West Europe's terrorist groups, such as the Baader-Meinhof gang in Germany and the Red Brigades in Italy. But to suggest that the Reagan Administration is still coasting on ten-year-old intelligence is part of an ongoing campaign to discredit both the Administration's emphasis on terrorism and the efforts of individuals such as Claire Sterling whose best-selling book, The Terror Network, documented in great detail the linkage among various terrorist groups, on the one hand, and their connections with Eastern secret services on the other.

While Mrs. Sterling was researching and reporting her book in the late 1970's, I was engaged in a similar endeavor for Newsweek. I was not aware of Mrs. Sterling's assignment. We were not in touch with each other. In fact, when we compared notes and sources after the publication of The Terror Network, I was pleasantly surprised to discover that she had not had access to a valuable French intelligence report which I had obtained while in France. This secret document has remained exclusive to this time. I could not get it published in Newsweek, when it first came into my possession on May 11, 1978, because the highest-ranking members of the Carter Administration said the CIA had nothing to substantiate the report. The reason was all too obvious. Europe's intelligence services were not passing on what they knew because they were petrified—and still are for that matter—of leaks in Washington that would not only blow sources, but also jeopardize the lives of agents. Newsweek, moreover, made clear that the document I had obtained was now Newsweek property, and I was not allowed to publish it elsewhere.

My 30-year-old Newsweek connection was severed by Lester Bernstein, the magazine's editor, on February 12, 1980. I had objected to the "spiking" of a four-column story I had done, based on conversations with three of Europe's principal intelligence chiefs, on why our allies were not responding to President Carter's clarion call for economic sanctions and an Olympic boycott against the Soviet Union for its invasion and occupation of Afghanistan. But more important, in my view was the fact that this story was killed in an issue of Newsweek that found sufficient space to run four columns by Leonid Zamyatin, a high-ranking Soviet official who was simply identified as an aide to President Brezhnev with a view endorsing the Soviet invasion of Afghanistan. Zamyatin happens to be one of Moscow's two principal disinformation experts.

While lawyers were negotiating my severance, The Spike, a novel I coauthored with Robert Moss on Soviet disinformation operations inside the Western media, made its first appearance in the form of review copies. Newsweek apparently worried that if my preemptory dismissal became public knowledge, a parallel might be drawn between my own case and our fictional hero in The Spike, reporter Robert Hockney. I was then asked to sign a formal letter of resignation, drafted by Newsweek, in return for remaining on the payroll through November 15, 1981. My sudden departure from the magazine was to be explained by a six-month sabbatical to promote the book. After that, Newsweek would officially announce my resignation to undertake other endeavors. I also agreed not to criticize Newsweek publicly and not to accept any job offers from Time or U.S. News & World Report for the next 18 months.

I am now a free man, free to publish a critically important exclusive report that was buried by Newsweek three and a half years ago and which was submitted to Valery Giscard d'Estaing at the time by Director General Alexandre de Marenches of the Service de Documentation et de Contre-Espionage (SDECE) who was France's intelligence chief for 11 years until last May. European leaders never went public with what their intelligence services had known for years—with the exception of some strong hints from the Italian President and the Spanish Prime Minister in 1981—because everyone was anxious not to rock the boat of detente.

When Dr. Andrei Sakharov, Russia's leading dissident, warned us last year, in a clandestine message smuggled out of his KGB-imposed exile in the city of Gorki, not to reject allegations of links between the KGB and international terrorism, he was totally ignored. The media takes it as an article of faith that such activities would be incompatible with detente and therefore conclude that Russia cannot possibly be involved in terrorism because its main concern is disarmament and detente.

Claire Sterling is a brilliant reporter with 30 years experience and impeccable liberal credentials. So she was understandably staggered by the vicious attacks from her liberal colleagues against The Terror Network. I was not surprised by the equally vicious attacks from my colleagues after what Robert Moss and I disclosed about Soviet disinformation activities in the media. Even though a number of Soviet, East European, and Cuban defectors have said publicly that we understated the truth about these operations, I have known for some time that many of my media colleagues suffer from a phobic reluctance to face unfashionable facts—especially if it entails an admission that they misled their readers and viewers and listeners.

Claire Sterling has not only suffered at the hands of her journalistic colleagues in the United States, she is also having to defend herself in a libel suit in France. This suit is of interest in regard to terrorism and the control exercised by the KGB over certain terrorist activities worldwide. It also provides an insight into the new Mitterand government and the administration of justice within that government.

The suit involves the late Henri Curiel and statements by Mrs. Sterling in the The Terror Network which reveal possible links between Curiel and the KGB.

The Curiel Affair has been compared to l'affaire Dreyfus. For some, Henri Curiel, an Egyptian-born Jew and one of the founding members of the clandestine Egyptian Communist Party, was a saintly figure, dedicated to human rights and the struggle against imperialism. To others, he was a shadowy KGB operative, the key link-man between the Soviet secret service and international terrorist groups, providing forged documents, funds, and safe houses.

Georges Suffert, an investigative reporter for the French magazine Le Point, first published the charges against Curiel in June 1976. Curiel was gunned down in Paris by two assassins on May 4, 1978. Madame Curiel decided to sue anyone who had accused her late husband of having been a Soviet agent. She lost her case against Suffert in 1980. Curiel ran what he called a charitable organization, known as Solidarite, designed to help people working against undemocratic governments in the Third World, but the defense remained firm in that it was a cover for subversive activities.

After the socialists came to power in France in May of 1981, the new government turned over to Curiel's widow and lawyer an official file that the Giscard government had refused to declassify. The file included the findings by a special board of inquiry that cleared Curiel of clandestine skulduggery. The Board rejected an Interior Ministry charge that Solidarite—later renamed Aide et Amitie—had been used by Curiel as a cover for aiding and abetting terrorism in France and abroad.

French courts then began ruling in favor of Mrs. Curiel and associates who had been named and had also sued. The author of a book titled, The Curiel Network or Humanitarian Subversion, Roland Gaucher, was found guilty in a libel suit brought by Rose Curiel and France Terre d'Asile, an organization that helps political refugees. The author was fined $1,700 and the publisher, as is customary in France, was compelled to pay the advertising costs for printing the court's verdict in three French publications, as well as inserting a copy of the judgment in the book. The court also ordered all mention of the plaintiffs to be taken out of the book.

Next is a similar suit against U.S. investigative reporter Claire Sterling whose book, The Terror Network, contains a chapter that deals with Curiel's alleged links with international groups. Mrs. Curiel's lawyers managed to get some of the passages deleted from the French edition before publication. But Mrs. Sterling is still being sued for $100,000.

Missing from the official file turned over by France's new socialist-communist coalition government is a crucial piece of evidence—the French intelligence document which I obtained in France and which Newsweek refused to publish. Both the Direction de la Surveillance du Territoire (DST), the French FBI, and the Service de Documentation et Contre-Espionage (SDECE), the French CIA, are protected by official secrecy laws. Disclosing anything from their files to the public is a major criminal offense in France. However, the SDECE document seems to vindicate Mrs. Sterling. It also sheds lights on an important aspect of world terrorism which needs to be examined.

The document follows:

The analysis of intelligence collected since 1972 establishes that revolutionary internationalism is striving to undermine the structures of the Western world with a view to paralyzing them, if not destroying them.

The international solidarity of revolutionary movements on different continents and, for some of them, their terrorist emanation, stems from the Tri-Continental Conference held in Havana in January 1966.

In six years [by 1974], the structures of this new internationalism became operational.

The "mother cell" is in Cuba at the headquarters of the Tri-Continental Organization of Peoples Solidarity that the Soviets dominate through the Cuban [secret] service that they control.

The external ramifactions, centers of coordination and action impulses of the various anti-imperialist movements of the Third World, as well as European revolutionary groups, are all made up of the networks that these [Cuban] services have established abroad.

Since then, sheltered by detente and peaceful coexistence, the actions of this new internationalism are detectable throughout the Western world.

Beginning in 1970, one of the principal leaders of the Tri-Continental Organization, Miguel Bragueras del Valle, deputy director of the Cuban news agency, Prensa Latina, was appointed Minister Counselor at the Cuban Embassy in Paris. As a high-ranking officer of the DGI (the Cuban secret service), his job was to give added impetus to the efforts of Ambassador Gregorio Orteyo Suarez, recently accredited in Paris, whose mission was to promote the unity of the French left through his contacts with CERES, PSU, and certain Trotskyist elements which were affiliated with Alain Krivine, with the unified secretariat of the IVth International, an organization whose secret links with the Soviets were known at the time.

Since 1974, Brugueras del Valle became Ambassador to Belanon while at the same time Cuban Embassies run by officers of the DGI began appearing in African countries on the South Atlantic and in those facing the Indian Ocean and the Persian Gulf, and in the Middle East.

Three control centers for world subversion had been detected by [Western intelligence services] in 1972:

1. The regional control center of Cuban Embassies in the Middle East.
2. A political liaison center for European subversive organizations in Karlovy Vary in Czechoslovakia.
3. An autonomous KGB center in Vienna with [terrorist] ramifications throughout Europe.

A special network, known as "Solidarite," with a semblance of autonomy, began establishing contacts with and supporting the most extremist organizations, which were grouped under three major [umbrella] organizations:

1. The Revolutionary Coordination Junta.
2. The Revolutionary Communist League.
3. The Palestinian Refusal Front.

Their mission: Organize the decomposition [of Western societies].

The Carlos affair confirmed the Cuban involvement. It was also established that the Red Brigades, "Lotta Continua," and the Nucleus of Proletarian Action were in contact with Cuban agents in Italy.

In West Germany, the Interior Minister denounced Cuban collusion with the Baader-Meinhof gang. The evidence of involvement of East European services was produced when it was established that the kipnappers of Peter Lornz had definitely received training and assistance from the East German service.

In Ireland, KGB and DGI agents gave their assistance to the IRA and to the head of the Irish CP [communist party].

With Cuban "diplomats" acting as intermediaries, Libyan Major Al-Lounin Houmi, chief of the Libyan service, coordinated technical assistance to the IRA, to the Baader-Meinhof group, to the Iranian Liberation Front, as well as to the Japanese Red Army. The telex connections of Prensa Latina doubled as clandestine liaison channels of communication (Using regular news dispatches as codes). Its bureaus also gave shelter to clandestine agitators.

THE CURIEL NETWORK

Originally built as a network designed to help the Algerian FLN (during the Algerian war), it was sponsored by Henri Curiel and subsequently became one of the instruments of the overall subversive enterprise. Even though it groups Trotshyists, human rights activists of various hues, leftists and Catholic progressives, its Soviet inspiration is certain. Its secret head at one stage was Jacques Duclos, a deputy CP leader. It acts rigorously clandestinely. It ensures its own financing and refrains from any kind of action that might compromise communist parties and the Soviet Union.

Algeria and Cuba are, with France, its most important centers. Its mission: the organization of subversion on a global scale. Its front organizations are of a humanitarian nature:

1. France Terre d'Asile [France: Land of Asylum].
2. Comite Inter Mouvement de Recherche d'Aide aux Deplaces et Evacues (CIMADE) [Resettlement Research Committee for Aid to Displaced and Evacuated Persons].
3 Institute International de Recherche, d'Education et de Developpement (IRED) [International Research Institute for Education and Development].

These are the organizations that the Curiel Network penetrated and whose structures it uses to destabilize Western societies and Western interests in the rest of the world.

THE VIENNA CENTER

It was in Belgium that the first crack in the special Soviet network appeared when an automobile accident led to the identification of one of its cells linked to an autonomous control center in Vienna. It controlled similar cells in Belgium, Italy, West Germany, and Holland.

Through its links with subversive and terroist groups, the Vienna center's mission was to develop a strategy of "tension" in Western Europe. It managed to establish contacts with Trotskyist formations at a time when Trotskyism was embarked on a delicate strategic maneuver—from ethnic and separatist agitation to revolutionary internationalism.

KARLOVY VARY

Liason center for subversive and terrorist formations. Backed by various sub-groups linked the EFTU (World Federation of Trade Unions) in Prague. This Czech center has been in contact with the Red Brigades and the Italian Nucleus of proletarian Action, the Baader-Meinhof gang, the IRA and separatist elements (Basque, Corsican, Bretton, et cetera). Safe houses are provided for operatives that have to go to ground, and training takes place at Doupov, six kilometers from Karlovy Vary.

REVOLUTIONARY COORDINATION JUNTA [RCJ]

Originally regrouping the National Liberation Armies of Argentina, Bolivia, Colombia, and Peru, this Junta is run by a Directorate dominated by Chile's MIR (Mouvement de la Gauche Revolutionaaire) and Uruguay's tupamaros, two veteran groups of clandestine action.

This Junta presently maintains bases in Paris, Rome, London Amsterdam, and Brussels where Trotskyists of the Revolutionary Communist League (Alain Krivine) are also implanted.

The Coordination Junta is in contact with the Palestinian guerrilla formations and Cuban Embassies in the Middle East. In recent years, the frequency of liaisons with Palestinian formations and the Tupamaros have been intensified.

A Chilean MIR group is operating close to the Austrian border.

The RCJ has also set up an international network of teams specialized in arms smuggling and kidnapping of personalities. RCJ continues to receive support in Lisbon from ultra leftist groups that have gone underground (since the aborted communist takeover attempt).

The Junta, moreover, receives for legal defense and services, the assistance of certain international organizations, such as the International Association of Democratic Jurists, which has itself been penetrated to a large degree by East European services.

THE REVOLUTIONARY COMMUNIST LEAGUE (RCL)

An offshoot of the Unified Secretariat of the IVth (Trotskyist) International, RCL is the driving force of subversion in Europe.

It inspires and backs all conceivable subversive enterprises, from separatism to antimilitarism, creating and then exacerbating all possible forms of antagonism. Its bases are in France, Belgium, Portugal and West Germany.

Its links with the Revolutionary Coordination Junta, the Palestinian Refusal Front and Cuba are very important.

One must recognize in the RCL and its leaders (George Mandel and Alain Krivine) the veritable artisans of the subversive enterprise in all fields.

THE REFUSAL FRONT

We know that George Habash, who dominates the Palestinian Refusal Front, organized a meeting of representatives of terrorist organizations from all over the world at Baddawi, a suburb of Tripoli, in 1971. During this meeting, the participants worked out a highly complex system of universal reciprocal aid.

The terrorist affairs of Lod, the Hague, Paris, and Vienna established that concrete substance had been given to the Baddawi Pact and to interconnecting liaison between these various groups. The Carlos affair confirmed these links.

Habash even said for public consumption, "We are a Marxist-Leninist organization which does not consider the Liberation of Palestine as its ultimate objective. On the political level, we have created organic supports between Palestinians and revolutionaries all over the world. We are the allies of the world progressive movement."

Cuban services have been implicated in some of the Refusal Front's terrorist actions whose commandos have given themselves a variety of labels.

Liaison between the Revolutionary Coordination Junta and the Palestinians are well established, as are the latter's links with the Revolutionary Communist League.

Habash has received financial assistance from the Soviets via Ahmed Jebril, who was recruited by the KGB in Syria.

Algeria, Libya, Syria, Iraq and South Yemen, four countries with varying degrees of important Soviet connections, fulfill various functions—e.g., Libya and South Yemen for training, Syria and Iraq for shelter, Algeria for liaison and transit, et cetera.

Most of the speakers at the 1966 Tri-Continental Conference in Havana emphasized

the idea of close coordination between all available forces to undermine the bastions of imperialism. They made clear they were not simply talking about the remaining colonial territories but all pro-Western states of the Third World and their reactionary masters in Europe and the U.S.

Since then, Europe's CPs have adopted orientations that are dictated solely by internal political considerations as a means of getting closer to power. They leave the frontline fighting to leftist groups, avoiding all contact with them. They do not try to stand in the way of leftist extremist actions, even if they denounce them vehemently, and they are always ready to deploy the bulk of their forces to occupy terrain newly conquered by the leftists as soon as they feel it is prudent to do so, and without ever compromising their image of a political party concerned about legality and respectful of democratic processes.

An act of leftist terrorism has surfaced as one of the most effective means of inculcating a guilt complex among the masses, by persuading them that they have spent their whole lives participating in enterprises that perpetrate the alienation of man. It is designed to put in question established values and to create the inhibitions that will paralyze the Western world's vital forces.

Department V of the KGB, a relatively recent creation, in conjunction with the Tri-Continental Conference in 1966, and designed solely for subversive operations, never acts directly but through Eastern, Cuban, and other proxy services.

ARNAUD DE BORCHGRAVE

(Introduction by Dennis Dunn of Washington)

Only rarely have I come across in my lifetime a political novel which struck me both strongly and favorably, but never before have I read one which, in my judgment, has the capacity if widely enough read to in short order actually change the course, the very direction of world history. "The Spike," co-authored by Robert Moss and Arnaud de Borchgrave, and published first in February of last year, 1980, is in my sincere opinion just such a novel.

I think without question in my mind at least, it is the most significant political novel to have been written in my lifetime, and I know some who would say the Twentieth Century. On one level it is superb fiction as a spy thriller, espionage of the first order, but on another totally different level it is a somewhat thinly disguised expose of Soviet disinformation as it is currently implemented by the KGB throughout the Western world in order to serve Soviet foreign policy objectives through the manipulation of Western news media people. And largely without those news media people themselves even having any idea that they are being manipulated. Since it appeared, it has sold over 2,200,000 copies; some 200,000 in hardback and over 2,000,000 in paperback. I view it as the most exceptional tool that I have personally come across for the continuing educational crusade that we are all involved in, for awakening that large number of Americans who are still slumbering in complacency or naivete, or both, as to what is really going on in the world and what the real battle is all about.

It is certainly a battle for the minds of men. Nobody understands that better than the Kremlin and the KGB operatives who are so good at what they do in this country. And you will hear more about that from our speaker shortly. The day before I left to drive over here to Spokane from Seattle, I received in the mail from a friend in Australia, a newspaper clipping, a front page article from the Alartis Daily in Sidney, the headlines of which absolutely shocked me, but I guess nothing should any more. Having read "The Spike," I wonder why I was really shocked, but it simply said: "Reagan's New Economic Policy: Taking from the Poor and Giving to the Rich." The small print of that article was filled with so much misinformation, misconceptions, distortions and outright lies, enough to turn your stomach. Unfortunately, it is quite possible to find examples just as horrendous as that right here in the United States. Tomorrow Arnaud de Borchgrave will be in Paris. He has an incredible travel schedule, the demands on his time are extraordinary as a speaker, a writer and columnist. I consider him to be one of the most dedicated and courageous patriots alive in America today because the kind of thing that he is doing with us here this weekend, he is doing at his own expense because he is a crusader. He believes so much in this country and is as concerned as anyone I have ever met for the future of mankind and the American Republic.

In the opinion of many, Arnaud de Borchgrave is the dean of world foreign correspondence. He has in fact served as counsellor to kings, prime ministers and presidents. I think no greater tribute could be paid to him than the eulogy that was made directly to him last February in Hong Kong by the World Business Council. I will share with you just two brief excerpts from that eulogy paid to him at the same time he was awarded the World Business Council's Medal of Honor for 1981. I quote: "In the 34 years in which you have dedicated your life to your profession, you have been actively and intimately involved in 17 wars and in the critical affairs of more than 90 countries. You speak out with conviction and without fear. You are selfless in your intense desire to contribute to the mending of the wounds of the world. Your intellectual excellence and integrity is your contribution to world understanding of current events and has placed you at the pinnacle of your profession. Ladies and Gentlemen, Arnaud de Borchgrave.

Thank you very much. If you can believe that, you can also believe that catsup is a vegetable. I don't know why we got so upset over this government bureaucrat who decided to recategorize catsup as a vegetable. After all, we have been calling stocks 'a hedge' for a long time, haven't we? You probably realize by now that with my mid-Atlantic accent, I never could have gotten myself elected dog-catcher in this great state of Idaho. But I am delighted to hear that we have made a modest contribution to your great victory, Senator (Symms.) You know that my field is foreign policy, terrorism, intelligence. So perhaps you would let me start with the untimely demise of President Sadat. Sadat's impact on world events, as I am sure you realize, in the past ten years was far greater than the impact of leaders of far more powerful countries. He became absolutely pivotal to major foreign policy objectives of this country in the Middle East and beyond. The pivotal point for peace with Israel, the pivotal point for our new rapid deployment force, the pivotal point to thwart Soviet ambitions in the Persian Gulf, to thwart the ambitions of Colonel Khadafi, one of Russia's major operatives in the area. And of course, the pivotal point for aiding the Afghan resistance movement against Soviet occupation forces.

Prior to conducting my first interview with Sadat eleven years ago for Newsweek, we were chatting privately about what he had learned living in the shadow of Nasser for so many years, and he said that the most interesting thing he had read during those years in the political wilderness were the memoires of General Duveau (?) and I asked him why. He said, "Because he taught me to govern in this ungovernable age of ours, you have to think the impossible, and act unpredictably, always leaving your opponents behind you, panting for breath, trying to catch up." And that was to be key to Sadat's subsequent actions. He kicked out the Russians, about 18,500 military advisors in July of 1972, at a time whan everyone thought it could not be done. He went to war in October of 1973 when everyone thought he would be defeated the way Nasser was in 1967. They had overlooked a little thing called the "oil weapon". And then Sadat stunned the world with his historic pilgrimage to peace with Jerusalem and the subsequent Camp David accords.

After the October war, Sadat confided to me in a confidential aside that he would rather do business with three Western leaders than one of his Arab brothers, and before I could ask him why, he went on: "Come to think of it, I would rather do business with twelve Western leaders than with one of my Arab brothers." And before I could get a word in, he continued, he said, "Come to think of it, I would rather do business with the entire world than with one of my Arab brothers." I then asked the reason why. He said, "Because they are impossible." As you know, he has excoriated his Arab critics as 'ignorant dwarfs and stooges of foreign powers, motivated by malice and locked in the same rotten mentality they had exhibited for twenty years.'

I very much doubt whether President Hosni Mubarak, his successor, can sustain the same act, or whether it is even desirable that he do so. Mubarak has not inherited the full spectrum or opposition to Sadat's policies both in Egypt and the rest of the Arab world. Not to mention, of course, the Soviet Union and its proxies. I do not believe that there is any way he can sustain the same force over the long run. The Soviet Union will be marshalling all of its assets in the region to derail the Camp David Accords before they become irreversible. Anti-Sadat, anti-Israeli and anti-'imperialistic' forces offer a very fertile field for Soviet troublemaking. Mubarak unfortunately lacks the unchallenged authority and imaginative flair and sheer political vision of Sadat, so first he will have to consolidate his power base, military and political, at home. The big question now is whether he can move more forcefully than Sadat on behalf of the Palestinians and restore the Arab moderate concensus without destroying the still fragile fabric of peace with Israel. Personally, I doubt it.

To survive, I think he is likely to feel the need for at least a modest measure of change. At a minimum, I think you could expect a harder line toward Israel after he recovers the last third of the Sinai acreage next April; and a determined effort to end Egypt's isolation in the Arab world, most probably by closing ranks behind the new Saudi peace plan. Which, as you may know, calls for the establishment of a Palestinian state on the West Bank. Shortly before his untimely demise, Sadat, you may recall, had expelled half the Soviet Embassy and the last 1,000 Soviet technicians working in that country, including a number of agents who

had been detected meeting secretly with Moslem fundamentalist extremists. And since Sadat's assassination, the Libyan radio has been broadcasting around the clock incendiary appeals to the Egyptian Army and to the people, to rise up and overthrow the remanants of the "imperialist puppets". Khadafi himself said, and I quote, "I told you on that day of 1977, September 1, the anniversary of our revolution, that the one who committed the crime of treason against the Arab nation must be executed. Thus," he said, "the sentence is being carried out."

Abu Firaz who is the head of the PLO Secret Service and Number Two to Mr. Arafat, said in Beirut, "We shake the hand that fired the bullets. Today, Sadat, tomorrow, Nimeiri of the Sudan, and all the remaining agents of imperialism after that."

Khadafi is now calling publicly for the execution of Nimeiri of the Sudan, just as he had been calling for the assassination of Sadat. And the highest-ranking defector from the Libyan regime, Muhammed who was the Auditor General of that country, told me that the Libyan leader had ordered his secret service to take care of Sadat and hang the cost. Khadafi spent millions agitating and proselityzing Moslem fundamentalists in Morocco, Tunisia, Egypt, the Sudan and Saudi Arabia. Libya has been supplying its Soviet equipment to the Marxist-led Polissario guerrillas, who have been fighting Morocco for control of the Western Sahara for the last six years. And just three days ago, they shot down a C-130 at an altitude of 18,000 feet; and a mirage fighter bomber at 30,000 feet, which is a very strong indication that the Soviets have okayed the transfer of sophisticated anti-aircraft missiles to a Marxist guerrilla group. Some of Libya's Soviet planes were also in that battle three days ago. Some leaders, as you know, are beginning to conclude that being America's friend in the Arab world is fatal.

That was certainly the reaction of King Hussein of Jordan, who told me something to that effect after what he perceived to be our betrayal of the Shah of Iran. That is why the Reagan Administration today is moving smartly and swiftly to demonstrate that we can be counted on when the chips are down. Here again the media must shoulder its share of the blame. It is what McGreenfield, a lady of impecable liberal credentials, currently director of the Washington Post editiorial page, described as a staple of the Media's post-Vietnam thinking. And that is, that any leader in the Third World who is friends with the United States is probably not worth having as a friend anyway; whereas anyone who calls himself a Marxist or a Progressive or an anti-Imperialist must be representing the forces of progress.

And that, ladies and gentlemen, happens to be nonsense in all its unrationed splendor. Especially when you see the millions of the refugees and the bloodbaths that have been created by these Marxist leaders who have imposed their regimes by force since our defeat in Vietnam. A former Communist Minister escaped among the Boat People from Vietnam a couple of years ago, and when he showed up in Paris, he said that, "compared to the tyrants who rule us today, former President Thieu of South Vietnam, once described as a fascist American puppet by our own media, was an enlightened Liberal." Needless to say, those remarks never made it into our media.

While world attention has been focused on Afghanistan and then El Salvador and Poland, the Soviets have never been busier than they presently are in Africa. There are six thousand East European and Cuban military advisors in Libya alone today. And there are some 14,000 "volunteers" from "liberation movements" presently training in 120 Libyan camps under an overall command structure known as the Bureau for Exporting Revolution. Cuba maintains a similar organization run jointly by the DGI, which is the Cuban Secret Service, and the KGB, its parent company in Moscow.

Libya is a country of only 2 million people and yet today it has 2,800 Soviet-supplied tanks, which is almost three times the number in the entire French Army today, and France is a country of 55 million. Libya also has 450 warplanes, most of them the latest Soviet models, which is roughly the same size as the British Royal Air Force. It was East Germany that provided the logistical assistance for Libya's invasion of Chad late last year, and Libya's Secret Service, known as the Muka Barad, is run by the MFS, which is the East German Secret Service. In other words, the KGB. When two Libyan planes attacked the U.S. Sixth Fleet aircraft a few weeks ago, and you will happily recall they got shot down, where was Khadafi? He was in Aden, the Capitol of South Yemen, a Soviet satellite state, signing a military pact with Ethiopia and South Yemen, two Marxist-Leninist states. A pact, incidentally, that was promoted and negotiated by the Soviet Union.

In mid-September, just a few weeks ago, Libyan planes began bombing border villages in the Sudan and shortly thereafter Libyan units started probing to a depth of 50 miles inside the Sudan. At the same time. Sudanese Security discovered yet another plot engineered by Khadafi against the Sudanese regime. 3,500 autmatic weapons were found in trucks and vans parked around Khartoum, the capitol of the Sudan, and that is when President Sadat dispatched Vice-President Mubarak to Washington on an urgent mission to plead for military assistance for the Sudan, including American troop transports to airlift Egyptian troops into the Sudan in case of emergency.

At first, Washington was not convinced that it was an emergency. The anticipated negative reaction of our media was one of the factors. Sadat's assassination changed a lot of minds in a hurry. Isn't it fascinating to see how quickly journalists and academicians in this country are willing to believe the worst about the United States and are always giving the benefit of the doubt to our adversaries? You may not know that last weekend at the Roosevelt Hotel in New York there was a meeting described in yesterday's Wall Street Journal of Independent Writers. Three thousand of them showed up. People attending the opening session listened to greetings from the Havana-based Latin American Writers Conference, whose message consisted largely of an assault on American militarism, the neutron bomb and the genocidal policies of the United States. Piped into this meeting at the Roosevelt Hotel was the voice of Phillip Agee from Germany, and you know who he is, ideological defector from the CIA, working very closely with Cuban intelligence, and the reporter for the Wall Street Journal, and I urge you to read this—yesterday, he says, "the general tone of the Conference was that America invariable figures as the largest contributor to whatever evil of conspiracy against the good afflicts mankind. More than one panelist, when asked about the prevailing tone of loathing heaped on the United States government, replied that it was the nature of writers' sensitivities to feel that way." Again, I say 'twaddle' in all its unrationed splendor!

For years, we have refused to face up to the links that exist between international terrorism and the KGB and its proxy services. Doctor Andre Sakarov, the inventor of the Soviet H-bomb, today Russia's leading dissident in exile in his own country, in the city of Gorki warned us in a message smuggled out and published as the cover story of the Sunday Times Magazine section, June 8, 1980, he warned us not to reject allegations about these links and to start taking them seriously. Sakarov also warned us about a great many writers and a great many journalists in our country who are busy promoting Russia's expansionist objectives: as he put it, willing or unwilling dupes of Soviet disinformation operations.

The media takes it as another article of faith that such activities would be imcompatible with detente and therefore conclude that Russia cannot possibly be involved. Russia's main concern, as we all know, is disarmament and deepening detente. I can give you as a fact today, and I challenge my colleagues in the media to go and check it out—I can give you as a fact that Alexander Muranche, who as head of the French Secret Service for eleven years until three months ago, sent two emissaries to see the Pope's immediate entourage four months before the assassination attempt in St. Peter's Square, to warn his Holiness that an assassination plot was being hatched in the East against his life. Unfortunately, the warning was not taken seriously, and the security precautions that were being urged upon the Pope were not taken. Ali Haja, the Turkish would-be assassin of the Pope, had the perfect cover with credentials of a right-wing fanatic. But the media did not tell you that he was trained, and this has been uncovered by Italian intelligence, he was trained in a Palestinian camp, and had spent several weeks in bulgaria prior to coming to Rome. I have had in my possession since May 11 of 1978 a thoroughly documented European intelligence report on the various links between international terrorists groups and Eastern secret services. The report states, and I quote:

"The analysis of intelligence collected since 1972 establishes that revolutionary internationalism is striving to undermine the structures of the Western world with a view to paralyzing them, if not destroying them. The International Solidarity Revolutionary movement on different continents, and for some of them, their terrorist emanation, stems from the Tricontinental Conference held in Havana in January 1966. Within six years of that conference, that is, by 1974, the structures of this new international terrorism became operational. The mother cell is in Cuba at the headquarters of the Tricontinental Organization of Peoples' Solidarity, that the Soviets dominate through the Cuban Secret Services that they control. The external ramifications, centers of coordination and action impulses of the various anti-imperialist movements of the Third World, as well as European terrorist groups, are all made up of the networks that these Cuban services have established abroad. Since then, sheltered by detente and peaceful coexistence, the actions of this new international terrorism are detectable throughout the Western world."

The report continues on with chapter and verse on names, dates, places, citing front organizations in Europe and abroad. I could not get it published in "Newsweek" at the

time because the highest ranking members of the Carter Administration said the CIA had nothing to substantiate it.

Well, the reason was all too obvious. The European intelligence services were not passing on this kind of information to the CIA because they were pertified, and still are, of leaks in Washington that would not only blow sources but jeopardize the lives of agents. And European leaders never went public with what all of their intelligence chiefs had known for years; with the exception, incidentally, of the Italian President and the Spanish Prime Minister earlier this year. Again, because everyone was anxious not to rock the boat of detente.

But few people ever stop to think of how the Soviets themselves define detente and cold war, and we have the testimony of plenty of defectors to prove this. Cold war, in the Soviet perspective, was the period when the United States and all of its friends and allies abroad were dedicated to the containment of Soviet expansionism. Detente or peaceful coexistence as the Russians prefer to call it, was the period when we abandoned this strategy without putting anything credible in its place, continued reentrenchment in the wake of our defeat in Vietnam, and continued acquiescence in Russia's geopolitical objectives, all the way from Angola to Ethiopia and from South Yemen to Afghanistan; and from Southeast Asia to Central America.

When General Arghayanz took over Soviet disinformation services for the KGB in April of 1968, he briefed his agents at the time by saying, "We must constantly encourage Western journalists to write precisely the opposite of our real intentions, and anyone who writes about our real intentions accurately or impartially in the Western sense of these words must quickly be dismissed and ridiculed as a man or woman of the right, a neofascist, a McCarthyite, and what-have-you." And this has worked well to an extraordinary degree. And now that Mr. Reagan is determined to change course and restore a modified form of containment and some semblance of balance of power in the world, he is accused of trying to revive the Cold war. And the liberals who continue to acquiesce are on the other hand patted on the back for their defense of detente. It is a Catch-22 situation.

For our book, "The Spike," Robert Moss and I had access to some 25 defectors from Eastern Secret Services and to a man, because there isn't a woman in the group—to a man they all tell us the same thing. That is, that Soviet disinformation operations in the Western media have successfully anesthetized Western opinion makers and Western governments time and again. And what the most respected analysts today of the Soviet military buildup predicted would happen, has indeed happened. The Western democracies, principally our allies in Western Europe, would at some point begin to doubt their own ability to stand up to the various forms of intimidation that the Soviets have learned to manipulate so brilliantly. But instead of being outraged and doing something about it, they would become more docile and conciliatory. Pierre LaRouche, of the French Center for international Relations, just two weeks ago said that the fact that Chancellor Schmitt of West Germany has in effect, now feels compelled to tell his people that the principal adversary is the Soviet Union and not the United States, shows how serious the problem has become. The danger as I see it is that many Europeans have become so accustomed to the vocabulary and psychology of detente and conditioned reflexes of appeasement.

Witness their reaction after the Soviets invaded Afghanistan. They are now less resistant to Russian miltiarism. Visions of a United States-induced Apocalypse are subliminally flashed through the time-tested and time-proven conduits of Soviet disinformation. And many naive and well-intentioned people find them easier to believe; certainly easier than facing facts. The Soviets are looking on with intense interest as allied governments fail to meet their NATO obligations, one after another; as Holland and Belgium back away from their commitment to deploy the Pershing and cruise missiles when they'll be ready in 1983 against the already-in-place 200 Russian SS-20's. That is about 600 new warheads targeted entirely against Western Europe. As the Danish Foreign Minister himself tells us, everything we are going to spend on our rearmament program is a total waste of money and that we should give it directly to the Third World. Well, the Europeans expect the United States to defend their oil supplies in the Persian Gulf, but they criticize every move made by the United States to do this. Even when Cuban, East German and Soviet advisors are on the ground, Europeans dimiss Third World revolution as the product of strictly indigenous forces. But if the Marxists win in that country, there is no evidence whatsoever that the outcome will be any different than the one we saw in Nicaragua, where now even the liberals are conceding that Castro and the Soviet Union have won the day.

In other words, the Sandinistas in Nicaragua conned the media as Castro himself conned them when he was up in the Sierra Mastra fighting the Batista regime. As Ho Chi Minh conned us in Vietnam, Mao Tse Tung in China and most of you don't remember, even Stalin tried to do that in World War II while he was killing a million people a year—his own people. It seems to be an evergreen act that works with each new generation, and during my 34 years of jouralism, most of those years spent on the road as a foreign correspondent, I have observed pacifism, neutralism and radicalism merge into populist perceptions that have led us astray time and again. After reading a book recently, and I urge you to read it too, "Political Pilgrims" by Paul Hollander, it just came out—on the travels of American intellectuals in the Soviet Union and in Cuba—one is reminded again of what Eric Hoffer meant when he said that one of the most spectacular privileges of intellectuals, and I will add journalists to that, one of their most spectacular privileges is that they are always free to demonstrate scandalous stupidity without ever jeopardizing their reputations. The London economists recently pronounced NATO terminally ill. Irving Kristol says in essence, "Forget it. NATO ceased to be a living reality some years ago and some time in the not-too distant future the appropriate funeral services will occur."

I think it only fair to tell you that the backstage talk in Washington's think tanks, where I happen to work, at the Center for Strategic and International Studies, that backstage talk is of growing European neutralism—the grave risk of Russia's decoupling strategy succeeding. By that I mean decoupling Western Europe from the United States—and a return to bilateralism in this country, which would be nothing but a disguised form of isolationism. Many sharp geopolitical minds have concluded that the Atlantic convoy can no longer move at the speed of the slowest ship as wartime convoys did on the high seas, especially when some of the ships on the convoy are beginning to steer a different course. They ask how much longer can the United States afford to be put in the position of the supplicants on bended knees, begging the Europeans for permission to defend them. How ironical that all this should be happening at a time when the Soviet Union is facing deepening economic troubles at home, a war in Afghanistan, and a rebellion in Poland. When they can't even feed their own people after sixty years of revolution. I am convinced that neither the United States nor its principal allies can afford to let this great alliance dissolve.

It is absolutely imperative that European leaders muster the courage to face down their neutralists and pacifists and explain that if all of Europe attempts to emulate the example of Austria or Finland, then it won't be long before Russia becomes the paramount military power in all of Europe. The Soviet crisis is a crisis of structure. The Western world crisis is one of political will, and Sadat's vision and statesmanship and courage hopefully will remind the fence straddlers, the don't-rock-the-boat crowd, that there is nothing inevitable about history. History is neutral. The Russians would have us believe that it is inevitable, but history is neutral to be shaped by political and military leaders and not by media stars and public opinion pollsters.

And that, ladies and gentlemen, is something to ponder before all the trends that I allude to today become irreversible. Something to ponder as we approach the midterm elections. President Reagan, and I know him personally, I have had the privilege of private conversations with him. There is no question in my mind that he is a leader of vision and courage, but he must be given a Congressional majority to lead us through the most troubled international situation the world has faced since World War II. And let me remind some of my media colleagues of Winston Churchill's famous quote about capitalism and communism. Winston Churchill once said that the inherent vice about capitalism was the unequal sharing of blessings, whereas the inherent virtue of socialism is the equal sharing of miseries.●

THE PRESIDENT AT DES MOINES

● Mr. HELMS. Mr. President, as we consider farm programs, it is relevant to note that President Reagan was warmly received by the National Corn Growers Association when he addressed that group at Des Moines this week.

Not only did the President express gratitude for the enormous contributions of the American farmer, he reiterated his firm intention to pursue additional world markets for U.S. farm products. Such expanded exports are essential if farmers are to receive real profits in the marketplace.

Mr. President, I ask that President Reagan's address to the corn growers be printed in the RECORD.

The address follows:

TEXT OF REMARKS BY THE PRESIDENT TO THE NATIONAL CORN GROWERS CONVENTION

It is a real pleasure to be here today. It does my spirit good to be among thousands of Americans from our heartland—people with faith in God, the United States and themselves. Despite the doomcriers abroad in our land, I believe most of American shares your faith. But there hasn't been enough recognition of the part you play in the lives of all of us.

With all the miracles of modern day electronics, there is still no greater technological revolution than modern day American farming. Today in the United States, one farmer produces enough food to feed himself and 77 other people: 52 Americans and 26 people abroad. Our food and agricultural system is the most productive in the world, and accounts for the foundation of 24 million American jobs—almost one-fifth of our Nation's work force. I have come to tell you that there is gratitude throughout this country for the work you do, and sensitivity to the burdens you bear.

It was Thomas Jefferson who once said farmers were God's chosen people, but nowadays you must be asking, "Chosen for what?"

As one farmer wrote me, "Things are not good down on the farm in 1982, Mr. President." He cited an advertisement in an Iowa paper for a farm hand. There were 140 responses in two days—some from people who had been forced to give up their own family farms.

A woman wrote me about the day she watched her father-in-law try to auction his land to pay debts, but none of their neighbors could afford to buy. She wrote, "I sat there and watched a proud old man . . . at the brink of tears."

Another—and this shows the spirit out here—had a note on top addressed to the aide opening the letter: "I didn't vote for you . . . I voted for Ronald Reagan and I want him to read this letter . . ." I did, and this woman said:

"I'm a farm wife 60 years old. Not too well educated but (it doesn't) take too smart a person to see and feel what (is) going on."

". . . I know you have lots of important things to do and decide," she wrote, "But have you ever stopped and thought about the farmer? Stop and think, can a farmer pay $75,000 to $100,000 for a combine, can he pay triple for any machinery, can he pay the price for fertilizer, seed, you name it, and sell corn, wheat, soybeans, for the price they are today?"

She said that just because farmers are not out carrying strike signs or tearing something up does not mean they are not hurting. What farmers want, she said, is a fair price so that they can pay their bills and feed their families. She was only wrong about one thing—that maybe I hadn't had time to think about farmers. The farmers of America are very much on my mind. President Eisenhower once said that without a prosperous agriculture there is no prosperity in America. He was right. A central goal of this Administration is to return profitability and open new markets—especially international ones—to this country's farm sector.

Because of the farmers' efficiency and the abundance produced on America's farms, we need world markets. The harvest from two out of every five acres of cropland is sold abroad. Farmers depend on international markets for the sale of more than 60 percent of their wheat and rice, half of their soybeans and cotton, and a third of their corn and feed grains. In 1970 we exported $7 billion worth of agricultural products. Last year we shipped abroad over $43 billion of products. These exports account for about a quarter of all farm income.

While essential to our U.S. balance of trade—offsetting big trade deficits in other goods—the future of farming has become dependent on maintaining and expanding foreign markets for U.S. food and fiber products.

During the 1980 campaign, in a speech I made not too far from here, I promised my personal support for expanding our agricultural exports. That pledge remains a priority commitment today.

We are vigorously challenging the use by foreign governments of export subsidies in agricultural areas, such as wheat flour, poultry, sugar and pasta. We have a united front in this effort. The Departments of Agriculture, State, Treasury, Commerce and the U.S. Trade Representative have spoken with one voice against unfair trade practices. We will continue to speak with this united voice as we pursue every legitimate means of protecting our farmers from unfair competition.

We have moved up by six months the scheduled negotiations with Japan on citrus and beef.

We have dispatched trade teams to 23 nations in Europe, Africa, Latin America, the Middle East and the Far East. Partly because of these teams, we expect to ship more wheat to Brazil and Morocco and to maintain near record wheat exports to the People's Republic of China.

In these efforts, we do not challenge the right of any country to exploit its agricultural assets and to provide a decent life for its farmers and rural communities. We only ask for fair competition and for more adequate rules to govern trade in agricultural products. At the GATT Ministerial Conference this fall, we will propose bringing agriculture under its liberalizing influence, an influence that has transformed trade in manufactured goods and unleashed an unparalleled period of growth and prosperity in the postwar world. I am committed to more open agricultural markets in all countries. I challenge other countries, particularly our friends in Europe and Japan to match this commitment.

But the commitment I am most proud to have kept was restoration of a more normal grain-trading relationship with the Soviet Union: lifting the last Administration's grain embargo.

The lingering effects of that grain embargo are still hanging over the markets, and our Nation's farmers are still suffering from those low prices. We had 70 percent of the Soviet market when the embargo was imposed. That fell to 25 percent during the embargo. At the same time, our competitors took advantage of this market that the last Administration threw away. We have restored to the American farmer a fair opportunity to export grain to the USSR on a cash basis.

We have already begun that difficult road. After lifting the embargo we offered the Soviets and additional 15 million metric tons of grain beyond the original 8 million metric tons of grain.

Our efforts on behalf of the American farmer suffered a setback, however, with the iron repression of the proud people of Poland. When martial law was declared in that country, U.S. officials were developing a negotiating position on a new long-term grain agreement with the U.S.S.R. After the Soviet Union ignored our calls to aid restoration of basic human rights in Poland, we had no choice but to impose a number of sanctions against both countries, including postponement of negotiations on a new long-term grain agreement with the Soviet Union.

There is still no cause to celebrate in Poland. I am, however, somewhat encouraged by indications martial law may be relaxing. We will continue to watch developments there in the hope that life will improve for the Poles, and sanctions can be removed.

In the meantime, we will explore a one-year extension of the current long-term grain agreement with the Soviet Union. I have also authorized the Secretary of Agriculture to consult with the Soviets on the subject of additional grain sales beyond the minimum purchase requirements of the current agreement. The extension would have the sanctity of a contract, ensuring U.S. farmers' access to the Soviet market. Just last week, the importance of this was brought home to me by the Governor of a great agricultural State, Charles Thone of Nebraska. As Governor Thone said, there must be question about our respect for contracts. We must restore confidence in U.S. reliability as a supplier. An agreement would also protect Americans from possible Soviet disruption of our domestic market.

Indications are that we will sell a record volume of grain to the Soviet Union this year. With the extension that we are now exploring, we will be able to sell large quantities during the next year. In other words, the grainary door is open and the exchange will be cash on the barrelhead.

Last March I outlined this Administration's agricultural trade doctrine:

There will be no restrictions on farm products imposed because of rising farm prices.

Farm exports will not be singled out as an instrument of foreign policy, and can be used only as part of a broad trade embargo, supported by other nations, in a situation so serious as to cause this action.

We believe world markets must be freed of trade barriers and unfair trade practices.

At home and abroad, we are committed to assuring the American farmer a market that will reward his investment and hard work, not punish him for his incomparable success.

A farmer told me once that, as a rule of thumb, today you risk all that you have acquired for most of a lifetime, to plant a crop. Yet the only request that the farmer has is to have the opportunity to compete on a fair and evenhanded basis on the market.

That corn meal on the grocery shelves, those soybean products, the steak, milk, bacon and a myriad of other goods do not mysteriously show up in supermarkets. They were produced at the cost of your sweat and the ache in your back. Most are grown or raised right here on this rich, midwestern soil.

You are among the most industrious people anywhere, and you have been carrying an extraordinary burden for the Nation and the world. This Administration is dedicated to bringing you relief.

We believe the unbearable interest rates, the suffocating inflation, the recession that has gripped our land for too many months, was brought about by Government leaders afraid to trust the American people. They were caused by 40 years of taxing and spending, by disintegrating faith caused by abandoned promises, and b_ a reckless

course of fiscal insanity that had us careening toward catastrophe.

But our goal is to be able to say: "Those days are over." I am proud to report to you, the American people, that your government will no longer forget its fundamental purpose: to be the servant of the people, not your master.

You're in charge now. It's your money being taxed, it's your property being assessed, your resources that have been raided by Washington.

You have demanded a reduction in the size of Government. We have cut its rate of growth nearly in half, and we are not through yet.

You have demanded that Government live within its means. We are pushing hard for an amendment to the Constitution to balance the budget.

You have called for a reduction in the repressive tax rates. We passed and are fighting to keep the largest tax cut in American history, but a tax cut that only barely offsets tax increases already built into the system.

A great American philosopher has written that a timid man listening to alarmists in Congress, and in the newspapers, might easily believe that he and his country have seen their best days, and he hardens himself the best he can against the coming ruin. But, after this has been foretold with equal confidence fifty times, he discovers enormous elements of strength which are here in play.

"We think our civilization near its meridian," he wrote, "but we are yet only at the cock-crowing and the morning star."

Those words by Ralph Waldo Emerson are as true today as when he wrote them more than a hundred years ago.

You know, shortly after World War II, in the Christmas season of 1948, I was in England. It was my first time abroad. On weekends I'd hire a car and driver and go sightseeing in the English countryside. I told the driver I'd like to see some of the old inns and pubs that I'd been told were centuries old. Toward the end of one such day, we stopped at a pub. The driver apologized because it was only 400 years old. The proprietors were an elderly couple. It was just a tiny place. The motherly woman was serving us and after a while said: "You're American, aren't you?" I allowed as how I was. She said, "Oh, there were a lot of your chaps staged just down the road during the war. They used to come in here all the time and have songfests. They called me 'Mom' and they called the old man 'Pop'."

As she went on, her voice softened, and she was looking past me—into memories. Her eyes were beginning to fill. "It was Christmas Eve," she said. "The old man and me were here all alone. All of a sudden the door burst open and in they come with presents for both of us." The tears were on her cheeks now—and she said, "Big strappin' lads, they was, from a place called Ioway." My eyes were a little filled also. Maybe some of those "big strappin' lads" she remembered are in this room.

Well, neither those big strappin' lads nor their children nor their children's children ever needed government to tell them how to bring food for a hungry world from the blue-black soil of this heartland.

Here in the "land where the West begins, the state where the tall corn grows," are the seeds of our national renewal. Within our people is the strength, vision and faith that will return prosperity to America. We need only to believe in our own ability to make it happen.

On behalf of all Americans, I thank you for keeping up the struggle. We have a long way to go before we set this country to rights, but God has blessed us with a strong spirit and a rich land. With his help, and with yours, I believe we can do it.●

REAGANOMICS/ONE YEAR AFTER

● Mr. HART. Mr. President, as a number of my colleagues are pointing out in this Chamber today, this is the first anniversary of the phenomenon know as Reaganomics. Reaganomics—the vernacular for the President's so-called economic recovery program—is a phenomenon indeed, an experiment with our national economy on a scale unprecedented in recent decades.

Having lived under the President's economic recovery program, in its entirety, for a full year now, we are led today to ask the question that is on the minds of millions of Americans: "With economic recoveries like this, who needs hard times?"

The evidence is there, in stark and unambiguous terms—Reaganomics is a total, abysmal failure. It does not work. It is an experiment gone awry. It is a math formula that does not add up: Massive tax cuts, massive cuts in social programs, and massive spending increases for defense do not add up to a balanced budget and vibrant economic prosperity.

Mr. President, we in Washington have a tendency sometimes to boil everything down into numbers. It is easy, for instance, to indict "Reaganomics One Year Later" on the basis of the size of the Federal budget deficits it has created. Commerce Secretary Malcolm Baldrige admitted this week that the fiscal year 1983 deficit will probably exceed $140 billion—more than $30 billion higher than the administration originally predicted. That admission stands, by itself, as eloquent testimony to the failure of this economic experiment.

But numbers do not tell the whole story, Mr. President. When the President sent that fiscal year 1983 budget to Capitol Hill, for example, it did not tell the story of Mattie Dudley, a 67-year-old polio victim from Charlottesville, Va., who is being forced out of the medicaid program because the interest earned on her $1,000 funeral certificate sent her total assets over the $1,500 eligibility threshold. Ironically, it took one of the President's most fervent and consistent supporters, syndicated columnist James J. Kilpatrick, to tell that story. That the column appeared one year to the day after this body passed the conference report on the tax portion of the President's Economic Recovery Plan is, no doubt, pure coincidence.

Mr. President, the situation the Senate finds itself in today is illustrative of just how far this Nation has been led astray by this experiment called Reaganomics. It is in fact more than simple coincidence that one year to the day after the House passed its version of the conference report, thus affirming Reaganomics as the law of the land, that the Senate has felt the necessity to pass a constitutional amendment requiring a balanced budget.

We must ask ourselves whether this new and far more dangerous experiment would have been necessary had the President's economic recovery program lived up to its billing. If, as promised, Reaganomics could have delivered a balanced Federal budget by 1984, would the Senate have seen fit to tamper with the Constitution of the United States? Would this dangerously flawed proposal to write economic policy into our Constitution—and thus alter the very historical precept of our most important national document—have ever seen the light of day? In short, if it were not for Reaganomics would we be playing Russian roulette with our Constitution today?

I think not, Mr. President.

I remain confident, however, that the wisdom of our colleagues in the House of Representatives will prevail over this balanced budget amendment, and that it will rightfully be sent to the shelf where it belongs.

I hope I am right. August 4, 1981, the official starting point for this phenomenon known as Reaganomics, is already proving to be a dark day in American history. We must not allow August 4, 1982, to join it.●

DEFENSE SPENDING

● Mr. HEINZ. Mr. President, on July 28, 1982, President Reagan announced his intention to seek increases in military spending as much as $23 billion above the levels recently approved in the congressional budget resolution.

I am both surprised and troubled that President Reagan has indicated that he does not feel bound to keep defense spending for fiscal 1984 and 1985 within the limits of the budget resolution, which he only last month endorsed and the Congress agreed to.

The budget resolution enacted by the Congress provides for very substantial real growth in the defense budget. While I have supported the overall goal of making immediate and substantial efforts to improve U.S. military capabilities, we cannot allow the Defense Department to escape the same close review we have been giving to domestic spending programs.

At a time when we are attempting to reduce budget deficits, it is highly inappropriate to exceed the limits that we in Congress have established for defense spending. No part of the Federal budget can be sacrosanct, particularly when domestic programs of great importance to many Americans are

being subjected to severe cuts and even elimination.

The survival and prosperity of our Nation depends upon a feeling by the American people that there is fairness and proportion in whatever sacrifices we are called upon to make. I therefore call upon the President to totally reconsider this position and abandon any plans to try to add huge amounts of military spending on top of what already amounts to a record military budget for each of the next 3 years.●

THE SITUATION IN LEBANON

● Mr. DANFORTH. Mr. President, we are forever seeking simple answers to complicated questions. And in this information age, we allow ourselves to pass judgment on the basis of 60-second segments on the nightly news.

Nowhere is this more evident today than with respect to the situation in Lebanon. To characterize the issues as complex is an understatement. To pass judgment on the basis of bite-size morsels of news coverage is to risk committing a profound injustice.

Stark headlines announce the initial Israeli advance into Lebanon and condemn it as an aggressive act of war.

We forget that this was an act of self-defense made in response to rocket attacks and shelling of civilians in peaceful northern Israeli villages. And we may not notice the page A28 reference to the massive depots of Soviet-supplied weaponry discovered in Lebanon—rockets, launchers, tanks, cannons, and ammunition—that were clearly being readied for destructive acts of war against Israel.

We forget, too, that Lebanon was already an occupied state, beginning with the cruel and repressive occupation by PLO terrorists 7 years ago after their expulsion from Jordan, and followed by the Syrian occupation force that came to "keep the peace." One Syrian "peace-keeping" method was to set up Soviet missiles in the Bekaa Valley and move up heavy tanks and motorized vehicles. By one estimate, between 1975 and 1982 some 100,000 Lebanese civilians were killed, 250,000 wounded and many thousands made homeless. The people of Lebanon want the PLO out of their country. The people of Lebanon want the Syrians out of their country. And the people of Lebanon want the weapons brought in by both removed in the process.

The Israelis have already stated their intention to pull out of Lebanon once the other occupation forces leave. If the moral force of commonsense can prevail, the Lebanese people may finally get their wish.

We see a film clip of Yasser Arafat with a Lebanese child. And we criticize the Israelis for inflicting civilian casualties in Lebanon.

We forget that the PLO terrorists are responsible for the murders of hundreds of innocent Israeli civilians, attacks on settlements in northern Israel, the assassination of Israeli diplomats and the destruction of the lives and livelihoods of many Christians in southern Lebanon.

We also forget that it is the PLO that has purposely chosen to use Lebanese civilians, including the people in churches and hospitals, and indeed their own people in refugee camps, as human shields of their military operations.

We learn of the plight of the 200,000–300,000 displaced Palestinian refugees in Lebanon and we join the Arab States in blaming Israel for their plight.

We forget that these people have been systematically turned away from these "sympathetic" Arab States and denied the chance to assimilate. Indeed, the oil rich Arab States choose to purchase weapons for PLO terrorists as opposed to the food, medicine, shelters and relocation assistance to the people in the segregated refugee camps in Lebanon and Jordan. Even when it is a question of relocating as many as 7,000 PLO guerrillas to put an end to the conflict in Lebanon, the leaders of these "sympathetic" nations are reluctant to help—one leader going so far as to suggest that suicide would be the best alternative for the PLO leadership.

We forget, too, that prior to the Israeli invasion there was barely a glimmer of hope that a solution to the plight of these impoverished refugees would be found. The new situation in Lebanon has changed that, and if we can use the new situation to advance the Camp David peace process there may be an opportunity down the road to resolve this tragic situation as well.

This leads me to the greatest hypocrisy of all, where we show our concern for the residents of west Beirut by warning the Israelis not to invade, not to apply pressure.

We forget that were the Israelis not surrounding west Beirut, ready to take action, no one in the Middle East would give our mediators the time of day. There would be no negotiation. There would be no potential solution to the logjam in the Middle East.

No war is good. Every loss of life must be mourned. Here are circumstances where the potential exists for a long-term solution to an age-old conflict. We cannot afford to be blinded by the moment. We cannot afford to pass judgment based on last night's 60-second spot on the evening news. If we succumb to that temptation, we risk passing up an opportunity of a lifetime—the opportunity to achieve a lasting peace in the Middle East.

OIL COMPANY OVERCHARGES MUST BE INVESTIGATED

● Mr. SASSER. Mr. President, today, I would like to thank 19 of my colleagues for joining me in writing Secretary of Energy James Edwards, calling for the Department to conclude outstanding cases against oil companies that have allegedly overcharged Americans in excess of $4.7 billion during the years 1974–81 when price controls on domestic oil were in place.

Mr. President, it was recently revealed that the Department plans to lay off 173 staff members of the Economic Regulatory Administration (ERA) which has oversight and enforcement responsibility for the price control regulations that were violated. I am particularly concerned that the Director of ERA, Mr. Raymond Hanzlik, would permit 173 members of his staff to be lost from the investigation effort.

In hearings before the House Subcommittee on Oversight and Investigations, and in a recent report by the General Accounting Office, the question of the adequacy of the staffing for these investigations came to a head. Although Mr. Hanzlik has rejected criticism of his decision to reorganize the investigation's staffing arrangements as "triggered by disgruntled DOE employees who want to preserve their jobs by prolonging the program indefinitely," the fact remains that the job is so large that a continued high level of staffing is essential.

Progress on resolving overcharge cases by ERA has been abnormally slow. The GAO report, recently provided to Chairman JOHN DINGELL of the House Committee on Energy and Commerce, has outlined the large backlog of subpenas which remain outstanding. Indeed, GAO has suggested that ERA may not be able to complete its investigations by the end of this coming fiscal year in light of the administration's proposed budget of $13.5 million for the investigation of over $4.7 billion in suspected overcharges.

It is appalling that the administration shows little interest in auditing the crude oil purchase and sales records of the major refiners, in spite of past ERA findings that these same refiners may have been in violation of ERA's price regulations based on their past activities.

This slowdown in these overcharge investigations is an affront to the American people, and I believe that the administration should resolve these investigations in order to obtain equal and consistent treatment under the law. I am disturbed at the recent increase in the number of cases that have been dropped. As of October 1, 1981, there were 284 cases pending. By June 15, 1982, there remained 186 cases pending, with up to 13 cases

from the original 284 having been resolved through proposed remedial or consent orders. This means that at least 85 cases have been dropped since Mr. Hanzlik assumed office at the head of ERA. It is this trend which makes proper reporting to the Senate by the administration essential at this time.

I ask that the text of the letter sent to Secretary Edwards yesterday by myself and 19 of my colleagues, as well as the summary of the GAO report and a recent article in the Washington Post on the reductions in staff at ERA, be included in the RECORD.

The material follows:

U.S. SENATE,
Washington, D.C., August 3, 1982.

Hon. JAMES EDWARDS,
Secretary, Department of Energy, Washington, D.C.

DEAR SECRETARY EDWARDS: We are writing you to express our concern for the status of the investigation of price overcharges conducted pursuant to the provisions of the Emergency Petroleum Allocation Act of 1974.

It has come to our attention that many cases remain to be resolved, and that the Department cannot achieve its scheduled resolution of these cases by the end of this fiscal year. Recent restructuring efforts and reductions in force within the Economic Regulatory Administration have moved essential personnel out of the overcharge investigation program, complicating the analysis of pending audits.

A recent report by the General Accounting Office concluded that the Department has made very slow progress to date, and that these reorganizations, coupled with reduced budget resources for the investigation, will obstruct the resolution of outstanding cases valued at more than $4.7 billion in price violations.

In addition to the reorganization of key personnel out of the investigating offices of ERA, GAO has stated that ERA has no plans to audit the crude oil purchase and sales records of major refiners, in spite of findings that these same refiners have potentially violated ERA's price regulations.

Finally, the GAO stated in its recent report to the House Subcommittee on Oversight and Investigations that, "if ERA does not substantially meet its 1982 objectives, its proposed budget of $13.5 million cannot reasonably be expected to provide adequate resources to effectively conclude the program."

We believe that in order to be fair to those who abided by price regulations, to insure equal enforcement of the law to those who did not, and to assure that violators are not permitted to retain illegal gains, that the overcharge investigations should receive high priority under your administration.

We therefore request that you produce a schedule by which you anticipate the successful completion of outstanding cases. We are concerned that the statute of limitations may curtail criminal investigations which have been unusually delayed. Therefore, we further request that your Department report quarterly to the Senate Committees on Energy and Natural Resources and on Governmental Affairs on the progress towards completing both outstanding cases and the auditing of crude oil refiners that have potentially violated ERA's pricing regulations.

This report should include descriptions of any changes in the staffing of the investigations and of the method by which cases have been completed. We also expect that if numerous cases are dropped, rather than settled, that the report include an explanation of why such a large number of cases did not merit further consideration.

It has also come to our attention that over $500 million in collected price overcharges lie in an escrow account at the U.S. Treasury. These dollars should be returned to the parties from which they were improperly taken, wherever possible. The longer the delay, the harder the process of identifying the injured parties will be. Moreover, there have been several articles, and much speculation, to the effect that the injured parties might not receive the collected overcharges, but that these substantial funds might be used to fill the Strategic Petroleum Reserve, or to add to the general revenues of the U.S. Treasury.

We would therefore further request that your Department furnish both Committees with a statement of intent regarding the distribution of funds which have been, and which are to be, collected through the price violation investigations.

We appreciate your consideration of these matters at your earliest possible convenience.

Sincerely,

Senators Jim Sasser, Dennis DeConcini, Jim Exon, Tom Eagleton, Dale Bumpers, Don Riegle, Bill Proxmire, Spark Matsunaga, Carl Levin, Howard Metzenbaum, Paul Tsongas, Daniel Patrick Moynihan, Christopher Dodd, Paul Sarbanes, Bill Bradley, Lawton Chiles, Claiborne Pell, Joe Biden, Daniel Inouye, and Howard Cannon.

[From the Washington Post, July 31, 1982]

DOE CUTS 217 ENFORCEMENT POSITIONS

(By Martha M. Hamilton)

The Department of Energy's office that is charged with collecting billions of dollars in oil overcharges plans to eliminate 217 jobs, including 173 enforcement employes, in September.

Rayburn Hanzlik, administrator of DOE's Economic Regulatory Administration, sent letters to employes and to the chairman of the House Energy and Commerce Committee yesterday detailing the reductions in force that will occur.

"In keeping with my commitment to the president to administer the ERA programs as efficiently and economically as possible, I have thus determined that these programs can by properly administered next year with fewer personnel," Hanzlik wrote to employes.

Among other things, Hanzlik's department is in charge of auditing, investigating and litigating cases in which oil companies are accused of charging high prices that violated price control regulations imposed after the Arab oil embargo in 1973. Members of Congress and others have questioned in the past the Reagan administration's zeal in this effort.

In a letter to House Energy and Commerce Chairman John D. Dingell (D-Mich.), Hanzlik detailed the work in the fiscal year ahead and DOE's assessment of the staff needed to handle it.

Hanzlik said that the department had taken into account several priorities, including "that adequate and qualified audit and investigative personnel currently assigned to the crude-oil reseller program and special investigations work be maintained to complete this work; that experienced attorneys be available to prepare enforcement documents for the unfinished cases and that the program maintain experienced attorneys to handle the litigation work."

A committee staff source said that Dingell's committee will examine the cutbacks closely to make sure they are warranted and that they do not eliminate experienced people needed to pursue overcharge cases successfully.

The committee already is seeking data on how resources are being applied, he said. "The chairman will closely scrutinize this entire area."

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C.

Hon. JOHN D. DINGELL,
Chairman, Subcommittee on Oversight, and Investigations, Committee on Energy and Commerce, House of Representatives

DEAR MR. CHAIRMAN: On October 14, 1981, and in subsequent agreements with your office, GAO was requested to examine the Department of Energy's (DOE) crude oil reseller program. You specifically asked that we examine the

Extent of civil and criminal violations;

Slowness in issuing proposed remedial orders;

Subpoena problems;

Adequacy of staffing;

Settlement efforts; and

Effect, on the program, of the December 14, 1981, reorganization of DOE's Economic Regulatory Administration (ERA), when the Office of Enforcement[1] was incorporated into the Office of Special Counsel.[2]

We found that the situation in the crude reseller program has not improved significantly since we last reviewed the program over a year ago. Our findings and recommendations are summarized in this letter and discussed in more detail in appendix I.

The crude oil reseller program was established to enforce the Emergency Petroleum Allocation Act of 1973[3] (15 U.S.C. 751 et seq.) which required the President to establish regulations for controlling the allocation and selling price of crude oil and refined petroleum products. The President delegated the authority to establish these regulations to DOE and its predecessor agencies. DOE systematically deregulated most of the petroleum products over a period of time. Full deregulation occurred on January 28, 1981. ERA continues to enforce the program for violations that occurred during the regulation period.

SCOPE AND METHODOLOGY

We conducted our review at ERA's headquarters in Washington, D.C., and at field offices in Dallas and New Orleans. These offices provided major coverage of DOE's crude oil reseller audits. We discussed the program's progress, problems, and future plans with ERA officials and discussed audit

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[1] The Office of Enforcement was responsible for civil audits of all companies other than the 35 major refiners.

[2] The Office of Special Counsel was established in 1977 to audit the 35 major refiners pursuant to a recommendation by the Sporkin Task Force on Compliance and Enforcement and concurred in by the Subcommittee on Energy and Power, House Committee on Interstate and Foreign Commerce, because of their concerns that ERA was not providing sufficient audit coverage of these major refiners.

[3] The Act expired on September 30, 1981.

approaches used to identify crude oil reseller violations. We were unable to fully evaluate ERA's further plans since they had not been completed by the time we finished our audit work in March 1982. We concentrated our efforts on updating the information contained in our March 1981 report entitled "Department of Energy Needs to Resolve Billions in Alleged Oil Pricing Violations" (EMD-81-45, March 31, 1981).

We also reviewed the status of individual audit cases and statistical information in ERA's computerized case management system. However, during our review, ERA reorganized and switched from its automated data system to a manual data system, and, as a result, we found it more difficult to obtain even basic statistical information about the crude reseller program. Despite our repeated requests for reliable data, ERA furnished data which in some instances was of questionable reliability. We plan to follow up on this matter in a separate review.

Also, in May 1982, while this report was in final processing, ERA initiated another organizational change which, if approved by the appropriate DOE officials, would eliminate the Office of Special Investigations (established to investigate the potentially willful violations of DOE's regulations). If this change is made, we also plan to include this matter in our separate review because of the impact it could have on the successful completion of the crude reseller program.

Our audit work was conducted in accordance with our current Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.

RESULTS OF PAST WORK

In our March 1981 report, we stated that ERA's former Office of Enforcement had established a crude oil reseller program to audit the compliance of crude oil resellers (over 400 companies) with the petroleum pricing regulations. The Office of Enforcement gave crude oil reseller audits its second highest priority, next only to investigations of potentially willful violations. We reported that ERA expanded its audit coverage of crude oil resellers and had improved its timeliness in completing audits since 1979, but had very little success in resolving the alleged violations.

When ERA's audits reveal potential civil violations of the pricing regulations, DOE may either issue an administrative order, institute legal action in a court of law (15 U.S.C. 754(a)(1)), or negotiate a settlement with the company when it is in the public interest to do so. ERA generally tries to negotiate a settlement with the company. If a settlement is not achieved, DOE formally initiated an administrative order by issuing a notice of probable violation against the company followed by a proposed remedial order, if appropriate. The present procedure is to go directly to the proposed remedial order stage. When potential criminal violations are found, it is DOE's policy to refer the criminal aspects of the case to the Department of Justice for possible prosecution.

As of December 31, 1980, the Office of Enforcement had alleged crude oil reseller violations of $675 million in issued or drafted notices of probable violation. These documents identified violations in three key areas:

Miscertifying crude oil sold:

Failing to provide historical and traditional services (layering); and

Improperly pricing crude oil sold.

Prior to the December 1981 reorganization, the Office of Special Counsel concluded that only 6 of the 35 major refiners were crude oil resellers, and Special Counsel expected to charge 2 of the 6 with crude oil reseller violations.

Our March 1981 report also pointed out that although ERA's former Office of Enforcement had issued notices of probable violation against many crude oil resellers, it had not taken the necessary administrative or judicial steps to resolve the alleged civil violations—issued proposed remedial orders or filed suits in court. ERA had negotiated settlements (consent orders) with 10 crude oil resellers, receiving about $32.9 million in refunds for violations and about $4.7 million in civil penalties. All but 2 of the 10 consent orders (about $31.8 million in refunds) involved companies which were the subject of the Department of Justice's criminal prosecutions.

CURRENT PROGRAM STATUS SHOWS LITTLE IMPROVEMENT

Our current review shows that the situation has not improved significantly since our March 1981 report. Furthermore, it will not improve, regardless of the ambitious objectives ERA set for fiscal year 1982, without a firm commitment and concerted actions on the part of DOE to resolve the alleged violations identified in crude reseller audits. Particularly, DOE must be willing to continue the crude reseller program long enough to obtain the data necessary to disclose potential willful violations, including evidence of involvement by major refiners. However, the necessary work must be done expeditiously because of the 5-year statute of limitations on willful violations and the increasing difficulties caused by the passage of time in resolving alleged violations.

More specifically, we found that:

The number of audits undertaken and the number of violations alleged have increased since our March 1981 report. In May 1981, the Acting Director of the Crude Oil Reseller Program estimated that potential violations could amount to about $4.7 billion, including 25 percent interest (over $3.7 billion without interest). However, ERA's success at resolving alleged violations has not improved; for example, ERA's decontrol workplan of March 1981 had a primary objective of issuing proposed remedial orders or consent orders on 84 top priority cases, including 24 crude oil resellers, before September 30, 1981. Between March 1981 and March 1982, however, only three proposed remedial orders, one of which has been issued as a remedial order, and one consent order have been issued to crude oil resellers.

ERA's audit coverage of the sales and purchases of crude oil by major refiners has been inadequate, in spite of a study by the former Office of Enforcement which indicated major refiners might be involved in illegal crude oil reseller activities.

ERA has experienced decreasing company cooperation and as one consequence, DOE had 92 subpoenas outstanding as of April 30, 1982, of which 41 were related to special investigations.

ERA's staff morale has continued to suffer because of uncertainties about the program's future and because experienced auditors have left ERA's employment, or have been removed from responsible management positions through ERA's reorganization.

The reorganization removed the position of Director, Crude Oil Reseller Program, thus lessening program coordination.

ERA has had little success in negotiating settlements of alleged violations with companies.

ERA's objectives for fiscal year 1982 are to—

Resolve as many cases as possible through negotiated settlements;

Have all other cases ready for litigation or in litigation by September 30, 1982; and

Refer all potential willful violations to the Department of Justice for prosecution.

The administration is requesting $13.5 million for the ERA enforcement program for fiscal year 1983, a reduction of $23 million from the fiscal year 1982 funding level. Concommitantly, the program staffing level would be reduced by about 500 positions, from 770, as of October 17, 1981, to 263 full time equivalent positions during fiscal year 1983. Regarding the "other than major refiner" category, which includes the crude reseller program, the proposed budget provides for only 37 full time equivalents for fiscal year 1983, compared to the 216 full time equivalents for fiscal year 1982. As of October 31, 1981, the crude reseller program had a work force of 77 personnel.

CONCLUSIONS AND RECOMMENDATIONS

The crude oil reseller program has identified significant civil and potential willful violations of ERA's petroleum pricing regulations. It has been acknowledged by ERA officials as the area having the greatest abuses of the pricing regulations. However, because of the significant problems highlighted above, the program has very little momentum for resolving these violations, and we do not believe that ERA can meet its objectives for fiscal year 1982.

If ERA does not substantially meet its 1982 objectives, its proposed budget of $13.5 million cannot reasonably be expected to provide adequate resources to effectively conclude the crude reseller program and to provide adequate coverage of the purchase and sales activities of major refiners. As stated previously in our March 1981 report, we believe the crude oil reseller program should be concluded in such a way as to (1) be fair to those that abided by the regulations, (2) provide equal enforcement to those that did not, and (3) assure that violators are not permitted to retain illegal gains.

To properly conclude the crude oil reseller program, we believe ERA should reestablish the position of Director, Crude Oil Reseller Program, with a highly experienced official to provide centralized management and coordination for the field program. The Director, with the full backing of the ERA Administrator, should place top priority on resolving subpoenas, finishing audits, and pursuing all cases to the proposed remedial order stage in an aggressive manner. Such actions would, we believe, help bring a sense of stability and certainty to the crude oil reseller program and make it clear to affected companies that the Government intends to follow through on ERA's audit findings, collect overcharges, and prosecute willful violators. ERA should make it clear that stalling and failing to cooperate will not benefit the companies. In this way, the program administrators will be able to negotiate with the companies from a position of strength. If negotiations fail, the companies should be assured that they will either be subjected to DOE's administrative process, or sued in court. We believe that such actions will also have a beneficial effect on staff morale and show experienced employees that their efforts will not be wasted. It may also encour-

age some of them to remain with the program to its conclusion.

Accordingly, we recommend that the Secretary of Energy:

Direct the Administrator, ERA, to reestablish the position of Director, Crude Oil Reseller Program, and fill it with a highly experienced official.

Direct the Administrator, ERA, to provide for audit coverage of selected major refiners' crude oil sales and purchase activities, based on the implications of the former Office of Enforcement's study of crude oil pipeline transactions, and to assess the legality of the refiners sales and purchase transactions with crude oil resellers.

At your request, we plan no further distribution of this report for 30 days after issuance or until you release it. Also at your request, we did not obtain agency comments on this report. We did discuss the factual information contained in this report with ERA officials.

Sincerely yours,

MILTON J. SOCOLAR,
for Comptroller General
of the United States.●

CAPTIVE NATIONS WEEK

● Mr. HEINZ. Mr. President, recently we marked the 24th observance of Captive Nations Week. The Captive Nations Resolution, passed by the 86th Congress and signed into law by President Eisenhower, is a symbol of America's longstanding commitment to the fundamental freedoms of all individuals.

The resolution states, in part, that the President is authorized and requested to issue a proclamation designating the third week in July as Captive Nations Week. Additionally, it requests that the President continue to issue proclamations each year "until such a time as freedom and independence shall have been achieved for all the captive nations of the world."

Sadly, that time has not yet arrived. Many people and nations do not enjoy the basic freedoms that we in the West live by and so strongly respect. It is unfortunate, even tragic, that nations are subject to the oppressive control of other nations. According to the National Captive Nations Committee, there are "over 1 billion captives in the totalitarian world." This is more than four times the total population of the United States. From a Western perspective, it is hard to understand how nations can inflict such hardship on other nations.

Despite our own freedom, there are millions of people in Europe, Asia, and Africa oppressed by Communist regimes.

The period of World War II witnessed the occupation of free Latvia, Lithuania, and Estonia. The Soviet sphere has increased since that time, however, and the peoples of Romania, Czechoslovakia, Hungary, Bulgaria, and Poland all have fallen under Soviet rule. Within the last 7 years, their attempt to gain influence has been felt in lands ranging from Laos to Afghanistan to Angola. The Iron Curtain has not been lifted. Indeed, we have no indication that the spread of communism will cease in the immediate future.

I would particularly like to take note of the people of Poland. Even though the Government might claim events in Poland are currently changing for the better, the past 9 months under martial law for the citizens of Poland have been anything but pleasant. Marked by mass jailings and suspension of basic freedoms, the Polish situation only seems to indicate that the Soviet Union will not tolerate man's natural desire to be free. One can only hope that this desire will one day defeat the Soviet's power to control.

It has been our hope that the Helsinki accords would produce some changes in the political climate, but that agreement is now 7 years old and no substantial improvements have been made in the Soviet Union. The Soviet Union continues to deny the basic rights of free speech, assembly, religion, and travel to its "citizens." Russian labor camps in Siberia exist, and we know from countless cases that have reached the West that the Soviet attitude toward dissidents is harsh and in most cases, unyielding.

I urge my colleagues to take note of these somber facts, and I am pleased to note that many have taken the time to speak on this issue. Our democracy cannot remain complacent while repression occurs throughout the world. It is understandable that many Eastern Europeans feel forsaken by the free Western World. For the sake of these oppressed people, and for the protection of our own free Nation, we must continually press for liberty and freedom. I look forward to the day when we shall observe the end of Captive Nations Week—a time when all peoples and all countries shall be free.●

GAVE HELLER

● Mr. BRADY. Mr. President, on July 31, 1982, one of the trucking industry's most dedicated and hard-working individuals will retire. Mr. Gave Heller of Livingston, N.J., who has been employed for more than 32 years with Branch Motor Express, has made countless contributions to the motor carrier industry.

For 40 years Mr. Heller has given unselfishly of his time in industry service. He was an active member of the national traffic committee, the forerunner to the national classification committee. He served as second vice chairman, first vice chairman and chairman of the national classification committee. For the last 27 years, Mr. Heller has served on the board of directors of the National Motor Freight Traffic Association. As director, he served as association treasurer, vice chairman, and chairman.

He was also founder and first president of the New York chapter of the distinguished transportation fraternity Delta Nu Alpha.

Mr. President, Mr. Heller has been instrumental to the success of a number of key motor carrier industry organizations. He has served the motor carrier industry well and I ask that my colleagues share with the trucking industry, the recognition for Mr. Heller's outstanding service and many contributions to the success of the freight transportation industry.●

ORDER OF PROCEDURE TOMORROW

Mr. STEVENS. Mr. President, is there an order for the Senate to convene on tomorrow?

The PRESIDING OFFICER. There is an order for the Senate to convene at 9 a.m. tomorrow.

Mr. STEVENS. I ask unanimous consent that the time of the two leaders be reduced to 1 minute on each side tomorrow when the Senate convenes.

The PRESIDING OFFICER. The Chair advises the Senator that that has already been done.

Mr. STEVENS. Is there a similar order that morning business and special orders take place after the vote on the reconciliation bill?

The PRESIDING OFFICER. The Senator is correct.

PROGRAM

Mr. STEVENS. Mr. President, it has been pointed out to me that it is possible that votes might occur before noon tomorrow. With the Senate coming in at 9 o'clock and having only 2 minutes of that time for the leaders, and with Senator METZENBAUM'S amendment being the first in order, under the reconciliation procedure he does have the right to 2 hours, but it would be possible for a vote to occur before noon.

It would be our intention tomorrow to try to get an agreement to stack votes if that time occurs too early in order that the committees may complete their business in the normal period of business for Senate meetings in the morning, but I am not prepared at this time to make the unanimous-consent request. We will explore that with my good friend from West Virginia and state that it is our hope that such a rollcall vote will not occur before 11 a.m., but we cannot commit to that and cannot guarantee that to Members of the Senate.

So I think Members of the Senate should be on notice that it is possible that there could be a rollcall vote before 11 a.m. in the morning.

RECESS UNTIL 9 A.M. TOMORROW

Mr. STEVENS. Mr. President, is there any further business to come before the Senate? If there is not, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, at 6:34 p.m., the Senate recessed until Thursday, August 5, 1982, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 4, 1982:

DEPARTMENT OF EDUCATION

The following-named persons to be Members of the National Museum Services Board for the terms indicated:

For a term expiring December 6, 1984:

Elizabeth Helms Adams, of California, vice Mamie P. Clark, term expired.

Alice Wright Algood, of Tennessee, vice Benjamin W. Hazard, term expired.

Anne Carroll Badham, of California, vice Nancy Negley, term expired.

For a term expiring December 6, 1985:

Fucheng Richard Hsu, of New Jersey, vice Albert T. Klyberg.

Caroline H. Hume, of California, vice Dorothy Graham-Wheeler.

Liles B. Williams, of Mississippi, vice John Connell.

For a term expiring December 6, 1986:

Craig C. Black, of Pennsylvania, vice Raul A. Lopez, term expired.

Ann Duncan Haffner, of Virginia, vice Lewis Davis, term expired.

Dorothy J. Tyson, of California, vice E. Leland Webber, term expired.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

Timothy P. Powers
Richard A. Farrell
Roderick E. Walker
Bruce E. Grinnall
Larry J. Clark
Michael D. Stanley
Robert L. Kaylor
William M. Stromberg
Steven H. White
Michael D. West
Robert H. Hazleton
Charles L. Smith
Paul W. Langner
Edwin M. Stanton
Steven M. Doss
Matthew B. Crawley
Bruce E. Hensel
Keith P. Steinhouse
Willie M. Dupriest
Douglas A. McCann
Kevin L. McCarron
Jay G. Manik
Timothy M. Butler
Daryl G. DeJean
James C. Howe
Brian T. Sullivan
Judith E. Lake
Kurt J. Colella
Philip H. Sullivan
Lance L. Bardo
Eric B. Brown
Brian K. Swanson
David W. Kranking
Jonathon S. Keene
Stephen C. Duca
Darrell E. Milburn
Scott L. Krammes
Francis X. Irr
Robert J. Malkowski
Robert A. Farmer
Michael L. Fisher
Brad J. Suchanek
Jon P. Burden
Brian J. Goettler
Joseph H. Rogers
Kirk J. Beasley
Joseph P. Geraghty
Richard M. Kaser
Charles W. Ray
Kurtis J. Guth
Timothy M. Henry
Stephen J. Minutolo
Gary E. Felicetti
George G. Privon
Harry D. Craig
Paul A. Jensen
Virginia K. Holtzman
Robert R. Albright
Bruce T. Campbell
Michael J. Sobey
David A. Hoppell
Patrick J. Moran
Kevin B. Rahl
Daniel A. Laliberte
Daniel R. Macleod
Richard L. Fefferson
Robin M. Voiles
Matthew M. Blizard
James C. McPhetridge
Kurt W. Devoe
Richard M. Skillman
Daniel T. Kuhn
Richard A. Rendon
Robert J. Legier
Bryan D. Schroder
Jeffrey W. Holt
William L. Michaels
Dale L. Chittenden
Ivan R. Nance
Robert E. Korroch
John W. Yager
Sandra M. Wiemann
Warren E. Soloduk
Thomas P. Ostebo
Milan T. Yagodich
Vincent F. Scalesse
Robert M. Loesch
Lucrettia A. Flammang
Marshall B. Lytler
Dean L. Faina
Larry J. Rudy
Matthew C. Holmstrom
Mark A. Prescott
Timothy E. Bushrow
Thomas D. Criman
Kenneth H. Sherwood
Stephen J. Ohnstad
David M. Dunlevy
David L. Yienger
Thomas A. Giguere
John M. Langenson
Mark S. Guillory
Alexander R. Larzelere
Frank M. Paskewich
Carol C. Munch
Cynthia Deens
Steve M. Barker
Craig A. Kohler
Preston D. Gibson
Terrence W. Swanson
John H. Geffken
Timothy M. Cantwell
Donald S. Stadtfield
Thomas J. Rogers
Thomas E. Hobaica
John C. Finley
Jon B. Tingley
David L. Hill
David J. Turner
Michael F. Rall
Dawn A. Clampet
David D. Stevenson
Brian D. Perkins
Michael P. Farrell
Scott D. Schaefer
Eric M. Linton
Christopher L. Bruening
James T. Hubbard
Richard A. Stanchi
George P. Vance
Mark S. Hoesten
Terrence P. Keenan
James G. Gunther
Anthony S. Reynolds
William K. Culver
Peter K. Oittinen
Timothy J. Youmans
Bradley S. Snowball
Joseph P. Sargent
Gifford A. Hammar
John M. Prokop
Brian C. Conroy
Scott S. Graham
James B. Beckham
Timothy C. Chenoweth
Gordon A. Baker
Christopher J. Paquette
James A. Esposito
Robert M. Atkin
Mark R. Devries
Daniel M. Wray
Thomas H. Willis
Skye McClain
Christine D. Balboni
Kenneth R. Burgess
Melissa A. Wall
Lyle Y. Fleck
Peter H. Ryba
Stephen P. Finton
Mark D. Rutherford
Mark E. McCaffrey
Warren L. Haskovec
Paul E. Hansen
Orie T. Davis
Patrick B. Trapp
Mark H. Young
Craig V. Sattergren
Jennifer L. Yount
Pamela Morrow
Thomas D. Graham
Dennis D. Blackall
Michael L. Thorne
David W. Neal
Samuel E. Jeffries
Donald P. Wills

The following officer of the U.S. Coast Guard for appointment to the Coast Guard Academy Permanent Commissioned Teaching Staff:

William A. Henrickson

IN THE COAST GUARD

The following permanent chief warrant officers, W-3 of the U.S. Coast Guard to be permanent chief warrant officer, W-4:

Robert B. Jordan
John R. Koehler
Frank D. Goolsby
Floyd W. Hayden
James C. Tanner
Eugene B. Crawford
Donald L. Nolan
Lowell R. Andrews
David T. Daniels
Jack L. Elam
Charles L. Kidd, Jr.
John R. Hearn
James L. Carnley
Roger J. Rosie
Robert F. Hunt
William A. Gregory
Robert W. Cason
Alfred M. Perry
Charles M. Cate
Robert J. Silva
George A. Matheson
Theodore J. Falter
John W. Simpson
Victor A. Zink, Jr.
Ervin S. Whitaker
Charles R. Robinette
Kenneth J. Olsen
Royce G. Young
Ernest L. Styron
Donald W. Hale
Fernando F. Gispert
Carl B. Seale
Jerry W. Lewis
William J. Oboyle, Jr.
James L. White

The following permanent chief warrant officers, W-2 of the U.S. Coast Guard to be permanent chief warrant officer, W-3:

William M. Roney
Kurt Steg
Billy B. Warren
Louie Young
David F. Radatz
Eldon C. Hardin
John P. Jennings
Harry T. Smith III
Jackie D. Davis
Erasmus S. Ennis
Preston L. Sears
Joe D. Glaze
Clyde N. Trojak
William H. Morgan
Michael A. Shafer
Leo T. Wilson
Charles G. Travis
Walter A. Dodge
Jack D. Naus
Dewey N. Belcher
Michael L. A. Smell
James L. Ekart
Stephen J. Vergot, Jr.
George H. Butterworth
Thomas F. Feeney, Jr.
Richard D. Carter
Sherman Colley
Earle J. Madden, Jr.
Allen R. Taylor
Charles P. Newton
Harvey L. Jenkins
James L. West
Glenn R. Kimball
Walter W. Miller
George A. Daniels
Walcott J. Becker, Jr.
Joseph S. Bennarek, Jr.
James D. Gibler
Walter M. Stanczyk
Robert F. Sullivan
Lee W. Dean
Lewis J. Tolleson III
William H. Ravell III
Daniel L. Kibler
Frederick E. Felt
Anthony V. Sedlacek
John R. Dreger
Luther D. Davis
Gerald A. Larson
Anthony A. Gelfo
William F. Oneill, Jr.
Frank G. Dunaway
Joseph E. Moody
Roger P. Williams
Charles E. Jackson
Jeffrey L. Freeman
Alan H. Spence
Pedro G. Baluyut
Ronald C. Harrell
Melvin A. Williams
Harvey W. Hicks
James A. Warman, Jr.
Robert B. Fries
Richard F. Viera
Douglas E. Gregg
Ned E. Stevens
Norman M. Lesmerises
Robert A. Pendleton
Murray S. Plenn
Stuart A. Engle
Filomeno E. Servino
William H. Hoit
Jay H. Smith III

The following permanent chief warrant officers, W-1 of the U.S. Coast Guard to be permanent chief warrant officer, W-2:

James A. Bourque
Harold R. Nielsen, Jr.
Duaine H. Tewes
Robert L. Scarpino
Peter D. Colvin
Robert B. McDole
Charles R. Barber
Richard J. Blount
James A. Shouse
William L. Kasparek
Robert W. Brandenstein
Eugene Shannahan
Charles E. Lewis
William C. Marshall
Douglas T. Frederick
Ronald D. Hassler
Milton A. Leyko
Richard F. Davis
Richard E. Peterson
Stanley P. Smith
Jeffrey D. Ellison
Kenneth L. Porter
Charles F. Mercer
John M. Patrick
John E. Kahler
Richard L. Matters
Ronald S. Jacobs
Ronald I. Trumblee
William U. Munsie
Grady H. Stribling
Jon D. MacArthur
Robert L. Burch
Richard R. Zientek
Daniel A. Mussati
Ray Carlberg
Charles L. Garnett, Jr.
Lamarr B. Hirsch
John J. Cherney
George H. Hornbeck
Ronald P. McDonald
Michael D. Chetto
Harry K. Brown III
William L. Oneal
Charles W. Meyer
Richard C. Steinhaus
Thomas R. Dewitt
David G. Bell
Paul T. Butler
Ronald D. Gray
Lester H. Brown
Elmer W. Littlefield III
William C. Sansone
Eliseo C. Flores
Edward A. Giesing
Michael S. Black
Richard D. Brucker
James E. Sisler
Francis J. Babin, Jr.
Lynn T. Crisler
Robert M. Gill
Perry R. Herdt
Benjamin E. Sargent
Patrick F. Trimble
Edward E. Coward
Walter P. Ark
Thomas L. Goodman
Richard A. Findley
Larry A. Lehnert
Melvin G. Uecker

James L. Mangold
Francis G. Hanson
Thomas D. Knabe
Whittier C. Patrick
Pedro A. Gonzalez
William C. Rydblom III
Salvatore J. Clarino, Jr.
Cecil D. Geiger
Charles R. Mayward
Robert H. Bero
Terry G. Lybarger
Louie W. Jones, Jr.
Dennis J. Layfield
Jerold A. Arnquist
Edward L. Yarborough
Jimmie D. Miller
Robert C. Bisantz, Jr.
Terry D. Krutzler
James B. Echoff
Dallas P. Block
Arthur M. Alborano
Ronald L. Wright
Julius W. Hays
John A. Stein
James E. Lee
Howard L. McMichael
Wayne M. Jiles
Claude R. Bradley, Jr.
Gerald Toms
Richard J. Parker
Terry S. Anderson
Dean A. Long
Robert G. Kirkpatrick
Clifford P. Gorman, Jr.
David G. Passman
Bennie L. Munroe
Robert F. Vanderslice, Jr.
Eduardo R. Eguia
James R. Cason
William E. Nicholl
Dennis L. Ballard
Neil H. Christian
Dale L. Puckett
Alvin C. Harvey
George R. Finch
Bruce J. Spano
Michael S. Rhodes
Wayne H. Farnum
James C. Smith
Gary E. Walker
John W. Kwietniak, Jr.
Barry W. Bernstein
James R. Maxson
Everett B. Hehn
Claude D. Harmon
Raymond B. Marvel, Jr.
Dana P. Lewis
Phillip E. Beranche
John M. Sitton
William R. Jones
Craig A. Maxwell
Donald L. Vinson
Robert F. Melia
Richard C. Cooke
Robert R. Obrien, Jr.
George Sanchez
Roland Perkins
James W. Kurz
Charles V. Clune
Frank B. Abel
Earl F. Drumbeller
John L. Williams
Leland B. Poland
Gregory J. Swaney
Freston S. Anderson
James W. Allen
Ernest L. Anderson
James R. Fulton
James E. Nuss
Roy E. Wilson
William O. Guht, Jr.
John T. Manning
Stephen B. Wehrenberg
Charles D. Conner
Gregory A. Taylor
James E. Allen
Paul A. Benner
Alvin J. Faith
Michael B. Lahair
Keith D. Larson
Gary T. Palka
James M. Judd
Lawrence J. Carmona
James S. Wadsworth
Alan R. Cassel
David H. Fetrow
Randy E. Mayer
Richard J. Gill
Ronald W. Hanks
Robert W. Dieterle
Paul F. Gabriel
Michael L. Robinson
Roy E. Staben
Raymond A. Bergeron
Robert J. Russo
Donald L. Viehmann
William A. Lunden, Jr.
William S. Novobilsky, Jr.
Clifford P. Goodnough
Gary M. Moore
Donald J. Darcy
Kenneth R. Schwenke
Harrold F. White
Jan E. Snodgrass
Michael D. Myers
Richard C. Koch
Clifton E. Thompson
George E. Osterberg
Mark J. Hiemenz
Gary L. Weber
Charles C. Vanmeter
Lonnie C. Jones, Jr.
Ronald A. Henderson
John H. Wigger
Joe E. Vanada
William D. Hanna
Robert L. Peterson
Tom B. Manning, Jr.
David C. Holmes
Jeffrey H. Keebler
Justin W. Baker
Thomas A. Lewis
Keith M. Rogers
Roger D. Tomlinson
Harry D. Toler
Stanley R. Gerhauser
Jeffrey P. Batchelor
Dennis R. Bryan
James J. Driscoll
Douglas M. Carroll
Peter R. Kolasa
Michael L. Dean
Russell C. Jarvis
Bobby J. Fielder
Gealman R. Kurth
Robert L. Armer
Ellis V. Smith
Richard E. Martin
Craig C. Conrad
Craig A. Brown
Bruce L. Moyster
Alexander J. Jasinski
Edward F. Bachand
William R. Scharlau
George W. Borlase Jr.
Paul D. Oleary
Roland O. Steibel
Dale F. Hosman
Everett A. Thomas
Carlton E. Hadden
George E. Holland
Richard W. Pultz
Thomas M. Obrien IV
Cresencio P. Baquiran
Otis Chapman
Gordon W. Wills
John D. Durham
Anthony C. Martin
James D. Bandhauer
Michael E. West
Stephen W. Price

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Arture, Michael L.
Boaz, Bruce W.
Briest, George R.
Cerny, William F., Jr.
Cummings, Steven R.
Epplin, Michael A.
Essmann, Robert F.
Fedorko, Mark
Fehrenbacher, Randall L.
Feezell, James T.
Freed, Clarke S.
Hendricks, David M.
Henry, Theron J.
Hoopes, Jeffrey D.
Javor, Leslie D.
Jeffries, Michael K.
Koopman, Philip J., Jr.
Lauer, Michael S.
Leddon, James T.
McMaken, Glenn J.
Mooney, Steven J.
Moskal, Joseph D.
Motley, Charles E.
Mueller, James B.
O'Bryan, Tracy
Pecoraro, Kenneth M.
Ray, Robert E.
Ray Willie F., Jr.
Reeve, Douglas S.
Saulpaugh, Richard E.
Scorse, William H.
Swanson, Erik R.
Tracy, Terrance M.
Wallin, Gregory A.
Warren, Robert M., II

The following-named candidates in the Enlisted Commissioning Program to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Kutcher, Ernest L.
Teruel, Antonio L.

Ensign Ronald L. Smith, Medical Service Corps, U.S. Naval Reserve, to be appointed a permanent ensign in the Medical Service Corps of the U.S. Navy, subject to qualification therefor as provided by law.

Commander Mary A. Beckley, U.S. Navy, retired, to be reappointed a permanent commander from the Temporary Disability Retired List, subject to qualification therefor as provided by law.

Richard A. Pratt II, U.S. Navy, to be appointed a permanent Captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following U.S. Navy officers to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Bayne, Cary G.
Gross, Kenneth G.
Judice, Donald J.

Charles E. Johnston, ex-U.S. Navy officer, to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 4, 1982:

DEPARTMENT OF COMMERCE

Robert G. Dederick, of Illinois, to be Under Secretary of Commerce for Economic Affairs.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXPORT-IMPORT BANK OF THE UNITED STATES

Richard W. Heldridge, of California, to be a Member of the Board of Directors of the Export-Import Bank of the United States.

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Charles G. Cooper, [redacted], U.S. Marine Corps.

HOUSE OF REPRESENTATIVES—*Wednesday, August 4, 1982*

The House met at 10 o'clock a.m.

The SPEAKER. Today, we have the honor of having a guest chaplain. The chaplain today is the guest of our own Chaplain.

We have with us Rev. Ronald F. Christian, Lord of Life Lutheran Church, Fairfax, Va.

Rev. Dr. Ronald F. Christian, Lord of Life Lutheran Church, Fairfax, Va., offered the following prayer:

Eternal Father and God of all nations and people;

We call upon Your name in many languages, from many cultures and out of many traditions: to seek Your presence, to ask Your guidance, and to plead for wisdom.

We boldly believe our call is heard and so we pray that we may be prepared: to acknowledge Your presence, not only with us but with all others in our world community; to follow Your guidance, and seek "justice for all" over our own personal and national gain; and to heed Your wisdom, which, in Jesus we have been reminded, consists of peacemaking, giving, and loving.

So help us, as a people and as a person to so call, and to so pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks announced that the Senate disagrees to the amendments of the House to the bill (S. 2248) entitled "An Act to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes", agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TOWER, Mr. THURMOND, Mr. GOLDWATER, Mr. WARNER, Mr. HUMPHREY, Mr. COHEN, Mr. JEPSEN, Mr. QUAYLE, Mr. DENTON, Mr. BRADY, Mr. STENNIS, Mr. JACKSON, Mr. CANNON, Mr. HARRY F. BYRD, JR., of Virginia, Mr. NUNN, Mr. HART, Mr. EXON, and Mr. LEVIN; for the consideration of section 1122 pertaining to the Inspector General section of the bill, Mr. ROTH and Mr. EAGLETON, to be the conferees on the part of the Senate.

THE REVEREND DR. RONALD F. CHRISTIAN

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, it is my pleasure to welcome our guest chaplain, Rev. Dr. Ronald F. Christian, to the Chamber today and to thank him for the invocation.

Dr. Christian presently serves as the senior pastor of the Lord of Life Lutheran Church located in Fairfax County in my district, and has served that church as its organizing minister until its growth today as one of the largest and most active churches in northern Virginia.

Dr. Christian attended Luther College in Iowa and Luther Theological School in St. Paul, Minn. He has taken further graduate training at Virginia Seminary and Georgetown University. He is a pilot and a sailor and a marvelous person.

Through Dr. Christian's dynamic leadership and counsel, his church has a vibrant ministry, not only among its members but in his community as well.

It is indeed an honor to thank Dr. Christian for his prayer today and to wish him and his church our best wishes for continued growth.

A DEVASTATING ATTACK ON STUDENTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, 1 year ago today, the Reagan administration, with the complete support of Republicans in this Congress, launched a devastating attack on the students in this country. That attack, Mr. Speaker, is having an impact today as estimated by the Congressional Budget Office that over 1 million students in college who were receiving guaranteed student loans are now out of that program and for the lower middle income and poor students, probably over a half million this September will not be able to attend school. Mr. Speaker, it is amazing that those of us who have fought for education over all these years suddenly have become the enemy of this administration.

Those of us who believed the future was in our young people are those who are not to be trusted.

Well, a message I would like to send, Mr. Speaker, to the President on this anniversary of his program is that the fight has just begun, that we are going to show this admininistration and the people will show this November what they think of an administration that says the best defense in the future of the country is not in the young, but is merely in providing greater moneys for defense and wasting moneys on areas that are bound to lead us down the road to disaster.

CANDIDATE REAGAN VERSUS PRESIDENT REAGAN

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUSSO. Mr. Speaker, we all draw on history as a source of inspiration and information. As I prepared these remarks today, I wondered how another public figure would describe our present economic plight.

In the summer of 1980, Mr. Speaker, our country's unemployment rate was some two points lower than it is today. But President Reagan, then campaigning for the White House, did not find this figure comforting. Speaking in Ohio that August, candidate Reagan told his audience that the lives of Americans had been "shattered by a new depression—the Carter depression."

Mr. Reagan recognized the terrible impact that joblessness had on the American people. "There is nothing," Mr. Reagan said, that "punishes an individual physically or mentally more than unemployment. Your family can't afford it. America can't afford it. I am committed to full employment in America and my program will reflect that commitment."

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In 1980, Mr. Reagan was not at all receptive to those who argued that unemployment was a less pressing problem because it was confined to a few industries.

"We are told by the administration," Mr. Reagan said that year in Detroit, "that this is not a real recession yet, since it is merely confined to autos, rubber, steel and housing. That's enough to cripple the entire Midwest * * *."

Nor would candidate Reagan accept the contention that the President was not responsible for economic conditions. "Unfortunately," the then Republican candidate declared 2 weeks before the 1980 elections, "Jimmy Carter has been unwilling to accept responsibility for his actions. He has run away from his record. He has elevated the alibi to an art form."

Mr. Reagan was also dissatisifed with existing fiscal policies in 1980. He proclaimed his determination to do better. "When Mr. Carter or Mr. Mondale or Mr. Miller say they simply cannot balance the budget, provide for the national security and reduce the high tax load on the American people—I say: Stand aside, because we can, and we will!"

Candidate Reagan's disagreement with administration economic policy was for all intents and purposes total. Asked if he thought a successful assault on inflation required that the country endure a recession, Mr. Reagan said in Texas in the spring of 1980 that "I don't believe the alternative to inflation is recession. I think that's old-fashioned economics."

Mr. Reagan went on to say that any attempt to reduce prices by increasing unemployment would be "self-destructive because for every single percentage point that you add to the unemployment rolls, you add $25 to $29 billion to the Federal deficit."

Mr. Speaker, today, with unemployment at its highest level in four decades and triple-digit deficits confronting us for years to come, one can only speculate as to how Ronald Reagan the candidate would react. But I am sure he would be outraged. Unfortunately, President Reagan seems somewhat less moved.

FIRST ANNIVERSARY OF PASSAGE OF A RADICAL PROGRAM

(Mr. SABO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, 1 year ago today the House completed action on President Reagan's economic program. Today marks the first anniversary of the passage of a radical program, reversing much of the progress we have made over the last 50 years. One year ago, the President claimed victory—predicting that this program would have an immediate impact on the Nation's economic vitality.

The President's budget did have an impact on the economic vitality of the Nation.

In 1 year we have gone from an economy that had some problems, to the worst recession in 40 years.

Clearly, the policies enacted by the President and Congress last year have seriously harmed our economy.

The Reagan budget and the Reagan recession also set other records:

The highest level of unemployment since the Great Depression, including 20,000 more jobless workers in the Twin Cities.

An all-time record low in new housing starts—a 1-year drop of 40 percent in the Twin Cities.

A 20-year low in U.S. auto production.

And the worst rate of business failures since the darkest days of the Great Depression.

Instead of protecting the truly needy, as the President promised, we have witnessed joyful budget slashing.

The Reagan budget cut deeply into health, education, housing, nutrition, and other programs designed to help the disadvantaged, the young, and elderly Americans. Social security has repeatedly been under attack.

We have an administration that likes to talk about free lunches.

The truth is, they made the lunch very expensive but they are promising the American people free guns in the largest defense buildup in history.

Clearly, today we can see that a major mistake was made 1 year ago.

The President's program has failed—failed to produce the painless end to inflation and rapid economic growth that he promised. Rather than producing growth, the President has given us a record-smashing recession.

Today the answer to President Reagan's 1980 question is obvious for most Americans:

"Are you better off today than you were 1 year ago?"

THE REAGAN PROMISES

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, 1 year ago I wrote a letter to President Reagan congratulating him upon the achievement of three stunning victories in severe budget cuts and the biggest tax cut in history. Although I had entertained serious reservations about the wisdom and size of some of those cuts and had made unsuccesssful attemps to modify them, I nevertheless expressed the hope that they could be made to work for the good of the country since they were then law. Certainly Mr. Reagan got all the major things he asked from Congress last year.

Unfortunately, 1 year later we discover that they have not produced any of the benign results that were claimed for them.

Mr. Reagan said in March of last year that immediately—immediately upon the passage of his tax cut we would see a sudden upturn in economic activity.

Well, that enormous tax cut has been in effect now for 1 year. The business tax cut was retroactive to January of last year. Not only has it utterly failed to stimulate new investment, we actually have less investment and the Secretary of Commerce is predicting a continued decline in business investment. The only directly measurable result of that excessive tax cut for the wealthiest has been the highest deficit in American history.

Of course, unemployment has soared from 7.2 percent in July of last year to approximately 9.6 percent today or perhaps higher. More than 3 million additional Americans have been thrown out of work during this disastrous year of Reaganomics.

In my town of Fort Worth where once was thought that the Sun Belt was recession proof, unemployment has more than doubled in the 1 year since Reaganomics went into effect. One year ago, unemployment in my town was less than 4 percent. Today 9 percent of the work force in Fort Worth is unable to find employment.

We have seen major plant closings. Since the beginning of this calendar year there have been 308 major plant closings in the United States, which together have thrown 266,000 people out of work from those 308 plants.

Business failures are running at the highest rate since the Great Depression. Since Reaganomics took effect, some 50,000 small businesses have folded. Every business working day 11 more businesses go out of business.

Surely it is time to stop this headlong plunge into depression. It is time to change course before the decline becomes irreversible. It is time to see the sterile folly of Reaganomics, to turn this country around and get this economy moving again.

A DREAM GONE DOWN THE DRAIN

(Mr. MATSUI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MATSUI. Mr. Speaker, in the year since Congress gave President Reagan his program, a great many Americans have suffered. The housing industry has almost choked to death on Reaganomics—with interest rates kept sky high because of Federal borrowing to finance the big supply-side,

trickle-down tax cuts targeted to the wealthy.

One of my constituents, Mr. Chuck Manley, recently had to lay off four employees and shut down the real estate office he started back in 1971. He had built a solid business, even serving as president of our Sacramento Board of Realtors. But after 14 months without making a dime, he was forced to close.

He now works for somebody else, his dream of owning his own business gone down the drain. It is not just poor people suffering from the President's program. Middle-income workers and small business are hurting. The President keeps asking for more time. For the Chuck Manleys of America, time has run out on Reaganomics.

WHAT REAGANOMICS HAS DONE TO THIS COUNTRY

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, anniversaries denote the passage of time, so let me point out on a timewise basis what Reaganomics has done to this country.

Last year over 66,000 businesses filed for bankruptcy. In the first 5 months of 1982, business bankruptcies are running 15 percent ahead of last year, and 32,000 have already been filed. Every 7 minutes another business goes bankrupt.

And now for the bad news. Consumer bankruptcies are at record levels with 460,000 filed in 1981, and an equal number likely this year. Timewise, there is a consumer bankruptcy every 69 seconds. Before the end of today, another 1,252 consumers and another 205 businesses will file for bankruptcy.

Mr. Speaker, in the past few weeks there has been some evidence that interest rates are falling slightly. But the reason for the decline is not that Reaganomics is working, but rather so many businesses and consumers are going into bankruptcy that there is no one left to borrow the money.

□ 1015

WE NEED UNBLINKING LEADERSHIP

(Mr. SHAMANSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAMANSKY. Mr. Speaker, instead of delivering a recovery, as promised 1 year ago, the administration's economic program in fact delivered a recession. Some good friends of mine in central Ohio believed very deeply in this so-called program, and why should they not? It was hard to resist since it promised a free lunch. However, it is embarrassing for them today to realize that they were gulled, and they are now on the defensive, claiming everyone knew we had to have this deep recession before recovery took place.

In truth at no point in the 1980 campaign or until the fall of 1981 did any administration spokesman ever mention that a recession was necessary. No one told this country we needed to bring inflation down through the highest unemployment since World War II and the highest rate of business failures since the Great Depression. Unemployment in the 12th District of Ohio ranges from near the national average of 9.5 percent to 15.5 percent in Morrow County.

We can no longer afford these fantasies. We must get back to economic reality. No more supply-side or balanced budget amendment gimmickry. Now we must make hard choices in balancing income and outgo, and we need unblinking leadership from the administration and in Congress.

HOW LONG, HOW LONG?

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, the 4-point Reagan program put in place 1 year ago consisted of fixing up the military-industrial complex, squeezing the poor and the middle class, buttering up the affluent, and making super-tight money and super-high interest rates.

Today, 1 year later, the sales of Mercedes, of computer toys, of imported wines, are breaking new records. But meanwhile, back in my district last weekend, I visited with a 52-year-old elevator repairmen who, for the first time, cannot find work.

I saw a minister of a black church bravely marshaling 20 young people of his congregation to try to sell their shoeshines, but very, very few had the wherewithal to afford a shoeshine.

I heard from dozens and dozens of my constituents who feel worried and threatened. And so I ask: How long, Mr. Speaker, how long?

REAGANOMICS IN COLORADO

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the first anniversary of Reaganomics in Colorado is hardly cause for celebration.

Unemployment has increased substantially. There are over 15,000 more unemployed workers in Colorado today than when Reagan took office.

Housing starts have plummeted. Permits in Colorado for new housing have fallen 22 percent so far in 1982 in comparison to the same period in 1981.

In May of 1981 there were 3,841 average weekly jobless claims versus 4,385 in May 1982—a 30-percent increase.

Ideal Basic Industries, the sixth largest company in Colorado, is projecting their first annual loss since 1933.

The Colorado Manpower Review report for July 1982 had an excess of bad news:

Adjusted unemployment soared to a record 67,700—up 3,800 from April and 11,800 from a year ago.

Any leveling off in unemployment will probably be short lived, however, as Colorado companies have announced furloughs for thousands of workers in coming weeks.

The long term unemployed (over 14 weeks) * * * increased by a substantial 42.7 percent from the first quarter level to represent 19 percent of the total (unemployed).

No category of worker has been immune from rising unemployment.

There you have it, Reaganomics in action in Colorado.

HAPPY ANNIVERSARY, "ECONOMIC RECOVERY" TAX ACT

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, a year ago, President Reagan sold Congress and the American people on the idea that one of the ways we could achieve economic recovery and balance the Federal budget was by sharply reducing Government revenues.

It was preposterous on the face of it, but the President promised the American people it could be done, and just to help out, every special interest group lined up to lobby for its own particular tax break.

The doors of the Treasury were opened to all comers, and the results were predictable.

We must now scour our Tax Code, looking for new sources of revenue to limit the damage.

Even with the largest peacetime tax increase in history now pending in conference committee we are facing mind-boggling deficits.

One hundred fifteen billion dollars in budget deficits will show up this fiscal year, perhaps $160 billion next year.

The prospects of continued high deficits are guaranteeing continued high interest rates; interest rates are guaranteeing stunted economic growth, high unemployment, and still higher drains on the Federal Treasury.

So happy first anniversary to the Reagan administration's Economic Recovery Tax Act.

A RECOVERY SKEWED TO THE WEALTHY IS NO RECOVERY FOR AMERICA AT ALL

(Mr. KOGOVSEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOGOVSEK. Mr. Speaker, most anniversaries are a celebration. But there are few in America today who can celebrate the passage of the Economic Recovery and Tax Reduction Act of 1981. There are few who can say yes, I am better off than I was before. Thousands of unemployed steelworkers are saying no. Farmers are shouting no. The small businessman, even one who has survived the record high bankruptcies on Main Street, is saying no. Senior citizens, whose meal and transportation programs have been cut, are saying no, and so are those senior citizens whose programs are yet to be cut—because they live in fear that their benefits may not cover their special needs. State legislators are saying no—their fiscal condition is worse than it has been in years because the administration has tried to balance the budget on the backs of State and local governments. Even the President's own Cabinet is saying no—Commerce Secretary Baldrige projected record-high deficits under the Reagan administration.

The only people, on this anniversary day, who can say yes, we are better off than we were before, are those who were well off in the first place.

A recovery skewed to the wealthy is no recovery for America at all.

WE DESPERATELY NEED THE ECONOMIC DEVELOPMENT ADMINISTRATION

(Mr. ALBOSTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALBOSTA. Mr. Speaker, I rise as a Representative from a State which has and continues to have the worst economy in the Nation—the State of Michigan. I am sorry to say, Mr. Speaker, that the economy in Michigan has not improved under the Reagan program. Unemployment hovers at 14 percent. Businesses are teetering on the edge of bankruptcy and farmers are experiencing the roughest times since the Great Depression.

While I agree we must cut Government spending, we should not eliminate programs that worked, programs that helped private industry create jobs, put people back to work and become taxpayers instead of tax drainers. Yet the Reagan program has always called for the elimination of the Economic Development Administration, an agency that helps communities attract new industry and enable existing industry to expand.

In my own district, EDA has funded industrial parks and water and sewer line additions that have created jobs throughout a depressed rural area. Throughout the State EDA has helped create thousands of jobs in private industry in the past. We desperately need this tool in Michigan to rebuild our shattered economy. People need to work to maintain their self-respect and dignity. The Reagan program is trying to deny us these tools just as if one would deny a drowning man a life preserver.

AMERICA DOES NOT WORK WHEN WORKERS DO NOT WORK

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, you will recall, those thrilling days last year when some Members of Congress stood on the chairs of this floor cheering the success, the absolute victory, of the Reagan economic blueprint, described aptly as the "Riverboat Gamble," or "Voodoo Economics."

Well, today, 1 year later, the results are home to roost; 200 pickets marched around the White House this morning with signs expressing their feelings: "Wake up, Mr. President."

Voices are being raised today—not in joy but in anger and frustration. The Reagan administration has gambled and lost. But they are not paying with their money. Rather, the cost is borne on a harvest of negative statistics expressing the worst economic problems in 40 years.

Mr. Speaker, to add insult to injury, not only is the Reagan administration an obvious failure with its Reaganomics, but it is a poor loser and refuses to do anything to help those who are impacted by their outlandish program, their outlandish economic program, Reaganomics.

Mr. Speaker, America does not work when workers do not work.

MISERY AND SUFFERING

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, like many of my colleagues, I held office hours on Monday of this week to talk with my constituents. As you might understand, in a county where the official unemployment rate is 20 percent and the unofficial rate is more like 30 percent, I ran into one story after another of misery and suffering among my constituents.

One minute is not nearly long enough to outline the troubles which my constituents are having as a result of the "economic recovery program" that was adopted last year.

So, I will be taking a special order this evening to outline in some greater detail just what it means to individual members of my constituency that they no longer are able to find jobs or finance business expansion, or stay in business.

For now, I yield back the balance of my time.

THIS IS NOT A HAPPY ANNIVERSARY

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, since Reaganomics went into effect 1 year ago, I have witnessed the closing of one major automobile plant and a 50-percent reduction of another auto plant in my congressional district in California. The General Motors plant in Fremont, Calif., is completely shut down. At its peak, that plant employed over 6,800 persons. The Ford Motor plant in Milpitas, Calif., employed 4,500 1 year ago. Today, this facility has less than 2,500 persons on the payroll.

As unemployment benefits run out for the unemployed, they also face the loss of their medical, dental, and other benefits. And under Reaganomics, they have no safety net to catch them in their fall. California received $1.2 million this year from Trade Adjustment Assistance to retrain all steelworkers, autoworkers, and other persons in similar occupations who have been displaced. At the Fremont General Motors plant alone, over 700 persons signed up for this program. Only 211 trainee spots were available. What can the others do under Reaganomics?

The Reagan administration turns a deaf ear to the problems of American workers and of American families. This is not a happy anniversary for the people I represent.

JUNE 1982 WAS HIGHEST UNEMPLOYMENT JUNE FOR WASHINGTON IN HISTORY

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, June 1982 recorded the highest unemployment of any June in the history of the State of Washington—the highest unemployment of any June in the history of the State of Washington.

This disgusting situation is not without an identifiable cause. For the

first time in years we have an administration that does not believe in a national housing policy. January through April 1982 seasonally adjusted housing starts were 32 percent below the same period in 1981. That seasonally adjusted annualized figure is 800,081 starts. By comparison the 1980 annual private housing starts were 1,292,000 and the 1979 private housing starts were 1,745,000. That makes a lot of job losses in Oregon, Idaho, Arkansas, Washington, and other forest product States.

Then when in addition you have a national policy that says the No. 1 exporting manufacturer in the country, the Boeing Co., should be able to compete in financing against the treasuries of France, Germany, England, and Italy combined, in the financing of commercial airliners, and say, that when they subsidize their products we should not have an active Export-Import Bank to give our businesses an equal chance, then you start losing thousands and thousands of jobs at the Boeing Co. and the other export sensitive businesses.

It is not hard to figure out why June of 1982 had the highest recorded unemployment of any June in the history of the State of Washington.

REAGAN'S CURE HASN'T WORKED

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, today is the first, and I predict the last, anniversary of Reaganomics. The birth of Reaganomics last year with the passage of the Economic Recovery Tax Act was loudly proclaimed and published in most of the Nation's newspapers as the biggest political victory in the history of our Nation, prescribing an economic cure for the ills of our economy.

Now, 1 year later, instead of good health, we have a sick economy made worse by Mr. Reagan's medicine and instead of making conditions better, Reaganomics has made economic conditions worse.

The numbers do the talking for higher unemployment, record deficits, historic bankrupticies.

In the first quarter of 1982, my district saw a 12-percent increase in unemployment over 1981, which was itself 23 percent higher than 1980.

The man who promised a balanced budget by 1984 has given us budgets which will result in deficits of $140 billion to $160 billion in the next 3 years. The policies that will result in these deficits, were born 1 year ago.

Government figures show that for the four States in the West South Central portion of this country, including Arkansas, there was approximately a 58-percent increase in business failures thus far under this administration. In the first 5 months of 1982, Arkansas had 1,100 bankruptcy petitions.

For the first half of 1982, my district saw a 37-percent decline in building permits from the same period in 1981.

Farmers find costs of production higher than ever and prices paid for their crops the lowest in years.

And now, pending before the Congress, there is the administration's proposal to give the Nation the biggest tax increase in the history of the Republic. I ask the American people to answer but one question: If Ronald Reagan is such a good manager, why is management of the economy so bad?

□ 1030

EFFECTIVE UNEMPLOYMENT COMPENSATION PROGRAM NEEDED IMMEDIATELY

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, the iron ore mining industry of northeastern Minnesota, which supplies some 80 percent of domestic iron ore for the Nation's steel mills, is today operating at 6 percent of capacity. Ninety percent of the iron ore miners are out of a job; 85 percent of the building trades workers in the construction industry are out of a job; worse yet, one-fourth of those miners, members of the United Steel Workers Union, have exhausted their unemployment benefits at the very time when this recession is deepening.

If the House is going to maintain an effective unemployment compensation program, we have got to act before the August recess. The 1981 Reconciliation Act destroyed the unemployment compensation program, in the view of most workers. By the end of September only a small minority of States will qualify for the current extended unemployment benefits. Still fewer States will qualify for any supplemental benefits program under legislation pending before the House Ways and Means Committee.

The cruel irony is that, although unemployment is at a 40-year high, unless we repeal certain provisions of the Reconciliation Act, workers in only a few States will qualify for extended benefits. I urge the Ways and Means Committee to act now not only to extend benefits an additional 13 weeks, but also to target unemployment benefits to sub-State areas to help people where they need help the most—those living in areas suffering the most severe economic distress.

IT IS A LITTLE EARLY IN THE YEAR TO AWARD THE CHUTZPAH PRIZE FOR 1982

(Mr. GOODLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, it was mentioned by a gentleman on the other side that there was a march around the White House this morning, and I thought it was interesting that the person the press interviewed among those marching said she had been unemployed for 3 years.

But I want to join in the celebration by quoting a Washington Post editorial of July 30, and I quote:

> It's a little early in the year to award the Chutzpah prize for 1982 but our nomination goes to the Democratic leaders of the House—Messrs. O'Neill, Wright and Foley—who have sent us an invitation for August 4. The "sad but important milestone" that the leaders ask us to join in commemorating is nothing less than the first anniversary of the passage of the 1981 Tax bill.
>
> We don't need a special occasion to remind us of the Tax bill of 1981. In our version, the Democrats who are planning this somber commemorative party weren't exactly what you would call innocent bystanders.
>
> Michael Kinsley wrote a column last July 1981 entitled, "The Shame of the Democrats," marveling at the Democrats' striking concern for members of the economic elite.

They go on to say:

> The Democrats have another chance this year to regain their standing. So far, they don't seem much interested. Despite all the brave talk about the evils of Reaganomics and its deficit-enlarging tax cut, House leaders have shied away from putting any Democratic mark on a tax bill that raises, rather than reduces, revenues.

It goes on to say:

> They might want to remember Mr. Kinsley's concluding thought from last year, . . ."if the Democrats keep devaluing their own souls, others may conclude that this merchandise is no longer worth buying."

LEGISLATION INTRODUCED TO PROVIDE ASSISTANCE TO WORKERS AND COMPANIES LOSING JOBS BECAUSE OF EXPORT SANCTIONS

(Mr. FINDLEY asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, I am introducing legislation today which will provide assistance to workers and companies that lose jobs or business because of export sanctions. A small group of workers or business firms should not bear the burden of misguided foreign policy decisions.

This legislation would help workers in Decatur, Springfield, Quincy, and other areas of our country who have been adversely affected by the sanctions on pipeline equipment for the Soviet Union. It would provide ex-

tended unemployment benefits, retraining assistance, and job search and relocation benefits for workers who lose jobs as a result of these decisions.

It will also help provide credit assistance to companies that are adversely affected. If our workers lose jobs because of bad foreign policy decisions, it is the Government's duty to help them through the tough times.

HONESTY IN PUBLIC FINANCING OF CAMPAIGNS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, today I am introducing a bill which will expose and correct a great deceit that has been wrought on the American taxpayer for many years. For years, at tax time, each taxpayer has been given the dubious privilege of indicating on his or her tax form whether he or she would want to give a dollar for the financing of public campaigns. Now, that does not sound too bad except that that choice is very misleading. The form that we have all seen on the long or short tax return indicates that checking off or giving to a public campaign will in no way create any tax liability for the generous donor. How nice. But where does the money spent on Presidential campaigns come from? The last election cost the American taxpayer nearly $100 million. If each and every person who checked off that contribution had no liability for that $100 million. Where did the money come from? The answer is quite simple. It came from all of us: It came from the General Treasury fund. Somebody, or actually very many somebodies checked off that block and guaranteed that my taxes, and your tax dollars would be used to finance the campaigns of several individuals seeking the office of the Presidency.

The present system forces all American taxpayers to foot the bill for campaigns which they may ardently oppose or have no interest in supporting. Taxpayers should have a free choice in this matter and not have their tax dollars subject to use by candidates when they choose otherwise.

Mr. Speaker, these generous donations from the public trough to office-seeking politicians are made at everyone's expense. This money could be better used for needed domestic programs or defense programs. It is time to stop this deception: If the taxpayer wishes to fund political campaigns, then individual decisions should contain individual liabilities for that funding. The bill I am introducing would change that checkoff box on the tax return to indicate that any donation would result in an increase of that individual tax liability, or a decrease of his or her refund.

It is time for the generous souls among us to pay the bills that they have been deceived into acquiring.

LEGISLATION INTRODUCED TO CONTINUE EXTENDED UNEMPLOYMENT BENEFITS

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, there is no doubt that the hardships of unemployment continue to be a pressing problem. These hardships are becoming even more difficult because a number of States have fallen below the minimum level upon which a State may offer an additional 13 weeks of extended unemployment benefits.

Ironically, Congress is currently planning to add a second round of 13-week supplemental benefits for a total of 52 weeks—which will, in all likelihood, never reach the majority of those who need them because their State no longer qualifies for the extended benefits program upon which the Federal supplemental benefits will be offered.

Yesterday, I, along with Mr. FINDLEY of Illinois, introduced a bill that would make sure that States with continued increasing joblessness will continue to receive extended unemployment benefits.

I urge my colleagues to show their unified support for this proposal so that the conferees on the tax package receive the clear message that it is more appropriate to put back fairness and equity in the extended benefits program than to offer 13 more weeks of supplemental unemployment benefits of which only a fragment of the unemployed will be able to receive.

TODAY'S RECESSION BEGAN BEFORE REAGAN ECONOMIC RECOVERY PROGRAM

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, today the Democrats are celebrating the anniversary of the President's economic recovery program with a diatribe wherein they are reciting all the doom and gloom and all that has developed since last August. Well, rejoice, all who are within hearing of my voice, because the failures that they are reciting all came from a recession which did not begin last August; it began last July 1981, 1 month before the President's economic recovery program was passed and 3 months before the first dinky little tax cut of 5 percent took effect in October 1981.

So the recession which began 13 months ago has caused the doom and gloom that has been described and everyone knows that that recession was the result of decades of misadventure by a big spending Congress which has been controlled for a quarter of a century by those who are protesting here today.

The President's program has in fact begun to work. When he came into office the prime interest rate was 21.5 percent. Now, it is 15 percent. When he came into office the inflation rate was 13 percent per annum. Now, it is down to 6 percent per annum. He has cut taxes across the board by 25 percent, increasing real incomes, putting money in the pockets of the people.

What do the Democrats say in the context of all this? "Let's go back to the policies of President Carter. Let's get our economy moving. Let's raise taxes and keep on spending and regulating with big, central government."

AMERICAN PEOPLE DEDICATED TO TAX REFORM AND REDUCTION OF FEDERAL EXPENDITURES

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today marks the first anniversary of the Economic Recovery Tax Act, and as we have heard in the last 15 minutes, the opponents of this monumental effort are clamoring for its demise.

What are they talking about? Well, they are talking about going back to "business as usual." Business as usual, as I understand it, is basically no business at all; at least no business that will employ people in real jobs.

I have said, and I firmly believe, that the greatest form of welfare in the United States is a job in the private sector, and yet it is this side of the aisle that now says there are no jobs, recognizing that that no job situation was well created by the last 15 to 20 years of business as usual.

Well, business as usual here in this Congress is to tax and spend, not to create jobs in the private sector, but to offer to their constituency of dependency more and more programs so that they can go out in this election year and say, "Look what we have done for you," never recognizing the fact that it is now time to turn to the American public and say, "What can you do for yourselves with our assistance?"

AMERICAN PEOPLE WANT AND DESERVE A CHANGE IN ECONOMIC POLICY

(Mr. GINGRICH asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, when historians ask why the Democratic Party ceased to be the national governing party, they may look at today's 1-minute speeches and conclude that it became the irresponsible party of demagoguery and disingenuous disinformation. The Democrats have been in charge for 26 years. In 1980, they left us with high inflation, high interest rates, a collapsing auto industry, homebuilding in a depression, over 7 million unemployed. That was in 1980.

Now, 2 years later, despite their opposition and obstruction, we have cut spending and we have cut taxes. Inflation has dropped 7 percent. The prime rate has dropped 6 percent. Yesterday's Treasury offering paid the lowest rate in over 2 years. The 3-year tax rate reduction is helping individuals and families.

The Democrats want to block spending cuts and raise taxes. The Democrats want to go back to the same old policy of taxing and taxing, spending and spending. But, the American people want a change, they deserve a change. They are going to continue to get a change.

DEMOCRATS WANT TO RETURN TO OLD HIGH-TAX, HIGH-INTEREST-RATE POLICIES

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, we heard some interesting perspectives on recent history from the Democrats here this morning. No wonder the Washington Post openly criticized in advance this little Democratic performance, because most of the people who spoke here this morning are responsible for the policies they were criticizing. They are the ones who brought us the 21-percent interest rates that we have managed to lower to 15 percent. They are the ones who brought us the 13-percent inflation rate that we have managed to cut in half. They are the ones who destroyed the savings of the people in this country so that there was no money in the investment pool. We have managed to expand savings and thereby increase the savings pool and produce some hope for the future.

The Democrats have only criticism to offer. They have no solutions on their agenda. They are attempting to stop us from turning away from the irresponsible policies of the past. And it is clear where they want to go. They want to go back to their old policies. They want more spending to produce higher deficits, they want more taxes to produce higher interest rates. Their program is simply to return to the old Carter policies that got us where we are today. They said so in so many words right here this morning.

CONGRESS MUST PUT END TO THREAT OF NUCLEAR HOLOCAUST

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, Members of this House must do all that they can to put an end to the threat of nuclear holocaust. We must demand that both the United States and the Soviet Union reduce their nuclear weapons to equal levels and agree to mutual on-sight verification. Then and only then will a nuclear freeze be in the best interests of the American people and the people of the rest of the world.

People across this Nation understand that nuclear war is an insane possibility. As Members of Congress, we are committed to remove the threat of nuclear annihilation and to do everything possible to rid the world of nuclear weapons.

But Americans also understand that the Soviet Union cannot and must not be trusted. I am committed to do all that I can to insure the protection and freedom of the United States. That commitment demands that we must not allow the Soviet Union to maintain a superior first-strike capability and we must not allow them to continue to develop weapons systems that have the capability to destroy the world.

To demand anything less would be insane.

REAGAN ECONOMIC POLICY PUTS COUNTRY ON RIGHT COURSE

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, many of my colleagues are urging us to abandon the course upon which we embarked at the beginning of this Congress. They have chosen this day to declare that the Reagan economic program is a failure. Somehow, they feel justified in their outrage over the lack of a complete solution to every problem which faced our country 1 year ago.

Yes, 1 year ago, we completed action on the President's economic package. I agree with my colleagues that we are celebrating, today, the anniversary of a most historic event. But, I cannot agree with their interpretation of its significance.

I have heard many times that argument that Reaganomics cannot work because it is too simplistic a solution to the problems of our Nation. Yet, today, the proponents of this view are expressing dismay and disbelief that a miraculous recovery has not taken place—in just 1 year. It seems worse than simplistic to expect any program to correct years of bad policy in a single year.

There is, undeniably, much that remains to be done if we are to complete the course which we began last year. But, it is equally undeniable that we are on the right course. There are many clear signs, today, that the economy has, indeed, started to recover. I urge my colleagues not to abandon the course we began on this historic day, 1 year ago.

□ 1045

WHO IS TO BLAME?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revised and extend his remarks.)

Mr. MICHEL. Mr. Speaker, my dictionary defines "demagoguery" as making use of false claims in order to gain power.

Considering some of the things we have heard this morning, I thought you might find that definition enlightening.

Be that as it may, I would like to quote two leaders of the majority party.

On May 7, 1981, the Speaker said:

> Sure, in the 1970's my party made mistakes. We overregulated. There was too much redtape and probably too much legislation . . . Sure we admit there were inequities and we had failures along the line . . .

In September of last year, Mr. PANETTA stated:

> Democrats simply can't ignore the issues of controlling federal spending, lowering deficits, moving toward a balanced budget—issues that, frankly, Democrats did ignore for a long time.

There you have it Mr. Speaker: Leading Democrats, in uncharacteristic moments of candor, admitting their party is to blame for ruining the American economy and the Federal budget. I rest my case.

A REVIEW OF REAGANOMICS AND ITS EFFECTS

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I was more than pleased that the Republican leader took the floor this morning. I remember a statement from the President, on June 2, that his economic program was perhaps not working in Washington, D.C. or in New York but he felt sure it was working in Peoria. I wonder how things are in Peoria this morning?

I do not see any Members asking me to yield.

This morning, hundreds of unemployed steel and autoworkers took their case to the gates of the White House. They had a simple message. They wanted the President to "wake up." They want him to "wake up" to the hardship his program is causing not just in Peoria—I understand things are bad there—but all over America.

They wanted the President to "wake up" to the agony that is caused by unemployment in this country. For the good of our country, I hope the President heard this message.

The sad fact is that for every one of those hundreds of men and women who stood in line this morning there are hundreds of thousands of Americans out there who want to go to work, but cannot find jobs—because the plants in their backyards are closing down.

This is not what the President promised us. It is not what he promised when he sold himself and his party to the country 2 years ago. It is not what he promised when he sold his economic program to the Congress last year.

When he was a candidate, Mr. Reagan loved to quote Franklin Roosevelt, and yet he is opposed to everything that Franklin Roosevelt stood for.

When he sold his economic program to the Congress last year, he promised to create 13 million new jobs. Instead, he has created 3 million more unemployed.

He promised a new prosperity. Instead, we have the highest unemployment since the 1930's.

The President promised economic growth. Instead, we have the worst recession and the worst rate of business failures in 40 years.

I want all the Members to look at the chart that stands next to me. It tells the story of the unemployment rise in the last 12 months. It tells the story of rising joblessness—of 3 million more unemployed in a single year.

This country should be going in the opposite direction. We should be creating 3 million new jobs a year. That is what happened in 1977, 1978, 1979, and 1980. As for the gentleman who took the floor and said, "we inherited a depression," the record shows that the economy was working well in 1981, from January until July. The fact is, the President inherited a recovery and turned that recovery into a terrible recession.

This recession could easily have been avoided. A year ago, on this floor, I said that the Reagan economic program was "a terrible gamble." "If it fails," I said, "the consequences for the Nation will be horrible. Deficits will soar, inflation will persist, budgets will be cut. Among the casualties will be the social security program, the health care and education programs, and possibly reduced defense programs."

Much of this has already happened.

Wake up, Mr. President. Wake up, Mr. Republican leader. Have some concern and care for the people who are out of work these days.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. (Mr. HEFTEL). The gentleman will state it.

Mr. WALKER. Mr. Speaker, can the Chair tell me how long 1 minute is?

The SPEAKER pro tempore. Does the gentleman request additional time?

Mr. WALKER. Mr. Speaker, I am just inquiring. We have had several long speeches here this morning. I thought that we were limited in the 1-minute timeframe to 1 minute each. Is that not correct?

The SPEAKER pro tempore. Does the gentleman request additional time?

Mr. WALKER. Mr. Speaker, this gentleman observed the time frame when I was making my speech. I am making a parliamentary inquiry of the Chair as to whether or not that is the rule of the House that is supposed to be obeyed.

The SPEAKER pro tempore. It is, by precedent, and since the Chair wants to be fair, the Chair would like to extend to the gentleman and his side of the aisle any additional 1-minute speeches that they require immediately. Would the gentleman like to use it now?

Mr. WALKER. Mr. Speaker, I thank the Chair. I think there are a number of Members who are waiting yet to speak, and I would certainly yield such time as I might consume to Members on the Republican side who have yet to speak so that everyone has an opportunity to speak this morning.

I thank the Chair.

The SPEAKER pro tempore. The Chair will recognize them after recognizing Members on the right side of the aisle, and the Chair will in fairness extend to them as much time under the 1-minute rule as they need.

THE MISERY INDEX

(Mr. SCHUMER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I will only need 30 seconds to make my presentation.

Mr. Speaker, in 1980, in debate with then President Carter now President Reagan made a big fuss out of the misery index, which equals unemployment plus inflation.

In 1980, inflation was at 12.4 percent, and unemployment averaged 7.1 percent. The misery index was 19.5 percent.

In June of this year, the annualized rate of inflation was 12 percent, and the unemployment rate was 9.5 percent. If these rates continue, the misery index will equal 21.5 percent.

Mr. Speaker, did we elect a President to bring the misery index 2 points higher than when he was elected? Are we better off today than we were 2 years ago?

THE EFFECT OF REAGONOMICS ON WESTERN PENNSYLVANIA

(Mr. WILLIAM J. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAM J. COYNE. Mr. Speaker, when the administration was making its case for Reaganomics, Treasury Under Secretary Norman Ture told the Senate Finance Committee on March 20, 1981, that:

I think you will see an upturn in the very, very near future, following the adoption of the President's program.

One of the first statistics that you will see in the upturn would be an increase in the capacity utilization rate which we use for existing production capacity. I think that would turn up very promptly. The future is now for the steel industry, but precisely the opposite has occurred. In August 1982, steel operates at less than half capacity. Empty administration promises translate into empty western Pennsylvania manufacturing plants. There is no greater blight, urban or otherwise, than a deserted manufacturing facility. Unemployment goes up, community moral goes down, and a jobless worker's self respect is eroded. Reaganomics has caused a blight on western Pennsylvania's landscape.

Mr. Speaker, when the administration took office, there were 291,000 hourly employees in the domestic steel industry. Now there are 210,000. That statistic indicates that the administration's policies have failed.

HAPPY ANNIVERSARY

(Mr. SIMON asked and was given permission to address the House for 1 minute.)

Mr. SIMON. Mr. Speaker, some of the facts are fairly obvious as we sit here 1 year after the passage of that tax monster. More businesses have failed so far this year than failed in total all of last year. Unemployment has already been referred to. It is at recordbreaking rates, the highest since the 1930's. More people are on welfare today than at any time since the beginning of the depression, and we have recordbreaking deficits.

Now, we have on both sides made partisan speeches about the situation.

My guess is that the American public is not interested much in our partisan speeches. What they want are practical answers to practical problems, and that means that from your side of the aisle, what they want is for you to recognize there are serious defects to the program that you have, and on our side of the aisle it demands that we do not simply say that "they" are doing a lousy job. We have to come up with constructive alternatives.

Mr. Speaker, more businesses have failed so far this year than in all of last year. Unemployment is running at the highest rate since 1941, and joblessness in my State of Illinois now stands at 11.3 percent. In my area of southern Illinois, out of 24 counties, only 3 have single-digit unemployment figures; 11 counties are over 15 percent and 4 counties are over 20 percent.

At the center of our storm-tossed economy are high interest rates, kept high by the contradictory economic path chartered by the administration—sadly, with the consent of Congress.

This year's record deficits, and the even larger deficit proposed by the President for 1983, will be soaking up more than a quarter of all investment dollars raised in the United States this year alone—up more than 40 percent from last year, according to the Wall Street Journal.

The blueprint which our economy has been laboring under for the last year includes a $1.7 trillion budget for defense over the next 5 years, some $140 billion in domestic spending cuts over the same period and $750 billion in tax cuts weighed heavily toward the wealthy in our society. But, in order that the rich can have their tax cut, the Government is having to borrow heavily, and we are all paying that bill through higher interest rates.

The economic figures speak for themselves. What is more difficult to put before the public's eye is the human destruction that is resulting from these badly failing economic policies. Mr. Speaker, I represent an area that has always struggled with unemployment—a rural area whose main economic base, coal, has been through endless periods of boom and bust. Adding to this the difficulty we have had in attracting new business to southern Illinois, and double-digit unemployment is not new. What is new is the number of counties experiencing unemployment over 15 percent. What is new is the number of counties experiencing unemployment over 20 percent. What is new is the record number of bankruptcies, of foreclosures on once-profitable farms. What is new are the increased caseloads for AFDC, for food stamps and for other programs of last resort. What is new is the escalation in serious child abuse cases and in crimes of violence. And what is new is the despair that I see among my constituents every time I return to southern Illinois.

Mr. Speaker, on this the 1-year anniversary of Congress granting President Reagan all he wanted in budget and tax policies, I do not feel proud of what we did. I would hope that, with the ruins of the President's Economic Recovery Act at our feet, we will be courageous enough to begin reversing some of the damage.

UPDATING THE MISERY INDEX

(Mr. JAMES K. COYNE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. JAMES K. COYNE. Mr. Speaker, I am sure that everybody in this room is familiar with the old quotation that "statistics don't lie, but politicians use statistics."

We have just been exposed to a good example of that by my colleague, the gentleman from New York, when he cited some very erroneous statistics about the "misery" index.

I want to make it perfectly clear that if there is any clear example of the accomplishments of the Reagan administration, it is in the reduction of the misery index over the last 18 months. But if my colleague insists on using only a single month's set of statistics, let us take February 1980, when the inflation rate was at an annual compounded rate of 20 percent, unemployment was approaching 7½ percent, and the misery index was, therefore, at nearly 28 percent.

The gentleman from New York obviously misused statistics by picking only 1 single month's statistics, for the month of June. If he had desired to accurately reflect the misery index's performance, he should have reviewed the index over the past 6 months where the misery index was averaging less than 14 percent, well below the average of any 6 months of the Carter administration.

Mr. Speaker, I think all intelligent Americans have not and will not be misled by deceptive use of statistics. They give credit to the Reagan administration for dramatically reducing the misery index, cutting the rate of inflation, and working to bring interest rates down. We inherited an economy in shambles, but today's new programs have begun to work—offering, at last, some hope for rebuilding an economic system that has been burdened by government-produced "misery" for too long.

THE ADMINISTRATION'S NEW DIRECTION

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, it is the political season, the time now for pointing fingers and placing blame. But let me just ask three basic questions here this morning and make an attempt to answer them.

What is all the complaining about that we have heard from the other side of the aisle this morning?

Well, it is because you lost last year, because the programs that you offered last year were failures. They had been proven failures over 30 years.

Even with a majority here in the House of Representatives, your programs were defeated. The American people wanted an alternative. They wanted to take this country in a new direction.

Why did you lose? Because the American people had had enough of your tax-and-spend, tax-and-spend, increase-the-bureaucracy policies that had led us to 21-percent interest rates and 13-percent inflation.

And what is your alternatives? What have you been proposing here? Nothing. Your whole strategy this year is to obstruct, delay, drag it out, divide, and bust the budget.

The American people are not going to be fooled by that stuff this year, Mr. Speaker. I say, "that dog just won't hunt."

CHUTZPAH OF THE YEAR AWARD

(Mr. RITTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, last year I coined an award entitled "the Chutzpah of the Year Award." The winner was Walter Mondale for blaming the then 18-percent prime rate on this administration when Mr. Mondale's own administration left the American people with a record high prime rate of 21.5 percent.

Now, almost a year later, the Washington Post has plagiarized my award and has given "the Chutzpah prize of 1982" to the Democratic leadership of this House. Today, these "wizards of wisdom," are promoting "Remember August 4th."

To those who have forgotten August 4, it is the day the Economic Recovery Tax Act of 1981 was passed by Congress, and as the Washington Post editorial so aptly points out, the Democratic leadership has clearly forgotten its role in developing that tax bill.

□ 1100

Those who know, know that the bidding war, was begun by the Democrats.

The Post even ran a column by Michael Kinsley entitled "The Shame of the Democrats." House Democratic leadership added as many sweeteners

as possible to please their downtrodden constituents such as oil producers, sugar producers, commodity speculators, and the list goes on and on.

These are the same people that claim to be the defenders of the poor and the downtrodden middle Americans. Today's effort to remember August 4 is like the barbarians who sacked Rome crying out for civility.

And to add further insult to injury, the Democratic leadership of the House advised its Members to disregard their constitutional obligation, to disregard their constituents, to initiate tax legislation and send the tax bill from the other body directly to conference. They did this just so they could blame the tax bill on the Republicans.

Chutzpah: There is no question who is the most deserving of my second annual "Chutzpah of the Year Award."

DEMOCRATS CAN NOT HAVE IT BOTH WAYS

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, today, we have heard a litany of so-called horrors of Reaganomics. There are several things that I find very ironic about this negative, gloom-and-doom rhetoric. That is the best description I have heard of what the disease is from those who are bankrupt of ideas about how to cure it.

First of all, everyone hailed this as the Reagan recession and asked if we were better off than we were 1 year ago. I say to you that in 1980, economists running the philosophical breadth from John Kenneth Galbraith to Milton Friedman predicted this recession. And it is the result of 4 years of not Reaganomics but Carternomics and, yes, the result of many of the taxing and spending actions of those who just spoke.

Yes, and the Carter administration had 4 years, and the Democratic leadership in the House and the Senate in this Congress had 25 years that got us into this mess.

Yet many of the same people now have turned to critics with no solutions and expect that this administration is going to solve that mess in just 1 short year.

I say to my friends on the other side of the aisle, we are not going to tax our way into a balanced budget. American workers are already overtaxed.

This body needs to find the fortitude to cut massive Government spending and many of my good friends on the other side of the aisle are going to be faced with some tough decisions. You will not be able to have it both ways, by throwing money at every special interest constituency while decrying the horrors of large deficits.

REAGANOMICS MAKES PROBLEMS WORSE

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, there is, of course, plenty of blame for our present economic disaster to fall on all people and all parties, but the problem today is that under the Reagan administration, it just simply gets worse and worse and worse.

My district has a real 30-percent unemployment. My industries are going bankrupt.

The Reagan administration comes in with a tax bill that simply takes money out of the pockets of the middle-income people and gives it to the wealthy. They take money away from things that would make our economy vibrant again and give them to the military defense contractors.

A Member has asked: "Is there an alternative?"

What dog will run?

I can tell you that if we are prudent and frugal in our country, balance the budget, conserve energy instead of laying ourselves prostrate before OPEC, that then we could build a strong economy on that basis. But not if we simply transfer money, billions of dollars, out of the pockets of the middle-income people and give them to the wealthy and have a military budget that busts all budgets. Under the Reagan administration, the waste and profligacy not only continues, but worsens.

IT IS TIME TO STOP BLAMING THE PAST AND START ADDRESSING THE PRESENT

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, the past 18 months have been exciting ones in American economic history. Last year, the President convinced us to enact the largest tax cut in our history. Today, he's backing those proposing the largest tax increase we've ever had.

Early last year, President Reagan said he should be judged by the impact his policies have had on the American economy. He said if the program was enacted, our economy would grow without inflation. Today, on the first anniversary of the Reagan economic plan, when the President is saying the past is the problem not his program, I think we should look at the record. Throughout America and within my district in the St. Louis area, the program has caused pain and economic stagnation. I regularly receive letters from the formerly employed who have exhausted the traditional job search route and are turning to us for help.

These people are asking for bread and the Reagan administration is giving them an economic circus instead. I don't think the people want more theatrical distractions. What they need are serious plans. We need lower deficits, broad tax reform for fairness and simplicity and public and private investments in people and things. Americans are willing to endure some pain as long as there is a promise of better days ahead. The bitterest part of the Reagan plan is that the pain is not producing the results we all want.

Isn't it time to try something new? Isn't it time to stop simply blaming the past and to start addressing the problems of the present.

DEMOCRATIC LOONEY-TUNES

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I was sitting in my office about a half hour ago and turned on the television to see the proceedings here. I started to hear the 1 minutes from the other side of the aisle and I suddenly thought I was not watching television but was back as a youngster at the motion picture house watching cartoons before the feature movie.

One of the things you had to do to watch "looney-tunes" was to have a suspension of belief. After listening to some of the speeches, I think that is what we need; we need to suspend our belief in the facts.

There have been those who have suggested that somehow the tax bill of last year was wrong and was wrong because of what the Republicans did.

I would just remind my colleagues that last year an article appeared talking about the fact that the chairman of the Democratic Campaign Committee had gone to the chairman of the Ways and Means Committee asking him to take care of the commodity traders of America because they had been good to the Democratic candidates for Congress.

I am reminded that someone just said, that we need to cut the budget to bring the deficit down. That makes a lot of sense. It sure sounds good.

What happened yesterday? Yesterday, we had a recommittal motion to send back to committee a bill with instructions to do what we said was to be done by the budget we passed.

I looked up the vote. My belief was shattered after I heard these speeches to find that vitually every single Democratic member of the Budget Committee voted against the recommittal motion.

In other words, they do not believe in the budget process. They do not even believe in instructing us to go back to committee in order to send out a bill to do the very thing the Budget Committee asked us to do; namely, to have about $350 million or $370 million in savings.

What did they give us? Did they give us 90 percent of the savings? No. Seventy percent of the savings? No; 60, 50, 40, 30, 20, 10 percent of the savings needed to bring the deficit down? No.

Yesterday, we passed the bill to give us 8.5 percent of the cuts demanded in the budget, a budget that will bring us down to a deficit of about $115 billion.

They can certainly cry a good game. They tell us how bad everything is because of what the President has done. But let us look at the record.

When given a chance,they reject he budget process in this House. When given a chance, they put the tax cut up to auction. Then they come back 1 year later and they complain that the other side is responsible.

The American people cannot be fooled so simply, Mr. Speaker.

DEMOCRATS EXPRESS CONCERN FOR PEOPLE

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, I was rather intrigued with the statement from the previous speaker, particularly from the point of view of discussing yesterday's vote.

I did not see the gentleman from California yesterday or anyone on his particular side of the aisle offer an amendment to save $1 billion. If they were so outraged, nobody from that side of the aisle cared to take some action. Could it have been political concerns that overrode their so-called outrage?

I am intrigued, Mr. Speaker, also that in listening to all of the speeches this morning that the speakers on the minority side of the aisle talk always about figures and the impersonal side of what has happened with Reaganomics.

The speakers from my side of the aisle discussed what has happened to people, the fact that people have been hurt, that people are suffering as a result of Reaganomics, people in Peoria and, yes, people in Nebraska and, yes, people in Arkansas, people that are hurt, people that are suffering.

I direct the question to my friends on the other side—whether or not people are better off today than they were 2 years ago?

AGRICULTURE IS IN TROUBLE

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, last week the Southern Governors Conference held its 48th annual meeting in South Carolina. During that meeting the Governor of North Carolina made some remarks that I wish could be heard by every Member of this House.

Governor James B. Hunt told the conference that high interest rates are forcing many farmers in the South out of business. The Governor said, "Agriculture is in trouble. A lot of farmers have gone out of business. Others are on the verge."

Mr. Speaker, I did not read that comment to the House because it underlines a problem which affects only the South. I want us all to hear what the Governor said because his words underline a severe and growing problem which affects practically every part of the country. And I want our urban colleagues to know that economic trouble in the Farm Belt is not something they can regard as somebody else's problem. When this bell tolls, my friends, it tolls for thee as well as for me. It affects all of us, and if you have any doubts about that, I hope you read the stories last week about the current problems of the International Harvester Co.

Harvester's problems are not all due to the fact that low prices in agriculture have reduced farmer purchases of farm equipment. But the agricultural recession certainly is a major factor in the picture. The Harvester Co. last week announced what the Washington Post called a radical survival plan. This will cut the number of Harvester manufacturing plants by more than one-third and will lead to the dismissal of thousands of employees.

Mr. Speaker, not all American farmers are in deep economic trouble today. We are thankful for the fact that some commodities, like hogs, have shown some improvement. But across wide portions of our farm country, there is a severe economic squeeze. Grain prices are still below production costs, and many farmers are wondering how long they can hold on. Net farm income will be severely depressed this year for the third consecutive year. Dairy farmers, who had been doing reasonably well in many cases in recent years, now are facing a severe pinch. Interest rates continue to keep farm costs above what many farmers can get for their products—and we are being challenged now to give farmers improved supply management and export programs to help them work their way out of today's problems.

Just a few days ago, Mr. Speaker, the Agriculture Department released its monthly report on farm prices and costs.

Farm prices in July were 3.5 percent below 1 year ago. Farm costs in July were 4.7 percent above a year ago.

That tells us what has been happening. Mr. Speaker, American agriculture is a full partner in the problems which have been affecting our entire economy.

ANNUAL REPORT ON FEDERAL COORDINATION IN DEVELOPMENT OF BUILDING ENERGY CONSERVATION STANDARDS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House of the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs and the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, Wednesday, August 4, 1982.)

REPORT ON TITLE VI OF HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on the two motions to suspend the rules on which further proceedings were postponed on Monday, August 2, 1982, in the order in which those motions were entertained.

The votes will be taken in the following order: H.R. 756 and H.R. 6011, both by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

DEATH BENEFITS FOR SURVIVORS OF LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 756, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. MILLER) that the House suspend the rules and pass the bill, H.R. 756, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 327, nays 82, not voting 25, as follows:

[Roll No. 239]

YEAS—327

Addabbo	Fiedler	Lungren
Akaka	Findley	Madigan
Albosta	Fish	Markey
Alexander	Fithian	Marlenee
Anderson	Flippo	Marriott
Andrews	Florio	Martin (IL)
Annunzio	Foglietta	Martin (NY)
Anthony	Foley	Martinez
Applegate	Forsythe	Matsui
Aspin	Fowler	Mattox
Bailey (PA)	Frank	Mavroules
Barnard	Frost	Mazzoli
Barnes	Fuqua	McCloskey
Bedell	Gaydos	McCollum
Benjamin	Gejdenson	McCurdy
Bennett	Gephardt	McDade
Bethune	Gibbons	McEwen
Bevill	Gilman	McGrath
Biaggi	Gingrich	McHugh
Bingham	Glickman	McKinney
Blanchard	Goldwater	Mica
Boggs	Gonzalez	Mikulski
Boland	Goodling	Miller (CA)
Boner	Gore	Mineta
Bonior	Gramm	Minish
Bonker	Gray	Mitchell (MD)
Bouquard	Green	Mitchell (NY)
Bowen	Grisham	Moakley
Breaux	Guarini	Molinari
Brinkley	Hall, Ralph	Mollohan
Brodhead	Hall, Sam	Montgomery
Brooks	Hamilton	Moore
Brown (CA)	Hammerschmidt	Moorhead
Burton, John	Hance	Mottl
Burton, Phillip	Harkin	Murphy
Byron	Hatcher	Murtha
Campbell	Hawkins	Myers
Carman	Heckler	Napier
Chappell	Hefner	Natcher
Chappie	Heftel	Neal
Chisholm	Hendon	Nelligan
Clausen	Hertel	Nelson
Clinger	Hightower	Nichols
Coelho	Hillis	Nowak
Collins (IL)	Holland	O'Brien
Conte	Hollenbeck	Oakar
Coughlin	Holt	Oberstar
Coyne, James	Hopkins	Obey
Coyne, William	Horton	Ottinger
Crockett	Howard	Panetta
D'Amours	Hoyer	Parris
Daniel, R. W.	Hubbard	Pashayan
Daschle	Huckaby	Patman
Davis	Hughes	Patterson
de la Garza	Hunter	Pease
Deckard	Hutto	Pepper
Dellums	Hyde	Perkins
DeNardis	Jacobs	Peyser
Derrick	Jenkins	Pickle
Dickinson	Jones (NC)	Porter
Dicks	Jones (OK)	Price
Dingell	Kastenmeier	Pritchard
Dixon	Kazen	Pursell
Donnelly	Kemp	Rahall
Dorgan	Kennelly	Railsback
Dougherty	Kildee	Rangel
Dowdy	Kogovsek	Ratchford
Downey	LaFalce	Reuss
Duncan	Lagomarsino	Rinaldo
Dwyer	Lantos	Rodino
Dymally	Leach	Roe
Dyson	Leath	Roemer
Early	LeBoutillier	Rose
Eckart	Lehman	Rostenkowski
Edgar	Leland	Roth
Edwards (CA)	Lent	Rousselot
Edwards (OK)	Levitas	Roybal
Emerson	Lewis	Russo
Emery	Livingston	Sabo
English	Loeffler	Savage
Evans (DE)	Long (LA)	Sawyer
Evans (GA)	Long (MD)	Scheuer
Evans (IN)	Lott	Schneider
Fary	Lowery (CA)	Schroeder
Fascell	Lowry (WA)	Schulze
Fazio	Lujan	Schumer
Fenwick	Luken	Seiberling
Ferraro	Lundine	Shamansky
Shannon	Stenholm	White
Sharp	Stokes	Whitehurst
Shaw	Studds	Whitley
Shelby	Swift	Whitten
Shumway	Synar	Williams (MT)
Shuster	Tauzin	Williams (OH)
Siljander	Taylor	Wilson
Simon	Thomas	Winn
Skeen	Traxler	Wirth
Skelton	Trible	Wolf
Smith (IA)	Udall	Wolpe
Smith (NJ)	Vander Jagt	Wright
Smith (PA)	Vento	Wyden
Snowe	Volkmer	Wylie
Snyder	Walgren	Yates
Solarz	Wampler	Yatron
Solomon	Washington	Young (AK)
Spence	Watkins	Young (FL)
St Germain	Waxman	Young (MO)
Stark	Weaver	Zablocki
Staton	Weiss	Zeferetti

NAYS—82

Archer	Dreier	Morrison
Ashbrook	Dunn	Oxley
Atkinson	Edwards (AL)	Paul
Badham	Erdahl	Petri
Bailey (MO)	Erlenborn	Quillen
Beilenson	Evans (IA)	Regula
Benedict	Fields	Ritter
Bereuter	Fountain	Roberts (KS)
Bliley	Frenzel	Roberts (SD)
Bolling	Gradison	Robinson
Brown (CO)	Gregg	Rogers
Broyhill	Gunderson	Roukema
Burgener	Hagedorn	Rudd
Butler	Hansen (ID)	Sensenbrenner
Cheney	Hansen (UT)	Smith (AL)
Coats	Hartnett	Smith (NE)
Coleman	Hiler	Smith (OR)
Collins (TX)	Jeffords	Stangeland
Conable	Jeffries	Stanton
Corcoran	Johnston	Stump
Courter	Kindness	Tauke
Craig	Kramer	Walker
Crane, Daniel	Latta	Weber (MN)
Crane, Philip	Lee	Weber (OH)
Daniel, Dan	Martin (NC)	Whittaker
Dannemeyer	McClory	Wortley
Daub	McDonald	
Derwinski	Miller (OH)	

NOT VOTING—25

AuCoin	Ertel	Michel
Bafalis	Ford (MI)	Moffett
Beard	Ford (TN)	Rhodes
Broomfield	Garcia	Richmond
Brown (OH)	Ginn	Rosenthal
Carney	Hall (OH)	Santini
Clay	Ireland	Stratton
Conyers	Jones (TN)	
Dornan	Marks	

□ 1130

Messrs. GUNDERSON, BOLLING, and MARTIN of North Carolina changed their votes from "yea" to "nay."

Messrs. GOODLING, CROCKETT, SKEEN, DUNCAN, and LUNGREN, and Ms. MIKULSKI changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

ALABAMA WILDERNESS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6011, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 6011, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 349, nays 59, not voting 26, as follows:

[Roll No. 240]

YEAS—349

Addabbo	Davis	Gray
Akaka	de la Garza	Green
Albosta	Deckard	Gregg
Alexander	Dellums	Guarini
Andrews	DeNardis	Gunderson
Annunzio	Derrick	Hagedorn
Anthony	Dickinson	Hall, Ralph
Applegate	Dicks	Hall, Sam
Archer	Dingell	Hamilton
Aspin	Dixon	Hammerschmidt
Bailey (PA)	Donnelly	Hance
Barnard	Dorgan	Hansen (UT)
Barnes	Dougherty	Harkin
Bedell	Dowdy	Hatcher
Beilenson	Downey	Hawkins
Benedict	Duncan	Hefner
Benjamin	Dunn	Heftel
Bennett	Dwyer	Hendon
Bereuter	Dymally	Hertel
Bethune	Dyson	Hightower
Biaggi	Early	Hiler
Bingham	Eckart	Hillis
Blanchard	Edgar	Holland
Bliley	Edwards (AL)	Hollenbeck
Boggs	Edwards (CA)	Holt
Boland	Emerson	Horton
Bolling	Emery	Howard
Boner	English	Hoyer
Bonior	Erdahl	Hubbard
Bonker	Evans (DE)	Huckaby
Bouquard	Evans (GA)	Hughes
Bowen	Evans (IA)	Hunter
Breaux	Evans (IN)	Hutto
Brinkley	Fary	Hyde
Brodhead	Fascell	Jacobs
Brooks	Fazio	Jeffords
Broomfield	Fenwick	Jenkins
Brown (CA)	Ferraro	Jones (NC)
Brown (CO)	Fiedler	Jones (OK)
Broyhill	Findley	Kastenmeier
Burgener	Fish	Kazen
Burton, John	Fithian	Kennelly
Burton, Phillip	Flippo	Kildee
Byron	Florio	Kogovsek
Campbell	Foglietta	LaFalce
Carney	Foley	Lagomarsino
Chappell	Forsythe	Lantos
Chappie	Fountain	Leach
Chisholm	Fowler	Leath
Clausen	Frank	LeBoutillier
Clinger	Frost	Lehman
Coats	Fuqua	Leland
Coelho	Gaydos	Levitas
Coleman	Gejdenson	Lewis
Collins (IL)	Gephardt	Livingston
Conte	Gibbons	Long (LA)
Corcoran	Gilman	Lott
Coughlin	Gingrich	Lowry (WA)
Coyne, James	Glickman	Lujan
Coyne, William	Goldwater	Luken
Crockett	Gonzalez	Lundine
D'Amours	Gore	Madigan
Daschle	Gradison	Markey
Daub	Gramm	Marlenee

Marriott	Pease	Solarz
Martin (NC)	Pepper	Spence
Martin (NY)	Perkins	St Germain
Martinez	Petri	Stangeland
Matsui	Peyser	Stanton
Mattox	Pickle	Stark
Mavroules	Porter	Stenholm
Mazzoli	Price	Stokes
McClory	Pritchard	Stratton
McCloskey	Pursell	Studds
McCollum	Quillen	Swift
McCurdy	Rahall	Synar
McDade	Railsback	Tauke
McEwen	Rangel	Tauzin
McHugh	Ratchford	Taylor
McKinney	Regula	Traxler
Mica	Reuss	Trible
Michel	Rinaldo	Udall
Mikulski	Roberts (KS)	Vander Jagt
Miller (CA)	Rodino	Vento
Miller (OH)	Roe	Volkmer
Mineta	Roemer	Walgren
Minish	Rogers	Wampler
Mitchell (MD)	Rose	Washington
Mitchell (NY)	Rostenkowski	Watkins
Moakley	Roth	Waxman
Molinari	Roukema	Weaver
Mollohan	Roybal	Weber (MN)
Montgomery	Russo	Weber (OH)
Moore	Sabo	Weiss
Moorhead	Savage	White
Morrison	Sawyer	Whitehurst
Mottl	Scheuer	Whitley
Murphy	Schneider	Whittaker
Murtha	Schroeder	Whitten
Myers	Schulze	Williams (MT)
Napier	Schumer	Williams (OH)
Natcher	Seiberling	Wilson
Neal	Sensenbrenner	Wirth
Nelligan	Shamansky	Wolf
Nelson	Sharp	Wolpe
Nichols	Shaw	Wortley
Nowak	Shelby	Wright
O'Brien	Simon	Wyden
Oakar	Skeen	Wylie
Oberstar	Skelton	Yates
Obey	Smith (AL)	Yatron
Ottinger	Smith (IA)	Young (FL)
Panetta	Smith (NE)	Young (MO)
Parris	Smith (NJ)	Zablocki
Pashayan	Smith (PA)	Zeferetti
Patman	Snowe	
Patterson	Snyder	

NAYS—59

Anderson	Edwards (OK)	McDonald
Ashbrook	Erlenborn	McGrath
Atkinson	Fields	Oxley
Badham	Frenzel	Paul
Bailey (MO)	Goodling	Ritter
Bevill	Grisham	Roberts (SD)
Butler	Hansen (ID)	Robinson
Carman	Hartnett	Rousselot
Cheney	Hopkins	Rudd
Collins (TX)	Jeffries	Shumway
Conable	Johnston	Shuster
Courter	Kemp	Siljander
Craig	Kindness	Smith (OR)
Crane, Daniel	Kramer	Solomon
Crane, Philip	Latta	Staton
Daniel, Dan	Lee	Stump
Daniel, R. W.	Lent	Thomas
Dannemeyer	Loeffler	Walker
Derwinski	Lungren	Young (AK)
Dreier	Martin (IL)	

NOT VOTING—26

AuCoin	Ford (TN)	Marks
Bafalis	Garcia	Moffett
Beard	Ginn	Rhodes
Brown (OH)	Hall (OH)	Richmond
Clay	Heckler	Rosenthal
Conyers	Ireland	Santini
Dornan	Jones (TN)	Shannon
Ertel	Long (MD)	Winn
Ford (MI)	Lowery (CA)	

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to designate certain lands in Alabama as wilderness, and for other purposes."

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO CHANGE APPOINTMENT OF CONFEREES AND APPOINTMENT OF CONFEREES TO H.R. 4961, MISCELLANEOUS REVENUE ACT OF 1981

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to change the appointment of conferees from the Committee on Energy and Commerce for the consideration of section 395 of the Senate amendment to the bill (H.R. 4961) to make miscellaneous changes in the tax laws, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and, without objection, appoints the following conferees solely for consideration of section 395 of the Senate amendment to H.R. 4961 and modifications thereof committed to conference, in lieu of Messrs. DINGELL, WAXMAN, SCHEUER, BROYHILL, and MADIGAN:

Messrs. DINGELL, WIRTH, and BROYHILL.

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SPACE SCIENCE AND APPLICATIONS OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. FLIPPO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Space Science and Applications of the Committee on Science and Technology be permitted to sit today while the House is in session. There will be no markup, and this is for the purpose of taking testimony only.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

JOB TRAINING PARTNERSHIP ACT

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 527 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 527

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 3, rule XIII to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5320) to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waive. It shall be in order to consider amendments to the table of contents of said substitute at any time while said substitute is being considered for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 5320, the House shall proceed, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to the consideration of the bill, S. 2036, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 5320 as passed by the House.

□ 1145

The SPEAKER pro tempore. The gentlewoman from New York (Mrs. CHISHOLM) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, for purposes of debate only, I yield the customery 30 minutes to the gentleman from Missouri (Mr. TAYLOR), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 527 provides for the consideration of the bill H.R. 5320, the Job Training Partnership Act, to establish a community public-private training and employment assistance system and to provide employment and training services.

This is an open rule, Mr. Speaker, providing for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor. The rule provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment

under the 5-minute rule. The resolution also provides that the substitute shall be read for amendment by titles instead of by sections and each title shall be considered as having been read. In addition, the rule allows for the consideration of amendments to the table of contents of the substitute at any time during consideration under the 5-minute rule, and, provides for one motion to recommit with or without instructions.

The rule waives points of order against consideration of H.R. 5320 for failure to comply with the provisions of House rule XIII, clause 3, which requires committee reports to include a description of changes in existing law. The bill repeals the entire CETA statute, and the committee has indicated that it would have been too costly to include the entire text of the statute in the report.

In addition, the rule waives all points of order against the substitute for failure to comply with the provisions of clause 5, rule XXI, which prohibits appropriations in a legislative bill. Although the bill does not make any new appropriations, the waiver is necessary because of two provisions in the bill which authorize the Secretary of Labor and the Chairman of a National Commission on Employment and Productivity, to be established by the legislation, to accept and dispose of charitable donations, gifts or bequests in a manner consistent with the purposes of the legislation. In addition, title 5 of the bill includes an amendment to the Wagner-Peyser Act which could result in the Secretary reallocating already appropriated funds. Under the rules of the House these provisions would be subject to a point of order, if not for the waiver.

Following passage of H.R. 5320, the rule provides that the House shall proceed to consideration of the bill, S. 2036, and that it shall be in order to move to strike out all after the enacting clause of the Senate bill and insert the provisions of H.R. 5320 as passed by the House. The rule waives section 402(a) of the Congressional Budget Act against consideration of S. 2036; section 402(a) requires that legislation containing new budget authority for a fiscal year be reported by May 15 of the preceding fiscal year. Since several provisions of S. 2036 authorize appropriations with no effective date, those provisions could be construed to authorize new budget authority for the current fiscal year which were not reported by May 15, 1981; thus, the waiver is necessary.

Mr. Speaker, H.R. 5320 would replace the expiring Comprehensive Employment and Training Act, authorizing $5.4 billion for fiscal year 1983 and such sums as may be necessary for each succeeding fiscal year for employment and training services for the disadvantaged and displaced workers, for the Job Corps, and for other national programs. The committee has sought to improve upon the experiences of the CETA program, retaining some of its major components, such as the prime sponsor system, but placing more emphasis on the need to make the private sector a full partner in the design and implementation of all employment and training programs. The committee has also stressed the importance of stemming the deplorable situation of unemployed youth by continuing the Job Corps and including programs which place emphasis on preemployment skills, training, entry employment experience, and school-to-work transition assistance. A new program is authorized by the legislation which is targeted to serve skilled workers who are displaced from their jobs by plant closures or permanent reductions in force.

Mr. Speaker, at a time when we are facing debilitating unemployment in this country, it is vital that the House act swiftly on this legislation as one step in attempting to come to grips with a problem that is draining the great human potential of this Nation and devastating the lives of millions of Americans. I urge my colleagues to adopt House Resolution 527, so that we might proceed to the consideration of H.R. 5320.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may require.

Mr. TAYLOR. Mr. Speaker, House Resolution 527 is an open rule under which the House will consider legislation to repeal the Comprehensive Employment and Training Act (CETA) and to establish a new program to teach job skills to our Nation's unemployed.

As the gentlelady from New York (Mrs. CHISHOLM) has explained, this rule does include waivers of points of order against our consideration of H.R. 5320, which is known as the Job Training Partnership Act. The first waiver is of clause 3 of rule XII, the Ramseyer rule. This is necessary because the text of CETA, which is repealed by the bill, was not printed by the Committee on Education and Labor in its committee report.

The rule provides for 2 hours of general debate, to be equally divided, and makes in order an Education and Labor Committee substitute as an original bill for the purpose of amendment under the 5-minute rule. The committee substitute will be read by titles instead of by sections, with each title considered as read. The rule also waives clause 5 of rule XXI against our consideration of the committee substitute. This waiver is provided because three sections of the substitute constitute appropriations in a legislative bill.

In addition, Mr. Speaker, the rule makes in order amendments to the table of contents of the substitute at any time during consideration of amendments to the substitute. One motion to recommit with or without instructions is also provided for.

Finally, the rule makes in order our consideration of S. 2036, a similar Senate passed bill, after passage of H.R. 5320. A waiver of section 402(a) of the Budget Act is provided so that the House can take up the Senate bill. This waiver is necessary because the Senate bill provides new budget authority and was not reported prior to May 15.

The legislation made in order by this rule has bipartisan support from the members of the Committee on Education and Labor, and represents a major improvement—some would say an historic improvement—over the old CETA program. The bill is described as a true job training measure and not a public works job creation bill for local governments.

The bill authorized appropriations of $5.4 billion in fiscal 1983, and such sums as may be necessary in the future. Of the $5.4 billion total, $3.5 billion is for employment and training programs for our economically disadvantaged, $1 billion is for employment and training assistance for displaced workers, $250 million is national employment and training programs, and $650 million is for the Job Corps.

The new, more efficient job training system envisioned in H.R. 5320 will concentrate on providing training—from remedial reading and writing to advance technical instruction—to those who lack the skills to find work in the private sector of our economy.

Mr. Speaker, this bill is not entirely without controversy, however, and I do want to call to the attention of the Members that amendments will be offered to correct those features opposed by the Republican members of the committee and also by the administration.

The most prominent among these are the overall cost, the payment of wages and stipends, the relatively minor role assigned to the States, and several labor standards provisions.

Since this is an open rule, allowing for any and all germane amendments. I urge the House to adopt the rule so that we may consider the bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. CHISHOLM. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5320) to estab-

lish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentlewoman from New York (Ms. FERRARO) as chairman of the Committee of the Whole and requests the gentleman from California (Mr. BEILENSON) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5320, with Mr. BEILENSON, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. HAWKINS) will be recognized for 1 hour, and the gentleman from Vermont (Mr. JEFFORDS) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. HAWKINS).

□ 1200

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Job Training Partnership Act provides this House the first opportunity to address directly our most serious domestic problem—widspread and persistent unemployment. In other recent measures such as the housing and defense proposals, employment was only a secondary consideration. While critically important to relieve real distress, extended unemployment insurance and other benefit programs address only the effects of severe joblessness. By providing skill training and employment assistance to enable unskilled workers to compete in the labor force and by retraining displaced experienced workers, this bill will directly assist minority youth, laid-off autoworkers, older workers, women, and veterans alike to obtain permanent private sector jobs.

The Job Training Partnership Act is not offered as a cure-all for pervasive unemployment. It is but one step in a comprehensive overall policy to put Americans to work and meet our national objectives. This bill is not a job creation bill—it is a training bill. Public service employment is not included in this proposal. Other job creating measures in the public and private sectors as well as monetary and fiscal policies designed to foster economic growth must be undertaken in conjunction with this job training proposal.

Mr. Chairman, no issue more clearly impacts on the Nation's capacity for economic growth than the ability of its work force to meet the needs of a changing economy. It has been estimated that fully half of the office and factory jobs will be replaced or significantly altered by the end of the century. The changes and contractions now being experienced in our industrial base due to changing demand, technology and international competition will have ramifications for the labor force which will be more far-reaching than any event since the Industrial Revolution.

H.R. 5320 is a complete replacement for the Comprehensive Employment and Training Act which expires at the end of this fiscal year. The bill reflects the lessons learned from our national employment and training initiatives since the Manpower Development and Training Act was enacted in 1962. The new proposal provides a comprehensive and flexible framework for addressing the two most critical problems in the labor force: unskilled, inexperienced, economically disadvantaged, individuals and skilled workers who have become displaced because of changing technology, imports or structural changes in the economy.

In an economy which is increasingly measured by microchips, unskilled, economically disadvantaged individuals find fewer opportunities in the decreasing number of jobs which do not require technical competence or specific skills. A reading of the classified ads for computer technicians, nurses, mechanics and other specialists will illustrate this gap. The social and economic costs of joblessness among this segment of the labor force are well documented.

The second group is made up of the growing phenomenon of displaced workers: workers who have many years of attachment to the labor force but who find themselves unemployed as structural changes in the economy decrease demand for their particular skills or for the industries which have employed them for their working careers. The Congressional Budget Office estimates that approximately 1.2 million workers are unemployed workers from declining occupations. This estimate includes large numbers of older workers who may experience the greatest difficulty in transferring their skills and job tenure to new employment. The tales of autoworkers displaced after 30 years at GM or Chrysler are legion. Similar stories can be told about miners, workers in glass, chemical, rubber, or steel industries. It has been estimated, for example, that the steel industry will lose 100,000 permanent jobs by 1990. The unemployment which results from these dislocations has a lasting impact on the workers, some of whom never recover their economic status, and on their communities which lose the base of their economic support.

The Job Training Partnership Act seeks to build on the experience and accomplishments of the expiring Comprehensive Employment and Training Act while making needed improvements to assure a more effective and responsive job training system. The bill takes major new directions to assure greater effectiveness in preparing individuals for unsubsidized, permanent private sector employment.

First, the proposal provides a comprehensive approach by targeting to both the economically disadvantaged and the displaced worker, by coordinating services among the various education, training, and employment institutions, including vocational education, the Employment Service, and the WIN program, and by strengthening the labor market information services so vital to an effective manpower strategy.

Second, the proposal gives clearly defined and complementary responsibilities to Federal, State, and local governments. Local communities provide training and employment services to individuals based on local economic conditions and the needs of the community; State government performs the vital role of coordinating all employment-related programs in the State, providing labor market information and services to special populations in the State; the Federal Government establishes broad policy and performance guidelines, conducts research, demonstration and evaluation, and administers employment and training services to national target groups including migrants and Indians.

Third, the proposal emphasizes training for private sector jobs by establishing an equal partnership between local government and private business and industry. The equal partnership concept in the committee bill provides continued protection of the public interest while assuring that training and employment services lead to permanent jobs in the private sector.

Fourth, the new approach gives maximum flexibility to local communities to determine the type of services to be provided. Previous categorical programs for the economically disadvantaged are consolidated into a single grant with approximately half of the funds to be used for services to youth. In place of prescriptive Federal requirements dictating how funds should be spent, the new proposal holds recipients accountable for performance by establishing binding performance standards which take into account differing local economic conditions. Future funding is predicated on the ability of local communities

and subcontractors to meet these standards.

The measure before you was developed after intensive review by the Subcommittee on Employment Opportunities and the Committee on Education and Labor. The committee conducted informal seminars, public hearings and site visits to training project for the past 2 years to probe the defects of the present program and develop strong alternatives to assure an effective, stable job training program.

From the outset, this legislation was developed with the participation and cooperation of the minority members of the committee. Many of the outstanding provisions of the bill before you were incorporated from proposals developed by Mr. JEFFORDS, whose support and contributions as ranking minority member of the Employment Opportunities Subcommittee, assured that the bipartisan measure which emerged from committee was the strongest possible response to structural unemployment.

This bill follows a tradition of bipartisan cooperation on job training legislation. Since 1962, when John Kennedy signed the Manpower Development and Training Act, every administration, Republican and Democrat, has recognized the need for a strong Federal mandate to provide job training opportunities to enable unemployed and underemployed workers obtain the skills necessary to compete in a constantly evolving economy. Richard Nixon called the Comprehensive Employment and Training Act of 1973 "one of the finest pieces of legislation to reach my desk."

Unfortunately, the view is not shared by the present administration. This administration would abdicate Federal responsibility for overseeing a job training network and directing a national manpower strategy and would turn over this responsibility to the State governments. It is no mere coincidence that the proposal to give responsibility for job training programs to the States is accompanied by massive reductions in Federal funding for all employment and training efforts: This administration proposed the elimination of the older Americans community service employment program, the elimination of the WIN program for training welfare recipients, the drastic reduction of job-training funds under CETA, and reductions in funding for the Employment Services and for vocational education.

While no administration job-training proposal was introduced in the House, the administration is now opposing the bill carefully crafted by the Education and Labor Committee with bipartisan support. The administration seeks sweeping changes to the House bill which would have the effect of undermining the balanced nature of the committee bill.

The changes which the administration is seeking are: First, eliminate the authorization of $5.4 billion for 1983 funding; second, turn over to the States the Federal responsibility for monitoring and overseeing the administration of the job-training system and give the Governor designation and approval authority over local decisionmaking; third, give private industry the ultimate responsibility and authority to plan and implement the publicly funded job-training programs; fourth, drastically reduce the amount of funding which can be used for supportive services and administrative expenses; and fifth, prohibit the payment of any wages or stipends in connection with these training activities.

I think it is important for my colleagues to understand just how the bill before them addresses the concerns raised by the administration:

First, with respect to funding, the authorization in the committee bill is a ceiling adopted by the committee in recognition of the mandate to cut expenditures while preserving a minimum level necessary to assure the operation of a national job training system. This level of funding is less than half the amount expended in 1979, for example, when the rate of unemployment was only 5.8 percent. The committee recognized that funding for these programs will be determined by the appropriation process, but believed it necessary to provide guidance on the minimum level of funding necessary to allow efficient operation of a national program.

Second, with regard to the State role in job training programs, the committee bill provides a greatly enhanced role for the Governor and the State government in coordinating the job training programs with other employment related programs in the State. The committee believes this is essential to maximize scarce resources and to assure that job training programs are consistent with overall State economic development strategies. The bill also gives the Governor new and substantial responsibility for administering programs of job search assistance, retraining, and other assistance to displaced workers. This will enable the Governor to quickly respond to mass layoffs, plant closures or other major job loss in any area of the State.

Third, with respect to the role of private business, the committee bill creates an equal partnership between local governments and a business-dominated private industry council in each service delivery area. Development of the local job training plan and decisions on how funds will be administered are to be determined jointly. Any effort to shift the balance or responsibility to one party in this public/private partnership will undercut the ability of local communities to develop programs to meet their own peculiar needs.

Fourth, the administration would require that not more than 30 percent of the funds could be used for the costs of administration, supportive services to participants and other employment assistance. The committee bill already reduces the limitation on administrative costs from 20 percent to 15 percent. The committee believed this reduced level will be made possible due to grant consolidation and simplification of administrative procedures. Any further reduction would be fiscally irresponsible and might result in inadequate monitoring of program activities. Further, the bill recognizes that economically disadvantaged individuals need supportive services to enable them to participate in training programs. To deny assistance in the form of child care, transportation costs or other essential services will prevent those most in need from obtaining the training they need to become productive, taxpaying citizens.

Fifth, with respect to wages and allowances, the only wages which are permitted are those provided in connection with a training activity. This bill does not authorize public service employment. As training is targeted to economically disadvantaged individuals, the bill provides for subsistence stipends to enable these individuals to enroll in full-time training activities. The amount of the stipend is determined on the basis of need. CRS estimates that the average per participant stipend will be only $1.32 per hour on the basis of the family-income determination in the bill. Prohibiting the use of funds for allowances or stipends will mean that only those individuals with the means to support themselves and their families will be able to participate in training activities. It will also likely result in more short-term training, when all the evidence points to the increased benefits of longer term training.

In summary, the Job Training Partnership Act is a balanced, bipartisan measure which is designed to relieve presistent and pervasive structural unemployment. It protects Federal funds by assuring that only those in need receive financial assistance while in training and hold recipients accountable for program outcomes, assures active, meaningful participation by the business community and provides a balanced and complimentary relationship among Federal, State and local responsibilities.

I urge my colleagues' support for the committee bill.

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman yield to me?

Mr. HAWKINS. Yes, I yield to the distinguished chairman of the Committee on Education and Labor, the

gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. I thank the gentleman for yielding.

Mr. Chairman, I support H.R. 5323, the Job Training Partnership Act, which the Committee on Education and Labor reported to the House on May 17.

Even though the seriousness of the current depression dictates, in my judgment, a much stronger approach to the problems of rising and continuing unemployment, this bill is absolutely essential. This bill is new legislation which will replace the Comprehensive Employment and Training Act in its entirety when that act expires this September 30.

While it may not be the least we can do, it is probably the best we have the votes to pass. It is a credit to the dedication and able work of the gentleman from California (Mr. HAWKINS) that any legislation dealing with this subject is on the floor of the House today. In this respect, the ranking minority member of the Employment Opportunities Subcommittee, Mr. JEFFORDS, is to be highly commended for his contribution and support.

Unlike the act which this bill would replace, it is designed to provide training opportunities only.

It does not deal with job creation as did its predecessor.

The legislation calls for a greater involvement of private business and local government agencies in the administration and implementation of job training programs. It makes a renewed effort to eliminate the burden of excessive paperwork and redtape. In this and in other respects the legislation represents a significant departure from the provisions of the Comprehensive Employment and Training Act.

In one respect, however, and, I believe this to be truly significant, the legislation reenacts, with little modification, authority for the Job Corps program.

This program is expected to serve approximately 60,000 unemployed young people in fiscal 1983 in about 55 Job Corps centers strategically located throughout the United States.

The Job Corps program has been universally recognized by this administration and by previous administrations as being a truly successful program.

It has been demonstrated to return $1.40 for every dollar expended in its operation. This cost-benefit ratio will undoubtedly increase as the Job Corps annual cost has steadily declined. It did so by one-third between 1968 and 1978. Enrollees in the Job Corps program can look forward to successful placement and employment upon their completion of training.

Job Corps enrollees can expect a higher level of compensation for their services upon completion of Job Corps training than individuals who have not had this experience.

A Job Corps enrollee lacking a high school education can look forward to the acquisition of a GED during his or her stay in the Corps.

Job Corps enrollee placement rates have been shown to be above 90 percent.

I would urge my colleagues to join me in supporting the passage of this important legislation.

Mr. HAWKINS. I thank the gentleman, and I certainly would like to underscore the point made by the gentleman from Kentucky (Mr. PERKINS) that this bill was developed with the participation and cooperation of the minority members of the committee.

Many of the proposals adopted were incorporated from the proposal of the gentleman from Vermont (Mr. JEFFORDS), the ranking minority member of the subcommittee, and I think that we have attempted to create that balance.

□ 1215

Mr. WASHINGTON. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Illinois.

Mr. WASHINGTON. Madam Chairman, I thank the gentleman for yielding, and I want to compliment the gentleman from California for doing an excellent job in giving his leadership on what I consider to be an extremely worthwhile piece of legislation. I also want to commend the chairman of the committee on which I am honored to sit, and particularly the minority spokesman, Representative JEFFORDS, who gave bipartisan support to working out what I consider to be an excellent piece of legislation.

Madam Chairman, the purposes of H.R. 5320, the Job Training Partnership Act, are to increase the productive capacity and utilization of the Nation's labor force, to enhance job skills of unemployed and underemployed individuals—including dislocated workers—to assist communities experiencing high rates of unemployment, and to establish a community-based employment and training system built on a partnership between State and local governments and the private sector.

The U.S. Department of Labor states that the overall jobless rate was 9.5 percent in June, the same as in May and little different from April's 9.4-percent rate. This means that the number of unemployed workers in June 1982 was 10.4 million. Rates for white, black, and Hispanic workers were little different from those in May: However, the rate for black teenagers was at a high of 52.6 percent. Unemployment levels for white workers last month were 8.4 percent: However, the rate of black unemployed workers were more than twice that number, a whopping 18.5 percent.

A few months ago, President Reagan told us that if more people answered the pages and pages of help wanted advertisements he reads in his newspaper, there would not be so many people out of work. However, a study undertaken at the Massachusetts Institute of Technology pointed out that with an unemployment rate of 9 percent, the number of unemployed persons almost certainly far exceeds the number of open slots. Based on the relationship between the unemployment rate and the job vacancy rate, there currently are no more than 1 million jobs vacant in all sectors of our economy, that is, the number of unemployed persons most likely exceeds the number of vacant jobs by a factor of 10 or more. Additionally, in Chicago, according to the Illinois Bureau of Employment Security, the April help-wanted advertising index level fell to 44, the lowest point reached in the last 10 years—and graphic evidence of an extreme dearth of local job openings. For the period ending in April 1981 the Chicago area job service had registered some 60,000 job openings. A year later, however, the comparable level had deteriorated to 28,000.

President Reagan would also have us to believe that unemployment is not as much recession as it is the increase of women in the job market. He did not make a distinction between the types of jobs women hold and the salaries they are paid for these jobs, as opposed to what men do and earn. Most of the jobs women hold are in the service industries—cooks, waitresses, and sales—jobs where the recession does not so readily affect as in factories, construction industries, and auto plants.

This administration has pointedly misled us about the real employment picture. The President, in April of this year, told a group of schoolchildren in my State that unemployment had actually fallen in March when, in fact, the jobless rate in March was 9 percent—that meant that 9.9 million workers were out of jobs.

In May, we were told by the administration that by late spring or early summer, we could look for signs of economic recovery. It is now the end of July and there are no signs of a weakening recession.

My State, Illinois, one of the 10 largest States in the Nation, has the third highest unemployment rate. As of June 1982, the jobless level was 11.7 percent—up 3.2 percent from 1 year ago.

I represent a district in Chicago where the overall unemployment rate is 9.5 percent: And the jobless rate for black teenagers is a staggering 54.7 percent.

We must come up with workable solutions. The creation of a full employment economy is the only real solu-

tion. The inability, or rather the reluctance, of policymakers to move toward this goal is a source of shame for this, the richest Nation in the world. To be one of the most powerful, the most developed countries in the world, the United States is behind other countries in developing an employment policy to put its people to work.

Unemployment, of course, disproportionately affects this Nation's blacks and other minorities. For instance, black workers represent only about 10 percent of the population, but they account for over 20 percent of the unemployed. Black males have experienced greater losses in labor activity than any other group in our society since the end of World War II. In fact, thousands of young black men enlist in the U.S. armed services hoping to earn money and complete their schooling while there. Even this quest for jobs and independence has not produced expected results for them. Many find they lack the aptitude for assignment to certain skilled training courses while others find these programs filled. Far too many of these young men receive discharges other than honorable which further prevents them from finding gainful employment or from taking advantage of veterans educational benefits once they reenter civilian life.

Young black women, a lot of them single parents, have found the job market closed to them, too. Many because this Nation has not provided decent, low-cost day care centers where their children would be well taken care of while they work.

The public educational system has failed in preparing our young people for work. Our youth are graduating without having learned how to read or write, much less filling out employment applications or writing job résumés.

The highest employers are small businesses. But they cannot do it alone—there are not enough of them in our communities. The larger firms have moved out from the inner cities, many of them into suburban areas where transportation to the jobs is practically nonexistent. The unemployed urban dwellers are looking to the same deteriorating urban areas for jobs. We must do something—because people want to work.

Last year, President Reagan proposed to phase out the Comprehensive Employment Training Act (CETA). CETA was mainly public service employment that provided job training and jobs for poverty-level people and secured summer jobs for many youth. Many people criticized the CETA and said it was shortsighted, that it provided menial paying jobs with little chances of mobility. But it was a program that, at least, kept many youths our of trouble in the summer, and in school during the fall. It gave hope to those who had been without jobs for some time.

There also were success stories of providing adequate training to assure job mobility, and motivating many young people to seek higher education. CETA did work. The National Council on Employment Policy, in its 1981 analysis of CETA participants, reports that "dollar for dollar, CETA's benefits exceed the taxpayer's cost for the Federal employment and training programs."

Every $1 invested in on-the-job training returned $2.28; every $1 invested in job corps returned $1.45; and every $1 spent on classroom training returned $1.38.

CETA did work. Nevertheless, it is expiring fast and we need something else. We need a program that will pull the only two largest single employers together—the public sector and the private sector. We now have the Job Training Partnership Act which not only can replace CETA, but promises to surpass CETA in overall effectiveness.

This act, H.R. 5320, provides that together the public and private sectors develop program plans for job training activities and employment assistance. Each State must have a plan, submitted by the Governor, with established criteria for coordinating activities under this act with programs and services provided by the State and local education and training agencies, public assistance agencies, the employment service, rehabilitation agencies, State postsecondary institutions, economic development organizations and agencies, and agencies determined by the Governor to have an interest in employment and training and human resource revitalization.

Many of those participating in this program, depending on eligibility and need, will receive a subsistence stipend to cover extra costs of transportation, meals, equipment, and child care, necessary for participating. Incentive rewards such as lump-sum payments, tools and equipment, and scholarships may be provided for completion of training activities, achievement of competencies, self-placement at the completion of services, and other constructive attainments.

The Job Training Partnership Act provides disadvantaged individuals job training and education, and offers disadvantaged inschool and out-of-school youths the opportunity to develop employability skills. Similar provisions are made for adults 22 years of age and older. Youths between the ages of 16 to 21 either in shcool or out of school can participate in the program which includes up to 200 hours of preemployment skills training; entry employment experiences, remedial education, and school-to-work transition aid.

This act establishes as a first priority, preemployment skills training for youths aged 14 to 19 who do not meet established levels of academic achievement but who plan to enter the labor market after leaving school. All eligible youths may participate in summer employment at minimum wages.

There is a separate program for workers who have become involuntarily unemployed with little prospect for reemployent in finding alternative employment, and for workers in declining occupations to become retrained for work in demand occupations.

Other employment and training programs established under this act for the Native American Indians, Alaskan Natives, Hawaiian Native communities, and migrant and seasonal farmworkers.

Discretionary funds are reserved for the purpose of providing immediate assistance to States for designated enterprise zones or areas affected by such circumstances as high unemployment, mass layoffs or natural disasters.

Job Corps, and independent program within the U.S. Department of Labor, is to be operated on a national basis to assist economically disadvantaged young persons who need and can benefit from the uniquely intensive Job Corps activities.

All in all, the Job Training Partnership Act, H.R. 5320, will provide training for emerging (new) occupations: Provide employment services to assist the jobless in finding unsubsidized employment in the private sector, and will increase employment opportunities for the unemployed who cannot obtain unsubsidized employment.

With the cuts in Outreach programs such as WIC and VISTA that aided in preparing people for jobs, there is an overriding need for a comprehensive, workable and realistic job training and education program. H.R. 5320, the Job Training Partnership Act, will do the job of providing jobs.

ILLINOIS STATE BOARD OF EDUCATION,
Springfield, Ill., July 27, 1982.

Hon. HAROLD WASHINGTON,
U.S. Representative,
Washington D.C.

The Illinois State Board of Education appreciates the work Congressman Hawkins and you have done on new legislation for the Job Training Partnership Act, and, in particular, the support for education. We urge you to continue the support of H.R. 5320 when it comes to the floor.

DONALD G. GILL,
Illinois State Superintendent of Education.

NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION,
July 29, 1982.

DEAR REPRESENTATIVE: The House will soon consider H.R. 5320, the "Job Training Partnership Act." As representatives of state level education leaders, we strongly urge you to support this bill. We have carefully followed legislative activity in the area

of training for employment throughout the 97th Congress and have been repeatedly impressed by Committee efforts that have been conducted in the true spirit of bipartisan cooperation that this critical topic deserves. The result has been a truly impressive bill that will be of great benefit to the nation.

H.R. 5320 as reported by the Education and Labor Committee includes provisions which will ensure that the education system of the country is an effective partner in the work of helping young people become employable. These provisions, which preserve the focus of the bill on training for employment, resulted from bipartisan Committee cooperation with the education community. We feel that they strengthen the bill and strongly urge you to ensure that they are unchanged when the bill is considered on the floor.

Further, we believe that the structure of the employment and training program envisioned in H.R. 5320 will ensure that needed services are delivered under local control at reasonable cost.

We therefore join with all those who want the country to have a sensible employment policy in urging you to support H.R. 5320 as reported by the Committee.

Sincerely yours,

WILLIAM F. PIERCE,
Executive Director,
Council of Chief State School Officers.
PHYLLIS L. BLAUNSTEIN,
Executive Director, National Association of State Boards of Education.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
July 29, 1982.

To: All Members of the U.S. House of Representatives.

From: Arthur J. Fellwock, National Commander-in-Chief, Veterans of Foreign Wars of the United States.

Subject: The Edgar-Heckler Amendment to H.R. 5320.

When H.R. 5320, the "Job Training Partnership Act," is brought to the floor for consideration, Mr. Edgar and Mrs. Heckler will offer an amendment to set-aside 0.4 percent of the amount available under Title II, or approximately $14 million, to fund a National Employment Assistance Program for veterans which would be consistent with action already taken by the Senate.

Vietnam-era veterans continue to suffer an inordinately high unemployment rate as compared to their non-veteran peers. In the case of disabled veterans, the unemployment rate has been estimated to be as much as 60 percent. Our veterans, who have rendered a very special service to our nation, fully deserve special consideration in employment program.

In view of the foregoing, and on behalf of the not only 1.9 million men and women of the Veterans of Foreign Wars, but all veterans and disabled veterans, I urge you in the strongest possible terms to support and vote for the Edgar-Heckler Amendment.

Sincerely,

ARTHUR J. FELLWOCK,
National Commander-in-Chief.

THE COUNCIL OF THE GREAT CITY SCHOOLS,
Washington, D.C., August 2, 1982.

Hon. HAROLD WASHINGTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WASHINGTON: The Council of the Great City Schools, a coalition of the nation's largest urban school systems—including the system in your district, is writing to express its support for H.R. 5320, the Job Training Partnership Act. This new legislation which is designed to replace the expiring Comprehensive Employment and Training Act (CETA) is expected on the Floor of the House this week.

This proposed legislation has many new and attractive features that should enhance employment training for both youth and adults. Half of the funds authorized for the program are to be used for youth 21 years old or younger. The measure also contains a strong local emphasis and stresses the importance of cooperation with the private sector. The Council is also pleased that the proposal emphasizes the delivery of basic skills training, and provides an avenue for the continuation of some previously funded and effective youth projects.

We expect that there will be a series of amendments to this bill to weaken its basic structure. We understand that the Administration will propose amendments to increase the authority of the states and the private industry councils. We oppose these amendments because the governance structure of the legislation has been carefully crafted with the input of many diverse groups. These new amendments would seriously alter that structure.

The Council hardly needs to underscore the serious problem that unemployment is in our cities. In Chicago, the overall rate of youth unemployment is 24 percent and the rate for minority youth is 53 percent. We think that the new legislation will be a strong and positive step to alleviate this problem.

If there are specific questions about the bill that you have, please feel free to give us a call. Thank you very much for your continued support.

Sincerely,

MICHAEL D. CASSERLY,
Legislative and Research Associate.

BOARD OF COMMISSIONERS,
COUNTY OF ST. CLAIR, MICH.,
Port Huron, Mich., July 21, 1982.

Representative HAROLD WASHINGTON,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE WASHINGTON: After reviewing the various bills proposed to replace the Comprehensive Employment and Training Act, I have concluded that the bipartisan H.R. 5320 is the most effective approach to national employment and training policies and problems.

In consideration of this legislation, I am asking that you support this bill and those amendments proposed by the committee or subcommittee chairmen. Conversely, I am asking that you oppose those amendments that they oppose.

Specifically, I oppose any further changes in the delivery system, i.e., population size and power structure.

Thank you for assistance in passing legislation that will be helpful in strengthening the economy of our community.

JOHN W. HURLEY,
Chairman, St. Clair County Board of Commissioners.

AMERICAN VOCATIONAL ASSOCIATION,
Arlington, Va., July 23, 1982.

DEAR MEMBER OF CONGRESS: H.R. 5320, the "Job Training Partnership Act," will soon be on the floor of the House. This legislation is important to Vocational Education programs in every community of our nation. It has the complete and enthusiastic support of the American Vocational Association and its state and local affiliates in every state.

This bi-partisan bill developed by Congressman Hawkins (D-CA) and Congressman Jeffords (R-VT) provides for a strong partnership among education agencies and institutions, Private Industry Councils representing private employers, and units of local government. This partnership will strengthen the capability of vocational education agencies and institutions to provide the education and training needed for disadvantaged youth and adults to become employed.

The education components of this bill have been deliberately structured to enhance the involvement of education agencies and institutions at the local and state level in the delivery of services to disadvantaged individuals. We believe this will greatly improve their employability. The AVA is supportive of the education components contained in H.R. 5320.

We in the American Vocational Association hope you will support, and vote for H.R. 5320. If we can assist you in any way, please let me know.

Sincerely yours,

GENE BOTTOMS,
Executive Director.

NATIONAL ASSOCIATION OF COUNTIES,
Washington D.C., July 26, 1982.

Hon. HAROLD WASHINGTON,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN WASHINGTON: The National Association of Counties urges you to support the Job Training Partnership Act, H.R. 5320, which is scheduled to come to the floor of the House of Representatives on Wednesday, July 28. H.R. 5320 is a bipartisan proposal to replace CETA with a results-oriented, public-private cooperative job training system. Private industry councils would have an equal voice with local governments in designing training programs geared to the jobs available in particular communities. We urge you to support this vital legislation and to follow the lead of Chairmen Carl Perkins (D-KY) and Augustus Hawkins (D-CA) on floor amendments.

We understand that Representative John N. Erlenborn (R-IL) is considering the introduction of an amendment or amendments that would shift control of the program and funds from the local public-private partnership to the state and that would tip the balance of the local public-private partnership to the private industry council. NACo strongly opposes both changes. First, business groups said repeatedly in testimony that they prefer to work with local officials. If we are to develop a successful public-private partnership for job training, the funds and authority must go directly to the local partners, not through a state middle-man, picking up additional red tape along the way. Moreover, strengthening the state role tends to undercut the strong federal supervision which has been so significant in this area. Second, H.R. 5320 was carefully crafted in committee to give business and local government equal authority over programs. We believe that that equal partnership will give local business a real stake in the programs while retaining public accountability for public funds. NACo opposes any amendments that would upset this equal balance.

There is also a possibility that someone will offer an amendment to increase the population cut-off for prime sponsorship.

The administration has circulated an amendment raising the figure to 500,000. That would disenfranchise 332 existing local CETA prime sponsors and private industry councils. Please join us in opposing this or any other change in the population figure. The committee has already compromised on this issue by raising eligibility to 150,000 after a transition period, affecting at least 104 current prime sponsors. I have enclosed a list of the current CETA prime sponsor areas in your state that would be vulnerable if an amendment to raise the population figure even more is offered. Please oppose any increase in the population required for prime sponsorship.

Again, H.R. 5320 is scheduled to come to the floor of the House July 28. Your support is terribly important. Thank you.

Sincerely,

BERNARD F. HILLENBRAND,
Executive Director.

Current CETA prime sponsors with a total population below 500,000—Illinois

Name:	Population
Lake County	440,372
Macon County	131,375
McHenry County	147,724
Rock Island County	165,968
Tazewell County	132,078
Lasalle County	109,139
Rockford Consortium (Boone, city of Rockford, Winnebago)	279,514
Champaign Consortium (Champaign, Ford, Iroquois, Piatt)	233,214
Will/Grundy Consortium	355,042
Sangamon County Consortium (Cass, Sangamon)	191,173
Madison County Consortium (Bond, Madison)	263,895
St. Clair Consortium (Perry, St. Clair, Washington)	305,716
Peoria Consortium (Peoria, city of Peoria)	200,466
Shawnee Consortium (Alexander, Johnson, Massac, Pulaski, Union)	63,488
McLean County	119,149
Kane County	278,405

The CHAIRMAN. The gentleman from California (Mr. HAWKINS) has consumed 22 minutes.

Mr. JEFFORDS. Madam Chairman, I yield such time to myself as I may consume.

(Mr. JEFFORDS asked and was given permission to revise and extend his remarks.)

Mr. JEFFORDS. Madam Chairman, first of all I want to commend the majority, and especially the chairman, Mr. HAWKINS of California, for his excellent work here and for the cooperation that we all have seen to bring about a bill that I think can almost be unanimously supported after certain amendments.

It has already been pointed out that CETA has been under attack. There is no question about it. We all got it when we went home, with people saying, "You have got to get rid of that CETA program. Get rid of it, with its waste and abuses.

Those of us that have been involved with this program, know that the attack was against the parts of the program which had come into being subsequent to those aspects which we will be talking about today. The original manpower training program which evolved into CETA was radically changed when the concept of job creation was introduced. It was on that point that the problems with CETA started. When CETA was not focused on training people for jobs but was expanded into a program of creating jobs for people, it then went on to be changed again into backdoor revenue sharing.

If Members examine the criticisms of CETA, it is to those aspects of CETA that the criticism is directed.

What we have for the Members here today is a new bill. We do not call it CETA any longer because that name, because of those problems that it had faced, became so blemished with the difficulties which were associated with those aspects regarding job creating and backdoor revenue sharing. What we have for the Members today is a joint effort to again get back to the essential elements and the purposes of the original training sections; that is, to provide a bill to help people who are the most disadvantaged, with never a chance to fulfill their lives in our society. Second, to work on the serious problems of productivity. It has been a joint effort, a bipartisan effort, a combination of work from business and labor.

I would like to thank Mr. ERLENBORN, the ranking Republican member of our committee, for his help. Congressman GOODLING of Pennsylvania has been helpful regarding the education aspects of the bill. Congressman PETRI, Congresswoman FENWICK, Congressman ERDAHL, Congressman DE NARDIS, Congresswoman ROUKEMA, Congressman PURSELL, Congresswoman SCHNEIDER, Congressman HOLLENBECK, have all worked to try to make this into a bipartisan good work that we all can support.

I also want to take time to commemorate and to remind everyone of the work of our late colleague, John Ashbrook. In spite of the fact that he had a real conservative image and was always very careful and watchful of the taxpayers' dollar he had a real dedicated and concerned interest in employment training, and especially youth employment and training. Prior to his death he spent much time on this bill and did as much as he could to see that we could come forward with a program which would get away from the difficulties of the past and move to the future with the kind of program we need to assist those people who need the help.

Also on the majority side, I have already talked about Congressman HAWKINS; certainly the chairman of the committee, Congressman PERKINS, and also the gentlewoman from New York, Mrs. CHISHOLM, and many others who have been most helpful in bringing about a bipartisan effort.

In addition, the business community has come forward as I have never seen before to assist and to bring forth a partnership program which this bill tries to mold, and I think successfully does. I refer to the National Alliance of Business in particular, the National Association of Manufacturers, the Chamber of Commerce and the National Association of Machine Tool Industry. They have all come forward with constructive ideas to make this a workable program.

In addition, of course, we have had the cooperation of labor, and their involvement here is critical in developing a bipartisan and a joint effort. Education representatives from around the country appeared at hearings and gave us excellent suggestions on how to build the kind of cooperation we need in the educational community to end some of the problems we have had. In particular, I would like to commend the Commissioner of Education Gordon Aurbach for his excellent suggestions. The American Vocational Association, the National Association of Counties and Cities, and the National Governors Association, all worked very hard in the hearing process and markup process to assist in bringing about a good effort. The prime sponsors, the people who are presently delivering the program, along with a new creation of the sections in title 7, must be commended along with the administration. Also, the President this last week gave his personal attention to this bill and urged, along with some amendments, its adoption.

Many hearings have been held around the country. I have traveled, along with Congressman HAWKINS and others, to every corner of this country checking those programs we want to continue in operation, and again I just remind the Members that it is those basic training programs, taking care of the dropouts, the displaced workers, people who have had the most unfortunate times in our society, and giving them a hand up, not just a handout, which is the basic concept we are dealing with. We have to build again the national productivity that we need to get us out of the doldrums we find ourselves in, and increase our ability to compete with our European and Asian competitors.

During the course of our hearings, the first of which was held in my district, the State of Vermont, we heard from about 125 experts in the field of employment and training, including members of the private sector from business and industry, educators, economic development specialists, and program deliverers. The discussions generated during these hearings isolated needed areas of improvement in the present employment and training system.

Nearly everyone acknowledged a need for change, but each suggested a slightly different means by which to achieve such change. There were some pervasive themes throughout the testimony, and it is those which H.R. 5320 addresses. It became critical for the members of the committee to achieve a balance among the issues that were raised.

SCOPE OF THE PROBLEM

When I assumed the position of ranking Republican on the Employment Opportunities Subcommittee in 1978, the unemployment rate was approximately 6.3 percent. In June of this year the overall unemployment rate was 9.5 percent. If this rate continues, a total of about 28 to 30 million people will experience some period of unemployment this year. A 1 percentage point increase in unemployment results in lost revenues to the Federal Government of $25 to $30 billion. In addition, a staggering total of 28.9 million work force participants in 1980 fell short of the minimum full employment standard. That is, they did not earn equivalent of the minimum wage for all hours and weeks they were willing and able to work. Transfer payments frequently supplemented wages, but 3 million members of the full-year work force were counted among the poor.

Youth unemployment provides the most serious long term consequences for our economy. In June 1982, the unemployment rate for all youths was 19.2 percent, with the rate for black youths at 52.6 percent. Recent testimony before the Employment Opportunities Subcommittee documented that "employment and training programs do yield reductions in arrest rates and presumably in criminal activities which lead to arrest." Studies show that a 1-percent increase in the unemployment rate is associated on the average with an approximate 0.15-percent increase in the rate of delinquency. In 1980, 56.6 percent of all violent crime and 73.1 percent of all property crime was committed by individuals under the age of 25.

The unemployment figures for youth between the ages of 16 and 19 continue to be discouraging. For the second quarter of 1982, there were 207,000 discouraged young workers, that is, youth who would seek work if they thought it was available. In metropolitan poverty areas, 44.5 percent of all youth ages 16 through 19 were unemployed, while in nonmetropolitan poverty areas, 50 percent of that same age group was unemployed. To allow this problem to continue relegates an entire generation to low productivity and dependency on the Federal Government. If people remain largely unemployed for the first 10 years of their working life, it is exceedingly difficult for them to develop stable employment patterns. Early joblessness is associated with permanent labor market difficulties, including lower probability of employment in the short term and lower wages throughout the individual's working life resulting frequently in higher social costs.

The resolution of our unemployment problems is in our national interest. Sagging productivity during the 1970's and the decline of our Nation's relative economic growth has taught the dangers of short-term perspectives, inadequate and erratic investments in capital and equipment, and wasteful use of scarce natural resources. The lessons are equally applicable to human resources. The future of the economy and the social fabric depends in great measure on our willingness to initiate and sustain policies which will develop the potential of those who have traditionally been ignored, but who this Nation will need even more in the coming decades to serve as members of our productive work force.

PAST PATTERNS

In the past when the Congress has attempted to structure programs to meet these needs, it failed to specify clearly what accomplishments were expected from an employment and training program. The programs did not have the opportunity to mature or to grow because the necessary stability was absent. Each time the economy changed, the Congress significantly altered the structure and goals of the legislation. The mechanics of gear-shifting, accelerating and braking were all consuming, leaving little time to focus on ultimate destinations. Each change in pace or emphasis heralded a new departure rather than a needed correction. Thomas Jefferson recognized the difficulties associated with change in programs when he wrote in a letter to a friend,

> I am not an advocate for frequent change in laws and institutions, but laws and institutions must go hand-in-hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered, and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times.

Early employment and training initiatives were targeted to structural problems of lagging industries, and areas which had been weakened by a decade of slow growth. As employment growth accelerated in the second half of the 1960's, attention turned to the private sector. By the time private sector oriented programs were geared up, unemployment began to rise rapidly and the pendulum shifted in the opposite direction toward the initiation of countercyclical job creation programs. To become better organized, a comprehensive employment and training system was proposed. Even before this program was in operation, major changes took place and dramatic expansion ensued. Amendments were proposed in 1976, 1977, and 1978 that separated structural and countercyclical public service jobs, added categorical programs, targeted specifically to youth, and linked authorized activities to the private sector. Additional set-asides were included for upgrading and retraining as well as for education-linked activities. Real expenditures throughout all of this upheaval more than doubled between 1976 and 1980, with commensurate problems arising from such pell-mell expansion.

Throughout this turbulent period, training efforts were generally obscured by employment or job generating efforts. Little criticism, though, was focused on the training components that increased self-sufficiency of the disadvantaged and that met the skill needs of the labor force. What did we learn? First that there were some cost benefits where post-program employment and earnings were increased. Every dollar invested in on-the-job training returned $2.28 in social benefits; a dollar spent on Job Corps returned about $1.39 to society; and every dollar spent on classroom training returned $1.14. The gain in post-training earnings was an increase of about $300 per placement. For youth, greater numbers remained in school, thereby improving their overall computational and literacy skills and capabilities.

Further, although work-experience alone has not been shown to improve post-program labor market success, when coupled with classroom training it does. Longer term training enabled participants to achieve measurable and certifiable competencies. Also, we should use existing institutions where available for training rather than maintaining separate structures.

Although the learning process has at times been painful and difficult, there is no question that we have benefited from Federal employment and training programs. As Mr. Lloyd Kelley, acting commissioner of education in Vermont said in his testimony before the Employment Opportunities Subcommittee:

> Let us structure an employment and training system that incorporates the best of what we have learned from yesterday and today, and yet isn't afraid to break new ground tomorrow.

REPUBLICAN TRENDS IN EMPLOYMENT AND TRAINING PROGRAMS

Republicans have had a long history of support for employment and training programs. The focus of Republican backing for these programs, most recently in particular, has been to emphasize a Government role that provides assistance to enable individuals who lack basic skills, who lack job search skills, or who lack occupational skills to become productive members of society. Philosophically, Republicans believe that such assistance, cou-

pled with sound economic policy, is the best means by which individuals can separate themselves from dependency on Government assistance. To Republicans, manpower programs translate into training programs.

A Republican initative during a Republican administration resulted in the initial passage of the Comprehensive Employment and Training Act (CETA) in 1973. As designed, CETA provided a flexible, locally oriented structure to provide training which best fit the needs of the local community and the needs of the unemployed. Unfortunately, since 1973 CETA has not been allowed to function in this manner. Rather, CETA became the lightening rod to solve all of the Nation's unemployment problems.

Republicans have always maintained that Government job creation public service jobs, are not the best means by which to resolve unemployment problems. They do not believe that such jobs are effective in addressing the needs of the long-term unemployed. Public service employment overshadowed and nearly destroyed the ability of local officials to target training programs to those who truly needed the services.

In 1977, Republicans supported efforts to target remedial education and training to young people in the belief that the sooner the problem of skill deficiencies is addressed, the greater the long term benefit. Even this effort was subsumed by the public service employment push.

Throughout the course of the legislative history of these programs, the Republicans have been instrumental in attempting to direct manpower programs toward training. As an example of these efforts, the Republicans were successful in redirecting public service employment dollars into training in the 1978 CETA amendments. Also, the youth training programs contained a component requiring a 22 percent setaside of funds for cooperative training efforts with education programs—again a Republican initiative.

Another Republican thrust which left an impression on training programs was the private sector initiative in 1978. Too much emphasis had been placed on jobs in the public sector. If the intended outcome of training was an unsubsidized job in the private sector, then the private sector should have an avenue for involvement in the programs. There had to be a way to encourage the private sector to hire those who needed job development, to know what kind of training would meet the industries' needs, and to have a training program so that the end result was a worker that industry wanted to hire. The private sector initiative provided such a vehicle, albeit a modest beginning.

Finally, in 1980, the Republicans worked hard to enact a comprehensive approach to youth unemployment problems in an effort to carefully coordinate education and training programs for disadvantaged youth. With substantial Republican amendments, the bill linked education in a unique way. It expanded on proven past efforts and eliminated ineffective programs. Despite all efforts, time ran out on the 96th Congress, and, although the House adopted the bill, no similar action was achieved by the Senate.

Republicans have shown great consistency throughout the history of manpower programs. Except for public service employment, training issues are essentially nonpartisan. Republicans favor fewer categorical divisions; they favor local definition of the program and less Federal direction; they support early intervention for youth to either discourage dropouts or to support a substantive attachment to the labor force early on; and they advocate programs that more participants into unsubsidized private sector jobs to the maximum extent possible.

Republicans are not lessening their support for employment and training programs by urging that the Congress refocus the legislation to make it more effective. The foundation for this refocusing is the lessons learned from previous programs. H.R. 5320 incorporates many of these lessons learned. The bill has been constructed through evolutionary, incremental steps. There are some provisions that the Republicans on the Education and Labor Committee would have proposed differently, but a recognition of the need for compromise and bipartisanship has enabled the committee to reach the House floor with this bill. Because floor action is another step in the legislative process, amendments will be offered by the Republicans in an effort to bring the bill's provisions closer to those historically supported by the Republicans.

BASIS OF REPUBLICAN SUPPORT FOR H.R. 5320

House bill 5320, as reported out of the Education and Labor Committee represents a far cry from the previously authorized employment and training programs. The committee examined carefully the needs of a new structure for Federal employment and training programs, while seeking to avoid the main causes of abuse and failure in CETA. The provisions of H.R. 5320, include many factors that were sorely missing in previous legislation, and that are essential to Republican support of the bill.

There are many provisions of the bill that the Republicans helped to formulate, and can therefore support in substance. These provisions include:

A greater focus on training: As originally introduced, this bill contained provisions that allowed for wage subsidization in the public sector and for countercyclical job creation. Through the efforts of the Republicans, these provisions were eliminated. The Republicans believe that this bill must remain true to its intent, as a training measure, not a job creation or public service employment bill. Much of what people criticized about the previous employment and training programs centered on the public service employment programs. Although there is current data that suggest that the criticisms of these programs were not as warranted as originally thought, these programs continue to be perceived as fraught with fraud and abuse, supplanting rather than supplementing job training programs, and susceptible to political manipulation.

Clearly, we cannot allow anew Federal employment and training initiative to be burdened with the problems of the past. Indeed, we have not. One activity that continues to be allowed in this bill is work experience, both in the private and public sector, with a preference for the private sector. Work experience is not public service employment. Instead it provides a means by which program participants who are semiskilled or unskilled, with no prior or substantial work history, can hold short-term—usually 6 to 12 weeks—or part-time work assignments to gain hands-on experience and develop work habits, skills, and attitudes. This type of activity should be offered in tandem with either remedial education or occupational training, and should be in preparation for on-the-job training, additional occupational skill training, or placement into unsubsidized jobs. Work experience is not a long-term intervention, and cannot be used as a means by which individuals are placed at a work site indefinitely at the expense of this program. The outcome is to provide an initial attachment to the labor force that will enable the participants to improve their employability capabilities and work history. I am confident that work experience will continue to be viewed in this manner, and that future regulations that are developed regarding this activity will support this purpose.

A deemphasis on income maintenance: H.R. 5320 contains a needs indexed allowance system. Prior to this bill, all program participants were eligible to receive minimum wage payments for participation in the programs. Obviously this provision diverted substantial portions of the available funds away from training. By turning to a needs-based allowance system, only when assistance is necessary to enable an individual to participate in the program will such assistance be given. Through this provision it is estimated that at least 20 percent more individuals can be served in the program. Coupled with an amendment to specify the percentage of funds that must be directed toward the provision

of training, this bill clearly represents a strong training effort on the part of the Federal Government.

A strong participatory role for the private sector: Until now, the role of the private sector in employment and training programs has been advisory. If the expected outcome of these programs in placement in unsubsidized jobs, then this role must change accordingly. As a recent GAO report (June 14, 1982) concluded, "links between business, industry, and CETA should be stronger." H.R. 5320 carves out a partnership role for the private sector that none of us imagined possible 4 years ago when we first authorized the private sector initiative program. This role includes: Approval authority of the plan by the Private Industry Council; majority representation of business and industry on the Private Industry Council with the initial chairperson coming from this majority; nomination of the business and industry representatives by general purpose business organizations; consolidation of all previously required councils into the Private Industry Council; and joint designation with the prime sponsor of the administrative entity to carry out the programs. There is no doubt that without an enlarged role for the private sector, placement of program participants into unsubsidized jobs will be difficult to achieve.

A local focus directed toward labor market areas: Employment and training programs cannot be structured solely on the basis of population numbers. These programs must take into consideration the economic, business and institutional factors of an area. This is not to say that such programs should not be accessible to as many individuals as possible, but rather to say that the administrative structure associated with these programs must take these factors into account. Support for training programs must come from all segments of the community. If too many service deliverers depend on the same public and private resources for support, the effort becomes divisive. Training efforts must focus on the labor market demands. By structuring employment and training programs around labor market area concepts, all of the factors in an area that effect employment and training will be considered and greater support can be obtained for such efforts.

A clearer delineation of the roles of the Federal, State, and local governments: Most important to this bill is the increased role of the State. Although the bill, in its present form, does not enhance greatly the State role, it does focus on what is perceived to be the greatest strength of a State role, that of coordination. Many employment and training programs are already structured and administered through the States. Without coordination of this program with others that are complementary to it, we can expect only duplication and waste of effort, services, and scarce resources. This bill requires structural coordination among State agencies that have responsibility for employment and training programs in order to avoid such duplication and waste. The bill also requires that plans for employment service programs be developed in conjunction with these programs. Additionally, if plans for these programs do not mesh with the overall coordination and special services plan of the State, the plans will not be certified at the State level and these comments accompany the plans to the Secretary of Labor for consideration in the approval process.

A strengthening of the youth program provisions: Republicans have historically supported programs that meshed remedial education with training, and provided opportunities for disadvantaged youth who remained in an education program to experience their first jobs. The youth provisions in this bill expand upon what we have learned from previous youth programs. The programs provide a developmental approach to the alternatives available for use in youth programs. There is a strong education thrust incorporated in this bill, that at both the State level and at the service delivery level requires coordination between education providers and the training programs targeted at disadvantaged youths.

A related strength of this bill is the provision for youth try out employment. Historically, the private sector has been reluctant to hire disadvantaged youth. Small business in particular cannot afford to absorb the extra costs of training less than productive workers. Yet the importance of early work experience has been documented. The provisions in this bill will allow local planners the option of subsidizing early work experience for disadvantaged youth, with protections against abuse, in combination with remedial education and training services. The net result will be increased work opportunities for youths, a more complete range of services, and low-risk opportunity for private employers to become acquainted with public training activities.

Much of the training that prepares youth and adults for entry into the job market is provided through the local education agencies. Employers often state that what they need are employees who possess basic reading, writing, and computational skills. This bill incorporates a strong, yet appropriate role for education. Twenty percent of the funds received by the State may be used for assistance to State education agencies to facilitate structural coordination within training activities. Additionally, a State incentive grant for joint agreements between prime sponsors and State and local education and training agencies which contribute matching funds is established to provide programmatic coordination.

This bill has gained much from what we have learned in CETA. In particular, we set up in 1977 title 4 of CETA in order to examine various ways to help our disadvantaged youth to achieve a more productive life.

Title 7 was created in 1978 to see what kind of cooperation from the business community we could get in molding a program that would meet all the needs of this country. The cost benefits have already been delineated, and I will not go over them again, but those successful programs are the ones we bring forward to the Members to look at and include in this bill.

In summary the bill primarily develops a partnership, a partnership with business and labor, the Federal Government, and State governments and local governments, to all work together. It breaks basically into three roles. First, skill training, emphasizing business and labor along with governmental involvement. Second, the job search aspects, to help those people who do have the skills yet have the desire to work and attain further skills, primarily a function of business and government in a joint effort. Finally, the basic skills to people who in our society, through failure of our educational system, are in need of further help; primarily the concerns of our State and local and Federal agencies.

We divide primarily the effort into two areas: Youth, 50 percent; and 50 percent for nonyouth, with the flexibility to move funds as is necessary. It emphasizes a greater State role to insure that we maximize our resources and get the kind of cooperation we need out of State programs, such as vocational education, employment service and WIN programs.

□ 1230

We emphasize the design of programs in which jobs are going to be available, not those for which there will be no jobs.

There is also a good substantial provision for displaced workers to take care of critical problems such as we have in Michigan and other States where job opportunities have decreased because of shifts in consumer demand and our inability to compete in the international sector. Under varying assumptions, the number of displaced workers in 1983, could range from 100,000 to 2.1 million.

In addition, we will have on the minority side five amendments which we would ask the Members to give consideration to, to make this a stronger bill and to assist in making sure that it is

one on which we will get agreement from the other body and from the administration. Let me describe those amendments.

First of all, the primary purpose of H.R. 5230 is training. To make sure this message is clear, yet reasonable, an amendment will be offered that will require that 70 percent of the funds received by a prime sponsor must be used to provide training for program participants. The remaining 30 percent of the funds may be used for administrative costs, supportive services, and allowances and stipends. This is to make sure the primary thrust of our program is training.

The second amendment we will offer is designed to strengthen the role of the States in administering job training programs. Although the bill as written has an enhanced role for the States, the potential exists for an overall structure of more than 300 direct recipients of funds from the Federal Government. This large number creates an unmanageable administrative burden for the Federal Government.

Our amendment will give the States authority to designate prime sponsors and to approve community job training programs and plans. The prime sponsors retain the right of appealing these decisions to the Secretary of Labor. The States will be the prime recipients of Federal funds, with a prescribed formula to pass funds through to the prime sponsors. This amendment will not alter the balance in decisionmaking responsibility that now exists. The prime sponsors retain responsibility for plan development and program implementation. What this amendment will do is to reduce the Federal oversight and administrative function to a more manageable level.

The third amendment we will offer clarifies the initial planning authority of the Priviate Industry Council, the PIC. We believe that the local businesses must play a substantive role in the development of job training programs. This amendment will give the PIC's the responsibility for designing the initial plan for delivery of services. The prime sponsor must still agree to the plan before it is submitted for approval. Meaningful private sector involvement will encourage local businesses to place program participants in unsubsidized employment. This is the goal of the program.

The fourth amendment will eliminate unnecessary and redundant labor standards. Certain provisions in the bill apply OSHA regulations and workers' compensation laws to participants that are already covered under existing legislation. This amendment will eliminate that duplication.

In addition, this amendment will eliminate the contribution of program funds to participants for retirement plans. Since public service employment is no longer a concept contained within this bill, contributions to retirement systems are not appropriate.

The fifth and final amendment we will offer will alter the authorization level for the program from $5.4 billion to such sums as may be necessary. The present authorization level creates the false expectation that the total amount will be appropriated, an action that is highly unlikely, given the large budget deficits we have at this time.

The first budget resolution, for instance, only provides for a little over $3 billion for these programs.

This amendment will remove what is a substantial problem for many of us on this side who would like really to support the bill. We all know in reality that the authorization figure has little relationship to anticipated appropriations and is thus misleading.

Madam Chairman, we urge the Members' support for this bill and also our amendments. The need has never been greater for a sound job training policy that can enable disadvantaged citizens to acquire the skills and work habits necessary to fulfill a productive role in our society. With these amendments, we are sure that H.R. 5320 will be enacted quickly into law.

Again I would just point out that this is a bill which I believe has been worked up very skillfully as a bipartisan measure, and I would also remind the Members that a similar piece of legislation passed the other body by a vote of 95 to 0.

Madam Chairman, I urge the support of the Members for our efforts here today.

Mr. BEREUTER. Madam Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding.

Madam Chairman, one of the most serious aspects of today's economic picture is the unemployment rate of approximately 25 percent among American youth. Even more serious is the unemployment rate approaching 50 percent among minority youth. Not only are we confronted with statistics and evidence which point to the high correlation between youth unemployment and crime, but we are also faced with the sad scenario of scores of bright children becoming disillusioned and angry teenagers as the doors to the American dream slam shut in their faces.

Today we are considering H.R. 5320, the Job Training Partnership Act of 1982. As my colleagues know the Comprehensive Employment and Training Act, known as CETA, expires on September 30. The Job Training Partnership Act, if passed will replace CETA. This very important employment and training legislation improves upon CETA programs, eliminating those that did not work and adding new ones designed with our employment problems of the eighties in mind. While this proposed act is a general job training program, the remarks of this Member today will emphasize employment training for America's youth.

Unemployment is devastating to any individual unfortunate enough to fall into that category. But the young lives wasted before they have begun, and the certainty that they will join the ranks of public dependents in one form or another, make the expanded education provisions in H.R. 5320 particularly significant. Accordingly, today I would like to focus on those education portions of the bill which I believe have the potential to actually reduce youth unemployment figures.

Obviously, the greater role for local education agencies and the more extensive training programs in the bill are designed to limit the numbers of high school dropouts and other youth who are poorly prepared for the world of work. By assertive language in the bill itself, State and local responsibilities for education are emphasized. I, too, believe that American communities can recognize their greatest needs and determine how to use their resources to meet those needs. This is especially true in most education matters.

More importantly, American communities should assume the responsibility for their disadvantaged citizens, with training programs developed and delivered through local education agencies, as well as community based organizations, labor organizations, and others. Such programs provide the best opportunity for permanent or long-term change in an individual's job patterns. Targeting disadvantaged youth, designing programs that reflect the local labor market, and providing training in the larger context of the community's economic stability can create a supportive atmosphere in which young people can truly learn and grow.

The bill would attempt to accomplish these goals, in part, by providing for a strong partnership among community-based organizations, such as education agencies, private industry councils, and units of local government. This partnership has the strong support of many vocational education groups and other education advocates who have contacted me. Stipulations in the new bill strengthen the capabilities of these groups to provide the necessary education and training programs that may stem the tide of unemployment. Education agencies, through contracts with the Department of Labor, can deliver services using tried and proven means rooted in the wisdom of local initiative.

More specifically, H.R. 5320 directs the bulk of Federal funding to education and training programs. Unlike CETA, only the most necessary of our

limited Federal resources will be used for income support or wage subsidies. Public service employment jobs, the "make-work" jobs of CETA, have rightfully been eliminated from this part of our revised employment and training policy. In addition, Americans can count on a more judicious use of their tax dollars because of improvements in the legislation which distinguish among low-income groups. For example, in the current CETA legislation, there is no distinction among low-income groups with little or no job experience and those with chronically low earnings. Low income persons can participate in CETA training programs if they are out of work, underemployed, in school, or receiving public assistance. In fact, these groups do not have the same characteristics and therefore do not have the same training needs. Some of the greatest CETA failures can be attributed to the design and delivery of programs that were tailored closely to the needs of the participants. Without these close ties, participants were unable to experience success over time and the attendent growth in job responsibility and stability.

The new legislation retains the old CETA provisions for classroom training and on-the-job training, with modifications made in subsidized work experience. Subsidized work provisions remain in place for certain youth programs, for example, where no other opportunities exist for young people to experience the rewards of a paycheck for a job well done.

Let me now share with my colleagues my views on the highlights of the education and training programs for youth which not only lie at the heart of this legislation but also represent an intelligent and realistic alternative to dead-end and loosely constructed CETA programs.

In title I, provisions are made for a State incentive grant program. This program is based on joint agreements between prime sponsors and State and local education and training agencies, which contribute equal matching funds from sources other than those provided in the act. State incentive grants will fund vocational education programs, for example, basic skills, such as reading and computation, remedial education, and guidance and counseling. The emphasis will be on individualized instruction, a sensitivity to what employers want, and self-paced programs. These distinctive approaches are intended to address the particular education deficiencies and learning impediments of the disadvantaged.

In title II, which includes the specific provisions for the disadvantaged, 50 percent of the funds available at the local level will be set aside for training programs for disadvantaged youth ages 16–22, with a special program for 14- and 15-year-olds. The first of these five programs is an Education for Employment Program, designed for those young people who do not have a high school diploma, or who have a diploma but suffer from educational deficiencies. Priority will be given in this program to high school drop-outs, with classes to upgrade basic education skills offered at learning centers throughout the prime sponsor's area. In the preemployment skills training program, disadvantaged 14- and 15-year-olds are targeted in-school for 200 hours of instruction—not to replace their school course work, but to supplement their learning experiences with useful training leading to jobs. This measure is an excellent example of an imaginative but pragmatic approach to the unemployment problem at a level where it can make a difference.

Another important facet of this bill, the entry employment experience program, is geared toward youth who have completed preemployment skills training and are working on their high school diplomas or equivalents. This provision allows 20 hours of work during the school year, or full-time summer employment in public or nonprofit agencies, or in tryout employment situations with for-profit employers. The prime sponsor pays the wages of the participants for the first 250 hours. If the employer chooses to hire the trainee on a permanent basis, the employer then pays the full wage. This particular tryout employment feature is another creative approach to the unique unemployment problems presented by youth, as it centers on the link between good work habits and a paycheck.

Another education and training program aimed at youth is the school to work transition program. This is for high school graduates and high school dropouts, with emphasis on occupational information, job development, and, most importantly for young people new to the workplace, followup activities. These followup activities provide not only the opportunity for evaluation of the training, but offer a safeguard for those who may need additional counseling or support, or assistance in specific areas. Every employer knows that it is more cost effective, and better busines policy in the long run, to make every effort to retain employees and help them solve their problems rather than terminating them and searching for suitable replacements.

Finally, the bill would authorize schools or other public or private nonprofit agencies to conduct summer programs. Summer can be a particularly difficult time for young people who cannot secure work, especially if they are recent graduates or dropouts. A sound summer program may just provide the necessary help for a teenager who is facing the age of independence in a time of harsh economic realities. Such a summer program may provide the employment skills and the hope and determination necessary for youths to keep searching for jobs.

In fact, a summer program has the potential to keep frustrated teenagers from that acts of violence that would change their life forever.

We are considering one of the most important measures of this session, as we attempt to forge a more effective employment and training policy. There can be no doubt that the Federal role in employment and training is crucial. In addition, in my opinion, there is no doubt that the previous Federal program has been very deficient. Their failures are many except the failure of CETA does not mean that we should abandon the Federal role. It simply means that we must transform our Federal efforts to assist. We have learned invaluable lessons through CETA. Without undue regret or recriminations, let us now move ahead with this new program. I firmly believe that it represents a positive and necessary restructuring of the means for meeting employment and training goals which were basically sound but which CETA simply could not fulfill.

Mrs. SCHNEIDER. Madam Chairman, will the gentleman yield?

Mr. JEFFORDS. I am happy to yield to the gentlewoman from Rhode Island.

Mrs. SCHNEIDER. Madam Chairman, I rise today in support of H.R. 5320, the Job Training Partnership Act. Passage of this legislation is vitally important to our Nation's economy in serving as a catalyst for improving employment opportunities for our unskilled and economically disadvantaged workers. We, in the United States are quickly becoming aware of the increasing disparities between the absence of a skilled labor pool and the need for trained personnel to man our sophisticated and technologically advanced industrial operations.

I am confident that H.R. 5320 will vastly improve upon the existing CETA legislation by creating a closer working relationship among private industry councils who represent private employers, local governments, and educational institutions and agencies. Community based organizations, too, are assured an active role in shaping the policies of the training programs by serving as intermediaries between Government, business, and the individuals who are most difficult to employ.

I see the Job Training Partnership Act as a positive first step in the direction of a close working relationship between public and private sectors. After all, both have a vested interest in reducing our staggering unemployment

rates and restoring the economy back to health.

I ask that my colleagues give due consideration to the current stagnation of the American economy and support this legislative initiative which seeks an admirable goal: employability for the economically disadvantaged and all others who have experienced barriers to employment.

Mr. JEFFORDS. Madam Chairman, I thank the gentlewoman from Rhode Island (Mrs. SCHNEIDER) for her statement, and I commend her. I am looking forward to offering the amendment on which she and I have worked very hard.

Mr. HAWKINS. Madam Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Madam Chairman, I obviously favor this legislation, but let me add that it is so far from what we ought to be doing in this Nation at this time that it is pathetic.

We had a dream called the Humphrey-Hawkins Act that said, "This is where we ought to be going as a nation." Now we treat the Humphrey-Hawkins Act as though it were a relative with a social disease; we like to pretend it does not exist.

That, I say to my friends, is a mistake. What we have done is to back into a situation where we now have a guaranteed income program for this Nation. We do not call it a guaranteed income program; we put other names on it; welfare, unemployment compensation, food stamps, and so on.

We ought to have, in my opinion, a guaranteed jobs program for this Nation where we work through the private sector insofar as possible but guarantee every American the opportunity through government if necessary to be a contributing member of our society. A training program is part of that.

Certainly I am going to vote for this bill. Certainly I am going to speak for it. It is a step forward, but it is a much, much smaller step than we ought to be taking. This Nation will become a better, finer nation when we convert the liability of unemployment into a national asset, when we pay people for doing something rather than pay them for doing nothing, and I hope I am here long enough to see the day when we do that.

Mr. JEFFORDS. Madam Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Madam Chairman, I am pleased that we have H.R. 5320, the Job Training Partnership Act before the House. It was reported out of the Education and Labor Committee in late April, with bipartisan support for its substance. I joined my colleagues, GUS HAWKINS and JIM JEFFORDS, the chairman and ranking Republican on the Employment Opportunities Subcommittee, in requesting the rules committee to bring this bill to the floor. This is one of the most important pieces of legislation of the 97th Congress. It is before the House with bipartisan support because of the outstanding work of Chairman HAWKINS and Mr. JEFFORDS. I congratulate them for working together, and with other members on both sides of the aisle, to resolve differences and reach agreement on many issues that only a few short months ago did not seem possible to work out. This spirit of cooperation makes me confident that we will continue to refine this bill so that the final version is one which we can all support without reservation, and which can be signed into law by the President.

In addition, I would like to compliment the chairman of the Education and Labor Committee, Mr. PERKINS, for his assistance in this process and for the contributions he has made to its substance.

I am proud of the work of my fellow Republicans on the Education and Labor Committee in making this a better bill as it moved through our committee. In addition to recognizing Mr. JEFFORD's leadership, I want to note Mrs. ROUKEMA's, Mr. PETRI's, and Mr. ERDAHL's contributions at full committee. Each offered amendments in an effort to bring H.R. 5320 closer to positions that Republicans have supported historically in employment and training programs. And I want to acknowledge the contribution of our late colleague, John Ashbrook, who, as the Ranking Republican on the committee played a key role in making this a bipartisan bill. He joined with Chairman PERKINS and Mr. GOODLING, the ranking Republican on the Subcommittee on Elementary, Secondary, and Vocational Education, in putting together a major amendment which for the first time insures that our education system will have a major role in the delivery of job training services. Even though John was running at full tilt for the U.S. Senate in Ohio while carrying the burden of being the ranking Republican on our committee and doing his usual superb job on the House floor, he took the time to leave a major imprint on this legislation, which he supported. We had actually postponed the full committee markup of this bill for a week so that he could be present, when his tragic and untimely death intervened. His part of this bill, which Chairman PERKINS and Mr. GOODLING carried through in full committee markup, was his final contribution in an outstanding and successful career as a legislator. I would not want this occasion to pass without that fact being a part of the history of this legislation.

H.R. 5320 represents a genuine effort to build a training system that does not perpetuate the mistakes of the past. This bill incorporates many of the elements integral to the success of job training policy that were missing in CETA.

I would like to describe in detail some of the ways in which this bill is a major departure from the current employment and training legislation:

There are no public service employment or job creation provisions in H.R. 5320. Republicans were successful in working with the majority to remove the language in the original bill that allowed such activity. I must note that this was a very difficult concession for our colleague, Mr. HAWKINS, to make. He did so in the interest of obtaining a job training bill which could be enacted. He agreed to attempt the very difficult task of moving a public service employment bill as separate legislation, which demonstrates what all of us who have been privileged to work with him over the years know very well that he is one of the best and most public spirited Members of this House. The intent of this bill is job training. Much of what has plagued CETA and created the most criticism of previous employment and training programs has been the public service employment programs. They are not authorized in this bill.

Under H.R. 5320, the private sector, through its role on the Private Industry Council (PIC), becomes a partner with local elected officials in the development of community job training plans. Previously, the function of the PIC was to serve in an advisory capacity over a small portion of the program run by the prime sponsor. In H.R. 5320, the Private Industry Council, a majority of which is composed of members of business and industry, participates in the planning for the use of funds; determines the administrative entity; and approves the use of funds. The Private Industry Council is established as an independent body not subject to dissolution by the prime sponsor, except for cause, and may hire staff from available funds. Business members in the PIC must be chosen from nominations by general purpose business organizations. A meaningful private sector role is integral to the success of job training.

Presently, local governments are eligible for designation as prime sponsors solely on the basis of population. If this basis for designation as a service delivery area remains, the labor market factors of an area can be ignored. H.R. 5320 requires the consideration of population and labor market factors in deciding prime sponsor eligibility. This bill must be viewed as part of our economic policy, the local base of support for these programs must be coalesced rather than divided.

Allowances and stipends are not provided to all participants at the minimum wage level. Rather, a needs-

based allowance system was developed to assure that eligible individuals would not be precluded from participation in training programs because of an inability to pay for the costs of participation.

Under the previous program, employment and training policy was administered directly from the Federal Government to local prime sponsors. The State had no coordinating function. H.R. 5320 provides for statewide coordination of employment and training programs. The Governor is authorized to develop a coordination and special services plan. Plans for employment and training programs conducted under this act and plans for employment service programs must fit into this overall plan in order to receive certification. Additionally, employment service plans must be developed jointly with the prime sponsor.

Other factors that separate this bill from those of the past include: a displaced worker training program; funds provided to prime sponsors as single grants; a single eligibility criteria for participants; and the requirement of local matching funds for some portions of the program. These are only a few key differences between CETA and H.R. 5320, but they are critical.

In spite of the many important and meaningful changes that have been incorporated into H.R. 5320, there are several aspects of the bill that warrant attention and refinement. The amendments which Mr. JEFFORDS and I will offer address the concerns of the Republicans in the Education and Labor Committee and will bring the bill closer to a workable compromise with the other body. They will also help insure Presidential approval of the final product of that conference. Their purpose is to strengthen further the provisions in this bill which correct the weaknesses of previous employment and training programs.

As a balance between the permissive allowance provisions contained in current employment and training programs and the strict prohibition against allowances in the Senate bill, the House bill contains a needs-based system—a provision suggested initially by the ranking Republican member of the Employment Opportunities Subcommittee. This system restricts allowance payments so that only those most in need receive funds. Of particular concern, for example, are the eligible participants who would not have access to training because they do not have the necessary funds to pay for transportation to the training or worksite. We do not want to deny training to individuals who are motivated to receive it because they cannot afford the "costs of participation." On the other hand, we do not want to provide incentive for participants to remain in the program for as long as possible because allowance payments are greater than entry level job wages. We cannot afford to divert scarce resources from the direct training services to allowance payments. The needs-based allowance system is a remedy for this concern.

In keeping with this premise, an amendment will be offered to satisfy the Republican concern that maximum funds under this program are devoted to the direct provision of training. The amendment states that not less than 70 percent of the funds received by a prime sponsor shall be used to provide direct training services to participants. This amendment allows up to 30 percent to be used for administrative costs, supportive services, and wages, allowances, and stipends. We must insure that a greater share of the funds is directed toward training; not income maintenance. I believe that this amendment accomplishes that goal.

Further, it has long been true that Republicans desire to involve the private sector more in the total fabric of publicly funded employment and training programs. Eighty percent of all jobs are in the private sector. It is imperative to have the insight and participation of the private sector in the determination of the types of jobs for which to train participants; the necessary skills that are required for the jobs available in the area; and the areas of potential job growth. If a true partnership of local governments can be developed with the private sector, an acceptance and support of public job training programs can be fostered among the private sector. Without a commitment to job training programs by the private sector, an unnecessary barrier to placement of participants in unsubsidized jobs is created.

I intend to offer an amendment that will clarify the initial planning authority of the Private Industry Council. This amendment does not change the requirement in the bill that both the prime sponsor and the PIC must agree to the plan before it is transmitted for approval. The balance between the PIC and the prime sponsor is retained. If the business community perceives that its role is only to approve a plan after it has been developed by the prime sponsor, it is likely to take its role seriously. Because this program will be judged by the successful job placement of participants, an active role for the private sector is critical.

A major weakness in previous employment and training programs was the lack of clarity among the roles of the Federal, State, and local governments. Under these programs, the Federal Government held the responsibility for designating, monitoring, and auditing over 450 prime sponsors. This administrative structure was at best unmanageable.

The coordinating role given the State under this bill is a step in the right direction. It will help to reduce overlap and duplication of services. With scarce resources, this reduction is essential.

This improvement is not enough. An amendment I will be offering balances the role of the State with that of the Federal Government. Federal oversight is retained and overall performance criteria are established at the Federal level. The States are given the authority to designate prime sponsors and to approve community job training plans. PIC's and prime sponsors still retain their right to appeal these decisions to the Secretary. The States will be the direct recipient of Federal funds, with a prescribed passthrough of funds to the prime sponsors. This reduces the Federal oversight function to the 50 direct recipients of funds and transfers several of the functions previously held by the Federal Government to the State governments, while retaining the local role of plan development and program implementation.

Republicans support a Federal policy for employment and training as embodied in H.R. 5320. The amendments I have already described are designed to strengthen even further the elements of the bill that are integral to the success of job training programs.

Of a different nature are two other amendments that will be offered to the Labor Standards section. They clarify, reduce, and eliminate redundant and unnecessary Federal labor standards that have been inappropriately inserted in the bill.

The amendments assure that Federal OSHA applies where applicable, and where not applicable, the Secretary shall apply appropriate standards with regard to participants. Similarly, State workers' compensation laws shall apply to participants, but they shall be given to participants, but where they are not applicable, the Secretary may assure that insurance coverage for injuries suffered by participants is secured. It is my desire to see that all participants are treated the same as similarly situated persons, not treated differently or given special benefits because of participation in the programs established by the act. It is clear that such participants could not benefit from funds contributed for their retirement. Rather than divert these funds from training, an amendment will be offered to prohibit contributions to retirement systems or plans. Since public service employment is no longer a concept contained within this bill, contributions to retirement systems or plans are not appropriate.

Other amendments address issues where the bill as presently written may conflict with areas under the National Labor Relations Act's jurisdiction. My amendments will allow the NLRA to govern where it is presently

applicable, but still addresses the concerns of proponents of the bill so that funds cannot be improperly used and collective bargaining contracts cannot be impaired without concurrence of the parties to those contracts.

The final amendment distinguishes between the roles of the authorizing and appropriating committees. H.R. 5320 contains an authorization level of $5.4 billion for fiscal year 1983. The amendment that will be offered changes this figure to "such sums as may be necessary." The Republicans on the Education and Labor Committee believe it is their responsibility to establish the framework for a Federal job training program. This framework must be defensible and must meet the needs of the eligible participants. However the responsibility for establishing the allocations for this program within the context of the economy and the need for a responsible Federal budget lies with the Appropriations Committee. Republicans attempted to change the authorization level in committee, but were unsuccessful, due in part to the lack of a first budget resolution at time the bill was considered. Now that the budget resolution has been adopted, a specific authorization provision is misleading. It creates the false expectation that the total amount will be appropriated, an action that is highly unlikely. The appropriations must be made with consideration for the needs of other programs and for basic economic and budgetary constraints.

H.R. 5320 is the result of a long process of compromise and negotiation. Since the first hearing was held in November of last year, the members of the Employment Opportunities Subcommittee have considered a wealth of information regarding employment and training programs. The efforts of Mr. HAWKINS and Mr. JEFFORDS in this process must again be noted. Without their knowledge, leadership, and willingness to compromise we would not be where we are today. The end result of this process is a proposal for Federal involvement in job training policy that does not perpetuate the errors of the past, but instead incorporates improvements that have been determined to be essential to the success of job training programs.

Although I support the improvements that have been incorporated into H.R. 5320, I believe there are a few areas where refinement is necessary. The Republican amendments to this bill will insure that H.R. 5320 does not fall victim to the errors of the past and will conform the bill to present budgetary realities. Adoption of these amendments will provide the House with a sound and realistic proposal with which to go to conference with the other body. I am confident that the House will realize the value of these amendments, and will recognize that H.R. 5320 is a significant piece of legislation, one that is an integral part of an economic recovery program.

Mr. PURSELL. Madam Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Michigan.

Mr. PURSELL. I want to congratulate the ranking member of the committee and Chairman HAWKINS and yourself and the gentleman from Vermont (Mr. JEFFORDS), and other members of the committee for bringing out what I call an updated reform bill in response to unemployment problems in this Nation.

I was going to offer an amendment later in response to a community-based organization, particularly Dr. Sullivan's OIC group, but after talking to members of the committee and the chairman, I am going to withdraw that amendment because I think the other body has language in, and I am sure the House conferees will recede to the Senate. I am not sure earmarking selected groups is good public policy.

I am a member of the Labor-HEW Appropriation Committee and we will be funding at a later date. So I compliment the bipartisan spirit and the opportunity for a timely issue before this Nation, particularly for Michigan and the Midwest.

I think we are sensitive to those organizations that can train our young people, the hardcore unemployed.

I had the opportunity to observe Jackson's, Lenawee, and Hillsdales private industrial counsel and consortim review their budget last week in Michigan. They are sincerely interested in better management of their programs and I think this legislation will encourage that partnership with the private and public sector.

I think that this is a step forward and I want to compliment the gentleman and the committee.

The OIC, a voluntary organization is a professional dynamic group which is demostrating how this legislation can effectively be implemented. Dr. Sullivan has pioneered the OIC program. It should continue.

Mr. ERLENBORN. I want to thank the gentleman from Michigan, Mr. PURSELL for his contribution and his decision not to offer the earmarking amendment. I would hope the gentleman would be a model for others who may think of offering earmarking amendments because I agree with the gentleman that is not sound public policy.

Mrs. SNOWE. Madam Chairman, will the gentleman yield?

Mr. ERLENBORN. I am happy to yield to the gentlewoman from Maine.

Mrs. SNOWE. I, too, want to commend the gentleman in the well and the chairman of the committee as well as the gentleman from Vermont, Mr. JEFFORDS, and the rest of my colleagues on the Education and Labor Committee for developing this Job Training Partnership Act.

Madam Chairman, I believe the Job Training Partnership Act provides a strong partnership among education agencies and institutions, private industry, and local units of government. I commend the efforts of my colleagues on the education and labor committee in fashioning a bill which maintains those programs that were successful in placing the economically disadvantaged in meaningful, productive jobs, while deleting those programs that were subject to fraud and waste.

As a former member of the House Subcommittee on Manpower and Housing, in 1980 I held a fact-finding hearing in Maine to see how the CETA program was operating. Maine was not plagued by the waste, fraud, and abuse that confronted programs elsewhere in the country, however, the testimony presented from various State employment agencies officials revealed the frustrations confronting many of them when trying to administer the various programs under CETA. It appeared that for every program there was a different eligibility criteria to meet which resulted in a snarl of redtape, confusion and a sense of inadequacy. Therefore, I am encouraged by the reforms that were made in this bill to improve the existing delivery systems while erasing the negative aspects of this program.

In particular, I strongly support those provisions of the bill that increase the role of the private industry council to jointly plan training activities with the prime sponsor. Private sector involvement is crucial in achieving our goal of placing participants in unsubsidized jobs. Also, I endorse those provisions requiring State level coordination between training programs and State and local educational agencies. The State of Maine's vocational education system has a remarkable record of placing graduates in productive jobs, and I am glad that this bill allows the prime sponsor to tap their valuable resources.

In addition, with unemployment in Maine hovering around 9 percent, I am glad to see that this bill provides employment and training assistance to displaced workers. Due to the unfavorable economic climate, many industries in Maine such as the lumber, construction, and poultry industries have had to lay off many workers and I believe the displaced worker program will greatly serve the needs of these individuals. These people want to work and we can and should help them.

Finally, I am glad that this bill retains the local delivery system. This will allow for the continuous, uninterrupted administration of a proven delivery system which has responded to Maine's rural needs in a positive

manner. For example, in the past 3 years, one of Maine's prime sponsors has received assessment ratings and performance ratings in the top 10 percent of all deliverers in New England. I am proud that the local delivery system has been preserved for our rural areas.

In summary, Madam Chairman, the State of Maine utilized CETA efficiently and effectively and has benefitted greatly from the program. Since 1977, 87,187 Maine citizens have been enrolled in CETA programs. During that same time, $196 million has been directly contributed to Maine's economy through CETA wages, salaries, and services. I am confident that with the job training reforms incorporated in the Job Training Partnership Act, the program will be significantly strengthened to serve many more individuals.

Mr. ERLENBORN. I want to thank the gentlewoman for her contribution and remind my colleagues that in the other body there was this spirit of bipartisanship that led to the unanimous passage, 95 to 0, of their jobs training bill.

I also would remind my colleagues that the amendments the gentleman from Vermont (Mr. JEFFORDS) has described, which we are going to offer jointly, will move this bill closer to the bill in the other body and one which the President can support.

I will solicit and do solicit very strongly bipartisan support for these amendments which will do no violence to the purposes of this bill and whose concepts have enjoyed unanimous bipartisan support in the other body.

Mr. FISH. Madam Chairman, will the gentleman yield?

Mr. ERLENBORN. I am happy to yield to my colleague, the gentleman from New York.

Mr. FISH. Madam Chairman, I thank my friend for yielding and want to add my praise to the work product thus far and to the amendments that we look forward to.

Madam Chairman, I rise in support of H.R. 5320, the Job Training Partnership Act. This bill makes several positive changes in the basic job training system that has been developed over the past decade. Instead of providing public service jobs, the bill would focus efforts on the most effective training programs. Further, H.R. 5320 greatly strengthens the participation of private industry in working with Government to train workers and create jobs.

There is a clear role for Government in job training programs. The U.S. work force suffers from both unemployment and underemployment. Add to this large-scale industrial unemployment due to the business recession in basic industries that may well not recover, and the need for retraining with Federal assistance is evident.

The current CETA program, with its emphasis on public service jobs, has been ineffective and inefficient. Government subsidies of public service jobs has cost almost $20,000 per year for each individual, while placing that same person in the private sector costs only $7,000. The return on the Federal investment and the ultimate benefit to the individual is much greater through training and private sector employment than through public service jobs.

Public service jobs do not resolve the real problems of our unemployed—lack of education and skills to fit a specific job. Training is what these people need, and what H.R. 5320 will provide. Appropriate training will allow participants to seek their own jobs and make a valuable personal contribution to the economy instead of relying on the government for support. H.R. 5320 offers unskilled adults and inexperienced young people a concrete alternative to the anxiety and degradation of unemployment. Through H.R. 5320, these people will be able to acquire new skills to fit into the areas of the economy that will open up in the future.

Participation of local business and industry in training programs through private industry councils will enhance the program's effectiveness in finding jobs and in targeting skills training to areas where there are a need for new people. As needs vary regionally, even within individual States, main program decisions must continue to be made on the local level. H.R. 5320 assures this local direction and initiative.

In earlier manpower programs, we have spent a lot of money for programs which unfortunately did not work as intended. It is time to move to a new system, one that emphasizes self-sufficiency through training. H.R. 5320 is a very strong step toward this new system.

Mr. HAWKINS. Madam Chairman, I yield 5 minutes to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Madam Chairman, I rise in support of H.R. 5320, the Job Training Partnership Act, which would establish a training and employment assistance system administered through a partnership of public and private interests. In a time when unemployment has risen to the highest rates since before World War II, there is not more important issue this Congress could address.

Madam Chairman, to the average American there are two basic economic problems in our country today: High interest rates and unemployment. I fear that the efforts to lower inflation have created more problems than they have solved and the current unemployment rate of 9.5 percent seems to bear me out. In Puerto Rico unemployment has reached a staggering 23.5 percent. In reaction to this we must produce a comprehensive, efficient approach to the problem of joblessness, and we must do it with all due speed. As unemployment among minority teenagers rises above 50 percent, as businesses fail at record rates, and as more and more families fall below the poverty level, we must enact measures to return our Nation's labor force to capacity utilization and to conquer the economic despair unemployment brings upon the individual.

There exists a wealth of empirical evidence showing that investment in human capital is equally as important as investment in physical plant in determining the increase of the gross national product. We must continue to contribute to the education and training of our citizens in order to insure a work force capable of competing in a world market which is becoming increasingly more complex. As the population becomes better educated, dependency on welfare programs decreases and productivity of the labor force rises, automatically placing control of economic activity in the hands of market forces.

H.R. 5320 would authorize a comprehensive, coordinated approach to employment training programs. Disadvantaged participants would receive counseling, classroom training, basic skills instruction, on-the-job experience, and finally, jobs search assistance in an effort to integrate their aptitudes with the needs of the employment sector. This bill provides for close ties with the education community, as well as a renewed coordination with the employment service.

I am pleased with the balance achieved between public and private sectors in developing programs under this bill—the partnership H.R. 5320 establishes between the PIC and the prime sponsor will allow the business community to have a real voice in determining how participants are trained and what they are trained for, while acknowledging the expertise of the prime sponsor in delivering training.

I believe it is particularly important that this legislation has embraced a delivery system which operates from the local level, where community based organizations are instrumental in providing training and other services to minorities. Unemployment has reached 13.5 percent among Hispanics of all ages with a much higher level for Hispanic and black teenagers. This is the population which experiences the longest duration and deepest severity of unemployment—they are the last hired and first fired, and they tend to be undercounted in unemployment statistics. The community-based organization in many instances is the primary structure which impacts these groups; therefore we must work to preserve their existence by keeping open

funding channels through the prime sponsors.

Madam Chairman, the Job Training Partnership Act recognizes the particular barriers to employment experienced by handicapped individuals, persons of limited English-speaking ability, displaced homemakers, single teenage parents, older workers, veterans, ex-offenders, alcoholics and addicts, and provides for participation by these groups regardless of their income status. This reflects the realism with which the bill's sponsors have approached this issue, showing sensitivity to the human dimension behind the statistics.

As we have seen, youth unemployment rates are staggering and are showing no tendency to decrease. H.R. 5320 recognizes that training funds are most effective when spent on relatively uneducated participants whose experience in the job market is limited, and thus targets 50 percent of basic funds to youth between the ages of 16 and 21. Under the broad authority given to prime sponsors, activities such as the summer youth program can be continued. This year in Puerto Rico, more than 43,000 young adults were provided meaningful work experience as an alternative to an otherwise idle, unproductive summer. Programs such as this instill responsibility and self-reliance, giving the youth a sense of pride in his accomplishments as a productive member of society. I believe this to be an integral part of the legislation.

Also important in our efforts for a better trained young adult population is the reauthorization of the Job Corps program. There is no doubt but that this concept of residential training has shown its effectiveness in past years and will continue to produce unequaled results in preparing participants for permanent employment gains.

In these days of economic stagnation we are experiencing a new and unfortunate phenomenon—we are seeing unemployment among workers who have previously enjoyed longtime, uninterrupted service in a particular industry. These individuals, displaced workers, are thrown into the job market by downturns in economic factors which cause major industries to drastically reduce producion. Even more troubling is the increased rate of plant closings in labor-intensive industries. H.R. 5320 addresses this serious economic problem by authorizing a separate program to retrain individuals who have little likelihood of regaining employment in their former occupation. Not only will this aid individuals in need, but it will lessen the impact of plant closings and major reductions in force on the local economy.

I want to congratulate Mr. HAWKINS for the fine job he has done in getting this bill to the floor—the process has been highly controversial and has required extended hearings and intricate negotiations on his part. I also commend Mr. JEFFORDS, ranking minority member on the subcommittee, for his most innovative suggestions for improving the original bill and his cooperation which has led to a bipartisan effort.

Madam Chairman, in summary I would urge my colleagues to support this piece of legislation and to follow the lead of the distinguished chairman, Mr. PERKINS and Mr. HAWKINS, in resisting amendments which would weaken its effectiveness.

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Mr. JEFFORDS. Madam Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Madam Chairman, 2 years ago I was involved in a major legislative effort to produce greater cooperation and coordination between education institutions and the job training programs. Congressman HAWKINS and I introduced the Youth Act of 1980 which passed the House of Representatives by an overwhelming vote. Unfortunately, delays in the Senate prevented the bill from being enacted at that time.

I am pleased to say today that this concept is embodied in H.R. 5320, the Jop Training Partnership Act. By establishing funding incentives and planning mechanisms for linkages between these two sectors, the Federal effort will result in a rational coordinated effort to provide the necessary skills individuals need to acquire and hold jobs. At the same time our Federal effort will be able to do more for less money because we will avoid the duplication and overlaps inherent in the past programs.

This bill creates the structural framework for coordination thus insuring that the education agency or agencies responsible for education and training in a State become involved in cooperative agreements with prime sponsors. In committee action, it was made clear that the intended effect of certain amendments which I offered would be to facilitate coordination and avoid duplication of services for eligible participants by fostering such ties among educational institutions and agencies, prime sponsors, private employers, and community based organizations. The most crucial aspect for achieving this coordination is the State incentive grant program which uses 6 percent of the funds to encourage joint agreements between prime sponsors and State and local education and training agencies which contribute equal matching funds or services from sources other than this act including in-kind contributions.

The State incentive grant funds are to be spent on delivering vocational skills and other educational skill development programs to enable participants to develop to the point where they can benefit from more occupationally specific training. Such items as career counseling, basic academic skills, and employability skills are examples.

Another step forward taken in this legislation is the provision for advance funding. This concept was embodied in the earlier Youth Act and is important if we are to ever fully coordinate educational institutions and job training programs. This provision would mean that formula allocations could be made in the spring of the year, well in advance of the beginning of the fiscal year. This is also when school districts are preparing their education budgets and thus the opportunities for rational planning and coordination is enhanced.

Using the resources at hand in the community to provide the required services, as designed in a comprehensive plan, is the only efficient and cost-effective means of delivering a worthwhile program to the individual participants. By creating the structural mechanisms and financial incentives for coordination between the education and job training sectors, we will have taken a major step in the right direction.

I indicated in committee my enthusiasm for the concepts embodied in this legislation but found it very difficult to support unless a Jeffords amendment to alter the authorization level for the program from $5.4 billion to "such sums as may be necessary," thus leaving up to the Appropriations Committee to establish the allocations for this program within the context of the economy and the need for a responsible Federal budget. Unfortunately, this amendment failed in committee. I would hope this amendment would be accepted today on the floor so that a very responsible piece of legislation can receive more votes because it will then also contain a responsible and realistic approach to financing the program.

I would hope this amendment would be adopted so that we do not stand any chance of losing this legislation, as we lost the last youth employment bill. If we adopt this amendment, then, of course, it will be the same amendment that has been adopted on the Senate side, and the opportunity, then, to pass this legislation, in my estimation, will be greater. With that amendment I would hope that this piece of legislation would receive the overwhelming support of all Members of the House of Representatives.

Mr. HAWKINS. Madam Chairman, I yield 2 minutes to the gentleman from California (Mr. DYMALLY).

Mr. DYMALLY. Madam Chairman, as we consider H.R. 5320, the Job

Training Partnership Act, it is important to each of us that we carefully consider the state of the economy, both nationwide and in our own home districts. The situation is bad, but this bill is good—very good, in fact, and I think we will make a dramatic step forward when we pass this bill and begin to meet the problems of unemployment and underemployment face to face, with solutions that will work. Later I will offer three amendments to this legislation which will make somewhat more specific the thrust of this legislation in the area of technology's effect on certain job skills, and the need to emphasize the roles of planning and teaching in the training and retraining of our Nation's workers. These amendments result from my experience in California with the California Worksite Education and Training Act, CWETA for short. CWETA has provided an excellent vehicle to address many skills training problems in the State, and I believe that, adding these three minor amendments to H.R. 5320 will enable our current bill to enjoy many of the same strengths and successes especially in partnership with Government and the private sector.

Madam Chairman, on Monday, August 2, 1982, the Compton-OIC Technological Training Institute (COTTI) began a job training program in my district, with 25 trainees who were guaranteed jobs by the private sector through the State of California Employment Development Department, based on the concept of "partnership" embodied in H.R. 5320. These trainees are now enrolled at the Compton Community College as part of their training program.

In the meantime, I wish to assure my colleagues that I wholeheartedly support H.R. 5320, and I urge them to do the same.

Mr. JEFFORDS. Madam Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Madam Chairman, I rise in support of H.R. 5320.

The legislation we have before us today creates a realistic and workable framework for the development of employment skills among persons presently unable to find their niche in the American workplace. In improving the job skills of these persons, we will be enhancing the productivity of our industrial base and its ability to compete abroad. Employers will have a larger and better labor pool from which to hire employees. Those persons receiving training under this legislation will be better able to perform on the job. As a result the quality of American products will be improved and their prices will be lower.

H.R. 5320 is an effective means of meeting the employment and training needs of our country because it clearly establishes training as its primary purpose. Unlike CETA, H.R. 5320 does not authorize a thinly disguised income maintenance program. Nor does the legislation create an administrative mechanism divorced from the industry which ultimately must provide the jobs for which training under the program is to be applied.

The involvement of the private sector in H.R. 5320, which is accomplished through the Private Industry Council or PIC, will enable this program to respond to the supply and demand shifts in the economy. Because of this involvement we will not be training individuals in job skills which are already obsolete. In addition, the PIC role will enable employers to know what is going on in the employment and training program in their area. Their input in molding the training received by participants in the program will encourage them to offer an increased number of permanent employment opportunities.

Madam Chairman, a number of other aspects of H.R. 5320 could be cited as good reasons for supporting this legislation. Let it suffice to say that this legislation reflects the lessons learned from CETA's many failures. There are several amendments that will strengthen this bill. They will be offered by the gentleman from Vermont (Mr. JEFFORDS) and the gentleman from Illinois (Mr. ERLENBORN). Passage of these amendments will make this an even better bill.

I am confident that in enacting this legislation we will be making a fresh start on addressing both the need of American industry for competent and skilled labor, but also the pressing need of millions of unemployed persons for the job skills they need to contribute to the American economy.

Mr. HAWKINS. Madam Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR of Michigan. Madam Chairman, today we address an issue that is vital to our Nation's economy and essential to the spirit of its people—the opportunity, indeed, the right of every citizen to a job.

For millions of unemployed Americans, that right is a receding memory. For nearly 15 percent of the people in my own congressional district, that opportunity is not now a reality.

Nor has it been a reality for many months. In my home State of Michigan, the average annual rate of unemployment has exceeded 12 percent for over 2 years.

The gravity of our current economic plight must be measured not only by the height of our unemployment rate, but by the duration of our jobless search for work, and by the depths of our jobseekers' despair.

Under current economic conditions, where can these long-term unemployed turn to find hope for the future? Where can each season's crop of young people, leaving the classroom, find entry into productive, adult society? Where can the displaced worker, hearing the factory door swing shut for the last time, turn for the prospect of new employment?

The bitter reality so many Americans face rises from more than the cyclical slump of economic recession. The idled factories, in all regions of this country, bear silent witness to the economic dislocations that are draining this Nation. The sting of long-term, structural unemployment cannot be soothed by the simplistic promises of Reaganomics, which so far has offered only places in unemployment lines, or, worse yet, positions on the welfare rolls to those who plead to be given the dignity of labor.

The legislation we consider today, the Job Training and Partnership Act, faces these challenges head on. For hundreds of thousands of workers, job training will provide the skills necessary to meet the changing demands of today's labor market. For the Nation as a whole, job training will be a key component of the technological transformation that must proceed if the United States is to keep pace with our international competitors.

This legislation builds upon the years of experience accumulated through the local prime sponsor system. At the same time, it recognizes that job training without job placement is meaningless, and provides a greater role for private industry in program design and implementation. The new performance standards that have been mandated will help assure high quality training, leading to permanent jobs for those who participate.

I support this measure wholeheartedly. It is a vital step in the effort to put America back to work. Yet today we will face a barrage of amendments designed to weaken local control over job training, reduce the level of funding or undermine the ability of the unemployed to take advantage of its offerings. Already, the administration has lent its backing to a job training proposal that seriously underestimates the needs of America's unemployed.

I urge my colleagues to stand fast behind a strong, adequately funded job training bill. If we do not, we may see these new promises evaporate like the pipe dream of trickle-down economics.

It is time to restore our faith in this country as a land of opportunity. Time to provide the training in skills, and the aid for economic adjustment to millions of Americans who are crying out for jobs. And it is time for this Nation, once again, to draw strength from our greatest natural resource—the initiative, the energy and the integrity of the American worker.

□ 1315

The CHAIRMAN. The Chair wishes to advise the gentleman from California he has 23 minutes remaining, and the gentleman from Vermont (Mr. JEFFORDS) has 22 minutes remaining.

Mr. JEFFORDS. Madam Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. HOLLENBECK).

Mr. HOLLENBECK. Madam Chairman, I rise in strong support of H.R. 5320, the Job Training Partnership Act. In a time characterized by the highest unemployment since before World War II, I believe that no task is more important than to find meaningful employment for all who wish to work. I believe that H.R. 5320 represents an effective vehicle through which we can provide employment opportunities to individuals lacking the skills to fill available jobs.

With the expiration of the comprehensive employment and training program, I am pleased to point out that the legislation before the House today was drafted with the expertise and experience developed in the CETA program during the past decade. We have built on the existing local government structure for delivering job training and given business dominated private industry councils equal voice with local elected officials in determining how Federal job training funds are to be spent. H.R. 5320 retains the current prime sponsor system while, at the same time, moves toward larger areawide planning of programs. To assure that Federal funds are used for quality training, the act adopts binding national performance standards while still allowing local communities maximum flexibility in determining the type of services to meet the performance standards.

In a 1981 analysis of CETA participants performed by the National Council on Employment Policy, CETA's benefits were shown to exceed the taxpayer's cost for the Federal employment and training programs. Every $1 invested in on-the-job training returned $2.28; every dollar invested in Job Corps returned $1.45; and every dollar spent on classroom training returned $1.38. The same performance standards have been applied to the bill before us this afternoon with additional improvements based on experience.

With unemployment at unacceptably highlevels and many job applicants not possessing required skills, I urge my colleagues to join with me in supporting H.R. 5230, and in so doing, taking an important step toward correcting current circumstances. I urge you to vote for a strong Job Training Partnership Act.

Mr. JEFFORDS. Madam Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Madam Chairman, I rise in support of H.R. 5320, which establishes a community public-private training and employment services system. While it retains the basic administrative and delivery systems that were developed through CETA, it makes several positive changes. This legislation represents a genuine attempt to restructure Federal employment and training programs while avoiding the past abuses of CETA. It places a strong emphasis on youth and displaced-worker training, creates an active role for the States, encourages local and regional cooperation between different programs, and places a strong emphasis on education.

Job training does work, both in terms of increasing income and employment potential. There is a definite need to bring the chronically unemployed into the economy, but private industry will not train those who lack basic skills. Publicly funded job training is necessary to give individuals the skills and experience they require to become productive members of our society.

This legislation will also serve an important social purpose by giving the unemployed an opportunity to advance.

Not only will this legislation aid low-income jobless individuals, it will also assist unemployed youths and laid-off skilled workers who need new skills. The Job Training Partnership Act will provide high quality training which will lead to permanent jobs for participants, and I urge my colleagues to support it.

Mr. HAWKINS. Madam Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. CROCKETT).

Mr. CROCKETT. Madam Chairman, I rise in support of House bill, H.R. 5320. I wish to identify myself with the very pertinent comments made by my colleague, the gentleman from Michigan (Mr. BONIOR). Perhaps no other part of the country is more in need of this kind of legislation than the State of Michigan, where current unemployment is in the vicinity of 15 percent, notwithstanding a national average of 9½ percent.

In my own 13th Congressional District in the city of Detroit unemployment today hovers in the vicinity of 23 percent, approximately one out of every four workers in my district is seeking employment.

Just the other evening my good friend and colleague, Doug Fraser, president of the International UAW-CIO, called attention to the fact that employment in the automobile industry in all likelihood will never again be what it was in 1978.

That means, Madam Chairman, that there is a great need for Federal assistance to retrain the thouands of unemployed automobile workers so that they can be available to assist and to work in the new industries that we hope to attract to our State of Michigan.

I urge all of my colleagues to support the passage of H.R. 5320.

Mr. JEFFORDS. Madam Chairman, I yield 4 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Chairman, I rise in support of H.R. 5320. At a time when across the Nation 1 in 10 people looking for work cannot find it, it is imperative that we act on this legislation. With unemployment benefits being exhausted, desperation is setting in. Too many of the youth of our country are unemployed leading to a sense of hopelessness when there should be sense of wonder at all the possibilities and opportunities of being a citizen of our great Nation. Not only is the current recession causing a loss of jobs, but our changing economy is eliminating some traditional American jobs permanently. At the same time, a whole new range of opportunities in computer and other technology-oriented fields, so crucial to the advancement of our society, is opening up for a properly trained work force. There is a substantial portion of our Nation's population who are seeking to contribute to our national effort of increasing productivity—we have an opportunity today to take a significant step forward by investing in Human Capital—in the people of our land, by encouraging the development of their talents and abilities—people, who desire to and who can, with a minimal amount of assistance and training, make it on their own.

As a cosponsor of the Hawkins Job Training Partnership Act, I believe that the expiring CETA program should be replaced with legislation that marks a new path for truly responsible training for permanent jobs in the private sector. H.R. 5320 will provide an effective transition from the former CETA program with retention of the prime sponsor system and concentrated use of already existing education systems and vocational programs. One of the key elements of the bill is establishing private industry councils as copartners with prime sponsors in the development of program plans and the use of funds. We must increase the involvement of the private sector—its energies, imagination, and expertise—to assure that people are trained for permanent employment and have the opportunity for achievement and the sense of dignity attendant with private sector employment.

The work of the private industry councils in my 26th Congressional District in New York have been particularly effective in their training and placement programs.

H.R. 5320 targets those people in our midst having the most difficult time

finding work or having particular problems making work and training difficult. We know the struggles faced by migrant and farmworkers, displaced workers, poor elderly in this time of economic distress. While this bill funnels the major part of its funds for the largest group of unemployed—the youth of our Nation and our future, it also tackles the needs of all of our unemployed.

I urge my colleagues to support H.R. 5320, and I commend the diligent efforts of the distinguished gentleman from California (Mr. HAWKINS), the chairman of this Subcommittee on Employment Opportunities and the gentleman from Vermont (Mr. JEFFORDS), the ranking member of this subcommittee, in persevering and coming up with a strong bill for constructive action and the cooperative action of government and the private sector in extending a helping hand to our Nation's labor force.

Mr. JEFFORDS. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. WILLIAMS).

Mr. WILLIAMS of Ohio. Madam Chairman, I rise in support of H.R. 5320. I believe that this is a good bill and should be supported by the entire membership of the House.

The bill allows for the transition of a social program to an economic program that is in the long range interests of the United States by serving those most in need of assistance in training and employment.

H.R. 5320 provides for the continuation of locally contracted and managed delivery systems that can plan and administer the type of program needed in each labor market area.

H.R. 5320 meets the needs of both our youth and adult population. This bill is a complete and comprehensive piece of legislation and I urge its adoption.

Mr. HAWKINS. Madam Chairman, I yield 30 seconds to the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Madam Chairman, I rise in support of the Job Training Partnership Act. It is our first major effort to combat one of the most serious problems plaguing our Nation today—unemployment. As I indicated in my testimony at the March hearings which culminated in this legislation, the Federal Government must establish a comprehensive employment and training policy if we are going to put this country back to work.

We are currently faced with the highest unemployment rate since the Great Depression. Unemployment is not only devastating to the over 10 million men and women affected by it, but it is also detrimental to the Nation as a whole. Economists estimate that the Federal deficit increases by $25 billion each time the unemployment rate rises by 1 percentage point.

I wish to compliment the members of the House Education and Labor Committee for their efforts in developing the Job Training Partnership Act. I am particularly pleased with the emphasis which this legislation places on the private sector, which I believe to be an essential ingredient in any successful job training program. This bill forges a public-private partnership by giving private industry councils, which are made up of business and industry leaders, an equal voice with local officials in determining how Federal job training funds should be spent. Private industry councils are best able to identify the skills needed in a particular area so that people can be trained in accordance with labor-market demands. By involving business and industry in the Federal and training scheme, we increase the chances of placing people in unsubsidized jobs.

Another important feature of this legislation is the money set aside for assistance to displaced workers, that is workers who have lost their jobs due to plant closings or permanent reductions in force. This assistance would take the form of locating alternative employment for displaced workers, as well as retraining them in jobs for which there is a market demand. A displaced-worker program would be extremely valuable in my district of St. Louis, Mo., where hundreds of workers have been laid off in the automobile and construction industries.

I again want to reiterate my strong support for the Job Training Partnership Act, and I urge my colleagues to join me in backing this legislation.

Mr. HAWKINS. Madam Chairman, I yield 3 minutes to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Madam Chairman, I wish to congratulate the gentleman from California (Mr. HAWKINS) and the gentleman from Illinois (Mr. ERLENBORN) and the rest of the members of the Committee on Education and Labor and of course the full committee chairman, the gentleman from Kentucky (Mr. PERKINS), for having brought forth this tremendously constructive bill.

This landmark bill is a major step in the right direction in terms of involving the free enterprise sector in efforts to create meaningful employment opportunities.

Going back a decade and a half, the gentleman from California (Mr. HAWKINS) and the gentleman from Kentucky (Mr. PERKINS) and I were involved in structuring the new careers program, which was a public sector employment program, and it worked very well.

The concept of creating upward mobility in public service at the aide level—law enforcement aides, drug addiction aides, education aides, housing aides—is one which must not be lost. It is high time that we moved to get deeper, more positive and constructive involvement by the private sector in creating both the training and the job opportunities themselves.

Until the private sector is to be given responsibility and authority, they will not become involved. This legislation is the method by which we will encourage that involvement.

Madam Chairman, the timing for this could not be more propitious. We desperately need creative new initiatives to deal with the problems of young people who are alienated, unhappy, and frustrated, and who cannot find a role for themselves in American society. It is tragic that hundreds of thousands of youngsters feel this way. And we are suffering the results from it widely.

All around us we see the signs of that frustration and alienation: In graffitti, in rising rates of juvenile crime, problems of drug addiction, and the self-destructive welfare cycle. Many, if not most, of the ills in our society are dangerously close to becoming a pervasive subgroup in our society—a subgroup of young people whom, without pointing the finger of blame anywhere, society has not endowed with rudimentary reading or writing skills, the marketable skills that employers demand and respect.

Madam Chairman, we live in an age faced with expanding automation and a growing trend toward robotics. It is absolutely essential that every young person in our society have the basic skills of literacy communication so that they can participate in the marvelous advances in the application of science and technology we see all around us.

Madam Chairman, this bill is a tremendously important move in that direction. I again express my admiration for the two gentlemen for their wisdom and insight and I wish to add my voice in support of this effort.

Mr. JEFFORDS. Madam Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Madam Chairman, I rise in support of H.R. 5320, the Jobs Training Partnership Act to replace the current comprehensive employment and training program which will expire on September 30, 1982. I am pleased to see this legislation before us.

With unemployment rates at their highest since World War II, now is the time to reaffirm our commitment to provide jobs and training to the 9.7 percent of the population who are unemployed. This legislation targets two groups who are most affected by today's sluggish economy—long-termed unemployed and jobless youth. We find ourselves in an economy

where there are unfilled jobs and unemployed persons, but no skills to join the two. In the tool and die industry alone, 75 percent of the jobs are unfilled due to a lack of skilled applicants.

This is also an economy where youth have no opportunity to enter the job market because they lack the skills and experience required to obtain a job. Skills training is necessary to help these persons become employed. It will also help the U.S. economy to get back on its feet again.

One of the major disadvantages of CETA was the small role played by the private sector. Trainees were not always taught skills needed in their area or given adequate information regarding employment opportunities that did exist. Now with the private sector in equal partnership with the local government officials, the program can be administrated more effectively through a greater awareness of job opportunities and applicants available to fill them.

Although the Senate has proposed a bill to give administrative control to the State Governor, H.R. 5320 retains local control through the current prime sponsor system. The district which I represent the First District of Massachusetts, is located far away from the State government center. In past State-controlled programs, western Massachusetts has often been left aside to fend for itself. By retaining control in the hands of local officials who are truly aware of the local economic situation, I believe that the needs of the people this legislation is meant to serve will be met.

In my experience, individuals in charge of the prime sponsors under CETA, have done a fine job; 76 percent of the graduates of on-the-job-training programs have moved on to find jobs in the private sector. By retaining local control, we are assured that these dedicated individuals will continue their role of helping match people in need of jobs with the skills necessary to survive in an economy turning more and more to high technology.

I would also like to express my support for the amendments to be offered by the gentleman from Vermont (Mr. JEFFORDS), to include energy-related employment among the areas eligible for training and employment assistance.

In New England, I would venture to say that more small businesses specializing in conservation and alternative energies have sprung up over the last several years than in any other field. Much of the technology and skills involved are new. There was at one time an active cooperative apprenticeship and training project between the Department of Labor and the Solar Energy Industries Association, which recently ended.

This cooperation demonstrated the potential for training and new jobs in the renewable energy industry. This amendment would again permit training in this area.

Conservation and alternative energies will continue to be a substantial growth industry in regions like New England, and I commend the gentleman, my neighbor from Vermont, for this initiative.

Mr. JEFFORDS. Madam Chairman, I yield 6 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Madam Chairman, first I would like to express my appreciation to the chairman of the committee, the gentleman from California (Mr. HAWKINS), for his leadership, and the leadership of the gentleman from Vermont (Mr. JEFFORDS), and the gentleman from Illinois (Mr. ERLENBORN) on this most important bill.

Madam Chairman, I rise to speak to a section of the bill which I feel is most important in addressing the needs of those to be trained and to the benefit of the economy as a whole. That is section 233, which requires that, to the extent possible, adult trainees are to be enrolled in customized training: training where there is specific employer involvement in the design and/or conduct of training or where and employer or group of employers has made a commitment to hire the trainee upon completion of the training.

It is generally agreed that a crucial area of needed changes concerns the private sector role in the programs. Clearly, there is bipartisan agreement that, for these programs to work, the private sector involvement must be significantly expanded. The committee has provided a good starting point by making the Private Industry Council (PIC), a majority of which is drawn from the private sector, the sole advisory body for each prime sponsor with joint planning responsibilities shared with the prime sponsor. In my opinion, the role of the PIC's can and should be further strengthened by making the PIC's the principal planning body and, in those cases where the PIC is capable of doing so, making the PIC the principal agent for operating the programs as well.

Furthermore, for these programs to work, there must be greater participation by specific employers in the actual training conducted under the bill. The most effective device for increasing the probability that an employer will want to hire a program graduate is to involve the employer before the training begins. Currently, most program operators report that they train only for occupations which the available data suggest will be in demand. Only a small percentage report that this training is linked to specific job openings at specific firms. Increasing this percentage would significantly improve the effectiveness of Federal job training efforts.

Programs linked in this manner have several advantages. There is no dependence upon imprecise forecasts on occupational demand. Before training begins, the employer has indicated his or her willingness to consider program graduates. Equally important, the probability of placing program graduates is high because trainee selection and curriculum development would be tailored more specifically to particular job openings.

The committee bill includes my amendment which provides for significant improvement in this area. This new provision would establish a priority for customized training—that is, training where a specific employer or group of employers is involved in the design and/or conduct of those programs or where there has been a commitment by an employer or group of employers to hire trainees upon their completion of a training program.

Other provisions were included which would strengthen the hand of the prime sponsors in establishing customized training programs. These include: First, the allowable use of funds for employment bonuses to private employers who hire trainees on a permanent basis upon completion of their training, and second, a disregard, for purposes of the 15-percent cap on administrative costs, of any additional administrative costs incurred in establishing customized training programs.

In addition to obtaining greater success in placement, placing a priority on customized training ensures the attainment of another goal that really cannot be quantified. As private sector employees are brought more into the actual planning and implementation of the training, they will begin to feel a greater commitment to the success of the programs. There will indeed be a true spirit of partnership that will have beneficial effects for the local economy and community that go beyond statistics measuring placements and increased earnings.

My original intention was to offer an amendment requiring each prime sponsor to enroll at least 50 percent of all adult trainees in customized training. This would have been a significant improvement over the existing percentage enrolled in the customized training, which is about 15 percent nationwide. However, since the thrust of this legislation is towards greater local flexibility, and since we are breaking new ground by establishing a new framework for all of the Federal training programs, I believe that a better approach is for close coordination with the Department of Labor in developing regulations which ensure that the localities are making every effort to maximize the use of customized training.

Therefore, I intend to work very closely with the Department in the development of these regulations and am confident that the resulting expansion of the use of customized training will benefit the trainees as well as the economy as a whole.

□ 1330

Mr. HAWKINS. Madam Chairman, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Madam Chairman, as a member of the Committee on Education and Labor, I am delighted to take the floor at this time, obviously in strong support of this particular legislation.

I am also very interested to hear the very strong support that appears to be coming from the other side of the aisle, on the Republican side. I am most hopeful that that support will be reflected in the vote on the final passage of this legislation.

Not too many of us have to be reminded that the big problems and the reason we are here today is because of the action this administration forced a year ago when we basically terminated the CETA program under the Omnibus Reconciliation Act.

Now, there will be some attempts made today to weaken this legislation. There will be attempts made to weaken it in terms of the dollar amount, in terms of participation by the Private Industry Council. These are efforts that have to be rejected by the House, unless we want to really weaken what now is a basically sound piece of legislation.

As has already been stated by other people, the need is obvious. Our young people in this country and others, not just the young people, are faced with the most critical situation in jobs and in employment that we have had since the days of the depression; so it is time that we respond with this legislation, that we support this bill as it is reported out of the committee and that we give the people in our country who want the help and who need the help again the opportunity to become useful and contributing citizens.

Mr. JEFFORDS. Madam Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. DENARDIS).

Mr. DENARDIS. Madam Chairman, as a member of the Subcommittee on Employment Opportunities let me first say how greatly pleased and honored I was to work with Chairman HAWKINS and my ranking member, the gentleman from Vermont (Mr. JEFFORDS) on H.R. 5320, the Job Training Partnership Act.

I believe that the subcommittee undertook its task of writing new job training legislation in a careful and workmanlike fashion and after a number of hearings, both in Washington and elsewhere and careful consideration, we have a product which we are proud to deliver to the House today.

Let me say that after several years of attempting different approaches to job training with mixed results, our mandate this year was to provide a job training program that will work. We did not want a warmed over CETA program. We did not want to overpromise.

We have in this lean, but hopefully effective piece of legislation, a program that embodies at least three principal features in my view.

One, it is considerably more focused on specific employment and training problems than prior attempts in this field have been by targeting for example, economically disadvantaged individuals and displaced workers.

Two, it creates a structure under which business people can help others involved in employment and training to develop effective programs that lead to unsubsidized private sector jobs for the disadvantaged.

Third, there will be some significant involvement by the Governors and State job training councils to influence the shaping of employment and training programs that are geared to the unique aspects of each State's economic and job needs.

There are other features of the bill that will be highlighted in the discussion which will follow. Let me say in conclusion, that this bill is designed to help correct the Nation's problems of low productivity by an emphasis on job training for private sector jobs rather than public sector job creation or income maintenance. The bill is truly a reflection of the numerous lessons we have learned from past employment and training experience.

Mr. HAWKINS. Madam Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. GRAY).

Mr. GRAY. Madam Chairman, I would briefly like to take this opportunity to voice my full support for H.R. 5320, the Job Training Partnership Act.

Today, the problem of unemployment and joblessness in America has reached crisis proportions. The supply-side experiment, which has dominated our fiscal and monetary policies over the past 2 years has failed—miserably. Not only has it failed to restore health and vigor to our ailing national economy, the implementation of this ill-fated program has directly resulted in the highest peacetime unemployment in the history of the Nation.

Consider that: Nearly 10½ million Americans are out of work today.

Nearly one out of every five adult black Americans, totaling 2.8 million persons, are out of work—18.5 percent.

Of particular concern to me however, is the persistent problem of unemployment among black youth. The black teenage unemployment rate has remained above 30 percent for each of the past 10 years. However, during the summer of 1981, this rate reached a record 45.7 percent and today, 1 year later stands at a whopping 52.6 percent or one out of every two black teenagers.

Unemployment and severe problems of employment and training are not temporary phenomena. Inadequate education and training, discrimination, differential birthrates, the decentralization of industry, and the migration of skilled workers to new jobsites will continue to leave our cities with hard-core problems of unemployment and training. Further, isolated rural areas will need assistance. Additionally, there are unique employment problems associated with displaced workers, new entrants into the labor market, the economically disadvantaged, women, the handicapped, and others.

Madam Chairman, it is with this backdrop, that I come to the floor today, to support the Job Training Partnership Act.

The Committee on Education and Labor has proposed an improved and more comprehensive job training program than what exists today. Although this legislative proposal, in effect replaces the current CETA program, it attempts to build a new foundation for job training and employment, based on the expertise and experience developed through CETA over the past 10 years.

Now by no means do I view this proposal as the panacea we would all seek. Private sector participation will be critical to the ultimate success of this program. However, the role of our traditional community based organizations, in the planning, development, and implementation of this program is also very critical to its success.

It is also clear that local school systems, the major human resource delivery system to the labor market must be integrally involved in the planning and development of any local job training and employment scheme.

Madam Chairman, it is my belief that this proposal represents an effective tool for Federal efforts in the area of job training and employment, and I urge each of you to join with me in support.

Mr. JEFFORDS. Madam Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Madam Chairman, I rise in support of this measure.

It is no secret that—because of rapid advances in technology—the job market is undergoing fundamental changes.

Jobs in this country are demanding an increasingly high level of skills. Skilled workers find themselves in the midst of a bidding war by potential employers while their lesser skilled

colleagues are filling more and more space in the Nation's unemployment offices.

Clearly we need to train people to fill vacant jobs.

The focus of the bill we are considering today is training people for jobs rather than relying on make-work public service jobs.

This bill is a fundamental restructing of government activities in the employment area and it moves in a direction I strongly favor.

Under this bill most of the funds are to be used for job training for the private sector.

This legislation gives the private sector a strong role in the planning and use of these funds.

We must rely on the private sector because of the new jobs that will be created over the next few years—over 80 percent will come from the private sector and 80 percent of those jobs will come from small business.

In any good employment bill we must give local communities flexibility in designing job training programs. That is provided in this bill.

In any good employment bill we must give to the States the opportunity to adapt these programs to meet conditions at the State level. The State role needs to be strengthened and I will support an amendment that will strengthen the State role.

The role of the private industry councils also needs to be strengthened. An amendment will be offered to do that and I intend to support that amendment.

I urge my colleagues to support these important changes in the bill and then to support this legislation.

Mr. HAWKINS. Madam Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE).

Mr. WILLIAM J. COYNE. Madam Chairman, if our Nation is so fortunate as to have an economic turnaround, the number of new jobs created will, of course, mean a rise in the demand for employees. The administration devotes much of its effort to stimulate that demand to such devices as large business tax cuts. It fails to address the supply side of the workplace equation—trained labor.

Without a trained work force, a job boom can mean an employee bust. As the House Education and Labor Committee says in its report on H.R. 5320, the Job Training and Partnership Act:

> It is perhaps the ultimate irony that at time when we find ourselves primarily concerned with the revitalization of the American economy, we find the most vital sector of our workforce unschooled, untrained, and unemployed.

The administration fails to recognize the irony of the situation. The Republican-controlled Senate wisely rejected the administration's wholly inadequate job training bill, approving instead a $3.8 billion measure sponsored by Senators QUAYLE and KENNEDY.

The measure we consider today, H.R. 5320, is superior to the Senate proposal, improved through the Quayle-Kennedy bill is over the administration's bill. The House bill merits support not simply because it authorizes more funds for this critical program—$5.4 billion compared to $3.8 billion—although adequate funding is essential. The House bill contains an element the Quayle-Kenndey bill sorely lacks—local control.

Like the administration measure, the Quayle-Kennedy bill gives State governments far too much control over decisionmaking that should be carried out at the local level. Pittsburgh Mayor Richard S. Caliguiri makes a persuasive case for local, rather than State, control of job training programs. He says:

> The city strongly opposes the shifting of planning and programing authority from the local level to State level as depicted in the Quayle-Kennedy bill. The city strongly feels that the current prime sponsorship program needs to remain intact. Undoubtedly, local elected officials are in the best position to design, implement and manage programs which serve the ever increasing and rapidly changing employment and training needs of the local community. The local governments are also in the best position to expediently marshal and efficiently allocate local resources among all segments of the community, including business and industry.

Mayor Caliguiri points out the difference between State-level decisionmaking and that at the local level:

> The vast differences between State level and local level economic priorities and policy and decisionmaking processes will make it virtually impossible for States to develop and implement a standard set of policies which will be uniformly responsive to the economic needs of each and every local community. Problems specific to local economic needs require solutions specific to each local political jurisdiction rather than statewide corrective action applied by the State in a unilateral manner. Over the years, the current prime sponsorship system has proven for the most part that elected officials better serve all segments of the community and are dutifully held accountable for the integrity of these decisions by their constituents.

Madam Chairman, I strongly support H.R. 5320, and I urge my colleagues to do likewise. It retains the principle of local control over job training. It authorizes funding for such effective programs as the Job Corps, and it includes a new provision, of special importance to those of us who represent industrial cities, one which would aid in the retraining of skilled workers displaced from their jobs by plant closures or permanent reductions in force.

If we are to stimulate job demand, as virtually everyone in this Congress would have this Government do, we must be sure to pay attention to the needs of labor. The most critical need is training.

I favor this type of supply-side economics—an economics that recognizes an investment in human capital as the equal to an investment in monetary capital. The need for trained labor is clear. Rebuilding our crumbling cities, for example, may be the growth industry of the future. But it must be coupled with job training.

Passage of H.R. 5320 is a vital part of that effort. I urge my colleagues to vote yes on this measure.

● Mr. GEJDENSON. Madam Chairman, I speak today to express my support for H.R. 5320, the Job Training Partnership Act. The passage of this bill will represent the first step in our strategy to solve the No. 1 domestic problem—unemployment. During the month of June, 10.4 million Americans were unable to find work, maintaining a record rate of unemployment at 9.5 percent for the second month in a row. This bill would take a major step forward in addressing this problem by authorizing $5.4 billion for fiscal year 1983 in job training funds, job search assistance, and other employment services for disadvantaged, unskilled, and displaced workers. Primarily a training program, the bill would replace the expiring CETA program with a program based on the same system of coordination between the private sector and State, local, and Federal governments.

The Job Training Partnership Act sets specific targets for the establishment of private industry councils (PIC's). The partnership between the PIC and the prime sponsor is the backbone of the system, giving business—as represented by the PIC—and local elected officials—as represented by the prime sponsor—an equal voice in determining the spending of Federal money in developing local program plans and goals. The State, represented by the Governor, is also integrally involved, with the inclusion in the act of a provision establishing a State employment and training coordinating council to develop a statewide plan to coordinate Federal employment and training activities with State and local agencies, public assistance agencies, and the State employment service. This council, too, would have a healthy mix of government, business, labor, and community representatives.

The act also authorizes $3.5 billion in fiscal year 1983 for training and employment programs for the disadvantaged, with half of the money to be used for youths and the other half for adults. With the current unemployment rate for black teenagers over 50 percent, it is vital that this section of our population be included in job training efforts. For adults 22 and older participating in this program, successful completion of on-the-job

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training would be followed, as much as possible, by an employer's hiring commitment.

One billion dollars of the authorization would be targeted for employment and training programs for displaced workers, those involuntarily unemployed and facing little chance of reemployment. With the depressing news from the Bureau of Labor Statistics showing that during the month of June there has been a rise to 11.8 percent in the number of workers who have been unemployed for more than 27 weeks, it is obvious that there is a crying need for assistance in retraining and job location for these people. One-fourth of these funds would be sent to areas of the country especially hard hit by unemployment, with the remaining money being distributed on the basis of area unemployment. Once again relying on the important partnership between States, localities, and the Federal Government, all of these funds would be matched by State, local, or private funds.

An important component of this bill is its retention of the Job Corps program, the program that trains and prepares for employment youth from poor backgrounds. The bill also retains training funds for Native Americans and migrant and seasonal farmworkers.

Once again, Madam Chairman, let me say that I wholeheartedly support this bill, and urge my colleagues to support it by voting for it today.●

● Mr. FAUNTROY. Madam Chairman, I rise in support of H.R. 5320, the Job Training Partnership Act. As a cosponsor of this excellent legislation, I can unequivocally say that it is essential to our people and our economy that we pass this bill. At a time of severe shortages of highly skilled workers and technicians amidst postwar record levels of overall unemployment, this is the minimum we must do to put our people to work and provide American industry with the trained workers it needs to be competitive in world markets. I commend my colleague and good friend, Congressman AUGUSTUS HAWKINS, for sponsoring this most worthy bill.

This bill establishes a new job-training program, drawing on the lessons that we have learned from the CETA program. One lesson we have learned is that job training needs to be closely linked with the skills employers require. Several years ago we amended the CETA laws to establish private industry councils to work with local government sponsors in developing and administering job-training programs. This has worked well, and in this bill we integrate private industry councils even more closely into the job-training efforts, thus increasing the chances those who complete the training program will find local employers who need their skills.

We have learned that a successful job training program requires predictable funding, and income assistance to help trainees live and support their families during training. This bill authorizes $3.5 billion for employment and training programs for the disadvantaged, which is the minimum needed to operate a program like this on a national level. It also provides eligible participants with stipends equal to 70 percent of the BLS lower-living-standard income level, minus cash income and the value of food stamps. Participants could also be reimbursed for the costs of transportation, meals, equipment, and child care which would otherwise prevent people from using the training program.

We have also learned that workers displaced by plant closings or permanent cuts in work forces have different training needs from those who have not had stable employment before, and that young people may have different needs from adults. Thus, this bill contains a separate employment and training program for displaced workers, funded at $1 billion in fiscal year 1983, and continues the Job Corps program for youths between 16 and 24, funded at $650 million.

Madam Chairman, this is a sound bill, it is a fiscally responsible bill, and it addresses the needs of disadvantaged people and the needs of American business. I urge its adoption.●

● Mr. ROYBAL. Madam Chairman, I do not know how any Member can be aware of our record unemployment rates, especially among minority youths, and at the same time be opposed to this bill. In my view, it is one of the most important pieces of legislation we have considered in this Congress.

In its annual report to the President last year, the National Commission on Employment Policy stated that

> The opportunity for all citizens to be productive is essential if the U.S. is to meet its economic, social and national security interests. The increase in human capital is as critical as the growth of financial resources for the expansion of the economy and the well-being of the population. There is a national interest in insuring that our human resources are developed to their fullest potential.

The Commission based its statement, in part, on the force of history. As far back as the Civil War, Congress gave Federal lands to the States as an encouragement to train people in agriculture and related fields. Since then Congress, under both Republican and Democratic administrations, has consistently worked to strengthen employment and training capabilities. These programs have proven especially important in providing opportunities for disadvantaged and displaced workers to become productive citizens.

Employment and training assistance programs were an important part of this great tradition. The basic system and the ideas behind it were sound—city and county governments serving as prime sponsors, working in conjunction with community groups and private employers to provide training and jobs. The sponsors of H.R. 5320 recognized the soundness of the original concept, while acknowledging the need for improvement. The current prime sponsor system is retained, but vastly improved by increasing the involvement of private industry and recognizing to a greater degree the special needs of disadvantaged and displaced workers. The final product is not only consistent with the findings of the National Commission on Employment Policy, it is also a very effective means of dealing with the myriad employment problems we are experiencing in this country.

We must not delay. As our economy shifts increasingly toward advanced technology, emphasizing the need for a skilled and educated labor force, the Federal interest in providing and strengthening job training services will only increase. Programs we design will be essential in promoting economic growth and facilitating adjustment to labor market shocks. If the programs we create are successful, the benefits will be obvious—enrollees will become able to support themselves and their dependents, thereby reducing the public assistance rolls, increasing our supply of skilled labor, and helping to speed the growth of the Nation's economy.

Our President should have no quarrel with our efforts, for these goals parallel his own. However, that is one of the greatest paradoxes of the current administration. It relies so heavily on the self-help doctrine, yet eliminates or reduces the very programs which allow people to do just that. I am hopeful that we in Congress will be able to see more clearly. Our situation is critical. Our work force is changing, as are the demands of our marketplaces. It is crucial to almost every aspect of our culture and economy that we are able to meet these changing needs. H.R. 5320 would be a significant instrument in our struggle. I strongly urge passage of the Job Training Partnership Act without crippling amendments. Our national interest demands it.●

● Mr. RAHALL. Madam Chairman, I rise in support of H.R. 5320, the Job Training Partnership Act, and commend my colleagues on the Education and Labor Committee for recognizing the changing needs of the labor force by formulating the programs which will replace CETA contained in this bill.

I particularly applaud the diligence of the committee in fashioning a new program under this bill which is targeted to serve skilled workers who are

displaced from their jobs by plant closures.

In my State of West Virginia, the rate of unemployment was 9.6 percent in June of this year. In that same month, the number of manufacturing jobs dropped below 100,000 for the first time since 1940, the year the Great Depression ended. Since 1979 alone, 70,000 West Virginia workers have been thrown out of their jobs with 25,000 of those job losses occuring in the past year. On this anniversary of Reaganomics, this figure is sad testimony to those who advocate supply-side economics.

Madam Chairman, more than one-third of the work force in the mining industry centered around my hometown of Beckley is now laid off. Statewide, the percentage of the coal labor force unemployed is nearing 20 percent. One steel company alone has laid off 1,250 workers out of its total labor force of 2,500.

These are skilled workers, in the construction, manufacturing, and mining industries who now find themselves out of work and many find themselves without prospect of returning to their jobs in the near future.

The bill before us today authorizes $1 billion in the coming fiscal year for employment and training programs for displaced workers. Assistance would be provided to locate alternative employment, retrain workers and to mitigate the damage of economic dislocation on local communities.

This is the type of directed assistance needed by displaced workers and represents an investment which will surely pay off.

Yet, this program will do nothing to mitigate the emotional stress placed on displaced workers and their families. No amount of financial or employment assistance can accomplish this task. Only a turnaround in the economy provides adequate safeguards against plant closings and unemployment. And the formula for this goal is not supply-side, but trickle-up economics.●

● Mr. PATTERSON. Madam Chairman, on very few occasions in this 97th Congress have we had the opportunity we have today. We assemble now in the House of Representatives to cast a vote important to the future strength of our Nation. During our debate over the Jobs Training Partnership Act, we must keep in mind the consequences of our action.

Our present unemployment rate looms far higher than any other in the past 40 years. This frightening statistic tells of millions of unemployed, uneducated, and undertrained. It is only one characteristic of our recessionary economy; yet, it is one we are prepared to do something about today.

Throughout this Congress we have considered President Reagan's program for economic recovery. For better or for worse we have adopted the changes he requested in our Tax Code and made alterations to our Federal budget which reduce Federal Government programs. While we have favored capital formation, what has happened to our commitment to human capital? Has its importance been lost in the fury of deficit debates?

Today we face an important decision. Should we choose to ignore the unemployed or seek positive ways to return them to gainful employment? As an original cosponsor of the Jobs Training Partnership Act, I rise in support of this authorization to put people nationwide back to work. An authorization of $5.4 billion in fiscal 1983 is modest in contemplation of present economic circumstances and our goals to overcome them.

In February 1982, the administration requested $2.38 billion in fiscal 1983 funds for jobs training to be consolidated into a State-administered program. This block grant proposal is not enough to meet the needs of today's unemployed and is severely inadequate if we are soon to achieve economic recovery.

In 1979, the national unemployment level was well under 6 percent. Today, in 1982, the national unemployment rate extends upwards to 10 percent. The authorization we are attempting to get passed today is 47 percent less than that approved for employment and training in 1979. Clearly the need today is far greater, yet our request has been reduced to meet our fair share of budget reductions.

If the administration is unsatisfied with the Jobs Training Partnership Act that we adopt today, let it challenge us. We must adhere to our priorities and get our economy back on its feet. Revitalization of our economy will not come if we leave our work force behind, ill-equipped to meet employment qualifications of tomorrow. Our work force will provide a bolster in transition, and a backbone in recovery. If we are to advocate a new prosperity, we must have a ready, adequate work force.

I urge my colleagues in the House to look long and hard at the Jobs Training Partnership Act. It assists numerous categories of unemployed persons, assesses their training needs, and combines private industry and local government authorities in a partnership of purpose. Under the direction of State and local authorities, jobs training will meet the demands of specific labor markets. Private industry councils will have an expanded role in shaping career patterns of many who are currently unemployed.

The largest benefit of all will come to the over 2.25 million unemployed workers who will be served under this act. Employment and training services will be targeted primarily to those who are unable to find work and maintain self-suffiency. Over 90 percent of the funding authorized for adult and youth jobs training will serve the economically disadvantaged. The remaining 10 percent will be directed at individuals who have experienced the hardship of multiple barriers to employment. Therefore, displaced homemakers, veterans, older workers, and others stand to benefit greatly.

Recognizing that almost one-quarter of our Nation's unemployed are under 25 years of age, added emphasis has been placed on preparing youth for careers. A broad range of services, from preemployment skills training, tryout employment, school-to-work transition, and summertime work programs will be instituted.

As structural changes in our economy create job obsolescence, the number of displaced workers increases. When advancing in age, the displaced worker finds employment options scarce. The Jobs Training Partnership Act authorizes a comprehensive program of jobs training specifically designed for displaced workers. Through job search assistance, labor market information, retraining, and relocation assistance, this bill attempts to stem the tide of layoffs, chronic now in all too many industries.

Special provisions of this Jobs Act include guarantees to Native Americans, seasonal workers, and minorities, that unemployment need not be a way of life. Our Government coffers need not be drained by continuing unemployment compensation and public assistance payments. We can mobilize our work force, redirect our resources, and channel our talents into new and different fields.

Already there is evidence of new job markets. High technology and engineering represent only two areas wide open for future employment. Yet, we must have qualified applicants in our pool of ready labor. That is why our decision today is so vital. It will mean the difference between being prepared and being sorry.

The measure of our present unemployment situation is divided. So long as the temporarily unemployed of today are trained and retrained to meet the demands of an economy in transition, economic prosperity is possible. However, if ignored, these unemployed workers will be without recourse, never able to find work, always dependent on whatever society might offer them. If we allow those layed off, underskilled, or uneducated to become permanently unemployed by our inaction, we will do irrevocable damage to our national economy.

We must not abandon our unemployed and force them to live out their lives idle and inadequate. In the past, the productivity of these workers made our Nation strong. We must open the doors to new workplaces

where they might once again prove they are capable, willing and ready to go to work. I urge the support of each and every one of my colleagues in the House for the Jobs Training Partnership Act, because it will allow unemployed, disadvantaged workers to get back on the job.

This Jobs Act is a grant system safeguarded from waste, and rewarding to successful employment sponsors. It unites the Federal, State, and private sectors in a worthwhile endeavor. It serves the common interest in reducing national unemployment and restoring economic vitality so necessary at this time.

Please join me in support for the Jobs Training Partnership Act.●

● Mr. LAFALCE. Madam Chairman, I rise today in support of H.R. 5320, the Job Training Partnership Act. With unemployment at the highest levels since the Depression, there can be no doubt that we must pass this measure, which enables the most disadvantaged members of our society to obtain needed job skills to enter the job market.

At the same time that I am encouraged that we are considering this measure—and I certainly hope that the full Congress presents the President with a bill that addresses the very serious problem of unemployment and training for the most disadvantaged—I am disturbed that this legislation expresses the full extent of our efforts to provide needed job training.

This Nation stands on the precipice of a job skills crisis. It is estimated that by the year 2000, 10 to 15 million American manufacturing workers, and at least as many service workers, will no longer be needed in the types of jobs that exist now. Analyst Peter Drucker has projected that within 25 years the proportion of the American work force employed in manufacturing will decline to between 5 and 10 percent, as compared with 20 percent of the work force today. These numbers represent profound impacts on our requirements for a coordinated program of training and retraining for the Nation's employed and unemployed individuals.

Madam Chairman, we have all become acutely aware in recent years of the impact on jobs caused by the technological revolution. At the same time that unemployment is hemorrhaging our communities, there are many industries—particularly high technology industries—which are faced with serious shortages of scientists, mathematicians, engineers, and computer programers. The U.S. Department of Labor has calculated that there were 17,000 unfulfilled entry-level engineering jobs in 1980. Members of the American Electronics Association expect that demand for engineers in the high technology area will significantly outpace the growth potential of colleges and universities to turn out trained engineers. From 1978 to 1990, according to the U.S. Department of Labor, the demand for professional and technical workers will rise 19 percent.

The statistics citing this fundamentally changing labor force are clear. What is not clear is how we are going to meet the challenges of this revolution in our work force—a change which is as significant as the industrial revolution of 150 years ago or the mechanized advances in agriculture of 50 years ago. According to the U.S. Department of Education, fully one-fifth of American adults are functionally illiterate—let alone prepared to immediately embark upon high technology training.

The job-training package which we consider today focuses on disadvantaged workers who comprise only about 11 percent of the work force. The other 89 percent of the work force also needs to have its problems addressed.

For industries which are becoming more automated or robotized, the seriously increasing problem of displaced workers will plague the Nation unless intensive retraining efforts are initiated.

In the growth industries, such as computers and telecommunications, young people with a sound educational basis in the maths and sciences will be essential if we are to see American companies rather than foreign competitors leading the way with state-of-the-art advances.

Our service sector is expanding, and along with it the opportunities for more workers to be engaged in occupations which require excellent communicative skills. Our schools must emphasize English reading and writing skills—to say nothing of the dire need for better foreign language preparation for Americans.

Fewer than 1 percent of America's students learn languages which are spoken by three-quarters of the world's population. We will not be able to penetrate foreign markets and sell American-made goods abroad if this dismal condition remains unremedied.

In recent weeks I have gathered together some of the country's foremost experts on the subject of the general skill level of our labor force. The group includes officials from the Departments of Labor, Education, and Treasury. The experts also are affiliated with a host of private groups dedicated to addressing problems of our work force. These groups include: The American Society for Training and Development; the National Institute of Education; Manpower and Education Research Associates; the National Commission for Employment Policy; the Japan Productivity Center; the American Productivity Center; the U.S. Chamber of Commerce; and representatives from the business world and academia.

These individuals have noted the problems facing the work force today and in the future. They have spoken of the need to better integrate the efforts of the business and the educational communities in order to jointly chart the future of programs at the local, State, and national levels which will begin to comprehensively address the serious skill level shortage. Naturally, workers themselves and their labor representatives need to be a part of the policies which are developed to deal with this matter.

Madam Chairman, in the coming weeks I will be sharing with my colleagues the conclusions of this group of experts which I have hosted. I believe that their insights into this issue are worthwhile and, indeed, crucial to our continued deliberations on programs to meet the skill level crisis.

I am heartened by the fact that the bill we consider today signifies an increased role for private industry to play in the development of plans for matching job training with job opportunities.

However, I am concerned that we may simply pass this measure and think that we have discharged our obligation to the training demands of the Nation. Such a view would demonstrate a serious case of congressional myopia. The job training needs of the Nation are far more extensive than the programs which this bill addresses would indicate. The plight of our country's lagging general skill level necessitates action within our educational community as well as in the business sector.

During most of the remainder of this session of Congress we will be preoccupied with legislation aimed at reviving our Nation's economy. "Economic growth," "productivity," and "full employment" will no doubt be the buzz words of our forthcoming debates. I urge my colleagues to consider that we as a nation will enjoy neither improved economic growth and productivity nor full employment if we proceed on the premise that such worthy goals can be obtained solely through budgetary means.

Our foreign friends and foes, who have been successful in leading us in industries which once were epitomized by American dominance, have learned early that we face a technologically changing world which is rapidly changing the landscape to be covered by the world's work force. Let us recognize these changes, too. And let us undertake efforts to meet these most serious challenges.●

● Mr. RODINO. Madam Chairman, I rise to express my strong support for H.R. 5320, the Job Training Partnership Act of which I am privileged to be

a cosponsor. This measure will authorize an urgently needed job training program to replace the Comprehensive Employment and Training Act programs which will expire at the end of this fiscal year.

Under this bill, a jobs training program will receive permanent authorization, with $5.4 billion provided for fiscal year 1983. Of this, $3.5 billion is for employment and training assistance for the disadvantaged, $1 billion for displaced workers, $650 million for the Job Corps, $230 million for national employment and training programs, and $20 million for labor market information.

Of particular importance is the coequal partnership between business and the local government or prime sponsor which is mandated by H.R. 5320. Independent private industry councils are to be established in each prime sponsor area, with a majority of members who are representatives of business and industry in the individual areas. Funding for any activity would have to be approved by both the prime sponsor and the private industry council. This should result in active involvement of the private sector, which is vital to achieving effective, productive training for unsubsidized private sector employment.

Madam Chairman, unemployment is now at the shocking rate of 9.5 percent nationally and nearly doubled for black and other minority Americans. For black teenagers the unemployment rate is at the appalling level of 52.6 percent. So I am especially heartened by provisions of the bill that provide that half of the $3.5 billion authorized for training for the disadvantaged will be used for services to youths aged 16 to 21 and half of the funds on services for adults 22 or older. There is flexibility in this program, for up to 15 percent of this allocation could be transferred to the other group, based upon local needs.

This bill includes a much needed new program, authorized at $1 billion for fiscal year 1983, to retrain skilled workers whose jobs have been terminated or suspended as a result of a plant closure or permanent reduction in force. These workers with little prospect of reemployment would be retrained for jobs in new or expanding industries. This program, again, is a partnership, for the Federal funds would be matched by State, local, or private money, which could include unemployment compensation paid to participants.

Despite the initial cost of the programs authorized under H.R. 5320, in the long run they will be much more economical for the Federal Government. Last year $2.1 billion was spent on unemployment assistance and $1.9 billion in advances to State unemployment insurance trust funds. To these sums must be added the costs for welfare, food stamps, and other social assistance that are the price for high unemployment.

Madam Chairman, the importance of this measure is equally vital in human terms. It offers desperately needed hope and opportunity to those seeking without success to begin their working life and to those whose lives have been shattered through loss of stable employment. It can provide the help essential to bring them into the productive mainstream of our society.●

● Mr. BIAGGI. Madam Chairman, I rise in strong support of this legislation which would provide us with a comprehensive program designed to meet the employment and training needs of all our Nation's citizens who can and want to work. At a time when unemployment is peaking at its highest levels since World War II, this bill, the replacement to the expiring CETA program, provides an important basis upon which to begin to meet that demand.

As an original cosponsor of this legislation and the senior New York member on the House Education and Labor Committee which considered this bill, I first wish to commend our distinguished subcommittee chairman, GUS HAWKINS, for his constancy of commitment to bring forth a bill that has bipartisan support. While there are clearly differences, I believe that the basis for this legislation builds upon a consensus that we all share. That consensus is that there is no greater need at this moment than the need for jobs—jobs which will put people to work and jobs that will help stimulate the economy.

This bill builds upon our decade of employment and training experience with the CETA program by using the existing Government structure for delivering jobs training activities. This function is expanded to the private sector through the use of private industry councils—PIC's—which share an equal voice with local elected officials in determining how these job funds will be spent.

While I commend the committee for its attention to incorporating the talents and resources of the private sector, I must, at the same time, reaffirm my strong support for the ability of the public sector to provide job training and services to the unemployed. I actively opposed last year's Budget Act which eliminated funding for the public sector jobs programs in CETA under titles II and VI. Public sector employment programs have been critical to my own home city of New York and as result of last year's budget actions, we have already sustained a cut of nearly $178 million—money which supported 11,500 workers in public sector jobs. I should also note that at a time when unemployment in New York City exceeds the national average—especially among minority populations and particularly among youth—we have also lost an added $110 million from last year's budget cuts which supported 24,000 training slots.

I support the provisions in title II of this legislation which target funds to unemployed and hard-to-train youth. Again, in New York City, which is currently experiencing a 30-percent unemployment rate in this particular population, such a provision is critical to their futures. Use of the private sector will be essential to identifying business needs, providing on-the-job training and designing cost-effective methods. Half of the $3.5 billion in authorized funds would be reserved for in-school and out-of-school youth under 22 years of age. This ratio would be adjusted to take into account local variations in the eligible population with the flexibility to transfer up to 15 percent of the funds between these two age groups as needed.

Title III of H.R. 5320 would provide funds to States with chronically high unemployment rates, to be matched with State or local, public or private funds. Those who will be served under this program—authorized at $1 billion—are those citizens who are most desperately in need of new job skills which will allow them to reenter the work force. As an original member of the Select Committee on Aging, I have a special concern for older workers which will be served by this section. Clearly, the unemployment problems faced by this segment of the population have been woefully underserved by our current employment and training programs. I should note that the committee has added language in the report which accompanies H.R. 5320 to underscore our ongoing concern with the problems faced by older workers. The current CETA program has not responded adequately to this need—even with a specific authority to do so under section 215 of the current law which directs prime sponsors to provide special services to older workers. I want to underscore my own commitment to insuring that an adequate portion of the funds under this section are targeted to those over 55—who now comprise 23 percent of the unemployed. Current older worker participation rate for all CETA titles reached a high of 4.4 percent in fiscal year 1979 and dropped to 3.1 percent in fiscal year 1981. The response of the private sector in CETA has been even worse—only 1.2 percent of the workers under title VII were 55 and over. I wish to go on record that I intend to work with the committee in conducting vigorous oversight of this legislation to insure that program participation matches the target groups we are trying to serve—especially older workers.

The committe bill also addresses the special needs and another important population which requires special employment and training aid—our veterans. Veterans are singled out in titles II, III, and IV of H.R. 5320 and for good reason—the majority of them are ready, willing, and able to work. In exchange for their service to this Nation, we have a moral obligation to insure that they can return to the work force and that they can retain a productive and useful role in that work force.

The national programs authorized under title IV, at a level of $230 million insure that Indians, Native Americans, and migrant and seasonal farmworkers continue to be a national responsibility. This title further provides for multistate programs, such as the all-important "Project With Industry," and other ongoing research and demonstration programs which will assist us in meeting the employment needs of the work force in the decades ahead.

I am offering an amendment to this section which will specifically provide for multistate programs which will:

Educate employers on the benefits of hiring older workers;

Encouraging employers to use the expertise of older workers; and

Facilitate the transition of older workers into new jobs as well as upgrading their current job skills.

In setting up this program, the Secretary is directed to utilize those organizations which have a demonstrated ability to employ and train this population. These groups include State and area agencies on aging as well as national organizations which run the popular title V senior employment program which currently supports 54,200 older workers in part-time community service employment. It should be underscored here—as it has been in the committee's report—that programs that would be operated for older workers under my amendment should not be viewed as a replacement for the title V program. Instead, these programs must build upon our current activities for older workers—activities which are clearly limited, at best. DOL estimates that as many as 5 million people are eligible for the program and most sponsors have 10 applicants for every slot.

Section 215 of CETA, which authorizes prime sponsors to provide special services for older workers, states:

SEC. 215. (a) Services for older workers under this part shall be designed to assist eligible participants in overcoming the particular barriers to employment experienced by older workers, including skills that are obsolete or no longer needed in the community, changing physical characteristics associated with aging, employer reluctance to hire older workers, financial barriers to labor force participation and lack of appropriate job opportunities.

(b) The Secretary shall insure that each prime sponsor's plan for serving eligible older workers under this part includes provisions for utilizing activities including activities described in section 308 and coordinating services for older workers under this part with programs and services provided by senior centers, area agencies on aging, and State agencies on aging (as designated under the Older Americans Act of 1965).

Even with this special section, designed to encourage programs aimed at meeting the needs of older workers, prime sponsors have been derelict in providing employment and training services to older persons. The most recent figures available from the Department of Labor indicate under the comprehensive employment and training programs authorized under title II, parts A, B, and C, 2.3 percent of the participants were age 55 or over. Participation rates for persons in this age group were even worse for the private sector programs under title VII. Only 1.2 percent of the participants in these private sector programs were 55 or over. While older persons have never been equitably served by the CETA prime sponsors, the programs under which they fared the best—the title IID and title VI public service employment programs—have been eliminated entirely in fiscal year 1982. Department of Labor figures indicate that for the first three-quarters of fiscal year 1981, 4.5 percent of title IID participants were older persons and 5 percent of the participants in title VI programs were 55 plus.

Based on the performance of prime sponsors under CETA, it seems quite safe to say that merely authorizing or encouraging prime sponsors to equitably serve older persons, will by no means insure that this segment of the population receives a fair share of employment and training services. It is my intent that this amendment will give us a starting point to begin a full and fair consideration of the employment and training needs of older workers and I look to my colleagues—who I know share my concern for older workers—to lend their support to this measure.

In sum, this bill is timely and essential. Putting all those who want to work in a position of being able to work. This bill provides an important vehicle to accomplish that goal and I urge that my colleagues join me in their support of H.R. 5320.●

● Mr. TRIBLE. Madam Chairman, I rise in support of the Jobs Training Partnership Act.

This legislation will provide the resources for States, localities, and private enterprise to train the chronically unemployed and disadvantaged to become productive members of our society.

For too long, appropriate job training was sacrificed to public sector employment. As a result, those in the CETA program received little training and were often consigned to needs and dead end jobs. Millions of taxpayers' dollars were spent with little impact.

H.R. 5320 will put job training on the right path. It will provide job training for every American who is in need of such training—for our youth, for those who have an inadequate education and need basic skills, for unemployed workers in declining industries who wish to learn a new skill, and for the handicapped.

These people do not want another Government handout. They want opportunity—the opportunity to learn a skill, to hold a steady and meaningful job, the opportunity to bring home a regular paycheck. This legislation will begin this process.

It is encouraging that H.R. 5320 directs the localities and the private sector to prepare plans which are suited for employment needs of that area. Who better knows the needs of a locality than its elected officials? In Virginia, no one better knows the needs of the people of Roanoke, Lynchburg, Norfolk, or dozens of other cities and counties than the local officials they elect to serve them. And who better knows the skill requirements of an industry than its representatives? I endorse this bill's direction that job training programs be planned and administered by the localities and private sector.

Moreover, the funds in this legislation are directed to those most in need, especially America's youth. America's young people are the key to our future. The programs authorized by this bill will teach them skills, responsibility, and a sense of accomplishment.

This bill is not without flaws. I would prefer even less Federal management and control of job training programs than mandated by this bill, and I would prefer that all funds go directly into training rather than into wages for the type of Federal "make work" that doomed CETA. On the whole, though, this is an encouraging step and I hope that these minor problems can be handled through amendment or in conference.●

● Mr. BROWN of California. Madam Chairman, today we are considering one of the very few programs proposed which would attempt to combat the adverse effects of the present recession—the worst one since the Great Depression. The economic experiment which was enacted exactly 1 year today has failed—and for the more than 10 million unemployed it has failed miserably.

The Job Training Partnership Act is an attempt to counteract that failure by developing a framework in which business, labor, educational institutions, and Government can work together to address a local community's employment situation. It can, and should be, part of a comprehensive

plan to equip our work force with the skills and tools it will need today and tomorrow.

This is not just an antirecessionary measure. Instead, it is much more. In passing this bill, we will be beginning to strengthen the foundations of our economy—not tearing it down. We will be saying that Government does have a role in training its citizens for the demands inherent in improving the performance of American industrial productivity.

The present administration, and many of my own colleagues, believe that the Government of this great country has no business in job training. But this flies in the face of reality. This flies in the face of what our economic competitors are doing, and doing very well. They have developed cooperative programs between Government and industry to overcome mutual problems. They are strongly supporting their educational institutions. They are encouraging innovation and productivity. And they are providing adequate job training.

We, in stark contrast, are cutting back our support. We are neglecting the very foundation of our economy. We are abdicating our responsibility to every American who benefits from a prosperous economy. This is shortsightedness of the highest order.

Instead, we must commit ourselves to retraining the hard working, displaced worker, in conjunction with the training of future workers through our educational system. This skill development should not be haphazard but should instead be directed and encouraged toward areas which will meet our future needs.

The prime sponsor in my district, the Inland Manpower Association, has for several years promoted better interagency and interinstitution cooperation, and to the best of its ability has worked within the confines of the present regulations. This effort has been a very ambitious undertaking, particularly given the size and complexity of the area to be served—27,000 square miles. I commend their continued efforts, and am pleased that this bill will attempt to encourage cooperation among those intimately involved in this area.

In passing this measure, we will be giving skills—and hope—to the young who have never held jobs and the displaced worker whose present skills are not needed. We will also be meeting the needs of American future industry, and thus take a significant step toward providing for America's future economic needs.●

● Mr. MATSUI. Madam Chairman, I would like to express my strong support for H.R. 5320, the Job Training Partnership Act, which was passed by the House of Representatives today. I believe that in approving this bill we have taken an important step toward this Nation's economic recovery. At a time when millions of American adults and teenagers are out of work, H.R. 5320 will provide vitally needed training and retaining programs that will restore many citizens to a productive role in the workplace. Moreover, with the requirement for increased public and private sector coordination, we will have greater assurances of the success of these programs.

My community of Sacramento, Calif., currently has an unemployment rate of 10.7 percent. That means that more than 54,000 local residents are without jobs. Enactment of H.R. 5320 will mean that many of these people can be taught new skills that have already been identified as necessary in the local marketplace. Not only will this break the demoralizing cycle of unemployment and underemployment, it will strengthen the local economy and even provide additional new jobs and opportunities.

I congratulate my distinguished colleague from California, Representative AUGUSTUS HAWKINS, for crafting this necessary, farsighted legislation and guiding its passage through the House.●

● Mr. CONYERS. Madam Chairman, the Job Training Partnership Act (H.R. 5320) is a desperately needed and well-crafted response to the unemployment crisis in the Nation today. My esteemed colleague (Mr. HAWKINS) and the staff of his Subcommittee on Employment Opportunities are to be commended for the service they have performed. It is, after all, not easy in the current political climate of negativism and retreat from Federal responsibility to shoulder the task of trying to find solutions to the unemployment crisis. Despite these obstacles, staff worked with diligence and courage to fashion constructive programs to provide assistance to the disadvantaged, displaced workers, and young people who wonder if they ever will find work.

Surely, few of us have any illusions about the depth and extent of the economic failure and the hardship it has caused. The situation in Detroit illustrates better than most the seriousness of the economic slump. In the past 35 years, Detroit has lost half of its manufacturing firms—1,700 today versus 3,300 then—and roughly 180,000 manufacturing jobs—fewer than 100,000 today versus nearly 300,000 then. On top of this, in the past 2 years, 40 Detroit firms have either shut down, scaled down, or else plan to shut down or scale down their operations. These decisions will mean as many as 34,000 additional lost jobs in the city. I do not think it is necessary to remind my colleagues that this industrial failure occurs in the midst of devastating unemployment among young and old, who never could even gain a foothold in the work force.

I find it absolutely remarkable—bewildering beyond belief—that today's recession-depression has been met with so little concern among the administration's policymakers. Sure, they profess a doctrine of a free market and so-called free enterprise system that has convinced them that Federal action has no role in dealing with the problems of the economy. Their doctrine is blind ideology, pure and simple. After all, since their doctrine has been operational in the past year and a half, the Nation's economy has taken a further, deeper plunge beyond where it was when they took office. There has been absolutely no indication that this administration doctrine of domestic neglect and callous disregard for the costs of their nonaction holds any prospect of turning the economy around.

The current recession-depression is worse than the last big recession that occurred between late 1974 and the end of 1975. In February 1975 the unemployment rate stood at 9 percent. The difference between that period and the present is that the Federal Government was doing something about the economic problem in 1974-75. It was working to alleviate economic distress and suffering. Nearly 500,000 public service employment jobs had been created in that period. One million jobs in construction and public works also were created through the emergency public works job program. And the secondary effects of this income stream helped bolster other parts of the economy. Today, however, except for the courageous programs advanced in H.R. 5320, there is absolutely nothing being done by the Federal Government.

I find the administration doctrine of nonaction, disregard, and indifference toward what is happening to the economy absolutely appalling. And their public relations campaign to portray the President as one who is concerned about the well-being of the unemployed and the down and out can only be characterized as one of the most shameful and fradulent efforts to obscure the facts of the economic situation and mystify the public.

The Job Training Partnership Act is a good start, despite the administration, to bring back some hope to the American people that the Federal Government is not entirely a stranger to their needs.●

Mr. JEFFORDS. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HAWKINS. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the reported bill as an

original bill for the purpose of amendment shall be considered by titles, and each title shall be considered as having been read. It shall be in order to consider amendments to the table of contents of said substitute at any time while said substitute is being considered for amendment under the 5-minute rule.

The Clerk will designate section 1.

Section 1 reads as follows:

H.R. 5320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Job Training Partnership Act".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Authorization of appropriations.
Sec. 4. Definitions.

TITLE I—JOB TRAINING AND EMPLOYMENT ASSISTANCE SYSTEM

PART A—COMMUNITY PUBLIC-PRIVATE PARTNERSHIP SYSTEM

Sec. 101. Prime sponsors.
Sec. 102. Private industry councils.
Sec. 103. Performance standards.
Sec. 104. Community job training plans.
Sec. 105. Review of plans.

PART B—STATE RESPONSIBILITIES

Sec. 111. Governor's coordination and special services plan.
Sec. 112. State employment and training coordinating councils.
Sec. 113. Coordination with State education and training agencies.
Sec. 114. State incentive grants.
Sec. 115. State labor market information programs.
Sec. 116. Interstate agreements.

PART C—GENERAL REQUIREMENTS

Sec. 121. General program requirements.
Sec. 122. Wages, benefits, and allowances.
Sec. 123. Labor standards.
Sec. 124. Allocation of funds.
Sec. 125. Availability of funds.
Sec. 126. Reporting requirements.
Sec. 127. Records, audits, and investigations.
Sec. 128. Complaints and sanctions.
Sec. 129. Judicial review.
Sec. 130. Services and property.
Sec. 131. Utilization of services and facilities.
Sec. 132. Prohibition against Federal control of education.
Sec. 133. Schedules for submission of plans.

TITLE II—EMPLOYMENT AND TRAINING SERVICES FOR THE DISADVANTAGED

PART A—GENERAL PROVISIONS

Sec. 200. Statement of purpose.
Sec. 201. Allocation of funds.
Sec. 202. Eligibility for services.
Sec. 203. Division of funds.

PART B—ADULT TRAINING PROGRAMS

Sec. 231. Eligibility for adult programs.
Sec. 232. Use of funds.
Sec. 233. Customized training requirement.

PART C—YOUTH PREPARATORY PROGRAMS

Sec. 261. Eligibility for youth preparatory programs.
Sec. 262. Participation in part B programs.
Sec. 263. Education for employment.
Sec. 264. Preemployment skills training.
Sec. 265. Entry employment experience.
Sec. 266. School-to-work transition assistance.
Sec. 267. Summer youth employment programs.
Sec. 268. Education standards.

TITLE II—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISPLACED WORKERS

Sec. 301. Purpose.
Sec. 302. Allocation of funds.
Sec. 303. Matching requirement.
Sec. 304. State displaced worker plans; coordination with other programs.
Sec. 305. Prime sponsor review.
Sec. 306. Consultation with labor organizations.
Sec. 307. Authorized activities.
Sec. 308. Eligible participants.

TITLE IV—NATIONAL EMPLOYMENT AND TRAINING PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

Sec. 401. Native American programs.
Sec. 402. Migrant and seasonal farmworker programs.

PART B—JOB CORPS

Sec. 421. Statement of purpose.
Sec. 422. Establishment of the Job Corps.
Sec. 423. Individuals eligible for the Job Corps.
Sec. 424. Screening and selection of applicants: general provisions.
Sec. 425. Screening and selection: special limitations.
Sec. 426. Enrollment and assignment.
Sec. 427. Job Corps centers.
Sec. 428. Program activities.
Sec. 429. Allowances and support.
Sec. 430. Standards of conduct.
Sec. 431. Community participation.
Sec. 432. Counceling and job placement.
Sec. 433. Experimental and developmental projects and coordination with other programs.
Sec. 434. Advisory boards and committees.
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Sec. 437. Special provisions.
Sec. 438. General provisions.
Sec. 439. Donations.

PART C—NATIONAL PROGRAMS AND ACTIVITIES

Sec. 441. Multistate programs.
Sec. 442. Research, demonstration, and evaluation.
Sec. 443. Training and technical assistance.
Sec. 444. Office of management assistance.
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PART D—LABOR MARKET INFORMATION

Sec. 451. Purpose; availability of funds.
Sec. 452. Cooperative labor market information program.
Sec. 453. Federal responsibilities.
Sec. 454. National Occupational Information Coordinating Committee.
Sec. 455. Job bank program.

PART E—NATIONAL COMMISSION ON EMPLOYMENT AND PRODUCTIVITY

Sec. 461. Statement of purpose.
Sec. 462. Commission established.
Sec. 463. Functions of the Commission.
Sec. 464. Administrative provisions.
Sec. 465. Reports.

TITLE V—AMENDMENTS TO OTHER LAWS

Sec. 501. Wagner-Peyser Act amendments.
Sec. 502. Amendments to part C of title IV of the Social Security Act.
Sec. 503. Repeal; transition provisions.

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

Section 2 reads as follows:

PURPOSES

SEC. 2. The purposes of this Act are (1) to increase the productive capacity and utilization of the Nation's labor force by improving the match between the skills of the labor force and the needs of the economy and preparing youth and unskilled adults for entry into the labor force, and (2) to enhance the job skills of unemployed and underemployed individuals, including dislocated workers. It is further the purpose of this Act to establish a community-based employment and training system built on a partnership between State and local govenments and the private sector.

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The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate section 3.

Section 3 reads as follows:

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. There are authorized to be appropriated—

(1) to carry out title II of this Act, $3,500,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year;

(2) to carry out title III of this Act, $1,000,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year;

(3) to carry out parts A, C, and E of title IV of this Act, $230,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year;

(4) to carry out part B of title IV of this Act, $650,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year; and

(5) to carry out part D of title IV of this Act, $20,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year.

The CHAIRMAN. Are there any amendments to section 3?

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Madam Chairman, I offer an amendment to section 3.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 5, strike out line 13 and everything that follows through line 6 on page 6, and insert in lieu thereof the following:

SEC. 3. There are authorized to be appropriated to carry out this Act such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.

Mr. JEFFORDS. Madam Chairman, this amendment is offered in order to bring the stated authorization of this bill into perspective considering economic realities and budget constraints.

When this bill was under consideration by the subcommittee and the full committee, the Congress had not agreed on its first concurrent budget resolution. Now that we have a first concurrent budget resolution we know what the level is likely to be for the appropriation and there is no longer any way that we can maintain an ar-

gument to have for the first year, as this bill provides, an authorization figure of $5.4 billion.

This level would create a false expectation that the total amount would be appropriated, an action that is highly unlikely.

The role of the authorizing committee is to create defensible programs that are targeted to the needs of eligible participants. It is the responsibility of the Appropriations Committee and the Budget Committee to set the actual levels that will be expended.

The purpose of this amendment is to make sure that we are telling the truth, really, as to what is likely to be spent, not to give out false hopes that the levels would be as high as the present bill contains.

I am sure we all would like to see more money spent in this area, but the realities of the situation are, with the huge deficit that we are facing, the programs have to be pared down to live within the constraints set forth in the first concurrent budget resolution.

Therefore, very simply, this amendment authorizes "such sums as may be necessary," and removes, in summary, the specific authorization figure for the total bill of $5.4 billion.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT OFFERED BY MR. JEFFORDS

Mr. PERKINS. Madam Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. PERKINS to the amendment offered by Mr. JEFFORDS: In section 3 as proposed to be inserted by the Gentleman from Vermont, insert "(a)" after "SEC. 3.", insert "(other than part B of title IV)" after "this Act", and add at the end thereof the following new subsection:

(b) There are authorized to be appropriated $650,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this act.

Mr. PERKINS. Madam Chairman, I know of no objection on the part of the majority to the Jeffords amendment, including "such sums" for the bill in general.

In the Job Corps, however, we are training about 35,000 youngsters, young ladies and gentleman, who are the disadvantaged youth of the country. It has been such a successful program and there have been so many attempts to cut it back, that we feel we should have a specific authorization figure of $650 million.

We do not know what we will face in the future and what kind of cuts will have to be made, but I think it behooves the Members of this Committee, all of us, to make sure that this program is not cut back below its present level.

That is all we are proposing to do; to hold the job Corps at its present level of enrollment and make sure that the youth of the country, the disadvantaged youth, have an opportunity for training. We are training in all the trades, educating the disadvantaged youth. It is one of the best programs that the Congress has enacted.

It is for these reasons that I would amend Mr. JEFFORDS' amendment to retain the $650 million authorization of appropriations for the Job Corps as set forth in the committee reported bill.

Mr. GOODLING. Madam Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

Madam Chairman, I merely want to support the chairman of the full Committee on Education and Labor. I think it is a good amendment to the amendment.

Mr. PERKINS. I thank the gentleman very much.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield to me?

Mr. PERKINS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman for yielding.

Madam Chairman, I would say this is a program that we have a great deal of experience with, as has been pointed out, it is cost beneficial, and certainly this is a level close to the present program level.

Madam Chairman, I support the amendment to my amendment.

Mr. WILLIAMS of Montana. Madam Chairman, will the gentleman yield to me?

Mr. PERKINS. I yield to the gentleman from Montana.

Mr. WILLIAMS of Montana. I thank the chairman of the committee for yielding and commend him for his work on this amendment, and particularly on this bill.

Madam Chairman, this is an appropriate point, I suggest, for me to ask the chairman of the Committee on Education and Labor a question to determine that understanding of his amendment and of this legislation are correct.

I understand that the Department of Labor is currently reviewing all of the Job Corps programs, and further understand that any proposed programmatic changes would be submitted after the fiscal year 1984 budget is presented.

Several constituents of mine in Montana, and I know some of those of the gentleman from Kentucky, have expressed concern that the heavy equipment training program may be discontinued as a result of the review and the potential cost savings recommendations.

The Department of Labor has assured me that there are no plans to discontinue the heavy equipment program nationwide, and further assured me they have no plans to close the Anaconda Job Corps Center in Anaconda.

Is it the gentleman's understanding that these assurances from the Department of Labor are correct?

Mr. PERKINS. It is. It is my understanding, further, that the Department of Labor agrees and intends to continue the heavy equipment training programs within the Job Corps. Those programs have been most successful. I know of no plans of the Department of Labor, to phase out any of these Job Corps programs.

It is our intention that the heavy equipment programs will always be included.

Mr. WILLIAMS of Montana. I thank the chairman for that assurance.

Mr. SIMON. Madam Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Illinois.

Mr. SIMON. Madam Chairman, I would like to say I was very interested in the exchange between the gentleman from Montana and the chairman of my full committee, the gentleman from Kentucky.

We each view the Job Corps, I suppose, from our own perspective. But we have a heavy equipment program in Pope and Hardin Counties in southern Illinois that has been absolutely marvelous for these young people and for our area.

I am pleased to be reassured by the chairman and by my colleague from Montana. The program absolutely ought to go ahead and be fully encouraged.

Mr. PERKINS. Madam Chairman, I yield back the balance of my time.

Mr. HAWKINS. Madam Chairman, I move to strike the last word.

Madam Chairman, I just want to clarify what we are doing in the amendment to Mr. JEFFORDS' amendment. This amendment offered by the chairman of the full committee will safeguard the Job Corps program, which I think is agreed to on both sides.

However, let me point out that we are also, at the same time, in the Jeffords amendment, conceding on this side, I think, one of the most important features that will be debated today, and that is, we are shifting from a specific earmarking of funds, $5.4 billion, to such sums as may be necessary.

I would hope that in the spirit of cooperation, that type of concession would be considered in terms of other amendments that may be offered.

If I, for example, had offered this amendment in the original bill, I would have been accused of generating an entitlement program. Such sums as may be necessary, in terms of political realities today, would be a lot greater than $5.4 billion.

We are conceding, however, that as time goes on, that this may not be relevant to October, November, or De-

cember, if that recovery takes place as the administration has promised. However, that may not happen and I would assume the political realities, or the economic realities of the end of the year, may dictate a sum of money which is much larger than that which has been proposed.

However, since the other side insists on this flexibility, we on this side are very willing to concede the point and to go along with the idea of eliminating the specific earmarking, with the exception of the Job Corps, and to leave the issue to be considered at the time that the Appropriations Committee decides on the economic realities of that day.

I think the other side actually has an excellent point to be considered, and we are most willing to cooperate and to concede this point at this time.

Mr. GONZALEZ. Madam Chairman, will the gentleman yield to me for a question?

Mr. HAWKINS. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Madam Chairman, I wanted to ask a question of the chairman of the Subcommittee on Employment Opportunities of the Committee on Education and Labor.

After the distinguished chairman of the full committee's statement here, I am a little bit confused. What is the issue pending? We are about to get into a vote on an amendment, but which amendment, the Jeffords amendment or the committee amendment?

Mr. HAWKINS. The pending question is the Perkins amendment to the Jeffords amendment. The Perkins amendment will protect the Job Corps program so that in agreeing with the other side that we will not have earmarked funds such as the original bill had for all of the programs, that we will have it for only one program, the Job Corps, to which they, I think, concede, but that all other programs would based on the economic realities existing at the time the appropriation is made.

Mr. GONZALEZ. Madam Chairman, if the gentleman will yield further, this is just what I do not understand.

Mr. PERKINS. Madam Chairman, will the gentleman yield to me?

Mr. HAWKINS. I yield to the chairman of the full committee, the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

Madam Chairman, Mr. JEFFORDS' amendment provides for "such sums" for all of the various programs throughout the entire bill; whereas my amendment makes an exception, $650 million for the Job Corps, earmarked, a line item.

Mr. GONZALEZ. If the gentleman will yield further, I gathered that, but still, in view of the fact that Mr. JEFFORDS and the minority generally have been so intensely opposed through the years against CETA, the Comprehensive Employment Training Act program, I recall being involved in the fight against this position.

So I cannot understand the yielding of the majority in the hopes and on the premise that what everybody now, even the most optimistic——

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. GONZALEZ and by unanimous consent, Mr. HAWKINS was allowed to proceed for 5 additional minutes.)

Mr. GONZALEZ. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding further to me.

Madam Chairman, I am not trying to quibble here. It seems to me this is a very fatal concession because the main intent, as I can see, of that kind of a proviso on the part of the minority is to cripple, to all intents and purposes, because as I understood further, it is premised on this rather illusory hope that what most Americans now know is not working, and that is the President economic recovery plan; and it is not only not working but it is as hopeless to expect recovery as it would be to seek uranium in a bowl of chili, in my opinion.

What we are confronted with is desperate unemployment, the greatest need for comprehensive training programs since I have been involved in these debates in my 20½ years in this Congress. It just seems to me that perhaps we should not concede.

Is it that without that concession there is no hope of getting anything? Should we not then go down in defeat with our battle flags flying?

□ 1400

Mr. HAWKINS. Well, we are not lowering the flag, may I assure the gentleman from Texas. The situation is that the possibility of getting $5.4 billion is as remote as the parable that the gentleman used. I have forgotten what it was, but it was very picturesque.

Mr. GONZALEZ. I do not know about that. If this Congress and the President could find an extra $5 billion for foreign aid over and above what we had last year, it does not seem to me that it is so ludicrous to expect us to vote realistically even if it means opposing the ax-wielding budget department of Stockman's. After all, they are not the ones that are supposed to set national policy. We are. The Congress is the national policymaking body, not the budgeteers.

It just seems to me that if we are going to respond even halfway responsibly to the crying needs of this country, that then we have got to stand up to this kind of tactic even if it means we are defeated. At least, we are on record that we are faithful to the discharge of our trust, particularly those of us that call ourselves Democrats.

Mr. HAWKINS. The realities dictate that there are many on both sides who are not going to vote for $5.4 billion. We recognize that, so we are not going to get that. So, we are really not conceding that which we already have. We are only conceding that which we hope to get. I would rather have what is in hand than drop the bone for the image that is reflected in the water. So, let us get what we can. That is the political reality of the situation.

Mr. GONZALEZ. I deeply appreciate that, and really accept that because, if anybody has faith in the distinguished Member's ability and record that he has had since he was in the assembly in California, it is this Member. But I wanted the record to reflect it so that it would not be considered one more of these endless processes we have been engaged in since last year when we succumbed in our responsibilities as the national policymaking body to a President who, in the name of exigency and of budget restrictions, wants us to do away with policies and programs that Congress has established for 40 years.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I want to thank the gentleman for his explanation. I think it is important to point out what the gentleman is really conceding. This amendment affects only the first year authorization levels. What the gentleman would like to get, he can still argue for. But the battle really as to what is likely to be had available here has already been fought and lost in a sense.

I would like to see more money than the budget resolution has, but the budget resolution has passed with anticipated appropriations. The gentleman still can argue very forcibly that there ought to be more money in the program. Nothing prohibits that. We are not decreasing the authorization level. We are just removing an arbitrary figure that has little meaning in the real world so that there is not an unreasonable expectation delivered to the people at this time that something is going to be available when we know it is not going to be available.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. GOODLING and by unanimous consent, Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. GOODLING. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield.

Mr. GOODLING. Madam Chairman, I just want to be reassured that the chairman does not use the word "tactic" as it was just used, and then pointed to our side, because I think "tactic" was certainly a poor choice of words when we worked so closely together to bring about this piece of legislation. I just wanted to be reassured that the gentleman does not see it that way.

Mr. HAWKINS. So far as I know, the gentleman addressing the gentleman did not use the word "tactic."

Mr. GOODLING. Correct, and I want to be reassured.

Mr. HAWKINS. I yielded the point, and I support certainly the amendment offered by the chairman of the full committee as an amendment to Mr. JEFFORDS' amendment, and as amended I will surely support Mr. JEFFORDS' amendment as being a real figure that has already, as he indicated, been restricted, and will ask my colleagues to go along with that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there any further amendments to section 3?

If not, the Clerk will designate section 4.

Section 4 reads as follows:

DEFINITIONS

SEC. 4. For the purposes of this Act, the following definitions apply:

(1) The term "academic credit" means credit for education, training, or work experience applicable toward a secondary school diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law and regulation and the requirements of an accredited educational agency or institution in a State.

(2) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain activities under this Act and which has an average rate of unemployment of at least 6.5 percent for the most recent calendar year as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.

(3) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide employment and training services.

(4) The term "designated enterprise zone" means an area of pervasive poverty, unemployment, and general distress designated for special treatment under Federal law.

(5) The term "economic development organizations and agencies" includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

(6) The term "economically disadvantaged" means an individual who (A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program, (B) has, or is a member of a family which has, received a total family income during the six-month period prior to application for the program involved which would have qualified such individual or family for cash welfare payments, subject to regulations of the Secretary; (C) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of unemployment compensation and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level; (D) is a foster child on behalf of whom State or local government payments are made; or (E) in cases permitted by regulations of the Secretary, is a handicapped individual who individually meets the requirements of clause (A), (B), or (C), but who is a member of a family which does not meet such requirements.

(7) The term "Federal employment-related programs" includes any federally-assisted program which provides employment assistance, vocational education, rehabilitation, community development, economic development, or other services to assist individuals to obtain and retain employment.

(8) The term "Governor" means the chief executive of any State.

(9) The term "handicapped individual" means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

(10) The term "Hawaiian native" means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

(11) The terms "institutions of higher education" means those institutions defined as institutions of higher education in section 1201(a) of the Higher Education Act of 1965.

(12) The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence, and identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas.

(13) The term "local educational agency" means such an agency as defined in section 195(10) of the Vocational Education Act of 1963.

(14) The term "low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

(15) The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent "lower living family budget" issued by the Secretary.

(16) The term "postsecondary institutions" means those institutions defined as institutions of higher education in section 481(a)(1) of the Higher Education Act of 1965.

(17) The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a need or income test.

(18) The term "Secretary" means the Secretary of Labor.

(19) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(20) The term "State educational agency" means such an agency as defined in section 195(11) of the Vocational Education Act of 1963.

(21) The term "unemployed individuals" means individuals who are without jobs and who want and are available for work, as determined in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed, but such criteria shall not be applied differently on account of an individual's previous employment.

(22) The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(23)(A) The term "veteran" means an individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(B) The term "disabled veteran" means (i) a veteran who is entitled to compensation under laws administered by the Veterans' Administration, or (ii) an individual who was discharged or released from active duty because of service-connected disability.

(24) The term "vocational education" has the meaning provided in section 195(1) of the Vocational Education Act of 1963.

The CHAIRMAN. Are there any amendments to section 4? If not, the Clerk will designate title I.

Title I reads as follows:

TITLE I—JOB TRAINING AND EMPLOYMENT ASSISTANCE SYSTEM

PART A—COMMUNITY PUBLIC-PRIVATE PARTNERSHIP SYSTEM

PRIME SPONSORS

SEC. 101. (a) A prime sponsor under this Act shall be—

(1) a State;

(2) any unit of general local government which has a population of 150,000 or more individuals on the basis of the most satisfactory current data available to the Secretary;

(3)(A) any consortium of units of general local government which includes any unit of general local government qualifying under paragraph (2); or

(B) any consortium of units of general local government which has an aggregate population of 150,000 or more individuals and which includes any unit of general local government which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act;

(4) any unit of general local government or any consortium of such units, without regard to population, which can demon-

strate, to the satisfaction of the Secretary, that (A) it serves a substantial portion of a labor market area within the State in which such unit or consortium is located, and (B) that no other eligible unit of general local government has submitted an approvable plan for serving a substantial portion of such labor market area;

(5) in order to provide for an orderly transition, for fiscal years 1983 through 1988, any unit or consortium of units of general local government without regard to paragraphs (2), (3), and (4) (but subject to subsection (f)), which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act; and

(6) any existing concentrated employment program grantee for a rural area which served such area under the Comprehensive Employment and Training Act.

(b) Any prime sponsor which is a consortium as described in paragraph (3)(A) or (4) of subsection (a) and which serves a substantial portion of a labor market area within the State in which such prime sponsor is located shall be eligible to receive bonus payments under section 201(f).

(c)(1)(A) A State may qualify as a prime sponsor for any geographic area which is not within the jurisdiction of any prime sponsor which is a unit general local government, a consortium of such units, or a concentrated employment program.

(B) The Governor of any State which qualifies as a prime sponsor under subparagraph (A) shall designate one or more service delivery areas within the area served by the State (as a prime sponsor), in consultation with units of general local government within each such area, and shall establish a private industry council for each such area pursuant to the requirements of section 102.

(2) A larger unit of general local government shall not qualify as a prime sponsor with respect to the jurisdiction within its area of any smaller unit of general local government which is or is part of a prime sponsor that has submitted an approvable plan for such area.

(d) An applicant shall, not later than such date as the Secretary shall prescribe, submit to the Secretary a notice of intent to be a prime sponsor under this Act for a two-year period. The Secretary shall designate as a prime sponsor any applicant submitting such a notice unless the Secretary determines that such applicant does not qualify under this section.

(e) In any area for which no prime sponsor has been designated, the Secretary may designate the State or other alternate prime sponsor in the State to develop a plan for that area.

(f) Nothwithstanding paragraph (5) of subsection (a), if two or more previously designated prime sponsors are eligible to be designated under such paragraph but are located in a single labor market area within the same State, then such prime sponsors shall not be designated for purposes of this Act unless such prime sponsors establish a joint private industry council. Such joint council shall serve an area which has a population of at least 150,000 individuals or which comprises a substantial portion of such labor market area. The joint private industry council shall be appointed in accordance with section 102(b), except that each prime sponsor shall be entitled to proportionate representation on the council on the basis of population. Nothing in this subsection shall be construed to preclude two or more prime sponsors located in a single labor market area which are not required to establish a joint private industry council from establishing such a council.

PRIVATE INDUSTRY COUNCILS

SEC. 102. (a)(1) A private industry council shall be established with joint responsibility with the prime sponsor for the planning of activities under this Act. A prime sponsor may designate a private industry council which served the same prime sponsor area under title VII of the Comprehensive Employment and Training Act to serve as the private industry council for purposes of this Act.

(2) No funds available under this Act shall be provided by the prime sponsor for any activity which does not have the approval of both the prime sponsor and the private industry council.

(b)(1) A majority of the members of the council shall be representatives of business and industry in the area served by the prime sponsor, one of whom shall be designated as the initial chairman or chairwoman of the private industry council. Private industry representatives shall be appointed from among individuals recommended by local business organizations operating within the area served by that prime sponsor and, whenever possible, at least one-half of such business and industry representatives shall be representatives of small business (including minority business). The remaining members shall be representatives of labor, education (representative of secondary, postsecondary, and vocational education agencies and institutions), rehabilitation, community-based organizations, the employment service, and economic development organizations and agencies. Members shall be appointed by the prime sponsor from among individuals recommended by appropriate organizations and agencies.

(2) In making appointments to the Council, the prime sponsor shall ensure that the membership of the Council reasonably represents the population of the area served by that prime sponsor.

(3) Members shall be appointed for fixed terms and shall serve until their successors are appointed. The prime sponsor may not dissolve the council or remove any member of the council, except for cause in accordance with regulations of the Secretary. Vacancies in the membership of the council shall be filled in the same manner as the original appointments.

(4) For purposes of this subsection, the term "small business" means private, for-profit enterprises employing 500 or fewer employees.

(c) Subject to subsection (a)(2), each prime sponsor shall make funds available, out of administrative costs allowable under section 121(p), to enable each private industry council to hire professional, technical, and clerical staff to assist in carrying out its responsibilities under subsection (a) of this section (if any funds for such purpose are desired by such council).

(d) In organizing and making appointments to a private industry council established for purposes of this Act, a prime sponsor shall ensure that such council is eligible to be designated as a planning council for any other employment and training programs operated within designated enterprise zones.

PERFORMANCE STANDARDS

SEC. 103. (a) Within six months after the date of enactment of this Act, the Secretary shall—

(1) establish national performance criteria on the basis of appropriate factors which shall include (A) placement in unsubsidized employment, (B) retention in unsubsidized employment, (C) the increase in earnings, including hourly wages, and (D) reduction in income support costs; and

(2) designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described in paragraph (1), shall be (A) attainment of employability competencies, (B) elementary, secondary, and postsecondary school completion, or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships, or enlistment in the military.

(b)(1) The Secretary shall determine the adequacy of each prime sponsor's proposed performance goals on the basis of minimum performance standards designed to measure outcomes. Such minimum performance standards shall be based on the national performance criteria established under subsection (a), appropriately weighting and varying the factors in such criteria to recognize local conditions and the nature of employment barriers encountered by the eligible population to be served.

(2) The Secretary may modify the applicability of any standard prescribed under paragraph (1) for any prime sponsor which demonstrates exceptional local economic hardship and may approve a plan submitted under section 104 which contains performance goals which are less stringent than the standard prescribed under paragraph (1), if such less stringent goals are the best reasonably attainable goals for that prime sponsor given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided.

(c) If the Secretary finds on the basis of reports submitted by the prime sponsor under section 126 that a prime sponsor is substantially failing to attain one or more of the performance goals contained in the plan approved for that prime sponsor, the Secretary shall—

(1) so notify the prime sponsor and the private industry council;

(2) provide technical assistance to the prime sponsor and the private industry council to assist in attaining those goals; and

(3) in case of ongoing failure to attain those goals during two consecutive years, after notice and opportunity for a hearing to the prime sponsor concerned, designate the State or other alternate prime sponsor to prepare a plan for the area served by the unsuccessful prime sponsor for the succeeding years and terminate the provision of funds under this Act to that unsuccessful prime sponsor.

(d) If the Secretary determines that a prime sponsor has demonstrated that it has corrected the causes of a failure which led to a termination of funding under subsection (c)(3), the Secretary may designate that prime sponsor to prepare a plan for a two-year period after an alternate prime sponsor has served the respective area.

COMMUNITY JOB TRAINING PLANS

SEC. 104. (a)(1) No funds shall be provided to any prime sponsor under this Act for any fiscal year except pursuant to a biennial community job training plan which—

(A) meets the requirements of this title;

(B) is developed with the participation of, and submitted with the approval of a majority of, the private industry council for that prime sponsor; and

(C) is approved by the Secretary.

(2) If a prime sponsor and private industry council fail to concur on the submission of a plan for any period and the Secretary is unable to resolve the disagreement, or the plan submitted is not approved by the Secretary and no other provable plan is submitted by the prime sponsor, the Secretary may designate the State or other alternatve prime sponsor in the State to develop a plan for the area normally served by that prime sponsor. Any such plan submitted by the State or other alternate prime sponsor shall be developed with the participation of, and submitted with the approval of a majority of, the private industry council for that alternate prime sponsor. In the event that no alternate prime sponsor is able or willing to submit such a plan, the Secretary may develop a plan directly or through an appropriate public or private nonprofit agency or organization for that area.

(3) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved biennial plan, the prime sponsor, with the concurrence of the private industry council, shall submit a modification of such plan, which shall be subject to review in accordance with section 105.

(b) Each plan submitted under this section shall include—

(1) a designation of the entity to administer, but not to deliver, programs and services under this Act in the prime sponsor area, which—

(A) may be constituted as a nonprofit corporation, with administrative and planning staff hired as employees of the corporation; or

(B) may utilize government employees as administrative and planning staff;

(2) a description of the activities to be conducted with funds made available under this Act, which shall set forth—

(A) a labor market analysis, containing projections of the availability of employment and training, and the potential for growth, in various public and private labor market sectors in the prime sponsor area, including sectors with current high growth rates;

(B) an analysis of the demographic characteristics of the eligible population in the area, an identification of the groups targeted for service among the eligible population, and the methods for determining priority for service among such population;

(C) a description of the procedures for selection of participants;

(D) a description of the training and employment services to be provided, including the duration of service, estimated cost per participant, wages and benefits, stipends, or allowances to be provided, and supportive services;

(E) a statement of the methods of selection and criteria for selection of service providers, which shall include proper consideration of community-based organizations as subgrantees or subcontractors for the provision of such services;

(F) a description of the arrangements for the active involvement of State and local educational agencies (including vocational education), public assistance agencies, rehabilitation agencies, economic development organizations and agencies, the employment service, and other appropriate employment-related programs and agencies in the delivery of services;

(G) a detailed description of recordkeeping procedures for the expenditure of funds and procedures for monitoring and auditing any subgrantees or subcontractors;

(H) a description of the allocation and use of any funds which will be retained from funds for one fiscal year for use in the succeeding fiscal year; and

(I) a description of procedures which will be used to consider previously funded community-based organizations, education agencies, and other deliveries of services which were both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act, in the delivery of programs and activities conducted under this Act;

(3) performance goals established by the prime sponsor which (A) meet or exceed the performance standards applicable to the prime sponsor as established by the Secretary under section 103 (as modified in accordance with subsection (b)(2) of such section), and (B) are the best reasonably attainable goals for that prime sponsor given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided;

(4) assurances by the prime sponsor that it will comply with all the requirements contained in part C of this title, and with the other provisions of this Act and of State law which are applicable to the activities being conducted;

(5) a description of methods of coordinating programs under this Act with other Federal, State, and local employment-related programs, including any procedures which may be adopted to provide for uniform intake or other administrative forms to be used for programs under this Act in conjunction with such other employment-related programs; and

(6) in the case of any prime sponsor establishing a joint private industry council under section 101(f), a description of any arrangements made with other prime sponsors served by the same joint private industry council to conduct a single labor market analysis in accordance with paragraph (2)(A), to establish procedures in accordance with section 121(g) to serve eligible participants from the other member prime sponsor areas, and otherwise to carry out programs and activities under this Act.

REVIEW OF PLANS

SEC. 105. (a) Each prime sponsor shall, at least 90 days before submitting its biennial community job training plan to the Secretary—

(1) transmit such plan to the private industry council for that prime sponsor for purposes of review, comment, revision, and approval;

(2) make such plan available for review and comment to—

(A) each house of the State legislature for appropriate referral;

(B) appropriate units of general local government and appropriate local educational agencies in the prime sponsor area; and

(C) labor organizations in the area which represent employees having the skills in which training is proposed; and

(3) make such plan reasonably available to the general public through such means as public hearings and local news facilities.

(b)(1) Prior to submission of the plan to the Secretary—

(A) such plan shall be transmitted to the State employment and training coordinating council, which shall certify the plan, if it determines that the plan is consistent with the criteria under the Governor's coordination and special services plan for coordination of activities under this Act with Federal, State, and local employment-related programs; and

(B) such plan shall be returned to the prime sponsor for a period of 30 days for it to consider the council's recommendations for modifying the plan, if the State employment and training coordinating council fails to certify the plan as provided by subparagraph (A).

(2) The recommendations of the State employment and training coordinating council shall accompany the plan as submitted to the Secretary, and the Governor of the State shall be afforded the opportunity to submit to the Secretary proposed modifications of the plan.

(c)(1) The Secretary shall review each community job training plan to determine whether it meets the requirements of this act and has been approved by the private industry council for that prime sponsor, and whether the performance goals established in such plan comply with section 103 and are adequate and reasonable with respect to local economic conditions and the purposes of the plan.

(2) In determining whether to approve a plan, the Secretary shall take into account the recommendations of the State employment and training coordinating council, and any proposed modifications to such plan submitted by the Governor, concerning the community job training plan's consistency with criteria established under section 111(b)(1) for coordination of activities under this Act with Federal, State, and local employment-related programs. If the Secretary does not accept such recommendations or proposed modifications, the Secretary shall, within 30 days, notify the Governor in writing of such decision and of the reasons therefor.

(3) The Secretary may disapprove all or any portion of the plan if the Secretary determines that the use of funds for a particular subcontract or subgrant provided within any portion of the plan would be grossly inefficient or materially fail to carry out the purposes of this Act, but the Secretary shall not disapprove all or any portion of the plan solely on the basis of the type or duration of training proposed.

(d) The Secretary shall disapprove any plan that does not fully satisfy the review under subsection (c), after a reasonable opportunity, but not less than thirty days, has been given to the prime sponsor to remedy any defect found in the plan and the prime sponsor has failed to do so. Whenever the Secretary disapproves a plan, a notice of disapproval shall be transmitted to the prime sponsor, the private industry council for that prime sponsor, and the Governor, accompanied by a statement of reasons for the disapproval. The Secretary shall not disapprove a plan without first affording an opportunity for a hearing to the prime sponsor.

PART B—STATE RESPONSIBILITIES

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

SEC. 111. (a) Any State seeking financial assistance under this Act shall submit a biennial Governor's coordination and special services plan to the Secretary describing the use of all resources provided to the State and its prime sponsor areas under this Act, evaluating the experience over the preceding two years, and setting policy and program goals for the succeeding two years.

(b)(1) The plan shall establish criteria for coordinating activities under this Act with programs and services provided by State and local education and training agencies (including vocational education agencies),

public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development organizations and agencies, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State.

(2) The plan shall describe the projected use of resources, including oversight and support activities, priorities and criteria for State incentive grants, and performance goals for State supported programs.

(3) If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing these changes.

(c) Governor's coordination and special services activities shall include the following:

(1) making available to prime sponsors and private industry councils, with or without reimbursement and upon request, appropriate information and technical assistance to assist them in developing and implementing their programs;

(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

(3) provide training and employment programs and related services to meet the needs of special population groups within the State, such as offenders and ex-offenders;

(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

(5) fostering the activities of the State occupational information coordinating committee established pursuant to section 161(b)(2) of the Vocational Education Act of 1963;

(6) industrywide training;

(7) activities under title III of this Act;

(8) developing and providing to prime sponsors information on a State and local area basis regarding economic, industrial, and labor market conditions;

(9) providing preservice and inservice training for planning, management, and delivery staffs of local prime sponsors and private industry councils, as well as contractors for State supported programs; and

(10) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs.

(d) A Governor's coordination and special services plan shall be approved by the Secretary only if the Secretary determines that the plan satisfactorily complies with subsections (b) and (c).

STATE EMPLOYMENT AND TRAINING COORDINATING COUNCIL

SEC. 112. (a)(1) Any State which desires to receive financial assistance under this Act shall establish a State employment and training coordinating council (hereinafter in this section referred to as the "council"). Funding for the council shall be provided pursuant to section 201(b).

(2) The council shall be appointed by the Governor, who shall designate one public member thereof to be chairperson. In making appointments to the Council, the Governor shall ensure that the membership of the Council reasonably represents the population of the State.

(3) The council shall be composed as follows:

(A) one-fourth of the members shall be representatives of business and industry (including agriculture, where appropriate) in the State, including individuals who are representatives of business and industry on private industry councils in the State;

(B) one-fourth of the members shall be representatives of the State legislature and of employment- and training-related agencies and programs in the State, including the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State;

(C) one-fourth of the members shall be representatives of the units or consortia of units of general local government in such State (including those which are prime sponsors) which shall be nominated by the chief executive officers of the units or consortia of units of general local government; and

(D) one-fourth of the members shall be representatives of the eligible population and of the general public, representatives of organized labor, representatives of community-based organizations, and represenatatives of local educational agencies (nominated by local educational agencies).

(4) The council shall meet at such times (but at least five times each year) and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

(5) The council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

(6) In order to assure objective management and oversight, the council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

(7) The plans and decisions of the council shall be subject to approval by the Governor.

(8) For purposes of section 105 of the Vocational Education Act of 1963, the council shall be considered to be the same as either the State Manpower Services Council referred to in that section or the State Employment and Training Council authorized under the Comprehensive Employment and Training Act.

(b) The council shall—

(1) develop the Governor's coordination and special services plan to be submitted, with the approval of the Governor, to the Secretary;

(2) review community job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State and local employment-related programs, including programs operated in designated enterprise zones;

(3) review continuously the operation of programs conducted by each prime sponsor, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Secretary, to the prime sponsors and private industry councils to agencies providing employment and training services, to the Governor, to the State legislature, and to the general public with respect to ways to improve the effectiveness of such programs or services;

(4) review the community job training plans, especially with respect to nonutilization or duplication of existing services;

(5) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist prime sponsors or otherwise to assist in carrying out the purposes of this Act;

(6)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the reports required pursuant to section 105(d)(3) of the Vocational Education Act of 1963; and

(7) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from the State advisory council under the Act of June 6, 1933 (the Wagner-Peyser Act), and any State coordinating committee for the work incentive program under title IV of the Social Security Act.

COORDINATION WITH STATE EDUCATION AND TRAINING AGENCIES

SEC. 113. (a) An amount equal to 20 percent of the sums available for purposes of section 201(b) shall be utilized for the purpose of facilitating coordination among State education and training agencies and prime sponsors under this section.

(b) In order to ensure effective coordination among employment-related education and training programs in the State, the Governor shall provide financial assistance to the appropriate State education agency or agencies responsible for education and training to facilitate coordination of services for eligible participants through cooperative agreements between such State agencies and prime sponsors. Such assistance may include—

(1) technical and financial assistance to vocational education institutions and local educational agencies to aid them in making cooperative arrangements with appropriate prime sponsors, private employers, and community-based organizations;

(2) provision to prime sponsors of information, curriculum materials, and technical assistance in curriculum development and staff development; and

(3) other appropriate assistance to develop and sustain the capacity to provide community-based employment and training pro-

grams for economically disadvantaged individuals.

STATE INCENTIVE GRANTS

SEC. 114. (a)(1) The sums reserved under section 201(d) for use under this section shall be made available by the Governor to the State education agency or agencies responsible for education and training for incentive grants to improve vocational services to individuals eligible under this Act in areas served by prime sponsors, in accordance with agreements for the use of such grant funds between such State agency or agencies and the prime sponsor, and (where appropriate) local educational agencies. Such agreements shall provide for the contribution by the State agency or agencies, and the local educational agency (if any), of a total amount equal to the amount provided in such incentive grant. Such matching amount shall not be provided from funds available under this Act, but may include the direct cost of employment or training services provided by State or local programs.

(2) Funds available under this section may be used to provide vocational education and related services to participants under this Act.

(b) If no joint agreement is reached on the use of funds under this section, the funds shall be available to the Governor for use in accordance with section 111.

STATE LABOR MARKET INFORMATION PROGRAMS

SEC. 115. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 451(b), the Governor shall designate an organizational unit which shall be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system and which shall—

(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

(A) is responsive to the economic demand and educational training supply support needs of the State and areas within the State, and

(B) meets the Federal standards under chapter 35 of title 44 of the United States Code and other appropriate Federal standards established by the Bureau of Labor Statistics;

(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

(A) identification of geographic and occupational areas of potential growth or decline; and

(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

(3) Assure, to the extent feasible, that—

(A) automated technology will be used by the State;

(B) administrative records have been designed to reduce paperwork; and

(C) multiple survey burdens on the employers of the State have been reduced;

(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices; and

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system.

(b)(1) The analysis required under clause (2) of subsection (a) shall be used by States and by prime sponsors to contribute to carrying out the provisions of this Act, the Vocational Education Act of 1963, and the Act of June 6, 1933 (the Wagner-Peyser Act).

(2) The assurance required by clause (3) of subsection (a) shall also provide that the State will, to the maximum extent feasible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping by State and local agencies, including secondary and postsecondary educational institutions.

(3) If Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results shall remain in the public domain.

INTERSTATE AGREEMENTS

SEC. 116. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

PART C—GENERAL REQUIREMENTS

GENERAL PROGRAM REQUIREMENTS

SEC. 121. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

(a)(1) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(2) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(3) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

(b) Prime sponsors shall provide employement and training opportunities to those who can benefit from, and who are most in need of, such opportunities and shall make every effort to provide equitable services among significant segments of the eligible population.

(c)(1) All individuals participating in training under this Act shall be eligible to receive allowances pursuant to section 122. No participant may receive allowances from funds under this Act for institutional or classroom training for more than 104 weeks in a five-year period.

(2) No individual shall participate in programs receiving financial assistance under this Act for longer than a total of thirty months in any five-year period.

(d) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

(e) No funds shall be used to assist in relocating establishments, or parts thereof, from one area to another or locating new branches, subsidiaries, or affiliates unless the Secretary determines that such relocation or location will not result in an increase in unemployment in the area of original location or in any other area.

(f)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and priority in the selection of training programs shall be given to training in occupations determined, pursuant to the labor market analysis made under section 104(b)(2)(A), to be in sectors of the economy which have a high potential for sustained demand or growth.

(2) All programs, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditional for the other sex).

(g) Only eligible individuals residing in the prime sponsor's area may be served by employment and training activities funded under this Act, except that, in the case of two or more prime sponsors operating with a joint private industry council under section 101(f), each such prime sponsor may serve eligible individuals residing in the other such prime sponsors' areas.

(h) No member of any council under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organization which the member represents.

(i) Except for employment bonuses under section 232(27), payments for on-the-job training to employers organized for profit shall not exceed the difference between (1) the costs of recruiting, training, and supportive services and the costs of lower productivity associated with employing an individual who lacks the requisite skills to perform the job in which the individual is placed and (2) such costs for those otherwise employed. The length of time for which such payments may be made shall not exceed that period of time generally required for the acquisition of skills needed for a position within a particular occupation.

(j)(1) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless the prime sponsor demonstrates that alternative services or facilities would be more effective or more likely to achieve the prime sponsor's performance goals.

(2) For the purpose of complying with section 104(b)(2)(E) with respect to the provision of education services, the criteria for selection among competing providers of services shall afford to appropriate education agencies in the area to be served the opportunity to provide such services, unless the prime sponsor can demonstrate that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(k) Adequate accounting, monitoring, and cost management systems shall be established and maintained to assure integrity of the funds provided under this Act, according to standards established by the Secretary. The Secretary shall establish such standards and procedures for recipients of

funds under this Act as are necessary to assure against program abuses.

(l) Each recipient receiving funds directly from the Secretary shall be responsible for the allocation of such funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuse in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Prime sponsors may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, if the Secretary has approved such an arrangement pursuant to the provisions of section 105(c).

(m) Federal assistance under this Act shall not be used for the payment of a fee for the placement of any individual in a training or employment program under this Act. Nor may any person or organization charge a fee for the placement or referral of any individual in or to such program.

(n) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with section 265(c)(2).

(o) The Secretary shall not provide financial assistance for any program under this Act which involves political activities.

(p)(1) Not more than 15 percent of the total amount of funds available to a prime sponsor under this Act in any fiscal year may be expended for the cost of administration of programs and activities under this Act. For purposes of this paragraph, costs of program support (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 233 shall not be counted as part of the cost of administration.

(2) All funds received under any title of this Act, which are allowed to be used for administrative costs under the provisions of the title under which they were received, may be pooled by the recipient so that they may be used to administer all programs under this Act

(q) Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

(r) The Secretary shall notify the Governor and the appropriate prime sponsor of, and consult with the Governor and such prime sponsor concerning, any activity to be funded by the Secretary under this Act within the State or prime sponsor area; and the Governor shall notify the appropriate prime sponsor of, and consult with such prime sponsor concerning, any activity to be funded by the Governor under this Act within the prime sponsor area.

WAGES, BENEFITS AND ALLOWANCES

SEC. 122. (a) Except as otherwise provided in this Act, the following allowances and wages shall apply to all activities financed under this Act:

(1)(A)(i) If the sum of cash income and the value of food stamps received by the family of the participant is less than 70 percent of the lower living standard income level, the participant may receive an hourly subsistence stipend which would, on an annualized basis, assuming 2,000 hours of participation, equal the difference between 70 percent of the lower living standard income level and the annualized sum of cash income and the value of food stamps.

(ii) Maintenance allowances may not substitute for other income transfer and in-kind aid for which the participant is eligible.

(iii) If a participant is eligible for but not receiving welfare, unemployment insurance, or food stamps, the participant shall be assisted in applying for benefits for which he or she is eligible.

(B)(i) Participants from families with incomes below the lower living standard income level shall be eligible for participation cost stipends to cover the extra costs of transportation, meals, equipment, and child care, necessary for participation.

(ii) Individuals with family incomes below 70 percent of the lower living standard income level shall be eligible to receive 100 percent reimbursement, and those between 70 and 100 percent of the lower living standard income level shall be eligible to receive up to 100 percent but not less than 50 percent reimbursement, of the costs described in clause (i) of this subparagraph.

(C) Lump-sum payments, tools and equipment, scholarships, and other rewards may be provided for completion of training activities, attainment of competencies, selfplacement at the completion of services, and other constructive attainments.

(D) A trainee shall receive no allowances for hours during which the trainee fails to participate without good cause.

(2) Individuals in on-the-job training shall be compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations prescribed by the Secretary, considering such factors as industry, geographical region, skill requirements, and individual proficiency, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

(b) Stipends and allowances received under this Act shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid referred to in subsection (a).

LABOR STANDARDS

SEC. 123. (a)(1) Conditions of employment and training shall be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant.

(2) Appropriate health, safety, and other standards for work and training shall be established and maintained.

(3) Appropriate workers' compensation or equivalent protection shall be provided to all participants.

(4) All individuals employed in subsidized jobs shall be provided workers' compensation, health insurance, unemployment benefits, and other benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, doing the same type of work, and similarly classified. Any such classification must be reasonable and must include nonfederally financed employees, but within any single classification a distinction may be made between subsidized employees and other employees for purposes of determining eligibility for participation in retirement systems or plans which provide benefits based on age or service or both.

(5) No funds under this Act may be used for contributions to retirement systems or plans unless such contributions bear a reasonable relationship to the cost of providing benefits to participants.

(b)(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No program shall impair existing contracts for services or collective bargaining agreements.

(3) No individual shall be employed or job opening filled (A) when any other individual not supported under this Act is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee not supported under this Act or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of individuals currently employed in jobs not subsidized under this Act.

(5) No jobs shall be substituted for existing federally assisted jobs.

(c)(1) No individual may be required to join a union as a condition of enrolling in a program assisted under this Act in which only institutional training is provided, unless such institutional training involves individuals employed under a collective-bargaining agreement which contains a union security provision.

(2) No funds available under this Act may be used to assist, promote, or deter union organizing.

(3) Where a labor organization represents employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided for such organization to submit comments with respect to such proposal to the applicant and to the Secretary, and written concurrence shall be obtained on activities impairing the terms of any collective bargaining agreement.

(d) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

ALLOCATION OF FUNDS

SEC. 124. (a)(1) All allocations under this Act shall be based on the latest available

data and estimates satisfactory to the Secretary.

(2) Whenever the Secretary allocates funds required to be allocated by formula under this Act, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each prime sponsor.

(3) All funds required to be distributed by formula under this Act shall be allocated within 70 days after enactment of the appropriations, except that, if such funds are appropriated in advance as authorized by section 125(b), such funds shall be allocated not later than the March 31 preceding the fiscal year for which such funds are to be available for obligation.

(4) No later than 30 days prior to allocation of any discretionary funds under this Act, the Secretary shall publish a plan for utilization of such funds in the Federal Register for comments. After consideration of any comments received, the Secretary shall publish the final plan.

(5) Whenever the Secretary utilizes a formula to allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allocations in the Federal Register.

(b) Except as provided under section 104(b)(2)(H) and section 25(a), the Secretary shall reallocate any amount of any allocation under this Act which has not been obligated by a prime sponsor to the extent that the Secretary determines that the recipient will not be able to use such amount within a reasonable period of time.

(c)(1) Any allocations to a prime sponsor designated under section 101 may be reallocated only if the Secretary has provided thirty days advance notice to the prime sponsor, to the Governor, and to the general public. During such period, comments may be submitted to the Secretary.

(2) After considering any comments submitted during such period, the Secretary shall notify the Governor and the affected prime sponsor of any decision to reallocate funds, and shall publish such decision in the Federal Register.

(3) In reallocating any such funds, the Secretary shall give priority first to other prime sponsor areas within the same State and then to prime sponsor areas within other States.

AVAILABILITY OF FUNDS

SEC. 125. (a) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation. The obligation of funds shall not be revoked or canceled as long as such funds are expended at a rate which is consistent with the program plan.

(b)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

(c) Notwithstanding any other provision of this Act, no authority to enter into contracts under this Act shall be effective except to such an extent or in such an amount as are provided in advance in appropriations Acts.

REPORTING REQUIREMENTS

SEC. 126. (a) Each prime sponsor shall submit to the Secretary not less than once each calendar quarter a report on its progress toward achievement of its performance goals (as set forth in its plan pursuant to section 104(b)(3)) and annually, within 60 days after the end of each fiscal year, on the activities conducted during that year and the characteristics of participants served in each program activity. Such annual report shall include a cost/benefit evaluation of programs assisted under this Act.

(b) The Secretary shall make such reports and recommendations to the President as the Secretary deems appropriate pertaining to employment and occupational requirements, resources, use, and training, and the President shall transmit to the Congress a report on the same topics not later than March 1 of each year. Such report shall include an evaluation of all programs and activities conducted under this Act whether conducted by the Secretary directly or by prime sponsors.

RECORDS, AUDITS, AND INVESTIGATIONS

SEC. 127. (a) In order to assure that funds provided under this Act are used in accordance with its provisions, the following provisions shall apply:

(1) Every recipient of funds under this Act shall make, keep, and preserve such records as the Secretary shall require with regard to each employee and each participant. Such records, including periodic reports, audits, and examinations, shall be preserved for such time as the Secretary establishes and shall be made available to the Secretary at such time and in such form, including periodic reports, audits, and examinations as the Secretary may require by regulation or order.

(2) For the purpose of any hearing or investigation authorized under this Act, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49, relating to the attendance of witnesses and the production of books, papers, and documents) as in effect on January 25, 1982, are made applicable to the Secretary.

(b) Every officer, director, agent, or employee of a recipient of funds under this Act who handles funds or other financial assistance received under this Act shall be bonded to provide protection against loss by reason of fraud or dishonesty on such individual's part directly or through conspiracy with others. The Secretary shall establish the amount and other bonding requirements by regulation.

COMPLAINTS AND SANCTIONS

SEC. 128. (a)(1) Each prime sponsor or contractor or grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

(2) Each recipient of financial assistance under this Act which is an employer of participants under this Act shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

(3) Upon exhaustion of a recipient's grievance procedure without resolution, or where the Secretary has reason to believe that the recipients is failing to comply with the requirements of this Act or the terms of the prime sponsor's plan, the Secretary shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

(b) The Secretary may investigate such facts, conditions, practices, or other matters as the Secretary deems necessary to determine whether any recipient of funds or any official of such recipient has violated any provision of this Act or of the regulations under this Act. If the Secretary concludes that any recipient of funds under this Act is failing to comply with any provision of this Act or the regulations under this Act or that the recipient has not taken appropriate action against its subcontractors, subgrantees, and other recipients, the Secretary shall have authority to revoke all or part of the recipient's plan and to terminate or suspend financial assistance in whole or in part and order such sanctions or corrective actions as are appropriate, including the repayment of misspent funds from sources other than funds under this Act and the withholding of future funding in accordance with subsection (e), if prior notice and an opportunity for a hearing have been given to the recipient. In determining whether to order repayment or to order withholding, the Secretary shall take into account whether the recipient acted in willful disregard of statutory requirements, was grossly negligent, or otherwise failed to observe accepted standards of administration. Whenever the Secretary orders termination or suspension of financial assistance to a subgrantee or subcontractor (including operators under a nonfinancial agreement), the Secretary shall have authority to take whatever action is necessary to enforce such order, to reclaim misspent funds, or to otherwise protect the integrity of the funds or ensure the proper operation of the program, including action directly against the subgrantee or subcontractor, and an order to the primary recipient that it take such legal action.

(c) In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance in whole or in part, if prompt notice and opportunity for a subsequent hearing are given to the recipient, within thirty days after such termination suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment was required to be

made by and with the advice and consent of the Senate.

(d) If the Secretary determines that any recipient under this Act has—

(1) discharged or in any other manner discriminated against a participant or against any person in connection with the administration of the program involved, or against any person because such person has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any person a benefit to which that person is entitled under the provisions of this Act or the Secretary's regulations, or

(2) discriminated against any individual, or failed to provide employment or training opportunities at levels of skill and remuneration that are commensurate with the participant's capabilities or potential capabilites, the Secretary shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved person, or both.

(e) The Secretary may withhold funds otherwise payable under this Act in order to recover any amounts expended in any fiscal year in violation of any provision of this Act, any regulation promulgated pursuant to this Act, or any term or condition of assistance under this Act. In the event of any such withholding which results from fraud or abuse, the Secretary may order the recipient to conduct the program as specified in the applicable plan on the basis of funds other than funds under this Act and may enforce such order by appropriate civil action, unless the recipient elects to terminate participation as a grantee under this Act.

(f) With the consent of State agencies charged with the administration of State laws, the Secretary is authorized, for the purpose of carrying out this section, to utilize the services of State and local agencies and their employees. Notwithstanding any other provision of law, the Secretary is authorized to reimburse, in whole or in part, such State and local agencies and their employees for services rendered for such purposes.

(g) Except as otherwise provided in subsection (c), the Secretary shall not revoke a recipient's plan, in whole or in part, nor institute corrective action or sanctions against a recipient under this section or any other provisions of this Act without first providing the recipient and the State with notice by the Secretary of such intended actions and the reasons upon which those intended actions are based, and also providing the recipient with an opportunity to informally resolve those matters contained in the Secretary's notice.

(h) In order to ensure compliance with the provisions of this Act and regulations promulgated under this Act and to ensure conduct of programs in a manner consistent with the purposes and objectives of this Act, the Secretary may require prime sponsors to participate in unified audit programs established by the Secretary to provide for the audit of both prime sponsors and their respective subgrantees and subcontractors. In any such case the Secretary may require the prime sponsor to pay, from funds under this Act available to it for administrative expenses, that portion of the unified audit expenses allocable to the audit of such subgrantees and subcontractors.

(i) Nothing in this section shall be deemed to reduce the responsibility and full liability of prime sponsors and other recipients which receive funds directly from the Secretary.

(j) The existence of remedies under this section shall not preclude any person, who alleges that an action of a prime sponsor or of any other recipient violates any of the provisions of this Act or the regulations promulgated under this Act, from instituting a civil action or pursuing any other remedies authorized under Federal, State, or local law.

JUDICIAL REVIEW

SEC. 129. (a) If any prime sponsor is dissatisfied with the Secretary's final action with respect to the disapproval of its plan under section 105, or if any recipient is dissatisfied with the Secretary's final action with respect to a sanction under section 128, or if any interested person is dissatisfied with or aggrieved by any final action of the Secretary authorized under section 128, such prime sponsor, recipient, or person may, within 60 days after notice of such action, file with the United States Court of Appeals for the circuit in which the prime sponsor, recipient, or person resides or transacts business a petition for review of such action.

(b) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may, in whole or in part, set aside the findings of the Secretary or remand the case to the Secretary in whole or in part to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify the previous action, and shall certify to the court the record of the further proceedings.

SERVICES AND PROPERTY

SEC. 130. The Secretary is authorized, in carrying out functions and responsibilities under this Act, to accept, purchase, or lease in the name of the Department, and employ or dispose of in furtherance of the purposes of this Act, or any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes of the Unites States.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 131. The Secretary is authorized, in the performance of functions under this Act, and to the extent permitted by law, to utilize the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and utilize the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 132. No provision of this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

SCHEDULES FOR SUBMISSION OF PLANS

SEC. 133. (a)(1) The Secretary shall, not later than the March 31 preceding the fiscal year for which a community job training or Governor's coordination and special services plan is to take effect, establish a date for the submission of such plans in accordance with the provisions of this Act.

(2) The Secretary shall make available a complete and final set of all applicable regulations and necessary application materials not later than the May 15 preceding the fiscal year for which such plan is to take effect.

(b) If for any reason the Secretary cannot provide a complete and final set of all applicable regulations and necessary application materials by the date established under paragraph (2) of subsection (a), the Secretary shall extend the date for submission of such plan to allow the prime sponsor and Governor to review such regulations and to complete such materials during a reasonable period of time prior to submission.

(c) During the period between May 15 and the date for submission of plans, the Secretary shall not issue any regulations or guidelines or interpretations that require any change as a condition for the Secretary's approval or disapproval of any such plan for the succeeding fiscal year. If the Secretary deems that a plan change is required during such period, the Secretary shall allow at least 90 days for final submission of such change, but the applicant may at its own discretion submit the required change at any time.

AMENDMENT OFFERED BY MR. HAWKINS

Mr. HAWKINS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAWKINS: Page 18, line 3, after "shall" insert the following: "establish performance criteria appropriate to programs carried out under part B of title I, title III, and part A of title IV, and with respect to programs carried out by prime sponsors under this Act shall".

Page 18, line 19, after "goals" insert the following: ", and each State's proposed performance goals for programs under part B of title I and title III,".

Page 18, line 20, insert "which are" before "designed" and on line 21, before the period insert ", are appropriate for each such program, and are approved by the Secretary".

Page 18, strike out line 9 and insert in lieu thereof "the number of individuals and families receiving cash welfare payments; and".

Page 123, line 11, after the comma insert "reduced income support costs, increased tax revenues,".

Mr. HAWKINS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Madam Chairman, this amendment is really technical in nature. It has been discussed with the other side. It is actually a clarifying amendment which would modify the provisions regarding the performance standards to make clear that the performance standards apply equally to the Governors as well as to the prime sponsors.

The amendment clarifies the language in the bill with respect to criteria for the prime sponsors in that it

makes clear that the performance criteria should reflect the number of individuals of families removed from welfare. In addition, the Department of Labor evaluation of the effectiveness of job training programs must take into account reduction in welfare costs and increased taxes as a result of training programs, enabling participants to become productive workers in the Nation's economy.

It is a clarifying amendment, and I have discussed it with the other side.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I have reviewed the amendment, as have other Members on this side of the aisle, and we have no problems with the amendment, and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HAWKINS).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Madam Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. JEFFORDS:

Page 8, line 17, after the comma insert the following: "energy conservation improvements to dwellings occupied by low-income persons,".

Page 22, line 11, insert before the semicolon the following: ", with special attention to the national need to promote energy conservation and develop renewable energy sources".

Page 30, before line 10, insert the following new paragraph (and redesignate succeeding paragraphs accordingly):

(5) provide training and employment opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

Page 85, line 23, after the comma insert the following: "low-income weatherization and other energy conservation programs,".

Page 121, line 2, strike out "and"; on line 8, strike out the period and insert in lieu thereof "; and"; and after such line insert the following new paragraph:

(5) meet the need to develop a labor force with skills that promote the use of renewable energy technologies, energy conservation, and the weatherization of homes occupied by low-income families.

Mr. JEFFORDS (during the reading). Madam Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. JEFFORDS. Madam Chairman, I yield to the gentlewoman from Rhode Island (Mrs. SCHNEIDER).

Mrs. SCHNEIDER. Madam Chairman, I am pleased to join the gentleman from Vermont in offering these amendments, and would like to thank the gentleman for his patience and hard work in helping to create the Job Training Partnership Act. As has already been said, our amendment does not add to the cost of the bill or reduce the administrative flexibility it provides. However, it does make clear that States and prime sponsors that want to target conservation and renewable energy for employment training under the legislation will have the support of the Congress.

This clarification will serve a useful purpose. Most Members are familiar with the Department of Energy's low-income weatherization program, which provides grants that are used to insulate the homes of the elderly, the handicapped, and households with limited income. The program is funded through Federal grants but administered and operated entirely at the local level, which is perhaps one reason it has proved so popular and so successful. In fact, it is a prime example of how federalism should work in practice.

Unfortunately, despite the program's proven track record and repeated support by the Congress through the appropriations process, bureaucrats at the Department of Energy appeared ready to let the weatherization grants die last winter. The refusal by DOE to clarify its intent with regard to releasing funds for weatherization grants threw State energy offices into a turmoil and disrupted the planning process necessary to the smooth functioning of any program. Only a last-minute intervention by a number of Members of Congress kept the program alive. Our amendments will prevent Federal bureaucrats with an ideological bias against conservation and renewable energy from inflicting their prejudices on States who wish to use the funding provided by this legislation for energy employment training.

A recent study commissioned by the National Council of Senior Citizens suggests that there are good reasons why a State might want to invest in training workers in weatherization and other employment in conservation. The report, based on a survey of energy costs for 24,000 households, makes clear that for our Nation's elderly, the energy crisis is as real as ever, despite assurances to the contrary. A few dramatic statistics from the report illustrate the dimensions of the problem:

First. One out of every four elderly, low-income households spends more than 40 percent of its income on energy in the winter;

Second. During the winter months, more than half of the low-income households in New England heating with fuel oil spend more than 60 percent of their income to meet energy costs; and

Third. In my own State of Rhode Island, energy costs in the coldest month of the winter average $300—which is $20 more than the social security monthly payment for a single elderly person living alone.

With rising natural gas prices, the problem is going to get worse before it gets better.

The low-income weatherization program has provided a cost-effective reponse to the problem, as New England statistics demonstrate. Since the program's beginning, 63,100 homes in New England have been weatherized for an annual savings to these households of $14.7 million per year. That compares very favorably to the $11.7 million budgeted for the New England weatherization program this year.

However, like many Federal programs, the weatherization grants have fallen on hard times. Funding for DOE's program has been cut by about 40 percent since 1981, and the CETA program, which used to supplement DOE'S efforts by paying for weatherization crews, has been abolished. Despite the sharp cutbacks, States have struggled to keep the weatherization program alive, because they appreciate its value. My own State of Rhode Island has recruited weatherization crews from our Adult Correctional Institute in Cranston.

Thanks to the efforts of the gentleman from Vermont and other members of the committee who have worked so hard on this legislation, the Job Training Partnership Act will eliminate many of the abuses associated with the old CETA program. Our amendments will allow States to train weatherization crews by working on weatherstripping and insulating low-income housing. However, unlike the CETA program, the Job Partnership Training Act has been carefully designed to insure those same workers will eventually be moved into employment in the private sector, where the market for residential conservation services will continue to grow. It seems entirely consistent with the purposes of H.R. 5320 to make clear that States that want to train their work force for conservation or renewable energy will not be thwarted by Federal officials with their own political agendas.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I would like to rise in strong support of the gentleman's amendment. I think it is important that this bill includes some focus on the issue of energy. I applaud the gentleman for his efforts on this bill and on the issue of energy.

He works very hard at the concern, and I think for our region of the country it is really important.

Mr. JEFFORDS. I appreciate the gentleman's comments.

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, we have seen the amendment on this side. I wish to commend the gentleman from Vermont on this amendment, and to indicate to him that we accept the amendment.

Mr. JEFFORDS. Madam Chairman, I appreciate the gentleman's comments.

Madam Chairman, these amendments, which I am offering en bloc, are designed to highlight the importance of training a skilled labor force in the fields of energy conservation and the development of renewable energy sources. They add no additional money for the bill and in no way would constrain the flexibility of States, prime sponsors, or the Secretary of Labor in their efforts to establish the most appropriate system of training and employment assistance in cooperation with private industry. However, these amendments serve to remind us that the fields of energy conservation and renewable energy development are high-growth areas that are extremely job-intensive.

The amendments to titles I and III of this bill suggest that the plans that must be submitted by the States and prime sponsors to the Secretary of Labor should consider the importance and potential of energy when analyzing labor markets to determine which are most appropriate for training assistance.

The amendment to title IV of this bill would include energy in the list of problems that are to be addressed at the national level through funds available to the Secretary for training programs that are most appropriately administered at the national level.

Madam Chairman, this bill is designed to promote training activities in emerging employment areas. It would be unfortunate for the Congress to pass such a bill without considering our national energy problem. Two of the most crucial problems facing our country are chronic unemployment among young people, minorities, and others, and the need to reduce our dependence on foreign oil. These problems intersect in two ways: First, a major obstacle to the development of renewable energy technologies and energy efficiency is a shortage of skilled technicians in both construction and installation; and second, energy efficiency improvements and the development of renewable energy sources not only have a beneficial lasting impact on this country but are also extremely labor-intensive sectors.

Surveys have indicated that poor installation of solar devices is often a far greater problem than equipment failure. This problem can impede the development of renewable energy sources by engendering public reluctance to invest in these technologies for some time to come. For example, similar problems with heat pumps in the 1950's prevented their widespread use for nearly 20 years.

While the lack of trained technicians may impede development of alternative energy sources, this area also offers significant potential for the chronically unemployed. A program to train workers in alternative energy and conservation would equip these individuals to enter an emerging employment field.

According to a study by the Subcommittee on Energy of the Joint Economic Committee, conservation and solar measures stimulate 2.5 times as many jobs as an equivalent investment in oil, natural gas, or electricity. The Department of Energy estimated that solar energy technologies in residential applications could create up to eight times as many jobs as conventional sources.

In New England, we have made a strong commitment to energy conservation and renewables. Our region leads the Nation in these areas, having reduced our consumption of energy by 6.5 percent between 1978 and 1980. During that time, renewable sources of energy went from being 5.4 to 6.3 percent of our energy mix.

Possibly most important is the fact that these trends occurred at a time of economic growth, discrediting the notion that conservation and renewable energy sources are synonymous with doing with less. New England and the rest of the country can experience healthy, and more stable, economic growth with an increased commitment to conservation and renewables.

The reasons for the national trend toward conservation and renewables are not the issue here. My amendment deserves support whether you believe the Government should lead the way in this area or you are committed to totally getting the Government out of the energy field. The question is only whether the transition to the energy future will be smoothed by the training of skilled labor to aid whatever sector leads the way.

I urge your support for this amendment and I yield to the gentlewoman from Rhode Island, who I wish to thank for all of her help on this amendment and for her leadership on such issues.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Madam Chairman, I offer a series of amendments, and since one is a conforming amendment to title III, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ERLENBORN: Page 49, strike out lines 22 and 23, and insert in lieu thereof the following:

(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participants.

Page 50, strike out lines 1 and 2, and insert in lieu thereof the following:

(3) To the extent that a State workers' compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to injuries suffered by participants. To the extent that such law is not applicable, each recipient or subrecipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

Page 50, strike out lines 3 through 18, and insert in lieu thereof the following:

(4) All individuals employed in subsidized jobs shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(5) No funds available under this Act may be used for contributions to retirement systems or plans.

Page 50, line 24, insert before the period the following: "except that no program under this Act which would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization concerned.".

Page 52, beginning on line 2, strike out "and to the Secretary," and everything that follows through line 5 and insert in lieu thereof "and to the Secretary.".

Page 51, strike out line 15 and all that follows through line 22 and insert in lieu thereof the following:

(c)(1) Each recipient of funds under this Act shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

Page 51, line 23, strike out "(3)" and insert in lieu thereof "(2)".

Page 86, beginning on line 13, strike out all of section 306 through line 19 and insert in lieu thereof the following:

SEC. 306. No program of assistance conducted with funds made available under this title which will involve a substantial number of members of a labor organization shall be established without consultation with such labor organization; and the written concurrence of the labor organization concerned shall be obtained on any activity modifying

the terms of any collective bargaining agreement.

Mr. ERLENBORN (during the reading). Madam Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ERLENBORN. Madam Chairman, in my "Individual Views," I raised the issue of undefined and redundant labor standards language in the bill. The majority has been working closely with me to: First, make the bill consistent with existing labor law; second, make sure the terms of this bill do not conflict with other law as well as other labor law; and third, make this bill consistent with itself.

That assistance and cooperation is appreciated. We will have a better bill because of this spirit of cooperation.

There are six amendments in all—one amends title III, section 306. Let me explain them.

The first amendment provides that where Federal or State safety and health standards apply, they shall be applicable to working conditions of participants.

The bill, as written, speaks of appropriate standards for health and safety and other standards, but does not define them. This amendment makes clear that standards already law apply and that this bill is not preempting them in any way.

There may be instances where participants are State employees within a State which does not have a State plan under OSHA. In such a case, the amendment provides that the Secretary of Labor shall prescribe health and safety standards as may be necessary to protect participants. (Present standard is covered in 29 CFR § 98.24(d).)

The second amendment provides that when State workers' compensation laws are applicable, they shall be available to participants if in accordance with such law. Where State workers' compensation laws do not apply, the Secretary shall prescribe regulations requiring recipients or subrecipients of funds to secure insurance to cover injury to participants.

It is questionable whether Congress could constitutionally mandate State workers' compensation on recipients where State workers' compensation laws do not cover participants. To the extent those State laws cover recipients, the amendment recognizes those State laws. Where participants are not covered by State laws, the amendment offers protection through requiring insurance coverage, consequently, no interference with State workers' compensation laws. The present regulation is 29 CFR 98.24(a) and 20 CFR § 676.27.

The third amendment eliminates confusing and redundant language but assures that no funds may be used for contributions to retirement systems or plans. Where participants would never receive benefits from such plans under the terms of this bill, it is a waste of money to contribute to such plans on their behalf. Those funds could and will be used for training.

Since subsidized employment under the bill is limited in duration, it would not be fair for this short tenured subsidized employment to requalify participants for unemployment benefits under the terms of this bill. However, where State or Federal law now allows those or similar benefits, the amendment allows them to continue.

The fourth amendment strikes the inconsistency between section 123(b)(2) and 123(c)(3) regarding impairing collective bargaining contracts. Where any program under this bill would be inconsistent with the terms of a collective bargaining contract, the written concurrence of the labor organization involved is required. This is written as an exception to the prohibition on impairing collective bargaining contracts in section 123(b)(2). However, where an activity may only affect labor union members who are represented by a labor organization but does not actually impair a contract, the union may want to comment, but should not have veto power. This limitation is provided in section 123(c)(3). This amendment allows concurrence on progams which impair or are inconsistent with their contracts, and only allows comments on proposed activities which do not affect contracts, two different rights.

The fifth amendment provides that the Secretary shall secure assurances from recipients of funds that no funds will be used for promoting or deterring union organizing, an improper use of funds under this bill, or under current law. The bill provided as a matter of law that no funds will be used for such purposes. Rather than create a separate Federal cause of action apart from the National Labor Relations Act's prohibitions and permissions, this amendment confines such prohibitions to contractual requirement and assurances. In this manner, the Secretary can determine contractual language, but no longer may conflict in his rulings with possible decisions of the NLRB.

Furthermore, this amendment strikes the present section 123(c)(1) involving union security. Union security should not be a concern of a training bill. Union security is already covered in labor law in the National Labor Relations Act administered by the NLRB. One agency and one law is sufficient to govern this issue and it should not be a training bill.

The final amendment is an amendment to title III, dislocated workers. It provides consultation with a labor organization when funds are used which involve a substantial number of its members. It strikes the language allowing consultation when services are provided only to "individuals engaged in similar work in the area," when a labor organization may or may not be involved, and provides for concurrence where the terms of a collective bargaining agreement are modified.

□ 1415

The CHAIRMAN. The time of the gentleman from Illinois (Mr. ERLENBORN) has expired.

(By unanimous consent, Mr. ERLENBORN was allowed to proceed for 3 additional minutes.)

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. ERLENBORN. I am happy to yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, I thank the gentleman for yielding.

The amendments have been carefully screened by the Members on this side, and I wish to commend the gentleman from Illinois (Mr. ERLENBORN) for offering the amendments. We are calling upon the expertise that he has so well demonstrated as a member of the Committee on Education and Labor.

I think the amendments create a much more balanced bill. I think they are consistent with the purposes of the bill, and we are perfectly willing to accept them on this side.

Mr. ERLENBORN. Madam Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois (Mr. ERLENBORN).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. RINALDO

Mr. RINALDO. Madam Chairman, I offer two amendments, and I ask unanimous consent that they may be considered en bloc. One is to title I, and the other is to title III.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. RINALDO: Page 30, after line 18, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(9) expending an adequate portion of funds available under section 201(b) to identify, and promote the selection as participants of, eligible older persons in need of employment, and to provide eligible older persons with training designed to assure their placement with private business concerns;

Page 82, line 14, insert after "individuals" a comma and the following: "including older individuals".

Page 82, line 16, insert after "individuals" a comma and the following: "including older individuals".

Page 88, line 3, insert after "unemployed" a comma and the following: "including any older individual who has encountered long-term unemployment, or has been discouraged from seeking employment, and who may have substantial barriers to employment by reason of age,".

Mr. RINALDO (during the reading). Madam Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RINALDO. Madam Chairman, I have offered two amendments for older workers which I believe are acceptable to both the distinguished floor managers of H.R. 5320.

The first one would amend title I to require that Governors spend an "adequate portion" of their special services funds to identify eligible older persons and provide them with training designed to assure their placement in private sector jobs.

The second amendment would add as an eligible group under the new title III displaced worker program "any older individual who has encountered long-term unemployment, or has been discouraged from seeking employment, and who may have substantial barriers to employment by reason of age."

I offer these amendments in order to begin correcting an inequity which has existed for too long under our Federal jobs program. There has been an abysmal lack of regard for the needs of older persons under the CETA programs. In fiscal year 1980, workers aged 55 and over accounted for only 2 percent of title II Comprensive Employment and Training Services job enrollees and 1 percent of title II Private Sector Initiative enrollees. At the same time, the 55-and-over population accounted for 6.5 percent of the unemployed. Without some direction from Congress, I am afraid this pattern is likely to continue.

There has been much discussion in conjunction with this bill about jobless youth in our country. I, in no way, want to minimize the youth unemployment problem. Youth unemployment is in double digits in many of our States. We see its outward manifestations on the streets of our towns and cities in the form of idleness, mischief, and crime. We lament the loss of good minds and healthy bodies to the productivity of our Nation.

At the same time, I believe the people who will administer this job training program and the public in general must be sensitized to the significant impact of unemployment on older persons. While the unemployment rate of the 55-and-over age group is below the average of 10 percent being reported now, the duration of unemployment for this age group—15.9 weeks—is greater than average. Further, it is estimated that 28 percent of all discouraged workers are 55 and older. Moreover, following a recession, those who are most likely not to find another job are in the over-50 age group.

The challenge of access for those older persons who want to work is one that this Congress and society as a whole have not faced. We have provided needed community service employment through title V of the Older Americans Act, but we have not included older persons in opportunities to receive the training which will allow them to be competitive in a private sector job market characterized by rapid technological change and high educational attainment.

I urge my colleagues to consider the needs of older persons and join me in supporting these amendments.

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the distinguished committee chairman.

Mr. HAWKINS. Madam Chairman, I wish to commend the gentleman from New Jersey (Mr. RINALDO) on these amendments. They certainly, in the opinion of those of us on this side, clarify the purposes of the bill.

However, may I simply ask, for purposes of clarification, whether or not the gentleman is in any way including any earmarking? Does he construe this to be an earmarking of any funds? That, of course, has been objected to during the process of drafting this bill.

I understand this does not provide any specific earmarking, but that the language itself calls attention to the problems of the elderly and makes sure that they are included in the programs under the act. Is that the understanding that we have?

Mr. RINALDO. Madam Chairman, the gentleman's understanding is absolutely correct. There is no specific earmarking. What we do is set aside an adequate portion, and it, in effect, is completely discretionary.

Mr. HAWKINS. With that understanding, Madam Chairman, we accept the amendments.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. RINALDO. I am very pleased to yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, first I want to commend the gentleman from New Jersey (Mr. RINALDO). I know of his outstanding work on the Select Committee on Aging. I certainly have followed his work, and I believe this will be an important contribution to the legislation.

With the understanding that has already been made with the chairman of the committee that there is no intent of earmarking, I heartily endorse the amendments.

Mr. RINALDO. Madam Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey (Mr. RINALDO).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 21, lines 19 and 20, strike out ", but not to deliver,"; and on page 23, line 1, after "(E)" insert the following: "(i) a description of procedures assuring that training services will be carried out through subgrants or subcontracts with service providers of demonstrated effectiveness, unless the plan sets forth substantial justification that specific services would be carried out more effectively by the administrative entity directly, and (ii)".

Mr. JEFFORDS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. JEFFORDS. Madam Chairman, this amendment is to clarify committee intent with respect to the administrative entity and the delivery of services. As the language appears in the bill, there is concern that in areas where there are no other alternatives for the delivery of services, the option of the administrative entity to provide services would not be allowed.

The intent of the original language in the bill was to insure that program deliverers are selected on the basis of merit from among possible service deliverers, not preselected by virtue of organizational identity. The committee understood that there should be the possibility of exception to this provision if no alternative service deliverer is available or if it can be demonstrated that the administrative entity would be more effective or more capable of achieving the performance goals established in the community job training plan than the available alternative service deliverers. This amendment clarifies this intent, and satisfies the concerns that have been expressed to our committee regarding the language that currently appears in the bill.

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, the amendment is strictly a clarifying one, and we think that it is extremely necessary to include it in this particular section of the bill. We accept the amendment.

Mr. JEFFORDS. Madam Chairman, I appreciate the gentleman's comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. COLLINS of Illinois: Page 58, line 15, insert "(1)" after "(b)" and on page 59, after line 20, insert the following new paragraphs:

(2) In determining whether to impose any sanction authorized by this section against a prime sponsor for violations by a subgrantee of such prime sponsor of this Act or the regulations under this Act, the Secretary shall first determine whether such prime sponsor has adequately demonstrated that it has—

(A) established and adhered to an appropriate system for the award and monitoring of contracts with subgrantees which contains acceptable standards for ensuring accountability;

(B) entered into a written contract with such subgrantee which established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the subgrantee contract, including the carrying out of appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations under this Act by such subgrantee.

(3) If the Secretary determines that the prime sponsor has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such prime sponsor. The Secretary is authorized to impose any sanction consistent with the provisions of this Act and any applicable Federal or State law directly against any subgrantee for violation of this act or the regulations under this act.

Page 62, line 19, strike out "Nothing" and insert in lieu thereof "Except as provided in subsection (b)(1) and (2), nothing".

Mrs. COLLINS of Illinois (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. COLLINS OF ILLINOIS. Madam Chairman, I am offering this amendment which clarifies the liability of prime sponsors and subcontractors.

In a nutshell, this amendment states that if a prime sponsor has acted with due diligence in administrating its job training program and if violations of the law or regulations are committed by a subcontractor, then the Secretary of Labor has the discretion not to apply sanctions against the prime sponsor.

The amendment spells out what due diligence is and places the burden of showing due diligence on the prime sponsor. It also makes it clear that the Secretary of Labor could proceed with legal action and sanctions directly against the subcontractor.

The amendment does not displace the general rule that prime sponsors are liable for violations of the law and regulations, but rather, it does provide an exception to that rule.

The exception requires that the prime sponsor must prove that: First, it has adequate systems in place to award contracts to the best qualified subcontractor; second, that it has a system for monitoring subcontractor performance; third, that contracts have clear goals and obligations, stated in unambiguous terms; fourth, that it has monitored the subcontractor's actions through timely audits and other appropriate methods; and fifth, that it has taken prompt action when possible violations are indicated.

If these are demonstrated by the prime sponsors, the Secretary of Labor may choose not to impose sanctions against the prime sponsor. This amendment is intended to deal with the inquity of holding a prime sponsor strictly liable when it has done everything that could reasonably be expected of a recipient of Government funds.

The inequity poses another danger to the efficient administration of job training programs. If the over 50,000 subcontractors are to be monitored and evaluated, prime sponsors will have to do it. The Federal Department of Labor cannot possibly be an effective monitor over such a large and decentralized system. Under the present law, a prime sponsor may not be so thorough in monitoring and auditing subcontractors once it realizes that if misspent funds are discovered, the prime might have to pay for them.

Let me also state that the Secretary of Labor should make use of this exception when circumstances warrant and not wait until the transition year shall have been completed.

Finally, this amendment is based on several years of work and numerous hearings by the Subcommittee on Manpower and Housing which I chair. The Government Operations Committee has issued two reports on the CETA program. I wish to have pages 19 and 20 of House Report No. 96-1426 which deals with the liability issue, inserted into the RECORD at this point, and I urge my colleagues to support this amendment:

HIGH-LEVEL EMPHASIS ON ACCOUNTABILITY NEEDED IN CETA

(C) LIABILITY FOR DISALLOWED COSTS OF SUBGRANTEES

Accountability is at the root of one of the current controversial issues in the CETA system, an issue that the Committee noted in its first report. At that time, we made no recommendations because the investigative staff was advised that the issue was under study and a resolution could be expected. Since then, however, there has been a flawed resolution. Controversy stems from the Department's regulations that hold the prime sponsors strictly liable for disallowed costs incurred by their subgrantees. Prime sponsors are under pressure to use community-based organizations. Many of these organizations, of course, are commendable service deliverers and well-managed financially and programmatically. However, when a non-profit subgrantee is responsible for expending funds in violation of laws or regulations, the Department establishes a debt against the prime sponsor. The prime sponsors argue it is inequitable to hold them liable for the misspent funds of a subgrantee when the primes have exercised due diligence in selecting and monitoring the subgrantee. Although the subgrantee is liable to the prime sponsor for the disallowed costs, this is of small comfort to the prime sponsor if the subgrantee has no money.

The inequity in this situation poses another danger to efficient administration of CETA programs. If the subgrantees are to be monitored and evaluated, prime sponsors have to do it. They are already held accountable for seeing that subgrantees are audited. The thoroughness of prime sponsor monitoring and the auditing of the subgrantees may be jeopardized by the realization that if this monitoring turns up disallowed costs, the prime sponsor will have to pay them.

The general rule of holding the prime sponsors to account for the actions of subgrantees that they select is a good one. However, the potential inequity described above must be faced. Perhaps a solution would be for the Department to move directly against the subgrantee responsible for the misspent funds. The law provides that when a recipient, including a subgrantee, fails to comply with the CETA law or regulations, the Secretary may order appropriate sanctions or other corrective action. If the Secretary orders termination or suspension of funds, for example, he can act directly against a subgrantee to enforce an order.[32] While the Secretary can hold the prime sponsor accountable for subgrantee malfeasance, and should where the prime sponsor is at fault, we do not believe the law can be construed as saying he must do so in all cases. Instead, we believe the grant of authority permits the Secretary to act to recover disallowed costs from subgrantees.

Unfortunately, in many cases the subgrantee may be unable to pay back the funds. In these cases, the procedures for terminating claims will have to be used. The challenge will be to devise criteria for deciding when prime sponsors should not be held strictly liable for the disallowed costs of their subgrantees.

The Committee recommends that Labor's criteria demand, first of all, that the prime sponsor show that it acted with due diligence. The contract with any subgrantee should be well written and have clear goals. Monitoring should occur as often as practical, and when such monitoring discloses problems, every effort should be made to minimize the damage. An audit should be started shortly after the program year and handled expeditiously when received by the prime sponsor. If a prime sponsor shows it acted with due diligence and with proper regard for stewardship of tax dollars, the Committee believes that the Labor Department should exercise its option to deal directly with the subgrantee.

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[32] Comprehensive Employment and Training Act, Section 106(d) (1) and (2).

□ 1430

Mr. HAWKINS. Madam Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, the amendment is entirely acceptable to this side.

Mrs. COLLINS of Illinois. I thank the gentleman.

Mr. JEFFORDS. Madam Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I appreciate the amendments and they have been reviewed by this side. We find them quite acceptable.

Mrs. COLLINS of Illinois. I thank the gentleman.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois (Mrs. COLLINS).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. DYMALLY

Mr. DYMALLY. Madam Chairman, I offer several amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. DYMALLY: ON PAGE 5, LINE 8 AFTER "WORKERS," INSERT "AS WELL AS THOSE WITH OBSOLETE SKILLS".

On page 23, change letters "(F)", "(G)", "(H)", and "(I)", to (G), (H), (I), and (J), respectively, and insert on page 23 between lines 5 and 6:

"(F) assurances that arrangements with employers which include training at both the worksite and in a classroom will, to the extent feasible, provide for prior agreement with the employer on length of time to be spent in the classroom and length of time to be spent on the worksite. Such arrangements shall also assure that time to be spent in the classroom is the minimum necessary for occupational preparedness as described by employers, and that classroom training will enhance the trainee's career opportunities, productivity, and capability for career advancement;".

On page 123, line 22 after "personnel," insert "including job skills teachers,"

Mr. DYMALLY. Madam Chairman, I have offered several amendments to H.R. 5320. On page 5, after "workers," I wish to insert the words, "as well as those with obsolete skills." As you know, the bill as written makes provision in title III for the training of displaced workers, particularly training in jobs skills for which demand exceeds supply. However, I believe that it is important to state in the very front of the bill, under "Purposes," the concern of this Congress for those persons who have lost jobs because their skills have been made obsolete by the advance of technology. Such specifying of this group of workers should in no way cause a significant increase in either budget authority or outlays, since it does not expand the bill's scope.

My second amendment adds a requirement to the several already in the bill for the biennial plan required of the prime sponsors. It will underscore the need to assure that the required plan include not only a description of services to be provided, and their cost, but also, to the extent possible, a more specific blueprint of the training plans to be provided. This level of planning will encourage the prime sponsors to assure that the proposed training can actually deliver usable skills to the trainee, with an optimum of classroom and worksite training. Such planning will be the vital link in the implementation of the public-private partnership.

Third, on page 123, line 22, after the word "personnel," I wish to insert the words "including job skill teachers," This insertion is simply to draw attention to the critical nature of the role of the teachers in this important set of programs. My amendment will assure that grants made by the Secretary can be made, and should be made, to provide both inservice and preservice training for the purpose of training, maintaining, and upgrading as necessary, the skills of those persons who most directly will affect the learning of marketable skills by the trainees.

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. DYMALLY. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, the amendments are certainly acceptable. I think they make the bill even clearer on the point raised by the gentleman from California, and I wish to commend him on his leadership that he has demonstrated in this field, both in the California Legislature as well as a Member of Congress.

Mr. DYMALLY. I thank the gentleman.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. DYMALLY. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I am pleased to say that we have also reviewed the amendments and find them quite acceptable.

Mr. DYMALLY. I thank the gentleman and I ask for their adoption.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. DYMALLY).

The amendments were agreed to.

Mr. FRANK. Madam Chairman, I move to strike the requisite number of words.

I apologize for being a little bit late but the Chair is moving with such unusual dispatch and smoothness that I did not get to the floor in time to comment on the amendment sponsored by the gentleman from New Jersey (Mr. RINALDO) regarding employment of the elderly, which was adopted earlier.

I do think the amendment was a useful one. However, I would like to ask both the chairman and the ranking minority member if they would agree with me in saying that, while we wish to give recognition to the needs of older workers, we in no way were suggesting that this amendment was a substitute for the senior aide program.

There has been a question about the senior aide program and I would like to ask the chairman and ranking minority member if I am correct in assuming that in their agreeing to the Rinaldo amendment, nothing was meant to suggest that this was in any way a substitute for a replacement for the senior aide program, and that the need for the senior aide program, such as it is, exists regardless of the amendment adopted.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I certainly share the gentleman's concern that that might be an interpretation which might be given. I agree that certainly is not the intent on this side of the aisle. To my knowledge, this language is not intended in any way as a replacement for the present title V of the Older Americans Act.

Mr. FRANK. I thank the gentleman.

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California.

Mr. HAWKINS. The explanation made by the gentleman from Vermont (Mr. JEFFORDS) is precisely the same understanding the majority have about this amendment.

I think one of the reasons for opposing earmarking under this act is based on the fact that other funds are available under other acts that have been precisely earmarked for the older American and for that reason this amendment offered by the gentleman from New Jersey (Mr. RINALDO) is not to be construed as in any way subtracting from or interfering with title V of the Older Americans Act or any other act which may pertain to the older American.

Mr. FRANK. I want to thank the ranking minority member and the chairman for reaffirming that by agreeing to this amendment in no way was anyone suggesting the need is lessened for title V of the Older Americans Act, known as the senior aide program.

I yield back the balance of my time.

AMENDMENTS OFFERED BY MR. WEISS

Mr. WEISS. Madam Chairman, I offer several amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. WEISS:

Page 15, line 20, strike out "with joint responsibility" and insert in lieu thereof "and shall participate,".

Page 15, line 21, strike out "for" and insert in lieu thereof "in".

Page 16, beginning on line 2, strike out "does not have the approval of both the prime sponsor and" and insert in lieu thereof "has not been reviewed by".

Page 20, beginning on line 17, strike out ", and submitted with the approval of a majority of,".

Page 20, line 21, strike out "a prime sponsor" and all that follows through "or" on line 23.

Page 20, line 24, after "submitted" insert "by a prime sponsor".

Page 21, beginning on line 5, strike out ", and submitted with the approval of a majority of,".

Page 21, line 13, strike out "concurrence" and insert in lieu thereof "participation".

Page 25, beginning on line 16, strike out "review, comment, revision, and approval" and insert in lieu thereof "review and comment".

Page 27, beginning on line 5, strike out "and has been approved by the private industry council for that prime sponsor".

Mr. WEISS (during the reading). Madam Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WEISS. Madam Chairman, the amendment which I have offered would retain local government responsibility for the planning and administration of federally funded job training programs.

An amendment which may be offered by the gentleman from Illinois (Mr. ERLENBORN) would, in my judgment, give this responsibility lock, stock, and barrel to private industry. Even the committee bill before us would shift many job training responsibilities away from local government officials to unelected private business representatives.

In those provisions of H.R. 5320 where the Private Industry Council is given a kind of de facto veto authority over planning of job training programs, my amendment would retain ultimate authority solely with the local government, the prime sponsor, who would be required to work closely with the Private Industry Council. Thus in the provision on page 15 of the bill establishing the Private Industry Council and giving it joint responsibility with local government, my amendment would assure Private Industry Council participation but stop short of handing the public purse strings over to private business.

Local government officials historically have been responsible for helping to insure that job training programs serve the needs of society as a whole as well as those of local private industry.

The participation of local officials also has given taxpayers an essential measure of accountability in the expenditure of funds for job training.

The effort being undertaken this year, spearheaded by the Reagan administration, the chamber of commerce, the National Alliance of Business, and others to make job training primarily a private sector activity, conducted with taxpayer dollars ought to concern every American who appreciates responsible government.

Private industry self-interests clearly behoove business leaders to provide job training opportunities to those who already are most qualified for work and so require the least training.

What we ought to be doing in this bill and what my amendment would do is guarantee a delivery system for job training programs that meet societal needs as well as those of the economy, those who would not otherwise be taken care of under the private sector's training programs.

There is a great deal of attraction this year for the so-called partnership between Government and the private sector. I have no problem with the concept of partnership. I do have a problem with handing over Government money to the private sector, in essense, with a veto power as to the planning and the distribution of those funds.

We have had the PIC's in existence now long enough so that there is a track record. There has been a 3-year study since the first PIC's were put in place in 1978 and the results indicate the following:

In the first place, the PIC's have been very slow in getting established and relatively few of them became very active or independent of their prime sponsors.

Second, only a few business leaders in most PIC's became deeply involved.

Third, many PIC members and staff noted that their responsibility was to serve the employment needs of the business community. In fact, the person who conducted the study, Mr. deLone, noted, and I quote:

In only a few cases did business representatives suggest that long-standing personal commitment to the needs of the disadvantaged or to improving the employment and training system were major factors in their participation.

Finally, the PIC's tended to serve the less difficult populations, training more older people with education than other CETA programs.

Robert Taggart, in another study, confirms these findings, noting that PIC's took the cream of the targeted disadvantaged and that the PIC's were not as successful as expected in establishing on-the-job training programs.

What my amendments would do would be to encourage the partnership, but would maintain ultimate control in the hands of those who truly are accountable, the prime sponsors who are the Government officials.

I ask and urge adoption of these amendments.

Mr. HAWKINS. Madam Chairman, I rise in opposition to the amendment.

May I first say that it is very difficult to oppose the gentleman from New York (Mr. WEISS) because I know of no individual in this House who has made as much a contribution as has he in the development of an employment and training policy.

I believe that his sincerity in offering this amendment is certainly one that we can commend.

However, I think that the overall situation should be viewed in terms of what is intended in trying to perfect a partnership.

There are some things that I think are activities that would be suitable for joint planning. Obviously the business community as well as local public officials should meet across the table and converse with each other in the planning of training programs. I think that should be a joint enterprise.

There are certain things that the private sector I think would be eminently more qualified than the elected officials to perform.

□ 1445

That might be the selection of the type of training that should be offered to the trainee, to make it meaningful, because they are the employers. I think their role in placement is undoubtedly one of the key features, and so to retain that type of cooperation I think is extremely necessary.

On the other hand, there are some things local public officials are better qualified to do, certainly from the viewpoint of protecting general welfare. One of those activities might be the selection of those who are eligible to participate in the training program, so that we would remove any possibility of conflict of those who may have some involvement in the training program itself and for that reason would not want to accept, let us say, those who are the least trainable or those who may offer a greater training cost and, therefore, might not be accepted by employers in the private sector.

So what we have attempted to do is retain, in both instances, those values that each participant might bring to the partnership, the private sector on the one hand, and the local public officials on the other.

In a few minutes it may be that some of us on this side may be objecting to greater involvement of the private sector through the State itself through the Governor being able to pass through to the private sector

complete control over the program. I think that would go to the other extreme. What I am suggesting is that we have attempted to perfect a balance in which neither the local government officials would have the complete say in the program and, on the other hand, that we would not turn over to the private sector complete control. What we have done is, we have made them equal. An equality insures and makes necessary that each will participate in the final decision and that whatever plan is made, whatever program is operated, whatever funds are expended, the responsibility would be equally shared and each will have a voice in that process. I think we have such a balance. I hope we will retain it.

It is for that reason that I regretfully must oppose this amendment offered by the gentleman from New York (Mr. WEISS).

Mr. ERLENBORN. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments offered by the gentleman from New York (Mr. WEISS).

Madam Chairman, I think there is one shortcoming with this amendment. If it were to be properly drafted, it would change the title of the act. I think if this amendment were adopted, we could no longer call this the Job Training Partnership Act.

There is a great difference between taking on a partner and hiring an adviser or consultant. The Private Industry Councils today are in an advisory role. As I understand the amendment offered by the gentleman from New York, he would return them to that role under this bill. No longer, then, could we say that the private sector is in partnership with the public sector in designing these training programs and in administering the programs after the plan has been adopted.

I think the gentleman from California, for a very good reason, rejects this approach.

I am sorry that the bill does not give us a full partnership. The bill gives us a partnership between the private and the public sector, but it is a rather limited partnership on behalf of the PIC's. They are put in a subordinate role. I will later offer an amendment that will establish a full partnership, equality between the prime sponsor and the public sector and the Private Industry Council. But certainly we would not want to regress, to go back to the current conditions under CETA. If we did, as I suggest, we would have to take "partnership" out of the title of the act.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I want to join in the comments of the gentleman and point out that we have learned a great deal from title VII of the present CETA law. Some of the things we learned which indicate the business community will do a good job is that the placement rates in private sector employment under that provision of the bill were significantly higher than it was under title II B, C.

In addition to that, a higher percentage of the funds went actually toward training.

I agree wholeheartedly with the comments of the gentleman from Illinois that at this time, after all of the work that has been done under title VII, and the tremendous effort that the business community has come forward with to show cooperation and a real desire to have a working program, to at this time undo that partnership would be a disastrous thing to do.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. WEISS).

The amendments were rejected.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 66, after line 2, insert the following new section (and conform the table of contents accordingly):

USE OF FUNDS FOR TRAINING: MINIMUM PERCENTAGE

SEC. 134. (a) Not less than 70 percent of the total funds expended by any prime sponsor for any fiscal year for programs under part B of title II, part C of such title (other than section 267), and title III shall be expended for the direct provision of employment and training services.

(b) No expenditure for any of the following shall be construed to be an expenditure for the direct provision of employment and training services:

(1) wages, allowances, and stipends of participants;

(2) supportive services for participants; and

(3) administrative costs.

(c) For purposes of this section:

(1) Any expenditure for work experience activities shall be considered as an expenditure for training only if combined with relevant skills training for a participant enrolled in such activities for a period not to exceed six months.

(2) The term "supportive services" means services which are necessary to enable an individual who is eligible for, but unable to afford expenses related to, training under this Act to participate in such training. Such supportive services may include transportation, health care, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in such training and may be provided in-kind or through cash assistance.

(3) The term "administrative costs" means those direct and indirect costs associated with the management and supervision of programs at all levels. All costs not explicitly related to the delivery and provision of employment and training services shall be considered as administrative costs, including those costs incurred in planning, contract management, monitoring, and reporting by the prime sponsor in accordance with this Act.

Page 49, after line 17, insert the following new subsection:

(c) Participant wages, stipends, and allowances and related expenditures under this Act shall, except as provided under section 267 or 429, be considered supportive services.

Mr. JEFFORDS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. JEFFORDS. Madam Chairman, this amendment is offered to satisfy the concern that the emphasis of this bill is training. We must work to maximize the percentage of funds allocated under this bill that are directed toward the provision of training services. This bill is not a job creation bill; that is, there are no public service employment provisions in the bill, and its function is not income maintenance.

The amendment states that not less than 70 percent of the funds expended by the prime sponsor shall be used to provide direct training and employment services to program participants. The remaining percentage of funds are available for use as administrative costs, supportive services, allowances and stipends.

This amendment does not prevent the payment of supportive services. That is, we do not want to deny training to individuals who are motivated to receive training but cannot afford the associated costs of training such as transportation, food, and child care. On the other hand, we do not want to provide incentives for participants to remain in training longer than necessary. This amendment, coupled with the needs-based allowance system incorporated within the bill, assures that the most disadvantaged will receive support, but that 70 percent of the funds allocated will be directed toward training. Without training, it is improbable that the participants in this program can be placed in unsubsidized jobs, the intended outcome of participation in the program.

The amendment also defines supportive services and administrative costs. These definitions are necessary to clarify what expenditures can be considered as training costs.

Due to the concern regarding public services employment, which is not allowed in this bill, clarification regarding the designation of "work experience" was necessary. For the purposes of this act, expenditures for work experience activities are considered as training expenditures if the work experience is combined with relevant

skills training for a period not to exceed 6 months. We recognize the need for the allowability of work experience activities, but we also acknowledge that when combined with another training activity the placement rates and annualized earnings for work experience activities increases. (June 14, 1982, GAO report, "CETA Programs for Disadvantaged Adults—What Do We Know About Their Enrollees, Services, and Effectiveness?"). We do not want work experience to become a holding pattern activity, but rather a means by which those most disadvantaged in the labor force can obtain basic employability and occupational skills.

Also, for purposes of the record, I would like to set forth what we consider to be "administrative costs" those things which are needed to comply with this act, such as: Auditing, tracking, compliance, financial management, staff salaries, to the degree that they are involved with such activity, and planning data compilation.

Also I would like to explain that "support services" are those costs without which the participant could not take part in the program, such as: Transportation to work or training site, meals, child care, et cetera.

"Training," also, I think I ought to define within my remarks what constitutes training. What we intend "training" to mean is active participation of the client in training functions, which include: Intake, testing, assessment, employability development, job development, job search assistance, outreach, labor market orientation—types of jobs, needs of employers, et cetera—vocational exploration, counseling, and job retention.

I think it is important to have a somewhat broad definition of "training," for if we do not, there would be too limited funds to carry out the basic intent and purposes of the act.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has expired.

(By unanimous consent, Mr. JEFFORDS was allowed to proceed for 2 additional minutes.)

Mr. JEFFORDS. Madam Chairman, I think it is important to point out that the basic thrust of this bill is training, and we are just coming from and replacing a bill wherein the thrust turned out to be too largely in the other direction. This really is an insurance package, to make sure that that direction which we feel is important for this bill to have is, without question, the intent and purpose of the act.

I would urge the Members to support this amendment.

AMENDMENT OFFERED BY MR. SIMON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. JEFFORDS

Mr. SIMON. Madam Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Simon as a substitute for the amendment offered by Mr. JEFFORDS: Page 47, line 17, before the period, insert the following: ", except that in no case may the amount of the subsistence stipend exceed the equivalent of the hourly rate of pay under clause (A) or (B) of paragraph (3) of this subsection."

Page 66, after line 2, insert the following new section (and conform the table of contents accordingly):

"USE OF FUNDS FOR TRAINING: MINIMUM PERCENTAGE

SEC. 134. (a) Not less than 70 percent of the total funds expended by any prime sponsor for any fiscal year for programs under part B of title II and part C of such title (other than section 267) shall be expended for the direct provision of employment and training services.

(b) No expenditure for any of the following shall be construed to be an expenditure for the direct provision of employment and training services:

(1) wages and subsistence stipends in accordance with paragraph (1)(A)(i) of section 122(a); or

(2) administrative costs.

(c) For purposes of this section, any expenditure for work experience activities shall be considered as an expenditure for training only if combined with relevant skills training for a participant enrolled in such activities for a period not to exceed six months.

Page 74, beginning on line 12, strike out "and other necessary services" and insert in lieu thereof the following: "meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in training, which may be provided in-kind or through cash assistance".

Mr. SIMON (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMON. Madam Chairman, this is an amendment that I hope can clarify things and permits subsistence but limits it to, at the most, the minimum wage.

What we have to recognize is that every other program where we encourage training, whether it is college work study, whether it is Pell grant, no matter what it is, recognizes that there is a cost of living, that you simply cannot say to people, "You can be trained, but you cannot eat." That really is not helping people.

What are the alternatives? We are talking about title II, the economically disadvantaged. Of those people, 28 percent are on welfare; 6 percent are on unemployment compensation. What about the other two-thirds? What are their alternatives?

Well, I think the reality is that these are the alternatives without my amendment: No. 1, you go on welfare, which means it is Federal expenditures; or, No. 2, you drop out. And that, obviously, is an expenditure for society and ultimately in dollars.

According to Congressional Research Service, under this amendment the average expenditure per hour under this program would be $1.17. That is not any huge largesse that anyone is being provided. The data that we have been able to accumulate also suggests that about half of those who would otherwise participate could not participate.

And, then, finally, I say this as someone who once was in business as an employer—you cannot have programs that do not provide some kind of sustenance, some kind of sustaining power, if employers want to participate, for they do not want to see those who enter the training programs just drop off like flies. And I am afraid that is what would happen.

So I would urge adoption of this amendment. I understand it is being considered—and I see some bull sessions going on over there right now. My hope is that this might be considered. It would be a great show of wisdom on the part of my colleagues from Vermont, Illinois and other States to accept this amendment.

Mr. JEFFORDS. If the gentleman will yield, Madam Chairman, I only wish that I could accept the amendment. But unfortunately I cannot go that far. I would say that it certainly is a substantial improvement over the present bill.

□ 1500

I do have some concerns about making the cap on allowances the minimum wage rather than 70 percent BLS. In fact, that cap is a little bit more conservative than what is in the bill, which is a reason someone on my side, would be happy with that aspect of the amendment. I do appreciate the inclusion in the substitute of the provisions limiting the work experience aspects.

On the other hand, I am concerned about the supportive services being considered as training funds. This distinction is in excess of what I could accept on this side. I do want to commend the gentleman for coming forward with a very fine middle ground which I am sure Members would want to consider when and if there is a vote on these provisions.

So I do commend the gentleman for his efforts in this area.

Mr. SIMON. I thank my colleague from Vermont, if not for his support, for his indicating that I have carved out a very fine, solid middle ground that makes sense. Those are not quite his words. But I will reinterpret them that way.

Mr. ERLENBORN. Madam Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding. So that we might understand the thrust of this amendment, it accepts the basic principle that a majority, in fact more than a majority of the funds according to the amendment, not less than 70 percent of the funds, shall go for training; is that correct?

Mr. SIMON. That is correct.

Mr. ERLENBORN. And that leaves 30 percent or less, depending on how the PIC and the prime sponsor might draw their plan, for administrative costs, wages, and stipends. And I think that that basic principle is sound.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(At the request of Mr. ERLENBORN and by unanimous consent, Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. ERLENBORN. If the gentleman will yield further, I think the only question, as the gentleman from Vermont has raised it, is what should be included within the 70 percent, what should be limited to the 30 percent.

But at least clearly any wages or stipends which would attract someone to come in solely for money rather than for training would be in that 30 percent.

Any, let us say, transportation costs or incidental expenses necessary to allow a disadvantaged person to take advantage of training, but not in the nature of wages and stipends, would be included in the 70 percent; is that correct?

Mr. SIMON. That is correct.

Mr. ERLENBORN. Well, as I say, I would join with my colleague from Vermont and congratulate the gentleman on showing progress in the right direction. I think that he should be congratulated. But he has not gone quite far enough for us to support his amendment.

Mr. SIMON. I hope this body will congratulate me by supporting the amendment.

Mr. CORRADA. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, H.R. 5320 as reported by the Education and Labor Committee is carefully drafted to extend wages, benefits, and allowances on the basis of need to insure a subsistence level income for the poorest participants. These payments are regulated to preclude them from becoming a financial incentive to remain in the training program, while covering basic costs to the participant such as child care, transportation, and meals.

The Congressional Research Service has stated that only 28 percent of participants would be eligible for this assistance, and that the average per participant allowance would be only $1.32 per hour. These are not the large transfer payments they are characterized to be by the gentleman—they are merely small payments designed to give equal access to training programs to all, regardless of personal income and family economic situation.

Madam Chairman, if we place these severe limitations on allowance payments, we will force prime sponsors to select for training only those who can afford to support themselves during the training period.

Rarely can the individual who would most benefit from training afford the luxury of enrolling in a training program while he or she is in a dire need for a job. Even more rarely can these individuals undertake the costs associated with transportation to and from the training center, child care, and meals away from home.

Madam Chairman, unless we intend to exclude the most needy from these programs we must retain the flexibility of the prime sponsor to consider allowances in the context of the needs of each individual.

I would urge my colleagues to support the amendment of the gentleman from Illinois (Mr. SIMON) to the amendment from the gentleman from Vermont (Mr. JEFFORDS).

Mr. HAWKINS. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the amendment and in opposition to the original Jeffords amendment.

I believe that it is necessary to remember that the bill, as currently drafted, is based on need which simply means that the necessary flexibility is provided so that those who do not need the stipend or the allowance will receive no stipend or allowance.

And at the other extreme, for those who desperately need it, because they have no other income, but who are very much in need of the training, stipends will be made available to them.

Now, I think there is some question apparently in the interplay about what would make training possible for the individual to participate. That, I think, is something which must be established flexibly at the community level in terms of the individual situation.

But just to conclude statutorily here in Washington that certain things are not necessary I think would be a mistake.

I think the amendment as drafted goes in the direction of recognizing that certainly as much of the money as possible should go into training. And I would like to remind my colleagues that under the current bill not just 70, but as much as 85 percent could be used for training.

Also I think that in terms of limiting the amount that can be expended for training, one should keep in mind what type of training we are talking about. Is it quality training, or is the training going to be conducted on a quick-fix basis of just merely exposing the trainee to elementary work habits so that the individual at the end of the training period may go out and get a job at McDonalds or some fast food restaurant? I do not think that is the type of training we are talking about exposing the youth of today to or even the laid-off automobile worker, or those laid off from the steel industry.

We are talking about retraining in skills that may be used in a technological society. And obviously, this is going to be a little more expensive than the other training, and the individual is going to have to stay in the training program a little bit longer.

And so the necessity for a stipend or an allowance becomes the difference between whether the trainee is going to take the training or not take the training, or whether the trainee once having completed the training is going to be placed.

One of the reasons why Job Corps has been so strongly supported, despite the fact that we are dealing there with some of the most difficult individuals to train and place has been that we have allowed stipends, we have allowed allowances, we have allowed sufficient time for some of the most disadvantaged ones in our society to be trained. And obviously that is a lot more expensive than the other type of training.

□ 1510

I think the Simon amendment is a reasonable compromise. I think that it goes in the direction of recognizing a specific limitation, one that must include participating costs that will allow an individual to participate. Unless we do that, then it seems to me a training bill becomes useless.

I therefore support the Simon amendment.

Mr. SIMON. Madam chairman, would my colleague yield?

Mr. HAWKINS. I would be glad to yield to the gentleman from Illinois.

Mr. SIMON. I am pleased the gentleman thought of the illustration of the Job Corps, which frankly, I did not think of. It is another example; in fact, I cannot think of any program where we do not permit some kind of a sustenance to recognize that people have to have food on their tables if they are going to be involved in a training program, whether it is the University of Vermont or the University of California or Southern Illinois University or a Job Corps program.

What we are saying through this amendment is let us recognize the equity of that and apply it to the current situation.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. JEFFORDS, and by unanimous consent, Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. So that I can better gage myself as to the amount of vigor that I want to use in opposing the Simon amendment, I would like to ask the gentleman a couple questions.

It is my understanding that under this amendment, an agreement between the PIC and the prime sponsor as to how the funds would be expended under the Simon amendment is still required. Is that correct?

Mr. HAWKINS. The gentleman is correct.

Mr. JEFFORDS. It is also my understanding that with respect to this bill and the issue we are discussing, that there are no provisions in this bill or in the Simon amendment which would allow for public service employment as it was generally recognized under the old CETA legislation; is that correct?

Mr. HAWKINS. The gentleman's understanding is correct. The gentleman knows full well that that issue will be faced. We will be faced with that issue in other legislation.

I am not giving up completely my support of the public service concept, but in this bill I can assure the gentleman my understanding is that there is no possibility of public service employment being in any way fostered, sustained, or any appropriation being made for it or any indirect backdoor approach for that to creep into this proposal.

Mr. JEFFORDS. As I understand it, there is another bill which has been passed out of the Committee on Education and Labor, and which is intended to replace the public service employment aspect of the present CETA law; is that correct?

Mr. HAWKINS. That is correct, and it has no direct connection with this particular proposal before us.

Mr. JEFFORDS. I thank the gentleman for those very reassuring words.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON) as a substitute for the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS), as amended.

The amendment, as amended, was agreed to.

AMENDMENTS OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Madam Chairman, I offer a series of amendments, and I ask unanimous consent that since one of the amendments is to another title, the amendments may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ERLENBORN: Page 68, strike out lines 1 through 4 and insert in lieu thereof the following:

(2) The sum allocated to each State under paragraph (1) shall be allocated by the Governor of such State among areas served by prime sponsors within the State on the basis of the factors set forth in such paragraph.

Page 68, lines 5 and 14, strike out "10 percent" and insert in lieu thereof "12 percent".

Page 68, line 18, strike out "Five" and insert in lieu thereof "Nine".

Page 68, strike out line 20 and insert in lieu thereof "the Secretary to States as funds for planning grants to assist State employment and training coordinating council, prime sponsors, and private industry councils".

Page 68, beginning on line 22, strike out "The prime sponsor shall" and everything that follows through line 4 on page 69.

Page 69, line 7, insert "States for performance supplements to" before "prime sponsors".

Page 70, line 3, insert "States for allocation to" before "prime sponsors"; and on lines 4, 15, and 17, strike out "Secretary" and insert in lieu thereof "Governor".

Page 70, strike out line 19 and everything that follows through line 14 on page 71.

Mr. ERLENBORN (during the reading). Madam Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ERLENBORN. Madam Chairman, I yield to the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Ms. FERRARO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5320) to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes, had come to no resolution thereon.

REQUEST FOR PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO SIT THIS AFTERNOON DURING 5-MINUTE RULE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be permitted to sit this afternoon during the 5-minute rule for the further markup of the Nuclear Waste Policy Act.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I will not object; this is a bill that we can report from the committee within an hour or so today. It is important that we get this bill out.

I would urge that there be no objection to our continuing to meet this afternoon.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WAXMAN. Reserving the right to object, Mr. Speaker, I reserve the time to ask the gentleman from New York whether this bill must be reported out today or whether it could be reported out at a future date?

Mr. OTTINGER. The chairman of the full committee has announced that he would call the committee back into session upon adjournment to report the bill out if we did not get this permission.

The bill has been hanging for some time, as the gentleman knows.

Mr. WAXMAN. If I might reclaim my time, this is a bill that is on crowded schedule before our committee. It is taking time, it is in conflict with a very important bill that is on the House floor. It seems to me that we ought not to interrupt the business of the House and violate the rules.

Therefore, Mr. Speaker, I would object to the unanimous-consent request.

The SPEAKER. Does the gentleman from New York withdraw his request?

Mr. OTTINGER. Well, if the Speaker so wishes; objection has been heard.

The SPEAKER. It needs 10 objections; but in fairness to the House, the Chair would possibly entertain a call of the House and the Chair hates to do that.

In view of the fact that it would be delaying the House, the Chair asks if the gentleman would like to withdraw his request.

Mr. OTTINGER. Mr. Speaker, I withdraw my request.

JOB TRAINING PARTNERSHIP ACT

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5320) to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. HAWKINS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5320, with Ms. FERRARO in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose earlier today, title I was open to amendment and pending was an amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The Chair recognizes the gentleman from Illinois.

Mr. ERLENBORN. Madam Chairman, because of a misunderstanding as to which of several amendments are pending at the desk, the wrong amendment has been read.

Madam Chairman, I ask unanimous consent to withdraw the pending amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN: Page 12, beginning on line 1, strike out all of title I of the bill through line 2 on page 65 and insert in lieu thereof the following:

TITLE I—JOB TRAINING AND EMPLOYMENT ASSISTANCE SYSTEM

PART A—COMMUNITY PUBLIC-PRIVATE PARTNERSHIP SYSTEM

PRIME SPONSORS

SEC. 101. (a) The Governor shall, with the approval of the State employment and training coordinating council (hereafter in this section referred to as the "council"), and in consultation with elected local officials of units of general local government throughout the State, assign all jurisdictions to a designated prime sponsor.

(b)(1) The Governor, with the approval of the council, shall designate each unit of general local government with a population of 150,000 or more as a prime sponsor, except that—

(A) the Governor may, with the approval of the council, choose to include, with such a unit, adjoining jurisdictions if such jurisdictions individually have a population of less than 150,000 and collectively, with such a unit, represent a single labor market area;

(B) the Governor shall designate any self-selected consortia of adjacent units of general local government which collectively represent a single labor market area as a prime sponsor, unless there is only one such area within the State or the Governor determines, with the approval of the council, that such designation would be contrary to the purposes of this Act;

(C) if there is only one unit of general local government which has a population of more than 150,000 in the State, the entire State may be designated as a prime sponsor;

(D) if the Governor determines, with the approval of the council, that a unit or units of general purpose local government which have a population of less than 150,000 represents a separate labor market and could serve as an effective managing agent of programs under this Act, such unit or units may be designated as a prime sponsor;

(E) any existing concentrated employment program grantee for a rural area which served such area under the Comprehensive Employment and Training Act shall be designated as a prime sponsor, upon request by such a grantee.

(2) Any unit or units of general local government which are dissatisfied with their assignment to a prime sponsor area may appeal their assignment to the Governor, and subsequently to the Secretary of Labor.

(3) The Governor, with the approval of the council, may propose, or any unit of general local government or private industry council may request, a realinement of prime sponsor designations to take effect at the end of any two-year planning and contracting cycle.

(4) Notwithstanding paragraph (1), for the purpose of promoting effective transition to activities under this Act the Governor shall designate as a prime sponsor under this Act, for a period ending September 30, 1984, any unit of general local government which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act and which requests such designation under this Act.

PRIVATE INDUSTRY COUNCILS

SEC. 102. (a)(1) A private industry council shall be established for each prime sponsor area. A prime sponsor may designate a private industry council which served the same prime sponsor area under title VII of the Comprehensive Employment and Training Act to serve as the private industry council for purposes of this Act.

(2) No funds available under this Act shall be provided by the prime sponsor for any activity which does not have the approval of both the prime sponsor and the private industry council.

(b)(1) A majority of the members of the council shall be representatives of business and industry in the area served by the prime sponsor, one of whom shall be designated as the initial chairman or chairwoman of the private industry council. Private industry representatives shall be appointed from among individuals recommended by local business organizations operating within the area served by that prime sponsor and, whenever possible, at least one-half of such business and industry representatives shall be representatives of small business (including minority business). The remaining members shall be representatives of labor, education (representative of secondary, postsecondary, and vocational education agencies and institutions), rehabilitation, community-based organizations, the employment service, and economic development organizations and agencies. Members shall be appointed by the prime sponsor from among indivuduals recommended by appropriate organizations and agencies.

(2) In making appointments to the council, the prime sponsor shall ensure that the membership of the council reasonably represents the population of the area served by that prime sponsor.

(3) Members shall be appointed for fixed terms and shall serve until their successors are appointed. The prime sponsor may not dissolve the council or remove any member of the council. Vacancies in the membership of the council shall be filled in the same manner as the original appointments.

(4) For purposes of this subsection, the term "small business" means private, for-profit enterprises employing 500 or fewer employees.

(c) Subject to subsection (a)(2), each prime sponsor shall make funds available, out of administrative costs allowable under section 121(p), to enable each private industry council to hire professional, technical, and clerical staff to assist in carrying out its responsibilities under subsection (a) of this section (if any funds for such purpose are desired by such council).

(d) In organizing and making appointments to a private industry council established for purposes of this Act, a prime sponsor shall ensure that such council is eligible to be designated as a planning council for any other employment and training programs operated within designated enterprise zones.

PERFORMANCE STANDARDS

SEC. 103. (a) Within six months after the date of enactment of this Act, the Secretary shall establish performance criteria appropriate to programs carried out under part B of title I, title III, and part A of title IV, and with respect to programs carried out by prime sponsors under this Act shall—

(1) establish national performance criteria on the basis of appropriate factors which shall include (A) placement in unsubsidized employment, (B) retention in unsubsidized employment, (C) the increase in earnings, including hourly wages, and (D) reduction in the number of individuals and families receiving cash welfare payments; and

(2) designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described in paragraph (1), shall be (A) attainment of employability competencies, (B) elementary, secondary, and postsecondary school completion, or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships, or enlistment in the military.

(b)(1) Each State employment and training coordinating council shall, with the approval of the Governor of that State, establish minimum performance standards for prime sponsors in that State. Such standards shall be designed to measure outcomes and shall be based on the national performance criteria established under subsection (a), appropriately weighting and varying the factors in such criteria to recognize local conditions and the nature of employment barriers encountered by the eligible population to be served.

(2) The Governor of each State, on the basis of a review by the State employment and training coordinating council for that State, determine the adequacy of proposed performance goals established by prime sponsors in that State on the basis of the minimum standards established under paragraph (1).

(3) The Governor, with the approval of the Secretary, (A) may modify the applicability of any standard prescribed under paragraph (1) for any prime sponsor which demonstrates exceptional local economic hardship, and (B) may approve a plan submitted under section 104 which contains performance goals which are less stringent than the standard prescribed under paragraph (1), if such less stringent goals are the best reasonably attainable goals for that prime sponsor given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided.

(c) If the Governor, with the approval of the State employment and training coordinating council, finds on the basis of reports submitted by the prime sponsor under sec-

tion 126 that a prime sponsor is substantially failing to attain one or more of the performance goals contained in the plan approved for that prime sponsor, the Governor shall—

(1) so notify the prime sponsor and the private industry council;

(2) provide technical assistance to the prime sponsor and the private industry council to assist in attaining those goals; and

(3) in case of ongoing failure to attain those goals during two consecutive years, after notice and opportunity for a hearing to the prime sponsor concerned, designate an alternate prime sponsor for the area served by the unsuccessful prime sponsor for the succeeding years and terminate the provision of funds under this Act to that unsuccessful prime sponsor.

(d) If the Governor, with the approval of the State employment and training coordinating council, determines that a prime sponsor has demonstrated that it has corrected the causes of a failure which led to a termination of funding under subsection (c)(3), the Governor may designate that prime sponsor after an alternate prime sponsor has served the respective area.

COMMUNITY JOB TRAINING PLANS

SEC. 104. (a)(1) No funds shall be provided to any prime sponsor in any State under this Act for any fiscal year except pursuant to a biennial community job training plan which—

(A) meets the requirements of this title;

(B)(i) is developed by the private industry council with the participation of the prime sponsor;

(ii) is approved by a majority of the private industry council and the prime sponsor; and

(iii) is jointly submitted by the prime sponsor and the private industry council; and

(C) is approved by the Governor and the State employment and training coordinating council of that State.

(2) if a prime sponsor and private industry council fail to concur on the submission of a plan for any period and the Governor is unable to resolve the disagreement, or the plan submitted is not approved by the Governor and the State employment and training coordinating council and no other approvable plan is submitted, the Governor may designate an alternate prime sponsor in the State for the area normally served by that prime sponsor. Any such plan submitted by an alternate prime sponsor and private industry council shall be developed, approved, and submitted in accordance with paragraph (1)(B). In the event that no alternate prime sponsor and private industry council is able or willing to submit such a plan, the Governor may develop a plan directly or through an appropriate public or private nonprofit agency or organization for that area.

(3) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved biennial plan, a modification of such plan shall be developed, approved, and submitted in accordance with paragraph (1)(B), which shall be subject to review in accordance with section 105.

(b) Each plan submitted under this section shall include—

(1) a designation of the entity to administer programs and services under this Act in the prime sponsor area, which—

(A) may be constituted as a nonprofit corporation, with administrative and planning staff hired as employees of the corporation; or

(B) may utilize government employees as administrative and planning staff;

(2) a description of the activities to be conducted with funds made available under this Act, which shall set forth—

(A) a labor market analysis, containing projections of the availability of employment and training, and the potential for growth, in various public and private labor market sectors in the prime sponsor area, including sectors with current high growth rates, with special attention to the national need to promote energy conservation and develop renewable energy sources;

(B) an analysis of the demographic characteristics of the eligible population in the area, an identification of the groups targeted for service among the eligible population, and the methods for determining priority for service among such population;

(C) a description of the procedures for selection of participants;

(D) a description of the training and employment services to be provided, including the duration of service, estimated cost per participant, wages and benefits, stipends, or allowances to be provided, and supportive services;

(E)(i) a description of procedures assuring that training services will be carried out through subgrants or subcontracts with service providers of demonstrated effectiveness, unless the plan sets forth substantial justification that specific services would be carried out more effectively by the administrative entity directly, and (ii) a statement of the methods of selection and criteria for selection of service providers, which shall include proper consideration of community-based organizations as subgrantees or subcontractors for the provision of such services;

(F) a description of the arrangements for the active involvement of State and local educational agencies (including vocational education), public assistance agencies, rehabilitation agencies, economic development organizations and agencies, the employment service, and other appropriate employment-related programs and agencies in the delivery of services;

(G) a detailed description of recordkeeping procedures for the expenditure of funds and procedures for monitoring and auditing any subgrantees or subcontractors;

(H) a description of the allocation and use of any funds which will be retained from funds for one fiscal year for use in the succeeding fiscal year; and

(I) a description of procedures which will be used to consider previously funded community-based organizations, education agencies, and other deliverers of services which were both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act, in the delivery of programs and activities conducted under this Act;

(3) performance goals established by the prime sponsor and private industry council which (A) meet or exceed the performance standards applicable to the prime sponsor as established under section 103 (as modified in accordance with subsection (b)(3) of such section), and (B) are the best reasonably attainable goals for that prime sponsor area given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided;

(4) assurances by the prime sponsor and private industry council that it will comply with all the requirements contained in part C of this title, and with the other provisions of this Act and of State law which are applicable to the activities being conducted; and

(5) a description of methods of coordinating programs under this Act with other Federal, State, and local employment-related programs, including any procedures which may be adopted to provide for uniform intake or other administrative forms to be used for programs under this Act in conjunction with such other employment-related programs.

REVIEW OF PLANS

SEC. 105. (a)(1) At least 90 days before submitting its biennial community job training plan to the Governor and the State employment and training coordinating council, each private industry council and prime sponsor, shall, in accordance with jointly agreed upon procedures—

(A) make such plan available for review and comment to—

(i) each house of the State legislature for appropriate referral;

(ii) appropriate units of general local government and appropriate local educational agencies in the prime sponsor area; and

(iii) labor organizations in the area which represent employees having the skills in which training is proposed; and

(B) make such plan reasonably available to the general public through such means as public hearings and local news facilities.

(2) No community job training plan shall be submitted to the Governor and the State employment and training coordinating council unless such plan has been approved by the prime sponsor and private industry council concerned, except that—

(A) in the event of a failure of the prime sponsor and private industry council concerned to resolve their differences, such sponsor or council may appeal to the State employment and training coordinating council; and

(B) such State council shall determine whether the recommendations of the prime sponsor or private industry council meet the purposes and requirements of this Act, and direct the appropriate revision of such plan to be made prior to its submission to the Governor.

(b)(1) The State employment and training coordinating council shall establish requirements concerning the form and content, and the schedule for submission, review, and approval or disapproval of community job training plans, in accordance with minimum requirements established by regulations prescribed by the Secretary. Such State council may supplement such minimum requirements in order to assure compliance with this Act and to improve the effectiveness and coordination of employment and training activities within the State.

(2) The State employment and training coordinating council shall review and recommend to the Governor the approval, conditional approval, or disapproval of all or any part of a community job training plan. No such plan shall be recommended for approval unless such State council determines that the plan is complete, meets the requirements of this Act and other applicable laws and of regulations prescribed thereunder, and is adequately designed to carry out an effective and well-administered program. Such State council shall require the responsible private industry council and prime sponsor to take such actions as may be necessary to remedy any such defect in the plan.

(c)(1) If the State employment and training coordinating council recommends the disapproval of all or any part of a community job training plan, it shall transmit to the private industry council and prime sponsor concerned a notice thereof, containing a statement of the reasons for such recommendation. If the Governor disapproves all or any part of such a plan, the private industry council and prime sponsor concerned may jointly appeal such decision to the Secretary of Labor.

(2) The Governor shall disapprove the plan if—

(A) the Governor finds that the planned program will not meet the performance standards;

(B) the Governor determines that the planned program will not effectively serve the economically disadvantaged;

(C) the Governor finds that the plan does not establish that actions have been taken to correct deficiencies identified in program audits or assessments;

(D) the Governor determines that the entity proposed to administer the program will not have the administrative capacity to administer the funds or there are inadequate safeguards for the protection of the funds; or

(E) the Governor finds that the plan will not adequately or properly carry out the purposes of this Act, or is inconsistent with the Governor's coordination and special services plan under section 111.

(d) Modifications to community job training plans may be submitted to reflect changes in labor market conditions, the performance of delivery agents, or other factors. Such modifications shall be submitted, reviewed, and approved in the same manner as is required by this section with respect to such plans.

PART B—STATE RESPONSIBILITIES

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

SEC. 111. (a) The Governor of each State receiving financial assistance under this Act shall submit a biennial Governor's coordination and special services plan to the Secretary—

(1) describing the use of all resources provided to the State and its prime sponsor areas under this Act;

(2) evaluating the experience over the preceding two years, and setting policy and program goals for the succeeding two years; and

(3) containing performance standards established in accordance with section 103 for such succeeding two years.

(b)(1) the plan shall establish criteria for coordinating activities under this Act with programs and services provided by State and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development organizations and agencies, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State.

(2) The plan shall describe the projected use of resources, including oversight and support activities, priorities and criteria for State incentive grants, and performance goals for State supported programs. If the State is designated as a prime sponsor, the plan may serve as its community job training plan if it contains provisions which meet the requirements of such plan.

(3) If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the Governor shall submit a modification of the plan to the Secretary describing these changes.

(4) The Secretary shall—

(A) specify minimum requirements for the Governors coordination and special services plans;

(B) review such plans to assure that there are no apparent violations of the Act;

(C) identify for the State apparent violations of the Act and suggest appropriate modifications; and

(D) investigate any failures to take corrective actions or make modifications to determine whether expenditures are in violation of this Act.

(c) Governor's coordination and special services activities shall include the following:

(1) making available to prime sponsors and private industry councils, with or without reimbursement and upon request, appropriate information and technical assistance to assist them in developing and implementing their programs;

(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

(3) provide training and employment programs and related services to meet the needs of special population groups within the State, such as offenders and exoffenders;

(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

(5) provide training and employment opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

(6) fostering the activities of the State occupational information coordinating committee established pursuant to section 161(b)(2) of the Vocational Education Act of 1963;

(7) industrywide training;

(8) activities under title III of this Act;

(9) expending an adequate portion of funds available under section 201(b) to identify, and promote the selection as participants of, eligible older persons in need of employment, and to provide eligible older persons with training designed to assure their placement with private business concerns;

(10) developing and providing to prime sponsors information on a State and local area basis regarding economic, industrial, and labor market conditions;

(11) providing pre-service and in-service training for planning, management, and delivery staffs of local prime sponsors and private industry councils, as well as contractors for State supported programs; and

(12) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs.

(d) A Governor's coordination and special services plan shall be approved by the Secretary only if the Secretary determines that the plan satisfactorily complies with this section.

STATE EMPLOYMENT AND TRAINING COORDINATING COUNCIL

SEC. 112. (a)(1) Each State receiving financial assistance under this Act shall establish a State employment and training coordinating council (hereinafter in this section referred to as the "council"). Funding for the council shall be provided pursuant to section 201(b).

(2) The council shall be appointed by the Governor, who shall designate one public member thereof to be chairperson. In making appointments to the Council, the Governor shall ensure that the membership of the Council reasonably represents the population of the State.

(3) The council shall be composed as follows:

(A) one-fourth of the members shall be representatives of business and industry (including agriculture, where appropriate) in the State, including individuals who are representatives of business and industry on private industry councils in the State;

(B) one-fourth of the members shall be representatives of the State legislature and of employment- and training-related agencies and programs in the State, including the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State.

(C) one-fourth of the members shall be representatives of the units or consortia of units of general local government in such State (including those which are prime sponsors) which shall be nominated by the chief executive officers of the units or consortia of units of general local government; and

(D) one-fourth of the members shall be representatives of the eligible population and of the general public, representatives of organized labor, representatives of community-based organizations, representatives of local educational agencies (nominated by local educational agencies).

(4) The council shall meet at such times (but at least five times each year) and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

(5) The council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

(6) In order to assure objective management and oversight, the council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

(7) The plans and decisions of the council shall be subject to approval by the Governor. The Governor may override any decision of the council, including decisions by the council not to approve an action or decision of the Governor, but in any such case the council may appeal to the Secretary. If the Secretary is unable to resolve the dispute the Secretary shall direct the Governor or the council to take such action as may be necessary to best achieve the purposes of this Act.

(8) For purposes of section 105 of the Vocational Education Act of 1963, the council

shall be considered to be the same as either the State Manpower Services Council referred to in that section or the State Employment and Training Council authorized under the Comprehensive Employment and Training Act.

(b) The council shall—

(1) develop the Governor's coordination and special services plan to be submitted, with the approval of the Governor, to the Secretary;

(2) review community job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and local employment-related programs, including programs operated in designated enterprise zones;

(3) recommend the approval or disapproval of such plans in accordance with section 105;

(4) review the operation of programs conducted by each prime sponsor, and the availability, responsiveness, and adequacy of State services, and make recommendations to the prime sponsors and private industry councils, to agencies providing employment and training services, to the Governor, to the State legislature, and to the general public with respect to ways to improve the effectiveness of such programs or services;

(5) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist prime sponsors or otherwise to assist in carrying out the purposes of this Act;

(6)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the reports required pursuant to section 105(d)(3) of the Vocational Education act of 1963; and

(7) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from the State advisory council under the Act of June 6, 1933 (the Wagner-Peyser Act), and any State coordinating committee for the work incentive program under title IV of the Social Security Act.

COORDINATION WITH STATE EDUCATION AND TRAINING AGENCIES

SEC. 113. (a) An amount equal to 25 percent of the sums available for purposes of section 201(b) shall be utilized for the purpose of facilitating coordination among State education and training agencies and prime sponsors under this section.

(b) In order to ensure effective coordination among employment-related education and training programs in the State, the Governor shall provide financial assistance to the appropriate State education agency or agencies responsible for education and training to facilitate coordination of services for eligible participants through cooperative agreements between such State agencies and prime sponsors. Such assistance may include—

(1) technical and financial assistance to vocational education institutions and local educational agencies to aid them in making cooperative arrangements with appropriate prime sponsors, private employers, and community-based organizations;

(2) provision to prime sponsors of information, curriculum materials, and technical assistance in curriculum development and staff development; and

(3) other appropriate assistance to develop and sustain the capacity to provide community-based employment and training programs for economically disadvantaged individuals.

STATE INCENTIVE GRANTS

SEC. 114. (a)(1) The sums reserved under section 201(d) for use under this section shall be made available by the Governor to the State education agency or agencies responsible for education and training for incentive grants to improve vocational services to individuals eligible under this Act in areas served by prime sponsors, in accordance with agreements for the use of such grant funds between such State agency or agencies and the prime sponsor, and (where appropriate) local educational agencies. Such agreements shall provide for the contribution by the State agency or agencies, and the local educational agency (if any), of a total amount equal to the amount provided in such incentive grant. Such matching amount shall not be provided from funds available under this Act, but may include the direct cost of employment or training services provided by State or local programs.

(2) Funds available under this section may be used to provide vocational education and related services to participants under this Act.

(b) If no joint agreement is reached on the use of funds under this section, the funds shall be available to the Governor for use in accordance with section 111.

STATE LABOR MARKET INFORMATION PROGRAMS

SEC. 115. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 451(b), the Governor shall designate an organizational unit which shall be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system and which shall—

(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

(A) is responsive to the economic demand and educational training supply support needs of the State and areas within the State, and

(B) meets the Federal standards under chapter 35 of title 44 of the United States Code and other appropriate Federal standards established by the Bureau of Labor Statistics;

(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designed areas within the State which, at the minimum, includes—

(A) identification of geographic and occupational areas of potential growth or decline; and

(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

(3) assure, to the extent feasible, that—

(A) automated technology will be used by the State;

(B) administrative records have been designed to reduce paperwork; and

(C) multiple survey burdens on the employers of the State have been reduced;

(4) public and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices; and

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system.

(D)(1) The analysis required under clause (2) of subsection (a) shall be used by States and by prime sponsors to contribute to carrying out the provisions of this Act, the Vocational Education Act of 1963, and the Act of June 6, 1933 (the Wagner-Peyser Act).

(2) The assurance required by clause (3) of subsection (a) shall also provide that the State will, to the maximum extent feasible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping by State and local agencies, including secondary and postsecondary educational institutions.

(3) If Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results shall remain in the public domain.

INTERSTATE AGREEMENTS

SEC. 116. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

PART C—GENERAL REQUIREMENTS

GENERAL PROGRAM REQUIREMENTS

SEC. 121. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

(a)(1) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(2) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(3) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

(b) Prime sponsors shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities and shall make every effort to provide equitable services

among significant segments of the eligible population.

(c)(1) All individuals participating in training under this Act shall be eligible to receive allowances to the extent required by section 122. No participant may receive allowances from funds under this Act for institutional or classroom training for more than 104 weeks in a five-year period.

(2) No individual shall participate in programs receiving financial assistance under this Act for longer than a total of thirty months in any five-year period.

(d) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

(e) No funds shall be used to assist in relocating establishments, or parts thereof, from one area to another or locating new branches, subsidiaries, or affiliates unless such relocation or location will not result in an increase in unemployment in the area of original location or in any other area.

(f)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and priority in the selection of training programs shall be given to training in occupations determined, pursuant to labor market analysis made under section 104(b)(2)(A), to be in sectors of the economy which have a high potential for sustained demand or growth.

(2) All programs, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditional for the other sex).

(g) Only eligible individuals residing in the prime sponsor's area may be served by employment and training activities funded under this Act.

(h) No member of any council under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organization which the member represents.

(i)(1) Except for employment bonuses under section 232(27), payments for on-the-job training to employers organized for profit shall not exceed the difference between (A) the costs of recruiting, training, and supportive services and the costs of lower productivity associated with employing an individual who lacks the requisite skills to perform the job in which the individual is placed, and (B) such costs for those otherwise employed. The length of time for which such payments may be made shall not exceed that period of time generally required for the acquisition of skills needed for a position within a particular occupation.

(2) Except as may be permitted by waiver granted by the Governor of the State concerned, in each prime sponsor's program the ratio of the number of participants in public sector on-the-job training to the number of participants in private sector on-the-job training shall not exceed the ratio of the number of civilian employees of State and local government in the prime sponsor's area to the number of nongovernmental employees in such area.

(j)(1) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless the prime sponsor demonstrates that alternative services or facilities would be more effective or more likely to achieve the prime sponsor's performance goals.

(2) For the purpose of complying with section 104(b)(2)(E) with respect to the provision of education services, the criteria for selection among competing providers of services shall afford to appropriate education agencies in the area to be served the opportunity to provide such services, unless the prime sponsor can demonstrate that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(k) Adequate accounting, monitoring, and cost management systems shall be established and maintained to assure integrity of the funds provided under this Act, according to general standards established by the Secretary. The Secretary shall establish such standards and procedures for recipients of funds under this Act as are necessary to assure against program abuses.

(l) Each prime sponsor recipient receiving funds from a Governor shall be responsible for the allocation of such funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuse in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Prime sponsors may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, if the Governor and State employment and training coordinating council has approved such an arrangement pursuant to the provisions of section 105(c).

(m) Federal assistance under this Act shall not be used for the payment of a fee for the placement of any individual in a training or employment program under this Act. Nor may any person or organization charge a fee for the placement or referral of any individual in or to such program.

(n) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with section 265(c)(2).

(o) No financial assistance under this Act shall be available for any program which involves political activities.

(p)(1) Not more than 15 percent of the total amount of funds available to a prime sponsor under this Act in any fiscal year may be expended for the cost of administration of programs and activities under this Act. For purposes of this paragraph, costs of program support (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 233 shall not be counted as part of the cost of administration.

(2) All funds received under any title of this Act, which are allowed to be used for administrative costs under the provisions of the title under which they were received, may be pooled by the recipient so that they may be used to administer all programs under this Act.

(q) Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

(r) The Secretary shall notify the Governor and the appropriate prime sponsor of, and consult with the Governor and such prime concerning, any activity to be funded by the Secretary under this Act within the State or prime sponsor area; and the Governor shall notify the appropriate prime sponsor and private industry council of, and consult with such prime sponsor and private industry council concerning, any activity to be funded by the Governor under this Act within the prime sponsor area.

WAGES, BENEFITS, AND ALLOWANCES

SEC. 122. (a) Except as otherwise provided in this Act, the following allowances and wages provisions shall apply to all activities financed under this Act:

(1)(A)(i) If the sum of cash income and the value of food stamps received by the family of the participant is less than 70 percent of the lower living standard income level, the participant may receive an hourly subsistence stipend which would, on an annualized basis, assuming 2,000 hours of participation, equal the difference between 70 percent of the lower living standard income level and the annualized sum of cash income and the value of food stamps, except that in no case may the amount of the subsistence stipend exceed the equivalent of the hourly rate of pay under clause (A) or (B) of paragraph (3) of this subsection.

(ii) Maintenance allowances may not substitute for other income transfer and in-kind aid for which the participant is eligible.

(iii) If a participant is eligible for but not receiving welfare, unemployment insurance, or food stamps, the participant shall be assisted in applying for benefits for which he or she is eligible.

(B)(i) Participants from families with incomes below the lower living standard income level shall be eligible for participation cost stipends to cover the extra costs of transportation, meals, equipment, and child care, necessary for participation.

(ii) Individuals with family incomes below 70 percent of the lower living standard income level shall be eligible to receive 100 percent reimbursement, and those between 70 and 100 percent of the lower living standard income level shall be eligible to receive up to 100 percent but not less than 50 percent reimbursement, of the costs described in clause (i) of this subparagraph.

(C) Lump-sum payments, tools and equipment, scholarships, and other rewards may be provided for completion of training activities, attainment of competencies, self-placement at the completion of services, and other constructive attainments.

(D) A trainee shall receive no allowances for hours during which the trainee fails to participate without good cause.

(2) Individuals in on-the-job training shall be compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations prescribed by the Secretary, considering such factors as industry, geographical region, skill requirements, and individual proficiency, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of

1938 or the applicable State or local minimum wage law.

(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

(b) Stipends and allowances received under this Act and wages received under section 267 shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid referred to in subsection (a).

LABOR STANDARDS

SEC. 123. (a)(1) Conditions of employment and training shall be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant.

(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participants.

(3) To the extent that a State workers' compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to injuries suffered by participants. To the extent that such law is not applicable, each recipient or subrecipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

(4) All individuals employed in subsidized jobs shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(5) No funds available under this Act may be used for contributions to retirement systems or plans.

(b)(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No program shall impair existing contracts for services or collective bargaining agreements, except that no program under this Act which would be inconsistent with the terms of any collective bargaining agreement shall be undertaken without the written concurrence of the labor organization concerned.

(3) No individual shall be employed or job opening filled (A) when any other individual not supported under this Act is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee not supported under this Act or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of individuals currently employed in jobs not subsidized under this Act.

(5) No jobs shall be substituted for existing federally assisted jobs.

(c)(1) Each recipient of funds under this Act shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

(2) Where a labor organization represents employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided for such organization to submit comments with respect to such proposal to the applicant and to the Secretary.

(d) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

ALLOCATION OF FUNDS

SEC. 124. (a)(1) All allocations by the Secretary under this Act shall be based on the latest available data and estimates satisfactory to the Secretary. The Governor of each State shall, in making any allocations required under this Act to be made on the basis of the same factors used by the Secretary in making an allocation to States, shall use the same data used by Secretary with respect to that State.

(2) Whenever the Secretary allocates funds required to be allocated by formula under this Act, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each State or other recipient.

(3) All funds required to be distributed by the Secretary formula under this Act shall be allocated within 30 days after enactment of the appropriations, except that, if such funds are appropriated in advance as authorized by section 125(b), such funds shall be allocated not later than the March 31 preceding the fiscal year for which such funds are to be available for obligation.

(4) No later than 30 days prior to allocation of any discretionary funds under this Act, the Secretary shall publish a plan for utilization of such funds in the Federal Register for comments. After consideration of any comments received, the Secretary shall publish the final plan.

(5) Whenever the Secretary utilizes a formula to allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allocations in the Federal Register.

(6) The Governor of each State shall, within 30 days after receiving notice of an allocation to that State under this Act, notify the prime sponsors in that State of the amount of funds from such allocation which will be made available to such prime sponsors.

(b) Except as provided under section 104(b)(2)(H) and section 125(a), the Governor of each State shall reallocate any amount of any allocation under this Act which has not been obligated by a prime sponsor in that State to the extent that the Governor determines that the recipient will not be able to use such amount within a reasonable period of time.

(c)(1) Any allocations to a prime sponsor designated under section 101 may be reallocated only if the Governor has provided thirty days advance notice to the prime sponsor and the private industry council, and to the general public. During such period, comments may be submitted to the Governor.

(2) After considering any comments submitted during such period, the Governor shall notify the affected prime sponsor and the private industry council of any decision to reallocate funds, and shall publish such decision.

(3) The Governor's coordination and special services plan shall contain a description of the procedures and factors to be considered in making any such reallocation.

AVAILABILITY OF FUNDS

SEC. 125. (a) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation. The obligation of funds shall not be revoked or canceled as long as such funds are expended at a rate which is consistent with the program plan.

(b)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

(C) Notwithstanding any other provision of this Act, no authority to enter into contracts under this Act shall be effective except to such an extent or in such an amount as are provided in advance in appropriations Acts

REPORTING REQUIREMENTS

SEC. 126. (a) Each prime sponsor in a State shall submit to the Governor and State employment and training coordinating council of that State not less than once each calendar quarter a report on its progress toward achievement of its performance goals (as set forth in its plan pursuant to section 104(b)(3)) and annually, within 60 days after the end of each fiscal year, on the activities conducted during that year and the characteristics of partipants served in each program activity. Such annual report shall

include a cost-benefit evaluation of programs assisted under this Act.

(b) The State employment and training coordinating council of each State shall, within 90 days after the end of each fiscal year and with the approval of the Governor of such State, submit to the Secretary an annual report. Such report shall include—

(1) a comparison of the approved performance goals of prime sponsors in the State with the performance standards established by the council under section 103(b), and a description of any actions taken under section 103(c) with respect to any prime sponsor that has substantially failed to attain one or more of such goals;

(2) a summary of the reports made by prime sponsors under subsection (a) and of any audit reports under section 127; and

(3) such other information as the Secretary may require by regulation.

(c) The Secretary shall make such reports and recommendations to the President as the Secretary deems appropriate pertaining to employment and occupational requirements, resources, use, and training, and the President shall transmit to the Congress a report on the same topics not later than March 1 of each year. Such report shall include a composite evaluation of all programs and activities conducted under this Act.

AUDITING, MONITORING, AND REPORTING

SEC. 127. (a) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper allocation and expenditure of, and accounting for, Federal funds provided to the State and its prime sponsors under this Act. The State may adopt procedures established by the Secretary, or may adopt alternative procedures approved by the Secretary.

(b) As least annually, the State shall prepare or have prepared an audit of all expenditures by the State and its prime sponsors under this Act. Each audit shall be conducted by an entity independent of any agency administering the funds concerned. Audits shall be conducted in accordance with generally accepted accounting principles and with standards established by the Comptroller General of the United States. The State may delegate auditing responsibilities to prime sponsors, but shall approve the auditors and review the audit procedures of such prime sponsors.

(c)(1) Each State shall establish monitoring procedures which insure at least quarterly monitoring visits to training, education, and work assignment sites.

(2) The State shall require the use of standardized monitoring instruments that meet or exceed minimum requirements specified in Federal guidelines prescribed by the Secretary.

(3) The State may delegate monitoring responsibilities to the prime sponsors in the State after review and approval of their monitoring procedures, but shall institute periodic reviews to assure that prime sponsors effectively implement prescribed procedures.

(d)(1) Each State shall establish a management information system which provides, at a minimum, the information specified in Federal guidelines prescribed by the Secretary. The State may require additional information, where reasonable, to assure adequate performance of the prime sponsors and contractors.

(2) Each State shall report annually on the statistical performance of all employment and training activities within the State, consistent with Federal guidelines.

(3) In annual reports to the Secretary under section 126(b)(2), each State employment and training coordinating council shall summarize the audit results for each prime sponsor area and will provide statistical summaries of monitoring reports, list of all corrective action agreements with prime sponsors and private industry councils, and analysis of the results of these corrective actions.

COMPLAINTS AND SANCTIONS

SEC. 128. (a)(1) Each prime sponsor or contractor or grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

(2) Each recipient of financial assistance under this Act which is an employer of participants under this Act shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

(3) Upon exhaustion of a recipient's grievance procedure without resolution, or where the Governor of the State in which the grievance occurs has reason to believe that the recipient is failing to comply with the requirements of this Act or the terms of the prime sponsor's plan, the Governor shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

(b) The Governor of a State may investigate such facts, conditions, practices, or other matters as the Governor deems necessary to determine whether any recipient of funds in that State or any official of such recipient has violated any provision of this Act or of the regulations under this Act. If the Governor concludes that any recipient of funds under this Act in that State is failing to comply with any provision of this Act or the regulations under this Act or that the recipient has not taken appropriate action against its subcontractors, subgrantees, and other recipients, the Governor shall have authority to revoke all or part of the recipient's plan and to terminate or suspend financial assistance in whole or in part and order such sanctions or corrective actions as are appropriate, including the repayment of misspent funds to the Secretary from sources other than funds under this Act and the withholding of future funding in accordance with subsection (e), if prior notice and an opportunity for a hearing have been given to the recipient. In determining whether to order repayment or to order withholding, the Governor shall take into account whether the recipient acted in willful disregard of statutory requirements, was grossly negligent, or otherwise failed to observe accepted standards of administration. Whenever the Governor orders termination or suspension of financial assistance to a subgrantee or subcontractor (including operators under a nonfinancial agreement), the Governor shall have authority to take whatever action is necessary to enforce such order, to reclaim misspent funds, or to otherwise protect the integrity of the funds or ensure the proper operation of the program, including action directly against the subgrantee or subcontractor, and an order to the primary recipient that it take such legal action.

(c) In emergency situations, if the Governor of a State determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program in that State, the Governor may immediately terminate or suspend financial assistance in whole or in part, if prompt notice and opportunity for a subsequent hearing are given to the recipient, within thirty days after such termination or suspension.

(d) If the Governor of a State determines that any recipient under this Act in that State has—

(1) discharged or in any other manner discriminated against a participant or against any person in connection with the administration of the program involved, or against any person because such person has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any person a benefit to which that person is entitled under the provisions of this Act or regulations thereunder, or

(2) discriminated against any individual, or failed to provide employment or training opportunities at levels of skill and remuneration that are commensurate with the participant's capabilities or potential capabilities,

the Governor shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved person, or both.

(e) The Secretary may withhold from an allocation to a State funds otherwise payable under this Act in order to recover any amounts expended in any fiscal year in violation of any provision of this Act, any regulation promulgated pursuant to this Act, or any term or condition of assistance under this Act. In the event of any such withholding which results from fraud or abuse, the Secretary may order the recipient to conduct the program as specified in the applicable plan on the basis of funds other than funds under this Act and may enforce such order by appropriate civil action, unless the recipient elects to terminate participation as a grantee under this Act.

(f) With the consent of State agencies charge with the administration of State laws, the Secretary is authorized, for the purpose of carrying out this section, to utilize the services of State and local agencies and their employees. Notwithstanding any other provision of law, the Secretary is authorized to reimburse, in whole or in part, such State and local agencies and their employees for services rendered for such purposes.

(g) Except as otherwise provided in subsection (c), the Governor shall not remove a recipient's plan, in whole or in part, nor institute corrective action or sanctions against a recipient under this section or any other provision of this Act, without first providing the recipient with notice by the Governor of such intended actions and the reasons upon which those intended actions are based, and also providing the recipient with an opportunity to informally resolve those matters contained in the Governor's notice.

(h) In order to ensure compliance with the provisions of this Act and regulations promulgated under this Act and to ensure conduct of programs in a manner consistent with the purposes and objectives of this Act,

the Secretary may require prime sponsors to participate in unified audit programs established by the Secretary to provide for the audit of both prime sponsors and their respective subgrantees and subcontractors. In any such case the Secretary may require the prime sponsor to pay, from funds under this Act available to it for administrative expenses, that portion of the unified audit expenses allocable to the audit of such subgrantees and subcontractors.

(i) Nothing in this section shall be deemed to reduce the responsibility and full liability of prime sponsors and other recipients which receive funds directly from the Secretary.

(j) The existence of remedies under this section shall not preclude any person, who alleges that an action of a prime sponsor or of any other recipient violates any of the provisions of this Act or the regulations promulgated under this Act, from instituting a civil action or pursuing any other remedies authorized under Federal, State, or local law.

JUDICIAL REVIEW

SEC. 129. (a) If any prime sponsor is dissatisfied with a final action with respect to the disapproval of its plan under section 105, or if any recipient is dissatisfied with a final action with respect to a sanction under section 128, or if any interested person is dissatisfied with or aggrieved by any final action under section 128, such prime sponsor, recipient, or person may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which the prime sponsor, recipient, or person resides or transacts business a petition for review of such action.

(b) Findings of fact by the Secretary or the Governor of a State, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may, in whole or in part, set aside the findings of the Secretary or Governor or remand the case to the Secretary or Governor in whole or in part to take further evidence, and the Secretary or Governor may thereupon make new or modified findings of fact and may modify the previous action, and shall certify to the court the record of the further proceedings.

SERVICES AND PROPERTY

SEC. 130. The Secretary is authorized, in carrying out functions and responsibilities under this Act, to accept, purchase, or lease in the name of the Department, and employ or dispose of in furtherance of the purposes of this act, or any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 131. The Secretary is authorized, in the performance of functions under this Act, and to the extent permitted by law, to utilize the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and utilize the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 132. No provision of this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

SCHEDULES FOR SUBMISSION OF PLANS

SEC. 133. (a)(1) The Secretary shall, not later than the March 31 preceding the fiscal year for which a Governor's coordination and special services plan is to take effect, establish a date for the submission of such plans in accordance with the provisions of this Act.

(2) The Secretary shall make available a complete and final set of all applicable regulations and necessary application materials not later than the May 15 preceding the fiscal year for which such plan is to take effect.

(b) If for any reason the Secretary cannot provide a complete and final set of all applicable regulations and necessary application materials by the date established under paragraph (2) of subsection (a), the Secretary shall extend the date for submission of such plan to allow the Governor to review such regulations and to complete such materials during a reasonable period of time prior to submission.

(c) During the period between May 15 and the date for submission of plans, the Secretary shall not issue any regulations or guidelines or interpretations that require any change as a condition for the Secretary's approval or disapproval of any such plan for the succeeding fiscal year. It the Secretary deems that a plan change is required during such period, the Secretary shall allow at least 90 days for final submission of such change, but the applicant may at its own discretion submit the required change at any time.

USE OF FUNDS FOR TRAINING: MINIMUM PERCENTAGE

SEC. 134. (a) Not less than 70 percent of the total funds expended by any prime sponsor for any fiscal year for programs under part B of title II and part C of such title (other than section 267) shall be expended for the direct provision of employment and training services.

(b) No expenditure for any of the following shall be construed to be an expenditure for the direct provision of employment and training services:

(1) wages and subsistence stipends in accordance with paragraph (1)(A)(i) of section 122(a); or

(2) administrative costs.

(c) For purposes of this section, any expenditure for work experience activities shall be considered as an expenditure for training only if combined with relevant skills training for a participant enrolled in such activities for a period not to exceed six months.

Mr. ERLENBORN (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

□ 1520

Mr. ERLENBORN. Madam Chairman, this amendment is an amendment that offers en bloc and in the nature of a substitute to title I several changes, substantive changes in the role to be played by the States and by the private industry councils.

H.R. 5320, as written, enhances the role of the States over what is currently a minor role under the CETA program. Despite this improvement in the bill, the potential still exists for an overall structure of more than 300 direct recipients of funds from the Federal Government, more than 300 prime sponsors dealing directly with the Department of Labor. This number is unmanageable and the associated administrative responsibilities are considerable.

This amendment increases the role of the State in the administration of job training programs. It balances the role of the State with that of the Federal Government.

Specifically, funds would flow from the Secretary of Labor to the State, with a formula passthrough to prime sponsors. Prime sponsors would be designated by the State with a minimum population size of 150,000, which is in concurrence with the pending bill, allowing for self-designation by unit or units of local government which meet the population base and represent a labor market area.

Appeal would be possible to the Secretary if there is disagreement regarding the designation. A 2-year grandfather clause is included, which allows currently designated prime sponsors to continue through September 1984 in order to provide for an orderly transition from the current system to the one structured under the bill.

States would approve the community job training plans, again, with an appeal to the Secretary by the prime sponsor and the PIC. State employment and training councils continue as overall coordinating bodies at the State level, with additional functions added commensurate with the added State role. The composition of the council is not changed, State plans developed at the State level must include performance standards, evaluation, audit results, and use of funds in coordination efforts.

These plans are reviewed by the Secretary to assure that there are no apparent violations of the act.

Performance criteria continue to be established by the Secretary. Fiscal control and fund accounting procedures are established by the Secretary.

Standard monitoring instruments specified by Federal guidelines shall be utilized by the States. Management information systems must provide, at a minimum, the information specified in Federal guidelines, and audits shall be conducted in accordance with generally accepted accounting principles and with standards established by the Comptroller General of the United States.

A Federal role is retained so that standard performance, information, and evaluation can be maintained.

The Federal Government continues to have oversight responsibility for the use of Federal funds through the States.

This amendment does not remove from the prime sponsor and PIC partnership the authority to determine the service mix, the eligible participants, the service deliverers, or the means by which coordination will be achieved with other employment-related programs.

The balance between the prime sponsor and the PIC is retained. Agreement between prime sponsor and the PIC is still needed before the community job training plan can be forwarded for approval by the Governor.

Designation of prime sponsors continues to recognize local units of government, yet forces attention to labor market area factors.

Finally, in this amendment the two major functions for which the States are given authority—that is, prime sponsor designation and plan approval—have never been functions of the prime sponsors themselves. These functions are currently under the authority of the Secretary. Clearly, this amendment does not remove authority from the prime sponsor, and I hope that that fact will sink in. This does not remove authority from the prime sponsor but, rather, attempts to balance the various responsibilities for an employment and training program between the Federal and State governments by moving some of the Secretary's current authority to the Governor.

Included with the amendment of the State role is a redesignation of allocation percentages, taking into account the increased State role.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. ERLENBORN) has expired.

(By unanimous consent, Mr. ERLENBORN was allowed to proceed for 5 additional minutes.)

Mr. ERLENBORN. Taking into account the increased State role, the changes increase the funds available to the State and increase the funds available to the PIC's, State employment and training coordinating councils, and prime sponsors for fiscal 1983 to aid in the transition from the current system to the structure within this bill. Neither of these changes diminishes the funds available to the prime sponsors.

Madam Chairman, included in this amendment, as well as the change in the State role, is an enhancement of the role of the private industry councils.

Local businesses must have a meaningful and substantive role in the development of job training programs.

To move program participants into unsubsidized jobs is a worthy goal, but without significant participation of the private sector this goal is difficult to achieve. This amendment specifies that it is the private industry council, with the participation of the prime sponsor, that develops the community job training plan.

No change is made in the requirement that both the prime sponsor and the private industry council must agree to the plan before it is transmitted for approval to the Governor.

The balance between the PIC and the prime sponsor is retained in that regard. Without initial planning authority for the PIC, the business community is likely to perceive its role as a rubber stamp only to approve a plan after it has been developed by the prime sponsor. Under those circumstances, how could we expect the private sector to take its responsibilities under this bill seriously?

The amendment also provides for membership on the PIC of locally elected officials. In this way, the concerns of local units of government can be represented throughout the development of the plan by the PIC. This provision strengthens further the partnership between the public sector and the private sector. If a true partnership of local governments can be developed with the private sector, an acceptance and support of public job training programs can be fostered among the private sector. This support is critical to the success of these programs.

Finally, the amendment includes the PIC as a partner with the prime in the development of the employment service plan for the service delivery area. The intent is not to remove the prime from the planning process but, rather, to assure the true partnership of the private sector through the PIC.

Madam Chairman, this amendment also incorporates, since it is a substitute to title I, those amendments already adopted by this committee to title I.

Let me reiterate what I said during general debate: The principles embodied in this amendment are those principles agreed to on a bipartisan basis in the other body. The adoption of this amendment will move us toward that bipartisan consensus already achieved, will make it more possible for us to readily achieve agreement in conference with the other body, and the adoption of this, together with some of the amendments already adopted, I think, will assure the support of the administration for this bill.

Certainly there would be little left that the administration had wanted in principle, if this amendment were adopted, that had not been incorporated in this bill as it has been in the bill of the other body.

I would urge my colleagues to support this substitute to title I. I think it will guarantee the success of this legislation.

Mr. HAWKINS. Madam Chairman, I move to strike the last word.

Madam Chairman, I rise in opposition to the amendment offered by Mr. ERLENBORN to transfer the responsibility for the development of job training from the prime sponsor and the private industry council as proposed in the bill before us to the PIC through the Governor of the State.

□ 1530

The committee bill already creates an equal partnership between the local governments and the business-dominated PIC in each service delivery area. I think the proposal has gone more than halfway in reaching the desires of certain business interests. I think it should be kept in mind that we did create title VII of the old CETA Act in order to encourage them and the other programs that we have enacted, I think, that helped to assist them—the targeted jobs tax credit.

I recall a year ago that a tax bill was passed on the basis that if we gave them the necessary tax breaks that jobs were going to be created. I think under the Nixon administration a program that started under President Johnson was continued, the JOBS program, in which we provided one-half of the wages in order to encourage them. I think in this particular bill from the very beginning we have done that.

To make them equal in planning and in administration and in the selection of the training programs and the sign-off, to make them equal with the local governing officials who have gone out, submitted their credentials to the electorate and got elected, we are saying that an unelected body of the so-called private sector, the composition of which we have not defined, is to be made equal with the local elected officials I think is quite a step, many steps in the direction of giving them every encouragement and making them equal.

The gentleman from Illinois said that we have not shifted authority from the local officials, but in effect his amendment would make the local officials subordinate to the unelected business persons who serve on a PIC, who have by definition a majority of the PIC, the chairmanship of the PIC, and so forth. That certainly is not a partnership as I envision this. I think more important than dealing with the organizational structure which is going to have control of the Federal funds that are made available, we should recognize what is best from the viewpoint of a training program, what is best for the trainee, what is best for the community that is to be served.

I think we have already recognized that the best way to serve individuals and communities is to organize employment and training programs on the basis of recognized labor market areas. It is not at the State level. The schools that are going to be used are not at the State level. They are at the community level. The welfare programs, the social service, the training program must interact with it at the local level. I think we must recognize it is at that local level, the streets and powerplants and the law enforcement, police protection, fire protection, these are all matters that are pretty well decided at the local level, and to turn the program over to the Governor or a State that is in serious trouble financially already, that cannot even meet its obligations under the unemployment insurance program and under other programs, to say to the Governor that he is going to have the operation but that it is going to be passed through to the local PIC, which is a private sector-dominated entity, I think is expecting and anticipating too much.

Mr. ERLENBORN. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Madam Chairman, let me inform the gentleman that we are not, in my opinion, putting any financial burden on the States or the Governors. Funds would be made available for administrative purposes, but more importantly, the amendment as it relates to the role of the Governor has been developed in conjunction with the National Governors' Association, so that this is the role that they are willing and anxious to play.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. ERLENBORN and by unanimous consent, Mr. HAWKINS was allowed to proceed for 3 additional minutes.)

Mr. HAWKINS. I fully recognize that the National Governors' Association has come out in support of the type of amendment that the gentleman is offering. I submit that unfortunately they anticipate funding at a much larger level than what is apparently going to be made available to them, but even if we were to make the money available to them, I submit that they are already financially strapped, and we are certainly not going to help them to the extent that they are going to be relieved of the serious financial burden that is upon them.

If they cannot meet the State burdens they are already facing, I do not see how they are going to meet the burden that would be imposed by this amendment. But, further than that, I submit that in the proposal before us we have given to the Governors many additional responsibilities and controls. Title III of the act gives the complete control to the Governor to deal with the displaced worker. If he can only do that and do it successfully, I would say that we have given to the Governor much added responsibility, but I have doubts that he can even do that. But that is what we have done under the existing proposal.

Mr. SIMON. Madam Chairman, will my colleague yield?

Mr. HAWKINS. I will be glad to yield.

Mr. SIMON. Madam Chairman, just to reinforce what my colleague from California said, the Sunday New York Times has an article which, among other things, says:

> A survey released last week by the National Conference of State Legislatures said a majority of the States are beset by perhaps the worst fiscal conditions in 40 years.

Before we impose greater burdens on the States, we better know what we are doing, and I support the gentleman from California.

Mr. HAWKINS. Madam Chairman, just one additional thought. Historically, Federal funded programs which are envisioned in this particular bill, which have incorporated this passthrough mechanism to local governments to administer, have not tended to be successful. I would submit to the body that title 20, for example, of the Social Security Act, the treatment of the elderly under the Older Americans Act, vocational rehabilitation services, and these programs that use this very mechanism, have tended to be the programs that have been the least effective and the least successful. I think that it is because we impose sometimes on a State a responsibility which they may be willing to assume, but in the myriad of responsibilities and duties that a Governor would have, that a Governor could not possibly spend the time on dealing with training programs, as important as those programs may be.

I think that it is most unfortunate. I think that the amendment would upset the balance. I think we have already carefully structured a balance. It is not as far as the private sector would want us to go, but I think it goes a long way in that direction, and I think we should use a degree of caution how far we want to go in that direction.

Let us try this for a while, and if it does not work we can come back and we can amend the act, and I will be one of the first ones in order to advocate an amendment, but I think that we have given to the private sector as much as we can possibly give at this particular time. I hope we will stick with the bill and oppose this change in the direction in which we are traveling.

Mr. WEISS. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from New York.

Mr. WEISS. Madam Chairman, I thank the gentleman for yielding. I want to commend him for his statement, because it demonstrates his ultimate fairness in this situation.

I had occasion to offer an amendment in this arena a little bit earlier, in which we would have given more power perhaps to the prime sponsors. The gentleman opposed that because he felt that he wanted to stay with the work product of the committee at this point, and perhaps that is appropriate, although I must say that in listening to the amendment of the gentleman from Illinois, I am reminded of the old adage about the man who wants to create a partnership and who says, "What is mine is mine and what is yours is mine."

It seems to me that is the kind of partnership he has in mind for the private sector; it is strictly government money, but the private sector will make its own determination with, perhaps, the participation of the prime sponsor as to where that money goes. A lot of people are not going to give them the benefit of Federal dollars if that were to happen.

Mr. JEFFORDS. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise to support the amendment of the gentleman from Illinois. First of all, I think it is important to recognize that there are two significant aspects to this amendment, both of which affect the outpouring of enthusiasm that we have seen from the business community with the support of the administration to have a more active role and a greater participation in employment training. This is an important step forward.

□ 1540

This amendment would make sure that the administrative entity which has been created within this bill to help assist the business community in its participation with the PIC's would have a strong partnership role. It is only realism-that leads me to think that this amendment is necessary, for with the primes in their present existence being in place as they are, it is going to be very difficult for the PIC's to have the kind of creative role they ought to have in preparing plans for the employment training efforts if they are not given a major role in the initial preparation of that plan, especially in this first year.

I think it is incredibly important to make sure we do not discourage the enthusiasm that the business community has shown for this bill. For instance the bill and this amendment have the strong endorsement, as I have pointed out before, of the National Alliance of Business and other

business groups which want very much to be able to demonstrate to this body, and to the people of this country, that they do recognize the importance of taking a responsible role in employment training of the disadvantaged and those who are in need of help, in order to have a better and more productive life.

Second, we have worked very closely with the National Governors Association on the State role aspects of the amendment to reach a middle ground wherein we can take advantage of what we have learned in the past and better involve State governments in the provision of employment training programs.

What this amendment would do to make it relevant and different from the bill is to give more of a role to the State governments in the approval of plans and also in the designation of prime sponsors. One of the serious problems that the Federal Government has now is that there are so many prime sponsors that it is very difficult at the Federal level to provide adequate attention, technical assistance and review of the training programs.

What this amendment would do is allow the State to have the first look at these programs. If the programs are in compliance with the overall State plan and then if the State agrees with it, fine. However, if the State determines that the plan which has been put forward by the prime sponsor is one which cannot be approved, then the prime sponsor has the opportunity to appeal to the Secretary of Labor to override the decision of the State.

The procedure creates a good balance which recognizes that in some States there are problems between the State and local governments on concepts and on priorities. I support this excellent balance.

I would also point out that this amendment is different from the Senate bill in that the State cannot take funds and direct them to favorite prime sponsors or programs. This amendment carefully protects that. It says that funds which are available to the State should be made available to the prime under the formula set forth carefully in this bill. Funds would have to be passed through to prime sponsors, providing, of course, their plans have been approved either by the State or on appeal to the Secretary of Labor.

I think this is an excellent middle ground. It is the kind of position which will, I think, be acceptable, in the final analysis, by prime sponsors, Governors and the National Association of Counties and all those that deal with these programs. It is an excellent step to try to find a middle ground.

Madam Chairman, I commend the gentleman from Illinois (Mr. ERLENBORN) for his amendment and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ERLENBORN. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 185, noes 219, not voting 30, as follows:

[Roll No. 241]

AYES—185

Archer	Gradison	Parris
Ashbrook	Gramm	Patman
Atkinson	Gregg	Paul
Badham	Gunderson	Petri
Bailey (MO)	Hagedorn	Porter
Benedict	Hall, Ralph	Pritchard
Bereuter	Hall, Sam	Pursell
Bethune	Hammerschmidt	Railsback
Bliley	Hance	Regula
Breaux	Hansen (ID)	Ritter
Brinkley	Hansen (UT)	Roberts (KS)
Broomfield	Hartnett	Roberts (SD)
Brown (CO)	Hendon	Robinson
Burgener	Hiler	Roemer
Butler	Hillis	Rogers
Campbell	Holt	Roth
Carman	Hopkins	Roukema
Carney	Hubbard	Rousselot
Chappie	Hunter	Rudd
Clausen	Hyde	Sawyer
Clinger	Ireland	Schneider
Coats	Jeffords	Schulze
Coleman	Jeffries	Sensenbrenner
Collins (TX)	Johnston	Shaw
Corcoran	Kazen	Shelby
Coughlin	Kindness	Shumway
Courter	Lagomarsino	Shuster
Coyne, James	Leach	Siljander
Craig	Leath	Skeen
Crane, Daniel	LeBoutillier	Smith (AL)
Crane, Philip	Lee	Smith (NE)
Daniel, Dan	Lent	Smith (NJ)
Daniel, R. W.	Lewis	Smith (OR)
Dannemeyer	Livingston	Snowe
Daub	Loeffler	Snyder
DeNardis	Lowery (CA)	Solomon
Derwinski	Lujan	Spence
Dickinson	Lungren	Stangeland
Dreier	Madigan	Stanton
Duncan	Marlenee	Staton
Dunn	Marriott	Stenholm
Edwards (OK)	Martin (IL)	Stump
Emerson	Martin (NC)	Tauke
Emery	Martin (NY)	Tauzin
English	McClory	Taylor
Erdahl	McCollum	Thomas
Erlenborn	McCurdy	Trible
Evans (DE)	McDonald	Vander Jagt
Fenwick	McEwen	Walker
Fiedler	McGrath	Weber (MN)
Fields	Mica	Weber (OH)
Findley	Miller (OH)	White
Fish	Mitchell (NY)	Whitehurst
Flippo	Molinari	Whittaker
Florio	Montgomery	Wilson
Forsythe	Moore	Winn
Fountain	Moorhead	Wolf
Frenzel	Morrison	Wortley
Gilman	Myers	Wylie
Gingrich	Nichols	Young (AK)
Goldwater	O'Brien	Young (FL)
Goodling	Oxley	

NOES—219

Addabbo	Aspin	Bevill
Akaka	AuCoin	Biaggi
Albosta	Bailey (PA)	Bingham
Alexander	Barnard	Blanchard
Anderson	Barnes	Boggs
Andrews	Bedell	Boland
Annunzio	Beilenson	Bolling
Anthony	Benjamin	Boner
Applegate	Bennett	Bonior
Bonker	Hamilton	Ottinger
Bouquard	Hatcher	Panetta
Bowen	Hawkins	Pashayan
Brodhead	Heckler	Patterson
Brooks	Hefner	Pease
Brown (CA)	Heftel	Pepper
Broyhill	Hertel	Perkins
Burton, John	Hightower	Peyser
Burton, Phillip	Holland	Pickle
Byron	Hollenbeck	Price
Coelho	Horton	Rahall
Collins (IL)	Howard	Rangel
Conte	Hoyer	Ratchford
Coyne, William	Huckaby	Reuss
Crockett	Hughes	Richmond
D'Amours	Hutto	Rinaldo
Daschle	Jacobs	Rodino
Davis	Jenkins	Roe
de la Garza	Jones (NC)	Rose
Deckard	Jones (OK)	Rostenkowski
Dellums	Kastenmeier	Roybal
Derrick	Kennelly	Russo
Dicks	Kildee	Sabo
Dingell	Kogovsek	Santini
Dixon	Kramer	Savage
Donnelly	LaFalce	Scheuer
Dorgan	Lantos	Schroeder
Dougherty	Lehman	Schumer
Dowdy	Leland	Seiberling
Downey	Levitas	Shamansky
Dwyer	Long (LA)	Sharp
Dymally	Long (MD)	Simon
Dyson	Lowry (WA)	Skelton
Early	Luken	Smith (IA)
Eckart	Lundine	Smith (PA)
Edgar	Markey	Solarz
Edwards (CA)	Martinez	St Germain
Ertel	Matsui	Stokes
Evans (GA)	Mattox	Stratton
Evans (IA)	Mavroules	Studds
Evans (IN)	Mazzoli	Swift
Fary	McDade	Synar
Fascell	McHugh	Traxler
Fazio	McKinney	Udall
Ferraro	Mikulski	Vento
Fithian	Miller (CA)	Volkmer
Foglietta	Mineta	Walgren
Foley	Minish	Wampler
Ford (MI)	Mitchell (MD)	Washington
Fowler	Moakley	Watkins
Frank	Moffett	Waxman
Frost	Mollohan	Weaver
Fuqua	Mottl	Weiss
Garcia	Murphy	Whitley
Gaydos	Murtha	Whitten
Gejdenson	Napier	Williams (MT)
Gephardt	Natcher	Wirth
Gibbons	Neal	Wolpe
Glickman	Nelligan	Wright
Gonzalez	Nelson	Wyden
Gore	Nowak	Yatron
Gray	Oakar	Young (MO)
Green	Oberstar	Zablocki
Guarini	Obey	Zeferetti

NOT VOTING—30

Bafalis	Edwards (AL)	Marks
Beard	Ford (TN)	McCloskey
Brown (OH)	Ginn	Michel
Chappell	Grisham	Quillen
Cheney	Hall (OH)	Rhodes
Chisholm	Harkin	Rosenthal
Clay	Jones (TN)	Shannon
Conable	Kemp	Stark
Conyers	Latta	Williams (OH)
Dornan	Lott	Yates

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Conyers against.

Mr. Quillen for, with Mr. Yates against.

Mr. Michel for, with Mr. Jones of Tennessee against.

Mr. Latta for, with Mr. Ford of Tennessee against.

Mr. Cheney for, with Mr. Clay against.

Mr. Lott for, with Mrs. Chisholm against.

Mr. Conable for, with Mr. Stark against.

Messrs. BOLAND, MOLLOHAN, D'AMOURS, and BOLLING changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any other amendments to title I?

If not, the Clerk will designate title II.

Title II reads as follows:

TITLE II—EMPLOYMENT AND TRAINING SERVICES FOR THE DISADVANTAGED

PART A—GENERAL PROVISIONS

STATEMENT OF PURPOSE

SEC. 200. It is the purpose of this title to provide disadvantaged individuals the opportunity to participate in training, education, job search activity, and work-site experience in order to gain the competencies necessary to secure unsubsidized employment; and to provide disadvantaged in-school and out-of-school youth the opportunity to develop and acquire the necessary employability skills for successful entry into the labor market.

ALLOCATION OF FUNDS

SEC. 201. (a)(1) The Secretary shall allocate 73 percent of the amount appropriated to carry out this title for any fiscal year among the States as follows:

(A) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative number of unemployed individuals who reside in each such State as compared to the total number of unemployed individuals in all the States.

(B) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this subparagraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(C) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State compared to the total number of such unemployed individuals in all areas of substantial unemployment in all the States.

(D) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative number of adults in families with an annual income below the low-income level who reside in each State as compared to the total number of such adults in all the States.

(2) The sum allocated to each State under paragraph (1) shall be allocated by the Secretary among areas served by prime sponsors within the State on an equitable basis, based upon the factors set forth in such paragraph.

(b) The Secretary shall allocate 10 percent of the amount appropriated to carry out this title for any fiscal year among the States to carry out the Governor's coordination and special services plan under section 111, to provide funds for the State employment and training coordinating council under section 112, and to enable the Governor of each State to provide financial assistance to facilitate coordination among employment-related education and training programs under section 113. The amount allocated to each State shall bear the same ratio to 10 percent of the amount so appropriated as the amount allocated to that State under subsection (a)(1) bears to the sum of the amounts allocated to all the States under such subsection.

(c)(1) Five percent of the amount appropriated to carry out this title for fiscal year 1983 shall be made available by the Secretary to prime sponsors as planning grants to assist in meeting special costs during the transition period provided in section 503(b)(2) of this Act. The prime sponsor shall make a portion of such funds available to the private industry council to enable it to hire professional, technical, and clerical staff to assist in carrying out its responsibilities (if any funds for such purpose are desired by such council). The amounts made available by the Secretary to prime sponsors shall be allocated among prime sponsors in the same manner as funds are allocated under subsection (a)(2).

(2) The Secretary shall allocate 5 percent of the amount appropriated to carry out this title for fiscal year 1984 or any succeeding fiscal year among prime sponsors that, during the preceding fiscal year, meet or exceed the performance goals established in their plans (as required by section 104(b)(3)). The amount allocated to each such prime sponsor shall bear the same ratio to 5 percent of the amount so appropriated as the amount allocated to that prime sponsor under subsection (a)(2) bears to the sum of the amounts allocated to all such prime sponsors (that meet or exceed their performance goals) under such subsection.

(d)(1) The Secretary shall allocate 6 percent of the amount appropriated to carry out this title for any fiscal year among the States to enable the Governor of each State to provide State incentive grants to State agencies responsible for education and training under section 114.

(2) The amount so allocated to each State shall bear the same ratio to 6 percent of the amount so appropriated as the amount allocated to that State under subsection (a)(1) bears to the sum of the amounts allocated to all the States under such subsection.

(e)(1) The Secretary shall allocate 4 percent of the amount appropriated to carry out this title for fiscal year 1984 or any succeding fiscal year among prime sponsors that demonstrate to the satisfaction of the Secretary that they have raised, from non-Federal sources, and will expend for purposes of programs under this title, an amount equal to the amount allocated to that prime sponsor under paragraph (2).

(2) The amount so allocated to each prime sponsor shall bear the same ratio to 4 percent of the amount so appropriated as the amount allocated to that prime sponsor under subsection (a)(2) bears to the sum of the amounts allocated to all prime sponsors under such subsection.

(3) Any amounts allocated under paragraph (2) to prime sponsors which do not meet the matching amount required by paragraph (1) shall be reallocated by the Secretary to other prime sponsors (which meet the matching amount) on such basis as the Secretary may establish consistent with the purposes of this title.

(f)(1) The Secretary shall allocate 2 percent of the amount appropriated to carry out this title for any fiscal year among prime sponsors designated pursuant to paragraph (3)(A) or (4) of section 101(a). The amount allocated to each such prime sponsor shall bear the same ratio to 2 percent of the amount so appropriated as the amount allocated to that prime sponsor under subsection (a)(2) bears to the sum of the amounts allocated to all such prime sponsors (that are designated pursuant to paragraph (3)(A) or (4) of section 101(a)) under such subsection.

(2) Four percent of the amount appropriated to carry out this title for fiscal year 1983 shall be made available by the Secretary (in addition to amounts made available for such fiscal year under paragraph (1)) in accordance with this paragraph. The Secretary shall use such funds, after consultation with and receiving recommendations from the Governor of the appropriate State, to encourage voluntary consortia (formed under paragraph (3)(A) or (4) of section 101(a)) serving substantial portions of labor market areas within such State. Such amounts shall be allocated in the same manner as funds are allocated under paragraph (1).

ELIGIBILITY FOR SERVICES

SEC. 202. (a) Except as provided in subsection (b), an individual shall be eligible to participate in a program receiving assistance under parts B and C of this title only if such individual is economically disadvantaged.

(b) Up to 10 percent of the participants in all programs of a prime sponsor receiving assistance under parts B and C of this title may be individuals who are not economically disadvantaged if such individuals have encountered barriers to employment. Such individuals may include, but are not limited to, those who have limited English-language proficiency, or are displaced homemakers, single teenage parents, older workers, veterans, ex-offenders, alcoholics, or addicts.

DIVISION OF FUNDS

SEC. 203. (a) Funds provided under this title shall be used by each prime sponsor in accordance with its plan to provide such employment and training services to disadvantaged youth and adults as the prime sponsor and private industry council determine to be necessary and appropriate. Except as provided in subsections (b) and (c), one-half of such funds shall be expended to provide such services to eligible youth under section 261, and one-half of such funds shall be expended to provide such services to eligible adults under section 231.

(b) To the extent that the ratio of economically disadvantaged youth to economically disadvantaged adults in the area served by the prime sponsor differs from the ratio of such individuals nationally (as published by the Secretary), the amount which such prime sponsor shall be required to expend for services for youth under subsection (a) shall be reduced or increased proportionately in accordance with regulations prescribed by the Secretary.

(c) Up to 15 percent of the funds allocated for services to adults may be used by each prime sponsor for services for youth, and, alternatively, up to 15 percent of the funds allocated for services to youth may be used by each prime sponsor for services to adults, based upon analysis of local needs and capacities as justified in its biennial community job training plan.

PART B—ADULT TRAINING PROGRAMS

ELIGIBILITY FOR ADULT PROGRAMS

SEC. 231. Individuals otherwise eligible under section 202 who are 22 years of age or older shall be eligible to participate in programs under this part.

USE OF FUNDS

SEC. 232. Employment and training services made available with funds provided under this part (and under part C) may include, but need not be limited to—

(1) job search assistance,
(2) job counseling,
(3) remedial education and basic skills training,
(4) institutional skill training,
(5) on-the-job training,
(6) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment,
(7) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply,
(8) outreach to make individuals aware of, and encourage the use of employment and training services,
(9) development of labor market information,
(10) programs to develop work habits and other services to individuals to help them obtain and retain employment,
(11) supportive services to enable individuals to participate in employment and training activities, including child care, health care, transportation, special services and materials for the handicapped, and other necessary services,
(12) upgrading and retraining,
(13) education-to-work transition activities,
(14) literacy training and bilingual training,
(15) work experience,
(16) vocational exploration,
(17) attainment of certificates of high school equivalency,
(18) job development,
(19) job-generating activities,
(20) apprenticeship programs,
(21) disseminating information on program activities to employers,
(22) use of advanced learning technology for education, job preparation, and skills training,
(23) development of job openings,
(24) on-site industry-specific training programs supportive of industrial and economic development,
(25) followup services with participants placed in unsubsidized employment,
(26) coordinated programs with other Federal employment-related activities, and
(27) employment bonuses, paid only upon retention in employment for at least 6 months beyond the training period, to provide incentives for employers to employ participants at the conclusion of on-the-job or other training under this Act.

CUSTOMIZED TRAINING REQUIREMENT

SEC. 233. To the extent possible in light of local economic conditions, training programs conducted by prime sponsors under this part shall provide training described in clause (5), (6), (7), (12), (20), or (24) of section 232 or other training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training.

PART C—YOUTH PREPARATORY PROGRAMS

ELIGIBILITY FOR YOUTH PREPARATORY PROGRAMS

SEC. 261. (a) Individuals otherwise eligible under section 202 who are aged 16 through 21, inclusive, shall be eligible to participate in programs under this part, regardless of whether such individuals are in-school or out-of-school.

(b) Youth aged 14 or 15 shall be eligible to receive assistance under pre-employment skills training programs described in section 264 and such youth may be eligible to receive such assistance without regard to the limitations in section 202.

(c) Eligible youth aged 14 or 15 shall, if appropriate and set forth in the community job training plan, be eligible for summer youth employment programs under section 267 of this Act.

PARTICIPATION IN PART B ACTIVITIES

SEC. 262. In addition to activities authorized under this part, funds available under this part may be used to provide eligible youth with the same activities authorized in section 232.

EDUCATION FOR EMPLOYMENT

SEC. 263. (a) Eligible youth who have not attained a high school diploma or who have educational deficiencies despite the attainment of a diploma shall be eligible under this section, with priority given to high school dropouts.

(b)(1) The prime sponsor is authorized to maintain a network of learning centers offering individualized instruction in convenient locations, such as schools, neighborhood organizations, libraries, and other sites, including mobile vans in rural areas.

(2) The curricula provided by such network shall be designed to prepared the student to meet State and locally determined general education diploma and basic education competency requirements.

(c) For purposes of this section, priority shall be given in the selection of service providers to previously funded in-school and community based organization projects which are both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act.

PREEMPLOYMENT SKILLS TRAINING

SEC. 264. (a) Youth aged 14 through 19 may receive services under this section, except that—

(1) priority shall be given to those youth who do not meet established levels of academic achievement and who plan to enter the full-time labor market upon leaving school; and

(2) insofar as possible, preemployment skills training shall be concentrated on youth aged 14 through 16.

(b) Up to 200 hours of individualized instruction and activities may be provided to youth under this section.

(c) The instruction and activities may include, but are not limited to, the following:

(1) assessment, testing, and counseling;
(2) occupational career and vocational exploration;
(3) job search assistance;
(4) job holding and survival skills training;
(5) basic life skills training;
(6) remedial education;
(7) labor market information; and
(8) job-seeking skills training.

ENTRY EMPLOYMENT EXPERIENCE

SEC. 265. (a) Youth may participate under this section if they—

(1) have completed preemployment skills training or its equivalent;

(2) have not held a regular part-time or summer job for more than 250 hours of paid employment, except that this paragraph may be waived in accordance with criteria established in the community job training plan under title I of this Act; and

(3) are enrolled in a secondary school or an institution offering a certified high school equivalency program and are meeting or have met the minimum academic and attendance requirements of that school or education program during the current or most recent term, with priority given to youth who do not plan to continue on to postsecondary education.

(b) Entry employment experiences may be up to 20 hours weekly during the school year or full time during the summer and holidays, for a total of not to exceed 500 hours of entry employment experience for any individual. Such experiences shall be appropriately supervised, including the maintenance of standards of attendance and worksite performance.

(c) Entry employment experiences may be one of the following types:

(1) Full-time employment opportunities in public and private nonprofit agencies during the summer and on a part-time basis in combination with education and training activities. These jobs shall provide community improvement services that complement local expenditures.

(2) Tryout employment at private for-profit worksites, or at public and private nonprofit worksites when private for-profit worksites are not available. Wages for tryout employment shall be paid by the prime sponsor, but the length of any assignment to a tryout employment position shall not exceed 250 hours. Tryout employment positions shall be ones for which participants would not usually be hired (because of lack of experience or other barriers to employment), and vacancies in such positions may not be refilled if the previous participant completed the tryout employment but was not hired by the employer.

(3) Cooperative education programs to coordinate educational programs with work in the private sector.

(d) Participation in education for employment activities under this section may be required to qualify for entry employment experiences in the summer months and shall be required for dropout youth not enrolled in other education activities.

(e) Each participant shall be required to meet performance and attendance standards related to the employment assignment, and shall be evaluated and terminated (if necessary) on the basis of unsatisfactory compliance with such standards.

SCHOOL-TO-WORK TRANSITION ASSISTANCE

SEC. 266. (a) School-to-work transition assistance may be provided to—

(1) high school seniors who plan to enter the full-time labor market upon graduation, with priority to seniors in high schools having a predominance of students from families with incomes below 70 percent of the lower living standard income level; and

(2) dropouts, with followup as immediately as possible after leaving school.

(b) Transition services include—

(1) provision of occupational information;
(2) short-duration job search assistance;
(3) job clubs;
(4) placement and job development; and
(5) followup.

(c) All seniors and dropouts who are eligible for and in need of training activities

shall be provided information and, where appropriate, referred to—

(1) preemployment skills training, entry employment experience, and remedial education;

(2) adult training activities; and

(3) the Job Corps.

SUMMER YOUTH EMPLOYMENT PROGRAMS

SEC. 267. Eligible youth under this part may participate in summer youth employment programs carried out by public or private nonprofit agencies and organizations. Such programs shall provide useful work experience and appropriate training and supplemental activities to develop the occupational potential of participants.

EDUCATION STANDARDS

SEC. 268. (a) All education programs for youth supported with funds provided under this part shall be consistent with applicable State and local education standards.

(b) Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in programs conducted under this part shall be consistent with the requirements of applicable State and local law and regulation.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 79, line 23, strike out "Wages" and insert in lieu thereof "Compensation in lieu of wages".

Mr. JEFFORDS. Madam Chairman, this amendment inserts the phrase "compensation in lieu of wages" for the word "wages" in the section of the bill that authorizes tryout employment for youth. This amendment is necessary in order to clarify that the funds used to compensate youth participating in tryout employment placements are training funds and not wages.

Youth can participate in tryout employment only if they are enrolled in a high school program or an equivalency degree program. The tryout experience is of limited duration and is not the thrust of the total program. Rather, the combination of education with the tryout employment programs is the critical factor.

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, the gentleman is correct. We have reviewed the amendment and accept the amendment.

Mr. JEFFORDS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HAWKINS

Mr. HAWKINS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAWKINS: Page 76, after line 15, insert the following new subsection:

"(d) Earnings and allowances received by any youth, who is participating in any program under this Act and meets the age requirements of this section, shall be disregarded in determining the eligibility of the youth's family for, and the amount of, benefits based on need under any Federal or federally assisted programs."

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Mr. HAWKINS. The amendment has been shared with the other side. I think that it is acceptable. It is not an unusual amendment. It is one that we have attached to other youth employment programs.

It simply provides a limited-earnings disregard for economically disadvantaged youths. Without this amendment, earnings and allowances received by a youth under the act would serve as a disincentive in that it might endanger the family's welfare by reducing their welfare and food stamp benefits. It certainly is inconsistent that we would be helping the youth and at the same time that he would be reducing the welfare of the family.

This merely provides for a limited-earnings disregard. It was included in the Youth Employment and Innovative Demonstration Projects Act of 1977 and it has been carried over into other acts.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman for yielding.

I have no objection to his amendment.

Mr. HAWKINS. I thank the gentleman.

Mr. CORRADA. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in support of the gentleman's amendment to specifically exclude earnings of youth participants from welfare eligibility calculations of the family.

Just as it is important that welfare payments not be distributed at levels which discourage a recipient from working, it is important that there be no penalty to the family for placing a child in a summer youth or other job training program. Yet under the present law, any income the youth might receive through participation in programs under H.R. 5320 would be counted in family income for eligibility for the AFDC program. In many cases this additional income would make the entire family ineligible for AFDC.

This amendment would eliminate the possibility of such a dilemma. If earnings under the youth portions of this bill were disregarded for eligibility calculation purposes, the family would never be forced to choose between enrolling a child in a job program or continuing in the AFDC program.

I would urge my colleagues to support this amendment to eliminate the clause which tends to discourage participation in youth job programs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HAWKINS).

The amendment was agreed to.

Mr. GOODLING. Madam Chairman, I move to strike the last word.

Madam Chairman, I take this time to enter into a colloquy with my colleague on the committee, the gentleman from Michigan (Mr. FORD).

I have several questions that I would like to have clarified.

First of all, which agencies at the State level will be responsible for the programs discussed under sections 113 and 114 of this legislation?

Mr. FORD of Michigan. Madam Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. The phrase "State education agency or agencies responsible for education and training" includes the State education agency, State board for vocational education, State board of education, State community college agencies, and other State agencies with the primary responsibility for education and training.

Mr. GOODLING. How are funds under section 114 of H.R. 5320 distributed?

Mr. FORD of Michigan. These grants are in the bill as "incentive grants" with good reason. Funds under section 114 are to be used, under the direction of State education agencies, to promote closer and more productive links between local educational agencies and institutions and prime sponsors. The programs sponsored under this section will be exemplary, and grant awards will be based on the strength of the proposals made by local areas. The incentive for the local areas will be the opportunity to make use of additional funding dedicated to strengthening the links between education and employment training.

Mr. GOODLING. How is the funds matching requirement in section 114 met?

Mr. FORD of Michigan. H.R. 5320 requires that program funds under section 114 be matched, either with cash or on an inkind basis. The match requirement may be measured in aggregate, that is for all the programs funded within any State under this section.

Mr. GOODLING. Madam Chairman, I thank the gentleman for his participation.

Mr. FORD of Michigan. Madam Chairman, I move to strike the last word.

Madam Chairman, I rise in support of this outstanding piece of legislation. I am so pleased to see the strong bipartisan support generated by our tal-

ented chairman, the gentleman from California (Mr. HAWKINS).

Madam Chairman, the Committee on Education and Labor, on which I am honored to serve, has completely revamped the Federal employment and training programs with the Job Training Partnership Act. This legislation more than any other the committee has discussed this year gives hope to the 10.5 million unemployed workers in the Nation and the more than 600,000 unemployed in my home State of Michigan. Its primary goal is to put Americans back to work and train them for meaningful jobs.

A much-improved replacement for the Comprehensive Employment and Training Act—CETA—H.R. 5320 contains provisions which serve not only the different regions of the country—rural, suburban, and urban—it is written in a fashion which will aid a variety of the Nation's population, from youth to senior citizens, from displaced or laid-off workers to the unskilled and severely disadvantaged, veterans, and female heads of household.

The bill enhances the current cooperation between State and local governments in training programs and retains the critical functions of the Federal Government in research and consultation. It also builds upon the partnership between business and local government through policy changes in the private industry council, which require cooperation and joint planning. Combining the resources of the Federal, State, and local governments and the private sector should better meet the needs of both unemployed workers and businesses. Hopefully, it will also improve communication in general between local officials and labor and business leaders.

In my mind, perhaps the most encouraging aspect of the legislation is the increased role for education in the employment and training programs. With the support of the American Vocational Association, Council of Chief State School Officers, National Education Association, American Association of School Administrators, National Association of School Boards, the American Association of Community and Junior Colleges, the Council of Great City Schools, the American Federation of Teachers, the National Association of State Boards of Education, and the International Reading Association, I sponsored a series of amendments to formalize the ties between the education community, labor, and training programs. I am convinced this new infusion of aid will assist State departments of education and local school districts in updating their programs to keep them relevant with the "world of work."

To insure that education has a voice in the State plan and that the programs have an education-oriented base, my amendments mandate education representation from the K-12, vocational-technical and postsecondary communities on the State planning and advisory councils. The committee recognized the critical role school districts play in setting the tone for communities and gave them an approval role for programs which include educational factors. To insure that the law is not misinterpreted, there is a clear-cut prohibition against a Federal education standard or the application of a "national test."

The bill does not include a public service employment section, which is a disappointment. But, at least from one perspective, this aspect is particularly advantageous. During the 9 years which the CETA program has been in existence, there have been numerous reports of abuses in this area and improper use of Federal funds. Too often, the tremendous successes which training programs were experiencing were overshadowed by reports of the public service employment programs. I have personally visited a number of training programs and have been genuinely impressed with their quality. Many of them could claim outstanding achievements with their graduates, who were placed in advanced jobs and became productive members of the Nation's work force.

Madam Chairman, this legislation comes before us at a critical time—a critical time for those unemployed for the Nation, but an especially critical time for the residents of Michigan who have been suffering through an economic depression for 2 years. My congressional district in particular can look upon this move by the House with a special optimism. With one of the State's highest unemployment rates, there is no question my area needs a boost and a promise for the future. The Job Training Partnership Act may not be a cure-all for the Nation's ills or for those States like Michigan which are suffering more than others from the economy, but I firmly believe it is the right step at a time when our citizens need a reaffirmation of our faith in their futures.

Mr. BLANCHARD. Madam Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Michigan.

Mr. BLANCHARD. Madam Chairman, I rise in support of the Job Training Partnership Act and a strong commitment by the Federal Government to employment training. In particular, I believe that the act's creation of a special program to aid workers who have lost their jobs because of plant closings and permanent layoffs is absolutely necessary and long overdue.

Each year, even in prosperous economic times, hundreds of thousands of productive Americans are thrown out of work when their employers close factories, offices, and other facilities. Today, when 17 million Americans are jobless or underemployed, workers in declining industries, with skills no longer in demand, find themselves virtually unemployable despite years of work experience. In Michigan alone, 200,000 workers in auto-related industries have lost their jobs in the last 4 years because of the Nation's economic recession, auto imports and high interest rates. Their job prospects are bleak in a State where more than 600,000 people are unemployed.

These people need and deserve a chance to learn new skills that can be used in growth industries, such as electronics and computer programing. Many need nothing more than information about what jobs are available, help in preparing résumés, or financial assistance to relocate to a new job. All of these services would be made available under title III of the bill.

The States in which our declining industries are located are least able to provide employment and training services to displaced workers. Michigan, Alabama, Washington, Ohio, Pennsylvania, and South Carolina have been rocked by a wave of plant closings which have crippled State budgets and created double-digit unemployment. The Federal Government has the resources to fund these services. By training newly skilled workers and matching them with businesses that need their skills, thetitle III displaced worker program will more than pay for itself in terms of increased national productivity, reduced welfare and unemployment payments, and increased Federal tax receipts.

I urge my colleagues to support title III and to vote for a strong Federal effort to aid the victims of plant closings and permanent layoffs.

The CHAIRMAN. Are there additional amendments to title II? If not, the Clerk will designate title III.

Title III reads as follows:

TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISPLACED WORKERS

PURPOSE

SEC. 301. It is the purpose of this title (1) to assist individuals who have become involuntarily unemployed (and who are unlikely to be rehired by the same employer) in obtaining alternative employment, (2) to retrain individuals with job skills in declining occupations for jobs in occupations in growing demand, and (3) to reduce the impact of economic dislocations on local communities.

ALLOCATION OF FUNDS

SEC. 302. (a) From the amount appropriated to carry out this title for any fiscal year, the Secretary may reserve up to 25 percent of such amount for use by the States in accordance with subsection (c).

(b) The Secretary shall allocate the remainder of the amount appropriated to carry out this title for any fiscal year among the States as follows:

(1) One-third of the remainder of such amount shall be allocated among the States

on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

(2) One-third of the remainder of such amount shall be allocated among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this subparagraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.

(3) One-third of the remainder of such amount shall be allocated among the States on the basis of the relative number of individuals who have been unemployed for fifteen weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

(c) The Secretary shall make available the sums reserved under subsection (a) for the purpose of providing training, retraining, job search assistance, placement, relocation assistance, and other aid (including any activity authorized by section 307) to individuals who are affected by mass layoffs, natural disasters, Federal Government actions (such as relocations of Federal facilities), or who reside in areas of high unemployment or designated enterprise zones. In order to qualify for assistance from funds reserved by the Secretary under subsection (a), a State shall, in accordance with regulations promulgated by the Secretary establishing criteria for awarding assistance from such funds, submit an application identifying the need for such assistance and the types of, and projected results expected from, activities to be conducted with such funds.

MATCHING REQUIREMENT

SEC. 303. (a)(1) In order to qualify for financial assistance under this title, a State shall demonstrate to the satisfaction of the Secretary that it will expend for purposes of services assisted under this title, an amount from public or private non-Federal sources equal to the amount made available to that State under section 302(b). The Secretary shall prescribe regulations establishing conditions for appropriate reduction in the amount that a State is required to expend under the preceding sentence if the average rate of unemployment for any three consecutive months in such State is a percentage which equals or exceeds the national average rate of unemployment for such months.

(2) Such non-Federal matching funds shall include the direct cost of employment or training services under this title provided by State or local programs (such as vocational education), private nonprofit organizations, or private for-profit employers.

(b) Any funds which are expended by a State to provide unemployment insurance benefits to an individual who is an eligible participant for purposes of this title and who is enrolled in a program of training or retraining under this title shall be counted as funds expended from non-Federal sources as required by subsection (a) of this section.

STATE DISPLACED WORKER PLANS; COORDINATION WITH OTHER PROGRAMS

SEC. 304. (a) Any State which desires to receive financial assistance under this title shall submit to the Secretary a plan for the use of such assistance which shall include appropriate provisions for the coordination of programs conducted with such assistance with other Federal, State, or local employment-related programs, such as unemployment compensation, employment services, vocational education, public assistance programs, and social services.

(b) To the maximum extent feasible, the plan submitted under subsection (a) shall ensure that the State will, in the conduct of programs and activities under this title, utilize facilities and services provided by employment and training programs operated with assistance under title II of this Act.

PRIME SPONSOR REVIEW

SEC. 305. No program of assistance conducted with funds made available under this title may be operated within any area served by a prime sponsor designated under paragraph (2), (3), (4), (5), or (6) of section 101(a) of this Act, unless the operation of such area is approved by that prime sponsor and by a majority of members of the private industry council for that prime sponsor.

CONSULTATION WITH LABOR ORGANIZATIONS

SEC. 306. No program of assistance conducted with funds made available under this title which will provide services to a substantial number of members of a labor organization, or to individuals engaged in similar work in the area served by a labor organization, shall be established without consultation with, and the approval of such services by, such labor organization.

AUTHORIZED ACTIVITIES

SEC. 307. (a) Financial assistance provided to States under this title may be used to assist eligible participants to obtain unsubsidized employment through training and related employment services which may include, but are not limited to—

(1) job search assistance, including job clubs,

(2) job development,

(3) training in jobs skills for which demand exceeds supply,

(4) supportive services, including commuting assistance and financial and personal counseling,

(5) pre-layoff assistance,

(6) relocation assistance, and

(7) programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

(b) During any period of training or retraining under this title, eligible participants shall be provided with allowances or stipends in accordance with section 122(a)(1).

(c) Relocation assistance may be provided if the State determines (1) that the participant cannot obtain employment within the participant's commuting area, and (2) that the participant has secured suitable long-duration employment or obtained a bona fide job offer in a relocation area in a State.

ELIGIBLE PARTICIPANTS

SEC. 308. (a) Any individual whose employment has been terminated or suspended, or who has received a notice of termination or suspension of employment, as a result of any closure of a plant or facility or indefinite layoff or reduction in force shall be an eligible participant for purposes of services provided under this title.

(b) Any individual who is unemployed and who is determined by a State, on the basis of the job skills held by that individual, to have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, may be an eligible participant for programs of training or retraining under this title.

The CHAIRMAN. Are there any amendments to title III?

If not, the Clerk will designate title IV.

Title IV reads as follows:

TITLE IV—NATIONAL EMPLOYMENT AND TRAINING PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

NATIVE AMERICAN PROGRAMS

SEC. 401. (a) The Congress finds that (1) serious unemployment and economic disadvantage exist among members of Native American Indian, Alaskan Native, and Hawaiian native communities; (2) there is a compelling need for the establishment of employment and training programs for members of those communities; and (3) such programs are essential to the reduction of economic disadvantage among individual members of those communities and to the advancement of economic and social development in these communities consistent with their goals and lifestyles.

(b) The Congress therefore declares that, because of the special relationship between the Federal Government and most of those to be served by the provisions of this section—

(1) such programs shall be administered at the national level;

(2) such programs shall be available to federally recognized Native American Indian tribes, bands, and groups and to other groups and individuals of Native American descent; and

(3) such programs shall be administered in such a manner as to maximize the Federal commitment to support growth and development as determined by representatives of the communities and groups served by this section.

(c)(1)(A) In carrying out responsiblities under this section, the Secretary shall, wherever possible, utilize Native American Indian tribes, bands, or groups on Federal or State reservations, Alaska Native villages or groups as defined in the Alaska Native Claims Settlement Act, and the Oklahoma Indians, which have a governing body, and such public agencies and private nonprofit organizations as the Secretary determines will best serve Native Americans, for the provision of employment and training services under this section. If the Secretary determines that such tribe, band, or group has demonstrated the capability to administer effectively an employment and training program, the Secretary shall permit such tribe, band, or group to submit a plan meeting such requirements as the Secretary prescribes.

(B) The Secretary shall arrange for programs to meet the employment and training needs of Hawaiian natives through such public agencies or private nonprofit organizations as the Secretary determines will best meet their needs.

(2) In carrying out responsibilities under this section, the Secretary shall make arrangements with prime sponsors and organizations (meeting requirements prescribed by the Secretary) serving nonreservation Indians and Native Americans for programs and projects designed to meet the needs of such Indians and Native Americans for employment and training and related services.

(d) Whenever the Secretary determines not to utilize Native American Indian tribes, bands, or groups for the provision of employment and training services under this section, the Secretary shall, to the maximum extent feasible, enter into arrange-

ments for the provision of such services with public agencies or private nonprofit organizations which meet with the approval of the tribes, bands, or groups to be served.

(e) The Secretary is directed to take appropriate action to maintain administrative procedures and resources (including personnel having particular competence in this field) for the administration of Native American employment and training programs authorized under this Act.

(f) Funds available for this section shall be expended for programs and activities consistent with the purposes of this section, including such programs and activities carried out by prime sponsors under other provisions of this Act.

(g) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title for any fiscal year an amount equal to not less than 2.7 percent of the amount available for title II of this Act for that fiscal year.

(h) No provisions of this secton shall abrogate in any way the trust responsibilities of the Federal Government to Indian tribes, bands, or groups, or other Native American groups.

(i) The Secretary shall, after consultation with representatives of Indians and other Native Americans, prescribe such rules, regulations, and performance standards relating to Native American programs under this section as may be required to meet the special circumstances under which such programs operate.

(j) The Secretary shall provide technical assistance as necessary to tribes, bands, and groups eligible for assistance under this section.

MIGRANT AND SEASONAL FARMWORKER PROGRAMS

SEC. 402 (a) The Congress finds and declares that—

(1) chronic seasonal unemployment and underemployment in the agricultural industry, aggravated by continual advancements in technology and mechanization resulting in displacement, constitute a substantial portion of the Nation's rural employment problem and substantially affect the entire national economy; and

(2) because of farmworker employment and training problems, such programs shall be centrally administered at the national level.

(b) The Secretary is directed to establish and maintain an office of farmworker programs within the national headquarters of the Department of Labor. This office shall be staffed with personnel experienced in farmworker programs and shall be responsible for selecting, administering, monitoring, and evaluating programs funded under this section.

(c)(1) The Secretary shall provide services to meet the employment and training needs of migrant and seasonal farmworkers through such public agencies and private nonprofit organizations as the Secretary determines to have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and a previously demonstrated capability to administer effectively a diversified employability development program for migrant and seasonal farmworkers. In awarding any grant or contract for services under this section, the Secretary shall use procedures consistent with standard competitive Government procurement policies.

(2) The Secretary may approve the designation of grantees under this section for a period of two years.

(3) Programs and activities supported under this section, including those carried out under other provisions of this Act, shall enable farmworkers and their dependents to obtain or retain employment, to participate in other program activities leading to their eventual placement in unsubsidized agricultural or nonagricultural employment, to participate in activities leading to stabilization in agricultural employment, and to assist those farmworkers who remain as seasonal agricultural employees, in improving their well-being.

(4) Recipients of funds under this title shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 103.

(5) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title for any fiscal year an amount equal to not less than 2.8 percent of the amount available for title II of this Act for that fiscal year.

(6) No programs and activities supported under this section shall preclude assistance to farmworkers under any other provision of this Act.

PART B—JOB CORPS

STATEMENT OF PURPOSE

SEC. 421. This part maintains a Job Corps for economically disadvantaged young men and women which shall operate exclusively as a distinct national program, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. The purpose of this part is to assist young individuals who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of national, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

ESTABLISHMENT OF THE JOB CORPS

SEC. 422. There shall be within the Department of Labor a "Job Corps".

INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

SEC. 423. To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who—

(1) has attained age 16 but not attained age 25 at the time of enrollment, except that (A) such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any handicapped individual, (B) a youth aged 14 or 15 may be provided such nonresidential services as are deemed appropriate by the Secretary by regulation, and (C) individuals aged 22 to 24, inclusive, may participate in a manner determined to be appropriate by the Secretary by regulation, taking into account the different characteristics and needs of such individuals;

(2) is economically disadvantaged or is a member of a family which is economically disadvantaged, and who requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;

(3) is currently living in an environment so characterized by cultural deprivation, a disruptive homelife, or other disorienting conditions as to substantially impair prospects for successful participation in other programs providing needed training, education, or assistance;

(4) is determined, after careful screening as provided for in sections 424 and 425 to have the present capabilities and aspirations needed to complete and secure the full benefit of the Job Corps and to be free of medical and behavioral problems so serious that the individual could not adjust to the standards of conduct, discipline, work, and training which the Job Corps involves; and

(5) meets such other standards for enrollment as the Secretary may prescribe and agrees to comply with all applicable Job Corps rules and regulations.

SCREENING AND SELECTION OF APPLICANTS: GENERAL PROVISIONS

SEC. 424. (a) The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps. To the extent practicable, these rules shall be implemented through arrangements with agencies and organizations such as community action agencies, public employment offices, prime sponsors under this Act, professional groups, labor organizations, and agencies and individuals having contact with youth over substantial periods of time and able to offer reliable information as to their needs and problems. The rules shall provide for necessary consultation with other individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers. The rules shall also provide for the interviewing of each applicant for the purpose of—

(1) determining whether the applicant's educational and vocational needs can best be met through the Job Corps or an alternative program in the applicant's home community;

(2) obtaining from the applicant pertinent data relating to background, needs, and interests for determining eligibility and potential assignment; and

(3) giving the applicant a full understanding of the Job Corps and what will be expected of an enrollee in the event of acceptance.

(b) The Secretary is authorized to make payments to individuals and organizations for the cost of the recruitment, screening, and selection of candidates, as provided for in this part. The Secretary shall make no payments to any individual or organization solely as compensation for referring the names of candidates for Job Corps.

(c) The Secretary shall assure that Job Corps enrollees include an appropriate number of candidates selected from rural areas, taking into account the proportions of eligible youth who reside in rural areas and the need to provide residential facilities for such youth.

SCREENING AND SELECTION: SPECIAL LIMITATIONS

SEC. 425. (a) No individual shall be selected as an enrollee unless there is reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be in-

compatible with the maintenance of sound discipline and satisfactory relationships between the center to which the individual might be assigned and surrounding communities, and unless the individual manifests a basic understanding of both the rule to which the individual will be subject and of the consequences of failure to observe those rules.

(b) An individual on probation or parole may be selected only if release from the supervision of the probation or parole officials is satisfactory to those officials and the Secretary and does not violate applicable laws or regulations. No individual shall be denied a position in the Job Corps solely on the basis of that individual's contact with the criminal justice system.

ENROLLMENT AND ASSIGNMENT

SEC. 426. (a) No individual may be enrolled in the Job Corps for more than two years, except in any case in which completion of an advanced career program under section 428 would require an individual to participate in excess of two years, or except as the Secretary may authorize in special cases.

(b) Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(c) After the Secretary has determined whether an enrollee is to be assigned to a Job Corps Center, the enrollee shall be assigned to the center which is closest to the enrollee's home, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for youth from various sections of the Nation to participate in the program, to prevent undue delays in assignment, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

JOB CORPS CENTERS

SEC. 427. (a) The Secretary may make agreements with Federal, State, or local agencies, including a State board or agency designated pursuant to section 104(a)(1) of the Vocational Education Act of 1963 which operates or wishes to develop area vocational education school facilities or residential vocational schools (or both) as authorized by such Act, or private organizations for the establishment and operation of Job Corps centers. Job Corps centers shall be residential in character, but may have nonresidential components, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest. The centers shall also include training centers located in either urban or rural areas which shall provide activities including training and other services for specific types of skilled or semiskilled employment.

(b) To the extent feasible, Job Corps centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in other programs under this Act. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Secretary may specify.

(c) The Director of each Job Corps center or his designee shall, in addition to regular duties, serve as liaison officer for the purposes of improving the exchange of information with other programs authorized under this Act. The duties of liaison officer may include non-voting attendance at meetings of the State employment and training coordinating council and the various private industry councils within the State in which the Job Corps center is located.

PROGRAM ACTIVITIES

SEC. 428. (a) Each Job Corps center shall provide enrollees with an intensive, well-organized, and fully supervised program of education, vocational training, work experience, planned vocational and recreational activities, physical rehabilitation and development, and counseling. To the fullest extent feasible, the required program shall include activities to assist enrollees in choosing realistic career goals, coping with problems they may encounter in home communities, or in adjusting to new communities, and planning and managing daily affairs in a manner that will best contribute to long-term upward mobility. Center programs shall include required participation in center maintenance work to assist enrollees in increasing their sense of contribution, responsibility, and discipline.

(b) The Secretary may arrange for enrollee education and vocational training through local public or private educational agencies, vocational educational institutions, or technical institutes, whenever such institutions provide training substantially equivalent in cost and quality to that which the Secretary could provide through other means.

(c) To the extent feasible, arrangements for education, both at the center and at other locations, shall provide opportunities for qualified enrollees to obtain the equivalent of a certificate of graduation from high school. The Secretary, with the concurrence of the Secretary of Education, shall develop certificates to be issued to each enrollee who satisfactorily completes service in the Job Corps and which will reflect the enrollee's level of educational attainment.

(d)(1) The Secretary may arrange for programs of advanced career training for selected Corps members in which they may continue to participate for a period not to exceed one year in addition to the period of participation to which Corps members would otherwise be limited.

(2) Advanced career training may be provided for in postsecondary institutions for Corps members who attained a high school diploma or its equivalent, have demonstrated commitment and capacity in their previous Job Corps participation, and have an identified occupational goal.

(3) The Secretary may contract with private for-profit businesses and labor unions to provide intensive training in company-sponsored training programs, combined with internships in work settings.

(4) During the period of participation in advanced career training programs, Corps members shall be eligible for full Job Corps benefits or a monthly stipend equal to the average value of residential support, food, allowances, and other benefits in residential Job Corps centers.

(5) After an initial period of time, determined to be reasonable by the Secretary, any Job Corps center seeking to enroll new Corps members in any advanced career training program shall demonstrate that such program has achieved a reasonable rate of completion and placement in training-related jobs before such new enrollments may occur.

ALLOWANCES AND SUPPORT

SEC. 429. (a) The Secretary shall provide enrollees with such personal, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, and other expenses as he may deem necessary or appropriate to their needs. For the fiscal year ending September 30, 1983, personal allowances shall be established at a rate not to exceed $70 per month during the first six months of an enrollee's participation in the program and not to exceed $125 per month thereafter, except that allowances in excess of $70 per month, but not exceeding $125 per month, may be provided from the beginning of an enrollee's participation if it is expected to be of less than six months' duration and the Secretary is authorized to pay personal allowances in excess of the rates specified in this subsection in unusual circumstances as determined by him. For fiscal years beginning on or after October 1, 1983, such personal allowance limitations may be increased, by regulation, as the Secretary determines appropriate, except that such personal allowance limitations shall not be established at a rate below these established in this section for fiscal year 1983 as adjusted for changes in the cost of living. Such allowances shall be graduated up the maximum so as to encourage continued participation in the program, achievement and the best use by the enrollee of the funds so provided and shall be subject to reduction in appropriate cases as a disciplinary measure. To the degree reasonable, enrollees shall be required to meet or contribute to costs associated with their individual comfort and enjoyment from their personal allowances.

(b) The Secretary shall prescribe rules governing the accrual of leave by enrollees. Except in the case of emergency, he shall in no event assume transportation costs connected with leave of any enrollee who has not completed at least six months' service in the Job Corps.

(c) The Secretary may provide each former enrollee upon termination, a readjustment allowance at a rate not to exceed, for the fiscal year ending September 30, 1983, $125 for each month of satisfactory participation in the Job Corps. For fiscal years beginning on or after October 1, 1983, such readjustment allowance limitation may be increased, by regulation, as the Secretary determines appropriate, except that such readjustment allowance limitation not be established at a rate below that established in this section for fiscal year 1983 as adjusted for changes in the cost of living. No enrollee shall be entitled to a readjustment allowance unless he has remained in the program at least 90 days, except in unusual circumstances as determined by the Secretary. The Secretary may, from time to time, advance to or on behalf of an enrollee such portions of his readjustment allowances as the Secretary deems necessary to meet extraordinary financial obligations incurred by that enrollee. The Secretary is authorized, pursuant to rules or regulations, to reduce the amount of an enrollee's readjustment allowance as a penalty for misconduct during participation in the Job Corps. In the event of an enrollee's death during his period of service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(d) Such portion of the readjustment allowance as prescribed by the Secretary may be paid monthly during the period of service of the enrollee directly to a spouse or child of an enrollee, or to any other relative who draws substantial support from the enrollee, and any amount so paid shall be supplemented by the payment of an equal amount by the Secretary.

STANDARDS OF CONDUCT

SEC. 430. (a) Within Job Corps centers standards of conduct shall be provided and stringently enforced. If violations are committed by enrollees, dismissal from the Corps or transfers to other locations shall be made if it is determined that retention in the Corps, or in the particular center, will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(b) To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees, including dismissal from the Job Corps, subject to expeditious appeal to the Secretary.

COMMUNITY PARTICIPATION

SEC. 431. The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers and nearby communities. These activities shall include the establishment of community advisory councils to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest. Youth shall be represented on the advisory council and separate youth councils may be established composed of enrollees and young people from the communities. The Secretary shall assure that each center is operated with a view to achieving, so far as possible, objectives which shall include—

(1) giving community officials appropriate advance notice of changes in center rules, procedures, or activities that may affect or be of interest to the community;

(2) affcrding the community a meaningful voice in center affairs of direct concern to it, including policies governing the issuance and terms of passes to enrollees;

(3) providing center officials with full and rapid access to relevant community groups and agencies, including law enforcement agencies and agencies which work with young people in the community;

(4) encouraging the fullest practicable participation of enrollees in programs for community improvement or betterment, with appropriate advance consultation with business, labor, professional, and other interested community groups;

(5) arranging recreational, athletic, or similar events in which enrollees and local residents may participate together;

(6) providing community residents with opportunities to work with enrollees directly as part-time instructors, tutors, or advisers, either in the center or in the community;

(7) developing, where feasible, job or career opportunities for enrollees in the community; and

(8) promoting interchanges of information and techniques among, and cooperative projects involving, the center and community schools and libraries, educational institutions, agencies serving young people and recipients of funds under this Act.

COUNSELING AND JOB PLACEMENT

SEC. 432. (a) The Secretary shall counsel and test each enrollee at regular intervals to measure progress in educational and vocational programs.

(b) The Secretary shall counsel and test enrollees prior to their scheduled terminations to determine their capabilities and shall make every effort to place them in jobs in the vocation for which they are trained or to assist them in attaining further training or education. In placing enrollees in jobs, the Secretary shall utilize the public employment service system to the fullest extent possible.

(c) The Secretary shall determine the status and progress of enrollees scheduled for termination and make every effort to assure that their needs for further education, training, and counseling are met.

(d) The Secretary shall arrange for the readjustment allowance to be paid to former enrollees (who have not already found employment) at the State employment service office nearest the home of any such former enrollee who is returning home, or at the nearest such office where the former enrollee has indicated an intent to reside. If the Secretary uses any other public agency or private organization in lieu of the public employment service system, the Secretary shall arrange for that organization or agency to pay the readjustment allowance.

EXPERIMENTAL AND DEVELOPMENTAL PROJECTS AND COORDINATION WITH OTHER PROGRAMS

SEC. 433. (a)(1) The Secretary is authorized to undertake experimental, research, or demonstration projects to develop or test ways of better using facilities, encouraging a more rapid adjustment of enrollees to community life that will permit a reduction in their period of enrollment, reducing transportation and support costs, or otherwise promoting greater efficiency and effectiveness in the program. These projects shall include one or more projects providing youth with education, training, and other supportive services on a combined residential and nonresidential basis.

(2) The Secretary is authorized to undertake one or more pilot projects designed to involve youth who have a history of serious and violent behavior against persons or property, repetitive delinquent acts, narcotics addiction, or other behavorial aberrations.

(3) Projects under this subsection shall be developed after appropriate consultation with other Federal or State agencies conducting similar or related programs or projects and with the prime sponsors in the communities where the projects will be carried out. They may be undertaken jointly, with other Federal or federally assisted programs, and funds otherwise available for activities under those programs shall, with the consent of the head of any agency concerned, be available for projects under this section to the extent they include the same or substantially similar activities. The Secretary is authorized to waive any provision of this part which the Secretary finds would prevent the carrying out of elements of projects under this subsection essential to a determination of their feasibility and usefulness. The Secretary shall, in the annual report of the Secretary, report to the Congress concerning the actions taken under this section, including a full description of progress made in connection with combined residential and nonresidential projects.

(b) In order to determine whether upgraded vocational education schools could eliminate or substantially reduce the school dropout problem, and to demonstrate how communities could make maximum use of existing educational and training facilities, the Secretary, in cooperation with the Secretary of Education, is authorized to enter into one or more agreements with State educational agencies to pay the cost of establishing and operating model community vocational education schools and skill centers.

(c)(1) The Secretary, through the Job Corps, programs research, demonstration, and evaluation, and programs for training and technical assistance authorized under this title, shall develop and implement activities designed to disseminate information gained from Job Corps program experience which may be of use in the innovation and improvement of related programs. To carry out this purpose, the Secretary may enter into appropriate arrangements with any Federal or State agency.

(2) The Secretary is authorized to develop Job Corps programs to test at various centers the efficacy of selected education or training activities authorized under this or any other Act and to appropriately disseminate the results of such tests. To carry out this purpose, the Secretary may enter into appropriate arrangements with any Federal or State agency.

(d) The Secretary is authorized to enter into appropriate arrangments with the Secretary of Defense for the development of pilot projects at Job Corps centers to prepare youth to qualify for military service. In the event that the Secretary of Labor and the Secretary of Defense agree that such pilot projects should be expanded into permanent programs, the Secretary may establish such permanent programs within the Job Corps, if reimbursement from the Secretary of Defense for not less than 90 percent of the costs attributable to such permanent programs is made available. In addition to the provision of funds, such reimbursement may include the provision of equipment, materials, transportation, technical assistance, or other assistance, as specified by the Secretary.

(e) In order to determine whether community participation as requried under section 432 can be improved through the closer involvement of community-based organizations, the Secretary is authorized to undertake one or more pilot projects utilizing community-based organizations of demonstrated effectiveness for Job Corps center operation. For purposes of such pilot projects, the term "community-based organizations" may include nonprofit educational foundations organized on a State or local basis.

ADVISORY BOARDS AND COMMITTEES

SEC. 434. The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

PARTICIPATION OF THE STATES

SEC. 435. (a) The Secretary shall take action to facilitate the effective participation of States in the Job Corps programs, including consultation with appropriate State agencies on matters pertaining to the enforcement of applicable State laws, standards of enrollee conduct and discipline, development of meaningful work experience

and other activities for enrollees, and coordination with State-operated programs.

(b) The Secretary is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Secretary is authorized, pursuant to regulations, to pay part or all of the costs of such programs to the extent such costs are attributable to carrying out the purpose of this part.

(c) No Job Corps center or other similar facility designed to carry out the purpose of this part shall be established within a State unless a notice setting forth such proposed establishment has been submitted to the Governor, and the establishment has not been disapproved by the Governor within thirty days of such submission.

(d) All property which would otherwise be under exclusive Federal legislative jurisdiction shall be under concurrent jurisdiction with the appropriate State and locality with respect to criminal law enforcement as long as a Job Corps center is operated on such property.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 436. (a) Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees in the Job Corps shall not be considered Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits:

(1) For purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.) enrollees shall be deemed employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(2) For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except—

(A) the term "performance of duty" shall not include any act of an enrollee while absent from the assigned post of duty of such enrollee, except while participating in an activity (including an activity while on pass or during travel to or from such post or duty) authorized by or under the direction and supervision of the Job Corps;

(B) in computing compensation benefits for disability or death, the monthly pay of an enrollee shall be deemed that received under the entrance salary for a grade GS-2 employee, and sections 8113 (a) and (b) of title 5, United States Code, shall apply to enrollees; and

(C) compensation for disability shall not begin to accrue until the day following the date on which the injured enrollee is terminated.

(3) For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered employees of the Government.

(b) Whenever the Secretary finds a claim for damages to persons or property resulting from the operation of the Job Corps to be a proper charge against the United States, and it is not cognizable under section 2672 of title 28, United States Code, the Secretary is authorized to adjust and settle it in an amount not exceeding $1,500.

(c) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SPECIAL PROVISIONS

SEC. 437. (a) The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps consistent with (1) efficiency and economy in the operation of the program, (2) sound administrative practice, and (3) the socioeconomic, educational, and training needs of the population to be served.

(b) The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of the Job Corps program shall become the property of the United States.

(c) Transactions conducted by private for-profit contractors for Job Corps centers which they are operating on behalf of the Secretary shall not be considered as generating gross receipts.

GENERAL PROVISIONS

SEC. 438. The Secretary is authorized to—

(1) disseminate, with regard to the provisions of section 4154 of title 39, United States Code, data and information in such forms as the Secretary shall deem appropriate, to public agencies, private organizations, and the general public;

(2) collect or compromise all obligations to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

(3) expend funds made available for purposes of this part—

(A) for printing and binding, in accordance with applicable law and regulation; and

(B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Secretary, except that the Secretary shall not utilize the authority contained in this subparagraph—

(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this part, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form or under the conditions in which it is needed; and

(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of the Secretary's intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority.

DONATIONS

SEC. 439. The Secretary is authorized to accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including but not limited to, equipment and materials, if such donations are available for appropriate use for the purposes set forth in this part.

PART C—NATIONAL PROGRAMS AND ACTIVITIES

MULTISTATE PROGRAMS

SEC. 441. The Secretary shall use funds available under this section to provide services authorized under all titles of this Act for employment and training programs that are most appropriately administered from the national level, such as programs sponsored by public agencies or private organizations that conduct federally assisted activities in more than one State, including programs to—

(1) meet the employment-related needs of individuals who face particular disadvantages in specific and general labor markets or occupations, including offenders, individuals of limited English language proficiency, handicapped individuals, women, single parents, displaced homemakers, youth, older workers, veterans, individuals who lack educational credentials, public assistance recipients, and other individuals whom the Secretary determines require special assistance;

(2) foster new or improved linkages among Federal, State, and local employment and training agencies, State and local educational agencies in accordance with section 132, and components of the private sector, such as the business community, organized labor, and community based organizations;

(3) eliminate or reduce critical skill shortages in the Nation's labor force; and

(4) meet the unique employment and training problems of veterans, including—

(A) programs and activities carried out by grantees in other federally funded employment and training programs, as the Secretary determines have an understanding of the problems of veterans, a familiarity with the area to be served, and a capability to administer effectively a comprehensive employment and training program for veterans;

(B) programs of on-the-job training coordinated, to the maximum extent possible, with benefits authorized under section 1787 of title 38, United States Code;

(C) employability development programs which coordinate and cooperate with the Veterans' Administration's programs of readjustment counseling pursuant to section 612A of such title and veterans assistance offices established pursuant to section 242 of such title;

(D) job placement programs which coordinate and cooperate with the Department of Labor's Disabled Veterans' Outreach Program authorized under section 2003A of such title; and

(E) demonstrations, in cooperation with the Department of Defense and the Veterans' Administration, to provide preseparation counseling concerning opportunities in the civilian labor market and preseparation job search assistance for individuals who decline to reenlist.

RESEARCH, DEMONSTRATION, AND EVALUATION

SEC. 442. (a) To assist the Nation in expanding work opportunities and assuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of employment and training research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and training problems. The program required by this section may include, but need not be limited to, studies concerning the development or improvement of Federal, State, local, and privately supported employment and training programs; labor

market processes and outcomes; policies and programs to reduce unemployment and the relationships thereof with price stability and other national goals; productivity of labor; improved means of forecasting and using forecasts of labor supply and demand at the national and subnational levels; methods of improving the wages and employment opportunities of low-skilled and disadvantaged workers; measuring and developing policies to eliminate worker shortages; and easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

(b) The Secretary shall establish a program of experimental, developmental, demonstration, and pilot projects for the purpose of improving techniques and testing the effectiveness of specialized and innovative methods in meeting employment and training problems. Activities may include projects in such areas as easing the transition from school to work, increasing employment of skilled workers critical to defense readiness, and eliminating artificial barriers to employment.

(c)(1) The Secretary shall provide for the continuing evaluation of all programs, activities, and research and demonstration projects conducted pursuant to this Act, including their cost effectiveness in achieving the purposes of this Act, their impact on communities and participants, their implication for related programs, the extent to which they meet the needs of individuals by age, sex, race, and national origin, and the adequacy of the mechanism for the delivery of services. In conducting evaluations, the Secretary shall compare the effectiveness of programs conducted by prime sponsors of the same class and of different classes, and shall compare the effectiveness of programs conducted by prime sponsors with similar programs carried out by the Secretary under this Act. The Secretary shall also arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs.

(2) The Secretary shall evaluate the effectiveness of programs authorized under this Act and part C of title IV of the Social Security Act with respect to the statutory goals and objectives, including increases in employment and earnings for participants, duration in training and employment situations information on the postenrollment labor market experience of program participants for at least a year following their termination from such programs, and comparable information on other employees or trainees of participating employers.

TRAINING AND TECHNICAL ASSISTANCE

SEC. 443. (a) The Secretary, in consultation with appropriate officials, shall provide directly or through grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive, supervisory, or other personnel, and appropriate technical assistance (including technical assistance for housing for migrant and seasonal farmworkers) with respect to programs under this Act, including the development and attainment of performance goals. Such activities may include the utilization of training and technical assistance capabilities which exist at the State and prime sponsor level.

(b) The Secretary shall establish a national clearing-house to disseminate materials and information gained from exemplary program experience which may be of use in the innovation or improvement of other programs conducted pursuant to this Act.

OFFICE OF MANAGEMENT ASSISTANCE

SEC. 444. (a) The Secretary shall establish an Office of Management Assistance and shall assign to such office such especially qualified accountants, management specialists, and other professionals as may be necessary and available to provide management assistance to any prime sponsor—

(1) seeking the service of such office on its own initiative to assist it in overcoming problems in the management, operation, or supervision of any program or project under this Act; or

(2) identified, pursuant to a complaint investigation, internal audit, or audit or investigation as not being in compliance with any important requirement of this Act, of regulations issued thereunder, or of the community job training plan.

(b) Services under this section may be provided on a reimbursable or nonreimbursable basis, as determined by the Secretary, and shall be allocated in a manner to assure equitable but effective distribution of such services. The Secretary shall periodically publish any proposals for corrective action made by the Office which may be useful to other prime sponsors.

VETERANS' EMPLOYMENT

SEC. 445. (a) The Secretary shall administer all veterans' employment and training programs through the Assistant Secretary for Veterans' Employment. The Assistant Secretary shall be responsible for the awarding of grants and the distribution of funds for veteran's employment, training, and outreach services.

(b) The Assistant Secretary shall also be directly responsible for establishing proper fiscal controls, accountability, and program performance of grant recipients for veterans' employment, training, and outreach services.

(c) The Assistant Secretary shall encourage recipients of grants or contracts under this section to enter into cooperative arrangements with private industry and business concerns, educational institutions, nonprofit organizations, trade associations, and organized labor in addition to cooperative arrangements with other Federal and State employment and job training agencies to make maximum use of existing programs. Such programs shall place emphasis upon the training needs of disabled, Vietnam era, and recently separated veterans.

PART D—LABOR MARKET INFORMATION

PURPOSE; AVAILABILITY OF FUNDS

SEC. 451. (a) The purpose of this part is to provide for the development of labor market and occupational information at Federal, State, and local levels to meet the information needs of organizations in planning and delivering services pursuant to this Act.

(b) Funds available for purposes of this part shall also be available for purposes of section 115 (relating to State labor market information).

COOPERATIVE LABOR MARKET INFORMATION PROGRAM

SEC. 452. (a) The Secretary shall develop and maintain a comprehensive system of labor market information on national, State, local and other appropriate bases, which shall be made publicly available in a timely fashion.

(b) Notwithstanding any other provision of law, funds available to other Federal agencies for carrying out chapter 35 of title 44 of the United States Code, the Vocational Education Act of 1963, and the Act of June 6, 1933 (popularly known as the Wagner-Peyser Act), may be made available by the head of each such agency to assist in carrying out the provisions of this section.

(c)(1) In addition to the monthly national unemployment statistics, the Secretary shall develop reliable methods, including the use of selected sample surveys, to produce more statistically accurate data on unemployment by State and local areas, and shall investigate alternative methods to produce more accurate data on underemployment and labor demand by State and local areas.

(2) The Secretary shall assure statistical reliability and national standardized definitions of employment, unemployment, and occupational definitions that shall be utilized for purposes of carrying out paragraph (1).

(d) The Secretary shall develop and maintain for the Nation, State, and local areas, current employment data by occupation and industry, based on the occupational employment statistics program, including selected sample surveys, and projections by the Bureau of Labor Statistics of employment and openings by occupation.

(e) The Secretary shall maintain descriptions of job duties, training and education requirements, working conditions, and characteristics of occupations.

(f) In carrying out the provisions of this section, the Secretary shall assure that—

(1) departmental data collecting and processing systems are consolidated to eliminate overlap and duplication;

(2) the criteria of chapter 35 of title 44 of the United States Code are met; and

(3) statistical reliability and national standardized definitions of employment, unemployment and occupational definitions are used.

(g)(1) The Secretary shall develop data for an annual statistical measure of labor market related economic hardship in the Nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at wages less than the poverty level.

(2) The Secretary shall develop and maintain, on national, State, local, and other appropriate bases, household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural.

(3) The Secretary shall publish, at least annually, a report relating labor force status to earnings and income.

(h) The Secretary shall develop and maintain statistical data relating to closings of mines and manufacturing plants or facilities employing 50 or more workers. The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Each such report shall include data regarding—

(1) the number of such closings during the calendar year involved;

(2) the number of workers displaced by such closings;

(3) the location of the closed plants or facilities; and

(4) the types of industries involved in such closings.

(i) The Secretary shall set aside, out of sums available to the Department for any fiscal year (including sums available for this title), an amount which the Secretary determines is necessary and appropriate to carry out the provisions of this section, and shall,

no later than sixty days after such sums are appropriated and made available, notify the appropriate committees of the Congress of the amount so set aside and the basis for the determination of need and appropriateness.

FEDERAL RESPONSIBILITIES

SEC. 453. (a) The Secretary, in cooperation with the Secretary of Commerce, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Education, and the Director of the Office of Management and Budget, shall—

(1) review the need for and the application of all operating national data collection and processing systems in order to identify gaps, overlap, and duplications, and integrate at the national level currently available data sources in order to improve the management of information systems;

(2) maintain, assure timely review, and implement national standardized definitions with respect to terms, geographic areas, timing of collection, and coding measures, to the maximum extent feasible; and

(3) provide technical assistance to the States in the development, maintenance, and utilization of labor market and occupational supply and demand information systems and projections of supply and demand, with special emphasis on assistance in the utilization of cost efficient automated systems and improving access of individuals to career opportunities information in local and State labor markets.

(b) The Secretary, in cooperation with the Secretary of Defense, shall assure the development of an integrated occupational supply and demand information system to be used by States and, in particular, in secondary and postsecondary educational institutions in order to assure youth adequate information on career opportunities in the Armed Forces.

(c) The Secretary and the Director of the Office of Management and Budget shall assure that, from the funds reserved for this part, sufficient funds are available to provide staff at the Federal level to assure the coordination functions described in this section.

NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

SEC. 454. (a)(1) Of the amounts available for this part, not less than $5,000,000 shall be reserved for the National Occupational Information Coordinating Committee (established pursuant to section 161(b) of the Vocational Education Act of 1963) to assure the coordination of functions as required by this part. In addition to the members required by such Act, the Committee shall include the Assistant Secretary of Commerce for Economic Development and Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics.

(2) Not less than 75 percent of the funds transferred by the Secretary to the National Occupational Information Coordinating Committee shall be used to support State occupational information coordinating committees.

(b) In addition to its responsibilities under the Vocational Education Act of 1963, the National Occupational Information Coordinating Committee shall—

(1) review the need for and the application of all national and cooperative Federal-State data collection and processing systems related to occupational information, to identify gaps, overlap, and duplication, and provide recommendations to the Office of Management and Budget and data producing agencies for integrating and improving such systems;

(2) encourage the use of nationally standardized definitions and coding measures with respect to occupational information;

(3) give special attention to the labor market information needs of youth and adults, including activities such as (A) assisting and encouraging States to adopt methods of translating national occupational outlook information into State and local terms; (B) assisting and encouraging the development of State occupational information systems, including career information delivery systems and the provision of technical assistance for programs of on-line computer systems and other facilities to provide career information at sites such as local schools, public employment service offices, and job training programs authorized under this Act; (C) in cooperation with educational agencies and institutions, encouraging programs providing career information, counseling, and employment services for postsecondary youth; and (D) in cooperation with State and local correctional agencies, encouraging programs of counseling and employment services for youth and adults in correctional institutions;

(4) provide training and technical assistance, and continuing support to State occupational information coordinating committees, in the development, maintenance, and use of occupational supply and demand information systems, with special emphasis on the use of cost efficient automated systems for delivering occupational information to planners and administrators of education and training programs and on improving the access of such planners and administrators to occupational information systems;

(5) publish at least annually a report on the status of occupational information capabilities at the State and national levels, which may include recommendations for improvement of occupational information production and dissemination capabilities;

(6) conduct research and demonstration projects designed to improve any aspect of occupational and career information systems;

(7) provide technical assistance for programs designed to encourage public and private employers to list all available job opportunities with occupational information and career counseling programs conducted by prime sponsors and with local public employment service offices and to encourage cooperation and contact among such employers and such prime sponsors and public employment service offices; and

(8) providing assistance to prime sponsors and private industry councils to familiarize them with labor market information resources available to to meet their needs.

(c) All funds available to the National Occupational Information Coordinating Committee under this Act, under section 161 of the Vocational Education Act of 1963, and under section 12 of the Career Education Act may be used by the Committee to carry out any of its functions and responsibilities authorized by law.

JOB BANK PROGRAM

SEC. 455. The Secretary shall establish and carry out a nationwide computerized job bank and matching program (including the listing of all suitable employment openings with local offices of the State employment service agencies by Federal contractors and subcontractors and providing for the affirmative action as required by section 2012(a) of title 38, United States Code) on a regional, State, and local basis, using electronic data processing and telecommunications systems to the maximum extent possible for the purpose of identifying sources of available individuals and job vacancies, providing an expeditious means of matching the qualifications of unemployed, underemployed, and economically disadvantaged individuals with employer requirements and job opportunities, and referring and placing such individuals in jobs. An occupational information file shall be developed, containing occupational projections of the numbers and types of jobs on regional, State, local, and other appropriate bases, as well as labor supply information by occupation.

PART E—NATIONAL COMMISSION ON EMPLOYMENT AND PRODUCTIVITY

STATEMENT OF PURPOSE

SEC. 461. The purpose of this part is to establish a National Commission on Employment and Productivity which shall have the responsibility for examining broad issues of development, coordination, and administration of employment and training programs, and for advising the President and the Congress on national employment and training issues. For the purpose of providing funds for the Commission, the Secretary shall reserve $2,000,000 of the sums appropriated for this title for each fiscal year.

COMMISSION ESTABLISHED

SEC. 462. (a) There is established a National Commission on Employment and Productivity (formerly known as the National Commission on Employment Policy and hereinafter in this part referred to as the "Commission"). The Commission shall be composed of 19 members, 15 of whom shall be appointed by the President. Two members shall be appointed by, and serve at the pleasure of, the Speaker of the House of Representatives, and two members shall be appointed by, and serve at the pleasure of, the majority leader of the Senate. The members of the Commission shall be individuals who are nationally prominent and the Commission shall be broadly representative of agriculture, business, labor, commerce, education (including elementary, secondary, postsecondary, and vocational and technical education), veterans, current State and local elected officials, community-based organizations, assistance programs, and members of the general public with expertise in human resource development or employment and training policy. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups.

(b) The term of office of each member of the Commission appointed by the President under subsection (a) shall be three years, except that—

(1) any such member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and

(2) of such members first taking office—

(A) five shall serve for terms of one year;

(B) five shall serve for terms of two years; and

(C) five shall serve for terms of three years;

as designated by the President at the time of appointment.

(c)(1) The Chairman shall be selected by the President.

(2) The Commission shall meet not fewer than three times each year at the call of the Chairman.

(3) A majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings. Any recommendation may be passed only by a majority of the members present. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

(d) The Chairman (with the concurrence of the Commission) shall appoint a Director, who shall be chief executive officer of the Commission and shall perform such duties as are prescribed by the Commission.

FUNCTIONS OF THE COMMISSION

SEC. 463. The Commission shall—

(1) identify the employment goals and needs of the Nation, and assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity programs, public assistance policies, employment-related tax policies, labor exchange policies, and other policies and programs under this Act and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs and achieving such goals;

(2) develop and make appropriate recommendations designed to meet the needs and goals described in clause (1);

(3) examine and evaluate the effectiveness of any federally assisted employment and training programs (including programs assisted under this Act), with particular reference to the contributions of such programs to the achievement of objectives sought by the recommendations made under clause (2);

(4) advise the Secretary on the development of national performance criteria for programs conducted pursuant to this Act;

(5) evaluate the impact of tax policies on employment and training opportunities;

(6) examine and evaluate major Federal programs which are intended to, or potentially could, contribute to achieving major objectives of existing employment and training and related legislation or the objectives set forth in the recommendations of the Commission, and particular attention shall be given to the programs which are designed, or could be designed, to develop information and knowledge about employment and training problems through research and demonstration projects or to train personnel in fields (such as occupational counseling, guidance, and placement) which are vital to the success of employment and training programs;

(7)(A) identify, after consultation with the National Advisory Council on Vocational Education, the employment and training and vocational education needs of the Nation and assess the extent to which employment and training, vocational education, rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment, at least once annually, on the reports of the National Advisory Council on Vocational Education, which comments shall be included in one of the reports submitted by the National Commission pursuant to this title and in one of the reports submitted by the National Advisory Council on Vocational Education pursuant to section 162 of the Vocational Education Act of 1963;

(8) study and make recommendations on how, through policies and actions in the public and private sectors, the Nation can attain and maintain full employment, with special emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment.

(9) identify and assess the goals and needs of the Nation with respect to economic growth and work improvements, including conditions of employment, organizational effectiveness and efficiency, alternative working arrangements, and technological changes;

(10) evaluate the effectiveness of training provided with Federal funds in meeting emerging skill needs; and

(11) study and make recommendations on the use of advanced technology in the management and delivery of services and activities conducted under this Act.

ADMINISTRATIVE PROVISIONS

SEC. 464. (a) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

(1) prescribe such rules and regulations as may be necessary;

(2) appoint and fix the compensation of such staff personnel as the Chairman deems necessary, and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and the General Schedule pay rates, appoint not to exceed three additional professional personnel;

(3) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code;

(4) accept voluntary and uncompensated services of professional personnel, consultants, and experts, notwithstanding any other provision of law;

(5) accept in the name of the United States and employ or dispose of gifts or bequests to carry out the functions of the Commission under this title;

(6) enter into contracts and make such other arrangements and modifications, as may be necessary;

(7) conduct such studies, hearings, research activities, demonstration projects, and other similar activities as the Commission deems necessary to enable the Commission to carry out its functions under this title;

(8) use the services, personnel, facilities, and information of any department, agency, and instrumentality of the executive branch of the Federal Government and the services, personnel, facilities, and information of State and local public agencies and private research agencies, with the consent of such agencies, with or without reimbursement therefor; and

(9) make advances, progress, and other payments necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

(b) Upon request made by the Chairman of the Commission, each department, agency, and instrumentality of the executive branch of the Federal Government is authorized and directed to make its services, personnel, facilities, and information (including computer-time, estimates, and statistics) available to the greatest practicable extent to the Commission in the performance of its functions under this Act.

REPORTS

SEC. 465. The Commission shall make at least annually a report of its findings and recommendations to the President and to the Congress. The Commission may make such interim reports or recommendations to the Congress, the President, the Secretary, or to the heads of other Federal departments and agencies, and in such form, as it may deem desirable. The Commission shall include in any report made under this section any minority or dissenting views submitted by any member of the Commission.

AMENDMENT OFFERED BY MR. ROBERTS OF SOUTH DAKOTA

Mr. ROBERTS of South Dakota. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS of South Dakota: Page 94, following line 3, add an additional which should read: "(7) No funds allocated under this section shall be provided to any labor organization."

Mr. ROBERTS of South Dakota. Madam Chairman, section 402 of title IV, part A, of the Job Training Partnership Act provides for the establishment and funding of employment and training programs for migrant and seasonal farmworkers. Subsection (c)(1) of the section states that, "the Secretary shall provide services to meet the employment and training needs of migrant and seasonal farmworkers through such public agencies and private nonprofit organizations as the Secretary determines to have an understanding of the problems of migrant and seasonal farmworkers, a demonstrated capability to administer effectively a diversified employability development program for migrant and seasonal farmworkers." In awarding any grant or contract for services under this section, the Secretary shall use procedures consistent with standard competitive Government procurement programs.

As private nonprofit organizations, labor unions would, if they met the other criteria, be eligible to receive Federal funds under this section to provide employment and training programs.

Throughout the Job Training Partnership Act there are provisions which provide labor organizations the opportunity of potentially receiving funding for operating job training and employment related programs. In all these cases, I fear that it is the union that will indirectly benefit, as opposed to the workers needing the training.

Indirect benefits accrued to unions could range from the creation of good will to the subsidization of unions which provide programs under the act, to the channeling of funds into purposes other than those intended by the act. For example, a union organizer could be hired by the union with funds provided by the act to set training programs, and then continue to engage in union organizing in his spare time, spare time that could actually account for a substantial number of his work hours.

While I have never opposed the choice of an individual to join a union,

being a union member myself, I do not feel that the Federal Government should provide the means for encouraging union membership. A person trained by a union-sponsored program, may feel compelled to join to assist his job training.

In the particular case of migrant and seasonal workers the evidence is clear that more than the mere risk of abuse is involved. In the past the United Farm Workers (UFW) have misused Government funds from similar programs. The American Farm Bureau has been involved in litigation with UFW concerning the misuse of CETA funds.

The bill, as now written, provides for the Secretary to determine that grantees have a previously demonstrated capability to administer such programs. That provision is no guarantee, however, that a Secretay of Labor will not exercise his discretionary powers in the future to award grants to the UFW, without assurances of not abusing the program. The amendment would, hopefully, insure that in the area of farm labor, sponsors will not have a vested interest in the training of people for their own use, but only for the benefit of those needing the training.

The situation of farm labor can be readily distinguished from other labor areas. Farm labor is exempt from the provisions of the National Labor Relations Act. In keeping with the general Federal policy to exempt farm labor from the Federal labor laws, it would seem appropriate to prohibit subsidies to labor organizations in the farm labor area in that those subsidies are likely to aid farm labor unions, such as the United Farm Workers.

To allow Federal funds to go to labor unions under this section of the act will potentially promote compulsory unionism and potentially aid the UFW, a union with a proven record of misusing Federal funds.

Mr. HAWKINS. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in opposition to the amendment. Heretofore we have attempted to deal fairly, I think, with all parts of the private sector. As a matter of fact, in referring to the private sector we have invariably emphasized business.

I think we have only to a limited extend involved labor.

This amendment would in effect direct the Secretary of Labor not to deal with any labor organization in terms of operating a program.

It seems to me that it goes far too far and would tie the hands of the Secretary of Labor in every instance. I think we have adequate safeguards against the misuse of the funds which are to be allocated under the act.

We have very strong provisions against abuse of the program, waste, mismanagement, fraud, et cetera, and the amendment that we already accepted today pertaining to labor provisions in the act, labor standards, the amendment of the gentleman from Illinois (Mr. ERLENBORN), we accepted an amendment which would prohibit any union or any section of organized labor from using the money in order to promote unionism, so that we have in effect dealt with practices on a specific basis.

□ 1620

I think that the Secretary of Labor has adequate safeguards that can be imposed now against the misuse of the money. I see no reason why we then should tie his hands and say that in every instance because it happens to be a labor organization that you should be restricted in selecting a competent cost-effective delivery of service.

I think for that reason this would upset the sense of fairness in the act. It would upset the balance that has been worked out. I think it would work to the detriment of those employees or those trainees who might be benefited because of some association with a union that might sponsor a program.

In addition to that, you have the situation where the control would be in the final analysis by the Secretary of Labor against abuse.

I think the amendment goes too far and I think it should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota (Mr. ROBERTS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROBERTS of South Dakota. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 87, noes 308, not voting 39, as follows:

[Roll No. 242]

AYES—87

Archer	Forsythe	Marriott
Ashbrook	Frenzel	Martin (NY)
Badham	Gradison	McClory
Bailey (MO)	Gramm	McCollum
Barnard	Gregg	McDonald
Benedict	Grisham	McEwen
Bliley	Hagedorn	Miller (OH)
Broomfield	Hall, Sam	Montgomery
Brown (CO)	Hance	Moorhead
Broyhill	Hansen (ID)	Morrison
Butler	Hansen (UT)	Myers
Campbell	Hartnett	Napier
Coleman	Hightower	Parris
Collins (TX)	Hillis	Patman
Crane, Daniel	Holt	Paul
Daniel, Dan	Hunter	Roberts (KS)
Daniel, R. W.	Jeffries	Roberts (SD)
Dannemeyer	Jenkins	Robinson
Derwinski	Johnston	Rose
Dickinson	Kindness	Sensenbrenner
Dunn	Leath	Shelby
Emerson	Loeffler	Shumway
Erdahl	Lowery (CA)	Shuster
Fields	Marlenee	Skeen
Smith (OR)	Stenholm	Weber (MN)
Snyder	Stump	Whitehurst
Solomon	Taylor	Whitley
Spence	Thomas	Wolf
Stangeland	Trible	Young (FL)

NOES—308

Addabbo	Evans (IA)	Martin (NC)
Akaka	Evans (IN)	Martinez
Albosta	Fary	Matsui
Alexander	Fascell	Mattox
Anderson	Fazio	Mavroules
Andrews	Fenwick	Mazzoli
Annunzio	Ferraro	McCurdy
Anthony	Fiedler	McDade
Applegate	Findley	McGrath
Aspin	Fish	McHugh
Atkinson	Fithian	McKinney
AuCoin	Flippo	Mica
Bailey (PA)	Florio	Mikulski
Barnes	Foglietta	Miller (CA)
Bedell	Foley	Mineta
Bellenson	Ford (MI)	Minish
Benjamin	Fountain	Mitchell (MD)
Bennett	Fowler	Mitchell (NY)
Bereuter	Frank	Moakley
Bethune	Frost	Moffett
Bevill	Fuqua	Molinari
Biaggi	Gaydos	Mollohan
Bingham	Gejdenson	Moore
Blanchard	Gephardt	Mottl
Boggs	Gibbons	Murphy
Boland	Gilman	Murtha
Boner	Gingrich	Natcher
Bonior	Glickman	Neal
Bonker	Gonzalez	Nelligan
Bouquard	Goodling	Nelson
Bowen	Gore	Nichols
Breaux	Gray	Nowak
Brinkley	Green	O'Brien
Brodhead	Guarini	Oakar
Brooks	Gunderson	Oberstar
Brown (CA)	Hall, Ralph	Obey
Burton, John	Hamilton	Ottinger
Burton, Phillip	Hammerschmidt	Oxley
Byron	Hatcher	Panetta
Carman	Hawkins	Pashayan
Carney	Heckler	Patterson
Chappie	Hefner	Pease
Chisholm	Heftel	Pepper
Clausen	Hendon	Perkins
Clinger	Hertel	Petri
Coats	Hiler	Peyser
Coelho	Holland	Pickle
Collins (IL)	Hollenbeck	Porter
Conte	Hopkins	Price
Corcoran	Horton	Pritchard
Coughlin	Howard	Pursell
Courter	Hoyer	Rahall
Coyne, James	Hubbard	Rangel
Coyne, William	Huckaby	Ratchford
Craig	Hughes	Regula
Crane, Philip	Hutto	Reuss
Crockett	Hyde	Rinaldo
Daschle	Jacobs	Ritter
Daub	Jeffords	Rodino
Davis	Jones (NC)	Roe
de la Garza	Jones (OK)	Roemer
Deckard	Kastenmeier	Rogers
Dellums	Kazen	Roth
DeNardis	Kennelly	Roukema
Derrick	Kildee	Rousselot
Dicks	Kogovsek	Roybal
Dingell	Kramer	Rudd
Dixon	LaFalce	Russo
Donnelly	Lagomarsino	Sabo
Dorgan	Lantos	Santini
Dougherty	Leach	Savage
Dowdy	LeBoutillier	Sawyer
Downey	Lee	Scheuer
Dreier	Lehman	Schneider
Duncan	Leland	Schroeder
Dwyer	Lent	Schulze
Dymally	Levitas	Schumer
Dyson	Lewis	Seiberling
Early	Livingston	Shamansky
Eckart	Long (LA)	Sharp
Edgar	Long (MD)	Shaw
Edwards (CA)	Lowry (WA)	Siljander
Edwards (OK)	Lujan	Simon
Emery	Luken	Skelton
English	Lundine	Smith (AL)
Erlenborn	Lungren	Smith (IA)
Ertel	Markey	Smith (NE)
Evans (GA)	Martin (IL)	Smith (NJ)

Smith (PA)	Udall	Williams (MT)
Snowe	Vento	Wilson
Solarz	Volkmer	Winn
St Germain	Walgren	Wirth
Stanton	Walker	Wolpe
Stark	Wampler	Wortley
Staton	Washington	Wright
Stokes	Watkins	Wyden
Stratton	Waxman	Wylie
Studds	Weaver	Yatron
Swift	Weber (OH)	Young (AK)
Synar	Weiss	Young (MO)
Tauke	White	Zablocki
Tauzin	Whittaker	Zeferetti
Traxler	Whitten	

NOT VOTING—39

Bafalis	Evans (DE)	Marks
Beard	Ford (TN)	McCloskey
Bolling	Garcia	Michel
Brown (OH)	Ginn	Quillen
Burgener	Goldwater	Railsback
Chappell	Hall (OH)	Rhodes
Cheney	Harkin	Richmond
Clay	Ireland	Rosenthal
Conable	Jones (TN)	Rostenkowski
Conyers	Kemp	Shannon
D'Amours	Latta	Vander Jagt
Dornan	Lott	Williams (OH)
Edwards (AL)	Madigan	Yates

□ 1630

Messrs. MOLINARI, KAZEN, CRAIG, GUNDERSON, CORCORAN, WALKER, HILER, ROGERS, SCHEUER, RALPH M. HALL, HAMMERSCHMIDT, and KRAMER changed their votes from "aye" to "no."

Mr. HANSEN of Idaho changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1640

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR: Page 119, line 15, strike out "veterans,".

Page 119, line 24, insert "and" after the semicolon.

Page 120, beginning with line 2, strike out all through page 121, line 8, and insert in lieu thereof "the Nation's labor force.".

On page 125, line 7, strike out "The Secretary" and insert in lieu thereof "(1) The Secretary shall provide, either directly or through grant or contract, for the conduct of programs to meet the employment needs of veterans and".

On page 125, after line 12 insert the following new paragraph:

(2) Programs conducted under this section shall emphasize the needs of disabled veterans, veterans of the Vietnam era, and veterans who have recently been separated from military service and shall include, but not be limited to—

(A) programs and activities carried out by grantees under this or other federally funded employment and training programs as the Secretary determines have an understanding of the problems of veterans, a familiarity with the area to be served, and a capability to administer effectively a comprehensive employment and training program for veterans;

(B) promotion of programs of on-the-job training coordinated, to the maximum extent possible, with benefits authorized under section 1787 of title 38, United States Code;

(C) employability development programs conducted in coordination and cooperation with the Veterans' Administration's programs of readjustment counseling conducted pursuant to section 612A of such title and veterans assistance offices established pursuant to section 242 of such title;

(D) job placement programs conducted in coordination and cooperation with the Department of Labor's Disabled Veterans' Outreach Program conducted pursuant to section 2003A of such title; and

(E) demonstration programs, conducted in coordination and cooperation with the Department of Defense and the Veterans' Administration, to provide preseparation counseling concerning opportunities in the civilian labor market and preseparation job search assistance for individuals who decline to reenlist.".

Page 125, line 13, strike out "also".

Page 126, after line 2, insert the following new subsection:

(e) For the purpose of carrying out this section, the Secretary shall reserve and make available from funds available for this title for any fiscal year an amount equal to not less than 0.4 percent of the amount available for title II of this Act for that fiscal year.

Mr. EDGAR (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. Madam Chairman, I rise with an amendment to title IV of H.R. 5320, the Job Training Partnership Act which would grant specific authority for the Secretary of Labor to make grants with funds provided by a specified amount from that title to provide employment counseling, job training, and placement services for Vietnam-era and disabled veterans.

The amendment is identical to language already unanimously approved by the Education and Labor Committee as offered as an amendment by the gentleman from Pennsylvania (Mr. MURPHY) in full committee, with two exceptions.

The language already contained within the legislation authorizes a veterans employment program through section 445. However, as drafted, the bill gives no direct authority for the Secretary of Labor to provide grants to implement these services, nor does it provide specific funds to carry out the provisions of this particular section.

The amendment I am offering, as chairman of the House Veterans' Affairs Subcommittee on Education, Training, and Employment in conjunction with ranking member of the subcommittee, MARGARET HECKLER, would simply clarify these two points.

The amendment would set aside the equivalent of four-tenths of 1 percent of funds authorized under title II of the bill, to be taken from title IV authorizations for the implementation of veterans programs already specified and approved in the legislation. Under authorizations originally approved in the bill, this amount would equate to $14 million.

My amendment is consistent with the existing language of title IV of the legislation, national employment and training programs which already calls for a far greater set-aside of funds for Native Americans and migrant and seasonal farmworkers.

There is no additional cost to the legislation above the levels authorized within the bill.

The amendment is identical in scope and purpose with a similar amendment offered in the Senate by Senator SIMPSON and Senator CRANSTON, the chairman and ranking minority member of the Senate Veterans' Affairs Committee. The Simpson-Cranston amendment received unanimous bipartisan support when the Senate version of H.R. 5320 was approved in the other body on July 1.

On June 22, 1982, the Department of Labor testified in support of this initiative and the comparable one in the Senate before our Subcommittee on Education, Training, and Employment of the House Veterans' Affairs Committee.

The amendment has received the strong support and endorsement of the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, and the Vietnam Veterans of America among other nationally recognized veterans organizations.

Madam Chairman, as presently written, the bill calls for an authorization and an administrative section through section 445 describing how veterans employment and training programs should be directed, but that section contains no specific dollar amounts to actually implement that program.

Veterans must share funding, after the significant set aside for migrant workers and Native Americans are withdrawn from title IV totals, with all other groups: women, youth, displaced homemakers, and so forth.

The Congress has consistently placed particular emphasis on the unique nature of veterans employment and readjustment problems, targeting this group for specialized assistance.

Most recently, the Congress approved legislation, now Public Law 96-466, which created the position of Assistant Secretary of Labor for Veterans Employment (ASVE). This new position within the Department of Labor was created to give more force, clarity, and direction to all veterans employment programs and problems. The ASVE is tasked with being the chief advocate and administrator of all veterans programs within the Department of Labor. Legislation currently approved by the House Committee on

Veterans' Affairs and now pending in the Senate committee would further strengthen this position.

I believe it is vital to include in any new Federal employment and training program both reconfirmation of congressional intent in the role of the Assistant Secretary of Labor for Veterans Employment (ASVE) and the adequate resources at his disposal to see that he can function with definite authority.

The present Assistant Secretary for Veterans Employment was the last appointed official at the executive level within the Department of Labor, being nominated and confirmed by the Senate late last fall. By the time he assumed office, practically every grant program for veterans employment affecting direct employment services for thousands of Vietnam-era and disabled veterans had been dismantled by the Department of Labor.

Only six programs, totaling $1.2 million were funded nationwide. This destruction of valuable employment resources occurred primarily because of the discretionary nature of funding for all veterans programs, and the fact that veterans grant program resources were shared with many other target populations. This cut also occurred at a time of record Vietnam-era veteran unemployment.

In other words, there was no set-aside specifically earmarked for veterans programs.

The Assistant Secretary of Labor for Veterans Employment has testified before our subcommittee that there were no additional resources available for these programs and that in the coming year veterans employment services provided through grants would have to compete with other funding sources.

This problem has been a major concern for the House Veterans' Affairs Subcommittee on Education, Training and Employment not only this year and last at a time of tight and tighter budgets, but in years past as well. The Department of Labor has provided us a very poor record in properly implementing many previously enacted veterans programs primarily because of a lack of direction, lack of adequate funding, and lack of sufficient oversight for insuring how effectively the taxpayers' dollars are spent on these programs.

I believe we should not repeat the mistakes of the past. We need strict accountability for how much we should spend on these programs and how those dollars are spent.

That is why I feel this specific set-aside is needed and vital to the effective function of veterans employment services provided by grants.

We now have the administrative capability to implement an effective program. We only need the muscle and the funding to back it up with a real commitment to the employment needs of Vietnam era and disabled veterans.

VIETNAM-ERA AND DISABLED VETERAN EMPLOYMENT STATUS

The need for adequate employment assistance for Vietnam-era, disabled, and all veterans should be considered a national responsibility. For that reason if the committee wishes to recognize any ethnic or economic group with specific funding set-aside for employment and training services, the House should also strongly endorse a specific set aside for veterans as well in this legislation.

There are currently 2.3 million service-connected disabled veterans. Estimates of unemployment for this group rise to 60 percent.

While the services provided through this amendment will be targeted to all veterans, special consideration is granted to the unique needs of Vietnam-era and disabled veterans.

A major study commissioned by the Congress entitled, "Legacies of Vietnam, Comparative Adjustment of Veterans and their Peers" indicated that apart from the 9 million Vietnam-era veterans, up to 800,000 Vietnam veterans, those who actually served in Southeast Asia, out of a total 2.8 million, continue to have readjustment difficulties. These readjustment problems are severely impacted by unemployment and underemployment, the study stated.

Last year the Congress unanimously approved and extended for 3 years the storefront-based readjustment counseling program for Vietnam veterans. The popular and cost-effective program has proven successful in reaching out to thousands of Vietnam veterans with lingering psychological and related readjustment problems.

The community-based approach, envisioned for the program has proven highly successful.

To date, vet centers have recorded nearly 500,000 visits by Vietnam-era veterans seeking help. Nearly 50 percent of those veterans have cited unemployment or vocational problems as one of their readjustment difficulties.

The vet centers are not tasked with providing direct employment-related assistance although helping a Vietnam veteran having readjustment difficulties get a job can be a major step in the overall resolution of his problem.

There is a definite vacuum in many parts of the country where traditional employment services are either not funded or not sympathetic to the employment needs of this target population.

In June there were 706,000 Vietnam-era veterans listed by the Department of Labor as being unemployed. This is the highest number of unemployed Vietnam-era veterans since the end of the war. Adding discouraged workers the total soars over 1 million.

Unemployment is at record levels throughout the country. However, in the case of the Vietnam veteran population, the unemployment rate among this category in every age group is significantly higher than their nonveteran peers. Because of his service to his country, the Vietnam veteran was the last hired and first fired. Especially in a time of recession this employment vulnerability manifests itself with veterans still 2 to 4 years behind their nonveteran peers in job experience and job proficiency.

For example, for Vietnam-era veterans age 25 to 29, the unemployment rate in June 1982 was 17.3 percent. For nonveterans in the same age group it was 8.9 percent. This target population needs a very specialized form of directed employment and training assistance that only this amendment can provide.

My colleagues, I would just like to remind everyone that this simply sets aside four-tenths of 1 percent of the funds authorized in the title to be directed to the Department of Labor for specific help in the training of veterans who are unemployed.

Mr. MONTGOMERY. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the chairman of the full Committee on Veterans' Affairs, the gentleman from Mississippi.

Mr. MONTGOMERY. Madam Chairman, I thank the gentleman for yielding.

I rise in strong support of this important veterans training amendment offered by my distinguished colleague, BOB EDGAR. As chairman of the Subcommittee on Education, Training and Employment, the gentleman from Pennsylvania (Mr. EDGAR) is more familiar with the readjustment and employment difficulties being experienced by disabled and Vietnam veterans than anyone in this House. He has demonstrated his concern by closely examining the problems of these veterans during numerous hearings and carefully drafting legislation that will materially assist in resolving these issues.

Mr. EDGAR was a leading proponent last year of the provision in Public Law 97-72 that extended the delimiting date for educational benefits for veterans who are determined to need further vocational training to achieve suitable employment. He also strongly supported the establishment of a small business loan program for service-connected disabled and Vietnam-era veterans in the VA and continues to seek the appropriation to fund the program. This year he authored H.R. 6794, the Veterans Employment and Education Assistance Act of 1982, legislation which will go a long way toward strengthening existing education programs and providing an improved and more effective program of

job training and job placement for unemployed and underemployed veterans. The bill will soon be before the House for consideration.

Unemployment today among disabled veterans and veterans of the Vietnam era is at an all-time high. According to the Bureau of Labor Statistics, in May of this year more than 685,000 Vietnam veterans were looking for jobs and at a rate higher than that of their nonveteran peers. This difficult, complex problem concerns all of us, and BOB EDGAR has taken the lead in addressing this problem with the amendment before us today.

In my view, if we are going to establish priorities in providing set-asides, there should be no higher priority than to give to those who served our Nation during the Vietnam conflict. It was pointed out in testimony before Mr. EDGAR's subcommittee that for the period April 1, 1980, through February 31, 1981, more than 52,512 veterans were seen at the vet centers. Of that number, between 33 and 46 percent had employment related problems—the greatest of 17 identifiable problems.

I cannot imagine any Member of this body not supporting the gentleman's amendment which would provide significant assistance to Vietnam veterans struggling to find meaningful employment. There is certainly no question that if we are going to set aside funds for any group of citizens, we must do it for those who served during our longest and most controversial war.

Therefore, I urge all Members of the House to vote yes on this important amendment.

Mr. EDGAR. I thank the gentleman for his comments. The gentleman is correct, there is a large number of Vietnam veterans who need these services, and this does not add any additional cost to the bill.

Mr. BONIOR of Michigan. Madam Chairman, would the gentleman yield?

Mr. EDGAR. I yield.

Mr. BONIOR of Michigan. Madam Chairman, I thank my colleague for yielding. I rise to commend the gentleman from Pennsylvania and the gentlewoman from Massachusetts for this amendment. It is a very small amount, four-tenths of 1 percent, and seems to be a reasonable amount of money for training for a group of people who gave up 2 to 4 years of their lives and career opportunities to serve their country while other people proceeded along with their careers.

The comprehensive study that was done recently at a cost of $2 million, an 8-year study of Vietnam veterans, points to this very fact, that those people who did serve their country were actually never able to catch up with their peers who did not serve.

It seems to me at this time of deep unemployment that the gentleman's amendment is well in order, and I ask my colleagues to give it serious consideration.

Madam Chairman, I rise in strong support of the Edgar-Heckler amendment. I commend the two authors—the chairman and ranking minority member of the Subcommittee on Education, Training, and Employment of the House Committee on Veterans' Affairs, for their bipartisan leadership.

An almost exactly similar measure was unanimously accepted by voice vote in the other body. I hope today's amendment will pass with similar dispatch, for there can be no debate about the employment problems facing Vietnam veterans and the wisdom of the approach adopted in the Edgar-Heckler amendment.

For some years now, the Congress has seen an almost yearly ritual. The distinguished and frustrated leadership of the congressional Committees on Veterans' Affairs hold exhaustive oversight hearings on veterans' employment problems. The General Accounting Office meticulously documents the failure of our veterans' employment programs.

Yet when the oversight is done and the studies filed, the failure remains. The Department of Labor acknowledges the crisis, yet in the last 4 fiscal years, it has been able to find just $11.5 million in grant funding to address the problem.

Statutory mandates of special consideration, complex regulatory schema—all have proved fruitless, and that should not surprise us. In the end, under existing law, the office responsible for veterans' employment has little authority and no direct grant money.

What is not clearly defined in the flow of responsibility, what is not clearly protected in the flow of funds, cannot be regulated into existence. Veterans' employment programs will begin to really work when, and only when, they are under the direct control of those specifically tasked with veteran employment problems and when they are backed with dedicated funds.

The distinguished Committee on Education and Labor has taken two important steps in that direction. They have clearly defined veterans' employment as a national employment problem subject to national management. They have also clearly placed veterans' employment programs under the direct authority of the Assistant Secretary for Veterans' Employment.

I commend the committee for its leadership. The Edgar-Heckler amendment merely seeks to take the committee's accomplishment one step further. It will provide dedicated funds and match the provision of funds with a more detailed description of congressional intent.

No one is asking for a massive war on veteran employment. The Edgar-Heckler amendment adds no new cost to H.R. 5320.

No one is asking that other Labor Department efforts come to a halt. The Edgar-Heckler amendment dedicates a small, very small percentage, an amount equal to 0.4 percent of the title II funds.

Under the existing authorization, that dedication will amount to some $14 million. Who will argue that we should not spend $14 million on the employment problems of Vietnam veterans?

If we are agreed that the funds should be spent, what is the objection to insuring that the promised funds are, in fact, actually available?

In June, 9.2 percent of Vietnam-era veterans were unemployed, a little over 700,000. Experts fear that the June rate will soon seem a brief pause in a bleaker continuing unemployment rate which hit 9.9 percent in March.

The Edgar-Heckler amendment poses a simple question. Are we prepared to match our rhetoric about veterans' employment with a financial commitment?

I am. I urge my colleagues to join in support of the Edgar-Heckler amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, I want to compliment the gentleman in the well, the gentleman from Pennsylvania, as well as the gentlewoman from Massachusetts (Mrs. HECKLER), who I am sure will speak on this amendment and who helped develop the amendment.

Madam Chairman, I rise in support of the amendment to H.R. 5320 offered by the distinguished chairman of the House Veterans' Affairs Subcommittee on Education, Training and Employment, BOB EDGAR, and the ranking minority member of the subcommittee, MARGARET HECKLER. I compliment them for developing an amendment consonant with existing language in the bill but recognizing the priority Congress has always placed on the problems of veterans.

Without the amendment, H.R. 5320 contains no specific dollar amount to fund a veterans employment and training program. Guaranteed funding levels are prescribed for migrant workers and Native Americans but disabled and Vietnam-era veterans must share funding with all other groups such as displaced homemakers and youth. The Edgar-Heckler amendment sets aside a modest 0.4 percent of the total cost of the bill, or about $14 million, to assist community-based efforts to find employment for veterans.

Madam Chairman, many veterans who actually served in Southeast Asia continue to have a number of readjustment difficulties and these problems are compounded by unemployment and underemployment. In my opinion, no other group of Americans is more deserving of Federal assistance than veterans who served our country in uniform under the most hazardous conditions.

The amendment is similar to one already approved by the Senate, Madam Chairman, and I urge my colleagues to approve it in the House.

Mrs. FENWICK. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Madam Chairman, I thank my colleague for yielding. I have a question.

I think all of us understand the needs of disabled veterans and veterans of the Vietnam era, but I do not understand the inclusion of veterans who have been recently separated from the service. What is the point of that? They have not been in Vietnam. Of course, if they are disabled that would be different, but if they are healthy young men who have been separated, then why do we allocate such money for them?

Mr. EDGAR. I thank the gentlewoman for her question. We tried to include in the language a broad enough appeal so that if someone came in who in fact was unemployed and had a good service record, but had some particular problems that related to veterans, was recently unemployed, that that would be covered within the program; that a center that might be funded under this section would not turn that particular veteran away.

□ 1650

We ended education benefits for the Vietnam-era veteran, and we have many recent veterans who do not have all the services provided to them that the Vietnam-era veteran has.

Mrs. FENWICK. Madam Chairman, as the gentleman knows, this could go on forever. We have the veterans included on line 15 of page 119. They are already included, and that would be any veteran. But this, I thought, was a special program for those who were disabled or in Vietnam.

Mr. EDGAR. Madam Chairman, it is our intention that the primary focus of the legislation and the primary intent are for the high number of Vietnam-era veterans who are unemployed. We do not want to exclude from that other veterans who may in fact be suffering from the high levels of unemployment as well.

Mrs. FENWICK. But suppose they are not recently separated. Suppose we have veterans who have been out for 10 years. Maybe they were not in Vietnam.

The minute you include so many, anybody you do not include is going to be terribly left out.

Mr. EDGAR. Madam Chairman, the intention of the legislation is to set aside 0.4 percent for veterans who are unemployed and veterans who need job training. We thought the language was comprehensive in tone, and we think it does meet the needs. It is also identical language to that accepted by the Senate.

As the gentlewoman has aptly said, we were not as concerned with that actual sentence as we were with targeting some of these funds to those veterans who find themselves structurally unemployed or marginally employed, those who are covered under this particular provision.

Mrs. FENWICK. But how recent is "recent"? What is the gentleman's definition of "recent"?

Mr. EDGAR. Madam Chairman, I cannot give the gentlewoman an answer to that question.

Mrs. FENWICK. There is the problem; is it not? There is the problem, because unless you say what you mean by "recent," you are going to exclude a whole lot of veterans who have been out for 8 years or 10 years, and they may have families, too.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 3 additional minutes.)

Mr. SAM B. HALL, JR. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. SAM B. HALL, JR. Madam Chairman, I would like to commend the gentleman from Pennsylvania (Mr. EDGAR) for this amendment. I think it is a good amendment, and I support it.

Mr. EDGAR. Madam Chairman, I thank the gentleman for his comments.

Mr. McGRATH. Madam Chairman, would the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. McGRATH. Madam Chairman, I congratulate the gentleman from Pennsylvania (Mr. EDGAR) on his amendment, and I support it.

Madam Chairman, I rise in strong support of the Edgar-Heckler amendment, which provides a modest but important set-aside of funding for job training, counseling and employment sevices for Vietnam-era and disabled veterans.

Unemployment and underemployment among Vietnam and disabled veterans is at a record high and has been a matter of deep concern to this Congress. A consensus has developed in recent years that a targeted program of community-based assistance to precisely address the needs of many younger veterans is the appropriate way to deal with this issue, and that is precisely what this amendment will insure.

This amendment will not authorize the expenditure of 1 penny above the committee's original authorization. It simply says that four-tenths of 1 percent of title II money will be set aside for a veterans' employment program.

Madam Chairman, approximately $14 million is not too much to ask to help resolve the serious employment problems faced today by Vietnam-era and disabled veterans. It is an extension of our longstanding commitment to these individuals who have served their country, and I strongly urge the adoption of this amendment.

Mr. EDGAR. Madam Chairman, I thank all of those who have stood in support of the legislation. I think there is broad bipartisan support for the amendment and for its implementation in this particular bill.

The gentlewoman from New Jersey (Mrs. FENWICK) does raise the point about a specific word in the language of the amendment. The intention is that this would be a 0.4 percent set-aside targeted to the high levels of unemployment particularly among Vietnam-ra veterans and disabled, and it complies very closely with the language that was unanimously accepted in a bipartisan effort on the Senate side. It also tracks very well a bill that was offered in my subcommittee and which passed the full Committee on Veterans' Affairs to direct the Secretary of Labor through his Assistant Secretary for Veterans Employment Needs to focus attention on the specific needs of veterans who are unemployed.

Madam Chairman, I urge my colleagues in a strong bipartisan effort to include this set-aside in this legislation.

Mr. SMITH of Iowa. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Madam Chairman, in view of the colloquy, I did not intend to say anything, but I want to point out that there are veterans of Vietnam who no longer have educational benefits. It has been 10 years, but due to the cost of education in this country in the last 10 years and because they have had families and they had to work part time, they have been cut off as of last March from going on to school. They have not been able to get through school.

Just because it has been 10 years does not mean that they automatically have had the opportunities that other people from previous wars have had.

Mr. EDGAR. Madam Chairman, I think the gentleman has a good point, and it is our intention that they would be covered under this language.

Mr. DASCHLE. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from South Dakota.

(Mr. DASCHLE asked and was given permission to revise and extend his remarks.)

Mr. DASCHLE. Madam Chairman, I rise in support of the amendment, and I commend the chairman of the subcommittee for offering it.

This may be our only opportunity really to address this issue. It is timely, it is very important, and it comes, I think, at a time of great need for veterans. I certainly urge this House to support the measure.

The Edgar-Heckler amendment provides very meager assistance in the form of a 0.4-percent set-aside of funds for grants to community-based and nonprofit organizations specializing in employment, counseling, training, and job placement services for Vietnam-era and disabled veterans. Yet, it may be the only help we can give to these very worthy Americans.

I do not think any of us question the moral obligation our Nation has to those who served in wartime. Vietnam and disabled veterans are presently suffering the same record high unemployment rates that the rest of the Nation is. Thus, it is only consistent and fair to afford them a small portion of set-aside funding that other disadvantaged groups receive from this legislation.

Last year, for a number of reasons, a great deal of discretionary funding was lost for veterans programs in the Department of Labor. This amendment will insure that this does not happen again and that those funds which are provided are channeled to organizations which have the expertise and knowledge to carry them out. I urge my colleagues to reaffirm our national commitment to help veterans seeking employment by supporting the Edgar amendment.

Mrs. BOGGS. Madam Chairman, would the gentleman yield?

Mr. EDGAR. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Madam Chairman, I would like to compliment the gentleman from Pennsylvania (Mr. EDGAR) on offering this amendment. I am in full support of it.

I am certain that the various organizations that are behind it are very well versed in what is good for all veterans. If they are behind it in such a unanimous fashion, it must include all of the veterans that other Members of the House have expressed some concern about.

Mr. EDGAR. Madam Chairman, I thank the gentlewoman from Louisiana for her support.

Mrs. HECKLER. Madam Chairman, I rise in support of the amendment.

Madam Chairman, as cosponsor of this amendment, I take the liberty of bringing to the attention of my colleagues in the House, the astounding unemployment statistics concerning this Nation's Vietnam-era veterans.

In June of this year, there are 706,000 unemployed Vietnam-era veterans, the highest number since the end of the war.

Regrettably, this figure does not include the discouraged veteran who has unsuccessfully sought work and is now in that unemployment twilight zone where he or she has attained a kind of bureaucratic nonperson status in not being counted in official Government unemployment statistics.

Incredible as it may seem, the Vietnam-era veteran's unemployment level exceeds the national unemployment average in every age category.

In the 25 to 39 age group, for example, the national unemployment average is 8.9 percent.

The Vietnam veteran's unemployment rate is 9.25 percent.

More importantly, some of the last Vietnam-era veterans in the 25 to 39 age group have a 17.5-percent unemployment rate as compared to a national average of 10.3 percent for the same age group.

The amendment before us today is designed to centralize all veterans' unemployment and training programs under the Assistant Secretary of Labor for Veterans' Employment.

It will set aside 0.4 percent of the funds available for employment and training for the disadvantaged for job training, counseling, and employment services for Vietnam era and disabled veterans.

Vietnam-era veterans deserve a place in the work force as participants and contributors—not bystanders.

Responsibility for bringing this about requires the concerted effort and cooperation of the entire Nation.

We have called upon these men and women to defend our country.

It is now our turn to defend and protect their interests which, in many cases, involve only the basics that we all take for granted: A paying job with which to feed, house, and clothe themselves and their dependents.

This legislation earmarks less than 1 percent of the moneys already authorized in the Job Training Partnership Act for veterans.

The American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans all support this amendment.

I urge its passage by this body.

Mr. WEBER of Ohio. Madam Chairman, will the gentlewoman yield?

Mrs. HECKLER. I am delighted to yield to my colleague, the gentleman from Ohio.

Mr. WEBER of Ohio. Madam Chairman, I rise in strong support of this amendment which seeks to channel a greater level of job assistance to those men and women who have served their country in our Armed Forces.

This country owes a debt of gratitude to the veteran for services rendered at our Nation's call. Unfortunately some of these veterans have returned to their homes after separation from service broken in spirit or impaired in function. They find themselves in an economy with too few jobs, or with jobs for those possessing skills for which these veterans are untrained.

It is altogether fitting that in the proud tradition of our country such veterans be not forgotten or overlooked.

This amendment would set aside funds—0.4 percent of the funds available for employment and training programs—for job training, counseling, and employment services specifically for disabled veterans, Vietnam-era veterans, and veterans recently separated from service.

It is a step in the direction of equity for these veterans to give them a helping hand in repayment for what they have given their country, to help them to be productive working members of their communities.

Mr. GILMAN. Madam Chairman, will the gentleman yield?

Mrs. HECKLER. I am delighted to yield to my colleague, the gentleman from New York.

Mr. GILMAN. Madam Chairman, I thank the gentlewoman for yielding.

I want to commend the gentlewoman from Massachusetts (Mrs. HECKLER), along with the gentleman from Pennsylvania (Mr. EDGAR) for bringing this amendment onto the floor and for calling the Nation's attention to the fact that there are so many of our Vietnam-era and disabled veterans who are actively seeking employment.

Veterans, we all know, give up years of their lives in service to their country. Often, they are not able to develop skills which are translatable into civilian jobs. Consequently, roughly 800,000 of them are among our Nation's unemployed.

The amendment before us attempts to fashion a reasonable—albeit partial—solution to the problem. It provides that roughly one-half of 1 percent of the funds in title II be used as grants to community-based and nonprofit organizations specializing in employment, counseling, training, and job placement for Vietnam-era and disabled veterans.

Although there are some other programs available for veterans who are seeking employment, this program is community based and is modeled after "Operation Outreach" counseling centers which have been so successful.

Accordingly, I strongly urge my colleagues to support this amendment that sets aside a very small amount of the funding in this measure to provide

sorely needed employment services for our Nation's Vietnam-era and disabled veterans.

Mr. CRAIG. Madam Chairman, will the gentlewoman yield?

Mrs. HECKLER. I am happy to yield to the gentleman from Idaho.

Mr. CRAIG. Madam Chairman, I would like to congratulate and thank the gentlewoman from Massachusetts (Mrs. HECKLER) and the gentleman from Pennsylvania (Mr. EDGAR) for the introduction of this amendment.

I have had the privilege in the last year and a half of working very closely with Vietnam veterans in my State, and it certainly is appropriate that if we choose to spend money in this Nation for job training of the underemployed and the unemployed people, we target and earmark funds specifically for this group of people who are suffering from situations that few of us who have not experienced them can really understand.

Madam Chairman, I truly congratulate the gentlewoman on this effort, and I believe it to be a very worthy amendment.

Mr. EDGAR. Madam Chairman, will the gentlewoman yield?

Mrs. HECKLER. I am glad to yield to my colleague, the distinguished gentlman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I just want to commend the gentlewoman from Massachusetts (Mrs. HECKLER) for her leadership in the Subcommittee on Education, Training, and Employment. We have a lot of tough issues in that subcommittee, and we work very hard to try to address the large number of veterans, both from the Vietnam era and otherwise, who are out of work, underemployed, and undereducated and who need specialized services.

The gentlewoman has been very active in helping us to draft this amendment and shape this legislation. I commend her for her actions. I enjoy working with her, and I just wanted to say that publicly.

Mrs. HECKLER. Madam Chairman, I very much appreciate my distinguished colleague's words of commendation. I want to say that I return the compliment; it has been a pleasure to work on the full Committee on Veterans' Affairs because there is such a bipartisan spirit of true dedication to the veterans of all wars and all eras.

I want to say especially to the gentleman from Pennsylvania that no chairman of a subcommittee could be more assertive and more concerned and more committed to the needs of veterans, especially the Vietnam-era veterans, than the gentleman has been.

Mr. CLINGER. Madam Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Pennsylvania.

□ 1700

Mr. CLINGER. I would just like to commend my colleague for introducing this very excellent amendment and also my colleague from Pennsylvania, (Mr. EDGAR).

I have also had occasion to observe the very real problems that the Vietnam-era veterans have suffered.

The CHAIRMAN. The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

(By unanimous consent Mrs. HECKLER was allowed to proceed for 3 additional minutes.)

Mr. CLINGER. I would just address myself to the point the gentlewoman from Massachusetts raised. Clearly this bill is directed primarily toward Vietnam veterans and just on the numbers alone they are clearly going to be the group that are going to benefit primarily from this piece of legislation; is that not correct?

Mrs. HECKLER. That is correct. The Vietnam veterans and the disabled veterans are the main beneficiaries of the amendment itself.

Mr. CLINGER. I would like to commend the gentlewoman again for an excellent amendment.

Mrs. HECKLER. I thank the gentleman for his comments.

Mr. DENARDIS. Madam Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Connecticut.

Mr. DENARDIS. I rise in support of this amendment and would like to say to the gentlewoman from Massachusetts and the gentleman from Pennsylvania my thanks for your taking the leadership in pursuing this. As a member of the subcommittee which heard from a number of different individuals and individual groups for citizens and which has, without prejudice, turned down all of the groups that came before us, it still remains the official position of the subcommittee not to support set-asides for particular subsets of our society.

However, this individual member of the subcommittee thinks that this particular cause is certainly warranted and supports the amendment.

Mrs. HECKLER. I thank the gentleman.

Mr. NELLIGAN. Madam Chairman, will the gentlewoman yield?

Mrs. HECKLER. I will be delighted to yield.

Mr. NELLIGAN. I rise in strong support of this amendment.

I would like to compliment the gentleman from Pennsylvania, our chairman, on this amendment, as well as the gentlewoman in the well.

I come from a district that has a large number of Vietnam veterans. I know their needs. I know their concerns.

I think this amendment will go a long way in fulfilling those needs and addressing those concerns and I compliment you both on this amendment.

Mr. EDGAR. Will the gentlewoman yield to me again?

Mrs. HECKLER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentlewoman for yielding.

There has been just a small amount of concern voiced by the gentlewoman from New Jersey about the language.

I would just say to the House the language appears already in the committee draft. On page 26 at the top it says disabled veterans, Vietnam-era and recently separated veterans already in the language of the text, and that is where we got the original language.

I do not think there is a controversy because I think the language speaks for itself and I commend the gentlewoman.

Mrs. HECKLER. I thank my colleague for his comments. Legislative history is being made as we discuss this amendment on the floor of this House, and our commitments to Vietnam-era veterans and disabled veterans are quite clear.

Mr. BONER of Tennessee. Madam Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Madam Chairman, I rise in complete support of the amendment offered by the distinguished gentleman from Pennsylvania.

Finding a job in these times of tragically high unemployment is not an easy task, in fact, for many veterans it is an increasingly devasting problem. Vietnam veterans are currently suffering from an even higher rate of unemployment than that seen at the national level. Since last July, unemployment among veterans from ages 25–29 has bolted from 7 percent to 17 percent.

We have the opportunity today to assist these men and women in their return to the work force. By recommending that four-tenths of 1 percent of title II funds be set aside for veterans, Congress would be recognizing that veterans' unemployment problems are a national responsibility. These veterans have already made great sacrifices for their country, I believe that it is time to live up to this national responsibility.

Time and time again, unelected bureaucrats have failed to implement legislative intent. They have repeatedly backed away from the serious and continuing employment problems of the Vietnam-era and disabled veterans. This amendment will finally mandate that the Secretary of Labor administer programs to meet the needs of our Nation's unemployed veterans.

Some people are going to tell you that this amendment treats one group differently than others. Yet, it is no

different than the committee bill's provision that grants much larger set-asides for native Americans and migrant and seasonal farmworkers. So in response to that argument—if we are going to single out certain ethnic and economic groups—do we not also have a responsibility and obligation to address the unique and increasingly difficult unemployment problems of our veterans?

I strongly urge my colleagues to join me in support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 119, after line 24 insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

(3)(A) educate employers on the benefits of hiring and providing continued employment for older persons, (B) encourage employers to better utilize the experience and capabilities of older persons, (C) assist in breaking down common stereotypes that many employers have about older persons, and (D) facilitate (i) the transition of older persons from one occupation to another, and (ii) the transition of older persons from non-participation to participation in the labor force, and the upgrading of older workers; utilizing organizatons having demonstrated ability to serve the employment and training needs of older workers for each of such programs, including State and area agencies on aging;

Mr. BIAGGI (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BIAGGI. Madam Chairman, this amendment is rather straightforward and relatively simple. I offer this amendment so that we will be able to specifically provide for multistate programs which will educate employers on the benefit of hiring older workers and encourage employers to use the expertise of older workers and facilitate the transition of older workers into new jobs as well as upgrading their current job skills.

In setting up this program the Secretary is directed to utilize those organizations which have a demonstrated ability to employ and train this population. These groups include State and area agencies on aging as well as national organizations which run the popular title V senior employment program which currently support some 54,200 older workers in part-time community service employment.

It should be underscored here, as it has been in the committee's report, that programs that would be operated for older workers under my amendment should not be viewed as a replacement for title V programs. Instead, these programs must build upon current activities for older workers, activities which are clearly limited at best.

The Department of Labor estimates that as many as 5 million people are eligible for the program and most sponsors have 10 applicants for every slot.

The reason we focus on this area of the elderly population is because we have had some bitter experiences. Those over 55 now comprise some 23 percent of the unemployed. We found under CETA that on all titles the employment reached 4.4 percent, considerably less than their fair share, and it has dropped to 3.1 percent in 1981.

The more important fact is that in the private sector they have responded to the extent of 1.2 percent, which clearly indicates there was neglect, discrimination, and certainly an overlooking of the needs of the elderly in employment and training.

For those reasons I urge my colleagues to support the amendment.

Mr. RATCHFORD. Madam Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to my friend from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. I would commend the gentleman. I know the good work that he has done not only in the State of New York but nationally in behalf of the older worker.

As a former Commissioner on Aging I can say to you that one of the great wastes in America is the waste of human talent. In far too many situations we say to a worker, "You are too old." To that worker we are saying really "You no longer can have dignity or decency or respect, because the opportunity for gainful employment will not exist."

What the gentleman does through this amendment is to provide a vehicle for the older worker. Some communities, one in particular in Connecticut I would cite, the community of West Hartford, and another, the community of Norwalk, provide a job search program for the older worker. But more often than that, the older worker is cut adrift, he is left without assistance, he is left without help, he is left without a vehicle for finding meaningful employment.

As I read the amendment offered by the gentleman, what he does is to provide a focal point, a vehicle, and an opportunity for this older worker. So through this program, a program designed to provide opportunities for all workers, and through this amendment a vehicle designed to provide specific opportunities for the older worker, I think we have brought together two needs, the general need of all workers and the specific need of the older worker.

Certainly this amendment, therefore, in combining these two talents through this vehicle is an amendment that all of us as Members of the Congress of these United States ought to support.

I applaud the gentleman for his efforts and would hope on both sides of the aisle that the amendment could be accepted.

Mr. HAWKINS. Madam Chairman, will the gentleman from New York yield?

Mr. BIAGGI. I yield to the gentleman from California.

Mr. HAWKINS. The gentleman is to be commended on offering the amendment. It is acceptable to this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was agreed to.

□ 1710

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA: Page 120, line 2, insert before the semicolon the following: ", including programs offered by consortia of private sector employers to reduce, in accordance with standards prescribed by the Bureau of Apprenticeship and Training, shortages in apprenticeable occupations".

Mrs. ROUKEMA. Madam Chairman, I offer a simple amendment which would clarify the provisions in title IV, part C of the bill, authorizing national employment and training programs, to insure that training in apprenticeable occupations by groups or private sector employers is included as an eligible activity for funding.

My amendment addresses the skilled worker needs of a number of small businesses which are vital to our economy. I refer to such occupations as carpenters, electricians, tool and die makers, bakers, machinists, and auto mechanics. In addition, the construction industry, which is composed largely of small businesses, faces a compelling need for trained workers, due to the high turnover of workers in that industry.

The training needs of these industries are currently addressed by groups, or consortia, of employers who have come together as trade associations to conduct training programs to create a pool of available skilled workers. Without the expert management and guidance of these groups, many small businesses would not have trained available labor resources.

Many of these programs are currently receiving funding through the existing national job training programs, where funds are provided to the consortia of small businesses to assist in the development and establishment of the programs. This includes, for example, the hiring of training staff, the

procurement of training facilities, and development of the training curriculum.

Once the programs are established, they are then tied into local prime sponsor's programs. The mutual benefits are obvious: The prime sponsor is able to enroll job trainees in programs that insure that there is a job at the end of the training, and the local employers are assisted by the prime sponsor in meeting costs of the training. Usually, the wages of the trainee are paid by the small business employer, once the trainee gets into the on-the-job portion of the training. Since the trainee is part of a targeted group, the employer may take the targeted jobs tax credit—TJTC—for the wages paid.

The results have been impressive, as one might expect. For example, in one recent program, conducted by the National Association of Homebuilders, of 2,341 trainees who began the training, 80 percent of them—1,874—completed the training and were placed in jobs. All of these trainees were disadvantaged, meeting the Federal requirements for assistance.

However, the bill as reported contains no specific mention of these kinds of programs as being eligible for funding under title IV, part C.

Mr. Chairman, when the bill before us was in committee I was able to include a provision requiring the maximum use by prime sponsors of "customized training"—training where there is specific employer involvement in the design and/or conduct of the training. This form of training has shown the most success in matching trainees with available jobs. The programs included in this amendment constitute "customized training" as defined in the bill and their continuation will help lay the groundwork for greater use of this form of training by prime sponsors.

Therefore, I urge the adoption of my amendment to insure that these vital forms of "customized training" continue to expand and that the training needs of many of our small businesses can continue to be served.

Mr. HAWKINS. Madam Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to my chairman, the gentleman from California.

Mr. HAWKINS. Madam Chairman, as chairman of the Subcommittee on Employment Opportunities, I would like to commend the gentlewoman from New Jersey on this amendment. It is an excellent amendment. I think it is a worthwhile addition to the training bill. It certainly parallels and underscores the value of the apprenticeship program, as we have known it for several decades, without in any way, in my opinion, interfering with the high standards that program has set. Certainly on that basis, this side is willing to accept the amendment.

Mrs. ROUKEMA. Madam Chairman, I would like to thank the chairman of the Subcommittee on Employment Opportunities, the gentleman from California (Mr. HAWKINS), for bringing to my attention the fact that we must protect the high labor standards that are presently set and have been in operation under the existing job training program nationally and on the local levels.

This amendment, as stated, does protect those high job standards and in no way conflicts with the contribution that organized labor has made to job training programs.

Mr. HAWKINS. If the gentlewoman will yield further, I, in turn, would like to express my appreciation for the gentlewoman's cooperation in drafting the amendment so that it does protect those high standards. This amendment, I think, more than adequately does that. It is on that basis that we are very glad to accept the amendment.

Mr. JEFFORDS. Madam Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I want to also commend the gentlewoman for not only this amendment but for the wonderful work that the gentlewoman has done on the committee in support of this bill. I just want to publicly express my sincere appreciation for all of the cooperation the gentlewoman has given in the committee on behalf of the bill.

Mrs. ROUKEMA. I thank the gentleman for his comments. Madam Chairman, I would like to reiterate my appreciation for the leadership of the gentleman from Vermont, the leadership of the gentleman from Illinois (Mr. ERLENBORN) and the gentleman from California (Mr. HAWKINS).

Mr. CLAUSEN. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I want to address some questions to the gentleman from Vermont (Mr. JEFFORDS). Those questions go to page 15 of the bill. I am thinking in terms of the eligible areas in which the joint council shall serve an area which has a population of at least 150,000 individuals and which comprises a substantial portion of such labor market area.

Does that represent a floor or a ceiling of 150,000?

Mr. JEFFORDS. If the gentleman will yield, the primary objective here is to insure that we have a lesser number of prime sponsors than we presently do. The present law has a requirement of 100,000. This bill raises that requirement to 150,000. However, there are ways that that 150,000 can be reached if the local government does not happen to have that number of people serving in it.

Mr. CLAUSEN. As an example, further reading this section, "Nothing in this subsection shall be construed to preclude 2 or more prime sponsors located in a single labor market area which are not required to establish a joint private industry council from establishing such a council," does that mean that there could be 2 or possibly 3 counties that could combine together as a prime sponsor and establish a joint powers agreement between, say, 3 counties, in order to qualify or meet the 150,000 number criteria in the bill?

Mr. JEFFORDS. That is correct.

Mr. CLAUSEN. So that a joint powers agreement, involving two, three, or possibly four counties, properly drafted and implemented, could in fact serve as a joint private industry council as well as a prime sponsor; is that correct?

Mr. JEFFORDS. The answer to that is that there are provisions in the bill to insure—for instance, I believe it is (3)(B) of 101(a)—that "any consortium of units of general local government which has an aggregate population of 150,000 or more individuals and which includes any unit of general local government which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act."

Mr. CLAUSEN. So then the gentleman feels that the definition of section 101(3)(B), which reads, "any consortium of units of general local government which has an aggregate population of 150,000 or more individuals," that that grouping of counties, alluded to earlier, actually would qualify as a prime sponsor?

Mr. JEFFORDS. That is correct. Also, if you had another population of 150,000 that wanted to tag some other on it, that also could qualify as a prime sponsor.

Mr. CLAUSEN. I have as an example 4 counties, Humboldt, Del Norte, Mendocino, and Trinity, that have substantial unemployment. I think the total population would be over the 150,000 figure. But, it is conceivable that a grouping of 3 counties may just be under the 150,000, yet as an economic unit those 3 counties, have similarities in the kinds of enterprises that would cause them to want to work together as a joint sponsor.

I guess one of the questions I want to ask is: Could those three counties, if they were short of 150,000, go into another county and pick up part of a county, maybe another city and be a part of that qualifying prime sponsorship arrangement?

□ 1720

Mr. JEFFORDS. If the units that the gentleman is referring to are already a prime sponsor, then under the bill there is a phaseout period of 5

years wherein they would be able to exist.

Mr. CLAUSEN. Are they grandfathered in?

Mr. JEFFORDS. Yes, they are, for that period of time. Now in addition to that, if they do exceed the 150,000 level, and have an agreement written they work together, then they would qualify other than from under the grandfather clause.

Mr. CLAUSEN. So they could be protected under the grandfather clause, but at the same time, as far as the future is concerned, they could in fact reorganize under a joint powers agreement, as a consortium of local units of government and then be eligible under the program.

Mr. JEFFORDS. That is correct, if they have a sufficient population base.

Mr. CLAUSEN. In effect then, a county such as Humboldt is protected in two ways: First, there is the transition period until 1988 which will allow for a satisfactory restructuring of the county's present job training program. Then second, there is the ability for Humboldt to join together with neighboring counties, such as Del Norte, Trinity, and Mendocino and put together a joint powers agreement for what could be a "north coast job training partnership program."

The CHAIRMAN. The time of the gentleman from California (Mr. CLAUSEN) has expired.

(By unanimous consent, Mr. CLAUSEN was allowed to proceed for 2 additional minutes.)

Mr. JEFFORDS. Also, if they do cover a labor market area which appears to be a logical area for a prime sponsor, they could qualify. So there are several exceptions which allow for the continuance of existing prime sponsors.

Mr. CLAUSEN. If the gentleman will yield further, it is my understanding that two key points have application both to the bill itself and to the amendment offered by the gentleman from Illinois. I am referring to the grandfather clause which would allow for the inclusion of already-established prime sponsors, who fail to meet the population requirements, for a period of time until 1988 in order to allow for an orderly transition. I am also referring to the allowance for various units of government to form a joint powers agreement and therefore be eligible, as long as their aggregate population is at least 150,000 and as long as such a group includes a previously designated prime sponsor under the Comprehensive Employment and Training Act. Is that correct?

Mr. JEFFORDS. That is my understanding.

Mr. CLAUSEN. I thank the gentleman. As you know, these joint powers agreements are used quite often in California and I want to make certain that counties in northern California such as Del Norte, Trinity, Glenn, and Mendocino are able, if they desire, to join with a previously designated prime sponsor under CETA and put together a job training program. I also want to make certain that a county such as Humboldt, which is now a designated prime sponsor but which fails to meet the population requirement as the bill presently is constructed, can have that adequate transition period until 1988. I appreciate the gentleman's clarification.

PARLIAMENTARY INQUIRY

Mrs. ROUKEMA. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state her parliamentary inquiry.

Mrs. ROUKEMA. Madam Chairman, I have an amendment before the House.

The CHAIRMAN. The amendment is still pending.

Mr. FAZIO. Madam Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from California.

Mr. FAZIO. I thank the gentleman for yielding.

I want to thank the gentleman from northern California for his dialog on this issue. I think it does clarify a number of points which are troublesome to medium-sized counties, those between, say, 5,000 and 160,000 that have been prime sponsors that would like to maintain that prime sponsorship.

It is my understanding your questioning has brought out the fact that they are grandfathered, that they will continue to be prime sponsors. Should they wish to create a program, they would have to be over 150,000 to initiate one on their own, but they could obviously merge with an existing neighboring county to bring their population up to that level; is that correct?

Mr. CLAUSEN. That is correct. And I understood the gentleman's response to my question was they could in fact from a joint powers agreement, which is the gentleman knows is very popular in California.

Mr. FAZIO. I thank the gentleman for the line of questioning.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. ROUKEMA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HILLIS

Mr. HILLIS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILLIS: Page 120, on line 2, strike out "and"; page 121, on line 8, strike out the period and insert in lieu thereof "; and", and after line 8, insert the following new paragraph:

(5) assist youth career intern programs for individuals meeting the eligibility requirements of section 261, to be conducted jointly by local educational agencies and community-based organizations to improve educational and employment opportunities for youths in areas of high unemployment.

Mr. HILLIS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HILLIS. Madam Chairman, the amendment I am offering will allow the Secretary of Labor to consider the establishment of career intern programs, jointly conducted and paid for by community based organizations and educational agencies.

Career intern programs are alternative high schools which operate with cooperative support and authorization from local education agencies. The curriculums meet the requirements of the local educational agencies, and credit awarding procedures meet local educational standards. Interns, as the students are called, graduate with local education agency diplomas.

The concept involved in CIP's is simple. Students work as interns in local businesses while attending and graduating from high school. Career awareness, exploration, and specialization experiences are consistently emphasized throughout the program. Interns become exposed to career information, knowledgeable of the world of work, and become competent in developing and following through on their career plans.

Personal development is emphasized through intensive counseling, enrichment experiences, parent and family involvement, and social development.

Upon graduation, interns are placed in college, advanced skills training, the Armed Forces, and employment situations to pursue their career goals.

The career intern program is not my idea, nor is it a new idea. It is a proven way of helping the educationally and economically disadvantaged, unemployed youth. The program was started in 1972 by Dr. Leon H. Sullivan through the Opportunities Industrialization Centers of America (OIC/A).

Career intern programs have been established in Detroit, Mich. Hudson Valley, N.Y., New York City, Philadelphia, Pa., and Seattle, Wash., and have been rigorously evaluated for 10 years through the National Institute of Education. The evaluation results produced compelling evidence of the program's effectiveness. The program has been approved by the U.S. Department of Education's Joint Dissemination Review Panel as an exemplary educational program. Among the findings which the interns produced over the control and comparison groups were:

Statistically and educationally significant gains in reading;

Statistically significant gains in math when qualified math teachers were present;

Statistically significant gains on all three scales of the career development inventory;

Statistically significant benefits in terms of high school enrollment status;

Statistically significant benefits in terms of postsecondary school or employment placement status; and

Positive ethnographic analyses.

Career intern programs have received national acclaim from State and local elected officials, State and local education agencies, businesses and industries, colleges and training institutions, professional and civil groups, parents and communities at large.

Madam Chairman, there are a number of major issues before the Congress these days. We are currently considering many legislative proposals which will build a strong national defense, as well as a revitalized national economy. Implicitly and explicitly included in both of these areas is the need for a rapid increase in new and sophisticated technologies, and a skilled and capable work force which can play a significant role in the achievement of our national defense and economic goals.

Thus the level of education needed to obtain gainful employment in these higher levels of technology is increasing. Young people who have failed to learn how to read and write adequately, or who have dropped out of school, are unable to compete in today's job market. The sophistication of today's and tomorrow's technologies means that large numbers of youth will never be able to play productive roles in contributing to society.

Our Government must address the problems associated with youth unemployment. I commend my colleagues of the Labor and Education Committee for their work on the Job Training Partnership Act. The bill before us is designed to address a number of problems associated with youth unemployment. I believe, however, that inclusion of a career intern program will greatly improve the bill.

I therefore urge adoption of my amendment.

Mrs. FENWICK. Madam Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I would like to compliment the gentleman on this splendid amendment. I am particularly interested on account of the opening it gives and the confirmation it gives to the value of the OIC programs of the Reverend Leon Sullivan. I do not think that there is a program that has been more useful, more productive, and more sensible than this program.

And when you study the Reverend Sullivan's program, why are they so successful? I think it is because he loves these young people enough to be concerned about their welfare, and he respects them enough to insist on the highest standards. This ought to be a model for all these programs that are concerned with people, young people particularly, whom we are trying to help.

I congratulate the gentleman.

Mr. HILLIS. I thank my colleague for her contribution. I, too, am very aware of Dr. Sullivan's work with OIC. It as been a most substantial contribution he has made to our society.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. HILLIS).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will designate title V.

Title V reads as follows:

TITLE V—AMENDMENTS TO OTHER LAWS

WAGNER-PEYSER ACT AMENDMENTS

SEC. 501 (a) The Act of June 6, 1933, popularly known as the Wagner-Peyser Act (29 U.S.C. 49 et seq.), is amended by striking out subsections (a) and (b) of the first section of such Act and inserting in lieu thereof the following:

"(a) The Secretary of Labor is directed to promote a national system of public employment offices.

"(b) There shall be maintained in the Department of Labor a United States Employment Service.".

(b) Such Act is further amended by inserting after section 5 the following:

"SEC. 6. (a)(1) Subject to paragraphs (2) and (3), the Secretary shall allocate the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year among the States based on giving equal weight to each of the following factors:

"(A) the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States; and

"(B) the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States,

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the preceding calendar year, as determined by the Secretary of Labor.

"(2) Prior to making allocations in accordance with paragraph (1), the Secretary shall provide to each State for each fiscal year such share of the total sums allocated as is equal to 90 percent of the share which each such State received of the total allocations under this Act for the preceding fiscal year.

"(3) For each fiscal year, no State shall receive a total allocation under paragraphs (1) and (2) which is less than 0.28 percent of the total amount available for allocation.

"(b) Ten percent of the sums allocated to each State pursuant to subsection (a) shall be reserved for use in accordance with subsection (d) and the remainder of such sums may be used—

"(1) for job search and placement services to job seekers including counseling, testing, occupation and labor market information, assessment and referral to employers;

"(2) for appropriate recruitment services and special technical services for employers; and

"(3) for any of the following activities:

"(A) evaluation of programs;

"(B) developing linkages between services funded under this Act and related Federal or State legislation, including the provision of labor exchange services at education sites;

"(C) providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;

"(D) developing and providing labor market and occupational information;

"(E) developing a management information system and compiling and analyzing reports therefrom; and

"(F) administering the work test for the State unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

"(c) In addition to the activities described in subsection (b), the United States Employment Service may perform such other labor market-related services as are specified in reimbursable contracts with other Federal or State departments and agencies.

"(d) The portion of each State's allocation reserved for use in accordance with this subsection shall be used by the Governor of each such State to provide—

"(1) performance incentives for public employment service offices and programs, consistent with national criteria established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors;

"(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and prime sponsors or other public or private nonprofit agencies; and

"(3) the extra costs of exemplary models for delivering services of the types described in subsection (b).".

(c) Section 8 of such Act is amended by striking out "Director" each place it appears and inserting in lieu thereof "Secretary of Labor", and by inserting after the first sentence thereof the following: "Prior to submission of the plan to the Secretary—

"(1) the employment service shall develop jointly with each prime sponsor (designated under the Job Training Partnership Act) those components of the plan applicable to the area served by each such prime sponsor;

"(2) such plan shall be transmitted to the State employment and training coordinating council (established under such Act) which shall certify the plan if it determines (A) that the plan was jointly agreed to by the employment service and each prime sponsor within the State; and (B) that the plan is consistent with the Governor's coordination and special services plan under such Act;

"(3) if the State employment and training coordinating council does not certify that the plan meets the requirements of clauses

(A) and (B) of paragraph (2), such plan shall be returned to the employment service for a period of thirty days for it to consider, jointly with any affected prime sponsor, the Council's recommendations for modifying the plan; and

"(4) if the employment service and any such prime sponsor fail to reach agreement upon the plan to be submitted finally to the Secretary, the plan submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any disagreeing prime sponsor, and the State employment and training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of the plan submitted.".

AMENDMENTS TO PART C OF TITLE IV OF THE SOCIAL SECURITY ACT

SEC. 502. (a) Section 430 of the Social Security Act is amended by inserting "who have applied for or are" after "under which individuals".

(b) Section 431 of such Act is amended by striking out subsection (b) and by redesignating subsection (c) as subsection (b).

(c) Section 432(d) of such Act is amended to read as follows:

"(d) In providing the training and employment services and opportunities required by this part, the Secretary of Labor shall, to the maximum extent feasible, assure that such services and opportunities are provided by using all authority available under this or any other Act. In order to assure that the services and opportunities so required are provided, the Secretary of Labor shall (1) assure, to the maximum extent feasible, that registrants under this part receive employment and training services under the Job Training Partnership Act, and (2) use the funds appropriated under this part to provide programs required by this part through such other Acts to the same extent and under the same conditions (except as regards the Federal matching percentage) as if appropriated under such other Act and, in making use of the programs of other Federal, State, or local agencies (public or private), the Secretary of Labor may reimburse such agencies for services rendered to individuals under this part to the extent such services and opportunities are not otherwise available on a nonreimbursable basis.".

(d)(1) Section 432(f) of such Act is amended—

(A) by amending paragraph (1) to read as follows:

"(f)(1) The Secretary of Labor shall utilize the services of the private industry council for each prime sponsor (as established under the Job Training Partnership Act) to identify and provide advice on the types of jobs available or likely to become available in the area served by the prime sponsor.";

(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) by striking out "Labor Market Advisory Council" in such paragraph and inserting in lieu thereof "private industry council".

(2) Section 433(b)(2) of such Act is amended by striking out "Labor Market Advisory Council (established pursuant to section 432(f))" and inserting in lieu thereof "private industry council under the Job Training Partnership Act".

(e)(1) Subsection (a) of section 433 of such Act is amended to read as follows:

"SEC. 433. (a)(1) In carrying out this part, the Secretary shall—

"(A) provide for the registration of all individuals who are required (or volunteer) to register for employment and training services under section 402(a)(19);

"(B) arrange for the provision of job search assistance, including supportive services, for all such registrants to enable them to obtain employment in the regular economy;

"(C) following the provision of intensive search assistance services, refer all registrants who have not been placed in unsubsidized employment to the appropriate prime sponsor for employment and training services authorized under the Job Training Partnership Act;

"(D) place registrants who have not already obtained unsubsidized jobs and who are not currently being served under the Job Training Partnership Act in other employment and training activities authorized by this or any other Act; and

"(E) require all registrants to participate in the intensive job search assistance program at the times and in the manner specified in this subsection, unless the Secretary determines that the registrant should be partially or fully exempt from this participation requirement because the registrant is incapable of effectively participating in the intensive job search assistance program because of a physical, mental, or other work-impairing problem, in which case the Secretary may provide short term training (such as English language training) or other services which are determined to be essential to prepare the individual for participation in the intensive job search program.

"(2) All new registrants shall be required to participate, for a period of not less than five nor more than eight weeks, in an intensive job search assistance program immediately following their registration. To the maximum extent feasible, intensive job search services shall be provided to registrants through self-directed job search or group job search activities with daily attendance of registrants. Following completion of the initial intensive job search assistance program, continuing job search assistance services may be provided at appropriate intervals to registrants. Intensive job search services shall be provided to registrants each twelve months following the completion of the initial or any succeeding intensive job search period.".

(2) Section 433 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In planning for activities under this section, the administrative unit of each State shall make every effort to coordinate such activities with activities provided by the prime sponsor under the Job Training Partnership Act.".

REPEAL; TRANSITION PROVISIONS

SEC. 503. (a) Effective October 1, 1982, the Comprehensive Employment and Training Act is repealed.

(b)(1) The Secretary shall, from funds appropriated pursuant to this Act, provide financial assistance, in the same manner that such assistance was provided under the Comprehensive Employment and Training Act (as in effect on the day before the date of the enactment of this Act), to the extent necessary to provide for the orderly transition of employment and training programs carried out under such Act and to provide continued financial assistance for such programs.

(2) The authority of the Secretary established in paragraph (1) shall expire at the end of September 30, 1983. The Commission established by title V of the Comprehensive Employment and Training Act shall continue to be authorized until such date; and on such date the personnel, property, and records of such Commission shall be transferred to the Commission established by part E of title IV of this Act.

(3) Nothing in this subsection shall be construed to prohibit any prime sponsor, prior to the expiration of the Secretary's authority (as specified in paragraph (2)), from carrying out the provisions of this Act with respect to—

(A) consolidation of program activities;

(B) establishment of uniform eligibility criteria;

(C) establishment of private industry councils; or

(D) conduct of any activity authorized under this Act.

(c) Real or personal property acquired by prime sponsors with funds provided under the Comprehensive Employment and Training Act which are not transferred or otherwise made available to prime sponsors under this Act by September 30, 1983, shall, to the extent consistent with applicable law, revert to the United States.

The CHAIRMAN. Are there any amendments to title V?

AMENDMENT OFFERED BY MR. BAILEY OF PENNSYLVANIA

Mr. BAILEY of Pennsylvania. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY of Pennsylvania: Page 148, strike out lines 3 through 5 and on line 6 strike out "(b)" and insert in lieu thereof "SEC. 502. (a)" and redesignate the succeeding subsections accordingly.

Page 150, line 19, after "registrants" insert the following: "who are receiving aid to families with dependent children and are certified pursuant to section 402(a)(19)(G)".

Page 151, line 7, strike out "All new registrants" and insert in lieu thereof "Subject to subsection (a)(1)(E), new registrants who are receiving aid to families with dependent children".

Page 151, lines 9 and 10, strike out "immediately following their registration" and insert in lieu thereof "following their certification pursuant to section 402(a)(19)(G)".

Mr. BAILEY of Pennsylvania (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD?

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BAILEY of Pennsylvania. Madam Chairman, I have an amendment drafted and presented by the gentleman from Tennessee (Mr. FORD), chairman of the Subcommittee on Public Assistance and Unemployment Compensation.

The gentleman from Tennessee (Mr. FORD) is absent because of an election primary tomorrow in Tennessee. The amendment is to title V of the committee bill regarding the job search requirements under the so-called WIN program.

WIN provides job training and placement assistance to recipients of aid to families with dependent children. Under present law, AFDC applicants must register for WIN, but a State may not compel the applicants' participation in a job search program as a condition of eligiblity.

However, both the AFDC statute and regualtions provides sanctions if an AFDC recipient refuses without good cause to participate in training or job search activities.

As part of its fiscal year 1983 budget reconciliation decisions, the Committee on Ways and Means approved the provision which permits States to require employable AFDC applicants to participate in a program of job search. As a condition of AFDC eligibility WIN registrants are specifically required to participate and those who refuse without good cause to comply with the sanction, under present law AFDC recipients who refuse to participate in training or job search activities are removed from the grant and the families' AFDC benefit is reduced.

In the case of the principal wage earner in an AFDC unemployed parent family, the sanction is denial of benefits for the entire family. These same penalties would apply to AFDC applicants who refuse to participate in job search.

Section 502 of the committee bill before us would require all WIN registrants including AFDC applicants to participate in a job search assistance program.

The amendment would modify the committee's bill to conform it with the job search requirement adopted by the Ways and Means Committee. I have cleared the amendment on behalf of the gentleman from Tennessee (Mr. FORD) with both sides, and would move its adoption.

□ 1730

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, the amendment is acceptable to this side.

Mr. GOODLING. Madam Chairman, will the gentleman yield?

Mr. BAILEY of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Madam Chairman, the amendment is acceptable on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. BAILEY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 153, after line 9, insert the following new section:

SEC. 504. No funds appropriated or authorized under this act shall be expended in violation of section 7 of Public Law 95-435.

Mr. WALKER. Madam Chairman, earlier today I really did not plan to offer the balanced budget amendment on this particular bill, but I decided to do so after I saw some of the wire stories concerning the passage of the balanced budget amendment over in the other body.

The opponents of that action both in their statements following the bill and in the debate on the bill said that this is something that really should not be a constitutional issue; in other words, the balanced budget is not something that ought to be raised in terms of the Constitution. They said that, rather, the balanced budget should be addressed in a way in which legislative bodies have the courage to do what is right. In other words, that the legislative bodies should be complying with balanced budgets in those things which we do on a day to day basis in the Congress.

Well, it occurs to me that in this regard then what becomes right is to obey the law and the law is very clear, that this Congress is supposed to be operating under a balanced budget right now.

I have heard a number of my colleagues talk about the fact that what we ought to have instead of a constitutional amendment is a balanced budget law. Well, we have one. It has been the law of the land since 1978. It has been reaffirmed by this Congress on at least two occasions.

It seems to me that if we are going to begin addressing this issue in a fundamental way, then we have got to address it on the various kinds of bills that come through here as to whether or not they are in compliance with the balanced law.

The amendment that I offered to this particular bill simply says that on this bill, as in other bills where I have offered it, that we ought to comply with the balanced budget.

Well, it seems to me that if we do not do what is right and begin complying with the law, if we do not stick with what we know to be the law in terms of a balanced budget, then we are really kind of exhibiting the ultimate arrogance around here. On the one hand we are saying that a constitutional amendment is not needed, while on the other hand we are proving by our direct actions that short of a constitutional amendment we are unwilling to balance the budget. We are willing to violate the law, in other words, to continue going on spending and spending and spending.

Mr. SIMON. Madam Chairman, would my colleague yield?

Mr. WALKER. I would be glad to yield to the gentleman from Illinois.

Mr. SIMON. Madam Chairman, I can understand why my colleague from Pennsylvania would offer this amendment on many bills; but as the gentleman has probably heard from my colleagues from Vermont, Illinois, and elsewhere, this is an amendment that happens to save money; so that if we stop the expenditures by adopting the amendment of the gentleman, in fact the deficit will grow rather than diminish.

Mr. WALKER. Well, I thank the gentleman for his explanation. Of course, one of the problems we have with many piece of legislation around here is that we keep hearing that all we have to do is spend this money and it is actually going to save money. We hear that argument on bill after bill that comes through the body.

I have no doubt that the gentleman can show statistics to say that that is true.

My point is that as we enact laws, we ought to also keep in mind that we have said that we should be operating under a balanced budget.

I would say to the gentleman that I think it is extremely important to understand that in no case does complying with the balanced budget law say that you would not be able to spend any of this money. I think that is a misimpression that has been around this body for some time as I have offered this amendment, that in some way we say by offering this amendment that we cannot spend the money.

All we are saying is that we have got to begin to look at all programs in terms of the priorities that we place on them and if, indeed, we are going to have a balanced budget, then we have to decide what is important within the balanced budget.

I happen to think that job training is something that would be extremely important to have money spent on and within a balanced budget we ought to be spending money for job training and I think that is entirely possible and there is nothing in this amendment which says we cannot do that. In fact, all this amendment says is that you have to comply with the law in order to spend the money; but it does permit this expenditure of the money.

Many of the people who day after day when they come on the floor here and have been told that somehow we cannot spend the money because we have this balanced budget language that has been put in, that is just nonsense. They do not even understand the law at that point because the law simply says that you spend the money within the context of a balanced budget.

Mr. SIMON. Madam Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield further to the gentleman from Illinois.

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Mr. SIMON. So that I may understand then what the implication of the amendment is, what does the amendment do?

Mr. WALKER. The amendment says that no funds appropriated or authorized under this act shall be expended in violation of section 7 of Public Law 95-435, which simply says that we have to have a balanced budget.

Mr. SIMON. I understand the language. I do not understand what the language does.

Mr. WALKER. The implication is that if we would have the courage to do what is right and pass this kind of language on each and every bill, we would then have to make some priority determinations with regard to how we are going to comply with the law and the law then would force us to do what we consider to be important to be done within the context of a balanced budget.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Vermont.

Mr. JEFFORDS. I just want to point out, as meritorous as the amendment might be on some other bills, I think this is the wrong one to look to. If we were to take a look at how appropriations have gone over the last 3 years in this particular bill and if all other programs had gone the same way, we would have a $400 billion surplus next year.

This bill has been pared down and pared down, so that we have cut it by 70 percent.

I think the gentleman ought to be commending the people who have done the work here to try to bring this bill down.

I would say again that this is not one to pick on. This is a perfect example and probably too much of an example in some people's minds of how you can reduce Federal spending; but we have gone so far down now that it is ridiculous to think of going any further.

Mr. WALKER. Well, once again I would say to the gentleman that there is nothing in this amendment which says that you would cut the funding further. It simply says that you would have to determine the priorities of this funding in the context of a balanced budget.

Let me also say that there is nothing in this amendment which in any way downplays the work done by the gentleman's committee in terms of trying to come up with a responsible kind of a program.

There is nothing in this language that would do that. It is certainly not my intent to do that; but I must also say to the gentleman that every time I have offered the amendment someone has gotten up and said, "Yes, it is a good idea to have a balanced budget amendment, but not on this bill. This bill is the exception. Really, you should not be offering it at this time."

I have offered it on a number of programs. I even offered it on the defense bill the other day and was defeated on that. I have offered it all the way down the line and all the time I have been told that, yes, we ought to consider balanced budgets and they are very important, but not this time, not on this bill.

Well, my point is that we continue around here to spend and then we spend some more and then we spend some more, always telling ourselves that this is not the time to begin considering a balanced budget.

I hope that what will begin to develop is a willingness to live within our means. If it can be done without a constitutional amendment, I think many people would regard that as preferable; but what we are proving each time we reject this kind of amendment is that we cannot live within our means short of doing something through a constitutional amendment.

I would ask the House to begin to get us down the route toward a more responsible kind of fiscal policy in this country by approving this amendment to this particular bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The amendment was rejected.

AMENDMENTS OFFERED BY MR. WILLIAMS OF MONTANA

Mr. WILLIAMS of Montana. Madam Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. WILLIAMS of Montana: Page 143, on line 9, strike out "paragraphs (2) and (3)" and insert in lieu thereof "paragraphs (2), (3), and (4)"; and on page 143, line 11, and page 144, lines 1 and 5, insert "(after fiscal year 1983)" after "fiscal year" each place it appears.

Page 144, after line 7, insert the following new paragraphs:

(4) The Secretary shall reserve such amount, not to exceed 3 percent of the sums available for allocation under paragraph (1) for each fiscal year, as shall be necessary to assure that each State will have a total allocation under this section sufficient to provide staff and other resources necessary to carry out employment service activities and related administrative and support functions on a statewide basis.

(5) The Secretary shall, not later than May 15 of fiscal year 1983 and each succeeding fiscal year, provide preliminary planning estimates and shall, not later than July 15 of each such fiscal year, provide final planning estimates, showing each State's projected allocation for the following fiscal year.

Page 144, on line 4 before the period, insert ", but not to exceed 90 percent of the amount thereof received by each such State for fiscal year 1983".

Mr. WILLIAMS of Montana. Madam Chairman, these amendments will guarantee that a statewide Employment Service system is maintained in all States.

I fully support H.R. 5320 and the amendments to the Wagner-Peyser Act, as contained in title 5 of the bill. However, I am concerned that the allocation method provided for by the amendments currently in the bill will eventually result in a major reduction of Employment Service administrative and operational staff primarily in sparsely populated States with large land areas to serve. The closing of the entire system in these States is a very real possibility.

As presently drafted, the allocation formula has a number of features which I believe are essential and should remain. Specifically, the formula is based on two needs-related factors—civilian labor force and unemployment. Further, there is a moving hold-harmless provision that is intended to ease the transition to the new formula. In full committee markup, my colleague Mr. JEFFORDS added a provision that insures that no State shall receive a total allocation which is less than 0.28 percent of the total amount available for allocation.

Although these provisions go a long way to protect States from any immediate disruptions in service delivery, a significant number of States will eventually be in jeopardy as the formula continues to be applied. My amendments assure that a basic, statewide system will be maintained for all States. This is accomplished by reserving only a small portion—up to 3 percent—of the total funds available for this purpose. I have been careful to limit the use of these funds by the Secretary for a single purpose—preserving a basic statewide Employment Service system.

I trust you will agree with me that the nationwide Employment Service system, which has served our country so well over the past 50 years, must be adequately maintained in each State. The labor exchange services that the Employment Service continues to provide to all groups, including unemployment insurance claimants, the disadvantaged, youths, and veterans, must not be diminished. If we are truly concerned about providing needed employment and training services in a coordinated fashion, we must insure that one of the major participants in the system, the Employment Service, is adequately staffed in every State.

I encourage your support for this amendment.

□ 1740

Mr. HAWKINS. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS of Montana. I yield to the gentleman from California.

Mr. HAWKINS. Madam Chairman, I wish to commend the gentleman for presenting this amendment.

Madam Chairman, it is a good amendment, and we accept it.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. WILLIAMS of Montana. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, I also want to commend the gentleman for the amendment and urge that it be adopted.

Mr. WILLIAMS of Montana. Madam Chairman, I thank my colleagues.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Montana (Mr. WILLIAMS).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. BLILEY

Mr. BLILEY. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLILEY: Page 144, line 6, insert "the higher of (A)" after "less than", and on line 7 insert before the period the following: "or (B) 60 percent of that portion of such State's contributions under the Federal Unemployment Tax Act during the preceding fiscal year which was available to public employment service offices and programs in such State".

Mr. BLILEY (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLILEY. Madam Chairman, I offer this amendment out of a sense of equity and fairplay. I know the term "equity" has been very "overtaxed" lately, however, my amendment, if adopted, would insure that those States which are treated inequitably now in terms of employment service allocations would not be subjected to further diminishing returns under employment programs now being created or to be created in the future.

My amendment stipulates that the Department of Labor use the higher of either the allocation formula contained in the committee's bill, or that the allocation be based on not less than 60 percent of the amount of Federal Unemployment Tax Act contributions earmarked for employment services.

Last year, Virginia led the losers in percent of FUTA contributions returned. My State received a paltry 42 percent of employment service contributions back from the Department of Labor. The root of this problem is the formula which DOL uses to determine allocations. Many States are in similar predicaments. Florida and Texas, to name but two such States, have historically received an inadequate return to properly operate and administer their employment services.

But this is not just a Sun Belt interest, neither is it parochial for just the three States I have mentioned. Ohio and Wisconsin also have historically poor FUTA allocations.

Madam Chairman, my amendment may be interpreted as compensating certain States at the cost of others. This is not true. By stipulating that the higher of the two bases be used, my amendment allows my State to receive an equitable share of funds, and preserves the ability of States with high FUTA returns to claim the committee's recommended share of Job Training Partnership Act program money.

My amendment would not hurt anyone. But it would help those who are bound to be perpetual losers face their situations a lot better.

Do not mistake the intent of this amendment. I am all in favor of putting our unemployed workers back to work, and to finding jobs for those newly entering the labor force. This amendment will help those Americans, and I urge its adoption.

Mr. BAILEY of Pennsylvania. Madam Chairman, will the gentleman yield?

Mr. BLILEY. I am happy to yield to the gentleman from Pennsylvania.

Mr. BAILEY of Pennsylvania. Madam Chairman, I was going to raise a point of order against the amendment on jurisdictional grounds, but in talking with the chairman of the subcommittee here, because of the substance of the amendment, decided not to do that.

But am I mistaken or is the gentleman's amendment in bill form before the Ways and Means Committee?

Mr. BLILEY. I have a bill before the Ways and Means Committee on the FUTA tax, yes.

Mr. BAILEY of Pennsylvania. I believe it is, yes.

Madam Chairman, I might just advise the gentleman that I am going to ask if he might possibly consider withdrawing the amendment. It is my understanding that members of the staff on the committee, as well as members of the committee—and it happens to be before the subcommittee of which I am a member on Ways and Means—have met with some of the Governor's people in Virginia trying to resolve the gentleman's problems.

I think the amendment will probably be objected to, and I am wondering if the gentleman would mind, at this juncture, would withdraw the amendment and we could try to get something worked out.

Mr. BLILEY. I appreciate the gentleman's concern and suggestion. However, since this bill is headed for conference and my bill has yet to have hearings held on it, I would be extremely reluctant to withdraw it at this time.

Madam Chairman, I will reclaim my time.

Mr. PARRIS. Madam Chairman, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from Virginia.

Mr. PARRIS. I appreciate the gentleman yielding.

Madam Chairman, I want to rise in support of the amendment presented by my colleague from Virginia. This amendment, if enacted, will correct an inequitable situation that exists in our Commonwealth and for other States as well.

Currently, Federal Unemployment Tax Act funds (FUTA), those moneys used to help find jobs for persons newly entering the labor force, and for putting the unemployed back to work are being distributed by a formula that leaves some States at a disadvantage. For example, Virginia receives only 42 percent of the employment service money that it has contributed to the Department of Labor. Florida, Texas, Ohio, and Wisconsin, among other States, also have this problem.

The purpose of the amendment is not to overhaul the FUTA program or the formula currently used to appropriate FUTA funds. This amendment would simply allow all States to receive not less than 60 percent of FUTA contributions that they have already put into the system with each State receiving an amount either by the existing formula or by the 60 percent of earmarked funds, whichever is greater.

I strongly urge my colleague to support this amendment.

Mr. HAWKINS. Madam Chairman, I rise in opposition to the amendment.

I discussed this with the gentleman from Pennsylvania (Mr. BAILEY), and suggested that a point of order not be raised. However, I think that not only on the merit of the issue and the substance of the amendment, but on the process by which this amendment was drafted and brought to this floor today, it should be rejected.

Madam Chairman, it should be rejected on the merits because, unlike the system, the unemployment tax act system, this is not related at all to the civilian labor force of a State or to its unemployment that may be prevailing in a particular State, to which the tax is related. It deviates completely from the original concept, and I am quite sure that that merit can be better debated not on the floor today but in the committee that has jurisdiction over it. It should certainly be rejected on the basis of jurisdiction.

Mr. BLILEY. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Virginia.

Mr. BLILEY. I thank the chairman of the subcommittee for yielding.

Madam Chairman, the reason I brought this up was because the same basic fault that lies with the Wagner-Peyser Act in its allocation formula is about to be perpetuated in this bill, and that is the reason that I brought it up.

Mr. HAWKINS. This phase of that is not touched in this bill. We do not touch this phase of it. It is a completely unrelated phase of that part, the Wagner-Peyser Act, that we are touching.

We did not see this amendment except a few hours ago. The gentleman may have circulated this amendment this morning to his colleagues—and I will concede that—but we did not get a copy of the amendment except a few minutes ago.

With that type of a process, the gentleman is attempting to amend a basic act over which this committee has no jurisdiction and, therefore, no expertise, in a way that I think is taking advantage of the fact, as the gentleman mentioned himself, that this bill is on its way to conference.

Now, if everybody who had an issue, who wanted that issue settled, used a particular bill to piggyback on merely because they see it in the process of going to conference, then it seems to me that the process would fall of its own weight.

Whatever merit the gentleman may have I think should be committed to the committee of jurisdiction that is better able to pass on it than to legislate in this manner.

Madam Chairman, I just object to the manner in which we are attempting to legislate, although it may have merit.

Mr. BLILEY. Will the gentleman yield further?

Mr. HAWKINS. I yield to the gentleman from Virginia.

Mr. BLILEY. Madam Chairman, I want to point out that you correct a fault when you find it. It did not come to my attention until late yesterday that this language was in the bill, since I do not sit on the committee of jurisdiction. But having found that, I do not think I could stand idly by to see a wrong further perpetuated.

Mr. HAWKINS. The language that we have in the bill that relates to the Wagner-Peyser Act has had a series of hearings, field trips, it was discussed on field trips, it has been on record for several months. The bill itself was reported out on May 17, 1982, which is sufficient notice to everybody, to the committee of jurisdiction. We have discussed it with the chairman of the subcommittee of jurisdiction. I am sure he objects to it.

Madam Chairman, I am sorry the gentleman is not here to defend his committee today. In his behalf, I am doing it. I just think it is not the proper way to legislate, even if it had merit.

But I submit that it is dubious, of dubious character, from the viewpoint of merit.

Now, my characterization may be wrong, but this should be brought out, I think, in the committee of jurisdiction.

Mr. BLILEY. Madam Chairman, if the gentleman will yield further, we happen to disagree.

□ 1750

Mr. HAWKINS. We do, and I oppose the amendment and request that the amendment be opposed by the House.

Mr. BAILEY of Pennsylvania. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Pennsylvania.

Mr. BAILEY of Pennsylvania. Madam Chairman, I would like to renew my plea to the gentleman to withdraw his amendment. Many of the Members here have not had an opportunity and may not be aware in terms of some of the administrative costs, reimbursement issues involved; and that there are questions whether or not other States could be harmed, and harmed severely. I think what we need to do is consider the legislation in a proper forum where it can be discussed in more detail.

To my knowledge, I would say to the gentleman that there is absolutely no reason to believe, at least to my knowledge again, there is not a deliberate attempt to try to hold the gentleman's legislation up in subcommittee, in Chairman FORD's subcommittee, but there indeed is a sincere desire to try to get the problem resolved to everyone's benefit.

I join the gentleman from California in opposing the amendment and encourage other Members to oppose it also, and to be very, very cautious about how they vote on the question. Their respective States, a great many of them, could be harmed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. BLILEY).

The amendment was rejected.

Mr. OBERSTAR. Madam Chairman, I rise in strong support of the Job Training and Partnership Act, H.R. 5320. The gentleman from California (Mr. HAWKINS) has labored long and vigorously and has put great imagination into this legislation. It is a landmark piece of legislation, one that carries forth the job training program so successfully undertaken over the past 20 years into a new phase.

I commend the gentleman from Vermont (Mr. JEFFORDS), who has contributed creatively to this legislation in a serious and thoughtful manner.

This legislation will mean a great deal to my State of Minnesota. We can anticipate tremendous benefits from the increased coordination within the vocational education system. Minnesota has some 33 Vo-Tech institutions which train and educate 41,000 people every year, with a remarkable placement success rate of 92 percent. In Duluth, the largest city in my district, for example, the overall placement rate of graduates is 93 percent, and in some of the program areas every graduate is placed.

The increased coordination and local initiative that this legislation provides is a remarkable contribution to vocational education and training at a time when, in this country, we have a record 40-year high level of unemployment.

The Job Training Partnership Act, H.R. 5320, is sound, responsible legislation which will establish an effective job training program.

Improved skills and increased productivity will be vital elements in the Nation's long-term economic recovery. This legislation represents a critically needed investment in what is America's most important economic resource: its work force.

For individual Americans, this legislation means the opportunity to acquire training and skills necessary to insure themselves a greater share in the tremendous economic wealth of this country.

This legislation obviously is not a substitute for either an emergency Federal jobs program or for a subnational economic development strategy program. I very much hope that the House will have the opportunity to consider legislation to establish such programs in the very near future.

During the past several months, I have worked very closely with the chairman of the full Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS), and the chairman of the Subcommittee on Employment Opportunities, the gentleman from California (Mr. HAWKINS), the majority leader (Mr. WRIGHT), the chairman of the Appropriations Committee (Mr. WHITTEN) on an emergency jobs program. That legislation will soon be reported to the full House by the Appropriations Committee, before which the gentlemen and I testified in June. It has been a great personal pleasure for me to work with them on that bill.

The committee has recognized the importance of coordination and the avoidance of duplication of services for eligible training participants. Increased use of cooperative agreements among educational institutions and agencies, prime sponsors, and private employers will certainly strengthen the quality of the overall program.

While providing a mechanism to insure that the State views are included in the formulation and the review

of prime sponsor's plan, the legislation does not shift control of the delivery system from local to State governments. Local planning has been successful in previous job training programs. Increased cooperation with state vocational education programs will enhance the quality of prime sponsor programs.

I support efforts to maintain the position of local governments in the administration of the training programs. While it is important to insure that private industry participates in the development of local training programs, the House should maintain the traditional and successful reliance upon the local sponsors. Because public resources are financing these programs, the decisions in the planning and administration of these programs should be based upon public policy considerations and should reflect the particular needs of local communities.

Unemployment is both a national and a personal tragedy in the United States today. We must act to insure that all Americans have the skills and the training to share in the Nation's general prosperity. If we are truly interested in helping the unemployed, the poor, and the disadvantaged, we will provide them with the one indispensable tool they need and want: education and training to take advantage of available employment opportunities. I am convinced that the overwhelming majority of the unemployed want that more than unemployment compensation, food stamps, or welfare.

The Education and Labor Committee has given us a strong bill. I urge an overwhelming House vote of approval.

AMENDMENT OFFERED BY MR. HAWKINS

Mr. HAWKINS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAWKINS: Page 153, after line 9, insert the following new subsections:

(d) Funds for fiscal year 1982 allocated to areas served by prime sponsors under the Comprehensive Employment and Training Act, which were not obligated prior to the end of such fiscal year, shall remain available for obligation by the prime sponsor serving such area under this Act during fiscal year 1983. No reduction shall be made in the allocation for any such area from appropriations to carry out this Act for fiscal year 1983 on account of the carryover of such funds from fiscal year 1982 to fiscal year 1983.

(e) The amendments made by sections 501 and 502 shall be effective October 1, 1982; but, to the extent necessary to provide for the orderly implementation of such amendments and the coordination thereof with the transition provisions of this section, the Secretary is authorized to continue to use, during fiscal year 1983, the authority contained in the provisions amended by such sections, as in effect prior to their amendment.

Page 152, after line 3, insert the following new paragraph:

(4)(A) Subject to subparagraph (B), the Secretary shall, not later than March 1, 1983, publish in the Federal Register for purposes of review and comment a full set of proposed regulations necessary for carrying out the provisions of this Act; thereafter the time schedules set forth in section 133 shall apply.

(B) Nothing in this Act shall be construed to delay such steps as are necessary to implement title III promptly.

Mr. HAWKINS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Madam Chairman, this amendment would simply add language of a transitional nature to the act so that upon the adoption of this act the moneys that are now available under the Comprehensive Employment and Training Act would be available to the new act. The other transition language provides a 1-year transition period for the orderly implementation of the amendments in the bill that affect the WIN program and Wagner-Peyser act, as well as to provide for their continuation and effective coordination. In addition, the language would be added that would require the Secretary of Labor to issue the proposed regulations by next March 1. The pending bill has a date of May 15.

What we would like to do is extend this date so that interested parties will have an opportunity to review and comment on the proposed regulations, a reasonable time prior to the final issuance thereof.

The amendment has been discussed with the other side.

Mr. JEFFORDS. Madam Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Madam Chairman, we have reviewed the amendment and certainly have no objection to it. We think it is an excellent improvement.

Mr. HAWKINS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HAWKINS).

The amendment was agreed to.

Mr. WOLPE. Madam Chairman, I move to strike the last word, and I rise in support of the committee bill.

Madam Chairman, I rise as a cosponsor of H.R. 5320, the Job Training Partnership Act, to urge its approval by the House. This bill, which received strong bipartisan support in the Education and Labor Committee, is designed to attack the widespread and persistent problem of unemployment in this country. No other effort is as deserving of our attention and support.

Madam Chairman, my district and State are currently suffering through a period of unemployment unmatched since the Great Depression. While I recognize that this problem can only be alleviated through a comprehensive policy designed to put Americans to work, I believe that job training is an essential component of that policy. Too many factory workers are being laid off from declining industries with little prospect of alternative employment; too many students are graduating from school without the skills to allow them to enter the labor force. H.R. 5320 contains components to address both of these problems.

Under this legislation, the newly created job training partnership program would retain much of the existing administrative and delivery system of the CETA program. However, the bill provides for several positive changes to better focus Federal spending on results-oriented programs. Funding would be provided only for training programs that can provide the skills for long-term private sector employment, and strong performance standards would insure that programs are run efficiently. Furthermore, the new structure would better utilize the expertise of the business community by creating a coequal administrative partnership between local governments and business-dominated private industry councils. Clearly, the participation of local businesses is essential to providing the most appropriate training for available jobs; I believe this partnership, along with the coordinating efforts of State governments, will vastly improve the track record of Federal job training efforts.

The Job Training Partnership Act is an effective and necessary tool in our effort to reverse the economically debilitating and personally devastating effects of unemployment. For too many Americans, opportunities are sorely lacking in this "Land of Opportunity." I urge my colleagues to join with me in support of this bill which will extend assistance to those who ask only for the chance to support themselves.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 153, after line 9, add the following new title:

TITLE VI—ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT

ELIGIBILITY FOR PARTICIPATION AND ASSISTANCE

SEC. 601. The Secretary shall insure that each individual participating in any program established under this Act, or receiving any assistance or benefit under this Act, has not violated section 3 of the Military Selective Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service

System shall cooperate with the Secretary in carrying out this section.

Mr. SOLOMON (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered and read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Madam Chairman, let me say that I am going to be very, very brief. I know there are people in this Chamber who want to get over to a ball game tonight and root for the Boston Red Sox. I personally would like to see the Red Sox win tonight, with the pennant, so that my team will win the World Series.

This amendment is identical in substance to the amendment overwhelmingly passed by this House a few days ago. It simply provides that no young man who is in violation of the Draft Registration Act will be eligible for any of this program before us today.

Madam Chairman, let me just make one point, because I think this really can be cleared up very, very quickly. That is, that we talked when we were affecting students who were going to college, and said that some of those students might not be aware of the servere consequences should they fail to register. But, this bill goes to another group of our society which is a little bit different, because college students, because of their conversations with their peers and because most of them have parental guidance, are already aware of the consequences of not registerting for the draft. But, many of the people who are affected by the job training programs not only do not have parental guidance, they may not have a father or they may not have a mother living at home. Consequently, they may not even know about this issue.

So, I would urge very strongly that the Members who really care about these young men in the inner cities support this legislation, because what it really means is, when they go to apply for this particular program they are going to be explained to about the Draft Registration Act. They are going to be sent out to register and then come back and take advantage of program. It is truly going to help those young men for the rest of their lives.

So, I can see no opposition to this amendment since it was overwhelmingly passed in the House. I will not go any further. For those Members who were concerned that my previous amendment was going to cause some hardship for our colleges and universities, I would like to read one paragraph from a letter I received from the American Association of State Colleges and Universities:

On behalf of 354 public 4-year colleges and universities, I urge you to accept the House-passed language with regard to draft registration and Federal student assistance programs.

It goes on to say:

Moreover, the House provision minimizes the administrative burdens placed upon our institutions while at the same time insuring students' compliance with the law.

I think it speaks for itself, and I would urge the Members to unanimously adopt this amendment right now.

Mr. SIMON. Madam Chairman, will the gentleman yield?

Mr. SOLOMON. I would be more than glad to yield.

Mr. SIMON. Madam Chairman, I recognize that this is going to be adopted, and I am only going to take 60 seconds. I think we continue to make a mistake, frankly, when we do not recognize that there are people who for reasons of conscience are not willing to register. I think sooner or later the courts are going to force this on us, but it is a great American tradition that we recognize that issue in our society.

Mr. SOLOMON. In closing, Madam Chairman, let me just say that the other amendment as to college students affected some 1½ million young men between the ages of 18 and 19. This amendment affects the second largest group of young men between the ages of 18 and 19 who receive Federal assistance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The amendment was agreed to.

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The CHAIRMAN. Are there any further amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Ms. FERRARO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 5320, to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes, pursuant to House resolution 527, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. JOHNSTON

Mr. JOHNSTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JOHNSTON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JOHNSTON moves to recommit the bill, H.R. 5320, to the Committee on Education and Labor with instructions to report back the same forthwith with the following amendments:

Page 12, beginning on line 1, strike out all of title I of the bill through line 2 on page 65 and insert in lieu thereof the following:

TITLE I—JOB TRAINING AND EMPLOYMENT ASSISTANCE SYSTEM

PART A—COMMUNITY PUBLIC-PRIVATE PARTNERSHIP SYSTEM

PRIME SPONSORS

SEC. 101. (a) The Governor shall, with the approval of the State employment and training coordinating council (hereafter in this section referred to as the "council"), and in consultation with elected local officials of units of general local government throughout the State, assign all jurisdictions to a designated prime sponsor.

(b)(1) The Governor, with the approval of the council, shall designate each unit of general local government with a population of 150,000 or more as a prime sponsor, except that—

(A) the Governor may, with the approval of the council, choose to include, with such a unit, adjoining jurisdictions if such jurisdictions individually have a population of less than 150,000 and collectively, with such a unit, represent a single labor market area;

(B) the Governor shall designate any self-selected consortia of adjacent units of general local government which collectively represent a single labor market area as a prime sponsor, unless there is only one such area within the State or the Governor determines, with the approval of the council, that such designation would be contrary to the purposes of this Act;

(C) if there is only one unit of general local government which has a population of more than 150,000 in the State, the entire State may be designated as a prime sponsor;

(D) if the Governor determines, with the approval of the council, that a unit or units of general purpose local government which have a population of less than 150,000 represents a separate labor market and could serve as an effective managing agent of programs under this Act, such unit or units may be designated as a prime sponsor;

(E) any existing concentrated employment program grantee for a rural area which served such area under the Comprehensive Employment and Training Act shall be designated as a prime sponsor, upon request by such a grantee.

(2) Any unit or units of general local government which are dissatisfied with their

assignment to a prime sponsor area may appeal their assignment to the Governor, and subsequently to the Secretary of Labor.

(3) The Governor, with the approval of the council, may propose, or any unit of general local government or private industry council may request, a realinement of prime sponsor designations to take effect at the end of any two-year planning and contracting cycle.

(4) Notwithstanding paragraph (1), for the purpose of promoting effective transition to activities under this act the Governor shall designate as a prime sponsor under this Act, for a period ending September 30, 1984, any unit of general local government which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act and which requests such designation under this Act.

PRIVATE INDUSTRY COUNCILS

SEC. 102. (a)(1) A private industry council shall be established for each prime sponsor area. A prime sponsor may designate a private industry council which served the same prime sponsor area under title VII of the Comprehensive Employment and Training Act to serve as the private industry council for purposes of this Act.

(2) No funds available under this Act shall be provided by the prime sponsor for any activity which does not have the approval of both the prime sponsor and the private industry council.

(b)(1) A majority of the members of the council shall be representatives of business and industry in the area served by the prime sponsor, one of whom shall be designated as the initial chairman or chairwoman of the private industry council. Private industry representatives shall be appointed from among individuals recommended by local business organizations operating within the area served by that prime sponsor and, whenever possible, at least one-half of such business and industry representatives shall be representatives of small business (including minority business). The remaining members shall be representatives of labor, education (representative of secondary, postsecondary, and vocational education agencies and institutions), rehabilitation, community-based organizations, the employment service, and economic development organizations and agencies. Members shall be appointed by the prime sponsor from among individuals recommended by appropriate organizations and agencies.

(2) In making appointments to the council, the prime sponsor shall ensure that the membership of the council reasonably represents the population of the area served by that prime sponsor.

(3) Members shall be appointed for fixed terms and shall serve until their successors are appointed. The prime sponsor may not dissolve the council or remove any member of the council. Vacancies in the membership of the council shall be filled in the same manner as the original appointments.

(4) For purposes of this subsection, the term "small business" means private, for-profit enterprises employing 500 or fewer employees.

(c) Subject to subsection (a)(2), each prime sponsor shall make funds available, out of administrative costs allowable under section 121(p), to enable each private industry council to hire professional, technical, and clerical staff to assist in carrying out its responsibilities under subsection (a) of this section (if any funds for such purpose are desired by such council).

(d) In organizing and making appointments to a private industry council established for purposes of this Act, a prime sponsor shall ensure that such council is eligible to be designated as a planning council for any other employment and training programs operated within designated enterprise zones.

PERFORMANCE STANDARDS

SEC. 103. (a) Within six months after the date of enactment of this Act, the Secretary shall establish performance criteria appropriate to programs carried out under part B of title I, title III, and part A of title IV, and with respect to programs carried out by prime sponsors under this Act shall—

(1) establish national performance criteria on the basis of appropriate factors which shall include (A) placement in unsubsidized employment, (B) retention in unsubsidized employment, (C) the increase in earnings, including hourly wages, and (D) reduction in the number of individuals and families receiving cash welfare payments; and

(2) designate factors for evaluating the performance of youth programs which, in addition to appropriate utilization of the factors described in paragraph (1), shall be (A) attainment of employability competencies, (B) elementary, secondary, and postsecondary school completion, or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships, or enlistment in the military.

(b)(1) Each State employment and training coordinating council shall, with the approval of the Governor of that State, establish minimum performance standards for prime sponsors in that State. Such standards shall be designed to measure outcomes and shall be based on the national performance criteria established under subsection (a), appropriately weighing and varying the factors in such criteria to recognize local conditions and the nature of employment barriers encountered by the eligible population to be served.

(2) The Governor of each State, on the basis of a review by the State employment and training coordinating council for that State, determine the adequacy of proposed performance goals established by prime sponsors in that State on the basis of the minimum standards established under paragraph (1).

(3) The Governor, with the approval of the Secretary, (A) may modify the applicability of any standard prescribed under paragraph (1) for any prime sponsor which demonstrates exceptional local economic hardship, and (B) may approve a plan submitted under section 104 which contains performance goals which are less stringent than the standard prescribed under paragraph (1), if such less stringent goals are the best reasonably attainable goals for that prime sponsor given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided.

(c) If the Governor, with the approval of the State employment and training coordinating council, finds on the basis of reports submitted by the prime sponsor under section 126 that a prime sponsor is substantially failing to attain one or more of the performance goals contained in the plan approved for that prime sponsor, the Governor shall—

(1) so notify the prime sponsor and the private industry council;

(2) provide technical assistance to the prime sponsor and the private industry council to assist in attaining those goals; and

(3) in case of ongoing failure to attain those goals during two consecutive years, after notice and opportunity for a hearing to the prime sponsor concerned, designate an alternate prime sponsor for the area served by the unsuccessful prime sponsor for the succeeding years and terminate the provision of funds under this Act to that unsuccessful prime sponsor.

(d) If the Governor, with the approval of the State employment and training coordinating council, determines that a prime sponsor has demonstrated that it has corrected the causes of a failure which led to a termination of funding under subsection (c)(3), the Governor may designate that prime sponsor after an alternate prime sponsor has served the respective area.

COMMUNITY JOB TRAINING PLANS

SEC. 104. (a)(1) No funds shall be provided to any prime sponsor in any State under this Act for any fiscal year except pursuant to a biennial community job training plan which—

(A) meets the requirements of this title;

(B) (i) is developed by the private industry council with the participation of the prime sponsor;

(ii) is approved by a majority of the private industry council and the prime sponsor; and

(iii) is jointly submitted by the prime sponsor and the private industry council; and

(C) is approved by the Governor and the State employment and training coordinating council of that State.

(2) If a prime sponsor and private industry council fail to concur on the submission of a plan for any period and the Governor is unable to resolve the disagreement, or the plan submitted is not approved by the Governor and the State employment and training coordinating council and no other approvable plan is submitted, the Governor may designate an alternate prime sponsor in the State for the area normally served by that prime sponsor. Any such plan submitted by an alternate prime sponsor and private industry council shall be developed, approved, and submitted in accordance with paragraph (1)(B). In the event that no alternate prime sponsor and private industry council is able or willing to submit such a plan, the Governor may develop a plan directly or through an appropriate public or private nonprofit agency or organization for that area.

(3) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved biennial plan, a modification of such plan shall be developed, approved, and submitted in accordance with paragraph (1)(B), which shall be subject to review in accordance with section 105.

(b) Each plan submitted under this section shall include—

(1) a designation of the entity to administer programs and services under this Act in the prime sponsor area, which—

(A) may be constituted as a nonprofit corporation, with administrative and planning staff hired as employees of the corporation; or

(B) may utilize government employees as administrative and planning staff;

(2) a description of the activities to be conducted with funds made available under this Act, which shall set forth—

(A) a labor market analysis, containing projections of the availability of employment and training, and the potential for growth, in various public and private labor market sectors in the prime sponsor area, including sectors with current high growth rates, with special attention to the national need to promote energy conservation and develop renewable energy sources;

(B) an analysis of the demographic characteristics of the eligible population in the area, an identification of the groups targeted for service among the eligible population, and the methods for determining priority for service among such population;

(C) a description of the procedures for selection of participants;

(D) a description of the training and employment services to be provided, including the duration of service, estimated cost per participant, wages and benefits, stipends, or allowances to be provided and supportive services;

(E)(i) a description of procedures assuring that training services will be carried out through subgrants or subcontracts with service providers of demonstrated effectiveness, unless the plan sets forth substantial justification that specific services would be carried out more effectively by the administrative entity directly, and (ii) a statement of the methods of selection and criteria for selection of service providers, which shall include proper consideration of community-based organizations as subgrantees or subcontractors for the provision of such services;

(F) a description of the arrangements for the active involvement of State and local educational agencies (including vocational education), public assistance agencies, rehabilitation agencies, economic development organizations and agencies, the employment service, and other appropriate employment-related programs and agencies in the delivery of services;

(G) a detailed description of recordkeeping procedures for the expenditure of funds and procedures for monitoring and auditing any subgrantees or subcontractors;

(H) a description of the allocation and use of any funds which will be retained from funds for one fiscal year for use in the succeeding fiscal year; and

(I) a description of procedures which will be used to consider previously funded community-based organizations, education agencies, and other deliverers of services which were both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act, in the delivery of programs and activities conducted under this Act;

(3) performance goals established by the prime sponsor and private industry council which (A) meet or exceed the performance standards applicable to the prime sponsor as established under section 103 (as modified in accordance with subsection (D)(3) of such section), and (B) are the best reasonably attainable goals for that prime sponsor area given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided;

(4) assurances by the prime sponsor and private industry council that it will comply with all the requirements contained in part C of this title, and with the other provisions of this Act and of State law which are applicable to the activities being conducted; and

(5) a description of methods of coordinating programs under this Act with other Federal, State, and local employment-related programs, including any procedures which may be adopted to provide for uniform intake or other administrative forms to be used for programs under this Act in conjunction with such other employment-related programs.

REVIEW OF PLANS

SEC. 105. (a)(1) At least 90 days before submitting its biennial community job training plan to the Governor and the State employment and training coordinating council, each private industry council and prime sponsor, shall, in accordance with jointly agreed upon procedures—

(A) make such plan available for review and comment to—

(i) each house of the State legislature for appropriate referral;

(ii) appropriate units of general local government and appropriate local educational agencies in the prime sponsor area; and

(iii) labor organizations in the area which represent employees having the skills in which training is proposed; and

(B) make such plan reasonably available to the general public through such means as public hearings and local news facilities.

(2) No community job training plan shall be submitted to the Governor and the State employment and training coordinating council unless such plan has been approved by the prime sponsor and private industry council concerned, except that—

(A) in the event of a failure of the prime sponsor and private industry council concerned to resolve their differences, such sponsor or council may appeal to the State employment and training coordinating council; and

(B) such State council shall determine whether the recommendations of the prime sponsor or private industry council meet the purposes and requirements of this Act, and direct the appropriate revision of such plan to be made prior to its submission to the Governor.

(b)(1) The State employment and training coordinating council shall establish requirements concerning the form and content, and the schedule for submission, review, and approval or disapproval of community job training plans, in accordance with minimum requirements established by regulations prescribe by the Secretary. Such State council may supplement such minimum requirements in order to assure compliance with this Act and to improve the effectiveness and coordination of employment and training activities within the State.

(2) The State employment and training coordinating council shall review and recommend to the Governor the approval, conditional approval, or disapproval of all or any part of a community job training plan. No such plan shall be recommended for approval unless such State council determines that the plan is complete, meets the requirements of this Act and other applicable laws and of regulations prescribed thereunder, and is adequately designed to carry out an effective and well-administered program. Such State council shall require the responsible private industry council and prime sponsor to take such actions as may be necessary to remedy any such defect in the plan.

(c)(1) If the State employment and training coordinating council recommends the disapproval of all or any part of a community job training plan, it shall transmit to the private industry council and prime sponsor concerned a notice thereof, containing a statement of the reasons for such recommendation. If the Governor disapproves all or any part of such a plan, the private industry council and prime sponsor concerned may jointly appeal such decision to the Secretary of Labor.

(2) The Governor shall disapprove the plan if—

(A) the Governor finds that the planned program will not meet the performance standards;

(B) the Governor determines that the planned program will not effectively serve the economically disadvantaged;

(C) the Governor finds that the plan does not establish that actions have been taken to correct deficiencies identified in program audits or assessments;

(D) the Governor determines that the entity proposed to administer the program wil not have the administrative capacity to administer the funds or there are inadequate safeguards for the protection of the funds; or

(E) the Governor finds that the plan will not adequately or properly carry out the purposes of this Act, or is inconsistent with the Goveror's coordination and special services plan under section 111.

(d) Modifications to community job training plans may be submitted to reflect changes in labor market conditions, the performance of delivery agents, or other factors. Such modifications shall be submitted, reviewed, and approved in the same manner as is required by this section with respect to such plans.

PART B—STATE RESPONSIBILITIES

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

SEC. 111. (a) The Governor of each State receiving financial assistance under this Act shall submit a biennial Governor's coordination and special services plan to the Secretary—

(1) describing the use of all resources provided to the State and its prime sponsor areas under this Act;

(2) evaluating the experience over the preceding two years, and setting policy and program goals for the succeeding two years; and

(3) containing performance standards established in accordance with section 103 for such succeeding two years.

(b)(1) The plan shall establish criteria for coordinating activities under this Act with programs and services provided by State and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development organizations and agencies, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State.

(2) The plan shall describe the projected use of resources, including oversight and support activities, priorities and criteria for State incentive grants, and performance goals for State supported programs. If the State is designated as a prime sponsor, the plan may serve as its community job training plan if it contains provisions which meet the requirements of such plan.

(3) If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the Governor shall submit a modification of the plan to the Secretary describing these changes.

(4) The Secretary shall—

(A) Specify minimum requirements for the governors coordination and special services plans;

(B) review such plans to assure that there are no apparent violations of the Act;

(C) identify for the State apparent violations of the Act and suggest appropirate modifications; and

(D) investigate any failures to take corrective actions or make modifications to determine whether expenditures are in violation of this Act.

(C) Governor's coordination and special services activities shall include the following:

(1) making available to prime sponsors and private industry councils, with or without reimbursement and upon request, appropriate information and technical assistance to assist them in developing and implementing their programs;

(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

(3) provide training and employment programs and related services to meet the needs of special population groups within the State, such as offenders and exoffenders;

(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

(5) provide training and employment opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

(6) fostering the activities of the State occupational information coordinating committee established pursuant to section 161(b)(2) of the Vocational Education Act of 1963;

(7) industrywide training;

(8) activities under III of this Act;

(9) expending an adequate portion of funds available under section 201(b) to identify, and promote the selection as participants of, eligible older persons in need of employment, and to provide eligible older persons with training designed to assure their placement with private business concerns;

(10) developing and providing to prime sponsors information on a State and local area basis regarding economic, industrial, and labor market conditions;

(11) providing pre-service and in-service training for planning, management, and delivery staffs of local prime sponsors and private industry councils, as well as contractors for State supported programs; and

(12) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs.

(d) A Governor's coordination and special services plan shall be approved by the Secretary only if the Secretary determines that the plan satisfactorily complies with this section.

STATE EMPLOYMENT AND TRAINING COORDINATING COUNCIL

SEC. 112. (a)(1) Each State receiving financial assistance under this Act shall establish a State employment and training coordinating council (hereinafter in this section referred to as the "council"). Funding for the council shall be provided pursuant to section 201(b).

(2) The council shall be appointed by the Governor, who shall designate one public member thereof to be chairperson. In making appointments to the Council, the Governor shall ensure that the membership of the Council reasonably represents the population of the State.

(3) The council shall be composed as follows:

(A) one-fourth of the members shall be representatives of business and industry (including agriculture, where appropriate) in the State, including individuals who are representatives of business and industry on private industry councils in the State;

(B) one-fourth of the members shall be representatives of the State legislature and of employment- and training-related agencies and programs in the State, including the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State;

(C) one-fourth of the members shall be representatives of the units or consortia of units of general local government in such State (including those which are prime sponsors) which shall be nominated by the chief executive officers of the units or consortia of units of general local government; and

(D) one-fourth of the members shall be representatives of the eligible population and of the general public, representatives of organized labor, representatives of community-based organizations, and representatives of local educational agencies (nominated by local educational agencies).

(4) The council shall meet at such times (but at least five times each year) and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

(5) The council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

(6) In order to assure objective management and oversight, the council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

(7) The plans and decisions of the council shall be subject to approval by the Governor. The Governor may override any decision of the council, including decisions by the council not to approve an action or decision of the Governor, but in any such case the council may appeal to the Secretary. If the Secretary is unable to resolve the dispute the Secretary shall direct the Governor or the council to take such action as may be necessary to best achieve the purposes of this Act.

(8) For purposes of section 105 of the Vocational Education Act of 1963, the council shall be considered to be the same as either the State Manpower Services Council referred to in that section or the State Employment and Employment and Training Act.

(b) The council shall—

(1) develop the Governor's coordination and special services plan to be submitted, with the approval of the Governor, to the Secretary;

(2) review community job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and local employment-related programs, including programs operated in designated enterprise zones;

(3) recommend the approval or disapproval of such plans in accordance with section 105;

(4) review the operation of programs conducted by each prime sponsor, and the availability, responsiveness, and adequacy of State services, and make recommendations to the prime sponsors and private industry councils, to agencies providing employment and training services, to the Governor, to the State legislature, and to the general public with respect to ways to improve the effectiveness of such programs or services;

(5) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist prime sponsors or otherwise to assist in carrying out the purposes of this Act;

(6)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the reports required pursuant to section 105(d)(3) of the Vocational Education Act of 1963; and

(7) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from the State advisory council under the Act of June 6, 1933 (the Wagner-Peyser Act), and any State coordinating committee for the work incentive program under title IV of the Social Security Act.

COORDINATION WITH STATE EDUCATION AND TRAINING AGENCIES

SEC. 113. (a) An amount equal to 25 percent of the sums available for purposes of section 201(b) shall be utilized for the purpose of facilitating coordination among State education and training agencies and prime sponsors under this section.

(b) In order to ensure effective coordination among employment-related education and training programs in the State, the Governor shall provide financial assistance to the appropriate State education agency or agencies responsible for education and training to facilitate coordination of services for eligible participants through cooperative agreements between such State agencies and prime sponsors. Such assistance may include—

(1) technical and financial assistance to vocational education institutions and local educational agencies to aid them in making cooperative arrangements with appropriate prime sponsors, private employers, and community-based organizations;

(2) provision to prime sponsors of information, curriculum materials, and technical assistance in curriculum development and staff development; and

(3) other appropriate assistance to develop and sustain the capacity to provide community-based employment and training programs for economically disadvantaged individuals.

STATE INCENTIVE GRANTS

SEC. 114. (a)(1) The sums reserved under section 201(d) for use under this section shall be made available by the Governor to the State education agency or agencies responsible for education and training for incentive grants to improve vocational services to individuals eligible under this Act in areas served by prime sponsors, in accordance with agreements for the use of such grant funds between such State agency or agencies and the prime sponsor, and (where appropriate) local educational agencies. Such agreements shall provide for the contribution by the State agency or agencies, and the local educational agency (if any), of a total amount equal to the amount provided in such incentive grant. Such matching amount shall not be provided from funds available under this Act, but may include the direct cost of employment or training services provided by State or local programs.

(2) Funds available under this section may be used to provide vocational education and related services to participants under this Act.

(b) If no joint agreement is reached on the use of funds under this section, the funds shall be available to the Governor for use in accordance with section 111.

STATE LABOR MARKET INFORMATION PROGRAMS

SEC. 115. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 451(b), the Governor shall designate an organizational unit which shall be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system and which shall—

(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

(A) is responsibe to the economic demand and educational training supply support needs of the State and areas within the State, and

(B) meets the Federal standards under chapter 35 of title 44 of the United States Code and other appropriate Federal standards established by the Bureau of Labor Statistics;

(2) standardize available Federal and State multiagency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

(A) identification of geographic and occupational areas of potential growth or decline; and

(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

(3) assure, to the extent feasible, that—

(A) automated technology will be used by the State;

(B) administrative records have been designed to reduce paperwork; and

(C) multiple survey burdens on the employers of the State have been reduced;

(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to state agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices; and

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system.

(b)(1) The analysis required under clause (2) of subsection (a) shall be used by States and by prime sponsors to contribute to carrying out the provisions of this Act, the Vocational Education Act of 1963, and the Act of June 6, 1933 (the Wagner-Peyser Act).

(2) The assurance required by clause (3) of subsection (a) shall also provide that the State will, to the maximum extent feasible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping by State and local agencies, including secondary and postsecondary educational insitutions.

(3) If Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results shall remain in the public demain.

INTERSTATE AGREEMENTS

SEC. 116. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

PART C—GENERAL REQUIREMENTS

GENERAL PROGRAM REQUIREMENTS

SEC. 121. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

(a)(1) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(2) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(3) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

(b) Prime sponsors shall provide employment and training opportunities to those who can benefit from, and are most in need, of, such opportunities and shall make every effort to provide equitable services among significant segments of the eligible population.

(c)(1) All individuals participating in training under this Act shall be eligible to receive allowances to the extent required by section 122. No participant may receive allowances from funds under this Act for institutional or classroom training for more than 104 weeks in a five-year period.

(2) No individual shall participate in programs receiving financial assistance under this Act for longer than a total of thirty months in any five-year period.

(d) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

(e) No funds shall be used to assist in relocating establishments, or parts thereof, from one area to another or locating new branches, subsidiaries, or affiliates unless such relocation or location will not result in an increase in unemployment in the area of original location or in any other area.

(f)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and priority in the selection of training programs shall be given to training in occupations determined, pursuant to the labor market analysis made under section 104(b)(2)(A), to be in sectors of the economy which have a high potential for sustained demand or growth.

(2) All programs, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and ovecoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditional for the other sex).

(g) Only eligible individuals residing in the prime sponsor's area may be served by employment and training activities funded under this Act.

(h) No member of any council under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organizaiton which the member represents.

(i)(1) Except for employment bonuses under section 232(27), payments for on-the-job training to employers organized for profit shall not exceed the difference between (A) the costs of recruiting, training, and supportive services and the costs of lower productivity associated with employing an individual who lacks the requisite skills to perform the job in which the individual is placed, and (B) such costs for those otherwise employed. The length of time for which such payments may be made shall not exceed that period of time generally required for the acquisition of skills needed for a position within a particular occupation.

(2) Except as may be permitted by waiver granted by the Governor of the State concerned, in each prime sponsor's program the ratio of the number of participants in public sector on-the-job training to the number of participants in private sector on-the-job training shall not exceed the ratio of the number of civilian employees of State and local government in the prime sponsor's area to the number of nongovernmental employees in such area.

(j)(1) Funds provided under this act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless the prime sponsor demonstrates that alternative services or facilities would be more effective or more likely to achieve the prime sponsor's performance goals.

(2) For the purpose of complying with section 104(b)(2)(E) with respect to the provision of education services, the criteria for selection among competing providers of services shall afford to appropriate education agencies in the area to be served the opportunity to provde such services, unless the prime sponsor can demonstrate that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(k) Adequate accounting, monitoring, and cost management systems shall be established and maintained to assure integrity of the funds provided under this Act, according to general standards established by the Secretary. The Secretary shall establish such standards and procedures for recipients of funds under this Act as are necessary to assure against program abuses.

(l) Each prime sponsor recipient receiving funds from a Governor shall be responsible for the allocation of such funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuse in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Prime sponsors may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, if the Governor and State employment and training coordinating council has approved such an arrangement pursuant to the provisions of section 105(c).

(m) Federal assistance under this Act shall not be used for the payment of a fee for the placement of any individual in a training or employment program under this Act. Nor may any person or organization charge a fee for the placement or referral of any individual in or to such program.

(n) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with section 265(c)(2).

(o) No financial assistance under this Act shall be available for any program which involves political activities.

(p)(1) Not more than 15 percent of the total amount of funds available to a prime sponsor under this Act in any fiscal year may be expended for the cost of administration of programs and activities under this Act. For purposes of this paragraph, costs of program support (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 233 shall not be counted as part of the cost of administration.

(2) All funds received under any title of this Act, which are allowed to be used for administrative costs under the provisions of the title which they were received, may be pooled by the recipient so that they may be used to administer all programs under this Act.

(q) Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

(r) The Secretary shall notify the Governor and the appropriate prime sponsor of, and consult with the Governor and such prime sponsor concerning, any activity to be funded by the Secretary under this Act within the State or prime sponsor area; and the Governor shall notify the appropriate prime sponsor and private industry council of, and consult with such prime sponsor and private industry council concerning, any activity to be funded by the Governor under this Act within the prime sponsor area.

WAGES, BENEFITS, AND ALLOWANCES

SEC. 122. (a) Except as otherwise provided in this Act, the following allowances and wages provisions shall apply to all activities financed under this Act:

(1)(A)(i) If the sum of cash income and the value of food stamps received by the family of the participant is less than 70 percent of the lower living standard income level, the participant may receive an hourly subsistence stipend which would, on an annualized basis, assuming 2,000 hours of participation, equal the difference between 70 percent of the lower living standard income level and the annualized sum of cash income and the value of food stamps, except that in no case may the amount of the subsistence stipend exceed the equivalent of the hourly rate of pay under clause (A) or (B) of paragraph (3) of the subsection.

(ii) Maintenance allowance may not substitute for other income transfer and in-kind aid for which the participate is eligible.

(iii) If a participant is eligible for but not receiving welfare, unemployment insurance, or food stamps, the participant shall be assisted in applying for benefits for which he or she is eligible.

(B)(i) Participants from families with incomes below the lower living standard income level shall be eligible for participation cost stipends to cover the extra costs of transportation, meals, equipment, and child care, necessary for participation.

(ii) Individuals with family incomes below 70 percent of the lower living standard income level shall be eligible to receive 100 percent reimbursement, and those between 70 and 100 percent of the lower living standard income level shall be eligible to receive up to 100 percent but not less than 50 percent reimbursement, of the costs described in clause (i) of this subparagraph.

(C) Lump-sum payments, tools and equipment, scholarships, and other rewards may be provided for completion of training activities, attainment of competencies, selfplacement at the completion of services, and other constructive attainments.

(D) A trainee shall receive no allowances for hours during which the trainee fails to participate without good cause.

(2) Individuals in on-the-job training shall be compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations prescribed by the Secretary, considering such factors as industry, geographical region, skill requirements, and individual proficiency, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

(D) Stipends and allowances received under this Act and wages received under section 267 shall not be considered as income for the purpose of determining eligibility for and the amount of income transfer and in-kind aid referred to in subsection (a).

LABOR STANDARDS

SEC. 123. (a)(1) Conditions of employment and training shall be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant.

(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participants.

(3) To the extent that a State workers' compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to injuries suffered by participants. To the extent that such law is not applicable, each recipient or subrecipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

(4) All individuals employed in subsidized jobs shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(5) No funds available under this Act may be used for contributions to retirement systems or plans.

(b)(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No program shall impair existing contracts for services or collective bargaining agreements, except that no program under this Act which would be inconsistent with the terms of any collective bargaining agreement shall be undertaken without the written concurrence of the labor organization concerned.

(3) No individual shall be employed or job opening filled (A) when any other individual not supported under this Act is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee not supported under this Act or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of individuals currently employed in jobs not subsidized under this Act.

(5) No jobs shall be substituted for existing federally assisted jobs.

(c)(1) Each recipient of funds under this Act shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

(2) Where a labor organization represents employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided for such organization to submit comments with respect to such proposal to the applicant and to the Secretary.

(d) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–176a–5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

ALLOCATION OF FUNDS

SEC. 124. (a)(1) All allocations by the Secretary under this Act shall be based on the latest available data and estimates satisfactory to the Secretary. The Governor of each State shall, in making any allocations required under this Act to be made on the basis of the same factors used by the Secretary in making an allocation to States, shall use the same data used by Secretary with respect to that State.

(2) Whenever the Secretary allocates funds required to be allocated by formula under this Act, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each State or other recipient.

(3) All funds required to be distributed by the Secretary formula under this Act shall be allocated within 30 days after enactment of the appropriations, except that, if such funds are appropriated in advance as authorized by section 125(b), such funds shall be allocated not later than the March 31 preceding the fiscal year for which such funds are to be available for obligation.

(4) No later than 30 days prior to allocation of any discretionary funds under this Act, the Secretary shall publish a plan for utilization of such funds in the Federal Register for comments. After consideration of any comments received, the Secretary shall publish the final plan.

(5) Whenever the Secretary utilizes a formula to allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allocations in the Federal Register.

(6) The Governor of each State shall, within 30 days after receiving notice of an allocation to that State under this Act, notify the prime sponsors in that State of the amount of funds from such allocation which will be made available to such prime sponsors.

(b) Except as provided under section 104(b)(2)(H) and section 125(a), the Governor of each State shall reallocate any amount of any allocation under this Act which has not been obligated by a prime sponsor in that State to the extent that the Governor determines that the recipient will not be able to use such amount within a reasonable period of time.

(c)(1) Any allocations to a prime sponsor designated under section 101 may be reallocated only if the Governor has provided thirty days advance notice to the prime sponsor and the private industry council, and to the general public. During such period, comments may be submitted to the Governor.

(2) After considering any comments submitted during such period, the Governor shall notify the affected prime sponsor and the private industry council of any decision to reallocate funds, and shall publish such decision.

(3) The Governor's coordination and special services plan shall contain a description of the procedures and factors to be considered in making any such reallocation.

AVAILABILITY OF FUNDS

SEC. 125. (a) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation. The obligation of funds shall not be revoked or canceled as long as such funds are expended at a rate which is consistent with the program plan.

(b)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

(c) Notwithstanding any other provision of this Act, no authority to enter into contracts under this Act shall be effective except to such an extent or in such an amount as are provided in advance in appropriations Act.

REPORTING REQUIREMENTS

SEC. 126. (a) Each prime sponsor in a State shall submit to the Governor and State employment and training coordinating council of that State not less than once each calendar quarter a report on its progress toward achievement of its performance goals (as set forth in its plan pursuant to section 104(b)(3)) and annually, within 60 days after the end of each fiscal year, on the activities conducted during that year and the characteristics of participants served in each program activity. Such annual report shall include a cost/benefit evaluation of programs assisted under this Act.

(b) The State employment and training coordinating council of each State shall, within 90 days after the end of each fiscal year and with the approval of the Governor of such State, submit to the Secretary an annual report. Such report shall include—

(1) a comparison of the approved performance goals of prime sponsors in the State with the performance standards established by the council under section 103(b), and a decription of any actions taken under section 103(c) with respect to any prime sponsor that has substantially failed to attain one or more of such goals;

(2) a summary of the reports made by prime sponsors under subsection (a) and of any audit reports under section 127; and

(3) such other information as the Secretary may require by regulation.

(c) The Secretary shall make such reports and recommendations to the President as the Secretary deems appropriate pertaining to employment and occupational requirements, resources, use, and training, and the President shall transmit to the Congress a report on the same topics not later than March 1 of each year. Such report shall include a composite evaluation of all programs and activities conducted under this Act.

AUDITING, MONITORING, AND REPORTING

SEC. 127. (a) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper allocation and expenditure of, and accounting for, Federal funds provided to the State and its prime sponsors under this Act. The State may adopt procedures established by the Secretary, or may adopt alternative procedures approved by the Secretary.

(b) At least annually, the State shall prepare or have prepared an audit of all expenditures by the State and its prime sponsors under this Act. Each audit shall be conducted by an entity independent of any agency administering the funds concerned. Audits shall be conducted in accordance with generally accepted accounting principles and with standards established by the Comptroller General of the United States. The State may delegate auditing responsibilities to prime sponsors, but shall approve the auditors and review the audit procedures of such prime sponsors.

(c)(1) Each State shall establish monitoring procedures which insure at least quarterly monitoring visits to training, education, and work assignment sites.

(2) The State shall require the use of standardized monitoring instruments that meet or exceed minimum requirements specified in Federal guidelines prescribed by the Secretary.

(3) The State may delegate monitoring responsibilities to the prime sponsors in the State after review and approval of their monitoring procedures, but shall institute periodic reviews to assure that prime sponsors effectively implement prescribed procedures.

(d)(1) Each State shall establish a management information system which provides, at a minimum, the information specified in Federal guidelines prescribed by the Secretary. The State may require additional information, where reasonable, to assure adequate performance of the prime sponsors and contractors.

(2) Each State shall report annually on the statistical performance of all employment and training activities within the State, consistent with Federal guidelines.

(3) In annual reports to the Secretary under section 126(b)(2), each State employment and training coordinating council shall summarize the audit results for each prime sponsor area and will provide statistical summaries of monitoring reports, list of all corrective action agreements with prime sponsors and private industry councils, and

analysis of the results of these corrective actions.

COMPLAINTS AND SANCTIONS

SEC. 128. (a)(1) Each prime sponsor or contractor or grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

(2) Each recipient of financial assistance under this Act which is an employer of participants under this Act shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

(3) Upon exhaustion of a recipient's grievance procedure without resolution, or where the Governor of the State in which the grievance occurs has reason to believe that the recipient is failing to comply with the requirements of this Act or the terms of the prime sponsor's plan, the Governor shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

(b) The Governor of a State may investigate such facts, conditions, practices, or other matters as the Governor deems necessary to determine whether any recipient of funds in that State or any official of such recipient has violated any provision of this Act or of the regulations under this Act. If the Governor concludes that any recipient of funds under this Act in that State is failing to comply with any provision of this Act or the regulations under this Act or that the recipient has not taken appropriate action against its subcontractors, subgrantees, and other recipients, the Governor shall have authority to revoke all or part of the recipient's plan and to terminate or suspend financial assistance in whole or in part and order such sanctions or corrective actions as are appropriate, including the repayment of misspent funds to the Secretary from sources other than funds under this Act and the withholding of future funding in accordance with subsection (e), if prior notice and an opportunity for a hearing have been given to the recipient. In determining whether to order repayment or to order withholding, the Governor shall take into account whether the recipient acted in willful disregard of statutory requirements, was grossly negligent, or otherwise failed to observe accepted standards of administration. Whenever the Governor orders termination or suspension of financial assistance to a subgrantee or subcontractor (including operators under a nonfinancial agreement), the Governor shall have authority to take whatever action is necessary to enforce such order, to reclaim misspent funds, or to otherwise protect the integrity of the funds or ensure the proper operation of the program, including action directly against the subgrantee or subcontractor, and an order to the primary recipient that it take such legal action.

(c) In emergency situations, if the Governor of a State determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program in that State, the Governor may immediately terminate or suspend financial assistance in whole or in part, if prompt notice and opportunity for a subsequent hearing are given to the recipient, within thirty days after such termination or suspension.

(d) If the Governor of a State determines that any recipient under this Act in that State has—

(1) discharged or in any other manner discriminated against a participant or against any person in connection with the administration of the program involved, or against any person because such person has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any person a benefit to which that person is entitled under the provisions of this Act or regulations thereunder, or

(2) discriminated against any individual, or failed to provide employment or training opportunities at levels of skill and remuneration that are commensurate with the participant's capabilities or potential capabilities,

the Governor shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved person, or both.

(e) The Secretary may withhold from an allocation to a State funds otherwise payable under this Act in order to recover any amounts expended in any fiscal year in violation of any provision of this Act, any regulation promulgated pursuant to this Act, or any term or condition of assistance under this Act. In the event of any such withholding which results from fraud or abuse, the Secretary may order the recipient to conduct the program as specified in the applicable plan on the basis of funds other than funds under this Act and may enforce such order by appropriate civil action, unless the recipient elects to terminate participation as a grantee under this Act.

(f) With the consent of State agencies charged with the administration of State laws, the Secretary is authorized, for the purpose of carrying out this section, to utilize the services of State and local agencies and their employees. Notwithstanding any other provision of law, the Secretary is authorized to reimburse, in whole or in part, such State and local agencies and their employees for services rendered for such purposes.

(g) Except as otherwise provided in subsection (c), the Governor shall not revoke a recipient's plan, in whole or in part, nor institute corrective action or sanctions against a recipient under this section or any other provision of this Act, without first providing the recipient with notice by the Governor of such intended actions and the reasons upon which those intended actions are based, and also providing the recipient with an opportunity to informally resolve those matters contained in the Governor's notice.

(h) In order to ensure compliance with the provisions of this Act and regulations promulgated under this Act and to ensure conduct of programs in a manner consistent with the purposes and objectives of this Act, the Secretary may require prime sponsors to participate in unified audit programs established by the Secretary to provide for the audit of both prime sponsors and their respective subgrantees and subcontractors. In any such case the Secretary may require the prime sponsor to pay, from funds under this Act available to it for administrative expenses, that portion of the unified audit expenses allocable to the audit of such subgrantees and subcontractors.

(i) Nothing in this section shall be deemed to reduce the responsibility and full liability of prime sponsors and other recipients which receive funds directly from the Secretary.

(j) The existence of remedies under this section shall not preclude any person, who alleges that an action of a prime sponsor or of any other recipient violates any of the provisions of this Act or the regulations promulgated under this Act, from instituting a civil action or pursuing any other remedies authorized under Federal, State, or local law.

JUDICIAL REVIEW

SEC. 129. (a) If any prime sponsor is dissatisfied with a final action with respect to the disapproval of its plan under section 105, or if any recipient is dissatisfied with a final action with respect to a sanction under section 128, or if any interested person is dissatisfied with or aggrieved by any final action under section 128, such prime sponsor, recipient, or person may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which the prime sponsor, recipient, or person resides or transacts business a petition for review of such action.

(b) Findings of fact by the Secretary or the Governor of a State, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may, in whole or in part, set aside the findings of the Secretary or Governor or remand the case to the Secretary or Governor in whole or in part to take further evidence, and the Secretary or Governor may thereupon make new or modified findings of fact and may modify the previous action, and shall certify to the court the record of the further proceedings.

SERVICES AND PROPERTY

SEC. 130. The Secretary is authorized, in carrying out functions and responsibilities under this Act, to accept, purchase, or lease in the name of the Department, and employ or dispose of in furtherance of the purposes of this Act, or any title thereof, any money or property, real, personal, or mixed tangible or intangible, received by gift, devise, bequest, or otherwise; and to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 131. The Secretary is authorized, in the performance of functions under this Act, and to the extent permitted by law, to utilize the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and utilize the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 132. No provision of this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel or any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

SCHEDULES FOR SUBMISSION OF PLANS

SEC. 133. (a)(1) The Secretary shall, not later than the March 31 preceding the fiscal year for which a Governor's coordination and special services plan is to take effect, establish a date for the submission of such plans in accordance with the provisions of this Act.

(2) The Secretary shall make available a complete and final set of all applicable regulations and necessary application materials not later than the May 15 preceding the fiscal year for which such plan is to take effect.

(b) If for any reason the Secretary cannot provide a complete and final set of all applicable regulations and necessary application materials by the date established under paragraph (2) of subsection (a), the Secretary shall extend the date for submission of such plan to allow the Governor to review such regulations and to complete such materials during a reasonable period of time prior to submission.

(c) During the period between May 15 and the date for submission of plans, the Secretary shall not issue any regulations or guidelines or interpretations that require any change as a condition for the Secretary's approval or disapproval of any such plan for the succeeding fiscal year. If the Secretary deems that a plan change is required during such period, the Secretary shall allow at least 90 days for final submission of such change, but the applicant may at its own discretion submit the required change at any time.

USE OF FUNDS FOR TRAINING: MINIMUM PERCENTAGE

SEC. 134. (a) Not less than 70 percent of the total funds expended by any prime sponsor for any fiscal year for programs under part B of title II and part C of such title (other than section 267) shall be expended for the direct provision of employment and training services.

(b) No expenditure for any of the following shall be construed to be an expenditure for the direct provision of employment and training services:

(1) wages and subsistence stipends in accordance with paragraph (1)(A)(i) of section 122(a); or

(2) administrative costs.

(c) For purposes of this section, any expenditure for work experience activities shall be considered as an expenditure for training only if combined with relevant skills training for a participant enrolled in such activities for a period not to exceed six months.

Page 68, strike out lines 1 through 4 and insert in lieu thereof the following:

(2) The sum allocated to each State under paragraph (1) shall be allocated by the Governor of such State among areas served by prime sponsors within the State on the basis of the factors set forth in such paragraph.

Page 68, lines 5 and 14, strike out "10 percent" and insert in lieu thereof "12 percent".

Page 68, line 18, strike out "Five" and insert in lieu thereof "Nine".

Page 68, strike out line 20 and insert in lieu thereof "the Secretary to States as funds for planning grants to assist State employment and training coordinating council, prime sponsors, and private industry councils".

Page 68, beginning on line 22, strike out "The prime sponsor shall" and everything that follows through line 4 on page 69.

Page 69, line 7, insert "States for performance supplements to" before "prime sponsors".

Page 70, line 3, insert "States for allocation to" before "prime sponsors"; and on lines 4, 15, and 17, strike out "Secretary" and insert in lieu thereof "Governor".

Page 70, strike out line 19 and everything that follows through line 14 on page 71.

Mr. JOHNSTON (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JOHNSTON. Mr. Speaker, if we are ever going to make an attempt to simplify the procedures under which the State and local governments have to operate under our mandates, this is an excellent way to start.

All of us are in favor of training those who cannot find jobs. But is the proper way to administer such a program to require that three levels of government be involved in all of the decisionmaking? Is it really necessary that a prime sponsor have to come all the way to Washington to seek approval for a plan when a State plan has been adopted?

Why not permit that prime sponsor to go directly for his approval to the State government?

This is not a political ploy. If it were we would not be suggesting that the States, which have far more Democratic Governors than they have Republican Governors, be given more authority.

But it is very important that the private industry councils, the people who are going to have to give these trainees the jobs when the training program is over, be involved at the inception of the process, that the plans originate for those who are going to have to make the program work, and that is business and industry, and that approval of these plans and acceptance and modifications of these plans be accomplished at the lowest possible level.

We have the possibility of over 300 prime sponsors all having to trek to Washington. Why not permit a system of 50 State plans approved by Washington and thereafter permit the private industry councils to go directly to their Governor or their State government for approval of these plans?

There is no need to structure a system that involves all of the different levels of government when the real issue is creating jobs in the private sector of the economy and having the people who must give the people the permanent jobs as a result of the training located in the States, and these plans can be approved locally.

That is all these amendments are designed to do, is to unstructure an already excessively structured, complicated system.

This is not a political ploy. This is not a reason to make this program, which hopefully will replace a program that did not work with one that will, by incorporating decisionmaking down at the level where it has got to take place.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSTON. I yield to the gentleman from Illinois.

Mr. ERLENBORN. I thank the gentleman for yielding.

Is it not true that the motion to recommit which you have offered incorporates in the instructions exactly the same amendment that we voted on earlier, which was the substitute to title I, known as the Erlenborn amendment?

Mr. JOHNSTON. The gentleman from Illinois is correct. That is all it does, is incorporate the simplification provisions of the Erlenborn amendment.

Mr. ERLENBORN. If the gentleman would yield further, is it not also true that the vote earlier today was relatively close and if we had just a few more people attending, and others who might have seen the light since then, we well might win this motion to recommit?

Mr. JOHNSTON. It is; and I think there was a good deal of misapprehension at the time of the original vote as to exactly what this was designed to do.

I think perhaps there were those that thought it was a Republican ploy to deny the Democratic Governors the opportunity to run their own States. On the contrary, we are encouraging that.

Mr. ERLENBORN. But that is not so, and I thank the gentleman.

Mr. HAWKINS. Mr. Speaker, I rise in opposition to the motion.

This simply repeats the action of 2 hours ago.

I am quite sure that the Members knew what they were voting on at that time and I do not know that they have been enlightened since that time. If they have seen any light it probably was the light of some lobbying that has been going on by some of the outside interest groups which is probably very legitimate and proper.

But I would just like to remind the Members that 2 hours ago this was defeated and there is no reason why it should not be defeated again.

I would hope my colleagues will defeat it more decisively now because of its lack of merit.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. ERLENBORN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the passage of the bill. Members will record their presence by electronic device.

The pending vote on the motion to recommit will take 15 minutes. The vote on final passage of the bill, if ordered, will take 5 minutes.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 189, nays 218, not voting 27, as follows:

[Roll No. 243]

YEAS—189

Archer	Frenzel	Michel
Ashbrook	Gilman	Miller (OH)
Atkinson	Gingrich	Mitchell (NY)
Badham	Goldwater	Molinari
Bailey (MO)	Goodling	Montgomery
Benedict	Gradison	Moore
Bereuter	Gramm	Moorhead
Bethune	Gregg	Morrison
Bliley	Grisham	Myers
Broomfield	Gunderson	Napier
Brown (CO)	Hagedorn	Nichols
Broyhill	Hall, Ralph	O'Brien
Burgener	Hall, Sam	Oxley
Butler	Hammerschmidt	Parris
Campbell	Hance	Patman
Carman	Hansen (ID)	Paul
Carney	Hansen (UT)	Petri
Chappie	Hartnett	Porter
Cheney	Hendon	Pritchard
Clausen	Hiler	Quillen
Clinger	Hillis	Railsback
Coats	Holland	Regula
Coleman	Holt	Ritter
Collins (TX)	Hopkins	Roberts (KS)
Conable	Hubbard	Roberts (SD)
Corcoran	Hunter	Robinson
Coughlin	Hyde	Roemer
Courter	Jeffords	Rogers
Coyne, James	Jeffries	Roth
Craig	Johnston	Roukema
Crane, Daniel	Kemp	Rousselot
Crane, Philip	Kindness	Rudd
Daniel, Dan	Lagomarsino	Sawyer
Daniel, R. W.	Latta	Schulze
Dannemeyer	Leach	Sensenbrenner
Daub	Leath	Shaw
Deckard	LeBoutillier	Shelby
Derwinski	Lee	Shumway
Dickinson	Lent	Shuster
Dougherty	Lewis	Siljander
Dreier	Livingston	Skeen
Duncan	Loeffler	Smith (AL)
Dunn	Lott	Smith (NE)
Edwards (AL)	Lowery (CA)	Smith (NJ)
Edwards (OK)	Lujan	Smith (OR)
Emerson	Lungren	Snowe
Emery	Madigan	Snyder
English	Marlenee	Solomon
Erdahl	Marriott	Spence
Erlenborn	Martin (IL)	Stangeland
Evans (DE)	Martin (NC)	Stanton
Fenwick	Martin (NY)	Staton
Fiedler	McClory	Stenholm
Fields	McCollum	Stump
Findley	McCurdy	Tauke
Fish	McDonald	Tauzin
Forsythe	McEwen	Taylor
Fountain	McGrath	Thomas
Tribble	White	Wolf
Vander Jagt	Whitehurst	Wortley
Walker	Whittaker	Wylie
Weber (MN)	Wilson	Young (AK)
Weber (OH)	Winn	Young (FL)

NAYS—218

Addabbo	Flippo	Murtha
Akaka	Florio	Natcher
Albosta	Foglietta	Neal
Alexander	Foley	Nelligan
Anderson	Ford (MI)	Nelson
Andrews	Fowler	Nowak
Annunzio	Frank	Oakar
Anthony	Frost	Oberstar
Applegate	Garcia	Obey
Aspin	Gaydos	Ottinger
AuCoin	Gejdenson	Panetta
Bailey (PA)	Gephardt	Pashayan
Barnard	Gibbons	Patterson
Barnes	Glickman	Pease
Bedell	Gonzalez	Pepper
Beilenson	Gore	Perkins
Benjamin	Gray	Peyser
Bennett	Green	Pickle
Bevill	Guarini	Pursell
Biaggi	Hamilton	Rahall
Bingham	Hatcher	Rangel
Boggs	Hawkins	Ratchford
Bolling	Heckler	Reuss
Boner	Hefner	Rinaldo
Bonior	Heftel	Rodino
Bonker	Hertel	Roe
Bouquard	Hollenbeck	Rose
Bowen	Horton	Rostenkowski
Breaux	Howard	Roybal
Brinkley	Hoyer	Russo
Brodhead	Huckaby	Sabo
Brooks	Hughes	Santini
Brown (CA)	Hutto	Savage
Burton, John	Jacobs	Scheuer
Burton, Phillip	Jenkins	Schneider
Byron	Jones (NC)	Schumer
Chisholm	Jones (OK)	Seiberling
Clay	Kastenmeier	Shamansky
Coelho	Kazen	Sharp
Collins (IL)	Kennelly	Simon
Conte	Kildee	Smith (IA)
Coyne, William	Kogovsek	Smith (PA)
Crockett	Kramer	Solarz
D'Amours	LaFalce	St Germain
Daschle	Lantos	Stark
Davis	Lehman	Stokes
de la Garza	Leland	Stratton
Dellums	Levitas	Studds
DeNardis	Long (LA)	Swift
Derrick	Long (MD)	Synar
Dicks	Lowry (WA)	Traxler
Dingell	Luken	Udall
Dixon	Lundine	Vento
Donnelly	Markey	Volkmer
Dorgan	Martinez	Walgren
Dowdy	Matsui	Wampler
Downey	Mattox	Washington
Dwyer	Mavroules	Watkins
Dymally	Mazzoli	Waxman
Dyson	McDade	Weaver
Early	McHugh	Weiss
Eckart	McKinney	Whitley
Edgar	Mica	Whitten
Edwards (CA)	Mikulski	Williams (MT)
Ertel	Miller (CA)	Wirth
Evans (GA)	Mineta	Wolpe
Evans (IA)	Minish	Wright
Evans (IN)	Mitchell (MD)	Wyden
Fary	Moakley	Yatron
Fascell	Moffett	Young (MO)
Fazio	Mollohan	Zablocki
Ferraro	Mottl	Zeferetti
Fithian	Murphy	

NOT VOTING—27

Bafalis	Fuqua	Price
Beard	Ginn	Rhodes
Blanchard	Hall (OH)	Richmond
Boland	Harkin	Rosenthal
Brown (OH)	Hightower	Schroeder
Chappell	Ireland	Shannon
Conyers	Jones (TN)	Skelton
Dornan	Marks	Williams (OH)
Ford (TN)	McCloskey	Yates

□ 1820

The Clerk announced the following pairs:

On this vote:

Mr. Dornan of California for, with Mr. Rosenthal against.

Mr. Rhodes for, with Mr. Richmond against.

Mr. McCloskey for, with Mr. Williams of Ohio against.

Mr. ROSTENKOWSKI, Mr. LELAND, and Mrs. BYRON changed their votes from "yea" to "nay".

Mr. WEBER of Minnesota and Mr. HOLLAND changed their votes from "nay" to "yea".

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ERLENBORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 52, not voting 26, as follows:

[Roll No. 244]

YEAS—356

Addabbo	Collins (IL)	Florio
Akaka	Conable	Foglietta
Albosta	Conte	Foley
Alexander	Coughlin	Ford (MI)
Anderson	Courter	Forsythe
Andrews	Coyne, James	Fountain
Annunzio	Coyne, William	Fowler
Anthony	Craig	Frank
Applegate	Crockett	Frenzel
Ashbrook	D'Amours	Frost
Aspin	Daschle	Garcia
Atkinson	Daub	Gaydos
AuCoin	Davis	Gejdenson
Bailey (MO)	de la Garza	Gephardt
Bailey (PA)	Deckard	Gibbons
Barnard	Dellums	Gilman
Barnes	DeNardis	Gingrich
Bedell	Derrick	Glickman
Beilenson	Derwinski	Gonzalez
Benedict	Dicks	Goodling
Benjamin	Dingell	Gore
Bennett	Dixon	Gradison
Bereuter	Donnelly	Gray
Bethune	Dorgan	Green
Bevill	Dougherty	Guarini
Biaggi	Dowdy	Gunderson
Bingham	Downey	Hagedorn
Bliley	Duncan	Hall, Ralph
Boggs	Dunn	Hamilton
Boland	Dwyer	Hammerschmidt
Bolling	Dymally	Hansen (UT)
Boner	Dyson	Hatcher
Bonior	Early	Hawkins
Bonker	Eckart	Heckler
Bouquard	Edgar	Hefner
Bowen	Edwards (AL)	Heftel
Breaux	Edwards (CA)	Hertel
Brinkley	Emerson	Hiler
Brodhead	Emery	Hillis
Brooks	English	Holland
Broomfield	Erdahl	Hollenbeck
Brown (CA)	Erlenborn	Holt
Broyhill	Ertel	Hopkins
Burton, John	Evans (DE)	Horton
Burton, Phillip	Evans (GA)	Howard
Byron	Evans (IA)	Hoyer
Campbell	Evans (IN)	Hubbard
Carman	Fary	Huckaby
Carney	Fascell	Hughes
Chappie	Fazio	Hutto
Chisholm	Fenwick	Hyde
Clausen	Ferraro	Jacobs
Clay	Fiedler	Jeffords
Clinger	Findley	Jenkins
Coats	Fish	Jones (NC)
Coelho	Fithian	Jones (OK)
Coleman	Flippo	Kastenmeier

Kazen	Moorhead	Shaw
Kemp	Morrison	Shelby
Kennelly	Mottl	Shumway
Kildee	Murphy	Siljander
Kindness	Murtha	Simon
Kogovsek	Myers	Smith (AL)
Kramer	Napier	Smith (IA)
LaFalce	Natcher	Smith (NE)
Lagomarsino	Neal	Smith (NJ)
Lantos	Nelligan	Smith (PA)
Latta	Nelson	Snowe
Leach	Nowak	Solarz
LeBoutillier	O'Brien	Solomon
Lee	Oakar	Spence
Lehman	Oberstar	St Germain
Leland	Obey	Stangeland
Lent	Ottinger	Stanton
Levitas	Oxley	Stark
Lewis	Panetta	Staton
Livingston	Parris	Stokes
Long (LA)	Pashayan	Stratton
Long (MD)	Patman	Studds
Lowery (CA)	Patterson	Swift
Lowry (WA)	Pease	Synar
Lujan	Pepper	Tauke
Luken	Perkins	Tauzin
Lundine	Petri	Thomas
Lungren	Peyser	Traxler
Madigan	Pickle	Trible
Markey	Porter	Udall
Marlenee	Pritchard	Vander Jagt
Marriott	Pursell	Vento
Martin (IL)	Quillen	Volkmer
Martin (NC)	Rahall	Walgren
Martin (NY)	Railsback	Walker
Martinez	Rangel	Wampler
Matsui	Ratchford	Washington
Mattox	Regula	Watkins
Mavroules	Reuss	Waxman
Mazzoli	Rinaldo	Weaver
McClory	Ritter	Weber (OH)
McCollum	Rodino	Weiss
McCurdy	Roe	White
McDade	Rogers	Whitley
McEwen	Rose	Whittaker
McGrath	Rostenkowski	Whitten
McHugh	Roth	Williams (MT)
McKinney	Roukema	Wilson
Mica	Rousselot	Winn
Michel	Roybal	Wirth
Mikulski	Russo	Wolf
Miller (CA)	Sabo	Wolpe
Miller (OH)	Santini	Wortley
Mineta	Savage	Wright
Minish	Sawyer	Wyden
Mitchell (MD)	Scheuer	Wylie
Mitchell (NY)	Schneider	Yatron
Moakley	Schulze	Young (AK)
Moffett	Schumer	Young (MO)
Molinari	Seiberling	Zablocki
Mollohan	Shamansky	Zeferetti
Moore	Sharp	

NAYS—52

Archer	Gramm	Roberts (KS)
Badham	Gregg	Roberts (SD)
Brown (CO)	Grisham	Robinson
Burgener	Hall, Sam	Roemer
Butler	Hance	Rudd
Cheney	Hansen (ID)	Sensenbrenner
Collins (TX)	Hartnett	Shuster
Corcoran	Hendon	Skeen
Crane, Daniel	Hunter	Smith (OR)
Crane, Philip	Jeffries	Snyder
Daniel, Dan	Johnston	Stenholm
Daniel, R. W.	Leath	Stump
Dannemeyer	Loeffler	Taylor
Dickinson	Lott	Weber (MN)
Dreier	McDonald	Whitehurst
Edwards (OK)	Montgomery	Young (FL)
Fields	Nichols	
Goldwater	Paul	

NOT VOTING—26

Bafalis	Ginn	Rhodes
Beard	Hall (OH)	Richmond
Blanchard	Harkin	Rosenthal
Brown (OH)	Hightower	Schroeder
Chappell	Ireland	Shannon
Conyers	Jones (TN)	Skelton
Dornan	Marks	Williams (OH)
Ford (TN)	McCloskey	Yates
Fuqua	Price	

□ 1830

Mr. HUNTER changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5320, the bill just passed.

The SPEAKER pro tempore (Mr. RAHALL). Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5320, JOB TRAINING PARTNERSHIP ACT

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill the Clerk be authorized to correct section numbers, punctuation, an cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill H.R. 5320.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. Mr. Speaker, pursuant to the provisions of House Resolution 527, I call up from the Speaker's table the Senate bill (S. 2036) to provide for a job training program and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. HAWKINS

Mr. HAWKINS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HAWKINS moves to strike all after the enacting clause of the Senate bill, S. 2036, and to insert in lieu thereof the provisions of the bill, H.R. 5320, as passed, as follows:

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Job Training Partnership Act".

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Authorization of appropriations.
Sec. 4. Definitions.

TITLE I—JOB TRAINING AND EMPLOYMENT ASSISTANCE SYSTEM

PART A—COMMUNITY PUBLIC-PRIVATE PARTNERSHIP SYSTEM

Sec. 101. Prime sponsors.
Sec. 102. Private industry councils.
Sec. 103. Performance standards.
Sec. 104. Community job training plans.
Sec. 105. Review of plans.

PART B—STATE RESPONSIBILITIES

Sec. 111. Governor's coordination and special services plan.
Sec. 112. State employment and training coordinating councils.
Sec. 113. Coordination with State education and training agencies.
Sec. 114. State incentive grants.
Sec. 115. State labor market information programs.
Sec. 116. Interstate agreements.

PART C—GENERAL REQUIREMENTS

Sec. 121. General program requirements.
Sec. 122. Wages, benefits, and allowances.
Sec. 123. Labor standards.
Sec. 124. Allocation of funds.
Sec. 125. Availability of funds.
Sec. 126. Reporting requirements.
Sec. 127. Records, audits, and investigations.
Sec. 128. Complaints and sanctions.
Sec. 129. Judicial review.
Sec. 130. Services and property.
Sec. 131. Utilization of services and facilities.
Sec. 132. Prohibition against Federal control of education.
Sec. 133. Schedules for submission of plans.
Sec. 134. Use of funds for training: minimum percentage.

TITLE II—EMPLOYMENT AND TRAINING SERVICES FOR THE DISADVANTAGED

PART A—GENERAL PROVISIONS

Sec. 200. Statement of purpose.
Sec. 201. Allocation of funds.
Sec. 202. Eligibility for services.
Sec. 203. Division of funds.

PART B—ADULT TRAINING PROGRAMS

Sec. 231. Eligibility for adult programs.
Sec. 232. Use of funds.
Sec. 233. Customized training requirement.

PART C—YOUTH PREPARATORY PROGRAMS

Sec. 261. Eligibility for youth preparatory programs.
Sec. 262. Participation in part B programs.
Sec. 263. Education for employment.
Sec. 264. Preemployment skills training.
Sec. 265. Entry employment experience.
Sec. 266. School-to-work transition assistance.
Sec. 267. Summer youth employment programs.
Sec. 268. Education standards.

TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISPLACED WORKERS

Sec. 301. Purpose.
Sec. 302. Allocation of funds.
Sec. 303. Matching requirement.
Sec. 304. State displaced worker plans; coordination with other programs.
Sec. 305. Prime sponsor review.
Sec. 306. Consultation with labor organizations.
Sec. 307. Authorized activities.
Sec. 308. Eligible participants.

TITLE IV—NATIONAL EMPLOYMENT AND TRAINING PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

Sec. 401. Native American programs.
Sec. 402. Migrant and seasonal farmworker programs.

PART B—JOB CORPS

Sec. 421. Statement of purpose.
Sec. 422. Establishment of the Job Corps.
Sec. 423. Individuals eligible for the Job Corps.
Sec. 424. Screening and selection of applicants: general provisions.
Sec. 425. Screening and selection: special limitations.
Sec. 426. Enrollment and assignment.

Sec. 427. Job Corps centers.
Sec. 428. Program activities.
Sec. 429. Allowances and support.
Sec. 430. Standards of conduct.
Sec. 431. Community participation.
Sec. 432. Counseling and job placement.
Sec. 433. Experimental and developmental projects and coordination with other programs.
Sec. 434. Advisory boards and committees.
Sec. 435. Participation of the States.
Sec. 436. Application of provisions of Federal law.
Sec. 437. Special provisions.
Sec. 438. General provisions.
Sec. 439. Donations.

PART C—NATIONAL PROGRAMS AND ACTIVITIES

Sec. 441. Multistate programs.
Sec. 442. Research, demonstration, and evaluation.
Sec. 443. Training and technical assistance.
Sec. 444. Office of management assistance.
Sec. 445. Veterans' employment.

PART D—LABOR MARKET INFORMATION

Sec. 451. Purpose; availability of funds.
Sec. 452. Cooperative labor market information program.
Sec. 453. Federal responsibilities.
Sec. 454. National Occupational Information Coordinating Committee.
Sec. 455. Job bank program.

PART E—NATIONAL COMMISSION ON EMPLOYMENT AND PRODUCTIVITY

Sec. 461. Statement of purpose.
Sec. 462. Commission established.
Sec. 463. Functions of the Commission.
Sec. 464. Administrative provisions.
Sec. 465. Reports.

TITLE V—AMENDMENTS TO OTHER LAWS

Sec. 501. Wagner-Peyser Act amendments.
Sec. 502. Amendments to part C of title IV of the Social Security Act.
Sec. 503. Repeal; transition provisions.

PURPOSES

SEC. 2. The purposes of this Act are (1) to increase the productive capacity and utilization of the Nation's labor force by improving the match between the skills of the labor force and the needs of the economy and preparing youth and unskilled adults for entry into the labor force, and (2) to enhance the job skills of unemployed and underemployed individuals, including dislocated workers, as well as those with obsolete skills. It is further the purpose of this Act to establish a community-based employment and training system built on a partnership between State and local governments and the private sector.

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) There are authorized to be appropriated to carry out this Act (other than part B of title IV) such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.

(b) There are authorized to be appropriated $650,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this Act.

DEFINITIONS

SEC. 4. For the purposes of this Act, the following definitions apply:

(1) The term "academic credit" means credit for education, training, or work experience applicable toward a secondary school diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law and regulation and the requirements of an accredited educational agency or institution in a State.

(2) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain activities under this Act and which has an average rate of unemployment of at least 6.5 percent for the most recent calendar year as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.

(3) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide employment and training services.

(4) The term "designated enterprise zone" means an area of pervasive poverty, unemployment, and general distress designated for special treatment under Federal law.

(5) The term "economic development organizations and agencies" includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

(6) The term "economically disadvantaged" means an individual who (A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program; (B) has, or is a member of a family which has, received a total family income during the six-month period prior to application for the program involved which would have qualified such individual or family for cash welfare payments, subject to regulations of the Secretary; (C) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of unemployment compensation and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level; (D) is a foster child on behalf of whom State or local government payments are made; or (E) in cases permitted by regulations of the Secretary, is a handicapped individual who individually meets the requirements of clause (A), (B), or (C), but who is a member of a family which does not meet such requirements.

(7) The term "Federal employment-related programs" includes any federally-assisted program which provides employment assistance, vocational education, rehabilitation, community development, economic development, energy conservation improvements to dwellings occupied by low-income persons, or other services to assist individuals to obtain and retain employment.

(8) The term "Governor" means the chief executive of any State.

(9) The term "handicapped individual" means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

(10) The term "Hawaiian native" means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

(11) The terms "institutions of higher education" means those institutions defined as institutions of higher education in section 1201(a) of the Higher Education Act of 1965.

(12) The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence, and identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas.

(13) The term "local educational agency" means such an agency as defined in section 195(10) of the Vocational Education Act of 1963.

(14) The term "low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

(15) The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent "lower living family budget" issued by the Secretary.

(16) The term "postsecondary institutions" means those institutions defined as institutions of higher education in section 481(a)(1) of the Higher Education Act of 1965.

(17) The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a need or income test.

(18) The term "Secretary" means the Secretary of Labor.

(19) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(20) The term "State educational agency" means such an agency as defined in section 195(11) of the Vocational Education Act of 1963.

(21) The term "unemployed individuals" means individuals who are without jobs and who want and are available for work, as determined in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed, but such criteria shall not be applied differently on account of an individual's previous employment.

(22) The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(23)(A) The term "veteran" means an individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(B) The term "disabled veteran" means (i) a veteran who is entitled to compensation under laws administered by the Veterans' Administration, or (ii) an individual who was discharged or released from active duty because of service-connected disability.

(24). The term "vocational education" has the meaning provided in section 195(1) of the Vocational Education Act of 1963.

TITLE I—JOB TRAINING AND EMPLOYMENT ASSISTANCE SYSTEM

PART A—COMMUNITY PUBLIC-PRIVATE PARTNERSHIP SYSTEM

PRIME SPONSORS

SEC. 101. (a) A prime sponsor under this Act shall be—

(1) a State;

(2) any unit of general local government which has a population of 150,000 or more

individuals on the basis of the most satisfactory current data available to the Secretary;

(3)(A) any consortium of units of general local government which includes any unit of general local government qualifying under paragraph (2); or

(B) any consortium of units of general local government which has an aggregate population of 150,000 or more individuals and which includes any unit of general local government which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act;

(4) any unit of general local government or any consortium of such units, without regard to population, which can demonstrate, to the satisfaction of the Secretary, that (A) it serves a substantial portion of a labor market area within the State in which such unit or consortium is located, and (B) that no other eligible unit of general local government has submitted an approvable plan for serving a substantial portion of such labor market area;

(5) in order to provide for an orderly transition, for fiscal years 1983 through 1988, any unit or consortium of units of general local government without regard to paragraphs (2), (3), and (4) (but subject to subsection (f)), which was previously designated as a prime sponsor under the Comprehensive Employment and Training Act; and

(6) any existing concentrated employment program grantee for a rural area which served such area under the Comprehensive Employment and Training Act.

(b) Any prime sponsor which is a consortium as described in paragraph (3)(A) or (4) of subsection (a) and which serves a substantial portion of a labor market area within the State in which such prime sponsor is located shall be eligible to receive bonus payments under section 201(f).

(c)(1)(A) A State may qualify as a prime sponsor for any geographic area which is not within the jurisdiction of any prime sponsor which is a unit of general local government, a consortium of such units, or a concentrated employment program.

(B) The Governor of any State which qualifies as a prime sponsor under subparagraph (A) shall designate one or more service delivery areas within the area served by the State (as a prime sponsor), in consultation with units of general local government within each such area, and shall establish a private industry council for each such area pursuant to the requirements of section 102.

(2) A larger unit of general local government shall not qualify as a prime sponsor with respect to the jurisdiction within its area of any smaller unit of general local government which is or is part of a prime sponsor that has submitted an approvable plan for such area.

(d) An applicant shall, not later than such date as the Secretary shall prescribe, submit to the Secretary a notice of intent to be a prime sponsor under this Act for a two-year period. The Secretary shall designate as a prime sponsor any applicant submitting such a notice unless the Secretary determines that such applicant does not qualify under this section.

(e) In any area for which no prime sponsor has been designated, the Secretary may designate the State or other alternate prime sponsor in the State to develop a plan for that area.

(f) Notwithstanding paragraph (5) of subsection (a), if two or more previously designated prime sponsors are eligible to be designated under such paragraph but are located in a single labor market area within the same State, then such prime sponsors shall not be designated for purposes of this Act unless such prime sponsors establish a joint private industry council. Such joint council shall serve an area which has a population of at least 150,000 individuals or which comprises a substantial portion of such labor market area. The joint private industry council shall be appointed in accordance with section 102(b), except that each prime sponsor shall be entitled to proportionate representation on the council on the basis of population. Nothing in this subsection shall be construed to preclude two or more prime sponsors located in a single labor market area which are not required to establish a joint private industry council from establishing such a council.

PRIVATE INDUSTRY COUNCILS

SEC. 102. (a)(1) A private industry council shall be established with joint responsibility with the prime sponsor for the planning of activities under this Act. A prime sponsor may designate a private industry council which served the same prime sponsor area under title VII of the Comprehensive Employment and Training Act to serve as the private industry council for purposes of this Act.

(2) No funds available under this Act shall be provided by the prime sponsor for any activity which does not have the approval of both the prime sponsor and the private industry council.

(b)(1) A majority of the members of the council shall be representatives of business and industry in the area served by the prime sponsor, one of whom shall be designated as the initial chairman or chairwoman of the private industry council. Private industry representatives shall be appointed from among individuals recommended by local business organizations operating within the area served by that prime sponsor and, whenever possible, at least one-half of such business and industry representatives shall be representatives of small business (including minority business). The remaining members shall be representatives of labor, education (representative of secondary, postsecondary, and vocational education agencies and institutions), rehabilitation, community-based organizations, the employment service, and economic development organizations and agencies. Members shall be appointed by the prime sponsor from among individuals recommended by appropriate organizations and agencies.

(2) In making appointments to the Council, the prime sponsor shall ensure that the membership of the Council reasonably represents the population of the area served by that prime sponsor.

(3) Members shall be appointed for fixed terms and shall serve until their successors are appointed. The prime sponsor may not dissolve the council or remove any member of the council, except for cause in accordance with regulations of the Secretary. Vacancies in the membership of the council shall be filled in the same manner as the original appointments.

(4) For purposes of this subsection, the term "small business" means private, for-profit enterprises employing 500 or fewer employees.

(c) Subject to subsection (a)(2), each prime sponsor shall make funds available, out of administrative costs allowable under section 121(p), to enable each private industry council to hire professional, technical, and clerical staff to assist in carrying out its responsibilities under subsection (a) of this section (if any funds for such purpose are desired by such council).

(d) In organizing and making appointments to a private industry council established for purposes of this Act, a prime sponsor shall ensure that such council is eligible to be designated as a planning council for any other employment and training programs operated within designated enterprise zones.

PERFORMANCE STANDARDS

SEC. 103. (a) Within six months after the date of enactment of this Act, the Secretary shall establish performance criteria appropriate to programs carried out under part B of title I, title III, and part A of title IV, and with respect to programs carried out by prime sponsors under this Act shall—

(1) establish national performance criteria on the basis of appropriate factors which shall include (A) placement in unsubsidized employment, (B) retention in unsubsidized employment, (C) the increase in earnings, including hourly wages, and (D) reduction in the number of individuals and families receiving cash welfare payments; and

(2) designate factors for evaluating the performance of youth programs which, reduced income support costs, increased tax revenues, in addition to appropriate utilization of the factors described in paragraph (1), shall be (A) attainment of employability competencies, (B) elementary, secondary, and postsecondary school completion, or the equivalent thereof, and (C) enrollment in other training programs or apprenticeships, or enlistment in the military.

(b)(1) The Secretary shall determine the adequacy of each prime sponsor's proposed performance goals, and each State's proposed performance goals for programs under part B of title I and title III, on the basis of minimum performance standards which are designed to measure outcomes, are appropriate for each such program, and are approved by the Secretary. Such minimum performance standards shall be based on the national performance criteria established under subsection (a), appropriately weighting and varying the factors in such criteria to recognize local conditions and the nature of employment barriers encountered by the eligible population to be served.

(2) The Secretary may modify the applicability of any standard prescribed under paragraph (1) for any prime sponsor which demonstrates exceptional local economic hardship and may approve a plan submitted under section 104 which contains performance goals which are less stringent than the standard prescribed under paragraph (1), if such less stringent goals are the best reasonably attainable goals for that prime sponsor given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided.

(c) If the Secretary finds on the basis of reports submitted by the prime sponsor under section 126 that a prime sponsor is substantially failing to attain one or more of the performance goals contained in the plan approved for that prime sponsor, the Secretary shall—

(1) so notify the prime sponsor and the private industry council;

(2) provide technical assistance to the prime sponsor and the private industry council to assist in attaining those goals; and

(3) in case of ongoing failure to attain those goals during two consecutive years, after notice and opportunity for a hearing

to the prime sponsor concerned, designate the State or other alternate prime sponsor to prepare a plan for the area served by the unsuccessful prime sponsor for the succeeding years and terminate the provision of funds under this Act to that unsuccessful prime sponsor.

(d) If the Secretary determines that a prime sponsor has demonstrated that it has corrected the causes of a failure which led to a termination of funding under subsection (c)(3), the Secretary may designate that prime sponsor to prepare a plan for a two-year period after an alternate prime sponsor has served the respective area.

COMMUNITY JOB TRAINING PLANS

SEC. 104. (a)(1) No funds shall be provided to any prime sponsor under this Act for any fiscal year except pursuant to a biennial community job training plan which—

(A) meets the requirements of this title;

(B) is developed with the participation of, and submitted with the approval of a majority of, the private industry council for that prime sponsor; and

(C) is approved by the Secretary.

(2) If a prime sponsor and private industry council fail to concur on the submission of a plan for any period and the Secretary is unable to resolve the disagreement, or the plan submitted is not approved by the Secretary and no other approvable plan is submitted by the prime sponsor, the Secretary may designate the State or other alternate prime sponsor in the State to develop a plan for the area normally served by that prime sponsor. Any such plan submitted by the State or other alternate prime sponsor shall be developed with the participation of, and submitted with the approval of a majority of, the private industry council for that alternate prime sponsor. In the event that no alternate prime sponsor is able or willing to submit such a plan, the Secretary may develop a plan directly or through an appropriate public or private nonprofit agency or organization for that area.

(3) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved biennial plan, the prime sponsor, with the concurrence of the private industry council, shall submit a modification of such plan, which shall be subject to review in accordance with section 105.

(b) Each plan submitted under this section shall include—

(1) a designation of the entity to administer programs and services under this Act in the prime sponsor area, which—

(A) may be constituted as a nonprofit corporation, with administrative and planning staff hired as employees of the corporation; or

(B) may utilize government employees as administrative and planning staff;

(2) a description of the activities to be conducted with funds made available under this Act, which shall set forth—

(A) a labor market analysis, containing projections of the availability of employment and training, and the potential for growth, in various public and private labor market sectors in the prime sponsor area, including sectors with current high growth rates, with special attention to the national need to promote energy conservation and develop renewable energy sources;

(B) an analysis of the demographic characteristics of the eligible population in the area, an identification of the groups targeted for service among the eligible population, and the methods for determining priority for service among such population;

(C) a description of the procedures for selection of participants;

(D) a description of the training and employment services to be provided, including the duration of service, estimated cost per participant, wages and benefits, stipends, or allowances to be provided, and supportive services;

(E)(i) a description of procedures assuring that training services will be carried out through subgrants or subcontracts with service providers of demonstrated effectiveness, unless the plan sets forth substantial justification that specific services would be carried out more effectively by the administrative entity directly, and (ii) a statement of the methods of selection and criteria for selection of service providers, which shall include proper consideration of community-based organizations as subgrantees or subcontractors for the provision of such services;

(F) assurances that arrangements with employers which include training at both the worksite and in a classroom will, to the extent feasible, provide for prior agreement with the employer on length of time to be spent in the classroom and length of time to be spent on the worksite. Such arrangements shall also assure that time to be spent in the classroom is the minimum necessary for occupational preparedness as described by employers, and that classroom training will enhance the trainee's career opportunities, productivity, and capability for career advancement;

(G) a description of the arrangements for the active involvement of State and local educational agencies (including vocational education), public assistance agencies, rehabilitation agencies, economic development organizations and agencies, the employment service, and other appropriate employment-related programs and agencies in the delivery of services;

(H) a detailed description of recordkeeping procedures for the expenditure of funds and procedures for monitoring and auditing any subgrantees or subcontractors;

(I) a description of the allocation and use of any funds which will be retained from funds for one fiscal year for use in the succeeding fiscal year; and

(J) a description of procedures which will be used to consider previously funded community-based organizations, education agencies, and other deliverers of services which were both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act, in the delivery of programs and activities conducted under this Act;

(3) performance goals established by the prime sponsor which (A) meet or exceed the performance standards applicable to the prime sponsor as established by the Secretary under section 103 (as modified in accordance with subsection (b)(2) of such section), and (B) are the best reasonably attainable goals for that prime sponsor given the local economic conditions, the characteristics of the population to be served, and the type of services to be provided;

(4) assurances by the prime sponsor that it will comply with all the requirements contained in part C of this title, and with the other provisions of this Act and of State law which are applicable to the activities being conducted;

(5) a description of methods of coordinating programs under this Act with other Federal, State, and local employment-related programs, including any procedures which may be adopted to provide for uniform intake or other administrative forms to be used for programs under this Act in conjunction with such other employment-related programs; and

(6) in the case of any prime sponsor establishing a joint private industry council under section 101(f), a description of any arrangements made with other prime sponsors served by the same joint private industry council to conduct a single labor market analysis in accordance with paragraph (2)(A), to establish procedures in accordance with section 121(g) to serve eligible participants from the other member prime sponsor areas, and otherwise to carry out programs and activities under this Act.

REVIEW OF PLANS

SEC. 105. (a) Each prime sponsor shall, at least 90 days before submitting its biennial community job training plan to the Secretary—

(1) transmit such plan to the private industry council for that prime sponsor for purposes of review, comment, revision, and approval;

(2) make such plan available for review and comment to—

(A) each house of the State legislature for appropriate referral;

(B) appropriate units of general local government and appropriate local educational agencies in the prime sponsor area; and

(C) labor organizations in the area which represent employees having the skills in which training is proposed; and

(3) make such plan reasonably available to the general public through such means as public hearings and local news facilities.

(b)(1) Prior to submission of the plan to the Secretary—

(A) such plan shall be transmitted to the State employment and training coordinating council, which shall certify the plan, if it determines that the plan is consistent with the criteria under the Governor's coordination and special services plan for coordination of activities under this Act with Federal, State, and local employment-related programs; and

(B) such plan shall be returned to the prime sponsor for a period of 30 days for it to consider the council's recommendations for modifying the plan, if the State employment and training coordinating council fails to certify the plan as provided by subparagraph (A).

(2) The recommendations of the State employment and training coordinating council shall accompany the plan as submitted to the Secretary, and the Governor of the State shall be afforded the opportunity to submit to the Secretary proposed modifications of the plan.

(c)(1) The Secretary shall review each community job training plan to determine whether it meets the requirements of this Act and has been approved by the private industry council for that prime sponsor, and whether the performance goals established in such plan comply with section 103 and are adequate and reasonable with respect to local economic conditions and the purposes of the plan.

(2) In determining whether to approve a plan, the Secretary shall take into account the recommendations of the State employment and training coordinating council, and any proposed modifications to such plan submitted by the Governor, concerning the community job training plan's consistency with criteria established under section 111(b)(1) for coordination of activities under this Act with Federal, State, and local

employment-related programs. If the Secretary does not accept such recommendations or proposed modifications, the Secretary shall, within 30 days, notify the Governor in writing of such decision and of the reasons therefor.

(3) The Secretary may disapprove all or any portion of the plan if the Secretary determines that the use of funds for a particular subcontract or subgrant provided within any portion of the plan would be grossly inefficient or materially fail to carry out the purposes of this Act, but the Secretary shall not disapprove all or any portion of the plan solely on the basis of the type or duration of training proposed.

(d) The Secretary shall disapprove any plan that does not fully satisfy the review under subsection (c), after a reasonable opportunity, but not less than thirty days, has been given to the prime sponsor to remedy any defect found in the plan and the prime sponsor has failed to do so. Whenever the Secretary disapproves a plan, a notice of disapproval shall be transmitted to the prime sponsor, the private industry council for that prime sponsor, and the Governor, accompanied by a statement of reasons for the disapproval. The Secretary shall not disapprove a plan without first affording an opportunity for a hearing to the prime sponsor.

PART B—STATE RESPONSIBILITIES

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

SEC. 111. (a) Any State seeking financial assistance under this Act shall submit a biennial Governor's coordination and special services plan to the Secretary describing the use of all resources provided to the State and its prime sponsor areas under this Act, evaluating the experience over the preceding two years, and setting policy and program goals for the succeeding two years.

(b)(1) The plan shall establish criteria for coordinating activities under this Act with programs and services provided by State and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development organizations and agencies, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State.

(2) The plan shall describe the projected use of resources, including oversight and support activities, priorities and criteria for State incentive grants, and performance goals for State supported programs.

(3) If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing these changes.

(c) Governor's coordination and special services activities shall include the following:

(1) making available to prime sponsors and private industry councils, with or without reimbursement and upon request, appropriate information and technical assistance to assist them in developing and implementing their programs;

(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

(3) provide training and employment programs and related services to meet the needs of special population groups within the State, such as offenders and ex-offenders;

(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

(5) provide training and employment opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

(6) fostering the activities of the State occupational information coordinating committee established pursuant to section 161(b)(2) of the Vocational Education Act of 1963;

(7) industrywide training;

(8) activities under title III of this Act;

(9) developing and providing to prime sponsors information on a State and local area basis regarding economic, industrial, and labor market conditions;

(10) expending an adequate portion of funds available under section 201(b) to identify, and promote the selection as participants of, eligible older persons in need of employment, and to provide eligible older persons with training designed to assure their placement with private business concerns;

(11) providing preservice and inservice training for planning, management, and delivery staffs of local prime sponsors and private industry councils, as well as contractors for State supported programs; and

(12) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs.

(d) A Governor's coordination and special services plan shall be approved by the Secretary only if the Secretary determines that the plan satisfactorily complies with subsections (b) and (c).

STATE EMPLOYMENT AND TRAINING COORDINATING COUNCIL

SEC. 112. (a)(1) Any State which desires to receive financial assistance under this Act shall establish a State employment and training coordinating council (hereinafter in this section referred to as the "council"). Funding for the council shall be provided pursuant to section 201(b).

(2) The council shall be appointed by the Governor, who shall designate one public member thereof to be chairperson. In making appointments to the Council, the Governor shall ensure that the membership of the Council reasonably represents the population of the State.

(3) The council shall be composed as follows:

(A) one-fourth of the members shall be representatives of business and industry (including agriculture, where appropriate) in the State, including individuals who are representatives of business and industry on private industry councils in the State;

(B) one-fourth of the members shall be representatives of the State legislature and of employment- and training-related agencies and programs in the State, including the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State;

(C) one-fourth of the members shall be representatives of the units or consortia of units of general local government in such State (including those which are prime sponsors) which shall be nominated by the chief executive officers of the units or consortia of units of general local government; and

(D) one-fourth of the members shall be representatives of the eligible population and of the general public, representatives of organized labor, representatives of community-based organizations, and representatives of local educational agencies (nominated by local educational agencies).

(4) The council shall meet at such times (but at least five times each year) and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

(5) The council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

(6) In order to assure objective management and oversight, the council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

(7) The plans and decisions of the council shall be subject to approval by the Governor.

(8) For purposes of section 105 of the Vocational Education Act of 1963, the council shall be considered to be the same as either the State Manpower Services Council referred to in that section or the State Employment and Training Council authorized under the Comprehensive Employment and Training Act.

(b) The council shall—

(1) develop the Governor's coordination and special services plan to be submitted, with the approval of the Governor, to the Secretary;

(2) review community job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and local employment-related programs, including programs operated in designated enterprise zones;

(3) review continuously the operation of programs conducted by each prime sponsor, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Secretary, to the prime sponsors and private industry councils, to agencies providing employment and training services, to the Governor, to the State legislature, and to the general public with respect to ways to improve the effectiveness of such programs or services;

(4) review the community job training plans, especially with respect to nonutilization or duplication of existing services;

(5) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist prime sponsors or otherwise to assist in carrying out the purposes of this Act;

(6)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic develop-

ment, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment at least once annually on the reports required pursuant to section 105(d)(3) of the Vocational Education Act of 1963; and

(7) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from the State advisory council under the Act of June 6, 1933 (the Wagner-Peyser Act), and any State coordinating committee for the work incentive program under title IV of the Social Security Act.

COORDINATION WITH STATE EDUCATION AND TRAINING AGENCIES

SEC. 113. (a) An amount equal to 20 percent of the sums available for purposes of section 201(b) shall be utilized for the purpose of facilitating coordination among State education and training agencies and prime sponsors under this section.

(b) In order to ensure effective coordination among employment-related education and training programs in the State, the Governor shall provide financial assistance to the appropriate State education agency or agencies responsible for education and training to facilitate coordination of services for eligible participants through cooperative agreements between such State agencies and prime sponsors. Such assistance may include—

(1) technical and financial assistance to vocational education institutions and local educational agencies to aid them in making cooperative arrangements with appropriate prime sponsors, private employers, and community-based organizations;

(2) provision to prime sponsors of information, curriculum materials, and technical assistance in curriculum development and staff development; and

(3) other appropriate assistance to develop and sustain the capacity to provide community-based employment and training programs for economically disadvantaged individuals.

STATE INCENTIVE GRANTS

SEC. 114. (a)(1) The sums reserved under section 201(d) for use under this section shall be made available by the Governor to the State education agency or agencies responsible for education and training for incentive grants to improve vocational services to individuals eligible under this Act in areas served by prime sponsors, in accordance with agreements for the use of such grant funds between such State agency or agencies and the prime sponsor, and (where appropriate) local educational agencies. Such agreements shall provide for the contribution by the State agency or agencies, and the local educational agency (if any), of a total amount equal to the amount provided in such incentive grant. Such matching amount shall not be provided from funds available under this Act, but may include the direct cost of employment or training services provided by State or local programs.

(2) Funds available under this section may be used to provide vocational education and related services to participants under this Act.

(b) If no joint agreement is reached on the use of funds under this section, the funds shall be available to the Governor for use in accordance with section 111.

STATE LABOR MARKET INFORMATION PROGRAMS

SEC. 115. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 451(b), the Governor shall designate an organizational unit which shall be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system and which shall—

(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

(A) is responsive to the economic demand and educational training supply support needs of the State and areas within the State, and

(B) meets the Federal standards under chapter 35 of title 44 of the United States Code and other appropriate Federal standards established by the Bureau of Labor Statistics;

(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

(A) identification of geographic and occupational areas of potential growth or decline; and

(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

(3) assure, to the extent feasible, that—

(A) automated technology will be used by the State;

(B) administrative records have been designed to reduce paperwork; and

(C) multiple survey burdens on the employers of the State have been reduced;

(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices; and

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system.

(b)(1) The analysis required under clause (2) of subsection (a) shall be used by States and by prime sponsors to contribute to carrying out the provisions of this Act, the Vocational Education Act of 1963, and the Act of June 6, 1933 (the Wagner-Peyser Act).

(2) The assurance required by clause (3) of subsection (a) shall also provide that the State will, to the maximum extent feasible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping by State and local agencies, including secondary and postsecondary educational institutions.

(3) If Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results shall remain in the public domain.

INTERSTATE AGREEMENTS

SEC. 116. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

PART C—GENERAL REQUIREMENTS

GENERAL PROGRAM REQUIREMENTS

SEC. 121. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

(a)(1) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(2) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

(3) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

(b) Prime sponsors shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities and shall make every effort to provide equitable services among significant segments of the eligible population.

(c)(1) All individuals participating in training under this Act shall be eligible to receive allowances pursuant to section 122. No participant may receive allowances from funds under this Act for institutional or classroom training for more than 104 weeks in a five-year period.

(2) No individual shall participate in programs receiving financial assistance under this Act for longer than a total of thirty months in any five-year period.

(d) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

(e) No funds shall be used to assist in relocating establishments, or parts thereof, from one area to another or locating new branches, subsidiaries, or affiliates unless the Secretary determines that such relocation or location will not result in an increase in unemployment in the area of original location or in any other area.

(f)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and priority in the selection of training programs shall be given to training in occupations determined, pursuant to the labor market analysis made under section 104(b)(2)(A), to be in sectors of the economy which have a high potential for sustained demand or growth.

(2) All programs, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill development and job opportunities for participants in occupations traditional for the other sex).

(g) Only eligible individuals residing in the prime sponsor's area may be served by employment and training activities funded under this Act, except that, in the case of two or more prime sponsors operating with a joint private industry council under section 101(f), each such prime sponsor may serve eligible individuals residing in the other such prime sponsors' areas.

(h) No member of any council under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organization which the member represents.

(i) Except for employment bonuses under section 232(27), payments for on-the-job training to employers organized for profit shall not exceed the difference between (1) the costs of recruiting, training, and supportive services and the costs of lower productivity associated with employing an individual who lacks the requisite skills to perform the job in which the individual is placed and (2) such costs for those otherwise employed. The length of time for which such payments may be made shall not exceed that period of time generally required for the acquisition of skills needed for a position within a particular occupation.

(j)(1) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless the prime sponsor demonstrates that alternative services or facilities would be more effective or more likely to achieve the prime sponsor's performance goals.

(2) For the purpose of complying with section 104(b)(2)(E) with respect to the provision of education services, the criteria for selection among competing providers of services shall afford to appropriate education agencies in the area to be served the opportunity to provide such services, unless the prime sponsor can demonstrate that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

(k) Adequate accounting, monitoring, and cost management systems shall be established and maintained to assure integrity of the funds provided under this Act, according to standards established by the Secretary. The Secretary shall establish such standards and procedures for recipients of funds under this Act as are necessary to assure against program abuses.

(l) Each recipient receiving funds directly from the Secretary shall be responsible for the allocation of such funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuse in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Prime sponsors may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, if the Secretary has approved such an arrangement pursuant to the provisions of section 105(c).

(m) Federal assistance under this Act shall not be used for the payment of a fee for the placement of any individual in a training or employment program under this Act. Nor may any person or organization charge a fee for the placement or referral of any individual in or to such program.

(n) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with section 265(c)(2).

(o) The Secretary shall not provide financial assistance for any program under this Act which involves political activities.

(p)(1) Not more than 15 percent of the total amount of funds available to a prime sponsor under this Act in any fiscal year may be expended for the cost of administration of programs and activities under this Act. For purposes of this paragraph, costs of program support (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 233 shall not be counted as part of the cost of administration.

(2) All funds received under any title of this Act, which are allowed to be used for administrative costs under the provisions of the title under which they were received, may be pooled by the recipient so that they may be used to administer all programs under this Act.

(q) Pursuant to regulations of the Secretary, income generated under any program may be retained by the recipient to continue to carry out the program, notwithstanding the expiration of financial assistance for that program.

(r) The Secretary shall notify the Governor and the appropriate prime sponsor of, and consult with the Governor and such prime sponsor concerning, any activity to be funded by the Secretary under this Act within the State or prime sponsor area; and the Governor shall notify the appropriate prime sponsor of, and consult with such prime sponsor concerning, any activity to be funded by the Governor under this Act within the prime sponsor area.

WAGES, BENEFITS, AND ALLOWANCES

SEC. 122. (a) Except as otherwise provided in this Act, the following allowances and wages shall apply to all activities financed under this Act:

(1)(A)(i) If the sum of cash income and the value of food stamps received by the family of the participant is less than 70 percent of the lower living standard income level, the participant may receive an hourly subsistence stipend which would, on an annualized basis, assuming 2,000 hours of participation, equal the difference between 70 percent of the lower living standard income level and the annualized sum of cash income and the value of food stamps, except that in no case may the amount of the subsistence stipend exceed the equivalent of the hourly rate of pay under clause (A) or (B) of paragraph (3) of this subsection.

(ii) Maintenance allowances may not substitute for other income transfer and in-kind aid for which the participant is eligible.

(iii) If a participant is eligible for but not receiving welfare, unemployment insurance, or food stamps, the participant shall be assisted in applying for benefits for which he or she is eligible.

(B)(i) Participants from families with incomes below the lower living standard income level shall be eligible for participation cost stipends to cover the extra costs of transportation, meals, equipment, and child care, necessary for participation.

(ii) Individuals with family incomes below 70 percent of the lower living standard income level shall be eligible to receive 100 percent reimbursement, and those between 70 and 100 percent of the lower living standard income level shall be eligible to receive up to 100 percent but not less than 50 percent reimbursement, of the costs described in clause (i) of this subparagraph.

(C) Lump-sum payments, tools and equipment, scholarships, and other rewards may be provided for completion of training activities, attainment of competencies, self-placement at the completion of services, and other constructive attainments.

(D) A trainee shall receive no allowances for hours during which the trainee fails to participate without good cause.

(2) Individuals in on-the-job training shall be compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations prescribed by the Secretary, considering such factors as industry, geographical region, skill requirements, and individual proficiency, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

(b) Stipends and allowances received under this Act shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid referred to in subsection (a).

LABOR STANDARDS

SEC. 123. (a)(1) Conditions of employment and training shall be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant.

(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participants.

(3) To the extent that a State worker's compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to injuries suffered by participants. To the extent that such law is not applicable, each recipient or subrecipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

(4) All individuals employed in subsidized jobs shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similiar length of time and doing the same type of work.

(5) No funds available under this Act may be used for contributions to retirement systems or plans.

(b)(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No program shall impair existing contracts for services or collective bargaining agreements except that no program under this Act which would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization concerned.

(3) No individual shall be employed or job opening filled (A) when any other individual not supported under this Act is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee not supported under this Act or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of individuals currently employed in jobs not subsidized under this Act.

(5) No jobs shall be substituted for existing federally assisted jobs.

(c)(1) Each recipient of funds under this Act shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

(2) Where a labor organization represents employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided for such organization to submit comments with respect to such proposal to the applicant and to the Secretary.

(d) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a-5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

ALLOCATION OF FUNDS

SEC. 124. (a)(1) All allocations under this Act shall be based on the latest available data and estimates satisfactory to the Secretary.

(2) Whenever the Secretary allocates funds required to be allocated by formula under this Act, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each prime sponsor.

(3) All funds required to be distributed by formula under this Act shall be allocated within 70 days after enactment of the appropriations, except that, if such funds are appropriated in advance as authorized by section 125(b), such funds shall be allocated not later than the March 31 preceding the fiscal year for which such funds are to be available for obligation.

(4) No later than 30 days prior to allocation of any discretionary funds under this Act, the Secretary shall publish a plan for utilization of such funds in the Federal Register for comments. After consideration of any comments received, the Secretary shall publish the final plan.

(5) Whenever the Secretary utilizes a formula to allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allocations in the Federal Register.

(b) Except as provided under section 104(b)(2)(H) and section 125(a), the Secretary shall reallocate any amount of any allocation under this Act which has not been obligated by a prime sponsor to the extent that the Secretary determines that the recipient will not be able to use such amount within a reasonable period of time.

(c)(1) Any allocations to a prime sponsor designated under section 101 may be reallocated only if the Secretary has provided thirty days advance notice to the prime sponsor, to the Governor, and to the general public. During such period, comments may be submitted to the Secretary.

(2) After considering any comments submitted during such period, the Secretary shall notify the Governor and the affected prime sponsor of any decision to reallocate funds, and shall publish such decision in the Federal Register.

(3) In reallocating any such funds, the Secretary shall give priority first to other prime sponsor areas within the same State and then to prime sponsor areas within other States.

AVAILABILITY OF FUNDS

SEC. 125. (a) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation. The obligation of funds shall not be revoked or canceled as long as such funds are expended at a rate which is consistent with the program plan.

(b)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

(c) Notwithstanding any other provision of this Act, no authority to enter into contracts under this Act shall be effective except to such an extent or in such an amount as are provided in advance in appropriations Acts.

REPORTING REQUIREMENTS

SEC. 126. (a) Each prime sponsor shall submit to the Secretary not less than once each calendar quarter a report on its progress toward achievement of its performance goals (as set forth in its plan pursuant to section 104(b)(3)) and annually, within 60 days after the end of each fiscal year, on the activities conducted during that year and the characteristics of participants served in each program activity. Such annual report shall include a cost/benefit evaluation of programs assisted under this Act.

(b) The Secretary shall make such reports and recommendations to the President as the Secretary deems appropriate pertaining to employment and occupational requirements, resources, use, and training, and the President shall transmit to the Congress a report on the same topics not later than March 1 of each year. Such report shall include an evaluation of all programs and activities conducted under this Act whether conducted by the Secretary directly or by prime sponsors.

RECORDS, AUDITS, AND INVESTIGATIONS

SEC. 127. (a) In order to assure that funds provided under this Act are used in accordance with its provisions, the following provisions shall apply:

(1) Every recipient of funds under this Act shall make, keep, and preserve such records as the Secretary shall require with regard to each employee and each participant. Such records, including periodic reports, audits, and examinations, shall be preserved for such time as the Secretary establishes and shall be made available to the Secretary at such time and in such form, including periodic reports, audits, and examinations as the Secretary may require by regulation or order.

(2) For the purpose of any hearing or investigation authorized under this Act, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49, relating to the attendance of witnesses and the production of books, papers, and documents) as in effect on January 25, 1982, are made applicable to the Secretary.

(b) Every officer, director, agent, or employee of a recipient of funds under this Act who handles funds or other financial assistance received under this Act shall be bonded to provide protection against loss by reason of fraud or dishonesty on such individual's part directly or through conspiracy with others. The Secretary shall establish the amount and other bonding requirements by regulation.

COMPLAINTS AND SANCTIONS

SEC. 128. (a)(1) Each prime sponsor or contractor or grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

(2) Each recipient of financial assistance under this Act which is an employer of participants under this Act shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

(3) Upon exhaustion of a recipient's grievance procedure without resolution, or where the Secretary has reason to believe that the recipient is failing to comply with the requirements of this Act or the terms of the prime sponsor's plan, the Secretary shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

(b)(1) The Secretary may investigate such facts, conditions, practices, or other matters as the Secretary deems necessary to determine whether any recipient of funds or any official of such recipient has violated any provision of this Act or of the regulations under this Act. If the Secretary concludes that any recipient of funds under this Act is failing to comply with any provision of this Act or the regulations under this Act or that the recipient has not taken appropriate action against its subcontractors, subgrantees, and other recipients, the Secretary shall have authority to revoke all or part of the recipient's plan and to terminate or suspend financial assistance in whole or in part and order such sanctions or corrective actions as are appropriate, including the repayment of misspent funds from sources other than funds under this Act and the withholding of future funding in accordance with subsection (e), if prior notice and an opportunity for a hearing have been given to the recipient. In determining whether to order repayment or to order withholding, the Secretary shall take into account whether the recipient acted in willful disregard of statutory requirements, was grossly negligent, or otherwise failed to observe accepted standards of administration. Whenever the Secretary orders termination or suspension of financial assistance to a subgrantee or subcontractor (including operators under a nonfinancial agreement), the Secretary shall have authority to take whatever action is necessary to enforce such order, to reclaim misspent funds, or to otherwise protect the integrity of the funds or ensure the proper operation of the program, including action directly against the subgrantee or subcontractor, and an order to the primary recipient that it take such legal action.

(2) In determining whether to impose any sanction authorized by this section against a prime sponsor for violations by a subgrantee of such prime sponsor of this Act or the regulations under this Act, the Secretary shall first determine whether such prime sponsor has adequately demonstrated that it has—

(A) established and adhered to an appropriate system for the award and monitoring of contracts with subgrantees which contains acceptable standards for ensuring accountability;

(B) entered into a written contract with such subgrantee which established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the subgrantee contract, including the carrying out of appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations under this Act by such subgrantee.

(3) If the Secretary determines that the prime sponsor has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such prime sponsor. The Secretary is authorized to impose any sanction consistent with the provisions of this Act and any applicable Federal or State law directly against any subgrantee for violation of this Act or the regulations under this Act.

(c) In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance in whole or in part, if prompt notice and opportunity for a subsequent hearing are given to the recipient, within thirty days after such termination or suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment was required to be made by and with the advice and consent of the Senate.

(d) If the Secretary determines that any recipient under this Act has—

(1) discharged or in any other manner discriminated against a participant or against any person in connection with the administration of the program involved, or against any person because such person has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any person a benefit to which that person is entitled under the provisions of this Act or the Secretary's regulations, or

(2) discriminated against any individual, or failed to provide employment or training opportunities at levels of skill and remuneration that are commensurate with the participant's capabilities or potential capabilities,

the Secretary shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved person, or both.

(e) The Secretary may withhold funds otherwise payable under this Act in order to recover any amounts expended in any fiscal year in violation of any provision of this Act, any regulation promulgated pursuant to this Act, or any term or condition of assistance under this Act. In the event of any such withholding which results from fraud or abuse, the Secretary may order the recipient to conduct the program as specified in the applicable plan on the basis of funds other than funds under this Act and may enforce such order by appropriate civil action, unless the recipient elects to terminate participation as a grantee under this Act.

(f) With the consent of State agencies charged with the administration of State laws, the Secretary is authorized, for the purpose of carrying out this section, to utilize the services of State and local agencies and their employees. Notwithstanding any other provision of law, the Secretary is authorized to reimburse, in whole or in part, such State and local agencies and their employees for services rendered for such purposes.

(g) Except as otherwise provided in subsection (c), the Secretary shall not revoke a recipient's plan, in whole or in part, nor institute corrective action or sanctions against a recipient under this section or any other provision of this Act, without first providing the recipient and the State with notice by the Secretary of such intended actions and the reasons upon which those intended actions are based, and also providing the recipient with an opportunity to informally resolve those matters contained in the Secretary's notice.

(h) In order to ensure compliance with the provisions of this Act and regulations promulgated under this Act and to ensure conduct of programs in a manner consistent with the purposes and objectives of this Act, the Secretary may require prime sponsors to participate in unified audit programs established by the Secretary to provide for the audit of both prime sponsors and their respective subgrantees and subcontractors. In any such case the Secretary may require the prime sponsor to pay, from funds under this Act available to it for administrative expenses, that portion of the unified audit expenses allocable to the audit of such subgrantees and subcontractors.

(i) Except as provided in subsection (b)(1) and (2), nothing in this section shall be deemed to reduce the responsibility and full liability of prime sponsors and other recipients which receive funds directly from the Secretary.

(j) The existence of remedies under this section shall not preclude any person, who alleges that an action of a prime sponsor or of any other recipient violates any of the provisions of this Act or the regulations promulgated under this Act, from instituting a civil action or pursuing any other remedies authorized under Federal, State, or local law.

JUDICIAL REVIEW

SEC. 129. (a) If any prime sponsor is dissatisfied with the Secretary's final action with respect to the disapproval of its plan under section 105, or if any recipient is dissatisfied with the Secretary's final action with respect to a sanction under section 128, or if any interested person is dissatisfied with or aggrieved by any final action of the Secretary authorized under section 128, such prime sponsor, recipient, or person may, within 60 days after notice of such action, file with the United States Court of Appeals for the circuit in which the prime sponsor, recipient, or person resides or transacts business a petition for review of such action.

(b) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may, in whole or in part, set aside the findings of the Secretary or remand the case to the Secretary in whole or in part to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify the previous action, and shall certify to the court the record of the further proceedings.

SERVICES AND PROPERTY

SEC. 130. The Secretary is authorized, in carrying out functions and responsibilities under this Act, to accept, purchase, or lease in the name of the Department, and employ or dispose of in furtherance of the purposes of this Act, or any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 131. The Secretary is authorized, in the performance of functions under this Act, and to the extent permitted by law, to utilize the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and utilize the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

SEC. 132. No provision of this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

SCHEDULES FOR SUBMISSION OF PLANS

SEC. 133. (a)(1) The Secretary shall, not later than the March 31 preceding the fiscal year for which a community job training or Governor's coordination and special services plan is to take effect, establish a date for the submission of such plans in accordance with the provisions of this Act.

(2) The Secretary shall make available a complete and final set of all applicable regulations and necessary application materials not later than the May 15 preceding the fiscal year for which such plan is to take effect.

(b) If for any reason the Secretary cannot provide a complete and final set of all applicable regulations and necessary application materials by the date established under paragraph (2) of subsection (a), the Secretary shall extend the date for submission of such plan to allow the prime sponsor and Governor to review such regulations and to complete such materials during a reasonable period of time prior to submission.

(c) During the period between May 15 and the date for submission of plans, the Secretary shall not issue any regulations or guidelines or interpretations that require any change as a condition for the Secretary's approval or disapproval of any such plan for the succeeding fiscal year. If the Secretary deems that a plan change is required during such period, the Secretary shall allow at least 90 days for final submission of such change, but the applicant may at its own discretion submit the required change at any time.

USE OF FUNDS FOR TRAINING: MINIMUM PERCENTAGE

SEC. 134. (a) Not less than 70 percent of the total funds expended by any prime sponsor for any fiscal year for programs under part B of title II and part C of such title (other than section 267) shall be expended for the direct provision of employment and training services.

(b) No expenditure for any of the following shall be construed to be an expenditure for the direct provision of employment and training services:

(1) wages and subsistence stipends in accordance with paragraph (1)(A)(i) of section 122(a); or

(2) administrative costs.

(c) For purposes of this section, any expenditure for work experience activities shall be considered as an expenditure for training only if combined with relevant skills training for a participant enrolled in such activities for a period not to exceed six months.

TITLE II—EMPLOYMENT AND TRAINING SERVICES FOR THE DISADVANTAGED

PART A—GENERAL PROVISIONS

STATEMENT OF PURPOSE

SEC. 200. It is the purpose of this title to provide disadvantaged individuals the opportunity to participate in training, education, job search activity, and work-site experience in order to gain the competencies necessary to secure unsubsidized employment; and to provide disadvantaged in-school and out-of-school youth the opportunity to develop and acquire the necessary employability skills for successful entry into the labor market.

ALLOCATION OF FUNDS

SEC. 201. (a)(1) The Secretary shall allocate 73 percent of the amount appropriated to carry out this title for any fiscal year among the States as follows:

(A) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative number of unemployed individuals who reside in each such State as compared to the total number of unemployed individuals in all the States.

(B) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this subparagraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(C) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State compared to the total number of such unemployed individuals in all areas of substantial unemployment in all the States.

(D) Twenty-five percent of the amount allocated under this paragraph shall be allocated among the States on the basis of the relative number of adults in families with an annual income below the low-income level who reside in each State as compared to the total number of such adults in all the States.

(2) The sum allocated to each State under paragraph (1) shall be allocated by the Secretary among areas served by prime sponsors within the State on an equitable basis, based upon the factors set forth in such paragraph.

(b) The Secretary shall allocate 10 percent of the amount appropriated to carry out this title for any fiscal year among the States to carry out the Governor's coordination and special services plan under section 111, to provide funds for the State employment and training coordinating council under section 112, and to enable the Governor of each State to provide financial assistance to facilitate coordination among employment-related education and training programs under section 113. The amount allocated to each State shall bear the same ratio to 10 percent of the amount so appropriated as the amount allocated to that State under subsection (a)(1) bears to the sum of the amounts allocated to all the States under such subsection.

(c)(1) Five percent of the amount appropriated to carry out this title for fiscal year 1983 shall be made available by the Secretary to prime sponsors as planning grants to assist in meeting special costs during the transition period provided in section 503(b)(2) of this Act. The prime sponsor shall make a portion of such funds available to the private industry council to enable it to hire professional, technical, and clerical staff to assist in carrying out its responsibilities (if any funds for such purpose are desired by such council). The amounts made available by the Secretary to prime sponsors shall be allocated among prime sponsors in the same manner as funds are allocated under subsection (a)(2).

(2) The Secretary shall allocate 5 percent of the amount appropriated to carry out this title for fiscal year 1984 or any succeeding fiscal year among prime sponsors that, during the preceding fiscal year, meet or exceed the performance goals established in their plans (as required by section 104(b)(3)). The amount allocated to each such prime sponsor shall bear the same ratio to 5 percent of the amount so appropriated as the amount allocated to that prime sponsor under subsection (a)(2) bears to the sum of the amounts allocated to all such prime sponsors (that meet or exceed their performance goals) under such subsection.

(d)(1) The Secretary shall allocate 6 percent of the amount appropriated to carry out this title for any fiscal year among the States to enable the Governor of each State to provide State incentive grants to State agencies responsible for education and training under section 114.

(2) The amount so allocated to each State shall bear the same ratio to 6 percent of the amount so appropriated as the amount allocated to that State under subsection (a)(1) bears to the sum of the amounts allocated to all the States under such subsection.

(e)(1) The Secretary shall allocate 4 percent of the amount appropriated to carry out this title for fiscal year 1984 or any succeeding fiscal year among prime sponsors that demonstrate to the satisfaction of the Secretary that they have raised, from non-Federal sources, and will expend for purposes of programs under this title, an amount equal to the amount allocated to that prime sponsor under paragraph (2).

(2) The amount so allocated to each prime sponsor shall bear the same ratio to 4 percent of the amount so appropriated as the amount allocated to that prime sponsor under subsection (a)(2) bears to the sum of the amounts allocated to all prime sponsors under such subsection.

(3) Any amounts allocated under paragraph (2) to prime sponsors which do not meet the matching amount required by paragraph (1) shall be reallocated by the Secretary to other prime sponsors (which meet the matching amount) on such basis as the Secretary may establish consistent with the purposes of this title.

(f)(1) The Secretary shall allocate 2 percent of the amount appropriated to carry out this title for any fiscal year among prime sponsors designated pursuant to paragraph (3)(A) or (4) of section 101(a). The amount allocated to each such prime sponsor shall bear the same ratio to 2 percent of the amount so appropriated as the amount allocated to that prime sponsor under subsection (a)(2) bears to the sum of the amounts allocated to all such prime sponsors (that are designated pursuant to paragraph (3)(A) or (4) of section 101(a)) under such subsection.

(2) Four percent of the amount appropriated to carry out this title for fiscal year 1983 shall be made available by the Secretary (in addition to amounts made available for such fiscal year under paragraph (1)) in accordance with this paragraph. The Secretary shall use such funds, after consultation with and receiving recommendations from the Governor of the appropriate State,

to encourage voluntary consortia (formed under paragraph (3)(A) or (4) of section 101(a)) serving substantial portions of labor market areas within such State. Such amounts shall be allocated in the same manner as funds are allocated under paragraph (1).

ELIGIBILITY FOR SERVICES

SEC. 202. (a) Except as provided in subsection (b), an individual shall be eligible to participate in a program receiving assistance under parts B and C of this title only if such individual is economically disadvantaged.

(b) Up to 10 percent of the participants in all programs of a prime sponsor receiving assistance under parts B and C of this title may be individuals who are not economically disadvantaged if such individuals have encountered barriers to employment. Such individuals may include, but are not limited to, those who have limited English-language proficiency, or are displaced homemakers, single teenage parents, older workers, veterans, ex-offenders, alcoholics, or addicts.

DIVISION OF FUNDS

SEC. 203. (a) Funds provided under this title shall be used by each prime sponsor in accordance with its plan to provide such employment and training services to disadvantaged youth and adults as the prime sponsor and private industry council determine to be necessary and appropriate. Except as provided in subsections (b) and (c), one-half of such funds shall be expended to provide such services to eligible youth under section 261, and one-half of such funds shall be expended to provide such services to eligible adults under section 231.

(b) To the extent that the ratio of economically disadvantaged youth to economically disadvantaged adults in the area served by the prime sponsor differs from the ratio of such individuals nationally (as published by the Secretary), the amount which such prime sponsor shall be required to expend for services for youth under subsection (a) shall be reduced or increased proportionately in accordance with regulations prescribed by the Secretary.

(c) Up to 15 percent of the funds allocated for services to adults may be used by each prime sponsor for services for youth, and, alternatively, up to 15 percent of the funds allocated for services to youth may be used by each prime sponsor for services to adults, based upon analysis of local needs and capacities as justified in its biennial community job training plan.

PART B—ADULT TRAINING PROGRAMS

ELIGIBILITY FOR ADULT PROGRAMS

SEC. 231. Individuals otherwise eligible under section 202 who are 22 years of age or older shall be eligible to participate in programs under this part.

USE OF FUNDS

SEC. 232. Employment and training services made available with funds provided under this part (and under part C) may include, but need not be limited to—

(1) job search assistance,

(2) job counseling,

(3) remedial education and basic skills training,

(4) institutional skill training,

(5) on-the-job training,

(6) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment,

(7) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply,

(8) outreach to make individuals aware of, and encourage the use of employment and training services,

(9) development of labor market information,

(10) programs to develop work habits and other services to individuals to help them obtain and retain employment,

(11) supportive services to enable individuals to participate in employment and training activities, including child care, health care, transportation, special services and materials for the handicapped, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in training, which may be provided in-kind or through cash assistance,

(12) upgrading and retraining,

(13) education-to-work transition activities,

(14) literacy training and bilingual training,

(15) work experience,

(16) vocational exploration,

(17) attainment of certificates of high school equivalency,

(18) job development,

(19) job-generating activities,

(20) apprenticeship programs,

(21) disseminating information on program activities to employers,

(22) use of advanced learning technology for education, job preparation, and skills training,

(23) development of job openings,

(24) on-site industry-specific training programs supportive of industrial and economic development,

(25) followup services with participants placed in unsubsidized employment,

(26) coordinated programs with other Federal employment-related activities, and

(27) employment bonuses, paid only upon retention in employment for at least 6 months beyond the training period, to provide incentives for employers to employ participants at the conclusion of on-the-job or other training under this Act.

CUSTOMIZED TRAINING REQUIREMENT

SEC. 233. To the extent possible in light of local economic conditions, training programs conducted by prime sponsors under this part shall provide training described in clause (5), (6), (7), (12), (20), or (24) of section 232 or other training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training.

PART C—YOUTH PREPARATORY PROGRAMS

ELIGIBILITY FOR YOUTH PREPARATORY PROGRAMS

SEC. 261. (a) Individuals otherwise eligible under section 202 who are aged 16 through 21, inclusive, shall be eligible to participate in programs under this part, regardless of whether such individuals are in-school or out-of-school.

(b) Youth aged 14 or 15 shall be eligible to receive assistance under pre-employment skills training programs described in section 264 and such youth may be eligible to receive such assistance without regard to the limitations in section 202.

(c) Eligible youth aged 14 or 15 shall, if appropriate and set forth in the community job training plan, be eligible for summer youth employment programs under section 267 of this Act.

(d) Earnings and allowances received by any youth, who is participating in any program under this Act and meets the age requirements of this section, shall be disregarded in determining the eligibility of the youth's family for, and the amount of, benefits based on need under any Federal or federally assisted programs.

PARTICIPATION IN PART B ACTIVITIES

SEC. 262. In addition to activities authorized under this part, funds available under this part may be used to provide eligible youth with the same activities authorized in section 232.

EDUCATION FOR EMPLOYMENT

SEC. 263. (a) Eligible youth who have not attained a high school diploma or who have educational deficiencies despite the attainment of a diploma shall be eligible under this section, with priority given to high school dropouts.

(b)(1) The prime sponsor is authorized to maintain a network of learning centers offering individualized instruction in convenient locations, such as schools, neighborhood organizations, libraries, and other sites, including mobile vans in rural areas.

(2) The curricula provided by such network shall be designed to prepare the student to meet State and locally determined general education diploma and basic education competency requirements.

(c) For purposes of this section, priority shall be given in the selection of service providers to previously funded in-school and community based organization projects which are both cost-effective and of demonstrated success, and which otherwise meet criteria under this Act.

PREEMPLOYMENT SKILLS TRAINING

SEC. 264. (a) Youth aged 14 through 19 may receive services under this section, except that—

(1) priority shall be given to those youth who do not meet established levels of academic achievement and who plan to enter the full-time labor market upon leaving school; and

(2) insofar as possible, preemployment skills training shall be concentrated on youth aged 14 through 16.

(b) Up to 200 hours of individualized instruction and activities may be provided to youth under this section.

(c) The instruction and activities may include, but are not limited to, the following:

(1) assessment, testing, and counseling;

(2) occupational career and vocational exploration;

(3) job search assistance;

(4) job holding and survival skills training;

(5) basic life skills training;

(6) remedial education;

(7) labor market information; and

(8) job-seeking skills training.

ENTRY EMPLOYMENT EXPERIENCE

SEC. 265. (a) Youth may participate under this section if they—

(1) have completed preemployment skills training or its equivalent;

(2) have not held a regular part-time or summer job for more than 250 hours of paid employment, except that this paragraph may be waived in accordance with criteria established in the community job training plan under title I of this Act; and

(3) are enrolled in a secondary school or an institution offering a certified high school equivalency program and are meeting or have met the minimum academic and attendance requirements of that school or

education program during the current or most recent term, with priority given to youth who do not plan to continue on to postsecondary education.

(b) Entry employment experiences may be up to 20 hours weekly during the school year or full time during the summer and holidays, for a total of not to exceed 500 hours of entry employment experience for any individual. Such experiences shall be appropriately supervised, including the maintenance of standards of attendance and worksite performance.

(c) Entry employment experiences may be one of the following types:

(1) Full-time employment opportunities in public and private nonprofit agencies during the summer and on a part-time basis in combination with education and training activities. These jobs shall provide community improvement services that complement local expenditures.

(2) Tryout employment at private for-profit worksites, or at public and private nonprofit worksites when private for-profit worksites are not available. Compensation in lieu of wages for tryout employment shall be paid by the prime sponsor, but the length of any assignment to a tryout employment position shall not exceed 250 hours. Tryout employment positions shall be ones for which participants would not usually be hired (because of lack of experience or other barriers to employment), and vacancies in such positions may not be refilled if the previous participant completed the tryout employment but was not hired by the employer.

(3) Cooperative education programs to coordinate educational programs with work in the private sector.

(d) Participation in education for employment activities under this section may be required to qualify for entry employment experiences in the summer months and shall be required for dropout youth not enrolled in other education activities.

(e) Each participant shall be required to meet performance and attendance standards related to the employment assignment, and shall be evaluated and terminated (if necessary) on the basis of unsatisfactory compliance with such standards.

SCHOOL-TO-WORK TRANSITION ASSISTANCE

SEC. 266. (a) School-to-work transition assistance may be provided to—

(1) high school seniors who plan to enter the full-time labor market upon graduation, with priority to seniors in high schools having a predominance of students from families with incomes below 70 percent of the lower living standard income level; and

(2) dropouts, with followup as immediately as possible after leaving school.

(b) Transition services include—

(1) provision of occupational information;

(2) short-duration job search assistance;

(3) job clubs;

(4) placement and job development; and

(5) followup.

(c) All seniors and dropouts who are eligible for and in need of training activities shall be provided information and, where appropriate, referred to—

(1) preemployment skills training, entry employment experience, and remedial education;

(2) adult training activities; and

(3) the Job Corps.

SUMMER YOUTH EMPLOYMENT PROGRAMS

SEC. 267. Eligible youth under this part may participate in summer youth employment programs carried out by public or private nonprofit agencies and organizations. Such programs shall provide useful work experience and appropriate training and supplemental activities to develop the occupational potential of participants.

EDUCATION STANDARDS

SEC. 268. (a) All education programs for youth supported with funds provided under this part shall be consistent with applicable State and local education standards.

(b) Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in programs conducted under this part shall be consistent with the requirements of applicable State and local law and regulation.

TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISPLACED WORKERS

PURPOSE

SEC. 301. It is the purpose of this title (1) to assist individuals, including older individuals who have become involuntarily unemployed (and who are unlikely to be rehired by the same employer) in obtaining alternative employment, (2) to retrain individuals, including older individuals with job skills in declining occupations for jobs in occupations in growing demand, and (3) to reduce the impact of economic dislocations on local communities.

ALLOCATION OF FUNDS

SEC. 302. (a) From the amount appropriated to carry out this title for any fiscal year, the Secretary may reserve up to 25 percent of such amount for use by the States in accordance with subsection (c).

(b) The Secretary shall allocate the remainder of the amount appropriated to carry out this title for any fiscal year among the States as follows:

(1) One-third of the remainder of such amount shall be allocated among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

(2) One-third of the remainder of such amount shall be allocated among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this subparagraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.

(3) One-third of the remainder of such amount shall be allocated among the States on the basis of the relative number of individuals who have been unemployed for fifteen weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

(c) The Secretary shall make available the sums reserved under subsection (a) for the purpose of providing training, retraining, job search assistance, placement, relocation assistance, and other aid (including any activity authorized by section 307) to individuals who are affected by mass layoffs, natural disasters, Federal Government actions (such as relocations of Federal facilities), or who reside in areas of high unemployment or designated enterprise zones. In order to qualify for assistance from funds reserved by the Secretary under subsection (a), a State shall, in accordance with regulations promulgated by the Secretary establishing criteria for awarding assistance from such funds, submit an application identifying the need for such assistance and the types of, and projected results expected from, activities to be conducted with such funds.

MATCHING REQUIREMENT

SEC. 303. (a)(1) In order to qualify for financial assistance under this title, a State shall demonstrate to the satisfaction of the Secretary that it will expend for purposes of services assisted under this title, an amount from public or private non-Federal sources equal to the amount made available to that State under section 302(b). The Secretary shall prescribe regulations establishing conditions for appropriate reduction in the amount that a State is required to expend under the preceding sentence if the average rate of unemployment for any three consecutive months in such State is a percentage which equals or exceeds the national average rate of unemployment for such months.

(2) Such non-Federal matching funds shall include the direct cost of employment or training services under this title provided by State or local programs (such as vocational education), private nonprofit organizations, or private for-profit employers.

(b) Any funds which are expended by a State to provide unemployment insurance benefits to an individual who is an eligible participant for purposes of this title and who is enrolled in a program of training or retraining under this title shall be counted as funds expended from non-Federal sources as required by subsection (a) of this section.

STATE DISPLACED WORKER PLANS; COORDINATION WITH OTHER PROGRAMS

SEC. 304. (a) Any State which desires to receive financial assistance under this title shall submit to the Secretary a plan for the use of such assistance which shall include appropriate provisions for the coordination of programs conducted with such assistance with other Federal, State, or local employment-related programs, such as unemployment compensation, employment services, vocational education, public assistance programs, low-income weatherization and other energy conservation programs, and social services.

(b) To the maximum extent feasible, the plan submitted under subsection (a) shall ensure that the State will, in the conduct of programs and activities under this title, utilize facilities and services provided by employment and training programs operated with assistance under title II of this Act.

PRIME SPONSOR REVIEW

SEC. 305. No program of assistance conducted with funds made available under this title may be operated within any area served by a prime sponsor designated under paragraph (2), (3), (4), (5), or (6) of section 101(a) of this Act, unless the operation of such program in such area is approved by that prime sponsor and by a majority of members of the private industry council for that prime sponsor.

CONSULTATION WITH LABOR ORGANIZATIONS

SEC. 306. No program of assistance conducted with funds made available under this title which will involve a substantial number of members of a labor organization shall be established without consultation with such labor organization; and the written concurrence of the labor organization concerned shall be obtained on any activity modifying the terms of any collective bargaining agreement.

AUTHORIZED ACTIVITIES

SEC. 307. (a) Financial assistance provided to States under this title may be used to assist eligible participants to obtain unsubsidized employment through training and

related employment services which may include, but are not limited to—

(1) job search assistance, including job clubs,

(2) job development,

(3) training in jobs skills for which demand exceeds supply,

(4) supportive services, including commuting assistance and financial and personal counseling,

(5) pre-layoff assistance,

(6) relocation assistance, and

(7) programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

(b) During any period of training or retraining under this title, eligible participants shall be provided with allowances or stipends in accordance with section 122(a)(1).

(c) Relocation assistance may be provided if the State determines (1) that the participant cannot obtain employment within the participant's commuting area, and (2) that the participant has secured suitable long-duration employment or obtained a bona fide job offer in a relocation area in a State.

ELIGIBLE PARTICIPANTS

SEC. 308. (a) Any individual whose employment has been terminated or suspended, or who has received a notice of termination or suspension of employment, as a result of any closure of a plant or facility or indefinite layoff or reduction in force shall be an eligible participant for purposes of services provided under this title.

(b) Any individual who is unemployed, including any older individual who has encountered long-term unemployment, or has been discouraged from seeking employment, and who may have substantial barriers to employment by reason of age, and who is determined by a State, on the basis of the job skills held by that individual, to have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, may be an eligible participant for programs of training or retraining under this title.

TITLE IV—NATIONAL EMPLOYMENT AND TRAINING PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

NATIVE AMERICAN PROGRAMS

SEC. 401. (a) The Congress finds that (1) serious unemployment and economic disadvantage exist among members of Native American Indian, Alaskan Native, and Hawaiian native communities; (2) there is a compelling need for the establishment of employment and training programs for members of those communities; and (3) such programs are essential to the reduction of economic disadvantage among individual members of those communities and to the advancement of economic and social development in these communities consistent with their goals and lifestyles.

(b) The Congress therefore declares that, because of the special relationship between the Federal Government and most of those to be served by the provisions of this section—

(1) such programs shall be administered at the national level;

(2) such programs shall be available to federally recognized Native American Indian tribes, bands, and groups and to other groups and individuals of Native American descent; and

(3) such programs shall be administered in such a manner as to maximize the Federal commitment to support growth and development as determined by representatives of the communities and groups served by this section.

(c)(1)(A) In carrying out responsibilities under this section, the Secretary shall, wherever possible, utilize Native American Indian tribes, bands, or groups on Federal or State reservations, Alaska Native villages or groups as defined in the Alaska Native Claims Settlement Act, and the Oklahoma Indians, which have a governing body, and such public agencies and private nonprofit organizations as the Secretary determines will best serve Native Americans, for the provision of employment and training services under this section. If the Secretary determines that such tribe, band, or group has demonstrated the capability to administer effectively an employment and training program, the Secretary shall permit such tribe, band, or group to submit a plan meeting such requirements as the Secretary prescribes.

(B) The Secretary shall arrange for programs to meet the employment and training needs of Hawaiian natives through such public agencies or private nonprofit organizations as the Secretary determines will best meet their needs.

(2) In carrying out responsibilities under this section, the Secretary shall make arrangements with prime sponsors and organizations (meeting requirements prescribed by the Secretary) serving nonreservation Indians and Native Americans for programs and projects designed to meet the needs of such Indians and Native Americans for employment and training and related services.

(d) Whenever the Secretary determines not to utiiize Native American Indian tribes, bands, or groups for the provision of employment and training services under this section, the Secretary shall, to the maximum extent feasible, enter into arrangements for the provision of such services with public agencies or private nonprofit organizations which meet with the approval of the tribes, bands, or groups to be served.

(e) The Secretary is directed to take appropriate action to maintain administrative procedures and resources (including personnel having particular competence in this field) for the administration of Native American employment and training programs authorized under this Act.

(f) Funds available for this section shall be expended for programs and activities consistent with the purposes of this section, including such programs and activities carried out by prime sponsors under other provisions of this Act.

(g) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title for any fiscal year an amount equal to not less than 2.7 percent of the amount available for title II of this Act for that fiscal year.

(h) No provision of this section shall abrogate in any way the trust responsibilities of the Federal Government to Indian tribes, bands, or groups, or other Native American groups.

(i) The Secretary shall, after consultation with representatives of Indians and other Native Americans, prescribe such rules, regulations, and performance standards relating to Native American programs under this section as may be required to meet the special circumstances under which such programs operate.

(j) The Secretary shall provide technical assistance as necessary to tribes, bands, and groups eligible for assistance under this section.

MIGRANT AND SEASONAL FARMWORKER PROGRAMS

SEC. 402. (a) The Congress finds and declares that—

(1) chronic seasonal unemployment and underemployment in the agricultural industry, aggravated by continual advancements in technology and mechanization resulting in displacement, constitute a substantial portion of the Nation's rural employment problem and substantially affect the entire national economy; and

(2) because of farmworker employment and training problems, such programs shall be centrally administered at the national level.

(b) The Secretary is directed to establish and maintain an office of farmworker programs within the national headquarters of the Department of Labor. This office shall be staffed with personnel experienced in farmworker programs and shall be responsible for selecting, administering, monitoring, and evaluating programs funded under this section.

(c)(1) The Secretary shall provide services to meet the employment and training needs of migrant and seasonal farmworkers through such public agencies and private nonprofit organizations as the Secretary determines to have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and a previously demonstrated capability to administer effectively a diversified employability development program for migrant and seasonal farmworkers. In awarding any grant or contract for services under this section, the Secretary shall use procedures consistent with standard competitive Government procurement policies.

(2) The Secretary may approve the designation of grantees under this section for a period of two years.

(3) Programs and activities supported under this section, including those carried out under other provisions of this Act, shall enable farmworkers and their dependents to obtain or retain employment, to participate in other program activities leading to their eventual placement in unsubsidized agricultural or nonagricultural employment, to participate in activities leading to stabilization in agricultural employment, and to assist those farmworkers who remain as seasonal agricultural employees, in improving their well-being.

(4) Recipients of funds under this title shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 103.

(5) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title for any fiscal year an amount equal to not less than 2.8 percent of the amount available for title II of this Act for that fiscal year.

(6) No programs and activities supported under this section shall preclude assistance to farmworkers under any other provision of this Act.

PART B—JOB CORPS

STATEMENT OF PURPOSE

SEC. 421. This part maintains a Job Corps for economically disadvantaged young men and women which shall operate exclusively as a distinct national program, sets forth standards and procedures for selecting indi-

viduals as enrollees in the Job Corps, authorizes the establishment of residential and nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. The purpose of this part is to assist young individuals who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of national, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

ESTABLISHMENT OF THE JOB CORPS

SEC. 422. There shall be within the Department of Labor a "Job Corps".

INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

SEC. 423. To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who—

(1) has attained age 16 but not attained age 25 at the time of enrollment, except that (A) such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any handicapped individual, (B) a youth aged 14 or 15 may be provided such nonresidential services as are deemed appropriate by the Secretary by regulation, and (C) individuals aged 22 to 24, inclusive, may participate in a manner determined to be appropriate by the Secretary by regulation, taking into account the different characteristics and needs of such individuals;

(2) is economically disadvantaged or is a member of a family which is economically disadvantaged, and who requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;

(3) is currently living in an environment so characterized by cultural deprivation, a disruptive homelife, or other disorienting conditions as to substantially impair prospects for successful participation in other programs providing needed training, education, or assistance;

(4) is determined, after careful screening as provided for in sections 424 and 425 to have the present capabilities and aspirations needed to complete and secure the full benefit of the Job Corps and to be free of medical and behavioral problems so serious that the individual could not adjust to the standards of conduct, discipline, work, and training which the Job Corps involves; and

(5) meets such other standards for enrollment as the Secretary may prescribe and agrees to comply with all applicable Job Corps rules and regulations.

SCREENING AND SELECTION OF APPLICANTS: GENERAL PROVISIONS

SEC. 424. (a) The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps. To the extent practicable, these rules shall be implemented through arrangements with agencies and organizations such as community action agencies, public employment offices, prime sponsors under this Act, professional groups, labor organizations, and agencies and individuals having contact with youth over substantial periods of time and able to offer reliable information as to their needs and problems. The rules shall provide for necessary consultation with other individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers. The rules shall also provide for the interviewing of each applicant for the purpose of—

(1) determining whether the applicant's educational and vocational needs can best be met through the Job Corps or an alternative program in the applicant's home community;

(2) obtaining from the applicant pertinent data relating to background, needs, and interests for determining eligibility and potential assignment; and

(3) giving the applicant a full understanding of the Job Corps and what will be expected of an enrollee in the event of acceptance.

(b) The Secretary is authorized to make payments to individuals and organizations for the cost of the recruitment, screening, and selection of candidates, as provided for in this part. The Secretary shall make no payments to any individual or organization solely as compensation for referring the names of candidates for Job Corps.

(c) The Secretary shall assure that Job Corps enrollees include an appropriate number of candidates selected from rural areas, taking into account the proportions of eligible youth who reside in rural areas and the need to provide residential facilities for such youth.

SCREENING AND SELECTION: SPECIAL LIMITATIONS

SEC. 425. (a) No individual shall be selected as an enrollee unless there is reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the center to which the individual might be assigned and surrounding communities, and unless the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe those rules.

(b) An individual on probation or parole may be selected only if release from the supervision of the probation or parole officials is satisfactory to those officials and the Secretary and does not violate applicable laws or regulations. No individual shall be denied a position in the Job Corps solely on the basis of that individual's contact with the criminal justice system.

ENROLLMENT AND ASSIGNMENT

SEC. 426. (a) No individual may be enrolled in the Job Corps for more than two years, except in any case in which completion of an advanced career program under section 428 would require an individual to participate in excess of two years, or except as the Secretary may authorize in special cases.

(b) Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(c) After the Secretary has determined whether an enrollee is to be assigned to a Job Corps Center, the enrollee shall be assigned to the center which is closest to the enrollee's home, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for youth from various sections of the Nation to participate in the program, to prevent undue delays in assignment, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

JOB CORPS CENTERS

SEC. 427. (a) The Secretary may make agreements with Federal, State, or local agencies, including a State board or agency designated pursuant to section 104(a)(1) of the Vocational Education Act of 1963 which operates or wishes to develop area vocational education school facilities or residential vocational schools (or both) as authorized by such Act, or private organizations for the establishment and operation of Job Corps centers. Job Corps centers shall be residential in character, but may have nonresidential components, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest. The centers shall also include training centers located in either urban or rural areas which shall provide activities including training and other services for specific types of skilled or semi-skilled employment.

(b) To the extent feasible, Job Corps centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in other programs under this Act. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Secretary may specify.

(c) The Director of each Job Corps center or his designee shall, in addition to regular duties, serve as liaison officer for the purposes of improving the exchange of information with other programs authorized under this Act. The duties of liaison officer may include non-voting attendance at meetings of the State employment and training coordinating council and the various private industry councils within the State in which the Job Corps center is located.

PROGRAM ACTIVITIES

SEC. 428. (a) Each Job Corps center shall provide enrollees with an intensive, well-organized, and fully supervised program of education, vocational training, work experience, planned vocational and recreational activities, physical rehabilitation and development, and counseling. To the fullest extent feasible, the required program shall include activities to assist enrollees in choosing realistic career goals, coping with problems they may encounter in home communities, or in adjusting to new communities, and planning and managing daily affairs in a manner that will best contribute to long-term upward mobility. Center programs shall include required participation in center maintenance work to assist enrollees in increasing their sense of contribution, responsibility, and discipline.

(b) The Secretary may arrange for enrollee education and vocational training through local public or private educational agencies, vocational educational institutions, or technical institutes, whenever such institutions

provide training substantially equivalent in cost and quality to that which the Secretary could provide through other means.

(c) To the extent feasible, arrangements for education, both at the center and at other locations, shall provide opportunities for qualified enrollees to obtain the equivalent of a certificate of graduation from high school. The Secretary, with the concurrence of the Secretary of Education, shall develop certificates to be issued to each enrollee who satisfactorily completes service in the Job Corps and which will reflect the enrollee's level of educational attainment.

(d)(1) The Secretary may arrange for programs of advanced career training for selected Corps members in which they may continue to participate for a period not to exceed one year in addition to the period of participation to which Corps members would otherwise be limited.

(2) Advanced career training may be provided for in postsecondary institutions for Corps members who attained a high school diploma or its equivalent, have demonstrated commitment and capacity in their previous Job Corps participation, and have an identified occupational goal.

(3) The Secretary may contract with private for-profit businesses and labor unions to provide intensive training in company-sponsored training programs, combined with internships in work settings.

(4) During the period of participation in advanced career training programs, Corps members shall be eligible for full Job Corps benefits or a monthly stipend equal to the average value of residential support, food, allowances, and other benefits in residential Job Corps centers.

(5) After an initial period of time, determined to be reasonable by the Secretary, any Job Corps center seeking to enroll new Corps members in any advanced career training program shall demonstrate that such program has achieved a reasonable rate of completion and placement in training-related jobs before such new enrollments may occur.

ALLOWANCES AND SUPPORT

SEC. 429. (a) The Secretary shall provide enrollees with such personal, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, and other expenses as he may deem necessary or appropriate to their needs. For the fiscal year ending September 30, 1983, personal allowances shall be established at a rate not to exceed $70 per month during the first six months of an enrollee's participation in the program and not to exceed $125 per month thereafter, except that allowances in excess of $70 per month, but not exceeding $125 per month, may be provided from the beginning of an enrollee's participation if it is expected to be of less than six months' duration and the Secretary is authorized to pay personal allowances in excess of the rates specified in this subsection in unusual circumstances as determined by him. For fiscal years beginning on or after October 1, 1983, such personal allowance limitations may be increased, by regulation, as the Secretary determines appropriate, except that such personal allowance limitations shall not be established at a rate below those established in this section for fiscal year 1983 as adjusted for changes in the cost of living. Such allowances shall be graduated up to the maximum so as to encourage continued participation in the program, achievement and the best use by the enrollee of the funds so provided and shall be subject to reduction in appropriate cases as a disciplinary measure. To the degree reasonable, enrollees shall be required to meet or contribute to costs associated with their individual comfort and enjoyment from their personal allowances.

(b) The Secretary shall prescribe rules governing the accrual of leave by enrollees. Except in the case of emergency, he shall in no event assume transportation costs connected with leave of any enrollee who has not completed at least six months' service in the Job Corps.

(c) The Secretary may provide each former enrollee upon termination, a readjustment allowance at a rate not to exceed, for the fiscal year ending September 30, 1983, $125 for each month of satisfactory participation in the Job Corps. For fiscal years beginning on or after October 1, 1983, such readjustment allowance limitation may be increased, by regulation, as the Secretary determines appropriate, except that such readjustment allowance limitation not be established at a rate below that established in this section for fiscal year 1983 as adjusted for changes in the cost of living. No enrollee shall be entitled to a readjustment allowance unless he has remained in the program at least 90 days, except in unusual circumstances as determined by the Secretary. The Secretary may, from time to time, advance to or on behalf of an enrollee such portions of his readjustment allowances as the Secretary deems necessary to meet extraordinary financial obligations incurred by that enrollee. The Secretary is authorized, pursuant to rules or regulations, to reduce the amount of an enrollee's readjustment allowance as a penalty for misconduct during participation in the Job Corps. In the event of an enrollee's death during his period of service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(d) Such portion of the readjustment allowance as prescribed by the Secretary may be paid monthly during the period of service of the enrollee directly to a spouse or child of an enrollee, or to any other relative who draws substantial support from the enrollee, and any amount so paid shall be supplemented by the payment of an equal amount by the Secretary.

STANDARDS OF CONDUCT

SEC. 430. (a) Within Job Corps centers standards of conduct shall be provided and stringently enforced. If violations are committed by enrollees, dismissal from the Corps or transfers to other locations shall be made if it is determined that retention in the Corps, or in the particular center, will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(b) To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees, including dismissal from the Job Corps, subject to expeditious appeal to the Secretary.

COMMUNITY PARTICIPATION

SEC. 431. The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers and nearby communities. These activities shall include the establishment of community advisory councils to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest. Youth shall be represented on the advisory council and separate youth councils may be established composed of enrollees and young people from the communities. The Secretary shall assure that each center is operated with a view to achieving, so far as possible, objectives which shall include—

(1) giving community officials appropriate advance notice of changes in center rules, procedures, or activities that may affect or be of interest to the community;

(2) affording the community a meaningful voice in center affairs of direct concern to it, including policies governing the issuance and terms of passes to enrollees;

(3) providing center officials with full and rapid access to relevant community groups and agencies, including law enforcement agencies and agencies which work with young people in the community;

(4) encouraging the fullest practicable participation of enrollees in programs for community improvement or betterment, with appropriate advance consultation with business, labor, professional, and other interested community groups;

(5) arranging recreational, athletic, or similar events in which enrollees and local residents may participate together;

(6) providing community residents with opportunities to work with enrollees directly as part-time instructors, tutors, or advisers, either in the center or in the community;

(7) developing, where feasible, job or career opportunities for enrollees in the community; and

(8) promoting interchanges of information and techniques among, and cooperative projects involving, the center and community schools and libraries, educational institutions, agencies serving young people and recipients of funds under this Act.

COUNSELING AND JOB PLACEMENT

SEC. 432. (a) The Secretary shall counsel and test each enrollee at regular intervals to measure progress in educational and vocational programs.

(b) The Secretary shall counsel and test enrollees prior to their scheduled terminations to determine their capabilities and shall make every effort to place them in jobs in the vocation for which they are trained or to assist them in attaining further training or education. In placing enrollees in jobs, the Secretary shall utilize the public employment service system to the fullest extent possible.

(c) The Secretary shall determine the status and progress of enrollees scheduled for termination and make every effort to assure that their needs for further education, training, and counseling are met.

(d) The Secretary shall arrange for the readjustment allowance to be paid to former enrollees (who have not already found employment) at the State employment service office nearest the home of any such former enrollee who is returning home, or at the nearest such office where the former enrollee has indicated an intent to reside. If the Secretary uses any other public agency or private organization in lieu of the public employment service system, the Secretary shall arrange for that organization or agency to pay the readjustment allowance.

EXPERIMENTAL AND DEVELOPMENTAL PROJECTS AND COORDINATION WITH OTHER PROGRAMS

SEC. 433. (a)(1) The Secretary is authorized to undertake experimental, research, or demonstration projects to develop or test ways of better using facilities, encouraging a more rapid adjustment of enrollees to community life that will permit a reduction in their period of enrollment, reducing transportation and support costs, or otherwise

promoting greater efficiency and effectiveness in the program. These projects shall include one or more projects providing youth with education, training, and other supportive services on a combined residential and nonresidential basis.

(2) The Secretary is authorized to undertake one or more pilot projects designed to involve youth who have a history of serious and violent behavior against persons or property, repetitive delinquent acts, narcotics addiction, or other behavorial aberrations.

(3) Projects under this subsection shall be developed after appropriate consultation with other Federal or State agencies conducting similar or related programs or projects and with the prime sponsors in the communities where the projects will be carried out. They may be undertaken jointly with other Federal or federally assisted programs, and funds otherwise available for activities under those programs shall, with the consent of the head of any agency concerned, be available for projects under this section to the extent they include the same or substantially similar activities. The Secretary is authorized to waive any provision of this part which the Secretary finds would prevent the carrying out of elements of projects under this subsection essential to a determination of their feasibility and usefulness. The Secretary shall, in the annual report of the Secretary, report to the Congress concerning the actions taken under this section, including a full description of progress made in connection with combined residential and nonresidential projects.

(b) In order to determine whether upgraded vocational education schools could eliminate or substantially reduce the school dropout problem, and to demonstrate how communities could make maximum use of existing educational and training facilities, the Secretary, in cooperation with the Secretary of Education, is authorized to enter into one or more agreements with State educational agencies to pay the cost of establishing and operating model community vocational education schools and skill centers.

(c)(1) The Secretary, through the Job Corps, programs research, demonstration, and evaluation, and programs for training and technical assistance authorized under this title, shall develop and implement activities designed to disseminate information gained from Job Corps program experience which may be of use in the innovation and improvement of related programs. To carry out this purpose, the Secretary may enter into appropriate arrangements with any Federal or State agency.

(2) The Secretary is authorized to develop Job Corps programs to test at various centers the efficacy of selected education or training activities authorized under this or any other Act and to appropriately disseminate the results of such tests. To carry out this purpose, the Secretary may enter into appropriate arrangements with any Federal or State agency.

(d) The Secretary is authorized to enter into appropriate arrangements with the Secretary of Defense for the development of pilot projects at Job Corps centers to prepare youth to qualify for military service. In the event that the Secretary of Labor and the Secretary of Defense agree that such pilot projects should be expanded into permanent programs, the Secretary may establish such permanent programs within the Job Corps, if reimbursement from the Secretary of Defense for not less than 90 percent of the costs attributable to such permanent programs is made available. In addition to the provision of funds, such reimbursement may include the provision of equipment, materials, transportation, technical assistance, or other assistance, as specified by the Secretary.

(e) In order to determine whether community participation as required under section 432 can be improved through the closer involvement of community-based organizations, the Secretary is authorized to undertake one or more pilot projects utilizing community-based organizations of demonstrated effectiveness for Job Corps center operation. For purposes of such pilot projects, the term "community-based organizations" may include nonprofit educational foundations organized on a State or local basis.

ADVISORY BOARDS AND COMMITTEES

SEC. 434. The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

PARTICIPATION OF THE STATES

SEC. 435. (a) The Secretary shall take action to facilitate the effective participation of States in the Job Corps programs, including consultation with appropriate State agencies on matters pertaining to the enforcement of applicable State laws, standards of enrollee conduct and discipline, development of meaningful work experience and other activities for enrollees, and coordination with State-operated programs.

(b) The Secretary is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Secretary is authorized, pursuant to regulations, to pay part or all of the costs of such programs to the extent such costs are attributable to carrying out the purpose of this part.

(c) No Job Corps center or other similar facility designed to carry out the purpose of this part shall be established within a State unless a notice setting forth such proposed establishment has been submitted to the Governor, and the establishment has not been disapproved by the Governor within thirty days of such submission.

(d) All property which would otherwise be under exclusive Federal legislative jurisdiction shall be under concurrent jurisdiction with the appropriate State and locality with respect to criminal law enforcement as long as a Job Corps center is operated on such property.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 436. (a) Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees in the Job Corps shall not be considered Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits:

(1) For purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.) enrollees shall be deemed employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(2) For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except—

(A) the term "performance of duty" shall not include any act of an enrollee while absent from the assigned post of duty of such enrollee, except while participating in an activity (including an activity while on pass or during travel to or from such post or duty) authorized by or under the direction and supervision of the Job Corps;

(B) in computing compensation benefits for disability or death, the monthly pay of an enrollee shall be deemed that received under the entrance salary for a grade GS-2 employee, and sections 8113 (a) and (b) of title 5, United States Code, shall apply to enrollees; and

(C) compensation for disability shall not begin to accrue until the day following the date on which the injured enrollee is terminated.

(3) For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered employees of the Government.

(b) Whenever the Secretary finds a claim for damages to persons or property resulting from the operation of the Job Corps to be a proper charge against the United States, and it is not cognizable under section 2672 of title 28, United States Code, the Secretary is authorized to adjust and settle it in an amount not exceeding $1,500.

(c) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SPECIAL PROVISIONS

SEC. 437. (a) The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps consistent with (1) efficiency and economy in the operation of the program, (2) sound administrative practice, and (3) the socioeconomic, educational, and training needs of the population to be served.

(b) The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of the Job Corps program shall become the property of the United States.

(c) Transactions conducted by private for-profit contractors for Job Corps centers which they are operating on behalf of the Secretary shall not be considered as generating gross receipts.

GENERAL PROVISIONS

SEC. 438. The Secretary is authorized to—

(1) disseminate, with regard to the provisions of section 4154 of title 39, United States Code, data and information in such forms as the Secretary shall deem appropriate, to public agencies, private organizations, and the general public;

(2) collect or compromise all obligations to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of obligations until such time as such obligations may be

referred to the Attorney General for suit or collection; and

(3) expend funds made available for purposes of this part—

(A) for printing and binding, in accordance with applicable law and regulation; and

(B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Secretary, except that the Secretary shall not utilize the authority contained in this subparagraph—

(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this part, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form or under the conditions in which it is needed; and

(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of the Secretary's intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority.

DONATIONS

SEC. 439. The Secretary is authorized to accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including but not limited to, equipment and materials, if such donations are available for appropriate use for the purposes set forth in this part.

PART C—NATIONAL PROGRAMS AND ACTIVITIES

MULTISTATE PROGRAMS

SEC. 441. The Secretary shall use funds available under this section to provide services authorized under all titles of this Act for employment and training programs that are most appropriately administered from the national level, such as programs sponsored by public agencies or private organizations that conduct federally assisted activities in more than one State, including programs to—

(1) meet the employment-related needs of individuals who face particular disadvantages in specific and general labor markets or occupations, including offenders, individuals of limited English language proficiency, handicapped individuals, women, single parents, displaced homemakers, youth, older workers, individuals who lack educational credentials, public assistance recipients, and other individuals whom the Secretary determines require special assistance;

(2) foster new or improved linkages among Federal, State, and local employment and training agencies, State and local educational agencies in accordance with section 132, and components of the private sector, such as the business community, organized labor, and community based organizations;

(3)(A) educate employers on the benefits of hiring and providing continued employment for older persons, (B) encourage employers be better utilize the experience and capabilities of older persons, (C) assist in breaking down common stereotypes that many employers have about older persons, and (D) facilitate (i) the transition of older persons from one occupation to another, and (ii) the transition of older persons from non-participation to participation in the labor force, and the upgrading of older workers; utilizing organizations having demonstrated ability to serve the employment and training needs of older workers for each of such programs, including State and area agencies on aging;

(4) eliminate or reduce critical skill shortages in the Nation's labor force, including programs offered by consortia of private sector employers to reduce, in accordance with standards prescribed by the Bureau of Apprenticeship and Training, shortages in apprenticeable occupations;

(5) meet the need to develop a labor force with skills that promote the use of renewable energy technologies, energy conservation, and the weatherization of homes occupied by low-income families; and

(6) assist youth career intern programs for individuals meeting the eligibility requirements of section 261, to be conducted jointly by local educational agencies and community-based organizations to improve educational and employment opportunities for youths in areas of high unemployment.

RESEARCH, DEMONSTRATION, AND EVALUATION

SEC. 442. (a) To assist the Nation in expanding work opportunities and assuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of employment and training research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's employment and training problems. The program required by this section may include, but need not be limited to, studies concerning the development or improvement of Federal, State, local, and privately supported employment and training programs; labor market processes and outcomes; policies and programs to reduce unemployment and the relationships thereof with price stability and other national goals; productivity of labor; improved means of forecasting and using forecasts of labor supply and demand at the national and subnational levels; methods of improving the wages and employment opportunities of low-skilled and disadvantaged workers; measuring and developing policies to eliminate worker shortages; and easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

(b) The Secretary shall establish a program of experimental, developmental, demonstration, and pilot projects for the purpose of improving techniques and testing the effectiveness of specialized and innovative methods in meeting employment and training problems. Activities may include projects in such areas as easing the transition from school to work, increasing employment of skilled workers critical to defense readiness, and eliminating artificial barriers to employment.

(c)(1) The Secretary shall provide for the continuing evaluation of all programs, activities, and research and demonstration projects conducted pursuant to this Act, including their cost effectiveness in achieving the purposes of this Act, their impact on communities and participants, their implication for related programs, the extent to which they meet the needs of individuals by age, sex, race, and national origin, and the adequacy of the mechanism for the delivery of services. In conducting evaluations, the Secretary shall compare the effectiveness of programs conducted by prime sponsors of the same class and of different classes, and shall compare the effectiveness of programs conducted by prime sponsors with similar programs carried out by the Secretary under this Act. The Secretary shall also arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs.

(2) The Secretary shall evaluate the effectiveness of programs authorized under this Act and part C of title IV of the Social Security Act with respect to the statutory goals and objectives, including increases in employment and earnings for participants, reduced income support costs, increased tax revenues, duration in training and employment situations, information on the postenrollment labor market experience of program participants for at least a year following their termination from such programs, and comparable information on other employees or trainees of participating employers.

TRAINING AND TECHNICAL ASSISTANCE

SEC. 443. (a) The Secretary, in consultation with appropriate officials, shall provide directly or through grants, contracts, or other arrangements, appropriate preservice and inservice training for specialized, supportive, supervisory, or other personnel, including job skills teachers, and appropriate technical assistance (including technical assistance for housing for migrant and seasonal farmworkers) with respect to programs under this Act, including the development and attainment of performance goals. Such activities may include the utilization of training and technical assistance capabilities which exist at the State and prime sponsor level.

(b) The Secretary shall establish a national clearinghouse to disseminate materials and information gained from exemplary program experience which may be of use in the innovation or improvement of other programs conducted pursuant to this Act.

OFFICE OF MANAGEMENT ASSISTANCE

SEC. 444. (a) The Secretary shall establish an Office of Management Assistance and shall assign to such office such especially qualified accountants, management specialists, and other professionals as may be necessary and available to provide management assistance to any prime sponsor—

(1) seeking the service of such office on its own initiative to assist it in overcoming problems in the management, operation, or supervision of any program or project under this Act; or

(2) identified, pursuant to a complaint investigation, internal audit, or audit or investigation as not being in compliance with any important requirement of this Act, of regulations issued thereunder, or of the community job training plan.

(b) Services under this section may be provided on a reimbursable or nonreimbursable basis, as determined by the Secretary, and shall be allocated in a manner to assure equitable but effective distribution of such services. The Secretary shall periodically publish any proposals for corrective action made by the Office which may be useful to other prime sponsors.

VETERANS' EMPLOYMENT

SEC. 445. (a)(1) The Secretary shall provide, either directly or through grant or contract, for the conduct of programs to meet the employment needs of veterans and shall administer all veterans' employment and training programs through the Assistant Secretary for Veterans' Employment. The As-

sistant Secretary shall be responsible for the awarding of grants and the distribution of funds for veterans' employment, training, and outreach services.

(2) Programs conducted under this section shall emphasize the needs of disabled veterans, veterans of the Vietnam era, and veterans who have recently been separated from military service and shall include, but not be limited to—

(A) programs and activities carried out by grantees under this or other federally funded employment and training programs as the Secretary determines have an understanding of the problems of veterans, a familiarity with the area to be served, and a capability to administer effectively a comprehensive employment and training program for veterans;

(B) promotion of programs of on-the-job training coordinated, to the maximum extent possible, with benefits authorized under section 1787 of title 32, United States Code;

(C) employability development program conducted in coordination and cooperation with the Veterans' Administration's program of readjustments counseling conducted pursuant to section 612A of such title and veterans assistance offices established pursuant to section 242 of such title;

(D) job placement programs conducted in coordination and cooperation with the Department of Labor's Disabled Veterans' Outreach Program conducted pursuant to section 2003A of such title; and

(E) demonstration programs, conducted in coordination and cooperation with the Department of Defense and the Veterans' Administration, to provide preseparation counseling concerning opportunities in the civilian labor market and preseparation job search assistance for individuals who decline to reenlist.

(b) The Assistant Secretary shall be directly responsible for establishing proper fiscal controls, accountability, and program performance of grant recipients for veterans' employment, training, and outreach services.

(c) The Assistant Secretary shall encourage recipients of grants or contracts under this section to enter into cooperative arrangements with private industry and business concerns, educational institutions, nonprofit organizations, trade associations, and organized labor in addition to cooperative arrangements with other Federal and State employment and job training agencies to make maximum use of existing programs. Such programs shall place emphasis upon the training needs of disabled, Vietnam era, and recently separated veterans.

(d) For the purpose of carrying out this section, the Secretary shall reserve and make available from funds available for this title for any fiscal year an amount equal to not less than 0.4 percent of the amount available for title II of this Act for that fiscal year.

PART D—LABOR MARKET INFORMATION

PURPOSE; AVAILABILITY OF FUNDS

SEC. 451. (a) The purpose of this part is to provide for the development of labor market and occupational information at Federal, State, and local levels to meet the information needs of organizations in planning and delivering services pursuant to this Act.

(b) Funds available for purposes of this part shall also be available for purposes of section 115 (relating to State labor market information).

COOPERATIVE LABOR MARKET INFORMATION PROGRAM

SEC. 452. (a) The Secretary shall develop and maintain a comprehensive system of labor market information on national, State, local and other appropriate bases, which shall be made publicly available in a timely fashion.

(b) Notwithstanding any other provision of law, funds available to other Federal agencies for carrying out chapter 35 of title 44 of the United States Code, the Vocational Education Act of 1963, and the Act of June 6, 1933 (popularly known as the Wagner-Peyser Act), may be made available by the head of each such agency to assist in carrying out the provisions of this section.

(c)(1) In addition to the monthly national unemployment statistics, the Secretary shall develop reliable methods, including the use of selected sample surveys, to produce more statistically accurate data on unemployment by State and local areas, and shall investigate alternative methods to produce more accurate data on underemployment and labor demand by State and local areas.

(2) The Secretary shall assure statistical reliability and national standardized definitions of employment, unemployment, and occupational definitions that shall be utilized for purposes of carrying out paragraph (1).

(d) The Secretary shall develop and maintain for the Nation, State, and local areas, current employment data by occupation and industry, based on the occupational employment statistics program, including selected sample surveys, and projections by the Bureau of Labor Statistics of employment and openings by occupation.

(e) The Secretary shall maintain descriptions of job duties, training and education requirements, working conditions, and characteristics of occupations.

(f) In carrying out the provisions of this section, the Secretary shall assure that—

(1) departmental data collecting and processing systems are consolidated to eliminate overlap and duplication;

(2) the criteria of chapter 35 of title 44 of the United States Code are met; and

(3) statistical reliability and national standardized definitions of employment, unemployment, and occupational definitions are used.

(g)(1) The Secretary shall develop data for an annual statistical measure of labor market related economic hardship in the Nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at wages less than the poverty level.

(2) The Secretary shall develop and maintain, on national, State, local, and other appropriate bases, household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural.

(3) The Secretary shall publish, at least annually, a report relating labor force status to earnings and income.

(h) The Secretary shall develop and maintain statistical data relating to closings of mines and manufacturing plants or facilities employing 50 or more workers. The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Each such report shall include data regarding—

(1) the number of such closings during the calendar year involved;

(2) the number of workers displaced by such closings;

(3) the location of the closed plants or facilities; and

(4) the types of industries involved in such closings.

(i) The Secretary shall set aside, out of sums available to the Department for any fiscal year (including sums available for this title), an amount which the Secretary determines is necessary and appropriate to carry out the provisions of this section, and shall, no later than sixty days after such sums are appropriated and made available, notify the appropriate committees of the Congress of the amount so set aside and the basis for the determination of need and appropriateness.

FEDERAL RESPONSIBILITIES

SEC. 453. (a) The Secretary, in cooperation with the Secretary of Commerce, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Education, and the Director of the Office of Management and Budget, shall—

(1) review the need for and the application of all operating national data collection and processing systems in order to identify gaps, overlap, and duplications, and integrate at the national level currently available data sources in order to improve the management of information systems;

(2) maintain, assure timely review, and implement national standardized definitions with respect to terms, geographic areas, timing of collection, and coding measures, to the maximum extent feasible; and

(3) provide technical assistance to the States in the development, maintenance, and utilization of labor market and occupational supply and demand information systems and projections of supply and demand, with special emphasis on assistance in the utilization of cost efficient automated systems and improving access of individuals to career opportunities information in local and State labor markets.

(b) The Secretary, in cooperation with the Secretary of Defense, shall assure the development of an integrated occupational supply and demand information system to be used by States and, in particular, in secondary and postsecondary educational institutions in order to assure youth adequate information on career opportunities in the Armed Forces.

(c) The Secretary and the Director of the Office of Management and Budget shall assure that, from the funds reserved for this part, sufficient funds are available to provide staff at the Federal level to assure the coordination functions described in this section.

NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

SEC. 454. (a)(1) Of the amounts available for this part, not less than $5,000,000 shall be reserved for the National Occupational Information Coordinating Committee (established pursuant to section 161(b) of the Vocational Education Act of 1963) to assure the coordination of functions as required by this part. In addition to the members required by such Act, the Committee shall include the Assistant Secretary of Commerce for Economic Development and the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics.

(2) Not less than 75 percent of the funds transferred by the Secretary to the National Occupational Information Coordinating Committee shall be used to support State oc-

cupational information coordinating committees.

(b) In addition to its responsibilities under the Vocational Education Act of 1963, the National Occupational Information Coordinating Committee shall—

(1) review the need for and the application of all national and cooperative Federal-State data collection and processing systems related to occupational information, to identify gaps, overlap, and duplication, and provide recommendations to the Office of Management and Budget and data producing agencies for integrating and improving such systems;

(2) encourage the use of nationally standardized definitions and coding measures with respect to occupational information;

(3) give special attention to the labor market information needs of youth and adults, including activities such as (A) assisting and encouraging States to adopt methods of translating national occupational outlook information into State and local terms; (B) assisting and encouraging the development of State occupational information systems, including career information delivery systems and the provision of technical assistance for programs of on-line computer systems and other facilities to provide career information at sites such as local schools, public employment service offices, and job training programs authorized under this Act; (C) in cooperation with educational agencies and institutions, encouraging programs providing career information, counseling, and employment services for postsecondary youth; and (D) in cooperation with State and local correctional agencies, encouraging programs of counseling and employment services for youth and adults in correctional institutions;

(4) provide training and technical assistance, and continuing support to State occupational information coordinating committees, in the development, maintenance, and use of occupational supply and demand information systems, with special emphasis on the use of cost efficient automated systems for delivering occupational information to planners and administrators of education and training programs and on improving the access of such planners and administrators to occupational information systems;

(5) publish at least annually a report on the status of occupational information capabilities at the State and national levels, which may include recommendations for improvement of occupational information production and dissemination capabilities;

(6) conduct research and demonstration projects designed to improve any aspect of occupational and career information systems;

(7) provide technical assistance for programs designed to encourage public and private employers to list all available job opportunities with occupational information and career counseling programs conducted by prime sponsors and with local public employment service offices and to encourage cooperation and contact among such employers and such prime sponsors and public employment service offices; and

(8) providing assistance to prime sponsors and private industry councils to familiarize them with labor market information resources available to meet their needs.

(c) All funds available to the National Occupational Information Coordinating Committee under this Act, under section 161 of the Vocational Education Act of 1963, and under section 12 of the Career Education Act may be used by the Committee to carry out any of its functions and responsibilities authorized by law.

JOB BANK PROGRAM

SEC. 455. The Secretary shall establish and carry out a nationwide computerized job bank and matching program (including the listing of all suitable employment openings with local offices of the State employment service agencies by Federal contractors and subcontractors and providing for the affirmative action as required by section 2012(a) of title 38, United States Code) on a regional, State, and local basis, using electronic data processing and telecommunications systems to the maximum extent possible for the purpose of identifying sources of available individuals and job vacancies, providing an expeditious means of matching the qualifications of unemployed, underemployed, and economically disadvantaged individuals with employer requirements and job opportunities, and referring and placing such individuals in jobs. An occupational information file shall be developed, containing occupational projections of the numbers and types of jobs on regional, State, local, and other appropriate bases, as well as labor supply information by occupation.

PART E—NATIONAL COMMISSION ON EMPLOYMENT AND PRODUCTIVITY

STATEMENT OF PURPOSE

SEC. 461. The purpose of this part is to establish a National Commission on Employment and Productivity which shall have the responsibility for examining broad issues of development, coordination, and administration of employment and training programs, and for advising the President and the Congress on national employment and training issues. For the purpose of providing funds for the Commission, the Secretary shall reserve $2,000,000 of the sums appropriated for this title for each fiscal year.

COMMISSION ESTABLISHED

SEC. 462. (a) There is established a National Commission on Employment and Productivity (formerly known as the National Commission on Employment Policy and hereinafter in this part referred to as the "Commission"). The Commission shall be composed of 19 members, 15 of whom shall be appointed by the President. Two members shall be appointed by, and serve at the pleasure of, the Speaker of the House of Representatives, and two members shall be appointed by, and serve at the pleasure of, the majority leader of the Senate. The members of the Commission shall be individuals who are nationally prominent and the Commission shall be broadly representative of agriculture, business, labor, commerce, education (including elementary, secondary, postsecondary, and vocational and technical education), veterans, current State and local elected officials, community-based organizations, assistance programs, and members of the general public with expertise in human resource development or employment and training policy. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups.

(b) The term of office of each member of the Commission appointed by the President under subsection (a) shall be three years, except that—

(1) any such member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and

(2) of such members first taking office—

(A) five shall serve for terms of one year;

(B) five shall serve for terms of two years; and

(C) five shall serve for terms of three years; as designated by the President at the time of appointment.

(c)(1) The Chairman shall be selected by the President.

(2) The Commission shall meet not fewer than three times each year at the call of the Chairman.

(3) A majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings. Any recommendation may be passed only by a majority of the members present. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

(d) The Chairman (with the concurrence of the Commission) shall appoint a Director, who shall be chief executive officer of the Commission and shall perform such duties as are prescribed by the Chairman.

FUNCTIONS OF THE COMMISSION

SEC. 463. The Commission shall—

(1) identify the employment goals and needs of the Nation, and assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity programs, public assistance policies, employment-related tax policies, labor exchange policies, and other policies and programs under this Act and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs and achieving such goals;

(2) develop and make appropriate recommendations designed to meet the needs and goals described in clause (1);

(3) examine and evaluate the effectiveness of any federally assisted employment and training programs (including programs assisted under this Act), with particular reference to the contributions of such programs to the achievement of objectives sought by the recommendations made under clause (2);

(4) advise the Secretary on the development of national performance criteria for programs conducted pursuant to this Act;

(5) evaluate the impact of tax policies on employment and training opportunities;

(6) examine and evaluate major Federal programs which are intended to, or potentially could, contribute to achieving major objectives of existing employment and training and related legislation or the objectives set forth in the recommendations of the Commission, and particular attention shall be given to the programs which are designed, or could be designed, to develop information and knowledge about employment and training problems through research and demonstration projects or to train personnel in fields (such as occupational counseling, guidance, and placement) which are vital to the success of employment and training programs;

(7)(A) identify, after consultation with the National Advisory Council on Vocational Education, the employment and training and vocational education needs of the Nation and assess the extent to which employment and training, vocational education, rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs; and

(B) comment, at least once annually, on the reports of the National Advisory Council on Vocational Education, which comments shall be included in one of the reports sub-

mitted by the National Commission pursuant to this title and in one of the reports submitted by the National Advisory Council on Vocational Education pursuant to section 162 of the Vocational Education Act of 1963;

(8) study and make recommendations on how, through policies and actions in the public and private sectors, the Nation can attain and maintain full employment, with special emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment;

(9) identify and assess the goals and needs of the Nation with respect to economic growth and work improvements, including conditions of employment, organizational effectiveness and efficiency, alternative working arrangements, and technological changes;

(10) evaluate the effectiveness of training provided with Federal funds in meeting emerging skill needs; and

(11) study and make recommendations on the use of advanced technology in the management and delivery of services and activities conducted under this Act.

ADMINISTRATIVE PROVISIONS

SEC. 464. (a) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

(1) prescribe such rules and regulations as may be necessary;

(2) appoint and fix the compensation of such staff personnel as the Chairman deems necessary, and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and the General Schedule pay rates, appoint not to exceed three additional professional personnel;

(3) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code;

(4) accept voluntary and uncompensated services of professional personnel, consultants, and experts, notwithstanding any other provision of law;

(5) accept in the name of the United States and employ or dispose of gifts or bequests to carry out the functions of the Commission under this title;

(6) enter into contracts and make such other arrangements and modifications, as may be necessary;

(7) conduct such studies, hearings, research activities, demonstration projects, and other similar activities as the Commission deems necessary to enable the Commission to carry out its functions under this title;

(8) use the services, personnel, facilities, and information of any department, agency, and instrumentality of the executive branch of the Federal Government and the services, personnel, facilities, and information of State and local public agencies and private research agencies, with the consent of such agencies, with or without reimbursement therefor; and

(9) make advances, progress, and other payments necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

(b) Upon request made by the Chairman of the Commission, each department, agency, and instrumentality of the executive branch of the Federal Government is authorized and directed to make its services, personnel, facilities, and information (including computer-time, estimates, and statistics) available to the greatest practicable extent to the Commission in the performance of its functions under this Act.

REPORTS

SEC. 465. The Commission shall make at least annually a report of its findings and recommendations to the President and to the Congress. The Commission may make such interim reports or recommendations to the Congress, the President, the Secretary, or to the heads of other Federal departments and agencies, and in such form, as it may deem desirable. The Commission shall include in any report made under this section any minority or dissenting views submitted by any member of the Commission.

TITLE V—AMENDMENTS TO OTHER LAWS

WAGNER-PEYSER ACT AMENDMENTS

SEC. 501. (a) The Act of June 6, 1933, popularly known as the Wagner-Peyser Act (29 U.S.C. 49 et seq.), is amended by striking out subsections (a) and (b) of the first section of such Act and inserting in lieu thereof the following:

"(a) The Secretary of Labor is directed to promote a national system of public employment offices.

"(b) There shall be maintained in the Department of Labor a United States Employment Service.".

(b) Such Act is further amended by inserting after section 5 the following:

"SEC. 6. (a)(1) Subject to paragraphs (2), (3), and (4) the Secretary shall allocate the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year (after fiscal year 1983) among the States based on giving equal weight to each of the following factors:

"(A) the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States; and

"(B) the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States,

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the preceding calendar year, as determined by the Secretary of Labor.

"(2) Prior to making allocations in accordance with paragraph (1), the Secretary shall provide to each State for each fiscal year (after fiscal year 1983) such share of the total sums allocated as is equal to 90 percent of the share which each such State received of the total allocations under this Act for the preceding fiscal year, but not to exceed 90 percent of the amount thereof received by each such State for fiscal year 1983.

"(3) For each fiscal year (after fiscal year 1983), no State shall receive a total allocation under paragraphs (1) and (2) which is less than 0.28 percent of the total amount available for allocation.

"(4) The Secretary shall reserve such amount, not to exceed 3 percent of the sums available for allocation under paragraph (1) for each fiscal year, as shall be necessary to assure that each State will have a total allocation under this section sufficient to provide staff and other resources necessary to carry out employment service activities and related administrative and support functions on a statewide basis.

"(5) The Secretary shall, not later than May 15 of fiscal year 1983 and each succeeding fiscal year, provide preliminary planning estimates and shall, not later than July 15 of each such fiscal year, provide final planning estimates, showing each State's projected allocation for the following fiscal year.

"(b) Ten percent of the sums allocated to each State pursuant to subsection (a) shall be reserved for use in accordance with subsection (d) and the remainder of such sums may be used—

"(1) for job search and placement services to job seekers including counseling, testing, occupation and labor market information, assessment and referral to employers;

"(2) for appropriate recruitment services and special technical services for employers; and

"(3) for any of the following activities:

"(A) evaluation of programs;

"(B) developing linkages between services funded under this Act and related Federal or State legislation, including the provision of labor exchange services at education sites;

"(C) providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;

"(D) developing and providing labor market and occupational information;

"(E) developing a management information system and compiling and analyzing reports therefrom; and

"(F) administering the work test for the State unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

"(c) In addition to the activities described in subsection (b), the United States Employment Service may perform such other labor market-related services as are specified in reimbursable contracts with other Federal or State departments and agencies.

"(d) The portion of each State's allocation reserved for use in accordance with this subsection shall be used by the Governor of each such State to provide—

"(1) performance incentives for public employment service offices and programs, consistent with national criteria established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors;

"(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and prime sponsors or other public or private nonprofit agencies; and

"(3) the extra costs of exemplary models for delivering services of the types described in subsection (b).".

(c) Section 8 of such Act is amended by striking out "Director" each place it appears and inserting in lieu thereof "Secretary of Labor", and by inserting after the first sentence thereof the following: "Prior to submission of the plan to the Secretary—

"(1) the employment service shall develop jointly with each prime sponsor (designated under the Job Training Partnership Act) those components of the plan applicable to the area served by each such prime sponsor;

"(2) such plan shall be transmitted to the State employment and training coordinating council (established under such Act) which shall certify the plan if it determines (A) that the plan was jointly agreed to by the employment service and each prime sponsor within the State; and (B) that the plan is

consistent with the Governor's coordination and special services plan under such Act;

"(3) if the State employment and training coordinating council does not certify that the plan meets the requirements of clauses (A) and (B) of paragraph (2), such plan shall be returned to the employment service for a period of thirty days for it to consider, jointly with any affected prime sponsor, the Council's recommendations for modifying the plan; and

"(4) if the employment service and any such prime sponsor fail to reach agreement upon the plan to be submitted finally to the Secretary, the plan submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any disagreeing prime sponsor, and the State employment and training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of the plan submitted.".

AMENDMENTS TO PART C OF TITLE IV OF THE SOCIAL SECURITY ACT

Section 430 of the Social Security Act is amended by inserting "who have applied for or are" after "under which individuals".

SEC. 502. (a) Section 431 of such Act is amended by striking out subsection (b) and by redesignating subsection (c) as subsection (b).

(b) Section 432(d) of such Act is amended to read as follows:

"(d) In providing the training and employment services and opportunities required by this part, the Secretary of Labor shall, to the maximum extent feasible, assure that such services and opportunities are provided by using all authority available under this or any other Act. In order to assure that the services and opportunities so required are provided, the Secretary of Labor shall (1) assure, to the maximum extent feasible, that registrants under this part receive employment and training services under the Job Training Partnership Act, and (2) use the funds appropriated under this part to provide programs required by this part through such other Acts to the same extent and under the same conditions (except as regards the Federal matching percentage) as if appropriated under such other Act and, in making use of the programs of other Federal, State, or local agencies (public or private), the Secretary of Labor may reimburse such agencies for services rendered to individuals under this part to the extent such services and opportunities are not otherwise available on a nonreimbursable basis.".

(c)(1) Section 432(f) of such Act is amended—

(A) by amending paragraph (1) to read as follows:

"(f)(1) The Secretary of Labor shall utilize the services of the private industry council for each prime sponsor (as established under the Job Training Partnership Act) to identify and provide advice on the types of jobs available or likely to become available in the area served by the prime sponsor.";

(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) by striking out "Labor Market Advisory Council" in such paragraph and inserting in lieu thereof "private industry council".

(2) Section 433(b)(2) of such Act is amended by striking out "Labor Market Advisory Council (established pursuant to section 432(f))" and inserting in lieu thereof "private industry council under the Job Training Partnership Act".

(d)(1) Subsection (a) of section 433 of such Act is amended to read as follows:

"SEC. 433. (a)(1) In carrying out this part, the Secretary shall—

"(A) provide for the registration of all individuals who are required (or volunteer) to register for employment and training services under section 402(a)(19);

"(B) arrange for the provision of job search assistance, including supportive services, for all such registrants to enable them to obtain employment in the regular economy;

"(C) following the provision of intensive search assistance services, refer all registrants who have not been placed in unsubsidized employment to the appropriate prime sponsor for employment and training services authorized under the Job Training Partnership Act;

"(D) place registrants who have not already obtained unsubsidized jobs and who are not currently being served under the Job Training Partnership Act in other employment and training activities authorized by this or any other Act; and

"(E) require all registrants who are receiving aid to families with dependent children and are certified pursuant to section 402(a)(19)(G) to participate in the intensive job search assistance program at the times and in the manner specified in this subsection, unless the Secretary determines that the registrant should be partially or fully exempt from this participation requirement because the registrant is incapable of effectively participating in the intensive job search assistance program because of a physical, mental, or other work-impairing problem, in which case the Secretary may provide short-term training (such as English language training) or other services which are determined to be essential to prepare the individual for participation in the intensive job search program.

"(2) Subject to subsection (a)(1)(E), new registrants who are receiving aid to families with dependent children shall be required to participate, for a period of not less than five nor more than eight weeks, in an intensive job search assistance program following their certification pursuant to section 402(a)(19)(G). To the maximum extent feasible, intensive job search services shall be provided to registrants through self-directed job search or group job search activities with daily attendance of registrants. Following completion of the initial intensive job search assistance program, continuing job search assistance services may be provided at appropriate intervals to registrants. Intensive job search services shall be provided to registrants each twelve months following the completion of the initial or any succeeding intensive job search period.".

(2) Section 433 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In planning for activities under this section, the administrative unit of each State shall make every effort to coordinate such activities with activities provided by the prime sponsor under the Job Training Partnership Act.".

REPEAL; TRANSITION PROVISIONS

SEC. 503. (a) Effective October 1, 1982, the Comprehensive Employment and Training Act is repealed.

(b)(1) The Secretary shall, from funds appropriated pursuant to this Act, provide financial assistance, in the same manner that such assistance was provided under the Comprehensive Employment and Training Act (as in effect on the day before the date of the enactment of this Act), to the extent necessary to provide for the orderly transition of employment and training programs carried out under such Act and to provide continued financial assistance for such programs.

(2) The authority of the Secretary established in paragraph (1) shall expire at the end of September 30, 1983. The Commission established by title V of the Comprehensive Employment and Training Act shall continue to be authorized until such date; and on such date the personnel, property, and records of such Commission shall be transferred to the Commission established by part E of title IV of this Act.

(3) Nothing in this subsection shall be construed to prohibit any prime sponsor, prior to the expiration of the Secretary's authority (as specified in paragraph (2)), from carrying out the provisions of this Act with respect to—

(A) consolidation of program activities;

(B) establishment of uniform eligibility criteria;

(C) establishment of private industry councils; or

(D) conduct of any activity authorized under this Act.

(4)(A) Subject to subparagraph (B), the Secretary shall, not later than March 1, 1983, publish in the Federal Register for purposes of review and comment a full set of proposed regulations necessary for carrying out the provisions of this Act; thereafter the time schedules set forth in section 133 shall apply.

(B) Nothing in this Act shall be construed to delay such steps as are necessary to implement title III promptly.

(c) Real or personal property acquired by prime sponsors with funds provided under the Comprehensive Employment and Training Act which are not transferred or otherwise made available to prime sponsors under this Act by September 30, 1983, shall, to the extent consistent with applicable law, revert to the United States.

(d) Funds for fiscal year 1982 allocated to areas served by prime sponsors under the Comprehensive Employment and Training Act, which were not obligated prior to the end of such fiscal year, shall remain available for obligation by the prime sponsor serving such area under this Act during fiscal year 1983. No reduction shall be made in the allocation for any such area from appropriations to carry out this Act for fiscal year 1983 on account of the carryover of such funds from fiscal year 1982 to fiscal year 1983.

(e) The amendments made by sections 501 and 502 shall be effective October 1, 1982; but, to the extent necessary to provide for the orderly implementation of such amendments and the coordination thereof with the transition provisions of this section, the Secretary is authorized to continue to use, during fiscal year 1983, the authority contained in the provisions amended by such sections, as in effect prior to their amendment.

TITLE VI—ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT

ELIGIBILITY FOR PARTICIPATION AND ASSISTANCE

SEC. 601. The Secretary shall insure that each individual participating in any program established under this Act, or receiving any assistance or benefit under this Act, has

not violated section 3 of the Military Selective Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service System shall cooperate with the Secretary in carrying out this section.

Amend the title so as to read: "An Act to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to establish a community public-private training and employment assistance system and to provide employment and training services, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 5320, was laid on the table.

URGING FARM CREDIT AGENCIES TO EXTEND CREDIT TO FARMERS

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, I just will take 60 seconds here.

I have dropped in a resolution urging the Farm Credit Agencies, Farmers Home Administration, and the Federal Land Bank, to use the authority they have to extend credit to farmers, not to push farmers who do not have the money, who have shown managerial abilities, not to push these farmers for payments of principal and interest, to give America's responsible farmers a chance to survive in this period where they are caught in a squeeze between low prices and high-interest rates.

Any of my colleagues who would wish to join as cosponsors of the resolution, I would be happy to have you join.

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THE IMPACT OF REAGANOMICS ON OHIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 60 minutes.

GENERAL LEAVE

Mr. PEASE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. PEASE. Mr. Speaker, although earlier today many of my colleagues talked a good deal, and so did I, about this being the first anniversary of the passage of the President's economic recovery program and the deleterious things that have happened since then, I do not intend to make this special order a partisan attack on the President and his policies; rather, what I seek to do this afternoon is to discharge a responsibility placed upon me by my constituents.

Like most of my colleagues, I have regular listening hours or office hours in my district so that members of my constituency can come in and talk with me. Last Monday I happened to have a couple of hours' worth of that sort of session.

Five people came in to see me. Quite by accident, they were five people with different, serious problems traceable in large measure to the economic situation of our country today.

I think that I was somewhat helpful in being able and willing to sit and listen to those constituents. Often what they want most is an understanding ear. But I really felt frustrated at not being able to give them much more than a general expression of hope on my part that things might get better for them.

Two different people with whom I talked said to me when they were finished, "Doesn't the Congress know the kind of suffering that we are enduring here in Lorain County, Ohio? Doesn't the President know what it is like to be unemployed, not to have a job, not to be able to find a job, and not to be able to get benefits?"

My county has 20 percent official unemployment. Unofficially that translates into about 25- or 30-percent unemployment, which means one out of every four persons in my home county does not have a job right now.

So I promised two people who came to see me that I would try to bring their message to my colleagues in the House of Representatives and hopefully to the President. The message is that the economy of our country is imposing very, very serious problems on individual citizens, and they are crying out for help.

My first visitors were three people who are not in difficult straits themselves; they happened to be Avon ladies or persons, those people who sell Avon products. Frankly, they were lobbying me on a portion of the tax bill, but in the process, they said, "Our job is selling products in people's homes. We get into people's homes every day and we wish that you and your colleagues and President Reagan could be with us, go into those homes, sit in the living rooms and see the things that we see, the malnourishment of children, and so forth."

Next in my office was a person who until a year ago was a reasonably well-paid executive for a small manufacturing corporation in my district. Business was poor for that firm; he was laid off a year ago, he has not been called back, and he has not been able to find another job.

So here is a person with skill, he is about 50 years of age, with management experience and expertise. He has been unable to find a job of any kind in my county.

He wanted to know what a "person of my age" is supposed to do in that situation.

I talked next to a woman who had applied for social security disability benefits. She had applied over a year ago. It took over 9 months for her to get a hearing on her petition to appeal a denial from the Social Security Administration, and it was only with my help that she actually got the hearing before the administrative law judge.

It has now been over 2 months since that hearing, and she has not heard from the administrative law judge regarding his decision. She asked, "What can be done?" I had to tell her that it was unlikely she would get an early decision, or that we could speed it up very much, or that she would get a favorable decision because it is the policy of this administration to get as many people as possible off of the social security disability rolls, and it is the policy of this administration to keep the Federal payroll down, so it is difficult for the Social Security Administration or any other Federal agency to keep up on its workload.

I hated to send her away, because she was obviously in very, very poor health. She needed money desperately to buy medicine, to buy food to put on her table, and yet, in honesty, I had to tell her, rather than patting her on the back and giving her encouraging words, that I felt I would be doing her the biggest favor by giving her what I considered to be the truth. I had to tell her there was not much hope she would get favorable or even early consideration for her claim.

I next received a visit from a young couple about 30 or 31, with the mother of the man. This was a young man who had worked for 12 years without a single layoff. He is a diesel mechanic, and a good one, I gather. He spent that whole time employed, paying his taxes, until the building industry went to the devil a couple of years ago because of high-interest rates.

He was laid off almost 35 weeks ago. His unemployment compensation is now about to run out, and his request to me was to support the 13-week extension of unemployment compensation benefits now pending in the Congress.

I had to tell that man that, yes, I did support that 13-week extension; yes, I did hope and I do hope that it will be adopted by the Congress this summer,

but I could not be sure, nor could I be at all certain that if it passed it would be signed by the White House because, I said, this administration has been actively working against the 13-week extension of unemployment compensation benefits.

But the young man said. "I have worked for 12 years. I have been productively employed, I have paid my taxes. Don't I get any consideration now when there is no chance for a job?" And he has looked diligently for a job for the last 6 months.

I had to say, "No, under the philosophy of this administration, there is no help for you; this administration does not believe in Government programs; it believes in the economy working its way, working its will in its own good, sweet time."

Again, I felt that perhaps I should have put my arm around that man and given him some encouraging words and sent him off, but I just could not bring myself to mislead him, to give him a false picture of hope.

□ 1850

So, I had to send him away discouraged also. Then, finally, a man came to see me whose story particularly affected me. He is not—was not, at least—a poor person at all. His story is really the epitome of the American dream, or what we used to consider to be the American dream. He is probably about 45 years of age. His father died when he was 15 years of age. He left home when he was 16, not being able to finish high school. He worked for a private employer for about 20 years, and then got interested in building homes and started out building one house in his spare time, and then finished that and sold it and built another one, and then gradually another one, so that by 1979 and 1980 he had become quite a successful small home building contractor.

He said that his income was quite good in 1980, and he thought things were going well. But then the housing industry started that steep decline in late 1980 and into 1981, and because he was a small operator he simply could not sustain month after month of outgo and no income, as he was unable to build homes for lack of buyers who could afford financing a home. As a result, he first filed for reorganization under the bankruptcy laws; and then when that did not work out, he still could not make it, and he had to file for actual bankruptcy. Now, he says all of his machinery has been repossessed by the banks and sold. His business property has been sold. Now, his home is in the process of being repossessed. His wife is leaving him, and he literally goes home to his three children not being sure he will be able to give them a dollar apiece for lunch money for the next day to go to school.

He said, "I am not talking just for myself. Obviously this has been a tragedy for me. I have lost everything I have worked for through 30 years of a working career, and yet what I am really looking for, Congressman PEASE, what I am here for is for some indication that there might be some hope, that the economy might be turning around."

I had to say to him that in all honesty I did not see that happening very soon or very fast; that in terms of the home construction industry Congress had tried very hard this summer to enact the legislation which would have given a boost to the homebuilding industry so that homebuilders could build homes and realtors could sell homes and, most important, so that Americans could buy homes. I had to say as he well knew, that President Reagan vetoed that legislation and would not let it become law.

I had to say to him, in more general terms of the whole economy, that the fortunes of homebuilders and small business people generally are tied in, as well as those of farmers, tied in very, very closely to interest rates, and that I thought the fiscal policy of this administration, unrealistic in terms of its goals and expectations, would not soon lead to a reduction of the Federal deficit nor to lower interest rates on any kind of a sustained basis, nor to a recovery that would help other people like him conduct their businesses and stay in business.

Again, I was really reluctant to tell him that. He was down and discouraged enough, but I do not feel that we serve our constituents well by misleading them, by giving them false hope. I have always believed that the beginning of a solution to any problem is an honest, face-to-face recognition of the dimensions of the problem so that on that bedrock of understanding of the facts a solution can be fashioned.

It was this last gentleman in particular who asked me if I would come back to Congress this week and report to my colleagues on just how serious the situation is with people like himself, how close to despair he has come. He said he is an optimistic person and a rational person. Even he, though, has thoughts from time to time of just ending it all and taking the easy way out by committing suicide. He emphasized, "Now, that is a passing thought. I would not do that, but it just goes to show you the depths of despair that a person gets into when he is losing his family, his business, his home, and when he must face his children and tell them he cannot provide them with even lunch money to take to school."

I did promise him that I would come back, and I hope that perhaps a number of my colleagues are watching the proceedings on television and will be able to understand what it is that we have to worry about for our constituents. I certainly hope that perhaps President Reagan will get a report of this session as well.

I would feel a lot better about approaching and talking with my constituents, one-fourth of whom are unemployed now, if I could give them some answers, some reasonable expectation that things would improve very soon, something on which they could cling, other than expressions of optimism on the part of President Reagan. I would be happier if I did not have to tell them that the administration is opposed to unemployment compensation for laid off workers, any extension of it; if I would not have to tell them the President is opposed to programs that provide for training and the retraining of laid off workers so that they might find some hope of finding new occupations.

It seems to me that the solution, as I say, if there is a solution to our economic worries—and I am basically an optimist, I think there are solutions—the basic, innate dynamism of our economy that is bursting to get free, and maybe it will and maybe it will not. Manufacturers want to manufacture; salesmen want to sell; consumers want to buy. They are prevented from buying houses and automobiles and appliances and the other things that make our economy run essentially because of the heavy burden of high-interest rates which make it nearly impossible for them to do what they would like to do.

And yet, as we all know, those high-interest rates are not likely to come down this year or the year after unless the Federal deficit is brought under control. I do not think that it is helpful at all on the part of this administration not to recognize the reality of that situation. We hear rhetoric about the balanced budget amendments and all of that sort of thing, but it seems to me that there is nothing in the policies of this administration which could lead an American citizen to expect relief next year, or the year after, or the year after that from very, very high deficits and the resultant high-interest rates.

□ 1900

The administration, I am sorry to say, this year, as last year, is seriously underestimating the size of budget deficits over the next few years.

We got into the situation we are in now essentially because of the so-called economic recovery program that was enacted last year. There were really four goals of that program and all four of those goals were commendable.

No one can argue with cutting back on domestic spending where that can be accomplished, and I think that last year some of those cuts were justifiable.

No one can argue necessarily about spending more money for defense if we need more money for defense. No one can argue about cutting back on taxes because no one likes to pay taxes. Congress does not like to impose taxes, and so that was a desirable goal, too.

The fourth goal of the President was to balance the budget. I think we would all agree to that as a good goal.

But I tell my constituents that you cannot do or could not do last summer all four of those at the same time. President Reagan inherited a budget deficit from President Carter of about $58 billion, just as President Carter had inherited a deficit of $66 billion from President Ford before him.

So starting out with a $58 billion deficit, President Reagan said let us cut spending for domestic purposes by $35 billion, which he accomplished in his program last year. But he also said let us increase defense spending by about $30 billion, which cancels out most of the gain from the cuts in domestic spending. Then he said let us cut taxes by about $50 billion, and oh, by the way, balance the Federal budget.

Well, it was not possible to do all four at the same time in the first year, the second year, or the third year, or the fourth year of President Reagan's administration.

David Stockman knew that. He knew he could not sell to Congress a program that tried to do all of those four things, that used honest figures, because the deficits would be too high, and so he reprogramed the computer at the Office of Management and Budget to produce figures which assured the American people that the budget deficit in this fiscal year would only be $42 billion if the President's economic recovery package were passed.

Nearly every responsible economist last year said that was not true, that the underlying economic assumptions which Mr. Stockman put into his computer were widely optimistic and could not possibly be reached and that the deficit would be, at a minimum, $80 billion instead of $42 billion.

But the President went on television and made his statement and claim and convinced the public and got his program through. You would think that having been burned once, having responsible officials now say that the deficit this year will be $110 or $115 billion, not the $42 billion he predicted, that President Reagan would have learned his lesson.

But just last week his administration put out a new set of figures, estimates for the next couple of years, which are also faulty, unrealistically optimistic, and project a budget deficit of $115 billion for 1983, even if Congress does as the President wants and raises taxes by $21 billion, and even if the Congress makes $40 billion more in cuts on the domestic side as the President is demanding.

But the Congressional Budget Office and other outside responsible economists who have a far better record of forecasting economic trends than the Office of Management and Budget under David Stockman say that that $115 billion is not accurate, it is unrealistic, and the deficit will really be $140 billion or more even with the tax increase and the spending cuts.

I do not see how we can begin to solve our problem unless we get honest, realistic, down-to-earth, commonsense facts and figures from the Office of Management and Budget and from President Reagan.

I would just appeal to the President on behalf of my constituents, five of whom I talked with on Monday in random order. I did not go through my whole files and select five cases. These are the five people who happened to come in last Monday. I would ask the President on behalf of them, yes, I would plead with the President on behalf of them to be realistic about the economic mess in which we are in and to set forth in clear language an understanding of what that problem is and the dimensions of the problem so that we can begin finding a solution.

Finally, I would ask that the President show more flexibility in figuring out what solutions might be than he has shown so far. Essentially he has said, as he did 3 or 4 months ago, "We are facing a budget deficit of $182 billion without congressional action for 1983, but I do not want you to tamper with my tax cuts that I got through last year, and I do not want you to tamper with the defense spending. If you want to cut domestic spending, I am all for that, but not the other two."

Just last week in his press conference the President said that the ceiling on defense spending that the Congress had already agreed to for fiscal years 1983, 1984, and 1985 were not binding on him and that he would, if he felt like it, seek to breach those ceilings next year and the year after for defense spending.

The size of the deficits that we face over the next 3 years, 4 years, 5 years, are so great that we cannot conduct business as usual, we cannot say tax cuts which were passed last year are sacred cows, defense spending is a sacred cow; you can only cut from domestic spending.

We cannot do that and have any hope at all of balancing the Federal budget or coming anywhere close to it.

So I ask the President, plead with him on behalf of my constituents, in addition to using honest facts and figures, to show as much flexibility as he can in working with the Congress to try to find some commonsense solutions to our problems.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I will be happy to yield to my distinguished colleague from Ohio.

Mr. SEIBERLING. I would like very much to commend the gentleman from Ohio first of all for taking time to listen to so many of his constituents who are affected by the disaster that is known as Reaganomics. Second, for taking this time to discuss the unemployment situation in northeastern Ohio, which is certainly the most serious problem facing our area.

In fact, Ohio is one of the hardest hit States in the Nation and northeast Ohio is the hardest hit region in the State.

In 1981, for example, Akron, Canton, Cleveland, and Youngstown, and the areas around them suffered the greatest nonagricultural job losses of all cities in Ohio. The problems facing my district, which is right next door to the gentleman's district, are typified by the fate of the General Tire plant in Akron.

Two years ago General Tire was planning to build a new tire factory in Akron. On March 3 of this year I received an early morning phone call from the president of the company. He advised me that not only was there to be no new plant in Akron, but the company had decided to close its only tire plant in Akron.

□ 1910

I asked him, in subsequent conversations, if there was not something he could do to remedy this problem, and he said, "No, we have simply taken another look at the current market situation, as well as the future demand, and we see that the demand is not going to support this plant and will certainly not support a new plant. The current demand is down so far that we have to do something." And this is what they had to do.

Now, I received great howls from certain quarters when I pointed out that this was a clear case of Reaganomics having caused that plant to be shut down at that time. But it seems to me that there is no question about that, because the company had been planning to build a new one, and certainly the occasion for closing it this year was the depressed situation in the tire industry, which is one that is likely to continue for some time to come.

I, too, this last weekend talked to many of my constituents who are workers in various businesses or former workers. One of them I talked to was a very angry person. He happened to be a General Tire employee, and he was getting his final last 2 weeks in, in the next 2 weeks; and he was understandably bitter. He happened to be an ex-marine who was

wounded in Vietnam, served two hitches in Vietnam, with a wife and two children. He said, "I do not know what I am going to do." He said, "I have never been unemployed or laid off in my life. I have always been one of the workers who could always find a job." He said, "Now I find that there are no jobs." He said, "I have no idea what I am going to do." He was, I might say, particularly bitter at both the President and the Congress, at the President for proposing the programs which led to this situation, and against the Congress for having approved them. He did not feel much more comforted when I told him that I was one of those who did not support those programs. I said, "I know that is no comfort to you." All I could say was that we were going to try to continue to do what we could to straighten this situation out.

But that is only one case. That factory, with its 1,265 employees and their families is but one of the tragedies inflicted by Reaganomics upon our communities in Ohio, as well as in other parts of the country. When that plant closes its doors a few weeks from now, almost $35 million in direct payrolls will be permanently removed from the local economy. Economists estimate that each dollar paid to a production worker is spent seven times over in the local economy, meaning that the total loss of economic activity in the Akron area from the close of the General Tire plant will be a staggering quarter billion dollars a year. Every production job loss means the loss of two more service jobs, such as in retail stores, gas stations, and restaurants. You can drive around the area now, and you will see dozens of stores, restaurants, gas stations, and other businesses closing down. So the loss of General's 1,265 jobs would mean an ultimate job loss approaching 3,800 in our area, unless we find some way of attracting new industry and encouraging local industry to expand.

One of the problems about doing that is that nobody wants to invest when interest rates are 15 percent, 16 percent, and 17 percent and when the business is so uncertain that they cannot be assured of a market for their products.

Now, in addition to that, the closing of this one plant will mean that the city and the State will each lose about $650,000 annually in tax revenue, local utilities will lose $5.5 million in sales, and local charities will lose thousands of dollars in donations—at a time, mind you, when the Federal aid for these kinds of projects and safety nets is drying up, again because of the programs that the President asked the Congress to adopt and the Congress adopted 1 year ago today.

I do not want to take all of the gentleman's time, but if the gentleman will yield further, let me just point out that the loss of the General plant is a community tragedy, which, unfortunately, is not an isolated one. In fact, the local paper, the Akron Beacon Journal, has printed headline after headline over the last year, announcing the deaths of scores of businesses.

Let me just give you a few examples. On April 14, "Two Akron Area Plants Are Shutting Down," was the headline, eliminating about 73 jobs. The equipment in one plant has been moved to another plant the company owns in South Carolina.

April 22: "Goodyear Lays Off 140 at Metal Products Plant," bringing to 775 the number of Akron Goodyear workers on indefinite layoffs.

Now, Goodyear happens to be a good corporate citizen, and they are building a new air spring plant just south of Akron in my district. They are building their world technical center, spending $125 million to build their worldwide technical center in Akron, converting an old plant to that use. The chairman of the board of Goodyear told me 2 years ago that if it had not been for the fact that the UDAG program provided $11.5 million to redo the area around Goodyear and enable them to acquire some additional plant, they would not have made this investment. And yet the President says, "We do not want Government doing anything to help private industry. Government is part of the problem." Well, I would like to get him out to Akron and show him how the Government has helped solve Goodyear's problem, and without that we would not have had that tremendous investment, which can make a big difference.

But let me go on with some of the negative news. The April 22 paper also carried this story: "Nobil Closing Akron Headquarters; Move to Cost Most of Firm's 135 Employees Their Jobs." The company cited "economic reasons" for the shutdown. Nobil Shoe Co. was founded in Akron in 1904, and the founder picked Akron because of its growth potential.

In May, the National Standard Co., a manufacturer of wire beads for tires, announced that it was closing down immediately, putting 170 employees out of work.

In 1981, McNeil Akron Co. added workers, expanded operations, and secured a number of major contracts. It committed $17 million in improvements in its Akron location, and, incidentally, was encouraged to do so by another UDAG grant. The city of Akron had begun to upgrade the area on the strength of McNeil's commitment and using UDAG funds. But on July 3 of this year, the same paper announced the closing of McNeil's Akron plant, eliminating about 400 hourly and salaried employees, and the company cited canceled orders in the oil and tire industries as the reason for its closure.

And, finally, July 31, only last week: "Babcock and Wilcox Closing Canton Plant, Idling 800," was the headline in the Akron Beacon Journal. This story says that State statistics show that the Canton area lost 4,500 manufacturing jobs in the 12 months ending in May 1982. Now, Canton does not happen to be in my congressional district. It is in the next district to the south. But the reason given for the closing was that "the market for utility boiler sales has remained depressed for some time and it's expected to continue that way for the foreseeable future." Asked if the plant would be reopened when the economy improves, a spokesman said, "Not by Babcock and Wilcox."

I do not want to take all of the gentleman's time, but I could go on at some length.

Mr. PEASE. The gentleman has plenty of time.

Mr. SEIBERLING. If the gentleman will yield further, I just want to add a couple of other thoughts.

There is no question in my mind that the cause of the great business distress affecting northeastern Ohio is Reaganomics. The gentleman in the well (Mr. PEASE) drafted a budget resolution last year, which I supported, which would have produced a balanced budget and at the same time avoided this tragedy. So it is not as though alternatives were not offered, and it is not as though there were no warnings. I took the well along the many of our colleagues and read statements by distinguished economists like Henry Kaufman, of one of the leading Wall Street firms, and by others, who predicted what would take place if we adopted the President's economic program.

□ 1920

And the only place where they were wrong is it happened a lot faster than anyone dreamed it would.

Now, the President's economic policies include a disastrous mix of loose fiscal policy and tight monetary policy. Loose fiscal policy means a rapid unwarranted and dangerous expansion of military spending, 16 percent per year for the next 3 years, and the President just this week said he did not consider himself bound by that, because he was going to come back next year and ask for even more.

This not only threatens to destabilize the military balance, but our economy at this time, and is destabilizing it. It means an incredible $750 billion tax cut at the same time as we are increasing defense spending by a like amount.

Much of this tax cut wasted through giveaways to energy companies without producing any additional energy development, giveaways to high-income individuals, and to corpora-

tions in such reckless and non productive devices as tax leasing.

The other side of the coin, the tight monetary policy, of course, is the inescapable consequence of placing the entire burden of fighting inflation on monetary policy. It means high interest rates which totally are at war with any possible supply-side economic theories that were espoused by the President. And the high interest rates as we all know are strangling our economy.

And then the President tells us to be patient, that economic recovery is just around the corner.

At the same time, the White House originally, only a week ago, announced they were not going to support extending unemployment compensation benefits.

How could you tell a man who is out of a job, who has no prospects of finding further work, to be patient. The grocery stores are not going to be patient. The utility companies are not going to be patient. The banks are not going to be patient on the mortgage payments. How can people in those predicaments be patient?

And the President's other approach last year was to simply say, "Well, let them vote with their feet."

Well, we heard from the majority leader today about the situation down in his area of Texas. People are voting with their feet, some of them, to the extent they can walk away from their investment in their homes, in Ohio, and other parts of the Midwest. And they are going to Texas and other parts of the Sun Belt, and they are finding that the same problems exist there.

This is not just a problem that is limited to our area. It is a creeping, cancerous spreading disease that is affecting now all parts of our country. And it seems to me that it requires a drastic revision of the policies that this Congress adopted at the request of the President of the United States.

So I again want to say that I congratulate the gentleman from Ohio for bringing this down to home and citing chapter and verse. And I can say that the people of the country are telling us that this cannot go on, and no amount of smiles and pleasantries and also gimmicks, like future balanced budget amendments to the Constitution, will get around the fact that it is the President himself who has produced this terrible tragedy. And it is time that the President quit playing politics and sat down and admitted that his program was a failure, and that he was going to work with the Democrats as well as the Republicans in Congress to try to help our country recover from the worst recession since the terrible Depression of the 1930's.

Mr. PEASE. I would like to thank my distinguished colleague for his excellent contribution.

● Mr. STOKES. Mr. Speaker, I want to commend my collegue from Ohio for taking out this special order. We all know that August 4, 1 year ago today, this House completed action on everything President Ronald Reagan said he needed to turn this Nation and the economy around.

Mr. Speaker, many of my colleagues on both sides of the aisle at that time said, let's give the President a chance. With an unprecedented media blitz, the President and his supporters even persuaded many Americans that he should be given a chance to implement his "economic recovery package." Today, we can see what that chance, literally that gamble, has reaped this Nation and our citizens.

Instead of economic recovery, what we have from industrial strongholds like Cleveland to the Farm Belt to Wall Street is economic rubble. Social programs along with the euphemistically phrased social safety net are in shreds. Dreams of economic growth have turned into dark economic nightmares as we experience the worst recession in America in 40 years.

Unemployment rates have skyrocketed with black youth unemployment soaring to over 50 percent. Unemployment in my own city of Cleveland this winter reached a shameful 14 percent. Overall, Mr. Speaker, the jobless rate nationwide is at its highest level since the Great Depression.

The business sector is no better. Interest rates are still high. The housing industry has declined sharply. Business failures, especially among small businesses, are at record levels since the 1930's.

Today Mr. Speaker, on August 4, 1982, the birth of Reaganomics on this day, 1 year ago, seems more appropriately in retrospect as the beginning of economic rubble in this Nation.

In closing, Mr. Speaker, I ask my colleagues to refer to the President's 1980 campaign question with a bit more information. In 1982, are you better off today with runaway unemployment rates, high interest rates, business failures, shrinking social programs, Reaganomics and a projected fiscal year 1983 deficit of $140 billion, than you were 1 year ago. The answer should be a deafening "No."●

IN MACHIAVELLI'S MOLD: EUROPEAN STEEL, DAVIGNON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAYDOS. Mr. Speaker, in recent months I have periodically placed before the House of Representatives evidence to support a judgment that there are differences between Americans and Europeans other than language and the metric system.

One of the differences is that they have a longer history, and they are more traditional in their approach to matters such as trade and economic policy.

And the evidence indicates that they do listen to European voices from across the ages as they make this policy.

Why, contemporary European governments even seem to have developed a peculiar twist—we would call it reverse English here—that makes these traditional practices more effective than they were in the old days.

For example, they take their economics from the 19th century classic of Karl von Clausewitz—the general who wrote, "On War"—and their military policy from David Ricardo, who devised the principle of comparative advantage.

We have seen—indeed the results carom around us daily—the fact that they trade like warriors and raiders while finding it absolutely to their advantage for the United States to provide their strategic defense.

And when called to answer for wholesale violations of their international trade agreements—as they are now—they turn to a 16th century Italian statesman for practical guidance.

Mr. Speaker. That statesman is Niccolo Machiavelli, who advised: "He who overcomes an enemy by fraud is as much to be praised as he who does so by force."

Today, about 400 years later, particularly duplicitous persons are called Machiavellian.

Mr. Speaker, I suspect that Machiavelli would have been almost as effective in representing the Common Market in disputes with us as their actual representative, Etienne Davignon, is today.

But not quite as effective because he would have had no opportunity to read Clausewitz and then dovetail the general's thoughts with his own experience.

However, Mr. Davignon has had the opportunity to benefit from the theories of both, if he chose to look into them.

Mr. Davignon is in Washington to try to negotiate a settlement to the current steel crisis.

By the way, it is a crisis brought on by unprecedented European imports that are subsidized up to 40 percent or apparently dumped.

So the very fact that he is pressing for negotiations shows that the European Community has directed Mr. Davignon to operate in the most traditional European way.

And this brings me to the status of the steel dumping and subsidy allegations that are pending adjudication in the machinery established by U.S. trade law.

There were about 80 at recent count with more due for initiation.

This is on steel alone. Never have so many trade cases been filed, and there is a reason for this historic high. U.S. trade law and the general agreement on tariffs and trade are being put to a test.

Furthermore, it looks like they are failing.

For a perspective on steel, the House must understand that in July the Steel Committee of the Organization for Economic Cooperation and Development noted that in 1981 world demand was down 1.5 percent, or 12 million tons.

It was down everywhere in 1981 except in the United States where it recovered somewhat, the OECD said.

Coincidentally, it was in 1981 that steel from Mr. Davignon's European Community began flooding and overwhelming the U.S. market.

You see, no European government would suffer 114,000 laid off steelworkers as we do, if they had any escape, because it is smart politics to keep the mills running.

For 1981, imports captured about 20 percent of the U.S. market and for 1982 so far they are running around 22.5 percent.

In June, imports were over 25 percent or 1 ton in every 4 used here. Much of this steel is European.

To summarize, there is more production in the world than there is demand and the one place where there was demand—the United States—became a target for everybody else, particularly the Europeans.

Furthermore, the world trading system has been engineered in the way that one of our trade officals, Clyde Prestowitz, the Deputy Assistant Secretary of the International Trade Administration, hinted at last month when he said: "Nobody can be a world class competitor without a substantial share of the United States market."

Now, that's all to the good of all those aspiring to world class and those who take their economics from the "Wealth of Nation" and Ricardo rather than the book, "On War."

But when they make economic war, the object is not competition but conquest of markets.

When they make economic war, the goal is not a substantial share. But occupation of the market.

In my mind, there is a direct relationship between conduct—subsidies and the record of holding to previous agreements—and intent.

Remember, these steelmakers are in countries that have agreed to a subsidies code and other rules to govern international trade and prevent economic war.

But right after the largest and most important of the 80-plus cases were opened in Febuary, the chairman of the OECD steel committee made the following observation: "My impression is that many European exporters are unsure of the outcome and have decided to sell as much as possible now."

The February-to-June figures on steel imports show that European steel sales here rose 134 percent between April and June.

Allowing for a reporting lag, the surge began about the month the cases were filed. We will not know the real strength of the surge for a month or two.

By the way, the findings in those first cases were that the Europeans almost all are heavy subsidizers of steel production:

Up to 40 percent for the British and 30 percent for the French and 21.7 percent for Belgium and 18.3 percent for the Italians, for example.

The Commerce Department found only the German steel to be relatively free of subsidy.

But that finding was appealed to the U.S. Court of International Trade.

And the Court just held that the Germans are guilty of subisidies of up to 8 percent.

So, Mr. Speaker, my conclusion is that the Europeans were altogether certain of the outcome of the cases and decided to take the money and run.

The question is whether they will be back for more?

Well, there is evidence tending to answer that question.

You see, the 5-month import figures show a lot of fascinating patterns on imports.

Countries have dramatically expanded imports in some product lines and shrunk in others.

There are increases in the ranges of 150 percent and 200 percent and even 1,000 percent and 1,700 percent and, believe me, the changes cover a long sheet of product listings and not just four items.

Allowing for the reporting lag, the patterns could have begun around the time the U.S. industry started talking about initiating cases late last year.

But it may have a relationship to something called the Eurofer burden-sharing arrangement.

Eurofer is a cartel-like organization of European steelmakers and in a June 17 article on the aftermath of the subsidy findings, the Financial Times said burden sharing would work as follows:

First, European steelmakers caught with countervailing duties would drop American sales and pick up the other markets of producers not facing action at the present; and those not facing action at the present would assume the challenged U.S. markets.

And the flood of imports would continue to claim the jobs of American steelworkers and to close profitmaking U.S. plants.

And if anybody wants to seek a proper legal answer to that, they will have to investigate their cases again and file again and wait another 6 months to a year for a finding.

This is clever.

This is traditional.

And this is very European.

Meanwhile, a recent Business Week magazine listed U.S. plants with a capacity totaling 20 million tons that face closing for all time if conditions do not change; and maybe if they do change.

In the United States, we have 114,000 steelworkers laid off and another 24,000 are on short workweeks. Operations are at about 40 percent of capacity.

This depression in the steel industry is caused by the slump in our economy and imports, the experts say.

And when it is over, about 40,000 of those unemployed men and women may not go back to the mills because there is every chance their jobs will have been abolished. They add.

Meanwhile, the Europeans and Mr. Davignon bluster and press to attain a settlement that is generous to the Europeans and one which stops short of formal entry of final judgment.

They say they want and need time to rationalize—shrink—a European steel industry too large for its markets.

But it also amounts to an agrument for continuing to put U.S. steelworkers out of work so that Europeans may continue to have an inefficient industry that exports in violation of codes and trade agreements.

In this, the relationship between what the Europeans say they want to do and what they are doing is neither direct nor inverse.

It is perverse—that is, it is incorrect and wrong and contrary to all the evidence.

Mr. Speaker, I ask the House to join me in a brief look at the machinery for administering U.S. trade law, which is designed to implement international trade agreements.

The House should know that it is carrying quite a load these days.

The 80 or so steel trade cases are joined by many others in other product areas.

U.S. Import Administrator Gary Horlick observed last month that his Department has been working at 300 percent of capacity recently.

He says his investigators and staff are pressed almost to the breaking point, and his budget is not doing so well either.

In steel, there are so many cases pending because nothing less is at stake than the place of American-made steel and American steelworkers in what will soon emerge as the new world order of steel.

Remember Mr. Prestowitz and understand that the order will be forged on these cases. Some experts estimate this order could hold for 10 years or, maybe, through the turn of the century.

It is in economic warfare the equivalent of what Clausewitz calls a great battle, a clash of which he said:

> There is nothing that can compare with the great battle in importance . . . in the good use of its success.
>
> Unless pursued, no victory can have great effect . . . it must always lead beyond the first steps.
>
> The energy of the pursuit determines the value of the victory.

You see, unless pursued and scattered, an opponent will regroup and be at your throat again and again.

This, by the way, sums up past efforts to stop predatory trading practices in steel through voluntary arrangements and negotiated agreements.

They seem to hold until the markets slump and the U.S. market begins to tempt beyond the power to resist.

Economic war, like real war, is very expensive.

There are those who believe all the problems of American steel stem from poor productivity and high costs.

They often ask, why do not the victims seek redress through the trade law if justice is on their side?

First, ask around Washington about the cost of prosecuting a trade case.

The first answers you get are "just astronomical" and "absolutely incredible."

Ask again and the answers get more specific.

Some conservative trade lawyers say the cost of a normal countervailing duty case runs up to about $150,000 and for antidumping the figure is about $200,000.

This is for your run of the mill case. The cost goes up by twofold or threefold depending on the case and the issue, they say.

Also, they say, in an antidumping case you can count on adding another $100,000 to $200,000 for what is called market research in the dumping country.

Furthermore, in the heat of a case you are running $100,000 to $200,000 a month in legal fees, they add, depending on the significance of the case.

On top of that, you have to add $20,000 for an appeal and much more for a big case.

Currently, there are 28 big and precedent-setting countervailing duty cases pending, and I will assign them a value of a little less than three times the normal case because they are important.

Invested in countervailing duty cases, at least $14 million.

We have 16 big and precedent-setting antidumping cases pending, and considering the significance and the higher costs and the market research, let us assign them a value of $700,000 each.

Invested in antidumping cases, at least $11.2 million.

Estimate that the heat of the case runs for 3 months on each of the first 44 cases.

This gives us legal fees of $6.6 million.

Furthermore there are seven smaller but still significant antidumping cases that might reasonably cost $500,000.

That gets another $3.5 million on the total.

There are roughly 27 more countervailing duty cases—still important but smaller—and they might have a value of $250,000.

Add another $6.75 million.

Mr. Speaker, this gives us a conservative estimate of $42.05 million in legal fees.

This is an exceptionally high cost for claiming the right not to be victimized—a right that was supposed to have been guaranteed by existing trade agreements and the 1979 Trade Act and all the administrative machinery that accompanies it.

By the way, these same companies that are spending at least $42 million to claim their rights cannot modernize because they are losing money and investment is shy.

Six of the 10 largest of these companies lost $275 million in the first quarter, according to the stories of their financial statements that I could locate.

And, in the first half of this year, 4 of the largest 10 lost $347 million.

Incidentally, there is some educated speculation that one big American steelmaker will close altogether this year.

By contrast, the steelmaking unit of Fiat recently merged with the Italian state group, Finsider.

Together, these European steelmakers lost $579 million in 1981. The Commerce Department found subsidies of up to 18 percent in Italian steel.

So, billions in subsidies keep the European industry going and the European workers on the job and Mr. Davignon's steel coming here with no need to make a profit or even break even.

This is economics from Clausewitz, "On War."

And now Mr. Davignon is here to negotiate a settlement that will allow Europeans to escape duties that would offset subsidies that in the first place are proscribed by trade agreement.

And now he wants to continue their access to this market—access threatened only by their violations—with only slight reductions in what they send.

Both Clausewitz—either the economist or the warrior—and Machiavelli will tell you that you negotiate only when you are certain you will lose.

As Clausewitz said:

> It always is better to forestall the conclusion of a losing engagement.

Furthermore, you accept negotiations only when you are sure you cannot win.

Mr. Davignon's approach to the cases is almost the equivalent of a burglary defendant seeking to plea bargain for his burglary and asking in return not only a probationary sentence but prospective immunity for any future larcenies.

There is one section of trade law that has not been invoked by the Commerce Department, and it is the part that would allow retroactive imposition of duties. It is allowed under determination of critical circumstance. It was not invoked in the countervailing duty cases.

But the antidumping cases still are open in that regard, and critical circumstance applies there too.

The 134-percent surge over 3 months and the switching of product lines and the Eurofer "burden-sharing" arrangement mean something here.

They show what is likely to follow the dumping decisions.

By the way, Mr. Speaker, when a thing is critical it is in a state of crisis or approaching it, especially through economic disorder, according to my desktop dictionary.

Furthermore, a critical mass is a thing of sufficient size to sustain a chain reaction.

The steel industry meets both nonstatutory definitions.

It is in crisis and imports are at critical mass.

And the chain reaction will be another wave of closings and joblessness that would allow the Europeans still more time. And I will bet they will not use it to rationalize.

In short, Mr. Speaker, more American victims do not invoke our trade laws because they cannot afford to claim their rights.

In addition, the machinery is close to being overwhelmed.

And the surges and the Eurofer "burden-sharing" idea show it can be flanked.

So the trade law must be enforced as Congress intented.

If there is a negotiated settlement, it must be acceptable to American steelworkers and steelmakers. And they must find it to be acceptable without suffering any Government pressure based on diplomatic needs.

In addition, Congress still should consider quotas because a legally enforceable and statutory quota is far preferable to a negotiated quota that can be cast aside when the temptation again becomes too great.

On top of all of that, the dumping cases should be pushed to the point of preliminary finding so the record will be absolutely clear.

And critical circumstance should be worked into that consideration if there is any way at all to do it.

You see, the trade law and the trade agreements it is meant to enforce are the only weapons we have in this economic war.

And, as Machiavelli observed in either "The Prince" or "The Discourses":

Among the evils which being unarmed brings you, it causes you to be despised.

But we do not have to import advice from a traditional European.

We have Ben Franklin who, on signing the Declaration of Independence, said:

We must hang together or, most assuredly, we shall hang separately.

We even have a modern version of that saying specifically for the European steel cases from a 20th century American mystery writer, Clayton Rawson, who advised:

Stick together or get stuck separately.

□ 1940

Mr. Speaker, that concludes my remarks, and at this time I yield to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. I thank the gentleman for yielding, and I commend the gentleman from Pennsylvania, chairman of the Steel Caucus, for his series of special orders calling attention to the plight of the steel industry.

Mr. Speaker, the news from our domestic steel industry remains disappointing.

Imports from Europe jumped sharply in June to the highest monthly level in almost a year. Imports for the first half of 1982 were 6.3 percent above the same period in 1981—a year in which imported steel captured a record high 19 percent of the U.S. market. To date, 1982 imports have garnered over 22 percent of the domestic market.

Even more appalling, imports from the European Economic Community (EEC) alone have increased over 32 percent from May to June this year in a blatant attempt to beat the potential imposition of countervailing duties retroactive to June 10, which may be imposed to offset the subsidization of steel exports by their governments.

While this surge in imports is temporarily discouraging, the significance of the European's reaction may prove positive in the long run.

Last week, despite considerable pressures by the EEC to settle the disputes over steel imports, to the detriment of our domestic producers, Commerce Secretary Malcolm Baldrige resisted and maintained his commitment to the American steel industry and its over 100,000 unemployed workers.

The significance of the U.S. Government's strong resolve has not been lost on the EEC and it should not go unrecognized here.

Despite considerable pressures, including threats to use the Russian gas pipeline deal, and the obvious attraction of settling the very protracted steel cases Secretary Baldrige firmly maintained that any negotiated settlement must conform to our trade laws by eliminating the injurious effect of the subsidy. Since steel imports from the EEC increased 30 percent from 1980 to 1981 the 10-percent reduction offered was clearly insufficient to remove the injury and was appropriately rejected.

The Commerce Department has throughout its involvement in the steel trade cases exhibited a willingness to negotiate with the countries involved, but more importantly has demonstrated convincingly, at key junctures in the proceedings, its firm resolve to enforce our trade laws and to protect and restore our domestic steel industry.

While the import surge in June is not welcome news, it may be the sign of one last gasp by the Europeans, their last taste of the fruits of the plentiful U.S. market as they recognize the free flood of imports is about to be stopped.

Commerce's actions thus far, and their continued strong resolve, is sending a very important message to all of our trading partners. The American people will not idly fritter away the important asset they enjoy in the American marketplace. There is no other nation in the world that affords such an attractive marketplace for imports as does the United States. But, we are making it clear, that if others want to have access to our markets it has to be done on a fair basis.

What has been taking place with respect to the steel trade cases should not be construed as the end of dedication to free trade in the United States, but the beginnings of truly fair trade. To unilaterally practice free trade hurts our economy and our workers. We make no contribution to the ideal of free world trade by ignoring the abuses of others.

I urge the administration to maintain its strong resolve to protect the American steel industry from illegal and injurious subsidies.

I would also urge my colleagues to consider legislative means to further strengthen our position with our trading partners. One such measure is the reciprocity legislation which has been introduced by myself and others in the House and which has been passed by the Senate Finance Committee and endorsed by the administration.

This would restore the President's authority to assure overall trade reciprocity with other countries which raise trade barriers against U.S. goods and subsidize their exports to us. Reciprocity legislation would require the President to take steps to terminate trade agreements with other countries if our trading partners fail to provide equivalent competitive opportunities for U.S. products and raw materials.

This legislation is designed to promote negotiation and encourage our trading partners to open their markets to U.S. goods and services and raw materials and could hopefully prevent the need for future costly and protracted litigation such as that we are currently going through with steel.

□ 1950

Mr. GAYDOS. Mr. Speaker, I want to thank the gentleman from Ohio (Mr. REGULA) for his dedication as a member of the executive board of the Steel Caucus.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

STEEL IMPORTS

The SPEAKER pro tempore (Mr. GAYDOS). Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 60 minutes.

Mr. BENJAMIN. Mr. Speaker, today my colleagues on the Congressional Steel Caucus Executive Committee, Messrs. GAYDOS, O'BRIEN, and REGULA, joined me in forwarding a letter to Commerce Secretary Malcolm Baldrige expressing serious concern about the level of imports shipped from the European Economic Community to this country in June. I will offer the text of that letter for inclusion in the RECORD following my remarks.

The American Iron & Steel Institute reported on July 28 that European steel imports jumped sharply in June to the highest monthly level in almost a year.

AISI reports that steel imports were 6.3 percent greater in June 1982 than the same period last year. This level of imports represents approximately 22.6 percent of apparent supply in the U.S. market for the first half of 1982. In the month of June, AISI estimates that imports captured 25.1 percent of the domestic market.

Total imports in June reached 1,738,632 net tons, representing a monthly increase of over 32 percent from the EEC alone. In our letter to Secretary Baldrige, we emphasized the obvious conclusion of these import figures—that the EEC is sending an inordinate amount of steel here in anticipation of a negative antidumping preliminary determination by the Commerce Department on August 9.

The 1979 trade law includes a provision intended to prevent the flooding of illegal imports into the country during the interim between the time

that a countervailing duty or antidumping suit has been filed and the Commerce Department makes its preliminary determinations. The statute requires that critical circumstances determinations be made promptly. Commerce regulations interpret promptly as the time of preliminary determinations.

Our letter emphasizes the need for Commerce to invoke the critical circumstances provision of the law after this obvious surge of steel products from the EEC in such a short period of time. It is time for our Government to react in the best interests of our steel industry which is essential to the further development and well-being of our country, our laws which are not taken seriously by the Europeans and our people who have not worked steadily in the past couple of years but have patiently waited for the Government to enforce its trade laws.

I submit that the June import figures are absolutely intolerable. Obnoxiously high levels of imports are a contributing factor in the plight of 115,000 idle steelworkers and 24,000 working less than a full week in an industry operating just above 40 percent of capacity.

The situation is indeed bleak for those laid-off men and women. Many workers in my district, which produces the most steel in the Nation, have not worked in so many months that unemployment compensation is depleted and families are in a perilous state.

I commend those highly motivated individuals and unions who have devoted their time, money and efforts into devising ways to feed and clothe the families of laid-off steelworkers in depressed communities. This type of voluntarism is what is needed to sustain our communities that are dependent upon steelmaking jobs.

Last week the United Steelworkers of America unanimously rejected the steel industry's offer reportedly based on USW wage concessions. Some may interpret this vote as reluctance on the part of workers to help their depressed industry. I cannot comment on the merits of the vote without knowing any specifics about the offer. However, I will postulate that had the union fully embraced every concession requested by the steel companies, the industry would still be unable to reinvest, modernize, and keep people working. Whatever the workers might have given up would be eroded by current levels of imports from our European trading partners.

The turning point for the steel industry will come next year when the companies and unions will again attempt to negotiate a contract. I believe that unless the Government does its part by vigorously enforcing existing trade laws now, no positive conclusion will be forthcoming.

I remain in full support of intelligent, logical, and sensitive quantiative impact restraints for the U.S. steel industry and intend to reintroduce my Fair Trade in Steel Act after the August 9 antidumping decisions by Commerce. I urge every Member of Congress to study the figures on imports of carbon and specialty steel and take a look at our once great steel industry. Unless you find that the United States does not need a steel industry, I hope you will join me and 83 other Members of this body in pushing for a quota arrangement that will allow our industry to invest in its operations and help make any wage concessions easier to swallow.

I conclude my remarks with the text of our letter to Secretary Baldrige for the RECORD:

CONGRESSIONAL STEEL CAUCUS,
August 2, 1982.

Hon. MALCOLM BALDRIGE,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: As Executive Committee of the Congressional Steel caucus, we are writing to express our concern about increased steel mill imports for the month of June, with EEC steel imports reaching the highest monthly level in almost a year.

Mr. Secretary, in the first six months of 1982, steel mill imports were 6.3% greater than the same period in 1981, and represented approximately 22.6% of apparent supply in the U.S. market. In addition, imports from the EEC alone jumped from 319,000 net tons in April to over 747,000 net tons in June, an increase of over 134% in just three months.

These figures suggest that European steel producers have rushed to export their steel into the domestic market in anticipation of a negative antidumping preliminary determination by your Department.

Under the Trade Agreements Act of 1979, Congress provided a safeguard mechanism, the "critical circumstances" determination, with the intention of preventing precisely this event—the flooding of illegal imports between the time trade cases were filed and the Department of Commerce makes its preliminary determination on alleged subsidization or dumping of products in the U.S. market.

We acknowledge the reason stated by the Department of Commerce concerning the decision to reject "critical circumstances" with respect to the countervailing duty cases—described as a "definitional problem". In our view, the conditions for applying the "critical circumstances" determination with respect to the antidumping cases clearly have been met. Specifically, there has been a history of dumping of the products in question, the importers should have known that the steel products were being dumped and finally, a surge of imports, as the data suggests, has occurred in a short period.

On this basis, we believe that you have the opportunity to make a "critical circumstances" determination on the antidumping cases and to apply retroactive tariffs with respect to steel mill products rushed into the U.S. market in an effort to beat the department's preliminary determination.

With over 114,000 steel workers currently out of work and an industry operating rate slightly above 40 percent of capability, the abuse and exploitation of the domestic steel market through the subversion of our trade laws must finally come to an end. Your laudable efforts to strictly enforce the trade laws, including the "critical circumstances" provision, are absolutely essential if this goal is ever to be achieved.

With best regards, we are,

Sincerely,

JOSEPH GAYDOS,
Chairman.
RALPH REGULA,
Vice-Chairman.
ADAM BENJAMIN, JR.,
Executive Committee Chairman.
GEORGE O'BRIEN,
Executive Committee Vice Chairman.

● Mr. MURTHA. Mr. Speaker, this morning I had the opportunity to meet with steel and auto workers from Maryland, Delaware, and Pennsylvania. They got up early to be in front of the White House at 4 a.m. to express their concern of the severe unemployment problem within their industries. Congressman JOSEPH GAYDOS and I later had the group over to the Capitol for breakfast.

What they were stressing and what I have been stressing is the serious unemployment problem in the steel and auto industries. We must work for a bipartisan employment plan to put these men and women back to work. We cannot have any more hollering and bickering, we need results now.

Steel is an integral part of our country's economy. This morning I received word that there are approximately 600,000 persons unemployed in the steel and auto industries. We cannot possibly solve this unemployment problem until we solve the steel problem.

In 1977, when the Johnstown plant of Bethlehem Steel threatened to close operations, local and national steps were taken to save thousands of steel jobs. Locally, the people must pull together, they must fight for their town, and for their families. It has been said that there is strength in numbers, that was never more true than in front of the White House this morning. Nationally, we must fight to control imports, the latest statistics released from the American Iron and Steel Institute report imports of steel mill products from Europe for June up 32.5 percent from the May import level, this must stop. We must continue tax incentives that prompt reinvestment by the steel companies, and we must also work for the extension of a revised Clean Air Act. The extension of 13 weeks unemployment compensation is very necessary to help many working families survive until the steps we take are effective in producing jobs.

I hold workshops in my district, and many times people will come to me for help. The unemployment problem is felt extensively in my district. One constituent expressed sorrow for not being able to buy her children new clothes for the upcoming school year.

This is just one example of the personal pain felt from unemployment that we can never forget here in Washington.

The proud American wants a job, and we need to find the steps to make sure those jobs are available.●

● Mr. O'BRIEN. Mr. Speaker, the latest statistics on steel imports show an alarming increase in product originating in European Economic Community countries. Such an increase can only worsen the plight of American steelworkers and their employers.

The issue here which overrides all others is jobs. American jobs are lost when unfairly priced foreign steel is allowed to usurp 22 percent of domestic sales. With the loss of American jobs comes an increase in our already bad unemployment situation. Families are hurt when jobs are lost. Suffering is increased, and most unfairly of all, the suffering is endured in many cases by those who are simply caught up in a grave situation—the spouses and children of the unemployed steel workers.

This unfairness must come to an end. Yet, in recent weeks, we have witnessed a near constant level of wage and salary workers on either layoff or reduced workweeks. For the week ending July 24, 138,467 people were in this category.

The facts of this situation are clear: Imports from EEC countries increased to 747,000 net tons in June from 319,000 net tons in April, a jump of over 134 percent in 3 months.

Luckily, the Trade Agreements Acts of 1979 has a provision for this kind of situation: The so-called critical circumstances determination. This provision of the law allows the Commerce Department to apply retroactive tariffs on the offending steel products. In effect, the invocation of the "critical circumstances" provision of the trade law would raise the price of some foreign steel and thus discourage its sale. Other things being equal, U.S. steel consumers would have a price incentive to purchase American-made steel. In turn, American steel jobs would be strengthened.

No action by Congress, the Commerce Department, or anyone else is going to solve the problems of the Steel industry overnight. No one is asking for that. But a consistent and predictable application of U.S. law in the service of fair prices for foreign goods sold here is the minimum first step the administration could take for our beleagured steel workers and their industry.●

THE ATTORNEY GENERAL'S SPEECH ON CIVIL RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 60 minutes.

● Mr. MICHEL. Mr. Speaker, the enforcement of our civil rights laws has always been a serious concern of mine. That concern has lead me to follow closely the attacks on the civil rights enforcement record of this administratin. Quite frankly, I have been alarmed at what I have regarded as unfair criticism of the civil rights policies of the Department of Justice.

And so it was with great interest that I read the remarks of William French Smith, the Attorney General of the United States, given the other day before the National Urban League, at their convention in Los Angeles. After reaffirming his commitment to a vigorous enforcement of the civil rights laws, the Attorney General examined his record at the Department of Justice, and presented a compelling defense of that record.

I agree with Attorney General Smith's view that—

If progress is to continue on civil rights—and it must—we cannot be afraid to try new means of guaranteeing progress. The central question must always be whether we are moving in the right direction—not just what methods we are using. In the case of this administration's efforts, I am certain that the end we pursue is the same goal you cherish—equal rights and equal opportunity. I am also certain that while we may differ on some of the remedies, there is total agreement on most of the steps necessary to vindicate the basic rights involved.

The text of the Attorney General's address follows:

ADDRESS OF HON. WILLIAM FRENCH SMITH

It is always pleasant to return to my hometown, and it is a very special privilege for me to address the Federal Resources Luncheon of the National Urban League.

Pleasurable as it is to come home, there can be drawbacks too.

I am reminded of a story about President Harrison's Attorney General, William Miller, who returned to his home in Indiana feeling quite prominent and important. As he was walking up the street, he met an old friend who said "Hello Bill, I haven't seen you for a long time—Where have you been?" That shook him up a bit. He then ran into his old postman. After greeting him, Miller said: "Well, do you know where I live now?"

"Yes," replied the postman, "you live in Washington, D.C."

Miller went on: "Do you know the position I hold?"

"Yes," came the reply, "you are Attorney General of these United States."

Feeling quite proud, the Attorney General asked: "Well, what do the home folks have to say about me?"

The postman thought for awhile and answered: "Well they don't say much, but they sure laugh a lot."

My remarks today, however, will be earnest and serious. They concern your organization and mine—and our primary goal, equal justice under law. This organization's membership is as important to the Department of Justice as the Department is important to the well-being of minority Americans. The Justice Department remains one of the most important federal resources in the struggle to ensure all Americans equal rights and equal opportunity.

The goals we seek are the same goals you seek. Although we may differ in some cases on the best means of furthering those goals, in the overwhelming majority of instances our approaches are the same as or very similar to those you advocate. In the course of public debate, however, those basic areas of agreement have sometimes been ignored. Today, I want to set the record straight. And I must say, right up front, that things are not as they have been portrayed by some of our critics.

One of the most important responsibilities of the Department of Justice is the enforcement of our civil rights laws. Twenty-five years ago, the Civil Rights Act of 1957—the Nation's first modern civil rights law—created a Civil Rights Division within the Department of Justice. Each of the major civil rights acts since then has added to the Department's responsibilities. Since the Nation first roused from its long neglect of blatant racial discrimination, the Department of Justice has been in the forefront of the struggle to achieve equal opportunity for all Americans. That leadership role continues. The Department of Justice is today actively prosecuting over 240 civil rights actions.

In his address last year to the NAACP, President Reagan stated that "this administration will vigorously investigate and prosecute those who, by violence or intimidation, would attempt to deny Americans their constitutional rights." We have done so. Since January 20, 1981, our level of activity in that regard has exceeded every other Administration's. The Department has filed sixty-two new criminal civil rights cases and has conducted trials in fifty-two cases. And the actual prosecutions are only the tip of the iceberg. There are currently pending in the Civil Rights Division approximately 1,300 investigations of alleged criminal violations of the civil rights laws, and over $11.5 million is budgeted for fiscal year 1983 for FBI investigations of such violations.

The largely unheralded Community Relations Service of the Department of Justice has also been actively working to defuse tensions before they erupt into violent confrontations. In the past year the Service has, to cite just a few examples, worked to ease tensions in Atlanta growing out of the tragic murders of black youths in that city, mediated disputes between new refugees from southeast Asia and other citizens, and sought to stem the unacceptable growth of harassment and intimidation in some areas of the country. The Service has also recently completed a highly successful test program of mediation in civil rights disputes. That program produced broader, quicker, and more amicable solutions than could possibly have been attained through litigation. We will continue to do everything within our power—both through criminal prosecutions and the work of the Community Relations Service—to guarantee that no American is subjected to threats or violence because of his race, religion, or ethnic background.

One of the most basic individual rights is the right to vote. The Department of Justice has participated in thirty-one court cases and reviewed over 9000 proposed voting changes to determine whether they discriminated against minorities in violation of the Voting Rights Act.

Those changes included legislative reapportionment plans required by the 1980 Census. At the statewide level, we have filed objections to the House and Senate redis-

trictings for the States of Virginia, Texas, Georgia, Alabama, Arizona, North Carolina, and New York. The redistricting plans for the House of Representatives of South Carolina and Louisiana also failed to gain our approval as originally submitted, as did the initial congressional redistricting proposals for Georgia, Mississippi, North Carolina and New York.

In the redistrictings I have mentioned, we were unconvinced that minority voting rights were adequately protected by the proposed changes. To have precleared any one of them in such circumstances would have locked members of the affected minority community into a 10-year waiting period—until the 1990 Census—during which time they would not have been fully able to realize their existing voting potential. This we refused to do—and we will continue to object in the future to any redistrictings having a similar effect.

As you know, the President recently signed the extension of the Voting Rights Act. Under the new law, Section 2 of the Act was amended to adopt a "totality of the circumstances" standard for determining unlawful voting discrimination. We have already begun a vigorous enforcement effort under amended Section 2 of the Act. Just two weeks ago, the Civil Rights Division filed a brief in federal district court, arguing under the newly amended Section 2 that the at-large election system in Dallas County, Alabama, unlawfully dilutes black voting strength. We are also participating in a similar Section 2 action in New Mexico. Moreover, at my direction, the Assistant Attorney General for the Civil Rights Division is currently in the process of creating a special team of lawyers and support personnel whose primary responsibility will be to enforce amended Section 2 of the Act.

Our efforts have been no less vigorous in guaranteeing all Americans the right to be considered for employment on the basis of individual ability, irrespective of group characteristics such as race, religion, or sex. In the past year the Department filed nine new discrimination cases against public employers, including suits against the state police departments of Vermont and New Hampshire as well as local police and fire departments in North Carolina and New York City. Seven other suits have been authorized and are currently in negotiation—and thirteen new investigations involve some thirty-three other state and municipal agencies. In addition, numerous cases previously filed have been tried, won, or settled with favorable consent decrees. For example, our case against the government of Fairfax County, Virginia, resulted in a successful verdict for 1825 individual claimants and the largest monetary award of individual back pay ever obtained by the Department from public employers.

In the field of public education we have been working to ensure that no individual is denied equal educational opportunity because of race. Even beyond the question of student assignments, we have begun investigations in several cases to determine if the quality of education offered in some schools was intentionally and illegally inferior to that offered in other schools. Either through settlements or court orders, we have also obtained real relief in ten cases involving school districts from Texas to Indiana. We reached a very favorable settlement in the Louisiana higher education case and are pursuing similar cases in other states.

We have been active in other areas as well. We have begun twenty-six new investigations of state and local institutions under the Civil Rights of Institutionalized Persons Act—and one has already resulted in a state's plan to close an institution. By successfully prosecuting a suit in Arizona under the Equal Credit Opportunity Act, we stopped lenders from discriminating against Native Americans.

We have also actively attacked discrimination in housing. We opened some eighty-two new pattern-and-practice discrimination investigations—some of which have already resulted in our filing suit. In the Havens Realty case, we appeared as an amicus before the Supreme Court and took the position, with which the Court agreed, that under proper circumstances "testers" have standing to bring housing discrimination suits.

We in the Justice Department are proud of our record. It stands as clear and objective evidence of our commitment to guarantee the civil rights of all individuals, and to keep the doors of opportunity open to all regardless of membership in any racial, religious, or ethnic group.

In spite of this record of accomplishments, some have mischaracterized the civil rights efforts and objectives of the Department of Justice. They have chosen to brand a debate over some remedies as a difference over rights. Clearly, we have been in the process of evaluating the means by which government has sought to promote equality of opportunity during the last decade. Just as clearly, we have found some of those means ineffective. And we are therefore seeking new ways to promote and ensure the right of equal justice under law.

None of that suggests, however, that we are any less committed to the goal of equal opportunity than our critics. We agree wholeheartedly with the framers of the Civil Rights Act of 1964 that civil rights are personal rights—the right of the individual to be treated as an individual and not as a member of a group.

To this end, in the employment discrimination area, we work to ensure that individuals are treated on the basis of merit and not as members of some favored or disfavored group. Some have criticized us because we no longer seek to impose hiring or promoting quotas—in other words, precisely because we will not seek to have individuals treated as members of some group and marked for different treatment because of their race or sex.

Quotas have not proven effective. More basically, they are contrary to our guiding principle of equal individual opportunity. Support for quotas confuses an individual right with a group remedy—a group remedy which violates the principle underlying the individual right.

In our employment cases we seek full relief for those individuals who have been discriminated against. For example, when an individual has been a victim of illegal discrimination, we seek affirmative remedies such as backpay, retroactive seniority, reinstatement, and hiring and promotional priorities. We attempt to ensure that he or she is placed in the position he or she would have attained in the absence of the illegal discrimination. We seek appropriate relief for those individuals who were discouraged from applying for positions because of unlawful discrimination by the employer. Our remedial formula also includes recruitment efforts to increase the pool of applicants and injunctive relief requiring that future hiring and promotional decisions not be made on the impermissible basis of race or gender.

Confusion is also evident concerning our efforts to ensure equal educational opportunity regardless of race. No child should be assigned to a particular school solely because of race, and no child should receive less of an educational opportunity because of race. That is the mandate of *Brown* v. *Board of Education*, to which we are fully committed. That landmark decision vindicated the "personal interest" of pupils "in admission to public schools ... on a [racially] nondiscriminatory basis." Some, however, focus not on this "personal interest," but on racial balance within the schools. They advocate mandatory busing of students on the basis of race to "correct" any perceived imbalance. Experience has demonstrated, however, that such busing does not guarantee equal educational opportunity and often promotes segregation by encouraging many to leave the public schools.

Before the imposition of busing here in Los Angeles, white enrollment stood at thirty-seven percent. By 1980 it had dropped to twenty-four percent. When busing was imposed in Boston, white enrollment dropped from fifty-seven to thirty-five percent; in Dayton, from fifty-three to forty-three percent; and in Denver, from fifty-seven to forty-one percent. Some of this was the result of normal demographic change, but much is clearly attributable to the public's reaction to busing. A similar history is apparent in one community after another across the country—for example, in Cleveland, Wilmington [Delaware], East Baton Rouge, Atlanta, Memphis, and Detroit. I do not consider it progress to act against one-race schools in a way that produces one-race school systems. Like all parents—irrespective of their race—our goal is a better education for all children. We will therefore actively pursue remedies that further that goal most effectively.

If specific remedies have not been effectively, vindication of the underlying right requires resort to new different remedies. Any other view perversely elevates the remedy above the right. And, what is also troubling, such a view may actually undermine the right itself by drawing racial distinctions.

Today, I have reviewed our record in the area of civil rights and suggested why that record does not satisfy some of our critics. They would have us embrace remedies designed to achieve equal group results rather than secure the right of individuals to equal opportunity. They contend that we have abandoned civil rights because we have renounced quotas and busing for racial balance. We believe that those remedies disserve the Constitutional and statutory guarantees of freedom to participate in our society as an individual regardless of race, religion, sex, or ethnic background. The Department of Justice continues to lead the fight for that freedom, and for a more just America.

In 1882—100 years ago—the first "separate-but-equal" state law was passed. It has taken us the better part of the last century to eliminate the vestiges of the pernicious doctrine that separation enforced by law could ever mean equality. Today, in ensuring the civil rights of all Americans, we are concerned that the law not be used to separate society by treating persons differently according to their race. Surely, our future as a Nation would be best served by government action that treats individuals alike—that forswears and combats efforts to treat them differently because of their race. We are working to make that future a reality.

By working together on those issues about which we truly do agree, surely success will be guaranteed.

If progress is to continue on civil rights—and it must—we cannot be afraid to try new means of guaranteeing progress. The central question must always be whether we are moving in the right direction—not just what methods we are using. In the case of this Administration's efforts, I am certain that the end we pursue is the same goal you cherish—equal rights and equal opportunity. I am also certain that while we may differ on some of the remedies, there is total agreement on most of the steps necessary to vindicate the basic rights involved.

I would like to end with a story told by Abraham Lincoln. Surely one of the most resourceful of all public servants, Lincoln once recalled his service as a captain during the Black Hawk Indian War. One day, his company was marching abreast across a field, and Lincoln saw ahead of them the gate through which they had to pass in single file.

"I could not for the life of me remember the proper word of command for getting my company endwise," he said. "Finally, as we came near, I shouted: 'This company is dismissed for two minutes, when it will fall in again on the other side of the gate."

In a similar fashion, though our approaches may be new in some ways, our goal is to get this society and all of its members through the gate of equal opportunity. I am certain that the policies we are pursuing will help to ensure that all Americans end up together on the other side. That truly is our aim—and our hearts, like yours, are in the effort.●

EVERY 5 MINUTES AN AMERICAN BUSINESS GOES BANKRUPT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. LONG) is recognized for 5 minutes.

● Mr. LONG of Louisiana. Mr. Speaker, in the course of the next hour a number of small tragedies will take place in our country. During the next 60 minutes, 11 American businesses will declare bankruptcy. Eleven men and women will give up the fight against high interest rates. Eleven enterprises which might have produced a miracle cure for a dread disease or a technological breakthrough in electronics will disappear without a trace under the onslaught of foreign competition. Eleven hopes and dreams will vanish for the absence of capital.

But, Mr. Speaker, more than 11 people will be hurt by what transpires within the next hour as the result of our economic problems. The employees of those 11 businesses will be cast adrift on a sea of unemployment. Suppliers who had counted on selling the raw materials and parts to those 11 businesses will retrench or even go out of business themselves. The shippers who carried the goods of those 11 businesses will suffer. The firms which packaged their products, advertised their wares, and maintained their building all will feel the impact.

And, Mr. Speaker, if we remain in session for only 10 hours today, during that time we shall see that number of business failures swell to 110. And that figure, Mr. Speaker, does not take into account the grim multiplier effect that bankruptcy creates.

I would also like to point out, Mr. Speaker, that this rate of business failures is without modern precedent. We must go back to the very depths of the Great Depression to find anything to compare to it. And I would further point out that the toll is greatest among small businesses, even though it affects all businesses.

So, Mr. Speaker, as the clock in this Chamber advances by 5 minutes, one more small foundation stone falls away from under the structure of American free enterprise.

The causes of these failures, Mr. Speaker, are not very mysterious. For if you search for the causes for the unprecedented rate of busines bankruptcy, they can be found in an administration economic policy which is itself bankrupt.

Last year this administration won its entire economic program in the Congress. The Reagan program has operated for 12 full months. Now under our system of government in which the people demand accountability, it is the Reagan administration which must be held to accounts for what it has done to this economy.

I would only observe, Mr. Speaker, that the accounts of this administration are deeply in the red. The President's policies have produced a negative national cash flow. His political assets are being overwhelmed by his economic liabilities. His creditors are clamoring for payment on the national debt. But the sheriffs' sales are not taking place at the White House. They are taking place on farms and in the small businesses and factories of America. That is the irony, Mr. Speaker, that the bad management of the American economy by the Reagan administration is taking place at the cost of one American business every 5 minutes.●

AN ANNIVERSARY LESSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, on this first anniversary of the enactment of the President's economic program, I would like to ask, "What has Reaganomics meant to south Florida?

In short, it has meant:

High interest rates. The savings and loan industry is awash in a sea of red ink and the housing industry has been brought to a standstill.

High unemployment. Unemployment continues to grow including some 90,000 construction workers without jobs in south Florida.

A drop in tourism. The number of tourists in Florida dropped for only the second time in 13 years.

Cuts in vital domestic programs. Neighborhood service centers, after-school programs and hot meals for children of working mothers, medical clinics for migrant workers, homemaker services for the bedridden elderly, and drug-treatment centers are facing cutbacks or even elimination.

This anniversary is one to remember since many people in south Florida, face an uncertain future.●

SEVENTH ANNIVERSARY OF THE HELSINKI FINAL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, 7 years ago on August 1 the Helsinki Final Act was signed by the 32 countries of Europe, Canada, the Soviet Union, and the United States. On that day, pledges were made by all 35 states to uphold the standards contained in the Final Act which seek to establish real security and cooperation between East and West. Certainly the Final Act, with its express concern for improving and strengthening human contacts, embodies the best of the spirit of détente.

Today in 1982, the spirit of détente has faltered. The question arises as to whether a document or agreement made in a climate different from today's is still relevant. I believe it is as important as ever. The goals set forth in the Final Act—relating to military, economic and humanitarian matters—will always be not only relevant, but vital to the peaceful coexistence of nations.

For this reason, willful violations of the Final Act are especially abhorrent. Actions such as the 1979 invasion of Afghanistan by Soviet forces and the imposition of martial law in Poland in December 1981 stand as callous affronts to the Helsinki spirit. The Soviet response of imprisoning and harassing Soviet citizens who seek to leave the Soviet Union to become reunited with their families also stands in blatant contravention to the Helsinki agreement. Even more threatening to the aspirations embodied in the Final Act is the treatment accorded to members of monitoring groups set up to ensure Soviet compliance with the agreement. Today 50 of the 76 Helsinki Monitors in the U.S.S.R. are imprisoned or exiled in the wastelands of Siberia. Their combined sentences exceed 440 years of deprivation of freedom.

The Final Act evolved out of a genuine desire by both East and West to

preserve and guarantee peace and freedom. Today, however, on the seventh anniversary of the signing of the Final Act, we look back and see actions which flout these ambitions. As a member of the U.S. Helsinki Commission, I especially resent these violations of the Final Act. Nevertheless, our attitude must not be abandonment of the goals of the Final Act, but rededication to them, and I thus join my colleagues in commemorating this anniversary.

On August 1, 1975, we recognized the Final Act as a standard for which we were willing to strive. Our attitude should be no different today. I invite the people and governments of the East and West and, indeed, all peoples to invest this document with the dignity it deserves.●

CHILDREN'S NETWORK FORMED IN WISCONSIN TO COMBAT GOVERNMENT NEGLECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, earlier this week, on August 2, 25 organizations in the State of Wisconsin announced the formation of a statewide Children's Network, whose specific purpose is to organize political support for essential Government services which address the needs of children.

According to a profile of Wisconsin children done by the Youth Policy and Law Center in Madison, the number of children facing the serious problems of youth unemployment, poverty, and child abuse is at an all-time high in the State. This is not to say that Wisconsin is atypical of other States in the country, however. In fact, Wisconsin has traditionally had an exceptional record in meeting the social needs of its citizens. As Rachel Tomkins, director of the Children's Defense Fund, Washington, D.C., noted, "the magnitude of the problem in Wisconsin is representative of a national trend."

I am calling the formation of the Children's Network in Wisconsin to the attention of my colleagues because the problems which the Children's Network was formed to address are, in part, due to widespread cuts in Federal programs serving children. As noted in the accompanying materials, one of the key focuses of the Children's Network will be to develop a children's budget which identifies a necessary level of Government support for programs which combat the problems of poverty, unemployment, and child abuse and neglect.

I am hopeful that this initiative by concerned citizens in Wisconsin may act as a model for other States. We cannot afford to ignore the needs of our children. The cost in human as well as economic terms is astronomical. But, more important, we diminish ourselves as a people and jeopardize our future as a Nation by such a callous neglect of our most important natural resource—the children of this country. I applaud the individuals and organizations involved in creating this movement in Wisconsin.

I would like to share with my colleagues the press release announcing the formation of the Children's Network; a statement on its formation by James Carley, chairman of the board of the Youth Policy and Law Center, one of the key organizations involved in creating the Children's Network; a factsheet prepared by the Children's Defense Fund highlighting some of the ugliness facing children in this country; and, finally, a list of the organizations participating in this effort in Wisconsin.

CHILDREN'S NETWORK

MADISON.—Twenty-five groups, representing citizens throughout Wisconsin, have mounted a statewide effort to respond to a dramatic increase in the number of children with serious problems.

The purpose of the new organization, called the Children's Network, will be to organize political support for essential Government services which address the needs of children. Widespread cuts in programs service children have occurred, at the same time that there is a growing number of children facing the problems of unemployment, poverty, child abuse, and neglect.

Formation of the Children's Network was announced at a State Capitol press conference attended by representatives of the 25 supporting organizations. Speaking on behalf of the Children's Network were Wisconsin businessman James Carley, chairman, board of trustees, Youth Policy and Law Center, and Rachel Tomkins, director, Children's Defense Fund, Washington, D.C. "Every citizen in Wisconsin should be deeply troubled by the alarming dimension of problems which are affecting our young people," said Carley. "We have a moral obligation, and a very strong self-interest, in seeing to it that a necessary and affordable level of services is financed to respond to these problems."

Tomkins said that "the magnitude of the problems in Wisconsin is representative of a national trend. I hope that the formation of the Children's Network here will serve as a model for aggressive citizen political action in other States."

The principal conditions which can be traced to most serious problems facing children are youth unemployment, poverty, and child abuse. In Wisconsin, the level of each is at an all-time high, according to a profile of Wisconsin children done by YPLC. Further, said Richard Phelps, YPLC executive director, the study shows significant continuing growth in these conditions.

As examples, Phelps cited the following:

Education and Unemployment—We are creating a permanent class of unemployed or underemployed citizens; 25.3 percent of Wisconsin youth 16-24 years old dropped out of high school (for black youth it is 44 percent), rates that have been increasing for the last 10 years. Yet the Vice President's Task Force on Youth Employment estimated that in 1980, only 7 percent of the available jobs did not require a high school diploma, yet funds for youth employment and training have been reduced over 60 percent.

Poverty—Over 97,000 Wisconsin children live in poverty. In the last 12 months, a 50 percent increase in new AFDC cases, in spite of lowered eligibility requirements which removed 8,000 Wisconsin families, with new cases being added at a rate of 335 families per month. From February to June of this year, alone, families were being added at a 27.9 percent annual rate; 70 percent of all AFDC recipients are children. In Wisconsin, the number of children living in poverty has doubled since 1965, to about 10 percent. Over $2 billion was cut from AFDC this year, and $1.2 billion is proposed to be cut next year.

Child abuse—The number of confirmed cases of child abuse rose 13 percent in 1980 and 1981, while unemployment rose 10 percent for the same period. Funds for child abuse are proposed to be cut by 38 percent next year. Many studies indicate child abuse as being directly related to poverty and unemployment.

A principal focus of the Children's Network will be development of a proposed Children's Budget which identifies a necessary level of government support for programs which combat these problems. Through coordinated research and informational programs, the Network will seek to create sufficient political support for enactment of the Children's Budget.

OPENING STATEMENT, JAMES CARLEY, CHAIRMAN, BOARD OF TRUSTEES, YOUTH POLICY AND LAW CENTER, INC.

We appreciate the interest the press has shown by your attendance this morning. We are announcing the creation of an important new voice for human services entitled the "Children's Network" and to begin to explain the overall assault on children we see taking place in Wisconsin. The fact that we have such a large representation of statewide organizations here today is an indication of the seriousness of the problem we bring to you. Our state is faced with a problem of crisis proportions. The well-being of Wisconsin's children has deteriorated to an alarming degree.

Each of the 25 organizations have been witnessing increased victimization of children. To date little has been said about the total picture. We join together to pool our expertise and to stop the governmental abuse of our most vulnerable citizens.

The supporting information in your packets will indicate to you that the facts show:

Child abuse is skyrocketing;

Children are dropping out of schools at increasing numbers;

A permanent class of unemployed or underemployed is being created;

Families are being fragmented with thousands of children living separate from their parents; and

Day by day more and more children are slipping into poverty and that greater need is being answered by less help.

I see the results of this deterioration everday in my work with urban redevelopment. Everybody in Wisconsin should be alarmed but too few are aware of what is happening. The major reason for beginning a Children's Network in Wisconsin is to get the word out and to present a unified front on the well being of children of all ages.

The private and public money we save now at the expense of needy children will cost us again and again in the future.

Part of the reasons for the growing governmental neglect is that citizens whose families are not in crisis or struggling don't see the personal effects of this assault on so many of our state's children. Nevertheless, it effects us all. Just two weeks ago the Youth Policy and Law Center's Female Offender Study was front-page news throughout Wisconsin. Over 75 percent of these young women in trouble with society were erroneously abused at some point in their lives. Despair led to desperate acts and we paid in human and economic loss.

Picking up the pieces of a family is more expensive than saving it. All of Wisconsin's citizens must finally realize that financially and morally we are in this together. The business community and private citizens must begin to focus their attention on children and families in need. Government must stop its callous course of neglect and abuse.

I believe that the creation of the Children's Network is overdue, but we intend to get our message across and will make up for lost time. What we see is ugliness. It is not acceptable. We have joined together to stop it.

TEN THINGS YOU SHOULD KNOW ABOUT CHILDREN

(A Fact Sheet Prepared by Children's Defense Fund)

Here are 10 things you should know about children:

Children are the poorest of any group in America, including the elderly. 1 in 5 American children are poor.

More than 1 in 4 children in the District of Columbia are poor.

Forty percent of our Nation's 1-to-4-year-olds are not fully immunized against polio, measles, and other crippling diseases.

Approximately 12 percent, or 1 in 8, poor and minority children have not seen a doctor in two years.

Over 1 in 8 children live in inadequate housing.

Nationally, only 5 percent of all children with mothers who work have licensed day care available.

More than 12 million children, or 1 in 5, live in one parent families.

One in 4 American children drops out of school before high school graduation. Among Hispanic and Black children, 1 in 2 drops out before graduation.

One-third of all Black children in this country suffer from nutritional deficiencies.

Over 500,000 American children are growing up without permanent families in foster homes, group homes, and institutions.

CHILDREN'S NETWORK SUPPORTING ORGANIZATIONS

Mental Health Association of Wisconsin.
Wisconsin Association for Youth.
Region V Child Abuse and Neglect Resource Center.
Wisconsin Association of Family and Children's Agencies.
IMPACT Network of the Wisconsin Conference of Churches.
Wisconsin Coalition for Advocacy.
Wisconsin Council on Human Concerns.
Wisconsin Chapter, National Association of Social Workers.
Alliance for the Mentally Ill.
Wisconsin Council on Development Disabilities.
Youth Policy and Law Center, Inc.
United Cerebral Palsy of Wisconsin.
Wisconsin Epilepsy Association.
Wisconsin Nutrition Project.
Wisconsin Community Action Programs.
Wisconsin Chapter, National Committee for Prevention of Child Abuse.
Parents Anonymous of Wisconsin.
Easter Seal Society of Wisconsin.
Wisconsin Association of Pre-Natal Care.
Wisconsin Disability Coalition.
Wisconsin Early Childhood Association.
Planned Parenthood of Wisconsin.
Children's Audit Project of Center for Public Representation.
Wisconsin Society for Autistic Children.
Wisconsin Federation of Foster Parents.●

PHIL BURTON EXPRESSES SUPPORT FOR H.R. 756

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I wish to express my strong support for H.R. 756 which I believe corrects a significant omission in the law. Federal law enforcement officers and firefighters have long deserved the death benefit compensation provided for in H.R. 756. I am hopeful that at last this most needed bill will be enacted into law.

A factsheet on the bill follows:

H.R. 756—TO AMEND TITLE 5 OF THE UNITED STATES CODE TO PROVIDE DEATH BENEFITS TO SURVIVORS OF FEDERAL LAW ENFORCEMENT OFFICERS AND FIRE FIGHTERS

CURRENT LAW

Under current Federal law—the Public Safety Officers Benefits Act—survivors of State and local law enforcement officers and fire fighters, including volunteers, receive a $50,000 benefit for death in the line-of-duty.

INEQUITIES ARISING OUT OF CURRENT LAW

Federal fire fighters and law enforcement officers were excluded from coverage under the Public Safety Officers Benefits Act on the basis of arguments that they receive comparable and adequate death benefits under the Federal Employees Compensation Act. In fact, a comparison of FECA benefits to what State and local fire fighters receive from their own death and pension plans, shows Federal fire fighters receiving benefits far below their State and local counterparts. A survey of our State and local membership shows that approximately 50 percent receive comparable or better death coverage, as compared to FECA. This is in addition to Workmen's Compensation and the $50,000 death benefit to which they are all entitled.

The tragic inequity of this exclusion becomes particularly poignant when one considers that Federal, State and local public safety officers often work side-by-side. For example, most if not all Federal installations participate in mutual-aid agreements with their surrounding localities, involving them in cooperative fire fighting efforts. If deaths occur during such cooperative efforts, the families of State and local public safety officers receive the $50,000 death benefit, while the families of Federal officers do not.

We cannot see the logic in this distinction between Federal and State and local public safety officers. Federal fire fighters, like their state and local counterparts, are engaged in the most hazardous of all occupations, suffering the highest death and injury rates in this country. Provision of an equal death benefit to Federal fire fighters is a simple matter of equity.

PAST CONGRESSIONAL SUPPORT

The 96th Congress accepted the above arguments and sought to rectify this inequity by lending overwhelming and bipartisan support to and passing an identical bill, H.R. 5888. The bill passed in the House by a margin of 313–56, and the Senate passed the measure without objection under the unanimous consent calendar.

THE SOLUTION

H.R. 756 would rectify the inequity of current law by providing a $50,000 death benefit to the survivors of Federal fire fighters and law enforcement officers who die in the line-of-duty.

COST ESTIMATE

CBO estimated the cost of this bill at $500–$650 thousand per year.●

THE REAGAN BUDGET

The SPEAKER pro tempore Under a previous order of the House, the gentleman from Maryland (Mr. HOYER) is recognized for 5 minutes.

● Mr. HOYER. Mr. Speaker, last week in a press conference, the President said that the economy was as bad as it is today because the Congress did not give the President everything he asked for in budget and tax cuts. I was a little surprised to hear that from the President, considering that 1 year ago on August 4, 1981, the Congress completed action on the entire program for economic recovery—the Reagan budget, the Reagan reconciliation bill, and the Reagan tax bill. Perhaps Mr. Reagan was speaking of his recent budget package, which Republicans in the Senate totally revamped because of its potentially devastating proposals.

Regardless, I think it is very appropriate to take this opportunity on the anniversary of the adoption of the Reagan program to share with my colleagues some of the impacts that Reaganomics have had on my constituents in Maryland's Fifth District.

First, let me say that the President greatly contributed to providing his employees, Federal workers, with one of the most chaotic, topsy-turvey years in recent memory. With cuts in benefits and increased premiums in their health programs, reductions in cost-of-living adjustments for Federal retirees, pay raises far below that required by statute, and the firing of thousands of trusted employees, we have seen agency after agency reduced in efficiency, and, in one instance, literally brought to a standstill because of the actions of this administration.

Since the President received what he wanted last August, the caseload in my district office has risen by at least 20 percent in those areas where people are impacted the most by Government policies.

People who have been on social security disability for 10 and 12 years have been suddenly dropped from the rolls. We have one constituent who requires oxygen and cannot work. He has been on social security for 10 years, but because of a change in the rules, the Social Security Administration decided he must now go back to work. Obviously that demand is physically impossible for him, so we have interceded on his behalf and appealed this decision. We have found that once we file for reconsiderations on these kinds of cases, 9 out of 10 times the person is reinstated. But while they are waiting for that reinstatement, they have had no money coming in for 6 months or more. Some are close to bankruptcy before reinstatement takes place.

In the past year, we have seen a 20-percent increase in claims filed because of changes in medicaid regulations. People who formerly were eligible to receive benefits have been cut off, and, since there has been no change in their living circumstances, they are totally at a loss to understand this sudden "bumping" from a system they have come to rely upon. Since October 1, 1981, clearly one-third of the social services cases my office works on was a direct result of the omnibus Reconciliation Act. Most changes occurred because of new income guidelines. But the situation is so bad that there is no safety net for these people in which to fall—the State and county "underpinnings" are rent with holes and the agencies involved are unable to cope.

I quote to you a letter received from my office regarding a constituent who has firsthand experience with Reaganomics. This letter is from the Prince George's County Department of Social Services Deputy Director on Income Maintenance and points up the problem we are all seeing as a direct result of Reaganomics.

My staff is overwhelmed by the restrictions in the food stamp program that make us usable to help people that are in need. It is terrible when a person like Mr. ——, who wants to be as independent as possible, is dependent on his father not only for his care, but also his food.

Mr. Speaker, I could talk for hours about the real human stories behind the numbers of Reaganomics. Our President seems to think these stories are either fiction or are caused by a "misunderstanding." I suggest he talk to my constituents who have lost their businesses because of high inflation rates, or the people who have been unemployed for more than 26 weeks and are now no longer eligible for unemployment compensation.

It is a human tragedy and must be laid at the feet of those people on Pennsylvania Avenue who proposed the so-called program for economics recovery and to those in Congress who permitted this unfairness to become law.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CHAPPELL (at the request of Mr. WRIGHT), after 12 noon today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FIELDS) to revise and extend their remarks and include extraneous material:)

Mr. MICHEL, for 10 minutes, today.

(The following Members (at the request of Mr. EVANS of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 30 minutes, today.

Mr. LONG of Louisiana, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

Mr. WIRTH, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. WILLIAM J. COYNE, for 10 minutes, on August 5, 1982.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FIELDS) and to include extraneous matter:)

Mr. FINDLEY.
Mr. DAVIS.
Mr. CLAUSEN.
Mr. YOUNG of Florida in 10 instances.
Mr. YOUNG of Alaska in two instances.
Mr. RUDD.
Mr. DERWINSKI in two instances.
Mr. HILER.
Mr. FIELDS.
Mrs. HECKLER.
Mr. DANNEMEYER in two instances.
Mrs. HOLT.
Mr. COURTER.
Mr. BROWN of Ohio.
Mrs. FENWICK.
Mr. MCCLORY.
Mr. WALKER.

(The following Members (at the request of Mr. EVANS of Georgia) and to include extraneous matter:)

Mr. MOFFETT.
Mr. WILLIAM J. COYNE.
Mr. MARTINEZ.
Mr. OTTINGER in five instances.
Mr. OBEY.
Mr. FORD of Michigan.
Mr. STOKES in two instances.
Mr. STUDDS.
Mr. DE LA GARZA in 10 instances.
Mr. YATRON.
Mr. AUCOIN in two instances.
Mr. FLORIO.
Mr. FAUNTROY.
Ms. OAKAR.
Mr. ROYBAL.
Mr. GEJDENSON.
Mr. KASTENMEIER.
Mr. HERTEL.
Mr. HAMILTON.
Mr. RATCHFORD.
Mr. ADDABBO.
Mr. BARNES.
Mr. WIRTH.
Mr. GRAY.
Mr. PEYSER.
Mr. DELLUMS.
Mr. MATSUI.
Mr. GORE.
Mr. LONG of Maryland.
Mr. FRANK.
Mr. RANGEL.
Mr. DERRICK.
Mr. APPLEGATE.
Mr. PANETTA.
Mr. HUBBARD.
Mr. PEASE in five instances.
Mr. BONIOR of Michigan.

ADJOURNMENT

Mr. BENJAMIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock p.m.) the House adjourned until tomorrow, Thursday, August 5, 1982, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4537. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1982 and amendments to the request for appropriations for fiscal year 1983 (H. Doc. No. 97-222); to the Committee on Appropriations and ordered to be printed.

4538. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting the District of Columbia Administrative Procedure Manual, an attachment to the Seventh Annual Report of the Law Revision Commission, pursuant to section 3 of Public Law 93-379; to the Committee on the District of Columbia.

4539. A letter from the Chairman, Equal Employment Opportunity Commission, transmitting the Commission's 16th annual report on its activities, pursuant to section 705(e) of Public Law 88-352; to the Committee on Education and Labor.

4540. A letter from the Secretary of Health and Human Services, transmitting the annual report on health maintenance organizations, covering fiscal year 1981, pursuant to section 1315 of the Public Health Service Act; to the Committee on Energy and Commerce.

4541. A letter from the Assistant Secretary, Administration, Housing and Urban Development, transmitting notice of a proposed new records system for the HUD community development block grant State transfer evaluation files system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4542. A letter from the Assistant Secretary of the Interior, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4543. A letter from the Assistant Secretary for Territorial and International Affairs, Department of the Interior, transmitting the annual report of the U.S. Government Comptroller for Guam on the fiscal condition of the Government of Guam for the fiscal year ended September 30, 1980, pursuant to section 9-A(g) of the Organic Act of Guam, as amended; to the Committee on Interior and Insular Affairs.

4544. A letter from the Executive Director, Advisor Commission of Intergovernmental Relations, transmitting the Commission's support for a provision deleted from the current version of the "balanced budget" amendment requiring Federal reimbursement of State and local governments for the costs of any future mandates; to the Committee on the Judiciary.

4545. A letter from the president, Jewish War Veterans U.S.A. National Memorial, Inc., transmitting the audit report of the organization for the fiscal year ended March 31, 1982, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

4546. A letter from the Chairman, Council on Environmental Quality, transmitting the Council's 12th Annual Report on the Environmental Quality 1981, pursuant to section 201 of the National Environmental Policy Act of 1969; to the Committee on Merchant Marine and Fisheries.

4547. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Veterans' Administration to administer a community residential care program; to the Committee on Veterans' Affairs.

4548. A letter from the Acting U.S. Trade Representaive, Executive Office of the President, transmitting a report covering the periods of July 1, 1981, through December 31, 1981, and January 1, 1982, through June 30, 1982, of reviews and hearings arising from complaints of unfair practices for foreign government, pursuant to section 306 of the Trade Act of 1974, as amended; to the Committee on Ways and Means.

4549. A letter from the Comptroller General of the United States, transmitting a report on entrance fees—National Park Service (CED-82-84, August 4, 1982); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

4550. A letter from the Comptroller General of the United States, transmitting a report on outstanding civil service retirement contributions (FPCD-82-39, August 4, 1982); jointly, to the Committees on Government Operations and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5988. A bill to provide for an Indian housing program for construction and financing of housing for Indians, and for other purposes; with an amendment (Rept. No. 97-695). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 6444. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; with amendments (Rept. No. 97-696). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 6921. A bill to amend section 1751 of title 18, United States Code, to eliminate the insanity defense to prosecutions for assassination of the President, attempted assassination of the President, and related offenses; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 6922. A bill to amend titles 10 and 37, United States Code, to authorize the Secretary of Defense and the Secretary of Transportation to increase the term of service in the Armed Forces under their jurisdiction and to pay bonuses for enlistment and reenlistment in the Reserve components; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. BONER of Tennessee:

H.R. 6923. A bill to prohibit prisoners from being eligible for basic educational opportunity grants (BEOG); to the Committee on Education and Labor.

By Mrs. BOUQUARD:

H.R. 6924. A bill to create a Federal, State, and local drug forfeiture fund; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. DORGAN of North Dakota:

H.R. 6925. A bill to amend title 49 of the United States Code to authorize the Interstate Commerce Commission to order actions which insure the financial vitality of railroads managed or otherwise controlled by another entity, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FINDLEY:

H.R. 6926. A bill to provide for financial and other assistance to workers and firms that suffer economic injury because of the imposition of certain export controls under the Export Administration Act of 1979; jointly, to the Committees on Foreign Affairs, Education and Labor, and Banking, Finance and Urban Affairs.

By Mr. FOLEY:

H.R. 6927. A bill to authorize funding at total project capability levels the construction of a bridge approach at Clarkston, Wash.; to the Committee on Public Works and Transportation.

By Mr. FUQUA (for himself, Mr. WALGREN, Mrs. HECKLER, Mr. BROWN of California, Mr. ROE, Mr. LUNDINE, Mr. DYMALLY, Mr. FISH, Mr. SCHEUER, Mr. CARNEY, Mr. YOUNG of Missouri, Mr. ERTEL, Mr. FAUNTROY, Mr. LANTOS, Mr. JACOBS, Mr. WYLIE, Mr. MOFFETT, and Ms. MIKULSKI):

H.R. 6928. A bill to promote the development of nonanimal methods of research, experimentation, and testing, and to assure humane care of animals used in scientific research, experimentation, and testing; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. HAMMERSCHMIDT:

H.R. 6929. A bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs credit to December 31, 1983, and to treat as a member of a targeted group for purposes of such credit any economically disadvantaged individual who has attained age 55; to the Committee on Ways and Means.

By Mrs. HECKLER:

H.R. 6930. A bill to establish within the National Science Foundation a Presidential science and engineering young investigators awards program, a Presidential precollege science and mathematics improvement program, and a Federal program for university research facilities and manpower improvement, and for other purposes; to the Committee on Science and Technology.

By Mr. McHUGH:

H.R. 6931. A bill to establish a program whereby payments in lieu of taxes may be made with respect to certain real property owned by the U.S. Government but leased by departments or agencies thereof to private persons not for public purposes; to the Committee on Government Operations.

By Mr. MINISH:

H.R. 6932. A bill to recognize the organization known as the Catholic War Veterans of the United States of America, Inc.; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 6933. A bill to amend the Railroad Retirement Act of 1974 to require the inclusion of certain compensation in the computation of benefits if that compensation is taxed for railroad retirement purposes; to the Committee on Energy and Commerce.

H.R. 6934. A bill to amend the Railroad Unemployment Insurance Act to provide that unemployment benefits of railroad employees will not be reduced by reason of the receipt of certain unrelated social insurance benefits; to the Committee on Energy and Commerce.

By Mr. ROBINSON:

H.R. 6935. A bill to amend title XVI of the Social Security Act to exclude burial plots and niches and insurance policies and other burial plans and arrangements from the determination of a supplemental security income applicant's resources; to the Committee on Ways and Means.

By Mr. RUDD:

H.R. 6936. A bill to amend the Internal Revenue Code of 1954 with respect to the designation of income tax payments to the Presidential election campaign fund; to the Committee on Ways and Means.

By Mr. WEAVER (for himself, Mr. BEDELL, Mr. SEIBERLING, Mr. EDWARDS of California, and Mr. WON PAT).

H.R. 6937. A bill to permit States to prohibit the exportation from the United States of unprocessed timber harvested from land owned by such States or political subdivisions of such States; to the Committee on Foreign Affairs.

By Mr. LaFALCE (for himself, Mr. EDGAR, Mr. ADDABBO, Mr. ANNUNZIO, Mr. BEVILL, Mr. PHILLIP BURTON, Mr. CLINGER, Mr. CORRADA, Mr. COURTER, Mr. DASCHLE, Mr. DAUB, Mr. DWYER, Mr. EMERSON, Mr. ERTEL, Mr. FAUNTROY, Mr. FAZIO, Mr. FLORIO, Mr.

FOLEY, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. HATCHER, Mrs. HECKLER, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. JONES of North Carolina, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEE, Mr. LONG of Maryland, Mr. LUNGREN, Mr. MADIGAN, Mr. MARRIOTT, Mr. MARTIN of New York, Mr. MATSUI, Mr. MCGRATH, Mr. MURPHY, Mr. NAPIER, Mr. OBERSTAR, Mr. PEPPER, Mr. PORTER, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. STOKES, Mr. VENTO, Mr. WALGREN, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEBER of Minnesota, Mr. ZEFERETTI, Mr. NEAL, and Mr. EVANS of Georgia):

H.J. Res. 564. Joint resolution designating the week beginning September 20, 1982, as "National Firefighters' Week"; to the Committee on Post Office and Civil Service.

By Mr. SIMON:

H. Con. Res. 390. Concurrent resolution expressing the sense of the Congress that the Secretary of Agriculture and institutions of the farm credit system should permit the deferral of the payment of principal and interest on, and forgo the foreclosure of, certain loans made to farmers who are currently experiencing severe economic hardships; to the Committee on Agriculture.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mr. SAVAGE.

H.R. 2300: Mr. PARRIS.

H.R. 2301: Mr. PARRIS.

H.R. 3970: Mr. ADDABBO, Mr. BAFALIS, Mr. COELHO, Mr. DOUGHERTY, Mr. DWYER, Mr. FASCELL, Mr. FOGLIETTA, Mr. HALL of Ohio, Mr. HUTTO, Mr. HYDE, Mr. LAFALCE, Mr. LEBOUTILLIER, Mr. MCCOLLUM, Mr. MAZZOLI, Mr. PRICE, Mr. ROBERTS of South Dakota, Mr. SENSENBRENNER, Mr. SMITH of Pennsylvania, Mr. WHITE, Mr. WILLIAMS of Ohio, Mr. WILLIAMS of Montana, Mr. WINN, Mr. WON PAT, Mr. YOUNG of Florida, Mr. ROE, and Mr. GORE.

H.R. 5284: Mr. WILLIAM J. COYNE.

H.R. 5395: Mr. SMITH of New Jersey.

H.R. 5511: Mr. KOGOVSEK.

H.R. 5618: Mr. CONTE.

H.R. 6077: Mr. FITHIAN, Mr. DASCHLE, Mr. NOWAK, Mr. RICHMOND, Mr. FRANK, Mr. HERTEL, Mr. YOUNG of Missouri, Mr. DYMALLY, Mr. ADDABBO, Mr. HAWKINS, Mr. MURTHA, Mr. MATSUI, Mr. OBERSTAR, Mr. WILLIAM J. COYNE, Mr. MARKEY, Mr. ECKART, Mr. ROYBAL, Mr. PHILLIP BURTON, Mr. SHANNON, Mr. LEHMAN, Mr. FOGLIETTA, Mr. BAILEY of Pennsylvania, Ms. MIKULSKI, and Mr. VENTO.

H.R. 6311: Mr. CONTE.

H.R. 6373: Mr. BEREUTER, Mr. GINGRICH, Mr. HUGHES, Mr. HORTON, Mr. MORRISON, and Mr. ROGERS.

H.R. 6508: Mr. ROBERTS of South Dakota.

H.R. 6538: Mr. GUARINI, Mr. HILER, and Mr. OTTINGER.

H.R. 6567: Mr. STARK.

H.R. 6591: Mr. BRODHEAD, Mr. REUSS, and Mr. WEISS.

H.R. 6695: Mr. DUNN and Mr. BRODHEAD.

H.R. 6698: Mr. FORSYTHE.

H.R. 6728: Mr. DECKARD, Mr. FITHIAN, Mr. JACOBS, Mr. HILER, Mr. SHARP, Mr. COATS, Mr. MYERS, Mr. BENJAMIN, Mr. HILLIS, and Mr. EVANS of Indiana.

H.R. 6747: Mr. ANNUNZIO, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. DERWINSKI, Mr. ERLENBORN, Mr. FARY, Mr. FINDLEY, Mr. MCCLORY, Mr. MADIGAN, Mrs. MARTIN of Illinois, Mr. MICHEL, Mr. O'BRIEN, Mr. PORTER, Mr. RAILSBACK, Mr. RUSSO, and Mr. SIMON.

H.R. 6753: Mr. FASCELL, Mr. BENNETT, Mr. ALBOSTA, Mr. HUGHES, Mr. YATRON, Mr. WOLPE, and FAZIO.

H.R. 6886: Mr. HAMMERSCHMIDT.

H.R. 6901: Mr. ROE, Mr. FORSYTHE, and ATKINSON.

H.J. Res. 102: Mr. NATCHER, Mrs. SNOWE, Mr. DICKINSON, Mrs. ASHBROOK, Mr. HOYER, Mr. STANTON of Ohio, Mr. BARNES, and Mr. WYLIE.

H.J. Res. 323: Mr. WIRTH, Mr. STOKES, Mr. ATKINSON, Mr. MOORHEAD, and Mr. CARNEY.

H.J. Res. 399: Mr. SWIFT.

H.J. Res. 406: Mr. CLAUSEN, Mr. HATCHER, Mr. ANNUNZIO, Mr. ROE, Mr. CLINGER, Mr. MAZZOLI, Mr. SOLARZ, Mr. NATCHER, Mr. KINDNESS, Mr. BAFALIS, Mr. RAHALL, Mr. BEARD, Mr. PAUL, Mr. DORNAN of California, Mr. STANTON of Ohio, Mr. WINN, Mr. FORSYTHE, Mr. PORTER, Mr. CLAY, Mr. MATSUI, Mr. RHODES, Mr. BUTLER, Mr. FITHIAN, Mr. MCDONALD, Mr. NICHOLS, Mr. BURGENER, Mr. MITCHELL of New York, Mr. HORTON, Mr. SMITH of New Jersey, Mr. LEBOUTILLIER, Mr. LAGOMARSINO, Mr. MURPHY, Mrs. FENWICK, Mr. MONTGOMERY, Mr. NELLIGAN, Mr. SANTINI, Mr. BENJAMIN, Mr. SHUMWAY, Mr. DANNEMEYER, Mr. DAUB, Mr. WORTLEY, Mr. SUNIA, Mr. ERDAHL, Mr. HYDE, Mr. GINN, Mr. CHAPPELL, Mr. FORD of Michigan, Mr. HANSEN of Idaho, Mr. EDWARDS of Alabama, Mr. O'BRIEN, Mr. WHITEHURST, Mr. NAPIER, Mr. FAZIO, Mr. SIMON, Mr. GINGRICH, Mr. BETHUNE, Mr. BEVILL, Mr. WOLF, Mr. SNYDER, Mr. LUNGREN, Mr. YOUNG of Florida, Mr. HUGHES, Mr. ZABLOCKI, Mr. BARNES, Mr. DOWDY, Mr. STUMP, Mr. FINDLEY, Mr. FRENZEL, Mr. MINISH, Mr. BARNARD, Mr. SCHEUER, Mr. FISH, Mr. CARNEY, Mr. BEREUTER, Mr. DANIEL B. CRANE, Mr. EARLY, Mr. HAMMERSCHMIDT, Mr. NEAL, Mr. TRAXLER, Mr. ADDABBO, Mr. CORCORAN, Mr. BAILEY of Missouri, Mr. DICKINSON, Mrs. HOLT, Mr. JACOBS, Mr. MADIGAN, Mr. MOORHEAD, Mr. ROUSSELOT, Mr. YOUNG of Alaska, Mr. DYMALLY, Mr. HUTTO, Mr. BROYHILL, Mr. LEE, Mr. PRICE, Mr. FOUNTAIN, Mr. PEPPER, Mr. EMERSON, Mr. JONES of North Carolina, Mr. JEFFORDS, Mr. MOLINARI, Mr. MCCOLLUM, Mr. ARCHER, Mr. ALEXANDER, Mr. EVANS of Indiana, Mr. DE LA GARZA, Mr. D'AMOURS, Mr. LEWIS, Mr. JONES of Tennessee, Mr. ANDREWS, Mr. BOWEN, Mr. SYNAR, Mr. MOORE, Mr. YATRON, Mr. WON PAT, Mr. ATKINSON, Mr. MOTTL, Mr. LUJAN, Mr. MARKS, Mr. FARY, Mr. LATTA, Mr. RINALDO, Mr. SHARP, Mr. FLIPPO, Mr. HAMILTON, Mrs. BYRON, Mr. MARTIN of North Carolina, Mr. LENT, Mr. BOLAND, Mr. OTTINGER, Mr. DONNELLY, Mr. DUNN, Mr. HEFNER, Mr. DWYER, Mrs. HECKLER, Mr. MCDADE, Mr. ROTH, Mr. SKEEN, Mr. GILMAN, Mr. ROBERTS of South Dakota, Mr. PASHAYAN, Mr. HANSEN of Utah, Mr. DREIER, Mr. MARKEY, Mr. SMITH of Pennsylvania, Mr. BAILEY of Pennsylvania, Mr. HOPKINS, Mr. SAWYER, Mr. BREAUX, Mr. CRAIG, Mr. EMERY, Mr. CONTE, Mr. REGULA, Mr. WATKINS, Mr. CORRADA, Mr. EVANS of Georgia, Ms. MIKULSKI, Mr. MCCLORY, Mr. DUNCAN, Mr. EDGAR, Mr. ERTEL, Mr. COATS, Mr. ANDERSON, Mr. SMITH of Iowa, Mr. DOUGHERTY, Mr. VENTO, Mr. DECKARD, Mr. BROOKS, Mr. SMITH of Alabama, Mr. JAMES K. COYNE, Mr. GRISHAM, Mr. BONER of Tennessee, Mr. WHITLEY, Mr. FOLEY, Mr. HARTNETT, Mr. MCGRATH, Mr. MAVROULES, Mr. MICHEL, Mr. RODINO, Mr. SILJANDER, Mr. STANGELAND, Mr. SWIFT, Mr. WILLIAMS of Ohio, Mr. WOLPE, Mr. RUDD, Mr. BONIOR of Michigan, Mr. DAN DANIEL, Mr. HENDON, Mr. KEMP, Mr. TAYLOR, Mr. FIELDS, Mr. SPENCE, Mr. KAZEN, Mr. GUARINI, Mr. HOWARD, Mr. EMERSON, Mr. HILER, Mr. EVANS of Delaware, Mr. DOWNEY, Mr. BROWN of California, Mr. BONKER, Mr. MCEWEN, Mr. IRELAND, Mr. FORD of Tennessee, Mr. PHILIP M. CRANE, Mr. WEBER of Minnesota, Mr. WHITTAKER, Mr. JEFFRIES, Mr. FOGLIETTA, Mr. WYLIE, Mr. LONG of Louisiana, Mr. AKAKA, Ms. FERRARO, Mr. WALGREN, Mr. GRADISON, Mr. CONABLE, Mr. WEBER of Ohio, Mr. STENHOLM, Mr. ROBINSON, Mr. OBERSTAR, Mr. HUBBARD, Mr. LAFALCE, Mr. STATON of West Virginia, Mrs. BOGGS, Mr. BLILEY, Mr. TAUKE, Mr. WHITTEN, Mr. WAXMAN, Mr. LEACH of Iowa, Mr. QUILLEN, Ms. FIEDLER, Mr. UDALL, Mr. SHAMANSKY, Mr. RAILSBACK, Mr. HIGHTOWER, Ms. OAKAR, Mr. LEATH of Texas, Mr. MARTIN of New York, Mr. GORE, and Mr. HILLIS.

H.J. Res. 438: Mr. BONER of Tennesse.

H.J. Res. 500: Mr. NEAL.

H.J. Res. 523: Mr. DAUB, Mr. MOLINARI, Mr. ERLENBORN, Mr. LUNGREN, Mr. MADIGAN, and Mr. SOLOMON.

H.J. Res. 539: Mr. DASCHLE, Mr. BENNETT, Mr. MONTGOMERY, Mr. MARTIN of New York, Mr. FORSYTHE, Mr. DICKS, Mr. DAUB, Mr. FAZIO, Mr. FAUNTROY, Mr. YOUNG of Alaska, Mr. SUNIA, Mr. HORTON, Mr. MAVROULES, Mr. VENTO, Mr. RAHALL, Mr. GONZALEZ, and Mr. MITCHELL of New York.

H.J. Res. 552: Mr. WILLIAMS of Ohio, Mr. LANTOS, Mr. EARLY, Mrs. SCHNEIDER, Mr. FAUNTROY, Mrs. HECKLER, Mr. MCHUGH, Mr. FOGLIETTA, Mr. APPLEGATE, Mr. BONIOR of Michigan, and Mr. JACOBS.

H. Con. Res. 364: Mr. PEYSER.

H. Con. Res. 377: Mr. MCHUGH.

H. Con. Res. 378: Mr. LEACH of Iowa, Mr. ROSENTHAL, Mr. BARNES, Mr. HYDE, Mr. LANTOS, Mrs. KENNELLY, and Mr. PRITCHARD.

H. Con. Res. 385: Mr. WEBER of Ohio, Mr. FAUNTROY, Mr. SCHEUER, Mr. FAZIO, Mr. PEPPER, Mr. BARNES, Mr. CORRADA, Mr. CONTE, Mr. LOWRY of Washington, Mr. FROST, Mr. PORTER, Mr. OTTINGER, Mr. YATES, Mr. DWYER, and Mr. GORE.

H. Res. 421: Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mrs. BOUQUARD, Mr. EVANS of Iowa, Mr. GINGRICH, Mr. PATTERSON, and Mr. ZABLOCKI.

H. Res. 483: Mr. ROBINSON and Mr. FIELDS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

549. By the SPEAKER: Petition of Grand Council, Young Men's Institute, San Francisco, Calif., relative to tuition benefits and/or loans for higher education; to the Committee on Education and Labor.

550. Also, petition of Buncombe County Board of Commissioners, relative to cost-of-living allowances and pensions for current and former Federal employees; to the Committee on Post Office and Civil Service.

551. Also, petition of city of Reading, Pa., relative to tax on interest from tax-exempt municipal bonds; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6214

By Mr. ECKART:

—At the end of the bill add the following new section:

LIMITATION ON UNITED STATES CONTRIBUTIONS FOR NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 806. If the Secretary of Defense determines that any three of the North Atlantic Treaty Organization member nations (other than the United States) that pledged in 1977 to increase defense spending in real terms by at least 3 percent per year have not achieved such an increase in defense spending for fiscal year 1983 over their defense spending for fiscal year 1982, the Secretary shall withhold the United States contribution for fiscal year 1983 for the North Atlantic Treaty Organization Infrastructure program authorized by title V of this Act.

By Mrs. SCHROEDER:

—At the end of the bill add the following new section:

REDUCTION IN TOTAL AUTHORIZATION

SEC. . Of the total amount authorized to be appropriated by this Act for fiscal year 1983, the maximum amount that may be obligated or expended is the total amount appropriated pursuant to such authorization of $7,130,000,000, whichever is less.

By Mr. SKELTON:

—At the end of the bill add the following new section:

LAND EXCHANGE, KANSAS CITY, MISSOURI

SEC. 806. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Kansas City Corporation for Industrial Development of Kansas City, Missouri (hereinafter in this section referred to as the "Corporation"), all right, title, and interest of the United States in and to a parcel of land, aggregating one and two-tenths acres, more or less, together with improvements thereon, situated in Jackson County, Kansas City, State of Missouri, and presently used by the United States for Army Reserve purposes and known as the Sergeant Charles R. Long Army Reserve Training Center.

(b) In consideration for the conveyance by the Secretary under subsection (a), the Corporation shall—

(1) convey to the United States all right, title, and interest in and to a parcel of land, aggregating four and one-half acres, more or less, together with improvements thereon, known as the Carlisle School;

(2) repair and rehabilitate the Carlisle School in accordance with specifications approved by the Secretary; and

(3) provide to the United States the cost, as determined by the Secretary, of relocating Federal Government activities from the Sergeant Charles R. Long Army Reserve Training Center to the Carlisle School.

(c) If the sum of the fair market value of the property conveyed to the United States under subsection (b)(1) and the cost of the repair and rehabilitation under subsection (b)(2) is less than the fair market value of the property of the United States conveyed under subsection (a), the corporation shall pay to the United States the amount of the difference. Any such payment shall be deposited into the Treasury as miscellaneous receipts.

(d) If the Corporation offers to provide to the United States another facility as consideration of the conveyance under subsection (a) in lieu of conveying the Carlisle School, and the Secretary determines that such facility is equal to or better than the Carlisle School from a functional, rehabilitative, economic, or other aspect, the Secretary may accept such alternative facility as consideration for the conveyance under subsection (a) in lieu of accepting the Carlisle School under subsection (b). Before accepting such facility, the Secretary shall submit a report of the facts concerning the proposed transaction to the Committees on Armed Services of the Senate and House of Representatives as required by section 2662 of title 10, United States Code.

(e) The exact acreages and legal descriptions of the properties to be conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

(f) The Secretary may accept and administer any real property conveyed to the United States under this section.

(g) The Secretary may require such additional terms and conditions in connection with the conveyances authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

H.J. RES. 521

By Mr. BINGHAM:

—Page 3, strike out lines 3 through 5 and insert in lieu thereof the following: "That, consistent with the maintenance of essential equivalence in overall nuclear capabilities, the Strategic Arms Reduction Talks (START) between the United States and the Soviet Union should have the following objectives:".

Page 4, beginning in line 2, strike out all that follows "weapons" through the end of line 3 and insert in lieu thereof a period.

Page 4, after line 21, add the following:

SEC. 3. Consistent with pursuing the overriding objective of an immediate freeze, nothing in this resolution shall be construed to prevent the United States from taking advantage of concurrent and complementary arms control proposals.

EXTENSION OF REMARKS

IMPERIALISM, RELIGIOUS PERSECUTION AND GENOCIDE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. DERWINSKI. Mr. Speaker, today, the House Committee on Foreign Affairs will consider Senate Concurrent Resolution 18, the Senate version of House Concurrent Resolution 123, which I introduced on May 1, 1981. This bill, which was passed by the Senate, calls attention to the serious problem that the Ukrainian Orthodox and Catholic Churches, as well as other religious entities in the Ukraine, face as a result of the religious and civil repression and physical extermination by the Soviet authorities. I wish to insert an article by Dr. Lev E. Dobriansky, chairman of the Ukrainian Congress Committee of America, which comments on the religious persecution that is evident in the Ukraine. I wish to insert it for the attention of the members of the House Foreign Affairs Committee as well as for the benefit of the Members:

IMPERIALISM, RELIGIOUS PERSECUTION AND GENOCIDE

(By Lev E. Dobriansky)

In our Bicentennial year the only high-level official in our government who defined the nature of the enemy threatening our continued independence as a nation has been Vice President Nelson Rockefeller. In a speech in West Germany he explicitly stated, "The era of old world imperialism has gone, and yet we find ourselves faced with a new and far more complex form of imperialism, a mixture of Czarism and Marxism with colonial appendages." [1] When queried on this, he added, "I was just telling it like it is." Actually, as pointed out by this writer, "there is nothing new about traditional Russian imperialism, whether Czarist or Marxist, and its projections into Asia, the Mideast and the New World have able precedents in the past." [2] Indeed, excellent precedents and continuities can be established in numerous spheres of societal existence, be it economic, political, social or religious. Stripped of different actors, semantics and ideologies, the basic force of Russian imperialism reveals the same substantial trends, characteristics, and symptoms whether the period was pre-Soviet or now. Intensity, scope, degree and encompassment might differ, but the substantial form is there. And perhaps nowhere is this truth as crystal clear as in the area of religious persecution and genocide, particularly in the cases of the Ukrainian Orthodox and Catholic Churches.

At a time when increasing interest is being focused on religious persecution in the USSR, it is important to relate again the tragedy of these two major Churches, but in a different and perhaps telling way. In one of the Eucharistic symposia in Philadelphia, I purposely chose the context of Russian imperio-colonialism in order to zero in immediately on the main and overriding causal reason explaining the current situation of the Ukrainian Catholic Church in Ukraine, which in a nutshell is institutionally non-existent and perseveres only in a variety of catacomb circumstances. It must be emphasized that it has become clearly insufficient to merely describe the fate that has befallen this Church in Eastern Europe. This has been done time and time again in detailed objective and scholarly studies but evidently with little practical import and effect. To repeat the tragic story here is not enough. Rather, one has to provide an analytical framework of reference that is founded on all the empirical data assembled to date but is conspicuously oriented toward constructive activism in this vital human rights issue.

In a preliminary sense this was accomplished last June before a committee of the U.S. Congress investigating religious persecution in the Soviet Union.[3] There was no reason why during the 41st International Eucharistic Congress and its liturgical manifestations the same couldn't have been accomplished by urging Congress to adopt as one of its top resolutions for action the restoration of both the Ukrainian Catholic and Orthodox Churches in Ukraine. Indeed, a resolution of this sort by the I.E.C. would have furnished tremendous impetus to the proposed resolution now being undertaken in the U.S. Congress itself.

For a working overview, then, we should begin with certain guidelines of analysis leading up to a perspectival view of the problem and, in the end, justifying and rationally enforcing the specific proposals made. To achieve positive action in the Free World on behalf of the two underground Churches, it is absolutely necessary to approach this vital subject from both a rigorous analytical viewpoint and firm historical perspectives. Too often we lose sight of the forest because of the trees of fragmentary and frequently unconnected facts. Also, though important in themselves, humanitarian pleas and sympathies are nonetheless inadequate to attract the energies and resources required to reestablish the two Churches in Ukraine. It must be shown and emphasized that the case of the two Churches is, in the realm of religious persecution, an exclusive and special one; and indeed it is from the angle of institutional religious genocide. The Churches' integral spiritual significance for the Ukrainian nation—the largest non-Russian nation both in the U.S.S.R. and Eastern Europe—must also be clearly shown and repeatedly stressed. And after a concise analysis along these lines the serious avenues for concerted action must be shown with the highest degrees of applicable and proportionate report.

It cannot be too greatly stressed that regarding their exclusive and special status in the area of religious persecution, the Ukrainian Catholic Church and the Ukrainian Orthodox Church have been objects of Soviet Russian genocide. Both Churches are not in actual institutional being today within the Soviet Union. Except for the Byelorussian Orthodox Church, this paramount fact of religious genocide separates the two from most other cases of religious persecution in the USSR.[4] When Free World concern and action are taken in this field, this fact alone deserves proportionate response and treatment. In view of the momentum generated on this subject in the U.S. Congress, the prime question is whether religious bodies in our country, including the free Ukrainian Catholic and Orthodox Churches and the Roman Catholic Church, will contribute to the momentum of this issue that, in view of the strategic size and nature of Ukraine, bears monumental ramifications.

To understand with vivid feeling the genocide perpetrated on the two Churches in our times, it is essential to have at least a perspectival historical background on the subject, but a holistic one that endeavors to see basically related phenomena in toto and not one of mere chronological sequence. The chief trends of religious, national development in Ukraine from 988 A.D. to the present even lend themselves to neat, coherent diagramatization, as will be provided shortly to save our sight of the forest for the individual factual trees. With a holistic bias, the impact of empires and ideologies on these trends is striking and should be appropriately noted to explain current realities. It is interesting to observe that an atheistic government affects all religious forms adversely, but not in proportionate ways—genocide for some, encouraged use of others. Why?

Once the formed, substantial grounds for action have been established, what are in this preliminary account guidelining the relevant factors and facilities for implementation? They necessarily include the U.S.S.R. constitution, the U.N. Charter and Declaration of Human Rights, the Genocide Convention, H. Con. Res. 205 in the U.S. Congress and other avenues and means, including free religious institutions in our and other nations. The proposed course of action is a totally rational and moral one for the Ukrainian Catholic and Orthodox Churches in the Free World, the Vatican, the World Council of Churches, and all religious and secular bodies concerned with fundamental human rights.

With these analytic guidelines, we can proceed to what are the requisites for a holistic outlook toward this important subject of human rights. Such an outlook means to view any object or phenomenon in significant detail and yet in terms of a meaningful whole, a pattern of objective interrelatedness. Again, as concern the Churches in Ukraine, to emphasize their catacomb and underground existence, fragmentistic notes of supposedly illegal religious activity

[1] The Washington Star, May 16, 1976.

[2] "Captive Nations Week," Congressional Record, July 2, 1976.

[3] "Religious Persecution in the Soviet Union," Hearing, House of Representatives, June 30, 1976.

[4] See "Religion In The U.S.S.R," Institute for the Study of the U.S.S.R. Munich, July 1960.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

among the faithful, and samizdat disclosures from time to time of such activity is patently inadequate from the vantage point of this outlook.

Regardless of one's primary discipline, whether it be that of an historian, a political scientist, an economist and so forth, to effectively study the structure and behavior of the previous Czarist Russian Empire and, more so, those of the present empire-state, the USSR, necessitates the integrative, holistic approach. If the present imperial state known as the Soviet Union is totalitarian, which indeed it is, then all parts of its behavior and policy must be viewed in the end totalistically or, in effect, holistically. As a pertinent example, no religious body or institution could exist on the surface and in the open in this imperial state with a denial of access to economic resources and facilities. This monopoly of economic power is interlaced with a monopoly of political power, and all are legalistically legitimized against an explicative background of historical causation. In short, to understand the present plight of the two Ukrainian Churches in Ukraine and to act upon it with driving conviction and determination necessarily presupposes a vivid awareness of the interrelationships involved and the distinctiveness of the engendered factors. On this point, if anyone impressed this requisite mode of thinking upon me early in my training, it was the prominent Russian historian, George Fedotov, whose many objective insights into Russian imperial and ecclesiastical history are widely respected.

With a holistic awareness of the current religious situation in the Soviet Union, the very first cardinal point that need reiteration is that both the Ukrainan Catholic Church and the Ukrainian Orthodox Church fit into an exclusive sphere for inquiry and action. No doubt, in this atheistic state there is extensive religious persecution affecting the Russian Orthodox Church, the Georgian Orthodox Church, the Roman Catholics, Calvinists, Jews, Moslems and others.[5] But the crucial point of distinction for any inquiry, legislation and action is that all of these so persecuted are nevertheless in being institutionally. In sharp contrast, the Ukrainian Catholic and Orthodox Churches are not in being; they have been obliterated by the State. It is, therefore not only a matter of persecution of individuals but also a clear case of genocide of institutional bodies that serve over time to conserve the spiritual resources of a given people and nation.[6]

Associated with the crucial point is the further consideration in dealing with religious persecution in the Soviet Union that, on the basis of the principle of proportionality, any thought and action in this area be proportional to the object itself, to the reality of the peculiar situation. The two traditional Ukrainian Churches are what can properly be called the expressions of the spiritual soul of a nation. Their institutional liquidation subjects this soul to virtual extinction. And, to repeat the chief contestual point, we are dealing here with a nation that is the largest non-Russian nation not only in the Soviet Union but also in Eastern Europe and, as a consequence, is of specials interest to Moscow as indeed it should be to us.

At the recent Congressional hearing on this subject, a thoughtful legislator asked whether for action purposes it is possible to separate the religious strand from the political and ideological so to disallow any pretest for Moscow to predicate its reaction on the latter. The answer to this tactical question is yes. The separation is really one of the operational from the analytic. However, though this may be necessary, the motivation, conviction and passion that would guarantee maximum operation would be of little ingredient value without the breadth and depth of understanding and ordered knowledge provided by the analytic. Thus, as an example, a move is under way to refer this issue to the newly-created Commission on European Security and Cooperation, which aims to monitor Moscow's observance this past year of the Helsinki Accord.[7] As regard basket three of the Accord, numerous different issues will demand the attention of the Commission, and selectively and proportionately will be at a premium, especially if in-depth study become difficult. I therefore urged that, though the Commission should consider this issue, this particular and outstanding case of religious expressions and desires manifested through these institutional entities which have been obliterated, be a special studies case for the House International Relations Committee, concentrating on H. Con Res. 205.

The operational and the analytic—what we do with this depends heavily on what we understand this to be, selectively, proportionately, and holistically. Indispensable to the latter is an historical schema and perspective regarding this special case. It is necessary to answer the natural query as to why these two major institutions that had been in being, were entitatively obliterated. Without such a background, one can't really assess it, and any operational imperative would be reduced in intensity. Furthermore, much to the surprise of many human rights advocates, the long arm of history extends itself into our contemporary period. So, when imperialist Moscow demands, for instance, that another people reject and renounce the Union of Brest, this command can have no meaning unless one knows the significance of the Union of Brest in connection with these Churches.

In the presentation of this unusual case of human rights a gross failing on the part of those making the case is the assumption that those listening to the case are familiar with the roots and developments that have led to the current situation of both the Ukrainian Orthodox and Catholic Churches. This unfortunate condition applies in Congress, in the media, in academia, in religious circles, and in numerous other spheres of our society. Scholars who plunge into the historical, ordinarily come up with such a welter of factual details that the listener or reader has already lost sight of the forest because of the individual trees. A convenient and accurate structure of outline, in short an historical schema, is not only achievable without distorting fact, but indispensable without oversimplifying substantial reality. Indeed, a helpful schema lends itself to easy diagramatization, emphasizing the ultimates in the structure:[8]

It was the result of my own testimony several years ago before a Congressional committee that I learned the need for such a schema when ever this subject is examined.[9] So, quickly, and concisely, with reference to the diagram, Christianity was accepted in the Ukrainian area as early as 988 A.D. Its point of origin was Byzantium. There wasn't any real division then between Rome and Constantinople and, as a consequence diagrammatically, one sees a continuous development of the Christian churches. However, the next significant date in the structural outline is 1054, when the real division occurred and separated Ukrainian Christian institutions from Rome. They developed as independent religious organizations in close union with the Patriarch of Constantinople for at least five centuries. Which brings us to the third very important turning point and date here, specifically, 1596.

Significant as an explanatory note for the division of the Ukraininan Christian Church, in that year a conference of bishops both from Ukraine and Byelorussia made union with the Roman Catholic Church at the Conference of Brest whereby they accepted the leadership of the Pope but retained all rights and customs of the Eastern Church. Not all Ukrainians followed in this course, and the beginning of the two-tiered Ukrainian religious development occurred. On one tier is the development of the Ukrainian Catholic Church, while on the other, representing the majority of the Ukrainian faithful, is the Ukrainian Orthodox Church. This short but substantial description goes a long way in clarifying for contemporary listeners the historical source of the two genocided Churches down to present times.

But even more clarifying for present understanding is the positing of this two-tiered religious development in a subsequent centuries-long historical context marked chiefly by the imprints of empire and ideology. In this determining respect we find a most curious historical phenomenon bearing on imperial inclinations of enlightened self-interest and genocidal absorption as concern the two Churches. By the 18th and 19th centuries the fruitful development of the two Churches is differently affected by the impacts of empire and ideology. With reference to the Orthodox tier and in relatively minor part the Catholic one, the steady expansion of the Czarist Russian Empire and also its ideology of a Third Rome—namely, Moscow being the third Rome and no fourth thereafter—had their adverse impacts in the harassment and eventual curtailment of both the Ukrainian Orthodox Church and part of the Catholic within that empire. Subordination to the Russian Orthodox Church and systematic absorption were the prominent marks of the genocidal Russification policies of the previous Czars, in substance not unlike those under Stalin in more recent decades.

Paradoxically enough, with the evolution of the Austro-Hungarian Empire, in which part of the Ukrainian territory happened to be situated right down to 1918, an enlightened but self-interested dynasty offered encouragement to Ukrainian Catholicism. To emphasize the contrast on the two-tiered analysis basis, in the context of the Austro-Hungarian Empire, the Ukrainian Catholic Church was furthered in a favorable way

[5] E. G. Nikolai Hoffman. "The Mass Closure of Monasteries in the U.S.S.R. After the Twenty-First Congress of the CPSU." Radio Liberty, May 20, 1976.

[6] See, "The Genocide Convention:" Hearings. Senate Committee on Foreign Relations, Washington, D.C., 1950.

[7] For background see, "CSCE and the Captive Nations," The Ukrainian Quarterly, New York Autumn, 1975.

[8] A concise exposition is Gregory Luznycky's *Persecution and Destruction of the Ukrainian Church by the Russian Bolsheviks*, New York, 1960.

[9] "Antireligious Activities in the Soviet Union and in Eastern Europe," Hearings, House Committee on Foreign Affairs, 1965.

against the expansionist Russian Empire. On the other hand, the latter with its well-known Russification policies brought about the systematic subordination and literal liquidation of the Ukrainian Orthodox Church and Catholic parishes in the empire.

In our structured schema, the next important date is, of course, 1917, with the disintegration of the Czarist Russian Empire. A long-sought opportunity was historically presented for the open expression of the suppressed desires and aspirations of the Ukrainian people subjugated in that empire. With the declaration of Ukrainian national independence and the establishment of the Ukrainian National Republic in the ensuing period the easy continuation of Ukrainian Catholic development was assured. But with this historic event the other tier was the resurrection of Ukrainian Orthodox development in full bloom. By 1921, at an all-Ukrainian Orthodox meeting of bishops and others in Kiev, the independent Ukrainian Orthodox Church was reestablished. Even in this period of what was called Soviet Ukraine, prior to its forcible incorporation into what became a new empire under the name of the USSR, and also for a good part of the 20's, when the Ukrainianization program prevailed in the area, the independent Ukrainian Orthodox Church flowered.

However, this was not to be an institutional continuum as observed on the other tier of Ukrainian Catholic development. For by the end of the 20's and going into the 30's, Moscow's assault against the Ukrainian Orthodox Church was in full swing. This chapter of religious genocide has to be emphatically noted because it presaged the equal tragedy that was to befall the Ukrainian Catholic Church a decade later when, as a result of World War II, this primary empire extended itself west. As before under the old Czars, it was executed in connection with Stalin's Russification policy which negated the Ukrainianization movement and all forces sublimating the national substance and nationalism not only in Moscow's Ukrainian colony but elsewhere in this new Soviet Russia Empire.[10]

To all intents and purposes, the assault against the Ukrainian Autocephalic Orthodox Church succeeded by the mid-30's. The Church was abolished, its archbishops and bishops were eliminated, some 20,000 priests, deacons and others were liquidated, and over 3,000 parishes were disbanded. In effect, the Ukrainian Orthodox faithful were coerced into the Russian Orthodox Church, following a policy with clear historical antecedents.

As concern the type of analysis pursued so far, certain essentials in the genocide of the Ukrainian Catholic Church should be pointed out. While its eventual fate was being prepared in the liquidation of the Ukrainian Orthodox Church, the Ukrainian Catholic Church, being centered in Western Ukraine now occupied by Poland between the two World Wars, continued to thrive. But its long-term historical and developmental continuum, extended through one empire, then a free state, and followed by a foreign one, could not last with the type of empire that has grown measurably since World War II. Thus, starting in 1939-40, when Moscow's troops entered Western Ukraine, the assault now against the Ukrainian Catholic Church commenced. The campaign was oblique in nature because of the towering stature and presence of Metropolitan Andrey Sheptytsky, though through propaganda and other means Moscow was able to eliminate a number of seminaries and church facilities. Metropolitan Sheptytsky soon died in 1944 and was succeeded by Bishop Joseph Slipyj.

Scarcely surprising, as the war progressed and Moscow's armed forces advanced toward Berlin, the assault against the Church was intensified. The high point was reached in April 1945, when the NKVD arrested Slipyj, two bishops and others and, significantly, sought their renunication of the Union of Brest. Their valiant refusal led to incarceration, and Slipyj himself spent 17 years in Soviet Russian concentration camps. The genocide of the Ukrainian Catholic Church proceeded rapidly with deportations, property confiscation and coercion, and was legalistically capped in 1946 when Moscow, in characteristic Russian potemkin fashion, inspired a spurious synod in Lviv to abrogate the Union of Brest and to proclaim the reunion of the Ukrainian Catholic Church with the Russian Orthodox Church, as though it were ever a part of it. We see here a striking analogy to the equally specious political reunion in the Pereyaslav treaty celebrated in the Soviet Union eight years hence.●

[10] See, "The Black Deeds of the Kremlin." Vols. I, II, Toronto, Detroit, 1953-1955.

EXPORT SANCTIONS ADJUSTMENT ASSISTANCE LEGISLATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. FINDLEY. Mr. Speaker, I am introducing legislation today that will provide assistance to workers and companies that lose jobs or business because of foreign policy export sanctions. A small group of workers should not have to bear the burden of misguided foreign policy. This legislation would help workers in Decatur, Springfield, and other areas of our country that have been adversely affected by the sanctions of pipeline equipment for the Soviet Union. It would provide extended unemployment benefits, retraining assistance, and job search and relocation benefits for workers who lost jobs as a result of foreign policy export sanctions. It will also provide credit assistance for companies that lost business because of these types of sanctions. It our workers are going to lose their jobs because of bad foreign policy decisions, it is the Government's duty to help them through the tough times.

My legislation, therefore, would do two things:

The first part of this legislation will parallel provisions in the Trade Adjustment Assistance Act as amended in 1981 which provides assistance to workers injured by foreign imports. The rationale for aiding these workers was that they disproportionately bear the costs of expanding foreign trade while the benefits are shared widely within society. The same is true of workers injured by foreign policy export sanctions. A small percentage of the American work force should not have to pay the price of a U.S. foreign policy intended to benefit the entire American population.

Export sanctions adjustment assistance would provide to workers who lost jobs as a result of foreign policy export sanctions:

First, extended unemployment benefits. After the 39 weeks of regular unemployment benefits are exhausted, a worker who lost his job because of export sanctions would receive an export sanction readjustment allowance for an additional period of up to 13 weeks total, thus providing for a total of 52 weeks of combined benefits. However, unlike the unemployment benefit which is paid by the State, the export sanction readjustment allowance would be paid by the Federal Government. These export sanction adjustment benefits would be equal to the amount of unemployment benefits paid by the State.

Second, job search and relocation benefits of up to $600 per worker, to enable them to move to another location where jobs exist.

Third, retraining assistance for workers enrolled in a program to gain new job skills. This would be in the form of a lump sum authorized by the Secretary of Labor. The amount authorized for this training program would be established by the Department of Labor in accordance with the reasonable cost of acquiring the new skills.

The second component would provide $200 million in Export-Import Bank financing to facilitate the export of manufactured products whose original markets were lost because of the imposition of export sanctions. A company which could demonstrate to the Secretary of Commerce that it had lost business and jobs because of foreign policy export sanctions would be eligible for Eximbank financing such as direct loans at below market interest rates—now approximately 12 percent; financial guarantees; and export credit insurance.

Eximbank financing is designed to promote the competitiveness of U.S. products by offering them Government-supported financing which is competitive with the Government-supported financing which is available to foreign countries.

This special assist to companies hurt by foreign policy export sanctions is a responsible way to approach this problem. It will encourage U.S. exports and expand new markets to replace old ones that were lost. It will provide injured companies with the incentive to market their goods aggressively, knowing that they can be competitive with foreign exporters who receive large financial assistance packages from their governments. It will encourage this competitiveness in a way that a

straight subsidy or compensation would not do. This will help preserve American jobs and business.

If the injured companies are unable to use the $200 million, it would revert to the U.S. Treasury. This type of assistance is also repaid by the borrower. These are below market loans but not grants. The Export-Import Bank will provide credit for up to 65 percent of the U.S. export value when such support is necessary. The total value of products affected by the December 1981 sanctions is over $850 million so $200 million is certainly not 65 percent of that figure, but I believe that this $200 million set-aside for injured companies' export loans would provide significant help.●

FIRST ANNIVERSARY OF REAGANOMICS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. AuCOIN. Mr. Speaker, today marks the first anniversary of Reaganomics. The impact of that economic policy upon Oregonians has been devastating.

The forest products industry in the Northwest has been particularly hard hit. I know most of my colleagues are aware of the fact that—for roughly the past year—50 percent of the sawmill workers in Oregon have been either off the job or are working short or curtailed shifts.

But what does that mean in human terms? What has the depression in Oregon meant to the men, women, and children who have had to endure the full force of this administration's misguided economic policy?

Last spring, Ed Weeks, an assistant professor at the University of Oregon, presented a paper detailing the effects of mill closures on communities in Oregon.

Weeks reported a strong and direct correlation between unemployment in timber-dependent communities and reported cases of child abuse and alcohol consumption. The report details what all of us know to be true. Stress created by economic calamity results in erratic and harmful behavior.

Supporters of our current economic policy talk a lot about the need for less Government spending—about fewer misallocations of resources—about getting the Government off the backs of the people.

But what kind of policy is it that leads to more unemployment, more alcoholism, and more child abuse? I call it harsh and unfair and unwise. As we commemorate this first year of Reaganomics, let us keep in mind those people who have suffered so badly from its enactment.●

REAGANOMICS A YEAR LATER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Ms. OAKAR. Mr. Speaker, the economic program that passed a year ago today is an unequivocal failure. All the economic indicators are the worst they have been since the Great Depression and in some cases set all-time records for distress. The Federal deficit, for example, will be at least twice as large as the previous record of $66 billion set in the Ford administration. Unemployment has risen from 7.2 percent last year, when the President's program was passed, to 9.5 percent today, the worst level in over 40 years. Ironically, the jobless rate was falling last year, until the President's program was passed almost exactly in the form he had submitted to Congress. Since then nearly 3 million Americans have joined the unemployment lines—each individual represents a private tragedy.

There should be no surprise at the economic distress so many millions of Americans are enduring. Before he became Mr. Reagan's running mate, GEORGE BUSH warned the country that the Reagan economic program amounts to what he called economic madness, or in a more memorable phrase, voodoo economics. Highly regarded economists were nearly unanimous in their corroboration of that assessment. The country, they warned, cannot endure record tax cuts that favor the wealthy over the majority of Americans, coupled with record increases in defense spending. The result would be record deficits and continued high interest rates.

Many of us opposed the unwise policy pursued by the President. As we now know, of course, he proved to be very persuasive and he got exactly what he asked for. Now we are seeing desperate proposals to try to undo the damage that has already been done. The President, for example, promises economic recovery in someone else's administration by favoring a balanced budget amendment. This amounts to whistling in the dark as the country tries to make its way safely through the dark alley of economic distress that we have been led to by this administration. We all favor a balanced budget with full employment. The time to do something about it is now.

We need courage to acknowledge that a mistake has been made in economic policy and wisdom to return to sound economic principles based on a humane concern for the unemployed and those in need.

There is a great deal that needs to be done in our country and many willing hands that could do it. Our job now is to match the pressing unmet needs of our society with the army of unemployed Americans who are eager to get back to productive work.

Clearly, we are not better off today than we were a year ago or 2 years ago. Stubborn adherence to an economic policy that is discredited by the facts risks turning today's economic distress into economic catastrophe tomorrow.●

HUD'S HOUSING COUNSELING PROGRAM

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. WILLIAM J. COYNE. Mr. Speaker, the Reagan administration's insistence on the abolishment of HUD's housing counseling program is baffling to anyone concerned about protecting the Federal investment in housing.

The relatively small amount of money the Federal Government spends on housing counseling can save the taxpayers money many times over. HUD-certified counseling agencies advise homeowners who face default on FHA loans on the best way to avoid foreclosure. When they are successful—and the track record of their success is a good one—they can save HUD an estimated $12,000 in costs associated with foreclosure.

Yet the administration asks that this program be killed, arguing that funds to counsel troubled FHA borrowers should come from local governments, not the Federal Government.

The logic of this assertion is one of the things that makes the adminstration's effort to end the housing counseling the most baffling. As any local government official can tell you, FHA loans are insured by the Federal Government, not the local government. The responsibility for preventing default is a national responsibility.

Local governments should not be forced to pay for a program which the Federal Government clearly has a responsiblity to fund.

A recent article in the Washington Post describes how effective a housing counseling agency can be. I would like to share it with my colleagues.

The article follows:

[From the Washington Post, July 31, 1982]

HOMEY ADVICE

(By Sandra Evans Teeley)

José Galvez was the first client to see the counselor at Housing Counseling Service Inc. Tuesday, and like so many others he was looking for an affordable apartment in the Washington area.

José is 13 years old, a smiling boy from Guatamala who has taken on the chore of finding a place for himself and his mother. They have moved four or five times in the past 1½ years and now share a one-bedroom

apartment in the Adams Morgan area with a woman. They need a bigger place but can barely afford the $75 a month they pay now because José's mother recently lost her job.

In Prince George's County, another woman found she could not meet the mortgage payments on her bank teller's salary alone after her husband abandoned her and her 11 children. The Department of Housing and Urban Development said it would not take her FHA-backed loan into its assignment program, designed to help persons in default due to circumstances beyond their control, because of her husband's leaving was a voluntary act on his part.

The Mata family, meanwhile, is hoping to buy their first home. Having fled El Salvador four years ago, they look forward to the freedom and stability of homeownership here.

The three adults all work, but with two small children it has been difficult to find an adequate apartment—the ones they have found either are too small, too expensive or won't take children. But it proved just as hard to find a house they could afford to buy, and the process of looking was further complicated because none of them speaks English.

All of these people brought their particular housing problem to a second-floor office near 18th Street and Columbia Road NW, where the non-profit Housing Counseling Service provides its free service to low- and moderate-income families. Between 130 and 150 clients come through the group's doors every month, most of them needing help with a mortgage in default or with finding a place to live they can afford. Others seek aid in fighting evictions or need help in buying and maintaining a home.

In the past, the organization has been funded equally by HUD, the district government and United Way, said Sister Kate McDonnell, founder and director of the counseling service which has two offices and seven counselors. It is a HUD-approved agency and as such gives advice and assistance to persons who default on FHA loans.

Federal funding has declined, however, and the Reagan administration wants to eliminate money for housing counseling entirely, saying that local funds should be used instead. Two years ago more than 400 counseling agencies nationwide received HUD funding, according to the House manpower and housing subcommittee, but that number has dropped to 135. In the Washington area, there are now 19 agencies approved for housing counseling, not all of them funded.

McDonnell said federal funding at her agency dropped from $50,000 to $5,000 last year. This is due to go up to $25,000 this year, but it is questionable whether there will be any more federal money after that, she said.

Proponents of housing counseling argue that HUD loses an average of $12,000 on each foreclosure of an FHA-insured home and that HUD actually could save money by putting more funds into housing counseling and efforts to work out repayment plans with defaulting homeowners.

McDonnell said that last year the Housing Counseling Service helped keep 120 Washington-area families out of foreclosure, 98 percent of them FHA-insured. She estimates this saved the federal government about $1.4 million in losses.

With unemployment soaring and mortgage delinquencies at record levels, the counselors say their work load has increased—and the type of client they get has changed.

"Since January, I've been seeing more and more people who make more money than I do," said counselor Theresa Hill, who says her salary is about $14,000 a year. "They might have $30,000 combined [in income], but if they bought last year at 18 percent interest rates, they may find now they can't afford it."

When an FHA mortgage is in default for at least 90 days, the lender can request that HUD put the mortgage into the government's assignment program, and the homeowner may appeal if HUD denies a request. At this point, the housing counselors may become involved if the homeowner knows about the counseling program. If HUD accepts assignment, the lender is paid off, HUD takes over the mortgage and the buyers work out an arrangement with HUD on paying back all they owe.

The percentage accepted for assignment appears to be declining after rising steadily in the late 1970s: of 22,218 requests in fiscal 1981, 5,043 were accepted for assignment; so far in fiscal 1982, 20,382 requests were made and 2,708 accepted, according to HUD.

At the Housing Counseling Service, no cases have been accepted by HUD for assignment in "well over a year," Hill said, even though the agency has put in appeals for hundreds of clients.

To be accepted, homeowners must show that the default was due to circumstances beyond their control, such as being laid off a job, and that there is a reasonable expectation that they can pay what they owe within three years. It has always been difficult to prove a client meets both these criteria, but HUD has become more stringent and demanded more documentation since the Reagan administration took office, Hill said.

"In the past, if you said your husband died, they just believed you. Now you have to get a death certificate and a hospital report or if someone was killed, a police report," Hill said. "People have to take off work to do this. Usually we split things up" between client and counselor, she said.

In the case of the woman with 11 children, HUD wanted—among other things—supporting documentation that her husband had abandoned her and an explanation and documentation of a previous 30-day default in 1979. She was given less than three weeks to respond. "I sit up at night wondering what kind of documentation I can get to prove these types of things," Hill said.

Asked why the counselors go through all the effort if all of the requests and appeals eventually are rejected, Hill explains: "I tell my clients they can't depend on HUD. We go to them because it buys us time."

A lender cannot start foreclosure proceedings while a homeowner is asking to be accepted in the assignment program. It may take six months for the rejection finally to come through, and that gives the client time to consider alternatives, Hill said.

If assignment is turned down, the lender may start foreclosure proceedings. The counselor then usually goes to the lender to try to work out an arrangement for repayment, and Hill said lenders generally have cooperated in the effort. If clients simply cannot handle repayment, they may try to sell the home themselves to pay off the mortgage, but this option has become more difficult with today's high interest rates that have put homebuying out of the reach of many.

As a last resort, an owner may file for bankruptcy which stops the foreclosure but also carries the penalty of a bad credit rating, HIll said.

Despite the problems, the counselors see only one or two cases a year go all the way to foreclosure, Hill said. The counselors try to get the clients to look to families and friends for help, and more of them are doing that now, she said.

* * * * *

The Mata family is among the first to be looking into a new homeownership program the housing agency is starting. Under the program, a newly formed non-profit group associated with Housing Counseling Services will buy abandoned and dilapidated homes, rehabilitate them and sell them to moderate-income persons at cost.

The group hopes in this way to create affordable homes of all kinds at a price of perhaps $40,000 or $45,000 for families that come within certain income guidelines.

With Gomez translating, Lucia Mata explains that the family has never owned a home but wants to buy so they "can live without restrictions and they cannot be evicted," though they say they have never been evicted in the four years they have lived here.

Helping families like the Matas make a move away from the Hispanic community that has formed in Adams Morgan takes special planning, Gomez indicates.

"It is difficult to get Hispanics from this area to move to other areas of the city. This is the neighborhood, but the community is having to move out," he said. "This move will really be taking them into the United States."●

TRIBUTE TO SIDNEY CLARENCE GRAY: DISTRICT OF COLUMBIA'S OLDEST ACTIVE BUSDRIVER

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. FAUNTROY. Mr. Speaker, from time to time I have the privilege of knowing men and women who are described as senior citizens because they have been blessed to live a certain number of years, yet by their activity and their spirit they seem to have found the fountain of youth.

For their age is measured by the temper of their will, by their hope, by their faith, by their unshakable trust in God.

One such person I want you to know of is my constituent Sidney Clarence Gray. Today he celebrates the 78th anniversary of his birthdate, and I want to share with you a brief history of his life and work. He exemplifies the American ideals of determination, hard work, loyalty, and compassion—qualities which have built our Nation and continue to make us great.

Herewith is a profile of Sidney Clarence Gray: District of Columbia's oldest active busdriver.

Sidney Clarence Gray, 1618 Olive Street NE., was born in Columbia, S.C., on August 4, 1904.

He moved with his family to Washington, D.C., at age 6 and attended a church school on Trumbull Street NW. Later he transferred to a school in the annex of Freedman's Hospital. This building was being used while the Lucretia Mott School was being built at Fourth and W Streets NW. Mr. Gray attended the Mott School through grade 7. He then went to work to help support his family.

His first job involved riding a bicycle as a special delivery boy. Later he rode a motorcycle. Always interested in motors and mechanics, Mr. Gray sought and found employment in bicycle and auto repair shops. To further his skills in this area, he enrolled in the Phelps Vocational High School studying machine shop and automobile mechanics. Subsequent to this training he found employment in auto body shops and machine shops.

In 1920 when he was 16 and large for his age, Mr. Gray got a driver's license and began operating a taxicab—he claimed he was 20. He wanted to be self-employed. He continued this as his major employment until 1926 when he bought a bus. He has been a licensed bus operator and taxicab driver for over half a century.

Trying to get work and to purchase his first bus was not easy; Mr. Gray ran into much discrimination. Major bus companies would not hire him nor sell a bus to him. However, Safeway Trails and Nevins Buslines were helpful in getting him started. He has been on the road ever since.

Many students who attended Washington metropolitan area high schools in the 1940's and 1950's will remember Mr. Gray because he transported them from Armstrong, Dunbar, Cardoza, Phelps, Spingarn, Eastern, and Anacostia in the District of Columbia and the old Parker-Gray High School in Alexandria.

Mr. Gray's natural ability, coupled with the skills learned at Phelps and his employment in auto body shops, enabled him to build buses. He would take a 5-passenger car, cut it in half, insert additional seats to accommodate 12 to 15 passengers, then weld the parts together.

He has operated the bus service for scores of churches, donating the bus and accepting only free will offerings for himself. His first venture into operating a bus rental company was in 1930 when he started Capitol Bus Rental. In the 1950's he founded the Blue Ribbon Bus Rental Co. which is still operating today.

Today, at age 78, Mr. Gray is one of the oldest taxicab drivers and is believed to be the oldest licensed bus driver in the District of Columbia.●

N.J. DISTRICT EXCHANGE CLUB YOUTH OF THE YEAR

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. FLORIO. Mr. Speaker, I am pleased to inform you that David Schroeder of Long Branch High School has been named the New Jersey District Exchange Club Youth of the Year.

David Schroeder is a student who has excelled in academic achievement, participation in school activities, and contributions to his community. David, ranked first in his class of 280, was the 1982 class valedictorian. He has also earned local and national recognition in forensics as well as being a member of the chemistry and math teams. David received the All-American Hall of Fame Band Award, was chosen twice as best actor in the Bucks County Tri-State Drama Festival and earned two Excellence in Acting awards at the same drama festival.

Some of David's other activities include marching and symphonic band, advanced wind and percussion section leader, National Honor Society, baseball team, and the Junior Engineering Technical Society.

David's work in the community includes membership in the First Presbyterian Church of Long Branch the Children's Workshop Service leader/coordinator, the Lutheran Church youth group, and the Monmouth County Traveling League. His activities have earned him Elks Club scholarships at the local, State, and national level.

David will be attending Bucknell University in September where he is the recipient of two scholarships. He plans to major in biomedical engineering. The accomplishments and activities I have mentioned do not encompass all of David's achievements, but clearly indicate David's superior abilities. I am very proud of his accomplishments and wish him continued success in all his future endeavors. Congratulations, David.●

U.S. NAVY CAN SAIL WITHOUT THE LAW OF THE SEA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, last month, President Reagan announced that the United States would not sign the Law of the Sea Treaty due to the adverse effects that it would have on our Nation. Since that time, treaty supporters, who for the most part seem to include only lawyers and journalists have harped on the idea that the United States will be forced to stand alone against the rest of the world and that the United States will be unable to secure the supposed advantages that the treaty would bring.

Because treaty supporters have been unable to make their case in regards to fisheries, seabed mining, and scientific research, they have decided to raise the question of navigation rights. I think it is time to set the record straight on this question as well.

On July 30, 1982, the Washington Post published a letter from Hon. John Lehman, Secretary of the Navy, that debunked the myths surrounding this issue. Secretary Lehman, who has a degree in international law, points out that the provisions of the treaty represent only one step in the establishment of international law regarding navigation rights. To quote from the Secretary's letter:

We do not agree, of course, with those whose emotional attachment to the current treaty draft leads them to view it as the final end product that we must take or leave. It is but the beginning of a process to establish an improved regime that meets American national interests as well as the interests of all nations of the world.

I ask that the Secretary's letter be printed in its entirely so that Members can gain the benefit of his perspective on this issue.

THE NAVY AND THE LAW OF THE SEA

On July 22, The Post published a column by Mary McGrory entitled "Sailing the Sea Treaty Shoals Without the Lighthouse of Fact." In this aptly titled article, the following quotation appears: "In the 'damn the treaty' spirit, Navy Secretary John F. Lehman Jr. said, 'We can blast our way through the straits,'"

The quote attributed to me is false. In response to queries, Miss McGrory's assistant has advised my office that the source of the quotation was "a source in the State Department." Since I never made the statement quoted, that source, whoever it was, was wrong.

My views on the treaty are a matter of record. Having earned a degree in international law, I have a continuing interest in its development, particularly in regard to law of the sea. The Department of the Navy has played a major role in the evolution and development of international sea law and, in fact, finds no reason to contemplate blasting our way through any straits. Customary international law is well established on rights of passage through straits, and we have very amicable relations with those littoral states with whom there may be differing interpretations of existing law. We have found no trouble in accommodating differing interpretations well within the bounds of international law.

The Department of the Navy intends to continue its historic role in building upon and developing the international legal treaty regime in maritime matters. The various conferences on the law of the sea held since the war have been very worthwhile ef-

forts and have contributed much to the evolution of the stable legal regime of the seas. While the current draft treaty is clearly unacceptable in some of its parts, it has nevertheless provided a useful basis to continue the bilateral and multilateral development of the international legal regime for the high seas.

We believe in negotiating not blasting. We do not agree, of course, with those whose emotional attachment to the current treaty draft leads them to view it as the final end product that we must take or leave. It is but the beginning of a process to establish an improved regime that meets American national interests as well as the interests of all nations of the world.●

A $400 MILLION FEDERAL GIVEAWAY TO THE ALASKA GAS PIPELINE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. OTTINGER. Mr. Speaker, last month I joined with a number of my colleagues to cosponsor House Joint Resolution 467. That resolution expresses the sense of the Congress that having provided for numerous waivers of law for the Alaska Natural Gas Transportation System (ANGTS) last year, the Congress would provide no further Federal subsidies to the project.

That resolution seemed to be noncontroversial, since even the proponents agreed not to support any Federal subsidies for the pipeline. But the pipeline sponsors are now back to Congress once again with another request for special treatment. This time they have succeeded in including in the Senate-passed tax bill a provision excluding ANGTS from a requirement in the bill that corporations capitalize and amortize construction period interest and taxes attributable to the construction of nonresidential real property. The amendment, which was offered after midnight on the Senate floor, will cost the Treasury $400 million and up if the pipeline is built, according to the Senate Finance Committee and the amendment's sponsor.

The language of the amendment states "but shall not apply to the Alaska Natural Gas Transportation System (15 U.S.C. 719) and its related facilities." This language is becoming commonplace as we proceed to give ANGTS special treatment time after time. Yet despite this continued preferential treatment the pipeline is no closer to be being built than it was when the Alaska Natural Gas Transportation Act was passed 6 years ago.

Rather than constantly running to Congress for still more subsidies and exemptions from law, the pipeline sponsors should either put their financing together or step aside to let others do the job.

I urge the House conferees on the bill to reject this special exemption for ANGTS. I am certain that the $400 million can find a better use in this time of fiscal austerity.●

CONSUMER EDUCATION AWARD

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. ROYBAL. Mr. Speaker, on August 12, the Southern California Chapter of SOCAP will present its annual Consumer Education Award. It is with great pleasure that I join with SOCAP in honoring this year's recipient, David Horowitz.

David Horowitz has not only been instrumental in promoting consumer rights, but has long been fighting the abuses of the system, dedicating himself to raising the public's awareness toward its own power to resolve consumer problems. His weekly syndicated program, "Fight Back," of which he is both host and creator, has received national acclaim and has had a tremendous impact on the public in elevating consumer awareness. In addition to resolving problems, David gives people self-confidence and the tools to make wiser choices in the marketplace.

David Horowitz has also achieved success as an author of a best selling book, "Fight Back and Don't Get Ripped Off." The title of his book is both his philosophy and course of action for consumer survival.

In addition to his work as a reporter and ombudsman for the public, David has advised groups like the National Education Association on how teachers can create more consumer awareness within the classroom. He was instrumental in the creation of a consumer education program at the University of La Verne, and his book is being used as a supplementary text by many schools across the Nation.

David Horowitz has been an outstanding leader in the consumer movement who has excelled in promoting consumer rights and responsibilities. I ask my colleagues to join me in applauding David on receiving this most significant award.●

CONGRATULATIONS TO OJEDAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. PICKLE. Mr. Speaker, it is not my custom to make note before the Congress of what you might call family affairs. But we recently experienced in the 10th District of Texas a family reunion of such breadth and deep feeling that I believe the tale bears repeating here.

Several hundred members of the Ojeda family, gathered from around the world, joined together in Austin during the second and third weeks of July to celebrate their diversity, and their common heritage. Cecilio and Juventina Ojeda raised seven daughters and five sons in a modest wood-frame house in East Austin. As the children and their descendants spread out across several continents, it was Cecilio Ojeda who kept track of who was where doing what, and also of the whereabouts of various cousins and uncles and more distant relatives.

The large family continued to drift apart, however, until several years ago, when the death of Cecilio, the clan patriarch, brought them back together in Austin. At that time, the children vowed to reunite under happier circumstances, and to bring together not just the immediate family, but, as a newspaper columnist later put it, "every Ojeda they could find." The years of planning and work came to fruition in this summer's reunion.

The children, like Nelda Ojeda-Wyland who lives and works here in Washington D.C., split up chores and committee work and began tracing down long-lost relatives. According to Ms. Ojeda Wyland, they finally decided that every Ojeda in the world is kin "in one way or another." So they issued a blanket invitation.

Cecilio Ojeda was born in Austin in 1900, and lived there all his life. Juventina came to Austin as a 7-year-old, when her family moved north from the state of Coahuila to escape the Mexican Revolution. When the extended family gathered at mother Juventina's home last month, there were Ojedas present from all over the United States, as well as several foreign countries. Jews, Anglos, Germans, Norwegians, and others have enriched the Ojeda stock in recent years, but the children of Cecilio and Juventina want to remind their children, and their cousins, and their cousins' children, to carry a part of the old heritage into the future with them. They want to mix the best of the old with the best of the new, to perpetuate the Hispanic culture they grew up with while saving for themselves a corner of the broader North American heritage. Above all, they want to carry on the pride their parents instilled in them. In this sense, they represent the best of this country's "great melting pot" ideal.

I am pleased this family chose Austin for its reunion, and I extend my sincerest admiration to Juventina Ojeda, who has quite obviously succeeded as well as any parent could hope.●

STATEMENT ON THE JOBS TRAINING ACT

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. MOFFETT. Mr. Speaker, I want to endorse strongly the Jobs Training Partnership Act before us today. This legislation is an essential continuation and expansion of programs that have been cut back excessively by the administration over the past 18 months. It provides $5.4 billion for a number of important programs: Job training for the economically disadvantaged; retraining for workers made jobless by plant closings; economic aid for communities suffering from the impact of plant closings; the Job Corps; and employment services for the unemployed. All of these deserve our support.

My own State of Connecticut will benefit significantly from the programs that this legislation funds. Over the past year, we have lost several thousand jobs due to permanent plant closings and relocations. The Seth Thomas clock plant in Thomaston was shutdown by it conglomerate owner, and merged into a larger plant in Georgia. The town of Thomaston has lost its largest employer, and hundreds of families need aid in the form of job placement and training. These workers and their families will certainly need help in finding new jobs.

These plant closings and relocations happen not only in Connecticut, but across the Nation. The Jobs Act will provide $1 billion in aid for job retraining and employment for displaced workers. It is particularly targeted to workers who have little chance of reemployment. The assistance provided by this bill would help workers find new jobs, retrain workers in declining occupations, and reduce the impact on local communities from plant closings.

This legislation also helps compensate for problems created by the Reagan administration's elimination of CETA programs. In fisical year 1981, CETA employed more than 300,000 persons in public service employment. That program was eliminated entirely, and will not be replaced by the legislation we are now considering. Similarly, the administration reduced funding for summer youth jobs from $840 million in fiscal year 1981 to only $640 million in fiscal year 1982. Funds for manpower training were also slashed nearly 50 percent between 1981 and 1982. The President further eliminated the Youth Adult Conservation Corps, which employed disadvantaged youths at the minimum wage to clean up and rehabilitate public lands and facilities.

The Jobs Partnership Act helps address these problems by providing $3.5 billion for employment and training assistance for the economically disadvantaged; $1 billon for displaced workers; $650 million for the Job Corps; $230 million for national employment and training programs, and $20 million for labor market information collection.

In addition, the act strengthens the partnership of government, business, and labor at the local level. It does this by continuing the requirement under the CETA program that private industry councils (PIC's) be established in each prime sponsor area, and it increases the authority of each PIC by requiring its approval of activities. In areas where PIC's are not formed, the legislation makes it possible for a State to serve as a prime sponsor. Both the prime sponsor and the local PIC would have to approve job-training programs in the prime sponsor area. A majority of PIC members would have to be representatives of business and industry in the prime sponsor area. Small businesses must be represented on the PIC as well, and the chairman of each PIC would have to be a representative of private industry. The remaining members would come from other businesses, labor, community organizations, and so on.

These requirements are an encouraging method to make sure that the full range of interested parties at the local level are involved in job training and placement programs. This is the kind of cooperation that we need to help rebuild our economy.

I think it is also important to note that one-half of the $3.5 billion is targeted to youths between the ages of 16 and 21. These youths must come from severely economically disadvantaged families. In addition, it permits youths between the ages of 14 and 16 to participate in preemployment skills training programs and the summer youth employment programs.

In sum, Mr. Speaker, the Job Training Partnership Act is a bill that is both sensibly designed and vitally needed. The Reagan administration has done virtually nothing for workers, other than to increase the number of them on the unemployment lines. It is time for Congress to act to make sure that citizens who want to work can find jobs, and that they will be trained adequately for the job markets of the future.●

NATIONAL FIREFIGHTERS' WEEK

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. LaFALCE. Mr. Speaker, in these times when many Americans say there is no longer such a thing as a genuine hero, I believe we can discover heroes every day, in our own communities, working to save lives and prevent damage to others' property.

Firefighters are both respected and revered for their daring and bravery. Their courage and efforts, which safeguard millions of Americans from the terrible tragedy and destruction of a fire, have long been a vital component of our communities. Time after time, every day and night of the year, the firefighter must face the challenge and danger of battling to save a life. From 1977 to 1980 there were a total of 591 firefighter deaths. In addition, some 238,700 firefighters were injured while combating fires during this same period. The record clearly reflects the great sacrifice made by those men and women who have the tireless task of battling fires.

To this point, no mention has been made of volunteer firefighters, the enduring support of countless small communities around America. The volunteers' task is no less dangerous than that of their paid counterparts, and we must not fail to include the more than 900,000 volunteers in this country when we praise the firefighting force.

All firefighters deserve all of the recognition and support we can muster. Our daily lives would be far different were it not for the devotion and courage of the men and women who give their lives to protect ours. My colleague Congressman BOB EDGAR and I have introduced a resolution to recognize the service and bravery of firefighters in this country. Senator ALPHONSE D'AMATO is introducing a companion resolution in the Senate. I believe we can do no greater honor to the firefighting men and women of this country than to acknowledge their service to our Nation by designating the week of September 20 as "National Firefighters' Week." I urge the Members of the House to join in cosponsoring this resolution.●

WILDERNESS SOCIETY MEMBERS SHOW TRUE COLORS ON MONTANA PUBLIC LANDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, I have repeatedly attempted to bring to the attention of the Members the fact that while Americans generally support wilderness protection, there are elements, especially those represented within the leadership of these national organizations, who do not reflect the average American's views or interests. Recently, in western Montana, on public, nonwilderness lands, Wilderness Society leaders were involved in the destruction of private

property on public lands because of their apparent disagreement with the multiple use concept. It is too bad that the leaders of these groups seem unable to coexist with other, different uses of the public lands than backpacking. It is unfortunate that they do not understand that public land means just that—land reserved for public purposes—not for the benefit of a select few. It is further unfortunate that they have been able to continue the ruse in the media and in the Congress, to the detriment of truly "public use" of the Federal lands. The following stories illustrate graphically my point, and I submit them to the RECORD.

The articles follow:

[From the High Country News, July 28, 1982]

WILDERNESS GROUP'S PRESIDENT TO PAY CYCLISTS FOR DAMAGES

(By Carol Flaherty)

The president of the Montana Wilderness Association pushed four unattended motorcycles down a hill near Ramshorn Peak July 11, according to the owners of the cycles.

Cliff Montagne was named in a complaint filed July 11 with the Park County Sheriff's Office by Todd and Jay Adams of Livington. Jay Adams, 16, said Cliff Montagne's name was given in the complaint because Montagne said he would be responsible for the damages. Montagne said his wife, Joan, had pushed the motorcycles, said Adams. Joan Montagne is president of the Montana Wilderness Association.

The Park County Sheriff's Office said no further action is expected on the civil complaint, unless restitution for the damage is not made. In that case, the Adams were advised to contract the Gallatin County Attorney.

Mrs. Montagne Tuesday at first denied pushing the bikes and then said, "It's not a story. There's no comment on it. We've done it all out privately. It's a personal matter."

The hike to Ramshorn Peak had been scheduled by the Wilderness Association to let people see the area which is proposed for wilderness but is still under a multi-use designation allowing motorcycles.

One local motorcycle rider said four-wheel drive, snowmobile and motorcycle enthusiasts want to use the incident to show the "arrogance" of the wilderness advocates and as a tool to keep the Ramshorn Peak area under a multi-use designation.

Hearings on the area will be before a wilderness draft proposal which is expected in September or October.

However, members of the 4X4 Club that were contacted by High Country News Tuesday said they had not heard of such a plan, and members of the local snowmobile association were not able to be contacted.

Adams said that Ramshorn Peak is "one of the last places you can go on a bike. Other places, it's all wilderness up high."

Besides two cycles owned by the Adams, cycles ridden by Dennis Watkins, 18, and Mark Bandstra, 17, both of the Livingston area were involved.

Jay Adams said that the clutch handle of his motorcycle was broken, and his brother's helmet visor. Weaver had a brand new motorcycle, said Adams, and the handlebars were twisted and he had trouble coming out. Mark Bandstra's motorcycle also had some damage, said Adams.

Adams said that the four cyclists had parked their bikes and walked the remaining distance to the peak. As they came down from the peak, they passed the Wilderness Association hikers going up, said Adams. Cliff Montagne was at the back of the hikers and said that a member of his group had pushed their cycles over, but that he had righted them.

Adams said when they got to their bikes and saw the damage, they ran back up the hill to talk with Montagne and to arrange for the damages to be paid.

Three other motorcyclists were at the peak and one in particulat became angry over the incident, said Adams.

The three other cyclists were Jack Lowry, Danny Moe and Buck Jenking, all of Bozeman.

Moe said his group was at the peak running their cycles through some snow. However, he said that his group had stayed mostly on the trail and that running the bikes down in the snow was doing no damage.

He said Joan Montagne "made some snide remarks" to his group and said motorcyclists should not be there.

Moe agreed with Adams that Cliff Montagne said his wife had pushed the cycles off the trail.

Moe said Cliff Montagne was very nice about the situation and went back with the Livingston cyclists to make sure they were able to get their cycles going.

Jenkins said if Mrs. Montagne feels that way about motorcycles, she should stay in the wilderness areas. "That's what they've got wilderness for," said Jenkins.

[From the Bozeman Daily Chronicle, July 28, 1982]

HIKERS, BIKERS ADD FUEL TO FIGHT OVER FOREST USE

(By JoAn Mengel)

A July 11 confrontation between trail bikers and hikers in a wilderness study area has sparked new controversy between factions that use the Gallatin National Forest.

Trail bikers have accused Joan Montagne, president of the Montana Wilderness Association, of damaging the trail bikes of four Livingston teenagers. The bikes were knocked over while parked on the Gallatin-Yellowstone divide in the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area.

Seven bikers from Bozeman were in the area near Ramshorn Lake when the incident occurred.

Montagne, who lives in Bozeman and is active in several conservation organizations, said she did not want to comment on the incident itself because it had been "settle privately to everybody's satisfaction."

Cliff Montagne, her husband, gave the Livingston bikers his name and address and agreed to pay for damages to the bikes, according to those involved.

One biker, Todd Adams, 18, listed the total damages at $105 and said he and his friends were surprised to find their bikes had been knocked over when they returned from a hike up to the divide.

"We couldn't believe she had done it," Adams said.

The bikers had ridden in from the west side of the divide and stopped about a quarter-mile from the top, where they parked their bikes on a steep hill and walked the rest of the way, Adams said. The Forest Service Travel Plan map indicates that it is legal to ride trail bikes in the area.

Adams said he and his brother Jay, Dennis Watkins and Mark Bandstra met a group of backpackers on the trail, and two backpackers mentioned that the bikes had been knocked over and then set back up. After discovering that there were damages, Adams said they went running after the backpackers and that Cliff Montagne said he would pay for the damages.

Adams said he and his friends were not interested in filing a lawsuit over the incident if the damages are paid. The damage included bent handlebars, a broken throttle cable and a broken clutch lever.

"We all got pretty mad because we didn't know if my brother could get his bike back down," Adams said.

He added that they managed to straighten the handlebars on the bikes, but Watkins had trouble steering and staying on the trail on the way out.

"It kind of got us all upset because she's supposed to be one of the honchos in this Wilderness Society," said Burton Moe, one of the trail bikers from Bozeman.

Moe said no one saw who knocked over the bikes, but the group of hikers admitted doing it. He said the boys from Livingston had not done anything to irritate people, but were off hiking when the incident took place.

Montagne said her hiking group apologized for the incident and called it a "classic confrontation" between people who have different philosophies.

She said that because of the unusually heavy snowpack this time of year the trails at high altitudes are "extremely fragile and mostly still covered with snow." Trail bikes cause increased erosion and unusual vegetation damage, she said.

Montagne said her philosophy is "walk softly upon the land" and people should use good judgment when traveling on foot, horseback or trail bikes.

Buck Jenkins, another Bozeman trail biker at the scene, said that although there were a lot of snowdrifts and running water, he did not see an unusual amount of damage.

"It's a never-ending battle with backpackers and motor bikers," he said. "I do both."

Jenkins said this is the first time he has heard of someone destroying property in a confrontation over use of the back country.

"If they feel that strong about other people using the trails, they've got the wilderness areas," he said. "They've got all that land . . . and they still want to be where everybody else is."

Adams said he did not think anybody would be able to tell the trail bikes were in the area within a couple days after the incident.

"They (the tracks) didn't stand out any more than a boot print," he said.

Neal Kelley, who was riding with the Bozeman group of trail bikers, said hikers are never friendly towards bikers.

"They generally just don't try to get along," he said, adding that attitudes have been getting worse in the last two years since there has been a push for a wilderness area there.

Adams said he and his friends do a lot of backpacking and he has no quarrel with backpackers.

"It just made me wonder if you can leave anything alone up there," he said. "If packers left their tents, they wouldn't expect to find them cut up."

Kelley said the incident has probably lessened most trail bikers' tolerance for backpackers.

"I think it's a step closer to blows and wouldn't be surprised if it eventually gets worse," he said.●

TAX CUTS ARE NEEDED

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. HILER. Mr. Speaker, several of our colleagues on the other side of the isle are engaging in a little project which they feel will bring them and their party political gain. The purpose of their little scheme is to discredit the across-the-board tax rate reduction for all Americans we approved on this date 1 year ago.

I invite those of my colleagues involved with that project to visit my district in northern Indiana. I invite them to explain to hard-working Hoosiers why they should not be allowed to keep an estimated $170 million in money they have earned, and send it instead to Washington in the form of taxes. I would like them to explain to the entire State of Indiana why we should not be able to keep $1.8 billion that we have earned, money that otherwise would be lost to an inefficient bureaucracy and spendthrift Congress.

Some of my colleagues may try to explain that working Americans should be denied their tax cut because we need to balance the budget. Well, taxes doubled during Jimmy Carter's Presidency, and we came nowhere near balancing the budget. In fact, spending increased at a faster rate than taxes. You see, Mr. Speaker, we in Indiana have enough commonsense to know that higher taxes will not balance the budget—it never has in the past.

I do not know what the letters to my colleagues from their constituents say. But if their letters are like mine, and if their visits home and their polls are similar to mine, they know that the people want reduced spending. They do not want to pay more taxes, and they certainly do not want the budget balanced on their backs because we do not have the courage and responsibility to live within our means.●

CLOVERDALE AMERICANISM ESSAY CONTEST

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. CLAUSEN. Mr. Speaker, on June 30 I had the honor to present an American flag to the Manzanita Manor Convalescent Home in Cloverdale, Calif. I would like to take this opportunity to thank Mrs. Dena Gambetta of the American Legion Auxiliary for arranging an outstanding program of community spirit and patriotism. I must also express my deep appreciation to Cloverdale Mayor Jack Domenicelli, Vice Mayor Marie O. Vandagriff, and the staff and residents of Manzanita Manor for their warm reception that beautiful June day.

Part of the festivities included an address by a bright young lady named Deirdre Doble, a junior at Cloverdale High School. Miss Doble was the winner of her division of the American Legion Auxiliary's Americanism Essay Contest. This outstanding competition encouraged young people in the 4th through 12th grades to write on three patriotic topics: "Why I Love the Flag of Our Country," "My Part in the Country's Future," and "Our American Heritage."

I was most genuinely impressed by Miss Doble's excellent delivery, and the content of her remarks left a profound impression upon me and all those in attendance. Her essay, entitled "Our American Heritage," shows an appreciation for and understanding of this great Nation which I find both remarkable and refreshing in someone of so young an age. I felt her essay should be entered permanently in the CONGRESSIONAL RECORD so that my colleagues could benefit from her thoughtful presentation. I therefore respectfully request that Miss Doble's fine essay be inserted in the RECORD.

OUR AMERICAN HERITAGE

(By Deirdre Doble, 11th grade)

As we face our nation, we are in constant out-reach to the future. Without realizing it, we may be neglecting our past, Our American Heritage. In the hustle and bustle of daily life, people seem to forget the importance of our heritage. Many seem to take for granted the heritage which our ancestors have struggled so hard to attain. Many holidays have not been treated with the respect that they deserve. People treat holidays as a day off from school or work, rather than honoring the day for which it was meant. Because of their greatness, former Presidents George Washington and Abraham Lincoln's birthdays are recognized with holidays. But does one think to appreciate these former presidents on their birthdays, or do we think about where the family can go for the four day holiday? Times are rapidly changing. Americans are no longer simple people, but are advanced in their ways of living and thinking. Through modern conveniences, our lives are much different than those of pioneers. Though our lives differ from those of pioneers, they have remained as a great part of our American Heritage. Crossing the plains, they encountered many hardships and tragedies. But their courage and stamina abled them to succeed in creating a great nation. Our ancestors have also struggled to gain the freedoms which we have in our nation. Through their efforts, we have the freedom of speech, religion, press, assembly, and petition. Not only do we have these freedoms, but the freedom to love, to hate, to fight. Many people of other countries do not have these freedoms because their rulers ignore what they have been guaranteed in their constitutions. As American citizens, we should be thankful that our freedoms are upheld and respected by our governments. But our constitution is slowly being pulled out of shape. People want to change, twist and take away the backbone of our society. In the second amendment we have the right to bear arms, yet many are trying to eliminate this amendment because guns are dangerous. Though many agreements are valid, we have the right to bear arms because this is a freedom granted us in our constitution. Our nation is constantly changing, but our American Heritage is a vital part of our lives. We are blessed with opportunities to make something of ourselves, and to become part of our American Heritage.●

THE KASKA VOLUNTEER FIRE CO.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. YATRON. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. House of Representatives the accomplishments of the Kaska Volunteer Fire Co. The members of this outstanding company will celebrate their 25th anniversary on August 21 and 22.

The officers and members of the Kaska Volunteer Fire Co. demonstrate everyday, the community spirit of helping one another, which is the very foundation of our Nation. I think that it is indeed fitting that their accomplishments should be recognized in the U.S. Congress. It is my fervent hope that they have many more years of continued success and that their excellent example of what can be accomplished continues to underline the importance of aiding those in need.

I know my colleagues will join me in honoring the Kaska Volunteer Fire Co. of Kaska, Pa. on their 25th anniversary.●

THE BUDGET HALL OF FAME

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. MATTOX. Mr. Speaker, baseball honors its heros by enshrining them in the Hall of Fame at Cooperstown, N.Y. Players who have had outstanding careers or set records receive the recognition they so truly deserve.

Not so with Federal budget players. When budget records are shattered the stars involved shun the limelight. In the past 18 months a number of budget records have been demolished by Ronald Reagan. He is too modest a man to focus public attention on these extraordinary feats but they do deserve national recognition.

If the budget process had a Cooperstown shrine, Ronald Reagan would

have a wing all to himself. Before he came to office the deficit slugger of all time was Gerald Ford. His midseventies recession enabled his administration to achieve a whopping $66 billion in 1976. Many thought this record would stand forever. But many did not anticipate the contradictory monetary and fiscal polices of Ronald Reagan, which have allowed Mr. Reagan to develop awesome deficit power. Ronald Reagan has blazed by Gerald Ford on the deficit list and now occupies undisputed first place as the deficit leader of all time. In just 18 months Ronald Reagan has become the Babe Ruth of deficit financing.

THE TOP ALL-TIME DEFICIT LEADERS

[In billions of dollars]

	Deficit	Year	Administration
1.	115.0 (OMB estimate) [1]	1983	Reagan.
2.	108.9 (OMB estimate)	1982	Do.
3.	92.6 (OMB estimate) [1]	1984	Do.
4.	73.6 (OMB estimate) [1]	1985	Do.
5.	66.4	1976	Ford.
6.	59.6	1980	Carter.
7.	57.9	1981	Do.
8.	48.8	1978	Do.
9.	45.2	1975	Ford.
10.	44.9	1977	Do.

[1] CBO estimates that the Reagan deficits are much larger. For fiscal year 1983—$140 to $160 billion; fiscal year 1984—$140 to $160 billion; fiscal year 1985—$140 to $160 billion.

BUDGET DEFICITS: REPUBLICAN VERSUS DEMOCRATIC ADMINISTRATIONS

Republican administrations have traditionally been the experts on borrowing money. The Republican deficits run almost three times higher, on the average, than do those of the Democrats. Since 1946 we have had 20 years of Republican administrations and 20 years of Democratic administrations, which includes the projections for the remainder of President Reagan's term. What are the average deficits?

Republican average deficit −31.8 billion—three surpluses.

Democratic average deficit −12.6 billion—five surpluses.

Budget surplus (+) or deficit (−)

Fiscal year:	*Millions*
1946	−15,856
1947	+3,862
1948	+12,001
1949	+603
1950	−3,112
1951	+6,100
1952	−1,517
1953	−6,533
1954	[1] −1,170
1955	[1] −3,041
1956	[1] +4,087
1957	[1] +3,249
1958	[1] −2,939
1959	[1] −12,855
1960	[1] +269
1961	[1] −3,406
1962	−7,137
1963	−4,751
1964	−5,922
1965	−1,596
1966	−3,796
1967	−8,702
1968	−25,161
1969	+3,236
1970	[1] −2,845
1971	[1] −23,033
1972	[1] −23,373
1973	[1] −14,849
1974	[1] −4,688
1975	[1] −45,154
1976	[1] −66,413
Transtion quarter	[1] −12,956
1977	[1] −44,948
1978	−48,807
1979	−27,694
1980 actual (Oct. 29, 1980)	−59,563
1981 actual (Oct. 28, 1981)	−57,932
1982 OMB estimate (Apr. 9, 1982)	[1] −108.9
1983 OMB estimate (Apr. 9, 1982)	[1] −115.0
1984 OMB estimate (Apr. 9, 1982)	[1] −92.6
1985 first budget resolution (June 24, 1982)	[1] −73.6

[1] Republicans.●

MENOMINEE, MICH.—100 YEARS OF EXCELLENCE

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. DAVIS. Mr. Speaker, I would like to bring to the attention of my colleagues the commemoration of the city of Menominee, Mich. which celebrates its centennial in 1983. It is cities like this which make stable, through their continued existence, this great country of America.

The name Menominee is derived from an Indian word which means "wild rice." From this name it is evident this area was and is abundant in natural resources. The first settler in this peaceful area was a trader named Chapée who established friendly terms with the Indians. The convenient location of the Menominee River within a vast supply of natural resources drew settlers from across the country to this beautiful area, and on March 16, 1883, it was incorporated as a city.

The flourishing lumber industry continued to draw hard working people to Menominee. This city aided in the building of America, and was one of the national leaders in lumber production into the early 1900's. Menominee once had the distinction of being the White Pine Capital of the world, and boasted the largest lumber shipping port in the Upper Peninsula of Michigan. Out of the lumber industry grew an extensive industrial center. Menominee claims over 50 diversified industries which contribute to the economic livelihood of the community.

Menominee looks forward to continued industrial expansion made possible by its hard working citizens, who believe in honest wages for honest labor. These hard working people have made Menominee a fine community in which to reside and continue to make it a community of expansion and stability. I would like to commend Menominee for its 100 years of existence and for its contribution to the well-being of America. It is cities like Menominee which are the cornerstone of America, and cities of which we can be extremely proud.●

THE PRESIDENT'S ECONOMIC RECOVERY PROGRAM

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. AuCOIN. Mr. Speaker, much has happened in the year since this Congress gave President Reagan all that he asked for in his economic recovery program. This administration, which 18 months ago pledged to balance the Federal budget, has presented Congress with a budget that could produce a deficit of $160 billion.

Unemployment still hovers near 11 percent in my home State of Oregon. Some counties in my State have experienced unemployment rates of nearly 20 percent for the better part of a year.

But the raw statistics resulting from this economic policy do not tell the whole story, of what is happening to people in this country today. That is the story of our senior citizens who remain anxious over the fate of social security. It is the story of a young millworker who has been laid off wondering how he will feed his family and pay the rent or where he will find another job. It is the story of a young family foreclosed from buying a home that they have dreamed of because the interest rates prohibit them from doing so.

Mr. Speaker, simply stated, the economy of this Nation is worse off today than it was a year ago. It is worse because the budgets and tax policies submitted by this administration just do not add up. This administration does not care about balancing budgets. The last year and a half shows that. Having won every fight over its budget and tax policies, and having set in place its supply-side economic theories that were supposed to create more employment and stimulate productivity, the Nation is left with the highest unemployment since the Great Depression and the greatest budget deficits in its history.

What is occurring in this country today goes beyond numbers. A budget is more than a string of figures that you hope will balance out in the end. It is a political document. It describes what values we, as a nation, think are important.

The chief characteristic of the budgets submitted by this administration is the shift from domestic programs that benefit people to funding weapons sys-

tems that will not deter our foes in any meaningful way and will only produce costly overruns which will add to our national debt.

Remember last year when there was so much discussion about preserving the "safety net"? No one talks about the safety net any more because there is not any. The questions I have are:

Do the American people really support a budget—a value system—that cuts funding to the aged and the infirm?

Do Americans really support the notion of limiting the opportunity of our young to pursue a higher education?

Do Americans really support a value that jeopardizes our natural and cultural heritage?

Do Americans really support financing the largest military buildup in the history of mankind when there is serious doubt as to whether or not such a spending spree will make us more secure?

Mr. Speaker, the battle over budgets and taxes is more than just dollars and cents. It is a referendum on the kind of people and the kind of nation we are.●

EL SALVADOR CERTIFICATION

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. WIRTH. Mr. Speaker, the administration has again certified to Congress that El Salvador's Government has made enough progress toward political reform to deserve millions of dollars in additional U.S. military aid.

While hard facts are difficult to obtain from El Salvador, and the administration's effort this time around was more detailed than the information Congress was provided 6 months ago, the State Department report is at such variance with other reliable reports about the situation in El Salvador as to make it imprudent for Congress to accept this certification.

Even the administration acknowledges that human rights abuses continue in El Salvador, and I believe the continued level of those abuses—torture, murder, and restrictions on civil rights—make further U.S. military aid unwise at this time. That is why I have joined in sponsoring the resolution introduced this week by my colleague, Mr. STUDDS, which would declare this certification of sufficient human rights progress null and void and ban further military aid to El Salvador at this time.

Increased military aid to El Salvador, rather than a vigorous effort to seek a negotiated settlement to the civil war there, is counterproductive to our Nation's interests. It will increase the probability of further massive human rights violations, prolong the conflict, and make it difficult for moderate elements in this tragic and complicated conflict to assert themselves.

The evidence the administration cites for an improvement in the human rights situation in El Salvador in recent months is not supported by other independent studies. Last week in a 272-page study, for example, the American Civil Liberties Union and the Americas Watch Committee stated:

> The government of El Salvador, during the period September 1981 through July 7, 1982, has not exerted substantial control over the repressive actions of its armed forces. Indiscriminate torture and murder of Salvadoran citizens has continued during this period, and all branches of the security forces have been implicated in this repression.

In the first half of this year, the legal aid office of the Archdiocese of San Salvador estimated that government security forces committed at least 2,829 political murders.

Mr. Speaker, such information makes it impossible for me to accept the certification which, under law, requires that the Government of El Salvador make a concerted and significant effort to comply with internationally recognized human rights, and achieve substantial control over all elements of its own armed forces so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces.

Some other conditions which Congress has said must be met before additional military aid can be sent to El Salvador are similarly unfulfilled.

The progress toward economic and political reforms required for certification is unfortunately marred by a land reform program which knowledgeable observers feel is at a virtual standstill or in a shambles, blocked by landholders who have friends in high places in the new government.

Both Houses of Congress have also expressed their desire to see demonstrable progress into bringing to justice the killers of six Americans in El Salvador. But a recent letter to one of my colleagues from a relative of one of the murdered Americans makes it doubtful that all the facts of that terrible crime will ever be known. William Ford, brother of Ida Ford, wrote:

> The State Department and the Salvadorans insist that only the five National Guardsmen now in custody in El Salvador were involved in the murders. There are clear and convincing facts that the crime was ordered by high ranking Salvadoran officials, yet the "investigation" has been conducted to limit the ranks of the accused to low level enlisted personnel.

Mr. Speaker, the situation in El Salvador is indeed tragic, and real facts are very hard to come by. I am pleased that the State Department apparently devoted more effort to this task this time than 6 months ago, but I do not believe the human rights situation in El Salvador has improved to the extent that accepting this certification is in our Nation's interest.●

EL SALVADOR INVESTIGATION

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. RATCHFORD. Mr. Speaker, I have spoken to the House on a number of occasions to express my concerns about the failure of the American and Salvadoran Governments to investigate satisfactorily the murders of four American missionaries in El Salvador on December 2, 1980.

Now, 20 months after those brutal murders, no real progress can be seen in these cases. It is a tragedy for all Americans, but it is especially so for the families of the four slain workers.

The Hartford Courant recently published an extensive, detailed account of the objections raised by one of the family members to the investigation into the murders. Michael Donovan's story is one which demands the attention of this Chamber, the White House, and the American people, and I would like to take this opportunity to insert into the RECORD the text of the Hartford Courant article which follows Michael Donovan's story.

[From the Hastfard Courcent, Aug. 3, 1982]

DONOVAN CAST—KIN SEES COVERUP BY UNITED STATES AND SALVADOR

(By Tom Kuntz)

A report of a potentially incriminating statement by the head of El Salvador's armed forces. Surveillance by mysterious helicopters. A doctor's examination that pointed to death squads. Soldiers' fingerprints that were never taken. Ballistics tests on rifles that were never performed.

For Michael R. Donovan of Danbury, the brother of slain American missionary Jean Donovan, the list of what he calls gaps, omissions and unfollowed leads in the investigation into the murders of his sister and three American nuns in El Salvador goes on and on.

It has led Donovan to conclude that the investigation is a sham, and that his own government and the Salvadoran government are engaged in a cover-up that is shielding high-ranking Salvadoran officials from prosecution for the crime—all to justify the Reagan administration's policies toward El Salvador.

"The State Department," Donovan says, "is to a large extent composed of pathological liars."

Perhaps no other single event has served more to focus the American public's attention on the tragedy of El Salvador than the slayings of the churchwomen Dec. 2, 1980.

On that day, lay worker Jean Donovan, 27, and Ursuline nun Dorothy Kazel picked up Maryknoll sisters Ita Ford and Maura Clarke on their arrival at the airport near San Salvador after a brief stay in Nicaragua.

Soon after leaving the airport in their van, the churchwomen disappeared. Their bodies were found a day later by peasants and were buried unidentified in a single grave.

On Dec. 4, the American ambassador at the time, Robert White, had the grave opened. He ordered medical examinations, which revealed each victim had been shot in the head and at least one apparently had been raped.

Twenty months later, the case is still unresolved.

Last week, the Reagan administration certified to Congress that progress was being made in curbing human-rights violations in El Salvador—a requirement for continuing economic and military aid to that country.

The Reagan administration pointed to homicide charges against five of the six Salvadoran National Guardsmen who were arrested in May 1981 as an indication of "substantial progress" in the case. The administration says the long-awaited trial, the first murder trial in El Salvador in years, can be expected to begin this fall.

But Michael Donovan, 31, who has had many State Department briefings on the case and who has made his own inquiries, disputes in detail assertions that the slayings were an act of random violence committed by undisciplined low-ranking troops acting on their own and who did not know their victims.

As part of the congressional certification process, Donovan is expected to testify today before the Senate Foreign Relations Committee that the State Department has failed to press the Salvadoran authorities on the investigation and has repeatedly ignored evidence that could implicate high-ranking Salvadoran officials.

Contacted by The Courant, a State Department official familiar with the investigation, Peter Romero, Monday disputed most of Donovan's allegations.

Among Donovan's charges:

Ten days before the slayings there was a meeting at the presidential palace in San Salvador at which Gen. Jose Guillermo Garcia, the head of the Salvadoran armed forces, denounced by name two of the nuns, Ita Ford and Maura Clarke. Donovan says this was told to him by a man present at the meeting. Carlos Paredes, who was then a Salvadoran government official and who now lives in exile in Mexico City. Though the State Department has been told about Paredes, it has yet to contact him, Donovan says.

Romero denied there is any evidence that any high Salvadoran official denounced the nuns, but he was not sure if Paredes had been interviewed by U.S. or Salvadoran authorities.

In the weeks before her death, Jean Donovan told her brother by telephone of being followed by a helicopter while she traveled through a mountainous part of the Central American country. She also reported that Ita Ford had told her that a helicopter had also followed her. Since the Salvadoran armed forces had only a handful of helicopters at the time, Donovan concludes the surveillance was ordered by someone high in the military hierarchy. Also, Donovan says that his sister specified she was followed by a U.S.-made Huey helicopter. "That disturbs the State Department no end," Donovan says, "because we didn't give them Huey helicopters—officially—until Reagan came into office," in 1981.

Romero, however, denied that the Salvadoran government received any Hueys before early 1981, when the Reagan administration resumed aid to El Salvador that had been suspended by the Carter administration, which demanded a thorough investigation of the four murders. Romero said there is no evidence that Donovan or Ford were pursued by helicopter.

On the morning of the killings, a sign saying that Ford and Clarke would be killed later that day was posted on the door of their home in Chalatenango, a northern Salvadoran city near the Honduran border. Chalatenango is nowhere near where the murders took place in the southern countryside near the capital of San Salvador. Donovan says the FBI has lifted fingerprints from the sign, "but there's never been any effort made to fingerprint any guardsmen assigned to that area."

Romero said the sign was "tangential" to the investigation, since it was posted so far away from where the crime was committed. He said the posting of the sign was not unusual in a region where church workers receive "hundreds of threats," and that it would have been "less than productive" for authorities to pursue that lead in an investigation of "limited resources."

Investigators have failed to question the Rev. John Spain, a Maryknoll priest who was the only American who observed medical examinations of the churchwomen's bodies several days after their deaths. Donovan says Spain was told by a Salvadoran doctor performing the exams that the wounds that killed his sister and Kazel were typical of the G-3 rifle, the standard-issue weapon of the Salvadoran National Guard. But the doctor said Ford and Clarke's wounds were typical of the .22 Magnum, a firearm "used only by the Orden death squads." Orden is the name of a supposedly defunct rightwing paramilitary organization. Donovan says the doctor told Spain he would not include these details in his report out of fear for his life.

Romero, however, said that subsequent autopsies showed that wounds on three of the bodies were caused by G-3 rifles, and that the fourth body was too badly decomposed to make a determination. He said there was "nothing to indicate that anything other than a G-3 rifle was used in the murders." Romero also said that he is "fairly certain" that U.S. authorities have interviewed Spain, but could not confirm it.

Investigators have failed to adequately pursue the lead provided by Maria Rieckleman, a Maryknoll nun who, on the day of the killings accompanied Ford and Clarke on their flight to San Salvador after a Maryknoll reunion in Nicaragua. Rieckleman remained on the plane for the rest of its trip to Miami. During the stopover in San Salvador, the plane was boarded by National Guardsmen. Rieckleman was the only single American woman left on the plane. Of the 10 passengers left on the plane, she was singled out for special scrutiny by airline personnel, apparently on orders from the guardsmen. Donovan said indications are the guardsmen were looking for Ford, the most active of the four missionaries, and that they were unaware that she had already left the plane. Donovan says there has been no effort to determine who the guardsmen were, how they got clearance from customs officers and why they boarded the plane.

Romero, however, said that the boarding of aircraft by National Guardsmen was "common practice during that time."

Ambassador White was told by a reliable source of an intercepted radio message the day the four women were killed, in which someone stationed at the airport radioed someone stationed away from it that the women they were looking for were not on an earlier flight, but on a later flight. The first flight was overbooked, and the nuns had to change plans and take the later flight. White is convinced the radio conversation referred to Ford and Clarke.

Investigators have failed to adequately account for the approximately four hours that passed between the time the missionaires were seized, around 6 p.m., and the time investigators believe they were killed around midnight. The travel time between the airport and where the churchwomen's bodies were found is 20 minutes, Donovan says. Donovan said testimony from the guardsmen indicates that their jeep had mechanical trouble and that the missionaires were kept in their Toyota van outside the National Guard's regional headquarters in Zacatecoluca while the jeep was being fixed. Donovan finds it hard to believe that superior officers inside the headquarters for hours were unaware that the women were being held.

Romero, however, said there is no evidence the guardsmen took the women to the headquarters. He said evidence indicates that a guardsman was left behind with the disabled vehicle and that it was serviced on the road. The time lag therefore can be explained by the mechanical trouble and the time it took to commit the crime, Romero said.

The State Department has failed to press the Salvadoran government for fingerprints of all the National Guardsmen on duty within a 20-mile radius of the airport on the day in question, although the guardsmen's names have been ascertained. FBI probers found fingerprints from 20 unidentified persons on the churchwomen's burned-out van. The Salvadoran government has provided fingerprints from only six of the 85 guardsmen who were on duty. Of those six sets, only one matched prints found on the van, and the guardsman in question is now under arrest. In addition, Donovan claims, the Salvadoran government has not provided fingerprints of two of the national guardsmen arrested for the crime.

Romero, however, said that all six guardsmen who were arrested have been fingerprinted. He said the investigation focused on only 12 guardsmen who were on duty at the airport on the day in question, not the 85 assigned to the area. He said the unidentified fingerprints on the van could quite possibly have been during normal usage by persons who had nothing to do with the crime.

Ballistics tests have been performed on the rifles of only six National Guardsmen of the 85 who were on duty in the area. Of the six rifles tested, four matched bullets that were recovered in the investigation. Those four rifles belonged to guardsmen who have since been arrested. But the rifles of the remaining two guardsmen who were arrested have not been tested, Donovan said Romero did not dispute this charge.

Donovan is scornful of Salvadoran assertions that a chief reason the churchwomen were stopped on the day of the murders was because his sister and Kazel had aroused suspicions that they might be terrorists because they were carrying large handbags during an earlier trip to the airport that day to pick up two other nuns.

He says that his sister and Kazel were known to National Guardsmen because they lived near the National Guard station in La Libertad.

Also, he says, the State Department is satisfied with the testimony of indicted Sgt. Luis Antonio Colindres Aleman, who allegedly led the men who killed the churchwomen and who testified that higher officers had no part in the slayings.

"The State Department's whole position in this thing is why would these people lie to us?" Donovan says. "Well, hell, they're under indictment for murder. Why the hell wouldn't they lie?"

A certified public accountant who commutes daily to Springfield, Mass., the blond, bespectacled Donovan remains bitter about statements in March 1980 by then-Secretary of State Alexander M. Haig Jr., who said the churchwomen may have been trying to run a roadblock in an "exchange of fire," and by U.N. Ambassador Jeane J. Kirkpatrick, who said "the nuns were not just nuns. The nuns were also political activists."

He smiles a wry and bitter smile when asked if he sees parallels between his situation and the movie "Missing," the story of Charles Horman's 1973 disappearance in Chile and his relatives' subsequent dealings with an unresponsive, insensitive U.S. State Department.

"I've spoken to the very same people Horman's father spoke to," Donovan says. "Deane Hinton, who is now the ambassador to El Salvador, was the American consul in Chile during the Horman incident. It's the very same attitude by the State Department."●

ANNIVERSARY OF ECONOMIC RECOVERY TAX ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. UDALL. Mr. Speaker, today marks the first anniversary of the passage of the Economic Recovery Tax Act. But last year's tax package has not brought economic recovery. It has brought recession and unemployment. Not just to Detroit and Youngstown. But to Phoenix and Tucson as well. It has brought near double-digit unemployment. And it is not just the auto industry or the housing industry that is hurting. In my State, it is the copper industry. In other States, it is the lumber industry or the steel industry. And so on.

I opposed the President's tax plan. I thought it was wrong. I thought it was wrong to go out and borrow $42 billion for the personal income tax cut this year, $85 billion next year, and $120 billion the following year. When we started this tax cut, we already had an annual deficit of nearly $60 billion. All that has changed.

Based on last year's tax and spending policies, it was estimated earlier this year that this administration in its 4 years in office would accumulate a total of $749 billion in new public debt. That is more than all public debt accumulated from all of the Presidents from George Washington down to Richard Nixon. And it is nearly four times the amount of debt accumulated under President Carter.

Last week, the Congressional Budget Office reported that even with additional spending cuts and tax increases, we can still expect deficits in the $150 billion range for each of the next 3 years, which means that we will continue to borrow to finance last year's tax cut. It means continued high interest rates and unemployment. It means economic stagnation, not economic recovery.

Last year, I offered the Udall-Obey-Reuss tax cut plan here on the floor. I thought then and I still think today that we cannot tax cut our way to a balanced budget or prosperity. If our alternative tax plan had been adopted last year, we would be well on our way to a balanced budget this fiscal year. We would now have lower interest rates. Much lower. And with lower interest rates, we would have had sustained economic recovery instead of recession. And we would have been creating jobs, not losing them.

So where do we go from here? We can start by repealing the third installment of the tax cut. If we did that we could reduce these projected deficits in half. We could get interest rates down. We could get the economy moving again. It is not too late. All it takes is a little courage on the part of the President—the courage to admit that last year's tax cut went too far, that it promised too much.

It has been a year now since we passed the tax cut. We have given the tax cut plan a chance to work. It has not. So let us take this opportunity to review last year's action and to correct what is wrong with it. That is our responsibility as legislators.●

ENOUGH IS ENOUGH

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. OTTINGER. Mr. Speaker, yesterday marked the passage of 1 year since the Professional Air Traffic Controllers began their strike.

Appearing on July 23 in the Gannett Westchester Newspaper's dailies in my district was the following article by Donna Greene, their government editor. She relates dramatically the extreme hardship that has resulted from President Reagan's popular firing of the controllers, their difficulty getting work, the suffering of their families and the disruption of air traffic and costs to the public of continuing their punishment. She poignantly makes the point, with which I wholeheartedly agree, that the time is long past for amnesty.

On this anniversary, I offer the piece for the benefit of my colleagues.

[From the Gannett Westchester Newspapers, July 23, 1982]

ENOUGH IS ENOUGH

It was no surprise when Capitol Flight 220, from O'Hare Airport in Chicago to Kennedy, was late one day last week.

The O'Hare to Kennedy route has to be the invention of a sadist. I have flown it a number of times over the years, finding that even when the airplane doors closed on time for departure, take-off would be delayed.

"Ladies and gentlemen: We are 12th in line for takeoff," would come over the loudspeaker from the pilot. And once off the ground, I have learned on this route to expect delays in landing. And then there is that oh-so-very long taxi to the gate.

My flight last week from O'Hare to Kennedy had a new twist: After a delay of about an hour, we boarded the DC-10, stowed our hand luggage and fastened our seatbelts.

"Ladies and gentlemen: We apologize for the delay," the pilot said, "but it was due to reasons beyond our control—traffic at Kennedy." Then he added: "You remember about a year ago, President Reagan fired the controllers. Well, this is the result."

I had mixed feelings about whether the pilot should have made this political announcement—at least at first. The comment implied that the flight would have been on time if not for the firings.

But moments later, when I overheard a complaint of another passenger, I was ready to cheer the pilot on. "I resent this slur on President Reagan," said the man behind me in an angry voice to an airline steward. Other passengers watched the encounter, some with amusement, others in agreement. Several began discussing the matter with the persons next to them.

It was then that I recognized what the pilot had accomplished, either by design or accident: He had gotten people talking about the strike again, thinking about the plight of the former members of PATCO, the bankrupt Professional Air Traffic Controllers union that led them off the job a year ago. The former controllers are easy to forget about because they have no political clout and no money, and air travel has continued without them.

President Reagan's decision to fire them when they refused to call off their illegal strike and return to work was popular with the public. Reagan's success in breaking that union will not be forgotten by other public unions that contemplate an illegal strike.

But the time is long past for amnesty—the "malice toward none" that one of the most famous Republicans, Abraham Lincoln, spoke of in the closing days of the Civil War; the forgiveness taught in the Bible, the book Reagan and many of his most outspoken followers claim to hold in awe.

The federal government gave amnesty to Vietnam draft-dodgers and amnesty to some illegal aliens; other levels of government have given amnesty to prisoners who riot, and convicted murderers and rapists. Is the controllers' offense any worse?

The philosophy of making them pay forever for their mistake in striking seems contrary to the thinking of Americans. We are the people who, it is said, would have forgiven Richard Nixon for Watergate even earlier if only he had said he was sorry.

If President Reagan is indeed the nice man his supporters, as well as some of his critics, say he is, then the time has come for him to prove it by being a gracious winner.

Otherwise, his mistakes should be treated accordingly.●

DEGRADATION OF VALUES

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. ADDABBO. Mr. Speaker, in this age of rampant materialism, is nothing sacred? I am speaking of sacred in its simple and traditional sense of those things spiritual and religious. The use of religious themes and religious people in commercials has become a common and pervasive tool of Madison Avenue; the result is a degradation of values which are important and sacred to us all. I would like to share the following article from the Tablet, which addresses this problem:

[From the Tablet, July 31, 1982]

THE BLUE NUNS, FUNNY FRIARS AND MERRY MONKS

(By James Breig)

Blue Nun goes anywhere. Including the morgue.

This macabre thought occurred to me the other day when I read that the model who portrayed the Blue Nun in wine commercials on television had murdered her boy friend before committing suicide.

The boy friend (paramour? lover? I don't know the proper term to use) was a policeman and it was his revolver she used to kill him. Then she directed a slug into her mouth.

I read this news article with interest because, not long before I had been wondering about the Blue Nun. You've seen the ads. They are gentle and quiet. Shot in Europe (or on a back lot made up to look like the Old Country), the commercials showed the Blue Nun biking about, shopping in the open-air markets, ice skating on a secluded pond and doing all sorts of supposedly nunnish things.

The purpose of the ad, of course, is to get you to associate the pleasant, human Blue Nun with the wine of the same name. I was wondering about the Blue Nun because a woman has repeatedly told me how offended she is by commercials which feature priests and nuns.

DEAR GOD/GOODYEAR, AS THE CASE MAY BE

"They are always so dumb on TV," she complained. "That monk in the copier ads is a ninny. But the nuns get worse treatment. They are always helpless, mindless nincompoops who rely on God's providence or Goodyear to get them out of scrapes. Without either of those aids, they could hardly make it through the day—according to TV."

So, with her words ringing in my ears, I watched the Blue Nun and wondered who she was. Did the actress care about what image she was creating? Did she think of it as more than a job? What would be her response to the woman's criticism?

We'll never know.

As for me, I think the woman is right. Priests and nuns get lousy treatment from television, particularly from ads. Since commercials are, by nature materialistic, the religious figures in them are necessarily connected to materialism. So we see a young priest proudly displaying his new car to the older (and always Irish) priest.

And what about those dumbbell nuns? They are always pictured as being only slightly smarter than a felt-tip pen. Nuns are innocent, goes Madison Ave. thinking, and innocent means naive and naive means stupid. Ergo, nuns are idiots.

Never look in these ads, by the way, for a priest or nun doing anything even remotely religious. The Blue Nun rode bikes and skated and bought loaves of French bread; she did not minister to the poor, teach children to pray.

The portly monk in the Xerox ads prays. What for? To thank God for giving the world copier technology and home computers. As simple-minded as he looks, he is the smart one in the abbey. The rest of the monks are still trying to figure out how to work a candle.

None of these ads is directly offensive. The Blue Nun was restful and tranquil, two aspects not usually found in TV time-outs. The Xerox monk has become a popular figure and his ads bring the same sort of warm feeling generated by the more secular shenanigans of James Garner and Mariette Hartley on the Polaroid commercials.

The lack of obvious offensiveness is what especially burned the woman who talked to me. She castigated the subtle damage done by the ads—both in their portrait of religious people and in their linking of religious people with material pursuits.

I say "religious people" and use it as a shorthand for priests and nuns. I can do this because you will never see a religious lay person on TV at all, much less in a commercial.

YAHWEH THE ALMIGHTY PITCHMAN

The only exception to this rule is the women who are lectured by God on how to clean their sinks or un-stop their drains. And that leads to a related topic. The use of God as a spokesman for various products. He is never identified as God, of course; that would be too directly offensive. Instead, He is a voice from above which shakes the entire house.

I know that the Creator is concerned about everything, even the lilies of the field, but I refuse to believe that He spends a lot of time worrying about crystal drain cleaners.

Maybe priests, nuns and God should band together to form a pressure group which could pressure advertisers until their image is restored. Otherwise, you'll have sad priests and blue nuns.●

PERSONAL EXPLANATION

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. DASCHLE. Mr. Speaker, I was necessarily absent from Washington yesterday in order to keep a longstanding commitment to address the National Association of Rural Letter Carriers at their national convention in Rapid City, S. Dak. Had I been present I would have voted nay on rollcall vote No. 235, to recommit H.R. 6862, the Post Office and Civil Service Committee's reconciliation bill for the fiscal year 1983 budget, and yea on rollcall vote No. 236, in favor of final passage.●

A SALUTE TO A 93-YEAR OLD NAVAL AVIATION PIONEER

HON. MAJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mrs. HOLT. Mr. Speaker, retired U.S. Navy Capt. Fred Maxwell of Tuscaloosa, Ala., returned to the naval airfield that he helped start over 40 years ago at Whiting Field Naval Air Station to designate his grandson 2d Lt. Karl Elebash III, as a U.S. Marine Corps Reserve aviator in June this year. A week earlier, he turned 93.

Captain Maxwell joined the Navy's Reserve Flying Corps after the United States entered World War I in 1917, only 14 years following the Wright brothers' historic flight at Kitty Hawk, N.C. Captain Maxwell recounted the "spice of danger" that attracted hundreds of young students from Harvard, Yale, Princeton, and other colleges to fly at their own expense before joining the Navy. As a young officer, he recalled dancing with Wallis Warfield of Maryland who years later married the Prince of Wales.

Maxwell wanted to be a Navy pilot as early as 1911 but could not because he was not a graduate of the U.S. Naval Academy, and had not gone to sea for 1 year, or been in training a year—all required for pilot training. He tried to go the Naval Academy but the appointment by Congressman Richard Pearson Hobson fell through because only one congressional nominee could be at the Academy at a given time. Sometime later, the Navy changed its prerequisites and Maxwell became an aviator.

In January 1941, after being inactive in the Reserve following World War I, Maxwell returned to active duty at Pensacola as a lieutenant commander and taught flight training. Between the big wars and after World War II, Maxwell was a highly respected engineering professor at the University of Alabama and later a consulting engineer.

Captain Maxwell's career saw the development of naval aviation and his grandson will be flying planes that could not be imagined early in this century, but they share the great tradition of honorable military service to their country. We can be proud of this family.

Mr. Speaker, Frank G. Mullins, Jr., said of Captain Maxwell:

He was the head of the electrical engineering department when I graduated from Alabama in 1937. He helped me graduate with my class by arranging a normally unallowable hour load to make up an economics course I had flunked. He helped me with the one and only job interview in 1937, which resulted in a job with United States Steel in Pittsburgh. He took me on the best

fishing trip ever, while I was waiting to go to the Pittsburgh job.

Indeed a most remarkable man and naval aviation pioneer.●

BOTTLE BILL DEBATE CONTINUES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. DANNEMEYER. Mr. Speaker, Congress presently has pending before it a proposal to require mandatory deposits on glass bottles. In addition, voters in my home State of California will go to the polls in November and vote on a proposed initiative to enact a State mandatory bottle deposit law. Any legislation of this nature has the potential to affect the flow of interstate commerce. For this reason, I know that my colleagues are interested in a full and fair debate on the merits of proponents and opponents of bottle deposit bills.

The January 21, 1982, Davis, Calif., Enterprise carried a guest opinion column written by three local merchants in opposition to the California proposal. As November 2 approaches, I thought my colleagues might like to see this column. Congress may be called upon to actively consider such a proposal next year. It is not too early to examine the issue in close detail.

Mr. Speaker, I insert the article at this point in the RECORD:

MERCHANTS EXPRESS OPPOSITION TO BOTTLE BILL

(EDITOR'S NOTE: Chuck Santoni of V. Santoni and Co. Distributors, Nugget Market's Eugene Stille and Dennis Younglove of Aggie Liquor have written a rebuttal to a recent League of Women Voters Perspectives column concerning a proposed bottle bill. Their stance is in solid opposition to any forced-deposit initiative.)

Can any law work all the time to solve all the problems we face? Obviously not. This is specifically true when a law tries to force people to change their behavior.

Sometimes, even a law which seems to work later causes undesirable results.

An example is the forced-deposit initiative, also called the bottle/can bill. There's more to it than meets the eye.

The League of Women Voters recently (Nov. 20) presented a question-and-answer "fact" sheet on the proposed law. It is our intent to shed some clearer thought on much of the misleading information in that article.

Here are some of the myths about forced-deposit laws, followed by the real facts:

Myth: Forced-deposit laws do not increase consumer prices.

Fact: Prices have risen sharply in states which enact forced-deposit laws. Nationwide, one year after enacting these laws, soft drinks in forced-deposit states increased by an average of $1.32 per case over non-deposit states, plus the cost of the deposits. Beer prices increased by an average of $1.04.

Myth: A forced-deposit law won't increase inflation.

Fact: The proposed California law has a built-in inflationary clause which could add at least $110 million to the cost of beverages in California. A "handling" fee of 29 percent must be added to each refund deposit paid by distributors. The initiative requires it.

But that's only the beginning of new costs. Fuel and handling costs to transport empty containers from retail stores back to the distributors, and distributors back to manufacturers must be added to the beverage price. Ultimately, someone has to pay the grocery stores to sort, handle and store 11 billion plastic, glass and metal containers each year in California. Obviously, consumers will pay the bill through increased grocery prices. In 1975, a state report estimated a forced-deposit law would force beverage and container industries to increase capital expenses by $153 million to $234 million. These costs would be much higher today.

Myth: We need a forced-deposit law to force people to recycle.

Fact: Californians are already recycling huge volumes of glass, aluminum and, increasingly, plastic containers. Voluntary recycling programs in California processed over 70,000 tons of aluminum and 105,021 tons of glass just in the last year. The profits from recycling these containers in a voluntary system make it possible for recyclers to process less-profitable things like newspaper, reclaimed oil, etc.

Myth: Forced-deposit laws are a simple way to solve most problems related to beverage containers.

Fact: The initiative proposed in California would vastly complicate the return and recylcing of containers. Today, millions of Californians recylce cans and bottles through a simple two step process:

They pass the containers to voluntary recycling centers, where they are processed directly to a glass, metal or plastic manufacturer for recycling.

The forced-deposit law proposed in California requires a complicated system: consumers take containers back to the retail store, where they must be sorted as to the various kinds, sizes and brands for proper accounting of deposits. Then the containers get picked up and go back to the distributor. The distributor then returns them to the manufacturer. Not simple, nor easy, nor inexpensive.

Myth: Deposit laws will cause the recycling or refilling of virtually all containers.

Fact: Many beverage containers cannot be refilled, ever. Imported beer and beer shipped from great distances outside California are examples. Further, there are NO provisions in the proposed forced-deposit law that requires the use of returnable containers. It simply mandates a minimum 5 cent deposit on all beverage cans or bottles. The proposed law will not return to a "returnable society" as proponents would lead one to believe, but the law will cause increased product costs due to sorting, handling, administrative and accounting costs related to a mandatory deposit system.

Myth: Forced-deposit laws do not waste fuel.

Fact: These laws cause large and wasteful increases in fuel consumption for delivery trucks. In Michigan, for instance, fuel consumption increased by 4,380,000 gallons between 1978 and 1979 following enactment of a forced-deposit law. In a vast and populous state like California, the fuel use will be much greater. Distribution operations at a major Washington state soft drink facility require 47.4 gallons of gasoline per 1,000 packaged cases sold, while its Oregon facility, under a forced-deposit law, required 94 gallons to distribute the same amount of product.

It is our hope that the residents of this community will take time to study and understand the elements of the bottle bill before passing judgment. We all agree recycling is important and should continue to receive attention and support in the years to come. But is a bottle bill a "recycling bill"? We think not. Think about it.●

REAGAN'S PRESIDENCY

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. MARTINEZ. Mr. Speaker, first of all, let me say that I think it is only fair that we ask President Reagan whether he thinks we are better off as a nation today than we were 2 years ago. After all, this is the standard he raised during the 1980 campaign.

In one sense, I think the answer to that question is "Yes." In 1980, 4 long years of the Reagan administration lay ahead. Now, in 1982, there are just 2 long years left.

The story of Ronald Reagan's Presidency is quite simple. He campaigned vigorously against the economic policies of the past and promised a bold new approach: He would dramatically cut taxes, increase defense spending, and balance the Federal budget all at the same time. His own Vice President said it would not work, but the President persisted and got what he wanted.

He told us that his economic program would lower the budget deficit to just $45 billion in fiscal year 1982. He told us that the deficit would be just $23 billion in fiscal 1983. He told us that by 1984, a balanced budget would be achieved. And he told us that in 1985, the Nation would boast a budget surplus of $6 billion.

Well, I did not believe it then and I do not believe it now. Today, just 1 year after enacting his entire economic program, President Reagan presides over the largest budget deficit in American history. In fact, the nonpartisan Congressional Budget Office projects that the deficit may grow to $160 billion for each of the next 3 years.

The recession is President Reagan's responsibility. His policies have caused it. We have record unemployment, double-digit interest rates, and inflation is on the rise again. He must not continue trying to balance the budget on the backs of average working men and women.

It has not worked in the past, and it will not succeed in the future.●

TAX EXPENDITURES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report of August 4, 1982, into the CONGRESSIONAL RECORD:

Only 40 years ago, the federal income tax enjoyed widespread support and was considered the fairest of all taxes. Americans now see it as the least fair tax. Tax avoidance is at an all-time high, and tax evasion is becoming commonplace.

Concern about the fairness of the federal income tax has focused on tax breaks—the hundreds of special advantages, exemptions, deductions, benefits, subsidies, and credits found in the tax code. An important variety of break is called a "tax expenditure" because it functions much like direct spending, providing resources to help certain groups or to promote certain activities. Tax expenditures often advance worthy public purposes—for example, home ownership. Many of them—for example, the additional exemptions for the elderly and the blind—are almost never regarded as "loopholes" because they are almost always thought to serve worthy public purposes.

Contrary to what people believe, the most rapidly increasing cost to the Treasury has not been among spending programs as a whole, but among tax expenditures as a whole. Spending has not quite tripled during the past 15 years, while tax expenditures have increased more than seven-fold—from 50 expenditures costing $36 billion to 105 expenditures costing $250 billion. They will cost 45 percent as much as all spending by 1987. About 80 percent of all tax expenditures go to individuals rather than to corporations. The most costly allows employers' pension contributions to be tax-free to workers ($28 billion). Others are the deduction for interest on home mortgages ($23 billion), lower tax rates on profits from stocks and bonds ($20 billion), and an accelerated rate of depreciation on equipment ($46 billion by 1987).

Proponents of tax expenditures argue that these devices avoid bureaucracy while helping the needy and providing the necessary incentives for investment and job creation. But critics of tax expenditures have raised several objections:

Tax expenditures have riddled the tax code with anomalies and odd distinctions. Part of a mortgage payment is deductible, but none of a rent payment is; insulation for the attic is more tax-preferred than medical care at average levels of spending; reinvested dividends from distressed utilities are deductible, but dividends from automakers are not.

They have made the tax code very complex. Even the most educated taxpayer frequently needs a professional to determine how much tax he owes. Last year, Americans paid about $60 billion just to comply with or take advantage of tax rules.

Tax expenditures produce inequities. Two people with the same imcome rarely pay the same tax; many Americans are left with the general impression that what one pays depends upon the tax advice one gets; many large corporations and wealthy individuals pay little or no tax. In fact, the richest 5% of the people enjoy 30% of the benefits of tax expenditures.

They are not monitored as closely as direct spending is. They generally receive less congressional scrutiny before enactment, are not subject to the annual review for appropriations, do not require periodic reauthorization, and are not a formal part of Congress' budget process.

Tax expenditures are costly. When given to some taxpayers, they cause others to request similar treatment. Since they are like entitlements in that they are available to all who qualify, they can grow sharply and unexpectedly. In general, they mean higher marginal tax rates for everyone. If all tax expenditures were abolished, the current amount of revenue could be collected with a flat-rate tax of approximately 12%.

They sometimes distort investment decisions. They may lead a person to invest in cattle ranches or shopping centers when he might otherwise favor a simple savings account. The unproductive tax shelter set up primarily to generate a tax write-off is one cause of low productivity.

Tax expenditures compound the cynicism of the average taxpayer. Because many of them appear inequitable to a large part of the population, their proliferation through the tax code has fostered contempt for the government and has made tax cheaters and petty criminals out of thousands of otherwise law abiding Americans. Tax evasion will cost the nation some $100 billion this year.

Unhappiness with tax expenditures and advocacy of drastic tax reform have increased in recent months. There is a growing sense that last year's budget—which cut back direct spending for the disadvantaged as it broadened tax expenditures for the rich—was unfair. Some of the new tax expenditures—such as "safe-harbor" leasing, which enabled profitable companies to get huge tax refunds—have come under heavy fire. In addition, recent news reports have focused both on schemes prominent Amercans use to avoid taxes and on corporate mergers inspired by tax advantage.

Congress has begun to consider many proposals to deal with tax expenditures. The major ones include: requiring that congressional budget resolutions set a limit on tax expenditures each year; referring tax expenditures to the relevant authorizing committees for rigorous oversight; and adding sunset provisions to tax expenditures so that they would automatically expire after a few years unless they were specifically reauthorized. Other proposals range from piecemeal elimination of specific tax expenditures to establishment of a flat-rate tax with few, if any, tax expenditures.

People always say that they want to get rid of tax breaks—until Congress starts to look at the tax breaks which favor them. Almost every tax expenditure has a powerful constituency, yet public discontent with the tax code has prompted Congress to begin to consider a radical change in the tax code: a flat-rate tax. The hurdles before Congress are formidable, but the economic, social, and political benfits of fairness and simplicity in the tax code may be even more so.●

DAN CASSIDY MARKS 100TH BIRTHDAY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. HERTEL. Mr. Speaker, words cannot describe the achievements, memories, and feelings—the joys and hardships—that turn days into years and years into a lifetime. On the 26th of this month Dan Cassidy will celebrate his 100th birthday. He has lived a lifetime and more. I would like to take a moment and tell you about him.

Dan Cassidy was born in Michigan in 1882, the same year his parents arrived from Ireland. Over the years he has seen enormous changes in the city of Detroit, watching it grow from an obscure Midwestern town to a major industrial city.

Mr. Cassidy was graduated from the Detroit College of Law in 1901 and was admitted to the State Bar of Michigan that same year. He is the oldest living graduate of the Detroit College of Law and the oldest practicing attorney in the State of Michigan; he still engages in probate court work in Wayne County.

During his lifetime, he has witnessed a great increase in the number of lawyers. He has also seen the scope of the law change from one of a narrow perspective in years past to today's far-reaching legal influence in everyday life.

Dan Cassidy has had an interesting and colorful career. One of his more renowned cases involved the defense of one of the participants in the "Black Sox" scandal, which occurred during the 1919 World Series. The Chicago White Sox were accused of throwing the series to the Cincinnati Reds and Mr. Cassidy defended White Sox pitcher Eddie Cicotte.

For his great service to society and the law, I want to honor and congratulate Mr. Cassidy on the occasion of his 100th birthday. His longevity in both life and career is an amazing feat of strength.●

DIRTY TRICKS—DIRTY WATER

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. OTTINGER. Mr. Speaker, appearing in last Sunday's New York Times is an article by J. Taylor Banks, senior attorney at the National Resources Defense Council Inc., who is also director of its project on clean water. He writes on the subject of the serious adverse effects of so-called minor adjustments to the Federal

Clean Water Act proposed by Anne Gorsuch, administrator of the EPA.

I offer this article for my colleagues' careful consideration as we take up these proposed adjustments in Congress.

The article follows:

[From the New York Times, July 25, 1982]

DELAY AND EXEMPTION DON'T CLEAN THE WATER

(By J. Taylor Banks)

WASHINGTON.—The Reagan Administration has drawn a definite yet disguised blueprint for reversing a decade of progress under the Federal Clean Water Act. Labeling her recent proposals minor adjustments to a sound statute, Anne M. Gorsuch, the administrator of the Environmental Protection Agency, hopes to abandon successful national policies and revert to old approaches that failed so miserably in the 1960's that Congress largely discarded them 10 years ago. Under the banner of "administrative flexibility," the E.P.A. seeks a sweeping grant of authority to chart its own course without Congressional direction. Congress should tell Mrs. Gorsuch, "No thank you."

Since 1972, Congress has stressed the urgency of controlling industrial pollution. Because scientists cannot yet prove how much pollution is harmful, Congress has asked all companies to meet the same test: use the best cleanup methods affordable. Those methods occasionally will achieve "too much" or "too little," but protecting our waters and our health cannot wait for more precise answers. The risk that time may prove these controls too stringent must be borne by the polluters, not by America's rivers and lakes.

This system has worked well for a decade. Ninety percent of industry met its first cleanup deadline in 1977. Cities have made somewhat slower progress, but in recent years scientists have detected no significant deterioration of the country's water quality despite substantial population increases and industrial growth.

As we enter the second phase of industrial controls, however, the stakes are much higher. Tons of toxic chemicals are dumped into our waterways every day. Accordingly, the act requires that over the next few years each plant upgrade its treatment to the level achieved by the best performer in its industry. For some industries—such as organic chemical production—in which the chemicals are especially dangerous or hard to remove, these requirements will be expensive.

In a variety of subtle ways, Mrs. Gorsuch's proposed amendments erode the very foundation of this strategy. The E.P.A. would relax or delay treatment standards for chemical companies, utilities and Federal installations. The plan contains exemptions and definition changes that are designed to legislate away known pollution problems. And the agency proposes omissions and word changes that would simply leave the administrator free to ignore Congressional direction.

Taken together, these proposals send a message to Congress that the agency intends to set its own policy and its own pace. Given the public's overwhelming support for clean water, it is no wonder that the agency's industrial-relief amendments are being packaged as simply minor adjustments—providing extensions and "flexibility."

Time extensions mean more pollution. Every year that industrial controls are delayed, nearly 300 million pounds of toxic chemicals will be dumped needlessly into the nation's waters and public sewer systems. The agency has sworn in Federal court that its standards can be issued in 1982-83 but has asked Congress for delays of up to two years. Similarly, the agency proposes to extend industry's 1984 compliance deadline to 1988, giving plants two to three years more than necessary to meet their toxicity standards.

The greatest danger lies in the E.P.A.'s call for "flexibility." Under its amendments, Mrs. Gorsuch could refuse to issue many standards, delay the few that are issued and even rescind existing standards. Failing that, she could grant exemptions for some types of polluters whenever proof of actual harm was not available. That would mean a lot of exemptions because we will not have the scientific tools to gather that proof for at least another decade.

E.P.A. officials need this flexibility because they are moving away from the act's settled policy of requiring uniform national standards. They prefer inaction in the face of uncertainty. They propose to await definite proof of a particular toxicity problem, and even then to let state and local officials guess whether the benefits of control are worth the costs. In short, E.P.A. embraces policies that Congress abandoned in 1972—policies that required more proof of harm (or quantification of benefits) than scientists can provide, more administrative resources than any state agency can muster, more political muscle than local officials will ever have and more time than America's water resources can afford.

The administrator advertises these proposals as improvements to the Clean Water Act. They are not. She seeks instead a blank check to ignore the act's principal objectives. Congress ought not to sign.●

WHAT IS YOUR POLICY, MR. PRESIDENT?

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. MATTOX. Mr. Speaker, President Reagan has already assured himself of a place in the deficit hall of fame but it is hard to determine whether he belongs there as a deficit hitter or a pitcher.

Let me explain what I mean. Last year, Mr. Reagan pitched up to the Congress the largest tax cut in the history of this country. He claimed that this would promote immediate economic recovery. Of course it did not. He pitched us a curve ball and instead of economic recovery we got recession, we got unemployment, we got business failures, and we got high interest rates. His curve ball fooled all of us. We were called out on strikes. We did not even go down swinging.

Now Mr. Reagan has a new pitch. I think I would call it a screwball; 12 months after signing the largest tax cut he is now embracing the largest tax increase in the history of the United States.

I suppose we will not be able to hit this screwball either. My only conclusion is that President Reagan must be more interested in establishing budgetary records of nonperformance than he is promoting economic recovery.●

BUSINESS WEEK EDITORIAL: "DECONTROL GAS NOW"

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. DANNEMEYER. Mr. Speaker, on July 28, 1982, at page 18443, I inserted an excellent cover story from Business Week on natural gas pipelines in the RECORD. I did so in advance of the upcoming hearings of the Energy and Commerce Subcommittee on Fossil and Synthetic Fuels on natural gas pipelines. The session scheduled for August 16 on pipelines is part of a comprehensive and balanced series of hearings put together by the subcommittee chairman (Mr. SHARP), in close cooperation with other members of the subcommittee.

The Business Week article concentrated on the problems facing intrastate and interstate pipelines. With natural gas pricing questions emerging as salient public issues, my colleagues will find the article to be helpful in describing the current state of affairs for the pipeline segment of the industry.

While the remaining days of the 97th Congress will focus on the study of natural gas policy problems, it will soon be the 98th Congress and the task will shift to forming natural gas policy solutions. The Business Week article touched on the former, while an editorial in the same issue of the magazine focused on the latter.

Under the heading, "Decontrol Gas Now," the editorial urges Congress and the Reagan administration to "take the issue of natural gas decontrol off the back burner and get under way with a gradual phaseout of all gas price ceilings."

I commend this editorial to my colleagues for their review.

Mr. Speaker, I would like to insert the editorial at this point:

[From Business Week, Aug. 2, 1982]

DECONTROL GAS NOW

The long-protected natural gas pipeline industry now faces a future of rising gas prices and declining demand as users turn to oil and other alternative energy sources. The reason that prices cannot fall in the face of falling demand is quite simple: government fiat. The gas industry—pipelines and producers—and its customers represent a classic case of the distortions that can arise when regulation seeks to replace market forces. The transition to a free market is proving exceedingly painful to the industry. Since under existing legislation that pain is likely to increase, the Reagan administration and Congress should take the issue of natural gas decontrol off the

back burner and get under way with a gradual phase-out of all gas price ceilings.

Four years ago, to encourage gas development at a time when scarcity seemed to be the problem, Congress enacted legislation that effectively raised the prices on all gas discovered after April, 1977: so-called new gas, which now accounts for 40 percent of reserves. Reduced demand and falling oil prices have now produced an over-supply of gas, but regulation effectively prevents prices from falling in response. Beyond this, Government-mandated price differences between new and "old" gas, which is much cheaper and accounts for the remaining 60 percent of reserves, are vastly rewarding some companies and classes of customers while injuring others.

To straighten out this regulatory mishmash, the Reagan administration and Congress should put through an immediate decontrol of new gas and a 3-year phase-out of ceilings on old gas. This would not make the industry's transition to deregulation painless, but it would make it speedier, as well as fairer to both industry members and consumers.●

CAPTIVE NATIONS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. BROWN of Ohio. Mr. Speaker, the great American abolitionist William Lloyd Garrison issued a warning to our Nation, a warning as timely and compelling in our time as it was in his: "Enslave the liberty of but one human being and the liberties of the world are put in peril."

Indeed the liberty of the world is in peril. The freedom we cherish as Americans has been diminished by the triumph of tyranny throughout the world. The reports have become so familiar—a seemingly unending litany of prejudice, deprivation, and fear—from places like Cambodia, Afghanistan, and Poland.

If we hope to keep the freedom we hold so dear, we must never lose sight of the people who suffer daily at the hands of the tyrants of this world.

We are fortunate that the captive people of this world are represented by so many who have chosen this Nation as their home; and we must join them, the brothers and sisters and sons and daughters of the people of Eastern Europe and Asia, in responding to the chilling cries from around the world.

Mr. Speaker, there can be no doubting that the day will come when our Creator, surveying the havoc which has been wreaked upon the people of the world, will wipe the blight of totalitarianism from the face of this Earth. But until that day, it is for us to do his bidding.

The Captive Nations Committee and the American Nationalities Movement of Ohio have done a great deal to remind us of this sacred obligation. On their behalf, I would like to submit this resolution for the consideration of my colleagues which was publicly presented by the Honorable Ralph Perk former mayor of Cleveland, at a public conference at John Carroll University on July 14, 1982.

The resolution follows:

RESOLUTION

1. We applaud President Reagan for his courageous and timely announcements of a new bold American policy toward the last colonial empire in the world—the Soviet Union. In his speech to the British Parliament on June 9, 1982, President Reagan said:

"While we must be cautious about forcing the pace of change, we must not hesitate to clear our ultimate objectives and to take concrete actions to move towards them. We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few but the inalienable and universal right of all human beings. So states the United Nations' Universal Declaration of Human Rights—which, among other things, guarantees free elections.

"The objective I propose is quite simple to state: To foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means."

2. In his speech to the United Nations on June 17, 1982, President Reagan said:

"Since World War II, the record of tyranny has included Soviet violation of the Yalta Agreements leading to domination of Eastern Europe, symbolized by the Berlin wall, a grim, gray momument to repression that I visited just a week ago. It includes the takeovers of Czechoslovakia, Hungary and Afghanistan and the ruthless repression of the proud people of Poland.

"Soviet-sponsored guerrillas and terrorists are at work in Central and South America, in Africa, the Middle East, in the Caribbean and in Europe, violating human rights and unnerving the world with violence. Communist atrocities in Southeast Asia, Afghanistan and elsewhere continue to shock the free world as refugees escape to tell of their horror.

"The decade of so-called détente witnessed the most massive Soviet buildup of military power in history."

3. To combat the world-wide Communist conspiracy, the United States must regain the initiative and promote a new, dynamic global strategy with a clear and inspiring purpose. As long as our policy toward the Communist Empire is motivated by economic and military considerations alone, the Communist dictators have little to fear. The most effective weapon against the Communist dictatorships is the promotion of freedom of nations and individuals. It is this ideological weapon the Communists fear most. Such a policy would certainly shake the foundation of the Communist Slave Empire and lead to its downfall.

4. It is an undisputed fact that the best friends and allies of the free world are the oppressed nations in the Communist Colonial Empire who know the difference between liberty and slavery. A positive stand taken by the United States on their behalf would give these nations new hope of regaining their freedom and joining the community of free nations to secure permanent peace with justice on this planet. The American Government must reassure the Captive Nations that the United States has not, does not and never will recognize the Soviet Russian domination over Eastern Europe and other nations.

5. We pray that the President's realistic assessment of the world will be followed by deeds in order to bring Communist expansionism to a halt and the eventual liberation of enslaved people.

6. We salute the courageous stand of the Poles against tyranny and Soviet domination over Poland and support Solidarity's insistence that the Polish Nation has the right to solve her internal problems without Soviet Russian interference.

7. We salute the heroic struggle of Afghanistan freedom fighters against Soviet Russian aggression. The Afghanistan Nation offers the world an example that even the use of the most sophisticated weapons cannot destroy the will of the people to be free!●

HAPPY BIRTHDAY ESTELLE HOROWITZ

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Ms. OAKAR. Mr. Speaker, it is with much joy that I extend birthday wishes to Estelle Horowitz and Nathan Newman, who are celebrating their respective 80th and 70th birthdays on Sunday, August 8, 1982. It is a tribute to Estelle Horowitz to be able to celebrate this day with four generations attending the party. And what is more of a tribute on one's 70th birthday than to be given the gift of one's first grandchild. May your future be filled with as much happiness as you feel today. Happy Birthday.●

REAGANOMICS 1 YEAR LATER

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. LaFALCE. Mr. Speaker, exactly 1 year ago today, the House approved the conference report on the Economic Recovery Tax Act of 1981, putting firmly into place the final element of the Reagan economic program. It was the culmination of a tremendous sales job that took the President directly to the public with appeals to insist on his program. It was, he promised, "a carefully constructed plan to restore America's economic strength and put our Nation back on the road to prosperity." Now, a full year later, we can see more clearly the failure of that promise, which was both sincere and terribly in error.

Speaking to the Nation, the President said last year that "Our bipartisan coalition worked out a tax bill we thought would provide incentive and stimulate productivity, thus reducing

inflation and providing jobs for the unemployed." But what are the results of the Reagan program a full year later?

Instead of new jobs, we find American workers threatened by the loss of unemployment benefits. Many have seen the fruits of a lifetime of hard work evaporate as they try to provide for their families and wait for the economy to pick up again. Nationally, unemployment is up from 7.4 percent a year ago to over 9.5 percent, and the picture is bleaker yet in many parts of the country. In the Erie/Niagara Counties region of New York State, over 69,000 adults are out of work; in Niagara County the unemployment exceeded 13 percent in June, a rate far from the surge of investment in new machinery that we were promised would result from the 1981 tax bill, the news is full of factory closings and corporate retrenching. And why would any business manager invest in new capacity when existing capacity is used at only 70 percent? Industrial production is down nearly 10 percent from the already depressed levels of a year ago, hardly what we were led to expect when the President said last September that "this economic plan is as good as money in the bank."

We would have done better to put real money in the bank, to benefit from the sky-high interest rates which have continued all year. Interest rates have jeopardized the survival of thousands of small businesses and have helped to push business failures up to nearly twice normal levels. Many small businessmen had taken the President at his word, expecting the "predictability and certainty" he had promised when discussing the bill last July. What they got is a tightrope between interest rates on inventory and sagging consumer demand.

Mr. Speaker, I could go on much longer. The list of disappointments is almost as long as the list of promises made last year, when the President was selling his program. But the American people remember the promises and they know all too well the results. After a year, we can say that we have given the President's program a chance and it has failed. After a year, it is time to move on to something that will work, to a program based on realistic principles. After a year of empty promises, a year of dishonest economic assumptions, a year of increased suffering by the poorest of our people, and a year of growing disenchantment by America's silent majority, it is clear that the economic recovery program has failed and that its supply-side architects were wrong, wrong, wrong.●

MARTIN KORNREICH'S OBSERVATIONS OF CONDITIONS IN LEBANON

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an important article by Mr. Morton A. Kornreich of Harrison, N.Y., which recently appeared in the New Rochelle, N.Y., Standard Star. Mr. Kornreich is chairman of the 1983 United Jewish Appeal Federation campaign, and recently visited Israel and Lebanon on a 3-day factfinding mission sponsored by the UJA.

Mr. Kornreich's firsthand observations of conditions in Lebanon clearly dispel the exaggerated and inaccurate reports of civilian casualties caused by Israel's presence there. Mr. Kornreich witnessed the countless numbers of Lebanese civilians returning to their homes which had been taken from them by the PLO; prompt medical treatment which Israeli doctors have provided to Lebanese individuals; relief efforts sponsored by various Israeli institutions; and the great care the Israeli military has taken to avoid civilian casualties.

Mr. Kornreich notes in his essay:

Israel is all that I thought it was. I pray that it will persevere, that Lebanon will once again be united and at peace with its neighbor to the south, that I will live to see peace come to all of the Middle East.

I commend this important article to the attention of my colleagues:

FEARS RESOLVED AFTER ISRAEL TRIP

(By Morton A. Kornreich)

I have just returned from Lebanon and my seventh trip to Israel in the past 10 years. This time, I went there following a series of reports about the Jewish state that had troubled, irritated, confused and shaken me.

It was my hope that I could reconcile in my own mind the discrepancy between my impressions of Israel—what I had seen there for myself and knew to be true of the country and the people—and what I had been reading and hearing in the media since the June 6th push into southern Lebanon.

I was seeking peace of mind, answers to my questions, and a first-hand assessment of the human needs in Israel and Lebanon to share with members of all faiths.

The first stop in the itinerary was Chaim Sheba Medical Center at Tel Hashomer, just outside Tel Aviv.

There, in one ward, were two Israeli soldiers, three Lebanese children and two Lebanese adults. They were all receiving comparable treatment in the just-completed, fully operative burn center.

The center's patient population included 18 Lebanese children. Two of the children's parents were at their bedsides, brought there by Israel Defense Force personnel because, as one doctor explained, "We thought the children would respond better to treatment if family were close at hand."

On the second day of our trip, we flew to southern Lebanon. Then boarding Israeli buses, we drove north along the coastal highway toward Sidon, Damour, and Beirut.

The bulk of the destruction we saw on Lebanon's coastline had taken place before the Israeli invasion, the product of seven years of bitter fighting by Syrian and PLO forces. This was obvious because bushes, grass and weeds could be seen, now thick with growth, in areas that had been hit by rocket and artillery fire.

Immediately south of Sidon, we were taken to a cave built by the PLO, a third-of-a-mile deep into a mountain side. A supply depot for them, its contents included Russian-made arms, stored in crates which were marked, in English, "Tractor Parts."

Once in Sidon, we found that it was business as usual: Quiet and calm prevailed, store shelves were well-stocked with food, and the groves we passed on the surrounding farmlands were bearing fruits and vegetables. If anything, the atmosphere was one of normalcy. People were going to and from work, swimming at the beaches, and socializing in cafes, where we saw men doing nothing more strenuous than smoking their water pipes.

The damage to the city, while readily observable, has been contained, limited by the Israelis to those structures which were PLO sniper emplacements or known to be enemy storehouses for munitions.

I want to say, categorically that we saw no evidence of wanton destruction in Sidon. The damaged buildings that we did see were those that had been occupied by the PLO or were devastated by the PLO themselves.

Hospitals in Sidon are privately owned and care is available only to those who can afford it. To offset this policy, at a time when hospital facilities were in short supply, the Israeli Army provided the hospitals with hundreds of thousands of dollars in medical equipment and supplies for opening their doors to any and all local residents requiring treatment.

Sister Aida, from Caritas, a Catholic charity, told us that the children in Sidon had not been inoculated against polio. The Joint Distribution Committee—a major beneficiary of the United Jewish Appeal federation campaign—brought the vaccine in and established a program to inoculate some 60,000 youngsters.

The JDC also provided relief supplies to Lebanese authorities that included shipment after shipment of kitchen and eating utensils, blankets, baby food, powdered milk, baby clothes, and antibiotics, as well as kerosene for cooking stoves.

The officer in Sidon assigned to investigate possible cases of criminal acts by Israeli soldiers reported: "I have nothing to do. I'm on vacation. Problems of that sort just don't exist here." General Maimon, Israel's commanding officer for the area, suggested that we speak to Lebanese of our own choosing if we felt the need for corroboration.

General Maimon had a second suggestion: That we also speak to the women there if we wanted to learn what life was like for many of them under PLO rule.

Everywhere we went in Sidon, we were greeted by smiles and waves. When we spoke to the people—men, women and children—they exhibited no resentment, there was no fear in their eyes. They always walked toward us, not away.

Damour, approximately 12 miles north of Sidon and 12 miles south of Beirut, once a Maronite Christian town on the Mediterra-

nean, has been a ghost town since the PLO bloodbath there in 1976.

In east Beirut, there is little indication that a war is being fought nearby or that the western sector of the city in encircled by Israeli troops. Here, we learned from Israel's General Yair that his soldiers are under strict orders not to initiate firing and to use their weapons only when targets are identifiable. He added, almost parenthetically, that this has accounted for untold numbers of Israeli dead and wounded.

Throughout the trip I saw traffic jams, with families crowded into cars and trucks, a lifetime of possessions piled high, heading south, away from the PLO, returning to homes that had been taken from them by the PLO.

I recall, too, conversations I had with young and not-so-young Israeli troops—a lumberman, doctors, teachers and taxi drivers—who didn't want to be known as killers, who, in searching their souls, felt that what they were doing was all they could do if ever there was to be peace in the Middle East.

The doubts, the uncertanties, the misgivings that prompted me to go to Israel and Lebanon have been resolved to my satisfaction. Israel is all that I thought it was. I pray that it will persevere, that Lebanon will once again be united and at peace with its neighbor to the south, that I will live to see peace come to all of the Middle East.●

TIME TO REASSESS

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. HEFTEL. Mr. Speaker, I join with my distinguished colleagues in expressing deep concern over the disappointing results of the Reagan administration's economic program. In spite of continued promises, assurances, and excuses from administration officials, the President's budget and tax policies have not yet begun to work. After a full year, our economy remains mired in a deep recession, and the human toll behind the grim statistics continues to mount.

Across the country the story is the same, and my State, Hawaii, is certainly no exeception. During the past year, the jobless rate in Hawaii has climbed steadily, and in June it reached 7.7 percent, its highest level in several years. Unemployment on one of our islands is now nearly 12 percent. Our sugar and pineapple industries are battling for survival. Our housing industry has been nearly demolished by the record high interest rates. Times are tough.

Mr. Speaker, in the wake of the apparent shortcomings of Reaganomics, it is incumbent upon all of us—Democrats and Republicans—to rethink and revise our economic policies. If we have learned only one thing over the past year, it is that simplistic notions and exotic theories will not solve our Nation's serious economic problems. Instead, it will take hard work, pragmatism, and a willingness to make tough, unpopular decisions. It will take honesty and realism—not gimmick or platitudes. I respectfully urge the President to join with Congress in reassessing the viability of his economic program.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, August 5, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 6

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Joint Economic
To hold hearings on the employment/unemployment situation for July.
2128 Rayburn Building

10:00 a.m.
Foreign Relations
African Affairs Subcommittee
To hold hearings on proposed food production in Africa.
4221 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To resume hearings on the constitutional and strategic implications of Senate Joint Resolution 212, calling on the United States to seek deep reductions in strategic offensive arms in the proposed START talks (pending on Senate Calendar).
2228 Dirksen Building

Conferees
Closed, on S. 2248, authorizing funds for fiscal year 1983 and supplemental funds for fiscal year ending September 30, 1982, for military procurement programs of the Department of Defense.
S-407, Capitol

AUGUST 10

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on the proposed extension to July 3, 1983 of the President's authority to waive the application of the freedom of emigration provision of the Trade Act of 1974 (Public Law 93-618).
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume consideration of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To hold hearings to review proposed regulations implementing part B (assistance for education for all handicapped children), of the Education for All Handicapped Children Act (Public Law 94-142).
4232 Dirksen Building

11:00 a.m.
Foreign Relations
Business meeting, to consider the Convention for Conservation of Salmon in the North Atlantic (Treaty Doc. 97-25), International Conventional on Tonnage Measurement of Ships (Ex. N, 92d Congress, second sess.), Constitution of the United Nations Industrial Development Organization (Treaty Doc. 97-19), H.R. 6409, providing for U.S. participation in the 1984 Louisiana World Exposition to be held in New Orleans, and S. 1482, revising certain provisions regulating Federal involvement in international expositions to implement the procedure for determining whether Federal participation in an international exposition should include construction of a Federal pavilion and whether such pavilion should be permanent or temporary.
4221 Dirksen Building

2:00 p.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on highway revenue and cost allocation issues.
4200 Dirksen Building

AUGUST 11

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Office of Technology Assessment
The Board, to meet on pending business items.
EF-100, Capitol

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1983 for the U.S. Commission on Civil Rights.
5110 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 2634, providing for integration of handicapped persons employed in work activity centers and sheltered workshops.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on S. 2348, providing the Department of Agriculture with greater flexibility in its inspection procedures at food processing plants.
324 Russell Building

Environment and Public Works
Business meeting, to continue consideration of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To resume hearings to review the U.S. Attorney General's guidelines on domestic security investigations (Levi guidelines).
2228 Dirksen Building

10:30 a.m.
Foreign Relations
Closed briefing on the degree of Soviet economic dependence on the West (U.S.) and Soviet policy alternatives to use of Western (U.S.) leverage.
S-116, Capitol

2:00 p.m.
Agriculture, Nutrition, and Foresty
Agricultural Research and General Legislation Subcommittee
To continue hearings on S. 2348, providing the Department of Agriculture with greater flexibility in its inspection procedures at food processing plants.
324 Russell Building

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on H.R. 5161, designating certain lands in the Monongahela National Forest, W. Va., as wilderness.
3110 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

AUGUST 12

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on S. 2792, establishing an ocean and coastal development impact assistance fund to provide block grants to certain States to facilitate and prepare for ocean and coastal development.
235 Russell Building

Finance
To hear and consider the nominations of Mary Ann Cohen, of California, Lapsley W. Hamblen, Jr., of Virginia, and James H. Stamper, of Missouri, each to be a Judge of the U.S. Tax Court.
2221 Dirksen Building

Judiciary
Regulatory Reform Subcommittee
To hold joint hearings with the Committee on Small Business Subcommittee on Government Regulation and Paperwork on the implementation of the Regulatory Flexibility Act (Public Law 96-354), and S. 2170, requiring a Federal agency to prepare a regulatory flexibility analysis whenever the agency publishes a general notice of proposed rulemaking or a final rule.
2228 Dirksen Building

Small Business
Government Regulation and Paperwork Subcommittee
To hold joint hearings with the Committee on the Judiciary's Subcommittee on Regulatory Reform on the implementation of the Regulatory Flexibility Act (Public law 96-354), and S. 2170, requiring a Federal agency to prepare a regulatory flexibility analysis whenever the agency publishes a general notice of proposed rulemaking or a final rule.
2228 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the Student Loan Marketing Association (Sallie Mae).
4232 Dirksen Building

Select on Intelligence
Closed business meeting, to discuss general intelligence matters.
6202 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 2186, providing for the Secretary of the Interior to acquire from the State of Indiana certain lands by exchange at the Indiana Dunes National Lakeshore, and S. 2710, establishing a wilderness area in the Hoosier National Forest area, Indiana.
3110 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To continue hearings to review the U.S. Attorney General's guidelines on domestic security investigations (Levi Guidelines).
2228 Dirksen Building

AUGUST 13

9:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

10:00 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings to review proposed regulations implementing part B (Assistance for Education for All Handicapped Children), of the Education for All Handicapped Children Act (Public Law 94-142).
4232 Dirksen Building

AUGUST 17

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 2562, transferring certain activities of the Department of Energy to the Department of Commerce.
3302 Dirksen Building

AUGUST 18

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 2617, abolishing mandatory retirement and other forms of age discrimination in employment.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To resume hearings on highway revenue and cost allocation issues.
4200 Dirksen Building

Governmental Affairs
To continue hearings on S. 2562, transferring certain activities of the Department of Energy to the Department of Commerce.
3302 Dirksen Building

Judiciary
To resume hearings on Senate Joint Resolution 199; proposing a constitutional amendment providing for voluntary prayer in public schools and certain institutions.
2228 Dirksen Building

Select on Intelligence
Closed briefing on intelligence matters.
224 Russell Building

2:00 p.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 2118, designating certain lands in Wyoming as wilderness.
3110 Dirksen Building

AUGUST 19

9:30 a.m.
Labor and Human Resources
To resume consideration of proposed legislation establishing a program to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Governmental Affairs
To hold hearings on S. 2629, proposed Budget Reform Act, establishing a 2-year Federal budget cycle.
3302 Dirksen Building

AUGUST 24

9:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on S. 2190, providing for the recruitment and training of volunteers in Federal agencies.
3302 Dirksen Building

AUGUST 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

SEPTEMBER 14

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Federal Mine Safety and Health Act of 1977.
4232 Dirksen Building

SEPTEMBER 16

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

SEPTEMBER 17

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

SEPTEMBER 21

10:30 a.m.
Veterans' Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

AUGUST 5

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to continue consideration of proposed legislation to assist the thrift industry by providing net worth assistance to savings institutions and additional flexibility to their Federal regulatory agencies.
5302 Dirksen Building

Finance
To hold oversight hearings to examine the social security disability insurance program.
2221 Dirksen Building

AUGUST 11

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 1652, restoring certain lands in Arizona to the Colorado River Indian Reservation to be held in trust by the United States, S. 2418, permitting the Twenty-nine Palms Band of Luisena Mission Indians to lease certain trust lands for 99 years, S. 1799 and H.R. 4364, bills providing for the transfer of certain land in Pima County, Arizona to the Pascua Yaqui Indian Tribe, and the substance of H.R. 5916, providing for certain Federal lands to be held in trust for the Ramah Band of the Navajo Indian Tribe.
6226 Dirksen Building

SENATE—*Monday, August 5, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Father God, from whom derives all authority, receive our gratitude for the leadership of the Senate. Thank Thee for the leaders of the majority and the minority, for their integrity, their strength, their wisdom, their gentleness, and their skill. As pressures mount over the relentless, unforgiving march of time, give to Thy servants a special dispensation of grace and patience. Brace them against the tensions of controversy, personalities, and demands. Bless their families and keep them in Thy love and care.

As we pray for them, we pray for the Sergeant at Arms, the Secretary of the Senate, and their associates and the leadership of the cloakrooms. Thank Thee for their commitment to heavy responsibility, their resiliency under pressure, and their indispensable skill in implementing Senate business. We pray in the name of Him for whom leadership meant service. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEADERSHIP THANKS TO THE CHAPLAIN FOR HIS PRAYER

Mr. STEVENS. Mr. President, I thank the Chaplain on behalf of all the leadership and the staff of the Senate for remembering the work of the Senate in his prayers.

RECESS UNTIL 9:35 A.M.

Mr. STEVENS. Mr. President, there has been a delay. We intended to go immediately to the Metzenbaum amendment, but there are negotiations off the floor, and I ask unanimous consent that the Senate stand in recess until the hour of 9:35 a.m. and that the time, the half hour, to be consumed therein be charged against the bill.

There being no objection, the Senate, at 9:02 a.m. recessed until 9:35 a.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. GRASSLEY).

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

OMNIBUS RECONCILIATION ACT OF 1982

The PRESIDING OFFICER. The clerk will state the pending business.

The bill clerk read as follows:

A bill (S. 2774) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the budget for fiscal year 1983.

The Senate resumed consideration of the bill.

Mr. DOMENICI. Mr. President, it is my understanding that the distinguished Senator from Maine (Mr. MITCHELL) has an amendment that pertains to veterans, and it will be called up now; and that Senator METZENBAUM's amendment will follow it. In no event will the Metzenbaum amendment be called up later than 11 a.m.

Mr. METZENBAUM. Mr. President, I am in full accord with that statement. It is in the exact manner in which I discussed it with the Senator from New Mexico. I have no objection.

Mr. DOMENICI. Does the Senator from Maine intend to have a rollcall vote?

Mr. MITCHELL. Yes.

Mr. DOMENICI. We are not going to use a lot of time. Senator SIMPSON is expected shortly. Should the rollcall vote go somewhat beyond 11 a.m., it would be our goal that the Senator from Ohio bring his amendment up immediately following the vote.

Mr. METZENBAUM. I have no problem if we need 10 or 15 minutes. I just do not want to be delayed so it goes on into the session of the afternoon. So I will be cooperative for a conditional additional 10 or 15 minutes. I certainly will not object to that unanimous consent.

Mr. MITCHELL. If the Senator will yield, I suspect it will take much less than an hour.

Mr. DOMENICI. Mr. President, I think it is understood that by agreeing to call up the Metzenbaum amendment we are not waiving any provisions of the Budget Act with reference to objections we might have thereto. Nothing is waived.

Mr. METZENBAUM. I thought that my friend from New Mexico would be kind enough to waive it and accept it. But knowing he is so perspicacious in his activities I guess I understand that he is not waiving any of his rights.

Mr. DOMENICI. Do not be misled by the Senator's kind remarks. It has not changed me a bit.

UP AMENDMENT NO. 1181

(Purpose: To strike out the section relating to the user fee for loans guaranteed, insured, or made by the Veterans' Administration)

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Maine (Mr. MITCHELL) for himself, Mr. ROBERT C. BYRD, Mr. RANDOLPH, Mr. KENNEDY, and Mr. DECONCINI proposes an unprinted amendment numbered 1181.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 99, strike out line 3 and all that follows on such page.

Mr. MITCHELL. Mr. President, the amendment I offer today would strike section 706 of S. 2774, the Omnibus Reconciliation Act of 1982, thereby eliminating the proposed user fee on the Veterans' Administration home loan guaranty program.

I am pleased to add Senators ROBERT C. BYRD, RANDOLPH, KENNEDY, and DECONCINI as original cosponsors of my amendment.

When the President submitted his budget to Congress in February, he proposed the establishment of a user fee on the VA home loan guaranty program. I could not support the proposal then; I cannot support it now. I

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

believe the imposition of a user fee on the VA loan guaranty program represents bad policy; it is unwise, and it is unnecessary.

The first concurrent budget resolution, passed by the Senate in May, contained reconciliation instructions mandating the Veterans' Affairs Committee, on which I serve, to achieve entitlement savings of $77 million in fiscal year 1983 and $155 million in savings in each of fiscal years 1984 and 1985. On July 15, the Veterans' Affairs Committee met to consider various ways to achieve these savings.

During the committee's markup, I supported an amendment offered by the ranking member of the committee, Senator CRANSTON, to strike the user fee provision in fiscal year 1983. Unfortunately, that amendment failed by a narrow vote of 5 to 7. In addition, I voted against the committee's final recommendations because they contained the user fee.

Congress first established the VA home loan guaranty program back in 1940. Since that time the VA has assisted millions of veterans or their surviving spouses in purchasing a new home. In establishing the program, Congress realized that while men and women were in the service they simply could not accumulate sufficient savings to make a downpayment on a new home. As a result, Congress created the home loan program to allow veterans to purchase a home with little, or no, downpayment.

I am pleased that the committee at least chose to exempt veterans with service-connected disabilities from the imposition of this user fee. I am, however, opposed to the user fee on the VA home loan guaranty program for three reasons.

First, and most importantly, I believe the imposition of a user fee on the VA home loan guaranty program sets a dangerous precedent of charging veterans for benefits they have in fact earned. If Congress establishes a user fee on the loan guaranty program as a means of raising revenue this year, there is nothing to prevent a future Congress from imposing user fees on other veterans' benefits in future years.

I fear that if this user fee is imposed it will be only a matter of time before Congress imposes a user fee on veterans' health-care benefits. I am fundamentally opposed to charging those who have served our Nation, especially those who served in time of crisis and war, for benefits which were promised by their Nation and which they rightly deserve.

There are those who would argue that the administration would never suggest, and Congress surely would never approve, a user fee on veterans' health-care benefits. After all, caring for our Nation's veterans is the primary function of the VA.

Well, if that is true, why then did this administration request $500,000 in its fiscal year 1983 budget to study the feasibility of imposing a user fee on VA health care for certain veterans?

The pattern is clear. The precedent is being established by this user fee on the home loan guarantee program. Proposals will be made to impose charges on veterans for all of the services and all of the benefits they now receive.

The imposition of user fee on the VA home loan guaranty program sets what I believe to be an unwise precedent and ought to be rejected on this basis alone.

Second, the revenues this user fee would generate are not necessary to meet the committee's reconciliation instructions in fiscal year 1983. As mentioned earlier, the Veterans' Affairs Committee is mandated by law to achieve $77 million in legislative savings in fiscal year 1983. The committee's proposals, as contained in this bill, would achieve overall savings in fiscal year 1983 of $168.1 million in budget authority. This includes $78.5 million in entitlement savings and $89.6 million in increased revenues generated by the user fee. Thus, the committee has recommended $91.1 million in savings over and above the level it is mandated to achieve under reconciliation.

It will be argued that, although the reconciliation instructions do not mandate the imposition of a user fee in fiscal year 1983, the first concurrent budget resolution assumes one will be imposed. The fact is, however, that the only level of savings this, or any other committee, is required by law to achieve is that level mandated under reconciliation.

Third, I am opposed to the imposition of a user fee because of the effect it will have on the already depressed housing industry. The user fee will cost an average of $285 per loan. While this will not place an onerous burden on those veterans seeking a guaranteed loan, it will send a clear signal to the housing industry that Congress plans to make it that much more difficult for Americans, particularly veterans, to purchase a new home.

Under current law, the VA may guarantee up to $27,500 of a veteran's total loan. In 1981, the VA guaranteed 178,239 home loans. While this is a significant number, it is 38 percent less than the number of loans guaranteed in 1980. This decrease is due primarily to the depressed state of the housing industry. That industry is not in a recession, it is in a very deep depression. Imposition of a VA home loan user fee will simply make a bad situation that much worse.

In conclusion, I would like to reiterate my strong opposition to the imposition of a user fee on the VA home loan guaranty program. I believe such a user fee represents bad public policy and is not in the long-term interest of our Nation's veterans or of our Nation. We are increasingly paying for the defense of the future by taking away from those who provided for the defense of the Nation in the past. I believe that our veterans' programs ought to be considered as an integral part of our national defense because if the United States of America cannot meet its obligations to those who served this Nation in times of crisis in the past, it will not be able to summon those necessary to serve the Nation in time of crisis in the future.

We have a national obligation to honor those who serve, whose lives were disrupted, and in many cases who were killed in action, who were injured physically or mentally damaged, and now we are saying that "What we told you we would do if you served your Nation we are going to take away."

It is wrong, it is unfair. It breaks a national commitment to those who have served their Nation.

I urge my colleagues to support this amendment and show their support for those veterans of our Nation who have served this Nation well in the past.

Mr. President, this amendment has the strong support of the American Legion. I ask unanimous consent that a letter of support for my amendment from the legislative director of the American Legion be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
1608 K STREET NW.,
Washington, D.C., August 5, 1982.

Hon. GEORGE MITCHELL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MITCHELL: The American Legion agrees with the intent of your proposal to remove the imposition of VA home loan user fees from the list of recommended ways to reduce the federal deficit over the next three fiscal years.

The recommended imposition of such fees causes us concern for two reasons. First, we do not believe that additional revenues generated by user fees are required by FY 1983 reconciliation instructions included in the first budget resolution. In our opinion, total savings associated with legislative changes proposed by the Senate Veterans Affairs Committee are sufficient to fully comply with the reconciliation mandate. Second, we believe that the imposition of user fees would establish a potentially dangerous precedent by requiring veterans to pay for benefits designed to be gratuitous.

Senator, we appreciate your interest in this matter and your willingness to initiate debate on user fees during full Senate deliberations on the Omnibus Reconciliation Act.

Sincerely,

E. PHILIP RIGGIN,
Director, National Legislative Commission.

The PRESIDING OFFICER (Mr. RUDMAN). Has the Senator from Maine yielded the floor?

Mr. MITCHELL. I do.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I will just state to the Senate that the chairman of the Veterans' Affairs Committee, Senator SIMPSON, is en route. He will not be long. He desires to be heard in opposition to the amendment.

I would like to take just a few moments to discuss this matter.

The Senate should know that this amendment deletes a provision in the reconciliation bill to impose a one-half of 1-percent loan origination fee on housing loans guaranteed by the Veterans' Administration. The total cost over 3 years would be $293.5 million in both budget authority and outlays.

The Veterans' Affairs Committee did not have a very large amount to save under reconciliation. However, if this provision is deleted, $293.5 million over the next 3 years in both budget authority and outlays will not be credited toward their reconciliation instruction. The committee will fail to meet its reconciliation mandate in fiscal year 1984 and fiscal year 1985.

But this in itself is not justification for defeating the Mitchell amendment. The proposal to achieve these reconciliation savings is reasonable. Both the House and the Senate Veterans' Affairs Committees have included the President's proposed VA housing loan origination fee in their reconciliation packages. It is not just the Senate, but both committees that recommend enactment of this proposal. I might note that the House imposes the fee for fiscal years 1983 through 1985 whereas the Senate has no sunset or termination date. However, both committees clearly recognize that the President's recommendation is reasonable as is evidenced by its adoption. As a matter of fact, the House passed this proposal as part of H.R. 6782, the Veterans' Disability Compensation and Survivors' Benefits Amendments, on July 27.

The Veterans' Administration guarantees up to $27,500 for a mortgage as a substitute for substantial downpayments usually required by mortgage lenders. The average housing loan guaranteed by the VA is about $57,000. Based on this average guarantee, the amount of the fee would be about $285. This is a modest charge for a substantial benefit.

Under the bill, the fee can be paid at settlement on a home or it can be financed as part of a loan principal. Service-connected disabled veterans are exempted from paying the fee. I do not see how this fee will impose a hardship on veterans.

The imposition of the VA housing loan fee should not impact on the attractiveness of VA loans, nor on the opportunities that veterans have to take advantage of this assistance. VA housing loans are generally provided without requiring a downpayment and are provided at interest rates below the prevailing market rate. The proposed fee would be 2 to 4 percentage points below that normally required for conventional housing loans. A fee of 1 percent is commonly charged for FHA loans. For example, on a $57,000 loan, the VA fee could be $285, the FHA fee $570, and a conventional mortgage at 2 percentage points, $1,140. The VA has guaranteed over 11 million housing loans for veterans, with an estimated value of $200 billion since the 1940's.

The Senate Veterans' Affairs Committee achieves 1983 savings sufficient to meet its reconciliation instructions without enactment of the VA fee. With the adoption of the Mitchell amendment, however, the committee would fail to meet its 1984 savings by $62.7 million in budget authority and $63.0 million in outlays and its 1985 savings by $57.1 million in budget authority and $57.5 million in outlays.

The committee included the proposal to avoid steeper cuts in higher priority benefits for veterans. Adoption of this proposal will also achieve savings to assist the Veterans' Affairs Committee in meeting the budget targets established in the first budget resolution.

Mr. President, I understand that the distinguished chairman of the Veterans' Affairs Committee has arrived. I wonder if he would be prepared to respond to the Mitchell amendment.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank the chairman of the Budget Committee. I would respond briefly.

Mr. DOMENICI. Might I ask the Senator how much time would the Senator need?

Mr. SIMPSON. I believe 6 minutes.

Mr. DOMENICI. Mr. President, I yield 6 minutes to the distinguished chairman of the Veterans' Affairs Committee.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I do oppose the amendment offered by the very capable Senator from Maine who serves with me on the Veterans' Affairs Committee. He has been a fine participating member of the committee and certainly has been a productive participant in debate during his tenure on the committee and I appreciate it.

But this amendment would totally disrupt what we are trying to do with regard to our sometimes anguishing task of doing anything with the Veterans' Administration budget.

It is not fun to make any reductions at all with regard to veterans' benefits. That is what makes the task of the chairman of the Veterans' Affairs Committee such a grisly one. But regardless of that fact I have been graced with it and stagger forward under the appropriate load.

It is very popular to offer amendments like this. It is very unpopular to do anything to take away a single shred of benefits from veterans. And yet we have some serious problems that will confront us in the future with regard to issues concerning eligibility for various veterans' benefits and services.

I have discussed this before. We see a person who served for 6 months in the armed services, never left the United States, never participated in any form of armed activity, other than training, drawing every single benefit that this country can confer on its combat veterans. That is an extraordinary thing.

We see people who come into the health care system who will be entitled to all of the benefits of the health care system regardless of their income or their net worth. We need to take a close look at that. And that is not the most delightful way to proceed, again, as a Member of this body, I can assure you. But that is what we are going to do and that is what we do involve ourselves in.

This amendment, however, would delete from the reconciliation bill the entire section which would establish a one-half of 1 percent user fee on VA loan programs.

It is clearly going to violate the mandatory reconciliation instructions that are set forth in section 2(b)(7) of Senate Concurrent Resolution 92 as approved by both Houses of Congress on June 22. Under that provision, the Senate Veterans' Affairs Committee was instructed to make changes in laws within its jurisdiction sufficient to reduce both budget authority and outlays by $77 million in fiscal year 1983 and by $155 million in fiscal years 1984 and 1985. This amendment would cause the spending reductions approved by the Veterans' Affairs Committee to fall below those mandated by $63 million in fiscal year 1984 and $57 million in fiscal year 1985.

In addition, it will have the effect of thoroughly disregarding the assumption, reflected in the functional totals for veterans benefits and services contained in the budget resolution that a

loan user fee provision would be enacted resulting in savings above and beyond the amount of entitlement savings mandated through reconciliation.

Title 7 of the bill reflects the committee's sincere and conscientious effort, I think, to honor that assumption and to avoid raising any real obstacle to the accomplishment of the functional totals set forth in the budget resolution.

As for the merits of the amendment, let us bear in mind exactly what is at issue here. The average fee imposed upon each individual home buyer under this section is approximately $285. It could either be paid in cash at the time of settlement, or it could be financed as part of the principal of the loan. And, most importantly, no fee under the present proposal will be imposed on veterans with service-connected disabilities.

I think it is also most important to look at this fee in relation to the benefit that is conferred upon each individual veteran. What you have here is a VA guaranteed home loan that is backed up by the Government's guarantee. It completely takes the place of the need for a down payment to protect the lender's position.

Thus, in the average case, a veteran obtaining a $57,000 mortgage would be spared the need to make a 20-percent—or $11,000—downpayment. The mortgage would likely be for a longer term and at a lower interest rate than is available through any kind of conventional mortgage transaction. And if the loan were one of those to later go into default—and some 3.7 percent of those do go into foreclosure—then the VA is going to stand ready to make good any loss sustained by the lender, up to the amount of the guarantee, and in most cases even to accept title to the property for later disposition.

So over the years the VA, as the chairman of the Budget Committee has said, has guaranteed more than 11 million loans to veterans and active duty personnel at a total face value of approximately $200 billion. Yet, at present, there is no fee charged in connection with those loans comparable to the fee, which usually is 3 to 4 percent on the total amount of the loan, applicable to conventional mortgages.

For all of these reasons, I think a fee of one-half of 1 percent should properly be regarded as a modest and not unreasonable charge for a program that often makes all the difference in the world in permitting a veteran to purchase a home even though he or she may not have the resources to qualify for a conventional loan. I would also note that this provision is derived from an administration proposal made in February of this year.

Mr. President, in concluding for those reasons stated—and because the deletion of this provision would mean a simple noncompliance with reconciliation—I would certainly join with the chairman of the Budget Committee and strongly urge that the present amendment be rejected.

The PRESIDING OFFICER. Who yields time?

The Senator from Maine.

Mr. MITCHELL. Mr. President, I want to respond briefly to just two arguments that have been made in opposition to this amendment. The distinguished chairman of the Budget Committee argued that this fee is not onerous, that it is not a large fee, that it will not cost veterans too much, and, therefore, it ought to be approved.

Then the distinguished chairman of the Veterans' Committee, my chairman, whom I hold in great esteem, and who is doing an outstanding job in that position, argues that it is not bad because we are exempting service-connected disabled veterans from the fee.

That raises a question: If the fee is not onerous on anybody, why exempt veterans who have service-connected disabilities?

The answer is obvious. They are the veterans who attract the greatest amount of sympathy, so it is an effort to remove them from the argument. But the fact of the matter is, of course, although we have a very great obligation to veterans with service-connected disabilities, this amendment deals with housing, the availability of a home for an American veteran.

If two men enter service, go through combat, and one is injured and becomes a service-connected disabled veteran and the other is not, are they not both entitled to the same opportunity to purchase a home?

Can they not both participate to the same extent in the American dream of having a home, which is now increasingly difficult for all Americans not veterans? The exemption of the service-connected disabled veterans from this fee makes the case for the amendment, rather than to the contrary. I think we have heard not an argument against the amendment but an argument for the amendment. Everyone wants to have the opprtunity to own their own home. That and a decent education are the principal elements of the American dream. Why ought not veterans, even though they may not have a service-connected disability, especially those who served in combat, have the same opportunity?

I think, Mr. President, this amendment makes a great deal of sense. It ought to be approved.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. MITCHELL. I yield.

Mr. DOMENICI. Is the distinguished Senator telling the Senate that disabled veterans ought to have the same pension as nondisabled veterans? Is there no difference between the two? Or vice versa?

Mr. MITCHELL. There is a great difference. There is no difference with respect to the desire of all veterans to have a home and all veterans to have equal access to financing. That is the point I am making. I think there is obviously a clear difference with respect to other benefits, and the law recognizes it in the form of other means of compensation.

Mr. DOMENICI. I thank the Senator.

Mr. SIMPSON. Mr. President, may I very briefly respond to those final arguments of my colleague from Maine?

Indeed, the service-connected disabled veteran has always received a preference with respect to veterans' benefits. There is nothing strange about that at all. That will always continue. But I do think it is not helpful now to get into the issues of sympathy with regard to veterans and whether they are non-service-connected or service-connected. This country has always responded to its veteran population in a most extraordinary way.

Let us try not to lose sight of the mission of the VA. The mission of the VA is to care for those who bore the battle and their widows and orphans. Yet, over the years we have added incrementally group after group, preference after preference, until finally, just as an example, in the VA hospital system, which is the most extraordinary direct health care system in the world, some 70 percent of the persons in its beds are non-service-connected disabled. That was never the intent. I do note that outpatient care has about switched the other way, 70 percent service-connected disabled. Those are things we continually spend time looking at. All veterans who are eligible under current law, whether service or non-service-connected, are going to continue to be able to purchase homes under section 706 of this bill. There is no question about that. One will receive, in effect, a benefit of about $285 a year and the other will not, but they will both get every other single advantage of these valuable VA loan programs.

Mr. President, I say to you that the entire VA health care system, the entire VA pension system, the entire VA disability compensation system depends on one thing: A distinction between the service-connected disabled and the non-service-connected disabled.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes.

Mr. President, I commend the distinguished chairman of the Veterans' Affairs Committee. I think all veterans

in the United States are indebted to him and to the majority on the committee that support him. When you look at this reconciliation bill and at the bill that came out of the Finance Committee, which included medicare, medicaid, and AFDC changes, we can hold our heads high because the chairmen and their committees have met the reconciliation mandate. The Veterans' Affairs Committee achieved their reconciliation savings while compensation and pension benefits were held intact with no significant changes. Veterans who receive compensation and pension benefits will receive a full cost-of-living increase this year. In addition, funding VA hospital and medical care is increased. In all, the fiscal year 1983 budget provides $25 billion for veterans benefits and services.

The enactment of the loan origination fee of an average $285 is not going to dash the American dream of buying and owning a home. Unless, and until, we get interest rates down below 15.5 percent for veterans and all Americans who want homes to buy, we are not going to have homes for any of them. High interest rates and a weak economy inhibit the American dream of home ownership. Everyone has to do a little bit to get budget deficits and interest rates down. For anyone to suggest that a $285 average fee will penalize veterans and make it more difficult for them to buy and own a home when mortgage lenders originate conventional loans for $1,000 or more, is just not looking at the facts.

I, for one, hope the Senate supports the Veterans' Affairs Committee. The committee has done an admirable job in reaching its reconciliation instruction, and in this Senator's opinion, is doing its best to maintain the comprehensive benefit and medical care system we have in place for our Nation's veterans.

I will close by saying that I think veterans are average Americans. They run small businesses or own their own farms. Some have good jobs while some are unemployed. All Americans want high interest rates to come down and a strong economy so they can participate in the American dream of growth and prosperity. The Veterans' Affairs Committee did its share by achieving modest savings in veterans programs; it is the will of the Congress that we not diminish the full range of benefits and services provided for our veterans. To say that this one proposal in some way makes out treatment of veterans unfair just does not hold water. I hope the Senate will support the distinguished Senator from Wyoming.

Mr. President, unless the Senator from Maine has additional remarks, we are prepared to vote.

Mr. MITCHELL. I shall be very brief, Mr. President, responding to the comments just made. First, as I make clear in my statement, the imposition of the amount of this fee is not the only issue. It is the precedent it sets, a dangerous and unwise precedent of charging veterans for their services. Included in the administration's budget this year is $500,000 to study the feasibility of imposing service charges on veterans for health care services. This is the first step in a broad range of user fees on veterans for their services. That is in issue here.

Second, we all share the hope that interest rates will come down. All I am saying is that this is not going to do it, and this is not the place to be trying to do it. I wish colleagues would think about the billions of dollars we are spending in other areas that have the effect of increasing the deficit—things like the absolutely colossal waste of money for the B-1 bomber—billions and billions of dollars to buy weapons for the future and we are going to take it out of veterans to finance that. We ought to pay a little more attention to those kinds of expenditures if we really are serious about bringing down interest rates.

In conclusion, Mr. President, I believe that this is unfair to verterans, who, for 42 years, have had a home loan guarantee program available to them without a user fee. I think it is a mistake to impose it now for all the reasons I suggest.

Mr. President, I am prepared to yield back the rest of my time and proceed to a vote.

● Mr. DECONCINI. Mr. President, I am pleased to be an original cosponsor of Senator MITCHELL's amendment to strike the user fee for VA guaranteed home loans contained in the pending measure. I opposed this proposal when it was considered by the Senate Veterans' Affairs Committee last month and continue to object to its inclusion in the reconciliation bill. I do so for a number of reasons.

First and foremost, the imposition of a user fee on VA home loan guarantees is unnecessary to meet the Senate Veterans' Affairs Committee's fiscal year 1983 reconciliation instructions. Under those instructions the committee was mandated to achieve $77 million in entitlement savings for fiscal year 1983, and $155 million in savings for fiscal year 1984 and fiscal year 1985. Inclusion of the users fee provision for fiscal year 1983 results in savings of $168.1 budget authority and $166.9 million in outlays, or $90 million in excess of the savings required under reconciliation purposes. Savings of this magnitude beyond those required pursuant to the committee's reconciliation instructions are unwise, unwarranted and unnecessary.

Second, Mr. President, I am opposed to the user fee proposal on general principles. The VA home loan guaranty program is probably the best known of all benefits available to veterans. Since the program's inception in June 1944, more than 10,875,000 loans have been approved by the VA, totaling more than $195 billion. The program has made the difference in the ability of millions of American veterans to purchase a home. This program, in my view, should remain sacrosanct. The vast majority of American veterans are totally unfamiliar with, or, at best, totally confused by the reconciliation process. They will not understand the rationale behind the imposition of a user fee for VA guaranteed home loans after almost 40 years. What they will understand, however, is that their Government has once again violated a promise by tampering with one of their most cherished benefits.

Additionally, I would like to underscore the fact that the group which will be most affected by the user fee proposal is the Vietnam-era veteran. How can this body support a proposal—a totally unnecessary proposal—which may hinder our Vietnam veteran's ability to fulfill the American dream of becoming a homeowner? It will be the Vietnam veterans, once again, who are being asked to share a disproportionate share of this burden. They have sacrificed enough. Let us not ask them to sacrifice more.

Finally, Mr. President, imposition of a user fee on VA guaranteed home loans may further exacerbate the critical situation which currently exists in the housing market. The industry is in the most severe depression since World War II. For 10 consecutive months housing starts have fallen below 1 million units. In all of 1981, only 1.1 million units were started, down more than 45 percent from the 2 million units started annually in 1977 and 1978. Further, the National Association of Home Builders predicts that housing starts in 1982 will fall below the 1981 level, making it the worst year for the housing industry in modern history. One thing the homebuilding industry does not need is another obstacle to economic recovery.

For all the above reasons, I urge my colleagues to support this amendment.●

Mr. MATSUNAGA. Mr. President, as a member of the Senate Veterans' Affairs Committee, I rise in strong support of the amendment offered by my committee colleague, the distinguished Senator from Maine (Mr. MITCHELL) which would strike from this budget reconciliation measure cost savings associated with the imposition of a user fee on VA guaranteed home loans available to our Nation's veterans.

Mr. President, let me first reiterate what was said about this user fee proposal in our minority views which accompanied the Veterans' Affairs Committee report on cost savings legislation. We simply do not need the $89.6

million cost savings associated with this proposal in fiscal year 1983. The Veterans' Affairs Committee was instructed in the first concurrent budget resolution to achieve a total of $77 million in cost savings in fiscal year 1983, and we could have achieved that goal without—I repeat—without imposing this new user fee on veterans' home loans. As it stands now, the cost savings recommended by the committee in fiscal year 1983 is $90 million in excess of the savings we were required to make—the $90 million being the revenues anticipated from the home loan user fee.

Mr. President, the Democratic members of the Veterans' Affairs Committee, as noted in our minority views, found no justification for enacting the user fee and its cost savings for fiscal year 1983. We were able to meet our obligations pursuant to our reconciliation instructions and we see no reason to go any further than that. During the committee's markup on our reconciliation package, our amendment to strike the user fee was defeated.

Now, there are those that will argue that without the revenues associated with the user fee the Veterans' Affairs Committee will not have achieved its cost savings obligations in the out-years. While this is true, I believe that the committee should consider other alternatives which will achieve the mandated savings. But let me also emphasize, Mr. President, that I opposed, along with many other Members, the high levels of cost savings contained in the Veterans' Affairs Committee's reconciliation instructions. In my judgment, they are far too high, particularly in the out-years. As I have said many times before, I believe that the veterans budget must be viewed and treated as part of our overall defense budget. It must be understood that the continuing erosion of veterans benefits and services can only do serious harm to the efforts by our military to recruit and retain quality personnel. The Senate should, therefore, look twice at what it is mandating the Veterans' Affairs Committee to cut in veterans programs.

From a policy standpoint, Mr. President, I am also strongly opposed to the imposition of this user fee on VA home loans. Since the Reagan administration first proposed the home loan user fee concept in its original fiscal year 1983 budget submission, I have had serious reservations about its possible ramifications in a number of areas.

First, I just do not think that this is the time for us to be piling further costs onto home buying, especially by veterans. I know that the proponents of this have argued that the fee of only one-half of 1 percent will amount to about $285—a sum which is small and could be financed in the home loan. But this is not the point, Mr. President. The point is that the cost of new homes in America continues to skyrocket. In my view, any amount of money that we can save home buyers, particularly veterans, would be of great benefit.

Second, I am concerned that the effects of this user fee will be felt mainly by young veterans, many of whom are Vietnam veterans. Commonsense will tell us that most of the veterans using thier VA home loan entitlement are young veterans. I think it is unfair that the burden of this user fee has to be carried by young veterans and veterans of the Vietnam era when veterans of past wars and past generations received their VA home loans free of user fees.

Mr. President, my principal reason for opposing the home loan user fee, is that it will set a dangerous precedent. That precedent would be the imposition of a user fee on a veterans benefit. I think my colleagues should know that at the present time, no other user fee for VA benefits exists. This user fee on VA home loans would be the first.

Why is this precedent dangerous? Because there are already reports that this administration is studying various ways to impose user fees on veterans programs and services, even in the health care area.

Once this precedent is set, Mr. President, veterans benefits may become fair game for user fees and we may very well find ourselves on this floor again and again and again trying to beat back the imposition of user fees on benefits and services previously provided to veterans free of extra charges.

Mr. President, I just cannot imagine this Congress accepting a user fee on health care for certain veterans. But that is precisely what we may be facing in the near future as the administration strives to find cost savings in the veterans budget. Consequently, we must stop this user fee precedent here and now and send a clear signal to the administration that we will not accept user fees on veterans benefits.

We have a historic commitment to the veterans of this country, particulary those with service-connected disabilities and those who served in wartime, to provide proper care for them and, in some cases, their dependents and survivors, without cost to the veteran. We bring that commitment into question and seriously endanger it by setting the precedent of charging veterans for the services to which they are entitled.

For these reasons, Mr. President, I urge my colleagues to support the Mitchell amendment.

Mr. KENNEDY. Mr. President, it is no secret that the housing industry in this country faces disaster. Housing starts have reached the lowest level since 1946 and are continuing to plummet. Americans all over the country cannot afford to buy a home or are unable to sell one. We here in Congress are well aware of this problem. A majority of both Houses have tried to enact legislation to help this beleaguered industry.

Section 706 of this act however establishes a new barrier to the purchase of homes and thus to recovery of this industry. I cannot accept this new user fee for VA home loans. Economically, it simply makes no sense.

In its report, the committee claims a $300 million savings over 3 years. I applaud prudent effort to make genuine reductions in the budget and the budget deficit. However, this provision allows borrowers to add the fee to the principal of the VA loan. Undoubtedly, many veterans will avail themselves of this provision. Thus the pressure on borrowing and on interest rates will simply be shifted, not reduced.

Mr. President, not only is this proposal economically unsound, it is patently unfair to the individual veteran. They served their country. Many risked injury and death during wartime. They were promised a number of benefits as a result of their military service. And among these benefits was the VA home loan. Their Government did not condition the loan on the payment of a fee, or on the state of economy or on the size of the budget. America promised the veterans this benefit—but section 706 repudiates this promise. I do not think that it is in this country's interest to have a government that cannot be trusted or believed by its own people.

Section 706 will certainly not benefit the American housing industry—nor will it benefit American veterans—nor, in the long run, will it benefit the American economy. For many veterans, this provision will mean that the American dream of owning a home will remain just a dream. We cannot and should not accept this provision.

Mr. President, I would like to commend my colleague from Maine for offering this amendment. I think that the creation of a user fee for VA home loans is a bad idea. I hope my colleagues will join me in supporting Senator MITCHELL's amendment to strike this provision.

The PRESIDING OFFICER. Is all time yielded back? The question is on agreeing to the amendment.

Mr. DOMENICI. Does the Senator from Wyoming need any additional time?

Mr. SIMPSON. No, Mr. President, I think that concludes my remarks. I would like to say parenthetically that indeed, I share the views of the Senator from Maine as to expenditures in other areas, but hope that he will keep in mind that the budget of the Veterans' Administration is $25 billion. It has increased tenfold in a very short

period of time and the treatment of veterans and Vietnam veterans of this country is extraordinarily generous and compassionate. I should be pleased to furnish to the Senator and anyone within earshot a complete list of things this administration has done—not this political administration, but the Veterans' Administration—in the past 20 years for veterans, including the Vietnam veteran. It would bug your eyes.

Mr. DOMENICI. Mr. President, for the Senators who might be listening, it is my understanding that not only did the House Veterans' Affairs Committee report out the loan origination fee as part of its reconciliation package; but, that the House, which, these days, has not been too prone to restrain budgets, has already passed it as part of H.R. 6782, the Veterans' Disability Compensation and Survivors Benefits Amendments. I think, in view of the difficulties we generally have in getting both the House and the Senate to restrain Federal spending, it would befit the Senate to defeat the Mitchell amendment today.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back? The question is on agreeing to the amendment of the Senator from Maine. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

The PRESIDING OFFICER (Mr. WARNER). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 38, nays 59, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—38

Bentsen	Ford	Metzenbaum
Biden	Hart	Mitchell
Bradley	Heflin	Moynihan
Bumpers	Hollings	Pell
Burdick	Huddleston	Pryor
Byrd, Robert C.	Inouye	Randolph
Cannon	Jackson	Riegle
Chiles	Kennedy	Sarbanes
Cranston	Leahy	Sasser
DeConcini	Levin	Tsongas
Dixon	Long	Weicker
Eagleton	Matsunaga	Zorinsky
Exon	Melcher	

NAYS—59

Abdnor	D'Amato	Hatch
Andrews	Danforth	Hatfield
Armstrong	Denton	Hawkins
Baucus	Dodd	Hayakawa
Boren	Dole	Heinz
Boschwitz	Domenici	Helms
Brady	Durenberger	Humphrey
Byrd, Harry F., Jr.	East	Jepsen
Chafee	Garn	Johnston
Cochran	Goldwater	Kassebaum
Cohen	Gorton	Kasten
	Grassley	Laxalt
Lugar	Percy	Specter
Mathias	Pressler	Stafford
Mattingly	Proxmire	Stevens
McClure	Quayle	Symms
Murkowski	Roth	Thurmond
Nickles	Rudman	Tower
Nunn	Schmitt	Wallop
Packwood	Simpson	Warner

NOT VOTING—3

Baker	Glenn	Stennis

So the amendment (UP 1181) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I understand that we had an order that the next amendment would be the amendment of the distinguished Senator from Ohio (Mr. METZENBAUM), but I understand that he is now willing to defer until 12 o'clock on his amendment. Is that correct?

Mr. METZENBAUM. That is correct.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that there is no order.

Mr. DOMENICI. I understand. There is no order. We just agreed to that.

Mr. METZENBAUM. Will the Senator from New Mexico be good enough to obtain a unanimous-consent order to set my amendment specifically at 12 o'clock, with the understanding that if he needs a few minutes more by reason of pending business, I will be willing to agree to that?

Mr., DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Metzenbaum amendment become the pending business at 12 noon.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Will the Chair withhold?

The PRESIDING OFFICER. Is there objection to the request?

Mr. DOMENICI. Mr. President, it is understood that all provisions of the Budget Act regarding floor consideration shall remain in effect. We are not waiving anything by that request.

The PRESIDING OFFICER. It is the Chair's understanding.

Will the Senator from New Mexico withhold?

Mr. STEVENS. Will the Senator yield to me?

Mr. DOMENICI. Did the Chair rule on the unanimous-consent request?

The PRESIDING OFFICER. The Chair has not ruled yet on the unanimous-consent request. My suggestion is that the Senator from New Mexico restate it in its entirety and then the Chair will rule.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment to be proposed by the distinguished Senator from Ohio (Mr. METZENBAUM) be the pending business at 12 noon.

The PRESIDING OFFICER. It is the Chair's understanding that there was a certain stipulation with respect to the Budget Act.

Mr. DOMENICI. Without waiving any objection thereto contained within the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield to me?

Mr. DOMENICI. I am pleased to yield.

UNANIMOUS-CONSENT AGREEMENT—H.R. 6863

Mr. STEVENS. Mr. President, this matter has been cleared with the distinguished minority leader.

I ask unanimous consent that following the recognition of the two leaders under the standing order, any special orders, and a period for the transaction of routine morning business on Friday, August 6, the Senate turn to the consideration of the supplemental pay appropriations bill, H.R. 6863.

Further, I ask unanimous consent that any rollcall votes ordered in relation to H.R. 6863 on Friday and Monday, August 9, be postponed until the hour of 2 p.m. on Tuesday, August 10.

Finally, I ask that the votes occur in the sequence in which the yeas and nays were ordered with the first vote at 2 p.m. to be 15 minutes in length, and remaining back-to-back rollcall votes to be 10 minutes in length.

The PRESIDING OFFICER. Is that today the Chair inquires?

Mr. STEVENS. This is an order for Friday, August 6, with votes to be stacked until Tuesday next, August 10, until 2 p.m. on the bill that comes up on Friday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator from Virginia.

OMNIBUS RECONCILIATION ACT OF 1982

The Senate continued with the consideration of S. 2774.

Mr. DOMENICI. Now, Mr. President, we understand the distinguished

Senator from Alaska has an amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1182

(Purpose: To make technical corrections)

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment of a technical nature and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 1182.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 75, line 9, insert "(unless on application by the employee's agency)" after "section".

On page 75, line 13, insert after "(2)" the following: "(A) by striking out '1 year' in the second sentence of subsection (d) and inserting in lieu thereof '180 days'; and (B)".

On page 76, line 21, after "paragraph" insert the following: "or in subsection (d) of this section".

On page 78, between lines 5 and 6, insert the following:

(b)(1) The amendment made by subsection (a) (2) shall take effect with respect to income earned after December 31, 1982.

On page 78, line 6, strike out "(b)" and insert "(2)".

On page 78, line 13, strike out "(a) (2),".

On page 78, beginning with "that" on line 19, strike out all through "or" on line 20.

On page 79, line 16, strike out "(o)" and insert "n".

On page 79, line 19, strike out "(2)".

On page 83, line 6, strike out "service or" and insert in lieu thereof "service,".

On page 83, beginning with the period on line 9, strike out through "commences" on line 10 and insert in lieu thereof a comma and "or".

On page 83, between lines 18 and 19, insert the following:

Sec. 608. (a) Section 8331 (8) (B) of title 5, United States Code, is amended by inserting after "service" a comma and "including any amounts deposited under the first sentence of section 8334 (i) of this title".

On page 83, line 19, strike out "Sec. 608. (a)" and insert in lieu thereof "(b)".

On page 84, line 23, strike out "(b)" and insert in lieu thereof "(c)".

On page 85, line 13, strike out "(c)" and insert in lieu thereof "(d)".

On page 85, strike out line 16 and all that follows through page 86, line 5, and insert in lieu thereof the following:

"(i)(1) Each employee or Member who performs military service before the date of the separation on which the entitlement to an annuity under this subchapter is based may pay, in accordance with regulations issued by the Office, to the agency by which he is employed or, in the case of a Member or a Congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the amount of the basic pay paid under section 204 of title 37 to the employee or Member for each month of military service after December 1956, as certified to the agency, the Secretary of the Senate, or the Clerk of the House of Representatives, as appropriate, by the Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, upon the employee's or Member's request.

"(2) Any deposit made under paragraph (1) of this subsection more than two years after the later of—

"(A) October 1, 1982; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member, shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the two-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e) of this section.

"(3) any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, shall furnish such information to the Office as the Office may determine to be necessary for the administration of this subsection.".

On page 86, between lines 5 and 6 insert the following:

(e) Section 8348(g) of title 5, United States Code, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and "less an amount determined by the Office to be appropriate to reflect the value of the deposits made to the credit of the Fund under section 8334(i) of this title.".

On page 86, line 21, strike out "a percentage" and insert in lieu thereof "an amount equal to the percentage of the Social Security benefit described in the second sentence of this subsection attributable to military service of the individual. Such percentage is".

On page 87, beginning with "seq.))" on line 3, strike out all through the period on line 4 and insert in lieu thereof "seq.)).".

On page 87, line 9, strike out "may" and insert in lieu thereof "shall".

On page 93, line 2, insert "(1)" after "(a)".

On page 93, between lines 15 and 16, insert the following:

(2) Notwithstanding any provision of section 306(a) of the Veterans' and Survivors' Pension Improvement Act of 1978 (92 Stat. 2508; 38 U.S.C. 521 note), pension or additional pension payable under such section shall not be paid to or on behalf of any child who attains the age of eighteen years after September 30, 1982, and does not meet the definition of "child" in paragraph (5) of section 501 of such title (as added by paragraph (1) of this subsection).

On page 93, beginning with "title" on line 19, strike out all through "child" on line 20, and insert in lieu thereof "such title and who".

On page 93, beginning with "title" on line 23, strike out all through line 25, and insert in lieu thereof "such title or such section 306(a),".

On page 94, line 2, strike out "or such section 306(a)".

On page 94, line 3, insert "or payable under such section 306(a) to or on behalf of any other child" after "section".

Mr. DOMENICI. Mr. President, this amendment has been cleared with the minority and the majority. Today I am offering the technical amendment on behalf of the Committees on Governmental Affairs and Veterans' Affairs.

The purpose is to clarify certain ambiguities in S. 2274 which have been identified by those committees.

All of these changes reflect the original intent of the committees and are necessary to resolve ambiguities in the drafting of the bill.

TECHNICAL AMENDMENT TO SECTION 704 OF S. 2774

The proposed technical amendment is intended to clarify an ambiguity with regard to the types of VA pension beneficiaries who would be subject to the cutoff and phaseout provisions concerning the pension college student benefit. The provision was intended to apply equally to beneficiaries under "old law"—by virtue of section 306(a) of the Veterans' and Survivors' Improvement Act of 1978—and under "new law"—sections 521, 541, and 542 of title 38, United States Code.

In its present form, the redefinition provision contained in new paragraph (5) of section 501 (38 U.S.C.) precludes new eligibility for students who turn 18 after September 30, 1982, only with respect to the new law pension. New paragraph (2) of section 704(a) of the bill, as proposed to be added by this technical amendment, would extend the preclusion to new old law students as well. In addition, under the present form of section 704(c) of the bill, although section 306(a) is mentioned, it is not clear that the phaseout provision applies thereto, because the phaseout is made to apply only to children described in subsection (b), that is, children receiving pension under new law provisions. The technical amendment would clarify that both types of pension were intended to be subject to the phaseout provisions.

The minor change in subsection (b) of section 704 is intended to remove any ambiguity concerning the type of child that is referred to in subsection (c), by deleting the word "child" the second place it appears in subsection (b).

CBO estimates that this technical amendment will have no effect on the cost savings associated with this section.

EXPLANATION OF EFFECT OF TECHNICAL AMENDMENTS TO TITLE VI, S. 2774

The first amendment exempts involuntary retirees from the disability provisions of S. 2774. As originally offered the amendment implied coverage for involuntary retirees as well.

The second amendment reduces by one-half the duration of disability benefits paid beyond the debt of restoration based on earnings capacity. This is done to make it consistent with the amendment to reduce by one-half the number of years used to compute restoration based on earnings capacity.

The third technical amendment insures that disabled National Guard technicians are treated in the same manner as other disabled annuitants with regard to reemployment. Under the original amendment this was not clear.

The fourth and fifth amendments clarify the commencement date for the use of the reduced period for computation of earnings capacity for the purposes of determining recovery from disability.

The sixth and seventh and ninth amendments clarify which deposits of money made to the civil service retirement trust fund are subject to the new interest computation provisions. As currently drafted the amendment erroneously refers to deposits that were not intended to be included.

The eighth amendment corrects a simple drafting error to reflect a subparagraph redesignation in the statute.

The 10th and 11th amendments insure that the change in the commencement date for annuities will be implemented uniformly for all recipient groups as originally intended by the committee.

The 12th, 13th, 14th, and 15th amendments clarify that deposits under section 608 are treated the same as all other contributions to the trust fund for purposes of lump sum credit. As originally drafted the amendments could have been read as exempting these deposits from the definition of lump-sum credit.

The 16th amendment is a redraft of the original amendment to make the provisions easier to implement and administer by clarifying the definition of regulatory authority, clarifying the date from which the new interest provisions will be calculated, and enumerating the relevant certifying agencies.

The 17th amendment insures that amounts paid from general revenues into the civil service trust fund will be decreased accordingly by the amounts of contributions received under the new section amendment for credit based on military service. This clarifies the intent that overlapping payments should not be made.

The 18th and 19th amendments clarify the amount by which civil service annuities are reduced by entitlement to social security benefits. This is accomplished by elaborating on the computation procedure.

The 20th amendment reflects the original intent of the committee that the Secretary of Health and Human Services is required to furnish information to the Office of Personnel Management. The bill as originally drafted gave the Secretary discretion in this matter.

Mr. President, unless the distinguished ranking minority Member has objections, I yield back my time and ask the Senate to adopt the technical amendment.

Mr. HOLLINGS. Mr. President, we have checked these technical amendments. They are in conformance. We agree with them and I yield back on the minority time our time and move the adoption of the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 1182) was agreed to.

Mr. DOMENICI. Mr President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. We are waiting for the distinguished Senator from Alaska who has an amendment. In the meantime we suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I wanted to observe, while we are waiting for the Senator from Alaska's amendment that the Federal Reserve Bank of New York is now projecting a fiscal year 1983 deficit of $163 billion. I think it is noteworthy while we are considering this reconciliation bill, that assuming this bill passes, and assuming the tax increase passes, there will still be a $163 billion deficit next year.

Last year, at the time CBO was projecting a deficit of $60 billion to $80 billion, the Federal Reserve came out with a prediction of $100 billion and there was a great uproar about how outrageous it was. It was the kind of reaction in ancient Greece that killed the messenger.

Well, we now have the latest prediction from the Federal Reserve and it shows that this country is in deep trouble.

I want to emphasize the comments I made Tuesday on the balanced budget amendment to the U.S. Constitution, which we passed yesterday.

I think some kind of budget freeze, Mr. President, is going to have to be employed if not just before the election on the debt limit, then certainly right after the election when politics could be set aside and we can all move in one step to control entitlement spending, defense spending, and tax spending.

I noted with some interest that Congressman KEMP, the father of Kemp-Roth has jumped ship and is swimming for the shores of the gold standard and any other refuge to get out from under the failure of his own economics. While it is interesting, however, it does not help.

I think we ought to look very, very seriously, in a bipartisan fashion, at what a freeze just on increases—that is the thing that people back home want—would do. Mr. President, this would not cut or raise taxes or spending. It would just freeze the increases and be fair to everyone.

It would provide 3 percent real growth in defense purchases. The distinguished Presiding Officer and I fought, under the last administration, to keep our commitment to NATO of 3 percent real growth, and what I am suggesting, together with other parts of the freeze, would result in our saving $187 billion over 3 years. This would put us on a glide path to a balanced budget. We cannot get it balanced by 1985, but we can get it from $163 billion down into the realm of less than $40 billion by 1985, and give the interest rates a chance to go down and the economy a chance to recover.

I note now my distinguished colleague from Alaska is prepared to present his amendment. I do not want to take any more time. I ask unanimous consent that an outline of my proposal be printed in the RECORD. I will be talking to colleagues on both sides to get their suggestions, and if they have a better one I am willing to join them, because time is running out fast.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

HOLLINGS PROPOSAL TO REDUCE DEFICITS [1]

	1983	1984	1985
CBO deficits (July 1982) [2]	142–152	145–160	143–158
Deficit reductions:			
Spending:			
1. COLA's—1-year freeze beginning January 1, 1983; 3 percent cap in 1984 and 1985 (exempt food stamps and SSI)	3	12	16
2. Federal Pay—1-year freeze beginning October 1, 1983; 3 percent cap in 1984		2	5
3. Defense—3 percent real growth in BA purchases each year	6	13	26
4. Interest savings from lower deficits	1	6	14
Revenue:			
1. Repeal indexing			9

HOLLINGS PROPOSAL TO REDUCE DEFICITS [1]—Continued

	1983	1984	1985
2. Defer July 1, 1983 10 percent rate cut	7	32	35
Total deficit reduction	17	65	105
Remaining deficits	125–135	80–95	38–53

[1] All numbers are estimates of the Congressional Budget Office.
[2] Assume enactment of policies contained in the First Concurrent Resolution on the Budget for fiscal year 1983 (S. Con. Res. 92).

Mr. HOLLINGS. I thank the distinguished Presiding Officer and I yield to the distinguished Senator from Alaska.

UP AMENDMENT NO. 1183

(Purpose: To amend section 109 of the Federal Property and Administrative Services Act of 1949 to allow supply operations to be industrially funded)

Mr. STEVENS. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1183.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, at the end of line 21, insert the following new section:

INDUSTRIAL FUNDING OF SUPPLY OPERATIONS

SEC. 612. Section 109 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 756) is amended—

(1) by striking out "and" before "(2)" in the third sentence of subsection (a);

(2) by inserting before the period at the end of such sentence the following: ", and (3) for paying costs such as wages, space, and other personnel costs relating to the contracting, procurement, inspection, storage, management, distribution, and accountability of supplies and materials provided through various methods of supply";

(3) by striking out "and" before "the cost of amortization" in the second sentence of subsection (b);

(4) by striking out the period in such sentence and inserting in lieu thereof the following: ", and costs such as wages, space, and other personnel costs relating to the contracting, procurement, inspection, storage, management, distribution, and accountability of supplies and materials provided through various methods of supply. All executive agencies shall requisition from the General Services Administration all needed items of personal property and nonpersonal services which are managed by the General Services Administration unless otherwise authorized by General Services Administration in accordance with procedures prescribed by applicable provisions of the Federal Property Management Regulations (40 CFR Chapter 101).''; and

(5) by adding at the end thereof the following new subsection:

"(h) By March 31 and September 30 of each year, the Administrator shall report to the Senate Committee on Governmental Affairs, the House Committee on Government Operations, and the Senate and House Committees on Appropriations, on the status and operations of the General Supply Fund, including a specification of—

"(1) each asset received by the fund and the source of each such asset; and

"(2) each amount expended by the fund and the recipient of each such amount.".

Mr. STEVENS. Mr. President, the amendment I am offering today to the reconciliation bill allows GSA to alter its method of charging agencies for goods. This amendment was originally intended to be offered as part of the Governmental Affairs Committee reconciliation which took place on July 20, 1982. However, because of an unrelated matter concerning GSA, it was withdrawn from consideration. The situation at GSA has since been remedied, and I understand from the Administrator of GSA, Gerald Carmen, that those problems will not recur in the future.

I have been asked on behalf of the committee to offer it here. It has been discussed with the distinguished manager of the bill and the distinguished minority manager of the bill.

The bill on which this amendment is based was originally introduced in April of this year by Senator ROTH. The amendment authorizes GSA's supply operations to be industrially funded. At present, agencies pay GSA the purchase price of an item, plus transportation costs. All operating costs—procurement, supply, distribution, personnel, and storage, and so forth—are funded through direct annual appropriation. With industrial funding, agencies pay the full cost of an item. The annual appropriation would then reflect only costs which are not directly attributable to consumers.

The congressional budget resolution for fiscal year 1983 assumes that GSA will convert to industrial funding by October 1 of this year. Therefore, the financial resources to cover supply system operating costs were excluded from the fiscal year 1983 appropriations request.

GSA will still be the major supplier of goods, because it can pass on its "economies of scale"—about a 35-percent reduction in price—to the consuming agencies. The markup to agencies resulting from this bill is expected to be 6 percent. GSA expects to save $100 million in fiscal year 1983 alone.

All congressional oversight and control will continue, and all review responsibilities by OMB and GAO will continue. Furthermore, the amendment requires GSA to report to the Senate Committee on Governmental Affairs, the House Committee on Government Operations and the Senate and House Committees on Appropriations every 6 months. The report must specify each asset received by the fund and the source of each asset. GSA must also specify each amount expended by the fund and the recipient of the amount.

This amendment is supported by both the administration and GAO. I believe that this new method of providing supplies to Federal agencies will pay significant dividends in Government economy and efficiency. And with the reporting provisions in place, I believe that Congress will continue to firmly exercise its oversight responsibility. I urge you to support this amendment.

It is a technical matter authorizing GSA supply operations to be industrially funded.

Mr. METZENBAUM. Mr. President, for the purpose of discussing the impact of this amendment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair wishes to inquire as to this amendment, who yields time?

Mr. STEVENS. Mr. President, I have yielded time to myself. I am delighted to charge the time that has been used by this quorum call to my time.

The PRESIDING OFFICER. The Chair thanks the Senator from Alaska and suggests he use the microphone.

Mr. STEVENS. I thank the Chair.

Mr. HOLLINGS. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. HOLLINGS. Mr. President, I do think the Chair should recognize that he is using his modulated tone. I think it is an historic thing when the Senator from Alaska uses that voice.

Mr. STEVENS. Mr. President, what the Senator is saying is I do better without the microphone.

The PRESIDING OFFICER. The Chair has no comment.

Mr. HOLLINGS. Mr. President, we have checked this amendment out. The distinguished Senator from Ohio is agreeable and we are willing to yield back our time and move the adoption of the amendment.

Mr. STEVENS. Mr. President, I am constrained to say that perhaps I am intimidated by the microphone.

I do yield back the remainder of my time and move the adoption of the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska (Mr. STEVENS).

The amendment (UP No. 1183) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. I thank the managers of the bill.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I would embellish the comments I made previously. I have the Federal Reserve deficit targets table to which I referred earlier. I ask unanimous consent that this table be printed in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFICITS AS ESTIMATED BY THE FEDERAL RESERVE BANK OF NEW YORK—ALTERNATIVE REESTIMATES OF THE FIRST CONCURRENT RESOLUTION DEFICITS

[By fiscal year, in billions of dollars]

Deficits and deficit increases	1983	1984	1985
FCR deficits (as passed)	−103.9	−83.9	−60.0
Updated economic assumptions	−26.8	−50.1	−58.9
Technical reestimates	−12.7	−15.3	−15.2
Interest on the debt (debt outstanding)	−2.2	−7.7	−13.2
Subtotal, reestimates—alternative 1	−41.7	−73.1	−87.3
FCR deficits reestimated (alternative 1)	−145.6	−157.0	−147.3
Management initiatives and other savings not subject to enforcement	−9.2	−11.6	−11.0
Interest rate effect of the FCR	−7.1	−11.3	−21.9
Interest on the debt (debt outstanding)	−1.1	−3.8	−6.9
Subtotal, additional reestimates—alternative 2	−17.4	−26.7	−39.8
FCR deficits reestimated (alternative 2)	−163.0	−183.7	−187.1

Mr. HOLLINGS. Mr. President, the significant factors in the table include the updated economic assumptions. They are somewhat bleaker than the assumptions of growth and inflation assumed by the Congressional Budget Office.

The technical reestimates that are made here lose us over $12 billion each year. In addition, I say to the Senator from Colorado (Mr. ARMSTRONG), when we passed the first budget resolution, we gave ourselves credit for an interest rate bonus. The New York Federal Reserve does not believe we will get it so we lose another $55 billion. They also discount much of our management savings. When we began at the first of the year we were talking in terms of $2 billion, $4 billion, $6 billion each year over a 3-year period.

Then, as the game closed in on us and we had greater difficulty getting both sides together and getting any resolution, we had to resort to the flexibility of management initiatives. This includes savings in waste, fraud, and abuse, or greater efficiency in Government, more revenues from offshore oil drilling and those kinds of things. We questioned those at the time of the enactment of the budget resolution and now the Federal Reserve questions them and deletes $9.2 billion in 1983, $11.6 billion in 1984, and $11 billion in 1985.

If we use their more realistic economic assumptions with the technical reestimates and the deletion of questionable amounts for management initiatives, they then project for 1983 a deficit of $163 billion; for 1984, $183.7 billion; and for 1985, $187.1 billion.

Mr. President, what does that mean? We are all given different figures and, in a sense, it may mean very little to many Senators. But it means everything to the business world and the banking community and the people who have, in essence, the bottom line action on interest rates. They see, as I counseled the day before yesterday, that we are headed in the wrong direction. When Adlai Stevenson was asked whether he was a conservative or liberal, he said, "That is not the important question. The important question is am I headed in the right direction?" Clearly we are not.

We hear a constant chatter about the Democratic policy of tax and tax and spend and spend. President Johnson did give a balanced budget to President Nixon. But in the 1970's, President Nixon gave President Ford a deficit, President Carter gave President Reagan a deficit.

But, President Carter took the $66 billion Ford deficit and worked it down during his term to $27.7 billion. He worked it in the right direction. That is the important point—give hope to the financial community.

President Reagan, when he inherited his $60 billion deficit from President Carter, instead of giving hope, astounded everyone. Here was a fiscal conservative Republican President who had won on that score. He beat his own crowd in my State. Is that not interesting, I say to the Senator from Colorado (Mr. ARMSTRONG)? He beat his own crowd in my State. They had already lost hope. They said he was not electable in the Republican primary and the leadership of the Republican Party in my State had jumped ship. President Reagan, practically on his own, won the Republican primary in my own State of South Carolina. So he had powerful credibility when he asked for a chance—that when he got to Washington he would certainly bring the deficit and interest rates down.

Instead of heading in the right direction and getting the $60 billion down to, say, $27.7 billion, as his predecessor had done, we are up to $116 billion this year. For next year, it will be far over $120 billion. Then for the year after that, we are not on the glide path, we are on an escalator, one going up, up, and away.

I see the distinguished Senator from Massachusetts is here to present his amendment, so I will terminate my remarks by saying that in 1983 we now have, instead of a deficit lower than $60 billion, we have $163.0 billion, and then in 1984, instead of bringing it down with our fiscal policy, it goes to $183.7 billion, and then in 1985, to $187.1 billion.

Now, they can pass all the resolutions this national Congress wants and they can amend the Constitution, or chastise the Federal Reserve, and all of that kind of nonsense. But if we want to come to grips with our budget crisis and begin to control this Government and give the people of this land hope, we are going to have to do better.

I now yield to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, is there currently an amendment before the Senate?

The PRESIDING OFFICER. There is no amendment pending.

UP AMENDMENT NO. 1184

(Purpose: To strike out the section relating to the definition of "child" for the purposes of veterans' pensions)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 1184 for himself, Mr. DECONCINI, and Mr. RANDOLPH.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 93, strike out line 1 and all that follows through page 95, line 7.

Mr. KENNEDY. Mr. President, this is not a new subject. It is a matter that Members are familiar with. I would like to speak briefly to it, however, so that a record is made.

Mr. President, a provision of the act we are debating here today threatens a number of veterans and their college-age dependents with a serious inequity. Under the veterans pension program, those veterans with permanent and total, non-service-related disabilities who meet certain income standards are eligible to receive benefits under this program. In addition, dependents of such veterans who are 18 years old or younger or who attend college and are between 19 and 23 years old also receive benefits.

Section 704 of the act would eliminate the student benefit—denying 128,000 college students an important

financial resource for their college education. My amendment would strike section 704 and preserve this student benefit.

We should not forget the two characteristics of these pension benefit recipients: They or their parent served in our country's military and they and their families have demonstrated a financial need.

Our Nation promised its military veterans these pension benefits if the necessary statutory conditions were met. There were no caveats about the state of the economy or the size of the budget or the whims of the President and Congress. Now, through this provision, the Government would violate its promise and ignore its obligation to these men and women and their children. I cannot believe that the American people want a Government whose word means so little.

Nor do I believe that Americans want a government that erodes its historic commitment to a quality education. But that is what has happened much too often over the last 2 years as the President and Congress have slashed support for elementary and secondary education programs, colleges and universities, and for student aid. I have opposed many of those efforts because I thought they were wrong—because they were counterproductive—because in the long run America would suffer from these cuts.

I am opposing this provision in the act not only because it repudiates our obligation to our Nation's veterans, but also because it repudiates our obligation to our Nation's future. This program is not simply a benefit for veterans and their children, but an investment in our future and in our most valuable resource—our people.

America faces a future of unprecedented competition and immense challenges. We face problems involving our very survival. If we attempt to face them with an uneducated or undereducated populace, we are courting disaster. Nor can we face them split between an educated elite and an uneducated underclass. That is the road we are traveling if we continue to cut funding for education and continue to eliminate student aid and student benefits.

Make no mistake, the students who will lose these benefits do need them if they hope to make a college education a reality. They come from low-income families with little resources to draw upon for aid. They have seen Federal and State student aid, in the form of grants, loans, and work-study, cut repeatedly. Most of all, they have seen college costs skyrocket. According to the college board, costs have more than doubled in the last decade. And the growth is continuing to accelerate. So the elimination of this benefit, which may amount to $900 for some student, will mean that some students cannot go to college. It will be another step along the road to elitist colleges—which is preserves of a rich minority.

Mr. President, we must stop our travel down that road now. We must begin again to restore our commitment to education and our future.

We are saving about $50 million with this proposal, but this bill cuts $1.2 billion more than required by the first budget resolution. The costs of preserving this benefit are minimal, but the costs of eliminating it—to these veterans, their children, and this country—are immense. I agree that our budget must be reduced—but not at the expense of valuable and necessary programs.

Mr. President, I sympathize with the Veterans' Committee and the difficult job it faced in trying to make the cuts in the veterans programs. I am sure that they made a good-faith effort to find the least onerous cuts available. But this proposal is nevertheless a bad idea—it is unwise and unfair. The American people do not want a Government that breaks its promise to veterans and repudiates its commitment to education.

I would like to reiterate, Mr. President, one point. This country has adopted a volunteer army and has faced a recent conflict in Southeast Asia. As a result, we guaranteed certain benefit programs to encourage enlistments and attract young people into the Armed Forces of this country.

That was a commitment that was made to those individuals. It was an obligation, I believe, by the U.S. Government to those enlistees.

Effectively, what we are doing, if we do not accept this amendment, is saying that even though we pledged and committed to these veterans these educational benefits for their children, we have found in the year 1982, when we are facing adverse economic situations, that that pledge and that promise is no longer valid.

Basically, we are repudiating a commitment that has been made to the hundreds of thousands of people who enlisted in the Armed Forces of this country. The committee report stated that the VA should not be in the business of providing educational benefits—that this should be a function of the Department of Education. But the provision in this bill does not shift the benefit to another agency, it eliminates it. If this country intended to make a decision that we did not believe this commitment was going to be important in the future, we should not have made that commitment to the enlistees. But that was a commitment that was made by the Defense Department, the Congress, and the administration on previous occasions. And I believe that commitment still exists.

This is not a program that is going to benefit the very wealthy. There are criteria which were established in the program to make sure that the benefits for this program were going to reach the neediest families in our society who have the ability and the intellectual capacity to be able to develop their educational skills in the fine schools and colleges of this country.

Mr. President, I would hope that my colleagues support this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, the Senator from Massachusetts is offering an amendment which is, in many respects, a very appealing one.

The amendment would delete provisions to terminate and phase out by April 1985 student benefits under the veterans pension program. Students age 18 to 23 who are children of nonservice-connected disabled or elderly pensioners now receive special benefits to help with educational expenses.

There is no question in my mind that students who receive such benefits are glad to receive them. There is no doubt that if we wanted to continue these benefits, they would be pleased to have them. If we increase these amounts to $100 or $200 or even to $1,000 a month, they would like that, too.

The issues are, however: No. 1, whether or not it is a matter of good public policy that these student benefits ought to be continued; No. 2, whether we can afford to do so; and, No. 3, if we believe it is good public policy and we can afford it, whether or not the way to take care of the subsidy to these students is through the Veterans' Administration.

In my judgment, the answer to all three of these points is no.

In his fiscal year 1983 budget, the President proposed the termination of student benefits under the veterans pension program beginning in fiscal year 1983, with a phaseout by April 1985 for currently eligible students who reach age 18 by October 1, 1982. Both the House and Senate Veterans' Affairs Committees have included this provision in their reconciliation packages. The House passed its bill, H.R. 6782, on July 27. So the committees in both the House and the Senate who have primary jurisdiction on this matter have concluded after study that it is not wise to continue this benefit beyond 1985.

Second, I would note that this reform—that is, the termination through phaseout of the student benefit—is similar to one enacted for the social security program last year. The VA pension student benefit, as was the social security student benefit, is outside the major mission of the program,

which is to provide income assistance for the basic needs of the veteran.

Third, I point out that despite the superficial attractiveness of the proposal of the Senator from Massachusetts, the primary mission of the Veterans' Administration is to provide for the needs of service-connected disabled veterans and their families. The VA is doing the best it can to provide for all veterans, but there are many, many needs to be met.

When it comes right down to it, Mr. President, every dollar we put into this program is a dollar that, in one way or another, is not available to meet more pressing veterans' needs. Providing student benefits to the college-age children of non-service-connected disabled veterans when other Federal educational assistance is available must take a lesser priority than the care and support for service-connected disabled veterans. A wide variety of Federal, State, and local, and private education assistance programs is available to students. The Federal Government alone provides over $7 billion a year in aid to students for higher education.

Finally, Mr. President, while I acknowledge again, as I did at the outset, that students are glad to receive these benefits, would be glad to have them continued and would, no doubt, be glad to have them increased, the amount of the benefit for any particular student is not large and certainly would not be the critical factor in deciding whether or not they would be able to attend college. The average yearly student benefit under the veterans pension program is about $300, or $25 per month. Obviously, the unavailability of this benefit should not significantly impact on a student's ability to go to college.

Mr. President, in the light of these considerations, I trust that the Senate will decline to accept the amendment offered by the Senator from Massachusetts.

Mr. DECONCINI. Mr. President, I am pleased to be an original cosponsor of Senator KENNEDY's amendment to strike the provision in the pending measure which would phase out, over a 3-year period, the benefit for 19- to 23-year-old college students who are dependents of VA pension recipients.

I expressed my opposition to this proposal in the Senate Veterans' Affairs Committee and continue to object to its inclusion in the reconciliation bill. During the Senate Veterans' Affairs Committee's reconciliation markup, I supported an amendment offered by Senator CRANSTON which would have, at least, preserved the student benefit for dependents of pension recipients enrolled in the so-called new pension program which became effective on January 1, 1979. In contrast to the old pension program, this is a totally needs-based program. Unfortunately, Senator CRANSTON's amendment was defeated on a 6-to-6 tie vote.

There are those who will argue that since Congress approved a phaseout of the student benefit under the Social Security Act for children attending college, a phaseout for the student benefit under the VA pension program appears equitable and fair. We cannot and should not draw any such corollary between these two programs. The VA pension program is an income maintenance program whereas social security is not.

Let me make that point perfectly clear. Pension recipients are very needy veterans and the benefit they receive is not large. For instance, a veteran with no outside income and one child would receive $6,980 annually. If he has a child attending college, he would receive an additional $1,652 to assist with educational expenses. With the exorbitant cost of college tuition today, this is a modest sum indeed, but it might very well make the difference in whether the pensioner's child would have the opportunity to attend college.

One way to break the poverty cycle is through education. To deprive needy veterans with the minimal student benefit they receive to offset college educational expenses for their children is not only self-defeating, it is a tragedy. The cost of this amendment is only $50 million—a small price to pay to lift children out of poverty. I urge my colleagues to support this amendment and to provide the 128,000 children of pension recipients with the opportunity for a college education.

Mr. SIMPSON. Mr. President, I thank the good Senator from Colorado for his excellent remarks.

I also must oppose the amendment of the distinguished Senator from Massachusetts—an amendment which would remove from title VII of the reconciliation bill a provision in which we phase out college student benefts payable under the Veterans' Administration's non-service-connected pension programs.

Mr. President, this provision was proposed by the administration in February of this year. It was intended to parallel a similar cut made in the Social Security Act in last year's Omnibus Reconciliation Act. I would hasten to point out to my colleagues, however, that the most controversial group affected by last year's Social Security Act reduction—the so-called "S.O.S." or "survivors of sacrifice"—will not be affected by the change in this year's Reconciliation Act: The benefits that are involved here are payable, by definition, exclusively to children of veterans with no service-connected disability, whereas the survivors of sacrifice issue involves only children of veterans who died from service-connected causes.

There can be no denial that VA pension, and the college student benefits that would be affected by section 704, are needs-based programs. But the issue here is not simply need; it is whether it is appropriate for the VA to provide these benefits. It has long been my view, and the view of the Veterans' Affairs Committee, that benefits for service-connected disabled veterans are the highest priority mission of the VA. It follows that, at least as far as the VA is concerned, the furnishing of benefits to adult, nondisabled students who are children of non-service-connected veterans is not a high priority mission of the VA.

By this I do not mean to suggest that the furnishing of educational benefits to needy college students is anything less than a worthy governmental objective. Rather, I would suggest to my colleagues that this is a function that lies more appropriately within the jurisdiction of other Federal agencies where these other programs are administered.

The argument is then made that such alternative education programs were cut back last year. But we must keep those reductions in perspective. Since 1965—when VA pension student benefits first became available to students up to the age of 23—funds available to students under financial assistance programs administered by the Department of Education and its predecessor agency have grown 60 times over—from $200 million to about $12 billion a year. The reductions that were made in last year's Reconciliation Act amount to only about 5 percent of that total increase. Thus, it is important to bear in mind that education loan and grant programs administered through the Department of Education have risen to levels that would have been wholly unforeseeable at the time that the pension student benefit was enacted in its present form. Surely, any Member of Congress who endorsed the pension student benefit in 1965 would have agreed, at that time, that a sixtyfold increase in alternative education programs would be more than sufficient to completely abrogate the need for an additional student benefit—to be administered by the Veterans' Administration.

Let me also emphasize that the average student benefit that would be affected by section 704 of the reconciliation bill is estimated by the administration to be about $290 per year—an amount which in the average case is highly unlikely to be the determinative factor in any particluar student's decision of whether or not to attend college. Annual benefits could, in some cases, be as high as $900 in certain cases under the Improved Pension Act of 1978, but it should be pointed out that such benefits are in most cases reduced by the amount of income avail-

able to the beneficiary from other sources.

But again, Mr. President, let me emphasize that the issue here is not simply whether students have a need for these benefits. Clearly, they do, since VA pension is by definition a needs-based program, but I would suggest that they also have other compelling needs, such as food and clothing, that are simply inappropriate to the VA's primary mission and budgetary limitations.

Finally, Mr. President, let us not stray from what this reconciliation bill is about. The Veterans' Affairs Committee was required, by reconciliation instructions contained in the first concurrent budget resolution, to achieve fiscal year 1983 savings in entitlement programs within its jurisdiction in the amount of $77 million, and in addition, to enact legislation providing for a user fee on VA loan programs, to yield an additional $95 million in receipts. The committee recommended entitlement savings in the amount of $78.5 million for fiscal year 1983, so that the passage of the present amendment would cause the reconciliation totals with respect to fiscal year 1983 entitlement reductions to fall some $12 million below the levels mandated in the first concurrent budget resolution.

For these reasons, Mr. President, I strongly urge that my colleagues reject this amendment.

● Mr. PRYOR. Mr. President, I am speaking in support of this amendment to restore student benefits for the 19- to 23-year-old dependents of veterans with non-service-related total and permanent disabilities who receive pensions. The Congressional Budget Office has estimated that 128,000 students will be affected if these benefits are not restored.

I have been consistently dismayed with the efforts of this Congress to strip away benefits that have been promised to our national veterans and their families. This Congress needs to be reminded that we have a commitment that we must keep to these honored members of our society.

Just an example of what we are asking. Let us say that a young person had reached the age of 18 prior to the effective date of the proposed cutbacks and was planning to go to college. He or she could look forward to receiving benefits at the level payable in September 1982, only to be reduced by 25 percent during the 1982-83 school year, then by 50 percent during the 1983-84 school year and by 75 percent in the 1984-85 school year. And if that young person wanted to go to summer school in the 1983 to 1984 timeframe, he or she might as well forget it because those benefits would be eliminated for the summer months. The final blow would be that all student benefits would be completely phased out by April 1985 under the provisions of this revision of section 704 of S. 2774.

I urge my colleagues to give this amendment careful consideration. I believe it can be accurately said of this amendment what the sponsor has noted: "The cost of keeping our promise to these veterans is modest, but the cost of breaking it knows no measure."●

Mr. KENNEDY. Mr. President, I have an amendment with the Senator from Missouri (Mr. DANFORTH). I should like to ask unanimous consent that we set aside the current amendment briefly so we shall be able to consider this amendment which, I hope, might be accepted.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment of the Senator from Massachusetts?

Mr. ARMSTORNG. Reserving the right to object, and I shall not object, Mr. President, just to inquire of the Senator, is it his intention to ask for a rollcall on this amendment?

Mr. KENNEDY. On the one pending, yes.

Mr. ARMSTRONG. I have no objection.

Mr. KENNEDY. Mr. President, as I understand from the managers of the bill, they prefer to have the vote at a set time. That is no problem to me.

Mr. ARMSTRONG. I thank the Senator for his time.

Mr. KENNEDY. Mr. President, I leave it to the managers of the bill as to when they would like to schedule the vote. I would like the yeas and nays on it.

I ask unanimous consent that it be in order that I ask for the yeas and nays now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, the Senator from Wyoming might want to speak on it. Whatever time is available to him, if I could be given an equal amount of time for a response, I should probably like to speak on it.

The PRESIDING OFFICER. The Chair would like to clarify the parliamentary situation.

Is the Chair's understanding correct that all time has been yielded back on the Senator's amendment and the yeas and nays have been ordered?

Mr. KENNEDY. I asked unanimous consent that it be in order for me to ask for the yeas and nays now. I did not hear an objection. Then I asked for the yeas and nays. They were ordered.

I am glad to yield any time the managers would like. I expect to speak only for a couple of minutes after the Senator from Wyoming speaks, but I shall be glad to accommodate the leadership in scheduling this vote.

The PRESIDING OFFICER. The yeas and nays have been ordered on the Senator's pending amendment.

UP AMENDMENT NO. 1185

(Purpose: To express the sense of Congress that certain steps should be taken to make wholesome food which is currently being wasted or discarded available for distribution to hungry people)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and Mr. DANFORTH, proposes an unprinted amendment number 1185.

On page 38, line 4, insert "; DISTRIBUTION OF SURPLUS COMMODITIES" after "STUDY".

On page 38, line 5, insert "(a)" after the section designation.

At the bottom of page 38, add the following new subsection:

(b)(1) The Congress finds that—

(A) for an increasing number of people in the United States, these are times of great suffering and deprivation;

(B) rising unemployment, decreasing appropriations for social services, and increasingly adverse economic conditions have all contributed to produce hunger and want on a scale not experienced since the time of the Great Depression;

(C) the demand for every conceivable form of assistance for the hungry and needy people of the United States grows more critical daily, while the availability of goods and services to meet the needs of such people is rapidly diminishing.

(D) soup kitchens, food banks, and other organizations which provide food to the hungry report an astronomical increase in the number of persons seeking the assistance of such organizations;

(E) according to a study completed by the General Accounting Office in 1977, one hundred thirty-seven million tons of food, or more than 20 percent of this country's total annual food production, is wasted or discarded in the United States each year;

(F) at wholesale and retail food distributors, shipping terminals, and other establishments all across the country, enormous quantities of fresh fruits and vegetables and dated dairy and bakery products are discarded each day, while growing numbers of Americans go to bed hungry and undernourished each night;

(G) in these times of budget constraints and appeals for reductions in Federal spending, the use of private resources to meet the basic food requirements of our citizens should be encouraged; and

(H) many States and local governments have not enacted laws which limit the liability of food donors, such as so-called Good Samaritan Acts and donor liability laws, and thus have discouraged donation of food to the needy by private persons.

(2) It is the sense of the Congress that—

(A) departments and agencies of the Federal Government should take such steps as may be necessary to distribute to hungry people of the United States surplus food or food which would otherwise be discarded;

(B) State and local governments which have not yet enacted so-called Good Samaritan or donor liability laws to encourage private cooperative efforts to provide food for hungry people within their respective jurisdictions should do so as quickly as possible; and

(C) wholesale and retail food distributors, shipping terminals, and other establishments should work more closely with religious, community, and other charitable organizations to make wholesome food which is currently being wasted or discarded by such establishments available for immediate distribution to hungry people of the United States.

Mr. KENNEDY. Mr. President, the amendment we are proposing is intended to address a growing problem facing every community in this country—feeding the burgeoning numbers of homeless, poor, and unemployed Americans.

Just last week, the Census Bureau reported that 4 million more men and women are likely to join the ranks of the poor this year. One in seven Americans is now found to be living below the official poverty line. Even more tragic is the finding that one of every five children is growing up poor.

The plight of these men and women and their families has come about because of the deepening recession and growing unemployment. Over 10 million Americans are now without work and on Friday, we are likely to hear that the unemployment lines have grown longer.

Programs that have traditionally helped see families through unemployment and recessionary times have been sharply cut back. Last year, we cut some $5 billion from the food stamp program. The bill before us today cuts an additional $2.5 billion from food stamps over the next 3 years.

As a result, these new poor have turned to charities and churches in growing numbers seeking food for themselves and their children. The always limited resources of these volunteer agencies have been strained to the limits. From all across the country come reports of the increased demand for food. From New York to Los Angeles, the lines outside soup kitchens and emergency shelters are growing:

A community kitchen run by St. Lukes Episcopal Church in Atlanta is feeding 500 people a day. Last year it was 300.

In Kansas City, Catholic Charities reports they have requests from 200 more families this year and 70 percent are requesting food.

In Detroit, social service agencies report a 100-percent increase in requests for assistance. These same agencies have seen their funding cut anywhere from 25 to 90 percent.

In Boston, community groups are serving 14,000 more meals a month now than they were 2 years ago—a 64 percent increase.

At the same time that the number of hungry people is growing, the General Accounting Office reports that more than 20 percent of the food we produce in this country each year is wasted. We throw out 137 million tons of fruits, vegetables, meat, bread, milk, butter, and eggs each year.

That is 23 pounds for every man, woman and child each week—or enough to feed almost 50 million people.

This food is lost at every stage in the production and delivery chain—from farmers' fields and the corner store, from the shipping terminal and the supermarket.

Canned goods that are dented, fruits that are bruised, and loaves of bread that are squashed are tossed out by grocers who know they will be passed over by their paying customers. These foods are edible and nutritious and would be welcomed by community and religious groups who are struggling to feed the poor.

Last week, I jointed several colleagues in the House for a buffet lunch. The five-course menu included a choice of two appetizers, two kinds of salad, crab quiche, scalloped potatoes, a green bean dish, and fruit shortcake for dessert. It would be standard fare for any luncheon banquet, except that the ingredients used to prepare each dish were retrieved from dumpsters outside supermarkets around the city.

The food was fresh, it was tasty, and the quantities were ample. But unless we act, this usable food will continue to be thrown away.

The amendment Senator DANFORTH and I are offering is intended to raise the concern and consciouness of every Member in this body and of every citizen around the country. It makes three points.

Agencies and departments of the Federal Government should take steps to distribute surplus food to the hungry.

State and local governments should enact legislation to encourage cooperative efforts to provide food for the hungry—good samaritan or donor liability laws.

Wholesale and retail food distributors should work closely with charitable organizations to make available food that would otherwise be wasted.

Mr. President, we hear a lot about eliminating waste. That is the purpose of this resolution—to cut out the unconscionable waste of 137 million tons of food and to make this food available to those who can put it to good use feeding the poor and hungry.

I ask my colleagues to join Senator DANFORTH and me in this amendment.

Mr. DANFORTH. Mr. President, I compliment the Senator from Massachusetts for his initiative in offering this amendment, which is a sense-of-the-Senate amendment relating to food policy. It does not cost any money. It is merely an effort to further the cause of better using those resources which we already have in this country.

Mr. President, we have recognized for some time the basic right of people, not only in America but, indeed, throughout the world, to have sufficient food that they can provide for themselves and their families. Yet we have the terrible situation of many Americans who now have to choose between food and other things that are necessary for survival. We are in a recession. It has caused great difficulties and human misery for many of our citizens.

The question is, Is there some step we can take which would make it possible for people to provide for themselves and for their families in a way which does not do violence to the budget process? The answer to that question is, yes, there is. That is the point of this amendment. It is estimated that approximately 20 percent of the food that is produced in this country is never consumed.

The food is simply wasted in one way or another. It exceeds the shelf life in the grocery store and it is pitched. It is damaged in one way or another. Vegetables are produced and they are thrown away, but they are perfectly usable and could be used to great advantage by people who are in need.

The point of this amendment is to point out this situation and hopefully further the objective of making this food available to the people who could use it and who need it. I compliment the Senator from Massachusetts for his leadership in this effort, and I urge the adoption of his amendment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS. Mr. President, I join in the amendment of the Senator from Massachusetts and the Senator from Missouri.

We are prepared to yield back our time and move the adoption of the amendment.

The PRESIDING OFFICER. Is the Chair of the understanding that all time has been yielded back?

Mr. ARMSTRONG. Mr. President, I just want to join others who have spoken in commending the Senator from Massachusetts and the Senator from Missouri for offering this language. The problem they address is an important one. The President has called on the private sector and State and local governments to increase their efforts to address these needs. This sense-of-the-Senate language endorses steps to alleviate hunger through such efforts. I support it, and I, of course, urge its adoption. I am confident that my colleagues in the Senate will do so as well.

The PRESIDING OFFICER. All time having been yielded back, the question now occurs on agreeing to the amendment offered by the Senator from Massachusetts, cosponsored by the Senator from Missouri.

The amendment (UP No. 1185) was agreed to.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair reminds the Senate that there is a pending order to the effect that the distinguished Senator from Ohio is now scheduled to bring up an amendment.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask the manager of the bill on the minority side if, pending my sending my amendment to the desk, he would yield me sufficient time to speak to the general subject.

Mr. HOLLINGS. By all means. We yield to the distinguished Senator from Ohio.

Mr. METZENBAUM. I thank my friend from South Carolina.

(Mr. ARMSTRONG assumed the chair.)

Mr. METZENBAUM. Mr. President, today approximately 2 million people have exhausted their regular unemployment benefits and extended benefits. These are people who want to work. They are looking for a job. They are people who have paid into the system. They are the same hard-working people that the President of the United States described during his Presidential campaign as "America's unsung heroes and heroines."

In Columbus, Ohio, recently I conducted a hearing, and I heard the stories of some of those who have exhausted their unemployment benefits. People who with 17 and 18 years of seniority are on the street without hope of being called back to work.

Mr. President, I can only tell you that they are scared. They are fearful. They are fearful that the homes that they have been paying on for years are soon to be taken away from them by their banks and savings and loan institutions. They are fearful that they are going to lose their automobiles, and they are afraid because they are ashamed to tell their children—as one of the men said to me, "I'm ashamed to tell them I don't have 40 cents so they can go down to the corner and get an ice cream cone."

Parents are being forced to abandon their dream for higher education for their children. Others cannot meet the payments for their basic utilities. People who never before thought that they would be forced to turn to welfare are finding, after they apply, that they are not qualified for welfare. They are qualified to work. They cannot find work, and their unemployment benefits have run out. These are people who played by the rules. They have paid their taxes, worked hard all their lives without asking for assistance and now that they need the help of the Federal Government, it is not forthcoming. In fact, Mr. President, it is sad that as of this moment the response of the Congress and the administration to the plight of the long-term unemployed has been the reverse of what is needed.

As a matter of fact, the administration came before the Finance Committee the other day, a Finance Committee that I might say I think was receptive, concerned about the problem of extending unemployment benefits, and when they asked what the administration position was, the response was, "We are opposed to extending unemployment benefits."

When they said, "Well, what does the administration propose we do for these people?" They indicated that they had no answer and that somewhere along the line there was going to be an upturn in the business cycle.

Now, in all fairness to the chairman of the Finance Committee, it was not he who was saying that. It was the administration. The chairman of the Finance Committee indicated at that point that he understands this problem, that he has a concern about it, and that he would hope that something could be done about it in the conference committee.

With 10 million Americans out of work, he knows, I know, and this Congress knows, that this is a problem that has to be given our immediate attention.

The Congress and the administration, as we well know, have changed the formula that triggers extended benefits by not counting the men and women already in the extended benefits program, thereby making it harder for States to qualify for extra assistance.

Therefore, we have a twofold kind of problem. One is the problem of those whose benefits have expired and one is the problem of those who have been foreclosed from getting extended benefits by reason of the failure to trigger the extended benefits program, which is caused by a recent change in the law's provision.

As a result, Indiana, with an unemployment rate of 11.4 percent, along with Massachusetts, Delaware, Minnesota, Arkansas, Maine, New Jersey, and Missouri are not on the extended benefits program. This change has affected over 80,000 people in those States alone. It is a reality of life that some States are right at the brink as to whether they will remain on the extended benefits program.

I am pleased to read that the administration, according to the Washington Post today, "now hints support of extending jobless benefits." I am pleased that maybe now they see the handwriting on the wall; that there are those of us in the Congress who feel that there is an obligation to do something about this problem.

I think it was quite a surprise to the Members of the Senate, and perhaps to others who were looking at what this body was doing, when in the middle of the night, the other evening, when we were talking about the tax bill, the Senator from Ohio offered an amendment—and I was told I probably would get very little support for that amendment—to provide that the unemployment tax would become inoperable unless employment benefits were extended for 13 weeks. What happened? That amendment almost was adopted. It received 48 votes and lost by only 1 vote, 48 to 49 votes. If some Members of this body understood the amendment, I am advised that they would have been prepared to switch their votes or to have voted in favor of the amendment.

So now we have another opportunity to look at the problem and to say to the unemployed of this Nation: "We care. We are concerned. We are concerned about the fact that somehow, some way, we have a responsibility to see to it that you not lose your home, that you not lose your car, that you not lose your sense of dignity."

Mr. President, a recent Gallup poll gave President Reagan the lowest rating on the issue of unemployment, by an overwhelming 81 to 8 percent margin. By a margin of 81 to 8 percent, Americans believe that this administration has failed to respond adequately to the plight of the unemployed.

As I stated previously, the Assistant Secretary of Labor appeared before the Senate Finance Committee and said that any extension of benefits is ill-timed with respect to the business cycle. He said that any increase in outlays for unemployment benefits would increase the Federal deficit and result in higher interest rates. Oh, yes, worry only about the deficit and the higher

interest rates, but forget about the unemployed.

Well, I do not yield to any Member of the Senate or of Congress in being concerned about the Federal deficit and bringing down interest rates, but the unemployed of this country should not be bearing that burden.

When the Assistant Secretary of Labor was asked whether or not they had any solution at all for the unemployed, he said they had none. I should like him—and perhaps he should bring the President along as well—to visit Youngstown and Cleveland and Birmingham and Detroit, or one of a thousand other American cities, and tell the unemployed who reside there that they are not truly needy. I should like him to explain that the business cycle says that their Government cannot and will not help.

Mr. President, I will be very frank with the Members of this body. I would much prefer to be on the floor today urging a program to provide jobs, but we do not have a program to provide jobs; and, in lieu thereof, we have to come up with some answer. A jobs program would be desirable because America's unemployed workers are anxious to go back to work. They want to earn a decent wage and do a full day's labor and be paid a full day's pay. But that is not possible in this economy. We are in a recession.

One of every eight people in Ohio is unemployed. Approximately 1 of every 10 people in this country is unemployed. Therefore, we must come forward with some kind of positive answer.

Providing additional weeks of compensation is not a novel response to periods of high levels of unemployment. The temporary emergency Federal supplemental benefits program was originally authorized by the Emergency Unemployment Compensation Act 1971, which expired on September 30, 1972, In 1974, the program was reauthorized and continued to provide supplemental benefits through January 1978. It is needed once again, in 1982.

Mr. President, the economic conditions we face today are even more severe than those which existed when Congress provided a supplemental benefits program in 1974. Unemployment is higher today. In 1974, it was 5.3 percent. Today, the national average is 9.5 percent. The total number of unemployed workers is higher. In 1974, there were 4.8 million unemployed. Today, there are 10.4 million unemployed.

Home mortgage delinquencies are at a record high. At the end of 1974, 800,000 home mortgages were delinquent. In the first 6 months of this year, 1.5 million homeowners had fallen more than 30 days behind with their mortgage payments.

Mr. President, in connection with this legislation, the question came up as to the manner in which we should be dealing with the issue. Therefore, I am sending to the desk an amendment.

It provides:

It is the Sense of the Senate that Senate conferees on H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982 shall include the following provisions in the Conference Report on H.R. 4961:

(1) Legislation establishing a Federal Supplemental Benefits program, which shall become effective in calendar year 1982 and which shall be appropriately coordinated with Federal job training and employment programs, under which Federal payments are to be made to provide, or to reimburse States for the costs of, not less than 10 weeks, and not more than 13 weeks of eligibility for unemployment compensation for workers who have exhausted their rights to any extended unemployment compensation under the Federal-State Extended Compensation Act of 1970; and

(2) Legislation providing that States that are currently eligible or have been eligible since at least June 1, 1982, for the Federal-State extended benefit program will continue to be eligible to participate in the extended benefit program, notwithstanding any other criteria under Section 203 of the Federal State Extended Unemployment Compensation Act of 1970 which makes those States ineligible for extended benefit participation.

UP AMENDMENT NO. 1186

Mr. METZENBAUM. I send the amendment to the desk on behalf of myself, Senators SCHMITT, DIXON, LUGAR, ROBERT C. BYRD, CHAFEE, KENNEDY, HEINZ, RIEGLE, PACKWOOD, LEVIN, DURENBERGER, DECONCINI, SPECTER, CANNON, PERCY, MATSUNAGA, RANDOLPH, PELL, HUDDLESTON, SARBANES, DANFORTH, DOMENICI, DOLE, and BAKER.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself and Mr. SCHMITT, Mr. DIXON, Mr. LUGAR, Mr. ROBERT C. BYRD, Mr. CHAFEE, Mr. KENNEDY, Mr. HEINZ, Mr. RIEGLE, Mr. PACKWOOD, Mr. LEVIN, Mr. DURENBERGER, Mr. DECONCINI, Mr. SPECTER, Mr. CANNON, Mr. PERCY, Mr. MATSUNAGA, Mr. SARBANES, Mr. DANFORTH, Mr. DOMENICI, Mr. RANDOLPH, Mr. DOLE, Mr. BAKER, Mr. PELL, Mr. HUDDLESTON, Mr. SASSER, Mr. MOYNIHAN, and Mr. BOSCHWITZ, proposes an unprinted amendment numbered 1186.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. ——. It is the Sense of the Senate that Senate conferees on H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982, shall include the following provisions in the Conference Report on H.R. 4961:

(1) legislation establishing a Federal Supplemental Benefits program, which shall become effective in calendar year 1982 and which shall be appropriately coordinated with Federal job training and employment programs, under which Federal payments are to be made to provide, or to reimburse States for the costs of, not less than 10 weeks, and not more than 13 weeks of eligibility for unemployment compensation for workers who have exhausted their rights to any extended unemployment compensation under the Federal-State Extended Compensation Act of 1970; and

(2) legislation providing that States that are currently eligible or have been eligible since at least June 1, 1982, for the Federal-State extended benefit program will continue to be eligible to participate in the extended benefit program, notwithstanding any other criteria under Section 203 of the Federal State Extended Unemployment Compensation Act of 1970 which makes those States ineligible for extended benefit participation.

Mr. METZENBAUM. Mr. President, let me say that this certainly is a product involving the chairman of the Finance Committee, Senator DOLE, who is a cosponsor.

I wish it understood that the reason his name was not second is because I was directed to have Senator SCHMITT's name second.

I hope it is not offensive to the Senator from Kansas.

Mr. SCHMITT. Mr. President, as a designated principal cosponsor will the Senator yield to me?

Mr. METZENBAUM. I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I am privileged to be a principal cosponsor of this amendment offered by the Senator from Ohio and which is the product of the work of innumerable Senators on both sides of the aisle, recognizing the unusual circumstances that face unemployed workers and potentially unemployed workers throughout the country as we move out of the recessionary period imposed upon us by the economic problems of the past.

I hope that I am not being overly optimistic when I use the word "past" because I do believe that this is a measure which will provide a cushion for the working population of America and of my own home State of New Mexico, a cushion that will see them through the bottom of the recession and into that time when production in all areas of our economy will begin to swing upward.

The credit for this amendment goes to many parties. I think the list of cosponsors is very significant in that both Republicans and Democrats and indeed the entire country recognize the unusual nature of our current situation and that there is a compatible way to deal with that situation. Credit for this very neatly crafted guideline is due to the Finance Committee.

I particularly commend the chairman of the Finance Committee, Senator DOLE, for being willing now with these guidelines to go back to conference and try to work something out with the House of Representatives

that will assure the workers of America, the workers of all of our individual States that there will be an extension of benefits so necessary to keep them in a position where they can reenter the work force as the economy swings upward.

I yield to the Senator from Kansas and again thank him for his assistance on this matter.

Mr. DOLE. I thank the Senator from New Mexico.

Because of its importance, I ask for the yeas and nays now while we have Members in the Chamber.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, the Senator from New Mexico, the Senator from Ohio, and the Senator from Pennsylvania have really been the prime movers in this area. It is a matter we have been addressing for some time. We did have hearings in the Finance Committee. We have been meeting with Dave Stockman, for example, the Secretary of Labor, Ray Donovan, representatives of the AFL-CIO, and I know that other Members have been doing the same.

It seems to me that this will give those of us on the conference committee that little extra push to write something into the reconciliation bill which will probably be back on this floor before the August 20 recess.

So I commend Senators. And I shall make a statement in a few minutes after the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I am very, very pleased that we have gotten to this point here in the Chamber today.

I commend the Senator from Ohio for having worked with the Senator from New Mexico, the Senator from Kansas, and myself in continuing to offer a means by which we can get action out of the conference on the tax bill between the Ways and Means Committee and the Finance Committee to deal with the absolutely urgent problem of extending unemployment compensation benefits for those who are exhausting their basic and present extended benefits and for addressing the tragic and absurd problem of having States where the unemployment rate continues to go up and triggers off the first 13 weeks of extended benefits.

The amendment clearly addresses both of those concerns and provides for up to 13 weeks and no less than 10 weeks of eligibility, with the details to be worked out in the Finance Committee.

I must say that there are those who say that we cannot act around here, that it takes us months and years to get everything done.

I think this is an example of genuine responsiveness and I salute in particular the work of my friend, the chairman of the Committee on Finance, Senator DOLE, in this regard. It is responsiveness because just last Thursday when we had the hearing in the Finance Committee we had a representative—apparently they had not touched all the bases—of the administration come down and say that the administration was opposed to any extension of benefits, that they did not support any programs to help the unemployed, that they would oppose anything we did at all in that regard.

Fortunately, we did not take that answer as a definitive answer. Just about every member of the committee, Republican and Democrat, said, "No, that is not the way we want to deal with the hardship that exists out there."

Subsequent to that, the Senator from New York (Mr. MOYNIHAN) and I held field hearings. We held field hearings Saturday first in Buffalo and then in Pittsburgh. At our hearings a variety of scholars, victims, organizations, and labor unions appeared to argue about the merits of an extension, the difficulties of current law. One witness, in particular, is rather well known by this time, Peter Eritano, the steelworker whom President Reagan called last Monday to congratulate him on the food bank the steelworkers were running at the J. & L. Aliquippa local.

Mr. Eritano was one of our witnesses and, as he said, time has run out for tens of thousands of steelworkers. Time has run out on them if they are going to keep their homes and avoid being pushed onto welfare. Time has run out on their entire communities where, when a whole mill closes, there are no other jobs. There is only desperation.

This amendment today, which is so broadly supported, comes 1 week to the day after our hearings on this subject, 1 week today. I do not know—and I say this with great affection for my chairman, the Senator from Kansas—when I have ever seen the world's greatest deliberative body be more responsive to the problems of the people in need. I am grateful to this body for showing it is a responsive body because of the plight of my constituents in Pennsylvania, so many of whom are in absolutely desperate straits, and without the passage of this bill, instead of there being tens of thousands of people in my State and other States in totally desperate and destitute states, we soon would be faced with literally hundreds of thousands—indeed, some 630,000 Americans are now, in some 31 States, in their final weeks of eligibility for extended benefits.

So, Mr. President, I want to see the Senate take action on this. I want to see our conference committee respond. I am delighted to be able to be one of the original and early cosponsors of this amendment, and I urge all my colleagues to support it.

Mr. DOMENICI. I agree with the Senator from Ohio and the others who have spoken that there is a pressing unemployment problem in this country. No one can deny that millions of Americans are out of work and that we must get the economy moving again so they may find jobs.

The question before us is this: How do we provide this help in the most effective manner? How do we target it to those most in need of the help?

Senator METZENBAUM and the other sponsors are proposing a sense-of-the-Senate resolution that makes sense on all counts. It does the job at reasonable cost. It will provide supplemental benefits to those who need them. It is fiscally responsible at a time we need to be reasonable to help all Americans, not just those who are unemployed.

I am prepared to support this resolution that will urge the conferees on the tax bill to extend benefits in a fiscally responsible way. We can meet the legitimate needs of the unemployed in a humane way that does not negate all of the other hard work we have done on this reconciliation bill.

I do want to tell the Senate that this amendment and the legislation it calls for will put considerable pressure on the spending totals under the first budget resolution for fiscal year 1983.

The funding this amendment calls for was not assumed in the budget resolution.

I am hopeful that the costs of this extended benefit program in unemployment insurance can be absorbed within the budget resolution totals by lower spending in other areas.

I also understand that it is possible the conferees may decide to pay at least part of the costs of this program by added taxes.

It may be necessary, however, when the budget resolution is revised—probably next spring.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOMENICI. Mr. President, I am going to yield control over the time I have on this amendment to the distinguished chairman of the Committee on Finance, Senator DOLE. There will be a Budget Committee member here shortly, and if the Senator has to leave the floor he will take over. Would the Senator mind assuming that at this point?

Mr. DOLE. I thank the distinguished Senator from New Mexico.

Mr. President, a parliamentary inquiry. How much time is remaining on the amendment?

The PRESIDING OFFICER. Fifty-three minutes and forty-five seconds remain to the Senator from Kansas, and 55 minutes and 23 seconds remain to the Senator from Ohio.

Mr. DOLE. Mr. President, I do not think we will consume all that time, perhaps hardly any of the time. But before the Senator from New Mexico leaves I want to thank the distinguished Senator from New Mexico. We were on the phone early this morning, and trying to find each other late last night, and I appreciate his willingness and his staff's willingness to work this out this morning with us in the drafting. So I again thank the distinguished chairman of the Budget Committee for that effort.

I want the Senator from Ohio to know and the Senator from Pennsylvania and others who have an interest in this, that we are serious about this. We are just not trying to pass it off and say we are going to pass a resolution, I assume by a unanimous vote, but it is my hope that we can come back from conference as early as the 18th or 19th of August with a meaningful provision with reference to extend benefits and supplemental benefits.

There are about 35 States which, if we do not act very quickly, are going to be in trouble on extended benefits, and a number of States in trouble on supplemental benefits.

We have not tried to put a limit on the cost. We have not had a chance to see how small or how large it will be because we do have some constraints, but I am convinced that with the help of the other Senate conferees—I know the distinguished Senator from Louisiana (Mr. LONG) has an interest in this, as do other Senators, members of the conference, Senator PACKWOOD, Senator DANFORTH, Senator ROTH, Senator BYRD from Virginia, Senator BENTSEN from Texas—and I will just pledge on behalf of the Senate conferees that we are going to do what we can to work with the House Ways and Means conferees to see if we cannot put a meaningful provision in the bill so that we can protect some of these people who have either lost their benefits or are about to lose their benefits.

I may be asking the Senator from Pennsylvania, who has spent a lot of time on this issue, to maybe do a little extra work in the conference, along with the Senator from Ohio and the Senator from New Mexico and others who have a direct interest.

I would like to put a list of the States in the RECORD that I think we ought to be looking at very carefully. Starting with Alabama, Alaska, Arkansas, California, South Carolina, North Carolina, they are all on the list, and the list ends with Wisconsin.

Mr. President, I ask unanimous consent that the list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF STATES

(Based on the Department of Labor's analysis, the following States will be assured continuation of the Federal-State extended benefit program under the Metzenbaum-Schmitt proposal.)

Alabama, Alaska, Arkansas, California, Delaware, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Mexico, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virgin Islands, Washington, West Virginia, Wisconsin.

Mr. DOLE. I also have a fuller explanation of the program, what it does, and what the proposed amendment might do.

The regular State unemployment compensation programs generally provide 26 weeks of benefits for unemployed workers. These benefits are financed totally out of State taxes on employers which are deposited in trust funds in the Federal Treasury. Administrative costs are financed totally out of Federal unemployment taxes (FUTA).

Under certain conditions, and additional 13 weeks of benefits becomes available. This is the extended benefit (EB) program and is financed one-half from the Federal employer tax and one-half from State employer taxes. Administrative costs continue to be paid totally by the Federal Government.

The insured unemployment rate (IUR) is used to "trigger on" the Federal-State extended benefits program. The IUR is the number of people insured for unemployment compensation who are unemployed as a fraction of the number of people insured for unemployment compensation who are employed.

The EB program has mandatory and optional State triggers. Under the mandatory trigger, the EB program activates in a State when it is IUR for the most recent 13-week period is at least 4 percent and this 13-week IUR is 120 percent of the average IUR for the last 2 years during the same 13-week period. The EB program ends when the State no longer meets this condition. A State must remain "triggered off" for a minimum of 13 weeks.

At State option, the State may pay extended benefits when the IUR reaches 5 percent. Thirteen States have chosen not to utilize the optional 5-percent trigger.

As a result of reforms in the Omnibus Reconciliation Act of 1981, the mandatory and optional State triggers will be raised by 1 percent on September 25, 1982—to 5 percent plus 120 percent, and to 6 percent for the optional trigger.

I am aware that last year's reforms will cause some States to trigger off the EB program while there still may be serious unemployment problems in that State. I have been working with the administration and with Members of the House and Senate to provide some relief without bankrupting the Federal Treasury. We are close to agreement on a plan which will help the unemployed workers in distressed States and we probably provide this relief within the context of the tax and spending bill presently in conference.

However, the Metzenbaum amendment locks the Senate and Congress into the enactment of an ill-designed, overly generous, and expensive program.

The Metzenbaum amendment apparently provides a permanent program of 13 additional weeks of unemployment benefits.

These benefits would be available even in States which do not have insured unemployment rates sufficiently high to trigger on the EB program. In States where the EB program is triggered on, 13 more weeks would be provided—an unemployed worker in that State would automatically be eligible for a full year of benefits regardless of the work history of that individual and regardless of whether or not the particular State was experiencing unusually high unemployment. This is not what our Federal-State system of unemployment compensation was intended to provide.

The second part of the Metzenbaum amendment would repeal one of last year's Reconciliation Act reforms—the change in the way the insured unemployment rate is calculated.

As mentioned above, the insured unemployment rate is computed by dividing the number of workers receiving unemployment benefits by the number of workers in jobs covered by the unemployment insurance program. Prior to the 1981 Reconciliation Act, Federal regulations provided that workers already receiving extended benefits must be included when computing the unemployment figure. The original legislation dealing with this issue did not specify whether extended benefit recipients were to be included or excluded.

In 1980, the Carter administration issued a regulation which would have excluded EB claimants in calculating the IUR. Its implementation was blocked by a court ruling that such a changed required legislation. Last year, Congress enacted such legislation realizing that the inclusion of EB claimants in calculating the IUR has the effect of keeping a State trigger on longer after the economy has started to improve than would otherwise be the case.

Calculating the IUR for EB trigger purposes based only on claims for regular benefits ends an inequity caused by the practice of counting regular and EB claims. An extended benefits

period lasts indefinitely while the IUR remains at or above the trigger level; counting EB claims inflates the IUR, prolonging the EB period. As a result, extra weeks of benefits are payable after the need to extend duration has passed. Moreover, in two States with the same rate of insured unemployment, exclusive of EB claims, extended benefits might be payable for many months in one State and not at all in the other, because claims for extended benefits in the first State inflate the State IUR.

Employers in the second State therefore help to finance one-half of the extended benefits in the first State even though their laid-off employees, faced with the same tight job market, are not eligible for extended benefits. Our action last year corrected this situation and we should not reverse that policy now.

This change in the method for calculating the IUR was a valuable reform. It should not be reversed.

We can, in the conference currently underway, take steps to insure that certain requirements which have caused States to trigger off the EB program be waived or suspended for a period of time. We can do this without the potential $5 or $7 billion cost of the Metzenbaum amendment and without repealing worthwhile reforms.

Finally, the Metzenbaum amendment should be rejected on cost grounds. The 3-year cost could reach some $17 billion or more. We just cannot afford such an expenditure.

This will have a large budget impact. We will take appropriate action.

Is the distinguished Senator from Illinois (Mr. PERCY) a cosponsor? If not, I ask unanimous consent that he be listed as a cosponsor, as well as the distinguished Senator from Indiana (Mr. QUAYLE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. HEINZ. I think the Senator from Kansas is familiar with my bill S. 2550 on which we had hearings before the Committee on Finance last Thursday. As I understand this amendment, while this amendment does not guarantee that the conference will emerge with S. 2550, my understanding of this amendment is that if the conference decided to emerge with provisions identical to S. 2550 that this sense-of-the-Senate resolution would, in fact, permit them to do so, would not constrain them in any. Indeed, the provisions of S. 2550 would be consistent, although not binding on the conference committee, with what is in this resolution; am I correct?

Mr. DOLE. As I understand the Senator from Pennsylvania's provision, and it was discussed at the hearing, that is correct. We think we have a lot of flexibility, and I appreciate the willingness of those who are directly involved not to tie our hands. We are going to be coming back to the principal authors of this amendment and others.

I see the Senator from Indiana on the floor. They have a special problem in Indiana; there is a special problem in New York, and maybe we can address these problems. Michigan has a number of problems, and we are trying to address some of those in the conference, and we think we can address more with this resolution. The Senator from Pennsylvania is correct.

Mr. HEINZ. I thank my friend from Kansas and I appreciate his yielding.

Mr. DOLE. Mr. President, I know of no further requests for time on this side.

Mr. LEVIN. Mr. President, I thank my friend from Ohio. First of all, I thank him and all those who worked so hard on this resolution. The matter of supplemental benefits is a matter of national policy. We have for 30 consecutive months worked with double-digit unemployment.

Since January 40,000 people in Michigan have exhausted their extended benefits. We just simply need desperately this supplemental unemployment benefit. I hope this is the second from the last step on this road. It is obviously not the last step, but we need that final step.

The Senator from Kansas has put his finger on it. That last step, if it is going to be made, is going to have to be made in conference, and we look forward to his leadership in that regard.

Just to give you some idea of the depth of this problem nationwide, in January of this year 9,000 people exhausted their benefits in this country. By March, in the month of March, 38,000 people had exhausted their benefits, and by May, in the month of May, 134,000 people had exhausted their benefits, a jump from 9,000 in January to 134,000 in May, and that figure represents a 41-percent increase in the number of people who have exhausted their benefits compared to May of the prior year. We have been fiddling around here in Washington while people are suffering back home.

And I am afraid that that is the hard, basic truth; that while hundreds of thousands of people are exhausting their benefits all they get from Washington is that they should vote with their feet, move somewhere else where there is not a job or they should read the want ads. It is time for us to take some action on this.

It was done twice in the 1970's when unemployment was a lot less than it is now. In 1971, we had a supplemental unemployment program and the unemployment rate was 5.5 percent. In 1974, we had a supplemental unemployment program and the rate was 7.2 percent unemployment. Well, the rate is 9.5 percent. It is almost twice what it was in 1971 and signficantly higher than it was in 1974. In both of those years, we had supplemental unemployment programs.

There is no logic which dictates that when the need for action is greater that the momentum for action should be less.

Mr. President, I hope, with the leadership that we have seen here today from the Senators from Ohio, Pennsylvania, Kansas, and others, that this is going to be the second from the last step and that the final step will be taken in the conference which is so ably chaired by the Senator from Kansas. I thank the Chair.

Mr METZENBAUM. addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, how much time does the Senator from Ohio have remaining.

The PRESIDING OFFICER. The Senator from Ohio has 52 minutes and 29 seconds remaining.

Mr. METZENBAUM. I yield 5 minutes to the Senator from Illinois.

Mr. DIXON. Mr. President, I thank my dear friend, the distinguished Senator from Ohio, for yielding me adequate time.

I also wish to thank my friend, the distinguished Senator from Kansas, for his input in connection with the resolution to this very important problem that affects a number of States in this Union and is a great problem in my own State.

I wish to say, on behalf of my friend and colleague, the distinguished senior Senator from Illinois, Senator PERCY, that we appreciate the accommodation made on both sides in connection with this amendment. My State of Illinois presently has an 11.3-percent unemployment rate. Notwithstanding that situation, many people are facing the loss of their benefits because of the triggering problem.

Mr. President, I support this effect to address a most serious, most complex problem which frankly boils down to a matter of basic human needs.

This issue will not go away, Mr. President. As long as there are millions of people who are out of work and unable to find jobs, there will be people whose basic needs of food and shelter must be met.

We cannot turn our backs on this problem. We cannot cover it with platitudes or assumptions that times will be better soon. We must address the issue directly, constructively, and immediately.

I commend the bipartisan effort to address the issue. I only hope that the final product which we are calling

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upon the conferees to develop can provide the answer we are looking for.

I need not remind anyone of the urgency of this issue. The unemployed are looking to us as their representatives in this place to come up with what might mean the difference in a family staying together—children being adequately cared for.

The Illinois congressional delegation met with the Governor of Illinois staff on Monday. At that time we were hopeful that this issue could be addressed by the conferees in the interest of time.

I introduced S. 2802 Tuesday, and now we come to our amendment today.

In the meantime, the administration has moved from a position of absolute opposition to any extension of benefits to a willingness to consider something to address the issue.

This resolution brings us, I hope, to a point where both sides can agree and present the solution to the administration to accept or reject.

I deeply hope the President can see his way clear to respond to the needs of the unemployed.

I understand that all of that has been addressed adequately in this compromise and that it is understood that this will adopt a grandfather clause that will look back to June 1 to take care of this problem in at least the 11 States that are very seriously affected.

Mr. President, I express my appreciation to all present who have worked so diligently in connection with this problem, and I urge my colleagues to support this resolution.

Mr. HUDDLESTON. Mr. President, I am pleased to cosponsor the amendment offered by our colleagues from Ohio (Mr. METZENBAUM) and Illinois (Mr. DIXON).

Unemployment insurance has its roots in the Great Depression when rampant unemployment threatened the very survival of our country. Unemployment compensation does not solve the tragedy of unemployment. It does not put people back to work. But it does soften the economic blow to workers and their families and, to some extent, helps maintain purchasing power, thus promoting economic stability. It helps the victims of economic recessions to survive, and helps the Nation pull out of economic downturns more quickly.

For many, the Great Depression has returned. We are suffering through the highest rates of unemployment we have experienced since the insurance program was instituted; 9.8 percent of the workers in this country are without jobs. In my own State of Kentucky, the overall June unemployment rate was 10.6 percent; 176,000 people were without work. The total number of jobs was 60,800 fewer than in June of last year, and manufacturing employment dropped to the lowest it has been since 1970. The July figures likely will be even worse.

In depth and duration, this recession is one of the most severe we have experienced. The long promised economic recovery is not materializing, and for the millions who can not find work, time is running out. Yet, we have no supplemental benefits program for them to fall back on and hundreds of thousands are losing their extended benefits. Consequently, only 43 percent of the Nation's unemployed workers were receiving unemployment benefits in May, compared with 68 percent in March, 1975 at the height of the last recession.

The people being thrown out of the unemployment compensation program are the ones who have suffered the most and suffered the longest. They are the tragic victims of a situation outside their control. We cannot turn our backs on them.

Mr. KENNEDY. Mr. President, I applaud the Senator from Ohio for offering this resolution to extend unemployment benefits for up to an additional 13 weeks. And I also want to recognize the leadership of the Senator from Illinois on this critical issue. As a result of your persistence you have even gotten the White House to begin to face the hard facts. I believe we will win a big victory today for the unemployed men and women of this country.

And the facts are these. The Reagan administration which promised us jobs, jobs, jobs, has brought us the highest unemployment since the Great Depression. In the last year, since the Reagan economic program was signed into law, almost 3 million Americans have lost their jobs.

Now the administration claims that they inherited this recession, that it is the result of 40 years of Government mismanagement, and that the wrongs of 40 years cannot be righted overnight. Once again they have ignored the facts.

Today, over 10 million Americans are jobless—1.3 million more than when Ronald Reagan took his oath of office; 4 million more Americans are joining the ranks of the poor. Inflation is back in double digits, interest rates are out of sight and budget deficits have skyrocketed.

The Reagan program of tax cuts for the rich and budget cuts for the poor has failed miserably. The country faces an unprecedented economic crisis. Men, women, and children all across the country are experiencing real pain and hardship as a result of this ill-conceived program.

And how has the administration responded to this suffering—with callous and cold indifference.

This is the third time the issue of supplemental unemployment benefits has been before the Senate. On each previous occasion the administration has opposed extension of these benefits for an additional 13 weeks. Just last week, a spokesman for the administration, John F. Cogan, testified before the Finance Committee in opposition to this extra bit of help for the unemployed. He indicated the administration has no plan to help those men and women who have been out of work for 9 months or longer.

Now the President claims he cares about the poor and unemployed. But you would never know it to listen to Mr. Cogan. He stated that an extension of unemployment benefits would be and I quote "inequitable, ill-timed, and costly." He commented further that unemployment insurance is not the proper vehicle for dealing with poverty and indicated he thinks it is preferable for these individuals and their families to go on welfare.

I leave it to my colleagues to judge for themselves whether these remarks reflect the compassion and concern the President has talked about.

The resolution we are considering here today does offer hope to the millions of unemployed who will suffer the loss of their benefits unless we act. The unemployment insurance system has been the traditional time-tested way to provide support to those out of work through no fault of their own. It is not a poverty program, it is an insurance program that has been paid for and earned.

I urge my colleagues to support this resolution.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. BOREN. I thank my colleague from Ohio.

Mr. President, I appreciate this opportunity to express my support for the amendment and the sense-of-the-Senate statement offered by the Senator from Ohio, and to express my support for the action he is calling on the conferees to take.

I think it is absolutely imperative that we all pull together as Americans. We cannot, in a State such as mine, which has been more fortunate than others, sit back and say that we are not concerned about the suffering of those in other States.

I was shocked when we had the recent hearings before the Finance Committee and had representatives of the Department of Labor before us. I asked them point blank: "What do you have to say to people who have run out of their unemployed benefits, who want to work, who have worked all their lives, when there are no jobs available to them? Do you have any alternative except to say to them, 'Sit home and wait for the economic recovery; sell everything you have; sell your house; dispose of your assets; and go on welfare?'"

His answer was, "We have nothing else to offer them."

I was shocked and astounded by that kind of callous attitude. I think we have to take some kind of action. We are not dealing with people who do not want to work. We are dealing with people who have worked all their lives and who, through no fault of their own, because of the economic downturn, are out of work.

I commend the Senator from Ohio for his interest in their suffering and for his desire to see something done.

I am also pleased that we have included in the language of this amendment reference to integration of the kind of program we are coming up with—jobs training and a jobs program. It is my feeling that many of those who are now exhausting their unemployment benefits would like to have the opportunity to participate in training programs and in jobs programs, in addition to their extreme need to draw additional benefits at this time.

It is my hope that this will be a message to the administration that Congress hopes the administration will come up with a creative and effective program that will tide over people who cannot find work and will assist them in gaining new skills where jobs are available, or assist them in finding employment in areas where there is great public need for certain kinds of services and certain kinds of improvements to be made.

I commend the Senator from Ohio, and I express strong support for the amendment he has offered.

Mr. METZENBAUM. I thank my good friend from Oklahoma.

Mr. CHAFEE. Mr. President, I welcome this opportunity to lend my support as a cosponsor of this measure calling for an extension of unemployment benefits for up to 13 weeks.

Unemployment has remained at alarmingly high rates over the past several months. It has, therefore, been increasingly difficult for those who are unemployed to find work. This measure is meant to provide some relief for those who have exhausted their unemployment benefits, and who simply cannot find work.

The economic and psychological hardships that are wrought on the families of unemployed workers are immense. Workers who have toiled faithfully for years, in shops, mills, and factories, are finding themselves laid off and with small prospects for reemployment. The current recession is lasting longer than expected. Working Americans are suffering. Compassion demands that we respond to the needs of unemployed workers. Admittedly, we are not curing the problem, but treating the symptoms. Yet, the symptoms are serious and must be dealt with.

Twice before during recessions in the 1970's, Congress acted to extend unemployment benefits. In neither case was unemployment at a level as high as it is today. We moved out of those recessions; we should be proud, as we look back, that we protected working Americans from the devastating effects of prolonged unemployment. We ought to provide similar protection during this recession so that when health is restored to our economy, we can take comfort in having acted fairly and honorably toward those who needed our help.

● Mr. D'AMATO. Mr. President, I am pleased to support this resolution which addresses the very serious problem of unemployment in this Nation. Just last week the Senate Finance Committee held hearings on unemployment compensation. I commend the Senate for its speed and responsiveness in dealing with this vital matter.

The resolution, however, as it stands does not take into account the unique unemployment problems of States such as New York State. I therefore join with my good friend and colleague from New York and urge that this resolution be modified.

The resolution presently calls on the conferees on H.R. 4961, the Tax Equity and Fiscal Responsibility Act, to include provisions which establish a Federal supplemental benefits program of 10 to 13 weeks for individuals who have exhausted extended unemployment compensation benefits. In addition, States which are currently eligible or have been eligible since June 1, 1982, for extended benefits will continue to be eligible through March 1983.

Since New York currently does not qualify for extended benefits, the supplemental program envisioned by this resolution will not aid New Yorkers. Although the overall unemployment rate in New York State is 8.8 percent, certain areas within the State have unemployment rates which are considerably higher. Buffalo, N.Y., for example, has an unemployment rate which exceeds 14 percent. The resolution should be modified so that the conferees on the tax bill establish a program which provides assistance to individuals in areas such as Buffalo and other areas in States suffering from high rates of unemployment.

I strongly urge my colleagues to adopt the modification offered by my good friend and look forward to working with him on this matter.●

Mr. SARBANES. Mr. President, I have joined with Senator METZENBAUM, my distinguished colleague from Ohio, in cosponsoring this amendment and commend him on the strong initiative which he has undertaken in this matter. This amendment addresses the urgent problem of unemployed workers exhausting their unemployment benefits and being able to meet the living expenses of their families. It does so by calling for a supplemental benefits program.

In addition another problem is that many States are being terminated from extended unemployment benefits because of changes in last year's reconciliation bill. Those changes, which I voted against last year, have resulted in 11,000 jobless Marylanders no longer being eligible for extended benefits on August 1, 1982. This amendment addresses that problem by providing that States eligible for the extended benefit program after June 1, 1982, shall continue to be eligible despite the fact that they might have become ineligible after that date.

Recently, I joined together with my distinguished colleague, Senator MATHIAS, in bringing Maryland's particular problem with respect to unemployment benefits to the attention of the Senate Finance Committee. We urged the committee to give immediate attention to a legislative remedy, and I ask unanimous consent that our letter be printed in the RECORD. I also ask unanimous consent that a letter from Maryland's Secretary of Human Resources detailing the problem in the State and an editorial from the Baltimore Sun of July 26, 1982, discussing this subject also be included in the RECORD.

There being no objection, the letters and editorial were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 29, 1982.

Hon. ROBERT DOLE,
Chairman, Senate Committee on Finance, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We want to commend you for holding hearings on proposals to extend unemployment compensation benefits. The importance of this matter in light of increasing unemployment and economic hardship cannot be overstated.

In addition to the urgency of considering an emergency supplemental unemployment benefits program we want to bring to your attention a situation in Maryland resulting from provisions in last year's Reconciliation bill which requires the Committee's prompt action. As the enclosed letter from Maryland's Secretary of Human Resources details, as of July 31, 1982, 11,000 unemployed persons will be dropped from the Extended Benefit program because Maryland's Insured Unemployment Rate (IUR) has fallen below the 4 percent trigger to 3.96 percent. This drop results from a provision on last year's Reconciliation bill which requires that claims for Extended Benefits no longer be counted in computing the Insured Unemployment Rate (IUR). If this change had not occurred, Maryland's Insured Unemployment Rate would currently be 4.6 percent and the Extended Benefit program would be in effect. Since the recipients under the extended program reflect severe and continuing unemployment we believe dropping them from the calculation of the IUR is unwarranted. In effect you have the ironic situation that those most severely impacted by continuing unemployment cease

to be counted for purposes of determining State eligibility for extended benefits.

Furthermore, the changes contained in last year's Reconciliation bill raised the trigger rate from 4 percent to 5 percent effective September 25, 1982—an increase which should be re-examined in light of the continuing high unemployment. The tragic consequences resulting from the higher trigger rate and the dropping of the extended beneficiaries in the calculation of the Insured Unemployment Rate must be addressed. We urge the Committee to move to correct this situation.

Sincerely,

PAUL S. SARBANES.
CHARLES MCC. MATHIAS, Jr.

DEPARTMENT OF HUMAN RESOURCES,
Baltimore, Md., July 22, 1982.

Hon. PAUL S. SARBANES,
U.S. Senator,
Dirksen Building, Washington, D.C.

DEAR PAUL: Recent news reports that nearly 11,000 Maryland workers had lost their eligibility for extended unemployment insurance benefits has caused great concern and confusion. The impression created by some newspaper accounts that the State of Maryland was in some way responsible for the loss of Extended Benefits is totally untrue. To the contrary, as you are aware, the loss of benefits is the direct result of changes in federal law enacted by the Reagan Administration and the Congress in the Omnibus Reconciliation Act of 1981.

The Extended Benefits Program provides jobless persons with thirteen weeks of benefits beyond the regular twenty-six (26) weeks period when the State's Insured Unemployment Rate (IUR) exceeds 4 percent. Maryland's rate has dropped to 3.96 percent, thereby triggering elimination of Extended Benefits effective July 31. The triggering mechanism for extended benefits, the Insured Unemployment Rate, is computed weekly and represents an average of the prior thirteen weeks claims filed as a percentage of all covered workers in the State.

Prior to the Omnibus Reconciliation Act, States could use total (regular Unemployment Insurance and Extended Benefits) claims filed in computing their IUR. Under the Reconciliation Act, claims filed for Extended Benefits were excluded from the computation. The direct result is that Maryland, despite high general unemployment, has triggered "off" Extended Benefits and nearly 11,000 Marylanders have lost extended benefits and countless others will never receive them. This seemingly small change in a technical portion of the program has had a severe impact on people, with that impact falling most heavily on those areas that, because of high unemployment, qualified for Extended Benefits in the first place.

Also, prior to enactment of the Omnibus Reconciliation Act, all States were eligible for Extended Benefits if the national IUR rate was 4.5 percent. The Reconciliation Act eliminated this so-called national trigger. The National IUR rate is currently over 4.5 percent so if the national trigger were still in effect, all States including Maryland would remain eligible for Extended Benefits, reflecting legitimate aid to States in a time of national economic difficulty.

On September 26, 1982, another change mandated by the Omnibus Reconciliation Act will take effect, raising the IUR trigger for each State from 4 percent to 5 percent. The 5 percent will make it even more difficult for many high unemployment States to trigger "on" to the Federal Extended Benefits Program. With the support of Governor Hughes, the General Assembly enacted a law effective September 26, 1982, that will pay thirteen weeks of additional benefits with State unemployment insurance funds when the IUR exceeds 4 percent. However, Maryland is one of only a handful of States which will provide this additional State-financed coverage, and while Maryland has clearly shown this leadership, it is apparent to all of us that unemployment is a product of the national economy and the Extended Benefits Program should be federally funded and uniform across the country.

We want to urge you to work for the repeal of these harsh provisions of the Omnibus Reconciliation Act. We must begin to help the general public and the Congress to understand the hardship being inflicted on working families, who have a right to expect benefits when they face unemployment through no fault of their own. Specifically, we urge you to consider legislation that will ameliorate Maryland's situation:

Repealing the elimination of the national trigger as enacted by the Omnibus Reconciliation Act of 1981;

Counting extended benefits in the computation for triggering "on"; and

Maintaining the IUR trigger at 4 percent.

We must take action and show national leadership in protecting the rights of unemployed workers in Maryland. We will be glad to provide further information or assist in any way that we can.

Thank you for your consideration.

Sincerely,

KALMAN R. HETTLEMAN.
JAMES J. TRAGLIA,
Executive Director.

[From the Baltimore Sun, July 26, 1982]

ANOTHER HOLE IN THE SAFETY NET

That "safety net" President Reagan promised to retain to protect the poor and needy during his assault on the runaway federal spending seems to have developed another hole. This time it is the program for assisting people who have been out of work more than six months. Due to Reagan-sponsored changes approved by Congress last year, some 11,000 jobless Marylanders in this category will lose their extended unemployment benefits at the end of the month.

This comes about through some tricky tinkering with the way states calculate how many people have exhausted their regular 26 weeks of unemployment benefits and are now seeking 13 more weeks of payments. The net effect of these changes is to make it very hard for any state to qualify for extended federal unemployment benefits, except in times of deep recession. In the process, Washington comes up with a five-year savings, at least on paper, of more than $4 billion.

What's wrong with this approach is that it relies on some slick illusions. For instance, there is no real saving for the federal government, because revenue for the program comes not from the Treasury, but from the special unemployment insurance tax on businesses. The new procedure also ignores those who already are on extended benefits. They aren't even counted in computing if a state gets federal unemployment aid. The new federal rules allow states to count only new jobless workers who have exhausted their benefits under the regular 26-week program. This has the effect of masking the depths of the recession and denying hundreds of thousands of longtime unemployed workers benefits.

What becomes of these people denied further unemployment assistance? They don't disappear or magically land new jobs. They will have to sell their homes and possessions or go on welfare, thus ballooning the welfare, food stamp and Medicaid costs for the states and Washington.

The Hughes administration has tried to bridge the gap somewhat through passage of a law to create a state extended-benefits fund based on less rigid calculations than the federal program. But this will impose a heavier burden on Maryland businesses to finance it. Moreover, this new state program won't begin until September 26. That is not much comfort to someone who has been fruitlessly searching for work for over six months. He seems to be slipping right through Mr. Reagan's "safety net."

Mr. RIEGLE. Mr. President, the adoption of a Federal supplemental benefits program is critical to the well-being of hundreds of thousands of our Nation's workers who already have or soon will exhaust all standard and regular extended benefits for which they are eligible.

For over a year, our Nation has grappled with a deepening recession which has colored and shaped every aspect of American life. For over a year, we have had massive unemployment, high interest rates and a growing sense of vulnerability among our working and unemployment citizens. Unemployment, in particular, touches every aspect of family and community, spreading a malaise that affects the very social fabric of our lives.

What has been a recession for the rest of this country has been an ever-deepening depression for my State of Michigan. We have been weathering the most violent economic storm since the thirties. For over 30 months, we have sustained continuous double-digit unemployment currently running at 14.4 percent. For over 2 years, we have continually had the highest unemployment rate of the 50 States. There has been no State in our country which has felt the impact of our recession as Michigan has.

Unemployment statistics themselves offer little insight into the lives of workers strained to the breaking point by long-term unemployment. Sometimes when I hear about the unemployment statistics and compensation mechanism, I feel that we are engaging in word games that mask the true meaning of unemployment for our workers. Michigan has long been a highly industrialized State with a strong industrial base. We are proud of our State and its contributions to the national economy. Our workers are proud and often highly skilled workers, eager for meaningful employment. Yet many of them are facing protracted unemployment for the first time in their lives. I have visited the unemployment lines in Michigan and I have learned that these workers, for

the most part, have lost their jobs—their livelihood—through no fault of their own. The work ethic is an integral part of the very fabric of the lives of these workers and many of these workers appear to be in a state of shock or disbelief over their current straits. In my travels through Michigan, I have yet to meet an unemployed worker who would rather not be at work.

For these workers, the prospect of unemployment can truly be devastating. After their unemployment check runs out, they have no place to turn—not even to welfare for some. These workers who will be the core of our economic recovery have earned and deserve our attention. I am frankly worried that in these tough times, when we are so concerned about balancing the budget on Capitol Hill, that we tend to forget that we are dealing with real people, their families and whole communities. The effects of long-term unemployment can lead to so many problems, heightened family tensions, higher divorce rates, increased suicide rates and juvenile delinquency.

Unemployment compensation helps to sustain hope in these clouded times. It extends to our working men and women a vital support mechanism that eases the effects of our current economic policies and enables them to make a more orderly transition to meaningful employment. And it helps to sustain the economic base of the communities in which they live. Without unemployment compensation, the experience of long-term unemployment can be physically and mentally debilitating, and the ability of our work force to assume job responsibilities can be seriously undermined.

It can hardly be disputed that the length of a temporary period of unemployment increases with a severe deterioration in economic conditions. This, of course, is the underlying rationale for our permanent extended benefit system, as well as the rationale for established Federal supplemental benefits at the height of our last two most serious national recessions. Yet this recession is far worse than the last two most serious national recessions in which an FSB program was instituted. The national unemployment rate stands at 9.5 percent—more than 2 percentage points higher than the 1974 rate of 7.2 percent when an FSB program was instituted and 4 percentage points higher than the 1971 unemployment rate of 5.5 percent when a similar program was instituted.

The current recession has reached the stage where thousands of workers are exhausting their unemployment benefits. Without a FSB program, thousands of unemployed workers will be expected to weather the duration of the recession without financial resources. Thousands of our unemployed work force are now being forced onto our State welfare systems which may not have adequate resources available to them to assume this new burden.

The unemployment situation in Michigan has reached a state of emergency. We are at a critical point. The number of extended unemployment compensation benefit recipients who have exhausted benefits is increasing exponentially. In March, the number of workers who had exhausted benefits was 2,000, in April, 8,500, in May, 13,700 and in June, 24,250. The need for a Federal supplemental benefits program in Michigan is immediate and it is now. In the absence of such a program, these workers will face the prospect of deep financial, and in many cases, emotional trouble.

The State of Michigan faces an increasing demand for social services at the very time that the continuing severe economic crisis has eroded the ability of our social services system to respond. The number of AFDC cases due to loss of employment or exhaustion of unemployment benefits has increased in Michigan from 23,375 in May of 1980 to 41,406 in May of this year. Meanwhile the Federal contribution to programs created and designed to meet the needs of individuals and families in severe economic distress, including aid to families with dependent children, food stamps, medicare-medicaid, child nutrition, child abuse prevention, alcoholism and drug abuse treatment services—have experienced drastic reductions under the Reagan administration, ranging from 25 to 50 percent. There is a real question of the extend to which Michigan can long sustain such an increasing burden to its social services system.

Mr. President, the vast number of these social services recipients should properly be covered by our unemployment compensation system. Because of the depth and length of our recession, these are really members of our work force temporarily affected by long-term unemployment. They are precisely the individuals for whom the FSB programs have traditionally been instituted in the past. These are individuals who will become an active part of our work force when our long-sought economic recovery arrives. I believe that it is highly improper and demeaning to force these long-term unemployed onto the welfare rolls.

I urge that we act quickly in establishing a Federal supplemental benefits program now. The need is immediate and urgent.

WE MUST PROVIDE SUPPLEMENTAL UNEMPLOYMENT BENEFITS AND PREVENT HIGH UNEMPLOYMENT STATES FROM LOSING ELIGIBILITY FOR EXTENDED AND SUPPLEMENTAL BENEFITS

Mr. ROBERT C. BYRD. Mr. President, I rise today, as cosponsor, to support the amendment that has been described by the distinguished Senator from Ohio (Mr. METZENBAUM). This amendment urges the conferees on the tax bill to include in their conference report language creating a supplemental unemployment benefits program for those who have exhausted all other such benefits for which they are eligible, and insure that those States which have "triggered off" the extended benefits program will be reinstated.

The economic statistics irrefutably demonstrate that this Nation entered into the current recession in July of last year. Ironically, this recession, that began 6 months after the current administration took office, officially commenced with a few days of enactment by Congress of the administration's supply-side economic program. The record is clear: Since that day, the recession has only grown more serious. Despite almost daily claims by administration spokesmen that "we are about to turn the corner" toward economic progress, we remain mired in a national economic tragedy.

Voodoo economics has extracted a terrible price in human misery. Nowhere can this be seen more clearly than in the unemployment statistics. In the Labor Department's report last month, 10½ million people were counted as unemployed. This, of course, does not count the rapidly increasing number of "discouraged workers" who have failed in their efforts to find work for so long that they simply have given up looking; there are over 1.5 million of these. Nor does it count the several hundred thousand workers who have been forced to work only part time because they are not able to secure full-time work. These are the people who are the most serious casualties of the current recession, Mr. President.

If these national statistics are dismal, statistics for certain population groups and some of the hardest hit cities and States are cataclysmic. The last State-by-State figures, for May, show Michigan with 14.3 percent unemployment. Washington State has 12.3 percent. Some cities have rates above 25 percent.

In my own State of West Virginia I regret to say that the unemployment rate in June, as calculated by the U.S. Department of Labor, was 12.3 percent. Manufacturing jobs there, in particular, dropped to their lowest point since the Great Depression.

What has been done by the administration and the Congress to help these people? I am distressed to say that the administration proposed and the Congress accepted billions of dollars in reductions in unemployment insurance benefits within the Reconciliation Act of 1981. And the unemployed have felt only the tip of that iceberg—because some of the harshest reductions will not take effect until late September, when hundreds of thousands of per-

sons will lose eligibility for extended benefits.

The statutory changes last year already have eliminated a number of States from the extended benefits program despite the fact that they have unemployment rates that are high by any definition. Other high unemployment States will be picked off in coming weeks. Their jobless workers who cannot find jobs in our economic quagmire then are left without any assistance whatsoever when they exhaust the 26 weeks of regular benefits.

How does this record contrast with the way in which previous administrations and Congresses dealt with recessions when unemployment was higher than normal—although considerably lower than today?

In 1971, Mr. President, there were 5.1 million unemployed persons, and the unemployment rate was 5.5 percent. In 1974, the next significant recession, the unemployment rate reached 7.2 percent and 6.6 million persons were out of work. At each of those times, a temporary program of supplemental benefits was enacted—increasing from 39 weeks to 52 weeks, and even 65 weeks at one point, the period during which the unemployed are eligible for unemployment benefits.

On May 18 of this year, with 21 original cosponsors, I introduced a bill to establish a temporary supplemental benefits program. S. 2542. Although it is not the ultimate solution to the problem or unemployment, I think it is an essential step that a compassionate nation must take when a tenth of its work force has been idled by a recession.

What has happened in the 2 months that have passed since then? Unemployment has risen even further. Thousands more people have exhausted their unemployment benefits. And nothing—absolutely nothing—has been done with the bill I introduced or with any similar measure here in the Senate—except that the Finance Committee has held 1 day of hearings here in Washington and 1 day of field hearings on this issue. The House Ways and Means Committee, on the other hand, favorably reported a bill such as this twice.

The Finance Committee's hearings focused attention on the problem of unemployment and the desperate need for Congress to act to establish a supplemental benefits program and to care for the problem of high unemployment States losing eligibility to participate in extended and supplemental programs. But those hearings, and the testimony I and others offered, did not provide so much as a penny of badly needed assistance to even one unemployed person.

I am very troubled by the fact that the administration last week testified that it was opposed unequivocally to making such changes because it would be, and I quote, "inequitable, ill-timed, and costly." Since that testimony, we have been treated to a spectacle in the press where one administration spokesman first says the administration is reconsidering its opposition, then another says "there has been no change" in our position, then yet another says the administration, and I quote, "is working with the appropriate congressional committees," close quote, on the problem. How bad does the unemployment situation have to get before the administration thinks it is bad enough to do something about? How many more millions of persons must lose their jobs, and lose their unemployment benefits, before the majority in the Senate concludes that we must do something? How much longer must we wait?

It is for this reason, Mr. President, that I am cosponsoring the amendment now before this body, and urge my colleagues to support it. I believe it is essential that we obtain an ironclad assurance for unemployed people and their families throughout the Nation that the Senate will address these problems—and will do so this year. I believe we have nothing short of an obligation to take real steps to provide real help to the unemployed people in this country who daily are losing their homes, their life savings, and their self-respect.

The Senate must act on supplemental benefits legislation and on legislation to assure the unemployed in high unemployment States will be eligible for the extended and supplemental assistance that is available. We must act promptly. But recognizing that we will not be able to take final action today on measures to accomplish these objectives, we must explore every possible legislative avenue to insure that those who are unemployed through no fault of their own are treated fairly.

Mr. MOYNIHAN. Will the Senator from South Carolina yield to me time on this matter?

Mr. HOLLINGS. I yield to the distinguished Senator.

The PRESIDING OFFICER. The time is under the control of the Senator from Ohio and the Senator from Kansas.

Mr. HOLLINGS. I yield to the distinguished Senator on the resolution.

The PRESIDING OFFICER. The Senator can yield time on the bill.

Mr. DOLE. Mr. President, I yield 10 minutes to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I wonder if I might ask my friend, the senior Senator from Kansas, if the sense-of-the-Senate resolution is directed to the tax bill now in conference.

Mr. DOLE. Yes.

Mr. MOYNIHAN. Would it provide that we would use general revenues to pay for the extended 13 weeks benefits?

Mr. DOLE. The resolution does not specify how it will be financed. I might say, as I indicated earlier, since the hearing we had last Thursday in the Senate Finance Committee—and the Senator from New York was there and participated, as did the Senator from Ohio, both Senators from Michigan, and the Senator from West Virginia, Senator BYRD, led off that hearing—that started a chain of events which had been really in process prior to the hearing in discussing a proposal with the administration. Since that time, we have extended those discussions with David Stockman, the Director OMB, with Secretary Raymond Donovan, and I have also been meeting with representatives of the AFL-CIO, primarily Mr. McGlotten. We have talked about financing and we have talked about how extensive the program might be. In fact, I think today he is providing me with figures on what he thinks would be a responsible way to proceed.

But we do not try to spell out anything in this resolution. We leave the flexibility where it should be with reference to financing, the duration, and other matters, in the Senate Finance Committee, and, in this case, the conferees are processing the revenue and spending reduction bill.

Mr. MOYNIHAN. Mr. President, the reason I ask is that there are a considerable number of States in the Union, including Kansas, it would not be inappropriate to point out, and New York, in full disclosure, which, because of the peculiarities of our triggering arrangements requiring a 4-percent level of insured unemployment and a 20-percent level above the previous 2 years, that have not come into the extension system and are not eligible for the third 13 weeks.

In the State of New York, you have a situation where each month the insured unemployment rate goes down while the overall unemployment rate goes up.

I will repeat that. The insured unemployment rate goes down while the overall unemployment rate goes up. In fact, for every two persons collecting unemployment insurance in New York State there is one person who has exhausted his benefits yet, because those exhausting their benefits are not counted toward a State's insured unemployment rate, States like New York are not currently eligible for extended unemployment benefits. I notice that some of the greatest advocates of a balanced budget are proposing to finance an additional 13 weeks of unemployment benefits from general revenues. I am not against that.

But to exclude those States and those workers who, because of the workings of the IUR formula, are left

out, seems to me inequitable to those individuals and inappropriate to a national system that was adopted as part of the Social Security Act and ought to be universal and, at some level, uniform in its workings.

I wonder if I could ask the distinguished chairman if we could not modify this resolution in some way to indicate that we are aware of the problem of States that have not triggered on to the automatic extension because of technicalities in the formula? I do not ask a commitment of him, but I ask an acknowledgement that the problem this Senate resolution addresses is a difficult situation—and this difficult situation exists, I might say, in Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Kansas, Maine, Massachusetts, Minnesota, New York, and 12 other States.

Mr. DOLE. I am just trying to look at the resolution. I am aware of the problem in Indiana and I am aware of the problem in New York. We were trying to determine earlier how we might properly make this broad enough to address all of the problems, keeping in mind we are not able to resolve all the problems in every State.

Certainly, the chairman of the Senate Finance Committee fully understands that, as the Senator says, with IUR going down and unemployment generally going up, we have a problem. We did not know how to address that.

We thought the resolution, very honestly, was flexible enough to address any problem whether it is financing, whether it is a problem outlined by the Senator from New York, or whether it is a problem as explained earlier to me today by a staff person of the distinguished junior Senator.

Mr. MOYNIHAN. I am wondering if I might suggest the absence of a quorum during which, in very short order, we might find a single sentence which would address this problem. An unemployed worker anywhere in America is unemployed, and we are concerned about them all. I gather there is agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COCHRAN). On whose time?

Mr. HOLLINGS. On our time.

Mr. DOLE. On our time.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1186, AS MODIFIED

Mr. MOYNIHAN. Mr. President, with the kindness of the managers of the legislation, I send to the desk a modification of the amendment by my distinguished friend from Ohio (Senator METZENBAUM) and ask for its immediate consideration. I believe it may be possible for the committee to accept it.

The PRESIDING OFFICER. The Senator would have to have unanimous consent to modify the amendment.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is so modified.

Mr. METZENBAUM. Mr. President, I just want to be sure that the amendment, as modified, is read before we agree to it. It has been sent to the desk but it has not been read. I know it takes unanimous consent, because we are under a time agreement, in order to send the modification to the Chair.

The PRESIDING OFFICER. It takes unanimous consent to modify the amendment. The clerk will state the amendment, as modified.

The assistant legislative clerk read as follows:

At the end of the bill add the following section:

SEC. . It is the Sense of the Senate that Senate conferees on H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982 shall include the following provisions in the Conference Report on H.R. 4961:

(1) legislation establishing a Federal Supplemental Benefits program, which shall become effective in calendar year 1982 and which shall be appropriately coordinated with Federal job training and employment programs, under which Federal payments are to be made to provide, or to reimburse States for the costs of, not less than 10 weeks, and not more than 13 weeks of eligibility for unemployment compensation for workers who have exhausted their rights to any unemployment compensation; and

(2) legislation providing that States that are currently eligible or have been eligible since at least June 1, 1982, for the Federal-State extended benefit program will continue to be eligible to participate in the extended benefit program, notwithstanding any other criteria under Section 203 of the Federal State Extended Unemployment Compensation Act of 1970 which makes those States ineligible for extended benefit participation.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I am prepared to accept the amendment. I understand the managers on the other side are also prepared to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified. The yeas and nays have been ordered.

Mr. DOLE. Mr. President, I am prepared to yield back the remainder of my time. I understand the Senator from Indiana wants 2 minutes.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, I want to compliment the chairman of the Finance Committee and also the Senator from Ohio for coming forward with this resolution. I believe that in a short time the Senate will go on record supporting this resolution, passed unanimously, that we are going to do something about the extension of unemployment benefits for those individuals who will have reached the date of expiration of their benefits.

Mr. President, I believe this shows that unemployment is certainly a growing issue in this country. Awareness is very evident and clear in the Senate by this resolution coming forth at this particular time.

Furthermore, Mr. President, I want to point out that this amendment also does something else that is rather instructive and very appropriate. I read from the amendment, that the "legislation establishing a Federal supplemental benefits program shall become effective in calendar year 1982 and which shall be appropriately coordinated with Federal job training and employment programs."

Mr. President, this is very important because in some industries in this country there are many individuals who are presently out of a job who are not going back to work in those industries. We are going to extend the unemployment compensation, but I do believe that it is imperative that people seek job training and training for new employment.

The Senate last month adopted an employment jobs training bill 95 to 0, which went a long way in dealing with dislocated workers. The Senate is now going to go on record and do something about the extension of unemployment benefits. But I do not want to underemphasize the importance of job training and training-produced skills. It is a very important part of this amendment. The amendment is very critical. It is one that shows there is a serious mood now in the Congress to do something about it. I am sure with the commitment of the distinguished chairman of the Finance Committee it will be done.

Furthermore, I also want to thank the distinguished chairman of the Finance Committee for his attention to the particular problems of Indiana.

We do have some particular problems. We are still on the 26-week cycle.

He has assured me and his staff has assured my staff that Indiana and those States that will be affected by that will be given due consideration as this unwinds for a final determination in the conference committee.

Mr. HOLLINGS. Mr. President.

The PRESIDING OFFICER. Will the Senator from South Carolina yield?

Mr. HOLLINGS. Mr. President, let me yield myself a couple of minutes on the bill itself. I think something should be made clear.

I am not contesting the statements made by my distinguished colleague from Indiana or the statements made by the distinguished Senator from Ohio. With respect to the Senator from Indiana, we need job training programs, but the real problem is jobs, not job training. In South Carolina, we are training rural farm workers to make robots. I have two Cincinnati Millichron sites in my State and I am ready to get another one. We have the programs in place to provide adequate job training. That is not the problem. The real problem is jobs. We need a program to reduce the devastating unemployment rate and turn this country around.

I do admire the Senator from Kansas, who helped in crafting this amendment, which saves the whole situation. This amendment will help the Senator from Kansas get his tax bill and his party and his program all saved in one fell swoop. I admire professionalism and I commend his efforts.

I also admire the compassion of the most distinguished Senator from Ohio, and I am going to support his amendment.

But the distinguished Senator from Ohio said he wished he were here presenting a jobs program. Without belaboring it, I ask unanimous consent at this time to print a proposal in the RECORD. I have a $187 billion jobs program that will do more than provide benefits to the long-term unemployed. I have been recommending this program since the beginning of the year and we are going to have to get to it if we are going to save the country. If we are going to take care of the unemployed, we have to put a tourniquet on the unemployment hemorrhage. And we have to bring these deficits under control.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

AUGUST 3, 1982.

HOLLINGS PROPOSAL TO REDUCE DEFICITS[1]

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
CBO deficits (July 1982)[2]	142–152	145–160	143–158
DEFICIT REDUCTIONS			
Spending:			
1. COLA's—1-year freeze beginning Jan. 1, 1983; 3% cap in 1984 and 1985 (exempt food stamps and SSI)	3	12	16
2. Federal pay—1-year freeze beginning Oct. 1, 1983; 3% cap in 1984		2	5
3. Defense—3% real growth in BA purchases each year	6	13	26
4. Interest savings from lower deficits	1	6	14
Revenue:			
1. Repeal indexing			9
2. Defer July 1, 1983, 10% rate cut	7	32	35
Total deficit reduction	17	65	105
Remaining deficits	125–135	80–95	38–53

[1] All numbers are estimates of the Congressional Budget Office.

[2] Assume enactment of policies contained in the First Concurrent Resolution on the Budget for Fiscal Year 1983 (S. Con. Res. 92).

Mr. HOLLINGS. Mr. President, how are we going to stop the unemployment hemorrhage? This unemployment amendment pays for the damage done, but we are not curing the ailment itself. It is not necessarily that the employed do not have the skills. J. C. Turner of the Operating Engineers, just the other day, had lunch with me. He said, "Senator, what do I need with training 10,000 more engineers when I have 12,000 unemployed?"

It is time we get around, some day, somehow, to thinking of the Nation as a whole and not day to day. A little training initiative here, a little extra unemployment compensation there. We must think of this country as a whole and how we are going to get out of this situation. We need to reduce the deficits to promote economic growth and create jobs.

The Federal Reserve now estimates that the deficits are going up, up and away. Instead of a $116 billion deficit, the Fed projects a $163 billion deficit in 1983 and, in 1984, $183.7 billion; in 1985, $187.1 billion.

We need to bring these deficits under control. I am therefore going to be proposing my plan during Senate consideration of the debt limit bill, and I want to see how many cosponsors we can get for a $187 billion jobs bill. My plan does not tell Mr. KEMP over on the House side to increase taxes. But it repairs the damage—some of it—that was included in last year's tax bill. My plan freezes tax spending, freezes entitlement spending, and it freezes defense spending at 3 percent real growth. It still gives a large increase to protect the national defense.

It is fair and across the board.

The AFL–CIO was here yesterday, belaboring those who voted for a balanced budget. I ask those distinguished people, do they operate on an unbalanced budget? Of course they do not. What has the UAW done? Wages are frozen. The airline workers—frozen. What have the rubber workers done? They are frozen. We need to freeze Government spending just as the workers have frozen their wages.

Industry cannot for long operate on an unbalanced budget. Families need to balance their budget. And there is nothing wrong with trying to get this Government back on track. The only way to get on the glide path to economic recovery is to get these deficits down.

I support the Senators from Kansas and Ohio. We need to provide benefits for the unemployed. But, first and foremost, we need a program to reduce the devastating unemployment rate and turn this country around. I believe that my plan is a step in the right direction.

Mr. MOYNIHAN. Mr. President, may I have 1 minute?

Mr. METZENBAUM. I yield 1 minute to the distinguished Senator.

Mr. MOYNIHAN. I shall not need a whole minute, Mr. President. I simply want to ask if I may be a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Also, I wish to express my appreciation to the Senators from Kansas and Ohio for accepting this modification. The amendment will now leave it open to discussion in conference as to how we might deal with the problems of the 15 States, New York and Hawaii among them, that are not now receiving extended unemployment benefits and would not be covered under the amendment as originally proposed. As I said earlier, in my State, for every two persons receiving benefits, one person has exhausted them.

Mr. MATSUNAGA. Will the Senator from Ohio yield?

Mr. METZENBAUM. I yield to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a cosponsor I rise in support of the amendment offered by the Senator from Ohio (Mr. METZENBAUM) providing for an additional 13 weeks of unemployment compensation benefits for workers who have exhausted their current eligibility for benefits. We are all in agreement that the most desirable cure for our staggering unemployment problem is a healthy and productive economy. I, like all of my colleagues, am committed to bringing about the long awaited and often promised economic recovery. In the meantime, however, the 10 million-plus unemployed Americans must not bear the brunt of our economic woes.

The fact of the matter is that our current economic situation falls far short of the rosy economic scenario once touted by the administration. We continue to struggle against the cycle of recession, unable to turn about the economy toward economic growth and productivity. Moreover, many economists are concerned that high interest rates will continue to dampen investment and capital expansion and thwart future prospects for economic recovery. Thus, it is likely that we may see unemployment lines grow—and not shrink.

Mr. President, right now, the unemployment rate is the highest it has been since before World War II. In the months ahead, thousands of workers will exhaust their unemployment compensation benefits. What are we to tell the willing but unemployed workers who urgently need these benefits to feed themselves and their families, once their current benefits are depleted? Shall we ignore their needs and tell them to put their faith in supply-side theory, a theory, which has not been successful in putting bread on the table? These earnest Americans need something more concrete. They need and deserve our immediate attention. They need something that will help to see them through to better times and to provide a measure of financial support while they seek employment opportunities. For this reason, I urge my colleagues to provide for much needed unemployment benefits for an additional 13 weeks.

Mr. President, I believe that it is essential to bring down the size of the Federal deficit and I would not advocate the allocation of Federal dollars for unnecessary programs. But caring for innocent victims of a suffering economy is not an unnecessary program. We cannot ignore the plight of those, who through no fault of their own, many for the first time in their life, find themselves without any means of livelihood.

In good economic times, there would be no need for an extended benefits program such as the one we are now advocating. However, these are not good economic times, and the prospect for economic recovery is far from certain. The Congress must take immediate action to enact legislation to provide the necessary relief. I urge my colleagues to support the Metzenbaum amendment.

It is incumbent upon us, Mr. President, it is our duty to see that those who are now suffering and will continue to suffer if we do not adopt this amendment, those who, through no fault of their own find themselves in an economic situation which is the worst since the Great Depression of the thirties, will be helped. I congratulate the Senator from Ohio for introducing the amendment. I thank the Senator from New York for offering his modification to include those in Hawaii, because wherever they may be, anywhere in the United States, an unemployed is an unemployed and suffers from the economic woes which we are now suffering.

Mr. METZENBAUM. I thank the Senator from Hawaii.

Mr. President, when I practiced law, as a trial lawyer, I always concluded that when the judge was about to rule in my favor, I ought to quit talking. If the Senator from Kansas is prepared to do the same, I am prepared to yield back my time.

Mr. DOLE. Mr. President, I yield back my time.

Mr. HOLLINGS. Mr. President, let me yield to the distinguished Senator from Louisiana on the reconciliation measure itself.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I understand that there is a proposal being discussed here to instruct the conferees on the tax bill to bring back some measure to increase unemployment benefits? I see a nod from my chairman.

Mr. DOLE. May I say, Mr. President, it is a sense-of-the-Senate resolution.

Mr. LONG. Mr. President, permit me to say that I am opposed to this kind of procedure. I am strongly opposed for this reason: We are going to be asked by the House conferees to take first one proposal and next another that are beyond the scope of the conference and that are not relevant to that tax bill. Mr. President, we are going to be asked to bring back a Christmas tree bill to end all Christmas tree bills.

Mr. President, I know something about Christmas tree bills. I was the manager of the original Christmas tree bill. But enough is enough.

When we try to bring up a bill that is supposed to reduce spending and raise taxes to help balance the budget, and then someone proceeds to try to load that bill down first with one spending item and next with another, budget buster after budget buster, that is contrary to what the Senate thought it did. The very idea of expanding welfare on a bill to cut spending, expanding various Federal entitlement programs on a bill to cut spending is contradictory though that sort of thing has been tried before.

I have been in conferences on reconciliation bills where the House Ways and Means Committee would call upon us to accept House provisions that could lead to bankrupting the Government. They would not do this in the first year, in the first year they would keep the cost down, but in subsequent years their measure could run into billions upon billions of dollars in increased spending. There is no reason we should accept this type of mischief on a bill which is supposed to help balance the budget by reducing spending.

There is no reason that we cannot pass a bill, if the Senate wants to do so, that has to do with unemployment insurance benefits. I am not talking about the unemployment insurance tax; we have already passed an unemployment tax increase. There is no reason that we cannot pass a bill that would extend unemployment benefit payments in States where people are suffering and where there is a high degree of unemployment. I am not here to ask for it for the State of Louisiana. If the Senate wants to make additional benefits available in all States, then that is the view of the Senate. I personally do not feel that they should be made available in all States of the Union. They ought to be limited to States where there is a high degree of unemployment and where people have a real problem for that reason. That is my personal feeling.

Mr. President, I might be persuaded to vote for something applicable to all States in a proper legislative forum where the Senate has the opportunity to vote. But I would just challenge anyone to explain to me why the Senate cannot be permitted to consider an unemployment insurance bill, to consider a bill to extend payments to provide for the needs of people?

Mr. President, if we go along and ask the House conferees to put something in that bill that is irrelevant, that is beyond the scope of the conference and has no business being in there, the House is going to ask us to take all sorts of other provisions that are beyond the scope of conference. They will want us to accept a provision that says that people can earn a lot more money than the law permits them to earn now and still be on welfare. They will want us to say that fathers no longer need to support their children, or else to cut out funds for those who are trying to pursue these runaway fathers. They will ask us to expand various other entitlement programs and to bring the Senate a bill totally at variance with what we claim to be advocating.

Mr. President, we ought to stop this mischief. We ought to stop this process of sending a bill to conference where the purpose is to balance the budget, to maintain fiscal responsibility, to fight inflation, and then proceed to have people say that the price of enacting that bill is to go along with measures that have not even been approved by the House, much less the Senate, and that those things must be loaded onto that bill—otherwise no bill.

Imagine this, Mr. President: What is being suggested—I am not saying by the pending amendment, but it will be suggested by the House conferees on the tax bill—is that as the price of a

tax increase, for the privilege of paying more taxes, the American people have to stand still for more spending.

That is totally contrary to the whole idea of the reconciliation process. The reconciliation process is not supposed to increase spending; it is supposed to reduce spending—and yet it is being suggested that we do just the opposite.

I am perfectly content on any appropriate bill to consider an amendment that would have to do with unemployment insurance, and what the Senator from Ohio wants to do as far as I am concerned I may be willing to support it. But I for one, Mr. President, will not and I cannot support a proposal to say that we are going to increase spending as a condition of raising taxes. I am compelled, Mr. President, to ask for the yeas and nays on this amendment. Have the yeas and nays been ordered?

Mr. HOLLINGS. The yeas and nays have been ordered.

Mr. LONG. I am going to vote against the amendment, and I would urge all other Senators to vote against it just on the theory that this matter ought to be considered in the ordinary legislative process.

Can the distinguished chairman of the committee tell me any reason why the Finance Committee cannot report out a bill dealing with unemployment compensation?

Mr. DOLE. Mr. President, let me just sort of review the bidding. I thought maybe "bidding" might be the right word.

I learned last evening that the Senator from Ohio had a little amendment that somebody said would cost $6 billion. I also learned there were a number of Republicans who were cosponsoring that amendment. It appeared to me about 10:30 last night that we were short, so it occurred to me that I ought to try to make the best of that situation. And so, having had hearings last Thursday in the Senate Finance Committee on unemployment compensation and having been waiting for a bill to come from the House for a number of months, we only have two little vehicles left in our Finance Committee. One refers to sugar, which I do not think the Senator from Louisiana would want to trot out on the floor. We just do not have anything to put it on.

So then we discussed this morning about a sense-of-the-Senate resolution, which would be much less expensive than the one we were talking about last evening, which would have the same purpose of, in effect, asking the conferees if they could come up with a program in that bill.

We are not bound to do that. I might say to my distinguished colleague, and I do not disagree with what he said, that the cost is much, much less. We may not be able to agree to anything, and I am very willing to bring out a separate bill. But we do not have any vehicles left to bring out a separate bill. The House will not send us a bill. We are going out August 20 and coming back September 8 and going out again October 2. There are a number of Members waiting for some vehicle to come along upon which to offer this proposal. There is one coming along called the debt ceiling, and we understand we may have abortion on the debt ceiling, we may have prayer in school on the debt ceiling, and maybe unemployment compensation would fit into that very nicely.

But it just occurred to me that we could do this and see what we can work out in conference, maybe nothing, but we have come a long way since 10 o'clock last night.

Mr. LONG. Mr. President, there is no reason, if Senators cannot find a better vehicle, why this unemployment insurance amendment could not be put on the debt ceiling bill.

Mr. DOLE. They were going to offer it on this bill in any event, I understand.

Mr. LONG. As far as the Senator from Louisiana is concerned, there are other bills on which the matter could be offered. It could certainly be put on the debt ceiling bill, and I have no objection from the legislative point of view to adding unemployment insurance on the debt limit bill. That gives the Senator from Louisiana no problem. There are other bills where this could be offered and where the Senate would get a chance to work its will, where Senate would get a chance to say under what terms and conditions it wanted to legislate.

That in my judgment, Mr. President, would be a far superior way of doing this rather than for the Senate to call upon the conferees to bring something back where the Senate would not have the opportunity to work its will; it would not have the opportunity to offer amendments; it would not have the opportunity and the flexibility to act legislatively as it wants to do.

I am even more concerned about this matter, because if we are going to follow this procedure on unemployment compensation, the House conferees are going to call upon us to bring back all sorts of provisions that the House has not even had an opportunity to vote on, that have not been approved by the House in any respect.

In fact, some of the suggestions that I believe we are going to have to contend with are measures where the House did have a chance to vote on last year, and they voted against the position we will be asked to take.

For the Senate conferees to go in and ask the Senate to do this type of thing commits us to go along with the same kind of legislative extravagance and legislative impropriety that we will be called upon to do at the motion of the House conferees. Even though you do have a Senate resolution saying that Senators believe that something should be added to a bill in conference, it is still not something that the Senate sent there by ordinary legislative process. It sets the stage for the House conferees to call upon the Senate conferees to accept all sorts of other things, some of which neither the Senate nor the House would vote for if they had a chance to hear both sides of the debate.

So, Mr. President, I could not object more strongly to the suggestion that we be instructed in conference to go beyond the scope of conference, having had some indication of what the House conferees are going to ask us to do and which will go beyond the scope of conference because it is not even relevant in the conference between the Senate and the House.

I hope the amendment will not be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Kansas yield for a question?

Mr. DOLE. I yield.

Mr. HARRY F. BYRD, JR. The Senator from Kansas mentioned that the original Metzenbaum proposal would cost $6 billion and that this would cost less. What would this proposal cost?

Mr. DOLE. I am not certain that the Senator from Kansas can respond to that, because we left it—maybe "vague" would be an understatement. There was no legislative language that we were going to address the supplemental benefit provisions. Neither did we touch on how it might be financed. It might be self-financed, as it was in the House bill. It has been estimated that if, in fact, we did what someone suggested we do, this provision could be around $1.3 billion.

Mr. HARRY F. BYRD, JR. So this is a proposal to increase spending.

Mr. DOLE. If we had a proposal that had no way to finance it, the answer would be yes. But we can finance it through taxes.

Mr. HARRY F. BYRD, JR. Through more taxes.

Mr. DOLE. On benefits, yes. Otherwise, it would come from general revenues and would be increased spending.

Mr. HARRY F. BYRD, JR. It is an increase in spending, regardless of whether it is financed or not.

Mr. DOLE. That is correct.

Mr. HARRY F. BYRD, JR. So it is an increase in spending.

Mr. DOLE. That is correct.

Mr. HARRY F. BYRD, JR. And the original proposal was to increase spending by $6 billion?

Mr. DOLE. That was a proposal. The Senator from Ohio will disagree with that.

Mr. METZENBAUM. Mr. President, if the Senators from Kansas and Virginia will yield, I never made such a proposal. That was a matter that was being explored, and $6 billion was mentioned, and the Senator from Ohio was concerned that he would not have the support of his good friend from Virginia for $5 billion in expenditure, nor the support of the Senator from Kansas; nor was the Senator from Ohio prepared to spend $5 billion. So I never offered that amendment. That was merely in the talking stage.

What we now have is a direction to the conferees to deal with these two problems, which relate to the whole question of extended unemployment benefits. Realistically speaking, the exact cost of that program cannot be determined until we finalize exactly the manner in which the program will be fashioned.

Mr. HARRY F. BYRD, JR. The Senator from Ohio certainly agrees, though, that it will increase spending. There is cost to the program, cost to the proposal now before the Senate.

Mr. METZENBAUM. I am not even prepared to agree to that, because——

Mr. HARRY F. BYRD, JR. I do not think anyone would want to vote for this proposal, if the Senator from Kansas thinks it will cost $1.3 billion and the Senator from Ohio does not know what it will cost. It may not cost anything. It seems to me that it is totally confusing.

Mr. METZENBAUM. The reason I had reservations about responding to the Senator as to whether it would cost anything is that I do not know whether the cost of welfare is greater or less than the cost of unemployment benefits. Therefore, I think you have to be certain as to how you make your comparisons.

You do not expect to let these people starve. You do not expect to let them be totally wiped out. Certainly, it is very simple to say that unemployment benefits extended cost something, but I do not think it is as black and white as the Senator from Virginia would want it to be.

Mr. HARRY F. BYRD, JR. I think it is black and white. I think all of us recognize, although we all may not admit it, that this will be a very costly program.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HARRY F. BYRD, JR. I yield.

Mr. LONG. I ask this of the Senator from Virginia: Would it not make a lot better sense to put this kind of amendment on a bill to go deeper in debt rather than one to help balance the budget?

Mr. HARRY F. BYRD, JR. As usual, the Senator from Louisiana has hit the nail on the head. He is correct.

Mr. LONG. Here we have a bill in conference that is supposed to raise taxes and cut spending, to help balance the budget. Yet we are being asked to go to the conference with the House and ask them to take something outside the scope of conference which would take us deeper into debt, have us spend more money, and set the stage for taking a whole raft of House committee amendments which have not been approved by the House—to take that raft of welfare bills and bring them back here and vote all those welfare increases through as part of a bill to help balance the budget.

I ask the Senator whether he can find anything consistent about bills to expand welfare and expand entitlement programs as part of a bill to help balance the budget.

Mr. HARRY F. BYRD, JR. I can find nothing logical or reasonable or sensible about such a proposal.

Mr. LONG. It seems to me that if we are going to consider this, it should be in connection with a bill to go deeper in debt, because that is what the proposal would do—it would put us much deeper in dept.

Mr. HARRY F. BYRD, JR. Certainly. It should be considered on a proposal to put us deeper in debt or considered on a separate piece of legislation, not one to balance the budget.

Mr. DOLE. Mr. President, I have the highest regard for both Senators engaged in that discussion.

So far as I am concerned, I do not plan on bringing anything back from the House. I know what they have in mind. I am concerned, as is the Senator from Louisiana, about some of the things they would like to do in this conference. That does not mean we have to agree with what they want to do.

Also, I do not want to say that it is going to cost $1.3 billion. I gave an estimate. It could be less. It seems to me that if you are looking at $5 billion or $5.5 billion or $4.5 billion and you work it out, it could be a lot less. That is better; maybe it is not good, but it is better.

I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. METZENBAUM. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

The PRESIDING OFFICER (Mr. GOLDWATER). Are there Senators present who desire to vote who have not voted?

The result was announced—yeas 84, nays 13, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—84

Andrews	Ford	Moynihan
Armstrong	Garn	Murkowski
Baucus	Gorton	Nunn
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Brady	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Robert C.	Hollings	Riegle
Cannon	Huddleston	Roth
Chafee	Inouye	Rudman
Chiles	Jackson	Sarbanes
Cohen	Jepsen	Sasser
Cranston	Kassebaum	Schmitt
D'Amato	Kasten	Simpson
Danforth	Kennedy	Specter
DeConcini	Laxalt	Stafford
Denton	Leahy	Stevens
Dixon	Levin	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Durenberger	Melcher	Warner
Eagleton	Metzenbaum	Weicker
Exon	Mitchell	Zorinsky

NAYS—13

Abdnor	Goldwater	Mattingly
Byrd, Harry F., Jr.	Helms	McClure
	Humphrey	Nickles
Cochran	Johnston	Symms
East	Long	

NOT VOTING—3

Baker	Glenn	Stennis

So Mr. METZENBAUM's amendment (UP No. 1186), as modified, was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the Kennedy amendment.

Mr. DOMENICI. Mr. President, could I have the attention of the distinguished Senator from Massachusetts. I understand that we would be ready to vote on the Senator's amendment, that neither he nor Senator SIMPSON desires any additional time. He cannot be on the floor at this time, and I wonder if the Senator will agree to let us proceed with the Hawkins amendment on dairy, agreeing that the vote on your amendment would occur immediately thereafter?

Mr. KENNEDY. That is satisfactory.

Mr. DOMENICI. I thank the distinguished Senator.

Mr. DECONCINI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. EAST. Mr. President, reserving the right to object, what was the request?

Mr. DOMENICI. I had not propounded it. I merely asked the Senator from Massachusetts if he would

agree that we would not vote on his amendment now but vote on it immediately after we disposed of the Hawkins amendment, which we would take up immediately.

Mr. EAST. Mr. President, I would be willing to agree with that provided I could get assurance that my amendment will be considered after the amendment of the Senator from Florida.

Mr. DOMENICI. The distinguished Senator from Florida is ready. She has been waiting on the floor.

Does the Senator from Oklahoma have any objection to Senator EAST's amendment going next?

Mr. BOREN. After the Hawkins amendment, if I could go after the East amendment.

Mr. LEAHY. Mr. President, reserving the right to object, just an inquiry, how much time is there on the Hawkins amendment?

Mr. DOMENICI. The Senator's inquiry is appropriate. Might I ask the distinguished Senator from Florida: Under the Budget Act, there is an hour on each side. Would the Senator agree to an hour equally divided on her amendment?

Mrs. HAWKINS. Yes, that would be satisfactory.

Mr. LEAHY. I thank the Senator.

Mr. BOREN. Mr. President, will the Senator yield? I would just inquire—I have an amendment which I thought was going to follow the Hawkins amendment. I would not object if it follows the East amendment if we could have some kind of assurance—I would not think I would need more than about 30 minutes equally divided on my amendment, but I would want to be assured there would be, perhaps we could have a time limit on the East amendment, and then enter into an agreement to have my amendment taken up next in order to make sure that we would have adequate time for it. I would not object if we could do that.

Mr. BUMPERS. Mr. President, will the distinguished Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. BUMPERS. No. 1, is the amendment of the Senator from Oklahoma in the nature of a substitute or separate?

Mr. BOREN. It is dealing with grain.

Mr. BUMPERS. Is there any amendment to be offered as a substitute or a separate amendment in the second degree to the Hawkins amendment?

Mr. DOMENICI. I will answer the Senator's question that I do not know, but that does not mean that there are not any. I do not know whether there have been any Senators who wanted to modify or—why do we not proceed? I am sure there will be enough time.

Mr. BUMPERS. Is the Senator from Kansas indicating he might have something?

Mr. DOLE. Yes.

Mr. DOMENICI. He is indicating he might.

Mrs. HAWKINS. I am told the Senator from California, Senator HAYAKAWA, has an amendment.

Mr. DOMENICI. The Senator from Florida would be next and she would have the floor. All I asked was that we not vote on the Kennedy amendment now. We can do that, we can vote on Kennedy and then go to the Hawkins amendment.

Mr. KENNEDY. Why do we not do that? The reason I was prepared to yield was that I understood that the Senator from Wyoming might come to make a brief statement. I understand that he is unable to do that. So it seems to me we might as well just vote on my amendment now.

Mr. DOMENICI. I agree.

Mr. KENNEDY. So we go ahead and vote.

Mr. DOMENICI. I have no unanimous-consent request. I understand the Kennedy amendment is scheduled for a vote at this point and the yeas and nays have been ordered.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back his time?

Mr. KENNEDY. Yes. I have made the case before and if the other side is going to yield back their time, I yield back my time.

Mr. DOMENICI. Mr. President, we yield back the time in opposition to the Kennedy amendment.

VOTE ON UP AMENDMENT NO. 1184

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 40, nays 57, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—40

Biden	Heflin	Mitchell
Bradley	Heinz	Moynihan
Bumpers	Hollings	Pell
Burdick	Huddleston	Pryor
Byrd, Robert C.	Inouye	Randolph
Cannon	Jackson	Riegle
Chiles	Jepsen	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Leahy	Specter
DeConcini	Levin	Stafford
Dixon	Mathias	Tsongas
Dodd	Matsunaga	Weicker
Eagleton	Melcher	
Hart	Metzenbaum	

NAYS—57

Abdnor	Ford	Nickles
Andrews	Garn	Nunn
Armstrong	Goldwater	Packwood
Baucus	Gorton	Percy
Bentsen	Grassley	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hatfield	Quayle
Brady	Hawkins	Roth
Byrd, Harry F., Jr.	Hayakawa	Rudman
Chafee	Helms	Schmitt
Cochran	Humphrey	Simpson
Cohen	Johnston	Stevens
Danforth	Kassebaum	Symms
Denton	Kasten	Thurmond
Dole	Laxalt	Tower
Domenici	Long	Wallop
Durenberger	Lugar	Warner
East	Mattingly	Zorinsky
Exon	McClure	
	Murkowski	

NOT VOTING—3

Baker	Glenn	Stennis

So Mr. KENNEDY's amendment (UP No. 1184) was rejected.

Mr. STEVENS. Mr. President, I ask unanimous consent that on all rollcalls until the rollcall on passage, the time limitation be changed to 10 minutes on each rollcall.

Mr. LONG. Mr. President, reserving the right to object, there are some of us who will be in conference this afternoon on that tax bill. We are going to have to confer over in the Longworth Building.

Mr. STEVENS. Mr. President, we shall do our best to notify the conferees.

We have three amendments, each of which is entitled to 2 hours, to be completed before 4 o'clock, with at least one known amendment to one amendment coming. It will be impossible to preserve time for those who have the last amendments and have been waiting patiently unless we agree to limit time. At least, this will save us, in the course of this period, 30 minutes.

Mr. LONG. Reserving the right to object, can the Senator assure us he will give us at least 5 minutes to have a headstart on these votes?

Mr. STEVENS. I assure the Senator we shall do that. I request cloakrooms on both sides to notify the conferees 5 minutes before time has expired on these amendments. We shall do that.

Mr. DOMENICI. That is, if they know.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, let me state that I have asked, on behalf of the leadership on both sides, that there be a shortening of time on the first amendments to come up. The distinguished Senator from Florida has indicated willingness to cut the time down on her amendment from 1 hour to 30 minutes, but that is not possible because of the parliamentary situation of other people who may want to offer some alternative to her amendment.

I ask my good friend from Florida, is that correct, that she is willing to limit her time, even though we cannot get

an agreement to limit that time? May we ask that she, in fact, limit the time on her amendment to not to exceed 15 minutes on her side?

Mrs. HAWKINS. It may take 20 minutes. Senator CHAFEE is speaking also. I am more than willing to.

Mr. STEVENS. Senator BOREN and Senator EAST each has an amendment. There is going to be no time for those amendments if the time is all used up on the amendment of the Senator from Florida. We urge every Senator to be considerate and try to get the three amendments done in that time.

Mr. DOMENICI. Mr. President, the next amendment will be the amendment of the distinguished Senator from Florida.

AMENDMENT NO. 2012

(Purpose: To modify the milk price support program for the 1982 through 1985 fiscal years)

Mrs. HAWKINS. Mr. President, I call up my amendment No. 2012 and ask for its immediate consideration.

Mr. EAST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Carolina?

Mr. EAST. Mr. President, I have an amendment I wish to offer to the Hawkins amendment. I send it to the desk.

The PRESIDING OFFICER. I ask that the Senator wait until the clerk has reported the Hawkins amendment.

The clerk will state the Hawkins amendment.

The assistant legislative clerk read as follows:

The Senator from Florida (Mrs. HAWKINS), for herself, Mr. CHAFEE, Mr. MATTINGLY, Mr. PELL, and Mr. MURKOWSKI, proposes an amendment numbered 2012.

Mrs. HAWKINS. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 60, strike out lines 14 through 23 and insert in lieu thereof the following new subtitle:

Subtitle B—Dairy

MILK PRICE SUPPORT

SEC. 154. Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing (1) effective for the period beginning with the date of enactment of the Omnibus Budget Reconciliation Act of 1982, and ending December 31, 1982, the price of milk shall be supported at such level as the Secretary shall determine, but not less than $12.60 per hundredweight for milk containing 3.67 per centum milk fat, and (2) effective for the period beginning January 1, 1983, and ending September 30, 1985, the price of milk shall be supported at such level as the Secretary shall determine, but not less than $12 per hundredweight for milk containing 3.67 per centum milk fat.".

Mr. EAST. Mr. President.

The PRESIDING OFFICER. Who yields time?

Mrs. HAWKINS. I do not yield time.

Mr. DOMENICI. Mr. President, will the Senator from Florida yield to me for a management statement?

Mrs. HAWKINS. I yield.

Mr. DOMENICI. Mr. President, the distinguished Senator from Mississippi (Mr. COCHRAN), chairman of the subcommittee, is going to manage in opposition, so he will be in control of the time.

Mrs. HAWKINS. Mr. President, I introduce this amendment for myself, Mr. CHAFEE, Mr. MATTINGLY, Mr. PELL, and Mr. MURKOWSKI. It will save the Federal Government over $1.2 billion and save consumers over $2 billion during fiscal years 1983, 1984, and 1985, by bringing the runaway dairy price support program under control. Our amendment has been endorsed by several organizations, including Common Cause, Congress Watch, the Food Marketing Institute, the Consumer Federation of America, and the Community Nutrition Institute. It enjoys the full support of the administration. This is an unusual coalition, one whose individual members alone have widely different philosophical points of view. Its existence reflects the need to rein in this program.

Mr. President, the problem is so obvious it transcends ideology. For years, the dairy price support program served its purpose well. However, with the establishment of unreasonably high support levels in the late 1970's, producers were given the signal by Congress to increase their production far beyond that which the market can bear. By October 1, 1980, the support level had risen to $13.10 per hundredweight. This is an astonishing 60-percent higher than only 4 years earlier, while production costs rose substantially less than that amount.

The results, of course, were predictable. In the last 3 years, dairy producers responded to the signal. Production has soared by 10 percent, forcing the Government to purchase approximately 9 percent of the entire U.S. dairy output.

According to the USDA, the Government was forced to purchase 21 percent of the Nation's cheese production, 29 percent of the butter, 65 percent of the nonfat dry milk. As of July 9, 1982, the Commodity Credit Corporation had purchased and stored, 438 million pounds of butter, 772 million pounds of cheese, and 1.1 billion pounds of nonfat dry milk. In fluid milk equivalence, this represents an 18-billion-pound Federal stockpile, or 81 pounds of milk for every man, woman, and child in this country.

The corresponding increase in Government costs has been equally overwhelming. This program cost only $46 million in 1979—not much when you are involved with this group of people. But that skyrocketed to $1 billion in fiscal year 1980 and doubled in cost to $2 billion in 1981. Program costs for this fiscal year are, once again, projected to be another $2 billion. Every cent ultimately is born by the taxpayer.

Something is drastically wrong with our national priorities, Mr. President, when we talk constantly and read daily about the horrendous increase in medicare costs, and how medicare costs rose by 21 percent last year. However, I would like my colleagues to know that dairy price supports purchases skyrocketed 4,000 percent.

Mr. President. I want everyone to hear that figure again: 4,000 percentage points. This is a national disgrace. If this $2 billion were divided evenly among our 300,000 dairy farmers, it would work out to approximately $6,600 per farmer.

To gain a perspective of the size of this subsidy, consider the following facts: In fiscal year 1982, the Government will contribute an average of $113 to each of the 23 million children participating in school lunch program. It will also pay an average of $5,304 to 36 million recipients of social security retirement, disability, and survivor benefits. Only $662 in average annual benefits will be received by the 18 million Americans participating in the food stamp program.

Further, the individual income tax cut passed last year will provide an average of $902 to every man, woman and child in the United States over a 3-year period. And, in 1981, the official poverty level for a family of four in the United States was $9,290.

However, we should not place the blame for this problem on any of the dairy farmers. The problem was not created by the producers. It was caused by those in Government who lacked the foresight to see what would happen with passage of legislation providing for price supports well above the amount that could be supported by the marketplace. Dairy producers are merely reacting to price signals sent by Congress. Like any good businessman, dairy farmers make business decisions based on the cost of production and the price they receive for supplying products. With low grain and beef prices and artificially high milk prices, dairy farmers have every reason to expand their production.

In an attempt to address this problem, the Senate Agriculture Committee decided to freeze dairy price supports at the present level of $13.10 per hundredweight through fiscal year 1985. Although freezing the price support does satisfy the demands of reconciliation, because under prior law price supports were scheduled to careen even higher, this action is, obviously, inadequate to resolve the dairy dilemma.

Price supports are already at $13.10, and they have been for 2 years, and

under $13.10 we have run up enormous surpluses.

At $13.10 continuing for the next 3 years, we will certainly run up future stockpiles.

The Agriculture Department anticipates that the dairy stockpile will grow by another 70 percent by October 1984. This means we are going to purchase another 300 million pounds of butter, resulting in 738 million pounds in storage. It means we are going to add another 500 million pounds of cheese, for a total of 1.2 billion pounds of cheese in storage. It means we are going to have another 700 million pounds of milk or 1.8 billion pounds of milk in storage. If $13.10 remains in tact, those are going to be our storage figures. Unless Congress adopts this proposal, the Federal Government will needlessly spend $611 million in fiscal year 1983 and $406 million in fiscal year 1984, according to USDA estimates. CBO calculates similar savings: $470 million in fiscal year 1983, $520 million in fiscal year 1984, and $192 million in fiscal year 1985.

For these reasons I am introducing our amendment which would significantly move toward lowering the staggering costs of the program, while increasing consumer savings consumption of dairy products.

Specifically, our amendment lowers the price support level to $12.60 per hundredweight on the date of enactment and again lowers it to $12 on January 1, 1983.

It should be pointed out that a $12 support price floor is still 48-percent higher than the support level of September 1976.

In a simple and expeditious manner, this amendment will reduce the current glut of dairy product in two ways: first, consumption will rise in response to price declines for dairy products in grocery stores; second, dairy production will decline since it will no longer pay for dairy farmers to milk the least productive cows.

These effects are far from conjectural because there are several precedents for cutting support levels. I have studied the history of the dairy program and I discovered that in fiscal years 1955, 1959, and 1963 Congress lowered dairy support levels by 16 percent, 6 percent, and 8 percent, respectively, and required Federal purchases fell by the following: 46 percent, 49 percent, and 21 percent in the same year in which the cuts were made. In each case the decrease effectively led to the lowering of Federal costs as well as the size of the surplus in the following fiscal years.

The desirable effects of this action extends far beyond the Treasury's pocketbook. Consumers will also benefit from the reduction in price supports.

According to the Agriculture Department, the total cost of all milk and milk products consumed will be reduced by $2 billion over 3 years while demand will be increased by over 3 billion pounds. By reducing the support level to $12, grocery checkout prices for milk could also drop on an average basis over 3 years as much as 11 cents per gallon, cheese by 12 cents a pound, and butter by 15 cents a pound below where they will be under this current law.

Consumers who were once forced out of the market will now be able to purchase the products they could not previously afford.

Lower prices for dairy product purchases will be distributed in a progressive fashion. The Bureau of Labor Statistics reports that dairy product purchases consume a smaller percentage of after-tax income as earnings rise. For example, the Bureau reports that the poorest 10 percent of American families spent 5 percent of their income on dairy products, while the richest 10 percent spent less than 1 percent. These savings to consumers are particularly noteworthy in light of the substantial reduction in medicare, medicaid, and other programs vital to millions of Americans.

The changes in the dairy price support program which our amendment will enact will touch all of our lives in a beneficial manner. As both consumers of dairy products and taxpayers, we will gain from the reduction in price supports to $12 per hundredweight. Federal expenditures will decline $1.2 billion over the next 3 years, consumer expenditures will decline by $2 billion over the next 3 years, and dairy production will balance demand. It is indeed rare that we have this opportunity to reduce Federal spending, lower living costs for the poor, and reduce inflation at the same time. I, therefore, urge the adoption of our amendment.

I yield to the Senator from Georgia (Mr. MATTINGLY).

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. I thank the distinguished Senator from Florida.

We have attempted on several occasions over the past 18 months to come to grips with the serious problems which plague the dairy support program, and which will be responsible for almost $2 billion of our 1982 deficit. This is nothing startling or new—dairy producers have been on notice for more than 1 year that they had to start cutting back on over-production in order to get the program back into a reasonable perspective. Instead, production has continued to increase and mandated Government purchases of butter, cheese, and nonfat dry milk continue to add to the staggering burden of the American taxpayer. Commodity Credit Corporation purchases of cheese for the period of October 1981 through June 30, 1982 have increased 6.9 percent over the same period 1 year earlier while dry milk purchases are up by 22.4 percent.

You will recall that during debate on the 1981 farm bill last year many Senators were horrified that the peanut program had lost approximately $40 million in 1978, and those Senators demanded that we adopt a loan system for peanuts which would not cost the Government any money. Then just recently—about 3 weeks ago—many of those same Senators vigorously denounced the tobacco loan program because it had lost some $150 to $200 million over its 40-year history. They demanded that the program be revised so that it would result in "no net cost" to the Government. With the cooperation of our growers and the consultation of our farm membership organizations, we did adopt such a program.

But suddenly, many of those same Senators who led the fight against what they characterized as intolerable levels of Government losses in the peanut and tobacco programs now urge us to continue a program for dairy producers which costs taxpayers much, much more. They want us to perpetuate a system which, obviously, has not been working to prevent overproduction and the resulting Government losses. These Senators would have us condone a dairy program which will cost the citizens of this country for the year 1982 alone almost 10 times what the tobacco program cost them over a period of 40 years. Mr. President, this is unconscionable. We must help restrain the growing Government deficit, and while losses on the dairy program are only one part of the problem, we must address the situation firmly and we must address it now.

Let me set the record straight for a moment. I am not saying that the 1982 losses in the dairy program are entirely the fault of the producers, because they are not. We in the Congress are partly to blame for failing to provide the proper incentives which would lower production and thus lower losses. We continue to authorize Farmers Home Administration to make low interest loans available to put new dairy farmers in business or to expand the operations of some existing producers. This is—pardon the phrase—udder nonsense. With such loans we penalize the producer who must borrow from PCA's or commercial banks to finance their operations, and we insure the continued expansion of excess production which CCC will eventually be required to buy with taxpayers' dollars.

I intend to support the amendment offered by the Senator from Florida because it will immediately curtail some—not all but some—of the losses

we otherwise will suffer in the years ahead. What I would really like to see the Senate do is to pass the Hawkins amendment for a period of 1 year and instruct the dairy producers—like the peanut farmers and the tobacco growers before them—to return at the end of that time with a dairy program which will result in "no net cost" to the Government. Let me say that again—"no net cost" to the taxpayers, and not just a reduction in the costs. However, that option is not currently before us today, and I hope that my colleagues will join me in approving this timely amendment to the dairy program offered by the distinguished Senator from Florida.

Mr. HELMS. Mr. President, will the Senator from Florida yield?

Mrs. HAWKINS. I yield.

Mr. HELMS. I thank the Senator.

Mr. President, as chairman of the Committee on Agriculture, Nutrition, and Forestry, I think we should have, as a matter of record, a description of the configuration of the dairy program, as it is known.

The Agriculture Committee established a price support floor, not a ceiling for the dairy program. The Secretary may certainly increase the support level above the floor we have established if he determines that is warranted.

The committee agreed that establishing a price support floor at $13.10 per hundredweight was an interim measure and not the final solution to the unacceptable cost of the dairy program. Further, we agreed that additional changes are needed in the dairy program.

A number of the members of the committee, on both sides, in combination with the administration, made heroic efforts to reach an accommodation with all interested parties for a satisfactory dairy proposal. However, those parties who claim to speak for the dairy farmers were not interested in reaching a compromise. I believe that was shortsighted.

So, where does this leave us? The Senator from Florida is right. On one hand we have a $2 billion per year program, which even with a $13.10 floor, will cost us more than $4 billion over the next 3 years. On the other hand, we face legislation adopted by the House Committee which contains a Dairy Board, answering to no one, not even the President, with complete, unfettered access to the Federal Treasury. We face a proposal which would place each and every dairy farmer in the country under the control of that Diary Board.

This Senator prefers to face reality. Reality is that the dairy program costs too much. Reality should be to keep a program which is guided by the Secretary of Agriculture and in which Congress has control over a workable policy.

The reality this Senator wishes to face is the price support discretion contained in Senator HAWKINS' amendment. It is the only prescription before us which will work for the dairy farmer to reduce the unusually costly and totally unacceptable level of purchases by the Commodity Credit Corporation. Now, even this will not result in a "no cost" dairy program. But it will move in that direction in a positive and credible way.

I support Senator HAWKINS, and urge all Senators to do likewise.

I understand that the Secretary of Agriculture prefers the approach taken by Senator HAWKINS over that in the bill. Senator HAWKINS' approach would further reduce CCC outlays by $611 million in fiscal year 1983 and $426 million in fiscal year 1984.

Mrs. HAWKINS. Mr. President, before I yield to the distinguished Senator from Rhode Island, I commend him for the great teacher he has been in helping me with this project. He has been unwavering in his support, and I just had to make special mention of his support in this fight against special interests.

Mr. CHAFEE. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Florida has 42 minutes and 58 seconds.

Mr. CHAFEE. Mr. President, I support the amendment by the distinguished Senator from Florida, and I congratulate her on her effort with this amendment.

This program is a prime example of one that started out with a worthwhile objective and has gone absolutely haywire. To listen to the statistics as the distinguished Senator gave them makes one wonder what we are doing. Why do we permit it to continue?

The facts are these: As of June 4 of this year, the Commodity Credit Corporation owned 437 million pounds of butter. I cannot conceive how much butter that is. That is a lot of butter, Mr. President—437 million pounds. Seven hundred three million pounds of cheese; and 1.1 billion—repeat billion—pounds of nonfat dry milk.

It is said that if you filled a freight train with all these goods, it would stretch from Washington, D.C., to New York City; and every day they add more to it.

Mr. President, something has to be done. Yesterday, we had a very important vote on the floor of this Chamber in which 69 Senators voted for a constitutional amendment to balance the Federal budget. That is wonderful. Now here is a chance for people to back up that rhetoric and do something about this incredibly wasteful program.

I am for dairy farmers. I am for dairy cows. I like Guernseys and Jerseys and Holsteins. They are all favorites. But we should not be pouring so much money into them or on them or under them. We have to get control of this.

What happened? In 1979, when the distinguished Presiding Officer (Mr. GOLDWATER) was here and I was here, we made some changes in the price mechanism. We increased the price supports. The dairy industry responded, just as in a free enterprise system they should respond.

The high Government price supports brought forth a cornucopia, a superabundance of milk and cheese and butter. The result is that now one-tenth of the Nation's entire dairy production is absorbed by the Federal Government. We are taking it and storing it in caves in Kansas. But there are not enough caves in Kansas. They require hundreds of other places to store it.

There are 180 pounds of stored dairy products for every man, woman, and child—elderly woman, elderly man, young child, young woman—in this country.

We cannot give it away. It would ruin the price structure. We cannot send it abroad. Our allies would raise cain if we dumped these substances on their markets. So we are stuck with all these aging, wasted dairy products.

If we were to adopt the worthwhile amendment of the distinguished Senator from Florida, the impact would be lower prices for consumers, and the result would be that the consumers would go out and buy more.

One of the opponents of this amendment, the distinguished junior Senator from Minnesota, relates that the problem is "underconsumption." He claims that consumption fell from 700 pounds per capita in 1950 to a little over 500 pounds 30 years later. One of the factors has been the higher prices. When you go out in the market and cheese costs so much and butter is high and milk is up, the reaction, obviously, is not to buy so much. The answer to this underconsumption is to lower the prices.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. CHAFEE. I should like to finish, and then the Senator will have every opportunity. I will be delighted to respond to any questions, particularly if it is on his time.

The estimates are that a modest reduction in the price support contained in this amendment would result in consumption gains of as much as 1.5 billion pounds more in the next 3 years.

Mr. President, I call attention to the point made by the distinguished Senator from Florida. We are cutting all sorts of programs. On college tuition benefits for veterans, we voted no. We voted no on increases in medicare and medicaid, school lunches—all kinds of programs. We have held the line or we

have cut them. How can we do that in good conscience and continue this program, which results in the Federal Government piling up these surpluses?

I do not know what justification the opponents of the amendment can have. I will listen with interest and curiosity as to their ingenuity in getting around this quandary, how they can justify continuing it.

So, Mr. President, it is a good amendment. It deserves overwhelming support. A vote for it is for good government. It is for the consumer. It is against waste and indeed it is for the sale of more dairy products.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator has no time.

Mr. COCHRAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COCHRAN. I think it was stated by the Senator from New Mexico (Mr. DOMENICI) at the time this amendment was offered that this Senator was to be in control of the time.

The PRESIDING OFFICER. The Senator from New Mexico has authority to delegate time. The Chair did not hear it. But I believe he did it.

So I recognize the Senator.

Mr. COCHRAN. I thank the Presiding Officer.

As chairman of the subcommittee that conducted hearings on the dairy program and recommended to the Agriculture Committee that the dairy program be reduced in cost as a part of our reconciliation effort, I rise in opposition to the amendment being offered by the Senator from Florida. The impression is being created, I am sure unintentionally, that the diary program is untouched in this reconciliation process, and that is just not true.

Our committee has recommended to the Senate that the cost of the dairy program be cut by over $1.5 billion over the next 3 years, a substantial reduction in the exposure the Government has in this dairy price support program.

We made an effort in our subcommittee to develop support for more reform in the dairy program. There were suggestions by the Milk Producers Federation, for instance, that substantial fundamental changes be made in the program that would reduce the cost. The administration suggested that the Secretary of Agriculture be given complete discretion in the setting of dairy price support figures each year over the life of the farm bill.

There were other suggestions discussed with the subcommittee by Members of Congress, consumer groups, and representatives of the dairy industry.

Frankly, Mr. President, we were not able to come together and develop a consensus of support for any of those substantial reform proposals. So the subcommittee decided to simply establish a minimum, a floor of support, over the next 3 years that would reduce the estimated cost of the program substantially and bring the committee well within the requirements of the Budget Committee's guidelines under reconciliation.

Specifically, our committee, the full Committee on Agriculture, was required to achieve savings of a little over $3 billion over the life of this resolution. We had savings in areas such as food stamps, export promotion provisions, and advanced payments, and the dairy program was targeted as one where savings could be achieved.

I am suggesting to the Senate that it support the decision that was made by the Agriculture Committee. Frankly, the suggestion of the Senator from Florida would result in a crippling of our domestic industry. The $13.10 per hundredweight, which is the minimum support that is required under this legislation, is about the cost of production right now, according to USDA. And if we do have increases in production costs over the next few years, which all of us expect, this means that this support level will actually be below the cost of dairy production and is necessarily going to result in a reduction of herds and a reduction in the production of milk, cheese, and butter.

Whatever we think of the fact that the dairy program has gotten out of control, and we all agree that it costs too much. Everyone who testified before our committee was recommending changes that would reduce the cost of the program, and this recommendation of the committee reduces the cost of the program substantially. So I suggest that, with the fact that we are under the requirements of reconciliation, and need to maintain a healthy dairy industry to continue to produce adequate supplies at responsible prices, that we should not go too far and undermine and undercut the ability of our dairy farmers to continue to produce. I hope the Senate will go along with the committee and reject the amendment offered by the Senator from Florida.

HEARING BACKGROUND

Mr. President, the Production, Marketing and Price Stabilization Subcommittee, which I chair, held 2 full days of hearings to receive testimony from Members of Congress, all sectors of the dairy industry and consumers.

There was general consensus that changes need to be made in the dairy program to reduce the current $2 billion annual cost of the program.

Everyone recognizes this. In fact, the producer organizations were among the first to come forth with suggestions on how to reduce the program cost.

Unfortunately, this is where the consensus ended. There were concerns expressed about the large portion of the surplus produced in a small number of States—five States accounted for nearly half the increase in production during the last 2 years—and suggestions were made on how to direct the program changes to these areas.

The Milk Producers Federation proposed a production reduction incentive program which included a lower price for the surplus production. This was combined with a rebate to farmers that cut production to encourage a reduction.

Others felt that a strict base plan is needed to assure that production is brought under control.

The administration believes that Secretarial discretion to lower the support price is necessary to bring supply back in line with demand.

All these proposals have advantages and disadvantages. For example, a base plan would result in an immediate reduction in production and thus solve the surplus problem. Unfortunately, it restricts entry of new producers and creates a value on the farm base.

The federation's plan would encourage farmers to cut production. However, many suggest that the data are not sufficient to administer their proposal.

The administration's proposal is more straight forward in that it maintains the existing support price concept with a lower support price determined by the Secretary. However, dairy farmers tell me that if the support price is lowered to an unrealistic level then the only alternative for dairy farmers initially would be to increase production to keep their cash flow adequate to meet current debt obligations. This will result in more surpluses and the need to further reduce the support price until many dairy farmers are forced out of business. This would achieve the goal of lowering production. However, I do not believe that it is the appropriate way for the adjustment to take place.

RECENT ADJUSTMENT IN DAIRY SUPPORT

Mr. President, it is not like we just identified that there is an overproduction problem with dairy. Before we start making radical changes in the program, I think it is important to see where we are in our efforts to reduce surplus milk production.

The problem can be traced back to the 1977 farm bill where the support or purchase price was put at no lower than 80 percent of parity. Although prices in previous years were supported at or above 80 percent of parity, they were in line with cost of production. However, inflation during the years following the 1977 farm bill caused the parity index to increase

rapidly. The results were sharp increases in the support level.

It went from $9 per 100 pounds in 1977 to $13.10 by October 1980. If these increases had been associated with actual increases in cost of production there would not have been the incentive to expand production. Unfortunately, they did not and the support price went from about equal to the cost of production in 1977 to nearly $1 per 100 above the cost of production by 1980. The result was an increase in milk production of about 7 billion pounds between 1978 and 1980 and the cost of the program went from $250 million to $1.3 billion.

Congress took its first action during the spring of 1981 to reduce the cost of the program by eliminating the scheduled midyear adjustment—April 1.

By this time other sectors of the agricultural economy were faced with low prices caused by excess production and sluggish world markets. Dairy farming was the best option and capital continued to flow into milk production.

It was clear last fall during consideration of the 1981 farm bill that the milk price support needed to be held at $13.10 because of continuing large government purchases of milk. Congress acted again leaving the support level at $13.10 on October 21, 1981. This represented the second year in a row with no increase in the support level. However, it was a 4-year bill which included increases in the price support to $13.25 for fiscal year 1983, to $14 for fiscal year 1984 and $14.60 for fiscal year 1985.

Mr. President, surplus milk production has continued and this year the cost of the program will be about $2 billion. So Congress once again has to address the problem.

COMMITTEE ACTION

The provisions adopted by the Senate Agriculture Committee, which holds the minimum support at $13.10 through fiscal year 1985, is designed to encourage a reduction in milk and dairy products.

It will be argued, Mr. President, that a $13.10 floor is not sufficient to reduce the Government purchases of surplus production and that the support price should be substantially lower.

The committee discussed this possibility and it was agreed that, if necessary, further adjustments would be considered by the committee before the end of the 97th Congress.

Mr. President, for those who want to proceed immediately to more radical adjustments in the program, I would like to point out some of the facts about the provision adopted by the committee.

The $13.10 support price will represent about 68 percent of parity for 1983, and according to the Congressional Budget Office will be less than 60 percent by 1985. Since 1949, milk has never been supported at less than 75 percent of parity.

Furthermore, according to cost of production figures published by USDA, the current $13.10 support price is about equal to the cost of production. To the extent that production cost increase further during 1983 through 1985, the $13.10 floor will become more and more effective in bringing about a reduction in the production of milk production.

While great strides have been made to get inflation under control, and reduce future increases in cost of production, I would like to point out that this bill contains provisions designed to increase the price of grain. This could increase the feed cost to dairy farmers. Thus while the bill holds the price support for milk at $13.10 it may increase the cost of production to dairy farmers. While no one knows exactly what dairy farmers will do, this combination should cause them to gradually cut their production. The best assessment of how farmers are expected to react can be deduced from the program savings estimated by the Congressional Budget Office. They estimate $150 million savings in fiscal year 1983, $520 in fiscal year 1984 and $845 million in fiscal year 1985. According to these estimates the cost of the program will be cut in half in 1985. These numbers reflect a continual increase in Government saving with less disruption to the dairy industry.

Therefore, Mr. President, I believe that by maintaining the existing $13.10 price support as a minimum with flexibility for the Secretary to increase the support if necessary to maintain an adequate supply of milk is the appropriate action at this time. I would hope that my colleagues would support the action taken by the committee and oppose any further amendments.

Mr. President, I yield to the distinguished ranking minority member of the Agriculture Committee, the Senator from Kentucky (Mr. HUDDLESTON), for whatever time he may consume, and I reserve the remainder of my time.

Mr. HUDDLESTON. I thank the distinguished Senator from Mississippi.

Mr. President, I rise in support of the position that has just been enunciated by the distinguished chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices.

As he has pointed out, the amendment that is now being offered by the Senator from Florida was given consideration in the Agriculture Committee as were a number of other proposals to improve the milk program. However, the committee voted to freeze the current support price at $13.10; and that is what is included in the reconciliation bill.

The distinguished Senator from Mississippi indicated that this represents a substantial savings. Let me indicate to the Senate that it is a fact that it does. By maintaining the $13.10 support price, the program will be saving $150 million in fiscal year 1983, $520 million in fiscal year 1984, and $845 million in fiscal year 1985. That is a total savings of over $1.5 billion.

So the committee has not been insensitive to the need for effecting savings. But more importantly the committee position has been that we are dealing here with a budget reconciliation bill. This bill is not appropriate legislation in which to include substantive, fundamental changes in the dairy price support program.

The committee indicated in its report that efforts will continue by all involved to develop a program that will provide the best mechanism possible to protect the dairy farmers of America, the consumers of America, and the Treasury of the Federal Government.

We believe there is a sense of urgency on the part of all those concerned that this matter be worked out but some time is necessary before we can present to the Senate a comprehensive legislation based on thorough hearings at which every side has an opportunity to present its case, and with which Members of this body will be able to make an intelligent decision.

Think of this: If the committee position stands and we freeze the support price at $13.10 through 1985, that will be a total of 5 years during which the support price has been frozen.

Mr. President, you do not have to be an expert economist to know that if the price is frozen while the cost of production is rising as it is, then you have, in effect, cut the price and cut it quite substantially by the time the price freeze expires.

I would like to point out that Public Law 97-6, enacted in March of last year, saved the Federal Treasury some $160 million by eliminating a scheduled increase in the milk support price.

The provisions of the 1981 farm bill scaled back future milk support price increases and saved hundreds of millions of dollars compared to the provisions contained in other bills we considered.

The actions Congress took last year have not gone unnoticed by the Nation's dairy farmers. The most recent milk production report by the Department of Agriculture shows that milk production was lower in the April-June quarter of this year than it was in 1981 in 13 States. Among the States that cut production is Wisconsin, a State with more than 15 percent of all the milk cows in the Nation. Further,

the number of milk cows has declined this spring in 18 States. In my own State of Kentucky, the number of cows has remained steady this spring, but the number has declined, by 2,000 animals, from last year. These reduced numbers of milk cows will lead to less milk production in the future.

Also, I am convinced that low prices for grain and depressed livestock prices are interfering with an orderly adjustment of milk production to levels that satisfy demand.

It is our hope that before that time, we would have a more detailed and a more long-range program to substitute for the current dairy price support program. But make no mistake about it, what the committee has recommended and is now in the bill, is a substantial reduction in the farm income for the thousands of dairy farmers across this land.

At no time since the Great Depression years has the economic situation of our farmers been in a more desperate condition than it is at the present time. Farm debt is $200 billion. Over 100,000 farmers in this country today are facing bankruptcy. This is not the time to impose on them any greater financial burden without going through the necessary process of hearings, of study, of research so that we can determine more fully the precise effects of such changes.

I do not know exactly what the House will propose or what will be available when we go to conference. But the likelihood is, of course, next we will see something somewhat different from what we finally agree on here today. But I think it is important for the Senators to understand that the Committee on Agriculture has felt the next best way to proceed in the interest of the dairy farmers and in the interest of the Federal Government is to institute this freeze, being as it is, in fact, a reduction in the level of support as time goes on, and to then address this issue with a sense of urgency, with a determination that we will develop in a very short period of time the right kind of program for the interests of all.

So I would urge that the amendment that has been presented by the Senator from Florida be rejected here in the Senate, as it was rejected in the Committee on Agriculture.

Mr. COCHRAN. Mr. President. I yield 1 minute to the Senator from Kansas (Mr. DOLE).

Mr. DOLE. I do not think I like any of the proposals, to be totally frank about it, and people will say I am from a farm State, and I might say I offered an amendment to cut the price support of wheat, and I am from a wheat State.

I do not believe the solution lies in the Hawkins amendment and I am not certain the solution lies in the committee amendment. Maybe the distinguished Senator from California, Senator HAYAKAWA, has found a middle ground. I understand he may have an amendment to offer later. But I believe we have a challenge to deal with this dairy program or we are not going to have a dairy program if we do not face up to the hard questions involved because one of these days, on the Senate floor or on the House floor, there will not be any price supports at all for the dairy program. Some will say that is fine. But it would seem to me the Hawkins approach is not the correct approach, and I hope the amendment of the Senator from Florida will be rejected.

Mr. COCHRAN. Mr. President, I yield 5 minutes to the Senator from Minnesota (Mr. BOSCHWITZ).

Mr. BOSCHWITZ. I thank the Senator from Mississippi. I agree with the statements of the Senator from Kansas, who has left, and also the Senator from Kentucky, who points out that the farm community is indeed in a difficult way, and that is so related to the overproduction of milk because really if the corn prices were to go up to $3 a bushel there would be no question but that we would at that time have a lowering of milk production and that we would be back into balance.

The other thing, of course, is that the cause of the higher milk prices is that the cow prices are also low and, frankly, as the Senator from Kansas pointed out, the CCC buys all the surplus, and that there is no real incentive on the part of the co-ops or the producers and processors of milk to sell.

The idea of the Hawkins amendment is the penalizing of the dairy farmers who are already penalized, as Senator HUDDLESTON has pointed out, because the price has been steady for 2 years despite inflation and the price will be steady for an additional 2 years despite inflation, but the Senator from Florida points out that consumers will save over $600 million over the fiscal years 1983, 1984, and 1985.

In the meantime, the costs to the farm community will be $3.9 billion, which will not be the cost of the farm program but will be the cost to the farm community. So it takes $7 approximately, $6 to $7, out of the hides of the farmers of this country in order to save a dollar, a projected dollar I should say, for the consumer.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a history of the price reductions of milk and what it has done to consumer prices.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

There have been several reductions in the dairy price support level in the past. The following data indicate the level of consumer prices for the year prior to the reduction and prices for the same products the year of the reduction.

On April 1, 1954, the price support level was reduced from $3.44 per hundredweight to $2.90 (3.5 percent fat content), a reduction of 15.7 percent.

[In cents]

	Whole milk, ½ gallon, in stores	Butter, pound	Cheese, pound
1953	43.7	77.5	59.8
1954	42.9	71.1	57.6

Whole milk prices declined by 1.8 percent, butter by 8.3 percent and cheese by 3.7 percent as a result of the 15.7 percent reduction.

On April 1, 1958, the price support level was reduced from $3.03 per hundredweight to $2.85 (3.5 percent fat content), a reduction of 5.9 percent.

1957	45.9	72.9	57.6
1958	46.7	72.9	58.0

Whole milk prices rose 1.7 percent, there was no change in the price of butter and cheese prices rose by 0.7 percent.

On April 1, 1962, the price support level was reduced from $3.22 per hundredweight to $2.93 (3.5 percent fat content), a reduction of 9.0 percent.

1961	48.2	74.9	[1] 36.4
1962	47.8	73.8	[1] 36.2

Whole milk prices declined by 0.8 percent, butter by 1.5 percent and cheese by 0.5 percent.

The present price support level was established on October 1, 1980 ($12.80 per hundredweight, 3.5 percent fat content). (Equal to $13.10/cwt on a 3.67% fat content)

1980 average	1.049	1.878	[2] 1.823
April 1982 average	1.127	2.050	[2] 2.089

During the 16 month period, with no change in the price support level, whole milk prices increased 7.4 percent, butter rose by 9.2 percent and ice cream by 14.6 percent.

[1] One-half pound packages.
[2] Ice cream, ½ gallon, prepackaged, bulk, regular.

Mr. BOSCHWITZ. It shows quite uniformly that consumer prices when they go down are not reflected in the retail prices that consumers pay. In 1954, the time that the Senator from Florida talked about, there was a price reduction of 15.7 percent and approximately a 2-percent reduction in the price of milk and, perhaps, a 3- to 4-percent reduction in the price of cheese.

The idea that consumption will rise is contrary to history. My friend from Rhode Island says the price will go down and consumption will rise. In a 16-year period, from 1953 on, the price went down and consumption did not go up.

At the end of that year, as a matter of fact, despite the increases in population in this country that occurred, the production and consumption of milk were at the same level as at the beginning of that period.

The distinguished Senator from Florida talks about the fact that Congress lowered the prices from 1955, 1959, and 1963 which needs some clarification. That really was not Congress, but we have not authorized specific price levels before, but we have only authorized changes, and the Department of Agriculture made those changes.

Mr. President, the number of dairy farmers over the years has declined very drastically. In 1959 there were 1,792,000 dairy farmers in the United States. Today there are 324,000 dairy farmers. That is less than 20 percent

of the dairy farmers who were here in just 23 years ago.

It is not our desire, we who are on the Committee on Agriculture, to squeeze that number down still further. We feel that holding the price consistent, holding it steady, will not increase the price of the program. As the distinguished Senator from Mississippi said, we come within our reconciliation targets during that time, and that indeed by holding the price steady we will save the Government adequate money.

As a member of the Senate Budget Committee, I look at budget reconciliation with a great deal of pride. It provides the entire budget process with the teeth it needs to make the efforts of the Budget Committee stick.

But sometimes even the best ideas miss their mark. Our current discussion on the dairy price support system is, unfortunately, a case in point.

The dairy price support system is in some trouble. Consumption is down, production is up, and our present surplus of dairy commodities is the largest in history. As a result, our dairy price support system may cost the Government as much as $2.5 billion, more than twice the estimate built into the 1981 farm bill.

Something constructive needs to be done; something that will cut the cost of the program by one-half; something that will encourage all farmers to cut back a little from total production.

The dairy industry agrees. High interest rates squeeze dairymen as much as anyone. They know that the only way to reduce those interest rates is to reduce the deficit. I recently held hearings all across Minnesota, and came away with one solid conclusion: Dairy farmers stand ready to do their part.

Unfortunately, they may not get the opportunity. Because the Agriculture Committee needed only certain savings to meet requirements of reconciliation, it chose to go only that far.

It failed to responsibly address the problems of the dairy industry. It does nothing to meaningfully check production. It ignores the present surplus entirely, and absolutely disregards the dilemma of steadily decreasing consumption, perhaps the most important aspect of the entire problem.

Mrs. HAWKINS' amendment takes that situation and makes it worse. She suggests that we decrease the support level to $12.60 immediately and then reduce it further to $12 on January 1, 1983.

On the surface, this sounds simple and within the economic logic of supply and demand. But it will not work. It might actually increase the surplus. It does nothing to preserve the integrity of the dairy price support system. And, ironically, it does not achieve the budget savings that are possible and necessary.

The Hawkins approach assumes, incorrectly, that farmers will respond simply to price. She assumes that the rollback in the support price will provide a sufficient disincentive for production; that dairymen will simply cull back their herds and wait for better days.

That is a solution for simpler times. Today's farmers are rational economic characters who must respond to more than just price. To cut the price he gets does nothing to reduce his interest payments. So what it does is force him to produce more milk as he struggles to keep his cash flow high enough to keep him solvent.

Following the logic of the Hawkins proposal, the long-term solution would be to keep cutting the price until many producers—specifically, small family-owned dairy operators—are forced into bankruptcy, no longer able to keep dairy production high enough to service their debt. Clearly, this is not acceptable.

It hurts the small dairy operation in another way as well. To reduce the price to $12 is not across-the-board as some might have you believe. Because of our complicated milk-marketing order system, the prices in the Midwest—where most of the small dairy operations are located—would be far lower than in distant States such as Florida.

The milk marketing system was designed to encourage milk production in all areas of the country and to create a price differential to offset transportation costs. It uses Eau Claire, Wis., as the center of milk production. The farther one gets from Eau Claire, the higher the price support. In Florida, for example, prices are often more than $17 per hundredweight. So, while the small 30-head operations are struggling to make ends meet at the lowest price in the Nation (manufacturing grade milk in Minnesota brought $12.69 in 1981) the large 1,000-head operations in areas far from the upper Midwest are enjoying the highest prices offered. Again, this is not acceptable.

If Mrs. HAWKINS truly wanted to save consumers money, she should address the milk marketing order system.

It is equally misrepresentative to refer to its consumer benefits. There have been several reductions in the dairy price support level in the past and that reduction has never been reflected by consumer price reductions.

For example:

On April 1, 1954, the price support level was reduced 15.7 percent. That year, whole milk prices declined by only 1.8 percent and cheese by only 3.7 percent.

Four years later, the price support level was decreased by about 6 percent. Whole mile prices rose by 1.7 percent, and cheese rose by 0.7 percent.

In 1962, the price support level was reduced 9 percent. Prices for whole milk and cheese declined by less than 1 percent.

Recall that prices were much more stable in those years, so inflation was not a factor in preventing retail price declines.

Another criticism of Mrs. HAWKINS' approach is that lowering the support level lowers the value of all dairy products held in inventory by private industry. That means that dairy processors will take a large loss on the day the price is lowered. The only way for them to avoid this is to not be holding any inventory. This gives the industry a tremendous incentive to sell every pound of product they can to the CCC before January 1. This will exaggerate the cost to the Government of Commodity Credit Corporation (CCC) purchases and suggest that the price support level be cut even beyond $12.

Which brings me to my plan, a proposal I put together with the National Milk Producers Federation, and which has very broad support among farmers. My self-help plan works like this:

The price paid to the farmers would remain at $13.10 until October 1, 1983, and then go from $13.10 to whatever percent of parity is represented by $13.10 on October 1, 1982—probably about 67 percent.

Total milk production is now 135 billion pounds on a fluid basis. The market consumes about 122 billion pounds. The surplus of 13 billion pounds is the level removed by the CCC. Therein lies the cost of the program, plus storage charges for the surplus. It is true, lowering the support price would lower the cost of the program. Going from $13.10 to $12, as Senator HAWKINS wishes to do, is about an 8-percent reduction, which is not terribly significant. The Department of Agriculture maintains that it will lower production and the surplus by squeezing out a number of milk producers, that is, farmers.

Again, the CCC purchases 13 billion pounds. This is on a fluid bases. Actually butter, milk powder or cheese is purchased and it takes an average of 10 fluid pounds to produce a pound of product.

My bill would authorize the CCC to purchase at the support level 5 billion pounds (and that amount is negotiable) and the balance of 8 billion pounds would be purchased at the support level of $13.10 minus an $11 assessment or $2.10 per cwt. This saves $880 million off the top (8 million pounds times $11 per cwt), and will quickly cut production and storage costs.

My plan would also dramatically reduce the cost of the dairy program. CBO estimates the savings would be

$1.3 billion. That is far more than any plan considered thus far.

What is important is that the cost is largely on the farmers' shoulders, thus a self-help plan. It also has incentives for the farmer. If a farmer voluntarily reduces his production to about 92 percent of last year's production, he would be deemed as not contributing to the surplus and would get $13.10—or the amount specified in the milk marketing order—for all of his production. In short, there is a great incentive to lower production, because it just does not pay to produce the last 8 percent of normal production for only $2.10 per cwt.

It is important to note that the plan establishes no allotments or quotas. Anyone can start up in the dairy business, although if he does not have a history of production, approximately 8 percent of all the milk he produces will be sold at about $2.10. No artificial asset is created that can be sold by the farmer, such as in the case with peanut and tobacco allotments.

If I may offer an aside to all this: Any plan that deals with dairy must deal with the most significant problem facing the industry—falling consumption.

For 30 years, ending in 1980, this country's total production remained the same, but consumption plummetted from 700 pounds per capita annually to the present 525 pounds.

I believe today's health conscious, money-wise consumers are ripe for a hard-hitting, aggressive campaign. Take a look at what it did for orange juice. Partly because of good advertising, per capita consumption of orange juice has increased 50 percent over the last decade. Also, look at California, where per capita consumption of milk is on the rise. The reason: innovation and good advertising. Take, for example, something they call 2-10 milk, milk with 2 percent butterfat and 10 percent nonfat solids. The solids are achieved by adding nonfat dried milk and it tastes richer than whole milk. It has been marketed as more healthful than milk that is low in solids (which it is), and tastier than regular milk. It sells quite well.

My business experience tells me that the only way to effect any long-term impact on this and potential dairy surpluses is to encourage greater consumption. Promotion should be perhaps the most important cornerstone of any dairy plan.

Although dairy products have been advertised, I believe they have not been marketed in a hard-hitting-enough manner. My experience in advertising taught me that to capture the market you must take the competition head on. And that, I believe, is what the dairy people should do. Soft drinks have gradually eroded the milk market and are vulnerable to a side-by-side comparison to fresh milk.

Consider this: Take a television ad showing a glass of milk beside a can of soda. The nutritional value of milk is fantastic compared to pop—so tell the audience. Milk saves money and does not create large dental bills. Say so. But most importantly illustrate the comparative cost, put them side-by-side on TV and tell the folks—an average can of soda is 32 cents; the average cost of milk in only 18 cents. A family of three children would save $153 per year by replacing one glass of soda with a glass of milk for each child once a day.

So promotion is perhaps the key element to solving the dairy problem. Senator LEAHY has introduced a bill that would do just that. It would create a 5-cent-per-hundredweight checkoff that would go into a fund to more aggressively advertise dairy products and increase consumption.

To conclude, the dairy industry is in some trouble. It needs constructive, thoughtful revision that analyzes the needs of the farmer as well as the taxpayer. Dairymen across the country realize this and are willing to do their part. My plan gives them that opportunity. Senator HAWKINS' amendment does not.

Unfortunately, the reconciliation process does not either. Because of interpretations of Senate rules, I am not able to offer my plan as an amendment. However, the bill I introduced was passed by the House Agriculture Committee and should be in conference.

Therefore, I think the Senate Agriculture Committee's position is a good starting point.

Senator HAWKINS' amendment would be punishing to dairy farmers, more specifically to the small, family-owned dairy operations who are already strapped by high interest rates and low prices. Her bill will not give the budget proper savings and thus, will be more costly to taxpayers. What is more, it will do nothing for consumer prices.

I hope that you will agree and reject the Hawkins amendment.

Mr. COCHRAN. Mr. President, I yield 5 minutes to the Senator from Vermont, a member of the Senate Committee on Agriculture.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 5 minutes.

Mr. LEAHY. I thank the Chair.

Mr. President, as I listen to this debate I question whether some of the proponents are fully aware of what we have done in the Senate Committee on Agriculture. We froze the support price for dairy products for the next 3 fiscal years saving more than $1.5 billion. We have already saved millions in the dairy previous program to this.

What we have done, Mr. President, is to answer the requirements of the Budget Committee. We have exceeded those reconciliation targets by more than $950 million.

Mr. President, we have also made it very clear in statements in the Senate Committee on Agriculture, statements on the floor and elsewhere, that each of us on both sides of the aisle is interested in working out a program that works.

This program affects small family farms more than any other farm program we have here. It is not one that can be turned on and turned off, turned on and turned off, and leave any stability within the area of family farms.

The distinguished Senator from Kansas (Mr. DOLE) said he does not like any of the proposals. I have to agree with him. I suspect the distinguished subcommittee chairman, Mr. COCHRAN, feels the same way. I suspect the ranking member of the Committee on Agriculture, Mr. HUDDLESTON, feels much the same way.

There has not been presented to us today a perfect dairy program. What we do have and what we have worked out in the Senate Committee on Agriculture is the best program that can be worked out for now. We should not try to change it here on the floor again. This program was debated at great length, was the subject of hearings, was the subject of long negotiations within the committee, and suddenly to change it here overnight would be a mistake.

The point is, Mr. President, that dairy farmers have received the message we have sent. Milk production for the first 3 months of this year actually declined in 13 States, including my home State of Vermont.

We do not need to send the dairy farmers of this country another in our series of devastating messages—and this amendment would be the most devastating of all. They know, and have shown that they understand, that production increases must stop and the costs of this program must be brought under control.

Mr. President, in light of these facts, the question becomes, Why are we doing this amendment at all? The Agriculture Committee, by freezing the support price for dairy products, exceeded its reconciliation targets by more than $950 million. We saved more than we were required to.

Must we now inflict unnecessary damage to dairy farmers for a short-term, short-sighted idea on how to solve the problem?

In Vermont and in other States with smaller dairy operations, the effect of this amendment will be devastating.

If this amendment is passed, the percentage loss of dairy farms in Vermont will exceed the percentage decrease in milk production. Small farms will either be absorbed by larger ones or

simply drop out of the production picture altogether.

I cannot believe that Senator HAWKINS really wants to drive small family farmers out of business.

But that is precisely what will happen if this amendment passes.

And we are not talking about that marginal producer, or that inefficient manager who has slipped by. We are talking about some of the most efficient and productive members of this economy—who will be driven out of business by an amendment that deals only with numbers on a balance sheet.

Well, there are families and ways of life behind those numbers. Hard-working people who start the day's chores before sunup and stop only after the last job is done. They do not take vacations. They work 7 days a week—rain, shine, snow.

They are a combination of laborer, weatherman, mechanic—and some of the best businessmen and women we have in this country. The fruits of their labor are wholesome, nutritious dairy foods.

These men and women deserve better, Mr. President.

Mr. President, my State and other States will lose much-needed income if this amendment passes. Agriculture is more than just farmers. It is suppliers, implement dealers, processors. Each dollar of dairy farm income in my State represents $3 to the Vermont economy.

If this amendment passes, Vermont dairy farmers will lose more than $22 million and the Vermont economy will lose $66 million. Senator BOSCHWITZ has figures which show other States losing much, much more.

Finally, Mr. President the drop in the price of milk and other dairy products to consumers projected by my friend from Florida are indeed suspect.

At no time in history has the reduction in the price to the farmer equaled the reduction in price to the consumer.

For example, on April 1, 1962, the price support level was reduced by 9 percent. But whole milk prices declined by just eight-tenths of 1 percent, the price for butter by 1.5 percent and the price for cheese by one-half of 1 percent.

During the current 16-month period that milk prices have been frozen, dairy product prices have actually increased.

Mr. President, farmers will lose, States will lose, and consumers will lose.

The dairy price support program was established in a time of market chaos and supply shortages. It stabilized those markets and has insured an adequate supply of milk at a reasonable price ever since—as it was designed to do.

The Agriculture Committee has exceeded its reconciliation savings instructions.

We will be working to write comprehensive dairy legislation.

The time to enact those program changes is not here, and it is not now.

I would suggest, Mr. President, that we reject the amendment of the Senator from Florida, that we stick with the Senate Committee on Agriculture, and then that interested Senators and the administration sit down together and work out a long-term program.

Mr. ANDREWS. Will the Senator from Vermont yield?

Mr. LEAHY. Of course.

Mr. ANDREWS. Mr. President, I want to associate myself with the remarks of my colleague and good friend from Vermont. I think it is important, Mr. President, to realize that what he says is clearly what we are trying to do. This is not the point in time to do what the Senator from Florida is proposing to do—to make a major change in basic farm law.

There is a far better proposal, one that the dairy farmers themselves brought up, wherein they will agree to cap the amount that is in storage—that is where the cost is to the taxpayers—and any amount over that figure, which is about half of the present surplus, will be absorbed by them. They will find a market among the relief agencies; they will find a market overseas.

I think we need time to examine this very sensible approach by the dairy industry itself that will give much more relief to the taxpayers while keeping a viable program of great importance to the consumers, because the consumers need, first of all, that productivity out of the dairy farms of America. Without the productivity that comes with a support program, the consumers are the ones that suffer.

Mr. President, one final point. I think it is extremely important to emphasize that the cost of this program is not up 4,000 percent in price supports. The price support is the same as it has always been. It is the storage cost that has increased the cost to the Government because we have had so many problems in other areas of agriculture, low feed prices, the disinclination of farmers to cull their herds because of low beef prices, all of which have tended to excessive production.

So the point my friend from Vermont is making is extremely important. Let us not do this now. Let us take the time to examine the program the industry has suggested to work this out.

The PRESIDING OFFICER. (Mr. SPECTER). The Senator's 5 minutes has expired.

Mr. COCHRAN. Mr. President, I yield 3 minutes to the Senator from Wisconsin (Mr. KASTEN).

Mr. KASTEN. Mr. President, I rise in opposition to the amendment introduced by my colleague from Florida, which calls for an immediate reduction in the support price of milk by a total of $1.10 per hundredweight over the next 6 months.

My colleague's intent—to reduce the surplus of milk produced and cut Federal outlays for this program—is commendable. But the vehicle through which she proposes to achieve these goals carries serious and far-reaching ramifications for our dairy producers, particularly our young dairy farmers, and for businesses dependent upon the dairy industry.

Dairy farmers testifying before the Senate Agriculture Subcommittee reiterated time and again that should an immediate cut in the support price take effect, they will be forced to increase production in order to offset rising expenses—not decrease production, increase production. I have no reason to doubt this testimony, as farmers in my home State of Wisconsin have voiced the same sentiments. Ultimately, we will witness an increase of milk in the marketplace as farmers step up production in order to maintain their income level.

In Wisconsin alone, this amendment would generate a loss of $218 million. Wisconsin has 44,000 dairy farmers whose net income is $16,500 per year, per farm. This amendment would reduce net income per farm by $5,000. There are serious consequences for Wisconsin's economy as over 60 percent of Wisconsin agricultural income is derived from dairy.

Take special note that our young farmers will be the first to feel the brunt of a price cut. Young farmers are the lifeblood of the dairy industry and they are the farmers our Nation will have to depend upon in years to come.

The cash flow requirements and debt load for young farmers differ sharply from those of the more seasoned dairyman. These young men and women, who through prudent management and efficient use of resources are working to establish themselves in the industry, will have the door irrevocably slammed in their faces. Reduction of the present price-support level will seriously jeopardize young farmer operations.

An immediate price cut will also take its toll on the businesses that provide goods and services to dairy producers. The farm machinery industry, feed dealers, fertilizer industry, dairy processors, packagers, and haulers, clothing and food retailers, and others will feel the pinch. These businesses are dependent upon the dairymen's dollars. Cut dairymen's cash flow and the result will be a more depressed economic climate for these and other businesses.

Mr. President, dairy producers have already taken the initiative to reduce output and herd size in order to bring

about a balanced supply demand ratio for milk and milk products.

Second quarter milk production figures released by USDA on July 16, indicated that increases in milk production have slowed. The April through June milk production was the smallest quarterly increase since the second quarter of 1979. Milk production per cow has increased only 0.2 percent so far this year, compared to increases of over 2.0 percent per cow the past 2 years.

Producers have also channeled their efforts into promoting consumption of milk and dairy products. Promotional ploys such as the red and white real seal can be found on dairy products throughout the country. The "slice of life" campaign aimed at increasing consumers appetites for cheese has met with great success.

This is only the beginning, but a promising one that has encouraged all in the dairy industry to take a more active role in the promotion and utilization of their products.

Last month, the Senate Agriculture Committee agreed on a dairy package that would not only maintain stability in the marketplace, but would also meet the requirements calling for a reduction in Federal spending. This was an encouraging move in the right direction toward resolving the situation.

Mr. President, I believe we can take this a step further and obtain an even more equitable solution that would:

First, provide fair prices to both producers and consumers.

Second, foster a closer balance between supply and demand.

Third, maintain flexibility in the dairy program.

Fourth, implement a producer "self-help" program that would encourage producers to accept more responsibility in marketing their products.

Fifth, concentrate efforts to assist our young farmers.

The dairy industry has been working for months on proposals which would achieve these goals, and the House Agriculture Committee has included language in its version of the reconciliation bill which would both cause a real reduction in milk production and save more Federal dollars than the amendment before us. Yet instead of waiting to consider the pros and cons of this innovative plan, we are being asked to take a meat-ax to the dairy program here today.

I urge my colleagues to join me in opposing this amendment. The dairy surplus problem is a real one—but it will only be exacerbated by the quick-fix approach, and countless dairy farmers and small businessmen will suffer needlessly because of it. Let us turn this amendment down and pledge to work with both the House and the dairy industry to find a viable, long-range solution to this important domestic policy problem.

Mr. COCHRAN. Mr. President, I yield 4 minutes to the senior Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. Mr. President, passage of the Hawkins amendment would be an absolute disaster for dairy farmers in the country and especially in our State.

First, under the terms of the Hawkins amendment, the Secretary of Agriculture would be authorized to immediately set the support price for milk at a level not less than $12.60 per hundredweight. That is a drop, that is a reduction from $13.10, which it is now. And I wish to comment in a minute in pointing out how unfair and how discriminatory that is.

Furthermore, it would lower the support level further to a floor of $12 per hundredweight. That $12 would be maintained as a minimum from then through September 30, 1985.

Mr. President, I challenge anybody in this body to point out any other substantial producer who is going to have his income frozen for 5 years. Now, that is what the committee bill would do. And what the Hawkins amendment would do is to cut it even further.

There are no wage earners, there are no givebacks, there are no contracts that I have heard of anywhere that would provide this kind of discriminatory treatment.

Furthermore, Mr. President, an outstanding dairy economist at the University of Wisconsin has computed that in 1980, when we had 80-percent price support, the average dairy farmer in our State—and we have efficient dairy farmers who are doing very well—had an income of $2.89 an hour. Under the committee bill, they will have $1 an hour in 1985. Under the Hawkins amendment, they will have nothing—nothing. How unfair can you get?

Mr. President, this would mean a reduction in income in my State alone for dairy farmers of $218 million. Nationwide, it would mean a reduction of about $1.3 billion.

Mr. President, the first reason we should defeat the Hawkins amendment is because it would savagely depress dairy farm income and, thereby, deal a devastating blow to our dairy farmers.

Second, if the Congress should adopt the Hawkins amendment, dairy farmers would face the grim reality that the Federal Government would not even live up to the 1981 farm bill, which we passed and which seemed to be a pledge and a promise to the dairy farmers that they, at least, would not go under $13.10. Now we go under $13.10, as I have just pointed out.

There is a third reason, which the Senator from Kentucky stated so well, and that is it is so important in this body that we respect procedures and let our committees act. Let us give the Agriculture Committee the opportunity. They have not had a chance to come in with a new proposal.

We realize the present farm bill is not working. We realize the surpluses are too big. But give them a chance to work something out and give the farm groups an opportunity. They have indicated that they want very much to reduce production. They have made some very constructive proposals in that direction. The House is considering a proposal. Our Agriculture Committee wants time to consider it and weigh it. It is complicated, but it would certainly very greatly ease the burden on the taxpayers and it would save our dairy farmers and permit our dairy farmers to continue in existence.

THE HAWKINS AMENDMENT: A DISASTER FOR DAIRY FARMERS

Mr. President, I rise in opposition to the Hawkins amendment.

Passage of the Hawkins amendment would be a disaster for dairy farmers in Wisconsin and the rest of the Nation. Here are the reasons why I urge my colleagues to reject this amendment.

First, under the terms of the Hawkins amendment, the Secretary of Agriculture would be authorized to immediately set the support price for milk at a level not less than $12.60 per hundredweight and on January 1, 1983, that would be down from the present $13.10 level and then to lower the support level further, to a floor of $12 per hundredweight. The $12 level would be maintained as a minimum from then through September 30, 1985.

What would this mean in terms of reduction in farm income? The National Milk Producers Federation estimates that the first year of the Hawkins amendment would result in an almost $218 million reduction in farm income for Wisconsin alone. This projection assumes production at 1981 levels; that the 50-cents-per-hundredweight reduction would take place as of October 1, 1982; and then, of course, the reduction down to $12 per hundredweight on January 1, 1983.

Nationwide, the Federation estimates that the first year of the Hawkins amendment—again, based on these same assumptions—would mean a reduction of farm income amounting to almost $1.3 billion.

So, Mr. President, the first reason we should defeat the Hawkins amendment is because it would savagely depress dairy farm income and thereby deal a devastating blow to our dairy farmers.

But there is a second reason why the Senate should reject the Hawkins amendment. That is simply because it would not work.

The administration—unfortunately—persuaded the Congress to pass the 1981 farm bill. This has led to a

drastic cut in the parity level for dairy price supports and much worse to follow in later years.

What happened as a result? Was the dairy surplus reduced? No, indeed. The surplus has gone through the roof.

And with even lower prices—and that is what we would have under the Hawkins proposal—the dairy farmer would be desperate. He would have to produce more in order to get what he could to cover his costs.

The family dairy farmer confronts an extremely difficult and uncertain future because of the cruel, devastating squeeze between the costs facing him and the prices he receives for what he produces. Congressional approval of the Hawkins amendment would only make matters worse.

The supreme irony in this situation is that family dairy farmers have never done a better, more efficient, more productive job. Our family dairy farmers are, in fact, more efficient and productive than dairy farmers have ever been anywhere or anytime in history. Yet that very productivity has given us our current dairy surplus problem.

Last year, the Federal Government bought about 10 percent of our national milk production. And what did this lead to? Despite my strong objections—and those of other Members of Congress—the Congress changed the rules of the game. For the first time since 1949, the Federal Government backed away from 75 percent of parity dairy price supports. In passing the 1981 farm bill, the Congress approved dairy provisions that could cut dairy price supports to less than 60 percent of parity by 1985.

And second, now things could go from bad to worse. If the Congress should adopt the Hawkins amendment, dairy farmers would face the grim reality that the Federal Government would not even live up to the 1981 farm bill. Despite the fact that dairy price supports have been frozen at the $13.10-per-hundredweight level since October 1980, the Hawkins amendment would drop them down to $12.60 per hundredweight immediately and then down to $12 per hundredweight on January 1, 1983. The Senate can and must prevent this from happening by soundly defeating the Hawkins amendment.

And finally, Mr. President, there is a third reason why the Senate should not pass the Hawkins amendment. The Agriculture Committee's recommendations to the Budget Committee and the Senate would establish the minimum level of price support for milk at $13.10 per hundredweight for the period beginning with the date of enactment of the provision and ending on September 30, 1985.

But the Agriculture Committee agreed that this $13.10 price support floor was an interim approach. And to quote further from the Agriculture Committee's report to the Budget Committee and the Senate:

> It is the intention of the Committee to more fully address the dairy program before the end of the 97th Congress.

Mr. President, that is exactly what we should allow to happen. Senate acceptance of the Hawkins amendment would be precipitous and ill advised. Let us give the Agriculture Committee the opportunity to act on its stated intention of more fully addressing the dairy program before the end of the 97th Congress.

As the Agriculture Committee pointed out in its report to the Budget Committee and the Senate, it "discussed a number of proposals for modifying the dairy program." But the Agriculture Committee simply did not have the time to complete its deliberations on a more comprehensive approach to the dairy program prior to the deadline for submitting its report to the Budget Committee. So it chose the interim approach of agreeing to establish the $13.10-per-hundredweight floor through September 30, 1985.

By adopting the Hawkins amendment, the Senate would be preventing the Agriculture Committee from continuing the job it started.

This would be especially unfortunate because many of the ideas under consideration by the Agriculture Committee have come from dairy farmers themselves. Our Nation's dairy farmers have been working very hard to develop constructive and effective proposals to cut production while still insuring equity for producers. Their suggestions merit full consideration by the members of the Agriculture Committee. We should not bar that consideration by approving the Hawkins amendment.

Our dairy farmers deserve special praise for their efforts to deal with the problems now facing the dairy industry. The cost-price squeeze now confronting dairy farmers gives them an incentive to produce more just to survive. But despite this, dairy farmers across the country have put together plans that provide the foundation for a fair and equitable system of mutual sacrifice to hold down production.

Dairy farmers are also offering suggestions to promote greater consumption of dairy products. Dairy products have been losing out to other beverages and foods. Why? Just look at the advertising budgets or count the TV commercials.

The family dairy farm is a great American institution. It is productive, efficient—and worth fighting for. Our dairy farmers are providing the leadership we need to solve the dairy surplus problem and also save the family dairy farm. The Congress should follow their lead. And the Congress should also reject proposals—like the Hawkins amendment—which might well lead to the destruction of the family dairy farm.

Mr. President, for all these reasons, I strongly urge my colleagues to defeat the Hawkins amendment.

What other commodity will hereafter be frozen for 5 years?

Mr. COCHRAN. Mr. President, I reserve the remainder of my time.

Mrs. HAWKINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. I yield time to the Senator from California, Senator HAYAKAWA.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I wish to call attention to a few facts that have been pointed out to me about the effect of the present dairy support program. The Government bought 50 percent of all the butter produced in the Nation during the month of January of this year and is continuing to buy at the same rate. In other words, we are producing twice as much butter as we need because of price supports.

Washington is spending half a million dollars a day just for storage, interest, and handling of Government warehouses full of cheese, butter, and nonfat dry milk; more than a billion pounds of it. And these perishable products are deteriorating before they can be sold.

In other words, we are not permitting the market system to work. We are encouraging far more production than is necessary or can be consumed. We are keeping prices higher than they should be with the result that consumption is much lower than it should be.

But what has amazed me about this whole argument about dairy price supports is the amount of editorial comment that has been aroused in newspapers in California in support of a reduction in the price support program, the price subsidy program that the Government has maintained for so long.

That is, when the President himself led the fight against those price subsidies, the editorials in the California newspaper were tremendously in support of the President, cutting back on those subsidies. This is remarkable in view of the fact that California is the second largest producer of dairy products in the Nation. Nevertheless, our newspapers were full of editorials in support of cutting back on these dairy subsidies.

Just to give a sample of the many editorials we have had, I ask unanimous consent to have printed at this point in the RECORD, and there are many more that I could include, editorials from the San Jose News, from

the Sacramento Bee, from the San Francisco Examiner, from the San Francisco Chronicle, from the Santa Barbara News Press, and from the Los Angeles Times. These editorials indicate the feeling about these dairy subsidies and the necessity for cutting them down.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the San Jose Mercury-News, Mar. 26, 1981]

NO DEAL FOR DAIRY FARMERS

How's this for a deal: You're a grower of kumquats. The government tells you to produce all the kumquats you want, regardless of market demand. What's more, it guarantees that it will buy up and store, at enormous expense to the taxpayers, any surplus kumquats that you can't sell.

It sounds too good to be real, but that's pretty much the deal that the federal government has been giving the nation's dairy farmers for more than 30 years.

Fortunately, the U.S. Senate yesterday took a small but highly significant first step toward ending that relationship when it resoundingly voted against an increase in dairy price supports. The House is expected to follow suit today.

It should be made clear that the Senate hasn't voted to abolish dairy price supports, just to block a scheduled April 1 increase in support levels. Nonetheless, the overwhelming (38 to 5) Senate vote is a major blow to the dairy lobby, previously one of Washington's invincibles, and a major triumph for the Reagan administration.

It's also a major victory for consumers, who would have had to pay an estimated $440 million extra a year for dairy products if the price support increase had gone through, and for taxpayers, who would have had to pay extra millions annually to buy and store surplus butter, cheese and milk powder.

As the first test of the new Congress' willingness to stand up to entrenched special interests, the vote on dairy price supports is profoundly encouraging. It also raises hope for sweeping reform of the whole dairy price support system.

The present system forces the government to amass mind-boggling mountains of surplus dairy products—some 271 million pounds of butter, 197 million pounds of cheese and 562 million pounds of dry milk now rest in federal stockpiles—while keeping dairy prices artificially high in spite of declining demand and soaring production. Proposed reforms range from reducing the subsidy level to scrapping the program outright.

Clearly, the costs of this bloated billion-dollar boondoggle have long since surpassed its benefits. If there ever was a fatted special-interest calf ripe for the slaughter, the dairy price support system is it. Congress and the administration have made the first cut; we hope they'll have the resolution to finish the job.

[From the Sacramento Bee, Mar. 21, 1981]

THE DAIRY INDUSTRY'S SACRED COW

President Reagan's budget proposal to eliminate a $147 million subsidy increase in milk price supports is an effort Congress should have no qualms in endorsing. It must act by April 1, otherwise the increase automatically takes effect, raising the price of milk 8 cents per gallon, butter 10 cents a pound, and cheese almost 9 cents a pound. The public pays two ways: As consumers, the increase will cost them more than $1 billion next year; as taxpayers, it will cost them another $2 billion annually to buy and store those dairy surpluses.

Federal law now requires the government to buy up surplus dairy products in order to prop up market prices, but also encourages farmers to produce all the milk they can, regardless of consumer demand. The original projection of last year's payments for surpluses was $186 million. Consumption decline and dairy overproduction, however, produced a record surplus. The government wound up paying $1.3 billion, and its warehouses are bulging with dairy products the consumer will not buy.

Milk supports, moreover, are the only major farm program not geared to the cost of production. Economists point out that the cost of producing milk rose by 16.5 percent between 1974 and 1979, while parity prices the government paid dairy farmers rose 50 percent. The non-partisan Congressional Budget Office predicts dairy program outlays and retail milk prices will rise dramatically in the next two years unless this program is overhauled.

Reagan has taken the proper approach. His proposal neither abolishes nor reduces those payment levels. It simply keeps them from getting larger, pending a thorough review of this program.

The powerful dairy industry, however, isn't sitting idly by. In the Senate, dairymen are successfully stalling the proposal indirectly by urging a 50 percent reduction in imports of casein, a protein compound used instead of milk in making frozen desserts, cheese and other products. This would compensate the dairy industry for its lost income, but also hurt consumers and dairy processors by raising the cost of manufacturing those goods.

The industry was less successful in the House. The Agriculture Committee rejected a price support proposal that would have treated dairies far more favorably than Reagan's plan. The setback came despite the backing of influential members like Rep. Tony Coelho, D-Modesto, who declared, "The message to the dairy industry is we will not abandon them at this time."

Congress may indeed find it difficult to "abandon" the industry. In the last election, the dairy lobby contributed $1.2 million to 55 Senate and 325 House candidates, including Coelho, who received $4,500. Abandonment of Reagan's proposal not the dairies, however, is the issue here. If Congress is serious about curbing inefficient government spending and fighting inflation, they should start by goring this sacred cow.

[From the San Francisco Examiner, Mar. 20, 1981]

REAGAN VERSUS BIG OIL AND BIG MILK

One might think from hearing all of the high-pitched wailing, that the Reagan administration wants to trim only social programs in its effort to cut $55 billion from Jimmy Carter's proposed budget.

One might think, from some accounts, that Reagan is looking with malicious intensity for poor people to boot out into the merciless elements, while letting business feel no touch of his budgetary pincer.

This is claptrap; the proposed federal budget cuts, which are needed to curb the roaring fire of inflation, are spread around widely. If approved by Congress, they will inflict some discomfort not only on beneficiaries of social programs, which have ballooned in recent years, but also upon segments of business that are looking eagerly to the benefits of federal programs which have been expanded for their profit.

Examples:

The president proposes to whack almost $3 billion in government aid from the synthetic fuels program over the next five years. He thinks that industry (the oil and coal industries, primarily) should have to pay a much larger share of the bill. In this, oddly enough, Reagan draws the warm support of environmentalists (who fear the large shale-oil developments, especially) as he tries to cope with the high-powered opposition of oil and coal company lobbyists.

This will be a heated battle for months to come. But the president has a strong ally on Capitol Hill—Sen. James McClure, R-Idaho, who chairs the Energy and Natural Resources Committee. McClure says that the synfuels program is the biggest pork barrel project hatched by Washington—even larger than water projects.

Even more dramtically, Reagan has set himself against the milk industry and its powerful lobby. This is, in fact, the first real test of his budget cuts in Congress. He proposes to cancel an increase in dairy price supports, due April 1, and thereby to save the government $147 million. More importantly, his action stopping this hike would save consumers an extra 7½ cents on a gallon of milk and about a dime on a pound of butter.

What he's trying to do is interfere with one of those built-in automatic escalating subsidies approved in the past by squandering Congresses to appease hard-boiled special interest at the expense of the public. The milk industry is overproducing but wants to hang on to the blank check that Congress has given it, so as to keep raising prices under a rich government subsidy.

Reagan's corrective proposal already has suffered losses in preliminary votes in the Senate and House, and a final Senate vote has been put off until next Tuesday. The potent dairy lobby has converged like an army on Capitol Hill and has found many helpers among Democratic lawmakers, and some Republicans as well, to join in upsetting the public's interest. Common Cause says the milk forces in the past have given "generous campaign contributions to nearly three-quarters of the members of Congress."

Yes, Reagan is trying to reduce social spending, and in some major respects he wants to help business to expand through larger profits and less regulation, so as to increase employment and productivity. The social cuts are bigger than the business-subsidy cuts because the social programs run into the hundreds of billions of dollars annually, en toto. But the president has shown a willingness to tackle some large business interests—oil, coal, milk and a few others—to reduce some of their government favors, and he deserves credit for it, and public support.

As to the latter, all of us should watch how our members of Congress vote in the days just ahead on the proposal to stop that milk subsidy hike and price increase. They should hear from the people if they chicken out on this first real test of inflation fighting.

[From the San Francisco Chronicle, Mar. 6, 1981]

DAIRY SUBSIDY CUT

The first key congressional victory for President Reagan's program for federal spending reductions has been scored in perhaps the unlikeliest quarter imaginable—that of dairy price supports. We had thought that the dairy lobby on Capitol Hill was invincible and had not supposed there was much chance for the elimination of an increase in milk price supports which Reagan had requested. The Senate Agriculture Committee voted to endorse his request by 14-2, however, and it was pronounced a "great victory" by Mississippi's Senator Thad Cochran.

In dollar terms, the vote to freeze the milk price support increase means a saving of $147 million for the rest of this fiscal year and $1.1 billion in 1982, the White House says. That is a significant first step, surely, toward getting the president's whole budget program adopted by Congress.

[From the Santa Barbara (Calif.) News-Press, Mar. 27, 1981]

THE FIRST TEST SUCCEEDS

The promptness with which Congress approved the Reagan plan to hold down a subsidy for the dairy industry has a significance that goes far beyond the annual saving of $147 million.

Washington spends billions of dollars every year, in a variety of ways, to support many industries, business groups, and professions. These groups maintain strong lobbying forces in the capital to keep these supports going, and the Reagan economic program's most skeptical critics have contended that these special interest groups would escape the swing of the ax.

The first test of this argument was the White House plan to cancel an April 1 increase in price supports for the dairies, an increase that would force up the retail prices of milk, butter and cheese. The dairy industry has one of the strongest lobbies in Washington. It went to work with several tactics to defeat, or at least dilute, the president's proposal. It started with an advantage: the dairy industry has contributed generously to the campaigns of a large number of congressmen.

But nothing worked this time. Members of Congress obviously felt a stronger pressure from voters back home, who are more conscious than ever of special favors on Capitol Hill. The vote for putting a break on dairy supports was impressive.

It is a clear signal that no special interests should count on preferred treatment this year.

[From the Los Angeles Times, Mar. 6, 1981]

SEE THE SACRED COW

American consumers have seen the price of dairy products rising with predictable regularity in recent years. Last year prices rose by 9%. Next month they are scheduled to rise again—by 7.5 cents for a gallon of milk, by about 10 cents a pound for butter and by 9 cents for cheese.

Do these increases reflect shortages? On the contrary. Dairy farmers produce more than the public wants to buy. So, under an extraordinarily generous program, the government steps in to buy up the surplus, and at a price that automatically goes up twice a year.

The consumer, of course, pays for this support program, at the checkout stand and again in tax subsidies. Currently the government owns about 1.2 billion pounds of butter, cheese and nonfat dry milk, purchased at a cost of $1.3 billion. The cost of just storing this stuff comes to $500,000 a day. David A. Stockman, the director of the Office of Management and Budget, figures that the government price-support program for dairy products amounts to $160 a year for every cow in the country.

Government support prices for milk are higher than for any other product. For the last four years, milk prices have been set at 80% of parity, a word that refers to the buying power of farmers in the period between 1910 and 1914. The choice of those years was no accident. They were good ones for farmers, and a valuation of 80% of parity is positively philanthropic. Other farm supports, by contrast, are pegged to actual production costs. They are, moreover, adjusted only once a year.

While Congress set a floor price under dairy products, it did nothing to set limits on dairy production. The inevitable happened. With the government required to buy up surplus output at prices adjusted upward twice a year for inflation, dairy farmers increased their production. That put the government into the milk, butter, and cheese-owning business in a big way. In a couple of years price-support costs went from $24 million to $1.3 billion.

Dairy farmers, it can readily be inferred, have a powerful lobby, backed up by a bountiful purse. The three largest dairy cooperatives last year spent a total of $1.2 million on various political candidates. Since 1976, the 17 members of the Senate Agriculture Committee have received contributions of $146,400 from these cooperatives. That kind of political clout thwarted efforts of past Presidents to curb price supports for the dairy industry. But now maybe—just maybe—this particular sacred cow is at last about to be put out to pasture.

The Senate Agriculture Committee last week voted, 14 to 2, to support a Reagan Administration proposal to scrap the scheduled April 1 increase in dairy price supports. Freezing supports at their present level would prevent a price increase of about 7%. That would save a fairly modest $147 million this fiscal year, but $1.1 billion in the fiscal year that begins Oct. 1. By 1986, the proposed Reagan cutbacks would mean an annual saving to the government of $2.7 billion. Consumers would gain directly if a freer market in dairy products led to prices that realistically reflected supply and demand.

Congress will have to act by April 1, though, to prevent the automatic increases in price supports from taking effect. The Senate probably will. In the House, the picture is less clear. The case for bringing dairy price supports under control is a powerful one. But big-buck political contributions constitute a powerful argument, too. That's one reason the income of dairy farmers as a group went up between 1977 and 1979 by 46%, after inflation. And that's why, against any justification to be used in the marketplace, milk, butter and cheese prices may yet again go up next month.

● Mr. MOYNIHAN. Mr. President, I shall vote to table the amendment proposed by my distinguished colleague, Senator HAWKINS. In so doing, I wish to make it clear that I am well aware that we face a serious problem with respect to the dairy price support program. The existence of a 2-billion-pound surplus of dairy products now being stored by the Federal Government is unacceptable. This surplus imposes a serious burden on consumers, taxpayers, and the manufacturers of dairy products, and threatens the very group—dairy farmers—that the program is designed to serve. Unless the cost of this program and the amount of surplus dairy products being stored can be reduced, dairy farmers can fully expect Congress to take steps which would lead to the dismantling of the dairy price support program.

Until very recently, the dairy price support program cost taxpayers very little. There was little surplus. Indeed, for the better part of three decades, the dairy price support program has worked well, assuring Americans of an adequate supply of dairy products. Today, however, that situation has changed and it has become clear that there is a pressing need to devise a solution which serves the interests of consumers and dairy farmers.

The Reconciliation Act now before us would help control the dairy price support level by imposing a 3-year freeze, until September 30, 1985, on the price support level. The price support would remain at its current level, $13.10. Scheduled increases of $13.25 on October 1; $14 in 1984; and $14.60 in 1985 would not go into effect under the bill as reported.

Under the amendment offered by Senator HAWKINS, the price support would drop almost immediately to $12.60. It would, in all probability, be reduced to $12 on January 1, 1983. The pending amendment is designed to reduce the surplus and to reduce the cost to consumers. I share both these goals. I am, however, concerned that this amendment goes too far. It is estimated that New York's over 15,000 dairy farmers stand to lose over $100 million in income if the price-support level is reduced to $12. Such a loss in income could well force a large number of dairy farmers out of business. It is important in my view to keep in mind that there are indications that dairy production is slowing. Furthermore, as the members of the Senate Agriculture Committee have indicated, the 3-year freeze is an interim step. The members of that committee intend to more fully address dairy price-support programs during the 97th Congress. I am convinced that we should not make the substantive changes in the dairy program which this amendment provides, especially given the constraints on debate imposed on us by the Budget Act. In my view, the Committee on Agriculture should have the opportunity to review the impact of the provisions in the bill now before us. If these provisions are not effective in reducing the surplus, or if farmers continue to increase production, I expect the committee to report back to the full Senate with

further recommendations for resolving this problem.

Finally, I should like to express an additional concern I have about the amendment now before us. It is becoming known that due to the particular milk marketing structure now in place, some regions of the country—indeed some States—which produce large quantities of milk, do not contribute equally to the surplus. In my own State of New York, for example, less than 2 percent of the milk produced ends up as surplus butter; the State contributes nothing to the surplus of cheese. Furthermore, Federal expenditures on dairy products in the 1980–81 marketing year averaged $1.44 for every hundredweight of milk produced. This expenditure is not uniform across the country. In the Midwest, for example, it was $2.59 per hundredweight. This is in contrast to the Northeast where the average Government expenditure was $0.79 per hundredweight. This disparity in Government expenditures results from the Northeast region having a sufficient market for its dairy products. It appears to be the case, therefore, that despite being the third largest milk producing State, New York contributes little to the current surplus of dairy products. An across-the-board reduction in the price support level would not address this fact and could, in my view, penalize farmers who are not contributing to the surplus.

New York State Agriculture Commissioner Roger Barber has advanced his own proposal to reduce the surplus and Government expenditures in this area. Under this plan, the manufacturing milk support price would be reduced but the price for fluid milk would remain the same. The plan suggested by Commissioner Barber would seem to address the fact that regions of the country differ in their contribution to the current surplus and would also sharply reduce the cost of the dairy price support program. I would urge the members of the Agriculture Committee to consider Commissioner Barber's proposal when they review making further changes in the dairy price support program later this year.●

Mrs. HAWKINS. Mr. President, I think we have a rare opportunity today to save the taxpayers a great deal of money, and to lower the prices to the consumers. I would like to say that we may be over our budget due to the unemployment amendment that we earlier passed.

I have listened to my colleagues on the Agriculture Committee, but they fail to remember that there was no consensus on what action we should take on the dairy program, although everyone knew we had to tackle the overproduction problem. There was an agreement that we would freeze at $13.10 per hundredweight to reach reconciliation requirements with the absolute understanding that we would again consider this issue at a later date.

Our proposal is supported by the administration. I have a letter from Secretary Block, which I ask unanimous consent to place into the RECORD, showing his full support for this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 3, 1982.

Hon. PAULA HAWKINS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HAWKINS: I am writing in support of your bill, S. 2665, that would amend the current dairy program. The reconciliation action taken to date by the Committee on Agriculture, Nutrition, and Forestry represents an improvement over current law, but it falls short of solving the well-documented problem of overproduction and excessive budget outlays.

Earlier this year I asked for the discretionary authority to set the milk support price. While your bill does not incorporate this full discretionary feature that I requested, it does set a lower limit on the support price and is certainly preferable to the other congressional measures under consideration. In addition, your bill continues a program that is familiar to buyers and sellers, is easily administered, does not increase bureaucratic regulations and would result in higher consumption due to lowered prices.

The Administration is committed to securing a dairy price support structure which is fair for producers, consumers and taxpayers alike. More specifically, any responsible program for dairy should minimize government interference in the market, avoid the creation of a new bureaucracy and be capable of effective and fair administration. It must also reduce surplus milk production and costly budget outlays. This year we are spending approximately $2 billion in purchasing surplus milk products. Warehousing of these government inventories which total 790 million pounds of cheese, 441 million pounds of butter, and 1,147 million pounds of non-fat dry milk is proving to be difficult and costly. We simply cannot give away these commodities as fast as we take aboard huge new stocks.

In comparison to the Committee on Agriculture, Nutrition, and Forestry report, your bill would further reduce CCC net outlays by $611 million in FY 1983 and $426 million in FY 1984. Your bill would save the government more than $1 billion over and above that reported by the Committee.

I fear we risk losing the entire dairy program unless Congress acts swiftly on corrective legislation as contained in your bill.

Sincerely,

JOHN R. BLOCK,
Secretary.

Mrs. HAWKINS. Today, while I was listening to some of the arguments, I thought maybe we should form a milk monopoly. Is anyone supposed to be guaranteed a profit? If so, they have a cartel. If so, we may have to regulate them. We will have to have boards in every State that will regulate the price of milk because they will have to make a profit. I have been in a regulated business, and I know what a tedious business it is.

But for the opportunity to make additional savings, I would like to say that the time to take action is today, not at a later time. The administration agrees with this. We have an overproduction of dairy products; $13.10 has now been in place for 2 years, and these great savings we hear about remind me of when I buy a dress half price and I tell my husband I saved half price. He wants to know what bank I put the money in. If there is anything I buy on sale and save him money, he asks, "Where is the money being deposited?"

These gentlemen are saying the same thing, that "We have already saved you money since it has remained at $13.10." The $13.10 has been in effect for 2 years. What has happened? It gave us the largest production surge we have ever had. The longer we talk about it, the more it increases. For every hour that we refuse to take action, for every hour that we sit on this floor or go to committee meetings, for every hour of the day, it is costing the American taxpayer $250,000 to purchase these surplus dairy products. That is for 24 hours a day, 7 days a week.

This Congress has had a lot of experience considering at $13.10 price level. This Congress has already considered the dairy program several times, this Congress and the Agriculture Committee has held 2 days of hearings and 2 days of markup, in the last few weeks. The time to solve this problem is now.

Mr. President, I ask for the yeas and nays on my amendment. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, the remaining time of the Senator from Florida has been yielded back.

Mr. President, it is my intention, at the conclusion of the debate, to offer a motion to table the amendment of the Senator from Florida, which I have disclosed. I am prepared to yield back the remainder of my time. There are no other requests that have been submitted to this Senator for time on this amendment.

If there are no other requests for time, Mr. President, I move to table—I will withhold that, Mr. President.

Mr. DOMENICI. Might I inquire, does the unanimous-consent request for 10-minute rollcalls apply to this motion to table?

The PRESIDING OFFICER. It applies to every rollcall except final passage.

Mr. EAST. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. EAST. Is it in order to make a motion to table before all time has been yielded back?

The PRESIDING OFFICER. All time has been yielded back by the proponents and the motion to table is made by the opponent, which is in order.

Mr. EAST. Another parliamentary inquiry. Is there now a second-degree amendment at the desk?

The PRESIDING OFFICER. There is no second-degree amendment pending at the desk.

Mr. EAST. There is a second-degree amendment at the desk, is there not? If so, I would like to call for that amendment.

The PRESIDING OFFICER. The ruling is that the Senator from North Carolina does not have the floor to call up an amendment. The Senator from Mississippi has the floor.

Mr. EAST. The Senator from Mississippi yielded back his time, has he not, and was preparing to offer a motion to table? I was seeking recognition to inquire as to the status of my second-degree amendment, which is at the desk.

The PRESIDING OFFICER. The ruling is that the Senator from North Carolina cannot take the Senator from Mississippi off the floor.

Mr. EAST. Pardon?

The PRESIDING OFFICER. The ruling is that the Senator from North Carolina cannot take the Senator from Mississippi off the floor.

Mr. EAST. A parliamentary inquiry. At the time he yielded back his remaining time, at that point he lost the floor and at that point I sought recognition for the purpose of asking the clerk to report my second-degree amendment, which is at the desk. That would take precedence over the first-degree amendment of the Senator from Florida.

The PRESIDING OFFICER. The ruling is that, unless time is yielded to the Senator from North Carolina by the Senator from Mississippi, the Senator from Mississippi controls the time and may yield back the time at his discretion. He may then make the motion to table. There must be a yielding of time of the Senator from Mississippi to the Senator from North Carolina for the Senator from North Carolina to gain the floor to make the second-degree amendment.

Mr. EAST. One final parliamentary inquiry: It is not correct, then, that—at the time he yielded back all his time, there was a hiatus there in which I sought recognition to have the clerk report my second-degree amendment. Does he not lose the floor once he yields back all the time? He can, of course, make a subsequent motion, but in the interim, I sought recognition in order that my amendment at the desk might be called up.

The PRESIDING OFFICER. There is no hiatus. He has only said that he is prepared to yield his time. If he yields his time without making the motion to table, then there would be an opportunity for the Senator from North Carolina to gain recognition and make his motion, make his second-degree amendment. So far, he has not yielded the floor or yielded any time.

Mr. EAST. A parliamentary inquiry: Is it possible for him to make a motion to table prior to yielding back all his time?

The PRESIDING OFFICER. The ruling is that the Senator from Mississippi could make a motion to table and the effect of that would be to yield back the remainder of his time.

Mr. EAST. I understood the Senator from Mississippi to have said he yielded back his time, at which point, he then proceeded to make the motion to table. He had yielded it back prior to making the motion to table. At that point, I could seek recognition, which I did.

The PRESIDING OFFICER. The Senator only said he was prepared to yield back his time, then started to say that he would yield to the Senator from Rhode Island, who then signaled that he did not wish the time yielded. He had not, in fact, yielded back his time.

Mr. EAST. Is it in order, then, for a motion to table to be made at this point?

The PRESIDING OFFICER. Only by the Senator from Mississippi, who has the floor.

Mr. EAST. I thank the Chair.

Mr. COCHRAN. Mr. President.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. I move to lay on the table the amendment offered by the Senator from Florida. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Florida. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD) and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 65, nays 33, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—65

Abdnor	Gorton	Metzenbaum
Andrews	Grassley	Moynihan
Baucus	Hart	Nickles
Bentsen	Hatch	Nunn
Boren	Heflin	Pressler
Boschwitz	Heinz	Proxmire
Bumpers	Hollings	Pryor
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Cochran	Jackson	Sarbanes
Cohen	Jepsen	Sasser
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stevens
DeConcini	Kennedy	Thurmond
Dole	Leahy	Tower
Durenberger	Levin	Tsongas
Eagleton	Long	Wallop
East	Mathias	Warner
Exon	Matsunaga	Weicker
Ford	McClure	Zorinsky
Glenn	Melcher	

NAYS—33

Armstrong	Domenici	Murkowski
Baker	Garn	Packwood
Biden	Goldwater	Pell
Bradley	Hatfield	Percy
Brady	Hawkins	Quayle
Byrd, Harry F., Jr.	Hayakawa	Roth
Cannon	Helms	Rudman
Chafee	Humphrey	Schmitt
Chiles	Laxalt	Simpson
Denton	Lugar	Symms
Dixon	Mattingly	
	Mitchell	

NOT VOTING—2

Dodd	Stennis

So the motion to lay on the table was agreed to.

Mr. DOMENICI and Mr. EAST addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EAST addressed the Chair.

Mr. DOMENICI. Mr. President, I understand that there are——

Mr. FORD. Mr. President, it is very difficult for the rest of us to hear what is going on. I make a point of order that the Senate is not in order.

The PRESIDING OFFICER. The Senate is not in order.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand two amendments are pending. Senator EAST has been waiting for some time, as has Senator BOREN. I understand that Senator HAYAKAWA also has an amendment. Obviously, there will be no debate after 4 o'clock.

I ask the distinguished Senator how much time he will need on his amendment.

Mr. EAST. I did not count on reducing the time. I should like to have a reasonable amount of time to speak on my amendment. I appreciate the position of Senator BOREN and Senator

HAYAKAWA. Perhaps we can get some sort of time agreement whereby I could have 5 minutes and they could, or something of that sort.

So far, I have not been successful in obtaining any kind of time agreement. I should like to have a reasonable amount of time to state my amendment.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BAKER. Mr. President, I understand fully what the Senator from North Carolina and the Senator from Oklahoma are up against.

I remind all Senators that we face this problem over and over; that is, when amendments are called up. Yesterday I indicated that we should call them up last night or we would have a traffic jam.

The agreement to vote at 4 o'clock today was worked out in good faith, based on a number of Senators who were willing to agree, if they could get away. All amendments can be voted on, but I am not in a position to agree to a unanimous-consent request to extend the time.

So I urge Senators to divide up the 20 minutes remaining.

Mr. DOMENICI. I ask the majority leader whether we can stack the votes at 4.

Mr. BAKER. Yes.

Mr. President, I ask unanimous consent that any votes ordered between now and 4 o'clock occur at 4, and they will be 10 minutes each.

Mr. CHILES. Can we shorten that? We have airplanes leaving at 5 o'clock.

Mr. BAKER. Ten minutes is about as fast as we can do it.

Mr. STEVENS. We already have that order.

Mr. BAKER. We will expedite it so that Members who have to get away can get their names in early.

Mr. DOMENICI. The Senator from North Carolina (Mr. EAST) has heard the distinguished majority leader. We would vote on the Senator's amendment, if he wants a vote, at 4 o'clock. Can the Senator get by with 5 minutes, equally divided?

Mr. EAST. How about 7 minutes?

Mr. DOMENICI. There will not be enough time for the other two if we do that.

Mr. EAST. I will take 5 minutes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the distinguished Senators have 5 minutes, equally divided, and that if the yeas and nays are ordered, the vote occur after 4 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. I object.

I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAST. Mr. President, I send an amendment to the desk.

Mr. DOMENICI. Mr. President, will the Senator withhold? Time will not run for a moment.

I ask Senator BOREN whether he will agree to 5 minutes, equally divided.

Mr. BOREN. Yes.

Mr. DOMENICI. I ask Senator HAYAKAWA if he will agree to having the time that remains until 4 o'clock, equally divided.

Mr. HAYAKAWA. I agree.

Mr. DOMENICI. Mr. President, I ask unanimous consent that that be the order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. And that none of the provisions of the Budget Act with reference to the point of order as to germaneness be waived.

Mr. BOREN. Mr. President, reserving the right to object, such agreement should contain an up-and-down vote or a vote on a tabling motion, one or the other.

Mr. DOMENICI. I do not intend to move to table, but I am not waiving as to germaneness.

Mr. BOREN. The Senator is not waiving the point of order?

Mr. DOMENICI. No.

Mr. BOREN. Then, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. The 5 minutes have been agreed to.

Mr. BOREN. I object.

Mr. DOMENICI. That order has been entered, so we will proceed with it.

The PRESIDING OFFICER. That request has been agreed to.

UP AMENDMENT NO. 1187

(Purpose: To prevent a reduction in the membership of the Federal Communications Commission from seven to five)

Mr. EAST. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from North Carolina (Mr. EAST), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 1187.

Mr. EAST. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 72 starting at line 15, strike out all that appears down through and including line 10, on page 73.

Mr. STEVENS. Mr. President, may we have order? The time is very short.

The PRESIDING OFFICER. The Senate will be in order. The Senator from North Carolina is entitled to be heard.

Mr. EAST. Mr. President, I have submitted an amendment that would strike section 402 of the measure currently before us. Fundamentally, it would prevent this legislation from reducing the FCC from seven members to five members.

To state it succinctly, since I have only 2½ minutes, I feel that this is an abuse of the reconciliation process. This is not fundamentally a budgetary matter. It is fundamentally a substantive, structural change in the FCC which is going to have long-term implications.

There is a need for seven members on the FCC, in my judgment. It provides pluralism and diversity which is consistent with the great problems of the first amendment. It also insulates, by greater numbers, against potential political influence.

If we reduce the membership to five members, it means that only three members make a quorum, two members can decide, and we have no legislative veto over that determination.

Again, in terms of the great work this Commission must do, involving the first amendment and related problems, I think that to make this dramatic change at this time, through the reconciliation process, does great violence to the idea that the reconciliation process is supposed to deal with spending cuts, not substantive, structural change.

The PRESIDING OFFICER. The Senate will be in order. The Senator from North Carolina cannot be heard.

Mr. EAST. I thank the Chair.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Forty-one seconds.

Mr. EAST. I also point out that the workload of the FCC is considerable, involving specialization. This is the most expanding field in the contemporary American economy. It is well nigh exploding. So far as trying to deregulate it is concerned, actually, seven members will facilitate that process greater than five.

I conclude on this point, Mr. President: This again, is a very substantive, structural change. I think that to make it so dramatically here, through this reconciliation process, does a great disservice to that process.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. Mr. President, I yield the time in opposition to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, the Commerce Committee reduced the membership of the FCC from seven to five, as proposed by Senator SCHMITT.

This Commission has less work to do than it used to have. Last year, the Congress increased radio and television license terms from 3 years to 7 and 5, respectively. The FCC, by rule, have gotten abolished ascertainment requirements for broadcasters. The

FCC no longer has to review that, along with program logs. Nor does the Commission examine program format. They can even issue some new licenses by lottery.

Tomorrow, we are going to vote on a supplemental appropriation bill asking for an increase in the FCC budget of $3.1 million. This reduction proposal will ultimately save about $500,000 a year. It saves money. It is as simple as that. With one exception, all other regulatory commissions have five members or less. There is absolutely no need for us to have seven members on this Commission.

I yield 30 seconds to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I concur with everything the chairman has said.

We have discussed this matter for years. There are 12 other agencies in this Government that get along with five members or less. We have reduced the workload of the FCC. All the legislation we have prepared and passed will further reduce the workload of the FCC. So seven members are not needed.

The White House is calling around and, as usual, they do not know much about what they are speaking of; contrary to what they say, this will not change the political balance between Republicans and Democrats. The party that owns the White House will still have control over a five-man regulatory body, just as they have today over seven.

So if any of you have been called by Mr. Meese, just mark it up as an error in left field.

Mr. EAST. Mr. President, a parliamentary inquiry. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. EAST. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, will the Senator yield to me?

Mr. EAST. I am happy to yield to the Senator from Nevada.

Mr. CANNON. Mr. President, this provision has been recommended by prior administrations and others for years. It was recommended in January 1971 in a report by the President's Advisory Council on Executive Organizations. It was recommended in April 1974 by the former FCC General Counsel Henry Geller. It was recommended by the Senate Committee on Governmental Affairs in 1977. It was recommended by the Comptroller General of the United States in July 1979.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by my good friend, JOHN EAST of North Carolina.

I yield to no one in my commitment to trim wasteful and unnecessary Federal spending. At the same time, however, I do not believe that we should be penny-wise and pound-foolish.

As the Members of this Chamber are aware, we are in the midst of a full-scale revolution in the communications industry, of which the proliferation of cable TV systems is only one aspect. There is no telling into what uncharted realms present and emerging technologies will lead us.

It seems clear, however, that the Federal Communications Commission will have to deal with numerous complex and vital issues in the years ahead given this increasing workload. I do not believe that we should reduce the number of Commissioners for the sake of achieving minimal savings.

Furthermore, we ought to consider the policymaking implications of the proposed reduction. If the number of Commissioners were reduced from seven to five, three Commissioners would constitute a quorum, and two could determine national policy in this area.

Fewer members and a smaller quorum requirement means less diversity of opinion, and greater opportunities for the exercise of undue influence. We have, I think, already seen too little of the one and too much of the other in this particular policy area. I would not like to see us compound the problem.

In conclusion, Mr. President, I feel that we should maintain the Federal Communications Commission at its current strength. The communications industry is performing an increasingly important role in our national life. Our people depend on it more and more for an ever-growing number of services. President Reagan should have the opportunity to appoint new Commissioners who will insure that the public interest is protected.

The PRESIDING OFFICER. All time has expired.

Mr. DOMENICI. Mr. President, it is my understanding that a vote will not occur until after 4 p.m.; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I talked to the distinguished Senator from Oklahoma. It is my understanding he will agree to 5 minutes equally divided so long as he will either get an up-or-down vote on the amendment or on a motion to table, and then Senator HAYAKAWA will accept the remaining time equally divided, and I understand that Senator HELMS wants us to protect him on an amendment in the event Senator BOREN's amendment is not tabled.

Mr. President, I pose that as a unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1188

(Purpose: To require the Secretary of Agriculture to implement diversion programs for the 1983 crops of wheat and corn and other feed grains)

Mr. BOREN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oklahoma (Mr. BOREN, for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. DIXON, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. HART, Mr. HUDDLESTON, Mr. NUNN, Mr. PRESSLER, Mr. ZORINSKY, Mr. JEPSEN, and Mr. GLENN) proposes an unprinted amendment numbered 1188.

Mr. BOREN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 65, between lines 9 and 10, insert the following new section:

"WHEAT AND FEED GRAIN DIVERSION PROGRAMS

"SEC. 155A. (a) Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended by—

"(1) in the first sentence of paragraph (1), striking out 'Notwithstanding any other provision of this section, the' and inserting in lieu thereof: 'Notwithstanding any other provision of this section—

"'(A) Except as provided in subparagraph (B) of this paragraph, the';

"(2) inserting at the end of paragraph (1) a new subparagraph (B), as follows:

"'(B) Notwithstanding any previous announcement to the contrary, for the 1983 crop of wheat, the Secretary shall provide for an acreage limitation program under paragaph (2) of this subsection under which, for participating producers, the acreage planted to wheat for harvest on the farm shall be limited to the wheat acreage base for the farm, as determined under paragraph (2) of this subsection, reduced by 15 per centum. As a condition of eligibility for loans, purchases, and payments on the 1983 crop of wheat, the producers on a farm shall comply with the terms and conditions of the acreage limitation program.';

"(3) in paragraph (2), inserting immediately after the fifth sentence the following: 'Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the program for the 1983 crop of wheat shall be the same as the acreage base applicable to the farm for the 1982 crop of wheat, adjusted to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base, including summer following.' and

"(4) inserting, at the end of paragraph (5), the following: 'Notwithstanding the provisions of the first sentence of this paragraph, the Secretary shall implement a land diversion payment program for the 1983 crop of wheat. Under such program, producers on a farm, who under the acreage limitation program for the 1983 crop of wheat under paragraph (1)(B) of this subsection limit the acreage on the farm planted to wheat for

harvest to the wheat acreage base for the farm reduced by 15 per centum, may reduce the acreage on the farm planted to wheat for harvest by an additional 10 per centum of the wheat acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such additional acres devoted to conservation uses at the rate, not less than $120 per acre, determined appropriate by the Secretary: *Provided,* That the general payment rate established by the Secretary shall be adjusted by the Secretary for each farm to reflect differences in yield per acre among wheat farms. The land diversion payment program for the 1983 crop of wheat shall be voluntary for producers.'.

"(b) Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended by—

"(1) in the first sentence of paragraph (1), striking out 'Notwithstanding any other provision of this section, the' and inserting in lieu thereof: 'Notwithstanding any other provision of this section—

"'(A) Except as provided in subparagraph (B) of this paragraph, the';

"(2) inserting at the end of paragraph (1) a new subparagraph (B), as follows:

"(B) For the 1983 crops of corn and other feed grains, the Secretary shall provide for an acreage limitation program under paragraph (2) of this subsection under which, for participating producers, the acreage planted to corn and other feed grains for harvest on the farm shall be limited to the feed grain acreage base for the farm, as determined under paragraph (2) of this subsection, reduced by 10 per centum. As a condtion of eligibility for loans, purchases, and payments on the 1983 crops of feed grains, the producers on a farm shall comply with the terms and conditions of the acreage limitation program.';

"(3) in paragraph (2), inserting immediately after the sixth sentence the following: 'Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the program for the 1983 crops of feed grains shall be the same as the acreage base applicable to the farm for the 1982 crops of feed grains, adjusted to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.'; and

"(4) inserting, at the end of paragraph (5), the following: 'Notwithstanding the provisions of the first sentence of this paragraph, the Secretary shall implement a land diversion payment program for the 1983 crops of corn and other feed grains. Under such program, producers on a farm, who under the acreage limitation program for the 1983 crops of corn and other feed grains under paragraph (1)(B) of this subsection limit the acreage on the farm planted to corn and other feed grains for harvest to the feed grain acreage base for the farm reduced by 10 per centum, may reduce the acreage on the farm planted to corn and other feed grains for harvest by an additional 10 per centum of the feed grain acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such additional acres devoted to conservation uses. Payments shall be made on corn acreage at the rate, not less than $150 an acre, determined appropriate by the Secretary; and payments shall be made on acreage devoted to the other feed grains at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn: *Provided,* That the general payment rate for a feed grain established by the Secretary shall be adjusted by the Secretary for each farm to reflect differences in yield per acre among farms producing the feed grain involved. The land diversion payment program for the 1983 crops of corn and other feed grains shall be voluntary for producers.' ".

Mr. BOREN. Mr. President, this amendment is a bipartisan amendment offered by myself and 16 other Members of the Senate. It is aimed at establishing a voluntary pay diversion program which will enable us to put a floor and increase the price in the market of wheat, corn, and other feedgrains. We will have the market bearing the cost as opposed to the Government itself.

It is estimated it will save approximately $400 million over the next 3 years over and above the provisions now in the bill.

We know that the situation in agriculture is extremely desperate.

This amendment has been endorsed by a wide range of some 10 different agricultural organizations.

Mr. President, the amendment we have before us now is one of great importance to our agricultural economy and to the economy of our Nation as a whole.

The financial condition of American agriculture is reaching a very serious level. The value of farm exports has fallen for the first time in over a decade. Net farm income is at a very low level for the third consecutive year. It can be said that American agriculture is facing a major depression.

We need only look back to what happened in this country a little over 50 years ago to realize the very serious repercussions which would result from failure of the agricultural economy. It was the collapse of agriculture, leading to dispersal sales of land and equipment, which signaled the start of the last depression. The domino effect which could result from a collapse of agriculture threatens our entire economy again in the 1980's.

If the family farmer goes under, consumers may then finally begin to realize what a good food bargain they have had. Americans spend only 14 percent of their income for food, compared with more than 20 percent in major European nations, much more in the Communist bloc, 45 percent in Korea and approaching 60 percent in the Philippines.

It is clear from the statistics that the current agricultural crisis is not being exaggerated. Forced liquidations by the Farmers Home Administration are expected to be the highest in the agency's 45-year history. Farm purchasing power this year is projected to be $100 million lower than 1932, the worst of the depression. If we act quickly, we can prevent a recurrence of the domino effect of the 1920's.

The recently announced 1983 wheat program is simply inadequate to do the necessary job. Both wheat and corn production is estimated at near record levels this year. Carryover stocks for wheat and corn are estimated to be at the highest levels in 20 years. The program Secretary Block announced simply will not do enough to decrease the level of stocks and improve market conditions. A good axiom for us to remember is that 1 year of increased surpluses requires 2 years for recovery for the farmer. We must take action today if we are to begin to see a recovery in the agricultural economy.

Last Friday, Senators BAUCUS, BENTSEN, BOSCHWITZ, BURDICK, DIXON, DURENBERGER, EAGLETON, EXON, GLENN, HART, HUDDLESTON, NUNN, PRESSLER, ZORINSKY, and I submitted an amendment which we feel will provide a more effective solution to the current economic conditions of American agriculture than the USDA's proposed program. This amendment, except for technical drafting changes is the same as that earlier amendment.

Because carryover stocks for corn and wheat have reached such high levels, the market price for these commodities has fallen dramatically. For example, yesterday in my home State of Oklahoma, the average price for a bushel of wheat was $3.30, less than one-half the average cost of production. The July 30 USDA Agricultural Prices Report stated that the parity price for wheat was $7.33 for the month of July 1982. The current cash price in Oklahoma, $3.30, reflects approximately 45 percent of the level of parity. The parity price for corn is $5 per bushel. In the State of Nebraska, the average price for corn yesterday was $2.25 per bushel, approximately 45 percent of parity.

We cannot expect our farmers to continue to produce the food necessary for our country unless we do something to increase the price they receive.

Our amendment requires the Secretary of Agriculture to offer a combination paid diversion/acreage reduction program for wheat, corn, and feed grains. For wheat, the program will consist of a 15-percent reduction in acreage and a voluntary 10-percent paid diversion program. For corn and feed grains, the program will consist of a 10-percent reduction in acreage and a voluntary 10-percent paid diversion program. Those farmers choosing to participate in the paid diversion program will receive $120 per acre for the 10-percent additional wheat acres they set aside, and $150 per acre for the additional 10 percent of corn acres set aside.

This translates into a payment of about $3 per bushel for wheat, when one considers that there would be 40 bushels per acre produced. For corn, when one assumes production of 100 bushels per acre, this means about a $1.50 per bushel payment. The numbers that we have choosen as payment levels were derived from the recent Congressional Budget Office study. The diversion payments per acre in that study were estimated to be roughly equivalent to average U.S. cash receipts less variable cost plus deficiency payments and the cost of conservation practices.

Our amendment will raise the price of wheat and corn, but perhaps most significantly, it will raise the market price of wheat and corn. The program we are offering will give farmers an opportunity to receive a fair price from the marketplace, instead of from the Government. It is often claimed that the Government has become the "farmers' market." Everyone believes that the farmer should receive his income from the market, and not from the Government. Our amendment will insure that the farmer receives a higher price for his product. The CBO study states that under a combination acreage reduction/paid diversion, farmers ". . . would receive a greater share of their incomes from domestic and foreign consumers and less from the Government."

In the CBO study, it was also demonstrated that a program such as the one incorporated in our amendment, would improve upon the administration's programs for wheat and corn. We can improve the economic situation by doing more for less.

If adopted, our amendment will reduce carryover stocks more than the administration's program. For example, the administration's recently announced 1983 wheat program will have the result of ending stocks of 1,135 million bushels. Under our amendment, ending stocks will be reduced to the level of 1,207 million bushels. Thus, our amendment will reduce wheat stocks alone by 108 million bushels more than the administration's program. For corn, our amendment will reduce the level of ending stocks by approximately 140 million bushels. The administration's plan, according to CBO estimates, will result in increased ending stocks for corn.

Further, our amendment will decrease production by 363 million bushels for wheat, whereas the administration's wheat program will result in a decrease of only 248 million bushels. A major difference with regard to the wheat program is that 112 million bushels will not go into the reserve program under our amendment.

Our amendment will not only improve the economic situation of American agriculture by decreasing supply and thus improving the price, but it will also help us reach our goal of a balanced budget by decreasing the level of Government outlays. According to CBO estimates, our amendment will decrease the level of outlays in the bipartisan baseline by $216 million, during fiscal years 1983 and 1984. During fiscal year 1985, our amendment will decrease outlays by $175 million. In comparison to the announced wheat program of the administration and the corn program with advanced deficiency payments, our amendment will save $101 million more in fiscal years 1983 and 1984, and $153 million more in fiscal year 1985.

Mr. President, our amendment offers a more effective program, regardless of the way in which one wants to look at it. As far as reconciliation goes, we have greater savings by enacting this amendment than we would otherwise. Further, we are all aware of budget numbers and their validity in the real world. Because we are bound to use the assumptions made in January, our savings are not as great as they would be if they were based on the current economic conditions. Consequently, as far as the current conditions are concerned, we could have savings of up to $1 billion when compared to the 1982 voluntary acreage reduction programs for wheat and corn. So in the real world, we have an even more cost-effective amendment. From the farmers' standpoint, our amendment will be effective for two reasons. First of all, it will put badly needed cash in the hands of farmers at planting time. Second, and perhaps most importantly, our amendment will increase the cash price for corn and wheat. For example, in comparison to the recently announced wheat program, our amendment will raise the market price of wheat 50 cents per bushel higher, to $4.30 per bushel. According to the CBO study, the administration's wheat program will result in an average market price for wheat of $3.80 per bushel. Though I cannot say that I believe this is necessarily a fair price, it is certainly a higher price than our farmers have been receiving or will receive under any other proposal which has been offered.

Our amendment will provide an adequate program from the farmers' standpoint as well as from the standpoint of budgetary savings. For both these reasons, I urge my colleagues to carefully weigh the proposal we now have before us. It is one we believe they will find attractive from several standpoints.

I remind my colleagues to reflect upon the invaluable lessons of history. Through history, we can learn from past mistakes. We made a mistake 50 years ago when we allowed the collapse of agriculture to occur, and the result was a collapse of the American economy. From the standpoint of consumers, from the standpoint of all Americans, not just farmers, we must insure that history does not repeat itself in the 1980's. Enacting our amendment is one way of helping avert economic disaster.

All of our farm organizations have been studying their history rather well. On many occasions, in fact on most occasions, it is virtually impossible to get all the major agricultural groups to agree on any one thing. But, Mr. President, we have achieved in this situation what might otherwise have been impossible. The list of agricultural groups supporting our amendment includes the National Association of Wheat Growers, the American Farm Bureau, the National Farmers Union, the National Farmers Organization, the National Grange, the National Corn Growers Association, the Independent Bankers Association, the American Agriculture Movement, the National Milk Producers Federation, and the Grain Sorghum Producers Association.

This broad range of support is indicative of two things: first, it indicates that we are confronting a very serious situation for our economy, and second, the support shows that there is a consensus as to what we need to do today.

I ask unanimous consent that copies of some of the letters I have received from these agricultural groups in support of our amendment be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BOREN. Mr. President, I strongly urge all of my colleagues to join us in this effort to reduce Government expenditures for the wheat and corn programs and to provide the American farmer with an opportunity to get a fair price for his grain products at the marketplace.

EXHIBIT 1

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Washington, D.C., July 23, 1982.

Hon. DAVID L. BOREN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BOREN: I understand that, when the budget reconciliation bill comes to the floor of the Senate, you plan to offer an amendment designed to assure adequate wheat and feed grain land diversion of 1983 crops to reduce surplus stocks of commodities and strengthen farm prices. Your amendment, as I understand, will provide for a 15 percent set aside and 10 percent paid diversion for wheat, and a 10 percent set aside and 10 percent paid diversion for corn and other feed grains.

On behalf of the Independent Bankers Association of America, which represents over 7,200 comunity banks, a substantial percentage of which have a sizable agricultural loan portfolio, I wish to express our support for this amendment. We would urge members of the Senate to join with you in incorporating it in the reconciliation bill.

We note that, according to Congressional Budget Office estimates, this set aside/paid diversion arrangement will result in a substantial net savings of government expenditures over 1983-85.

Enclosed is a copy of my letter of June 21 to Agriculture Secretary John Block which recommended an identical type of wheat set aside arrangement; this letter provides the analytical basis for our recommendations.

Sincerely,

ROBERT L. MCCORMICK, Jr.
President.

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
Washington, D.C., June 21, 1982.

Hon. JOHN R. BLOCK,
U.S. Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: On behalf of the Independent Bankers Association of America, which represents over 7200 community banks, I commend you for adopting an early, mid-July target date for announcing decisions on the 1983 wheat program. Looking ahead into 1983, unless the farm income situation improves to a degree that is not at all evident at this time, we will experience a continuing deterioration in the quality of farm credit and a serious acceleration of farm failures including many generally well-managed farming operations. Given these prospects for 1983, we need to take effective action now against the further buildup of price-depressing stocks and to improve market prices for grains and other agricultural commodities which are currently depressed.

The upcoming wheat program announcements provides an opportunity to take orderly, yet effective, action on the problem of mounting grain surpluses and low prices, and a substantial diversion of land from the production of wheat and other basic crops is the most reliable single step which can be taken in order to avoid another year of oversupply and low grain prices. It is crucial that the wheat set aside and diversion be adequate to reduce stocks, since subsequent decisions for the 1983 feed grains, cotton and rice programs will need to relate equitably to the decision on the wheat program.

Accordingly, we recommend that by mid-July you announce a 25 percent land set aside/diversion (15 percent basic set aside and 10 percent paid diversion) for the 1983 wheat crop.

Based upon present projections, such a 25 percent wheatland reduction, if combined with comparable reductions regarding the other basic grains, should reduce wheat stocks about 200 million bushels next year. Inventory reductions of this magnitude are clearly warranted in order to begin a badly-needed turnaround in grain and other commodity prices.

With a 200 million bushel wheat stock reduction, existing stocks should remain more than adequate to meet any conceivable increase in export demand. The USDA analysis which accompanied the Department's May 25 proposal of options for a 1983 wheat program indicated that USDA considers 1,022 million bushels of wheat stocks to be an adequate carryover, and since the carryover estimated for June 1, 1983, on the basis of projected production and demand is 265-365 million bushels above the 1,022 million bushel level, USDA's "desired stock reduction" was stated as 267 million bushels.

Obviously, these projections are subject to some change, but with a near-record estimated 2.716 million bushel 1982 wheat crop now being harvested, storage facilities already near their capacity prior to the 1982 harvest, and the ports for export to the Soviet Union backed up with shipments, it would not seem prudent to risk erring on the low side with regard to 1983 land diversion.

A 1983 25 percent wheat set aside/diversion—composed of a 15 percent basic set aside which would be a prerequisite for price support and reserve eligibility and an additional 10 percent paid diversion—appears to be equitable and workable under the circumstances prevailing. Such structuring of the program should achieve the required participation, if the proper incentives are provided, and should also distribute the compliance burden equitably among wheat producers.

Because farmers need and deserve a more adequate financial return, and because the depressed farm economy is afflicting a widening circle of American business, the nation cannot afford a fourth straight year of declining farm income in 1983. To avert it, we ask that you take the pragmatic step of announcing a 25 percent wheat land set aside/diversion by mid-July along with decisions on wheat price supports and related elements of the wheat program which will render the 25 percent land diversion effective and equitable. These decisions on the wheat program should be followed, on a timely basis, with decisions on the 1983 programs for feed grains, cotton and rice which are consistent with the wheat program decisions.

Sincerely,

ROBERT L. MCCORMICK, Jr.,
President.

NATIONAL GRANGE,
Washington, D.C., July 26, 1982.

Senator DAVID L. BOREN,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR BOREN: The National Grange was disappointed in the Administration's 1982 wheat and feed grain program because we did not believe they contained sufficient economic incentives to attract producers into the acreage reduction programs. The high percentage of sign-up was followed by a very low percentage of compliance. The result is record crops of wheat and feed grains and continued depressed market prices.

The recently announced 1983 wheat program assures U.S. farmers more of the same. The advanced payment of one-half of the estimated deficiency payment may attract a few hard pressed, cash short producers, but the same old acreage reduction program is unattractive to the major wheat growing areas and will be ineffective in reducing acreage to the level necessary to enhance the market price.

The advanced payment is estimated to be 25¢, half of the anticipated 50¢ deficiency payment on the 1983 crop of wheat. This means that the Administration does not expect the price of wheat to advance above $3.80 per bushel or 50¢ below the target price of $4.30 per bushel, even with their announced program of a 20 percent reduced acreage program. This is a program based on assumed failure and is unacceptable to the National Grange.

What is needed to make the program of reduced acreage successful is a paid land diversion program. We have recommended to the Secretary of Agriculture that the 1983 program for wheat and feed grains contain such a program. Our recommendation is very similar to the program contained in your amendment—it is a combination of acreage reduction and a paid land diversion program. Only in this way will the necessary acreage be retired in 1983 to reduce production, enhance price and in the long-term, reduce the cost of the overall government farm programs.

If we don't adopt an effective acreage reduction program, which must include paid land diversion, stocks will continue to build and U.S. producers will continue to receive market prices well below the cost of production.

The Senate Agriculture Committee has already adopted a program to give U.S. producers assistance in exporting agricultural commodities by producing a program of export credit at competitive interest rates. But that program cannot provide the immediate economic assistance needed to save thousands of efficient family farms, only an effective acreage reduction program can provide that assistance and to be effective, the program must contain sufficient economic incentives to gain producer compliance.

We appreciate your efforts to complete an effective 1983 farm program, that of acreage reduction through increased compliance. We are pleased to support your effort.

Sincerely,

EDWARD ANDERSEN,
Master, National Grange.

NATIONAL FARMERS ORGANIZATION,
Washington, D.C., July 29, 1982.

Hon. DAVID L. BOREN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BOREN: We appreciate the initiative you have taken, and the cooperation of Senator Baucus and other Senators, in proposing an amendment to the budget that would direct the Department of Agriculture to offer modest payment for diversion of additional acreage from the production of wheat and feed grains in 1983.

Spokesmen for this organization and other producer representatives have repeatedly presented before committees of the Congress over the last 18 months factual evidence of worsening farm economy in this country.

As you know so well, we anticipate a record low net farm income in 1982. The backlog of applications for FmHA credit furnishes solid evidence of the inability of our efficient mid-range producers to cope with the continuing cost price squeeze on our major commodities. The excessive supplies of both wheat and feed grains accumulated in recent years points clearly to continuing price problems for both grain and livestock.

We have supported a similar legislative effort originating in the House Agriculture Committee that calls for diversion payments and makes a very modest increase in grain loan rates. Although we believe both actions are needed, we appreciate your efforts on the Senate side and hope that the Conference resolution of differences will make it possible for our producers to reduce production in 1983 and survive in farming.

If we may be of any assistance, please do not hesitate to call on us.

Sincerely,

CHARLES L. FRAZIER,
Director, Washington Office.

AMERICAN FARM BUREAU FEDERATION,
Washington D.C., August 3, 1982.
Hon. DAVID L. BOREN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BOREN: We support your amendment to S. 2774, the Omnibus Reconciliation Act, to require the Secretary of Agriculture to offer a combination paid diversion/acreage reduction program for the 1983 crops of wheat and corn. This program will provide sufficient incentive to attract enough participation to reduce production and the burdensome level of stocks, as supported by the enclosed Farm Bureau economic analysis on 1983 wheat program alternatives.

The American Farm Bureau Federation has called for a paid land diversion for the 1983 wheat crop. (See our enclosed letter to USDA.) We view this type of program to be more effective in reducing production, minimizing long term government cost, and the cost to all producers in lower prices when grain is finally released onto the market than the voluntary acreage reduction program currently administered by USDA. The USDA program lacks the incentives to stop the grain stock buildup.

Recent Farm Bureau trade missions to the European economic community and Japan disclosed major trade policy obstacles to increased sales in the two largest U.S. agriculture markets. We believe that it is time to stop talking and start taking positive action to correct trade policy problems. Therefore, we recommend that the $400 million to be saved by your paid diversion/acreage reduction program be used to establish a Commodity Credit Corporation export credit revolving fund or other export promotion activities.

Thank you for the leadership you have taken in the Senate on this important issue.

Sincerely,

JOHN C. DATT,
Secretary and Director,
Washington Office.

[Mailgram]

NATIONAL ASSOCIATION
OF WHEAT GROWERS,
Washington, D.C., August 4, 1982.
Hon. DAVID L. BOREN,
U.S. Senate,
Washington, D.C.

National Association of Wheat Growers urges your vote for amendments to budget reconciliation bill S. 2774 to establish paid acreage diversion program for 1983 crop and loan increase.

Combination of 15 percent acreage cut and 10 percent paid diversion program will bring needed reduction in excess wheat stocks, reduce reserve holdings, increase portion of income farmer receives from marketplace, and save 400 million dollars over announced USDA program.

We urge support for this effort to strengthen market prices and farm income.

WAYNE NELSON,
President.

Mr. ZORINSKY. Mr. President, I rise in support of the amendment offered by my distinguished colleague and good friend from Oklahoma.

I do not think I need to go into a great amount of detail about the dire straits our wheat and corn farmers are in today. Record crop levels, low prices, and high interest rates have combined to produce the worst conditions in our agricultural economy since the early 1930's.

What is really needed to turn this situation around is enactment of one of the so-called farm crisis bills like that introduced earlier this year by Senator ANDREWS and myself. Unfortunately, that does not seem likely in the current political climate in the Congress.

As a result, the very least we can do is enact this amendment, which will provide some small measure of relief for our beleaguered family farmers. The amendment would require the Secretary of Agriculture to offer a combination paid diversion/acreage reduction program for wheat and corn.

For wheat, the program would consist of a 15-percent reduction in acreage and a voluntary 10-percent paid diversion program. For corn, the program would consist of a 10-percent reduction in acreage and a voluntary 10-percent paid diversion program.

The amendment would have several beneficial effects. First, the paid diversion would provide an infusion of dollars into the pockets of our cash-starved farmers. More importantly, that paid diversion will cause much greater participation in the Government acreage reduction program. That will reduce crop yields and drive up prices.

Let us look for a moment at the expected wheat and corn production this year. For wheat, 2,716 million bushels are expected to be produced in 1982, down only slightly from last year. Year end stocks are expected to be a tremendous 1,314 million bushels.

For corn, the projected yield for 1982 is 7,685 million bushels, with year end stocks at 1,976 million bushels. These carryovers are estimated to be the highest in two decades. They not only tend to depress prices; they are also expensive to store. As a result, the Congressional Budget Office estimates a combination paid/diversion acreage reduction program would cut Government outlays $400 million more than the wheat program announced by the Agriculture Department last month.

This amendment, then, will decrease Government outlays, decrease farmers' dependence on the Government, decrease the level of stocks for wheat and corn, while it aids our financially hard-pressed farmers.

With farm exports falling for the first time in over a decade and net farm income at a very low level for the third consecutive year, this amendment is not simply desirable. It is an essential minimum step to keep Government outlays down and keep wheat and corn farmers afloat. I urge all my colleagues to support it.

Mr. JEPSEN. Mr. President, the U.S. farm sector is the most productive, cost efficient in the world. It is in the economic, social, and political interests of the United States to maintain a vigorous and efficient agricultural production industry.

It goes without saying that our farmers do not want Government handouts. But what they do expect is a Government which helped create their problems to show more understanding of their plight.

This is a time for such understanding.

The grain market today is in a depressed low. Our grain farmers—or at least many of them—are against the economic ropes. Many of our farmers, including some in Iowa, are throwing in the towel or are going bankrupt.

We cannot let that situation continue.

Much of the problem can be laid at the door of the 1980 Soviet grain embargo. While this President lifted that embargo, has done much to assure the farming community he will not resort to such embargoes, that he is in accord with restoring our reputation as a reliable supplier to the Soviets as well as the rest of the world—the after-effects of that 1980 action still linger. Our farmers and the farm sector have been unable to shake off the problems created by that embargo.

Our farmers—and the national economy—will never be able to recoup what was lost as a result of that embargo. Consequently, I believe the Federal Government owes something to our farmers to try to correct or at least ease the situation.

According to a study by the respected Schnittker Associates, the impact of lost exports to the Soviet Union is measured in nearly $2.5 billion in lost export revenue, close to $12 billion in lost national economic output of goods and services, more than 300,000 jobs, and more than $3 billion in out-of-pocket income for our Nation's farmers.

It is for this reason I have joined as a cosponsor of the paid diversion amendment introduced by the Senator from Oklahoma (Mr. BOREN) and others. It is not without its flaws but as the Senator from Oklahoma stated, "The program we are offering will give farmers an opportunity to sell their grain on the market instead of to the Government."

We owe our taxpayers—not to mention our farmers—a way out of this surplus dilemma, a way to empty the storage bins and get food into empty stomachs.

The administration's program for wheat and corn has been a step in the right direction. But it has not gone far enough, considering the agricultural economic problems of today. We in the Congress have an obligation to make improvements if they can be done without upsetting budgetary constraints.

I think the Boren paid diversion amendment will help bring this about

without affecting the budget that much.

I would like to anticipate headlines of tomorrow: Senate passes legislation to pay farmers for planting nothing. This would be far from accurate. A better headline would be: Senate passes legislation to save money.

A recent Congressional Budget Office study pointed up that a paid diversion/acreage reduction program could result in savings of close to $4 billion to taxpayers. Such a program would reduce Federal outlays by $1 billion when compared to the 1982 voluntary acreage reduction program.

The Boren plan—10-percent reduced acreage, 10-percent paid diversion, in the case of corn—would go far toward correcting the market distortions caused by the 1980 embargo. What this combination of paid diversion and acreage reduction will do is to reduce Government outlays as well as reduce the level of surplus stocks of wheat and corn. And that means an improvement in market prices.

U.S. corn production, for example, was estimated at 8.2 billion bushels last year. A 20-percent reduction would come to 1.6 billion bushels, just shy, incidentally, of Iowa's 1981 corn production of 1.7 billion bushels.

Such a reduction in carryover stocks—projections now are 2.047 billion bushels of corn, the highest level since the 1960's—would have a tremendous impact on the markets. And it would empty bins.

I believe the Boren amendment should be accepted.

USDA'S FARM PROGRAM IS INADEQUATE

Mr. BENTSEN. Mr. President, I am pleased to join with my distinguished colleague from Oklahoma as a cosponsor of this amendment to require the Department of Agriculture to implement a combination set-aside and paid diversion as part of the 1983 farm program.

The wheat program which USDA has announced is totally inadequate. I asked Secretary Block to implement a wheat program with a 15-percent set-aside and a 10-percent paid diversion, as specified in this amendment, before he announced his decision. I asked him to reconsider that decision, pointing out that the 20-percent set-aside which USDA announced would result in higher stocks, lower farm prices, and higher outlays by the Treasury than would this program.

USDA has chosen to be penny-wise and pound-foolish. By refusing to implement a paid diversion, USDA will cost the American taxpayer an estimated $400 million extra for wheat alone compared to the program which we are proposing.

The need for this amendment is obvious. We have just seen an announcement by this administration that, for foreign policy reasons, they are refusing to negotiate a new long-term grain agreement with the Soviet Union at higher minimum purchase levels. The previous administration, for foreign policy reasons, embargoed grain sales to the Soviet Union. The previous administration, for foreign policy reasons, killed a Senate amendment in September 1980 that would have ended that embargo. The Reagan administration, for foreign policy reasons, in March 1981 killed another Senate amendment that would have ended that embargo.

Mr. President, I voted to end the embargo on both of those amendments. I urged the President to negotiate a long-term grain agreement with Russia, to end this de facto embargo.

As cochairman of the Senate Export Caucus and ranking member of the International Trade Subcommittee, I stood here on the Senate floor earlier this year and made a series of five lengthy and rather detailed speeches on the challenges facing U.S. agricultural exports and suggestions for meeting those challenges. The subcommittee, at my request, held hearings on our agricultural trade problems. I have worked to increase our farm exports, I have supported that effort.

But, Mr. President, I learned in private business that you have to see the world as it is, not as you want it to be. The world of export trade is not a fair place. USDA's proclaimed export-oriented farm policy has not worked. The value of U.S. farm exports was down almost 11 percent in the first 6 months of this fiscal year compared to the same period last year. The administration, for foreign policy or other reasons, has not vigorously pursued enforcement of our international trade agreements. They have not moved to recapture the large and lucrative Russian grain market which we have given to other nations on a silver platter.

An export-oriented farm policy will not work if you cannot export. We have to do something with that grain. We can export it, eat it, store it, or just not grow it. We already have much more than we can consume or export. Our storage facilities are full. I submit that it is time to recognize reality in our farm policy. It is time to stop overproducing and sticking the taxpayers and the farmers with the cost of that overproduction. We cannot store our way back to farm prosperity.

This amendment, if adopted, will reduce carryover stocks and increase prices. It will save the Treasury money, and it will give the hard-pressed American farmer a signal that someone in this town knows and cares about agriculture and is willing to face the reality that storage and exports cannot be the only answers to the current depression in agriculture.

I urge my colleagues to join with us and pass this needed amendment.

Mr. DIXON. Mr. President, today, I rise in support of Senator BOREN's amendment, of which I am a cosponsor. This amendment provides for a more effective corn and wheat program than the USDA's proposed program. This amendment will reduce Government expenditures and will provide farmers the opportunity to obtain a fair and equitable price in the marketplace.

This amendment will result in reduced Government outlays. A recent Congressional Budget Office study indicated that a paid diversion/acreage reduction program for wheat and corn, when compared to no acreage program, would save taxpayers $3.9 billion over the next 3 years. The program we are offering today would reduce Government outlays by $1.0 billion when compared to the 1982 voluntary acreage reduction program. A combination paid diversion/acreage reduction program would reduce Government outlays by nearly $400 million more than the administration's current wheat and corn program policies.

Mr. President, we need a program that will be effective. Illinois farmers ignored the Government's plea to plant 10 percent less corn in 1982.

According to the Agriculture Stabilization and Conservation Service, there are 148,608 corn farms in Illinois, and the operators of 105,275 of these farms signed up for the set-aside program last spring.

However, July 15 compliance figures indicate that only 16,311 farms continued in the program. This means that only 212,000 of Illinois' 11.4 million corn acres will be idled.

Mr. President, we face a depressed agricultural economy with continued high interest rates, increasing production costs, low commodity prices, and a stagnant export market. Present estimates are that 1982 will be the third straight year for a reduction in net farm income.

This amendment offers us the opportunity to provide a more effective wheat and corn program that will reduce Government outlays and provide farmers a fair and equitable price. I urge my colleagues to join with me in adopting this amendment.

ACREAGE REDUCTION PROGRAM

Mr. BURDICK. Mr. President, I am pleased to support this amendment today to improve the acreage reduction program for wheat and feed grains, and at the same time save the taxpayers money.

The amendment, if enacted, will make available to farmers a 25-percent acreage reduction program for wheat and 20 percent for feed grains. For the wheat program, farmers would have to comply with an initial 15-percent acreage reduction to be eligible for farm program protections, and could then

divert an additional 10 percent of the base acreage for payment. For feed grains, farmers could reduce acreage by 10 percent and then be eligible for an additional 10 percent for payment.

The payment for the wheat diversion would be at not less than $120 per acre general payment rate. The Secretary could adjust that slightly to reflect differences in yield per acre among wheat farms.

The payment for feed grains would be set at a fair and reasonable rate in relation to corn. The corn diversion payment would be not less than $150 per acre.

I think it important to emphasize that the Congressional Budget Office has studied this proposal and estimates it will reduce Federal outlays by $1 billion compared to the current acreage reduction program. I do not believe that there is doubt about the need for an acreage reduction program. Secretary Block has already announced a 20-percent set-aside for 1983 wheat, and has asked for comments on a feed grain program, including acreage reductions. The June 1 carryover of wheat in the United States was the second largest since the early 1960's. Couple that with this year's wheat production outlook, and according to USDA, the 1982-83 wheat supply will be the largest ever.

The 1982-83 global stocks-to-use ratio will probably exceed 20 percent. That, Mr. President, is a huge supply. If we look at recent history in the global wheat business, the stocks-to-use ratio needs to be about 11 to 12 percent to provide the type of market conditions that permit U.S. wheat farmers to earn a good profit. The current huge surpluses exist even though the world's largest wheat producer, the Soviet Union, has had 4 successive years of bad wheat crops. Some rational balance has to be brought back to the wheat market.

I do not think anyone is going to argue today that farmers are making enough profit. The statistics are very clear. I do not recall in recent times the major media markets giving as many column inches to the economic situation on the farm. The Wall Street Journal, the New York Times, the television network news, and others have all provided glimpses into the depression on the farm.

The depression exists. I have been there. I see it almost every weekend, and feel it through telephone calls and letters to my office from farmers, bankers, businessmen, educators, and people all across North Dakota.

According to USDA estimates, real farm income this year could equal the worst years of the depression of the 1930's. The average value of farmland declined 1 percent between February 1981 and April 1982. It was the first decline recorded by USDA since 1953. Adjusted for inflation, total equity and equity per farm declined by over 10 percent last year. According to every study that I know of, the average wheat producer is losing anywhere from a $1.50 to over $2 per bushel on this year's wheat crop.

Is this amendment, then, a bailout for farmers? No; it is clearly not that. We would have to take much longer strides to do that. In a sense, this amendment if enacted, will slow down the retreat from sensible farm policies that we have been in over the past 19 months.

The farm support levels in the 1981 farm bill clearly do not protect wheat and feed grain producers from huge losses. The other half of the equation is the marketplace, and this amendment seeks to deal in a modest way with supply conditions in the marketplace. It offers a little stronger and more rewarding voluntary program for dealing with supply conditions than the alternative offered by the Department of Agriculture. It speeds up the process of correcting the market imbalance, and moves up the date when farmers might reasonably expect to make a profit again.

Someone will probably argue today that this measure is not adviseable because Canada, Argentina, and Australia are increasing their wheat acreage, and will take markets away from American producers. That, Mr. President, is a hollow argument.

Our problem is not that we cannot supply enough wheat to the market. Our problem is that we have got too much wheat for the market to absorb.

Canada, Argentina, and Australia are betting on the Reagan administration's confused, on-again, off-again trade policies as their best salesman. The Reagan administration's propensity for confrontation with our allies and adversaries alike over trade policies has cost us farm commodity markets. Is the United States going to bargain with the Soviets on a long-term grain agreement or not? Are we going to continue the progress of the past 20 years toward free international trade, which clearly favors our highly efficient and competitive American producers, or are we going to continue the course of the past 18 months toward trade policies based on vengeance and bullying our way into and out of situations?

Mr. President, if I were Canada, Argentina, or Australia, I would move to take advantage of these failings too. But, that is no argument against this amendment.

I think the Reagan administration should clearly and concisely set forth the trade policies it intends to pursue. I believe as well that the Senate sought not to add to the confusion at this point with threats of its own about trade wars.

But, we do know this, Mr. President. Farmers are caught between a farm income support structure that does not return the cost of production, and an international wheat market that does not permit cost recovery for producers either. If we are going to prevent real disaster in the farm sector we have to work on one or both sides of that question. We could be more certain of the results if we improved the farm income supports in the farm bill. But, absent that, this amendment is the best choice.

Mr. President, I urge the adoption of this amendment and thank my distinguished colleague from Oklahoma for yielding to me.

Mr. HUDDLESTON. Mr. President, I support Senator BOREN's amendment to require paid land diversion programs for the 1983 crops of wheat and corn.

Under the provisions of the 1981 farm bill, the Secretary of Agriculture is authorized to implement paid land diversion programs if he determines that crop supplies are excessive. There is little doubt that crop supplies are excessive today.

Projected ending stocks of wheat from the current marketing year may be in excess of 1.3 billion bushels—the largest carryover stock since the 1958-60 period. Corn supplies are also abundant, with ending stocks projected to be greater than ever before—nearly 2.2 billion bushels.

For the second consecutive year, the Secretary has announced a program to limit the acreage planted to wheat, in an attempt to reduce supplies. Most observers believe that a program to limit corn plantings will soon be announced.

Unfortunately, the provisions of the acreage limitation programs for the 1982 crops were not sufficiently attractive to encourage sufficient numbers of farmers to participate. Compared to base acreages, less than half of the wheat acreage, and less than one-fourth of the corn acreage, are in compliance with the 1982 programs.

The acreage limitation programs only serve to limit access to the commodity loan and payment programs. Compliance is low because many struggling farmers need every possible dollar of income they can obtain from their farming operations to meet their pressing financial obligation. They will forgo participation in the commodity programs to achieve maximum production.

In March of this year, I introduced a sense-of-the-Senate resolution, cosponsored by 14 of my colleagues, urging the Secretary of Agriculture to announce paid land diversion programs as a part of any initiatives to reduce 1982 crop plantings. We introduced that resolution, S. Res. 346, to notify the executive branch that Congress expects this administration to use the authorities Congress has already given

it to revitalize the depressed farm economy.

A modified version of this resolution, calling on the Secretary to consider paid land diversion programs for the 1983 crop year, passed the Senate on May 5, 1982.

Action must be taken now to prevent massive failures in the farm economy and the harm to the national economy that would surely follow. So far in 1982, commodity prices have continued to slide downward and, barring major modifications of current agricultural policy, real farm income in 1982 is expected to be even lower than it was in 1980 or 1981. If present projections prove to be accurate, farmers will experience, in 1982, the lowest real farm income since the Department of Agriculture began making such estimates in the early part of this century.

The last time farmers experienced 3 consecutive years of such low income was in the midst of the Great Depression, when thousands of farm operators were forced out of business. Just as it was in the 1930's, many farmers today are confronting the prospect of liquidation either because they cannot pay their bills, or because they simply cannot continue to operate at a loss.

As agriculture falters, related industries, such as the farm machine industry, and the economies of rural communities are being adversely affected. A recent survey of American Bankers Association member banks concluded that local rural economies have been broadly affected by low farm income, and that there is a recession in rural areas directly related to the farm income problems.

Unfortunately for farmers and for the taxpayers of the United States, the administration has not taken any action to implement paid land diversion programs.

Mr. President, none of us likes the idea of having to restrict the planting of commodities. But, at this time, decisive and effective action must be taken by the Secretary of Agriculture to reduce the stocks of grains to levels more consistent with demand.

The present abundant supplies are the result of many factors, but mainly a surge in production last year and the sagging prospects for the export of American grain. This administration has not been able to expand exports and must, therefore, face the necessity of adjusting supply. The Secretary of Agriculture must modify his announced wheat program to include paid land diversion programs. Otherwise, hard-pressed farmers will not be able, financially, to comply with a program to limit production.

COST SAVINGS

The Congressional Budget Office has indicated that the paid land diversion alternative to the Secretary's announced programs will decrease the level of Government outlays and reduce wheat and corn inventories.

CBO estimates that paid land diversion programs will save nearly $400 million from the baseline projected outlays for the next 3 years, and a quarter of a billion dollars more than the announced acreage limitation programs.

Mr. President, I ask unanimous consent that a letter to me from Alice Rivlin, the Director of the Congressional Budget Office, providing the CBO estimate of the savings involved under paid land diversion programs be printed in the RECORD immediately following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUDDLESTON. In reality, paid diversion will save much more. CBO indicated in its study released June 24, 1982, that paid land diversion programs combined with the current acreage limitation programs would reduce Federal outlays by $1 billion, compared to a continuation of current programs. Paid land diversion programs could increase, by about 10 percent, the average price of wheat, corn, rice, and upland cotton.

The Congressional Budget Office study also points out several disadvantages to the current acreage limitation programs. CBO notes that these programs would do little to reduce 1983-84 ending stocks, raise prices, or improve farmers' prospects for 1984-85. This is because the benefits of participation in the wheat and feedgrain acreage limitation programs—in effect for the 1982-83 crops—are not likely to attract enough farmers to reduce total acreage by more than 3 to 4 percent.

However, with paid land diversion programs in effect, there would be a good chance that farmers will comply and we will get the needed adjustment in this year's production of our major commodities. Prices would be enhanced and farmers would be assured of greater income. As it is now, I greatly fear that we might again have record crop production, with most farmers planting from fence-row to fence-row in an attempt to generate much-needed cash flow.

Also, with paid land diversion programs, farmers will be able to obtain sufficient credit to continue production. Many farmers cannot, today, show their bankers that a profit is possible. I think this is a very grave situation.

If this amendment is adopted, I believe that farmers, farm lenders, and merchants who sell to farmers will have more confidence in the future. We must restore that confidence before we can expect much improvement in the rural economy.

I urge my colleagues to support this amendment.

EXHIBIT 1

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., July 26, 1982.

Hon. WILLIAM D. HUDDLESTON,
Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, D.C.

DEAR SENATOR: Pursuant to Section 202 of the Congressional Budget Act of 1974 and in response to the request you made with Senator David L. Boren, the Congressional Budget Office has prepared a comparison of Commodity Credit Corporation wheat and corn program outlays for a paid acreage diversion program with outlays for an acreage reduction program offering advance deficiency payments.

The outlay estimates are made under the assumptions of the First Concurrent Budget Resolution for Fiscal Year 1983. A 15 percent acreage reduction and 10 percent paid diversion program for the 1983 wheat crop is compared to the 20 percent acreage reduction wheat program recently announced by the Department of Agriculture. A 10 percent acreage reduction and 10 percent paid diversion program for the 1983 corn crop is compared to an assumed 10 percent acreage reduction corn program. Diversion program participation is projected to be 60 percent of wheat land and 50 percent of corn land. Under the acreage reduction alone, projected wheat land participation is 45 percent and projected corn land participation is 35 percent.

Under the bi-partisan baseline used for the 1983 first budget resolution, no deficiency payments were estimated for the 1983 crops of wheat and corn; therefore, participation is greater under a paid diversion. Participation would be greater in a paid diversion program relative to current estimates of an advance deficiency payment of $0.25 per bushel of wheat because of the greater payment to producers at the time of planting. The diversion payment of $120 per diverted acre, the level assumed in the CBO paid acreage diversion budget impact study, is well above the $43 per acre advance deficiency payment.

The following table contains wheat and corn program outlays under these two alternatives.

WHEAT AND CORN PROGRAM OUTLAYS

[By fiscal years, in millions of dollars]

	1983	1984	1985
Bipartisan baseline	2,848	1,088	731
Alternatives:			
Paid diversion	3,087	633	556
Announced wheat program and corn program with advance deficiency payments	2,848	973	709

Should you so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RAYMOND C. SCHEPPACH
(Alice M. Revlin, Director).

Mr. BOREN. Mr. President, at this time I yield as much time as he requires to the Senator from Montana (Mr. BAUCUS).

WHEAT AND FEED GRAIN PROGRAM

Mr. BAUCUS. Mr. President, I thank my colleague from Oklahoma (Mr. BOREN) for his leadership in putting together the amendment that is before us. I commend my colleague for

his diligent efforts on behalf of U.S. farmers.

Since the passage of the 1981 farm bill, I have been looking for ways to improve farm prices and to provide some relief for our ailing farm economy.

Nowhere in this country is anyone being asked to get by with less than are our farmers. The cost of producing a bushel of wheat is now estimated at $6.32 per bushel. Three years ago, Montana durum was selling for over $5 a bushel, today this same quality wheat is selling for $3 a bushel—if you can find a buyer.

I do not know if anyone in this country that can survive a 50-percent cut in their wages. Yet, this is exactly the situation facing U.S. farmers.

We must ask ourselves why the price of wheat and corn are at such depressed levels. The answer is found in a simple explanation of supply and demand. Despite the potential for increased exports of wheat and feed grain, the demand for these products remains relatively constant. Supply, on the other hand, fluctuates immensely.

Carryover stocks for wheat and corn are estimated at the highest level in 20 years. Because of these large stocks, the market price for these commodities is down to less than half of the cost of production.

So, Mr. President, we are looking for a supply-side answer to our dilemma. This amendment does exactly that.

On July 16, Secretary Block announced the 1983 wheat program. The major tenet of that program is to reduce wheat acreage by 20 percent. Well before Secretary's Block's announcement, many farm groups, a number of Congressmen and I encouraged the Secretary to consider a paid diversion program. We saw the need for an effective program to accomplish our ultimate goal of reducing the supply of wheat. A paid diversion program in lieu of the announced acreage reduction program is appealing for several reasons.

A paid diversion program offers a tangible incentive for farmers to reduce their wheat acreage. Participation in the program is essential if we expect it to be effective in reducing the supply or wheat.

Think of the sacrifice you are asking the farmer to make by reducing his acreage by 20 percent. If you do not understand agriculture, think of the reaction you would get if the Government asked a shoe factory to reduce their production by 20 percent in order to increase the market price they receive for their product. Or ask yourself if an automobile manufacturer would reduce their production by 20 percent based on the hope of improved car prices. These manufacturers would not be willing to take the risk. But we are asking farmers to take exactly the same risk.

I do not like the idea of curtailing our agricultural production. And I do not know of a single farmer you could ask that wants to cut his production. However, the need for this reduction is apparent from the wheat program proposed by Secretary Block. The amendment we are offering today is merely a less painful sacrifice that we are asking U.S. farmers to make. This sentiment is unanimously agreed to by the American Farm Bureau Federation, the National Association of Wheat Growers, the National Farmers Union, the National Farmers Organization, the National Grange, the National Corn Growers Association, the Independent Bankers Association, the American Agriculture Movement, and the Grain Sorghum Producers Association.

If you need more good reasons to support this amendment, look closely at the budget impacts. A recent Congressional Budget Office study requested by the distinguished chairman of the Budget Committee, said that a paid diversion program would reduce Government outlays $400 million more than the wheat program announced by Secretary Block a few weeks ago. This program would save taxpayers $3.9 billion over the next 3 years when compared to no acreage adjustment program. There may be some debate over the accuracy of these figures, but the fact is that the program provided by this amendment will reduce the Federal budget by several hundred million dollars in the next 3 years.

Continued low farm prices will mandate large deficiency payments this year and in the years to come unless we take action to reduce burgeoning surpluses. No one likes to see deficiency payments. Farmers would rather receive a fair price in the marketplace, the Government would like to avoid the direct payments from the Federal Treasury, and taxpayers would rather see their dollars spent on improving highways, health care, and other necessary services.

Our amendment will raise the market price of wheat and corn, and avoid the maximum deficiency payments facing us this year. This is accomplished by an effective acreage reduction program that farmers will participate in. The program provided by our amendment will reduce surplus stocks by up to 360 million bushels of wheat.

The CBO study I mentioned earlier projects that "average 1983-84 prices would increase about $0.30 per bushel * * *." Thus, "* * * a greater share of their incomes would come from the market and less from the Government."

Mr. President, there is one final concern that I would like to address—that of the consumer worried that our amendment will increase consumer prices. Nowhere in the world do consumers have a greater food bargain than in the United States. Americans spend an average of only 16 cents of every dollar of income on food. Only about 2 cents of the retail price of a loaf of bread goes to the farmer for his wheat. Also, consider that the farm price of a bushel of wheat has fallen over $2 in the last few years. Have you seen any proportionate decrease in the retail price of a loaf of bread in the same period?

In summary, farmers are the ones being asked to sacrifice in any acreage reduction program. Personally, I would rather see an increase in the loan rate and the negotiation of a long term agreement with the Soviets to improve farm prices. However, since the administration and Congress have been unwilling to take such action, I believe the least we can do is give farmers a wheat and feed grain program that they support. The added bonus of a paid diversion program is that it will save the Government money. I would not want to explain why I voted against an amendment to reduce the Federal budget and, at the same time, take a small step toward improving the farm economy.

I again thank Senator BOREN and the other cosponsors for their efforts in developing this amendment. I urge the adoption of the amendment.

Mr. President, I intended to offer an amendment immediately following the passage of our paid diversion amendment. Given the time constraints I will not offer the amendment, but I ask that my support for increasing loan rates be considered by the conferees.

THE FARM ECONOMY

Mr. President, the amendment would have simply increased the loan rate for wheat from $3.55 to $3.80 and for feed grains from $2.55 to $2.80 per bushel. The Senate, I believe, will demonstrate extremely sound judgment in adopting the amendment I sponsored on an acreage reduction program for wheat and feed grain. This amendment would have made the Senate version of the acreage reduction program consistent with the Foley bill in the House. And, I believe, would further reduce the budget exposure of the wheat and feed grains programs.

As I have said earlier, record U.S. production, increased production abroad, and record carryover stocks require a wheat acreage reduction program for 1983. Wheat stocks alone may exceed 1.5 billion bushels in 1983 without an effective acreage reduction program. Estimates of an "adequate" U.S. wheat carryover generally range from 800 to 1,100 million bushels.

USDA's "Preliminary Regulatory Impact Analysis," dated April 25, 1982, considers 1,022 million bushels of

wheat stocks to be an adequate carryover. The same analysis indicates that USDA's "Desired Stock Reduction" is 267 million bushels.

A recent study conducted for the National Association of Wheat Growers states that:

A program to reduce wheat stocks in the 1983-84 marketing year by 250 million bushels requires:

A 20 percent acreage reduction program (ARP).

A 10 percent "paid" land diversion program (LDP).

Participation by farmers with about 70 percent of all wheat acreage.

The key point of this analysis is that it will require at least a 70-percent participation by farmers for the acreage reduction program to be effective. I maintain that an increase in the loan rate would not only improve the effectiveness of the acreage reduction program, but reduce the budget exposure of the wheat program as well.

Remember that only those farmers participating in the acreage reduction program are eligible for Federal program benefits. An increase in the loan rate gives the farmer added incentive to participate in the program.

An additional point to consider is that the U.S. loan rate is generally seen as setting the world price for wheat. If you narrow the spread between the loan rate and the target price, you lessen the likelihood of large deficiency payments. An increase in the market price for wheat reduces the size of deficiency payments and saves the direct outlay from the Federal Treasury.

I admit that loans under the Government loan program are viewed as budget outlays. However, the Government recovers a large percentage of this loan money while, on the other hand, deficiency payments are outlays that are never recovered.

I also believe that the present loan rate of $3.55 is abysmally low considering the cost of production is now $6.32 per bushel of wheat. Farmers are the only group in our economy that cannot increase their prices to reflect the increased cost of production. Farmers are caught in what I call an income dilemma. If they strive to increase their production to increase their income, the increased supply reduces the market price to the point where they get less for more. On the other hand, if they produce less and receive a better market price, their income is limited because of their reduced production.

My amendment did not call for an exorbitant increase in the loan rate. I merely am asking for an added incentive to make the acreage reduction program more effective. Net farm income is critically low for the third consecutive year. If you have not had a chance to see the National Farmers Union report entitled, "Depression in Rural America," I recommend it to you for an idea of how serious the problems are in our farm economy.

I realize that the Senate has been unwilling to take action to increase the loan rate and improve the farm economy. I suggest that this small step would represent an immense improvement in the dismal state of our farm economy today. I would hope that the Senate would seriously consider the action taken in the House on the increase in the loan rate. I further hope that the Senate conferees on the reconciliation bill would accede to the House on this matter.

Having stated my position and, I believe, the position of many of my colleagues, I will not offer my amendment.

Mr. BOREN. Mr. President, I yield the remainder of my time to the Senator from Nebraska (Mr. EXON).

Mr. EXON. Mr. President, the amendment offered by the Senator from Oklahoma is, in essence, the farm crisis legislation introduced some time ago by Senator BOREN and myself. I urge its adoption.

Mr. President, I submit the following UPI ticker tape of a few minutes ago which highlights the disaster faced by family farms.

I submit the UPI dispatch for the RECORD.

CHICAGO—Wheat, corn and oats were lower and soybeans substantially lower at Thursday's close on the Chicago Board of Trade.

Wheat was off 2 to 3½ cents; corn off 4 to 2¾; oats off ¼ to 2½; and soybeans off 9 to 10½ cents.

A short-covering rally 15 minutes before the close enabled futures to regain some of their earlier losses, but the rally was short-lived and prices tumbled again two minutes before the session ended.

November soybeans, which traders tried to push through the $6-a-bushel level, reached a high of $6.04½ and settled at $6.00¾.

Corn and soybeans were influenced by good commercial buying and professional selling. Wheat was strong on rumors a wheat purchase would be announced late Thursday or Friday.

Fairly heavy volume was reported throughout the session.

Some nervousness was evident in advance of the USDA crop production report to be released next Wednesday and private forecaster Conrad Leslie's estimates to be issued Friday.

The outside markets were lower.

Mr. President, we indeed, have a disaster in the grain producing areas because of unrealistic low prices. Not the least reason for this is the failure of President Reagan to even consider resuming talks with the Soviets on a long-term grain agreement. This amendment will serve two purposes. First, it will improve grain prices, and second, it will reduce the costs of farm programs to the taxpayers.

It has the backing of practically all the major farm organizations.

Mr. President, this amendment is well reasoned and I urge my colleagues to support it as presented.

Due to the time restraints I must conclude my remarks. Had time allowed I could discussed the merits of this amendment for hours.

Mr. PRESSLER. Mr. President, today I rise in support of Senator BOREN's amendment, which I have cosponsored, to provide for a partially paid wheat and corn diversion/acreage reduction program in fiscal year 1983. The amendment will increase participation in the set-aside program and effectively reduce gain surpluses. A reduction of our grain surplus would increase grain prices and reduce Government outlays for deficiency payments.

In recent years, farm income has dramatically fallen to the lowest level since the Great Depression, while production costs continue to increase. Much of the fall in farm income is due to the depressed grain prices caused by our huge grain surplus. If farm prices are to increase, the near-record grain surplus must be brought under control. Last year, a 15-percent voluntary set-aside program was implemented for wheat and feed grains, but record grain crops are still predicted. Farmers cannot afford to reduce acreage without financial incentives and they cannot survive another year of reduced income due to the grain surpluses—they need an effective set-aside program in the 1983 crop year. This amendment would implement such a program.

A partially paid set-aside program would provide farmers with a financial incentive to reduce production and increase participation in the program. Because of the increased participation in the set-aside program, grain prices would increase and Government outlays for deficiency payments would be reduced. The Congressional Budget Office estimates that the program would reduce Government outlays by $400 million from the announced 1983 voluntary set-aside program. The amendment would allow farmers to receive a larger share of their income from the marketplace, rather than through deficiency payments.

By effectively reducing the surplus of grain, future costs of farm programs will also be reduced. Increased grain prices will reduce or eliminate deficiency payments in future years and increase farm income. The current grain prices are well below the cost of production for farmers and farmers cannot continue to operate year after year with these low prices. An effective set-aside program must be implemented now to bring grain surpluses under control and allow farmers time to plan for next year's crop.

Mr. President, I urge my colleagues to join me in support of this amend-

ment to reduce Government outlays and help the depressed farm economy.

The PRESIDING OFFICER. The time has expired.

Mr. DOMENICI. Mr. President, I yield time in opposition to the Senator from North Carolina, the distinguished chairman of the Agriculture Committee.

Mr. HELMS. Mr. President, I yield to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, on June 22, Senator HUDDLESTON and I introduced a bill directed at two of the most serious problems facing the American farmer—low prices and availability of funds at planting time.

At that time, I stressed the importance of combining more incentives for farmers to participate in acreage-reduction programs with efforts to expand our export markets as a means to strengthen farm prices.

I am pleased that a modified version was incorporated during the Agriculture Committee's consideration of this bill.

Specifically, the advanced deficiency payments provision which helps increase participation in the acreage-reduction program and the $175 to $190 million account to meet unfair competition in international markets are needed to strengthen crop prices and at the same time protect our traditional export markets.

ADVANCED DEFICIENCY PAYMENTS

The Agriculture and Food Act of 1981 contains an acreage reduction program which the Secretary can implement to encourage farmers to reduce production during times of surpluses and low prices. The incentive for participation in such a program is the availability of target prices and price support loans. The act also provides for a paid land diversion as an additional tool the Secretary can use to help reduce surplus production.

Some concern has been expressed that the incentives under the acreage-reduction program are not sufficient to obtain the level of participation needed to have a meaningful production adjustment. To address this problem, the committee adopted an advanced deficiency payment provision.

Specifically, when the Secretary determines that supplies are excessive and announces an acreage reduction program, he is required to advance one-half of the projected deficiency payment to farmers that agree to cut production by the required amount.

I believe that during periods of low prices and potential high deficiency payments that it is good policy to use part of this budget exposure to encourage farmers to reduce production. This could increase the market price thereby reducing the amount of deficiency payments.

Such a program provides several benefits to farmers. First, farmers would have access to one-half of the projected deficiency payments at planting time rather than waiting until after harvest. Second, it will help take some of the pressure off the financial sector next spring when farmers are trying to obtain credit. And third, it will help achieve higher market prices by encouraging farmers to cut production.

It has been argued that because of the serious surplus facing agriculture that a paid land diversion is also needed to bring about a more rapid adjustment in production. Mr. President, I would like to point out that the advanced deficiency payment provision does not preclude a paid diversion. In fact, it compliments such a program because typically they work in tandum. For example, the Secretary may announce an acreage reduction program of a specified percentage. For those that participate in that program he may then offer a voluntary paid diversion on an additional percentage. Therefore, by offering more incentives for participating in the first component increases the chances that farmers will participate in any land diversion.

EXPORT MARKET COMPETITION PROVISION

The provision adopted by the committee establishes a $175 to $190 million fund for agricultural export promotion and to meet unfair export subsidies of our international competitors.

Numerous examples have been cited about cases where we have encouraged our farmers to cut production while our competitors are encouraging theirs to increase supply. Often they then subsidize the sale on the world market to reduce the surplus. We cannot continue to allow this to happen.

I have been particularly concerned about the history of the European Community in using subsidies to expand their exports. Their high support prices combined with no production controls in many cases have created large surpluses. They have chosen to subsidize these onto the world markert. For example, it has been estimated that in 1980, the EC used nearly $8 billion to subsidize agricultural exports to non-European Community countries. This accounted for over half of their agricultural budget.

While the $175 million is a modest amount, it is a step in the right direction.

Mr. President, the agricultural economy is depressed. Every effort needs to be made to help strengthen market prices. The two provisions contained in this bill will move us in that direction.

Mr. HELMS. Mr. President, the fault I find with the Boren amendment is that, if not amended, it will affect our export possibilities in terms of grain.

The Department contends, and I agree, that it needs flexibility to respond to change in supply-and-use situations and that would lock up the program for the 1983 crop.

I urge that the Boren amendment be tabled, and I regret to have to take this action. We are going to modify it if it is tabled down from 10 percent to 5 percent.

The Secretary of Agriculture is insistent that this needs to be done. Secretary Block is going around this world trying to increase the exports of farm commodities.

I do hope that the amendment by the distinguished Senator from Oklahoma (Mr. BOREN), who is my friend and who is such a valued and effective member of the Agriculture Committee, I hope his amendment will be tabled so that we can offer a substitute amendment which simply reduces the 10-percent setaside to 5 percent.

Mr. President, I reserve the remainder of my time.

What is the time situation?

The PRESIDING OFFICER. Forty-five seconds remain.

Mr. HELMS. To me?

The PRESIDING OFFICER. To the Senator from North Carolina.

Mr. HELMS. How much time does Senator BOREN have remaining?

The PRESIDING OFFICER. His time has expired.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

Mr. BOREN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. I must wait until 4 p.m. to move to table the amendment at that time; is that correct?

Mr. STEVENS. Mr. President, the Senator may move to table now.

The PRESIDING OFFICER. The Senator from North Carolina may move to table the amendment now.

Mr. HELMS. Mr. President, in that case, I move to lay on the table the amendment of the Senator from Oklahoma and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I understand under the order, Senator HAYAKAWA has the remaining time until 4 p.m.

The PRESIDING OFFICER. The Senator from California is recognized.

UP AMENDMENT NO. 1189

(Purpose: To modify the milk price support program for the 1982 through 1987 fiscal years)

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ANDREWS). The amendment will be stated.

The bill clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself and Mrs. HAWKINS, proposes an unprinted amendment numbered 1189.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 80, strike out line 14 through 23 and insert in lieu thereof the following new subtitle:

SUBTITLE B—DAIRY

MILK PRICE SUPPORT

SEC. 154. Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended—

(1) by designating the first and third sentences as paragraphs (1) and (4), respectively; and

(2) by striking out the second sentence and inserting in lieu thereof the following new paragraphs:

"(2) Notwithstanding the foregoing—

"(A) effective for the period beginning with the date of enactment of the Omnibus Budget Reconciliation Act of 1982, and ending December 31, 1982, the price of milk shall be supported at such level as the Secretary shall determine, but not less than $12.30 per hundredweight for milk containing 3.67 per centum milk fat;

"(B) effective for the period beginning January 1, 1983, and ending September 30, 1983, the price of milk shall be supported at such level as the Secretary shall determine, but not less than $12.30 per hundredweight for milk containing 3.67 per centum milk fat; and

"(C) effective for the period beginning October 1, 1983, and ending September 30, 1987, the price of milk shall be supported at such level as the Secretary shall determine, but not less than the applicable minimum level determined under paragraph (3).

"(3) The minimum price support level for milk shall be adjusted on October 1, 1983, October 1, 1984, October 1, 1985, and October 1, 1986, in accordance with net Government price support purchases of milk and milk products during the fiscal year preceding each such date as provided in the following table:

"If the net Government price support purchases of milk and milk products during the preceding fiscal year is (in milk equivalent):	The price support level for milk containing 3.67 per centum milk fat shall not be less than:
More than:	
7.5 billion pounds but less than 8.0 billion pounds	$12.30
7.0 billion pounds but less than 7.5 billion pounds	12.50
6.5 billion pounds but less than 7.0 billion pounds	12.50
6.0 billion pounds but less than 6.5 billion pounds	12.70
5.5 billion pounds but less than 6.0 billion pounds	12.70
5.0 billion pounds but less than 5.5 billion pounds	12.90
4.5 billion pounds but less than 5.0 billion pounds	12.90
3.5 billion pounds but less than 4.0 billion pounds	13.10
0. billion pounds but less than 2.0 billion pounds	14.88.".

Mr. HAYAKAWA. Mr. President, I commend the Senator from Florida for the fine job she has done in focusing our attention on the milk price support program and its problems. The courage she has shown on this issue, I hope will be noted and long remembered by her constituents. While the Senator's proposal is largely an appropriate response to the problem, I believe that a little refinement could make it both more workable and more acceptable to this body.

With this in mind, I am offering a proposal which modifies the Hawkins amendment, and in the process, addresses some of the objections raised by the industry over her proposal.

Specifically, my amendment would set a base price level of $12.30 and add a pricing scale designed to automatically raise the minimum support price as dairy production falls. Under the proposal, the support price would be adjusted annually by the Secretary of Agriculture according to an index corrolating price with net CCC purchases of the previous year. The index would start at $12.30 with the support level increasing after annual purchases fall below 7.5 billion pounds by 20 cents for the first half a billion pounds of purchase reduction and by 20 cents for each additional reduction of 1 billion pounds until total purchases fell below 4 billion pounds.

One of the biggest complaints about the Hawkins proposal is that it contains no positive incentive for production reductions. It has been suggested that farmers who are not immediately foreclosed, will, under the Hawkins amendment, try to produce as much as they can to cover their fixed costs. My amendment addresses this concern by giving the industry the positive incentive of a guaranteed increase in support level in return for a significant reduction in production.

It has also been suggested that Senator HAWKINS' proposal, by locking in a low price over such a long period could be overly disruptive of the industry. The sudden reduction of the price support level without any promise of increases in the future could send numerous producers out of business. In addition, production planning would be difficult as producers would have to wait for an announcement by the Secretary before having any hope of seeing a change in the support level.

More uncertainty is something the farmer and the consumer do not need. Over the past 10 years, the individual dairy producer has been receiving constantly changing signals from this Government. The support level, as a percentage of parity has gone from 79 to 85 to 75 to 80 to 81 to 89 to 79 to 84 to 81 to 82 to 82 to 80 to 78 to 80 to 79 to 80 to 72.5 percent.

My proposal squarely addresses this issue of certainty. With an increase in the support price automatic upon reduction of production, the producer can be certain that there is a light at the end of the tunnel. With the amount of increase determined by the previous year's net CCC purchases, producers will also be able to estimate what the upcoming year's support price level will be, and could plan accordingly. And because my plan is designed to corrolate supply and demand, price changes would be more dependent on the free market rather than by the whims of Congress. In fact, the program would be self-regulating and will thus protect us from getting into the same mess which we are in now.

Senator HAWKINS' proposal has been criticized for being antifarmer; for putting the consumer above the producer. Well, I do not think that this has to be a zero-sum game. My amendment would, like the Hawkins' amendment, be pro consumer. However, my proposal is also, with the strong support of the Nation's largest farm group, the American Farm Bureau, pro producer.

The important thing to remember, however, is that my proposal is self-regulating. It takes this issue out of political considerations by putting in a mechanism enabling the industry to earn an increase in price by reducing production. Thus, under my proposal, increases in the price support level are more likely to come about because of reductions in production and movement toward the natural supply-demand relationship rather than through the persuasive powers of the dairy lobby.

And my proposal saves nearly as much as Hawkins would have. In 1983, it would save $500 million, in 1984, it would save $925 million, and in 1985, it would save $1 billion. And in addition to these savings, my proposal would add certainty and stability to the program, would bring price supports more in line with supply and demand, and would present a solution which is both pro consumer and pro farmer.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I am happy to yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I wish to be added as a cosponsor to this amendment.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the distin-

guished Senator from Kansas (Mr. DOLE) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, this is a legitimate compromise being proposed by the Senator from California. It is halfway between the committee bill and the position of the Senator from Florida (Mrs. HAWKINS). It is a good provision. It is going to save the dairy program and if we vote for it and go to conference we will come back with a good bill.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I yield.

Mr. JEPSEN. Mr. President, I also wish to be added as a cosponsor.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to add the distinguished Senator from Iowa (Mr. JEPSEN) as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, I endorse this as a practical, workable, step in the right direction amendment. We should all get behind it and support it.

Mr. HAYAKAWA. I thank the Senator from Iowa.

Mr. LUGAR. Mr. President, I wish to be added as a cosponsor.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to add the distinguished Senator from Indiana (Mr. LUGAR) as a cosponsor. And I am grateful to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I yield.

Mr. HELMS. Mr. President, I have two things to state. I support wholeheartedly the Senator's amendment.

Mr. President, I ask unanimous consent to be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. I thank the distinguished Senator from North Carolina.

The PRESIDING OFFICER. All of the time of the Senator from California has expired.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent to add the distinguished Senator from Georgia (Mr. MATTINGLY) as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

FOOD STAMP PROGRAM PROVISIONS IN BUDGET RECONCILIATION BILL

Mr. DOLE. Mr. President, after prolonged deliberations during the course of the food stamp markup in the Agriculture Committee, the food stamp provisions included in S. 2774, and reported by the Agriculture Committee, represent a reasonable and equitable approach to further reforms in this program, as well as additional budget cuts. The legislation which I introduced, the Food Stamp Reform Act of 1982, was chosen to be the vehicle for the committee markup, and I was pleased to see S. 2493 emerge from this part of the legislative process virtually intact, with only some minor changes. Just about all of its provisions are included in the Omnibus Reconciliation Act of 1982. There was strong Republican support for this approach to the food stamp program reauthorization and reconciliation. Cosponsors of S. 2493 were Senators COCHRAN, ANDREWS, JEPSEN, BOSCHWITZ, BOREN, DANFORTH, COHEN, and WALLOP. In addition, there was great support from colleagues on the other side of the aisle.

REDUCTIONS IN FEDERAL EXPENDITURES

In addition to achieving significant budget reductions in the food stamp program, S. 2774 also includes reauthorization provisions and extends the program for 3 years to reestablish its traditional coordination with the farm bill authorization.

In 1981, the Congress passed food stamp legislation which included major program reforms, as well as budget cuts totaling about $2.3 billion for this fiscal year. Congress actually exceeded the President's request by $700 million. Just from the changes enacted last year, about $7 billion in addditional program savings will have been achieved over the next 3 years.

Despite substantial savings achieved during the 1981 reconciliation process, the state of the national economy required that further savings be made in the Federal budget, considering options for further reducing expenditures can be a very painful process, especially when the same program comes under the budget ax twice. Although I did not believe that we should make massive budget cuts in the food stamp program again this year, still a significant amount of savings could be achieved, and the committee agreed to reduce program expenditures by $825 million in fiscal year 1983, $826 million in fiscal year 1984, and $886 million in fiscal year 1985. These savings were substantially lower than the level of cuts recommended by the administration and the chairman of the committee, but the Senator from Kansas thinks this legislation represents a reasonable and responsible approach to further limiting food stamp program expenditures.

We are now at a point in the history of the food stamp program where the implementation of further budget cuts could result in serious hardship for low-income Americans, and it is advisable to proceed with great caution and sensitivity. Last year, program eligibility was limited to the truly needy, and we need to make certain that these individuals are protected.

BUDGET SAVINGS PROVISIONS

From program changes enacted in this legislation, total savings would be about $2.5 billion over the next 3 years. Most of the savings would occur from scaling back the cost-of-living adjustment (COLA) in the thrifty food plan for the next 2 years, delaying the update of the standard and excess shelter/dependent care deductions, modifying the household definition, limiting the use of standard utility allowances, and significantly tightening the current sanctions on States with high error rates in administration. The original legislation which the Senator from Kansas introduced attempted to avoid provisions which would result in eliminating people from the program or reducing what are already perceived as minimal nutrition benefits.

SPECIAL CONCERN FOR THE ELDERLY AND DISABLED

The Senator from Kansas and most members of the Agriculture Committee were concerned about savings proposals recommended by the administration and included in S. 2352, which would have cut benefits from nearly all participants, including the elderly and disabled. Proposals to raise the benefit reduction rate and to permanently freeze deductions result in an immediate loss of purchasing power across the board. They are qualitatively different types of proposals from those enacted last year, which were aimed at targeting benefits more effectively.

When faced with various options for implementing benefit reductions in the food stamp program, the committee proceeded with a special sensitivity of benefits for elderly and disabled households. Concern over the sufficiency of benefits for elderly and disabled persons was a common theme expressed by State and local food stamp administrators across the country in their responses to Chairman HELMS' request for their views on program reauthorization. While generally supporting a tightening of the program in other areas, these letters emphasized the inability of elderly and disabled households to augment their income like other households. The committee wisely defeated proposals that would have had a disporportionate effect upon the elderly and disabled—such as eliminating the minimum benefit and counting energy assitance as income against food stamp benefits.

WORK INCENTIVES

Throughout the committee discussions, there was a strong concern manifested regarding proposals that would curtail benefits going to the working poor. It is not cost-effective Federal policy to build work disincentives into major social programs. Because the working poor were those primarily affected by last year's budget cuts in the food stamp program, the committee carefully avoided measures that would have resulted in discouraging people from remaining in the employment sector. Further reductions in benefits received by the working poor, such as decreasing or eliminating the earned income disregard, or significantly lowering eligibility limits, would jeopardize an equity principle which dictates that those who choose to work should have an incentive to do so. We should do everything we can to encourage people who work to keep their jobs and not force them back on welfare by undermining the work incentive structure.

STRENGTHENING OF WORK REQUIREMENTS

Mr. President, while the committee avoided endorsing proposals that would create work disincentives, members of the committee reasserted their strongly held view that no able-bodied person should receive food stamp benefits unless he or she is willing to work. Current work registration and job search requirements are designed to assure that voluntary unemployed persons do not participate in the food stamp program. Last year, strikers were eliminated from eligibility, and this year the provision was extended to include public employee strikers. The committee also increased the disqualification period from 60–90 days for recipients and applicants who voluntarily quit a job, and adopted a provision to require job search for recipients at the time of their application for food stamps.

In order to strengthen job search and work requirements in the food stamp program, the committee adopted a Dole-Huddleston substitute to an earlier proposal that would have terminated food stamp assistance to the unemployed. Under the amendment endorsed by the committee, the entire household would be disqualified from program participation if any member subject to the work requirements fails to fulfill any one of the following requirements: First, registering for work; second, meeting the job search requirements; third, reporting for an interview at the State employment office; fourth, providing information to the State employment office on employment status or availability for work; fifth, reporting to an employer to whom the person was referred by the employment office; sixth, accepting a job offer; seventh, voluntarily quitting a job. Some of these requirements already existed under current regulations, but the amendment served to strengthen current statutory language in this area. The committee gives the Secretary increased flexibility and encourages him to make any changes necessary to assure that work requirements are effective.

In addition, under the amendment, the committee increased the penalty for continued failure to satisfy the job search requirements. Current regulations require a 2-month disqualification for failure to comply with any work requirement. Because of the particular importance of assuring that unemployed persons search for jobs, this amendment would change the penalty for failure to meet job search requirements by making the disqualification permanent unless and until the noncompliant person comes into compliance with the job search requirements.

Recognizing that, in times of high unemployment, increasing numbers of people become unemployed through no fault of their own and turn to the program for interim assistance, the committee fulfilled a dual responsibility to unemployed persons as well as the American taxpayer by emphasizing the importance of having strict measures enforced to limit participation in the food stamp program to those who have no alternative source of income.

WORKFARE

As a result of congressional action in 1981, a State has the option of deciding whether or not a workfare program is appropriate for its food stamp population needs. This year the committee continued this State option and elected not to make workfare programs mandatory until more information is available on their cost effectiveness and until States and local communities have had more experience in administering such programs, so that their overall effectiveness can be evaluated. According to the National Governors' Association:

Experience with both the general assistance population and various demonstrations suggests that the cost effectiveness of a program will vary depending on the characteristics of the economy and the recipients in any given locality. Workfare is not always the answer, and a federal mandate does not provide the flexibility to use the workfare tool only where it is cost effective and to substitute other more effective programs where appropriate.

ERROR RATE SANCTIONS

Mr. President, at a time when we are facing the highest deficit in our Nation's history, members of the committee decided to crack down on State administration of the Federal food stamp program. For the latest available period, October 1980 to March 1981, the combined error rate for overissuances and payments to ineligibles was 10.6 percent. This amounts to approximately a $1 billion loss to the taxpayers. The wide disparity in State performance suggests that some States could be doing a far better job of managing the Federal dollars that pass through them on the way to food stamp recipients.

Perhaps one of the most controversial issues addressed by legislative proposals this year was that of sanctioning States for errors in administration of the food stamp program. The method of addressing State error rates could cause a significant change in the cost burdens of the Federal Government vis-a-vis States and localities, as well as the quality of the relationship among those entities. The approach to addressing this problem could well determine whether an adversarial or a cooperative relationship will exist.

Mr. President, I believe the enactment of sanctions based on tough but realistic error rate goals will bring about better State performance and achieve significant savings without necessitating any benefit reductions in order to slow the growth of program expenditures. The error rate proposal from S. 2493, endorsed by the committee, sets the sanctions at a level sufficient to generate State activity in the direction of improving program administration without depleting the resources needed to satisfactorily perform the job.

Unlike the administration's proposal and that of the committee chairman, the committee did not propose to sanction States dollar-for-dollar for every error above their goal in any given year, and, as an incentive for outstanding performance, this bill retains a feature of current law that rewards States for achieving an error rate under the specified level.

In the course of its deliberations on this issue, the committee defeated a stiffer proposal by a vote of 4 to 13, and adopted the error rate provision from the Food Stamp Reform Act of 1982 which, the Senator from Kansas believes, represents a reasonable and realistic approach to the error rate issue and has important implications for the entire issue of federalism.

Mr. President, the error rate proposal adopted from S. 2493 is aimed at reducing State errors—not in imposing part of the cost of the food stamp program on the States. The major savings anticipated from this proposal would come from lower error rates—not sanctions. This Senator believes that an unduly harsh sanction system, such as that intended by zero error rates, could end up saving fewer Federal dollars than one that sets achievable goals.

By 1985, all States would be expected to bring their error rates down to 5 percent, which the Senator from Kansas thinks is realistic. The error rate for the more stable, federally administered SSI program is slightly over 5 percent. Since this program is

less complex, with a less transient population, it is easier to administer, and, as a matter of equity, States should not be held to a tighter standard of performance than the Federal Government itself can meet.

CONSTRUCTIVE ADMINISTRATIVE CHANGES

Mr. President, although the food stamp program never seems to outlive its negative image of being ravaged by fraud and abuse, the Senator from Kansas believes that the most important legislative changes needed to combat its many problems have already been enacted in recent years. Significant reforms were enacted last year in both the reconciliation bill and farm bill. Just about every complaint that has been brought to our attention by witnesses and those familiar with program administration and enforcement has been addressed through legislation. Last year, strikers were eliminated, and nearly all students had been eliminated the previous year. In addition, last year's legislation increased penalties for fraud and misrepresentation and imposed minimum mandatory court sentences for criminal offenses. In addition, these were a variety of other measures to improve program administration and enhance accountability.

This year's legislative changes seek to build upon this foundation. However, whatever changes we now make in this program should be directed toward simplifying administration and providing greater flexibility at the State and local level. Because we are demanding that States reduce their error rates, we should assist them in their efforts by avoiding the addition of complex, new program requirements, if at all possible.

Mr. President, there is little question in my mind that high error rates in the food stamp program are caused, at least in part, by the constant policy changes in the program. During the March 29, 1982, food stamp hearing in the Senate Agriculture Committee, Mr. Acel Martelle, the Nevada State administrator called for a 1-year moratorium on all program changes, and his State's error rate is the lowest in the country at 3.65, so he speaks with some credibility. He stated:

A program which is in a continuous state of flux has no stability, is extremely difficult, and costly to administer, is inherently error-prone, as well as confusing to both the clients and the workers . . . it would be beneficial to put a moratorium on all program changes for at least one year.

Similarly, in a letter to Chairman HELMS, the Director of Human Services for the State of North Dakota, Dale Moug, stated:

Senator Helms, what is desperately needed in the food stamp program at this time is stability of law and regulation, not constant program changes by both Congress and the Administration. We have, because implementation regulations to be issued by the U.S. Department of Agriculture are still pending, yet to implement some portions of both the food stamp amendment of 1980 and the Omnibus Budget Reconciliation Act of 1981. Additionally, changes to be produced by food stamp legislation signed into law in December, 1981, are forthcoming.

The food stamp program is suffering badly because of the constant program upheaval caused by the seemingly endless string of changes being produced in Washington. This can be most graphically illustrated by the food stamp quality control error rate in North Dakota, traditionally one of the lower error rates states. For the reporting period of October, 1980, through March, 1981, a time of relatively few and minor program changes, our combined error rate was 6.91 percent. For the April, 1981, through September, 1981 period, a time of numerous and rapid program changes, our error rate increased dramatically, to 9.9 percent.

It is very plainly evident that the recent constant stream of program changes is much more costly in North Dakota than are the abuses those changes are intended to correct. We therefore impose program stability, not further program change.

These comments from two very credible sources serve to underline the importance of program stability at this time.

CATEGORICAL ELIGIBILITY

As part of its efforts to assist States in simplifying program administration, the committee adopted the categorical eligibility provision from S. 2493, which was widely supported by State and local administrators. Changes enacted in the AFDC program last year make virtually every "pure" AFDC household eligible for food stamps. Therefore, initiating categorical or automatic eligibility for AFDC households in which all members are AFDC recipients makes good sense from an administrative perspective. This provision will save administrative time and costs by obviating the need for caseworkers to apply a separate food stamp resources test to these households.

EXPEDITED SERVICE

Over the years, there have been a lot of complaints about abuses in the expedited service eligibility route. In order to ease workloads and curb abuse, the committee endorsed the provision from S. 2493 which significantly tightened the eligibility criteria for expedited service. Income and assets tests would be very strict, and food stamp agencies would have up to 5 days to provide assistance, thereby allowing them sufficient time for verification and processing necessary paperwork. In accordance with an amendment adopted by the committee, participants can only enter the program through expedited service once every 6 months. The committee retained special protections for migrants.

UTILITY ALLOWANCES

The committee adopted a provision from S. 2493 that would permit optional, instead of mandatory, use by States of actual utility expenses, as opposed to a standard utility allowance in determining eligibility for the excess shelter deduction. Members also endorsed that part of the S. 2493 provision which would tighten use of the standard utility allowance, so that certain clients who are unlikely to incur substantial utility expenses must itemize their costs. States overwhelmingly prefer the use of standardized deductions wherever possible, because the use of itemized deductions has been one of the most error-prone and time-consuming procedures in the administration of the food stamp program. This approach to the deduction issue represents a sensible, middle-ground position between current program policy and moving in the direction of itemizing all utility costs.

ACCOUNTABILITY AND ISSUANCE

Several provisions adopted by the committee have the potential to greatly enhance program accountability without mandating significant additional effort on the part of program administrators. Among these are increasing fraud penalties for retailers, along the lines of what was done to address recipient fraud last year. Another provision eliminates the need for a separate notice of adverse action if an agency has received a clear, written notice from a client that indicates a reduction or termination of benefits is in order, thereby saving food stamp agencies time and postage costs.

Further, this legislation contains a measure which would prohibit increases in food stamp benefits which would be the result of decreases in income due to penalties imposed for intentional noncompliance with Federal, State, or local welfare or public assistance program rules. S. 2774 would allow the Secretary to restrict the number of households an individual may be authorized to represent, and to establish criteria and verification standards for authorized representatives and those households which might be allowed to designate such a representative. The committee accepted a provision from the chairman's bill which would require States to establish systems to prevent or detect multiple participation in the food stamp program in areas within each State. It also adopted a Helms' provision to authorize the Secretary, after consultation with the Inspector General, to require States or areas within States to match the food stamp rolls with names of individuals receiving interest and dividend income from Internal Revenue Service files for purposes of detecting unreported income or assets; underreporting of income by recipients is the primary cause for overissuances in the food stamp program, and unreported assets have been difficult to trace.

Perhaps the first step toward dramatic improvement in program accountability is included in the provision adopted from S. 2493, which would authorize the Secretary of Agriculture to mandate alternative issuance systems in areas where he believes it would improve program integrity and save costs. The intent of this provision is to allow the Secretary to aggressively move forward in applying the use of advanced computer technology to the food stamp program. Pilot projects in several States have already proven the cost-effectiveness of these systems, with impressive results.

OPTIONAL STATE BLOCK GRANT

Mr. President, toward the end of the lengthy markup session, the committee adopted an optional State block grant provision from the chairman's bill, which would give States the option to withdraw from the food stamp program and run their own nutrition program with Federal funds. The Senator from Kansas did not include a comparable provision in the legislation which he introduced, but it is worthy of some discussion.

There is a strong historical argument that the food stamp program should remain a Federal program, because it was initiated, in large part, as a response to the inadequacy of benefits and gaps in coverage of State welfare programs. Given the limited fiscal resources of States in these economic times, as well as the disparity in revenue bases, it is unlikely that States could handle this kind of responsibility with the same standardization of benefits that are guaranteed under a national approach to hunger issues.

Food stamps are the primary equalizer in the chain of income security programs, but, while the cost of living may vary from State to State and in different areas within a State, food prices are similar throughout the country. As the New Federalism negotiations have indicated, the block grant approach is inappropriate for addressing problems of domestic hunger and malnutrition. Any State choosing the block grant would be likely to cash out the program, as Puerto Rico has done, and there would be no assurance that food stamp funds would be used only for nutrition benefits. President Nixon once took the lead in describing domestic hunger and malnutrition as a national problem, and he proposed national eligibility and benefit standards for the food stamp program. There were sound reasons for his advocating this position back then and those reasons continue to exist.

In any discussion of this issue, there is another point that should be emphasized: If States opt to go with a nutrition block grant, all of the program reforms that have been carefully enacted by the Congress in recent years to correct fraud and abuse problems would not necessarily carry over to administration at the State level. This trend would mean a distinct regression for the program. As long as Federal dollars continue to be invested in benefits, it would be inadvisable to abnegate Federal control and safeguards.

SPENDING CEILING

Mr. President, although the original legislation that I introduced contained a provision to remove the food stamp program cap, the committee eventually endorsed specific spending ceilings on the program for each of the 3 years of the authorization. However, these caps were developed in cooperation with the distinguished chairman of the Agriculture Appropriations Subcommittee, and they include a 5-percent cushion to allow for changing economic factors that could not be foreseen this far in advance. This becomes particularly important, as we are dealing with program funding for the outyears. The caps incorporated in this legislation are as follows: $11.9 billion for fiscal year 1983, $12.3 billion for fiscal year 1984, and $13.2 billion for fiscal year 1985.

A review of the legislative history indicates that the food stamp cap was enacted into law in 1977, in conjunction with the elimination of the purchase requirement. Its purpose was to allow strict congressional oversight if the elimination of the purchase requirement cost more than had been predicted by the Congressional Budget Office and the Department of Agriculture.

However, the period of dramatic food stamp program growth appears to be over now. Participation stopped increasing last winter—well before the impact of last year's budget cuts could be felt in local communities. Despite 9.5 percent unemployment, program participation is now down to the levels it attained in the fall of 1980. What this indicates is that the impact of the EPR is over, and we can evaluate the spending ceiling in a new light.

Mr. President, perhaps the most convincing evidence that unanticipated food stamp program growth surges are a thing of the past is the fact that the program is costing about $300 million less than its projected cost for the current fiscal year. This is partially due to the fact that the cap was set well into this fiscal year when economic projections could be more accurate. However, only 6 months ago, CBO and USDA estimated program costs at nearly $11.6 billion for fiscal year 1982. Currently, despite unemployment rates higher than had been originally projected, food stamp program costs do not seem likely to exceed the $11.3 billion cap enacted last year.

CONCLUDING REMARKS

As chairman of the Nutrition Subcommittee, the Senator from Kansas believes that the Agriculture Committee has acted responsibly and reasonably in addressing reauthorization and reconciliation issues related to the food stamp program. I thank my colleagues on both sides of the aisle for their support of the basic approach to the food stamp program represented by S. 2493, most of which is incorporated in this legislation before us.

The Senator from Kansas appreciates the cooperation of the chairman of the committee, and the ranking minority member, Senator HUDDLESTON. I would especially like to thank the ranking minority member of the subcommittee, Senator LEAHY, for his support during the committee markup.

Perhaps the most important provision that the committee adopted was that of a 3-year program extension. The food stamp program has been subjected to layer upon layer of change during the last 5 years, and we have now attempted to give the program a period of relative stability. While we continue to monitor the funding needs of the program from year to year, we should also continue to monitor the nutrition needs of the people it serves to see how the changes we have enacted affect their everyday lives.

Mr. LEAHY. Mr. President, it is with very mixed feelings that I offer some comments on the food stamp portions of S. 2774. The fact that S. 2774 would cut benefits in addition to the massive reductions enacted last year deeply disturbs me. I really do not believe that further benefit reductions, other than those that curb waste or abuse, can be justified. We cut more than enough last year.

On the other hand, I know that this bill could have been far worse. It saves between $800 and $900 million a year over the next 3 years. The President and the chairman of the Agriculture Committee both advocated food stamp proposals involving reductions of nearly $2.5 billion in fiscal year 1983 alone and up to $3.5 billion a year by fiscal year 1985.

In comparison to these approaches, the action of the Agriculture Committee was truly moderate. Much of the credit for this responsible approach is due the Nutrition Subcommittee chairman, Senator DOLE.

Yet despite the moderate result, I feel it is important to provide an additional perspective to the committee's action. Too often, committees in Congress act without a great deal of knowledge about what has happened or is happening in other committees. As a result, it is not always evident to members how their actions fit in a larger picture. The food stamp benefit reductions included in S. 2774 not only come on top of over $2 billion in annual food stamp cuts enacted last year, but also massive reductions in other programs serving low-income people.

The Nation's most basic welfare program, aid to families with dependent children (AFDC) has been particularly hard hit. Last year the Federal share of this program was cut by over $4 billion, or about 15 percent, in the fiscal year 1982 to fiscal year 1984 period. Since the Federal Government picks up only about 55 percent of the benefit costs of AFDC, the total number of dollars cut from benefits was nearly double this amount. This represents a huge cutback in the subsistence benefits paid to our Nation's poor, primarily women and children. In addition, AFDC may be cut several hundred million more dollars this year.

Unfortunately, these Federal budget cutbacks tell only part of the AFDC story. Few people are aware that average real AFDC benefit levels nationwide fell 29.4 percent in the 1969–81 period. These benefit levels are set by the States and in almost all instances, are not automatically adjusted for inflation. At least one State actually has a lower nominal payment level now than in 1969 and several States have reduced payment levels in the past few years. It is because of this type of performance that I and many others are hesitant about turning back AFDC, food stamps and other programs to the States.

In addition to AFDC, large cutbacks were enacted last year in other programs serving low-income people. Medicaid, which provides health care for the poor, was cut about $1 billion a year. The title XX block grant, which provides social services for the poor, was cut nearly 25 percent (or about $2.3 billion) over the fiscal year 1982–84 period. The rents charged recipients of public housing were raised from 25 to 30 percent of their incomes, to be phased in over several years. The construction of new units of assisted housing was cut back sharply. And community services and legal services for the poor suffered significant reductions.

In child nutrition programs, last year's cutback was about 30 percent. While not all of the benefits in the school lunch, school breakfast, and child care food programs go to low-income children, the effect on poor and near-poor families has been significant. In March 1982 about 1.2 million (or about 10 percent) fewer children a day were receiving free or reduced price lunches than a year before. Daily participation in free or reduced price breakfast declined over 11 percent (or by 400,000 children) over the same period. Free or reduced price meals and supplements served in the child care food program declined 23 percent. And this summer, hundreds of thousands fewer poor children are receiving a nutritious lunch from the summer feeding program.

The cumulative effects of all of these cutbacks are incalculable. There is no neat and clean way to register the impact because it must be measured in unquantifiable human terms, rather than dollars and cents. There is no question in my mind, however, that the effects have been and continue to be severe.

There have been repeated stories in the news media on the harsh effects of the budget cutbacks. These reports confirm dramatic testimony before the Agriculture Committee earlier this year that hunger is again on the rise in this country. Emergency food distribution centers, soup kitchens, and voluntary church feeding sites are facing greater demand than any time since the Great Depression. The situation out in the real world is that the "truly needy" in our country are really hurting.

In the coming months and years the evidence of the damage done will mount. The full effects of reductions already enacted have not yet been felt and more is on the way. And, the continuation of high unemployment and insufficient Government response leads not only to short-term hunger pangs, but also to longer term social and psychological effects as well.

SPECIFIC BENEFIT CUTS IN S. 2774

All of what I have stated so far is provided as context for discussion of the food stamp benefit reductions in S. 2774. This bill would not make dramatic reductions in the benefits paid to food stamp recipients. There is no one provision alone in the bill that has a terribly severe effect. I was greatly relieved that the Agriculture Committee rejected proposals of this nature that were before it. However, given what has already happened to food stamps and other low-income programs, I have a hard time justifying any additional cutbacks this year. The late Senator Dirksen's oft-quoted witicism to the effect that—"a million here and a million there and pretty soon you're talking about real money"—applies to budget cuts as well as to spending. Cuts of a few million here and there in the food stamp program do add up in their impact on recipients. And that is pretty much what we did in the Agriculture Committee.

THRIFTY FOOD PLAN ADJUSTMENTS

Three of the major cost savings provisions in S. 2774 would cut a few dollars a month from all recipients. The largest single savings provision would curtail the thrifty food plan or cost-of-living adjustments scheduled for the next 3 years. These changes have been credited with a potential savings of over $800 million over the next 3 years.

This cut may not sound like a huge sacrifice, but it will require persons who have no slack to tighten their belts further. It should be kept in mind that the food stamp program is one of the few programs that is not susceptible to a claim that it has been overadjusted for inflation in the past. Thrifty food plan adjustments are based upon the cost of a specific market basket of foods, not changes in the Consumer Price Index. Whatever problem there may be with the CPI overstating inflation does not apply to food stamps.

Thus, the only justification for curtailing thrifty food plan increases is to save money. There is no other policy reason to do so. Especially when one considers that updates in food stamp benefits fail to compensate for the large loss of purchasing power that has been incurred by most AFDC recipients, this is not a benefit reduction that should be taken lightly. Shaving a couple of dollars a month off benefits that average 43 cents per person per meal and are paid to recipients with average annual incomes of less than $4,000 is the equivalent of taking several meals a month away from these people.

ROUNDING RULES

This provision could be described as "nickel and diming" the poor. At several junctures in determining food stamp benefit payments—such as calculating thrifty food plan and deduction levels and establishing individual household's benefits—it would require that benefits always be rounded down to the nearest whole dollar, rather than applying normal rules of rounding up or down to the nearest increment. The effect of these rules is to reduce all households' benefits $1 to $2 a month. This would save about $230 million over the next 3 years.

Fortunately, the committee adopted the rounding rules proposed in the Dole bill. These will assure that no household would suffer a double loss of benefits from rounding rules. In addition to requiring that unrounded numbers be utilized as the base for determining thrifty food plan allotments for household sizes other than four, the committee bill would require that any updates in the thrifty food plan and deductions would be based upon unrounded numbers and then rounded down to the nearest whole dollar.

STANDARD DEDUCTION FREEZE

The committee agreed to extend the current freeze on the standard deduction another 15 months until October 1, 1984. The provision would save about $100 million a year in fiscal year 1984 and fiscal year 1985.

Last year, the standard deduction was frozen for a 2½-year period through July 1, 1983. The justification for the freeze was to compensate for any overadjustment that might have occurred in prior years due to distortion in the CPI. This year's additional freeze appears to have no policy basis other than to save money.

Freezing the standard deduction results in benefit losses for virtually all households. The standard deduction

was instituted by the 1977 law for two reasons—to replace a series of itemized deductions that were formerly available, such as for medical expenses and casualty loses, and to retarget benefits to assure that the poorest households would receive a full allotment of benefits. The standard deduction was indexed on the theory that household expenses that diminish food purchasing power would rise over time.

The standard deduction is needed as a stabilizer to assure that food stamp benefits really do keep pace with inflation. There is no evidence whatsoever that food stamp benefits are overindexed. If anything, the evidence indicates the opposite. USDA statistics show that per person food stamp benefits actually declined slightly in real terms between 1975 and 1980. This happened despite the fact that three factors should have led to an increase in per person benefits—first a decline in household size, second, the elimination of high income, low benefit participants by the 1977 legislation, and third, the failure of food stamp households' income to keep pace with inflation.

Thus, it is important that indexation of the standard deduction continue in order to preserve the real purchasing power of participants.

HOUSEHOLD DEFINITION

For the second year in a row, the committee tightened the food stamp household definition. Under S. 2774, all related members of a household, except those who are elderly or disabled, would be considered one household for food stamp purposes. For elderly and disabled relatives and unrelated persons, the current test would remain. Separate household status could be established if food is purchased and prepared separately from others living in the same residential unit.

I am aware that State and local administrators have complained about the current law definition of household and I believe that some tightening is advisable. I am, however, concerned that we may have gone a little too far in lumping all related persons into one household. Especially since this bill contemplates putting the burden of proof on the recipient to prove separate household status, I believe there should be a bit more leeway for related persons to demonstrate this. I am fearful that we may unnecessarily deter family members who wish to live together, out of economic necessity or for companionship, from doing so.

SPENDING CEILINGS

The committee chose to retain spending ceilings on the food stamp program for fiscal years 1983–85, based upon CBO estimates of program costs with a small margin for error. Whether these "caps" of $11.9 billion, $12.3 billion, and $13.2 billion in the next 3 years (exclusive of Puerto Rico) will prove adequate will largely depend upon the performance of the economy. If the economy should fail to achieve the substantial recovery assumed in CBO's estimates, the spending ceilings assumed by the committee could well be inadequate.

For instance, CBO assumes that the current 9.5-percent rate of unemployment will decline to an average of 8.6 percent in fiscal year 1983, 7.7 percent in fiscal year 1984, and 7.3 percent in fiscal year 1985. Since each 1 percent in average annual unemployment results in $650 million in annual food stamp costs, the spending ceilings will almost certainly prove inadequate unless there is a significant improvement in the unemployment rate.

CBO also assumes that all savings in this bill will be fully implemented in fiscal year 1983. Given USDA's track record, I am not sure that this will occur.

In my view, the so-called spending cap is an artificial and false control on spending. We have already limited participation in this program to the President's definition of "truly needy." If persons meet this strict definition, we ought to provide benefits to them unequivocally. All that the cap can potentially do is deny benefits to needy persons if the number of people in need or food price inflation exceed current estimates.

VOLUNTARY BLOCK GRANT

Of all the provisions in S. 2774, I am most concerned about the one that would provide States the option of receiving a block grant for nutritional assistance, in lieu of operating the food stamp program. In the long run, this provision could do more to undermine the effectiveness of the food stamp program than anything else.

I heartily concur with the views expressed by Senator DOLE on this provision in the report accompanying this bill:

> There is a strong historical argument that the food stamp program should remain a Federal program, because it was initiated, in large part, as a response to the inadequacy of benefits and gaps in coverage of State welfare programs. President Nixon took the lead in describing domestic hunger and malnutrition as a national problem, and he proposed national eligibility and benefit standards for the food stamp program. As the "New Federalism" negotiations have indicated, the block grant approach is inappropriate for addressing problems of domestic hunger and malnutrition. Any State choosing the block grant would be likely to "cash out" the program as Puerto Rico has done, and there would be no assurance that food stamp funds would be used only for nutrition benefits. In addition, all of the program reforms that have been carefully enacted by the Congress to correct fraud and abuse problems would not necessarily carry over to administration at the State level, and this trend would mean a distinct regression for the program.

If this voluntary block grant is adopted, we could end up with 50 different food stamp programs. No doubt, some would be well run and provide adequate benefits. But, as the AFDC experience so clearly shows, many States would lack either the resources or the will to operate minimally adequate programs. Particularly if many States opt into the block grant, the degree of Federal assistance received by each of these States would likely decline over time.

I see no compelling reason to turn this program back to the States, especially since they do not seem to want it. My suspicion is that, over time, the Federal Government would again have to step in and pick up the pieces in States that opt for any short term financial advantages offered by the block grant. We have an effective national program now that has been credited with major successes in combating hunger and malnutrition in this country. Why meddle with success?

OTHER PROVISIONS

There are several other provisions of S. 2774 that I believe deserve mention. I am particularly pleased that the committee adopted two amendments that I sponsored. One of these, cosponsored by Senators JEPSEN and DOLE, would correct an inequity in the manner that certain disabled veterans and disabled survivors of veterans are treated in the food stamp program.

Another amendment would require that USDA conduct a major study of the impact of benefit reductions affecting the food stamp program passed by the 97th Congress. I am deeply concerned that the dramatic benefit cutbacks of the past 2 years be carefully analyzed. I continue to hear reports that the Reagan administration is cutting back on budgets throughout Government that are devoted to collection of data through surveys and other means. I believe this is terribly shortsighted. Particularly at a time when such a fundamental shift in domestic social policy is occurring, future Congresses will need as much information as possible to formulate responsible public policy.

I regret the committee adopted the provisions it did on the employment of the second parent in a household, college students, hours of employment, prorating benefits, and ineligible aliens. Our action on aliens was described by USDA as inequitable and possibly unconstitutional. I am hopeful that we will be able to modify these proposals in conference with the House.

The committee adopted a specific timeframe for implementation of the provisions of this bill. Our intent was to provide USDA with sufficient lead-time for implemention consistent with responsible and orderly program management without leaving the process

completely open-ended. We have left sufficient time that USDA should ordinarily comply with the requirements of the Administrative Procedure Act to provide an opportunity for public comment prior to the issuance of final or interim final regulations.

CONCLUSION

Clearly the food stamp program is not the same program it was a few years ago. A few years ago there was widespread concern over the program's growth in participation and cost. Fueled by high food price inflation, rising unemployment and, to a lesser extent, the elimination of the requirement that participants purchase stamps, food stamp costs did rise more quickly in the late 1970's than had been anticipated.

The program has now stabilized. Only the "truly needy" are eligible. This is the third straight year that major cost-cutting legislation will be passed. Despite a deepening recession, it appears that food stamp costs in fiscal year 1982 will be no more than in fiscal year 1981. In fact, in his February budget the President assumed that nearly $300 million in savings would have to be achieved in the current fiscal year if program costs in fiscal year 1982 were to stay below the $11.3 billion ceiling in the law. Despite higher than expected unemployment this year, it now appears that the $11.3 billion will be sufficient for fiscal year 1982 even without the enactment of savings this year. This is the clearest possible sign that program expenditures are under control.

The food stamp program is a carefully targeted and effective program. Through constant oversight in the past 5 years, Congress has addressed the real and perceived problems with the program. It is a program worthy of widespread bipartisan support in Congress. I urge my colleagues to refrain from supporting any efforts to undermine the already diminished assistance this program now provides.

UP AMENDMENT NO. 1190

(Purpose: To remove the provisions relating to the use of interest and dividend information in the food stamp program, food stamp intercepts of unemployment benefits, and food stamp intercepts of Federal tax refunds)

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 1190.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 13, insert "and" after "program;".

On page 17, line 5, strike out the semicolon and insert in lieu thereof a period.

On page 17, beginning with line 20, strike out all down through line 16 on page 19.

On page 19, line 18, strike out "Sec. 132" and insert in lieu thereof "Sec. 131".

On page 19, line 19, strike out "section 131" and insert in lieu thereof "section 130".

On page 19, line 21, strike out "(p)" and insert in lieu thereof "(o)".

On page 20, line 2, strike out "Sec. 133" and insert in lieu thereof "Sec. 132".

On page 20, line 23, strike out "Sec. 134" and insert in lieu thereof "Sec. 133".

On page 20, line 24, strike out "section 133" and insert in lieu thereof "section 132".

On page 21, line 21, strike out "Sec. 135" and insert in lieu thereof "Sec. 134".

On page 22, line 18, strike out "Sec. 136" and insert in lieu thereof "Sec. 135".

On page 22, line 19, strike out "section 135" and insert in lieu thereof "section 134".

On page 22, beginning with line 22, strike out all down through line 12 on page 30.

On page 30, line 14, strike out "Sec. 139" and insert in lieu thereof "Sec. 136".

On page 30, line 24, strike out "Sec. 140" and insert in lieu thereof "Sec. 137".

On page 35, line 11, strike out "Sec. 141" and insert in lieu thereof "Sec. 138".

On page 38, line 5, strike out "Sec. 142" and insert in lieu thereof "Sec. 139".

On page 38, line 6, strike out "section 141" and insert in lieu thereof "section 138".

On page 39, line 2, strike out "Sec. 143" and insert in lieu thereof "Sec. 140".

On page 40, line 2, strike out "Sec. 144" and insert in lieu thereof "Sec. 141".

On page 40, line 22, strike out "Sec. 145" and insert in lieu thereof "Sec. 142".

On page 41, line 4, strike out "Sec. 146" and insert in lieu thereof "Sec. 143".

On page 41, line 11, strike out "Sec. 147" and insert in lieu thereof "Sec. 144".

On page 53, line 18, strike out "Sec. 148" and insert in lieu thereof "Sec. 145".

On page 56, line 17, strike out "Sec. 149" and insert in lieu thereof "Sec. 146".

On page 57, line 13, strike out "Sec. 150" and insert in lieu thereof "Sec. 147".

On page 57, line 24, strike out "Sec. 151" and insert in lieu thereof "Sec. 148".

On page 58, line 16, strike out "section 140(a)(2)" and insert in lieu thereof "section 137(a)(2)".

On page 58, line 20, strike out "section 140(a)(2)" and insert in lieu thereof "section 137(a)(2)".

On page 58, line 24, strike out "Sec. 152" and insert in lieu thereof "Sec. 149".

On page 59, strike out lines 6 through 9 and insert in lieu thereof the following:

(c)(1) Section 11(e) (17 U.S.C. 2020(e)) (as amended by sections 122(b), 123(b), and 128 of this Act) is amended by redesignating paragraphs (14) through (23) as paragraphs (13) through (22), respectively.

On page 59, lines 13 and 14, strike out "sections 141, 142, and 150(c)" and insert in lieu thereof "sections 138, 139, and 147(c)"

On page 59, beginning with line 18, strike out all down through "the" on line 19 and insert in lieu thereof "Sec. 150. (a) The".

On page 60, line 16, strike out "Sec. 154" and insert in lieu thereof "Sec. 151".

On page 61, line 3, strike out "Sec. 155" and insert in lieu thereof "Sec. 152".

On page 65, line 12, strike out "Sec. 156" and insert in lieu thereof "Sec. 153".

Mr. DOMENICI. Mr. President and Members of the Senate, this amendment has been cleared by both sides of the Committee on Agriculture, majority and minority.

The bill before us contains some Internal Revenue Service provisions. They are not within the jurisdiction of that committee. They have been asked by Ways and Means in the House to strike them here rather than have the House blue-slip them. Everyone is in accord. That is what the amendment, the Domenici amendment, does.

UP AMENDMENT NO. 1189

Mr. HUDDLESTON. Mr. President, will the Senator yield to the Senator from Kentucky?

Mr. COCHRAN. Mr. President, will the Senator yield to me?

Mr. DOMENICI. Do I have time? I will yield whatever time I have.

Mr. HUDDLESTON. I yield to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I rise in opposition to the Hayakawa amendment. It goes too far and it is going to hurt the dairy industry. The $13.10 in the bill recommended by the committee is the appropriate level of reduction.

Mr. HUDDLESTON. I say to the distinguished Senator from Mississippi again that this is a major rewrite of a piece of legislation on a reconcilation bill, and I move to table the amendment of the Senator from California, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON UP AMENDMENT NO. 1190

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 1190) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 1187

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ARMSTRONG (when his name was called). Present.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. STENNIS), is necessarily absent.

The PRESIDING OFFICER. Are there any Senators who have yet to vote?

The result was announced—yeas 27, nays 71, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—27

Baker	Garn	Long
Bentsen	Grassley	Lugar
Boschwitz	Hatch	McClure
Brady	Hawkins	Melcher
Chiles	Helms	Nickles
Denton	Humphrey	Percy
Dole	Jepsen	Specter
Durenberger	Kasten	Symms
East	Laxalt	Thurmond

NAYS—71

Abdnor	Ford	Murkowski
Andrews	Glenn	Nunn
Baucus	Goldwater	Packwood
Biden	Gorton	Pell
Boren	Hart	Pressler
Bradley	Hatfield	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Inouye	Rudman
Chafee	Jackson	Sarbanes
Cochran	Johnston	Sasser
Cohen	Kassebaum	Schmitt
Cranston	Kennedy	Simpson
D'Amato	Leahy	Stafford
Danforth	Levin	Stevens
DeConcini	Mathias	Tower
Dixon	Matsunaga	Tsongas
Dodd	Mattingly	Wallop
Domenici	Metzenbaum	Warner
Eagleton	Mitchell	Weicker
Exon	Moynihan	Zorinsky

ANSWERED "PRESENT"—1

Armstrong

NOT VOTING—1

Stennis

So the amendment (UP No. 1187) was rejected.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON MOTION TO TABLE UP AMENDMENT NO. 1188

The PRESIDING OFFICER. The next amendment on which a vote is ordered is the Boren amendment. The question is on agreeing to the motion of the Senator from North Carolina (Mr. HELMS) to table the amendment of the Senator from Oklahoma (Mr. BOREN). The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will clear the well and staff will retire from the Chamber. Those individuals desiring to converse will retire from the Chamber. The well will be cleared. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, will the Chair restate the question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina (Mr. HELMS) to table the amendment of the Senator from Oklahoma (Mr. BOREN). The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. STENNIS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 33, nays 66, as follows:

[Rollcall Vote No. 295 Leg.]

YEAS—33

Armstrong	Hatch	Murkowski
Baker	Hatfield	Packwood
Biden	Hawkins	Percy
Chafee	Hayakawa	Roth
Cochran	Heinz	Rudman
Cohen	Helms	Simpson
D'Amato	Kasten	Specter
Denton	Laxalt	Stafford
Dole	Mathias	Symms
Garn	Mattingly	Thurmond
Goldwater	McClure	Tower

NAYS—66

Abdnor	East	Metzenbaum
Andrews	Exon	Mitchell
Baucus	Ford	Moynihan
Bentsen	Glenn	Nickles
Boren	Gorton	Nunn
Boschwitz	Grassley	Pell
Bradley	Hart	Pressler
Brady	Heflin	Proxmire
Bumpers	Hollings	Pryor
Burdick	Huddleston	Quayle
Byrd, Harry F., Jr.	Humphrey	Randolph
	Inouye	Riegle
Byrd, Robert C.	Jackson	Sarbanes
Cannon	Jepsen	Sasser
Chiles	Johnston	Schmitt
Cranston	Kassebaum	Stevens
Danforth	Kennedy	Tsongas
DeConcini	Leahy	Wallop
Dixon	Levin	Warner
Dodd	Long	Weicker
Domenici	Lugar	Zorinsky
Durenberger	Matsunaga	
Eagleton	Melcher	

NOT VOTING—1

Stennis

So the motion to lay on the table UP amendment No. 1188 was rejected.

UP AMENDMENT NO. 1191

(Purpose: To require the Secretary of Agriculture to implement diversion programs for the 1983 crops of wheat and corn and other feed grains.)

Mr. HELMS. Mr. President, I have an unprinted amendment in the nature of a substitute at the desk. I call it up and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1191 in the nature of a substitute for the amendment of the Senator from Oklahoma (Mr. BOREN) numbered UP 1188.

In lieu of the language intended to be inserted, insert the following:

On page 65, between lines 9 and 10, insert the following new section:

"WHEAT, FEED GRAIN, AND RICE DIVERSION PROGRAMS

"SEC. 155A. (a) Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended by—

"(1) in paragraph (2), striking out the fifth sentence and inserting in lieu thereof the following: 'The Secretary may make adjustments to reflect established crop-rotation practices, including normal summer-fallow crop-rotation practices, and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. Notwithstanding any other provision of this paragraph, the Secretary may further adjust acreage bases to be used for farms under the program for the 1983 crop of wheat as necessary to provide bases which are fair and equitable and reflect participation in the acreage limitation program for the 1982 crop of wheat.'; and

"(2) inserting, at the end of paragraph (5), the following: 'Notwithstanding any other provision of law, the Secretary shall implement a land diversion payment program for the 1983 crop of wheat. Under such program, producers on a farm, who participate in an acreage limitation program for wheat, may reduce the acreage on the farm planted to wheat for harvest by 5 per centum of the wheat acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such acres devoted to conservation uses at a rate determined appropriate by the Secretary to encourage adequate participation in the land diversion program for the 1983 crop of wheat.'.

"(b) Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended by—

"(1) in paragraph (2), inserting immediately after the sixth sentence the following: 'Notwithstanding any other provision of this paragraph, the Secretary may further adjust acreage bases to be used for farms under the program for the 1983 crop of feed grains as necessary to provide bases which are fair and equitable and reflect participation in the acreage limitation program for the 1982 crop of feed grains.'; and

"(2) inserting, at the end of paragraph (5), the following: 'Notwithstanding any other provision of law, the Secretary shall implement a land diversion payment program for the 1983 crops of corn and other feed grains. Under such program, producers on a farm, who participate in an acreage limitation program for corn and other feed grains, may reduce the acreage on the farm planted to corn and other feed grains for harvest by 5 per centum of the feed grain acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such acres devoted to conservation uses at a rate determined appropriate by the Secretary to encourage adequate participation in the land diversion programs for the 1983 crops of corn and other feed grains.'.

"(c) Section 101(i)(5) of the Agricultural Act of 1949 (7 U.S.C. 1441(i)(5)) is amended by—

"(1) inserting immediately after the seventh sentence in subparagraph (A) the following: 'Notwithstanding any other provision of this subparagraph, the Secretary may further adjust acreage bases to be used for farms under the program for the 1983 crop of rice as necessary to provide bases which are fair and equitable and reflect participation in the acreage limitation program for the 1982 crop of rice.'; and

"(2) inserting, at the end of subparagraph (B) the following: 'Notwithstanding any other provision of law, the Secretary shall implement a land diversion payment pro-

gram for the 1983 crop of rice. Under such program, producers on a farm who participate in an acreage limitation program for rice, may reduce the acreage on the farm planted to rice for harvest by 5 per centum of the rice acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such acres devoted to conservation uses at a rate determined appropriate by the Secretary to encourage adequate participation in the land diversion program for the 1983 crop of rice.' ".

Mr. HELMS. Mr. President, would it be in order for the Senator from North Carolina to say this is a compromise amendment on the Boren amendment and he strongly favors it?

Mr. EXON. Mr. President, I object.

The PRESIDING OFFICER. It is not in order.

The question is on agreeing to the amendment.

Mr. BOREN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. HELMS. Mr. President, this amendment in the nature of a substitute would require a 5 percent paid land diversion on 1983 crops of wheat, feed grains, and rice, and would provide for more effective and less costly operation of the program.

This amendment will help to control overproduction of wheat and feed grains, as would the amendment offered by the distinguished Senator from Oklahoma. There are certain important differences, however.

My amendment is a simple and straightforward requirement for a paid land diversion on 1983 crops. It requires the Secretary of Agriculture to offer to producers a payment rate that is sufficient to encourage participation in such a program.

My amendment would also provide an additional measure of flexibility in calculating a farmer's acreage base. This is important so that modifications may be made to avoid providing an unfair advantage to farmers who did not comply with an acreage reduction program in 1982. Otherwise, those farmers who did not comply would have a larger, more generous base than those farmers who did comply in a helpful attempt to control overproduction.

I understand that this is the intent of the Boren amendment as well. However, the Boren amendment would do so by requiring that the 1982 base would apply for 1983, 1984, and 1985 crops as well.

Freezing the acreage base in this manner is too rigid and inflexible, and it would be a disadvantage to the Southeastern States where production patterns have changed in recent years.

All too often, we have seen Government programs established that have not kept pace with the dynamics of the marketplace and the realities of supply and demand. The dairy program is an example. We should avoid making a similar mistake in wheat, feed grains, and rice. Rather, we should provide flexibility to establish acreage bases on 1983 crops in a way that equitably reflects past participation.

In addition, my amendment takes specific note of the problems facing farmers in summer fallow areas. These are arid regions of the country where fields are planted only in alternate years, so as to maximize moisture accumulation in the soil.

This amendment specifies that crop rotation practices in summer fallow regions may be considered by the Secretary in establishing or adjusting a wheat acreage base.

To go further, as does the amendment of the distinguished Senator from Oklahoma, would be inequitable to farmers in other regions of the country. In fact, I am advised that the provision for summer fallow farmers in the Senator's amendment would significantly hamper the effectiveness of our efforts to control overproduction.

If we are serious about limiting wheat production, then everyone must do their fair share. My amendment will provide for effective measures to limit excess supplies of grain yet will allow fair consideration of the needs of summer fallow farmers.

My amendment is simpler and would serve to control production, limit the buildup of stocks, and reduce future Government outlays for commodity programs.

In sum, Mr. President, this substitute amendment would provide for a paid diversion in a more cost-effective fashion and I urge my colleagues to adopt it.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. STENNIS), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 38, nays 60—as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—38

Armstrong	East	Heinz
Bumpers	Garn	Helms
Chafee	Goldwater	Johnston
Cochran	Hatch	Kasten
D'Amato	Hatfield	Laxalt
Denton	Hawkins	Long
Dole	Hayakawa	Mathias
Mattingly	Roth	Symms
McClure	Rudman	Thurmond
Murkowski	Simpson	Tower
Packwood	Specter	Wallop
Percy	Stafford	Warner
Pryor	Stevens	

NAYS—60

Abdnor	Domenici	Matsunaga
Andrews	Durenberger	Melcher
Baker	Eagleton	Metzenbaum
Baucus	Exon	Mitchell
Bentsen	Ford	Moynihan
Biden	Glenn	Nickles
Boren	Gorton	Nunn
Boschwitz	Grassley	Pell
Bradley	Hart	Pressler
Brady	Heflin	Proxmire
Burdick	Hollings	Quayle
Byrd, Harry F., Jr.	Huddleston	Randolph
	Humphrey	Riegle
Byrd, Robert C.	Inouye	Sarbanes
Cannon	Jackson	Sasser
Chiles	Jepsen	Schmitt
Cranston	Kassebaum	Tsongas
Danforth	Kennedy	Weicker
DeConcini	Leahy	Zorinsky
Dixon	Levin	
Dodd	Lugar	

NOT VOTING—2

Cohen	Stennis

So the amendment (UP No. 1191) was rejected.

VOTE ON UP AMENDMENT NO. 1188

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BOREN). The yeas and nays have been ordered.

Mr. HELMS. Mr. President, unless Senators enjoy this sauna we are now inhabiting, I ask unanimous consent that the yeas and nays be vitiated and the Boren amendment be passed by voice vote.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Oklahoma (Mr. BOREN).

The amendment (UP No. 1188) was agreed to.

Mr. HELMS. Mr. President, the Senate has just passed an amendment which will further cut crop acreage in hopes that grain supplies will be reduced beyond what the Secretary of Agriculture intends to do. The Secretary has already announced programs that would be effective and this recently adopted amendment will be icing on the cake. We must do everything within reason to increase grain prices. Our farmers are hurting and this action should help. I think the Senate has acted responsibly for this Nation's farmers and ranches.

I want to caution the Senate, however, that good things can be carried too far. Let me be more specific. The world has a surplus of grain—a surplus because those who are in need cannot affort to pay, even at today's depressed prices. Our competitors, nations that help contribute to this surplus problem, are continuing to increase acreage and production. Moreover, many have turned to bilateral agreements, long-term credit, and

some are using direct subsidies to sell their increased production. Consequently, we hold most of the world's surplus grain in this country.

What our competitors would really like is to keep expanding their production while we cut back substantially. Also, since they would like to receive higher prices for their grain, they want us to raise our loan rates to provide a price umbrella under world markets. Both of these actions would send a signal to our competitors that we are willing to let them have our markets. Thus, they will make plans for expansion. This would be disastrous for U.S. agriculture in the long run. We must not allow this to happen, although it is politically appealing in an election year.

The House budget reconciliation bill contains a large, costly paid diversion program and sharply increased loan rates. While no one knows what the final House-passed bill will contain, I am concerned that the House will respond to short-term political gains and not moderate the provisions currently in their package. In that case, the conference report might contain provisions that would be detrimental to agriculture in the long run. I urge the Senate conferees to be steadfast in their position so we do not jeopardize our agricultural economy—a sector that provides 22 percent of our Nation's jobs and represents a fifth of our gross national product.

If we adopt policies that would force us to shrink our agricultural base, we would lose hundreds of thousands of jobs and billions of dollars of economic activity. This is a good reason why the Senate conferees should hold tight to the Senate provisions that would facilitate agricultural exports. I suggest reducing acreage modestly to bring supply in line with demand. I support it because we have other provisions to help protect our share of the international markets. But it would be a serious mistake to go too far in appearing to help farmers when in fact we would be seriously jeopardizing their long-run economic future.

VOTE ON MOTION TO TABLE UP AMENDMENT NO. 1189

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from California (Mr. HAYAKAWA). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. STENNIS), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—49

Abdnor	Eagleton	Matsunaga
Andrews	Exon	Melcher
Baucus	Ford	Metzenbaum
Bentsen	Glenn	Moynihan
Boren	Hart	Nunn
Boschwitz	Heflin	Pressler
Bumpers	Heinz	Proxmire
Burdick	Hollings	Pryor
Byrd, Robert C.	Huddleston	Randolph
Cannon	Inouye	Riegle
Chiles	Jackson	Sarbanes
Cochran	Johnston	Sasser
Cranston	Kasten	Stafford
Danforth	Kennedy	Tsongas
DeConcini	Leahy	Zorinsky
Dodd	Levin	
Durenberger	Long	

NAYS—49

Armstrong	Grassley	Packwood
Baker	Hatch	Pell
Biden	Hatfield	Percy
Bradley	Hawkins	Quayle
Brady	Hayakawa	Roth
Byrd, Harry F., Jr.	Helms	Rudman
	Humphrey	Schmitt
Chafee	Jepsen	Simpson
D'Amato	Kassebaum	Specter
Denton	Laxalt	Stevens
Dixon	Lugar	Symms
Dole	Mathias	Thurmond
Domenici	Mattingly	Tower
East	McClure	Wallop
Garn	Mitchell	Warner
Goldwater	Murkowski	Weicker
Gorton	Nickles	

NOT VOTING—2

Cohen	Stennis

So the motion to lay on the table Mr. HAYAKAWA's amendment (UP No. 1189) was rejected.

VOTE ON UP AMENDMENT NO. 1189

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN) and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi (Mr. STENNIS) is necessarily absent.

The PRESIDING OFFICER. Are there Senators in the Chamber who have not yet voted?

The result was announced—yeas 48, nays 49, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—48

Armstrong	Gorton	Packwood
Baker	Hatch	Pell
Bentsen	Hatfield	Percy
Biden	Hawkins	Quayle
Bradley	Hayakawa	Roth
Brady	Helms	Rudman
Byrd, Harry F., Jr.	Humphrey	Schmitt
	Jepsen	Simpson
Chafee	Kassebaum	Specter
Chiles	Laxalt	Stevens
Denton	Lugar	Symms
Dixon	Mathias	Thurmond
Dole	Mattingly	Wallop
Domenici	McClure	Warner
East	Mitchell	Weicker
Garn	Murkowski	
Goldwater	Nickles	

NAYS—49

Abdnor	Exon	Matsunaga
Andrews	Ford	Melcher
Baucus	Glenn	Metzenbaum
Boren	Grassley	Moynihan
Boschwitz	Hart	Nunn
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd, Robert C.	Hollings	Pryor
Cannon	Huddleston	Randolph
Cochran	Inouye	Riegle
Cranston	Jackson	Sarbanes
D'Amato	Johnston	Sasser
Danforth	Kasten	Stafford
DeConcini	Kennedy	Tsongas
Dodd	Leahy	Zorinsky
Durenberger	Levin	
Eagleton	Long	

NOT VOTING—3

Cohen	Stennis	Tower

So Mr. HAYAKAWA's amendment (UP No. 1189) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STAFFORD. I move to lay that motion on the table.

Mr. JEPSEN. I ask for the yeas and nays.

The PRESIDING OFFICER. The motion is made to table the motion to reconsider. All those in favor signify——

Mr. LEAHY. Mr. President, point of order.

Mr. JOHNSTON. Mr. President, point of order. Was the mover of the motion to reconsider on the prevailing side? If not, I make a point of order——

The PRESIDING OFFICER. The Senator was not on the prevailing side, and the point of order is sustained. The motion was not in order.

Mr. THURMOND. Mr. President, starting in the 94th Congress, 8 years ago, I have introduced bills to correct an injustice created by Public Law 84-881 known as catch-62. It is the requirement that veterans retired from the civil service and Postal Service lose annuity credit for their military service at age 62, when they are entitled to social security. No other annuitant entitled to social security is so penalized. Former temporary civil service employees, for example, may include their social security covered Government employment for both social security and civil service annuity computations without the penalty at age 62 that is imposed on those who served our Government in uniform.

Mr. President, the Senate Committee on Governmental Affairs has not seen fit to act favorably on my successive catch-62 relief bills, including the current one, S. 46, because of the increase in civil service retirement costs involved. However, I am pleased to note that in the reconciliation bill, S. 2774, Senator STEVENS has persuaded the Committee on Governmental Affairs to include a compromise proposal that will partially relieve the Public Law 84-881 discrimination against veterans, while actually reducing civil

service retirement costs over the next 15 to 20 years. Senator STEVENS reported the estimated savings over the next 3 fiscal years to be $85 million. His proposal, with certain technical changes in the S. 2774 language was recommended, to the Senate today. His explanation of it at the committee hearing was as follows:

MILITARY SERVICE

REQUIRING EMPLOYEE CONTRIBUTIONS FOR CIVIL SERVICE

Retirement system credit for military service

Catch-62 is the term used to describe a situation where an individual with military service retiring under the Civil Service retirement system uses the years of post-1956 military service for the civilian pension. These military years are also automatically creditable for Social Security benefit purposes. In order to prevent coverage under both systems for the same period of service, the Civil Service retirement annuity, by law, is recomputed at age 62 (when Social Security eligibility begins) to eliminate the period of military service from the civil service annuity. The additional Social Security benefit gained for these years of military service often does not match the reduction in the Civil Service annuity.

In order to resolve this problem of dual coverage, the Committee has approved the following three-part proposal:

new employees

Employees hired under the Civil Service Retirement System after the date of enactment of this proposal will not receive credit for military service toward a Civil Service annuity unless the employee deposits to the Civil Service Retirement Fund an amount equal to the calculated contributions for their military service. If the employee pays, then he will be entitled to credit under both the Civil Service and Social Security systems. This contribution would be equal to the Civil Service retirement withholding percentage for each year of military service multiplied by the employee's base salary for that period. Employees desiring credit, therefore making a deposit, will be given a two-year grace period, interest at an annual interest rate equal to the yield on new CSR investments begins from the period at the end of the grace period.

current employees

Employees on the rolls at the date of enactment would also be given an opportunity to make a deposit to the Civil Service Retirement Fund in an amount equal to the calculated contribution for their military time. If they do, they are similarly entitled to credit under both systems. the same grace period and interest provisions as for new employees would apply. If they choose not to make a deposit, they would continue to be subject to the "Catch-62" reduction.

current retirees

Former civilian employees who are age 62 and currently retired upon enactment will have their annuity recomputed to give them civil service credit for their military service. A similar recomputation will be made at age 62 for those annuitants who are not yet age 62. Upon recomputation of the civil service annuity, there will also be recomputation of their social security benefits removing credit for the period of military service and reducing the civil service annuity by that amount.

Mr. President, I have reservations about changing the 60-year-old policy of giving veterans free civil service annuity credits for their military service, which was an established policy before the creation of the social security system. However, the proposal in the Reconciliation Act is an acceptable option due to the unresolved issue of dual credits. It is acceptable because the dual credits and windfall benefits that the social security system has created for Government employees are already under study in both Houses of the Congress and by a Presidential commission. A final decision on the free annuity credit policy for military service should await the recommendations from these studies.

Senator STEVENS' reconciliation bill proposals concerning military service credits are not mandatory for the veteran currently employed in or retired from the civil service. They only offer optional choices that for many veterans, including some who are military retirees, will be better than the current mandatory catch-62 provision of Public Law 84-881. Those who prefer to have their annuities to continue to be calculated under the current law are free to do so.

Mr. President, I urge that the Senate approve the S. 2774 section relating to creditable service based on military service, with the changes recommended by Senator STEVENS.

Mr. SIMPSON. A question has been raised in the debate as to the reason for the fact that total spending reductions under the provisions of title 7 of the bill exceed the reductions required under the reconciliation provisions of the first concurrent resolution on the budget for fiscal year 1983. It is quite correct that the Senate Veterans' Affairs Committee received reconciliation instructions in the amount of $77 million in fiscal year 1983, and $155 million in each of fiscal years 1984 and 1985. It is also correct that the committee reported out savings totaling $168 million in fiscal year 1983, $192 million in fiscal year 1984 and $202 million in fiscal year 1985—figures that are indeed in excess of the reconciliation requirements for those years.

As chairman of the Senate Veterans' Affairs Committee, I can assure my colleagues that these additional savings were not gratuitously or lightly approved by the committee. Although all of us on the committee, I believe, share a realistic attitude toward the need for fiscal responsibility in every area of veterans' spending, none of us, I am sure, are eager to see the VA budget reduced for any possible pleasure in doing so. It is painful stuff!

The fact is that these additional spending reductions were required under the functional totals for veterans' benefits and services as set forth in section 1(B)(13) of Senate Concurrent Resolution 92, the first concurrent budget resolution. Those functional totals for fiscal years 1983 through 1985, which have been approved by the Congress as appropriate targets for function 700 spending, reflect an assumption that legislation establishing a "user fee" on VA loan programs would be enacted, and would yield increased receipts in the amount of $95 million in fiscal year 1983, $105 million in fiscal year 1984, and $110 million in fiscal year 1985. Although these functional totals are not mandatory, and there is no enforcement mechanism for failure to comply, a majority of the members of the committee felt a very strong obligation to attempt to honor them to the maximum extent practicable.

The end result is that, for fiscal year 1983, the committee recommended entitlement savings in almost exactly the amount required by reconciliation, and additional savings of some $90 million resulting from enactment of the user fee with the vital exemption from payment of the fee for veterans with service-connected disabilities. In each of fiscal years 1984 and 1985, the total entitlement savings approved by the committee are some $60 million less than is required under reconciliation. But as a result of assurances given by my good friend, the chairman of the Budget Committee, at the time of Senate debate on the first concurrent budget resolution, it was my understanding that the almost $100 million in increased receipts attributable to the loan user fee in each of those years will indeed be acceptable in satisfaction of the committee's reconciliation requirements. We were pleased by that decision. The amounts by which the spending reductions associated with the user fee exceed the reconciliation requirements reflect the committee's sincere and conscientious efforts to honor the functional totals as contained in the budget resolution.

Mr. President, I believe that title 7 of this bill, containing this user fee on VA loan programs as well as a number of other changes in VA compensation and pension accounts, is both responsible—with respect to the current critical budget situation, and responsive—to the very compelling and legitimate needs and interests of our Nation's veterans. It is my feeling that the major veterans' organizations are generally understanding about the provisions of this bill, and regard them as reasonable—though perhaps not fully desirable to them—under present circumstances.

Mr. President, I and the members of the Veterans' Affairs Committee have given a serious and thorough consideration to each of the provisions contained in title 7 of this bill, and I urge my colleagues to support title 7 in its entirety.

Mr. GRASSLEY. Mr. President, this reconciliation bill is an essential part of our efforts this year to reduce potential deficits by some $400 billion over the next 3 years. Without this bill, everything we have done on the tax side of the equation becomes pointless. In a practical sense, our first priority should be to get Federal spending under control. We cannot continue to neglect the spending side of the ledger, and simply raise taxes to finance a hemorrhaging budget.

In a psychological sense, whatever we do to spending will signal to financial markets how serious we are about controlling the budget. If this bill fails to pass the Senate today, we can be sure, Mr. President, that pandemonium will prevail on the House floor when that body considers its version of the reconciliation bill. What a devastating effect that would have on interest rates, particularly at a time when the markets have been stable, and interest rates have been falling gradually.

Mr. President, I must remind my colleagues that this is no time for politicking. It is time for leading. The Senate has done a remarkable job in taking the lead on both the budget resolution and the tax bill. The accomplishments of the chairmen of both the Budget Committee and the Finance Committee have had a steadying influence on financial markets. We have come too far to risk jeopardizing all our work up to this point.

This bill, Mr. President, restores some semblance of control in the Federal budget. I wish it had gone further. But the progress is significant; $5 billion of the $12 billion of savings in this bill are the result of adjustments in COLA increases for Federal retirees. This is not a cut, Mr. President. It is an increase more closely in line with declining inflation. More importantly, the adjusted COLA increase more accurately reflects our ability to pay for cost-of-living increases. It makes no economic sense to peg wages or benefits of any kind to inflation. Wage and benefit increases should increase with increasing productivity. It is productivity which produces wealth. Inflation is merely a symptom of a distorted economy.

Yesterday in this Chamber we heard that Federal retirees do not cause inflation and that therefore they should be protected against it by commensurate increases in their benefits. Mr. President, of course Federal retirees do not cause inflation. Nor do medicare and medicaid recipients, social security recipients, welfare recipients, or anyone else. Only Government policy can create inflation. And only Government policy can prevent it.

The key to rising real wages and benefits is to create real wealth to pay for them. Productivity must rise first, then benefits and wages can rise. Today wages and benefits rise as prices rise, while productivity falls. We have the workings, in effect, of a backward economy. Pegging wage and benefit increases to inflation is like plucking from thin air. And the more thin air we pluck from, the more inflated the economy becomes.

Mr. President, there are numerous such changes and adjustments that must and will be made in the way we expend money in this Congress. These changes are necessary to control the budget, necessary because they make good economic sense. This fall the Budget Committee will hold hearings on reform of the Budget Act of 1974. Hopefully, a Budget Reform Task Force will emerge for the purpose of studying and recommending much-needed reforms.

Mr. President, I support this reconciliation bill because it is a necessary step toward total budget reform.

Our objective is not to cut benefits or programs for people who need and depend on them. Rather, our objective should be to limit the growth of benefits and programs to our ability to pay for them. Congress role should be to create an economic environment conducive to maximizing productivity and minimizing inflation. Then and only then will we have accomplished the true goal of any economic policy: Rising real income for all our citizens.

Mr. MATTINGLY. Mr. President, I rise to support a provision of the governmental affairs package dealing with the containment of annuities. When the Senate adopts this provision it will insure that we have no more horror stories of Federal retirees receiving more in retirement than their working peers do.

I have listened to my colleagues this last day debating the provisions of this bill. Senator Pryor has mentioned the outrage that his constituents have expressed over certain Members of Congress who are getting huge windfall annuities because of the current system. My provision, No. 611 of this bill, would end that. We will have no more stories of former members of Congress making more in retirement than a current working Member of Congress.

Mr. President, this provision of the governmental affairs budget package would be one more step toward an equitable retirement system for all Federal employees. I feel that for too long Federal retirees have been abused because of a fluke in their retirement program. Many Americans have the image of Federal retirees retiring at a young age and receiving fat annuities far in excess of what their working companions are making. This bill would end forever the few horror cases that do exist.

I introduced an amendment to the governmental affairs package which would correct this problem. This bill would place a cap on annuities so that no retiree could receive more in his annuity than a person working in the job that the retiree left. Senate bill 1380, as amended and included in this governmental affairs package, would put some sense into the system. No longer would the retiree be able to receive a large yearly increase.

It only seems fair that the workers should see their friends who are retired receiving the same increase. I have endorsed a bill which stipulates that retirees would receive either the increase in the Consumer Price Index or the pay raise received by Federal workers, whichever is lower. The wild COLA increases that we have seen Federal retirees receiving would be a thing of the past.

I realize, however, that the idea of a wage and price COLA will not be adopted at this time. I feel that the very least we can do today is to end right now the unfair situation where a retired person can receive more in benefits than the hard-working person who is in the job the retiree left. This provision would not cut benefits of those over the salary of their working peer. It will merely freeze their future COLA's. We will then at least be catching the big fish.

I will continue to work with Senator Stevens in this area. I look forward to working with him on total reform of the retirement program. It is important to have a system that does not encourage early retirement, and one which is fair to the Federal employee—and the taxpayer.

EXPORT PROVISIONS

Mr. GRASSLEY. Mr. President, I rise in support of the Senate Agriculture Committee's provision aimed at enhancing the export of agricultural products. This legislation will improve our farm exports by giving the Secretary of Agriculture the means in which to counter any unfair trade practices of our competitors and by providing an interest buy-down to attract additional customers into our markets.

The latter provision incorporates the concepts of a bill I introduced earlier, the Agriculture Export Expansion Act of 1982. This bill, by allowing a buy-down of 4 percentage points with a 10-year repayment plan, would spark nearly $2 billion in increased farm exports during the next 2 years. Under the Senate Agriculture Committee's provision, the Congressional Budget Office estimates an additional $1.35 billion in farm exports during the years 1983–85. Although these projections are lower, I think that CBO's estimates may be very conservative. In any event, it is clear that this provision can help our ailing farm economy tremendously, and I am pleased to see its inclusion in this reconciliation package.

Mr. HUDDLESTON. Mr. President, the runaway growth in the size of the Federal deficits is one of the most serious problems facing our Government today. These deficits, which lead to higher interest rates, are severely hindering our efforts to achieve economic recovery.

To halt the current trend to higher deficits, we must reduce the level of Federal spending, where possible; and, in areas of economic development and stabilization, we must insure that Federal outlays are made in the most cost-effective manner.

Title I of this bill, relation to agricultural and nutrition programs, uses both approaches to reduce net Federal expenditures.

Title I will make changes in the dairy price support and food stamp programs to reduce benefit and expenditure levels under the programs.

Title I also provides for additional export development expenditures to strengthen the prices of various agricultural commodities. However, these new expenditures will result in net savings to the Government. This result will occur because, with improved prices, farmers will receive more from the market for their production and less from the Government under the agricultural price stabilization and related programs.

In this regard, I point out that agriculture is an area in which there is a strong relationship between the state of the industry and the cost of Government programs. Thus, in the case of the export development program under title I, more savings can be achieved by upgrading the program to strengthen the agricultural economy, than by simply cutting the budget for the program.

There are other, similar steps that the administration can take to improve agricultural programs and save the Government money while doing so. I have urged, and will continue to urge, the administration to take these steps—for the benefit of farmers and for the benefit of taxpayers.

MILK PRICE SUPPORT PROGRAM

The milk price support program will be cut back under this bill. The provision reported by the Agriculture Committee will freeze the mimimum level at which the price of milk is to be supported at $13.10 per hundredweight during the 1983 through 1985 fiscal years.

In effect, this provision would maintain, for another 3 years, the milk support price at the same level it has been since October 1980.

By freezing the minimum support level at $13.10 per hundredweight, this provision will reduce Government outlays for the dairy program by $150 million in fiscal year 1983, $520 million in fiscal year 1984, and $845 million in fiscal year 1985. These reductions, totaling $1.5 billion, cover almost one-half the savings required of the Agriculture Committee under the first concurrent budget resolution.

Overproduction of milk is a serious problem, and the milk program must be more effective in dealing with this problem. It may be that we should give consideration to additional changes in this program to improve its operation. In this regard, I note that, in its report on title I, the Agriculture Committee indicated its intent to review the milk price support program before this session of Congress ends.

ADVANCE DEFICIENCY PAYMENTS

The farm economy is in an extremely depressed state, and many farmers are badly in need of cash for production expenses.

Title I of the bill requires that the Secretary of Agriculture make advance deficiency payments, covering 70 percent of projected payments, under the programs for the 1982 crops of wheat, feed grains, upland cotton, and rice. The payments will be made as soon as practicable after October 1, 1982.

For the 1983 crops, if there are acreage limitation or set-aside programs, the Secretary will be required to make not more than 50 percent of any projected deficiency payment in advance, as soon as practicable after producers sign up for the program involved.

I strongly support the inclusion of the provisions for advance deficiency payments to farmers in the bill. I cosponsored a bill, S. 2661, with Senator COCHRAN containing similar provisions.

These provisions will enable hard-pressed farmers to receive hundreds of millions of dollars this October and, again, early in the 1983 crop year—in time to help with payment of production and harvesting costs. These payments are not additional outlays—they are partial payment of funds which farmers would otherwise receive later in the crop year. Such early payment will likely provide additional incentive for farmers to participate in the acreage reduction programs for these commodities.

I am also pleased that the Senate has agreed to an amendment requiring the Secretary of Agriculture to establish paid land diversion programs for the 1983 crops of wheat and feed grains.

PROMOTION OF AGRICULTURAL EXPORTS

Title I of the bill contains a provision designed to promote agricultural exports. This provision requires the Secretary of Agriculture to use at least $175 million, but not more than $190 million, in each of the fiscal years 1983 through 1985, to stimulate sales of U.S. agricultural products in foreign markets. These expenditures are intended to stimulate international sales of agricultural commodities by providing for a variety of export promotional activities, including the "buy-down" of interest rates, a provision included in S. 2661. Under the "buy-down" provision, the Secretary of Agriculture would be able to expand agricultural export sales by use of payments to reduce interest costs on loans for agricultural exports to friendly foreign nations, and guarantee the repayment of such loans.

High interest rates are frequently cited as a major reason for lagging export sales and this provision in the reconciliation bill will be one way to eliminate this disadvantage.

The Congressional Budget Office estimates that this export development provision would achieve a total savings of more than $180 million in the next 3 fiscal years.

FOOD STAMPS

This year, the Agriculture Committee again considered the food stamp program and developed revisions in the program that are included in title I of the bill. These revisions will curtail the cost of the program, tighten work requirements, and enhance program management. This is the fifth time in 5 years that Congress has legislation before it making major changes to the food stamp program.

On the whole, this bill takes a moderate approach to the program, although significant benefit reductions are included. Under title I of the bill, food stamp program costs will be reduced by about $2.5 billion over the next 3 years, with about one-fourth of the savings coming from a reduction in errors in administration.

About one-third of the savings will come from curtailing cost-of-living increases scheduled during the next 3 years. While this loss of purchasing power for all food stamp recipients concerns me, it is a far less damaging approach to achieving cost savings than various other proposals before the Senate.

In the area of work requirements, I am pleased that the bill includes a provision that Senator DOLE and I proposed. This provision reaffirms the proposition that only those able-bodied persons who are willing to work should receive food stamps. It spells out that, at each stop along the way, food stamp applicants and recipients must satisfy specific work registration and job search requirements established by the Secretary of Agriculture. Failure of a household member to do such things as provide necessary information on employability, report for a job interview, or accept a job meeting minimum standards would result in a suspension of benefits for the entire food stamp household. Failure to meet job search requirements would result in permanent disqualification until the requirements are met.

It is my belief that the Congress has gone about as far as it can in devising effective work requirements. Other

proposals before the committee, such as mandating workfare everywhere in the country, would not constitute sound social policy. Currently, and State or locality wishing to operate a workfare program can. The actual experiences thus far, as well as USDA and CBO cost estimates, confirm that mandatory workfare everywhere is not cost-effective. Every State and local government group strongly opposes such an approach.

I am pleased that the bill will reauthorize the food stamp program for 3 years, consistent with the duration of last year's farm bill. Review of this program year after year by Congress has led to innumerable policy and regulatory changes and great instability in program management. I am hopeful that we will be able to allow the program to operate during the next 3 years without further change. Congress must, of course, be prepared to make any changes that prove to be necessary.

In this regard, it is possible, however, that we may need to consider the program again in the next 3 years if the spending ceilings we have established turn out to be too low. As I have stated before, I do not believe these ceilings are an effective way to limit program spending. If unemployment or inflation should prove to be higher than the rates assumed by the Congressional Budget Office, the cost of the program could well exceed the spending ceilings in this bill.

CONCLUSION

Mr. President, budget cutting is extremely difficult at a time when farmers and other citizens are suffering from the effects of the economic recession. However, we must act responsibly to reduce the huge Federal deficits. I believe the provisions in title I of the bill are a step in the right direction.

HIGHLIGHTS OF FOOD STAMP ITEMS NOT COSTED BY CBO

● Mr. HELMS. Mr. President, one of the primary objectives of the Committee on Agriculture, Nutrition, and Forestry was to meet the reconciliation instructions required by the first budget resolution.

As noted previously, this was done through a combination of reductions in the food stamp program and the dairy program and through an export promotion proposal. In addition to the items within the food stamp program, which result in specific, identifiable savings estimates from the Congressional Budget Office, there are numerous other provisions which we believe will have a positive effect in reducing both program and administrative costs. Such is the thrust of the committee's recommendations.

The Committee on Agriculture, Nutrition, and Forestry's recommendations would tighten eligibility and verification standards, thus restricting benefits to those who legitimately meet statutory guidelines. Simplification of administration of the food stamp program would also result in a reduction of both Federal and State administrative expenses.

There may be some increased administrative responsibilities—and consequent expense—to assure compliance with some of the new conditions of eligibility. However, whatever additional burdens may be created will be more than offset by savings to the Federal Government from fewer misspent benefit dollars. Additional savings should accrue to State agencies through reductions, simplification, or options in other regulatory requirements—which are also passed along in Federal savings inasmuch as administrative expenses are shared 50-50 between Federal and State Governments.

The following are examples of provisions to which CBO attributes no savings, but which would, in practice, contribute to reducing program costs.

Financial resources. Permitting the Secretary more flexibility in defining assets would simplify administration at both the Federal and State level and provide some administrative savings as a consequence.

Categorical eligibility. Permitting States to establish categorical eligibility for public assistance households with gross incomes below 130 percent of poverty would reduce State administration and corresponding administrative expenses.

Periodic report forms. The elimination of the requirement that the Secretary of Agriculture design or approve forms used by the States for nonperiodic reporting of changes in household circumstances will reduce Federal administration and provide greater State flexibility, both of which should contribute to lower administrative costs.

Reporting requirements. Permitting greater State flexibility in the administration of periodic reporting requirements would reduce administrative costs.

Parents and caretakers or children. While the provision eliminating the exemption from work registration for second parents and caretakers will increase the number of recipients who must comply with work registration, it will simultaneously simplify the process for eligibility workers. The simplification and the potential for increased employment as a result of work registration should result in reduced administrative costs and potentially in reduced benefit costs.

Hours of employment. Basing the work registration exemption on the number of hours worked during a month should ease administrative difficulties. The increase in hours required should encourage increased hours of employment by recipients, thereby improving chances that they will achieve higher salaries and reduce their need for the program.

Joint employment regulations. The elimination of Federal work requirements which are coordinated between the Departments of Agriculture and Labor will provide needed State flexibility and contribute to reduced administrative costs.

Aliens. The inclusion of all income and assets of an ineligible alien should considerably simplify the eligibility and benefit determination process for eligibility workers, particularly in those areas with high concentrations of ineligible aliens, and result in a reduction of administrative costs.

Also, because the full portion of the alien's income will be counted in determining eligibility and benefits, the household's allotment will be reduced, saving benefit costs.

House-to-house trade routes. Permitting the Secretary to restrict house-to-house trade routes in areas where they damage the integrity of the program will reduce the administrative costs of monitoring such routes in those areas in which their participation has been reduced or eliminated.

Approval of State plan of operation. The elimination of the Department's prior approval for most State agency materials will reduce administrative costs for both Federal and State Governments.

Bilingual personnel and printed material. The establishment of the option for bilingual services in lieu of a Federal requirement for bilingual would eliminate Federal regulatory involvement altogether and thus save Federal administrative costs. Additionally, State administrative expenses would also be reduced because of greater flexibility provided to individual States.

Points and hours of certification and issuance. By eliminating Federal requirements governing locations and hours of operation for food stamp offices, the provision would reduce both Federal and State administrative procedures and result in reduced administrative costs.

Authorized representatives. By permitting the Secretary to tighten the provisions which govern authorized representatives and those households which may be represented, the committee's recommendation would reduce Federal benefit costs that arise through abuses with the existing-law provision.

Disclosure of information. The disclosure of information to persons connected with other assistance programs would have no discernible impact in the administration of the food stamp program. However, the information received may reduce administrative costs in those other Federal assistance programs and federally assisted State programs which seek such information.

Duplication of coupons in more than one jurisdiction within a State. The establishment of systems to insure that no individual is receiving food stamps in more than one jurisdiction in the State may result in some short-term increased costs for those States which do not have such a system. However, significant savings in Federal benefit costs would result as such systems are implemented and duplicate participation is eliminated.

Certification systems. The provision, in granting greater flexibility for State certification systems, could reduce administrative expenses.

Cashed out program. The committee's recommendation would tighten administration of the food stamp program in States that have cashed out the food stamp program for a portion of its population and in States operating pilot of cash out projects. In so doing, Federal benefit savings would occur in instances where—as documented by the Office of Inspector General—duplicate participation occurs.

Interest and dividend income. In those States in which the Secretary feels such verification should be undertaken, some increase in administrative costs may occur. However, any potential costs would be far outweighed by savings in Federal benefits resulting from improved verification of unearned income.

Amount of penalty and disqualification; bonding. The establishment of minimum penalties for violations of the Food Stamp Act by retail stores should encourage greater compliance by such stores with the act and regulations. Such compliance will reduce the administrative costs associated with both the current monitoring of stores and administrative procedures to implement a disqualification.

Alternate means and cost sharing for collection of overissuances. By specifying in the law that alternative means of collecting overissuances are permitted and by establishing percentages for State retention of such recoveries, the committee's provisions encourage such collections. Federal benefit costs which would otherwise be lost are recovered and administrative expenses currently expended in unsuccessful collection efforts will be saved.

New or modified issuance procedures. In those areas in which the Secretary orders new or modified issuance procedures, any increased administrative costs would be more than offset by reduced Federal benefits cost as a result of reducing losses due to fraud. Additionally, depending on the new issuance procedure which might be required, administrative costs might be reduced as well.

Fraud claims collection procedure. By establishing a deadline for the recipient to elect cash repayment or benefit offset, the provision simplifies administration and should contribute to a reduction in administrative expenses.

Similar workfare programs. By permitting State discretion to use existing workfare structures in food stamp workfare, the committee's recommendation would significantly reduce administrative costs.

Exemption for WIN participants. The provision allowing States to exempt WIN participants from workfare, but not mandating such an exemption as is now required, will increase State flexibility in administration of workfare programs where such programs are operated. Such flexibilty as well as the potential for increased incentives to find employment should contribute to a reduction in administrative and benefit costs in those areas which elect to operate a workfare program and which do not exempt WIN participants.

Hours of workfare. The committee's recommendation simplifies administration of food stamp workfare and should contribute to a reduction in administrative expenses.

State option block grant. The establishment of a low income nutritional assistance block grant would provide the maximum in State flexibility. In those States opting for such a grant, the more dollars could be channeled to actual recipients, with a reduction in State administration and significant reduction in the Federal administrative oversight associated with those States.

● Mr. DECONCINI. Mr. President, this is one of the most difficult votes I have ever had to cast. This bill contains many provision with which I vehemently disagree. I have voted for amendments to correct what I believed to be its major deficiencies.

For example, the 4 percent pay cap for Federal retirees is patently unfair and singles out a particular group to bear what I consider to be an unreasonable burden. Close to half of the total savings are achieved at the expense of Federal retirees. That we should treat this group of Americans who have served their country with dedication, and many times at great personal risk, as second class citizens should offend anyone's sense of equity. I urge the conferees to accept the House position on this issue.

I also oppose the imposition of the initiation fee on VA home loan guarantees. The VA home loan guarantee program is probably the best known of all benefits available to veterans. It has made the difference in the ability of millions of American veterans to purchase a home. The vast majority of American veterans are totally unfamiliar with, or, at best totally confused by the reconciliation process. They will not understand the rationale behind the impostion of a user fee for VA guaranteed home loans 40 years after that programs inception. What they will understand, however, is that their Government has once again violated a promise by tampering with one of their most cherished benefits.

Nonetheless, Mr. President, the battle to get this budget control must begin somewhere. And in the legislative process outcomes are always the product of numerous compromises which may not fully reflect the intentions or desires of any of those involved. The most recent analysis of the Government's fiscal situation is alarming. The midsession review projects deficits for next year of $115 billion. The CBO puts that number at between $140–$150 billion. Administration officials are acknowledging in public that CBO estimates are based on more realistic economic assumptions. Moreover, over the next 3 years the total deficit could well exceed $400 billion.

And so, Mr. President, I am reluctantly voting for this measure. I am hopeful that the conferees will be able to work out a package of spending restraints which are more reasonable and less inequitable.●

● Mr. LEVIN. Mr. President, I oppose S. 2774, the omnibus reconciliation bill of 1982. I support steps to reduce the deficit so that the markets can be relieved of some of the pressure of Federal borrowing and so that interest rates can come down. I believe that sincere deficit reduction measures will have to touch entitlement programs if this Congress is to be taken seriously by the markets, and if, simply stated, the numbers are going to add up. For that reason, I would have liked to been able to vote for this legislation. But unfortunately, I cannot.

The provision of the bill which puts a 4-percent cap on cost-of-living adjustments for Federal retirees' pensions certainly does lock horns with the growth in entitlement spending. But it does not do it in an equitable or rationale way. It sets an arbitrary cap on the increase in Federal pensions which is totally unrelated to the goal of cost-of-living adjustments. COLA's are designed to maintain a level of purchasing power in the face of inflation. What a 4-percent cap on Federal retirees COLA's says is that Federal pensions will have some protection against inflation, but only up to a point. The irrationality of it all is that the point beyond which there is no protection is the point at which inflation begins to become more devastating to pensioners on fixed incomes.

The President's midyear economic report gives an additional reason for concern about the impact of the 4-percent cap on Federal retirees COLA's. In that report, the estimate for inflation for 1984 was increased from February's estimate of 4.6 percent to a new estimate of 6.9 percent. Similarly,

the estimate for 1985 was increased from 4.7 to 6 percent. I cite this data, not because I have a great deal of confidence in the specific numbers, but to show that in the space of 6 months of this year, the administration's estimates for inflation 2 years out have substantially changed. This proves how unwise it is to limit the COLA's for Federal retirees' pensions to an arbitrary 4-percent cap for the next 3 years.

A better balance between the need to restrain Government spending with the need to provide the flexibility necessary to protect Federal retirees in the event that inflation once again approached double digit levels would have been achieved if the COLA limitation had followed the formula of the CPI minus 2 percentage points. I offered this proposal during the Governmental Affairs Committee's markup of the reconciliation bill. This provision would have reduced the cost of pension entitlement programs by billions of dollars over the next 3 years. Yet it would have still been consistent with the basic goal of COLA's of maintaining a level of purchasing power in the face of inflation. In spite of its merits, however, my proposal did not receive widespread support. Yet, I believe that it represents the type of compromise which will be necessary if legislation restraining entitlements and reducing the deficit is to actually become law.

I also object to the fact that this bill once again makes a broad-scale attack on the food stamp program, which was already cut by $2 billion dollars last year. In cutting $4.2 billion over the next 3 years, the Agriculture Committee cut programs within its jurisdiction by almost $1 billion more than was required by the reconciliation instructions which were included in the first budget resolution for fiscal year 1983. The committee, therefore, internally generated pressure for cuts in the food stamp program which were substantially beyond the requirements of the reconciliation instructions.

Specifically, the committee once again extended the delay in the adjustment for inflation in the amount of a household's income which is disregarded for the purposes of determining eligibility for food stamps. Last year's reconciliation bill delayed the adjustment for 2½ years, and the legislation before us today would delay it for an additional 15 months, until October 1, 1984. This is another instance of the shredding of the social safety net.

In conclusion, then, the bill before us today deals with some of the hard choices which people are always talking about when discussing how to reduce the deficit. Unfortunately, it deals with these issues in a way which is arbitrary, unfair, and continues the Reagan policy of asking for more from the people who have been asked to give too much already.●

● Mr. ROTH. Mr. President, one of the most important provisions reported by the Governmental Affairs Committee and included in this omnibus reconciliation bill was authored by the distinguished Senator from Georgia, Senator MATTINGLY. This provision would rectify a problem in the system which has resulted in some retirees receiving more in their annuities than the employees working in the jobs those retirees left.

I would like to thank the Senator from Georgia for his leadership on this important issue. This problem was brought to the attention of the Senate through the considerable efforts of Senator MATTINGLY. He has worked skillfully with OPM and GAO and the Subcommittee on Civil Service, Post Office, and General Services to formulate this complex proposal. I am a cosponsor of his original legislation, S. 1380, to effect this change.

Senator MATTINGLY has distinguished himself in his short years in the Senate as an exceptionally capable legislator and a friend of the taxpayer. He has been an immeasurable addition to the Governmental Affairs Committee. I am pleased to have a Senator of his demonstrated ability serve on my committee.●

● Mr. DANFORTH. Mr. President, section 156 of S. 2774 pertains to agricultural export promotion, and in particular agricultural export subsidies.

I understand that this section is of great concern to the Office of the U.S. Trade Representative.

As chairman of the Subcommittee on International Trade of the Committee on Finance, I am determined to maintain and enhance exports of American agricultural commodities and to defend those exports against foreign unfair trade practices.

Although no amendments to section 156 are planned at this time, I would hope that necessary changes to this provision will be considered in conference.

Mr. President, I ask that the following letter be inserted in the RECORD. This letter is from Ambassador David Macdonald, Acting U.S. Trade Representative, stating the U.S. Trade Representative's opposition to section 156 of this bill. I am informed that the position stated in this letter has the support of the Office of Management and Budget.

The letter follows:

DEPUTY U.S. TRADE REPRESENTATIVE,
Washington, D.C., August 4, 1982.

Hon. JOHN C. DANFORTH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DANFORTH: I am writing to let you know of this office's strong opposition to Subtitle D of S. 2774, concerning an agricultural export promotion program. If enacted, this section would cause a severe setback in U.S. efforts to eliminate unfair practices in agricultural trade.

As the bill is now written, the Secretary of Agriculture would be required to consider subsidizing U.S. exports of sugar, wheat flour and poultry. In addition, although the purpose of the bill, as set forth in section (a), is to neutralize the effects of "export" subsidies, the inconsistent language of subsection (c)(2)(C) referring to any "program, policy or practice of a foreign country" would require him to consider subsidizing citrus, canned fruit and raisins as well. We currently have section 301 petitions pending on all of these products. Given the limit of $190,000,000 per year, such a program would be infeasible and ineffective even without any impediments for trade policy reasons.

The funds provided by this bill are insufficient to mount any significant challenge to the European Community's $7.5 billion export subsidy expenditures in 1981. Even if we were to use the monies available to target one or two commodities, the EC could easily increase their subsidies on that commodity. We would have entered a subsidies war in which we do not have sufficient funds to mount a credible offensive. Yet, once we begin to subsidize, we will have acquiesced in playing the game according to the EC's rules rather than seeking a broad acceptance of our policy to oppose export subsidies.

The linkage of this export promotion program to the Section 301 process is equally disturbing. At the present time USTR, with interagency advice, has only 45 days within which to review a Section 301 petition and to determine whether to initiate an investigation of its allegations. The investigation then involves evaluation of the merits of the petition and a decision regarding initiation of the GATT dispute settlement process. Under the proposed legislation, the USTR's decision to investigate a Section 301 complaint would automatically require the Secretary of Agriculture to consider subsidizing the product which is the subject of that complaint. The USTR decision within the 45-day period would thus entail a decision as well as to the eligibility of a product for export promotion funds—which goes far beyond the intended scope and purpose of Section 301.

Finally, by authorizing U.S. retaliatory measures prior to completion of the Section 301 process, we believe that this legislation undercuts the President's authority under Section 301 to determine what, if any, action is appropriate to respond to foreign trade practices.

This legislation is proposed at a particularly sensitive time for us in terms of our cases pending in the international dispute settlement process. Three of those cases (wheat flour, pasta, canned fruit/raisins) are presently before GATT panels, and the U.S. has vigorously argued in each case for the elimination of subsidies. If we are unsuccessful in those cases, we would be most willing to consider subsidization of our exports. Until then, however, we strongly oppose the proposed agricultural export promotion program.

Sincerely,

DAVID R. MACDONALD,
Acting U.S. Trade Representative.●

The PRESIDING OFFICER. If there are no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

Mr. DOMENICI. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

The PRESIDING OFFICER. Third reading having occurred, the question is, Shall the bill pass?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. BRADY. Mr. President, on this vote I have a pair with the junior Senator from Connecticut (Mr. DODD). If he were present and voting, he would vote "nay." If I were at liberty to vote I would vote "aye." Therefore, I withhold my vote.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), is necessarily absent.

I further announce that, if present and voting, the Senator from Maine (Mr. COHEN), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

The PRESIDING OFFICER (Mr. MURKOWSKI). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 72, nays 24, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—72

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Goldwater	Nunn
Baker	Gorton	Packwood
Baucus	Grassley	Pell
Bentsen	Hatch	Percy
Biden	Hatfield	Pressler
Boren	Heflin	Proxmire
Boschwitz	Heinz	Quayle
Bradley	Helms	Roth
Burdick	Hollings	Rudman
Byrd, Harry F., Jr.	Huddleston	Sasser
	Humphrey	Schmitt
Chafee	Jepsen	Simpson
Chiles	Johnston	Specter
Cochran	Kassebaum	Stafford
D'Amato	Kasten	Stevens
Danforth	Laxalt	Symms
DeConcini	Leahy	Thurmond
Denton	Long	Tower
Dole	Lugar	Wallop
Domenici	Mathias	Warner
Durenberger	Mattingly	Zorinsky
East	McClure	
Exon	Melcher	

NAYS—4

Bumpers	Hawkins	Mitchell
Byrd, Robert C.	Hayakawa	Moynihan
Cannon	Inouye	Pryor
Cranston	Jackson	Randolph
Dixon	Kennedy	Riegle
Eagleton	Levin	Sarbanes
Glenn	Matsunaga	Tsongas
Hart	Metzenbaum	Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Brady, for

NOT VOTING—3

Cohen	Dodd	Stennis

So the bill (S. 2774), as amended, was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Reconciliation Act of 1982".

TITLE I—AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

Subtitle A—Food Stamp Program Reductions

REFERENCES TO THE FOOD STAMP ACT OF 1977

SEC. 101. Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

HOUSEHOLDS

SEC. 102. The first sentence of section 3(i) (7 U.S.C. 2012(i)) is amended—

(1) by striking out "parents and children" and inserting in lieu thereof "related individuals"; and

(2) by striking out "the parents" and inserting in lieu thereof "the related individuals".

THRIFTY FOOD PLAN ADJUSTMENTS

SEC. 103. The second sentence of section 3(o) (7 U.S.C. 2012(o)) is amended by striking out "(6)" and all that follows through "twelve months ending the preceding June 30" and inserting in lieu thereof the following: "(6) on October 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the eighteen months ending March 31, 1982, (7) on October 1, 1983, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending April 30, 1983, (8) on October 1, 1984, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending May 31, 1984, (9) on October 1, 1985, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending June 30, 1985, and (10) on each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30".

INCOME STANDARDS OF ELIGIBILITY

SEC. 104. (a) Subsection (c) of section 5 (7 U.S.C. 2014(c)) is amended to read as follows:

"(c) The income standards of eligibility shall provide that a household shall be ineligible to participate in the food stamp program if—

"(1) the household's income (after the exclusions and deductions provided for in subsections (d) and (e)) exceeds the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively; and

"(2) in the case of a household that does not include a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), the household's income (after the exclusions provided for in subsection (d) but before the deductions provided for in subsection (e)) exceeds such poverty line by more than 30 per centum.

In no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States.".

(b) The first sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "households described in subsection (c)(1)" and inserting in lieu thereof "households containing a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.)".

COORDINATION OF COST-OF-LIVING ADJUSTMENTS

SEC. 105. Section 5(d) (7 U.S.C. 2014(d)) is amended—

(1) by striking out "and" at the end of clause (10); and

(2) by adding before the period at the end thereof the following: ", and (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the first month in which the adjustment was effective".

ADJUSTMENT OF DEDUCTIONS

SEC. 106. (a) The second sentence of section 5(e) (7 U.S.C. 2014(e)) is amended to read as follows: "Such standard deductions shall be adjusted (1) on October 1, 1984, to the nearest $5 increment to reflect changes in the Consumer Price Index for all urban customers published by the Bureau of Labor Statistics, for items other than food and the homeownership component of shelter costs, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the twenty-one months ending September 30, 1983, (2) on October 1, 1985, to the nearest $5 increment to reflect such changes for the twenty-one months ending June 30, 1985, and (3) on October 1, 1986, and each October 1 thereafter, to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30.".

(b) Subclause (i) of the proviso of clause (2) of the fourth sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983".

STANDARD UTILITY ALLOWANCES

SEC. 107. (a) Section 5(e) (7 U.S.C. 2014(e)) is amended by inserting after the fourth sentence the following new sentences: "In computing the excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations. An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be,

or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs. No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.".

(b) Subclause (B) of the last sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "preceding sentence" and inserting in lieu thereof "fourth sentence of this subsection".

FINANCIAL RESOURCES

SEC. 108. The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended—

(1) by striking out "June 1, 1977" and inserting in lieu thereof "June 1, 1982";

(2) by striking out "and" after "vacation purposes,"; and

(3) by inserting after "$4,500," the following: "and, regardless of whether there is a penalty for early withdrawal, any savings or retirement accounts (including individual accounts) and the cash value of any pensions accessible to the household,".

CATEGORICAL ELIGIBILITY

SEC. 109. Section 5 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(j) Notwithstanding subsections (a) through (i), a State agency may consider a household in which all members of the household receive benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and whose income does not exceed the applicable income standard of eligibility described in subsection (c)(2) to have satisfied the resource limitations prescribed under subsection (g).".

PERIODIC REPORT FORMS

SEC. 110. The last sentence of section 6(c)(1) (7 U.S.C. 2015(c)(1)) is amended by striking out ", on a form designed or approved by the Secretary,".

REPORTING REQUIREMENTS

SEC. 111. Section 6(c) (7 U.S.C. 2015(c)) is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary is authorized, upon the request of a State agency, to waive any provisions of this subsection (except the provisions of the first sentence of paragraph (1) which relate to households which are not required to file periodic reports) to the extent necessary to permit the State agency to establish periodic reporting requirements for purposes of this Act which are similar to the periodic reporting requirements established under the State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in that State.".

EMPLOYMENT REQUIREMENTS

SEC. 112. Paragraph (1) of section 6(d) (7 U.S.C. 2015(d)(1)) is amended to read as follows:

"(1)(A) Unless otherwise exempted by paragraph (2), a household shall be ineligible for assistance under this Act if it includes a physically and mentally fit person between the ages of eighteen and sixty who—

"(i) refuses at the time of application and once every twelve months thereafter to register for employment in a manner determined by the Secretary;

"(ii) refuses to fulfill whatever reasonable job search requirements are prescribed by the Secretary, which may include a requirement that such job search commence at the time of application for assistance, except that noncompliance with this clause shall result in permanent disqualification of the entire household unless and until such person complies with this clause;

"(iii) refuses without good cause to report for an interview upon the reasonable request of a State employment service office (or other agency designated in accordance with regulations prescribed by the Secretary);

"(iv) refuses without good cause to respond to a request from a State employment service office (or other designated agency) for information regarding employment status or availability for work;

"(v) refuses without good cause to report to an employer to whom the person was referred by a State employment service office (or other designated agency) if the potential employment meets requirements prescribed by the Secretary;

"(vi) while participating in the food stamp program is, or within ninety days before application for participation in such program was, head of the household and voluntarily quits a job without good cause, except that the period of ineligibility shall be ninety days; or

"(vii) refuses without good cause (including the lack of adequate child care for children above the age of five and under the age of twelve) to accept an offer of employment at a wage not less than the higher of either the applicable State or Federal minimum wage, or 80 per centum of the wage that would have governed had the minimum hourly rate established under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment, at a site or plant not then subject to a strike or lockout.

"(B) An employee of the Federal Government, or of a State or political subdivision of a State, who engaged in a strike against the Federal Government, a State or political subdivision of a State, and is dismissed from his job because of his participation in the strike shall be considered to have voluntarily quit such job without good cause.".

PARENTS AND CARETAKERS OF CHILDREN

SEC. 113. Clause (C) of section 6(d)(2) (7 U.S.C. 2015(d)(2)(C)) is repealed.

HOURS OF EMPLOYMENT

SEC. 114. Clause (F) of section 6(d)(2) (7 U.S.C. 2015(d)(2)(F)) is amended to read as follows: "(F) employed a minimum of one hundred and fifty hours per month or receiving monthly earnings which equal the minimum hourly rate established under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), multiplied by one hundred and fifty hours.".

JOINT EMPLOYMENT REGULATIONS

SEC. 115. Paragraph (3) of section 6(d) (7 U.S.C. 2015(d)(3)) is repealed.

COLLEGE STUDENTS

SEC. 116. Section 6(e) (7 U.S.C. 2015(e)) is amended by striking out "or (B)" and all that follows through "or (C)" and inserting in lieu thereof "; (B) is not a parent with responsibility for the care of a dependent child under age six; (C) is not receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or (D)".

ALIENS

SEC. 117. The last sentence of section 6(f) (7 U.S.C. 2015(f)) is amended by striking out "(less a pro rata share)".

PRORATING BENEFITS

SEC. 118. Clause (2) of the last sentence of section 8(c) (7 U.S.C. 2017(c)) is amended by striking out "of more than thirty days".

NONCOMPLIANCE WITH OTHER PROGRAMS

SEC. 119. Section 8 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsection:

"(d) A household against which a penalty has been imposed for an intentional failure to comply with a Federal, State, or local law relating to welfare or a public assistance program may not, for the duration of the penalty, receive an increased allotment as the result of a decrease in the household's income (as determined under section 5(d) and (e)) to the extent that the decrease is the result of such penalty.".

HOUSE-TO-HOUSE TRADE ROUTES

SEC. 120. Section 9 (7 U.S.C. 2018) is amended by adding at the end thereof the following new subsection:

"(f) In those areas in which the Secretary, in consultation with the Inspector General of the Department of Agriculture, finds evidence that the operation of house-to-house trade routes damages the program's integrity, the Secretary shall limit the participation of house-to-house trade routes to those routes that are reasonably necessary to provide adequate access to households.".

APPROVAL OF STATE PLAN OF OPERATION

SEC. 121. Section 11(d) (7 U.S.C. 2020(d)) is amended by inserting after the first sentence the following new sentence: "The Secretary may not, as a part of the approval process for a plan of operation, require a State to submit for prior approval by the Secretary the State agency instructions to staff, interpretations of existing policy, State agency methods of administration, forms used by the State agency, or any materials, documents, memoranda, bulletins, or other matter, unless the State determines that the materials, documents, memoranda, bulletins, or other matter alter or amend the State plan of operation or conflict with the rights and levels of benefits to which a household is entitled.".

BILINGUAL PERSONNEL AND PRINTED MATERIAL

SEC. 122. (a) Section 11(e)(1) (7 U.S.C. 2020(e)(1)) is amended—

(1) by striking out "(A)"; and

(2) by striking out "and (B)" and all that follows through "English;".

(b) Section 11(e) (7 U.S.C. 2020(e)) is amended—

(1) by striking out "and" at the end of paragraph (20);

(2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraph:

"(22) at the option of the State agency, for the use of appropriate bilingual personnel and printed material in the administration of the program; and".

POINTS AND HOURS OF CERTIFICATION AND ISSUANCE

SEC. 123. (a) The last sentence of section 11(e)(2) (7 U.S.C. 2020(e)(2)) is amended by striking out "points and hours of certification, and for".

(b) Paragraph (13) of section 11(e) (7 U.S.C. 2020(e)(13)) is repealed.

AUTHORIZED REPRESENTATIVES

SEC. 124. Section 11(e)(7) (7 U.S.C. 2020(e)(7)) is amended—

(1) by striking out "any" each place it appears and inserting in lieu thereof "an"; and

(2) by inserting before the semicolon at the end thereof the following: ", except that the Secretary may restrict the number of households which may be represented by an individual and otherwise establish criteria and verification standards for representation under this paragraph".

DISCLOSURE OF INFORMATION

SEC. 125. Section 11(e)(8) (7 U.S.C. 2020(e)(8)) is amended by striking out "or the regulations issued pursuant to this Act" and inserting in lieu thereof ", regulations issued pursuant to this Act, Federal assistance programs, or federally assisted State programs".

EXPEDITED COUPON ISSUANCE

SEC. 126. Paragraph (9) of section 11(e) (7 U.S.C. 2020(e)(9)) is amended to read as follows:

"(9) that the State agency shall—

"(A) provide coupons no later than five days after the date of application to any household which—

"(i)(I) has gross income that is less than $85 per month; or

"(II) is a destitute migrant or a seasonal farmworker household; and

"(ii) has liquid resources that do not exceed $100;

except that a State agency shall not be required to provide coupons to a household within five days after the date of application more than once in a six-month period, other than in the case of a destitute migrant or a seasonal farmworker household; and

"(B) to the extent practicable, verify the income and resources of the household prior to issuance of coupons to the household;".

PROMPT REDUCTION OR TERMINATION OF BENEFITS

SEC. 127. Section 11(e)(10) (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon the following: ", except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide notice of its action to the household as late as the date on which the action becomes effective".

DUPLICATION OF COUPONS IN MORE THAN ONE JURISDICTION WITHIN A STATE

SEC. 128. Section 11(e) (7 U.S.C. 2020(e)) (as amended by section 122(b) of this Act) is amended by adding at the end thereof the following new paragraph:

"(23) that the State agency shall establish a system and take action on a periodic basis to verify and otherwise assure that an individual does not receive coupons in more than one jurisdiction within the State.".

CERTIFICATION SYSTEMS

SEC. 129. Section 11(i) (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "Each State agency shall implement clauses (1) and (2) and may implement clause (3) or (4), or both such clauses.".

CASHED-OUT PROGRAMS

SEC. 130. Section 11 (7 U.S.C. 2020) is amended by adding at the end thereof the following new subsection:

"(n) The Secretary shall require State agencies to conduct verification and implement other measures where necessary, but no less often than annually, to assure that an individual does not receive both coupons and benefits or payments referred to in section 6(g) or both coupons and assistance provided in lieu of coupons under section 17(b)(1).".

ISSUANCE PROCEDURES

SEC. 131. Section 11 (7 U.S.C. 2020) (as amended by section 130 of this Act) is amended by adding at the end thereof the following new subsection:

"(o) The Secretary may require a State agency to implement new or modified procedures for the issuance of coupons if such procedures are consistent with this Act and the Secretary finds that such procedures would improve program integrity and be cost-effective.".

AMOUNT OF PENALTY AND LENGTH OF DISQUALIFICATION

SEC. 132. Section 12 (7 U.S.C. 2021) is amended—

(1) by inserting "(a)" after the section designation;

(2) in the first sentence, by striking out "$5,000" and inserting in lieu thereof "$10,000";

(3) by striking out the second sentence and inserting in lieu thereof the following new subsection:

"(b) Disqualification under subsection (a) shall be—

"(1) for a reasonable period of time, of no less than six months nor more than five years, upon the first occasion of disqualification;

"(2) for a reasonable period of time, of no less than twelve months nor more than ten years, upon the second occasion of disqualification; and

"(3) permanent upon the third occasion of disqualification or the first occasion of a disqualification based on the purchase of coupons or trafficking in coupons or authorization cards by a retail food store or wholesale food concern."; and

(4) by designating the last sentence as subsection (c).

BONDS

SEC. 133. (a) Section 12 (7 U.S.C. 2021) (as amended by section 132 of this Act) is amended by adding at the end thereof the following new subsection:

"(d) As a condition of authorization to accept and redeem coupons, the Secretary may require a retail food store or wholesale food concern which has been disqualified or subjected to a civil penalty pursuant to subsection (a) to furnish a bond to cover the value of coupons which such store or concern may in the future accept and redeem in violation of this Act. The Secretary shall, by regulation, prescribe the amount, terms, and conditions of such bond. If the Secretary finds that such store or concern has accepted and redeemed coupons in violation of this Act after furnishing such bond, such store or concern shall forfeit to the Secretary an amount of such bond which is equal to the value of coupons accepted and redeemed by such store or concern in violation of this Act. Such store or concern may obtain a hearing on such forfeiture pursuant to section 14.".

(b) The first sentence of section 14(a) (7 U.S.C. 2023(a)) is amended by inserting "or a retail food store or wholesale food concern forfeits a bond under section 12(d) of this Act," after "section 9 of this Act,".

ALTERNATIVE MEANS OF COLLECTION OF OVERISSUANCES

SEC. 134. (a) Section 13(b)(1) (7 U.S.C. 2022(b)(1)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end thereof the following new subparagraph:

"(B) State agencies may collect any claim against a household arising from the overissuance of coupons based on an ineligibility determination under section 6(b), other than claims collected pursuant to subparagraph (A), by using other means of collection.".

(b) Section 13(b)(2) (7 U.S.C. 2022(b)(2)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end thereof the following new subparagraph:

"(B) State agencies may collect any claim against a household arising from the overissuance of coupons, other than claims collected pursuant to paragraph (1) or subparagraph (A), by using other means of collection.".

CLAIMS COLLECTION PROCEDURE

SEC. 135. The second sentence of section 13(b)(1)(A) (as amended by section 134 of this Act) is amended by inserting "within thirty days of a demand for an election" after "election".

COST-SHARING FOR COLLECTION OF OVERISSUANCES

SEC. 136. The first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended by inserting before the period at the end thereof the following: ", except the value of funds or allotments recovered or collected pursuant to section 13(b)(2) which arise from an error of a State agency".

ERROR RATE REDUCTION SYSTEM

SEC. 137. (a) Section 16 (7 U.S.C. 2025) is amended—

(1) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The Secretary is authorized to adjust a State agency's federally funded share of administrative costs pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing such share to 60 per centum of all such administrative costs in the case of a State agency which has—

"(1) a payment error rate as defined in subsection (d)(1) which, when added to the total percentage of all allotments underissued to eligible households by the State agency, is less than 5 per centum; and

"(2) a rate of invalid decisions in denying eligibility which is less than a nationwide percentage which the Secretary determines to be reasonable.";

(2) by striking out subsections (d), (e), and (g) and redesignating subsections (f), (h), and (i) as subsections (e), (f), and (g), respectively; and

(3) by inserting after subsection (c) the following new subsection:

"(d)(1) As used in this subsection, the term 'payment error rate' means the total percentage of all allotments issued in a fiscal year by a State agency which are either—

"(A) issued to households which fail to meet basic program eligibility requirements; or

"(B) overissued to eligible households.

"(2)(A) The Secretary shall institute an error rate reduction program under which, if a State agency's payment error rate exceeds—

"(i) 9 per centum for fiscal year 1983,

"(ii) 7 per centum for fiscal year 1984, or

"(iii) 5 per centum for fiscal year 1985 or any fiscal year thereafter,

then the Secretary shall, other than for good cause shown or as provided in subparagraph (B), reduce the State agency's federally funded share of administrative costs provided pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by the amounts required under paragraph (3).

"(B) The Secretary may not reduce a State agency's federally funded share of administrative costs pursuant to subparagraph (A)—

"(i) on the basis of the State agency's payment error rate for fiscal year 1983, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 33.3 per centum of the difference between the State agency's payment error rate for such period and 5 per centum; or

"(ii) on the basis of the State agency's payment error rate for fiscal year 1984, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 66.7 per centum of the difference between the State agency's payment error rate for such period and 5 per centum.

"(3)(A) The Secretary shall reduce a State agency's federally funded share of administrative costs, except as provided in subparagraph (B), by—

"(i) 5 per centum for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); and

"(ii) if the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum, an additional 5 per centum (for a total of 10 per centum) for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum.

"(B) The Secretary may not reduce a State agency's federally funded share of administrative costs for a fiscal year by an amount that exceeds the product of multiplying—

"(i) the per centum by which the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); by

"(ii) the total dollar value of all coupons issued by the State agency during the fiscal year.

"(4) The Secretary may require a State agency to report any factors which the Secretary considers necessary to determine the appropriate level of a State agency's federally funded share of administrative costs under this subsection. If a State agency fails to meet the reporting requirements established by the Secretary, the Secretary shall base the determination on all pertinent information available to the Secretary.

"(5) If the Secretary reduces a State agency's federally funded share of administrative costs under this subsection, the State may seek administrative and judicial review of the action pursuant to section 14.".

(b)(1) Section 11(e)(3) (7 U.S.C. 2020(e)(3)) is amended—

(A) by striking out "subsections (h) and (i) of section 16" and inserting in lieu thereof "section 16(e)"; and

(B) by striking out "quality control program" and inserting in lieu thereof "error rate reduction system".

(2) The first sentence of section 18(e) (7 U.S.C. 2027(e)) is amended by striking out "sections 7(f), 11 (g) and (h), 13(b), and 16(g)" and inserting in lieu thereof "sections 7(f), 11 (g) and (h), and 13(b)".

EMPLOYMENT REQUIREMENT PILOT PROJECT

SEC. 138. Section 17 (7 U.S.C. 2026) is amended by adding at the end thereof the following new subsection:

"(g)(1) As used in this subsection, the term 'qualification period' means a period of time immediately preceding—

"(A) in the case of a new applicant for benefits under this Act, the date on which application for such benefits is made by the individual; or

"(B) in the case of an otherwise continuing recipient of coupons under this Act, the date on which such coupons would otherwise be issued to the individual.

"(2) The Secretary may conduct a pilot project involving the employment requirements described in this subsection in each of the seven administrative regions of the Food and Nutrition Service of the Department of Agriculture.

"(3) Under the pilot projects conducted pursuant to this subsection, except as provided in paragraphs (4), (5), and (6), an individual who resides in a project area shall not be eligible for assistance under this Act if the individual was not employed a minimum of twenty hours per week, or did not participate in a workfare program established under section 20, during a qualification period of—

"(A) thirty or more consecutive days, in the case of an individual whose benefits under a State or Federal unemployment compensation law were terminated immediately before such qualification period began; or

"(B) sixty or more consecutive days, in the case of an individual not described in clause (A).

"(4) The provisions of paragraph (3) shall not apply in the case of an individual who—

"(A) is under eighteen or over fifty-nine years of age;

"(B) is certified by a physician as physically or mentally unfit for employment;

"(C) is a parent or other member of a household with responsibility for the care of a dependent child under six years of age or of an incapacitated person;

"(D) is a parent or other caretaker of a child under six years of age in a household in which there is another parent who, unless covered by clause (A) or (B), or both such clauses, is employed a minimum of twenty hours per week or participating in a workfare program established under section 20;

"(E) is in compliance with section 6(d) and demonstrates, in a manner prescribed by the Secretary, that he is able and willing to accept employment but is unable to obtain such employment; or

"(F) is a member of any other group described by the Secretary.

"(5) The Secretary may waive the requirements of paragraph (3) in the case of all individuals within all or part of a project area if the Secretary finds that such area—

"(A) has an unemployment rate of over 10 per centum; or

"(B) does not have a sufficient number of jobs to provide employment for individuals subject to this subsection.

"(6) An individual who has become ineligible for assistance under this Act by reason of paragraph (3) may reestablish eligibility for assistance after a period of ineligibility by—

"(1) becoming employed for a minimum of twenty hours per week during any consecutive thirty-day period; or

"(2) participating in a workfare program established under section 20 during any consecutive thirty-day period.".

BENEFIT REDUCTION STUDY; DISTRIBUTION OF SURPLUS COMMODITIES

SEC. 139. (a) Section 17 (7 U.S.C. 2026) (as amended by section 138) is amended by adding at the end thereof the following new subsection:

"(h)(1) The Secretary shall conduct a study of the effects of reductions made in benefits provided under this Act pursuant to part 1 of subtitle A of title I of the Omnibus Budget Reconciliation Act of 1981, the Food Stamp and Commodity Distribution Amendments of 1981, and any other laws enacted by the Ninety-seventh Congress which affect the food stamp program. The study shall include a study of the effect of retrospective accounting and periodic reporting procedures established under such Acts on benefits provided under this Act and on program administration.

"(2) The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report on the results of the study conducted pursuant to this subsection no later than February 1, 1984, and a final report on the results of such study no later than March 1, 1985.".

(b)(1) The Congress finds that—

(A) for an increasing number of people in the United States, these are times of great suffering and deprivation;

(B) rising unemployment, decreasing appropiations for social services, and increasingly adverse economic conditions have all contributed to produce hunger and want on a scale not experienced since the time of the Great Depression;

(C) the demand for every conceivable form of assistance for the hungry and needy people of the United States grows more critical daily, while the availability of goods, and services to meet the needs of such people is rapidly diminishing;

(D) soup kitchens, food banks, and other organizations which provide food to the hungry report an astronomical increase in the number of persons seeking the assistance of such organizations;

(E) according to a study completed by the General Accounting Office in 1977, one hundred and thirty-seven million tons of food, or more than 20 per centum of this country's total annual food production, is wasted or discarded in the United States each year;

(F) at wholesale and retail food distributors, shipping terminals, and other establishment all across the country, enormous quantities of fresh fruits and vegetables and dated dairy and bakery products are discarded each day, while growing numbers of Americans go to bed hungry and undernourished each night;

(G) in these times of budget constraints and appeals for reductions in Federal spending, the use of private resources to meet the

basic food requirements of our citizens should be encouraged; and

(H) many State and local governments have not enacted laws which limit the liability of food donors, such as so-called Good Samaritan Acts and donor liability laws, and thus have discouraged donation of food to the needy by private persons.

(2) It is the sense of the Congress that—

(A) departments and agencies of the Federal Government should take such steps as may be necessary to distribute to hungry people of the United States surplus food or food which would otherwise be discarded;

(B) State and local governments which have not yet enacted so-called Good Samaritan or donor liability laws to encourage private cooperative efforts to provide food for hungry people within their respective jurisdictions should do so as quickly as possible; and

(C) wholesale and retail food distributors, shipping terminals, and other establishments should work more closely with religious, community, and other charitable organizations to make wholesome food which is currently being wasted or discarded by such establishments available for immediate distribution to hungry people of the United States.

AUTHORIZATION EXTENSION

SEC. 140. (a) Section 18(a) (7 U.S.C. 2027(a)) is amended—

(1) in the first sentence of paragraph (1)—

(A) by inserting "other than the provisions of section 19" after "Act";

(B) by striking out "and" after "September 30, 1981;"; and

(C) by inserting before the period at the end thereof the following: "; not in excess of $11,900,000,000 for the fiscal year ending September 30, 1983; not in excess of $12,300,000,000 for the fiscal year ending September 30, 1984; and not in excess of $13,200,000,000 for the fiscal year ending September 30, 1985"; and

(2) by adding at the end thereof the following new paragraph:

"(3) To carry out the provisions of section 19 of this Act, there are hereby authorized to be appropriated not in excess of $825,000,000 for the fiscal year ending September 30, 1983, and each of the two subsequent fiscal years.".

(b) The first sentence of section 4(a) (7 U.S.C. 2013(a)) is amended by striking out "section 18" and inserting in lieu thereof "section 18(a)(1)".

SIMILAR WORKFARE PROGRAMS

SEC. 141. Section 20(a) (7 U.S.C. 2029(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a political subdivision to design and operate a workfare program under this section which is compatible and consistent with similar workfare programs operated by the subdivision.

"(B) A political subdivision may comply with this section by operating—

"(i) a workfare program pursuant to title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) any other workfare program which the Secretary determines meets the provisions and protections provided under this section.".

WIN PARTICIPANTS

SEC. 142. Clause (4) of section 20(b) (7 U.S.C. 2029(b)) is amended by striking out "subject to and currently involved" and inserting in lieu thereof "at the option of the operating agency, an individual who is subject to and currently actively and satisfactorily participating".

HOURS OF WORKFARE

SEC. 143. Section 20(c) (7 U.S.C. 2029(c)) is amended by striking out "either" and all that follows through the end of the sentence and inserting in lieu thereof: ", when added to any other hours worked during such week by such member for compensation (in cash or in kind) in any other capacity, exceeds thirty hours a week.".

STATE BLOCK GRANT OPTION

SEC. 144. (a) The Act (7 U.S.C. 2011 et seq.) is amended by adding at the end thereof the following new section:

"STATE BLOCK GRANT OPTION

"SEC. 21. (a) As used in this section, unless the context otherwise requires, the term—

"(1) 'Attorney General' means the Attorney General of the United States.

"(2) 'Block grant State' means a State which is operating a low-income nutritional assistance program in accordance with this section.

"(3) 'Comptroller General' means the Comptroller General of the United States.

"(4) 'State' means the fifty States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(b)(1) A State may elect—

"(A) to operate a low-income nutritional assistance block grant program to finance expenditures for food assistance for needy persons within the State in accordance with this section, or

"(B) to have the Secretary operate the food stamp program within the State in accordance with sections 2 through 18 and section 20.

"(2) If a State elects to operate a low-income nutritional assistance block grant program pursuant to paragraph (1)(A), the State shall give notice to the Secretary of such election at least thirty days before the beginning of the first fiscal year it elects to operate the program.

"(3) The Secretary shall make grants to block grant States in accordance with this section.

"(4) The Secretary shall retain each fiscal year, out of funds appropriated pursuant to the authorization contained in section 18(a)(1) for such fiscal year, an amount which bears the same ratio to the total amount appropriated pursuant to such authorization as the amounts received by and benefits distributed in block grant States for the period beginning on April 1, 1981, and ending on March 31, 1982, under this Act and section 8 of the Act of December 31, 1973 (Public Law 93-233; 42 U.S.C. 1382e note), bears to the total amount received by all States for that period under this Act and such section.

"(c)(1)(A) The Secretary shall allot to each block grant State in each fiscal year, out of funds retained under subsection (b)(4) for such fiscal year, an amount which bears the same ratio to the total amount of funds retained under such subsection as the amount received by and benefits distributed in such block grant State for the period beginning on April 1, 1981, and ending on March 31, 1982, under this Act and section 8 of the Act of December 31, 1973 (Public Law 93-233; 42 U.S.C. 1382e note) bears to the total amount received by all such block grant States for that period under this Act and such section.

"(B) Notwithstanding subparagraph (A), no block grant State may receive for any fiscal year an amount less than one-quarter of 1 per centum of the amount appropriated pursuant to the authorization contained in section 18(a)(1) for such fiscal year. If one or more block grant States receive minimum allotments by virtue of this subparagraph, the total amount of funds available to other States shall be reduced by the total amount of allotments received by virtue of this subparagraph.

"(2)(A) If, with respect to any block grant State, the Secretary—

"(i) receives a request from the governing body of an Indian tribe or tribal organization within the block grant State that assistance under this section be made directly to the tribe or organization; and

"(ii) determines that the members of the tribe or tribal organization would be better served if grants to provide benefits under this section were made directly to such tribe or organization,

the Secretary shall reserve, from amounts which would otherwise be allotted to the block grant State under this section for the fiscal year, the amount determined under subparagraph (B).

"(B) The Secretary shall reserve for the purpose of subparagraph (A) from sums that would otherwise be allotted to the block grant State an amount which bears the same ratio to the block grant State's allotment for the fiscal year involved as the population of all eligible Indians for whom a determination has been made under this paragraph bears to the population of all individuals eligible for assistance under this section in the block grant State.

"(C) The sums reserved by the Secretary under this paragraph shall be granted to Indian tribes and tribal organizations on the basis of the relative number of individuals contained in the Indian tribes and tribal organizations for whom a determination has been made under this paragraph.

"(D) To be eligible for a grant under this paragraph in any fiscal year, an Indian tribe or tribal organization must submit to the Secretary a plan for the fiscal year which meets such criteria as the Secretary may prescribe by regulation.

"(d)(1) To be eligible for a grant under this section in any fiscal year, a block grant State must submit an application to the Secretary for the fiscal year. Each application shall be submitted at such time and in such form as the Secretary shall require.

"(2) No funds may be allotted to a block grant State for any fiscal year after the fiscal year in which such block grant State received funds under this section unless the legislature of the block grant State conducts public hearings, not less often than biennially, on the proposed use and distribution of funds to be provided under this section.

"(3) As part of the application required by paragraph (1), the chief executive officer of each block grant State shall certify in writing that the block grant State will—

"(A) assess on a regular basis the food and nutrition needs of needy persons residing in the block grant State;

"(B) use the funds made available to it under this section to raise the level of nutrition among low-income households residing in that block grant State;

"(C) designate a single agency which shall be responsible for the administration, or supervision of the administration, of the pro-

gram for which funds made available under this section are used;

"(D) provide that fiscal control and fund accounting procedures will be established to assure the proper disbursal of and accounting for Federal funds paid to the block grant State under this section, including procedures for monitoring the program carried out by the block grant State with the assistance provided under this section;

"(E) provide for an audit (pursuant to paragraph (8)), not less often than biennially, of the block grant State's expenditures of amounts received under this section;

"(F) describe how the block grant State program will operate to carry out this paragraph, including a description of the assistance to be provided under the program, the recipients who will be eligible under the program, and the administering agency; and

"(G) comply with all the requirements of this paragraph and the public hearing requirement of paragraph (2).

"(4) The Secretary may not prescribe the manner in which the block grant States comply with paragraph (3). Each block grant State may prescribe, and the Secretary may not limit, standards of or requirements for eligibility for benefits under this section. Such standards or requirements may include a requirement for work or household contributions, or both, as a condition of eligibility for benefits under this section.

"(5) A grant made under this section may not be used by the block grant State, or by any person with whom the block grant State makes arrangements to carry out this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement of a building or other facility.

"(6)(A) The chief executive officer of each block grant State shall prepare and furnish to the Secretary a plan which describes how the block grant State will implement the assurances specified in paragraph (3). The chief executive officer of each block grant State may revise a plan prepared under this subparagraph and shall furnish a copy of the revised plan to the Secretary before its implementation.

"(B) A plan, including any revision of a plan, prepared under subparagraph (A) shall be made available for public inspection within the block grant State in a manner that will facilitate the review of, and comment on, the plan.

"(C) An Indian tribe or tribal organization which receives a grant under subsection (c)(2) shall not be a part of the plan submitted under this paragraph.

"(7) The Secretary may, upon a block grant State's request, provide technical assistance with respect to programs for the provision of assistance under this section, including technical assistance for the purpose of determining the feasibility of specific block grant plans under consideration by the block grant State.

"(8) Each block grant State shall provide for an annual audit of the funds provided to such block grant State under this section and shall have such audit conducted by an entity independent of the agency administering activities or services under this section. The audit shall be conducted in accordance with generally accepted accounting principles. Within thirty days after the completion of the audit, the chief executive officer of the block grant State shall submit a copy of the audit to the legislature of the block grant State and the Secretary.

"(9) The Comptroller General shall from time to time evaluate expenditures by block grant States of grants made under this section in order to assure that expenditures are consistent with this section and to determine the effectiveness of the block grant State in accomplishing the purposes of this section.

"(e)(1) No person may on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, a program or activity funded with funds made available under this section. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to such a program or activity.

"(2) Whenever the Secretary determines that there has been a failure to comply with paragraph (1) or any applicable regulation pertaining to paragraph (1), the Secretary shall notify the chief executive officer of the block grant State and request the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(B) exercise the powers and functions provided under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as may be applicable; or

"(C) take such other action as may be provided by law.

"(3) When a matter is referred to the Attorney General pursuant to paragraph (2)(A), or whenever the Attorney General has reason to believe there has occurred a pattern or practice in violation of this subsection, the Attorney General may bring a civil action in an appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(f)(1) The Secretary shall pay each block grant State the total allotment of funds for a fiscal year to which the block grant State is entitled under subsection (c) immediately after the Secretary has determined the amount of such allotment.

"(2) Payments made to a block grant State under this section for any fiscal year may be expended by the block grant State only in such fiscal year or in the succeeding fiscal year.

"(3) Any funds paid to a block grant State under subsection (c) which are not expended by the block grant State in the fiscal year for which they are paid or in the succeeding fiscal year may be expended by the block grant State on other social services provided pursuant to Federal law. The block grant State shall inform the Secretary of all such funds expended on other social services. If the block grant State elects not to expend all or part of the funds on other social services, the unexpended funds shall be returned to the Secretary and added to the amount made available for allotment to all the block grant States under subsection (b)(4) for the following fiscal year.

"(g)(1)(A) The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a block grant State has failed to use funds in accordance with this section or an assurance made under subsection (d)(3).

"(B) The Secretary, after adequate notice and an opportunity for a hearing conducted within the affected block grant State, shall withhold funds from a block grant State which fails to utilize its allotment substantially in accordance with this section or fails to meet an assurance made on behalf of the block grant State under subsection (d)(3).

"(2) A block grant State shall repay to the United States any amounts not expended other than in accordance with this section. Any amounts repaid to the United States in any fiscal year shall be added to the amount made available for allotment to all the block grant States under subsection (b)(4) for the following fiscal year. The Secretary shall (in the absence of repayment by the block grant State) offset the amounts against any other amount to which the block grant State is or may become entitled under this section.

"(3) The Comptroller General may conduct investigations of the use of funds received under this section by a block grant State in order to ensure compliance with this section.

"(4) In connection with an investigation conducted under this subsection, a block grant State shall make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General, upon a reasonable request, for examination, copying, or mechanical reproduction on or off the premises of the entity concerned. The Secretary and the Comptroller General may not request information not readily available to a block grant State or require that information be compiled, collected, or transmitted in a new form not already available.

"(h) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than five years, or both. If the value of the funds, assets, or property involved is not over $200, the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both.

"(i)(1) The Secretary, in consultation with the Comptroller General, shall evaluate possible formulas for the allotment of funds to block grant States under subsection (c) which could be used as an alternative method of allotting funds described in subsection (c). The formulas shall provide for the equitable distribution of the funds to block grant States and take into account the population, number of low-income households, financial resources, levels of unemployment, and such other factors within the block grant States which the Secretary deems appropriate.

"(2) The Secretary shall report to the Congress on the evaluation conducted pursuant to paragraph (1) no later than June 30, 1983.".

(b) Section 3 (7 U.S.C. 2012) is amended by striking out "As" in the matter preceding subsection (a) and inserting in lieu thereof "Except as provided in section 21(a), as".

DISABLED VETERANS AND SURVIVORS

SEC. 145. (a) Section 3 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(r) 'Elderly or disabled member' means a member of a household who—

"(1) is sixty years of age or older;

"(2) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

"(3) receives disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.);

"(4) is a veteran who—

"(A) has a service-connected disability which is rated as total under title 38, United States Code; or

"(B) is considered in need of regular aid and attendance or permanently housebound under such title;

"(5) is a surviving spouse of a veteran and—

"(A) is considered in need of regular aid and attendance or permanently housebound under title 38, United States Code; or

"(B) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)); or

"(6) is a child of a veteran and—

"(A) is considered permanently incapable of self-support under section 414 of title 38, United States Code; or

"(B) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)).".

(b) The first sentence of section 3(i) (7 U.S.C. 2012(i)) is amended by striking out "sixty" and all that follows through the end of the sentence and inserting in lieu thereof "an elderly or disabled member.".

(c) Section 5(c)(2) (as amended by section 104(a) of this Act) is amended by striking out "a member who is" and all that follows through "(42 U.S.C. 301 et seq.)" and inserting in lieu thereof "an elderly or disabled member".

(d) Section 5(e) (7 U.S.C. 2014(e)) (as amended by section 104(b) of this Act) is amended—

(1) in the first sentence, by striking out "a member who is" and all that follows through "(42 U.S.C. 301 et seq.)" and inserting in lieu thereof "an elderly or disabled member";

(2) in the fourth sentence, by striking out "a member" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "an elderly or disabled member"; and

(3) in the last sentence—

(A) by striking out "a member" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "an elderly or disabled member"; and

(B) in subclause (A), by striking out "household members" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "elderly or disabled members".

(e) The first sentence of section 6(c)(1) (7 U.S.C. 2015(c)(1)) is amended by striking out "sixty" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "elderly or disabled members".

ROUNDING DOWN

SEC. 146. (a) The second sentence of section 3(o) (7 U.S.C. 2012(o)) (as amended by section 103 of this Act) is amended—

(1) in clause (1), by inserting "(based on the unrounded cost of such diet)" after "adjustments"; and

(2) in clauses (6) through (10), by striking out "nearest dollar increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment for each household size".

(b) Section 5(e) (7 U.S.C. 2014(e)) (as amended by section 106 of this Act) is amended—

(1) in the second sentence, by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment"; and

(2) in the proviso of clause (2) of the fourth sentence, by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment".

(c) The first sentence of section 8(a) (7 U.S.C. 2017(a)) is amended by inserting "lower" after "nearest".

STUDIES

SEC. 147. (a) The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended—

(1) by striking out "(1)"; and

(2) by striking out ", and (2)" and all that follows through the end of the sentence and inserting in lieu thereof a period.

(b) Section 8(a) (7 U.S.C. 2017(a)) is amended by striking out the second sentence.

(c) Subsections (d) and (e) of section 17 (7 U.S.C. 2026(d) and (e)) are repealed.

TECHNICAL CORRECTIONS

SEC. 148. (a) Section 5(f)(2)(A) (as amended by section 107(a) of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 360)) is amended by striking out "propsective" and inserting in lieu thereof "prospective".

(b)(1) Section 6(g)(2) (7 U.S.C. 2015(g)(2)) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(2) Section 11 (7 U.S.C. 2020) is amended—

(A) in subsection (i), by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services", and

(B) in subsection (j), by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(3) The second sentence of section 16(e) (as redesignated by section 137(a)(2) of this Act) is amended by striking out "Secretary of Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Secretary of Health and Human Services".

(c) Section 16(f) (as redesignated by section 137(a)(2) of this Act) is amended by striking out "; and" and inserting in lieu thereof a period.

CONFORMING AMENDMENTS

SEC. 149. (a) Section 6(d)(2) (7 U.S.C. 2015(d)(2)) (as amended by sections 113 and 114 of this Act) is amended by redesignating clauses (D) through (F) as clauses (C) through (E), respectively.

(b) Section 6(d) (7 U.S.C. 2015(d)) (as amended by section 115 of this Act) is amended by redesignating paragraph (4) as paragraph (3).

(c)(1) Section 11(e) (17 U.S.C. 2020(e)) (as amended by sections 122(b), 123(b), and 128 of this Act) is amended by redesignating paragraphs (14) through (23) as paragraphs (13) through (22), respectively.

(2) Section 7(f) (7 U.S.C. 2016(f)) is amended by striking out "section 11(e)(21)" and inserting in lieu thereof "section 11(e)(20)".

(d) Section 17 (7 U.S.C. 2026) (as amended by sections 138, 139, and 147(c) of this Act) is amended by redesignating subsections (f) through (h) as subsections (d) through (f), respectively.

EFFECTIVE DATES

SEC. 150. (a) The amendments made by this subtitle shall be effective on October 1, 1982, and implemented no later than January 1, 1984.

(b)(1) Section 117 of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 366) is amended to read as follows:

"EFFECTIVE DATES

"SEC. 117. Except as otherwise specifically provided, the amendments made by sections 101 through 116 shall be effective on August 13, 1981, and implemented no later than June 1, 1983.".

(2) Section 1338 of the Food Stamp and Commodity Distribution Amendments of 1981 (95 Stat. 1294) is amended to read as follows:

"EFFECTIVE DATE

"SEC. 1338. Except as otherwise specifically provided, the amendments made by this title shall be effective on December 22, 1981, and implemented no later than July 1, 1983.".

SUBTITLE B—DAIRY

MILK PRICE SUPPORT

SEC. 151. Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for the period beginning with December 22, 1981, and ending September 30, 1985, the price of milk shall be supported at such level as the Secretary shall determine, but not less than $13.10 per hundredweight for milk containing 3.67 per centum milk fat.".

SUBTITLE C—FARM PROGRAMS

ADVANCE DEFICIENCY PAYMENTS

SEC. 152. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, the Agricultural Act of 1949 is amended by inserting after section 107B (7 U.S.C. 1445b-1) the following new section:

"ADVANCE PAYMENTS

"SEC. 107C. (a)(1) Effective with respect to the 1982 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall make available to producers who participate in an acreage limitation program established for wheat, feed grains, upland cotton, or rice under section 107B(e), 105B(e), 103(g)(9), or 101(i)(5), respectively, advance deficiency payments in accordance with this section (other than subsection (b)) if the Secretary determines that deficiency payments likely will be made under such program.

"(2) Advance deficiency payments under paragraph (1) shall be made to producers under the following terms and conditions:

"(A) Such payments shall be made as soon as practicable after October 1, 1982.

"(B) Such payments shall be made in an amount determined by multiplying (i) the estimated farm program acreage for the crop, by (ii) the farm program payment yield for the crop, by (iii) 70 per centum of the projected payment rate, as determined by the Secretary. Notwithstanding the preceding sentence, in any case in which a producer has received disaster payments for wheat, feed grains, upland cotton, or rice under section 107B(b)(2), 105B(b)(2), 103(g)(4), or 101(i)(3), respectively, the Secretary may make such adjustment in the advance deficiency payments made under this subsection as the Secretary determines appropriate.

"(b)(1) Effective with respect to the 1983 through 1985 crops of wheat, feed grains, upland cotton, and rice, if the Secretary establishes an acreage limitation or acreage set-aside requirement for a crop of wheat, feed grains, upland cotton, or rice under section 107B(e), 105B(e), 103(g)(9), or 101(i)(5), respectively, and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary—

"(A) for the 1983 crop of such commodity, shall make available, as provided in this section (other than subsection (a)), advance deficiency payments to producers who agree to participate in such program; and

"(B) for the 1984 and 1985 crops of such commodities, may make available, as provided in this section (other than subsection (a)), advance deficiency payments to producers who agree to participate in such program.

"(2) Advance deficiency payments under this subsection shall be made to producers under the following terms and conditions:

"(A) Such payments shall be made available to producers as soon as practicable after the producer files a notice of intention to participate in such program, but in no case prior to October 1, 1982.

"(B) Such payments shall be made available to producers in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying (i) the estimated farm program acreage for the crop, by (ii) the farm program payment yield for the crop, by (iii) 50 per centum of the projected payment rate, as determined by the Secretary.

"(c) Advance deficiency payments under this section shall be made to producers under the following terms and conditions:

"(1) In any case in which the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2), is less than the amount paid to the producer as an advance deficiency payment for the crop under this section, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(2) If the Secretary determines under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2) that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this section, the producers who received such advance payments shall refund such payments.

"(3) Any refund required under paragraph (1) or (2) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(4) If a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this section, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulations.

"(d) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(f) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.".

WHEAT AND FEED GRAIN DIVERSION PROGRAMS

SEC. 153. (a) Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended by—

(1) in the first sentence of paragraph (1), striking out "Notwithstanding any other provision of this section, the" and inserting in lieu thereof: "Notwithstanding any other provision of this section—

"(A) Except as provided in subparagraph (B) of this paragraph, the,";

(2) inserting at the end of paragraph (1) a new subparagraph (B), as follows:

"(B) Notwithstanding any previous announcement to the contrary, for the 1983 crop of wheat, the Secretary shall provide for an acreage limitation program under paragraph (2) of this subsection under which, for participating producers, the acreage planted to wheat for harvest on the farm shall be limited to the wheat acreage base for the farm, as determined under paragraph (2) of this subsection, reduced by 15 per centum. As a condition of eligibility for loans, purchases, and payments on the 1983 crop of wheat, the producers on a farm shall comply with the terms and conditions of the acreage limitation program.";

(3) in paragraph (2), inserting immediately after the fifth sentence the following: "Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the program for 1983 crop of wheat shall be the same as the acreage base applicable to the farm for the 1982 crop of wheat, adjusted to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base, including summer fallowing; and

(4) inserting, at the end of paragraph (5), the following: "Notwithstanding the provisions of the first sentence of this paragraph, the Secretary shall implement a land diversion payment program for the 1983 crop of wheat. Under such program, producers on a farm, who under the acreage limitation program for the 1983 crop of wheat under paragraph (1)(B) of this subsection limit the acreage on the farm planted to wheat for harvest to the wheat acreage base for the farm reduced by 15 per centum, may reduce the acreage on the farm planted to wheat for harvest by an additional 10 per centum of the wheat acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such additional acres devoted to conservation uses at the rate, not less than $120 per acre, determined appropriate by the Secretary: *Provided*, That the general payment rate established by the Secretary shall be adjusted by the Secretary for each farm to reflect differences in yield per acre among wheat farms. The land diversion payment program for the 1983 crop of wheat shall be voluntary for producers.".

(b) Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended by—

(1) in the first sentence of paragraph (1), striking out "Notwithstanding any other provision of this section, the" and inserting in lieu thereof: "Notwithstanding any other provision of this section—

"(A) Except as provided in subparagraph (B) of this paragraph, the";

(2) inserting at the end of paragraph (1) a new subparagraph (B), as follows:

"(B) For the 1983 crops of corn and other feed grains, the Secretary shall provide for an acreage limitation program under paragraph (2) of this subsection under which, for participating producers, the acreage planted to corn and other feed grains for harvest on the farm shall be limited to the feed grain acreage base for the farm, as determined under paragraph (2) of this subsection, reduced by 10 per centum. As a condition of eligibility for loans, purchases, and payments on the 1983 crops of feed grains, the producers on a farm shall comply with the terms and conditions of the acreage limitation program.";

(3) in paragraph (2), inserting immediately after the sixth sentence the following: "Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the program for the 1983 crops of feed grains shall be the same as the acreage base applicable to the farm for the 1982 crops of feed grains, adjusted to reflect established crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base."; and

(4) inserting, at the end of paragraph (5), the following: "Notwithstanding the provisions of the first sentence of this paragraph, the Secretary shall implement a land diversion payment program for the 1983 crops of corn and other feed grains. Under such program, producers on a farm, who under the acreage limitation program for the 1983 crops of corn and other feed grains under paragraph (1)(B) of this subsection limit the acreage on the farm planted to corn and other feed grains for harvest to the feed grain acreage base for the farm reduced by 10 per centum, may reduce the acreage on the farm planted to corn and other feed grains for harvest by an additional 10 per centum of the feed grain acreage base and devote the acres taken out of production to conservation uses. Such producers shall be eligible for land diversion payments on such additional acres devoted to conservation uses. Payments shall be made on corn acreage at the rate, not less than $150 an acre, determined appropriate by the Secretary; and payments shall be made on acreage devoted to the other feed grains at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn: *Provided*, That the general payment rate for a feed grain established by the Secretary shall be adjusted by the Secretary for each farm to reflect differences in yield per acre among farms producing the feed grain involved. The land diversion payment program for the 1983 crops of corn and other feed grains shall be voluntary for producers.".

SUBTITLE D—AGRICULTURAL EXPORT PROMOTION

AGRICULTURAL EXPORT PROMOTION

SEC. 154. (a) To discourage the use of export subsidies by foreign countries or instrumentalities thereof and to improve the ability of the United States to neutralize the effects of export subsidies on agricultural commodities or products thereof by foreign countries or instrumentalities thereof, the Secretary of Agriculture shall for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985—

(1) enter into agreements with private trade organizations, friendly countries, and financial institutions, with regard to export

credit sales of United States agricultural commodities and the products thereof, to—

(A) make payments to reduce the effective rate of interest, as determined necessary by the Secretary, charged for credit extended for a term of not to exceed ten years in connection with such sales; and

(B) guarantee the repayment of credit with respect to which the effective rate of interest is reduced in accordance with subclause (A); or

(2) implement export subsidy programs for United States agricultural commodities or products thereof, as determined necessary by the Secretary; or

(3) undertake any combination of the measures described in clauses (1) and (2).

(b) Notwithstanding any other provision of law, the Secretary of Agriculture shall exercise the authority provided in subsection (a)(2) in connection with any agricultural commodity or the products thereof only if the commodity or product thereof is involved in a case under section 301 of the Trade Act of 1974 (19 U.S.C. 2411)—

(1) on which the President has determined to take action under section 301(c)(1) of such Act; or

(2) that was initiated by the filing of a petition under section 302 of such Act (19 U.S.C. 2412) and that the United States Trade Representative has determined should be investigated under subsection (b)(2) of such section.

(c)(1) Effective for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, the Secretary of Agriculture shall use not less than $175,000,000 nor more than $190,000,000 of funds of the Commodity Credit Corporation for interest reduction and export subsidy payments under this section.

(2) In carrying out this section, the Secretary—

(A) shall determine the relative portions of the funds referred to in paragraph (1) that will be used for the purposes of clause (1) of subsection (a) and for the purposes of clause (2) of such subsection;

(B) shall use the funds available under paragraph (1) to promote the exportation of one or more United States agricultural commodities or the products thereof as the Secretary determines appropriate to neutralize, to the maximum extent possible, the effects of export subsidy programs initiated by foreign countries;

(C) shall subsidize the exportation of a United States agricultural commodity or the products thereof only so long as the Secretary determines such action is necessary and appropriate to obtain the elimination of a program, policy, or practice of a foreign country or instrumentality thereof that would, if continued, result in the substantial displacement of United States exports of agricultural commodities or the products thereof;

(D) shall, to the maximum extent feasible, safeguard the usual marketings of United States agricultural commodities or the products thereof; and

(E) shall obtain commitments from purchasers that—

(i) will prevent the resale or transshipment to any country, other than the country to which the sale was made, of any commodities or the products thereof acquired by such purchasers through export credit sales under this section; or

(ii) will prevent such commodities or the products thereof from being used for any purpose other than a domestic purpose of the country for which such commodities or the products thereof were intended.

(d) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(e) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provisions of law.

TITLE II—ARMED SERVICES

SEC. 201. For cost savings achieved through a limitation on the amount of the annual adjustment of retired and retainer pay of members and former members of the uniformed services, in satisfaction of the reconciliation requirements of section 2(b)(2) of the first concurrent resolution on the budget for fiscal year 1983, see section 601 of this Act and section 1401a(b) of title 10, United States Code.

TITLE III—SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

TREATMENT OF FHA SINGLE FAMILY MORTGAGE INSURANCE PREMIUMS

SEC. 301. (a) Section 203(b) of the National Housing Act is amended—

(1) by inserting after "150 per centum of such median price" in the first sentence of paragraph (2) the following: ", and except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(2) by inserting after "cost of acquisition" in paragraph (9) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

(b) Section 213(b)(2) of such Act is amended by inserting after "exceeded by not to exceed 90 per centum in such an area" the following: ", except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(c) Section 221(d) of such Act is amended—

(1) by inserting after "in any geographical area where he finds that cost levels so require" in paragraph (2)(A) the following: ", except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) by inserting after "of its acquisition cost" in paragraph (2)(B)(i)(2) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)"; and

(3) by striking out "mortgage insurance premium," in paragraph (2)(B)(i)(2).

(d) Section 234(c) of such Act is amended by inserting after "one-family house price in the area, as determined by the Secretary" in clause (A) of the third sentence thereof the following: ", and except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(e) Section 235(i) of such Act is amended—

(1) by inserting after "respectively" in paragraph (3)(B) the following: ", and except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) by inserting after "respectively" in paragraph (3)(C) the following: ", and except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(3) by inserting after "so require)" in paragraph (3)(D) the following: ", and except that the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(4) by inserting after "acquisition" in paragraph (3)(E) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

TITLE IV—COMMERCE, SCIENCE, AND TRANSPORTATION

COAST GUARD RETIREMENT BENEFITS

SEC. 401. For cost savings achieved through a limitation on the amount of the annual adjustment of retired and retainer pay of members and former members of the uniformed services, in satisfaction of the reconciliation requirements of section 2(b)(2) of the first concurrent resolution on the budget for fiscal year 1983, see section 601 of this Act and section 1401a(b) of title 10, United States Code.

FEDERAL COMMUNICATIONS COMMISSION

SEC. 402. (a) Upon expiration of the term of office as a member of the Federal Communications Commission, which is prescribed by law to occur on June 30, 1982, any member appointed to fill such office after that date shall be appointed for a term which ends on June 30, 1983, and such office is abolished on July 1, 1983. Upon the expiration of the term of office as a member of such Commission, which is (1) prescribed by law, (2) in effect prior to the date of enactment of this Act, and (3) is to occur on June 30, 1983, no person shall be appointed to fill such office after such date, and such office shall be abolished on July 1, 1983.

(b)(1) Section 4(a) of the Communications Act of 1934 (47 U.S.C. 154(a)) is amended by striking "seven" and inserting in lieu thereof "five".

(2) Section 4(h) of the Communications Act of 1934 (47 U.S.C. 154(h)) is amended by striking "Four" and inserting in lieu thereof "Three".

(3) The amendments made by paragraphs (1) and (2) of this subsection shall take effect on July 1, 1983.

INTERSTATE COMMERCE COMMISSION

SEC. 403. (a) Effective January 1, 1983, each office within the Interstate Commerce Commission provided in section 10301(b) of title 49, United States Code (except the office prescribed by law to expire on December 31, 1985), which was vacant as of July 1, 1982, is abolished.

(b) Effective January 1, 1983, section 10301(b) of title 49, United States Code, is amended (A) by striking "11" and inserting in lieu thereof "7", and (B) by striking "6 members" and inserting in lieu thereof "4 members".

(c) Upon expiration of the term of office as a member of the Interstate Commerce Commission which is prescribed by law to expire on December 31, 1982, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985, and such office shall be abolished immediately after the expiration of that date.

(d) Upon the expiration of the term of office as a member of the Interstate Commerce Commission which is prescribed by law to expire on December 31, 1983, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985, and

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such office shall be abolished immediately after the expiration of that date.

(e) Effective January 1, 1986, section 10301(b) of title 49, United States Code, is amended (A) by striking "7" and inserting in lieu thereof "5", and (B) by striking "4 members" and inserting in lieu thereof "3 members".

(f) Nothing in subsections (c) or (d) of this section shall be construed as prohibiting the reappointment of any person serving in such office in terms expiring on December 31, 1982 or December 31, 1983, respectively.

TITLE V—FOREIGN RELATIONS

SEC. 501. For cost savings achieved through a limitation on the amount of the annual adjustment of the annuity payable from the Foreign Service Retirement and Disability Fund, in satisfaction of the reconciliation requirements of section 2(b)(5) of the first concurrent resolution on the budget for fiscal year 1983, see section 601 of this Act and sections 826 and 827 of the Foreign Service Act of 1980.

TITLE VI—CIVIL SERVICE PROGRAMS

LIMITATION ON COST-OF-LIVING ADJUSTMENT OF CIVIL SERVICE ANNUITIES IN FISCAL YEARS 1983, 1984, AND 1985

SEC. 601. (a) The percent increase in any annuity under section 8340(b) of title 5, United States Code, in each of fiscal years 1983, 1984, and 1985 shall not exceed 4 percent.

(b) For the purposes of section 8340(c) of such title, the applicable percent change computed under section 8340(b) of such title shall be deemed not to exceed 4 percent in each of fiscal years 1983, 1984, and 1985.

DISABILITY RETIREMENT

SEC. 602. (a) Section 8337 of title 5, United States Code, is amended—

(1) by inserting before the period at the end of the first sentence of subsection (a) a comma and "except that an employee or Member shall not be retired under this section (unless on application by the employee's agency) if the employee or Member, as of the date he becomes eligible to receive a disability retirement annuity, is entitled to receive an annuity under section 8336 of this title";

(2)(A) by striking out "1 year" in the second sentence of subsection (d) and inserting in lieu thereof "180 days"; and (B) by striking out "each of 2 succeeding calendar years" in the third sentence of subsection (d) and inserting "any calendar year"; and

(3) by adding at the end thereof the following new subsections:

"(h) Notwithstanding any other provision of law, the Director of the Office of Personnel Management shall, for the purpose of ensuring the accuracy of information utilized in the administration of this section, be entitled upon request to receive from—

"(1) the Secretary of Health and Human Services or his delegate, information contained in the records of the Social Security Administration;

"(2) the Secretary of Labor or his delegate, information on benefits paid under subchapter I of chapter 81 of this title;

"(3) the Secretary of Defense or his delegate, information on retired pay benefits under title 10; or

"(4) the Administrator of Veterans' Affairs or his delegate, information on pensions or compensation under title 38.

The Director shall request only such information as he determines is necessary to carry out his functions under this section. The Director, in consultation with each Secretary, shall establish such safeguards as are necessary to insure that any information made available under the provisions of this subsection is used only for the purposes authorized.

"(i)(1) As used in this subsection, the term 'technician' means a person employed under section 709(a) of title 32 who, as a condition of the employment, is required under section 709(b) of such title to be a member of the National Guard and to hold a specified military grade.

"(2)(A) Except as provided in subparagraph (B) of this paragraph or in subsection (d) of this section, any individual who—

"(i) is separated from employment as a technician under section 709(e)(1) of title 32 by reason of a disability that disqualifies the individual from membership in the National Guard or from holding the military grade required for such employment; and

"(ii) is not considered to be disabled under the second sentence of subsection (a) of this section,

shall receive a disability retirement annuity from the Fund during the period for which the disability described in clause (i) of this subparagraph continues.

"(B) Subparagraph (A) of this paragraph shall not apply in the case of any individual described in such subparagraph after the date on which such individual—

"(i) is appointed to a position in the civil service under paragraph (3) of this subsection;

"(ii) elects not to accept an appointment to a position in the civil service under paragraph (3) of this subsection; or

"(iii) accepts an appointment to a position in the civil service other than a position described in paragraph (3)(A) of this subsection.

"(3) Any individual described in paragraph (2)(A) of this subsection shall be considered by the head of any agency actively recruiting to fill a vacant position in the agency if—

"(A) the position is located within a reasonable commuting distance of the individual's residence;

"(B) the individual is qualified to serve in such position, as determined by the head of the agency; and

"(C) the position is at the same grade or equivalent level as the position from which the individual was separated under section 709(e)(1) of title 32,

as determined by the Director of the Office of Personnel Management.".

(b)(1) The amendment made by subsection (a)(2) shall take effect with respect to income earned after December 31, 1982.

(2) Subsection (i) of section 8337 of title 5, United States Code, (as added by subsection (a)) shall take effect December 31, 1979.

INTEREST RATES, DEPOSITS, REFUNDS, AND REDEPOSITS UNDER CIVIL SERVICE RETIREMENT

SEC. 603. (a)(1) Section 8334(e) of title 5, United States Code, is amended to read as follows:

"(e)(1) Interest under subsection (c), (d), or (i) of this section or section 8343(a) of this title is computed in accordance with paragraphs (2) and (3) of this subsection and regulations prescribed by the Office of Personnel Management.

"(2) Interest accrues annually on the outstanding portion of any amount that may be deposited under subsection (c), (d), or (i) of this section or section 8343(a) of this title, and is compounded annually, until the portion is deposited.

"(3) The rate of interest is 4 percent a year through December 31, 1947 (except that interest under section 8343(a) of this title is 3 percent a year through December 31, 1947), and 3 percent a year beginning January 1, 1948, through December 31, 1984. Thereafter, the rate of interest in any calendar year shall be equal to the overall average yield on all obligations in which the Fund was invested during the fiscal year ending during the preceding calendar year, as determined by the Office of Personnel Management.".

(2) The second sentence of section 8343(a) of title 5, United States Code, is amended by striking out "at 3 percent a year compounded annually" and inserting in lieu thereof "computed under section 8334(e) of this title".

(b) Section 8339(i) of title 5, United States Code, is amended to read as follows:

"(i) For the purposes of subsections (a) through (h) and (n) of this section, the total service of any employee or Member shall not include any period of civilian service after July 31, 1920, for which retirement deductions or deposits have not been made under section 8334(a) of this title unless the employee or Member makes a deposit for such period as provided in section 8334(c) of this title.".

(c) Section 8342(a) is amended to read as follows:

"(a) An employee or Member who—

"(1)(A) is separated from the service for at least 31 consecutive days; or

"(B) is transferred to a position in which he is not subject to this subchapter and remains in such position for at least 31 consecutive days;

"(2) files an application with the Office of Personnel Management for payment of the lump-sum credit;

"(3) is not reemployed in a position in which he is subject to this subchapter at the time he files the application; and

"(4) will not become eligible to receive an annuity within 31 days after filing the application,

is entitled to be paid the lump-sum credit. The receipt of the payment of the lump-sum credit by the employee or Member voids all annuity rights under this subchapter based on the service on which the lump-sum credit is based.".

REDUCTIONS OF ANNUITIES FOR EARLY RETIREMENT

SEC. 604. (a) The first sentence of section 8339(h) of title 5, United States Code, is amended by striking out "⅙ of 1 percent" and inserting in lieu thereof "⅓ of 1 percent".

(b) The amendment made by subsection (a) shall take effect with respect to annuities commencing after the date of enactment of this Act.

TRAVEL AND TRANSPORTATION EXPENSES FOR VACATION LEAVE

SEC. 605. (a) Section 5728 of title 5, United States Code, is amended by inserting a comma and "Alaska, and Hawaii" after "continental United States" each place it occurs in subsections (a) and (b).

(b)(1) Except as provided in the second sentence of this paragraph, the amendments made by subsection (a) shall take effect with respect to expenses of round-trip travel commenced after the date of enactment of this Act. In the case of an employee whose post of duty on the date of enactment of this Act is in Alaska or Hawaii, the amendment made by subsection (a) shall not apply with respect to the expenses of

the first round-trip travel commenced after the date of enactment of this Act.

(2) For the purposes of paragraph (1), "employee" shall have the same meaning as provided in section 5721(2) of title 5, United States Code.

ROUNDING COST-OF-LIVING ADJUSTMENT OF ANNUITIES

SEC. 606. (a) The first sentence of section 8340(e) of title 5, United States Code, is amended by striking out "fixed at the nearest" and inserting in lieu thereof "rounded to the next lowest".

(b) Section 8345(a) of title 5, United States Code, is amended by striking out "fixed at the nearest" and inserting in lieu thereof "rounded to the next lowest".

(c) Section 8345 of title 5, United States Code, is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b) Except as otherwise provided, the annuity of an employee or Member commences on the first day of the first month after he is separated from the service, on the first day of the first month after his pay ceases and he meets the service and the age or disability requirements to be entitled to annuity, or on the first day of the first month after the occurrence of the event on which payment thereof is based.".

CREDITABLE SERVICE BASED ON MILITARY SERVICE

SEC. 607. (a) Section 8331(8)(B) of title 5, United States Code, is amended by inserting after "service" a comma and "including any amounts deposited under the first sentence of section 8334(i) of this title".

(b) Section 8332(c) of title 5, United States Code, is amended to read as follows:

"(c)(1) Except as provided in paragraph (2) of this subsection or subsection (d) of this section—

"(A) the service of an employee or Member who first becomes an employee or Member before October 1, 1982, shall include credit for each month of military service performed before the date of the separation on which the entitlement to an annuity under this subchapter is based; and

"(B) the service of an employee or Member who first becomes an employee or Member on or after October 1, 1982, shall include credit for each month of military service (performed before the date of the separation on which the entitlement to an annuity under this subchapter is based) with respect to which a deposit with interest, if any, is made as provided in section 8334(i) of this title.

"(2) If an employee or Member is awarded retired pay based on any period of military service, the service of the employee or Member may not include credit for such period of military service unless the retired pay is awarded—

"(A) based on a service-connected disability—

"(i) incurred in combat with an enemy of the United States; or

"(ii) caused by an instrumentality of war and incurred in line of duty during a period of war as defined by section 301 of title 38; or

"(B) under chapter 67 of title 10.".

(c) Subsection (j) of section 8332 of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(j)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The provisions of paragraph (1) of this subsection relating to credit for military service shall not apply to—

"(A) any month of military service performed by an employee or Member before January 1, 1957;

"(B) any month of military service of an employee or Member with respect to which the employee or Member has made a deposit with interest, if any, under section 8334(i) of this title; or

"(C) the service of any employee or Member described in section 8332(c)(1)(B) of this title.".

(d) Section 8334 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(i)(1) Each employee or Member who performs military service before the date of the separation on which the entitlement to any annuity under this subchapter is based may pay, in accordance with regulations issued by the Office, to the agency by which he is employed or, in the case of a Member or a Congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate an amount equal to 7 percent of the amount of the basic pay paid under section 204 of title 37 to the employee or Member for each month of military service after December 1956, as certified to the agency, the Secretary of the Senate, or the Clerk of the House of Representatives, as appropriate, by the Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, upon the employee's or member's request.

"(2) Any deposit made under paragraph (1) of this subsection more than two years after the later of—

"(A) October 1, 1982; or

"(B) the date on which the employee or member making the deposit first becomes an employee or member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the two year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsections (e) of this section.

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, shall furnish such information to the Office as the Office may determine to be necessary for the administration of this subsection.".

(e) Section 8348(g) of title 5, United States Code, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and "less an amount determined by the Office to be appropriate to reflect the value of the deposits made to the credit of the Fund under section 8334(i) of this title.".

RECOMPUTATION AT AGE 62 OF CREDIT FOR MILITARY SERVICE OF CURRENT ANNUITANTS

SEC. 608. (a) The provisions of section 8332(j) of title 5, United States Code, relating to credit for military service shall not apply with respect to any individual making an election under subsection (b).

(b) Any individual entitled to an annuity under subchapter III of chapter 83 of title 5, United States Code, on or before the date of enactment of this Act may elect, in accordance with such regulations as the Office of Personnel Management may prescribe, that section 8332(j) of such title not apply with respect to such individual.

(c) The annuity to which any individual making an election under subsection (b) is entitled under subchapter III of chapter 83 of title 5, United States Code, shall be reduced by an amount equal to the percentage of the social security benefit described in the second sentence of this subsection attributable to military service of the individual. Such percentage is determined by dividing the total earnings for military service included in the determination of the amount of the benefit to which the individual entitled to such annuity is entitled, or would on proper application be entitled, under section 202 of the Social Security Act (42 U.S.C. 402) by the total of wages and self-employment income (as defined for the purposes of title II of the Social Security Act (42 U.S.C. 401 et seq.)).

(d) Any election under subsection (b) shall take effect with respect to any annuity payable under subchapter III of chapter 83 of title 5, United States Code, after the date of such election.

(e) The Secretary of Health and Human Services shall furnish such information to the Office of Personnel Management as may be necessary to carry out subsection (c).

IMMEDIATE RETIREMENT

SEC. 609. Subsection (d) of section 8336 of title 5, United States Code, is amended to read as follows:

"(d) An employee who—

"(1) is separated from the service involuntarily, except by removal for cause on charges of misconduct or delinquency; or

"(2) while serving in a geographic area designated by the Office of Personnel Management, is separated from the service voluntarily during a period when—

"(A) the agency in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function; and

"(B) a significant percent of the employees serving in such agency will be separated or subjected to an immediate reduction in the rate of basic pay,

as determined by the Office of Personnel Management, after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an annuity. Notwithstanding the first sentence of this subsection, an employee described in clause (1) of this subsection is not entitled to an annuity if the employee rejects a reasonable offer of another position in the civil service.".

GENERAL LIMITATION ON COST-OF-LIVING ADJUSTMENT FOR ANNUITIES

SEC. 610. (a) Section 8340 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g)(1) An annuity shall not be increased by reason of any adjustment under this section to an amount which exceeds the greater of—

"(A) the maximum pay payable for GS-15 30 days before the effective date of the adjustment under this section; or

"(B) the final pay (or average pay, if higher) of the employee or Member with respect to whom the annuity is paid, increased by the cumulative overall annual average percentage adjustment in rates of pay of the General Schedule under subchapter I of chapter 53 of this title during the period—

"(i) beginning on the date the annuity commenced (or, in the case of a survivor of

the retired employee or Member, the date the employee's or Member's annuity commenced), and

"(ii) ending on the date of the adjustment under this section.

"(2) For the purposes of paragraph (1) of this subsection, 'pay' means the rate of salary or basic pay as payable under any provision of law, including any provision of law limiting the expenditure of appropriated funds.".

(b) The amendment made by subsection (a) of this section shall not cause any annuity to be reduced below the rate that is payable on the date of enactment of this Act, but shall apply to any adjustment occurring on or after such date of enactment under section 8340 of title 5, United States Code, to any annuity payable from the Civil Service Retirement and Disability Fund, whether such annuity has a commencing date before, on, or after the date of enactment of this Act.

INDUSTRIAL FUNDING OF SUPPLY OPERATIONS

SEC. 611. Section 109 of the Federal Property and Administrtative Service Act of 1949 (40 U.S.C. 756) is amended—

(1) by striking out "and" before "(2)" in the third sentence of subsection (a);

(2) by inserting before the period at the end of such sentence the following: ", and (3) for paying costs such as wages, space, and other personnel costs relating to the contracting, procurement, inspection, storage, management, distribution, and accountability of supplies and materials provided through various methods of supply";

(3) by striking out "and" before "the cost of amortization" in the second sentence of subsection (b);

(4) by striking out the period in such sentence and inserting in lieu thereof the following: ", and costs such as wages, space, and other personnel costs relating to the contracting, procurement, inspection, storage, management, distribution, and accountability of supplies and materials provided through various methods of supply. All executive agencies shall requisition from the General Services Administration all needed items of personal property and nonpersonal services which are managed by the General Services Administration unless otherwise authorized by General Services Administration in accordance with procedures prescribed by applicable provisions of the Federal Property Management Regulations (40 C.F.R. Chapter 101).''; and

(5) by adding at the end thereof the following new subsection:

"(h) By March 31 and September 30 of each year, the Administrator shall report to the Senate Committee on Governmental Affairs, the House Committee on Government Operations, and the Senate and House Committees on Appropriations, on the status and operations of the General Supply Fund, including a specification of—

"(1) each asset received by the fund and the source of each such asset; and

"(2) each amount expended by the fund and the recipient of each such amount.".

TITLE VII—VETERANS' PROGRAMS

COMMENCEMENT OF PAYMENT OF COMPENSATION OR PENSION

SEC. 701. (a) Chapter 51 of title 38, United States Code, is amended by inserting after section 3010 the following new section:

"§ 3011. Commencement of the period of payment

"(a) Notwithstanding section 3010 of this title or any other provision of law and except as provided in subsection (c) of this section, payment of monetary benefits based on an award or an increased award of compensation, dependency and indemnity compensation, or pension shall not be made for any period prior to the first day of the calendar month following the month in which the award became effective as provided under such section 3010 or other provision of law.

"(b)(1) Except as provided in paragraph (2) of this subsection, during the period between the effective date of an award as provided under section 3010 of this title or other provision of law and the commencement of the period of payment based on such award as provided under subsection (a) of this section, an individual entitled to receive monetary benefits shall be deemed to be in receipt of such benefits for the purpose of all laws administered by the Veterans' Administration.

"(2) If any person who is in receipt of retired or retirement pay would be eligible to receive compensation or pension upon the filing of a waiver of such pay in accordance with section 3105 of this title, such waiver shall not become effective until the first day of the month following the month in which such waiver is filed, and nothing in this section shall prohibit the receipt of retired or retirement pay for any period prior to such effective date.

"(c) This section shall apply to payments made pursuant to section 3110 of this title only if the monthly amount of dependency and indemnity compensation or pension payable to the surviving spouse is greater than the amount of compensation or pension the veteran would have received but for such veterans' death for the month in which such veteran's death occurred.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3010 the following:

"3011. Commencement of the period of payment.".

REDUCTION OR DISCONTINUANCE OF COMPENSATION OR PENSION

SEC. 702. Clause (2) of subsection (b) of section 3012 of title 38, United States Code, is amended by striking out "calendar year" and inserting in lieu thereof "month".

ROUNDING PENSION AMOUNTS

SEC. 703. Section 3020 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any other provision of this title, any payment of monetary benefits under section 306(a) of the Veterans' and Survivors' Pension Improvement Act of 1978 (92 Stat. 2508; 38 U.S.C. 521 note) or section 521, 541, or 542 of this title shall be made only in an amount that is computed in accordance with paragraph (2) of this subsection.

"(2) In computing the amount of any such payment, the Administrator shall—

"(A) first determine the amount payable without regard to this subsection, and

"(B) if such amount is not a multiple of $1, then round such amount to the next lower multiple of $1.

"(3) The amount payable to a person under this subsection shall be considered as the amount of such person's monetary benefit under the provision of law described in paragraph (1) of this subsection applicable to such person, and no person shall have any claim to the difference between the amount determined under clause (A) of paragraph (2) of this subsection and the amount payable under clause (B) of such paragraph.".

DEFINITION OF "CHILD" FOR PURPOSE OF PENSION

SEC. 704. (a)(1) Section 501 of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(5)(A) Except as provided in subparagraph (B) of this paragraph, the term 'child' shall have the same meaning as provided in section 101(4) of this title for the purposes of sections 521, 522, 541, 542, and 543 of this title.

"(B) The term 'child' does not include a person who has attained the age of eighteen years unless such person—

"(i) is under the age of nineteen years and is pursuing a program of education for the purpose of receiving a secondary school diploma; or

"(ii) before attaining the age of eighteen years, became permanently incapable of self-support.".

(2) Notwithstanding any provision of section 306(a) of the Veterans' and Survivors' Pension Improvement Act of 1978 (92 Stat. 2508; 38 U.S.C. 521 note), pension or additional pension payable under such section shall not be paid to or on behalf of any child who attains the age of eighteen years after September 30, 1982, and does not meet the definition of "child" in paragraph (5) of section 501 of such title (as added by paragraph (1) of this subsection).

(b) The amendment made by subsection (a) of this section shall not apply to any child to or on behalf of whom pension or additional pension for the month of September 1982 is payable under section 521, 541, or 542 of such title and who has attained the age of eighteen years prior to October 1, 1982.

(c) Notwithstanding any inconsistent provision of section 521, 541, 542, or 3112 of such title or such section 306(a), pension or additional pension payable under such section 521, 541, or 542 to or on behalf of a child described in subsection (b) of this section or payable under such section 306(a) to or on behalf of any other child, on the basis of the child's pursuit of a course of instruction at an approved educational institution, shall—

(1) not be paid for the months of May, June, July, and August in 1983 or 1984;

(2) not be paid for any month after April 1985;

(3) not exceed for any month the amount of the pension or additional pension payable on behalf of such child for the month of September 1982 (or a later month if the Administrator deems a later month appropriate under the circumstances), reduced by an amount—

(A) during the months after September 1982 and before May 1983, equal to 25 per centum of the benefit payable for September 1982 (or such later month);

(B) during the months after August 1983 and before May 1984, equal to 50 per centum of the benefit payable for September 1982 (or such later month); and

(C) during the months after August 1984 and before May 1985, equal to 75 per centum of the benefit payable for September 1982 (or such later month); and

(4) if, after September 30, 1982, such pension or additional pension is discontinued at any time by reason of such child's discontinuance of pursuit of a course of instruction at an approved educational institution, not be paid for any month thereafter.

COMPENSATION RATES

SEC. 705. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$58" in subsection (a) and inserting in lieu thereof "$57";

(2) by striking out "$107" in subsection (b) and inserting in lieu thereof "$106";

(3) by striking out "$162" in subsection (c) and inserting in lieu thereof "$161";

(4) by striking out "$232" in subsection (d) and inserting in lieu thereof "$231";

(5) by striking out "$328" in subsection (e) and inserting in lieu thereof "$327";

(6) by striking out "$413" in subsection (f) and inserting in lieu thereof "$412";

(7) by striking out "$521" in subsection (g) and inserting in lieu thereof "$520";

(8) by striking out "$604" in subsection (h) and inserting in lieu thereof "$603";

(9) by striking out "$679" in subsection (i) and inserting in lieu thereof "$678";

(10) by striking out "$1,130" in subsection (j) and inserting in lieu thereof "$1,128";

(11) by striking out "$62", "$1,403", "$62", and "$1,966" in subsection (k) and inserting in lieu thereof "$61", "$1,402", "$61", and "$1,965", respectively;

(12) by striking out "$1,403" in subsection (l) and inserting in lieu thereof "$1,402";

(13) by striking out "$1,547" in subsection (m) and inserting in lieu thereof "$1,546";

(14) by striking out "$1,758" in subsection (n) and inserting in lieu thereof "$1,757";

(15) by striking out "$1,966" each place it appears in subsections (o) and (p) and inserting in lieu thereof in each such place "$1,965";

(16) by striking out "$844" and "$1,257" in subsection (r) and inserting in lieu thereof "$843" and "$1,256", respectively;

(17) by striking out "$1,264" in subsection (s) and inserting in lieu thereof "$1,263"; and

(18) by striking out "$244" in subsection (t) and inserting in lieu thereof "$243";

(b) Section 315 of such title is amended—

(1) by striking out "$116" in clause (1)(B) and inserting in lieu thereof "$115";

(2) by striking out "$38" in clause (1)(D) and inserting in lieu thereof "$37";

(3) by striking out "$38" in clause (1)(G) and inserting in lieu thereof "$37"; and

(4) by striking out all material after "adjusted" in the second sentence of clause (2) and inserting in lieu thereof "downward to the nearest dollar.".

(c) Section 362 of such title is amended by striking out "$305" and inserting in lieu thereof "$304".

(d)(1) Subsection (a) of section 411 of such title is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	"Monthly rate	"Pay grade	"Monthly rate
E–1	$414	W–4	$594
E–2	$427	O–1	$524
E–3	$438	O–2	$541
E–4	$466	O–3	$579
E–5	$479	O–4	$612
E–6	$490	O–5	$675
E–7	$514	O–6	$760
E–8	$541	O–7	$823
E–9	[1]$566	O–8	$902
W–1	$524	O–9	$969
W–2	$545	O–10	[2]$1,060
W–3	$561		

[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $609.

[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,137.".

(2) Subsection (b) of such section is amended by striking out "$48" and inserting in lieu thereof "$47".

(3) Subsection (c) of such section is amended by striking out "$125" and inserting in lieu thereof "$124".

(4) Subsection (d) of such section is amended by striking out "$62" and inserting in lieu thereof "$61".

(e) Section 413 of such title is amended—

(1) by striking out "$210" in clause (1) and inserting in lieu thereof "$209";

(2) by striking out "$301" in clause (2) and inserting in lieu thereof "$300";

(3) by striking out "$389" in clause (3) and inserting in lieu thereof "$388"; and

(4) by striking out "$389" and "$79" in clause (4) and inserting in lieu thereof "$388" and "$78", respectively.

(f) Section 414 of such title is amended—

(1) by striking out "$125" in subsection (a) and inserting in lieu thereof "$124";

(2) by striking out "$210" in subsection (b) and inserting in lieu thereof "$209"; and

(3) by striking out "$107" in subsection (c) and inserting in lieu thereof "$106".

LOAN USER FEE

SEC. 706. (a) Subchapter III of chapter 37 of title 38, United States Code, is amended by inserting after section 1821 the following new section:

"§ 1822. Loan User Fee

"The Administrator shall collect at the time of settlement a fee in an amount equal to one-half of 1 per centum of the original loan principal (not including the amount of such fee) from each veteran, other than a veteran who is in receipt of compensation (or but for the receipt of retirement pay would be entitled to compensation), obtaining a loan guaranteed, insured, or made under this chapter. No loan shall be guaranteed, insured, or made under this chapter until the fee payable under this section has been remitted to the Administrator. Nothing in this chapter shall prohibit the financing of such fee as part of the initial principal amount of the loan. Fees collected under this section shall be deposited into the Treasury of the United States, as miscellaneous receipts.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1821 the following:

"1822. Loan user fee.".

SENSE OF THE SENATE RELATING TO TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982

SEC. 707. It is the Sense of the Senate that Senate conferees on H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982, shall include the following provisions in the conference report on H.R. 4961:

(1) legislation establishing a Federal supplemental benefits program, which shall become effective in calendar year 1982 and which shall be appropriately coordinated with Federal job training and employment programs under which Federal payments are to be made to provide, or to reimburse States for the costs of, not less then 10 weeks, and not more than 13 weeks of eligibility for unemployment compensation for workers who have exhausted their rights to any unemployment compensation; and

(2) legislation providing that States that are currently eligible or have been eligible since at least June 1, 1982, for the Federal-State extended benefit program will continue to be eligible to participate in the extended benefit program, notwithstanding any other criteria under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 which makes those States ineligible for extended benefit participation.

EFFECTIVE DATES

SEC. 708. (a) Section 704 of this title and the amendments made by sections 701, 702, and 704 of this title shall take effect on October 1, 1982.

(b) The amendment made by section 703 of this title shall take effect with respect to benefits payable for periods beginning after May 31, 1983.

(c) The amendments made by section 705 of this title shall take effect on January 1, 1983.

(d) The amendments made by section 706 of this title shall apply only to loans settled on or after October 1, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I have cleared this request with the distinguished managers on both sides and I have submitted it for the consideration of the minority leader. I will now put the request for the consideration of all Senators.

Mr. President, I ask unanimous consent that the Secretary of the Senate be permitted to make technical corrections in the Domenici amendment relating to IRS, provisions in the food stamp section of S. 2774.

The technical corrections will rectify errors cited in the original Domenici amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the Senate can be proud of its work on this bill. It is a significant step in carrying out the fiscal restraint policies of the first budget resolution.

The seven committees that produced this bill have done effective work. Their product has stood up well here on the Senate floor.

The members and staffs of those committees deserve the thanks of the entire Senate.

I also want to thank the members and the staff of my committee, the Budget Committee, for their work in packaging and reporting this bill, and in coordinating the floor action this past day and a half.

The House of Representatives is going about the task of carrying out the reconciliation instructions in quite a different way than the Senate.

I hope that the House will complete its work shortly and we can begin a conference to resolve differences between the two bodies.

It is vitally important that Congress continue to move as rapidly as possible to implement the fiscal restraint policies to which it is committed.

Early action to send this bill to the President is essential.

Mr. BAKER. Mr. President, I take this opportunity to extend my congratulations to the distinguished chairman of the Budget Committee, the distinguished ranking member of the Budget Committee, and all others who participated on the separate sections of this bill and bringing it to final conclusion. I congratulate all the staff members.

If no other Member seeks to speak on the bill, I intend to ask the Senate to go into a period of routine morning business.

Mr. DOMENICI. Mr. President, I would like to thank the respective committees that were ordered to reconcile for their good and expeditious work, in particular the chairman and ranking minority member of each of the standing committees that were reconciled with this bill. I also want to thank the staff, both majority and minority, of the Budget Committee for their work here on the floor and in the preparation of the bill.

Mr. President, it has been a pleasure to work this bill. There has been a serious debate with a number of amendments, but obviously with the final vote on a $12 billion savings package, including extremely difficult and controversial matters, when we get the kind of positive vote that we got here tonight, the indication is that the U.S. Senate is ready to control the U.S. budget and to exert some real fiscal restraint.

I want to thank the ranking minority member, Senator HOLLINGS, for his assistance. He, too, joined with me on almost every difficult provision. I want to thank him for that.

Mr. HOLLINGS. Mr. President, let me thank our distinguished chairman, Senator DOMENICI, the majority and the minority leaders, Senator BAKER and Senator BYRD, and the staffs and, really, the Senate.

What I am trying to emphasize and express my gratitude for, Mr. President, is the fact that we have taken that one small step to control the uncontrollables. No one will argue about a balanced budget. It will be very difficult in the next 2 or 3 years to even attain one. But I think the clearest message that we could possibly send to the business world, to the market in New York, and all interested parties on trying to get interest rates down is that by this particular reconciliation measure, the Senate, through its committees, the chairmen and ranking members, under the leadership of Senator DOMENICI on our Budget Committee, have finally begun to control the uncontrollables.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if no other Senator seeks recognition to speak on this bill, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not past the hour of 6:15 p.m., in which Senators may speak for not more than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, before I relinquish the floor, may I put one brief request? I have discussed this with the minority leader and I believe it meets with his approval. I have discussed it as well with the distinguished chairman of the Appropriations Committee.

PROPOSED RECESS UNTIL MONDAY

Mr. BAKER. Mr. President, you may have noticed, it is hot in here. The reason it is hot, Mr. President, is that the power station belonging to Pepco at Buzzards Point had an explosion and fire today. It is necessary, therefore, to curtail the electric load around the city, including the air-conditioning of the Capitol. That may or may not be rectified overnight.

In view of the fact that tomorrow was to be devoted to general debate on the supplemental appropriations bill, what I propose to do is ask the Senate to come in only for a pro forma session, solely for the purpose of laying down the supplemental bill and then going out until Monday.

Mr. ROBERT C. BYRD. Will the distinguished majority leader yield?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. If I may respectfully make a suggestion, I suggest the bill be laid down now so there will be absolutely no business in the pro forma session.

Mr. BAKER. Mr. President, I am most grateful for that suggestion.

SUPPLEMENTAL APPROPRIATIONS ACT, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that the Chair now lay before the Senate Calendar No. 735, H.R. 6863, the supplemental appropriations bill, and that the bill be immediately laid aside to occur as the pending business at the opening of business on Monday next.

The PRESIDING OFFICER. The clerk will state the bill.

The assistant legislative clerk read as follows:

A bill (H.R. 6863) making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments, as follows:

On page 2, after lien 13, insert the following:

CONSERVATION

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

Funds appropriated for fiscal year 1982 under this account may be used under the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), for the acquisition of lands by donation, exchange, or purchase of a nominal cost not to exceed $100.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

If the funds available under this Act or any other Act, heretofore or hereafter enacted, for Nutrition Education and Training grants authorized under section 19 of the Child Nutrition Act of 1966, as amended, require a ratable reduction in those grants, the minimum grant for each State shall be $50,000 to the extent that the funds are available.

On page 3, after line 6, insert the following:

BUREAU OF THE CENSUS

PERIODIC CENSUSES AND PROGRAMS

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $100,000 of the proposed deferral D82-225 relating to the Department of Commerce, Bureau of the Census, "Periodic censuses and programs" as set forth in the message of February 5, 1982, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT REVOLVING FUND

During fiscal year 1982, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $30,000,000. During fiscal year 1982, total commitments to guarantee loans shall not exceed $150,000,000 of contingent liability for loan principal. The unobligated balances in the Economic Development Revolving Fund shall be available for necessary expenses of protecting the Government's liability in federally guaranteed loans made prior to October 1, 1981, under the authority of title II of the Trade Act of 1974, as amended, including defaults of loan guarantees and care and protection of collateral and such other costs as may be necessary to protect the Government's investments.

On page 4, strike line 17, through and including line 19, and insert the following:

For necessary expenses for designing, fabricating, installing and dismantling exhibits, and operating a Federal Pavilion in the Louisiana World Exposition, $10,000,000, to remain available through September 30, 1985, including not to exceed $65,000 for official entertainment of officials of other countries when specifically authorized by the Commissioner General: *Provided*, That no additional Federal funds shall be made available for this purpose: *Provided further*,

That these funds shall be available only upon enactment into law of authorizing legislation.

On page 5, after line 11, insert the following:

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operations, research, and facilities", $7,413,000, of which $5,250,000 shall be derived by transfer from "Coastal energy impact fund": *Provided*, That of the funds appropriated under this head, $200,000 shall remain available until expended for necessary expenses for research to develop life history information on the bowhead whale in high level and low level area surveys and not to exceed $50,000 shall remain available until expended for implementation of the 1982 Cooperative Agreement between the National Oceanic and Atmospheric Administration and the Alaska Eskimo Whaling Commission as amended in July 1982.

On page 6, line 4, strike "$3,000,000", and insert "$6,000,000";

On page 7, after line 2, insert the following:

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

FEDERAL SHIP FINANCING FUND

During 1982, total commitments to guarantee loans shall not exceed $675,000,000 of contingent liability for loan principal.

On page 7, line 18, strike "$400,000", and insert "$200,000";

On page 7, after line 24, insert the following:

BUSINESS LOAN AND INVESTMENT FUND

During fiscal year 1982, within resources and authority available, total commitments to guarantee loans shall not exceed $3,000,000,000 of contingent liability for loan principal.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $2,500,000 of the proposed deferral D82-233A relating to the Small Business Administration, "Business Loan and Investment Fund" as set forth in the message of May 18, 1982, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

SURETY BOND GUARANTEES REVOLVING FUND

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D82-234 relating to the Small Business Administration, "Surety Bond Guarantees Revolving Fund" as set forth in the message of February 5, 1982, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

During fiscal year 1982, within resources and authority available, total commitments to guarantee loans shall not exceed $250,000,000 of contingent liability for loan principal.

On page 9, line 24, strike "$9,015,000", and insert "$10,000,000";

On page 10, after line 13, insert the following:

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

Of the funds provided under the above heading for fiscal year 1982, not to exceed $80,290 shall be available to satisfy a settlement pursuant to the Back Pay Act (5 U.S.C. 5596 and 29 CFR 1613.217(a), 271 (a), (b), and (c)) for back wages from prior fiscal years.

On page 10, line 24, strike "$4,000,000", and insert "$4,750,000";

On page 11, line 5, after "September 30, 1982", insert the following: *Provided further*, That notwithstanding the provisions of title 31 U.S.C. 483(a) and 484, the Director of the Federal Bureau of Investigation may establish and collect fees to process fingerprint identification records for noncriminal employment and licensing purposes, and credit such fees to this appropriation to be used for salaries and other expenses incurred in providing these services.

On page 11, line 18, strike "such amounts", and insert "funds appropriated under this head for fiscal year 1982";

On page 12, line 5, strike "such amounts", and insert "funds appropriated under this head for fiscal year 1982";

On page 12, line 18, strike "$1,500,000", and insert "$41,750,000, of which $1,000,000 shall be derived from 'Salaries and expenses, Antitrust Division',";

On page 13, line 7, strike "$3,162,000", and insert "$2,983,000";

On page 13, after line 8, insert the following:

OFFICE OF JUSTICE ASSISTANCE, RESEARCH AND STATISTICS

RESEARCH AND STATISTICS

(TRANSFER OF FUNDS)

For an additional amount for "Research and statistics", $900,000, to be derived by transfer from "Law enforcement assistance" for a study of the victims of crime in the District of Columbia to be submitted to the Congress not later than September 30, 1983.

On page 14, line 6, strike "$37,378,000", and insert "$37,978,000";

On page 15, line 21, strike " 'Grant", and insert " 'grants";

On page 16, line 17, strike "$61,900,000", and insert "$14,400,000";

On page 16, line 20, strike "$55,656,000", and insert "$57,474,000";

On page 16, line 23, strike "$31,945,000", and insert "$40,645,000";

On page 17, line 6, strike "$4,200,000", and insert "$9,000,000";

On page 17, line 17, strike "$2,000,000", and insert "$800,000";

On page 17, line 20, strike "$4,000,000", and insert "$3,650,000";

On page 18, line 12, strike "$27,300,000", and insert "$4,300,000";

On page 18, line 24, strike "$40,974,000; and in addition, $76,426,000", and insert "$117,400,000";

On page 18, line 25, strike "$37,226,000", and insert "$19,600,000";

On page 19, line 2, strike "$20,000,000", and insert "$71,100,000";

On page 19, line 4, after "1984'.", insert "$7,500,000 shall be derived by transfer from 'Weapons procurement, Navy, 1982/1984' ";

On page 19, line 18, strike "$23,000,000", and insert "$18,000,000";

On page 20, line 13, insert the following:

OTHER PROCUREMENT, ARMY

For an additional amount for "Other procurement, Army", $20,000,000, to be available for transfer to appropriations available to the Federal Emergency Management Agency, to remain available until September 30, 1984.

SHIPBUILDING AND CONVERSION, NAVY

For an additional amount of "Shipbuilding and conversion, Navy", $57,000,000, to remain available until September 30, 1986.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for "Aircraft procurement, Air Force", $70,000,000, to remain available until September 30, 1984, only for purchase of KC-10 aircraft under a multi-year contract.

On page 21, line 5, strike "$17,700,000", and insert "$88,600,000";

On page 21, after line 6, insert the following:

PROCUREMENT, DEFENSE AGENCIES

For an additional amount for "Procurement, defense agencies", $10,000,000, to remain available until September 30, 1984.

On page 22, line 7, after "Europe", insert "when coal from the United States is available";

On page 22, after line 7, insert the following:

The transfer authority limitation contained in section 733 of Public Law 97-114 is increased to $900,000,000.

On page 22, line 24, strike "$2,601,500", and insert the following: "$3,401,500, of which $800,000 shall be derived by transfer from the appropriation "Transportation services and assistance" upon approval by resolution of the District of Columbia Council:"

On page 23, line 17, strike "$38,144,400", and insert the following: "$40,044,400 of which $1,900,000 shall be derived by transfer from the appropriation "Transportation services and assistance" upon approval by resolution of the District of Columbia Council:"

On page 24, after line 22, insert the following:

ADMINISTRATIVE PROVISIONS

Title 11 of the District of Columbia Code is amended by adding the following new section:

"§ 11-1732. Hearing commissioners

"(a) The chief judge of the superior court may appoint and may remove hearing commissioners who shall serve in the superior court and shall, in addition to the performance of the duties enumerated in subsection (c) of this section, perform such other duties as are not inconsistent with the Constitution and laws of the United States and of the District of Columbia, or as may be assigned by rule of the superior court.

"(b) No individual may be appointed or serve as a hearing commissioner under this section unless he or she has been a member of the bar of the District of Columbia for at least three years.

"(c) A hearing commissioner, when specifically designated by the chief judge of the superior court, may perform the following functions:

"(1) administer oaths and affirmations and take acknowlegments.

"(2) with the consent of the parties, determine conditions of release and pretrial detention pursuant to the provisions of title 23 of the District of Columbia Code (relating to criminal procedures).

"(3) with the consent of the parties, conduct preliminary examinations in all criminal cases to determine if there is probable cause to believe that an offense has been committed and that the accused committed it.

"(4) with the consent of the parties involved make findings and recommendations in uncontested proceedings, and in contested hearings in the civil, criminal and family divisions of the superior court. A rehearing of the case, or a review of the hearing commissioner's findings and recommendations, may be made by a judge of the appropriate division sua sponte. The findings and recommendations of the hearing commissioner shall when approved by a judge of the appropriate division constitute a final order of the superior court.

"(5) with the consent of the respondent make findings and recommendations in any nonjury traffic infraction matters in the superior court. A rehearing of the case, or a review of the hearing commissioner's findings and recommendations, may be made by a judge of the superior court sua sponte. The findings and recommendations of the hearing commissioner when approved by a judge of the superior court shall constitute a final order of the superior court.".

On page 27, after line 1, insert the following:

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

OPERATION AND MAINTENANCE

(TRANSFER OF FUNDS)

For an additional amount for "Operation and Maintenance", $2,000,000, to remain available until expended, to be derived by transfer of unobligated balances in the construction program.

On page 27, line 14, strike "$57,000,000", and insert "$48,900,000";

On page 27, strike line 17, through and including line 23;

On page 28, line 3, strike "$35,700,000", and insert "$7,300,000";

On page 28, after line 18, insert the following:

Appropriations for the execution of work pursuant to section 202 of the 1981 Energy and Water Development Appropriations Act shall be made available for obligation in the amount designated for that purpose with emphasis on the Pineville and Barbourville, Kentucky and Williamson, West Virginia project components and without regard to any other designation in the joint explanatory statement of the committee of conference (Report No. 97-345) pursuant to title I of the Energy and Water Development Appropriations Act, 1982. Flood control measures authorized by section 202 of the 1981 Energy and Water Development Appropriations Act involving high levees and floodwalls in urban areas should provide for a standard project flood level of protection where the consequences from overtopping caused by large floods would be catastrophic.

On page 30, beginning on line 15, strike ", to remain available until expended";

On page 30, line 23, after "expended", insert the following: ": *Provided*, That of such amount not less than $10,000,000 shall be available only for the American University of Beirut."

On page 30, after line 23, insert the following:

ECONOMIC SUPPORT FUND

CARIBBEAN BASIN INITIATIVE

For an additional amount for necessary expenses to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $355,000,000, to remain available until March 31, 1983, notwithstanding section 10 of Public Law 91-672: *Provided*, That of such amount $10,000,000 shall be available only for Belize, $70,000,000 shall be available only for Costa Rica, $10,000,000 shall be available only for countries and territories of the Eastern Caribbean $40,000,000 shall be available only for the Dominican Republic, $128,000,000 shall be available only for El Salvador, $5,000,000 shall be available only for Haiti, $40,000,000 shall be available only for Honduras, and $50,000,000 shall be available only for Jamaica.

MILITARY ASSISTANCE PROGRAM

For an additional amount for necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, $16,988,000, to remain available for obligation until September 30, 1983: *Provided*, That such amount and $25,012,000 of funds reprogrammed during the fiscal year 1982 to carry out such section shall be available only for Somalia, Honduras, and El Salvador: *Provided further*, That of the funds available only for the countries referred to in the first proviso, $10,000,000 shall be available only for Somalia, $12,000,000 shall be available only for Honduras, and $20,000,000 shall be available only for El Salvador.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For an additional amount for necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $3,512,000.

FOREIGN MILITARY CREDIT SALES

For an additional amount of necessary expenses to enable the President to carry out the provisions of sections 23 and 24 of the Arms Export Control Act, $50,000,000, which sum shall be available only for the Sudan.

In addition to the total amount of gross obligations for the principal amount of direct loans, exclusive of loan guarantee defaults, which may be made during the fiscal year 1982 pursuant to the heading "Foreign Military Credit Sales" of Public Law 97-121, there may be made $50,000,000 of such gross obligations during such fiscal year.

In addition to the total amount of commitments to guarantee loans during the fiscal year 1982 provided under the heading "Foreign Military Credit Sales" of Public Law 97-121, there are provided $186,000,000 of commitments to guarantee such loans during such fiscal year: *Provided*, That such additional commitments and $25,000,000 of reprogrammed commitments to guarantee such loans during the fiscal year 1982 shall be provided only to guarantee loans for Korea, Thailand, Morocco, Tunisia, Portugal, Spain, and Turkey: *Provided further*, That of the commitments provided only to guarantee loans for the countries referred to in the first proviso $29,000,000 shall be provided only for Korea, $25,000,000 shall be provided only for Thailand, $20,000,000 shall be provided only for Morocco, $10,000,000 shall be provided only for Tunisia, $20,000,000 shall be provided only for Portugal, $25,000,000 shall be provided only for Spain, and $82,000,000 shall be provided only for Turkey.

SPECIAL DEFENSE ACQUISITION FUND

(LIMITATION ON OBLIGATIONS)

There are authorized to be made available for the Special Defense Acquisition Fund for the fiscal year 1982, $250,000,000.

On page 33, strike line 18, through and including page 34, line 2;

On page 34, after line 5, insert the following:

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The Urgent Supplemental Appropriations Act, 1982 (Public Law 97-216) is amended by striking the seventh and eighth provisos under this heading and inserting in lieu thereof the following: *Provided further*, That to the extent the amount of budget authority (including budget authority internally transferred by State Housing Finance Development agencies pursuant to 24 C.F.R. Section 883.207) which is recaptured or deobligated during fiscal year 1982 exceeds $3,250,000,000, the amount of recaptured or deobligated contracted authority and budget authority which exceeds such $3,250,000,000, if any, shall be deferred until October 1, 1982, except that budget authority internally transferred pursuant to 24 C.F.R. Section 883.207, shall not be deferred: *Provided further*, That the first $89,321,727 of budget authority deferred in accordance with the immediately preceding proviso, or such lesser amount as is available on October 1, 1982, shall be made available for the modernization of 5,073 vacant uninhabitable public housing units, pursuant to section 14 of the United States Housing Act of 1937, as amended, other than section 14(f) of such Act.

On page 35, after line 3, insert the following:

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $304,000: *Provided*, That the Director of the Selective Service System shall establish at the time of mobilization a Civilian Review Board(s) to review appeals made by alternative service workers to their job assignments or reassignments.

On page 35, after line 11, insert the following:

MEDICAL AND PROSTHETIC RESEARCH

(TRANSFER OF FUNDS)

For an additional amount for "Medical and prosthetic research", $4,198,000, to remain available until September 30, 1983, and which shall be derived by transfer from "Medical care".

On page 37, line 6, strike "$60,000,000", and insert "$55,000,000";

On page 37, after line 15, insert the following:

LAND ACQUISITION

Notwithstanding the date cited in section 119(d) of Public Law 96-199 for acquisition of Yaquina Head Outstanding Natural Area, Oregon, an additional $700,000 is provided, to remain available until expended.

On page 37, line 24, strike "$2,000,000", and insert "$1,800,000";

On page 38, strike line 1, through and including line 7;

On page 38, line 14, strike "$17,680,000", and insert "$6,000,000";

On page 38, line 15, strike "That", through and including "further," on line 18;

On page 38, line 23, after "legislation", insert the following: ": *Provided further*, That the Park Service shall obligate by November 1, 1982, out of funds available, no more than $160,000 for the rehabilitation of the mounted police training barn at Rock Creek Park Horse Center for use by the National Center for Therapeutic Riding, as directed by the managers of the Committee of Conference on the bill making appropriations for the Department of the Interior and Related Agencies for the fiscal year

ending September 30, 1981 (Public Law 96-514).".

On page 39, line 13, strike "$30,000,000", and insert "$29,000,000";

On page 39, line 14, strike "$13,500,000", and insert "$12,500,000";

On page 39, line 16, strike "$6,500,000", and insert "$5,500,000";

On page 39, line 17, after "Massachusetts:", insert the following: "$1,000,000 is for the Cumberland Island National Seashore, Georgia;";

On page 40, strike line 1, through and including line 5;

On page 40, strike line 9, through and including line 13, and insert the following:

For an additional amount for "Mines and minerals", $5,189,000, to remain available until expended, of which $991,000 shall be derived by transfer from "Drainage of anthracite mines": *Provided,* That up to $5,064,000 of the funds provided under this head shall be used to carry out the purposes of section 2(b) of Public Law 96-543.

On page 40, strike line 20, through and including line 25;

On page 41, line 4, strike "$7,000,000", and insert the following: "$22,900,000: *Provided,* That $11,100,000 of such amount shall be immediately available for transfer to the State of Alaska to assist in the basic operation and maintenance during the period ending September 30, 1984, of formerly Bureau-owned schools which have been transferred to the State, such sum to be in addition to assistance otherwise available under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.) or any other Act to such schools on the same basis as other public schools; *Provided further,* That the Act of December 23, 1981 (95 Stat. 1391, 1400) is amended under the heading 'INDIAN AFFAIRS' in the paragraph headed 'TRIBAL TRUST FUNDS' by deleting the last sentence of said paragraph and inserting the following in lieu thereof:".

"No funds shall be deposited in such 'Indian money, proceeds of labor' (IMPL) accounts after September 30, 1982. The unobligated balance in IMPL accounts as of the close of business on September 30, 1982, including the income resulting from the investment of funds from such accounts prior to such date, shall be transferred to and held in escrow accounts at the locations of the IMPL accounts from which they are transferred. Funds in such escrow accounts may be invested as provided in section 1 of the Act of June 24, 1938 (52 Stat. 1037; 25 U.S.C. 162a) and the investment income added to such accounts. The Secretary shall determine no later than September 30, 1985 (after consultation with appropriate tribes and individual Indians) the extent to which the funds held in such escrow accounts represent income from the investment of special deposits relating to specific tribes or individual Indians. Upon such a determination by the Secretary and express acceptance of the determination by the beneficiary, the Secretary shall transfer such funds to trust accounts for such tribes or individual Indians. Not more than ten percent of the funds transferred to trust accounts for any tribe or individual Indian under this provision may be utilized to pay for legal or other representation relating to claims for such funds. Acceptance of a determination by the Secretary and the transfer of funds under this provision shall constitute a complete release and waiver of any and all claims by the beneficiary against the United States relating to the unobligated balance of IMPL accounts as of the close of business on September 30, 1982. During the period of October 1, 1985 through September 30, 1987, the funds remaining in such escrow accounts because they have not been transferred to trust accounts, may be expended subject to the approval of the Secretary for any purpose authorized under the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13) and requested by the respective governing bodies of the tribes at the locations where such accounts are maintained. The unobligated balance of such escrow accounts as of the close of business on September 30, 1987, shall be deposited into miscellaneous receipts of the Treasury.".

On page 43, line 15, strike "$21,400,000", and insert "$26,457,500";

On page 43, line 15, strike "to", through and including "funds." on page 44, line 10, and insert the following: "to remain available until expended, of which $1,000,000 shall be available for immediate payment to the people of Bikini under the terms and conditions as set forth in a trust agreement or amendment thereto approved by the Bikini/Kili Council subject only to the disapproval of the Secretary of the Interior: *Provided,* That $19,600,000 shall be available for the relocation and resettlement of the Bikini people in the Marshall Islands, principally on Kili and Ejit Islands: *Provided further,* That such sum shall be paid to a trustee selected by the Bikini/Kili Council subject only to the disapproval of the Secretary of the Interior to be held in trust pursuant to the provisions of the aforementioned trust agreement or amendment thereto approved by the Bikini/Kili Council subject only to the disapproval of the Secretary of the Interior: *Provided further,* That such fund and the earnings and distribution therefrom shall not be subject to any form of Federal, State, or local taxation: *Provided further,* That $2,000,000 of such fund shall remain available for future ex gratia distribution to the people of Bikini Atoll pursuant to the provisions of the trust agreement: *Provided further,* That the Governments of the United States and Trust Territory of the Pacific Islands shall not be liable in any cause of action in law or equity from the administration and distribution of the trust funds.".

On page 45, line 18, strike "$69,400,000," and insert "$64,900,000";

On page 45, after line 19, insert the following:

For an additional amount for "Construction and land acquisition", $3,000,000, to remain available until expended, for partial payment, subject to the execution of a memorandum of understanding by September 30, 1982 between the Secretary of the Interior, the Secretary of Agriculture, and the Chugach Natives, Incorporated, for the settlement of land claims of the Chugach Natives, Incorporated as authorized by Section 1302(h) and Section 1430 of the Alaska National Interest Lands Conservation Act (Public Law 96-487) and Section 22(f) of the Alaska Native Claims Settlement Act, as amended (Public Law 94-204): *Provided,* That in the memorandum of understanding, Chugach Natives, Incorporated shall generally describe the lands to be conveyed to it in satisfaction of all its entitlements.

On page 46, after line 13, insert the following:

ADMINISTRATIVE PROVISION

Notwithstanding the provisions of 5 U.S.C. 5901(a), as amended, the uniform allowance for each uniformed employee of the Forest Service, U.S. Department of Agriculture shall not exceed $400 annually.

On page 46, strike line 19, through and including page 47, line 18, and insert the following:

FOSSIL ENERGY CONSTRUCTION

Of the funds made available for obligation under this heading in the Department of the Interior and Related Agencies Appropriation Act, 1982 (Public Law 97-100) for the continued design of the Solvent Refined Coal-I (SRC-I) demonstration facility (Project No. 78-2-d), $28,100,000 shall be used to implement the SRC-I project post-baseline workplan as outlined in ICRC-DOE letter numbered 1629 entitled Technical Scope of Work for the Post-Baseline Period; $22,000,000 shall be used for the SRC-I project termination reserve; and $5,000,000 shall be used for administrative expenses incurred by the Department of Energy in carrying out the aforementioned post-baseline workplan or other current SRC-I project contracts.

On page 48, line 20, strike "$17,000,000", and insert "$4,400,000";

On page 49, after line 8, insert the following:

INSTITUTE OF MUSEUM SERVICES

Of the funds made available under this heading in Public Law 97-100, $720,000 shall remain available for obligation until September 30, 1983.

On page 49, strike line 20, through and including page 50, line 5;

On page 50, strike line 10, through and including line 13, and insert the following:

(RESCISSION)

Of the amounts available for obligation in fiscal year 1982 for "Employment and training assistance", $48,186,000 are rescinded.

On page 50, line 21, strike "; *Provided,*", through and including "amended" on line 24;

On page 51, line 5, strike "$1,157,000", and insert "$400,000";

On page 51, line 14, after "expenses", insert the following: ": *Provided,* That none of the funds made available under this head for fiscal year 1982 may be obligated or expended to enforce or prescribe as a condition for initial, continuing, or final approval of State plans under section 18 of the Occupational Safety and Health Act of 1970, State administrative or enforcement staffing levels which are greater than levels which are determined by the Secretary to be equivalent to Federal staffing levels.".

On page 52, line 6, strike "$11,000,000" and insert "$11,500,000";

On page 52, strike line 14, through and including line 17, and insert the following:

Funds appropriated for fiscal year 1982 pursuant to section 1537 of the Public Health Service Act shall not be denied to a health systems agency solely because it fails to meet the numerical criteria for staffing under section 1512(b)(2)(B) of the Act if the minimum size of its professional staff is three, or, if the quotient of the population (rounded to the nearest three hundred thousand) of the health service area which the agency serves divided by three hundred thousand is greater than three, the minimum size of the professional staff is the lesser of (i) such quotient, or (ii) twenty-five.".

On page 53, line 19, strike "$142,000,000", and insert "$112,000,000";

On page 54, line 12, strike "State and local educational agencies" and insert "each county";

On page 54, line 17, strike "local educational agency" and insert "county";

On page 54, line 17, after "reduced", insert the following: *Provided further,* That in the case of Puerto Rico, poverty data gathered by the Bureau of the Census in the 1975 Survey of Income and Education shall be used if 1980 Census data are not available.".

On page 55, after line 8, insert the following:

For an additional amount under section 7 of Public Law 874, Eighty-first Congress, to be made available to the Waubay School District, Waubay, South Dakota, $200,000.

On page 55, strike line 19, through and including page 56, line 6.

On page 56, strike line 14, through and including line 18, and insert the following:

For an additional amount to carry out title III of the Higher Education Act, $5,184,000 which shall remain available for obligation by the Secretary of Education through September 30, 1983 to enable the Secretary (1) to award grants under title III of the Higher Education Act notwithstanding section 347 of that Act and (2) to pay expenditures of the Secretary in connection with the awarding of such grants: *Provided,* That the Secretary may award these funds to an eligible institution only if the institution is not eligible to receive title III funds under section 347(e) of the Act in fiscal year 1982 and its enrollment of Hispanic and Native American students, as reported on the latest available Eucation Department Higher Education General Information Survey (HEGIS), is at least 45 per centum: *Provided further,* That any funds that were appropriated for part B of title III of the Higher Education Act for fiscal year 1982 and were reserved in accordance with section 347(e) of the Act but not awarded in fiscal year 1982 to institutions with special needs that historically serve substantial numbers of black students, shall remain available for obligation by the Secretary of Education through September 30, 1983 to enable the Secretary (1) to award such funds to those institutions with special needs that historically serve black students that were not selected for funding by the Secretary under title III of the Act in fiscal year 1982, and (2) to provide technical assistance to such institutions to assist them in applying for such funds, notwithstanding section 321(b) of the Act.

On page 58, strike line 1, through and including line 6;

On page 60, after line 2, insert the following:

SENATE

SALARIES, OFFICERS AND EMPLOYEES

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For an additional amount for "Offices of the Majority and Minority Leaders", $120,000.

ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS

For an additional amount for "Administrative, clerical, and legislative assistance to Senators", $80,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For an additional amount for "Offices of the Secretaries for the Majority and Minority", $100,000.

CONTINGENT EXPENSES OF THE SENATE

MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous Items", $938,000.

ADMINISTRATIVE PROVISIONS

SEC. 101. Effective October 1, 1981, the allowance for administrative and clerical assistance of each Senator from the State of Florida is increased to that allowed Senators from States having a population of ten million but less than eleven million, the population of said State having exceeded ten million inhabitants.

SEC. 102. The third sentence of section 105(b) of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 123b (b)) is amended by striking out "and committees of the Senate" and inserting in lieu thereof "committees of the Senate, the Secretary of the State, and the Sergeant at Arms of the Senate".

SEC. 103. Clause (1) of section 117 of Public Law 97-51 (2 U.S.C. 61f-8) is amended to read as follows:

"(1) the procurement of the services, on a temporary basis, of individual consultants or organizations thereof, with the prior consent of the Committee on Rules and Administration; such services may be procured by contract with the providers acting as independent contractors, or in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest gross rate of annual compensation which may be paid to employees of a standing committee of the Senate; and any such contract shall not be subject to the provisions of section 5 of title 41, United States Code, or any other provision of law requiring advertising; and".

SEC. 104. (a) Paragraph (2) of subsection (b) of section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b) is amended to read as follows:

"(2) In the event that the term of office of a Senator begins after the first month of any such calendar year or ends (except by reason of death, resignation, or expulsion) before the last month of any such calendar year, the aggregate amount available to such Senator for such year shall be the aggregate amount computed under paragraph (1) of this subsection, divided by 12, and multiplied by the number of months in such year which are included in the Senator's term of office, counting any fraction of a month as a full month.".

(b) The amendment made by subsection (a) of this section shall be effective on and after January 1, 1982.

SEC. 105. (a) The first sentence of the first section of the joint resolution relating to the payment of salaries of employees of the Senate, approved April 20, 1960 (Public Law 86-426; 2 U.S.C. 60c-1), is amended by striking out "Senators and officers and employees" and inserting in lieu thereof "the Vice President, Senators, and officers and employees".

(b) The third sentence of section 104 of title 3, United States Code, is repealed.

(c) Amendments and repeals made by the preceding provisions of this section shall be effective in the case of compensation payable for months after December 1981.

SEC. 106. If at the close of any fiscal year there is an unexpended balance of funds which were appropriated for such year (or for prior fiscal years) and which are subject to disbursement by the Secretary of the Senate for any purpose, then, if such unexpended balance is by law rescinded, any unpaid obligations chargeable to the balance so rescinded (or to appropriations for such purpose for prior years) shall be liquidated from any appropriations for the same general purpose, which, at the time of payment, are available for disbursement.

SEC. 107. For the fiscal year ending September 30, 1982, and for each of the next three succeeding fiscal years, the Secretary of the Senate is authorized to pay to the General Services Administration such amounts as may be necessary to reimburse the Archivist of the United States for expenditures made to conduct a project to provide for the proper preservation of the Senate's records of continuing value, which expenditures cannot be defrayed from funds otherwise available for such purpose. The aggregate of the sums paid to the General Services Administration under this section shall not exceed $300,000. Amounts paid under this section shall be paid from the contingent fund of the Senate on vouchers approved by the Secretary of the Senate.

On page 64, strike line 3, through and including line 13;

On page 65, after line 25, insert the following:

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Of the unobligated balances available under this heading, not to exceed $16,000,000 shall be reprogramed for the acquisition of a replacement C-130 aircraft to be based at Kodiak, Alaska.

On page 66, strike line 6, through and including line 8;

On page 66, line 13, strike "$45,700,000", and insert "$103,200,000, of which $57,500,000 shall remain available until September 30, 1983,"

On page 66, line 15, after "$9,945,000", insert "to remain available until expended and";

On page 66, line 19, after "$10,000,000", insert "to continue to remain available until expended and";

On page 67, after line 7, insert the following:

FEDERAL-AID HIGHWAYS

For an additional amount of authority to execute contracts to replace or rehabilitate highway bridges according to title 23, United States Code, Section 144, $23,200,000 out of the Highway Trust Fund, to remain available until expended: Provided, that obligations incurred under this authority shall not be subject to any law limiting obligations for Federal-Aid Highways.

On page 67, strike line 16, through and including line 19;

On page 67, after line 21, insert the following:

For an additional amount for "Access highways to public recreation areas on certain lakes", $6,875,000, to remain available until expended.

On page 68, strike line 12, through and including line 21, and insert the following:

Notwithstanding any other provision of law, the National Railroad Passenger Corporation (the "Corporation") shall be exempt from any taxes or other fees imposed by any State, political subdivision of a State, or local taxing authority which are levied on the Corporation, or any railroad subsidiary thereof, from and after October 1, 1981, including such taxes and fees levied after September 30, 1982; provided however that notwithstanding any provision of law, the Corporation shall not be exempt from any taxes or other fees which it is authorized to pay as of the date of enactment of this provision. Taxes and fees levied on the Corporation or any railroad subsidiary thereof by States, political subdivisions of States, or local taxing authorities with respect to periods beginning prior to October 1, 1981, shall be payable in proportion to the part of the relevant tax period which elapsed prior to such date. Notwithstanding the provision of 28 U.S.C. § 1341, the United States district

courts shall have original jurisdiction over any civil actions brought by the Corporation to enforce the exemption conferred hereunder and may grant equitable or declaratory relief as requested by the Corporation.

On page 70, line 3, strike "$25,000,000", through and including "development" on line 5, and insert "$20,000,000 to remain available until September 30, 1983.";

On page 70, line 13, strike "INCLUDING";

On page 70, strike line 20, through and including page 71, line 5;

On page 71, after line 24, insert the following:

URBAN MASS TRANSPORTATION ADMINISTRATION

URBAN DISCRETIONARY GRANTS

On page 72, after line 4, insert the following:

From funds previously appropriated for the Urban Mass Transportation Administration, Urban Discretionary grants, advances shall be made immediately toward extraordinary costs permitted under full funding contracts as necessary to insure project continuity.

On page 72, strike line 10, through and including line 13;

On page 72, line 14, strike "AGENCY", and insert "AGENCIES";

On page 72, after line 14, insert the following:

NATIONAL TRANSPORTATION SAFETY BOARD

EMERGENCY FUND

For necessary expenses, not otherwise provided for, of the National Transportation Safety Board for accident investigations, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); $1,000,000, to remain available until expended.

On page 73, line 8, strike "$25,000,000", through and including "development" on line 10, and insert "$20,000,000 to remain available until September 30, 1983.";

On page 74, line 4, after "$8,084,000", insert the following: "*Provided*, That none of the funds appropriated by this act shall be used to impose or assess any tax due under subchapter D of chapter 32 of the Internal Revenue Code of 1954, as amended, sections 4161 and 4181, in all cases where less than fifty items are manufactured or produced per annum.".

On page 74, line 12, strike "$72,232,000" and insert the following: "$72,354,000, of which $340,000 shall be used for the tax counseling for the elderly program (TCE) to retroactively reimburse volunteer tax counselors for personal and administrative expenses incurred during the past 1981 filing season.".

On page 74, line 19, strike "$15,563,000", and insert "$14,563,000";

On page 74, line 22, strike "$19,121,000" and insert "$16,604,000";

On page 75, line 4, strike "$7,080,000" and insert "$11,272,000";

On page 75, line 7, after "expended", insert the following: "*Provided further*, That $1,518,000 appropriated herein for expansion of the Beltsville, Maryland, training facility shall remain available until expended.".

On page 75, line 17, after "1982", insert the following: "*Provided further*, That none of the funds made available by this or any other act may be used to place the United States Secret Service, the United States Customs Service, and the Bureau of Alcohol, Tobacco and Firearms under the operation, oversight, or jurisdiction of the Inspector General of the Department of the Treasury.".

On page 76, line 5, strike "$20,000,000", and insert the following: "$39,000,000, of which $19,000,000 shall be derived by transfer from amounts appropriated for public service costs.".

On page 76, line 13, strike "$208,660,000", and insert "$189,660,000";

On page 77, after line 20, insert the following:

NATIONAL ARCHIVES AND RECORDS SERVICE

OPERATING EXPENSES

For an additional amount for "Operating expenses", $6,500,000 to remain available until expended, of which $1,500,000 shall be for allocations and grants for historical publications and records, and $300,000 shall be for the preservation of Senate historical records.

On page 78, after line 17, insert the following:

SENATE

"Salaries, officers and employees" $8,771,000;

"Office of the Legislative Counsel of the Senate, $66,000;

"Office of Senate Legal Counsel", $13,000;

"Senate Policy Committees", $110,000;

"Inquiries and investigations", $6,975,000;

"Folding documents", $6,000;

On page 79, strike line 1, through and including line 11;

On page 79, after line 24, insert "'Senate Office Buildings, $200,000;

On page 80, strike line 1;

On page 84, line 24, strike "$18,813,000", and insert "$16,813,000";

On page 85, line 15, strike "$20,000,000", and insert "$21,294,000";

On page 86, line 1, strike "$1,202,558,000", and insert "$1,198,858,000";

On page 86, line 11, strike "$234,500,000", and insert "$125,500,000";

On page 86, line 16, strike "$67,300,000", and insert "$126,400,000";

On page 86, line 17, strike "$95,200,000 of which";

On page 86, line 19, after "1980/1982'", strike through and including line 24;

On page 88, line 23, strike "$18,160,000", and insert "$16,250,000";

On page 90, line 23, strike "$4,572,000", and insert "$3,400,000";

On page 94, line 4, after "expenses)", strike through and including "freeways'" on line 9;

On page 94, line 19, strike "$92,100,000", and insert "$78,100,000";

On page 97, line 3, after "$80,000,000", insert "of which $50,000,000 shall remain available until September 30, 1983.";

On page 97, strike line 10, through and including line 11;

On page 97, strike line 18, through and including line 21;

On page 98, line 14, strike "$3,124,000", and insert "$3,000,000";

On page 98, line 19, after "$2,084,000," strike through and including "assistance'" on line 20, and insert the following: "of which $1,000,000 shall be derived by transfer from 'State and local assistance' and $1,084,000 shall be derived by transfer from 'Emergency planning and assistance': *Provided*, That the National Flood Insurance Fund shall be available, subject to the provisions contained in Public Law 97-101 under the heading 'National Flood Insurance Fund', for salaries and expenses of employees engaged in National Flood Insurance Program activities related to the direct, actual and necessary expenses incurred in connection with selling or servicing flood insurance coverage;".

On page 101, line 18, after "$7,115,000" insert "which shall be derived by transfer from 'Acquisition and construction of radio facilities'";

On page 102, line 10, strike "$250,000" and insert "$170,000";

On page 103, strike line 19, through and including line 20;

On page 104, strike line 16, through and including page 107, line 2, and insert the following:

SEC. 303. Notwithstanding any other provision of law, funds provided to the Department of Energy by this Act or any other Act for any fiscal year shall be used to maintain not less than the number of full-time Federal employees specified herein for each of the following offices, agencies, or categories of activity: (1) The Office of the Assistant Secretary for Conservation and Renewables, 488 employees, of which not less than 154 employees shall be assigned to conservation research and development activities, not less than 180 employees shall be assigned to State and local conservation activities, and not less than 136 employees shall be assigned to renewable resource programs; (2) The Office of the Assistant Secretary for Fossil Energy, 779 employees, of which not less than 175 employees shall be assigned to activities of the headquarters organization, not less than 280 employees shall be assigned to the Pittsburgh Energy Technology Center, and not less than 250 employees shall be assigned to the Morgantown Energy Technology Center; (3) The Office of the Assistant Secretary for Nuclear Energy, 787 employees, of which not less than 130 positions shall be assigned to the Idaho Operations Office; (4) The Economic Regulatory Administration, 520 employees, of which not less than 51 employees shall be assigned to the Office of Fuels Conversion; (5) The Energy Information Administration, 490 employees; (6) Energy Research, 392 employees; and (7) Departmental Administration, 4,192 employees: *Provided*, That, notwithstanding any other provision of law, in any case in which the President proposes to rescind, reserve, or defer funds which are available to maintain the Federal personnel levels required by this section, the President shall continue to obligate such funds in order to maintain such levels until a period of 45 days of continuous session of Congress has expired after the President has transmitted to the Congress a special message with respect to such rescission, reservation, or deferral under section 1012 or 1013 of the Impoundment Control Act of 1974, as the case may be: *Provided further*, That if, within such 45-day period, the Congress passes a rescission bill with respect to any such rescission or reservation or fails to pass an impoundment resolution with respect to any such reservation, the President may withhold from obligation the funds for which the such special message was transmitted with respect to such rescission, reservation, or deferral.

The PRESIDING OFFICER. Pursuant to the previous order, the bill will be laid aside.

ORDER FOR PRO FORMA SESSION TOMORROW AT 10 A.M. AND FOR A RECESS TOMORROW UNTIL MONDAY, AUGUST 9, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that, when the Senate convenes at 10 a.m. tomorrow, it convene for a pro forma session only and immediately stand in recess until the hour of 12 noon on Monday next.

Mr. ROBERT C. BYRD. I just want to call to the attention of the record that the minority waives the 3-day rule.

Mr. BAKER. Mr. President, I am intensely grateful to the minority for doing that. Indeed, I had discussed that at some length with the minority leader. That is a considerable accommodation by the minority and I am grateful.

Mr. President, there will be only a pro forma session tomorrow and the Senate will convene at 12 noon on Monday. I thank the Senators for delaying morning business so we could take care of these matters.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

NO BLACK TROOP LIMIT FOR NATO

Mr. HOLLINGS. Mr. President, recent reports by the New York Times and the Stars and Stripes, newspaper of the Armed Forces, have stated that some NATO allies are pressuring the United States to reduce the number of blacks in its military Forces and to limit the number of blacks assigned to bases in Europe. The reports indicate that—according to a top DOD official speaking "off the record"—the Reagan administration has rejected the NATO requests in this matter.

If these allegations are true, Mr. President, I find the situation totally unacceptable—and it should be rejected publicly by the Department of Defense. It is unthinkable to have countries reject black soldiers who have sacrificed to defend them.

It is interesting to note that not only are many of our NATO allies failing to pay a fair share for the defense of Western Europe while we push ahead with substantial defense spending increases, but they may now be telling us that some of our soldiers are not acceptable to them.

I feel that it is essential that the facts dealing with these pressure tactics and the prejudices involved be discussed openly. Thus, I have requested that Secretary of Defense Weinberger provide information regarding first, what has been discussed in this matter, second, the NATO allies involved, third, how the suggestions were passed on to our Government, and fourth, the U.S. response in each instance.

Mr. President, I do not believe a mere rejection of the prejudicial views of allies goes far enough in dealing with such unacceptable behavior. We owe it to American military personnel, whether they are black, brown, or white, rich or poor, Catholic, Jew, or Protestant, that our Government and the citizens of our Nation fully support them. In the same manner that we must always pursue justice and equality for all citizens in everyday life in our country, we should do the same for our soldiers in fighting the prejudices of our allies and our enemies abroad. This point must be made unequivocally clear to all involved. We will not tolerate any discrimination against the U.S. soldier.

Mr. President, I ask unanimous consent that the June 6, 1982, New York Times; June 7, 1982, Stars and Stripes; and July 13, 1982, Chicago Tribune articles on the NATO racial discrimination issue be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 5, 1982.

Hon. CASPAR W. WEINBERGER,
Secretary of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: A recent edition of "Stars and Stripes" contained an article (see enclosed) based on a New York Times report that referred to attempts by NATO allies to persuade the U.S. to reduce the number of blacks in its military forces and to limit the number of blacks assigned to bases in Europe. According to the article, the Administration has rejected the NATO requests.

If such attempts have been made by our allies, I find the situation totally unacceptable—and should be rejected publicly by your department. It is unthinkable to have countries reject black soldiers who have sacrificed to defend them. I would like to know if this issue has been discussed, the allies involved, how it was presented to our Government, and the specific U.S. response in each instance.

The American soldier must know at all times that he enjoys the full support of his government and of the governments he is fighting beside. He must know that prejudice in any form directed toward him, will not be tolerated.

I look forward to your response,

Sincerely,

ERNEST F. HOLLINGS.

[From the New York Times, June 6, 1982]

U.S. AIDE SAYS ALLIES CRITICIZE BLACKS IN ARMY

(By Winston Williams)

RACINE, WIS.—Some of the United States' European allies have been quietly putting pressure on the Pentagon to reduce the percentage of blacks in the armed forces and to limit the number of blacks assigned to European bases of the North Atlantic Treaty Organization, a top Defense Department official said Friday.

Speaking off the record to a scholarly conference on the growing role of blacks in the United States' armed forces, the official said that objections by the Europeans, mainly Germans, concerned cultural differences and "absorbing" larger numbers of blacks into largely white populations.

The Pentagon representative told the conferees that the Reagan Administration had rejected the requests of the North Atlantic Treaty allies and had insisted that the quality of the forces was as strong as ever.

But some NATO military leaders, the Pentagon official said, have questioned the "readiness" of forces that rely heavily on black troops. Combat readiness and the quality of soldiers who enlist have been hot topics of debate in military circles since the nation abolished the draft in 1973 and turned to all-volunteer forces.

Several speakers at the conference asserted that opponents of the all-volunteer Army were trying to create support for reinstating the draft by making an issue of the growth of black forces.

Blacks account for slightly more than 20 percent of the manpower in the armed services today, as against about 10 percent a decade ago. In the Army more than one-third of the soldiers are black, as against about 12 percent in 1970.

Despite assurances from the administration, several participants in the conference said they expected opposition in Europe to have some subtle effect on the number of blacks assigned there.

"There is a prejudice in Germany that is unremitting," said Edwin Dorn of the Joint Center for Political Studies, a black Washington research organization that co-sponsored the conference. "They have a sensitivity to race that's not too different from that of Moshe Dayan or many people in this country. They think anything black is low-quality, undependable and undisciplined."

Moshe Dayan, the late Israeli Defense Minister, caused a storm of controversy last year when he said that the quality of the American armed forces had deteriorated because they relied so heavily on blacks.

Many of the papers presented here attempted to refute that idea. Alvin J. Schexnider, and associate dean at Virginia Commonwealth University, presented data suggesting that in all branches of the military the percentage of black recruits with high school diplomas was significantly higher than the percentage of whites with diplomas.

Last year 90.6 percent of black army recruits had finished high school, as against 76.3 percent of white recruits. In the Navy 86.8 percent of the blacks had diplomas, as against 73.7 percent of the whites. The gap was narrower in the Marine Corps and the Air Force, but blacks were still significantly in the lead.

The data indicate that when the draft was abolished, more white recruits in both the Army and Navy initially had high school diplomas than blacks. The percentage of recruits with diplomas was about equal in the other two branches.

"In the volunteer Army you're recruiting the best of the blacks and the worst of the whites," said Charles Moskos, a sociology professor at Northwestern University.

Blacks score lower on standardized tests, Pentagon data indicate, but a recent Pentagon test was sharply criticized. Participants in the conference complained that the results, which were widely publicized in February, made blacks look especially bad because of the way the results were reported.

[From the Stars and Stripes, June 7, 1982]

NATO ALLIES REPORTED SEEKING BLACK TROOP LIMIT

New York.—Some NATO allies are pressuring the United States to reduce the proportion of blacks in the military and to limit the number of blacks assigned to NATO bases in Europe, the New York Times reported in its Sunday editions.

But according to a top Defense Department official who spoke off the record at a conference of scholars in Racine, Wis., the Reagan administration has rejected the requests of the North Atlantic Treaty allies, the Time said.

Objections by the Europeans, mainly Germans, concerned cultural differences and absorbing larger number of blacks into largely white populations, the Pentagon official said.

Some NATO military leaders also have questioned the readiness of forces that rely heavily on black troops, the official said.

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[From the Chicago Tribune, July 13, 1982]

SOME W. GERMAN BARS BARRING THE DOOR TO BLACK GIS

(By Stanley Parker)

Bonn, Germany.—After World War II, Allied troops were kept out of German bars by their own authorities to stop fraternization with the vanquished local. Now the off-limits signs are put up by the West Germans—mainly to keep out American blacks.

The West German newspaper Welt Am Sonntag recently summed up the situation by quoting a black American soldier as saying: "I'm supposed to die for them, but they won't give me a beer."

The West Germans who ban troops from their premises—many do not—claim either that U.S. soldiers cause trouble or that their German customers do not like mixing with them.

The main victims of the ban are black, like the soldier quoted by Welt Am Sonntag, Sp. 4 Markel Miller, who also spoke to the U.S. military newspaper, Stars and Stripes.

"There are off-limits signs all over the place, but I'll tell you that I can go into a place and be told I'm not welcome but there'll be white GIs sitting there eating and drinking," he said.

Similar assertions of racial discrimination in a U.S. news magazine prompted West German Chancellor Helmut Schmidt to ask the commander of U.S. troops in Europe for his views.

Gen. Frederick Kroesen replied that the army knew of 110 establishments, mainly nightspots, which discriminated against men under his command.

"Discrimination is heaviest and more frequently experienced by black soldiers," he said in a letter that was made public.

According to Stars and Stripes, the U.S. military's equal opportunity officials who deal with such cases had a list of 135 establishments that practiced some form of discrimination.

A U.S. Army spokesman said these ranged from bars to car dealers and furniture removal firms.

Soldiers from other North Atlantic Treaty Organization (NATO) countries do not seem to experience the same hostility, perhaps because their numbers are far smaller than the 250,000-strong U.S. force.

A British Rhine Army spokesman said bars and other nightspots were sometimes placed off-limits to British soldiers after repeated brawls.

"This is usually temporary and is done after consultation between the owner, the German police and local military officials," he said.

"When things have quieted down, soldiers are usually admitted again."

Police sources say neo-Nazism plays little part in such discrimination. They say extremist sights are set at the moment on the 4.7 million foreign workers and their families in West Germany.

But last month a known German neo-Nazi shot and killed two black Americans and an Egyptian at a Nuremberg nightclub and wounded three other non-Europeans before killing himself.

Police said he was carrying wall posters, many from the so-called foreign section of the U.S. Nazi Party run by Gary Rex Lauck of Lincoln, Nebr.

An Interior Ministry report issued earlier this year on extremist and neo-Nazi activities in West Germany said two other North American organizations also supplied Nazi propaganda material to neo-Nazis here.

They are the "white power movement" run by George Gietz from Reedy, Va., and the Samisdat Publishers Ltd. operated by Ernst Christoph Zuendel of Toronto.

The report said the authorities seized $50,000 from a bank account of Zuendel's in West Germany over a period from 1979 to 1980.

AGRICULTURE PRICES

Mr. EXON. Mr. President, I am sure that the Senate is very much concerned about the steady deteriorating effect on agriculture prices.

I ask unanimous consent to have printed in the RECORD a very informative address by Mr. Nolan Hancock at the Agricultural Relations Council on July 15, 1982.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF NOLAN HANCOCK

Good morning. I'd like to thank Don Hanes and the A.R.C. Planning Committee for inviting me to meet with you this morning and share some thoughts on innovations in agriculture. I'm sure that you've wondered, looking at the program, where someone from an industrial union like mine fits into a program of agricultural speakers.

In addition to representing workers in the oil, chemical and atomic industries, OCAW also represents workers at a number of agricultural processing facilities, primarily in the corn refining industry. For that reason we stay up to date on many of the major agricultural issues, and we have a great stake in the health of American agriculture.

Today, I'd like to talk with you about two subjects which are truly "innovations in agriculture." One is a new concept for strengthening our agricultural processing and export economies, and the second is a new method for achieving the goals of agriculture and labor.

You are all painfully aware of the shrinking influence of agriculture in national policy, and the diminishing rural representation in Congress and other centers of power.

For many years agriculture was able to achieve its policy goals through the traditional political "farm bloc" where each commodity interest recognized the necessity of supporting the needs of other commodity interests. If there was any doubt that this long-standing coalition was unraveling, the debacle of the 1981 Farm Bill—with commodity groups squabbling among themselves for a share of a shrinking federal pie—marks the demise of that system. During the sixties and seventies, as the traditional commodity/rural alliances were weakening, the farm/food stamp coalition arose. Major farm programs of this period were dependent on this coalition of producer groups and urban food stamp advocates. However, this coalition also shows signs of fraying at the edges, and the time can be seen when agricultural programs and food assistance programs will no longer be directly tied together.

In light of the decline of these sources of support for agricultural programs it is imperative that we look at new alliances and coalitions which can be effective advocates for farm programs.

This pressing need for new advocates for agriculture became a clear to the Oil, Chemical and Atomic Workers International Union in the mid-seventies. Through our representation of workers in the corn wet milling industry, we were aware of the difficulties faced by the corn sweetener industry attempting to compete with imported sugar which was highly subsidized by foreign governments. Margins in the industry were under intense pressure from this subsidized competition, and labor felt the effect in furloughs, employment reductions and several permanent plant closings. Similar effects were being felt by the domestic beet and cane sugar industries, and the segments of organized labor which operate the cane mills and the beet sugar refineries.

In an effort to maintain jobs in the sweetener industry, our union and others joined with the affected industries in seeking inclusion of sugar in the agricultural price support programs. As you may recall, sugar had been dropped from the support system in 1974. Through the efforts of the labor community, the industry and the sugar and corn growers' organizations, a new sugar program was included in the 1977 Food and Agriculture Act.

Over the next several years there were sporadic instances of the same type of labor-industry-grower cooperation. Many of the same groups have an interest in the infant alcohol fuels industry. At the time of the greatest consumer interest in alcohol fuels, it became clear that the subsidy practices in Brazil could easily flood this country in low-cost fuel alcohol, smothering the efforts to build a domestic supply base. In recognition

of this threat, a special import fee on fuel alcohol was included in the 1980 oil windfall profits tax bill. Support for this measure came from the same coalition, and the coalition has worked in opposition to recent efforts to remove this measure.

Several other issues were addressed on an informal basis by this coalition during the late seventies. However, no formal mechanisms for these cooperative efforts were established.

As much as any other issue, the matters of subsidized sugar and alcohol imports brought home a point to both industry and labor. This point is the issue of fair trade in agricultural products. The more we discussed these issues with our counterparts in industry and with commodity producers, the more we all realized our joint interest in insuring that our government officials recognize and act on the distortions to fair trade in international agricultural markets.

There are several factors that curtail the competitive position of America's agricultural products on the world market: many countries impose unfair trade barriers to agricultural imports to protect their domestic market—and ruin ours; subsidies and dumping in third world countries by the European Community have greatly hampered market expansion for American products.

All of agriculture is interested in exports. In the labor movement we have a special interest in the export of processed—or value added—farm products. Simply put, exports of processed food products means jobs for U.S. labor, with some 10 and one-half million Americans out of work, our first priority in labor is protecting existing jobs and creating new jobs wherever we can.

During the agricultural export explosion of the 1970's processed agricultural products were the forgotten portion of our export picture. While exports of all food and fiber—in dollars—increased sixfold over the last decade, the processed product share of U.S. agricultural exports declined. In 1970 11.8 percent of U.S. wheat exports were in the form of flour, compared with only 3.2 percent in 1980. To organized labor, this represents lost opportunities for creation of new jobs. During the same period exports of our other major crops—corn and soybeans—grew by leaps and bounds while exports of the processed products grew at a much slower rate. In a sense a new mercantilism has been practiced by many of our trading partners, with the U.S. relegated to the role of a raw material supplier, while the important economic activity of producing finished goods has moved overseas. Throughout the world today we face the modern equivalents of the colonial navigation acts, the molasses acts and the like. While no colonial authority controls our manufacturing, subtle trade barriers and practices limit our export ability, and in many cases depress even the domestic value of our farm and processed food products.

In 1980, the European Community exported 75 percent of its agricultural exports in processed form. However, the U.S. was only able to export 28 percent of its total agricultural exports in processed form. A vital factor in the decline of U.S. exports of processed agricultural commodities is simply that the United States traditionally has not been a smart trading partner. We seem to be the last to learn how to profit best from international trade—witness the loss of our dominance in such basic industries as automobiles, televisions, textiles, steel, calculators, and shipbuilding.

In order to address the growing disparity between exports of raw commodities and processed agricultural products, members of our informal labor-industry coalition decided last year to set up a new voice in the agricultural trade picture. This new organization is the Export Processing Industry Coalition, know as EPIC. EPIC represents a major multi-billion dollar segment of the American food system, uniting our flour milling industry, our corn wet milling industry and our soybean processing industry with the international labor unions who have jobs at stake in these industries. Although the industry members of EPIC represent processors of wheat, corn and soybeans, the coalition is designed to increase the awareness of the benefits of exports of all value added farm products.

Let me note here that the coalition does not seek to decrease exports of raw grains and oilseeds. Rather, it is our goal to see that processed food products share in the future growth of food exports. Major agricultural producer groups such as the American Farm Bureau Federation have endorsed the goals of EPIC as part of their efforts to stimulate all agricultural exports.

Within the framework of the overall goal of increasing U.S. value added food exports, EPIC has established five specific policy objectives:

The first is to increase the amount of processed products included in any bilateral agricultural trade agreements negotiated by the U.S. Government with other nations. Various segments of agriculture and labor are divided on the issue of whether such bilateral agreements are good policy. Leaving that major policy issue aside, it is the view of EPIC that if such agreements are deemed politically or economically desirable by the U.S. Government, every effort should be made to include provisions for trade in value added products such as wheat flour, corn gluten and soybean meal along with raw commodities. While our major bilateral agreement—the Soviet grain agreement—is in limbo right now, we do have similar agreements on a smaller scale with other nations. If these are renegotiated or extended, or if other such agreements are made, we feel strongly that provisions should be made for these value added commodities.

A second goal of EPIC is to expand the amount of processed products shipped under the auspices of U.S. Government food aid and commercial agricultural credit programs. Large amounts of new commodities are provided for food use under P.L. 480 and other food aid programs. Currently only a small amount of the total food aid is provided in the form of processed flours and meals. Members of EPIC feel that while we are discharging our humanitarian obligations through these programs, we should simultaneously be providing this aid with products which will create greater domestic employment. I might add that increased employment is not the only advantage of the value added process. By virtue of the higher value of the finished agricultural products, the revenue to state, local and national governments from business and individual taxes dramatically increases.

When the U.S. Treasury backs credit programs designed for exports of agricultural products, we feel that efforts should be made to have recipients satisfy a portion of the financed food products in value added form. This technique has been widely used by European nations to increase the percentage of their total exports shipped in processed form.

EPIC's third and fourth—and perhaps most far-reaching—policy objectives are to work with U.S. officials in negotiating changes in the trade policies of other nations which limit value added exports, and to work to halt the subsidized exports of processed products by other nations which threaten current and future U.S. export markets.

Nowhere are these objectives clearer than in our current agricultural trade disputes with the European Community. The U.S. export market for wheat flour has been decimated by heavily subsidized exports of flour to third-country markets by Europe. The export subsidies granted to sugar by the EC have driven world sugar prices to disastrous levels, forcing the U.S. to revive undesirable, but necessary import quotas on sugar. The Community is now seriously threatening to impose stiff tariffs or quotas on U.S. exports of feed grain substitutes such as corn gluten feed and soybean meal.

EPIC is urging that each of these trade problems be vigorously attacked by the U.S. Government, both through proceedings at the General Agreement on Tariffs and Trade (GATT) and through bilateral discussions between the U.S. and the country responsible. Beyond these measures, however, we are also urging that policy makers in the Departments of State, Agriculture and Commerce, and in the Office of the U.S. Trade Representative, a survey effective unilateral counter-measures to the EC export programs. Members of EPIC have no great desire to engage in protracted trade battles, nor do we have an interest in letting our squabbles with other countries drift into rising protectionism and eventual trade wars. However, just as the current revitalization of U.S. defense capability is designed to ensure peace through unquestioned U.S. strength, we feel that it is time this country informed the world through word and deed that it will not tolerate being taken advantage of in world trade. The sooner the world is convinced of this, the sooner the threats of trade chaos will subside.

The fifth policy goal of EPIC is to review the export promotion policies of U.S. Government trade promotion organizations, to ensure that value added farm products are given fair attention in their efforts. To this end, members of the EPIC coalition have held a series of meetings with key trade promotion officials in the Departments of Agriculture, State and Commerce. While we feel these agencies can devote greater attention to promotion of value added products, we are encouraged with the receptive attitudes of these officials, and look forward to working with them further.

Increasing exports of processed commodities is not only in the best interest of U.S. business, workers and farm producers, but would benefit the entire U.S. economy because of the economic multiplier effect of marketing added value products. For example, according to a recent U.S. Department of Agriculture study, if an additional 10 percent of U.S. exports of wheat, corn and soybeans were exported in the form of processed products, it would generate around 15 billion dollars in increased business activity, boost U.S. personal income by over three billion dollars and create over 300 thousand new jobs for Americans.

From many standpoints—generating business activity, creating job opportunities, increasing personal income and tax revenues—the United States has much to gain in encouraging increase of exports of value added food products. Given the benefits of added value exports to our economy, the question is not whether America can afford to in-

crease processed food exports, but rather whether this country can afford not to.

Thank you.

Mr. EXON. Mr. President, I also ask unanimous consent to have printed in the RECORD a similar article directing the attention of the Members of the Senate to the serious plight of our grain farmers. The article appeared in the Omaha World-Herald under the heading "Analysts Bearish on Grain Prices," on August 3, 1982.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Omaha World-Herald, Aug. 3, 1982]

ANALYSTS BEARISH ON GRAIN PRICES

(By Leon M. Larson)

The prospect of bulging surpluses will continue to be the dominant factor in setting fall grain prices, Omaha analysts said Monday.

Most believe the general market trend, particularly for corn, will be downward.

The comments came as President Reagan told delegates to the National Corn Growers Association convention in Des Moines that the nation's "granary door is open" to expanded exports.

Robert Kreifels, commodities broker for E. F. Hutton in Omaha, dismissed Reagan's speech as "so many words."

"I don't take much heed that it's going to raise the price of our crops," he said.

"Prices may move upward over the next week to 10 days, but then they probably will begin to move 'sideways and downward,'" Kreifels predicted.

"The market is trading on its own fundamentals" that include big surpluses and an outlook for another strong crop, he said. Prices, especially for corn, are likely to continue downward for the rest of 1982, according to the broker.

Dwayne Fischer, director of grain merchandising for the Scoular Co., a major Nebraska grain handler, predicted that corn prices at state country elevators "will be under $2 a bushel" by harvest time. In southern Minnesota new-crop bids are already running under $2, he said.

The projections are based on an outlook for another 8-billion-plus bushel corn crop that could raise surplus stocks to 2.7 billion bushels by Oct. 1, 1983, according to the Scoular official. That would be an increase of 1.7 billion bushels in crop carryover in two years.

U.S. farmers last year raised 8.1 billion bushels of corn. While yields this year are not expected to match those of 1981, the number of acres planted to corn is up, according to U.S. Department of Agriculture surveys.

"The math is overwhelmingly against the farmer," Fischer said.

He described government reserve programs as Nebraska's "best market" for grain this year, a factor which, he said, has led to construction of 50 million bushels worth of new storage in the state.

In Nebraska, farmers have until Aug. 15 to comply with federal acreage limitations to qualify for the programs, which offer fixed loan prices and storage payments for keeping crops off the market. Because of the wet spring, the compliance deadline was postponed from July 30.

"If you can comply, for God's sake comply," Fischer advised state corn growers.

Walter H. Casey, ConAgra vice president for corporate communications, said he was encouraged by plans to renew the Russian grain agreement and Reagan's predictions of a record volume of grain sales to the Soviet Union this year.

Export sales are down, partially as a result of "tough worldwide economy," Mark Settle, merchandising manager for Continental Grain Co. in Omaha, noted. "It's encouraging to see that we're trying to get some foreign demand built up," he said.

WINNIE MANDELA

Mr. TSONGAS. Mr. President, the great Roman orator Cicero described courage as "that virtue which champions the cause of right." Winnie Mandela is a living symbol of courage. She has committed her life to working for freedom in a country which continues to deny its citizens the most basic of human rights.

Twice before I have spoken in this chamber about Winnie Mandela. Through the political prisoner adoption program of the Congressional Ad Hoc Monitoring Group on Southern Africa, I have adopted Ms. Mandela. I am pleased to report that her banishment has not disrupted her continuous efforts to bring peaceful, social and political change to South Africa.

An article by Benjamin Pogrund, which appeared in the Boston Globe on June 18, 1982, warmly describes the courageous ideas and life of Winnie Mandela. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHE WHO STRIVES IS UNBROKEN

WIFE OF SOUTH AFRICAN POLITICAL PRISONER DEFIES HARASSMENT, OFFICIAL BANS

(By Benjamin Pogrund, Special to The Globe)

JOHANNESBURG.—Banishing Nomzamo ("she who strives") Winnie Mandela to a remote dead-end black ghetto must have seemed like a good idea to the South African government five and a half years ago. It was a way to get rid of someone who was a painful thorn in official flesh.

But it hasn't worked out that way. For the enforced isolation, the severely restricted existence and the constant police surveillance and harassment have failed, as intended, to break her spirit.

The unceasing official action against her—making her probably the most persecuted of all South Africans—has, if anything, caused her to grow and in the process to draw even wider respect.

Mandela starts with the aura of being the wife of the country's leading political prisoner; Nelson Mandela has been in jail for nearly 19 years; he is serving a life sentence for attempting to overthrow the white Afrikaner government.

But Mandela's strength and personality make her a formidable opponent in her own right: articulate, intelligent and strikingly beautiful and a grandmother in her late 40s. She is fervently committed to the downfall of apartheid, South Africa's system of legal racial distinction and discrimination.

She has long been a force inspiring anti-apartheid protests, which has led to repeated attempts by the government to silence her. For nearly 19 of the 20 years since 1962, she has been either under administrative restrictions or in prison.

BANNING ORDERS AGAINST HER

A series of "banning" orders was first used against her. Issued by the government with no reason given and not open to challenge in court, the bannings prevented her from being with more than one person at a time, restricted her movements in the Johannesburg area where she was living and made it a crime for her to be quoted in any way.

In between, she was detained without trial several times and held for months at a stretch—on one occasion under the Terrorism Act, which carries the death penalty upon conviction. But no serious criminal charges ever succeeded. Instead, the only-times she has been convicted have been for contravening the banning orders against her. She has been prosecuted eight times for such violations in recent years, with two convictions.

With a record like that, she once told a magistrate during one of her trials, the police visited her at home so often that her house has been almost turned into an extension of a police station.

She lost one job after another. Either the police called on employers, or she had to quit because of the banning restrictions. Thus, she could not work as a social worker with a child welfare society in Johannesburg, nor was she allowed to work in a correspondence college because she was debarred from entering educational institutions.

Every now and again she was subject to personal terror as unknown, never-found thugs threatened and attacked her.

She did not halt her crusading.

Finally, in 1977, the government took what no doubt it believed would be a final act in silencing her: She was banished to the tiny black ghetto—it is called a "location" in South Africa—near the village of Brandfort, 200 miles south of Johannesburg.

Until then, Mandela had lived in Soweto, the ghetto for about 1.5 million blacks outside Johannesburg, it wasn't the greatest, but it was paradise compared with the Brandfort location where she was summarily dumped in house number 802—a semidetached house of two rooms and a kitchen. The rooms are so small that a proverbial cat could not be swung in them. There is no bathroom, no electricity, no running water except for a few communal taps in the street (until she had a tap piped into her kitchen) and no water-borne sewerage.

The other half of the semidetached house is occupied by a black security policeman; another policeman lives in the adjoining house.

The bannings continue: By administrative decree she is ordered to remain in Brandfort and not to leave without permission; she cannot attend any meetings—which means a gathering with more than one person—whether for political or social purposes: She cannot be quoted in South Africa.

She's also half-arrested: She must remain at home from 6 p.m. to 6 a.m. daily and from 3 p.m. on Saturdays to 6 a.m. on Mondays.

The first five years of the banning ended five months ago. On Dec. 29, the banning and banishment were renewed for another five years; as before, there was no trial and no reasons stated.

When she wants to visit her husband, she has to go through the same sort of official thicket that has applied for years. Until

April, he was in Robben Island maximum-security prison in Cape Town's Table Bay; then he was suddenly moved to Pollsmoor prison, near Cape Town. No reason has been given.

To get to see him, she needs permission from a magistrate to leave Brandfort. She must advise the police when she leaves; she must fly to Cape Town on a designated flight, and not take a cheaper train trip; she must check in with the police when she gets there and stay at a designated place. She must repeat the whole process in reverse when she returns.

Failure to comply with any one of the stipulations can lead to criminal prosecution and jail.

Mandela has no illusions. Consigning her to Brandfort was done with the intention of killing her soul, destroying her spiritually. Damned to a back water of people steeped in poverty and bereft of culture, she was meant to suffer intellectual and social malnutrition, to wither. But she has proven the contrary. She has been resourceful and courageous, fueled perhaps by hatred of the system that maintains the poverty and barrenness of existence of 9000 blacks in the Brandfort location and of the many others who work on the rich, white-owned, corn farms in the district.

When she reached Brandfort, the ground around her house was bare and scrubby. It is now a garden with a lawn and fruit trees. The grass is there because Mandela used to pull out tufts growing at the tap down the street and transplant them.

Slowly, others in the location have followed her example, using seeds sent to Mandela by friends.

Over the years, her house has also become a combined community center-library-clinic-refuge.

In one of the tiny rooms there is a bookcase, four-feet-wide with five shelves. it can be a "library" because the books are neatly divided be small pieces of paper marked from A to Z.

IMPROMPTU CLINIC HAS GROWN

Scattered on the shelves are bandages and gauze. An impromptu clinic has grown to help treat stab wounds—all too many as the men take refuge in liquor sold at the official beer hall—the diseases of malnutrition among the children, and the coughs and aches that are part of deprived existence.

Mandela's friends, in South Africa and abroad, help with money to buy bandages and cough mixtures. Friends send her packets of enriched soup powder to give to people.

Her house is also home for the strays of the location—the glue-sniffing children, the orphans, the homeless ones. Up to 20 of them sleep on her floor on a night.

She has, in addition, set a special example through her own behavior in the "white" village a mile away. She will not use the little niches provided in shop walls for blacks—who have little choice but to buy there. Instead, she walks into regular shops as her right—and watches the local whites leave hastily as she enters. Her behavior has given local blacks a sense of new dignity.

That the imposing churches in the white village are barred to blacks does not concern her. Only one family among the village's whites are counted among her friends.

The police are constantly with her. On the day that I visited her, three carloads of policemen had apparently been there all morning; during the afternoon, two whites drove past.

Mandela is now engaged on her most ambitious project, one arising from the inadequate medical treatment available to the location's people. At present there is a clinic open during the day, where free attention is given, but there is no doctor. If anyone is very ill he must go to the white village where there are two doctors in private practice. Only patients suffering with tuberculosis and syphilis do not pay.

Mandela has arranged for the black doctor in the nearest large town, 45 miles away, to come every second day for three hours to offer treatment. But where to house him? A local black man has lent her a van. Parked in her garden, it will be used as a consulting room and storeroom for medicine and can also be driven to visit the district farms.

But it is obviously inadequate. Mandela's solution lies in two-by-four planks carefully placed on the lawn. They enclose a space 22 feet by 12 feet. That's where she wants to erect a prefab for a clinic building.

The cost? About $25,000.

She has faith that, somehow, the money will come.

Meanwhile, each day, amid the business of tending to the needs of the local people, she regularly goes to the white village, to a pair of pay telephones. There are no phones in the Brandfort location.

Each weekday, at 11 a.m. and 4 p.m. local time, and at 11 a.m. on Saturday, she is there to receive calls and to make what small human contact she can with friends elsewhere.

MANDATE FOR PEACE

Mr. PERCY. Mr. President, a Chicago-based group, the Albert Einstein Peace Prize Foundation, is currently mounting a petition drive—called the Mandate for Peace—urging President Reagan to negotiate with the Soviet Union for an immediate reduction in nuclear weapons on both sides.

This petition drive was sparked by the speech of the distinguished former U.S. Ambassador to the Soviet Union, George F. Kennan, when he received the 1981 Albert Einstein Peace Prize. In that speech, Kennan called for an immediate 50-percent reduction by both the United States and the Soviets in nuclear arms.

Following Kennan's speech, the board of the foundation decided to initiate the Mandate for Peace, in an effort to broaden the constituency for nuclear arms reduction. They started in Minnesota last fall. Mr. William Swartz, volunteer executive director of the foundation and a Chicago businessman, enlisted Mrs. Arvonne Fraser, wife of the Minneapolis mayor, to head the drive in Minnesota.

Within 4 months, thanks to the support of the religious community along with labor, education, government, business, and community leaders, the Minnesota Mandate for Peace petition drive had obtained 50,000 signatures on their petitions. Some organizations reprinted the petition in their newsletters, others circulated them at meetings and conventions, and individuals gathered signatures of friends and acquaintances.

Two other efforts helped get those 50,000 signatures. The Albert Einstein Peace Prize Foundation ran a full-page advertisement in the Minneapolis and St. Paul daily newspapers, featuring the Mandate for Peace written for the foundation by Norman Cousins. This ad also included a distinguished list of supporters prominent on both the national and Minnesota scene. The second major effort was a letter signed by leaders of the religious community and sent along with petitions to 6,000 of their local churches and temples.

Because of the success in Minnesota in building a broad-based constituency in support of nuclear arms reduction, the Albert Einstein Peace Prize Foundation now has begun a similar drive in Illinois. Petitions are already being circulated among community groups in Chicago and around the State, and full-page newspaper ads similar to those in Minnesota will be running in late summer.

The Albert Einstein Peace Prize Foundation was founded in 1979, the 100th anniversary year of Einstein's birth. Leading members of the Pugwash Movement—a movement generally considered to be the most practical and effective of all peace organizations—believe that the establishment of the Albert Einstein Peace Prize Foundation and the involvement of the general public will significantly increase the effectiveness of the drive for peaceful solutions to the world's problems. Both the Pugwash Movement and the foundation are a response to the Einstein-Russell Manifesto, signed in 1955, which eloquently and forcibly continues to warn of the dangers of nuclear weapons.

The foundation seeks to honor the name, and to carry on the work of the great scientist and philosopher, Albert Einstein, who, recognizing nations' capacities to wage nuclear war wrote:

> We know that the developments of science and technology have determined that the peoples of the world are no longer able to live under competing international sovereignties with war as the ultimate arbiter. Men must understand that the times demand a higher realism which recognizes that "no man is an island," that our fate is joined with that of our fellow men throughout the world. We must contrive to live together in peace, even at the cost of great material sacrifice; the alternative is the death of our society. As we approach what may be the last hour before midnight, the challenge is plainly before us. What will be our response?

Mr. President, I commend the foundation for its very timely and constructive petition campaign.

FALSE REPORT

Mr. PERCY. Mr. President, the allegation published in a Washington newsletter that I said Israel should be brought to her knees if she invades West Beirut is utterly false. I never made such a statement, and other Senators who attended the meeting at the

White House with the President agree that I never made such a statement nor anything like it.

I have informed Prime Minister Begin by cable that the report is untrue and I am grateful for his comment to U.S. correspondents in Jerusalem that he would apologize to me if I had been misquoted.

I remain committed to Israel's security, survival and well-being. Ten days ago I urged the PLO to withdraw from Lebanon as soon as possible, and I believe that Lebanese central authority must be reestablished throughout that country. At the same time I firmly disapprove the assault on Beirut by Israeli forces. It would be a tragedy if the bloodshed were to continue.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:31 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker appoints Mr. DINGELL, Mr. WIRTH, and Mr. BROYHILL as conferees in the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4961) to make miscellaneous changes in the tax laws, and for other purposes, solely for consideration of section 295 of the Senate amendments, and modifications thereof committed to conference, vice Mr. DINGELL, Mr. WAXMAN, Mr. SCHEUER, Mr. BROYHILL, and Mr. MADIGAN.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6862. An act to reduce budget authority and outlays under certain civil service programs pursuant to the first concurrent resolution on the budget-fiscal year 1983.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 6862. An act to reduce budget authority and outlays under certain civil service programs pursuant to the first concurrent resolution on the budget fiscal year 1983.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4020. A communication from the Plan Administrator of the Farm Credit Banks of New Orleans transmitting, pursuant to law, a report on the Farm Credit System and Production Credit Associations Retirement Plans for 1981; to the Committee on Governmental Affairs.

EC-4021. A communication from the District of Columbia Auditor transmitting, pursuant to law, a report on an allegation that a petroleum supply contract award contained an illegal price escalation clause; to the Committee on Governmental Affairs.

EC-4022. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of D.C. ACT 4-230; to the Committee on Governmental Affairs.

EC-4023. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of the D.C. ACT 4-231; to the Committee on Governmental Affairs.

EC-4024. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of D.C. ACT 4-232; to the Committee on Governmental Affairs.

EC-4025. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of D.C. ACT 4-233; to the Committee on Governmental Affairs.

EC-4026. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of D.C. ACT 4-234; to the Committee on Governmental Affairs.

EC-4027. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of D.C. ACT 4-235; to the Committee on Governmental Affairs.

EC-4028. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 6, 1982; to the Committee on Governmental Affairs.

EC-4029. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 20, 1982; to the Committee on Governmental Affairs.

EC-4030. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the condition of bilingual education in the Nation, 1982; to the Committee on Labor and Human Resources.

EC-4031. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the health maintenance organization program for fiscal year 1981; to the Committee on Labor and Human Resources.

EC-4032. A communication from the Secretary of Education, transmitting, pursuant to law, a report on recommendations for converting the bilingual education program from a discretionary grant program to a formula grant program; to the Committee on Labor and Human Resources.

EC-4033. A communication from the Secretary of Agriculture and the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Plan for a Human Nutrition Research and Information Management System"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4034. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Monetary Policy Report of the Board for the first half of 1982; to the Committee on Banking, Housing, and Urban Affairs.

EC-4035. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the 1980 annual report of the National Transportation Safety Board; to the Committee on Commerce, Science, and Transportation.

EC-4036. A communication from Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, an application for refund of overpayment on a royalty by the Getty Oil Co.; to the Committee on Energy and Natural Resources.

EC-4037. A communication from the Director of the Minerals Management Service, transmitting, pursuant to law, an application for a refund of overpayment of royalties by the Superior Oil Co.; to the Committee on Energy and Natural Resources.

EC-4038. A communication from the Federal Inspector of the Alaska Natural Gas Transportation System, transmitting, pursuant to law, the quarterly report on the status of the system covering the period April through June 1982; to the Committee on Energy and Natural Resources.

EC-4039. A communication from the Deputy Administrator of the General Services Administration, transmitting, pursuant to law, a report of building project survey on two buildings; to the Committee on Environment and Public Works.

EC-4040. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, proposed prospectuses for design of alterations at 12 different locations; to the Committee on Environment and Public Works.

EC-4041. A communication from the Chairman of the U.S. Commission on Public Diplomacy, transmitting pursuant to law, the 1982 report of the Commission on the International Communication Agency; to the Committee on Foreign Relations.

EC-4042. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report on a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-4043. A communication from the Assistant Secretary of Housing and Urban Development (Administration), transmitting, pursuant to law, a report on a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-4044. A communication from the Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, a guide concerning the new Civil Monetary Penalties Law; to the Committee on Governmental Affairs.

EC-4045. A communication from the President of the Jewish War Veterans U.S.A. National Memorial, Inc., transmitting, pursuant to law, the annual audit

report of the Jewish War Veterans U.S.A. National Memorial Inc., for the year ended March 31, 1982; to the Committee on the Judiciary.

EC-4046. A communication from the Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1981; to the Committee on Labor and Human Resources.

EC-4047. A communication from the Administrator of the U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act; to the Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services, without amendment:

S. 2812: A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1983, and for other purposes (Rept. No. 97-517).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 433: Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 6273.

S. Res. 434: Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 6260.

By Mr. DOMENICI. from the Committee on the Budget, without recommendation, without amendment.

S. Res. 435: Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2222.

By Mr. DOMENICI. from the Committee on the Budget, without amendment:

S. Res. 438: Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2059.

By Mr. WARNER. from the Committee on Armed Services, without amendment:

S. Res. 443: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2812.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HAYAKAWA:

S. 2811. A bill to extend the restriction of water resource project construction for 1 year on the Tuolumne River, Calif.; to the Committee on Energy and Natural Resources.

By Mr. WARNER from the Committee on Armed Services:

S. 2812. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1983, and for other purposes; placed on the calendar.

By Mr. MATHIAS:

S. 2813. A bill to amend title 9 of the United States Code to facilitate the recognition, confirmation, or enforcement of certain foreign arbitral awards; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 2814. A bill to authorize the Secretary of the Interior to contract with non-Federal entities for the development of hydroelectric generating facilities at existing water projects, to establish the reclamation hydroelectric development fund, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 2815. A bill to amend the Social Security Act to provide an improved system for determining and monitoring the need for a representative payee with respect to benefits paid under titles II and XVI of such act; to the Committee on Finance.

By Mr. STAFFORD (for himself and Mr. WEICKER):

S. 2816. A bill to amend chapter 89 of title 5, United States Code, to require nondiscriminatory health benefits plans for Federal employees; to the Committee on Governmental Affairs.

By Mr. BRADLEY (for himself, Mr. PROXMIRE, Mr. BAUCUS, and Mr. PELL):

S. 2817. A bill to amend the Internal Revenue Code of 1954 to reduce the individual income tax rate and to broaden the income tax base; to the Committee on Finance.

By Mr. McClure (for himself and Mr. SYMMS):

S. 2818. A bill to authorize the Secretary of Agriculture for National Forest System lands and the Secretary of the Interior for public lands to adjust the termination date of certain contracts for the sale of timber from National Forest System lands and public lands; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 2819. A bill to provide for Federal recognition of the Cow Creek Band of Umpqua Tribe of Indians; to institute for such tribe those Federal services provided to Indians who are recognized by the Federal Government and who receive such services because of the Federal trust responsibility; and for other purposes; to the Select Committee on Indian Affairs.

By Mr. D'AMATO (for himself, Mr. BRADLEY, Mr. CANNON, Mr. CHAFEE, Mr. COCHRAN, Mr. DECONCINI, Mr. DIXON, Mr. DURENBERGER, Mr. EAST, Mr. HAYAKAWA, Mr. GARN, Mr. HOLLINGS, Mr. LUGAR, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PRESSLER, Mr. PRYOR, Mr. SARBANES, Mr. TSONGAS, Mr. HEINZ, Mr. HEFLIN, and Mr. SPECTER):

S.J. Res. 227. Joint resolution to establish National Firefighters Week; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WARNER, from the Committee on Armed Services:

S. Res. 443. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2812; to the Committee on the Budget.

By Mr. STAFFORD:

S. Con. Res. 115. Concurrent resolution disapproving certain regulations submitted to the Congress on July 29, 1982, with respect to the Education Consolidation and Improvement Act of 1981; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 2811. A bill to extend the restriction of water resource project construction for 1 year on the Tuolumne River, Calif.; to the Committee on Energy and Natural Resources.

RESOURCE CONSTRUCTION ON THE TUOLUMNE RIVER, CALIF.

● Mr. HAYAKAWA. Mr. President, the 97th Congress is almost over. Granted we have much to do before this session ends; there still are a number of issues which we just will not have the time to address. One of these concerns the Tuolumne River in my State.

In 1979, at the request of the Congress, the Departments of the Interior and Agriculture conducted a study to determine whether or not the Tuolumne River should be classified as a national wild and scenic river. The study recommended that 83 miles of the Tuolumne, from its headquarters in Yosemite National Park to Don Pedro Reservoir, be included in the Wild and Scenic Rivers System. Following this recommendation, the free-flowing portions of the Tuolumne were protected for 3 years while Congress was to determine if indeed the river should be declared wild and scenic.

Mr. President, this interim protection period expires in October of this year. We still have not addressed this issue, and considering the hard time we have had passing budget matters, I doubt we will even get to consider the status of the Tuolumne.

Today I am introducing legislation which would protect the Tuolumne for another year during which time Congress would be expected to review the Tuolumne Wild and Scenic River Study. This extension will not materially affect any of the proposals for hydroelectric development which might conflict with wild and scenic designation. In fact, an extension will allow time for additional study of several competing proposals from the city and county of San Francisco, the Modesto and Turlock Irrigation Districts and private developers. Once more complete economic and engineering information is available, Congress will be in a better position to weigh the benefits of designation against the benefits of further development.

Mr. President, the Tuolumne River is special for a number of reasons. About 54 miles of the 83 miles recommended for inclusion in the National Wild and Scenic River System meander through Yosemite National Park. Flowing through the largest subalpine meadow in the Sierras where the

southern bald eagle, the prairie falcon and the spotted owl live, the Tuolumne River is a prime fishing spot for rainbow and brown trout. The State of California has designated the Tuolumne as a class 1 boating river where the rough rapids make rafting a challenge for even the experienced boater. But the river also attracts those who visit the cities of San Francisco and San Jose family camps on the Tuolumne every summer.

The State of California, the county of Tuolumne, the California Native Plant Society and the California Academy of Sciences are among those supporting this proposal. Rather than give the Federal Energy Regulatory Commission the immediate authority to license hydro projects on the river, Congress should have the opportunity to review the various options. I respectfully request that my colleagues join me in supporting this legislation to provide interim protection for the Tuolumne for another year.●

By Mr. MATHIAS:

S. 2813. A bill to amend title 9 of the United States Code to facilitate the recognition, confirmation, or enforcement of certain foreign arbitral awards; to the Committee on the Judiciary.

INTERNATIONAL ARBITRATION ENFORCEMENT

● Mr. MATHIAS. Mr. President, today I am introducing a bill that would allow U.S. courts to help make sure that Americans engaged in international business get a fair shake in court. Under current law, the decisions of international arbitrators cannot be enforced in U.S. courts. My bill would change that.

International arbitration gained prominence in the 1950's as a mechanism for resolving international commercial disputes between governments and foreign companies. Under this procedure, an arbitration clause is written into the agreement negotiated between the foreign company and the government of the country in which it wishes to do business. In this way any disputes that arise can be resolved by a mutually agreed upon arbitrator or by an arbitrator assigned by the International Court of Justice. This process has obvious advantages to the alternative—litigation in the judicial system of one of the country's involved.

Of course, if one of the parties refuses to comply with the decision of the arbitrator the matter is still likely to end up in court when the other party tries to have the arbitrator's decision enforced.

Recent decisions in the U.S. courts and those of other countries have indicated that serious uncertainties surround the enforcement of international arbitration proceedings. On several occasions the courts have failed to recognize arbitration awards against foreign governments because they have been interpreted as conflicting with the act of state doctrine or the Foreign Sovereign Immunity Act. The bill I am introducing today will reassure U.S. businesses that the international arbitration process will work. It does so by stipulating that U.S. courts cannot involve the act of state doctrine or the sovereign immunity defense as a basis for refusing to recognize an otherwise valid arbitration award. This modification is entirely consistent with our international obligations, and it does not permit a court to second-guess the arbitrator's findings of fact and law.

Many of my colleagues are familiar with a broader proposal I introduced in June 1981, S. 1434, to eliminate the use of the act of state doctrine generally as a ground for U.S. courts to dismiss cases properly within their jurisdiction, because the dispute requires them to judge the validity of an act of a foreign government. The reform I am proposing today is more limited in scope, as it applies only to the treatment of appeals for enforcing arbitral awards, not to firsthand international legal cases that are brought before U.S. courts for judgment.

One case in particular illustrates the shortcomings of the current law. In 1955, LIAMCO, the Libyan American Oil Co., and the Libyan Government signed a contract giving the company oil exploration and production rights. The agreement specified that arbitration would be used to settle any contract disagreements. Thus, when the Libyan Government nationalized 51 percent of LIAMCO's concessions in 1973 and refused to provide compensation, in violation of the contract, LIAMCO initiated arbitration proceedings.

The International Court of Justice chose a Lebanese jurist to hear the case, and the arbitration was held in Geneva. Libya refused to participate and the arbitrator issued a default award to LIAMCO in the amount of $80 million.

When Libya refused to comply with the decision, LIAMCO brought the case before the U.S. District Court of the District of Columbia, and asked that it enforce the award. The court, while acknowledging that the Libyan Government had waived its right to sovereign immunity when it agreed to the original contract, held that it could not move to enforce the award. This, the court found, would violate the act of state doctrine because it would put the court in the position of passing judgment on the political decisions of the Libyan Government to nationalize LIAMCO's holdings.

Both Libya and LIAMCO disagreed with the judge's ruling. LIAMCO claimed that enforcing the award would have no relationship to the act of state doctrine. By enforcing the award the court would not have to deal with whether Libya was right or wrong in its decision to nationalize its oil wells. The court only had to enforce the arbitrator's decision. Libya continued to insist that they were protected by the sovereign immunity doctrine. Seeing the problems that arose in this case, a large group of amici curiae jointly spoke out in opposition to using the act of state and the sovereign immunity doctrines in cases dealing with the enforcement and confirmation of arbitral awards. However, before the court of appeals could decide on the issue, LIAMCO and the Government of Libya settled out of court. Even though the case was dropped, the problem remains.

Since arbitration agreements are more and more common as a means of settling international commercial disputes, we need this simple guarantee to secure the safety of U.S. companies' interests abroad. This amendment to the law would recognize the positive role of international arbitration. It would also prevent foreign governments from invoking the act of state doctrine and sovereign immunity defense to escape enforcement of arbitral awards.

It is evident that this reform is needed to address the problems similar to those that arose in the LIAMCO case.

I ask all my colleagues to give serious thought to the problems I have outlined, and urge support for the remedy I propose.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 207 of title 9, United States Code, is amended by adding at the end thereof the following: "An agreement to arbitrate shall be deemed to constitute consent to proceedings to recognize, confirm, or enforce by levy, attachment, or otherwise any arbitral award made pursuant to such agreement and referred to in this section, and neither the Federal act of State doctrine nor the doctrine of sovereign immunity shall constitute grounds or be the basis for refusal or deferral of recognition, confirmation, or enforcement of any such arbitral award.".●

Mr. MURKOWSKI:

S. 2814. A bill to authorize the Secretary of the Interior to contract with non-Federal entities for the development of hydroelectric generating facilities at existing water projects, to establish the reclamation hydroelectric development fund, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION HYDROELECTRIC DEVELOPMENT ACT OF 1982

● Mr. MURKOWSKI. Mr. President, today I am introducing legislation to encourage the development of hydroelectric resources at existing Bureau of Reclamation projects in the 17 Western States.

In 1977, the Department of the Interior's Bureau of Reclamation published a report entitled "Western Energy Expansion Study." The report, as part of the Bureau's general investigations program examined the potential for the development of hydroelectric power, including pumped storage, at both new sites and existing bureau projects. A total of 127 proposals for development of hydroelectric resources were examined of which 61 proposals were recommended for further study at that time. Since then, studies have been conducted, but without real results. The potential that was identified, even at existing dams, has never been built.

Has our Nation forgotten so quickly our need to develop domestic resources? Have we forgotten the strategic value that is concommitant with the development of an energy resource whose fuel is free and would never be subject to foreign embargo?

During this Congress, my Subcommittee on Water and Power has taken extensive testimony regarding the development of our Nation's hydroelectric resources. Legislative hearings before the subcommittee have concentrated on the opportunity to develop new power producing facilities at existing Bureau projects. In turn, a series of oversight hearings held jointly with Senator HUMPHREY's Subcommittee on Energy Regulation examined the difficulties surrounding the licensing process for non-Federal projects and the associated problem of raising capitol for such development.

The bill that I am introducing today is directed toward the problems of developing Bureau of Reclamation hydro resources. During the course of the hearings, two distinct opportunities to encourage such development presented themselves; first, a need to allow non-Federal power development at existing Bureau dams where found appropriate and second a new source and method of funding Bureau construction of power facilities.

This bill addresses both opportunities and would authorize the Secretary of the Interior to contract with non-Federal entities for the development of hydropower resources and would also establish a "reclamation hydropower fund" to be used by the Secretary of the Interior as a source of funding for Bureau hydropower construction activities.

I believe the time has come for the Congress and the Nation to face up to the fact that we are in a transition period in the development of our water resources and in particular hydropower. We cannot, in the face of $100 billion deficits, try to continue business as usual and trust in the Federal Government's coming through with appropriated funds. This bill decreases the dependence upon Federal funding and at the same time expands the opportunity for non-Federal participation.

I want to see our Nation's hydropower developed. I am an enthusiastic supporter of this clean, renewable, energy source. But it must be developed responsibly. As introduced, this bill retains the protection that is needed for the water users on Bureau projects regardless of whether there is Federal or non-Federal development. It is paramount that these rights be honored. We must keep in mind that hydropower is a national resource. We cannot—and should not—walk away from the 60 years of history, guidelines, procedures, and law, which have been crafted to address the issues surrounding the development of our hydroelectric resources. But what we can and should do is reexamine this history in a modern context.

This bill provides the focus and talking point for such an examination. I earnestly solicit the views and opinions of the water and power resources community and the administration. I look forward to support as well as criticism.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Reclamation Hydroelectric Development Act of 1982.

TITLE I

SEC. 101. Notwithstanding any other provision of law, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, Stat. 388 and Acts amendatory thereof and supplemental thereto, except as provided for in Sec. 102 of this Act), is authorized to contract with non-federal entities for the development, including but not limited to development costs, financing, construction, and ownership of hydroelectric powerplants and appurtenant facilities at locations and in the approximate capacities as determined by the Secretary of the Interior as being justified for the public purpose of providing additional hydroelectric power to the appropriate Federal Power Marketing Administrations.

SEC. 102. Where the Secretary of the Interior determines that existing Reclamation project facilities may be advantageously used by the appropriate Federal Power Marketing Administrations for the public purpose of providing hydroelectric energy to preference customers, then no licenses or permits shall be issued under the Federal Power Act (Acts of June 10, 1920, 41 Stat. 1063 and Acts amendatory thereof and supplemental thereto), nor shall any applications for such licenses or permits be accepted for filing. The non-federal entity designated by the Secretary of the Interior shall not be subject to the permitting and licensing requirements of the Federal Power Act. All contracts entered into by the Secretary of the Interior and the non-federal entities intending to develop the designated hydroelectric projects shall be granted on a competitive negotiations basis and no preference in the development process shall be given to preference customers (as defined under the various reclamation acts).

SEC. 103. The Secretary of the Interior is hereby authorized to contract with non-federal entities for the development of the designated hydroelectric projects in the following manner:

(a) The designated hydroelectric and transmission sites, improvements, and falling water privileges shall be ground leased to the non-federal entities for a term not to exceed forty (40) years for a negotiated sum;

(b) The non-federal development entity shall assume all risk inherent in the development process including, but not limited to, the financing and construction of the project facilities and shall retain title to all project improvements for a term not to exceed forty (40) years, whereupon title shall be transferred to the Secretary of the Interior, based upon a negotiated predetermined royalty formula paid annually to the non-federal developing entity for the hydroelectric energy subsequently produced at the facilities;

(c) Hydroelectric energy generated by facilities developed pursuant to the Title shall be delivered to the Secretary of Energy for distribution and marketing by the several existing Federal Power Marketing Administrations as provided by existing law and policy and consistent with the provisions of this Act. Hydroelectric energy so delivered shall be purchased by the Secretary of Energy for a term of not to exceed forty (40) years at rates and conditions established through negotiation between the Secretary of Energy and the non-federal developing entity, and such rates will be sufficient to amortize all costs of development, return on investment, operation, maintenance, and replacement.

SEC. 104. The Secretary of the Interior shall review and approve construction design plans and specifications. The Secretary of the Interior is hereby authorized to grant to the non-federal entities the right of access to the designated sites for the purpose of necessary pre-construction activities.

SEC. 105. The Secretary of the Interior or his assigns shall be responsible for the operation and maintenance of the powerplant and appurtenant facilities under an annually adjusted allowance budget established by the Secretary of the Interior, Secretary of Energy and the non-federal development entity pursuant to Sec. 103(c) of this Act.

SEC. 106. The Secretary of Energy is authorized to purchase replacement capacity, energy, or both in order to maintain deliveries to customers during unit outages which result from non-federal construction of the powerplant and transmission facilities constructed pursuant to this Title, and such cost will be added to the cost of the project and amortized over the life of the power purchase contract.

SEC. 107. Powerplants developed pursuant to this Title shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or

water delivery to the holder of any valid water service contract.

SEC. 108. The Secretary of the Interior shall designate existing reclamation project sites suitable for development pursuant to this Title within six (6) months after the date of enactment of this Act and announce said designations in the Federal Register. The Secretary of the Interior is hereby authorized to establish such rules and regulations deemed necessary to implement the intent of this Title: said rules and regulations shall be established within six (6) months after the date of enactment of this Act.

TITLE II

SEC. 201. The Secretary of Energy is authorized to levy and collect a surcharge of up to one mill per kilowatt-hour on electric energy generated by Federal hydroelectric power facilities and delivered to the respective Federal Power Marketing Administrations for transmission and subsequent sale; *Provided*, that such surcharge shall be in addition to the amount that is required to cover the cost allocated to power and meet project repayment requirements on a project of which the power facilities are a part.

SEC. 202. The surcharge collected as provided in section 201 of this Act shall be reserved, set aside, and appropriated as a special fund in the Treasury to be known as the "Reclamation Hydropower Fund" (hereinafter in this Act referred to as the Fund). Such monies as may accrue to the Fund shall be available for expenditure by the Secretary of the Interior, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in Appropriation Acts, for the planning, design, construction, and operation and maintenance of hydroelectric facilities authorized to be constructed at existing Bureau of Reclamation projects. The Secretary of the Interior shall, as part of his annual budget submitted to the Congress, include the anticipated expenditures to be made from the Fund, during the fiscal year for which the budget submittal is presented.

SEC. 203. Hydroelectric generating facilities constructed by the Secretary of the Interior pursuant to this Title shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 204. The Secretary of Energy is authorized to construct, operate, and maintain transmission facilities as required physically to connect the hydroelectric powerplants constructed pursuant to this Title to existing power systems and as he determines necessary to accomplish distribution and marketing of power generating by powerplants constructed pursuant to this Title, and to purchase replacement capacity, or energy, or both in order to maintain deliveries to customers during unit outages which result from said construction.

SEC. 205. There are authorized to be appropriated beginning October 1, 1982, such sums as may be necessary to accomplish the purpose of this Title.●

By Mr. BENTSEN:

S. 2815. A bill to amend the Social Security Act to provide an improved system for determining and monitoring the need for a representative payee with respect to benefits paid under titles II and XVI of such act; to the Committee on Finance.

REPRESENTATIVE PAYEES FOR SOCIAL SECURITY

● Mr. BENTSEN. Mr. President, I am introducing legislation to help insure that hundreds of thousands of social security beneficiaries actually receive the benefits to which they are entitled. The proposals I am offering will also help prevent fraud and waste in this vitally important area of Government spending.

By way of background, Mr. President, let me point out that many Americans eligible to receive social security benefits are too elderly or infirm to cash their checks and see that the money is spent in a responsible manner. The Social Security Administation seeks to protect the rights and interests of persons unable to manage their own benefit payments by permitting representative payees to act as agents on their behalf. Beneficiaries are deemed to require rep-payees if they are found incompetent by a court of law or medical examination, or if evidence compiled by the social security field office suggests the beneficiary would be best served by using an agent. Once a rep-payee has been appointed, he or she can receive and expend benefit checks in the beneficiary's best interest.

This is obviously a very important responsibility. There are some 2.4 million rep-payees, and about 900,000 of them are related to the beneficiaries they represent. In the remaining 1.5 million cases, however, the agents are not members of the beneficiaries family. They are private individuals or employees of an agency with an interest in the beneficiary.

While most of the rep-payees are honest and concerned about the welfare of those whose checks they cash, the potential for abuse and exploitation could hardly be more obvious. At a hearing held by the House Aging Committee last year, the General Accounting Office reported on a sample they made of boarding homes in five States and the District of Columbia. Over 30 percent of the residents surveyed had designated representative payees. GAO reported serious deficiencies in accounting for the benefits paid and widespread misuse of funds, with some boarding home operators continuing to collect and expend checks long after residents died or moved away. Yet GAO was unable to find a single instance of boarding home related fraud among the cases referred to the Department of Justice for prosecution.

In April of this year, the Inspector General of the Department of Health and Human Services concluded a report on board and care homes by noting that greater protection against fraud was needed where rep-payees were involved. GAO investigators currently studying 17 Federal payment programs expect to identify board and care facilities as a high-risk area. According to projections made by the Aging Committee, there could be as many as 100,000 homes, more than a million residents, and payments of $12 to $20 billion a year involved in rep-payee controlled revenues to board and care facilities.

On December 4, 1981, I asked GAO to obtain information on the monitoring or rep-payees who act as agents for title II and title XVI beneficiaries—old age, survivors, and disability insurance, and aid to the aged, blind, and disabled. Responses to that inquiry revealed serious gaps in information about the selection and performance of rep-payees. For instance, the Social Security Administration does not even know the number or location of title XVI beneficiaries for whom a nonfamily member acts as rep-payee. The Social Security Administration maintains no information on overpayments to beneficiaries with rep-payees because the agency's accounting system does not capture rep-payees as a separate category on their computers. When asked to estimate the annual dollar loss to beneficiaries and taxpayers through misuse of funds by rep-payees, and the amount of funds recovered, the Social Security Administration could provide only actual data for known misuse in title II since 1978—and no data for title XVI.

With rep-payee arrangements cited as areas with great potential for abuse, we might assume these accounts would be monitored rigorously. However, that has not been the case.

Systematic monitoring of title II has occurred only during 6 of the last 11 years, and title XVI reviews are limited to institutionalized beneficiaries, despite the fact that thousands of recipients have been deinstitutionalized during the last two decades. Since 1974, the Social Security Administration has identified more than 1,400 cases of fraudulent misuse of funds among title II and title XVI rep-payees, but has referred only 122 to the U.S. attorney for prosecution, and obtained only 29 convictions. The Department of Justice became involved in most of these cases through the vigilance of concerned family members or friends, and not because instances of abuse were detected by the agencies with jurisdiction over the programs.

Mr. President, regular review of rep-payee accounts must be implemented, and Congress must be kept informed. The legislation I am proposing instructs the Secretary of Health and Human Services to develop and present to the Congress, within 6 months, procedures to strengthen the appointment of rep-payees and a system to monitor accounts on a regular basis. As a part of his annual report, the Secretary of Health and Human Services will be required to inform the Congress of the number and disposition of

cases involving an inappropriate payee. Family member rep-payees will be subject to records review, but will be able to obtain rep-payee designation more easily than nonfamilial applicants.

To discourage deliberate misappropriation of benefit checks, while preserving a range of prosecution options for the Department of Justice, my bill retains current statutory provisions governing first offense prosecution. In these cases, "willful misuse of funds" will be treated as misdemeanors punishable by up to a year in prison, but the permissible fine is increased from $1,000 to $5,000. Repeat offenders will be charged with a felony offense, punishable by a prison term of 5 years and a fine of up to $25,000. The severity of the fines and jail sentences closely parallel those assessed in other programs under the Social Security Act, specifically the survivors and disability provisions under title II and the medicare program under title XVIII.

Mr. President, at a time when we are deeply and legitimately concerned about the fiscal well-being of the social security system and welfare programs such as title XVI, it is critical that payments be made only to persons entitled to support. The honest and caring individual who accepts responsibility for acting on behalf of another is to be commended for his dedication and generosity, but those who would defraud the rightful beneficiary and the taxpayer must be stopped. We cannot permit the unscrupulous few who would abuse those most vulnerable—the elderly, the infirm, the retarded—to cheat and rob the social security system.●

By Mr. STAFFORD (for himself and Mr. WEICKER):

S. 2816. A bill to amend chapter 89 of title 5, United States Code, to require nondiscriminatory health benefits plans for Federal employees; to the Committee on Governmental Affairs.

EMPLOYEE HEALTH BENEFITS PROGRAM

Mr. STAFFORD. Mr. President, it is regrettable that the 1982 Federal employees' health benefits program to authorize coverage for the mental health benefit was cut back without regard to those Federal employees and annuitants in need of treatment for mental disorders, alcoholism, or drug abuse. The Office of Personnel Management established, without regard to medical necessity, an arbitrary limit on all outpatient mental health treatment and further caused an increase in patient cost for outpatient treatment of nervous, mental and emotional disorders. It imposed a limitation on inpatient psychiatric coverage. At the same time, the alcoholism treatment benefit has been eliminated altogether.

To correct this benefit reduction in mental health, alcoholism and substance abuse coverage, I am pleased to introduce the "Federal Employees Health Benefits Plan Amendments of 1982."

The need to provide nondiscriminatory health insurance protection for Federal employees and their dependents against the high, unbudgetable and therefore financially burdensome costs of medical services has not changed since FEHBP was enacted in 1959. Such health care protection is a foregone conclusion in private sector employment. To single out the mentally ill and substance abusers for restrictive coverage is imprudent in both human and economic terms.

I believe it is important to recognize that we are speaking of Federal workers and their families who are in genuine need of medical treatment—schizophrenics, those suffering from profound depressive disorders, organic psychoses, alcoholism and substance abuse, and other disabling psychiatric illnesses. I am speaking of dependent children who have serious emotional disorders. I am not speaking for those who would abuse the health insurance coverage.

I want to emphasize that I am speaking of a disease "mental illness," not the achievement of potential happiness or social well-being. I am speaking of treatments as aggressive physical health care techniques and not programs which seek to expand the consciousness or raise the awareness of the individual in society. I am confident that curbing any potential abuse of this health insurance coverage will be accomplished by an effective peer review mechanism which provides a responsible means of reducing unnecessary utilization and also assures quality psychiatric intervention. It is interesting to note that, based on the results of the American Psychiatric Association's contracts with a number of third-party carriers for peer review, including the Federal Department of Defense's CHAMPUS program, costs have been managed while crucial treatment has been assured. Moreover, they now have similar peer review program contracts with nearly a dozen major health insurance companies. A recent article on the matter of peer review is also included in the RECORD at the conclusion of my remarks.

The need for nondiscriminatory medical care, provided by my bill, was well stated by the American Medical Association in a letter to the Office of Personnel Management:

> The American Medical Association formally examined the issue of discrimination in the conferring of health benefits by third-party payors in 1975. At that time, the AMA's House of Delegates urged, in reference to Government programs, that "benefits be provided covering emotional and mental illness equivalent in scope and duration to those benefits provided for other medical or physical illnesses." This position was restated in 1978 with reference to both governmental and private insurance programs.

They further stated:

> An action by the Federal Government that specifically singles out those in need of psychiatric benefits in an attempt to restrict benefits would imply that treatment for a mental or emotional disorder is not as cost-effective or as important as treatment for a physical disorder. The AMA cannot accept this, as the purpose of treatment for either condition, i.e., returning the patient to a state of well-being, is the same.

This bill is supported by the American Psychiatric Association, Alcohol and Drug Problems Association, American Nurses Association, American Psychological Association, Association for the Advancement of Psychology, Health and Medical Counsel of Washington, National Alliance of Chairpersons of State Advisory Councils for Alcohol and Drug Abuse, National Association of Alcoholism Treatment Programs, National Association of Private Psychiatric Hospitals, National Association of Social Workers, National Coalition for Adequate Alcoholism Programs, National Council of Alcoholism, National Federation of Societies for Clinical Social Workers, Inc., National Mental Health Association, Psychiatric Institute of Washington, Psychiatric Institute of America, the Washington Area Council of Alcohol and Drug Abuse, and the Washington Psychiatric Society.

In closing, I am pleased to associate myself with the remarks of my distinguished colleagues, Senators D'AMATO and HAWKINS, during the Senate floor discussion on November 19, 1981, of mental health benefits for Federal employees and particularly the statement of my distinguished colleague and chairman of the Subcommittee on Civil Service, Post Office and General Services, Senator STEVENS, who said at that time:

> I am prepared to support adequate coverage for mental health benefits. Mental health care should be treated the same as other forms of health care. If reductions in Federal employee health care should become necessary, no form, including the mental health benefit, should be forced to bear a greater share of the reductions.

I urge my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the text of a fact sheet entitled "Facts about Mental Health and Alcoholism Treatment" and describing how America's largest corporations are recognizing the cost effectiveness of providing treatment for their employees for mental illness, alcoholism, and drug abuse be included in the RECORD at the conclusion of my remarks along with the full text of my bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

America's largest corporations are recognizing the cost-effectiveness of providing treatment for their employees for mental illness, alcoholism and drug abuse through health insurance and/or Employee Assistance Programs (EAP). Many of these progressive corporations project direct benefits from coverage of these health problems in terms of:

INCREASED PRODUCTIVITY

Results of a 1980 Washington Business Group on Health (WBGH) Survey identified that 68 out of 100 major corporations had programs which provided services for their employee's mental health, alcoholism, substance abuse and/or stress. Most of these companies reported an increase in employee productivity as a direct benefit. Many companies are finding an $8.00 return for each $1.00 invested in an Employee Assistance Program, according to Dr. William Mayer, the current Administrator of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA).

REDUCED ABSENTEEISM

The same WBGH survey found evidence that mental illness underlies 6 out of 10 absenteeisms. Independent studies at corporations with EAPs show: 55 percent decrease in absenteeism following intervention for mental illness at Illinois Bell Telephone in Chicago, and a savings of $233,000 through a reduction in lost man-hours at a Michigan Oldsmobile plant following an industrial drug and alcohol rehabilitation program.

REDUCED INJURIES AND ACCIDENTS AND DISABILITY CLAIMS

Up to 40 percent of industrial fatalities and 47 percent of industrial injuries can be linked to alcohol abuse as found in the "Oldsmobile Experience" study. Another study as cited in "Mental Illness Programs for Employers" (eds. Egdahl, Walsh and Goldbeck) at a major corporation indicates that mental illness underlies 8 out of 10 industrial accidents.

REDUCED UTILIZATION OF OTHER MEDICAL SERVICES

The cost-effectiveness of mental health, alcoholism and substance abuse treatment on medical care utiization has been documented in many studies throughout the United States and Europe. A major review of this existing literature conducted by Jones & Vischi in 1979 found a median reduction in medical care utilization of about 20 percent—with a range of 5 percent to 85 percent—following mental illness treatment and median reduction of about 40 percent—with a range of 26 percent to 29 percent—following alcohol abuse treatment.

PRIVATE SECTOR COVERAGE OF MENTAL HEALTH AND ALCOHOLISM TREATMENT

The concept of pay and total compensation comparability for federal workers has long been an accepted principle and policy of the federal government. A major component of employee compensation continues to be the provision of health insurance. The recent arbitrary reductions in mental health and alcoholism coverage will not only prove to be cost-ineffective, but will place federal workers behind private sector workers in terms of health insurance coverage for mental health and alcoholism.

A 1981 Hay Associates analysis of the mental health benefits offered by 100 private employers representative of large progressive employers throughout the country found that health insurance coverage for mental health and alcoholism treatment was substantially better than that provided to government employees enrolled in the 1982 Service Benefit Plan administered by Blue Cross-Blue Shield (which covers approximately 50 percent of FEHBP beneficiaries). Specifically: 77.5 percent of the private sector firms provide more coverage for inpatient psychiatric care than the 60 days (high option) coverage available to federal employees; 65 percent of the private sector insurance plans would reimburse their employees at a higher level for out-patient mental health treatment than federal employees are reimbursed (assuming two visits per week for 52 weeks at $50 per visit); 29 percent of the private sector insurance plans to not limit coverage of outpatient mental health treatment by dollars per visit, number of visits, coinsurance requirements, or dollar limits per year; federal employees face many of these limits.

In addition, a 1981 Hay-Huggins survey of 727 businesses and organizations representative of large and progressive employers in the financial, service and industrial sectors of the economy found that 30 percent provided alcohol and drug related programs in order to help control claim costs. And a 1979 survey of the Fortune 500 firms found that 56.7 percent operated employee assistance programs.

CONCLUSION

The private sector has found treatment for mental illness, alcoholism and drug abuse to be cost-effective.

The Federal Government as an employer will also find this treatment to be cost-effective and necessary to remain competitive with the private sector in recruitment and retention of competent personnel.

S. 2816

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Employees Health Benefits Plan Amendments of 1982".

SEC. 2. Section 8902 (f) of title 5, United States Code, is amended by inserting "or discriminates against" after "excludes".

SEC. 3. Section 8902 of title 5, United States Code, is amended by adding at the end thereof the following new subsections:

"(n)(1) The Office of Personnel Management may not enter into a contract for, or approve, a health benefits plan provided for the purpose of paying for or reimbursing expenses for health services (not including comprehensive medical plans, whether or not sponsored or underwritten, and administered, in whole or substantial part, by an employee organization) unless the amount, or the formula for determining the amount, of any type of benefits available under the contract or plan considering the limitations, if any, under the contract or plan on such type of benefits is equal to the amount, or formula for determining the amount, of each type of benefits available under the contract or plan considering the limitations, if any, applicable to each such type of benefits.

"(2) For the purposes of paragraph (1) of this subsection—

"(A) the term 'type of benefits' means a type of benefits specified in section 8904 of this title; and

"(B) the term 'limitations' includes—

"(i) any limitation on the length, frequency, or total number of visits with, or the duration of treatment by, providers of health services, or on the total amount payable to or for any individual;

"(ii) the coinsurance ratio; and

"(iii) the deductible amount.

"(o)(1) The Office of Personnel Management may not enter into a contract for or approve a health benefits plan described in subsection (n)(1) of this section unless the contract or plan—

"(A) provides for the payment of the usual, reasonable, and customary expenses incurred by an employee, annuitant, or member of family who is under the contract or plan during the term of the contract or plan for all treatment of the employee, annuitant, or member of family that is medically necessary or necessary as treatment of a mental disorder, subject to the payment by such employee, annuitant, or member of family of not more than $ per individual or $ per family each year; and

"(B) establishes a peer review system, approved by the Office of Personnel Management, in accordance with paragraph (2).

"(2) The peer review system under a contract or plan shall include procedures for determining—

"(A) when necessary, whether a type of treatment prescribed for or received by an employee, annuitant, or member of family who is under the contract or plan is medically necessary or is necessary as treatment of a mental disorder; and

"(B) whether a type of treatment is usually medically necessary or is usually necessary as treatment of a mental disorder,

for the purposes of the contract or plan.".

SEC. 4. Section 8904 of title 5, United States Code, is amended—

(1) by striking out "may" in the first sentence and inserting in lieu thereof "shall include";

(2) by adding at the end of paragraph (1) the following:

"(G) Nervous and mental disorder benefits.

"(H) Alcoholism and substance abuse treatment and rehabilitation benefits.";

(3) by adding at the end of paragraph (2) the following:

"(G) Nervous and mental disorder benefits.

"(H) Alcoholism and substance abuse treatment and rehabilitation benefits."; and

(4) by striking out "paragraphs (1) and (2)" in the last sentence.

By Mr. BRADLEY (for himself, Mr. DODD, Mr. BAUCUS, Mr. PELL, and Mr. PROXMIRE):

S. 2817. A bill to amend the Internal Revenue Code of 1954 to reduce the individual income tax rate and to broaden the income tax base; to the Committee on Finance.

FAIR TAX ACT OF 1982

Mr. BRADLEY. Mr. President, for generations Americans have been looking to the future with the expectation that a growing economy would offer them opportunity to improve their position in life and could bring their children even greater prosperity.

We are now in the worst recession in half a century. More than 10 million people are out of work. Bankruptcy is almost commonplace. Planned investment is being held back. Economic growth dwindles.

No one can claim to have all the answers today, for we are entering a new era with new problems. It is clear, though, that in the short term we cannot make any real progress toward

economic stability until we redress the current imbalance in our fiscal and monetary policies. Maintaining growth over the long haul will be even more challenging. We face increasing competition in the world's markets at a time when we must adjust continually to rapid technological change and when our economy is evolving into one based more on knowledge than on physical labor.

In Government and in the private sector, we must adjust with bold initiative. We should:

Restructure and simplify the Federal Income Tax Code.

Consolidate all forms of Government spending into a unified Federal budget.

Recognize that we are inextricably tied to the world economy.

Expand research and development, pure and applied.

Foster cooperation in the workplaces of America.

The role of Government will be important in determining how we accomplish economic revitalization. Government must set fair rules.

Unfortunately, we are at the point when, according to a public opinion survey, four out of five Americans believe that they will not get ahead if they follow the rules. Nowhere is this more evident than in the area of tax rules.

Our Tax Code is far too complex as a result of repeated attempts to use it as a vehicle for political favoritism and social engineering. The average taxpayer must contend with pages and pages of intimidating forms and instructions. Even lawyers and accountants often cannot make sense out of the maze of deductions, exclusions and credits in the code.

The availability of so many tax preferences also reduces the size of the tax base. Maintaining high tax rates is no remedy. High tax rates only serve to limit incentives to work more, to save more, and to invest more. In addition, tax preferences encourage people to invest in enterprises or activities with rates of return which are inflated by the Tax Code. This causes inefficient allocation of our economy's resources and impedes growth. But, to get a dramatic reduction in tax rates, we must eliminate many tax preferences.

Finally, a majority of the Nation's 103 million taxpayers believe the Tax Code is unfair. I think they are saying that certain groups avoid paying their fair share and that somebody else with the same income is doing better by the Tax Code than they are. Many, in fact, are losing respect for the integrity of the Tax laws.

In view of these problems, I think it is time to restructure the Tax Code—increasing fairness, simplicity, and efficiency.

We should have a Tax Code in which all citizens with equal incomes are treated essentially the same way. We should have a Tax Code that is simple enough for all citizens to have at least a basic understanding of how the system works and how their own tax obligations are determined. We should have a Tax Code which allows taxpayers to make their economic decisions on the basis of real value in the marketplace—with little, if any, regard for the tax implications.

The best way to achieve these goals is to lower the tax rates and broaden the tax base.

Specifically, I propose that we drop the tax rate to 14 percent for single taxpayers with incomes up to $25,000 and for couples with incomes up to $40,000, and that we apply a progressive surtax ranging from 6 percent to 14 percent for incomes above those levels. This would reduce the maximum tax rate to 28 percent from the current top of 50 percent.

To make sure that we have sufficient revenues from these reduces tax rates, I propose that we eliminate most tax credits, exclusions, and deductions except for the few claimed over many years by the majority of taxpayers or those needed to alleviate genuine hardship. These are charitable giving, home mortgage interest, some medical expenses, State and local income and property taxes, and social security and veterans' benefits. Interest earned on State and municipal general obligation bonds also should remain tax-exempt to facilitate raising revenues for appropriate public purposes.

To insure fairness for taxpayers at the low end of the income scale, part of the rate reduction should be accomplished by increasing the personal exemption from the current $1,000 to $1,500 and by lifting the zero bracket amount for joint returns from the current $3,400 to $4,600.

Along with Representative RICHARD GEPHARDT, Democrat, of Missouri, I am today introducing the Fair Tax Act of 1982 to implement this proposal, and I believe the same basic approach can be applied to corporate taxes as well. In general, I am calling for substantial improvements of our current income tax system, rather than a radically different kind of tax that would require a long transition and learning process. And this proposal would maintain the current law's distribution of tax liabilities by income group, rather than cause a redistribution of the income tax burden, although 60 percent to 70 percent of the taxpayers would be paying less tax.

Some benefits of this tax system are obvious. Tax computation would be easier for all taxpayers, especially those in the low- and middle-income brackets. Marginal tax rates would drop for nearly all taxpayers. Repeal of many special provisions would simplify the forms and the instructions. By reducing the number of tax brackets, we would virtually eliminate "bracket creep" due to inflation. For the same reason, the so-called marriage penalty would be cut substantially.

But because we would be collecting the same amount of revenues in a different way, some people would end up paying less in taxes and others would have to pay more. Under this system, most of the Nation's 60 million taxpayers claiming the standard deduction instead of itemizing will pay less than they would under existing law simply because their rates will be lower. Citizens claiming relatively few itemized deductions either will be better off under the proposed system, or, at worst, see their tax burden remain about the same as it would be under existing law. Those with the most significantly increased tax liabilities under the proposed system would be the taxpayers who make the greatest use of deductions, credits, and exclusions in the present law. And, many of these taxpayers would give up their preferences, along with the headaches and time spent trying to avoid taxes, in exchange for a lower marginal rate.

If we take this approach, we would be correcting structural problems in the current code—not papering over those problems, as Congress did last year by approving the administration's request for a 25-percent, across-the-board rate cut for individuals. That 1981 tax-cut legislation actually compounds the unfairness, inefficiency, and the complexity of our tax system. It is one reason why I voted against the bill. To generate an investment boom with dramatically reduced marginal rates, we must recognize that it is not just cutting taxes that is important. What matters most is the way we cut taxes. There is no free lunch. We cannot afford to lower taxes unless we close loopholes at the same time. That is the lesson of this year's record budget deficit. It is also the lesson of the biggest tax increase in history currently before the Congress.

Unless we reverse the trend set in the 1981 tax cut, the only people paying income taxes in the future will be those whose wages and salaries will be subject to withholding. That prospect is simply unacceptable in a democracy.

On the other hand, if we lower tax rates and broaden the tax base, I think we can have a tax system that really encourages the productive work and investment needed for sustained economic growth.

Mr. President, I ask unanimous consent that the bill, a fact sheet, and certain articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Tax Act of 1982".

SEC. 2. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—REDUCTION OF INCOME TAX RATES

SEC. 101. INCOME TAX RATES FOR INDIVIDUALS, TRUSTS, ESTATES, AND PERSONAL HOLDING COMPANIES.

(a) INCOME TAX RATES FOR INDIVIDUALS, TRUSTS, AND ESTATES; REPEAL OF INDEXING.—

(1) IN GENERAL.—Section 1 (relating to imposition of income tax) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) BASE TAX.—There is hereby imposed on the base income (within the meaning of section 2(e)) of every individual, estate, and trust a tax equal to 14 percent of such base income.

"(b) SURTAX.—

"(1) UNMARRIED INDIVIDUALS.—In addition to any tax imposed under subsection (a), there is hereby imposed on the adjusted gross income of each individual who is not married (within the meaning of section 143) and is not a surviving spouse (within the meaning of section 2(a)) a tax determined in accordance with the following table:

"If adjusted gross income is:	The tax is:
Not over $25,000	No tax
Over $25,000 but not over $30,000.	6% of the excess over $25,000
Over $30,000 but not over $37,500.	$300, plus 11% of the excess over $30,000
Over $37,500	$1,125, plus 14% of the excess over $37,500.

"(2) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—In addition to any tax imposed under subsection (a), there is hereby imposed on the adjusted gross income of each married individual (within the meaning of section 143) who makes a single return jointly with his spouse under section 6013 and each surviving spouse (within the meaning of section 2(a)) a tax determined in accordance with the following table:

"If adjusted gross income is:	The tax is:
Not over $40,000	No tax
Over $40,000 but not over $55,000.	6% of the excess over $40,000
Over $55,000 but not over $65,000.	$900, plus 11% of the excess over $55,000
Over $65,000	$2,000, plus 14% of the excess over $65,000.

"(3) MARRIED INDIVIDUALS FILING SEPARATE RETURNS; ESTATES AND TRUSTS.—In addition to any tax imposed under subsection (a), there is hereby imposed on the adjusted gross income of each estate, trust, and married individual (within the meaning of section 143) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

"If adjusted gross income is:	The tax is:
Not over $20,000	No tax
Over $20,000 but not over $27,500.	6% of the excess over $20,000
Over $27,500 but not over $32,500.	$450, plus 11% of the excess over $27,500
Over $32,500	$1,000, plus 14% of the excess over $32,500.".

(2) BASE INCOME DEFINED.—Section 2 (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) BASE INCOME.—For purposes of section 1, the term 'base income' means the excess of—

"(1) taxable income, over

"(2) the zero bracket amount (within the meaning of section 63(d)).".

(b) PERSONAL HOLDING COMPANY TAX.—Section 541 (relating to imposition of personal holding company tax) is amended by striking out "50 percent" and inserting in lieu thereof "28 percent".

(c) CONFORMING AMENDMENT.—Subsection (a) of section 641 (relating to imposition of tax) is amended by striking out "tax imposed by section 1(e)" and inserting in lieu thereof "taxes imposed by subsections (a) and (b)(3) of section 1 with respect to estates and trusts".

SEC. 102. ADJUSTED GROSS INCOME.

Section 62 (relating to adjusted gross income) is amended—

(1) by striking out "means, in the case of an individual" and inserting in lieu thereof "means, in the case of a taxpayer other than a Section 11 corporation",

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

"(3) SPECIAL DEDUCTIONS FOR ESTATES AND TRUSTS.—In the case of an estate or trust—

"(A) the deductions allowed under sections 651(a), 661(a), and 691(c),

"(B) the deductions allowed under section 642(c) to the extent that a corresponding amount is included in the gross income of the beneficiary under section 662(a)(1) for the taxable year of the beneficiary with which, or within which, the taxable year of the trust or estate ends, and

"(C) the deductions allowed for costs paid or incurred in connection with the administration of the trust or estate.", and

(3) by striking out paragraphs (14) and (16) and redesignating paragraph (15) as paragraph (13).

SEC. 103. TAXABLE INCOME.

(a) PERSONAL EXEMPTIONS.—

(1) IN GENERAL.—Subsection (b) of section 151 (relating to taxpayer and spouse) is amended to read as follows:

"(b) TAXPAYER AND SPOUSE.—

"(1) TAXPAYER.—An exemption for the taxpayer of—

"(A) $1,750 in the case of a taxpayer who is head of a household (within the meaning of section 2(b)), and

"(B) $1,500 in the case of any other taxpayer.

"(2) SPOUSE.—An additional exemption of $1,000 for the spouse of the taxpayer if—

"(A) a joint return under section 6013 is not made by the taxpayer and his spouse for the taxable year, and

"(B) for the calendar year in which the taxable year of the taxpayer begins, the spouse—

"(i) has no gross income, and

"(ii) is not the dependent of another taxpayer.".

(2) ADDITIONAL EXEMPTIONS.—Subsections (c), (d), and (e) of section 151, as amended by section 104 of the Economic Recovery Tax Act of 1981, are each amended by striking out "exemption amount" each place it appears therein and inserting in lieu thereof "$1,000".

(3) EXEMPTION AMOUNT.—Subsection (f) of section 151, as added by section 104 of the Economic Recovery Tax Act of 1981, is amended to read as follows:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, the amount of the exemption allowed the taxpayer under subsection (b)(1).".

(b) ZERO BRACKET AMOUNT.—Subsection (d) of section 63 (relating to taxable income) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) $4,600 in the case of a joint return under section 6013 or a surviving spouse (within the meaning of section 2(a)),

"(2) $2,300 in the case of an individual who is not filing a joint return under section 6013 and is not a surviving spouse, and

"(3) zero in any other case.".

(c) REPEAL OF THE DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Section 63 is amended—

(A) by adding "and" at the end of subparagraph (A) of subsection (b)(1),

(B) by striking out subparagraph (C) of subsection (b)(1),

(C) by adding "and" at the end of paragraph (1) of subsection (f),

(D) by striking out ", and" at the end of paragraph (2) of subsection (f) and inserting in lieu thereof a period,

(E) by striking out paragraph (3) of subsection (f), and

(F) by striking out subsection (i).

(2) CONFORMING AMENDMENTS.—

(A) Section 170 (relating to charitable contributions) is amended by striking out subsection (i) and redesignating subsections (j) and (k) as subsections (i) and (j), respectively.

(B) Subparagraph (A) of section 3(a)(4) (relating to tax table tax) is amended to read as follows:

"(A) reduced by the excess itemized deductions, and".

(d) INCOME TAX RETURN REQUIREMENTS.—

(1) EXEMPTIONS FOR TAXPAYERS OVER 65.—Subparagraph (B) of section 6012(a)(1), as amended by section 104 of the Economic Recovery Tax Act of 1981, is amended to read as follows:

"(B) The amount specified in subparagraph (A)(i) shall be increased by the amount of any additional personal exemption to which the individual is entitled under section 151(c)(1). The amount specified in subparagraph (A)(ii) shall be increased by the amount of personal exemptions to which the individual or his spouse is entitled under section 151(c).".

(2) JOINT RETURNS.—Subparagraph (A) of section 6013(b)(3) (relating to when return deemed filed), as amended by section 104 of the Economic Recovery Tax Act of 1981, is further amended by striking out "twice the exemption amount" each place it appears and inserting in lieu thereof "$2,500".

(e) INCOME TAX WITHHOLDING.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) AMOUNT OF WAGES.—For purposes of applying tables or procedures prescribed under paragraph (1), the term 'the amount of wages' means the amount by which the wages exceed the sum (prorated to the payroll period) of—

"(A) the exemption amount (within the meaning of section 151(f)) applicable to the employee, plus

"(B) an amount equal to the product of—

"(i) the number of withholding exemptions (other than the withholding exemption described in subsection (f)(1)(A)) claimed by the employee, multiplied by

"(ii) $1,000.

The maximum number of withholding exemptions permitted shall be calculated in accordance with regulations prescribed by the Secretary under this section, taking into account any reduction in withholding to which an employee is entitled under this section.".

(f) TECHNICAL AMENDMENT WITH RESPECT TO EXEMPTION AMOUNT.—Subsection (e) of section 104 of the Economic Recovery Tax Act of 1981 is amended by striking out "1984" and inserting in lieu thereof "1983".

SEC. 104. TAX TABLES FOR THE BASE TAX.

Section 3 (relating to tax tables for individuals) is amended—

(1) by striking out "imposed by section 1" in subsections (a)(1) and (c) and inserting in lieu thereof "imposed by section 1(a)",

(2) by striking out "rates prescribed by section 1" in subsection (a)(1) and inserting in lieu thereof "rate prescribed by section 1(a)",

(3) by striking out "Section 1" in the caption for subsection (c) and inserting in lieu thereof "Section 1(a)", and

(4) by striking out paragraph (1) of subsection (b) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 105. REPEAL OF MINIMUM TAX ON PERSONS OTHER THAN CERTAIN CORPORATIONS.

(a) IN GENERAL.—Section 56 (relating to imposition of tax) is amended—

(1) by striking out "every person" in subsection (a) and inserting in lieu thereof "every Section 11 corporation",

(2) by striking out "person" in subsection (b)(1) and inserting in lieu thereof "Section 11 corporation",

(3) by striking out "one-half of (or in the case of a corporation, an amount equal to)" in subsection (c),

(4) by striking out "sections 72(m)(5)(B), 402(e), 408(f), 531, and 541" in subsection (c) and inserting in lieu thereof "sections 531 and 541", and

(5) by striking out "31, 39, 43, and 44G" in subsection (c) and inserting in lieu thereof "39 and 44G".

(b) ALTERNATIVE MINIMUM TAX FOR TAXPAYERS OTHER THAN CORPORATIONS.—Section 55 (relating to alternative minimum tax for taxpayers other than corporations) is hereby repealed.

SEC. 106. REPEAL OF INCOME AVERAGING.

Part I of subchapter Q (relating to income averaging) is hereby repealed.

TITLE II—BROADENING OF THE INCOME TAX BASE

SEC. 201. CREDITS AGAINST TAX.

(a) REPEAL OF CERTAIN CREDITS.—The following sections are hereby repealed:

(1) section 37 (relating to the credit for the elderly),

(2) section 41 (relating to contributions to candidates for public office), and

(3) section 44C (relating to residential energy credit).

(b) DISALLOWANCE OF CERTAIN CREDITS TO INDIVIDUALS.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits) is amended by inserting after section 44G the following new section:

"SEC. 44H. DENIAL OF CERTAIN CREDITS TO TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.

"The following sections shall apply only in the case of a Section 11 corporation:

"(1) section 38 (relating to investment in certain depreciable property),

"(2) section 44B (relating to employment of certain new employees),

"(3) section 44D (relating to credit for producing fuel from a nonconventional source),

"(4) section 44E (relating to alcohol used as fuel), and

"(5) section 44F (relating to credit for increasing research activities).".

SEC. 202. ITEMS SPECIFICALLY INCLUDED IN GROSS INCOME.

(a) GROUP-TERM LIFE INSURANCE PURCHASED FOR EMPLOYEES.—

(1) IN GENERAL.—Subsection (a) of section 79 (relating to group-term life insurance purchased for employees) is amended to read as follows:

"(a) IN GENERAL.—There shall be included in the gross income of an employee for the taxable year an amount equal to the cost of group-term life insurance on his life provided for part or all of such year under a policy (or policies) carried directly or indirectly by his employer (or employers); but only to the extent that such cost exceeds the amount, if any, paid by the employee toward the purchase of such insurance.".

(2) EXCEPTIONS.—Subsection (b) of section 79 (relating to exceptions) is amended by striking out paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) UNEMPLOYMENT COMPENSATION.—

(1) IN GENERAL.—Subsection (a) of section 85 (relating to unemployment compensation) is amended to read as follows:

"(a) IN GENERAL.—Gross income includes any unemployment compensation received by the taxpayer during the taxable year.".

(2) CONFORMING AMENDMENT.—Section 85 is amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(c) INCREASE IN CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES.—Part II of subchapter B of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 87. INCOME ATTRIBUTABLE TO LIFE INSURANCE, ANNUITY, OR ENDOWMENT CONTRACTS.

"(a) IN GENERAL.—There shall be included in the gross income of the owner of any annuity, life insurance, or endowment contract for the taxable year an amount equal to the excess of—

"(1) the sum of—

"(A) the cash surrender value of such contract at the close of the policy year ending with or within such taxable year, plus

"(B) premiums paid during such policy year and previous policy years, plus

"(C) amounts includible in income during previous taxable years with respect to such contract, over

"(2) the sum of—

"(A) withdrawals from the contract during such policy year and previous policy years, plus

"(B) the cost of insurance provided during such policy year and previous policy years.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary for the application of this section.".

SEC. 203. ITEMS SPECIFICALLY EXCLUDED FROM GROSS INCOME.

(a) REPEAL OF CERTAIN EXCLUSIONS.—The following sections are hereby repealed:

(1) section 116 (relating to partial exclusion of dividends received by individuals),

(2) section 120 (relating to amounts received under qualified group legal services plans),

(3) section 124 (relating to qualified transportation provided by employer),

(4) section 127 (relating to educational assistance programs),

(5) section 128 (relating to partial exclusion of interest), as in effect for taxable years beginning after December 31, 1984,

(6) section 129 (relating to dependent care assistance programs), and

(7) section 911 (relating to citizens or residents of the United States living abroad).

(b) REPEAL OF EXCLUSION FOR CERTAIN DISABILITY PAYMENTS.—Section 105 (relating to amounts received under accident and health plans) is amended by striking out subsection (d) and redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively.

(c) REPEAL OF EXCLUSION FOR DIVIDEND REINVESTMENT IN STOCK IN PUBLIC UTILITIES.—Section 305 (relating to distribution of stock and stock rights) is amended by striking out subsection (e) and redesignating subsection (f) as subsection (e).

(d) INTEREST ON INDUSTRIAL DEVELOPMENT BONDS.—Subsection (b) of section 103 (relating to industrial development bonds) is amended by adding at the end thereof the following new paragraph:

"(11) BONDS HELD BY TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—In the case of an obligation issued after December 31, 1983, paragraphs (4), (5), (6), and (7) shall not apply to such obligation for any period during which such obligation is held by any person other than a Section 11 corporation.".

(e) INTEREST ON QUALIFIED VETERANS' MORTGAGE BONDS.—Paragraph (3) of section 103A(c) (relating to qualified veterans' mortgage bonds) is amended—

(1) by striking out "For" and inserting in lieu thereof "(A) IN GENERAL.—For", and

(2) by adding at the end thereof the following new subparagraph:

"(B) OBLIGATIONS HELD BY TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—No obligation issued after December 31, 1983, shall be treated as a qualified veterans' mortgage bond with respect to any period during which such obligation is held by any person other than a Section 11 corporation.".

(f) CERTAIN EMPLOYER CONTRIBUTIONS TO ACCIDENT AND HEALTH PLANS PROVIDING MEDICAL CARE.—

(1) INCLUSION OF CERTAIN EMPLOYER CONTRIBUTIONS IN GROSS INCOME OF EMPLOYEES.—

(A) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 88. EMPLOYER CONTRIBUTIONS TO MEDICAL CARE PLANS.

"(a) IN GENERAL.—Notwithstanding section 106, there shall be included in the gross income of any employee for the taxable year an amount equal to 33⅓ percent of the contributions made with respect to such employee by an employer to a medical care plan during the calendar year ending with, or within, such taxable year.

"(b) AMOUNTS NOT FOR MEDICAL CARE NOT TAKEN INTO ACCOUNT.—Any cost of or contribution to a plan which is properly allocable (as determined under regulations) to—

"(A) a purpose other than the providing of medical care, or

"(B) workmen's compensation,

shall not be taken into account under this section.

"(c) DEFINITIONS.—For purposes of this section—

"(1) MEDICAL CARE PLAN DEFINED.—The term 'medical care plan' means a plan of an employer to provide (directly or through insurance, reimbursement, or otherwise) medical care for employees and their families.

"(2) MEDICAL CARE.—The term 'medical care' has the meaning given such term by paragraphs (1) and (2) of section 213(e).

"(3) EMPLOYEE DOES NOT INCLUDE FORMER EMPLOYEE.—The term 'employee' does not include a former employee.

"(4) FAMILY.—The term 'family' means, with respect to any employee, a spouse, dependent, or other individual who receives coverage under the plan by reason of a relationship to the employee.".

(B) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 88. Employer contributions to medical care plans.".

(2) EMPLOYMENT TAX AMENDMENTS.—

(A) IN GENERAL.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3508. TREATMENT OF EMPLOYER CONTRIBUTIONS TO MEDICAL CARE PLANS.

"For purposes of this subtitle and section 209 of the Social Security Act, any amount required to be included in the gross income of an employee under section 88(a) with respect to any calendar year—

"(1) shall be treated as wages paid in cash to such employee at the close of such calendar year, and

"(2) shall not be treated as paid under an accident or health plan or any similar plan of the employer.

For purposes of paragraph (1), an employer may elect to prorate any such amount to any payroll period (or portion thereof) within such calendar year rather than treat it as being paid at the close of such calendar year.".

(B) CONFORMING AMENDMENT.—The table of sections for chapter 25 is amended by adding at the end thereof the following new item:

"Sec. 3508. Treatment of employer contributions to medical care plans.".

(3) COORDINATION WITH SECTION 106.—Section 106 (relating to exclusion from gross income for contributions by employers to accident and health plans) is amended by striking out "Gross" and inserting in lieu thereof "Except as provided in section 88, gross".

(g) SCHOLARSHIP AND FELLOWSHIP GRANTS.—Subsections (a) and (b) of section 117 (relating to scholarships and fellowship grants) are amended to read as follows:

"(a) IN GENERAL.—In the case of an individual who is a candidate for a degree at an educational organization described in section 170(b)(1)(A)(ii), gross income does not include any amount received as—

"(1) a scholarship, or

"(2) a fellowship grant,

to the extent such amount is used for qualified tuition and related expenses (within the meaning of subsection (c)(2)).

"(b) PAYMENT FOR TEACHING, RESEARCH, ETC.—Subsection (a) shall not apply to that portion of any amount received which represents payment for teaching, research, or other services in the nature of part-time employment required as a condition to receiving the scholarship or the fellowship grant. If teaching, research, or other services are required of all candidates (whether or not recipients of scholarships or fellowship grants) for a particular degree as a condition to receiving such degree, such teaching, research, or other services shall not be regarded as part-time employment within the meaning of this subsection.".

SEC. 204. DEDUCTIONS.

(a) REPEAL OF CERTAIN DEDUCTIONS.—

(1) IN GENERAL.—The following sections are hereby repealed:

(A) section 221 (relating to the deduction for two-earner married couples),

(B) section 222 (relating to adoption expenses), and

(C) section 1202 (relating to deduction for capital gains).

(2) ELIMINATION OF DISTINCTION BETWEEN SHORT-TERM AND LONG-TERM CAPITAL GAINS AND LOSSES FOR TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—Section 1222 (relating to capital gains and losses) is amended—

(A) by striking out "For purposes of this subtitle—" and inserting in lieu thereof the following: "(a) IN GENERAL.—For purposes of this subtitle—", and

(B) by adding at the end thereof the following new subsection:

"(b) TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—For purposes of this subtitle, in the case of a taxpayer other than a Section 11 corporation, no distinction shall be made—

"(1) between short-term capital gains and long-term capital gains, and

"(2) between short-term capital losses and long-term capital losses.".

(b) DISALLOWANCE OF CERTAIN DEDUCTIONS TO TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—

(1) IN GENERAL.—Section 261 (relating to general rule for disallowance of deductions) is amended—

(A) by striking out "In" and inserting in lieu thereof "(a) IN GENERAL.—In", and

(B) by adding at the end thereof the following new subsection:

"(b) TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—The following sections shall apply only in the case of a Section 11 corporation:

"(1) section 169 (relating to amortization of pollution control facilities) with respect to additions to capital account made after December 31, 1983,

"(2) section 194 (relating to amortization of reforestation expenditures), as added by section 301(a) of the Act of October 14, 1980 (94 Stat. 1989) with respect to additions to capital account made after December 31, 1983,

"(3) section 263(c) (relating to intangible drilling and development costs in the case of oil and gas wells and geothermal wells),

"(4) section 613 (relating to percentage depletion),

"(5) section 613A (relating to limitations on percentage depletion in case of oil and gas wells),

"(6) section 616 (relating to mineral development expenses), and

"(7) section 617 (relating to mining exploration expenditures).".

(2) CERTAIN STATE AND LOCAL TAXES.—Section 164 (relating to taxes) is amended by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following new subsection:

"(f) DENIAL OF CERTAIN DEDUCTIONS TO TAXPAYERS OTHER THAN SECTION 11 CORPORATIONS.—A deduction shall be allowed under this section for taxes described in paragraph (2) or (4) of subsection (a) only in the case of a Section 11 corporation.".

(c) REPEAL OF THE DEDUCTION FOR THE THEFT AND CASUALTY LOSSES OF INDIVIDUALS.—Subsection (c) of section 165 (relating to limitation on losses of individuals) is amended—

(1) by adding "and" at the end of paragraph (1),

(2) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period, and

(3) by striking out paragraph (3).

(d) LIMITATION ON THE INTEREST DEDUCTION.—

(1) IN GENERAL.—Paragraph (1) of section 163(d) (relating to limitation on interest on investment indebtedness) is amended to read as follows:

"(1) IN GENERAL.—In the case of a taxpayer other than a Section 11 corporation, the amount of interest paid or accrued within the taxable year which is otherwise allowable as a deduction under this chapter for such taxable year shall not exceed the sum of—

"(A) the amount of the net investment income of the taxpayer for such taxable year, plus

"(B) the excess, if any, of—

"(i) the amount of the deductions allowable (determined without regard to this subsection) under this section, section 162 or 212, or paragraph (1) or (2) of section 164 which are attributable to property of the taxpayer subject to a net lease, over

"(ii) the rental income produced by such property for such taxable year.".

(2) INTEREST ON HOUSING INDEBTEDNESS AND BUSINESS INDEBTEDNESS.—Paragraph (2) of section 163(d) (relating to carryover of disallowed investment interest) is amended to read as follows:

"(2) INTEREST ON TRADE OR BUSINESS INDEBTEDNESS AND CERTAIN HOUSING INDEBTEDNESS.—

"(A) IN GENERAL.—This subsection shall not apply with respect to interest paid or accrued on indebtedness incurred in—

"(i) acquiring, constructing, or substantially rehabilitating any property which—

"(I) is a qualified dwelling used by the taxpayer (or any member of his family within the meaning of section 267(c)(4)) during the taxable year, or

"(II) is the principal residence (within the meaning of section 1034) of the taxpayer at the time such interest accrues or is paid, or

"(ii) carrying on the trade or business of the taxpayer.".

"(B) QUALIFIED DWELLING.—For purposes of this paragraph, the term 'qualified dwelling' means any—

"(i) house,

"(ii) apartment,

"(iii) condominium, or

"(iv) mobile home not used on a transient basis (within the meaning of section 7701(a)(19)(C)(v)),

including all structures or other property appurtenant thereto.

(3) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 163 of such Code is amended—

(i) by striking out the second sentence of paragraph (3)(A),

(ii) by striking out the second sentence of paragraph (3)(C),

(iii) by striking out paragraphs (5) and (7) and redesignating paragraph (6) as paragraph (5),

(iv) by striking out subparagraphs (D) and (E) of paragraph (3),

(v) by striking out "partnership's investment interest and the" in paragraph (4)(B) and inserting in lieu thereof "interest paid or accrued by such partnership and the partnership's",

(vi) by striking out "investment interest" each place it appears in the text and headings and inserting in lieu thereof "interest", and

(vii) by striking out the subsection heading and inserting in lieu thereof the following:

"(d) LIMITATION ON CERTAIN INTEREST.—".

(B) Paragraph (3) of section 703(b) (relating to partnership computations) is amended by striking out "of interest on investment indebtedness" and inserting in lieu thereof "on certain interest".

(e) ACCELERATED COST RECOVERY SYSTEM.—

(1) IN GENERAL.—Paragraph (1) of section 168(b) (relating to amount of deduction) is amended—

(A) by striking out "For" in subparagraph (A) and inserting in lieu thereof "In the case of a Section 11 corporation for property placed in service after December 31, 1980, and before January 1, 1985, and in the case of any other taxpayer for property placed in service after December 31, 1980", and

(B) by striking out "For" in subparagraphs (B) and (C) and inserting in lieu thereof "In the case of a Section 11 corporation, for".

(2) 15-YEAR REAL PROPERTY.—Clause (ii) of section 168(b)(2)(A) (relating to 15-year real property) is amended to read as follows:

"(ii) assign percentages generally determined in accordance with the use of—

"(I) in the case of a Section 11 corporation, the 175 percent declining balance method (200 percent declining balance method in the case of low-income housing), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a), or

"(II) in the case of any other taxpayer, the 150 percent declining balance method switching to the straight-line method at a time to maximize the deduction allowable under subsection (a).".

(f) MEDICAL AND DENTAL EXPENSES.—Subsection (a) of section 213 (relating to medical and dental expenses) is amended to read as follows:

"(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the excess of—

"(1) the amount of expenses paid during the taxable year (not compensated for by insurance or otherwise) for medical care of the taxpayer, his spouse and his dependents (within the meaning of section 152), over

"(2) 10 percent of the adjusted gross income of the taxpayer for such taxable year.".

SEC. 205. EXPENSES FOR HOUSEHOLD AND DEPENDENT CARE SERVICES NECESSARY FOR GAINFUL EMPLOYMENT.

(a) ALLOWANCE OF DEDUCTION.—Part VII of subchapter B of chapter 1 (relating to itemized deductions for individuals) is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

"SEC. 223. EXPENSES FOR HOUSEHOLD AND DEPENDENT CARE SERVICES NECESSARY FOR GAINFUL EMPLOYMENT.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual who maintains a household which includes as a member one or more qualifying individuals, there shall be allowed as a deduction for the taxable year an amount equal to the employment-related expenses paid by such individual during the taxable year.

"(b) DEFINITIONS OF QUALIFYING INDIVIDUAL AND EMPLOYMENT-RELATED EXPENSES.—For purposes of this section—

"(1) QUALIFYING INDIVIDUAL.—The term 'qualifying individual' means—

"(A) a dependent of the taxpayer who is under the age of 15 and with respect to whom the taxpayer is entitled to a deduction under section 151(e),

"(B) a dependent of the taxpayer who is physically or mentally incapable of caring for himself, or

"(C) the spouse of the taxpayer, if he is physically or mentally incapable of caring for himself.

"(2) EMPLOYMENT-RELATED EXPENSES.—

"(A) IN GENERAL.—The term 'employment-related expenses' means amounts paid for the following expenses, but only if such expenses are incurred to enable the taxpayer to be gainfully employed for any period for which there are one or more qualifying individuals with respect to the taxpayer:

"(i) expenses for household services, and

"(ii) expenses for the care of a qualifying individual.

"(B) EXCEPTION.—Employment-related expenses described in subparagraph (A) which are incurred for services outside the taxpayer's household shall be taken into account only if incurred for the care of—

"(i) a qualifying individual described in paragraph (1)(A), or

"(ii) a qualifying individual (not described in paragraph (1)(A)) who regularly spends at least 8 hours each day in the taxpayer's household.

"(C) DEPENDENT CARE CENTERS.—Employment-related expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer's household by a dependent care center (as defined in subparagraph (D)) shall be taken into account only if—

"(i) such center complies with all applicable laws and regulations of a State or unit of local government, and

"(ii) the requirements of subparagraph (B) are met.

"(D) DEPENDENT CARE CENTER DEFINED.—For purposes of this paragraph, the term 'dependent care center' means any facility which—

"(i) provides care for more than six individuals (other than individuals who reside at the facility), and

"(ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit).

"(d) DOLLAR LIMIT ON AMOUNT DEDUCTIBLE.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(1) $2,400 if there is one qualifying individual with respect to the taxpayer for such taxable year, or

"(2) $4,800 if there are two or more qualifying individuals with respect to the taxpayer for such taxable year.

"(e) EARNED INCOME LIMITATION.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) in the case of an individual who is not married at the close of such year, such individual's earned income for such year, or

"(B) in the case of an individual who is married at the close of such year, the lesser of such individual's earned income or the earned income of his spouse for such year.

"(2) SPECIAL RULE FOR SPOUSE WHO IS A STUDENT OR INCAPABLE OF CARING FOR HIMSELF.—In the case of a spouse who is a student or a qualifying individual described in subsection (c)(1)(C), for purposes of paragraph (1), such spouse shall be deemed for such month during which such spouse is a full-time student at an educational institution, or is such a qualifying individual, to be gainfully employed and to have earned income of not less than—

"(A) $200 if subsection (d)(1) applies for the taxable year, or

"(B) $400 if subsection (d)(2) applies for the taxable year.

In the case of any husband and wife, this paragraph shall apply with respect to only one spouse for any one month.

"(f) SPECIAL RULES.—For purposes of this section—

"(1) MAINTAINING HOUSEHOLD.—An individual shall be treated as maintaining a household for any period only if over half the cost of maintaining the household for such period is furnished by such individual (or, if such individual is married during such period, is furnished by such individual and his spouse).

"(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the deduction shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

"(3) MARITAL STATUS.—An individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(4) CERTAIN MARRIED INDIVIDUALS LIVING APART.—If—

"(A) an individual who is married and who files a separate return—

"(i) maintains as his home a household which constitutes for more than one-half of the taxable year the principal place of abode of a qualifying individual, and

"(ii) furnishes over half of the cost of maintaining such household during the taxable year, and

"(B) during the last 6 months of such taxable year such individual's spouse is not a member of such household,

such individual shall not be considered as married.

"(5) SPECIAL DEPENDENCY TEST IN CASE OF DIVORCED PARENTS, ETC.—If—

"(A) a child (as defined in section 151(e)(3)) who is under the age of 15 or who is physically or mentally incapable of caring for himself receives over half of his support during the calendar year from his parents who are divorced or legally separated under a decree of divorce or separate maintenance or who are separated under a written separation agreement, and

"(B) such child is in the custody of one or both of his parents for more than one-half of the calendar year,

in the case of any taxable year beginning in such calendar year such child shall be treated as being a qualifying individual described in subparagraphs (A) and (B) of subsection (c)(1), as the case may be, with respect to that parent who has custody for a longer period during such calendar year than the other parent, and shall not be treated as being a qualifying individual with respect to such other parent.

"(6) PAYMENTS TO RELATED INDIVIDUALS.—No deduction shall be allowed under subsec-

tion (a) for any amount paid by the taxpayer to an individual—

"(A) with respect to whom, for the taxable year, a deduction under section 151(e) (relating to deduction for personal exemptions for dependents) is allowable either to the taxpayer or his spouse, or

"(B) who is a child of the taxpayer (within the meaning of section 151(e)(3)) who has not attained the age of 19 at the close of the taxable year.

For purposes of this paragraph, the term 'taxable year' means the taxable year of the taxpayer in which the service is performed.

"(7) STUDENT.—The term 'student' means an individual who during each of 5 calendar months during the taxable year is a full-time student at an educational organization.

"(8) EDUCATIONAL ORGANIZATION.—The term 'educational organization' means an educational organization described in section 170(b)(1)(A)(ii).

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) REPEAL OF CREDIT.—Section 44A (relating to expenses for household and dependent care services necessary for gainful employment) is hereby repealed.

SEC. 206. GAIN FROM THE SALE OF A PRINCIPAL RESIDENCE BY AN INDIVIDUAL OVER AGE 55.

(a) ALLOWANCE OF A DEDUCTION.—Part VII of subchapter B of chapter 1 (relating to itemized deductions for individuals) is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

"SEC. 224. GAIN FROM SALE OF PRINCIPAL RESIDENCE BY INDIVIDUAL WHO HAS ATTAINED AGE 55.

"(a) GENERAL RULE.—There shall be allowed as a deduction an amount equal to the gain from the sale or exchange of property if—

"(1) the taxpayer has attained the age of 55 before the date of such sale or exchange, and

"(2) during the 5-year period ending on the date of the sale or exchange, such property has been owned and used by the taxpayer as his principal residence for periods aggregating 3 years or more.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The amount of the deduction allowed under subsection (a) shall not exceed $125,000 ($62,500 in the case of a separate return by a married individual).

"(2) APPLICATION TO ONLY 1 SALE OR EXCHANGE.—Subsection (a) shall not apply to any sale or exchange by the taxpayer if—

"(A) a deduction under subsection (a) was allowed the taxpayer or his spouse with respect to any other sale or exchange, or

"(B) an election by the taxpayer or his spouse under section 121 (as in effect prior to enactment of the Comprehensive Individual Income Tax Act of 1982) with respect to any other sale or exchange is in effect.

"(3) ADDITIONAL ELECTION IF PRIOR SALE WAS MADE ON OR BEFORE JULY 26, 1978.—In the case of any sale or exchange after July 26, 1978, this section shall be applied by not taking into account any election under section 121 (as in effect prior to enactment of the Comprehensive Individual Income Tax Act of 1982) made with respect to a sale or exchange on or before such date.

"(c) SPECIAL RULES.—

"(1) PROPERTY HELD JOINTLY BY HUSBAND AND WIFE.—For purposes of this section, if—

"(A) property is held by a husband and wife as joint tenants, tenants by the entirety, or community property,

"(B) such husband and wife make a joint return under section 6013 for the taxable year of the sale or exchange, and

"(C) one spouse satisfies the age, holding, and use requirements of subsection (a) with respect to such property,

then both husband and wife shall be treated as satisfying the age, holding, and use requirements of subsection (a) with respect to such property.

"(2) PROPERTY OF DECEASED SPOUSE.—For purposes of this section, in the case of an unmarried individual whose spouse is deceased on the date of the sale or exchange of property, if—

"(A) the deceased spouse (during the 5-year period ending on the date of the sale or exchange) satisfied the holding and use requirements of subsection (a)(2) with respect to such property, and

"(B) no deduction under subsection (a) was allowed the deceased spouse (or no election by the deceased spouse under section 121, as in effect prior to enactment of the Comprehensive Individual Income Tax Act of 1982, is in effect) with respect to a prior sale or exchange,

then such individual shall be treated as satisfying the holding and use requirements of subsection (a)(2) with respect to such property.

"(3) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—For purposes of this section, if the taxpayer holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), then—

"(A) the holding requirements of subsection (a)(2) shall be applied to the holding of such stock, and

"(B) the use requirements of subsection (a)(2) shall be applied to the house or apartment which the taxpayer was entitled to occupy as such stockholder.

"(4) INVOLUNTARY CONVERSIONS.—For purposes of this section, the destruction, theft, seizure, requisition, or condemnation of property shall be treated as the sale of such property.

"(5) PROPERTY USED IN PART AS PRINCIPAL RESIDENCE.—In the case of property only a portion of which, during the 5-year period ending on the date of the sale or exchange, has been owned and used by the taxpayer as his principal residence for periods aggregating 3 years or more, this section shall apply with respect to so much of the gain from the sale or exchange of such property as is determined, under regulations prescribed by the Secretary, to be attributable to the portion of the property so owned and used by the taxpayer.

"(6) DETERMINATION OF MARITAL STATUS.—In the case of any sale or exchange, for purposes of this section—

"(A) the determination of whether an individual is married shall be made as of the date of the sale or exchange; and

"(B) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(7) APPLICATION OF SECTIONS 1033 AND 1034.—In applying sections 1033 (relating to involuntary conversions) and 1034 (relating to sale or exchange of residence), the amount realized from the sale or exchange of property shall be treated as being the amount determined without regard to this section, reduced by the amount of any deduction allowed under this section.

"(8) PROPERTY ACQUIRED AFTER INVOLUNTARY CONVERSION.—If the basis of the property sold or exchanged is determined (in whole or in part) under subsection (b) of section 1033 (relating to basis of property acquired through involuntary conversion), then the holding and use by the taxpayer of the converted property shall be treated as holding and use by the taxpayer of the property sold or exchanged.".

(b) REPEAL OF EXCLUSION.—Section 121 (relating to one time exclusion of gain from sale of principal residence by individual who has attained age 55) is hereby repealed.

SEC. 207. SECTION 11 CORPORATION DEFINED.

Subsection (a) of section 7701 (relating to definitions) is amended by adding at the end thereof the following new paragraph:

"(38) SECTION 11 CORPORATION.—The term 'Section 11 corporation' means any corporation other than—

"(A) an electing small business corporation (within the meaning of section 1371(b)), or

"(B) a personal holding company (within the meaning of section 542).".

TITLE III—TAXATION OF INDIVIDUAL RETIREMENT ACCOUNTS AND QUALIFIED PENSION, PROFIT-SHARING, AND STOCK BONUS PLANS

SEC. 301. IMPOSITION OF INCOME TAX.

(a) IN GENERAL.—Section 1 (relating to tax imposed), as amended by section 101 of this Act, is further amended by adding at the end thereof the following new subsection:

"(c) RETIREMENT TRUSTS.—There is hereby imposed on the taxable income of every retirement trust (within the meaning of section 2(f)) a tax equal to 14 percent of such taxable income.".

(b) RETIREMENT TRUST DEFINED.—Section 2 (relating to surviving spouse), as amended by section 101(a)(2) of this Act, is further amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) RETIREMENT TRUST.—For purposes of section 1, the term 'retirement trust' means—

"(1) a trust which is described in section 401(a) or 408(a),

"(2) a custodial account described in section 403(b)(7) or section 408(h),

"(3) the owner of a bond described in section 405(a) or section 409(a), or

"(4) a trust described in section 301(d) of the Tax Reduction Act of 1975 (89 Stat. 38).".

(c) CONFORMING AMENDMENTS.—

(1) Subsections (a) and (b)(3) of section 1 (relating to tax imposed) are each amended by inserting "(other than a retirement trust)" after "trust".

(2) Subsection (a) of section 641 (relating to imposition of tax) is amended by inserting "(other than property held in a retirement trust (within the meaning of section 2(f)))" after "held in trust".

SEC. 302. REPEAL OF TAX-EXEMPT STATUS.

(a) QUALIFIED PLANS.—

(1) IN GENERAL.—Subsection (a) of section 501 (relating to exemption from tax) is amended by striking out "or section 401(a)".

(2) CONFORMING AMENDMENTS.—

(A) Section 401 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended—

(i) by striking out "or the trust which is part of such plan is exempt from taxation under section 501(a)," in subsection (a)(2),

(ii) by striking out "and to be exempt from taxation under section 501(a)" in subsection (i), and

(iii) by striking out "and as having been exempt from taxation under section 501(a)" in subsection (i).

(B) Paragraph (1) of section 4975(e) (relating to definitions) is amended by striking out "which trust or plan is exempt from tax under section 501(a),".

(b) INDIVIDUAL RETIREMENT ACCOUNTS.—Subsection (e) of section 408 (relating to tax treatment of accounts and annuities) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3), (4), (5), and (6) as paragraphs (1), (2), (3), (4), and (5), respectively.

SEC. 303. REPEAL OF TAX ON LUMP-SUM DISTRIBUTIONS FROM QUALIFIED PLANS.

Subsection (e) of section 402 (relating to tax on lump-sum distributions) is hereby repealed.

TITLE IV—CONFORMING AMENDMENTS; EFFECTIVE DATES

SEC. 401. TECHNICAL AND CONFORMING AMENDMENTS.

The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 120 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a legislative proposal for making technical and conforming amendments to the Internal Revenue Code of 1954 which are necessitated by the amendments made by this Act.

SEC. 402. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this Act shall apply to taxable years beginning after December 31, 1983.

(b) WITHHOLDING ON WAGES.—The amendment made by sections 103(e) and 203(f)(2) shall apply with respect to remuneration paid after December 31, 1983.

(c) REPEAL OF PARTIAL EXCLUSION OF INTEREST.—The amendment made by section 203(a)(4) shall apply to taxable years beginning after December 31, 1984.

(d) ACCELERATED COST RECOVERY.—The amendments made by section 204(f) shall apply to property placed in service after December 31, 1983.

FACT SHEET ON THE BRADLEY-GEPHARDT: FAIR TAX ACT OF 1982

THE CONCEPT

This legislation lowers marginal rates and broadens the tax base for non-corporate taxpayers by repealing or modifying most exclusions, deductions and credits available under current law.

It is designed to take effect in 1984, at which time it will raise approximately the same amount of revenues as existing law without any significant change in the income distribution.

The top tax rate is reduced from 50 percent to 28 percent. For 70 percent to 80 percent of non-corporate taxpayers, the top rate will be 14 percent. The only deductions, credits and exclusions retained are those which are generally available to most taxpayers or those which are needed to measure income or alleviate genuine hardship.

At the same time, the Fair Tax Act increases personal exemptions and the zero bracket amount for joint returns to provide more generous relief to low-income families.

By reducing marginal rates, repealing the investment tax credit and taxing all income the same, the Fair Tax Act creates neutral tax laws which do not make judgments about the quality of investments. This will permit investors, workers and businessmen to be more responsive to new trends and opportunities in the market. The new tax policy will, therefore, encourage more productive work, saving and investment as well as enhance incentives for risk-taking and innovation. It also will reduce disparities in effective tax rates among different industries and assets that exist under the current system. This will substantially improve the allocation of resources throughout the economy and facilitate economic adjustment.

The Fair Tax's simplified rate structure also will largely eliminate the problems of bracket creep and the marriage penalty which have remained insoluable under the existing system.

THE STRUCTURE OF THE FAIR TAX

The Fair Tax consists of:

A basic tax of 14 percent on taxable income.

A progressive surtax on total income (adjusted gross income).

The rate schedules for the Fair Tax are as follows:

[In percent]

Adjusted gross income	Surtax rate	Combined tax rate [1]
Single returns:		
Below $25,000	([2])	14
$25,000 to $30,000	6	20
$30,000 to $37,000	11	25
Over $37,000	14	28
Joint returns:		
Below $40,000	([2])	14
$40,000 to $55,000	6	20
$55,000 to $65,000	11	25
Over $65,000	14	28

[1] Surtax plus 14 percent basic tax.
[2] No tax.

Only about 20 percent of all taxpayers will be subject to the surtax.

The following provisions in the Internal Revenue Code are retained:

The zero bracket amount, which is increased from $3,400 to $4,600 for joint returns.

The taxpayer exemption which is increased from $1,000 to $1,500 for single returns; from $2,000 to $3,000 for joint returns; and from $1,000 to $1,750 for single heads of households.

The deduction for employee business expenses.

The deduction for home mortgage interest.

The deduction for charitable contributions.

The deduction for State and local income and real property taxes.

The exclusion for Social Security and Veterans' benefits.

The exemption for interest on general obligation bonds.

The following provisions are repealed:

The exclusion for income earned abroad by U.S. citizens or residents.

Expensing of intangible drilling costs for oil, gas and geothermal wells.

Percentage depletion.

The tax exemption for industrial development or housing bonds issued after December 31, 1983.

Seven-year amortization for reforestation expenditures.

Five-year amortization for pollution control facilities.

The general exclusions for interest and dividends and the exclusion for reinvested dividends from public utility stock.

The exclusion for interest on life insurance savings.

The deduction for 60 percent of net long-term capital gains.

The exclusion for employer-provided educational assistance, child care and group legal services.

The exclusion for unemployment compensation benefits.

The exclusion for disability pay.

The exclusion for employer-provided premiums on group term life insurance.

The deduction for second earners.

The regular investment tax credit.

The R. & D. credit.

The credit for rehabilitation of buildings.

The energy tax credits.

The elderly tax credits.

The political contribution tax credit.

The deduction for casualty and theft losses.

The deduction for adoption expenses.

The deduction for nonmortgage interest and other investment interest in excess of investment income.

The deduction for State and local taxes other than income and real property taxes.

The following provisions are modified:

The child care credit is converted to a deduction.

The exclusion for employer-provided health insurance is reduced by one-third.

The exclusion for up to $125,000 of gain on the sale of a house by a person aged 55 or over is retained for the normal tax but not for the surtax (i.e. the gain would be taxed at a rate ranging from 6 percent to 14 percent).

The deduction for medical expenses is limited to expenses in excess of 10 percent of AGI (Adjusted Gross Income). The separate deduction for up to $150 of health insurance is repealed.

A 14 percent tax is applied to the investment income of pension plans, individual retirement accounts and H.R. 10 plans.

[From the Memphis (Tenn.) Press-Scimitar, July 12, 1982]

FLAT-RATE TAX PROPOSAL HAS SOME POLITICAL DRAWBACKS

WASHINGTON—The flat-rate tax idea has filled the sky over Washington like a burst of Fourth of July fireworks.

The proposals come in several bright colors, spreading down to the horizon in a variety of shapes. They are spectacular, evoking choruses of "oohs" and "aahs."

Advocates range from conservative Sens. Jesse Helms, R-N.C., and Dennis DeConcini, D-Ariz., to liberal Reps. Leon Panetta, D-Calif., and William Brodhead, D-Mich.

President Reagan finds the idea "very tempting." Senate Finance Committee Chairman Robert Dole promises hearings in September.

Newspapers and magazines discuss various versions, and because the flat rate is so simple, even television covers it.

In its simplest form, a flat rate would be applied to all income, eliminating deductions, exemptions and credits. That idea is likely to burn out fastest.

Politically, there are two tremendous problems with the absolutely flat rate:

It would penalize the huge body of middle-income voters by forcing them to pay for lowering the tax rate for upper-income people.

It would arouse furious opposition from those benefiting from current deductions—charitable organizations; home owners, realtors and home builders; auto makers, auto workers and auto dealers; Social Security and veterans' beneficiaries, and local and state governments.

Reagan is more than slightly interested in a flat rate. His chief policy adviser, Edwin Meese, has said the progressive tax rate is "immoral." Edwin Harper, head of the White House domestic policy staff, says a flat rate would be "the ultimate supply side tax." Budget director David Stockman described Reagan as "very sympathetic" to the idea.

But aides say it will not be proposed, certainly not in this year or next, for two compelling reasons:

Proposing a drastic tax change before Reagan's three-year tax cut goes into full effect next year would indicate loss of confidence in the original plan. "It would shake the financial community," a White House official said.

Reagan, already suffering from a reputation for siding with the rich, does not want to give Democrats more ammunition for their "fairness" campaign by proposing another tax change that would benefit the wealthy.

A more attractive alternative is the modified flat rate—more accurately, the less-graduated rate—along lines drawn by Sen. Bill Bradley, N.J., and Rep. Richard Gephardt, Mo.

Bradley-Gephardt would apply the present bottom rate of 14 percent on single taxpayers' income of $25,000 and married taxpayers' income of $40,000 after subtracting personal exemptions and standard deductions. Taxpayers with higher income would pay a graduated surtax of 6 to 14 percent, with the top rate charged to those with single income of $37,000 or joint income of $65,000.

Three-fourths of the taxpayers would be taxed at 14 percent. Its sponsors say two-thirds of the taxypayers would pay less than under the present system, 20 percent the same and 15 percent would pay more. The shifts would be slight, not intended to redistribute income.

Bradley-Gephardt would retain the deductions or exemptions for home mortgage interest, charitable contributions, employee business expenses, state and local taxes, Social Security and veterans' benefits and interest on municipal bonds.

By lowering the top rate from 50 percent to 28 percent, it would reduce bracket creep and the disincentive to earning more. It would shift taxpayers' attention from finding tax shelters to earning more income. It would simplify returns, reduce loopholes and cut down on tax dodging.

It is not perfect. By eliminating the lower rate for capital gains, it could reduce incentive to invest in risk ventures such as starting or expanding a business.

But politically, at least, something like Bradley-Gephardt has a chance in this decade.

[From the Longmont (Colo.) Times-Call, July 7, 1982]

FLAT INCOME TAX RATE PICKS UP POLITICAL STEAM

Don't hold your breath, but the possibility of a flat rate income tax is receiving favorable consideration by both the Republican and Democrat factions of government.

The vastly simplified program also is receiving cautious support from President Reagan. He told an audience last night that he believes taxpayers are "pretty fed up" with the complexities of the current system, which, he said, sometimes can't be explained even by the Internal Revenue Service.

Certainly the long-suffering and over-burdened American taxpayers have asked for years why there cannot be a more simplified system of assessing and collecting personal and corporate income taxes. The adoption of a more basic, across-the-board income tax level could sweep away tax shelters and thousands of tax-saving maneuvers, and even give the economy a boost. A recent commentary by the Wall Street Journal speculated that the present code, with its steep progressivity and "exceptions," hurts the economy. Double taxation of savings and investments penalizes things that should be encouraged. The Journal also notes the present tax program has "murderous marginal rates which diminish incentives to work, save and invest, while creating incentives to evade the law."

One general proposal has been forwarded by Senate Finance Committee chairman Robert Dole, R-Kan. He expects his committee to consider proposals to flatten the rate. A similar modified proposal was endorsed by the Democrats at their mid-term conference in Philadelphia last week.

Sen. Bill Bradley, D-N.J., and Rep. Richard Gephardt, D-Mo., have proposed a different modification reducing the top rate of 50 percent to 28 percent, which would apply to joint returns of more than $65,000. Many tax shelters would be eliminated, but the Bradley-Gephardt plan would continue deductions for charitable contributions, home mortgage interest, employee business expense, state and local income and real estate property taxes, Social Security and veterans' benefits and general obligation bonds. If these present deductions were lost, sponsors fear many inequities could result.

In 1979, Glenn Walker, a partner in the certified public accounting firm of Pannell Kerr Forester and Co., presented many similar proposals in a booklet. He also urged closing virtually all tax loopholes. He urged two tax rates: a 3 percent gross income tax and a 20 percent net income tax which would be applied equally to all taxpayers. Individuals and corporations which had net losses instead of net income would receive refunds via a negative income tax. Half of the 20 percent net income tax would be returned to the states, if they eliminate their income, gift and inheritance taxes. This would eliminate all related state tax forms.

Enthusiastic and careful consideration should be given to these proposals. In many ways it would be a revolution, because the new name of the game would be to earn and save. Today, much of the game is to beat the tax by utilizing hundreds of costly, complicated and annoying routes.

[From the Woodbury (N.J.) Times, July 8, 1982]

WANTED: A TAX PLAN THAT'S SIMPLE, FAIR

The federal government could add billions of dollars a year to the Treasury without it costing American taxpayers another cent. How? By making it easy to pay income taxes.

Because tax forms are so complicated, and in the hope of milking every last deduction, more than half of Americans pay someone else to fill out their federal tax forms. If the forms were simple, the government could collect what is paid to income tax preparers and it wouldn't cost the taxpayers a bit more.

What is more, simplification of federal taxes could make taxes fairer, shifting more of the burden to the wealthy. Proposals to achieve these benefits, and more, are numerous. Generally they go under the name of a "flat tax," since they are based on the idea of taxing all Americans at the same rate.

A plan supported by New Jersey Sen. Bill Bradley, a Democrat, along with Rep. Richard Gephardt, D-Mo., was endorsed by delegates attending the recent Democratic mini-convention in Philadelphia. It has a number of things going for it, and some version of it should be adopted by the Congress.

The Bradley-Gephardt plan is not strictly a flat-tax. The proposal does call for a tax of 14 percent on income up to $25,000 a year for single taxpayers and up to $40,000 for married taxpayers. Above those incomes, however, a graduated surtax of from 6 to 14 percent would be added. The top rate would be 28 percent, instead of the current 50 percent.

The standard deduction for each member of the family would be increased but itemized deductions would be greatly restricted. Income exclusions would be allowed only for Social Security and veterans' benefits. Virtually the only deductions permitted would be for charitable gifts, home mortgage interest, some medical expenses and state and local income and property taxes.

Some flat-tax proposals eliminate all deductions, but the Bradley-Gephardt plan retains those claimed by most taxpayers. These few basic deductions should improve the chances of getting the program through the Congress.

Since the plan severely limits the range of income-tax brackets, the problem of inflation-caused "bracket creep" would largely be solved. And while those with higher incomes would have to pay more, Bradley thinks they would be glad to get rid of the headaches caused by trying to avoid taxes under the currently complex rules.

No one likes to pay taxes. The American people, however, would like a tax plan that is simple and fair. Working people are tired of hearing about upper-income Americans who pay little or no federal income tax. They want a system they can understand without hiring a tax specialist.

The Bradley-Gephardt plan would go a long way toward fulfilling those desires.

[From the Atlantic City (N.J.) City Press, July 9, 1982]

A FLAT-RATE TAX

President Reagan's comment this week that a flat-rate income tax is "something worth looking into" is a sentiment probably echoed by millions of American taxpayers.

The flat-rate income tax proposal was offered last month by Sen. Bill Bradley, D-N.J., and was reported recently as becoming "Washington's most fashionable policy question." In the months ahead, the flat-rate tax proposal will be aired at hearings in Washington and will become a major news topic nationally.

The proposal calls for a simplified tax system—a system so simple, in fact, that some critics claim it won't work. But Bradley insists there is growing bipartisan support for his measure and during a visit to Atlantic City last month he seemed confident of its ultimate passage.

The plan as proposed is designed to greatly simplify the federal income tax system and at the same time reduce federal income tax rates without decreasing government revenues or swelling government deficits.

The tax rate for the rich would be lowered but the present loopholes that benefit the rich would be eliminated so that middle-income taxpayers would be paying a fairer share of federal taxes.

Gone would be most of the deductions, tax subsidies, credits for political contribu-

tions, casualty and theft losses, earned interest and dividends, life insurance savings and disability pay.

Retained would be deductions for charities, home mortgage interest, some medical expenses, state and local income taxes and property taxes, Social Security and veterans' benefits.

The new flat-rate tax plan would replace a system that has become annoyingly complicated and perplexing to many Americans. New tax forms would be no more than a single sheet of paper.

According to Bradley, nearly 75 percent of the 103 million taxpayers in this country would pay no more than 14 percent. And nearly 20 percent would see tax increases because of lost loophole benefits.

Bradley concedes that those who stand to lose are the wealthy and the powerful, those capable of mounting a well-organized and well-financed campaign against the proposal. But he insists that in the final analysis the plan will appeal even to its critics and will receive widespread support across the nation.

It's still too early to tell just how popular the flat-rate tax plan may prove to be, but chances are that at this point, most Americans would agree with the president: "it's something worth looking into."

[From the Seattle Post-Intelligencer, July 12, 1982]

FLAT-RATE TAX GAINS SUPPORT

Like the weather, reform of the federal income tax system is something everyone talks about but no one does anything about.

Lately there has been increasing talk about adopting a flat-rate income tax and scrapping the existing complicated and convoluted system of deductions, credits and exclusions.

Much of the momentum for a flat-rate tax comes from so-called middle-class Americans, who justifiably complain they are bearing a disproportionate share of the tax burden while the very wealthy beat the system with tax shelters, high-priced lawyers and accountants.

The Democratic party at its recent Philadelphia conference went on record as saying a simplified flat-rate tax should be considered. But it's not a one-party issue. Oregon's Republican Sen. Mark Hatfield is a leading supporter of the concept and President Reagan has called it "a very tempting thing" that ought to be considered.

In its purest form, a flat-rate system would impose a tax of 15 or 20 percent on everyone regardless of income. Theoretically, it would greatly simplify the task of filling out tax returns and calculating taxes, while assuring that those with the same incomes pay comparable taxes.

It also would eliminate such horrors as "bracket creep," which increases taxes when salaries, nudged upward by inflation, push taxpayers into higher tax brackets, and the marriage penalty which results when couples combine incomes and move into higher brackets than they would had they remained single.

The strongest opposition to a flat-rate system comes not from conservatives but from liberals, who fear a flat rate would reduce the taxes of most people in higher brackets while raising them for most in lower brackets.

Sen. Bill Bradley (D-N.J.) and Rep. Richard Gephardt (D-Mo.) would deal with this problem through four flat, but progressive, rates. Those with adjusted gross incomes below $25,000 or joint returns of $40,000 would pay a 14 percent tax, covering 80 percent of taxpayers. Those at the other end of the spectrum with individual incomes over $37,000, or joint returns of $65,000, would pay a top rate of 28 percent.

Sen. Bob Dole (R-Kan.), Senate Finance Committee chairman, said last week it will take "a groundswell of public support" to enact a flat-rate tax.

Anyone interested in joining a groundswell?

[From the Hackensack (N.J.) Record, July 14, 1982]

BEWARE THE FLAT TAX

Jeff MacNelly's editorial cartoon on this page illustrates the seductive appeal of the newest Washington buzz word, "flat tax." Let's hear it for simplicity! Throw out all the credits and exemptions, the shelters and the depletion allowances, and go back to something everyone can understand. Both President Reagan and the Democratic Party (at its recent midterm convention in Philadelphia) have given the idea their blessing. How can it miss?

Unfortunately, it isn't all that simple. To begin with, the flat-tax idea comes in half a dozen different packages, not all of them alike. (In that respect it's like the proposed nuclear freeze—one version of which calls for a moratorium, another for an arms race.) Conservatives—presumably including the president, though he hasn't formally issued a proposal—call for a tax much like the one in the MacNelly cartoon: a fixed percentage of all but the first $2,000 or $3,000 of your income, no matter how much you make. Liberals—specifically Sen. Bill Bradley of New Jersey and Rep. Richard Gephardt of Missouri—call for a flat tax on incomes below $40,000, with exemptions for poor taxpayers and surtaxes for rich ones.

The goal of simplifying the tax system is admirable. So is the idea of abolishing the dozens of preferences that Congress has added to the system over the years at the behest of special-interest groups. Many of these loopholes never made any sense to begin with. Some are manifestly unfair. (If you own a summer place in the Hamptons, why should your fellow taxpayers be paying part of the mortgage interest?) They've allowed many corporations and millionaires to escape taxation altogether, fomenting widespread contempt for the tax system and encouraging many middle-class taxpayers to cheat. Together, they cost the public a quarter of a trillion dollars a year. And, cost aside, they are bad for the economy; they encourage people to invest their money in unproductive tax shelters like time-sharing condominiums and wildcat oil wells.

The conservatives' flat-tax proposal would do away with these preferences. But it would create a gigantic new preference for the rich—a very low tax rate on very high incomes. A flat tax of 11.8 percent (according to a study by the Brookings Institution, a Washington think tank) would raise as much money as the present system. But under it, poor and middle-class taxpayers would pay a great deal more than they're paying now; persons with incomes over $200,000 would enjoy a 53 percent reduction.

By contrast, the Bradley-Gephardt proposal would retain the progressive nature of the present system. Because of the surtaxes on income above $40,000 nobody would get a break just for being wealthy; the system would still be based on ability to pay. Their proposal would also retain several of the most popular tax breaks—the deductions for mortgage interest and state income taxes, for instance.

Senator Bradley has said that most of us would wind up paying less than we pay now, but that those who take a large number of special deductions and exemptions might find themselves paying more. It is, in truth, a modest proposal—aimed at simplifying the tax system, stripping away its most egregious encrustations of privilege, and ending the wasteful practice of tax-shelter investment.

So when you hear a politician touting the "flat tax," listen carefully. He might be promoting a good idea or a monstrously unfair one. The true flat tax, the one on Jeff MacNelly's blackboard, is in the second category. The Bradley-Gephardt proposal is the one to support.

[From the St. Louis Post-Dispatch, June 9, 1982]

A FAIRER INCOME TAX?

(Gleaned from the New York Times)

As many Americans keep saying, it's a poison in the body politic. Who can respect an income tax system that allows many wealthy citizens to pay little or no tax yet claims close to half the marginal earnings of the middle class? Who can defend a tax code so complicated that even the most educated family needs a professional to decide how much it owes?

Unpopular as it is, however, the income tax system has been remarkably resistant to improvement. President Reagan's tax package will eventually roll back rates to the level of the late 1970s, but it will not simplify the code or rid it of provisions that penalize hard work and reward unproductive investment. No wonder that skeptical politicians rank serious tax reform with gun control and free world trade—as worthy causes unworthy of the time of realists. The skeptics may yet be proved wrong. The obstacles to reform are no less daunting than they were a decade ago. But Congress is beginning to see that the public's tolerance is not unlimited; disaffection is great, cheating has increased. If any reform has a chance, it is the fresh start proposed by Sen. Bradley of New Jersey and Rep. Gephardt of Missouri.

Federal income taxes now claim only 12 percent of all personal income. But the income base that is taxed has been so eroded by exceptions and preferences that the rates on what is left to tax must be kept high. Thus, the tax on an extra dollar of income for a typical family earning $20,000 is 28 percent and progressively higher for the more affluent. The urge for reform, therefore, usually attacks the most egregious exemptions in the code, to exploit popular resentments and to enlarge the tax base.

But a diffused public outrage has been no match for well-funded special interests. So a new generation of reformers aims to rebuild the income tax base from scratch. It hopes to simplify the tax code and sharply lower the marginal tax rates for all.

The most dramatic fresh start, without changing the total amount collected, would be a flat-rate tax levied on a greatly broadened income base. Sen. Helms of North Carolina would rid the law of virtually every tax preference and tax all income at about 12 percent. Rep. Panetta of California would retain a few preferences and tax at a flat 19 percent. Either approach would greatly improve the efficiency of the system, simplifying calculations and increasing the incentive to earn. But the price of

simplicity in such a flat-rate tax is an enormous redistribution of income.

According to the Congressional Budget Office, Mr. Helms' plan would raise the burden on those earning $5,000 to $10,000 by 147 percent—while decreasing the total paid by families in the $100,000 to $200,000 range by 47 percent. Mr. Panetta would fully protect the poor but would still be increasing the burden on middle-income families.

Lacking this radical simplicity, but preserving the present balance of pain, is the Bradley-Gephardt plan. It would continue to permit a few politically sensitive deductions, like home mortgage interest and contributions to charity. But more affluent families would pay a surcharge on these preference items. Also, the marginal tax rate would increase with income, topping out at 28 percent for those earning more than $37,000.

Unlike a flat tax, Bradley-Gephardt would thus not mix tax reform with redistribution: no income class would benefit at the expense of any other. But dozens of tax exemptions would be eliminated; most would pay tax on almost all types of income. The average citizen could thus figure his own taxes and figure that his neighbor was also paying a fair share.

Neither a flat tax, nor a sophisticated hybrid like Bradley-Gephardt, would be easy to enact. Hardly anyone objects to the idea of simplificaton; but almost every voter aims to protect a favorite piece of tax-exempt turf. Investors want preferences for capital gains; working parents want deductions for child care; Americans abroad want foreign income exclusions, and so on. All exclusions can find their justification. But by cumulatively narrowing tax base, all contribute to making the income tax code a disaster.

The issue, then, is whether Congress can muster the vision to look to the common interest. The hurdles are formidable, but so are the potential benefits: a return to fairness and faith in a system that lies at the heart of responsible government.

[From the Asbury Park (N.J.) Press, June 16, 1982]

A SANER TAX CODE

Congress may not recognize what is happening, but the nation's taxpayers are rebelling.

The rebellion is manifest in the degree of cheating on federal income tax returns—at a cost of about $87 billion to the national treasury in 1981. If every individual and business taxpayer had complied with the letter of the tax laws, there would have been enough revenue to cover the $58 billion federal deficit last year and produce a $29 billion surplus. That is, if Congress resisted the urge to spend every dollar it can.

Working Americans, unschooled in the intricacies of economic prognostication, can only speculate about the potential effect of a $29 billion surplus on the economy, but there is no doubt it would have been beneficial.

When our elected representatives in Washington finally realize that the cheating is a byproduct of the nightmarish internal revenue code, they may summon the courage to adopt a single-rate income tax without loopholes. Unless, of course, they choose to ignore the mood of rebellion. A simplified tax system would evoke howls of anguish from lawyers and accountants; Congress must disregard them. Special-interest groups, benefitting from the inconsistencies and inequities incorporated into the code since it became law in 1913, would press the lawmakers to maintain the status quo, pressure that must be resisted.

The current code taxes "taxable" income at rates ranging from 12 to 50 percent, the rate increasing as income rises. Income considered "taxable" is that remaining after all exemptions, deductions and special allowances are excluded. Many of these exclusions are made possible by loopholes Congress has failed to close. These loopholes are responsible for perceived or real inequities in the system.

Several single-rate proposals have been introduced in Congress. They would tax all income at a single rate, generally between 10 and 20 percent, depending on the specific legislation. The plan offered by Sen Bill Bradley, D-N.J., for example, would install a flat-rate tax ranging from 14 to 28 percent. This may be one of the plans with the best chance for enactment; Bradley is chairman of a Senate Democratic advisory committee on the economy.

All the proposals include an exemption for each family. But there would be few, if any, deductions, such as those for home mortgage interest or state sales taxes. Nor would there by many special benefits for business and industry, such as accelerated depreciation allowances. For example, Rep. George Hansen, R-Idaho, the chief sponsor of one bill, proposes a 13-percent rate with an exemption of $8,000 for a family of four. He estimates this would generate $300 billion in income tax revenue in 1983, the same as the present system.

Advocates of single-rate plans contend that the almost incomprehensible and inequitable internal revenue code encourages tax evasion. The tax return could be the size of a postcard instead of the intimidating forms that have spawned a new service industry, income tax form preparation. Administering and enforcing the internal revenue code costs the federal government—the taxpayers—about $50 billion a year. Simplifying the system could reduce that cost considerably.

Congress can no longer disregard the chaos generated by the internal revenue code. Immediate reform is mandatory.

[From the Trenton Times, June 15, 1982]

NEW LOOK IN TAXES

What Sen. Bill Bradley of New Jersey and Rep. Richard A. Gephardt of Missouri have written contains the outline of a Democratic tax plan that looks promising. They have introduced bills to close most of the tax loopholes and lower the tax rate to 14 percent for four out of five taxpayers.

The basic idea—an old one—is to make tax collection and paying simpler and fairer by eliminating most of the exceptions and special deals that make some dollars less taxable than others. That would increase the number of dollars being taxed, and allow the government to lower the amount of tax money collected on each dollar.

Although the idea is old, the interest in it in Congress is new. There are several similar versions floating around in addition to the Bradley-Gephardt bill. The sudden interest is a result of the coming together of several factors:

The growing feeling that taxes are unfair—that "the other guy always pays less"—which has weakened voluntary compliance with the code and caused a boom in the "underground economy."

Acceptance of the belief that, in Bradley's words, "High tax rates only serve to limit incentives to work more, to save more and to invest more." If that sounds like Republican Jack Kemp speaking, it's because both parties suddenly agree with what he was saying.

The inefficiencies of investment that loopholes encourage. Non-productive tax shelters get money needed by, for instance, the auto industry for re-tooling. Congress has been too inefficient to fine-tune incentives to get the most wanted investment decisions. We would do better to let people invest in good things rather than rig the returns to push them in certain directions.

And, related to that, Congress wastes too much time poking loopholes for its friends.

At a good guess, this won't be the year of reform for the tax code. But ideas like the Bradley-Gephardt bill are getting support from both the right and the left of the political spectrum. One year soon the U.S. will get a fairer, simpler tax law and stop heading—as it is now—in the direction of the European countries with the high tax rates that nearly everyone evades.

[From the Camden Courier-Post, June 14, 1982]

FIX FOR TAX FLIM-FLAM

Pehaps the nation is ready for income tax reform. Judging from the groundswell of interest in various "flat tax" proposals, it would seem so. The question is whether Congress is ready to grasp that nettle. We believe that Sen. Bill Bradley's thoughtful proposal is a sound basis for action. To help the process his exposition of the program (excerpted in yesterday's Forum) is recommended reading.

Some background: The United States introduced an income tax before World War I, and it remained only mildly progressive for 25 years (progressive describes the principle that tax rates rise with the ability to pay). It was only in World War II that it became the chief revenue source for federal government. Afterward, however, Congress began performing some fiscal flim-flam: It needed the revenues from a stiff income tax both to maintain a strategic superiority and to fund its social programs. So it kept income tax rates high and sharply progressive—the meanwhile creating a rat's nest of exemptions and tax shelters.

The result is the widespread perception that the rich and self-employed can avoid paying their share, while the rest of us not only bear the burden but have to wrestle with the tax code besides.

The Senator's proposal shares with the flat-tax plans the virtues of simplicity and economic stimulus. It differs in these key respects: (1) It will preserve the principle of progressivity, (2) It will not throw out such needed exemptions as for charity or mortgage interest with all the special-interest provisos; (3) It will lend itself to an open and thorough examination of governmental priorities in the drafting of an annual budget.

The basic idea is to combine a 14-percent flat tax on the first $20,000 ($40,000 for joint returns) with a graduated, three-step surtax on higher incomes. Low-income taxpayers will be protected by increasing personal exemptions to $1,500 each and the basic deduction from $3,400 to $4,600 in joint returns.

No income would be taxed higher than 28 percent, thus eliminating the need for a special, capital-gains category.

Senator Bradley forthrightly concedes that some taxpayers will be losers—those

that now exercise tax-avoidance options in the existing law. He suggests they might be willing to pay somewhat higher taxes just to avoid the headaches.

The Senator says his staff has simulated his plan on computers programmed with tax data, and that his proposals will produce the same revenues as the existing system—if one can call it that. His trade-off of a flattened tax curve for an end to all those special exceptions bears study. It need not be accepted wholecloth to be worthy of Congress' attention. Clearly the present system serves neither the cause of equity nor sound fiscal policy.

[From the Vineland (N.J) Times Journal, June 23, 1982]

TAX SYSTEM OVERHAUL

The displeasure, anger and resentiment continues all year long and hits a crescendo in April—income tax time.

Many Americans expect to pay their fair share of taxes, but they are annoyed at loopholes worked into the tax laws for political and economic engineering. Recently, after a public furor the U. S. attorney general withdrew a $64,000 exemption based on a $16,000 investment.

U.S. Sen. Bill Bradley, (N.J.), is promoting a plan to end most of those perfectly legal shenanigans. He would assess single persons making less than $25,000 and couples earning less than $40,000 at a flat 14 percent rate. There would be few exemptions

Under the Bradley plan, taxes would be cut for 60 percent of the population without a decline in federal revenues. Nearly 20 percent would pay more because they now are taking advantage of loopholes. A surtax of 6 to 14 percent would be added to individuals making more than $25,000 and couples earning more than $40,000. Many, however, would come out ahead despite the surtax.

Some of those people are now paying 40 to 50 percent of their gross income in taxes.

The proposal is aimed primarily at loopholes in the tax laws. Some exemptions, such as business expenses, mortgage interest. Charitable contributions, state income taxes and Social Security and veterans benefits, would be retained. Gone would be a whole list of exemptions worked into the law over the years by pressure groups and lobbyists.

One exciting benefit would be simplification of the tax form which has grown into a literary monster. Another would be a new confidence in government.

"If people can understand the tax system—which they certainly cannot today with all the exclusions, deductions and loopholes—they will be more likely to support the tax system," says Rep. Richard Gephardt of Missouri, a supporter of the Bradley plan. "And with the growing size of the cash or underground economy, we need a system which has widespread support.

No doubt the proposal will be added to, subtracted from and refined when the Bradley bill goes to committee. In effect, the Bradley bill is an attempt to start the income tax all over again, but the danger is that the lobbyists and pressure groups will be back at the same old stands peddling their arguments for exclusions and loopholes. In 50 years, the Bradley tax law might resemble the 1982 law.

The proposal deserves scrutiny and debate, which it certainly will get from those who profit from today's loopholes.

[From the Willingboro (N.J.) Burlington County Times, June 16, 1982]

WHAT TAX CUT? IT'S TIME FOR REFORM

Remember the 10 percent income tax cut that was supposed to put extra cash in our pockets after July 1 so we could all do our bit to turn the economy around?

Well, according to a recent Treasury Department analysis, the money that's about to go in one pocket has already been taken out of the other. Higher Social Security taxes and the effects of inflation have already negated the taxbreak.

President Reagan and his supply-siders deserve credit for a good try. But the way this tax cut has been eaten up demonstrates that real tax reform must involve more than just tinkering with the rates.

More fundamental changes are needed—changes which would restore simplicity and fairness to a system so complicated and intimidating and so loaded down with special privileges that even the most conscientious and patriotic Americans view it with cynicism and dread.

The tax revolt is more than just a few self-proclaimed "tax rebels" who refuse to fill out 1040 forms and wage courtroom guerrilla warfare against the IRS. It's a multibillion-dollar underground economy and a growing conviction among ordinary Americans that the only way to beat the system is by cheating.

The public is angry and Congress is beginning to get the message. Numerous tax reform proposals are in the works on Capitol Hill.

The most dramatic call for rebuilding the tax code from scratch. All income would be taxed at the same percentage rate. Figuring our taxes would be simple, quick and easy.

Unfortunately, there is a basic flaw in most of the so-called flat-rate proposals. Their effect would be to shift the tax burden around, generally increasing the share paid by middle-income families.

One proposal that would provide simplicity without destroying the progressive nature of the graduated income tax system is a bill sponsored by New Jersey Sen. Bill Bradley and Rep. Richard A. Gephardt of Missouri.

The Bradley-Gephardt bill would eliminate most tax deductions except those for home mortgage interest, state and local income and property taxes, Social Security, veterans' benefits, charitable giving and some medical expenses. It would drop the tax rate to a flat 14 percent for single taxpayers with incomes up to $25,000 and for couples with incomes up to $40,000. Taxpayers with incomes above those levels would pay a higher marginal rate, which would peak at 28 percent. The measure also contains special features to protect taxpayers at the low end of the income scale.

Making things simpler will not be easy. But at least it is encouraging to see members of Congress giving serious attention to the need. The vanishing tax cut of 1982 should give the reform movement added impetus.

[From the Record (Bergen/Passaic/Hudson Counties, N.J.) June 13, 1982]

SIMPLE IS BEAUTIFUL

Wouldn't it be a relief to be able to make personal economic decisions—where to live, how to invest savings, when to prepare for retirement—without having to figure out first (with the help of an accountant and perhaps even a lawyer) what the income-tax implications of the decision will be? And wouldn't it be a pleasure to write out those April 15 checks to the Internal Revenue Service with the feeling that you weren't the only person in the country paying your lawful share of the tax? Wouldn't you like to see your tax rate lawered to 14 percent or less? And wouldn't you like to file your return on a computer punch card?

Those advantages might be the byproducts of a sweeping tax reform being promoted by Sen. Bill Bradley of New Jersey and Rep. Richard Gephardt of Missouri. Their larger purpose, they say, is to revitalize the economy with fresh injections of capital for modernized factories and new equipment—projects that should restore American competitiveness in world trade. One way to revitalize the economy is through a tax system that invites such investment, rather than penalizing it or encouraging investment instead of nonproductive tax dodges like timesharing condos in Moose Country or herds of exotic cattle.

Mr. Bradley and Mr. Gephardt would eliminate all but a handful of deductions, exemptions, and loopholes. The money thus saved would enable the government to cut the tax rate sharply to 14 percent for couples with incomes up to $40,000, to almost zero for families earnings less than $10,000. On amounts over $40,000 there would be a surtax—but in no event would it be more than 28 percent. The items that would remain deductible are home-mortgage interest, some medical expenses, state and local income and property taxes, and charitable donations. Income from state and municipal bonds, Social Security payments, and veterans' benefits would continue tax-free.

Some deductions would be hard to give up—the tax-free status of jobless and disability pay, the automatic exemptions for the elderly and the blind, deductions for pollution-control facilities, and Mr. Bradley's own tax credit for research and development. But most taxpayers would still come out ahead. Those who wouldn't, as the senator says, are "those who reduce their [reported] income through tax shelters."

As tax reformers through the years have found out—remember poor Jimmy Carter and the three-martini lunch?—it won't be easy to persuade special-interest groups to forgo their special tax perks. Nor will Congress willingly give up the power—often very useful—to use tax laws as tools to implement policy. But over the years, the tax laws have become so encrusted with exceptions that they are hardly subject to rational analysis. When wage earners consistently pay more in taxes than millionaires, the time has come for the thorough overhaul that Senator Bradley and Congressman Gephardt propose.

[From the Sunday Star-Ledger (Newark, N.J.), June 20, 1982]

TAX MAGIC

How about a federal income tax plan that's simple and fair, closes loopholes to the rich, eliminates bracket creep and reduces tax payments for about 65 percent of the populace?

Sounds like something fresh from the wand of Cinderella's godmother. But what it is, in fact, is a very real reform proposal being championed by Sen. Bill Bradley of New Jersey.

With the economy staggering, unemployment at a post World War II high, bankruptcies soaring and more Americans finding it increasingly difficult to catch a piece of the good life, Sen Bradley is convinced

that tax reform is an idea whose time has come.

"Our tax code," he said, "is far too complex as a result of repeated attempts to use it as a vehicle for political favoritism and social engineering. The average taxpayer must contend with pages and pages of intimidating forms and instructions. Even lawyers and accountants often cannot make sense out of the maze of deductions, exclusions and credits in the code."

In its place, the senator proposes a new tax structure that eliminates most deductions, drops the maximum personal tax rate to 28 percent from the present 50 percent and would place single taxpayers with incomes up to $25,000 in a 14 percent tax bracket. There would be only two intermediate taxing levels until the maximum 28 percent rate is applied on incomes of $37,000 for single taxpayers and $65,000 for married couples filing joint returns.

In order to bring total anticipated tax collections up to current levels, Sen. Bradley would eliminate many of the deductions permitted today. He would retain deductions for home mortgage interest and charitable contributions, for example, but end deductions for 60 per cent of long-term capital gains, interest on life insurance savings, disability pay exclusions and other more esoteric categories that created those properly condemned loopholes.

The New Jersey Democrat insists the elimination of deductions is necessary to provide the Treasury with the same total revenue collected under the existing law, but it is this feature of the plan that will surely generate controversy and resistence. Each of the classifications has its defenders and many have detractors. Reaching agreement will not be easy.

Sen. Bradley recognizes this problem and has set out on a voluntary campaign to sell the reform package, which he will soon introduce in the upper house. The legislation will be sponsored in the House by Rep. Richard Gephardt (Mo.). Companion measures are being prepared to bring the same principles of reform to the corporate tax code.

A drastic overhaul of personal income and corporate taxes is overdue. Simplicity and fairness must be restored to the structure before Americans lose patience with a system that panders to favoritism and often penalizes the honest, conscientious taxpayer.

Sen. Bradley has performed a valuable service in developing a comprehensive revision of the tax code, a promising legislative approach to a problem that demands attention. Congress will find the Bradley proposal a useful guide in its search for a solution.

[From the Philadelphia Inquirer, June 26, 1982]

TOWARD A FAIR FEDERAL TAX CODE

David Stockman, President Reagan's director of the Office of Management and Budget, says he wouldn't be surprised to see Mr. Reagan propose, in his next budget, getting rid of the progressive income tax and replacing it with a flat-rate tax in which all taxpayers would pay about the same percentage of their income. "It's very much our intention to move in that direction," Mr. Stockman told a group of reporters in Washington. "The President is highly sympathetic to the flat-rate, broad-based tax idea."

As a matter of fact, the administration already has begun moving in that direction with a Treasury study of the idea, which Treasury Secretary Donald T. Regan has described as "maybe the fairest tax of all."

Maybe, and maybe not. One classic definition of fairness was formulated in doggerel a few years ago by Sen. Russell Long of Louisiana, then chairman, now ranking Democrat, on the Senate Finance Committee.

"Don't tax you, don't tax me, tax that fellow under the tree."

To most Americans, though, the principle upon which taxation ought to be based is ability to pay, and the flat tax certainly flouts that. How can it be fair for the millionaire to pay the same rate, say 12 or 15 percent of his income, as a widow working to support herself and her two children at the current minimum wage of $3.35 an hour? How can it be fair for the heir to a great fortune, who never worked a day in his life, to pay the same rate as the coal miner, the shoe salesman in a store, the busboy and so on?

None of which is to say that the present system of federal taxation (or state and local taxation, for that matter) is a thing of beauty and a joy forever. To the contrary, more and more Americans are coming to realize that it is, as President Jimmy Carter described it, "a disgrace to the human race," and even more now than it was then, with the supply-side economic theory (or "trickle-down theory," as Mr. Stockman allowed himself to be quoted in that celebrated Atlantic Monthly article) embodied in Mr. Reagan's first budget, and his second.

Before Reaganomics the federal tax code was riddled with loopholes and jerry-built with shelters. The 1981 Economic Recovery Tax Act added more loopholes and built more shelters. Those, for the most part, gave the wealthy new ways to avoid paying their fair share of the tax burden, and, to make things more unfair for the average taxpayer, it is the upper-income people who gained the most out of those celebrated tax cuts.

Plainly, the system begs for reform, and more and more Americans are demanding it, but in what direction should reform move? Toward simplicity, yes—to the average American, wrestling with his Form 1040 is like wrestling with an octopus—but also toward fairness.

Sen. Bill Bradley (N.J.) and Rep. Richard Gephardt (Mo.) have worked out a plan that does go in the right direction. The Bradley-Gephardt plan would eliminate almost all tax preferences, such as those oil and gas gimmicks that allowed Attorney General William French Smith to shelter a large part of his income. It would keep such socially useful (and politically sensitive) deductions as those for home mortgage interest, some medical expenses, state and local income and property taxes, and Social Security and veterans benefits.

It also would allow the maximum tax rate to drop from 50 percent to 28 percent, encouraging productive investments to be made, and made on the basis of real value in the marketplace rather than the tax implications. For two-thirds of Americans, it would mean lower taxes.

Those who call themselves political realists may scoff, comparing the pursuits of fairness in the tax code to the pursuit of the Holy Grail—an adventure upon which idealists may embark but a goal never to be achieved. It is true that there are lots of dragons in the way; the special interests who benefit from all those loopholes and shelters and exemptions and gimmicks can always advance arguments to justify them and contribute through political action committees to the politicians who will protect them.

Yet if, as Sen. Bradley says, most of the nation's 103 million taxpayers believe the tax code is unfair and many "are losing respect for the integrity of the tax laws," that is a reality to which political realists who want to get elected, or re-elected, would do well to respond.

[From the New York Times, July 6, 1982]

FAIR'S FAIR BUT WHAT'S FAIR?

(By Tom Wicker)

Kenneth Sims, a defensive lineman who was the top choice in this year's National Football League draft, now has signed a contract that his agent says will yield him more than "any major executive at any major company will be making."

Few Americans will begrudge Mr. Sims, 22, such an income or the investments that Witt Stewart, the agent, says will make him "set for life" financially. Some people may well be angered, however, by Mr. Stewart's further disclosure that the lineman should not have to pay taxes for at least seven years "if everything goes well," and not much after that.

"You get him in good depreciable real estate, put him in municipal bonds and let it sit there," Mr. Stewart told wire service reporters when the contract with the New England Patriots was signed. "He shouldn't really have to pay taxes."

Unfortunately, not everyone is good at sacking quarterbacks or hitting home runs or playing rock music, or has the opportunity to dig oil wells or make big bucks in business. And only those who do can be "set for life" through the kind of investments on which little or no tax has to be paid—"tax preferences" if you have them, "loopholes" if you don't.

Public resentment of the spectacle of big incomes—individual or corporate—on which virtually no tax need be paid is one thing driving new political interest in tax reform. Another is the annual lost weekend or more that the small but honest taxpayer now has to devote to figuring out his Federal income tax. With all due respect to H. & R. Block, why should the tax code be more complicated than Einstein's theory? That complexity, together with the pervasive national sense that big money gets off lightly, probably also contributes to the growing problem of outright tax evasion.

For all these reasons, there's growing interest, even among some liberals, in the "flat-rate" tax proposals of supply-siders and conservatives. The $21 billion tax increase for 1983 just voted by the Senate Finance Committee reflects that interest, and budget director David Stockman recently told reporters that President Reagan "is highly sympathetic to the flat-rate, broad-based tax idea."

He would not be surprised, he said, "if it was part of next year's budget"—although he is alone, so far, in that speculation.

At their mid-term conference, Democrats also declared for a "fairer, simpler and more efficient" tax code, but advocated, instead of the flat tax, "a broad-based, low-rate" tax retaining some progressivity for upper income groups.

The main problem with a real flat-rate tax is that it abandons that long-held principle of progressive taxation—that the rich, with more ability to pay, should pay at higher rates. The result would be a massive redistribution of income, with more of the tax

burden shifted from the rich to the poor and middle class.

A flat-rate tax would eliminate exemptions or deductions of any kind, thus all "loopholes"—but that would be a disaster for the housing industry and for charitable contributions. Social Security and veterans' benefits would be taxed. On the other hand, a flat-tax also would eliminate "bracket creep," the marriage penalty and the ability of the rich to shelter income; it might even reduce tax evasion, due to its simplicity and appearance of equity.

That's why two of the most attractive younger Democrats—Senator Bill Bradley of New Jersey and Representative Rich Gephardt of Missouri—may have a winner in a new tax reform proposal that appears to combine the best features of the present and proposed systems:

It adopts the simple flat-rate idea yet preserves progressivity.

It saves the most popular deductions and exemptions yet kills the most notorious loopholes for the rich.

It would do the former by providing a flat 14 percent rate for all taxpayers earning up to $25,000, or $40,000 for married couples, and imposing progressive surcharges on those earning more, up to a maximum tax rate of 28 percent—compared to 50 percent now.

And it would do the latter by allowing exemptions for Social Security and veterans' benefits, and deductions for charitable contributions, home mortgage interest, state and local taxes and little else.

Senator Bradley, who plans a similar reform for the corporate tax, says revenues under the Bradley-Gephardt plan would be about the same as those under the Reagan tax bill enacted last year. Yet, he claims, 65 percent of all taxpayers would get an even larger tax cut.

If all this sounds too good to be true, it probably is. The plan apparently would not address the current deficit problem. Powerful lobbies will oppose, perhaps prevent, elimination of such loopholes as the deduction for intangible drilling costs—as well as most others. And, in fact, it's not easy to decide what's a "loophole" and what's a legitimate deduction that ought to be preserved.

Sorting that out could be the downfall of any bill that seeks a compromise between present complexity and promised simplicity.

[From the New York Times, June 6, 1982]

YES, THERE IS A BETTER INCOME TAX

As many Americans keep saying, it's a poison in the body politic. Who can respect an income tax system that allows many wealthy citizens to pay little or no tax yet claims close to half the marginal earnings of the middle class? Who can defend a tax code so complicated that even the most educated family needs a professional to decide how much it owes?

Unpopular as it is, however, the income tax system has been remarkably resistant to improvement. President Reagan's tax package will eventually roll back rates to the level of the late 1970's, but it will not simplify the code or rid it of provisions that penalize hard work and reward unproductive investment. No wonder that skeptical politicians rank serious tax reform with gun control and free world trade—as worthy causes unworthy of the time of realists.

The skeptics may yet be proved wrong. The obstacles to reform are not less daunting than they were a decade ago. But Congress is beginning to see that the public's tolerance is not unlimited; disaffection is great, cheating has increased. If any reform has a chance, it is the fresh start proposed by Senator Bradley of New Jersey and Representative Gephardt of Missouri.

Federal income taxes now claim only 12 percent of all personal income. But the income base that is taxed has been so eroded by exceptions and preferences that the rates on what is left to tax must be kept high. Thus, the tax on an extra dollar of income for a typical family earning $20,000 is 28 percent and progressively higher for the more affluent. The urge for reform, therefore, usually attacks the most egregious exemptions in the code, to exploit popular resentments and to enlarge the tax base.

But a diffused public outrage has been no match for well-funded special interests. So a new generation of reformers aims to rebuild the income tax base from scratch. It hopes to simplify the tax code and sharply lower the marginal tax rates for all.

The most dramatic fresh start, without changing the total amount collected, would be a flat-rate tax levied on a greatly broadened income base. Senator Helms of North Carolina would rid the law of virtually every tax preference and tax all income at about 12 percent. Representative Panetta of California would retain a few preferences and tax at a flat 19 percent. Either approach would greatly improve the efficiency of the system, simplifying calulations and increasing the incentive to earn. But the price of simplicity in such a flat-rate tax is an enormous redistribution of income.

According to the Congressional Budget Office, Mr. Helms's plan would raise the burden on those earning $5,000 to $10,000 by 147 percent—while decreasing the total paid by families in the $100,000 to $200,000 range by 47 percent. Mr. Panetta would fully protect the poor but would still be increasing the burden on middle-income families.

Lacking this radical simplicity, but preserving the present balance of pain, is the Bradley-Gephardt plan. It would continue to permit a few politically sensitive deductions, like home mortgage interest and contributions to charity. But more affluent families would pay a surcharge on these preference items. Also, the marginal tax rate would increase with income, topping out at 28 percent for those earning more than $37,000.

Unlike a flat tax, Bradley-Gephardt would thus not mix tax reform with redistribution: no income class would benefit at the expense of any other. But dozens of tax exemptions would be eliminated; most would pay tax on almost all types of income. The average citizen could thus figure his own taxes and figure that his neighbor was also paying a fair share.

Neither a flat tax, nor a sophisticated hybrid like Bradley-Gephardt, would be easy to enact. Hardly anyone objects to the idea of simplification; but almost every voter aims to protect a favorite piece of tax-exempt turf. Investors want preferences for capital gains; working parents want deductions for child care; Americans abroad want foreign income exclusions, and so on. All exclusions can find their justification. But by cumulatively narrowing the tax base, all contribute to making the income tax code a disaster.

The issue, then, is whether Congress can muster the vision to look to the common interest. The hurdles are formidable, but so are the potential benefits: a return to fairness and faith in a system that lies at the heart of responsible government.

Mr. DODD. Mr. President, as an original cosponsor of Senator BRADLEY's Fair Tax Act of 1982, I believe that this proposal constitutes an important step toward true tax reform. Without changing the total amount collected, the Fair Tax Act incorporates major changes in the tax code which would significantly reduce marginal tax rates, simplify the tax code, improve fairness, and increase its efficiency.

The American economy today is facing unprecedented challenges from within and without. A severe and deepening recession, postwar record unemployment, record interest rates and growing competition from abroad all dictate that we undertake numerous initiatives to restore economic vitality. Government must put its fiscal house in order. Industry must modernize and expand. Jobs must be created. Our trade relations with other nations must improve.

All of these tasks will require efforts on the part of Congress, the executive branch, industry, labor and academia. Most importantly, these efforts must have the support of the public.

However, the public has displayed a deep and growing frustration over the ability of Government to effectively discharge its responsibilities. Every President since L.B.J. has been out of office involuntarily, and pocketbook issues have played major roles. A persistent theme in all campaigns is the failure of Government to inspire faith in the electorate and this failure is cited as a major determinant of unacceptably low U.S. voter turnouts.

Our present tax system constitutes a particularly offensive example of Government out of control. Our present President successfully campaigned on an economic platform which had as its major plank the reduction of the tax burden on American citizens. Promises notwithstanding, however, passage of the President's program required adoption of even more complicated, inequitable and inefficient tax provisions. After abuses and revenue losses emanating from the Economic Recovery Tax Act of 1981 and some older provisions became all too obvious, the Senate followed up on the largest tax reduction in history by passing the largest peacetime tax increase in history—3 months before an election and during the worst recession since World War II.

This action was as inappropriate as it was inconsistent and hardly bodes well for an improvement in the confidence of American taxpayers.

I believe that the American people deserve better. I believe that it is possible to enact, in a timely manner, a tax program that is at once fair, simple, and efficient. The Fair Tax

Act accomplishes this task in the following manner:

The individual tax rate would be reduced to a flat 14 percent for single taxpayers earning up to $25,000 ($40,000 for couples). A progressive surtax ranging from 6 percent to 14 percent would be applied to incomes above these levels. The result would be a 28 percent maximum tax rate, down from the present 50 percent.

In order to protect low-income taxpayers, the personal exemption for single taxpayers would be increased from $1,000 to $1,500 (for joint returns, from $2,000 to $3,000) and the zero-bracket amount would be increased from $3,400 to $4,600 for joint returns.

Most exemptions, exclusions, credits, and deductions would be sharply reduced or eliminated. The six such provisions which would be retained reflect priorities of sufficient magnitude that they will require further independent examination so as to prevent those needs from going unaddressed.

Those six provisions are: The deductions for employee business expenses, home mortgage interest, charitable contributions, and State and local income and real property taxes, the exclusion of social security and veterans' benefits, and the exemption for interest on general obligation bonds.

I view the Fair Tax Act as an important first step toward meaningful tax reform, a step which will go a long way toward restoring taxpayer confidence in our system. Tax returns would be vastly simplified as numerous provisions are eliminated. Progressivity would be retained, through an expanded zero-bracket amount and personal exemption at the low end, and a surtax at the high end. Misallocation of investable resources and unwarranted opportunities for tax avoidance would be sharply curtailed. However, the job does not end here. Considerable work remains to be done in areas pertaining to corporate taxation.

Still, the Fair Tax Act represents a monumental tax blow for fiscal sanity, and I comment Senator BRADLEY and Representative GEPHARDT for taking this initiative and spending so much time and effort to fashion this approach.

I urge my colleagues to examine it closely and give it very favorable consideration.

Mr. PELL. Mr. President, I am pleased to join the distinguished senior Senator from New Jersey (Mr. BRADLEY) in his proposal for a basic reform of our Federal personal income tax system.

The legislation we are introducing today would achieve two major goals: It would vastly simplify our incredibly complex income tax code, and it would provide a drastic reduction in the income tax rates for virtually all Americans.

Our income Tax Code today is riddled with scores of exemptions, exclusions, deductions, and tax credits that have accumulated through decades of congressional action. Each of these deductions and credits was enacted by Congress, one at a time, for what appeared to be good purposes at the time. In some cases the deductions and credits represent nothing more than the ability of a powerful special interest to gain special treatment in our tax laws.

The cumulative effect of all of these provisions of the Tax Code has been a serious erosion of public faith and confidence in our tax laws, and a dangerous shrinkage in the tax base on which the solvency of our Government depends.

The proliferation of deductions, exclusions, and tax credits has led the average American worker to conclude, with some reason, that he may be the only one who is paying his fair share of the costs of Government, while others are reducing their taxes through these special provisions. This lack of trust in the fairness of our tax system demands decisive action to restore confidence by eliminating all but the most important of the income tax deductions.

The huge number of deductions and credits now permitted by our tax code has turned our collection system into a sieve. Billions of dollars in tax revenue leaks out through the dozens of holes punched in the tax system. As a result of this loss of revenue, it has been necessary to maintain relatively high income tax rates, up to a current maximum of 50 percent. Such high rates are undesirable because they do in fact discourage work, enterprise, and economic expansion and growth.

The legislation I have cosponsored today, by eliminating most deductions, will make it possible to reduce tax rates radically for all Americans. Under this legislation, most Americans would pay a tax rate of just 14 percent. Couples with incomes of more than $40,000 would pay a graduated surtax, but the highest tax rate would be just 28 percent for a couple with income of more than $65,000, compared with the current top tax rate of 50 percent.

As I have noted, this reduction in tax rates is made possible by the elimination of dozens of existing tax loopholes. But the most widely used and most justifiable tax deductions would be preserved. The bill would preserve most of the tax deductions commonly used by the average American while eliminating most of the exotic tax loopholes used primarily as tax shelters by the well off.

These are the major deductions that would be preserved and continued:

The zero-bracket amount, which would be increased from $3,400 to $4,600 for joint returns.

The taxpayer exemption, which would be increased from $1,000 to $1,500 for single returns; from $2,000 to $3,000 for joint returns; and from $1,000 to $1,750 for single heads of housholds.

The deduction for employer business expenses.

The deduction for home mortgage interest.

The deduction for charitable contributions.

The deduction for State and local income and real property taxes.

The exclusion of social security and veterans benefits.

The exemption for interest on general obligation bonds.

I want to emphasize that this is not a flat-rate tax plan. This proposal, while reducing tax rates for all taxpayers, and reducing the number of tax brackets to just four, does preserve a progressive income tax structure, with rates ranging from 14 percent to 28 percent.

I believe this modest progressive structure, at these relatively low rates, is essential if we are to preserve the principle of taxation on the basis of ability to pay. I have examined various flat-rate tax proposals that have been offered and in every case that I have seen these plans increase the tax burden for middle-income Americans. In some cases, the plans also increase the tax burden for lower income Americans. And in every case, these plans decrease the tax burden for those taxpayers who are most well off, most able to pay. I do not believe that would be fair, or acceptable to most Americans, and for that reason I support the Bradley tax simplification bill, instead of flat-rate tax plans.

Obviously, the key to the success of the Bradley tax simplification bill is the elimination of dozens of tax deductions, credits, and exclusions. I want to make it clear that I believe that most, if not all, of these deductions and credits which would be eliminated are for good and worthwhile purposes. I would oppose efforts to eliminate most of these if those efforts were made one at a time and not as part of a general plan to reduce both deductions and general tax rates.

Many of the existing deductions can be justified on the basis of equity, as long as all the other deductions also exist. But the general public and most individuals, I believe, will be better off if we can agree to eliminate most of these deductions all at once and thus make possible lower tax rates.

In cosponsoring this legislation, I want to make it clear that I do not agree with each and every provision. For example, the bill would eliminate the required holding period for investments to qualify for capital gains treatment. I would prefer making the holding period longer to encourage

real, long-term investment as opposed to speculative, short-term trading in the stock market.

I am convinced this legislation would make our tax system simpler, fairer, and less burdensome to individuals and to our economy.

I ask unanimous consent that a summary of the provisions of the legislation be printed at this point in the RECORD.

There being no objections, the summary was ordered to be printed in the RECORD, as follows:

FACT SHEET ON THE BRADLEY-GEPHARDT: FAIR TAX ACT OF 1982

THE CONCEPT

The legislation lowers marginal rates and broadens the tax base for non-corporate taxpayers by repealing and modifying most exclusions, deductions and credits available under current law.

It is designed to take effect in 1984, at which time it will raise approximately the same amount of revenues as existing law without any significant change in the income distribution.

The top tax rate is reduced from 50% to 28%. For 70% to 80% of non-corporate taxpayers, the top rate will be 14%. The only deductions, credits and exclusions retained are those which are generally available to most taxpayers or those which are needed to measure income or alleviate genuine hardship.

At the same time, the Fair Tax Act increases personal exemptions and the zero bracket amount for joint returns to provide more generous relief to low-income families.

By reducing marginal rates, repealing the investment tax credit and taxing all income the same way, the Fair Tax Act creates neutral tax laws which do not make judgments about the quality of investments. This will permit investors, workers and business executives to be more responsive to new trends and opportunities in the market. The new tax policy, therefore, will encourage more productive work, saving and investment as well as enhance incentives for risk-taking and innovation. It also will reduce disparities in effective tax rates among different industries and assets that exist under the current system. This will substantially improve the allocation of resources throughout the economy and facilities economic adjustment.

The Fair Tax's simplified rate structure also will largely eliminate the problems of bracket creep and the marriage penalty, which have remained insoluable under the existing system.

THE STRUCTURE

The Fair Tax consists of: A basic tax of 14% on taxable income and a progressive surtax on total income (adjusted gross income).

The rate schedules for the Fair Tax are as follows:

[In percent]

Adjusted gross income	Surtax rate	Combined tax rate (surtax plus 14 percent basic tax)
Single returns:		
Below $25,000	No tax	14
$25,000 to $30,000	6	20
$30,000 to $37,000	11	25
Over $37,000	14	28
Joint returns:		
Below $40,000	No tax	14
$40,000 to $55,000	6	20
$55,000 to $65,000	11	25
Over $65,000	14	28

Only about 20% of all taxpayers will be subject to the surtax.

The following provisions in the Internal Revenue Service Code are retained:

The zero bracket amount, which is increased from $3,400 to $4,600 for joint returns.

The taxpayer exemption, which is increased from $1,000 to $1,500 for single returns; from $2,000 to $3,000 for joint returns; and from $1,000 to $1,750 for single heads of households.

The deduction for employee business expenses.

The deduction for home mortgage interest.

The deduction for charitable contributions.

The deduction for state and local income and real property taxes.

The exclusion for Social Security and Veterans' benefits.

The exemption for interest on general obligation bonds.

The following provisions are repealed:

The exclusion for income earned abroad by U.S. citizens or residents.

Expensing of intangible drilling costs for oil, gas and geothermal wells.

Percentage depletion.

The tax exemption for industrial development or housing bonds issued after December 31, 1983.

Seven-year amortization for reforestation expenditures.

Five year amortization for pollution control facilities.

The general exclusions for interest and dividends and the exclusion for reinvested dividends from public utility stock.

The exclusion for interest on life insurance savings.

The deduction for 60% of net long-term capital gains.

The exclusion for employer-provided educational assistance, child care and group legal services.

The exclusion for unemployment compensation benefits.

The exclusion for disability pay.

The exclusion for employer-provided premiums on group term life insurance.

The deduction for second earners.

The regular investment tax credit.

The research and development credit.

The credit for rehabilitation of buildings.

The energy tax credits.

The elderly tax credit.

The political contribution tax credit.

The deduction for casualty and theft losses.

The deduction for adoption expenses.

The deduction for nonmortgage interest and other investment interest in excess of investment income.

The deduction for state and local taxes other than income and real property taxes.

The following provisions are modified:

The child care credit is converted to a deduction.

The exclusion for employer-provided health insurance is reduced by one-third.

The exclusion for up to $125,000 of gain on the sale of a house by a person aged 55 or over is retained for the normal tax, but not for the surtax (i.e., the gain would be taxed at a rate ranging from 6% to 14%).

The deduction for medical expenses is limited to expenses in excess of 10% of adjusted gross income. The separate deduction for up to $150 of health insurance is repealed.

A 14% tax is applied to the investment income of pension plans, individual retirement accounts and H.R. 10 plans.

Mr. BAUCUS. Mr. President, I am pleased to join as a cosponsor of S. 2817, introduced today by my distinguished colleague from New Jersey, Senator BRADLEY.

Senator BRADLEY's proposal is a much needed, comprehensive revision of the tax code. It is the product of many months of arduous work, thoughtful reflection, and countless discussions with tax experts of every political persuasion. In developing his proposal, Senator BRADLEY has performed a valuable service, and I commend him highly for his initiative. S. 2817 is a giant step toward restoring simplicity, fairness and equity, and economic efficiency to the tax system.

THE PRESENT TAX SYSTEM

Mr. President, taxpayers are disgusted. To an overwhelming majority of Americans, the tax code is too complex. It is impossible to understand. It is unfair. And it is inefficient.

It is not surprising that Americans have become disgusted with the present tax system. Such disgust is genuine and justified.

The facts speak for themselves.

Talk about complexity.

The Office of Management and Budget (OMB) estimates that nearly half of all Government-generated paperwork stems from tax forms, to the tune of about 650 million hours per year. According to the Internal Revenue Service (IRS), two-fifths or 40 percent of all individual returns are prepared by professional accountants or tax services.

Last year the IRS received a letter from a resident of Dallas, Tex., who expressed his frustration: "I can not figure out the tax form. It is too complicated. Just send me a letter telling me how much you would like, and I will think it over."

More and more Americans, I am sure, are thinking about sending similar letters.

Talk about unfairness and inequity.

The tax code is littered with a hodgepodge of subsidies, loopholes, credits, and misguided trickle-down economics. Tax loopholes—or tax expenditures, as they are sometimes called—have grown from 50 in 1967 to 104. Tax loopholes now cost $270 billion per year—an increase of 750 percent since 1967.

Left untouched, these tax loopholes are estimated by the Joint Tax Committee to cost some $450 billion in

1987. To put it differently, for every $1 the Government collects in 1987 in individual income taxes, it will forego $.86 because of tax loopholes. For corporate taxpayers, the data are even more extreme: $1.88 lost because of loopholes for every $1 collected in 1987.

Who benefits from these loopholes or tax expenditures?

In fiscal year 1982 tax expenditures to corporations and individual taxpayers totaled about $270 billion. Corporations—primarily very large corporations—received about one-third, or $90 billion, of the tax expenditure pie. The remainder, about $180 billion, was split among the one-third of individual taxpayers who itemize.

Fully 70 percent of Americans were not able to partake of this largesse.

Even if all taxpayers could enter the tax expenditure sweepstakes, not all taxpayers would benefit equally. The value of tax expenditures increases in proportion to a taxpayer's marginal tax rate, the rate on the last increment of income. In tax jargon it is called the "upside down effect."

Take two couples, the first has an income of $100,000, while the second earns $25,000. The marginal rate for the first couple is 50 percent, while for the second couple, it is 25 percent. For every $1 in tax expenditures, the first couple receives $.50, while the second less wealthy couple receives $.25.

Mr. President, I do not fault those who try to reduce their tax liability by taking advantage of the numerous tax expenditures that dot the landscape of the Tax Code. Congress enacted them. Many of them are in response to the legitimate needs of the diverse groups that make up America. Many of them are, no doubt, worthy. In short, Mr. President, we live in a complex society and the tax system, with its myriad of provisions, reflects that complexity.

But the fact remains that, however worthy many tax expenditures may be, they have produced a top-heavy tax system that is becoming its own worst enemy.

Increasingly, people perceive that—and justifiably so, in my opinion—the tax code is a system to be used by, for, and of special interests.

Robert J. Samuelson of the National Journal, observed that people see Tax Code as "a vehicle for social engineering and political favoritism. It is tinkered with and twisted to satisfy the gripes and self-pleading of any group that can hire a clever tax attorney and publicist to make its case."

The destructive logic of the tax expenditure process is clear. As Mr. Samuelson notes, "every special provision means that general tax rates go higher and that more groups, seeing others with tax breaks, are encouraged to seek similar treatment."

People believe that everyone uses the tax code to advantage but them. They think the rich are using it to get richer, while the average taxpayer gets poorer. They believe the tax system is unfair because it is unfair.

There is perhaps no better testament to the perception that the tax system is unfair than the astronomical rise in the underground economy. According to the IRS, the tax compliance gap—taxes legally owed but not paid—rose from an estimated $23 billion in 1973 to $90 billion in 1980. Tax cheating is on the rise.

Moreover, I do not need to remind my colleagues what the $90 billion in lost revenues or the $270 billion in tax expenditure means to the economy and general welfare of the Nation. Were those revenues in hand, the budget deficits would be eliminated, interest rates would surely subside, and much would remain to provide a real tax cut for all Americans.

Mr. President, this brings me to my last point about the tax system. Not only is it complicated and unfair and inequitable, it is also notoriously inefficient.

The tax structure distorts investment decisions and misallocates scarce capital resources. It has contributed to an economy in which investment decisions are more often based on tax considerations than on economic merits.

A 1981 Federal Reserve Board study, Public Policy and Capital Formation, confirms this fact. It concluded that "the existing capital stock is misallocated, probably seriously, among sectors of the economy and types of capital, primarily because of distortion caused by inflation and U.S. tax laws. * * * As a result, capital is not applied to its most efficient uses. * * * The cost to the Nation has lessened productivity growth and reduced business output."

President Reagan's own Council of Economic Advisors in their 1982 Economic Report to the President clearly states the harm to the economy of the present tax code, including the administration's own accelerated cost recovery system (ACRS) enacted last year.

The Economic Report states:

> Federal subsidies to particular industries permit them to gain more access to productive inputs than is economically efficient, and deferential tax treatment of productive inputs can also result in economic inefficiency.

Probably nothing illustrates the economic inefficiency embedded in the tax code better than the "safe harbor leasing" provision adopted as part of last year's so-called Economic Recovery Tax Act (ERTA).

The function of a safe harbor lease is to sell tax benefits that cannot be used by one company to another company that has a tax liability. But according to a recent Joint Tax Committee staff analysis, 2 percent of the benefits from safe harbor transactions adopted prior to February 20, 1982, went as fees to third parties who arranged the leases. Only 75 percent of the tax benefits went to the intended beneficiaries. In other words, the amount received by those selling the tax benefits was 25 percent less than if they had received a direct check from the Treasury.

The economic inefficiencies and distortions that mark the tax system are a pox on our economy.

If we are to restore economic vitality to our Nation, we must begin by producing a fairer tax structure.

PRINCIPLES OF TAXATION

What do we want our tax system to do?

What criteria should guide us in developing a better tax structure?

Most tax experts would agree that there are several principles or goals that any tax system in a democracy should strive to achieve. These are: First, taxes should be clear and visible to the voters, so that the cost of Government and who pays it is known. Concurrently, taxes should be fair and equitable to insure that everyone pays a fair share and so that taxpayers perceive that the system is just; second, revenues should be adequate to support an appropriate level of public service; third, tax burdens should be distributed in line with ability-to-pay. That is, the tax structure should be progressive; fourth, ability-to-pay is best measured by a broadly defined income base. That is, taxpayers making the same amount of income, whatever its source, should be taxed equally; and fifth, the tax system should be neutral regarding investment decisions. That is investment decisions should be based upon economic considerations, not whether the tax system favors one type of investment over another.

Obviously, by these criterion, the present tax system is a mess. We have lost sight of the tax principles that were once the hallmark of our tax structure.

SALIENT FEATURES OF S. 2817

Now, what if we could return to those tax principles of yesterday?

What if we could have a Federal income tax system that's simple and fair, that closes most loopholes, that eliminates bracket creep, and that reduces tax payments for nearly 65 percent of the taxpaying public?

What if we could make personal economic decisions without first looking to see—with the help of an accountant or lawyer—whether the tax code will harm or encourage that decision?

Sounds like pie-in-sky, does it not?

Sounds like another simple, but wrong, quick-fix solution to a complex problem.

But it is not.

S. 2817 would vastly simplify the tax code, restore fairness and equity to the tax structure, and create tax laws that

are neutral with respect to individual judgments about the merits of economic investments.

Briefly, S. 2817, the Comprehensive Fair Income Tax Act, would: First, establish a basic tax rate of 14 percent on individuals with incomes up to $25,000 and couples with incomes up to $40,000, and impose a sliding surtax of 6 percent, 11 percent, and 14 percent on additional earnings, for a maximum rate of 28 percent; second, retain six tax expenditures, namely, the deductions for employee business expenses, for home mortgage interest, for charitable contributions, for State and local income and real property taxes, and the exclusion for social security and veterans' benefits, and the exemption for interest on general obligation bonds; third, eliminate most other tax expenditures; fourth, increase the zero bracket amount for joint returns; and fifth, increase the taxpayer exemption.

Mr. President, at the conclusion of my statement, I will ask unanimous consent to include a factsheet, with examples, on how S. 2817 would work.

What are the practical effects of S. 2817? Mr. President, they are substantial.

S. 2817 would:

First, make tax computation easier for all taxpayers, especially those in the low- and middle-income brackets; second, decrease marginal tax rates for nearly all taxpayers. Indeed, approximately 65 percent of all taxpayers would receive a tax cut in 1984 when the act is designed to go into effect; third, substantially simplify the tax forms and instruction by repealing most of the special tax loophole provisions; fourth, virtually eliminate "bracket creep" due to inflation by drastically reducing the number of tax breaks. For the same reason, the "marriage penalty" would be substantially cut; and fifth, retain the progressive nature of the tax system, which no other proposal now before the Congress does.

Mr. President, let us make no mistake. This bill is not a panacea. It will not cure in one fell swoop the serious economic ills that confront us.

It will not balance the budget. It is not designed to. The proposal is designed to collect as much revenue as would otherwise be collected under the law in 1984. To balance the budget, Congress must continue to look at the hard choices in domestic spending programs and in the defense budget.

Finally, this proposal is not a flat tax. It preserves the aggressive nature of the present tax system. Progressivity is at the heart of tax fairness and equity.

This proposal, however, would go a long way toward restoring public confidence in the tax system and, hence, in government itself.

CONCLUSION: THE STAKES

Mr. President, this proposal will not be easy to enact, as we all know. To dismantle the network of tax credits, exclusions, and deductions is a hazardous task. Nevertheless, I, for one, am encouraged by the proposal set forth today. I believe that it sets us clearly on the path of substantial and meaningful tax revision.

And let us make no mistake about the stakes. They are high. No public program is larger or affects more people than the tax system. No one, of course, likes to pay taxes. No one expects anybody to. But whether people respect the tax system determines to a substantial extent whether they respect government.

Mr. President, in the coming weeks and months, as this and other tax reform measures are considered, I intend to elaborate on the points I have made today. In the meantime, I ask unanimous consent that the following materials be included at this point in the RECORD: First, fact sheet on the Bradley-Gephardt comprehensive individual income tax proposal; second, an article from tax notes, "an overview of the issues concerning a flat-rate income tax;" third a summary of the flat tax bills now pending before the Congress; and fourth an article from the National Journal by Robert J. Samuelson, "From Here to There."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACT SHEET ON THE BRADLEY-GEPHARDT COMPREHENSIVE INDIVIDUAL INCOME TAX PROPOSAL

THE CONCEPT

This is a proposal to lower marginal rates and broaden the tax base by repealing or modifying most exclusions, deductions and credits available under current law.

It is designed to take effect in 1984, at which time it will raise approximately the same amount of revenues as existing law without any significant change in the income distribution.

The top tax rate is reduced from 50 percent to 28 percent. For 70 percent to 80 percent of American taxpayers, the top rate will be 14 percent. The only deductions, credits and exclusions retained are those which are generally available to most taxpayers or those which are needed to measure income or alleviate genuine hardship.

At the same time, this proposal increases personal exemptions and the zero bracket amount for joint returns to provide more generous relief to low-income families.

By reducing marginal rates, repealing the investment tax credit and taxing all income the same, the Bradley-Gephardt proposal creates neutral tax laws which do not make judgments about the quality of investments. This will permit investors, workers and businessmen to be more responsive to new trends and opportunities in the market. The new tax policy will, therefore, encourage more productive work, saving and investment as well as enhance incentives for risk-taking and innovation. It also will reduce disparities in effective tax rates among different industries and assets that exist under the current system. This will substantially improve the allocation of resources throughout the economy and facilitate economic adjustment.

The Comprehensive Tax's simplified rate structure also will largely eliminate the problems of bracket creep and the marriage penalty which have remained insoluable under the existing system.

THE STRUCTURE OF THE COMPREHENSIVE INCOME TAX

The Comprehensive Tax would consist of: A basic tax of 14 percent on taxable income and a progressive surtax on total income (adjusted gross income).

The rate schedules for the Comprehensive Tax would be as follows:

SINGLE RETURNS

Adjusted gross income	Surtax rate—percent	Combined tax rate (surtax plus 14 percent basic tax)—percent
Below $25,000	No tax	14
$25,000–$30,000	6	20
$30,000–$37,000	11	25
Over $37,000	14	28

JOINT RETURNS

Adjusted gross income	Surtax rate—percent	Combined tax rate (surtax plus 14 percent basic tax)—percent
Below $40,000	No tax	14
$40,000–$55,000	6	20
$55,000–$65,000	11	25
Over $65,000	14	28

Only about 20 percent of all taxpayers would be subject to surtax.

The following provisions in the Internal Revenue Code would be retained:

The zero bracket amount, which would be increased from $3,400 to $4,600 for joint returns.

The taxpayer exemption which would be increased from $1,000 to $1,500 for single returns; from $2,000 to $3,000 for joint returns; and from $1,000 to $1,750 for single heads of households.

The deduction for employee business expenses.

The deduction for home mortgage interest.

The deduction for charitable contributions.

The deduction for State and local income and real property taxes.

The exclusion for Social Security and Veterans' benefits.

The exemption for interest on general obligation bonds.

The following provisions would be repealed:

The exclusion for income earned abroad by U.S. citizens or residents (Sec. 911).

Expensing of intangible drilling costs for oil, gas and geothermal wells (Sec. 263(d)).

Percentage depletion (Secs. 613 and 613A).

The tax exemption for industrial development or housing bonds issued after December 31, 1983 (Secs. 103(b) and 103A).

Seven-year amortization for reforestation expenditures (Sec. 194).

Five-year amortization for pollution control facilities (Sec. 169).

The general exclusions for interest and dividends (Secs. 116 and 128) and the exclusion for reinvested dividends from public utility stock (Sec. 305).

The exclusion for interest on life insurance savings.

The deduction for 60 percent of net long-term capital gains (Sec. 1202).

The exclusion for scholarship and fellowship income in excess of tuition (Sec. 117).

The exclusion for employer-provided educational assistance (Sec. 127), child care (Sec. 129) and group legal services (Sec. 120).

The exclusion for unemployment compensation benefits (Sec. 85).

The exclusion for disability pay (Sec. 105(d)).

The exclusion for employer-provided premiums on group term life insurance (Sec. 79).

The deduction for second earners (Sec. 221).

Expensing of interest and taxes paid during the construction period of a building, which would instead be subject to 10-year amortization.

The regular investment tax credit (Sec. 38).

The R. & D. credit (Sec. 44F).

The credit for rehabilitation of buildings (Sec. 47(a)(2)(F)).

The energy tax credits (Sec. 44C, 46(a)(2)(c), 44D and 44E).

The elderly tax credit (Sec. 37).

The political contribution tax credit (Sec. 41).

The deduction for casualty and theft losses (Sec. 165(c)(3)).

The deduction for adoption expenses (Sec. 222).

The deduction for nonmortgage interest and other investment expenses in excess of investment income (Secs. 163 and 212).

The deduction for State and local taxes other than income and real property taxes (Sec. 164).

The following provisions would be modified:

The child care credit would be converted to a deduction (Sec. 44A).

The exclusion for employer-provided health insurance would be reduced by one-third (Sec. 106).

The exclusion for up to $125,000 of gain on the sale of a house by a person aged 55 or over (Sec. 121) would be retained for the normal tax but not for the surtax (i.e. the gain would be taxed at a rate ranging from 6 percent–14 percent).

The deduction for medical expenses (Sec. 213) would be limited to expenses in excess of 10 percent of AGI (Adjusted Gross Income). The separate deduction for up to $150 of health insurance would be repealed.

A 14 percent would be applied to the investment income of pensions plans, individual retirement accounts and H.R. 10 plans.

SINGLE TAXPAYER NO. 1

	1984 law	Proposal
Income: Salary	$15,000	$15,000
Plus:		
Employer paid health		400
Employer paid life		150
Equals: Adjusted gross income	15,000	15,550
Less: Exemption	1,000	1,500
Equals: Taxable income	14,000	14,050
Tax	[1] 1,801	[2] 1,645
Marginal tax rate (percent)	20	14

[1] From 1984 law tax rate tables.
[2] Taxable income less $2,300 zero bracket amount times 14 percent tax rate.

MARRIED TAXPAYER NO. 1

	1984 law	Proposal
Income: Salary	[1] $15,000	$15,000
Less: Two earner deduction	500	
Plus:		
Employer paid life insurance		400
Employer paid health insurance		150
Equals: Adjusted gross income	14,500	15,500
Less: Exemptions	4,000	5,000
Equals: Taxable income	10,500	10,550
Tax	[2] 889	[3] 833
Marginal tax rate (percent)	14	14

[1] Assumed $10,000 earned by one spouse, $5,000 by other.
[2] From 1984 law rate tables.
[3] Taxable income less $4,600 zero bracket amount times 14 percent tax rate.

SINGLE TAXPAYER NO. 2

	1984 law	Proposal
Income: Salary	$30,000	$30,000
Plus:		
Employer paid health insurance		400
Employer paid life insurance		300
Equals: Adjusted gross income	30,000	30,700
Less: Exemption	1,000	1,500
Equals: Taxable income	29,000	29,200
Tax	[1] 5,773	[2] 4,143
Marginal tax rate (percent)	34	25

[1] From 1984 law rate tables.
[2] Taxable income less $2,300 zero bracket amount times 14 percent rate, plus surtax (6 percent of AGI from $25,000 to $30,000, 11 percent of AGI over $30,000).

MARRIED TAXPAYER NO. 2

	1984 law	Proposal
Income: Salary	[1] $30,000	[1] $30,000
Less: Two earner deduction	1,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		300
Equals: Adjusted gross income	29,000	30,700
Less:		
Exemptions	4,000	5,000
Child care deduction		2,000
Equals: Taxable income	25,000	23,700
Tax before credit	[2] 3,565	[3] 2,674
Less: Child care credit	400	
Equals: Tax after credit	3,165	2,674
Marginal tax rate (percent)	25	14

[1] Assumed $20,000 earned by one spouse, $10,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $4,600 zero bracket amount times 14 percent tax rate.

SINGLE TAXPAYER NO. 3

	1984 law	Proposal
Income: Salary	$30,000	$30,000
Plus:		
Employer paid health insurance		400
Employer paid life insurance		300
Equals: Adjusted gross income	30,000	30,700
Itemized deductions:		
Mortgage interest	3,000	3,000
Property taxes	1,000	1,000
Sales taxes	250	
Income taxes	1,200	1,200
Medical insurance	150	
Charitable contributions	500	500
Total	6,100	5,700
Less: Zero bracket amount	2,300	2,300
Equals: Excess itemized deductions	3,800	3,400
AGI	30,000	30,700
Less: Exemptions	1,000	1,500
Less: Excess itemized deductions	3,800	3,400
Equals: Taxable income	25,200	25,800
Tax	[1] 4,625	[2] 3,667
Marginal tax rate (percent)	30	25

[1] From 1984 law rate tables.
[2] Taxable income less $2,300 zero bracket amount times 14 percent tax rate, plus surtax (6 percent of AGI from $25,000 to $30,000, 11 percent of AGI over $30,000).

MARRIED TAXPAYER NO. 3

	1984 law	Proposal
Income: Salary	[1] $30,000	[1] $30,000
Less: Two earner deduction	1,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		300
Equals: Adjusted gross income	29,000	30,700
Itemized deductions:		
Mortgage interest	3,000	3,000
Property taxes	1,000	1,000
Sales taxes	400	
Income taxes	1,000	1,000
Medical insurance	150	
Charity	500	500
Total	6,050	5,500
Less: Zero bracket amount	3,400	4,600
Equals: Excess itemized deductions	2,650	900
AGI	29,000	30,700
Less:		
Exemptions	4,000	5,000
Excess itemized deductions	2,650	900
Child care deduction		2,000
Equals: Taxable income	22,350	22,800
Tax before credit	[2] 2,970	[2] 2,548
Less: Child care credit	400	
Equals: Tax after credit	2,570	2,548
Marginal tax rate (percent)	22	14

[1] Assumed $20,000 earned by one spouse, $10,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $4,600 zero bracket amount times 14 percent tax rate.

SINGLE TAXPAYER NO. 4

	1984 law	Proposal
Income:		
Salary	$60,000	$60,000
Dividends	200	200
Less: Dividend exclusion	200	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		600
Equals: Adjusted gross income	60,000	61,200
Itemized deductions:		
Mortgage interest	4,800	4,800
Property taxes	2,000	2,000
Sales taxes	700	
Income taxes	3,000	3,000
Medical insurance	150	
Charitable contributions	1,500	1,500
Total	12,150	11,300
Less: Zero bracket amount	2,300	2,300
Equals: Excess itemized deductions	9,850	9,000
AGI	60,000	61,200
Less:		
Exemption	1,000	1,500
Excess itemized deductions	9,850	9,000
Equals: Taxable income	49,150	50,700
Tax	[1] 13,532	[2] 11,234
Marginal tax rate (percent)	42	28

[1] From 1984 law rate tables.
[2] Taxable income less $2,300 zero bracket amount times 14 percent, plus surtax (6 percent of AGI from $25,000 to $30,000, 11 percent of AGI from $30,000 to $37,000, and 14 percent of AGI in excess of $37,000).

MARRIED TAXPAYER NO. 4

	1984 law	Proposal
Income:		
Salary	$60,000	$60,000
Dividends	400	400
Less:		
Dividend exclusion	400	
Two earner couple deduction	2,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		600
Equals: Adjusted gross income	58,000	61,400
Itemized deductions:		
Mortgage interest	4,800	4,800
Property taxes	2,000	2,000
Sales taxes	800	
Income taxes	2,400	2,400
Medical insurance	150	

MARRIED TAXPAYER NO. 4—Continued

	1984 law	Proposal
Charitable contributions	1,500	1,500
Total	11,650	10,700
Less: Zero bracket amount	3,400	4,600
Equals: Excess itemized deductions	8,250	6,100
AGI	58,000	31,400
Less:		
Exemptions	4,000	5,000
Excess itemized deductions	8,250	6,100
Child care deduction		3,000
Equals: Taxable income	45,750	47,300
Tax before credit	[1] 9,755	[2] 7,582
Less: Child care credit	600	
Equals: Tax After Credit	9,155	7,582
Marginal tax rate (percent)	33	25

[1] From 1984 law rate tables.
[2] Taxable income less $4,600 zero bracket amount times 14 percent tax rate, plus surtax (6 percent of AGI from $40,000 to $55,000, 11 percent of AGI in excess of $55,000).

SINGLE TAXPAYER NO. 5

	1984 law	Proposal
Income:		
Salary	$60,000	$60,000
Long-term capital gains	40,000	40,000
Interest and dividends	20,000	20,000
Total	120,000	120,000
Less:		
Capital gain exclusion	24,000	
Dividend exclusion	200	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		600
Equals: Adjusted gross income	95,800	121,000
Itemized deductions:		
Mortgage interest	5,000	5,000
Other interest	5,000	2,500
Property tax	3,000	3,000
Sales tax	1,000	
Income tax	7,500	7,500
Medical Insurance	150	
Charity	5,000	5,000
Total	26,650	23,000
Zero bracket amount	2,300	2,300
Excess itemized deductions	24,350	20,700
AGI	95,800	121,000
Less: Exemption	1,000	1,500
Less: Excess itemized deductions	24,350	20,700
Equals: Taxable income	70,450	98,800
Tax	[1] 23,387	[2] 26,340
Marginal tax rate:		
Ordinary income (percent)	48.0	28
Capital gains (percent)	19.2	28

[1] From 1984 law rate tables.
[2] Taxable income less $2,300 zero bracket amount times 14 percent tax rate, plus surtax (6 percent of AGI from $25,000 to $30,000, 11 percent of AGI from $30,000 to $37,000, and 14 percent of AGI in excess of $37,000).

MARRIED TAXPAYER NO. 5

	1984 law	Proposal
Income:		
Salary	[1] $60,000	[1] $60,000
Long-term capital gains	40,000	40,000
Interest and dividends	20,000	20,000
Total	120,000	120,000
Less:		
Capital gain exclusion	24,000	
Dividend exclusion	400	
Two-earner deduction	3,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		600
Equals: Adjusted gross income	92,600	121,000
Itemized deductions:		
Mortgage interest	5,000	5,000
Other interest	5,000	2,500
Property tax	3,000	3,000
Sales tax	1,200	
Income tax	7,000	7,000
Medical insurance	150	
Charity	5,000	5,000

MARRIED TAXPAYER NO. 5—Continued

	1984 law	Proposal
Total	26,350	22,500
Less: Zero bracket amount	3,400	4,600
Equals: Excess itemized deduction	22,950	17,900
AGI	92,600	121,000
Less: Exemptions	4,000	5,000
Excess itemized deductions	22,950	17,900
Child care deduction		4,000
Equals: Taxable income	65,650	94,100
Tax before credit	[2] 17,541	[3] 22,370
Child care credit	800	
Tax	16,741	22,370
Marginal tax rate:		
Ordinary income (percent)	42.0	28
Capital gains (percent)	16.8	28

[1] Assumed $40,000 earned by one spouse, $20,000 by the other.
[2] From 1984 law rate tables.
[3] Taxable income less $4,600 zero bracket amount times 14 percent tax rate, plus surtax (6 percent of AGI from $40,000 to $55,000, 11 percent of AGI from $55,000 to $65,000, and 14 percent of AGI in excess of $65,000).

MARRIED TAXPAYER NO. 6

	1984 law	Proposal
Income:		
Salary	[1] 200,000	[1] 200,000
Long-term capital gain	400,000	400,000
Interest and dividends	400,000	400,000
Total	1,000,000	1,000,000
Less:		
Capital gain exclusion	240,000	
Dividend exclusion	400	
Two-earner deduction	3,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		2,000
Equals: Adjusted gross income	756,600	1,002,400
Itemized deductions:		
Mortgage interest	10,000	10,000
Other interest	100,000	50,000
Property tax	10,000	10,000
Sales tax	4,000	
Income tax	100,000	100,000
Medical insurance	150	
Charity	50,000	50,000
Total		220,000
Less: Zero bracket amount	3,400	4,600
Equals: Excess itemized deductions	270,750	215,400
AGI	756,600	1,002,400
Less:		
Exemptions	4,000	5,000
Excess itemized deducations	270,750	215,400
Child care deduction		4,000
Equals: Taxable income	481,850	778,000
Tax before credit	[2] 222,325	[3] 241,512
Child care credit	960	
Tax after credit	221,365	241,512
Marginal Tax Rate:		
Ordinary income (percent)	50	28
Capital gains (percent)	20	28

[1] Assumed at least $30,000 earned by lesser earning spouse.
[2] From 1984 law rate tables.
[3] Taxable income less $4,600 zero bracket amount times 14 percent tax rate, plus surtax (6 percent of AGI from $40,000 to $55,000, 11 percent of AGI from $55,000 to $65,000, and 14 percent of AGI in excess of $65,000).

MARRIED TAXPAYER NO. 7

	1984 law	Proposal
Income:		
Salary	[1] $200,000	[1] $200,000
Interest and Dividends	800,000	800,000
Total	1,000,000	1,000,000
Less:		
Dividend exclusion	400	
Two-earner deduction	3,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		2,000
Equals: Adjusted gross income	996,000	1,002,400
Itemized deductions:		
Mortgatge interest	10,000	10,000
Other interest	100,000	50,000

MARRIED TAXPAYER NO. 7—Continued

	1984 law	Proposal
Property taxes	10,000	10,000
Sales taxes	4,000	
Income taxes	100,000	100,000
Medical insurance	150	
Charitable contributions	50,000	50,000
Total	274,150	220,000
Less: Zero bracket amount	3,400	4,600
Equals: Excess itemized deductions	270,750	215,400
AGI	996,600	1,002,400
Less:		
Exemptions	4,000	5,000
Excess Itemized deductions	270,750	215,400
Child care deduction		4,000
Equals: Taxable income	721,850	778,000
Tax before credit	[2] 342,325	[3] 241,512
Child care credit	960	
Tax after credit	341,365	241,512
Marginal tax rate:		
Ordinary income (percent)	50	28
Capital gains (percent)	20	28

[1] Assumed at least $30,000 earned by lesser earning spouse.
[2] From 1984 law rate tables.
[3] Taxable income less $4,600 zero bracket amount times 14 percent tax rate, plus surtax (6 percent of AGI from $40,000 to $55,000, 11 percent of AGI from $55,000 to $65,000, and 14 percent of AGI in excess of $65,000).

MARRIED TAXPAYER NO. 8

	1984 law	Proposal
Income:		
Salary	$200,000	$200,000
Interest and dividends	800,000	800,000
Oil and gas partnership revenues	100,000	100,000
Less:		
Intangible drilling costs	1,000,000	100,000
Depletion	65,000	10,000
Total	35,000	990,000
Less:		
Dividend exclusion	400	
Two earner deduction	3,000	
Plus:		
Employer paid health insurance		400
Employer paid life insurance		2,000
Equals: Adjusted gross income	31,600	992,400
Itemized deductions:		
Mortgage interest	10,000	10,000
Other interest	100,000	50,000
Property taxes	10,000	10,000
Sales taxes	4,000	
Income taxes	100,000	100,000
Medical insurance	150	
Charitable contributions	50,000	50,000
Total	274,150	220,000
Less: Zero bracket amount	3,400	4,600
Equals: Excess itemized deductions	270,750	215,400
AGI	31,600	992,400
Less:		
Exemptions	4,000	5,000
Excess itemized deductions	270,750	215,400
Child care deduction		4,000
Equals:Taxable income	0	768,000
Tax before credit	0	238,712
Child care credit	960	
Tax after credit	0	238,712
Minimum tax	158,250	
Child care credit	960	
Total tax	157,290	238,712

MARRIED TAXPAYER NO. 9

	1984 Law	Proposal
Income: Salary	$30,000	$30,000
Less: Two earner deduction	$1,000	
Plus:		
Employer paid health insurance		$400
Employer paid life insurance		$300
Equals: Adjusted gross income	$29,000	$30,700
Itemized deductions:		
Mortgage interest	$5,000	$5,000
Property taxes	$1,500	$1,500
Sales taxes	$400	
Income taxes	$1,000	$1,000
Medical insurance	$150	

MARRIED TAXPAYER NO. 9—Continued

	1984 Law	Proposal
Charitable contributions	$500	$500
Total	$8,550	$8,000
Less: Zero bracket amount	$3,400	$4,600
Equals: Excess itemized deductions	$5,150	$3,400
AGI	$29,000	$30,700
Less:		
Exemptions	$4,000	$5,000
Excess itemized deductions	$5,150	$3,400
Child care deduction		$2,000
Equals: Taxable income	$19,850	$20,300
Tax before credit	$2,434	$2,198
Less: Child care credit	$400	
Equals: Tax after credit	$2,034	$2,198
Marginal tax rate (percent)	18	14

[From Tax Notes, June 21, 1982]

An Overview of the Issues Concerning a Flat-Rate Income Tax

(By Gregg A. Esenwein)

INTRODUCTION

The idea of a flat-rate or proportional income tax has generated considerable legislative and popular interest in recent months.[1] Many individuals, including some prominent tax experts, believe that the current income tax system has become a burden on the economy. They consider it to be far too complex, to provide too many tax breaks for upper income individuals and to promote economic inefficiencies. They see a flat-rate tax, on the other hand, as the antithesis of the current system, embodying the principles of simplicity, efficiency and fairness.

Much of the criticism of the current income tax system has some justification. It has become an extremely complex and unwieldy system. It may seem that over the years the main rationale for the income tax—to collect the revenue needed to operate the federal government—has been obscured in the pursuit of secondary goals.

However, most of the complexity of the current income tax system is a result of the desire to promote specific social goals which have broad-based constituencies supporting them. To give just two examples consider the cases of the deductibility of mortgage interest payments and charitable contributions. In each case the current income tax promotes what is widely viewed as socially acceptable and desirable goals, making home ownership more affordable to a majority of the populace and promoting charitable contributions.

Additionally, the current income tax structure reflects attempts to achieve what is perceived as an equitable distribution of the tax burden. Although these attempts have produced some inefficiencies in the economy, the benefits must also be taken into account. It should be kept in mind that adoption of a flat-rate income tax would in all probability entail a major redistribution of the tax burden.

To simplify the current income tax system, any proposal for a flat-rate tax would have to address these and many other similar issues. Given the difficult choices involved in adopting a flat-rate tax, the purpose of this report is threefold. First, the practical considerations of defining the appropriate taxable income base for a flat-rate tax are analyzed A discussion of the probable redistribution of the tax burden under each alternative income base is included. Second, the practical and theoretical issues surrounding a flat-rate tax are analyzed. Questions of behavioral responses, economic efficiency and equity are addressed. Third, an overview of recent legislative initiatives in the area of flat-rate income taxes is presented in an appendix.

I. ALTERNATIVE INCOME BASES FOR A FLAT-RATE INCOME TAX

The definition of the appropriate income base represents one of the more difficult issues faced by proponents of a flat-rate income tax. The flat tax rate needed to generate the required revenue will vary with the tax base used. The broader the tax base, the lower the necessary flat tax rate. There are three basic ways that a flat-rate income tax could be applied. It could be applied to the current law base of taxable income, adjusted gross income, or some expanded income concept. Each of the three income bases for a flat-rate income tax possess certain benefits and drawbacks.

Regardless of the income base used, the transition to a flat-rate income tax would affect the distribution of the tax burden. The precise change in the distribution of the tax burden would depend on the income base which is used. However, unless some form of low to middle income relief were included (say an exemption of a portion of income or a tax credit) a flat-rate income tax would produce a tax burden which would fall more heavily on lower to middle income taxpayers than the present tax system.

A. Taxable income

The drawbacks to using taxable income as defined in current law as the income base for a flat-rate tax are substantial. First, with taxable income as a base, the complexity of the current income tax system would be maintained. Itemized deductions and the treatment of investment income account for a substanial portion of the complexity of the current income tax system. If taxable income were used as the base, there would be little reduction in the complexity of the income tax system, since both of these items would be retained.

Second, taxable income is the narrowest of the potential tax bases. As a result, the flat-rate-tax which would have to be applied to taxable income to raise the required revenues would be quite high. This high flat tax rate would produce two results.

One, it would cause a substantial shift in the tax burden. Low to middle income households would experience major increases in both their effective and marginal income tax rates. Only the upper income households would experience reductions in their effective and marginal tax rates. Two, since the flat tax rate would be quite high, the benefits in terms of increased economic efficiency would be small. Only a small percentage of households would experience reductions in their marginal tax rates and these reductions would have a negligible effect on resource allocation.

The only benefit to using taxable income as defined in current law as the tax base is that it would avoid the dislocations that would occur if the current deductions and preferential tax treatment of certain income were curtailed.

B. Adjusted gross income

Adjusted gross income (AGI) would be a somewhat broader income base than taxable income. AGI is usually less than money income, because certain types of income are excluded in calculating AGI. For example, social security, railroad retirement, unemployment compensation and 60 percent of capital gains income are excludable from gross income. Additionally, certain other items such as contributions to individual retirement accounts can be excluded from AGI. AGI, while not as broad a tax base as a comprehensive income concept, would be a much broader tax base than taxable income (which allows exemptions and deductions from income).

AGI would allow use of a lower flat tax rate to raise the required level of revenues. However, there are still considerable drawbacks to using AGI as the income base.

First, the required flat-tax rate would probably still be higher than the tax rate faced by most low-middle income households under the current tax system. As a result, the distribution of the tax burden would shift toward the low to middle income groups. Second, the removal of itemized deductions would produce serious financial ramifications for middle income households. The economic behavior of these households has been heavily influenced by the deductibility of certain expenses such as interest on home mortgages and interest on consumer credit. Eliminating the deductibility of these items would severely penalize these households for past behavior. Finally, although the tax code would be somewhat simplified with the removal of itemized deductions, many sources of complexity in the tax code, such as the preferential treatment of long-term capital gains and the depreciation allowances, would remain intact.

C. Comprehensive income

Another, still broader tax base would be provided by comprehensive income. Although there are alternative definitions as to the specific items which can be included in a comprehensive income base, under most definitions comprehensive income would represent a quite broad tax base.[2] For example, a comprehensive income base could include wage income, social security and pension benefits, all realized net capital gains, dividends, property income, and imputed corporate retained earnings.

In the case of a comprehensive income base, the flat-tax rate required to raise the appropriate level of revenue would be substantially lower than the comparable rates under a taxable income or adjusted gross income base. However, many of the same problems would remain, such as the probable shift in the distribution of the tax burden toward the lower and middle income taxpayers and the dislocations and distortions resulting from the exclusion of previously deductible items.

II. OVERVIEW OF PRACTICAL AND THEORETICAL CONSIDERATIONS

In addition to the technical issues of instituting a flat-rate tax, there are several practical and theoretical considerations which are important. For example, in terms of practical considerations it is of interest to know whether a flat-rate income tax is sensitive to inflation and how it affects the marriage penalty. In terms of theoretical

[1] The concept of a flat-rate income tax has been periodically discussed as an alternative to the current tax system. For an example of an earlier review of the debate see U.S. Library of Congress, Congressional Research Service, Progressivity in Income Taxation: A Pro-Con Discussion. By Robert Tannenwald, Dec. 1976.

[2] For a detailed analysis of the components of a comprehensive income base see Dept. of the Treasury. Blueprints for Basic Tax Reform, Jan. 1977.

considerations, it is important to understand how a flat-rate income tax would affect horizontal and vertical equity, economic efficiency and individual behavior. This section presents an overview of these issues.

A. Simplicity

Probably the most commonly heard critique of the current income tax system is that its complexity promotes both administrative and economic inefficiencies. There are two basic issues involved; one, the administrative and compliance costs associated with the current income tax system and two, the economic costs.

Administration and compliance with the current income tax code are costly and time consuming. Due to its complexity, a myriad of specialists have evolved whose primary function is to sort through and interpret provisions of the tax code. In lieu of contributing to the economy in a productive manner, these specialists spend their time developing methods to minimize the impact of the current tax code. These efforts represent a resource drain on the economy.

As a corollary, the massive amount of regulations which accompany the current income tax code promotes inefficiencies in the compliance and collection of taxes. The average taxpayer is confronted with a multitude of forms and procedures when filing his income tax. As a result, due to either outright avoidance or lack of full information, compliance with the tax regulations for a full reporting of income has declined over the years. This has produced a significant loss of revenue for the federal government.[3]

In addition to the compliance and administrative costs, there are also economic costs associated with the current progressive tax system. Under the current tax system there are incentives to artificially shelter income from taxation at high marginal tax rates. These shelters take one of two basic forms. First, investors time the realization of their gains to coincide with periods when they are in low marginal tax brackets. Second, investments are made in instruments which receive preferential tax treatment. Both of these factors distort the efficient allocation of resources.

Proponents contend that these excess administrative and economic costs could be eliminated by broadening the income base under a flat-rate income tax. Since a flat-rate income tax would be extremely simple compared to the current system, there would be a dramatic decrease in the amount of resources needed to administer and interpret the tax code. Additionally, the simplicity of a flat-rate income tax would promote better compliance and hence help prevent the loss of tax revenues. It should be noted, however, that by broadening the income base, much of the decrease in complexity could be achieved under the current income tax system.

Proponents also argue that a flat-rate tax would remove most of the incentives to shelter income artificially. Since most taxpayers would face the some low marginal tax rates, there would be no tax advantage from timing the realization of economic gains. Finally, under most proposals for a flat-rate income tax, similar activities would be taxed at similar rates. As a result, investment would flow into those vehicles which offer the highet pretax return promoting the efficient allocation of resources.

B. Inflation sensitivity

Under the current progressive income tax system, inflation-induced increases in income push individuals into higher marginal income tax brackets. For most individuals, the increase in income tax liability is proportionately greater than the inflation-induced increase in income. As a result of the combination of a progressive income tax and inflation-induced increases in income, most taxpayers experience a reduction in their real after-tax purchasing power.

Under provisions contained in the Economic Recovery Tax Act of 1981 the problem of bracket creep would be resolved by indexing the rate structures, zero bracket amount and personal exemptions beginning in 1985. However, a flat-rate income tax would also eliminate inflation-induced bracket creep. With only one marginal tax rate, inflation-induced increases in income would not push taxpayers into higher tax brackets and would have relatively little effect on their average or effective income tax rates. Under a flat-rate tax, taxpayers would experience little change in their real after-tax purchasing power as a result of inflation.

C. Marriage penalty

Under the current income tax system two income earning individuals who file a joint return in all probability pay more in income taxes than they would if they were to file separate returns as singles. This is commonly referred to as the marriage penalty tax. It is the result of the different marginal tax rate schedules for joint and single returns. Provisions contained in the Economic Recovery Tax Act of 1981 attempt to correct this inequity by allowing the lower income earning spouse to deduct a percentage of his or her income from taxation. However, in many instances the penalty is only partially offset, while in others the provisions create a marriage bonus.

The problem of a marriage penalty or marriage bonus would be eliminated under a flat-rate income tax. Applying the same flat tax rate to both joint and single returns would eliminate the source of the penalty: marginal tax rate schedules based on filing status.

D. Horizontal equity

If a tax system taxes individuals in similar positions equally, then the tax system possesses horizontal equity. Under the current income tax system, the principle of horizontal equity is violated, since individuals in similar circumstances are taxed at different rates. For example, consider the case of an individual with $10,000 of wage income and another individual with $10,000 of capital gains income. Under the current income tax system, the individual with only wage income would pay a substantially higher tax than the individual with capital gains income (capital gains income receives preferential treatment under current tax law).

Most proposals for a flat-rate tax system include provisions which would broaden the income base and end the preferential treatment of certain types of income. Under this type of flat-rate horizontal equity would improve. However, the same degree of horizontal equity could be achieved under the current income tax system if the income base were broadened and the preferential tax treatment of certain types of income were curtailed. Horizontal equity is a function of how comprehensively income is defined for tax purposes; it is not a function of the type of tax rates that are applied to taxable income.

E. Vertical equity

Vertical equity concerns the incidence of a tax among people with unequal incomes. The standard interpretation of vertical equity has been that tax burdens should be distributed according to taxpayer's ability to pay. In other words, an individual with a larger income should pay proportionately more of his income in taxes than an individual with a smaller income. With respect to income taxation, this concept of vertical equity is the rationale for progressive tax rates.

Most empirical studies of vertical equity conclude that, taken in isolation, the current income tax system ranges from slightly to highly progressive, however, when other taxes are included, it appears the overall tax burden (federal, state, and local) is roughly proportional.[4] Adopting a flat-rate tax does not necessarily entail the loss of all progressivity. If a flat-rate tax exempted a fixed dollar amount of income from taxation then it would be a moderately progressive system. For example, consider a flat-rate tax of 10 percent which exempts the first $5,000 of income from taxation. An individual with $10,000 income would pay $500 or 5 percent of his income in taxes. An individual with a $20,000 income would pay $1,500 or 7.5 percent of his income in taxes. Hence, a flat-rate tax coupled with an income exemption is not incompatible with the concept of progressivity. However, regardless of the particular provisions for exemptions, adoption of a flat-rate tax would in all probability reduce progressivity when compared to the current income tax system and hence could result in an overall tax burden that is regressive.

It should be noted, however, that the principle of vertical equity is a highly subjective concept because it is based on the assumption of declining marginal utility of income. That is, a dollar of income is considered to be more valuable to a lower income individual (who is more likely to spend it on necessities) than it is to an upper income individual (who is more likely to spend it on nonnecessities). A number of tax experts and laymen contend that the concept of declining marginal utility of income is much too subjective and arbitrary to serve as the basis for determining the structure of the tax system.

F. Economic efficiency

The economic efficiency or inefficiency of a tax system can be judged by its effects on relative prices. If the tax system distorts relative prices it is inefficient, since this distortion prevents the efficient allocation of resources. An income tax, regardless of whether it is progressive or proportional, distorts relative prices and affects economic choices such as the choice between income and leisure and the choice between present and future consumption. For example, in the presence of an income tax, the price of leisure is reduced relative to an individual's wage income. That is, to acquire an extra hour of leisure an individual would need only give up something less (depending on his marginal tax rate) than an hour's worth of wages.

Since all income taxes are inherently inefficient, the goal is to design a tax which minimizes distortions in relative prices. It is

[3] For a background discussion of this issue see: Molefsky, America's Underground Economy, CRS Report 81-181E.

[4] See Pechman and Okner, "Who Bears the Tax Burden?" Brookings Institution, 1974.

often argued that a flat rate income tax is more efficient than a progressive income tax, since it would minimize relative price distortions. However, in the transition from the current progressive tax system to a flat rate tax some individuals would experience increases in their marginal tax rates while others would experience decreases in their marginal tax rates.

Taxpayers whose marginal tax rates decrease would experience a reduction in the distortion between the price of income versus leisure. This would tend to reduce the inefficiency of the tax system. On the other hand, taxpayers whose marginal tax rates increase would experience an increase in the distortion between the price of income versus leisure, which, in turn, would increase the inefficiency of the tax system. Because of these offsetting effects it is not clear whether a flat-rate tax would increase the overall economic efficiency of the tax system.

Proponents of a flat-rate tax also contend that in response to reductions in marginal tax rates, individuals will tend to increase their work efforts. That is, since the price of leisure will rise relative to the price of income, individuals will substitute income for leisure. However, as pointed out earlier, under a flat-rate tax, some individuals would experience reductions while others would experience increases in their marginal tax rates. Therefore, while some individuals might substitute income for leisure (since the price of leisure will rise relative to the price of income) others might substitute leisure for income (since the price of leisure will fall relative to the price of income). For this reason, the effects of a flat-rate tax on the aggregate work level are uncertain.

An additional factor to consider when discussing behavioral responses is the income effects of a change in relative prices. As opposed to the substitution effect, which depends on the change in the marginal rate of tax, the income effect is a function of the change in the average rate of tax. If a reduction in an individual's marginal tax rate coincides with a reduction in his average tax rate, then the substitution effect might be offset by the income effect. In this case, the individual's income will increase (due to the reduction in his average tax rate) and he will be able to consume more of everything, including leisure. Most empirical studies indicate that the substitution and income effects of a reduction in marginal and average tax rates tend to cancel each other producing little or no effect on work effort.[5]

APPENDIX—LEGISLATIVE INITIATIVES

Nine bills have been introduced (six in the House and three in the Senate) all of which address the issue of a flat rate income tax or an expanded income base. A brief synopsis of the pertinent aspects of each of these bills follows.[6]

H.R. 3181. (Introduced: April 9, 1981; Sponsors: Rep. Leon E. Panetta, D-Calif., et al.) Synopsis: Repeals all itemized deductions for individuals except deductions relating to the production of income or alimony or support payments. Substitutes an income tax credit for the personal exemption. Abolishes the tax schedule for heads of households.

H.R. 4821. (Introduced: October 22, 1981; Sponsor: Rep. James V. Hansen, R-Utah.) Synopsis:

Amends the Internal Revenue Code to repeal the income tax tables. Provides for an income tax rate of 14 percent for all individuals, estates, and trusts.

Redefines "adjusted gross income" to eliminate the deductions from gross income for the following: (1) long-term capital gains; (2) moving expenses; (3) retirement savings; and (4) repayments of supplemental unemployment compensation benefits.

Defines "allowable itemized deductions" as any deduction attributable to: (1) expenses for the production of income; (2) contributions to a church or convention or association of churches; (3) medical and dental expenses; and (4) alimony or separate maintenance payments.

Repeals the deductions for: (1) interest, taxes, and depreciation of cooperative housing; (2) moving expenses; (3) retirement savings; (4) abortion expenses; and (5) long-term capital gains.

H.R. 5513. (Introduced: February 10, 1982; Sponsor: Rep. Philip M. Crane, R-Ill.) Synopsis:

Amends the Internal Revenue Code to repeal the income tax tables. Provides for an income tax rate of 10 percent for all individuals, estates, and trusts.

Repeals all special tax deductions, credits, and exclusions from incomes for individuals. Amends the Economic Recovery Tax Act of 1981 to increase to $2,000 the deduction for personal exemptions.

S. 2147. (Introduced: March 1, 1982; Sponsor: Sen. Dennis DeConcini, R-Ariz.) Synopsis:

Requires that the Internal Revenue Code be amended to provide that after 1985, all income should be taxed at a rate of 20 percent or less.

Sets forth guidelines for a new income tax scheme. Requires the Secretary of the Treasury to propose legislation to implement this Act.

S. 2200. (Introduced: March 15, 1982; Sponsor: Sen. Jesse Helms, R-N.C.) Synopsis: Companion bill to H.R. 5513.

H.R. 5868. (Introduced: March 17, 1982; Sponsor: Rep. Kent Hance, D-Tex.) Synopsis: Directs the Secretary of the Treasury or his delegate to conduct a study of the advisability of replacing the current federal income tax system for individuals and corporations with a system under which income tax is imposed on gross income.

H.R. 6070. (Introduced: April 5, 1982; Sponsor: Rep. Leon E. Panetta, D-Calif. et al.) Synopsis: Eliminates most deductions, credits and exclusions. Establishes a 19 percent tax on gross income, less basic business expenses. Establishes tax credits of $1,000 for an individual, $1,000 for a spouse, $200 per dependent, and $200 for individuals who are blind or over 65.

S. 2376. (Introduced: April 15, 1982; Sponsor: Sen. Charles E. Grassley, R-Iowa.) Synopsis: Directs the Treasury Department to study the feasibility of replacing the current income tax for individuals and corporations with a flat-rate tax on various income bases.

H.R. 6352. (Introduced: May 11, 1982; Sponsor: Rep. Ron Paul, R-Tex.) Synopsis:

Amends the Internal Revenue Code to provide that a 10 percent income tax rate shall apply to all individuals.

Repeals all deductions, credits, and exclusions for individuals other than an exemption of $10,000.

[From Nation's Business, August 1982]

FLAT-RATE TAX BILLS NOW PENDING

SPONSOR(S), BILL NO. AND TAX RATE

Representative George Hansen (Idaho), (H.R. 4821: Redefines "adjusted gross income" to eliminate deductions for long-term capital gains, moving expenses, retirement savings and repayments of supplemental unemployment compensation benefits. Defines "allowable itemized deductions" as any deduction attributable to expenses for production of income, contributions to churches or conventions or associations of churches, medical and dental expenses, and alimony or separate maintenance payments.

Individual: 14 percent.

Representative Philip M. Crane (Ill.), (H.R. 5313; Senator Jesse A. Helms (N.C.), S. 2220: Repeals all deductions, credits and exclusions other than $2,000 deduction for each personal exemption.

Individual: 10 percent.

Senator DeConcini (Ariz.), (S. 2147: Poorest households to be exempt. Fixed deduction for taxpayer and each dependent. No tax on capital gains. All income taxed only once. No distinction among types of businesses. Tax imposed on gross revenues. Rental and royalty income considered business income. Deduction for capital expenses (expensing), goods and services. Gross revenues of subsidiaries taxed separately.

Individual: flat rate not to exceed 20 percent. Corporate: Flat rate not to exceed 20 percent.

Representative Leon E. Panetta (Calif.), (H.R. 6070: Eliminates most deductions, credits and exclusions other than basic business expenses. Establishes tax credits of $1,000 for individuals, $1,000 for spouses, $200 per dependent and $200 for individuals who are blind or over 65.

Individual: 19 percent. Corporate: 3 percent up to $50,000, 6 percent from $50,000 to $100,00, 9 percent from $100,000 to $150,000, 12 percent from $150,000 to $200,000, 15 percent above $200,000.

Representative Ron Paul (Tex.) H.R. 6352: Repeals all deductions, credits and exclusions for individuals other than $10,000 exemption.

Individual: 10 percent.

Senator Dan Quayle (Ind.), (S. 2557: Repeals most exclusions, deductions and credits. Allows $600 personal exemption. Income taxed only once. Deductions for ordinary and necessary business expenses, including capital recovery allowance. Marriage penalty eliminated. No one taxed twice on Social Security or other retirement contributions.

Individual: 0 percent up to $17,500; 18 percent from $17,500 to $50,000; 25 percent above $50,000. Corporate: 20 percent.

Senator Bill Bradley (N.J.), no number; Representative Richard A. Gephardt (Mo.): Exemptions of $1,500 for single returns, $1,750 for single heads of household, and $3,000 for joint returns. Zero bracket amount is $2,300 for single returns and $4,600 for joint returns. Deductions for mortgage interest, employee business expenses, charitable contributions, and state and local income and real property taxes. Social security and veterans' benefits excludable. Interest on general obligation bonds exempt. Child-care credit converted to deduction. Exclusion for employer-provided health insurance reduced by one third. Maximum $125,000 exclusion of gain on sale of house by persons 55 or older is taxed at rate ranging from 6 to 14 percent; rollover deferral remains. Medical expense deductions limited to expenses in excess of

[5] See Dept. of Treasury, "Can Tax Revenues Go Up When Tax Rates Go Down?," by Don Fullerton, OTA Paper 41, Sept. 1980.

[6] The abstracts of these bills were prepared by the Bill Digest unit of the American Law Division of the Congressional Research Service.

10 percent of adjusted gross income. Tax of 14 percent applied to investment income of pension plans, IRAs and Keogh plans. Other deductions, credits, deferrals and exclusions are repeated.

Individual: 14 percent plus 6 percent from $25,000 to $30,000; 11 percent from $30,000 to $37,000; 14 percent above $37,000.

[From the National Journal, May 15, 1982]

FROM HERE TO THERE

(By Robert J. Samuelson)

Instant celebrity strikes ideas as well as people. The latest example of this is the sudden fashionableness of the "flat tax" as a replacement for the progressive income tax. Only a few months ago, the scheme was the exclusive property of tax specialists. Now, politicians and pundits across the political spectrum have embraced it.

The flat tax is an idea of utter simplicity. Instead of today's cumbersome income tax, there would be only one rate—much lower than the current top rate of 50 percent. Various advocates have suggested that, depending on details, a flat rate of 17 to 25 percent would raise the same revenues as the current system. A lower uniform rate could do this because many of today's tax preferences would be eliminated.

The usefulness of the flat tax proposal is that it highlights the existing system's absurdities. But that hardly assures imminent approval. The scheme's meteoric rise to prominence says as much about the peculiar ways of Washington as it does about discontent with the tax system. The seemingly intractable problems of the present create a constant urge to find a simpler future.

The flat tax fulfills this role (as, incidentally, do proposals for a balanced budget constitutional amendment). What gets forgotten is the rather messy process of getting from here to there. It is a journey over a mountain range without compass or ropes. But Washington revels in the prospect of reaching the summit, if not the exertions of the climb. Few of its great political expeditions are completed.

The appeal of the flat tax is that it would squash the increasing tax avoidance—both legal and illegal—bred by today's high rates and maze of tax preferences. At the 50 percent tax rate, a dollar saved in taxes is worth two dollars of pretax income (because half of that is taxed away). The current system spawns cynicism. The more people see others getting special breaks, the more they want their own—or feel justified in outright cheating.

Virtually all advocates of the flat tax agree that there would be a floor below which the poor would not pay taxes. But suggestions differ as to where the floor should be. Robert E. Hall and Alvin Rabushka of Stanford University's Hoover Institution on War, Revolution and Peace propose not taxing below incomes of $5,000 for a married couple and $3,000 for a single person, plus $600 for each dependent. Others have suggested floors ranging from $7,000 to $10,000 for couples.

As this suggests, the mechanics of creating such a system would be daunting. Liberals would want a high floor, conservatives a low one. The more intractable problem, though, is dismantling the network of tax credits, deductions and income exclusions that would have to be eliminated to permit a low maximum rate. Consider these preferences:

Home mortgage and consumer interest deduction: interest payments are now deductible, at a cost of about $33 billion.

Employer-paid health insurance premiums: company payments for their workers' insurance aren't counted as income to the worker, at a loss of about $21 billion.

Government transfer payments: government payments through such programs as social security, railroad retirement, disability pay and veterans benefits aren't taxed at all (unemployment payments are only partially taxed), at a revenue loss that amounts to about $21 billion.

Capital gains: profits on the sales of stocks and bonds are taxed at a maximum rate of 20 percent, for a revenue loss of $26 billion.

The list goes on, but these preferences alone are worth roughly a third of the estimated $300 billion the personal income tax will raise on fiscal 1982. A similar list exists for the corporate tax. It too could be cut sharply. The maximum rate on the corporate and personal tax could be set at the same level to minimize sheltering in corporate shells.

The fact is, however, that enacting a flat tax for both individuals and corporations would create lots of winners and losers. No one likes to lose, and repealing tax preferences is messier than removing chewing gum from your shoes. the attraction of the flat tax is that its simplicity and presumed fairness—everyone pays the same rate—might overcome the normal political inertia.

Its chief virtue, though, is also its chief defect. It rejects the legitimacy of progressive taxation—the idea that tax rates should be higher for those better able to pay. Some advocates of the flat tax, such as presidential counselor Edwin Meese III, have gone so far as to declare progressive taxation "immoral." Discrimination against success, in this view, is legalized larceny.

Meese is wrong. The real justification (perhaps a cynical one) for progressive taxation is that the wealthier receive more benefits from government and, therefore, ought to pay more. This may not be true in a strict accounting sense; the middle and upper classes don't use food stamps. But, in this country, the essence of government is to preserve the social order. The well-off benefit from this far more than do the poor.

What is wrong with the current system is not the underlying principle but the sharp rise in the tax rates (from a 14 percent minimum rate to 50 percent). This steep ascent not only seems to punish success but also, as a practical matter, has proven self-defeating. High rates induce people to avoid taxes and, on a collective level, to lobby for more tax breaks. Simplifying the tax system could reduce the top rate to less than 30 percent.

The real level of taxation always equals the level of government spending, now about 24 percent of gross national product. Only the form of the tax changes. If the government runs a large deficit, for instance, the tax falls on credit markets. The country does not need a flat tax so much as a larger tax base, and lower top tax rates; this system would be simpler and, probably, more efficient than today's.

The only obstacle is political willpower. President Reagan is right to oppose the abandonment of his general reductions in tax rates. But he is wrong in not endorsing measures to raise revenues by broadening the tax base. Democratic congressional leaders have been no more forthcoming. This is why getting from here to there usually ends up here.

By Mr. McCLURE (for himself and Mr. SYMMS):

S. 2818. A bill to authorize the Secretary of Agriculture for National Forest System lands and the Secretary of the Interior for public lands to adjust the termination date of certain contracts for the sale of timber from National Forest System lands and public lands; to the Committee on Energy and Natural Resources.

FEDERAL TIMBER CONTRACTS

● Mr. McCLURE. Mr. President, today, I am introducing legislation to provide some necessary relief to the economically depressed forest products industry. Although this industry is coping with serious problems nationwide, due in large part to the recent declines in housing starts as well as an overall decrease in the demand of wood products, many timber companies in the West are faced with a unique and potentially devastating situation. Many Western timber companies have entered into Federal timber contracts requiring harvest and payment rates which cannot be met in today's wood products market. Without some modification of these contracts many of these companies will be forced to default, leading to possible bankruptcy and disruption in the economics of many already weakened communities.

Its hardly necessary to point out the economic problems faced by the many thousands of men and women who have traditionally been employed in the forest products industry. More than one of our many western logging communities have faced real tragedy as local timber mills have closed, the logging activity has stopped, and the workers have been laid off.

Mr. President, I am not asking for special relief for just one segment of the Nation's economy at the expense of other industries. But the Western timber industry has a unique relationship with the Federal Government, because so much of that industry is dependent upon timber sales and contracts from U.S. Forest Service and public lands. I am not asking for direct monetary relief, but only for some adjustments in contracts—adjustments which would ordinarily be considered reasonable and natural except that the Federal Government is one of the contracting parties.

This proposal authorizes the Secretary of Agriculture and the Secretary of the Interior to adjust the termination dates of Federal timber contracts. Forest Service timber sale contracts have long provided for contract term adjustments to provide timber purchasers with additional time to meet their contract obligations when operations are interrupted or delayed due to causes beyond the purchaser's control, such as acts of God, acts of Government, labor disputes, fires or floods. However, market conditions which make operations economically

infeasible do not qualify purchasers for term adjustments under provisions of outstanding contracts. This bill would recognize that the current economic conditions in wood product markets constitute an effective barrier to operations under the terms of these outstanding contracts.

Contract term adjustment recognizes a hiatus in the contract period. Contract requirements are unchanged, but the time for compliance is set back. Scheduled obligations, including any scheduled payments, are delayed by the amount of the adjustment.

Under terms of a contract term extension, as opposed to a contract term adjustment, scheduled obligations other than completion of timber removal are not delayed and in fact other obligations are imposed. Thus, while providing some relief, contract term extension, which is provided administratively, does not provide purchasers as much flexibility to adjust operations to respond to the depressed market conditions nor to delay operations to the time when market conditions improve to a level when economic operations can be resumed.

Over the past several months, Senator HATFIELD and I have been working with interested parties in an attempt to reach a consensus and construct a proposal which would provide equity and balanced judgment in resolving the problems currently faced by the forest products industry. The latest version of that comprehensive package included three major provisions. It allowed for termination of contracts, not to exceed 40 percent, contract extension up to 5 years, and for the redemption and transferability of unused purchaser credits. Earlier this week, Senator HATFIELD introduced a bill which included some of these provisions but not all. Because the impact of his bill would tend to relieve only one segment of the distressed forest products industry, I could not give it my support.

I feel that this piece of legislation provides a more equitable approach and I am hopeful the upcoming hearings will secure valuable and comprehensive testimony to help us resolve this problem.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture and the Secretary of the Interior are authorized to adjust the termination dates of any contracts for the purchase of timber from National Forest System lands and public lands that were entered into before January 1, 1982, without penalty or payment that might otherwise be required for such adjustments, at the written request of the purchaser, for a period equal to the original term of the contract but not to exceed 5 years.●

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 2819. A bill to provide for Federal recognition of the Cow Creek Band of Umpqua Tribe of Indians; to institute for such tribe those Federal services provided to Indians who are recognized by the Federal Government and who receive such services because of the Federal trust responsibility; and for other purposes; to the Select Committee on Indian Affairs.

COW CREEK BAND OF UMPQUA TRIBE OF INDIANS RECOGNITION ACT

● Mr. HATFIELD. Mr. President, I am pleased to introduce today, along with my distinguished colleague from our home State of Oregon, legislation to provide for Federal recognition of the Cow Creek Bank of Umpqua Tribe of Indians.

Twenty-eight years ago the Cow Creek Indians were included with members of 61 other tribes in the Western Oregon Termination Act, 25 U.S.C. 691-708, Public Law 83-588. The Cow Creeks were terminated without any notice, explanation, or opportunity to appear at the termination hearings to defend their standing. It appears the only reason the Cow Creek Tribe was terminated was because they lived west of the Cascade Mountains, and all 62 tribes in the Termination Act, some 40 of which were bands of the Siletz Tribe, had settled in that area between the Cascade Mountain Range and the Pacific Ocean.

Although the Cow Creeks were terminated in 1954, the full effect of the Termination Act was not felt by the tribe until 1978. In fact, since the Federal Government had never formally recognized the Cow Creek Band of Umpqua Tribe, the Termination Act was initially inconsequential. However, in 1978, the Cow Creek Indians saw the pernicious effect of Federal termination when the Department of the Interior adopted and published rules and regulations on October 2, 1978, which, in their aftermath, left the Cow Creeks branded as second-class Native American citizens.

These rules and regulations set up the Federal acknowledgment project—FAP—and prohibited the participation in FAP by tribe members who were the subjects of congressional legislation terminating the Federal relationship. What this has meant over the course of the last several years is that the Cow Creek Indians are ineligible for Indian health services and educational benefits, and as a result, these Indians are, as a practical matter, no longer Indians.

The continued and resourceful efforts by representatives of the Cow Creek Tribe to seek the Federal recognition that was summarily stripped from the tribe members in 1954 are a fitting tribute to the honor and will of the Cow Creek Tribe. It has been an uphill battle for a tribe that has yet to surrender to Federal attempts to undercut the Cow Creek's rich heritage. Almost 130 years ago, the Cow Creeks signed a treaty with the American Government which provided for a temporary settlement and promised a permanent site upon which the tribe could settle and raise their children. This treaty and the benefits accuring to the tribe from this treaty were never honored by the Federal Government. The tribe has since been terminated. The time has come for this tide of injustice to be stemmed and for the Cow Creeks to be allowed to stand tall with their fellow Native Americans.

Mr. President, I would like to point out that despite all of the setbacks the Cow Creeks have been forced to endure, the spirit of the tribe and its members has remained undaunted. My office has received letters from the Governor of Oregon, from the Senate and House of Representatives, from city governments and churches, and from concerned businesses and citizens. All of these letters stated in unequivocal terms wholehearted support of this legislation. This is a fine tribute to the outstanding contributions made by the Cow Creeks to the State of Oregon and to the communities in which they live.

Mr. President, I am proud to submit this bill and to take part in the process to restore Federal recognition to the Cow Creek Band of Umpqua Tribe of Indians. This bill will provide for recognition to the Cow Creeks and will confer eligibility to the Cow Creeks to participate in Federal programs which other recognized tribes partake. This bill does not address any of the issues involved in the 1854 treaty. It simply reverses the insidious effects of the 1954 termination legislation that should not have been applied to the Cow Creeks in the first place. I am hopeful the Select Committee on Indian Affairs can hold a hearing on this bill at the earliest possible date so that this legislation can receive prompt attention by the Senate. H.R. 6588, a bill identical to this piece of legislation and one which was introduced by Congressman WEAVER, has already had a hearing held on the bill's merits. No complications or material conflicts arose at that hearing, and I am confident that the Senate hearing will be as informative and orderly.

Mr. President, I would like to submit for the record a copy of a letter sent to Congressman UDALL, the chairman of the House Committee on Interior and Insular Affairs, by the Governor of the State of Oregon, the Hon. Victor Atiyeh and I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Salem, Oreg., July 19, 1982.

MORRIS UDALL,
Chairman, House Committee on Interior and Insular Affairs, U.S. Congress, Washington, D.C.

It gives me great pleasure to write in support of House Resolution 6588, the bill to extend recognition to the Cow Creek Band of Umpqua Tribe of Indians.

My personal knowledge and support of the Cow Creek Band and other terminated tribes of Oregon is a result of my long standing involvement with American Indian issues and people. While a State Senator, it was my honor to be the prime sponsor of a bill that created the Oregon Commission on Indian Services. Serving on that Commission for 2 years before election to the Governor's office added considerable depth to my understanding and appreciation of the American Indian's culture and history.

It has been my policy as Governor to continue to keep myself informed through periodic meetings, the most recent of which was a retreat with Indian leaders from Oregon's Terminated Tribes.

From my experience I have learned that there are few people who realize that Oregon's tribes were targeted for the experimental policy known as termination during the 1950's and early 1960's. Federal recognition and services to 62 Oregon tribes and bands was ended, delivering a blow to their socio-economic structures and culture.

The damage was reflected by the disproportionately high rates of health problems, school dropouts, unemployment, alcohol and drug abuse, severed family ties and loss of cultural identity. Despite later repudiation of the policy, most of the tribes terminated continue to suffer the deleterious effects of that action.

The Cow Creeks, as one of those terminated were scarred by the experience, but it is significant that they have not allowed their identity as a tribe to dissolve. They seek to handle their own affairs as a tribe, to be self determining people again and ask only that the United States reassume its trust obligation guaranteed by treaty in 1853.

I urge you to assist them in their endeavor.

Sincerely,

VICTOR ATIYEH,
Governor.●

By Mr. D'AMATO (for himself, Mr. BRADLEY, Mr. CANNON, Mr. CHAFEE, Mr. COCHRAN, Mr. DECONCINI, Mr. DIXON, Mr. DURENBERGER, Mr. EAST, Mr. HAYAKAWA, Mr. GARN, Mr. HOLLINGS, Mr. LUGAR, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PRESSLER, Mr. PRYOR, Mr. SARBANES, Mr. TSONGAS, Mr. HEINZ, Mr. HEFLIN, and Mr. SPECTER):

S.J. Res. 227. Joint resolution to establish National Firefighters Week; to the Committee on the Judiciary.

NATIONAL FIREFIGHTERS WEEK

● Mr. D'AMATO. Mr. President, the time has come to pay tribute to a sector of our Nation that unselfishly serves millions—our national firefighters.

As a longtime member of the Island Park Volunteer Fire Department, I, in conjunction with Congressmen EDGAR and LAFALCE, wish to acknowledge the heroic work of my fellow colleagues at home, and throughout this Nation, by introducing a joint resolution commemorating the week beginning Monday, September 20, 1982, as "National Firefighters Week."

Prior to the onset of colder weather when the incidence of fires increase, a week set aside to honor firefighters will encourage participation in a number of coordinated activities at our schools and public areas to heighten citizen awareness of the ever-present danger of fire in our homes, schools, and workplace. It is my hope that this resolution will be instrumental in saving life and property.

Mr. President, I ask unanimous consent that my joint resolution be printed in its entirety in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 227

Whereas firefighters have provided fire protection for millions of Americans;

Whereas firefighters have performed their duties with distinction;

Whereas many firefighters are volunteers, risking themselves for others without remuneration; and

Whereas firefighters have lost their lives in heroic services to their communities; now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning Monday, September 20, 1982 is designated as "National Firefighters' Week" and the President is requested to issue a proclamation calling upon the people of the United States to observe such a week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 1018

At the request of Mr. CHAFEE, the names of the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1939

At the request of Mr. GOLDWATER, the names of the Senator from North Dakota (Mr. ANDREWS), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 1939, a bill to amend the Public Health Service Act to establish a National Institute on Arthritis and Musculoskeletal Diseases.

S. 2572

At the request of Mr. THURMOND, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2760

At the request of Mr. NICKLES, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2760, a bill to amend title 38, United States Code, to provide payments in lieu of certain social security benefits eliminated by the Omnibus Reconciliation Act of 1981 in the case of survivors of veterans dying of any service-connected disability incurred before September 1, 1981.

SENATE JOINT RESOLUTION 209

At the request of Mr. LEVIN, the names of the Senator from Kansas (Mrs. KASSEBAUM), the Senator from New hampshire (Mr. HUMPHREY), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of Senate Joint Resolution 209, a joint resolution designating the week beginning September 5, 1982, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 223

At the request of Mr. KENNEDY, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Joint Resolution 223, a joint resolution to prohibit the Secretary of Labor from promulgating regulations which expand the number of hours which 14- 15-year-old children would be permitted to work and which further change the conditions of employment of young children and students.

SENATE JOINT RESOLUTION 225

At the request of Mr. EAGLETON, the names of the Senator from Maryland (Mr. MATHIAS), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of Senate Joint Resolution 225, a joint resolution to provide for the designation of the week beginning on November 21, 1982, as "National Alzheimer's Disease Week."

SENATE CONCURRENT RESOLUTION 115—DISAPPROVING REGULATIONS FOR EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981

Mr. STAFFORD submitted the following concurrent resolution, which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 115

Whereas the Secretary of Education on July 29, 1982, submitted to the President of the Senate and the Speaker of the House of Representatives certain regulations with respect to the Education Consolidation and Improvement Act of 1981 pursuant to the Secretary's duty under section 431 of the General Education Provisions Act, and

Whereas the Congress, in the exercise of its authority under article I of the Constitution and in accordance with the procedure established by that section of the General Education Provisions Act for the safeguarding of that authority, has reviewed such regulations and finds certain of them inconsistent with the Act from which they must derive their authority: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That those regulations, submitted to the Congress on July 29, 1982, proposing to amend parts 74, 76, 78, 200, 201, and 298 of title 34 of the Code of Federal Regulations with respect to the Education Consolidation and Improvement Act of 1981 are disapproved by the Congress on the grounds of their inconsistency with the Act from which they derive their authority, and are returned to the Secretary of Education to be modified or otherwise disposed of as provided in section 431(e) of the General Education Provisions Act.

Mr. STAFFORD. Mr. President, today, I am introducing a resolution to disapprove the final regulations for the Education Consolidation and Improvement Act published on July 29, 1982. I am joined in this endeavor by Senator HATCH, chairman of the Labor and Human Resources Committee, Senator KENNEDY, the ranking member, and Senator PELL, ranking member on the Subcommittee on Education, Arts and Humanities.

As my colleagues know, the Congress amended almost every single Federal education law during last year's budget reconciliation process. Part of that process, the Education Consolidation and Improvement Act, was passed and became law. As the primary Senate sponsor of this legislation, I am proud of what we were able to accomplish. On the one hand, the Federal Government went a long way in meeting some of the persistent and valid objections of educators that our laws needed revision; on the other hand, we were able to reaffirm the importance and separate identity of programs such as title I and Public Law 94-142. Additionally, the block grant portion of ECIA, which is known as chapter 2, represented a major advance toward providing State and local educational agencies with the flexibility to adapt Federal dollars to local needs.

Now that the final regulations for ECIA have been issued, the Education Department, in the view of this Senator, at the least has misunderstood and, at the worst, ignored congressional intent regarding how ECIA is to be carried out. Let me illustrate my point by making specific reference to the Department's contention that the provisions of the General Education Provisions Act or GEPA, as it is often called, are not applicable to ECIA.

In publishing the final regulations, Secretary Bell expressed the Department's official view that, except as provided by ECIA, the provisions of GEPA were inapplicable to the new law. Specifically, this opinion is summed up in the Federal Register:

The Secretary believes that Congress did not squarely resolve the GEPA issue and that in the absence of such congressional resolution, given the thrust of ECIA, he should refrain from imposing, by regulation, conditions which Congress did not clearly impose by statute.

As chairman of the Education Subcommittee, I would like to recall for my colleagues the nature of events during the reconciliation process of 1981. As we all remember, Congress, in response to the President's economic initiatives, passed thousands of changes in existing Federal law within a period of weeks.

For the sake of urgently needed revisions, Congress sacrificed its normal legislative pace and procedures. Therefore, for many of the changes which were enacted, only a few individual Members of the House and the Senate were involved in drafting new provisions for Federal law.

In reviewing what revisions were needed to meet the reconciliation targets given to the Committee on Labor and Human Resources, I worked, as chairman of the Subcommittee on Education, Arts and Humanities, quite closely with the chairman of the full committee, Senator HATCH, and with the late Congressman John Ashbrook, who originally drafted the proposal which became ECIA.

These individuals were the primary, and almost the sole, actors in moving ECIA through the respective committees and Houses of Congress.

At no time did any of the participants in this process propose that GEPA be made inapplicable to ECIA or in any way give the impression so that conclusion could be reasonably drawn.

In fact, there are numerous instances where Secretary Bell and his representatives were informed that GEPA was applicable.

As early as October 6, 1981, Congressman Ashbrook, at a public hearing, expressed his view as primary author of ECIA, that GEPA applied. Later, on April 3, 1982, Congressman PERKINS, chairman of the House Education and Labor Committee, wrote the Department to express his concern about the purported nonapplicability of GEPA. On July 15, Senator HATCH, as chairman of the Labor and Human Resources Committee, wrote Secretary Bell to clearly indicate the applicability of GEPA. And, most recently, this Senator, during the confirmation hearing for Dr. Gary Jones, Under Secretary-designate, stated that the Department's interpretation was erroneous.

All these expressions and communications were made prior to the issuance of the final regulations on July 29. They were made in time for the administration to understand that Congress had "squarely resolved" the GEPA issue.

The resolution we introduce today rejects the regulations as they were originally issued and directs the Secretary to reissue them after they have been revised to address congressional concerns. I am hopeful that after passage of this resolution, the Department of Education will send the Congress new regulations which facilitate the implementation of this important legislation, the Education Consolidation and Improvement Act.

SENATE RESOLUTION 443—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. WARNER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 443

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2812, a bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1983, and for other purposes.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 2812 as reported by the Committee on Armed Services.

AMENDMENTS SUBMITTED FOR PRINTING

URGENT SUPPLEMENTAL APPROPRIATIONS

AMENDMENT NOS. 2013 AND 2014

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted two amendments intended to be proposed by him to the bill (H.R. 6863) making supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes.

AMENDMENT NO. 2015

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill H.R. 6863, supra.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider the following nominations: Milton M. Masson, Jr., of Arizona, and John B. Carter, Jr., of Texas, to be members of

the Board of Directors of the U.S. Synthetic Fuels Corporation; and Oliver G. Richard III, of Louisiana, to be a member of the Federal Energy Regulatory Commission.

The hearing will be held on Thursday, August 12, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. David Doane of the committee staff at 224-7144.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, August 5, at 10 a.m., to hold a markup on amendments to the Clean Air Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ASSUMPTION GROTTO PARISH OF DETROIT CELEBRATES 150TH ANNIVERSARY

● Mr. LEVIN. Mr. President, the ancient Greeks told us that it was impossible to step in the same river twice. Thomas Wolf updated that maxim when he wrote that you cannot go home again. We have then, throughout our history as a people, recognized the persistence of change and the inevitability of alteration.

But despite the fact that we know that all things must change, we resent it. It bothers us to return to our old hometowns and see a gas station where the vacant lot used to be; a high-rise where there used to be a forest; an impersonal shopping mall instead of the small stores where each customer was known by name.

While these kinds of changes are inevitable and to a degree desirable, we have a strong desire to see some continuity in our lives, some stability, some familiar landmarks of our existence.

I rise today to recognize one solid rock in a sea of change: the Assumption Grotto Parish of Detroit. Later this month, the parish will celebrate its 150th anniversary. Founded in 1832, it is now the second oldest church in the city limits of Detroit and, throughout its history, it has provided spiritual comfort to thousands.

While much of the parish has remained constant, it has also evolved and grown to meet the challenges of a new day and age. Its outreach programs are more dynamic, its services more comprehensive, its membership even more active than ever before. Yet within the dynamics of its growth, it has retained elements of its familiar architecture and the totality of its spiritual character.

I congratulate the Assumption Grotto Parish on its contribution and join in celebrating its sesquicentennial anniversary.●

THE NEED TO ELIMINATE THE AMBIGUITIES IN THE FOREIGN CORRUPT PRACTICES ACT

● Mr. CHAFEE. Mr. President, I ask that the testimony of Mr. Norman Pacun vice president of Ingersoll-Rand Co., one of the world's largest manufacturers of industrial machinery, on the need to eliminate the ambiguities in the Foreign Corrupt Practices Act in the Senate Banking Committee hearing on S. 708 on May 21, 1981, be printed in the RECORD.

The testimony follows:

TESTIMONY OF NORMAN PACUN

Mr. Chairman, my name is Norman Pacun, and I am Vice President and General Counsel of Ingersoll-Rand Company, with headquarters in Woodcliff Lake, New Jersey. Our company is one of the world's largest manufacturers of industrial machinery and allied products, with production facilities in the United States and sixteen nations, plus sales facilities, branches and distributors in more than 100 countries. In 1980, our total sales were approximately $3,000,000,000, and foreign sales alone, including exports, exceeded $1,200,000,000.

In preparing this testimony, I have benefited from discussions with the staff and other members of the National Association of Manufacturers, a voluntary non-profit association of manufacturing companies, of which Ingersoll-Rand is a member. While the views expressed are those of Ingersoll-Rand, they generally coincide with those of the NAM.

As set forth in the written statement which has been submitted to you, which includes comments of our Chairman and Chief Executive Officer, Thomas A. Holmes, our views on S. 708 can be summarized principally in two sentences. First, S. 708 is carefully drafted legislation that would correct many of the ambiguities and uncertainties of the Foreign Corrupt Practices Act (FCPA) which have created difficulties of compliance for American business. Second, S. 708, as drafted, will not resolve the main dilemma: that unilateral U.S. application of this law is fundamentally unfair, that FCPA has reduced our ability to compete abroad and, in so doing, has hurt our own domestic economy. S. 708 is an important piece of legislation, which should be acted upon as soon as possible by Congress. However, this Committee should also consider what further action can be taken, as part of S. 708, to expedite an effective international agreement on this issue.

FOREIGN CORRUPT PRACTICES ACT IN THE INTERNATIONAL CONTEXT

Let me say at the outset that no one in the U.S. business community believes that bribery of foreign officials is an acceptable way of gaining business. Neither Ingersoll-Rand nor anyone I have talked with is proposing to turn the clock back to zero. The NAM, and other business groups, as a matter of official policy have condemned bribery and extortion in international commercial transactions and have advocated corporate management to take "measures necessary to ensure company adherence to the highest standards of business practice." We at I-R have instituted a Statement of Policy and Code of Conduct which makes this crystal clear. But, if the U.S. is serious in wishing to curb bribery by companies seeking international contracts, then our policy must stand on two legs: domestic action to prohibit bribery by U.S.-based corporations plus an international agreement by major industrial nations and their citizens to follow suit.

Without international coordination and cooperation, a unilateral U.S. policy stands little chance of success. This was recognized by both the Ford and Carter administrations, which pursued negotiations for an international antibribery treaty. It was recognized by Congress, as indicated by Senate Resolution 265 of 1975, which called for the initiation of such negotiations. It was recognized by Senator Proxmire, one of the sponsors of FCPA, in his public request to President Carter to press forward on the international treaty effort in 1979. "This is the only way to stop the unfair competition by foreigners based upon bribery in international markets."

We at I-R wholeheartedly agree with this approach, which was also foreseen by the NAM in its statement to Congress on the proposed FCPA in 1977:

"This type of unilateral U.S. action is not conducive to fostering the levels of international cooperation necessary to develop a multilateral agreement on preventing improper payments. [The Proposed legislation] is at cross-purposes with the basic thrust of the most realistic and acceptable approach to an international agreement, which rests upon the clarification and effective enforcement of each nation's domestic laws on bribery and extortion, a system of information reporting and an inter-government information exchange network.... Any legislation passed by the Congress should be formulated in such a way as to encourage, not prevent, the achievement of an international accord dealing with the full scope of the payments problem and covering both U.S. and foreign countries."

To date, we have seen no foreign industrial country or government take action comparable to that of the United States to deter overseas bribery. The UN treaty negotiations have been effectively mothballed, since the less developed countries refuse to consider any further action until a general code of conduct on transnational corporations is achieved, and that exercise remains far from completion. The other "big seven" industrial countries accepted the "idea" of an anti-bribery treaty outside of the UN at last year's Venice economic summit, but no progress has been made since then.

It was evident before enactment of FCPA, that a unilateral U.S. law which made foreign bribery by U.S. companies a criminal offense—carrying one of the stiffest penalties in our history—would have the effect of

rewarding foreign competitors who continued to bribe or use questionable payments. It is now highly probable, in our view, that the FCPA is both deterring conclusion of an international agreement on this problem, and sapping the ability of the U.S. to compete abroad.

There is, of course, more direct evidence that FCPA has had little effect in reducing large-scale commercial bribery. Last year, one of the giant Korean construction firms was expelled from Saudi Arabia following revelations of large payoffs over the past several years to secure major contracts. Recently, a large German electrical equipment manufacturer has been accused of improper payments to the Austrian finance minister, resulting in his resignation, and an Indonesian court has produced substantial evidence of millions of dollars of improper payments by the same firm to a government advisor to the state petroleum monopoly. We and many other American companies—and I believe every member of this Committee—have no doubt whatsoever that this may only be the "tip of the iceberg." Indeed, such activity is often encouraged by the tax policies of our industrial competitors, as they condone the writing off of payments as deductible fees or expenses.

With respect to the export costs of U.S. law, there are those who shrug their shoulders and say that U.S. industrial exports have not been affected, and that hard evidence on the impact of FCPA is lacking anyway. The fact is, however, that since 1970, our industrial export position has eroded from over 21 percent of the world market outside the United States to 17.4 percent, which means a loss of $26 billion dollars of potential business. Directly in point is the recently released survey by the General Accounting Office which noted that a significant percentage of responding companies (30 percent) did report loss of sales due to FCPA and, of equal interest, that many companies perceived the law as a direct disincentive to exporting. Furthermore, the uneven regional distribution of U.S. export growth also indicates that FCPA may be having a depressing effect in some areas, despite an overall dollar increase in industrial exports since 1978. For example, it is frequently commented that U.S. trade with the more advanced developing countries, especially OPEC countries, would be most affected by FCPA. U.S. exports to OPEC, in fact, have grown at a much slower rate than to other areas in the years since FCPA took effect. While other nations support their exporters with a positive policy of assistance, we penalize ours with a variety of disincentives and restrictions, such as FCPA, anti-boycott regulations, environmental restrictions, human rights considerations, tax disincentives in sending U.S. personnel abroad, the often uncertain fate of DISC, and others. If we once had the luxury of ignoring these export restrictions, we no longer can do so.

The resolution of this problem will require some difficult policy choices by Congress and the President. Without these kinds of policy choices, we will never have an effective and internationally accepted standard of corporate behavior.

First, we must decide exactly what types of actions and payments are to be prohibited by U.S. companies, especially in view of the fact that other countries maintain their own national laws and commercial customs, many of which are murky and uncertain of application. We should accept the fact that if something is not a bribe, according to the laws of the subject foreign country, it should not somehow be something different under FCPA. We need a more sharply defined sense of what is "corrupt" behavior than is provided by present law, as well as a legal guide to presumptive compliance written into the law. The review procedure established by the Justice Department has proved wholly inadequate for this purpose and is likely to remain so. S. 708 provides an excellent guide to needed changes in this area, and I will turn to its specific provisions later in this testimony.

Second, we must decide whether we wish to have bribery by American companies alone a criminal offense, in the absence of our allies accepting an effective international agreement. We must recognize that our present unilateral approach, pursued indefinitely, will be counter-productive to achievement of an international agreement: carrying on with our present one-legged policy will mean that we will never have a two-legged policy, based on domestic law and an international treaty. Everyone concerned with this issue agrees that bribery is bad and that there should be an international agreement, but no one explains how this is to be brought about in the presence of a U.S. law which rewards our competitors who use bribery to win contracts, while deferring action on an international agreement.

To remedy this deficiency, we are proposing that the anti-bribery sections of FCPA, amended by the improvements suggested in S. 708, should be subject to a suspension provision, to be enforced at the discretion of the President, for a reasonable period of time (perhaps six months), which would be coupled with a renewed effort to gain an effective international agreement. Should the President certify that such an agreement has been achieved, and the Congress concur, the suspension could be terminated at any time during this period. If no agreement has been reached, the suspension provisions of the law could be extended, again at Presidential discretion, unless Congress determines that further modifications of the law are advisable in light of continued failure to achieve an international agreement. (The President would also have the power to apply the suspension provisions in specific instances or geographical areas if, for example, our exports were being affected adversely.) An alternative proposal would be to reverse this process, and to "sunset" the anti-bribery provisions of FCPA.

This approach would establish a date certain by which an international agreement is to be achieved, after which the law must be explicitly renewed by Congress. For your consideration, we have included drafts of such provisions with our written testimony. Both the suspension and sunset approaches would indicate that Congress viewed an international agreement as a serious matter, that the FCPA by itself cannot clean up the international business environment. However, this would in no way commit Congress to a repeal of the anti-bribery provisions of the FCPA; this would do no more than signify our unwillingness as a nation to "go it alone." Note that in either case the internal accounting standards established by present law and as clarified by S. 708, are maintained in place.[1] It is our belief that this internal accounting controls procedure, especially if revised to make it clearer, more systematic and more manageable, will constitute an ample safeguard, during any period of suspension, against the type of conduct which led to the enactment of FCPA. Other details, such as disposition of cases in progress, can, I feel, be worked out equitably once the determination of Congress on the general issue has been made clear.

I would now like to address the specific improvements and clarifications proposed in S. 708.

AMENDMENTS TO FCPA PROPOSED IN S. 708

As we understand this legislation, its major purpose is to reduce the uncertainties which presently exist in FCPA, and thereby allow the American businessman to be more confident about what is permitted and what is prohibited in dealings with foreign agents, clients or customers. The expectation is that this can be accomplished without altering the fundamental intent of the original legislation, while allowing U.S. companies to compete effectively in those export markets most sensitive to FCPA constraints on doing business. Parenthetically, it should be no surprise that a law as broad in scope and as novel in concept as the 1977 FCPA requires some subsequent refinement and improvement.

The major changes which Senator Chafee's bill would accomplish are in the following areas:

Anti-bribery provisions

Clarification of what constitutes corrupt or improper payments. S. 708 rewrites the bribery section of the FCPA so that it more precisely prohibits the intentional payment of bribes to foreign officials as "directed or authorized" by company officers. Present law makes corporations and their officials liable for all violations which they supposedly "know" or had "reason to know," an extremely imprecise standard for criminal legislation. The Chafee Bill would properly focus the limits of corporate responsibility under FCPA on bribes actually made or authorized by company management and employees, so as to eliminate a large grey area of marginal corporate responsibility.

Facilitating and expediting payments. This provision recognizes the basis of so-called "facilitating payments" as being those not based upon the official's legal duties and as customary in the country where given and eliminates the existing confusion as to whether the official receiving such payment had duties "essentially ministerial" in nature.

FCPA as exclusive remedy for improper payments. This provision stipulates that FCPA should be the sole criminal or civil provision for legal action with respect to alleged foreign bribes. It would eliminate the possibility that alleged foreign bribery might also be prosecuted under strained interpretations of the mail fraud and other criminal statutes.

Application of foreign law standard. The definition of a bribe would be clarified by specifying that payments considered legal under the laws and regulations of the country where they are made should not be considered illegal for the purposes of FCPA. The present absence of such a provision gives credence to the oft-repeated comments

[1] Under the proposals put forward by the Administration in its testimony on May 20, 1981, the legislation would include a provision making it illegal to falsify any accounting records or provide false statements to any accountant for the purpose of covering up illegal foreign bribes. Should the Administration's proposals be enacted into law, it would have to be determined whether these continue during any "suspension period."

that this country is trying to impose its own moral standards on the rest of the world.

Gifts and business expenses. The definition of corrupt payments would be clarified by excluding small personal gifts given as a courtesy, or tokens of regard and esteem, as well as payments of travel and accommodation expenses pertinently connected with marketing demonstrations or technical training.

Tax code changes. S. 708 would alter the present tax code to allow companies to deduct all foreign expenses not in specific violation of FCPA. At present, the tax code rejects deductions for payments abroad which would not be considered legal under U.S. law, if it applied. This form of double standard would be particularly inapplicable where this legislation permits, as it should, the making of payments which are proper under foreign law.

SEC enforcement. All enforcement of the antibribery provisions of FCPA would be transferred to the Justice Department. Currently, the SEC has civil enforcement power over all issuers of securities subject to SEC control. This provision, which consolidates enforcement authority, would eliminate confusion and disparate application of the law, such as the well-publicized wrangle during the past two years over whether the SEC would accept the findings of the Justice Department's FCPA review procedure.

Justice Department actions to assist compliance. The Chafee Bill provides for a number of procedures with respect to official guidance to American companies on achieving compliance with the Act. Not only are these procedures necessary, but they should follow the specific question-and-answer format which has been successfully utilized in such statutes as the anti-boycott legislation and Hart-Scott-Rodino Pre-Merger Notification Act. They help to clarify how the Government interprets these provisions, which is often the subject of considerable difficulty to the business community.

In our view, these are all positive changes which have a double benefit: they would make the law more equitable for U.S. companies doing business abroad, thus promoting U.S. exports and jobs, while at the same time making the law more workable from the perspective of its original intent.

Accounting provisions

The major changes in the accounting provisions of FCPA as proposed under S. 708 are:

(i) the introduction of a general materiality standard in the record keeping and internal accounting controls provisions;

(ii) the inclusion of a "cost/benefit evaluation" and "generally accepted accounting principles" in the key definitions of what constitutes "reasonable assurance," "reasonable detail," and "in all material respects"; and

(iii) most importantly, the addition of the requirement that there be knowing falsification or scienter in order to constitute a violation of these provisions, thereby eliminating the spectre of prosecution for unintentional or negligent violations of the accounting provisions of the Act.

Of these additions, it appears that the SEC has already endorsed all but the concept of "materiality." Here, we believe that "materiality" in its traditional definition: "if there is a substantial likelihood that an average prudent investor would have considered this information to be such that he ought to have been reasonably informed," is the proper standard to be imported into the FCPA accounting provisions.

The accounting provisions also include a new section intended to allow an issuer owning 50 percent or less of the equity of a foreign affiliate to demonstrate that it has used good faith to influence such firm in adopting the accounting requirements of the Act. Where such good faith efforts are used, the issuer shall be conclusively presumed to have complied with these requirements. While we believe this section is a step in the right direction, we are fearful that the concept of "good faith" will be exceedingly difficult to apply and, accordingly, we would recommend that this provision be revised so as to require the Government to demonstrate affirmatively that such issuer, owning less than majority control, did not use good faith efforts under the particular fact circumstances of the case. The burden of proof of "lack of good faith" should rest with the Government, which would be consistent with overall enforcement of the statute.

On May 20, the Administration proposed its own alternative to the accounting provisions of FCPA which would eliminate these in their entirety. As we understand it, the Administration's position is based upon the twofold proposition that the vast majority of American companies are already required to maintain their books and records in accordance with generally accepted accounting principles, so that the accounting provisions of the act are surplusage and constitute unnecessary and duplicative requirements. However, in its place the Administration has proposed two new provisions loosely based on existing SEC Rules 13b2-1 and 13b2-2, which would make it a criminal offense to falsify accounting records or to make a false or misleading statement to an accountant in connection with an audit in order to conceal any illegal payment or bribe. While we have not had time to study this proposal carefully, and though we applaud the elimination of the accounting sections of the Act, these two new provisions appear to contain language which, at first reading, seems overly broad and ambiguous. Under proposed Section 104(c)(1), it would be a crime to falsify any accounting records "required to be maintained by generally accepted accounting principles." Since such principles are under constantly changing interpretations, this would create a high degree of uncertainty as to the meaning of this provision. Proposed Section 104(c)(2) would make it a crime to make a false or misleading statement of any fact—not necessarily a material fact—or omit to state any fact—again, not a material fact—necessary to make statements made not misleading with respect to any illegal payment or bribe. This omission could be interpreted very broadly, especially since any omitted fact may later seem pertinent in the context of a potentially illegal payment. As indicated, we have concern over the extreme breadth of these provisions, and it is our intention to further review the Administration's proposals following this hearing, and, if the Committee so permits, supplement this testimony by specifically addressing these provisions.

Mr. Chairman, I want to conclude by thanking you for this opportunity to testify. I have tried to focus on the major issues which have developed under FCPA, based on my own experience as General Counsel for Ingersoll-Rand, and on discussions which I have had with officers of other companies. The Chafee Bill, S. 708, will go a long way toward resolving some of the specific problems we have encountered in interpreting the law. But creating an equitable international environment for U.S. companies, so that they do not lose large amounts of business because of bribery by others, will require much more than improvement of domestic U.S. law. More consideration needs to be given as to how this can be achieved, or even if it can be achieved at all.●

HEALTH BUDGET CUTS IMPACT ON THE NATOIN'S CITIES

● Mr. KENNEDY. Mr. President, during the debate last year over proposed budget cuts in health programs, particularly preventive health programs, I predicted the cuts would have a devastating impact on the health status of millions of Americans. The administration argued that the proposed cuts were not really cuts at all but would be offset by greater program efficiency, reduced redtape, and better targeting on populations in need. And the administration prevailed—virtually all of the public and preventive health programs sustained significant reductions in Federal support.

A year later, it is becoming increasingly obvious that the administration was wrong. Fewer children are being immunized against preventable childhood diseases; screening for lead based paint poisoning, which can cause serious and permanent brain damage if left untreated, is down; hypertension screening programs have been closed. Maternal and child health programs are turning away at risk mothers and children.

Particularly hard hit by the cutbacks are the poor of this Nation's cities. On July 15, 1982, representatives of the U.S. Conference of City Health Officers addressed the impacts of Federal budget cuts on local public health programs. I ask that the prepared remarks of the chief public health officials of the cities of Philadelphia, Detroit, Baltimore, Chicago, and San Francisco be printed in the RECORD at this point.

The prepared remarks follow:

STATEMENT OF JOHN B. WALLER, JR.

Good morning. I am Dr. John B. Waller, President of the U.S. Conference of City Health Officers and Public Health Director of the City of Detroit. The Conference of City Health Officers is the Washington-based representative for the nation's city and county health departments and is an affiliate of the U.S. Conference of Mayors.

I am here today to discuss with you the Administration's budget priorities and health policies as they relate to: prevention of illness and injury; the protection against disease; the promotion of health for all persons regardless of social or economic status; and, the special health needs of the poor, the elderly, mothers and infants, children, and the disabled.

Joining me are public health directors from some of this country's largest metro-

politan areas: Dr. Stuart Shapiro, Commissioner of Health for Philadelphia; Dr. John De Hoff, Commissioner of Health for Baltimore; Dr. Hugo Muriel, Commissioner of Health for Chicago; and Dr. Mervyn Silverman, Director of Health for San Francisco.

Dr. David Sencer of New York had planned to be here today but was forced to remain home because of a pending hospital strike in no small measure the result of budget cuts and local fiscal constraints.

The five health officers present speak for approximately nine million individuals. These people, our cities—all of our cities—not just the old Northeastern cities—are in trouble.

More and more workers are becoming unemployed. The cost of living is increasing. Health costs are going up. Local tax bases are disappearing because businesses large and small are going bust and out-of-work people can't pay taxes. While all of this is going on, local governments face increasing pressure to do more—in health, in human services, in housing, and other areas—for the ever growing legions of poor and near poor, for undocumented aliens, for the aged, for children, and for refugees whom we welcome to our communities, but point out are here because federal government decided to admit them but declines to assume full responsibility for them.

The federal government is opting out in the guise of new federalism. It is turning its attention away from human needs. Local governments, the providers of last resort, can't ignore human needs. But, the well may soon run dry.

In oil-rich Tulsa, there has been a gradual rise in the infant mortality rate. Cuts in clinic hours brought on by cutbacks in the Maternal and Child Health program make it difficult for low income women to obtain pre-natal care.

In Des Moines, only one half of the needed home health care is available. The United Way, one of those voluntary agencies we hear so much about lately, has contributed all it can to supplement city and county resources, but it isn't nearly enough. Who loses? The elderly, abused children, the home-bound, and dependent adults.

A venereal disease epidemic continues in the United States. In September, Tucson will lose federal funds that pay for the manager of a five county VD clinic and some clinic staff. Backup laboratory services, which now can't be maintained at adequate levels, will be reduced, too.

Seattle's Indian Board, the only program for the City's Indians, may well go out of business. In 1982 the Board had a $2 million budget. The Administration wants to erase $1.2 million of this with elimination of funding for Title V of the Indian Health Care Improvement Act. $700,000 more will be cut when a $900,000 grant from the Department of Health and Human Services is terminated and replaced with a $200,000 phase out grant.

The United States Conference of City Health Officers take issue with this and with similar scenarios being played out in most every city in this country. We take issue with the fact that the Administration would have us spend $46 million in 1983, an increase of almost 300 percent over 1982, on nuclear attack civil preparedness for a war no one can win and which almost certainly isn't worth living through, while at the same time radical surgery is being performed on medicare, medicaid, and discretionary health programs to the tune of almost $5 billion.

What is going on here? How can Americans rationalize a social priority expressed through our federal government expenditures which places emphasis on preparing for death and destruction by nuclear holocaust rather than preventing disease and disability and promoting a healthy living environment for us all.

Let me share a few numbers with you. In the area of childhood immunization, for 1982 the Administration requested a 34 percent cut in funds from 1981. Congress settled on a ten percent cut which, taking into account the rising cost of vaccine, results in at least a 30 percent cut from 1981. The public health community was outraged and warned this would result in increases in measles and rubella and eventually in the re-emergence of polio. HHS Secretary Schweiker recently relented; he called upon Mr. Stockman to okay a $6 million supplemental in 1982 and a $5.5 million increase for 1983 because the country might be 4 million vaccines short. 4 million!

The President refused to sign this measure twice, vetoing it along with other programs in an emergency supplemental appropriations bill.

How many other program calls will be judged wrong; too late. We don't want to wait around and find out.

Rodent control—in Detroit we speak more colloquially of rats—has been lumped into the preventive health and health services block grants. This means cities with the need for urban rat control programs have to justify for legislators in their state capitals—many in rural areas—the need for continuation or strengthening of programs that serve only certain areas in the state. This is often hard to do.

Have you seen an infant who's been bitten by a rat? I have.

We want this to stop. We want it to stop now. Let's get our priorities straight. Stop trading healthy children for helicopters. Stop trading lead based paint poisoning prevention programs for lethal weapons. Stop abandoning our old, poor, disabled for a disaster planning charade the Wizard of Oz would have had a hard time believing.

One of my favorite quotations of Thomas Jefferson states the care of human life and happiness is the first and only legitimate objective of good government. This quotation is proudly displayed as you enter the offices of the City of Chicago Health Department.

On that note, I'll close and turn over the floor to my colleagues for some brief remarks.

Baltimore City Health Department

Health and medical services in Baltimore City have been reduced as a result of funding reductions by the Reagan Administration, compounded by unemployment and continuing severe inflation. Budgetary dollar reductions can be equated to service losses because health services are labor intensive.

Services to people in Baltimore have suffered these losses:

FUNDING REDUCTIONS

Family planning—Baltimore City Health Department had a $1,000,000 annual budget in this area. For fiscal year 1983, $400,000 is available, representing a 60-percent cut.

Maternal & infant care and children & youth programs—A cut of 25-percent in federal funds reduces services and limits intake to only high risk pregnancies.

Air pollution—A 20-percent reduction in monitoring and control activities of industrial emissions will occur.

Food processing plant inspection—A 40-percent cut equates to a $25,000 loss to Baltimore City Health Department.

Federal congregate eating program for the elderly (eating together in Baltimore)—A 20-percent cut means that 1000 fewer meals per day will be served.

High blood pressure control—A 15-20-percent reduction in funds limits the screening of new clients and follow-up of persons under treatment.

Influenza vaccination program—Federal program funds were eliminated.

Neighborhood health centers—One, the East Baltimore-Medical Plan, or possibly two will lose all federal support. Others may lose up to 30-percent of federal funding. West Baltimore Community Health Center has laid-off 25 workers. Chesapeake Health Plan has only fiscal year 1982 carryover funds.

Health promotions—A two-thirds reduction in money available to the state resulting in total loss of funds for Baltimore City.

UNEMPLOYMENT

Hospitals are suffering from the unemployment of patients which is running at 11 percent for the metropolitan area and as high as 70 percent in predominantly black areas. Greater Baltimore Medical Center (GBMC), heavy in specialty care, notes "a sharp decrease in inpatient revenue," a drop in outpatient care, a rise in charitable care requests and in bad debts. Some GBMC physicians have had a 45-50 percent decrease in office visits, even in the white-collar Towson-Timonium area, according to hospital director, Paul Becker.

INFLATION

Baltimore City Health Department staff have noted an increase in homeless young people and "bag people," and have reports of requests to neighborhood residents for "backdoor meal handouts." Staff substantiates newspaper reports (Baltimore Sun) of dispossessed or transient families living in autos or packing board shelters.

Chicago

Chicago, a city of 3 million people where health care expenditures average 4-5 billion dollars a year, has a Health Department of diminishing fiscal resources. Statistics show that the problems of infant mortality, tuberculosis and veneral diseases in Chicago are slowly decreasing, but are certainly not keeping pace with national levels. Unless the private and public sectors address the preventive aspects of these pressing problems in a more forceful manner the health care system in Chicago and elsewhere will suffer serious setbacks.

It is imperative that direct action be taken immediately to solve this problem. But, because of the elections in November of this year, no one wants to talk about badly needed services. Why, because services require financial resources which in turn means an increase in state and local taxes. Despite the lack of attention to this matter, there is a growing demand from the public for more and better services. This demand is not unfounded as we see medical providers screening patients and refusing services to those who do not pay cash or have full health insurance coverage. Consequently public health facilities are being forced to provide for those being turned away from other medical providers.

The key to the success of preventive medicine is a coordinated effort by both the individual as well as the public and private sec-

tors. In the past year and one-half state and local health departments have been faced with the growing demand for services yet find themselves with less fiscal resources.

In order to establish the required priorities that would give the health care providers the resources with which to facilitate preventive medicine a National Health Policy is needed. Such a policy would not only establish a direction by which preventive medicine would lead to further reductions in disease but also promote the over all well being of man.

THE PAIN OF ABANDONMENT; CITY OF PHILADELPHIA

The citizens of our cities are feeling the pain of abandonment.

Over the last two decades the federal government has developed many programs to preserve people's health and to meet special health needs. I am at a loss to explain why these programs, which do contribute to keeping the public healthy, have been singled out for cutbacks by the federal government. I understand the need to balance the budget. This is not the way to do it. If the issue truly is to make health programs more accountable and more efficient, I can tell you that the new federalism with decreased funding will not accomplish these goals. The theory that these cuts can be absorbed by improved program administration and targeting by the states and by the private and philanthropic community is simply not true. That is not a partisan statement. That is the opinion of the apolitical Government Accounting Office and the non-partisan Congressional Budget Office.

As Health Commissioner for the City of Philadelphia I join with the other Health Commissioners to say loudly and clearly that the budgets being proposed and enacted are dangerous to the health of the citizens of this great country. The suggested economies will be enormously costly in the longrun. Human suffering will increase. The so called "safety net" which is supposed to protect the truly needy from serious hardships is no safety net at all. It looks more like Swiss Cheese, with more holes than cheese.

The programs which will be hardest hit are those which have clearly been shown to prevent disease and suffering. They are cost-effective programs which have prevented the need for costly long-term hospital and custodial care. For example:

Drug and Alcohol Programs in Philadelphia have been cut by 11%. Studies show that when heroin addicts join methadone programs their rate of crime drops significantly as does their possession of hand guns. Hundreds of addicts wanting and needing treatment will not be able to get services. Is our government asking addicts to steal to support a habit because there are no treatment slots available?

In terms of Maternal and Child Health care, eliminating prenatal care is not cost-effective. The United States tragically ranks 14th worldwide in infant mortality. Infant mortality must go down. It will not with the cuts being proposed by the Federal Government. It is far cheaper to offer prenatal care to a poor woman than it is to pay for a lifetime of special services and/or custodial services for a handicapped child.

Cost-effective preventive programs such as programs to detect and treat venereal disease, tuberculosis, and lead poisoning are being cut. Immunization programs are certainly not keeping up with inflation.

Medicare and Medicaid programs are inadequately funded today. And the $5 billion in cuts will make it worse. According to a recent study nine hospitals in Philadelphia are facing the threat of bankruptcy. Hospitals are facing an unconscionable dilemma—a hobson's choice—of limiting care to the poor and unemployed or risking the end of all care by ending in bankruptcy.

When the Federal Government or a state government cuts a health department budget, the entire system of care suffers. The fabric holding the health care system together is very delicate. It is like fine silk, not a sturdy cotton. If we destroy the fabric of agencies providing care or permanently weaken these agencies by forcing them to use endowments for routine operating expenses, reduce staff or cut eligibility, then even if by some miracle the program for economic recovery does work, we will have virtually no health system remaining.

The irony of all this is that while these cuts are taking place, President Reagan is supporting a 4.2 billion dollar program to relocate two-thirds of the American public in case of the imminent threat of nuclear war. I believe that that expenditure is wrong. I believe we should not waste 4.2 billion dollars on a program to vacate people from our cities in case of nuclear war when millions of Americans are going hungry and are unable to receive even minimal health services. That 4.2 billion dollars should be spent on domestic programs which prevent and alleviate human suffering.

I am not saying that we should spend money in an unsystemmatic way. We must create a set of health and social programs that are more efficient, less costly and more accountable. We do need systemwide targeted reforms and we do need reform in the way we finance health care. But the budget cuts being proposed will not get us to that goal.

I hope my message is clear. We must learn to live within a budget; that budget, however, must meet, not hide our obligations. The budget today is not meeting those obligations. We are all feeling the pain of abandonment.

SAN FRANCISCO HEALTH DEPARTMENT

San Francisco faces a reduction of services totalling approximately $10 million from cuts in funding of services contained in the block grant categories, cuts in Community Health funding, Mental Health funding and cuts in Medicare and Medicaid. Since these are not uniformly distributed some services are completely eliminated while other are affected in varying degrees. But the main problem is:

The cities are being hit from all sides! i.e.:

(1) Direct revenue reduction as a result of Federal and State cuts.

(2) Increased demand for services resulting from—(a) The poor economy, (b) dumping by private providers no longer able to provide low-cost services.

The reality is: The cities are the providers of the last resort!

We are seeing a number of paradoxes:

(1) As the needs and demands increase our ability to meet them decreases.

(2) While the Federal government gives lip service to the benefits of prevention (and at the same time reduces funding for it) we are forced to shift scarce dollars to acute care—thus making a short-term solution which will lead to a long-term problem that is much more costly, but in terms of dollars and more importantly in human suffering. For example the relatively few dollars that may no longer be spent on Heart Attack risk reduction per person are exceeded a hundred times by the huge expense to treat the preventable myocardial infarction.

If the problems and concerns raised here today are any indication, the nation will return to a system of acute and episodic health care for the poor and the increasing number of near poor, with an accompanying reduction in vital community health prevention programs.

To reverse this trend we must have a commitment on the part of the federal government and the nation's citizens to preserve community public health services.

Public hospital revenues must be protected, as proposed by the Senate Finance Committee and as currently considered by Ways and Means. All of our vital acute and public health services must be sustained or all will decline together. We must be equally vigilant to the effects in both quarters, for without protection of resources to meet indigent health care needs, I fear we will see the end of public health as we know it. Despite the financial and humane bases for investment in public health, cities and counties are currently forced to the limits of their ability to sustain these services. We have tightened our belts as far as possible. It is now time to draw the line and demand no further reductions in either indigent or preventive health care programs.●

PRAISE FOR THE SENATE FINANCE COMMITTEE

● Mr. DURENBERGER. Mr. President, throughout the country, one major metropolitan newspaper after another—regardless of traditional ideological bent—is praising the work of the Senate and the Senate Finance Committee in approving H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982.

These editorials stress two points: First, that the Senate Finance Committee, faced with a choice between raising taxes on honest taxpayers or getting better compliance with the laws we have now, wisely chose the latter. And second, that, by far, the revenue raised by H.R. 4961 will be paid by wealthy individuals and corporations who have been using soon-to-be-closed loopholes to avoid paying their fair share of the tax burden.

Mr. President, I ask that the following excerpts from editorials about H.R. 4961 be printed in the RECORD at this point.

The excerpts follow:

Minneapolis Tribune: "The committee's tax bill will cut billions from the dizzying federal deficits initially proposed by President Reagan."

"The Finance Committee was admirably impartial [in] ending special favors, plugging tax leaks, correcting inefficiencies, and improving tax compliance."

"The Finance Committee bill is even handed, makes numerous improvements for fairness and simplicity and would do what the budget requires. The public should let the Congress and the President know that this is the bill it wants this summer."

Washington Post: "Mowing down phalanxes of tax lobbyists and lawyers, [the] Finance Committee . . . [has accomplished] the first significant move toward tax reform in decades . . ."

"In terms of public interest, it wouldn't be a bad thing at all if the House were simply to rubberstamp the Senate bill . . ."

"Few provisions in the [Finance Committee] bill affect the average taxpayer . . . [the bill] goes after the businesses and individuals who avoid paying their fair share of the tax burden . . ."

"What interests can possibly be served by protecting tax cheats who conceal interest and dividend income? Surely not some concern for discouraging savings, since the impact on honest taxpayers would be minimal."

". . . an overdue battle to make the tax system cleaner and fairer"

"[The Finance Committee] thinks it would be much fairer to eliminate loopholes that let some taxpayers pay little, rather than to increase the burden on those who already pay a lot."

"Exposed to the merciless pressure of the tax loophole lobbies, the Finance Committee nevertheless put together a brave set of tax reform measures . . . the number of redoubtable lobbies that the committee faced down is remarkable."

"The Finance Committee has taken large steps toward making the tax code simpler and fairer, but in doing so, it offends strong and vocal interests. The committee needs—and deserves—the full support of the Administration, Congress, and the public."

Des Moines Tribune: "Of the many ways to raise taxes, [the Finance Committee] bill features two: closing loopholes and cracking down on tax evaders . . . Credit for this approach belongs to Senate Finance Committee Chairman Robert Dole and other Republicans on the committee . . .

"Like most tax bills, this one is complex, and few could agree with all of its provisions, but, on the whole, it is a good bill that deserves the support of the Senate and the House . . ."

The Atlanta Journal: "While the revenue that will be generated from the [Finance Committee bill] is important, it is equally important for Congress to send the American people a message that it is serious about closing loopholes . . . these restrictions are essential . . . we urge the Senate to approve them and the House to retain them."

New York Times: "By the usual rules, it would have been a game of you scratch my lobbyist, I'll scratch yours. But the Republicans on the Senate Finance Committee, led by Chairman Robert Dole, were in no mood for games of any sort last week. Charged with the unpleasant task of raising some $21 billion in revenues to hold down the 1983 budget deficit, the committee did so at the expense of narrow interest preferences in the tax code. The result is a surprisingly constructive piece of legislation, undoing some of last year's smellier excesses. No one will be pleased by every proposed change. But passing this bill would go a long way toward making the tax laws more equitable."

"[This is a] fine tax bill . . . Now it's up to the Congress to turn a good bill into law."

Denver Post: "The 98.3 billion [to be raised] in federal revenue over the next three years [is] a critical step if the burgeoning federal deficit is to be controlled and interest rates lowered. But the 10 percent personal income tax cut which went into effect this month, and the follow on 10 percent cut scheduled for next year, were left intact. Thus, the parts of the tax package most vital to citizens and the economy were retained. The revenue gains will come mainly at the expense of those who haven't been paying their share."

"The tax plan is far from perfect. But it is a firm step on the road to solvency and a sign that Congress is willing to stop groveling before special interests."

Chicago Sun-Times: "The [Senate Finance Committee had] enough guts to broaden the tax base by requiring more people and businesses to start paying up."

San Francisco Chronicle: "In this year of severe political strain for Republicans, bearing as they do responsibility for dealing with the horrendous deficits of a receding economy, we may for once see conscience and selflessness win . . . Good for the Senate Finance Committee for showing Congress the way . . . to close some of the deficit gap as fast as possible."

Los Angeles Times: "[The Finance Committee bill] is largely balanced, reasonable and fair. The bulk of the package . . . is sound—made to seem even more welcome when contrasted with the dismal performance of the rest of Washington's policymakers. The package hangs, in fact, like a striking new work of art on the wall of a house that is about to fall apart.

The Boston Globe: The Finance Committee bill is "the most serious effort in years to close loopholes in the tax structure . . . [it] simplif[ies] the tax system while making it more equitable."

"The Dole package has merit because it can get Congress moving toward closing of loopholes too often used by clever persons and corporations simply to dodge taxes rather than to pursue the economic ends for which the benefit was originally designed. If all or most of the package gets through the House and Senate unscathed, the entire nation will gain."

Withholding Won't Hurt

One of the most controversial provisions of the Senate Finance Committee's tax bill would require withholding of taxes owed on interest and dividends. Why is there such resistance to this proposal? After all, every dime of hard-earned wages is subject to both income tax and payroll tax withholding. Unearned income is accorded other sorts of favored treatment by the tax system, so why shouldn't taxes owing on it at least be paid as promptly and fully as taxes on wages?

The polite case against withholding on interest and dividends is that—as Sen. Robert Kasten said on the opposite page Friday—it would "discourage savings and investment, penalize the elderly and create an administrative nightmare." Let's inspect each of those arguments.

The first misconception is that 10 percent withholding drains money from the country's pool of savings. This is false on two counts. One is that the Treasury is not collecting anything it isn't already owed. It's simply collecting it a little sooner. In any case, when the Treasury collects more money, this reduces the public debt—which is financed by private investors who buy government bonds—and this frees up more money for private investment. In the short run, it's a wash. In the long run, reducing the debt increases private savings, since the cost of paying interest on the public debt is lower.

As for the impact on individual savers, it is completely negligible—unless you weren't planning to pay the taxes you owe at all. The honest investor would lose only the tiny bit of interest that would have accrued on the amount withheld during the course of the year. To give you an idea of what that means: an investment of $1,000 at a 10 percent annual interest rate yields $100. Over the course of the year—not at the beginning of the year—the Treasury would collect $10 in withholding. The interest lost on that withholding would be about 50 cents. At the end of the year, if the taxpayer doesn't owe that much, he gets the $10 back. Otherwise it offsets the taxes he would have to pay anyway. Anyone who thinks that an effective reduction in yield of five one-hundreths of 1 percent is going to cause people to withdraw their savings and go on a spending spree is living in some strange world.

As for the elderly, the proposed rule would allow all old people except those with substantial taxable incomes (in which Social Security isn't counted) to apply for an exemption. Many probably wouldn't claim the exemption since they would prefer having the tax withheld gradually to paying a lump sum at the end of the year. But filing an exemption form would certainly not be an intolerable burden for either the elderly or their banks, brokers or savings institutions.

These institutions must already file information reports with the Treasury listing all interest and dividends paid to each investor. All that will have to be added is an indication of whether or not an exemption from withholding is claimed. Nor, in this age of electronic banking, is it credible to claim that financial institutions can't handle the task. Sure, there will be start-up costs and a certain amount of grumbling, but the nation managed to survive the much bigger job of implementing withholding on wages in the early 1940s, and in those days there weren't computers on hand to help out.

Since the polite case for opposing withholding doesn't hold much water, what can be the source of congressional resistance? Can it be that those taxpayers who now conceal almost $50 billion a year in investment income from the Treasury have gotten organized as a lobby? Doesn't seem likely, but the idea is so eminently reasonable that the opposition is baffling.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on August 2, 1982.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room 4229 Dirksen Building.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., August 2, 1982.

In reply refer to: I-02269/82.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 34(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $50 million.

Sincerely,

WALTER B. LIGON,
Acting Director.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the Chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room 4229 of the Dirksen Building.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 29, 1982.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-63 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Italy for defense articles and services estimated to cost $20 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON
Acting Director.

TRANSMITTAL NO. 82-63

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Italy.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$17
Other	3
Total	20

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 12,996 M509A1 8-inch high explosive projectiles; 14,304 M577 fuzes; and 14,500 M82 percussion primers.

(iv) Military Department: Army (XJJ).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: July 29, 1982.

POLICY JUSTIFICATION

ITALY—8-INCH PROJECTILES

The Government of Italy has requested the purchase of 12,996 M509A1 8-inch high explosive projectiles; 14,304 M577 fuzes; and 14,500 M82 percussion primers at an estimated cost of $20 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Italy; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The purchase of the 8-inch projectiles will increase Italy's ability to protect critical lines of communication for the vital flow of supplies to NATO's Southern Region. The effect of this sale will be to help improve the relative military capability of Italy and NATO.

The sale of this equipment and support will not affect the basic military balance in the region.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Italy.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

HABEAS CORPUS PROCEDURES

Mr. THURMOND. Mr. President, a couple of days ago, I sent to the desk a bill to reform habeas corpus procedures. At that time, the able minority leader wanted to check with the Senator from Georgia (Mr. NUNN) and the Senator from Florida (Mr. CHILES), who have been speaking on this almost every day for some weeks. I have talked to both of them and they have told me that they have no objection. I wonder if the minority leader would now consent to my introducing this bill.

Mr. ROBERT C. BYRD. Mr. President, I am sorry to be a thorn in the side of the distinguished Senator from South Carolina. I, too, checked with Mr. NUNN and Mr. CHILES, and they have no objection. But there are two other Senators on this side of the aisle who have imposed objections. So, regrettably, I shall have to continue to object to the introduction of the bill on this legislative day.

END THE VIOLENCE OF LEBANON

Mr. KENNEDY. Mr. President, I am deeply concerned about the escalating warfare on both sides in Lebanon. Each day as the level of destruction rises, the hope for peace recedes.

At this critical moment, when the lives of thousands of innocent men and women and children hang in the balance, it is of extreme urgency that all sides adhere to a cease-fire. Only then will the mounting and tragic toll of civilian lives be ended. At the same time, the PLO terrorists must no longer hold a civilian community hostage. It is essential that the PLO unequivocally agree to leave Beirut and Lebanon. The Syrians must withdraw to their borders—and so must Israel. It is time to return Lebanon to the Lebanese—and to restore that country, the Israeli-Lebanese border, and the entire Middle East to a permanent and secure peace.

For too long, too many mothers have wept for too many children who have been lost to violence—in Israel for over three decades, in Lebanon during this war and ever since the PLO occupied much of that country in 1975. All sides in this conflict have a responsibility not to break the cease-fire. Only when the violence ends can we make real progress toward peace in the Middle East. More must now be sought than an immediate end to these days of violence. It is time for Jordan, Saudi Arabia, and other Arab nations to join with Israel and Egypt in furthering the Camp David peace process. Peace has been the hope since the day Israel was born. That is the hope of Camp David, and that is the hope we must continue to pursue.

STILL A LONG WAY FROM HOME

Mr. SCHMITT. Mr. President, before the Congress now and in conference is a major measure that will raise approximately $100 billion in taxes over the next 3 years. There have been many negotiations, many compromises, in the budget process this year, and we are still a long way from home. I recognize the difficulty that the members of the appropriate committees and the leaders of the administration have had in trying to reach some budget compromise. In

fact, I supported the general provisions of the budget resolution that contained the instructions that led to the bill reported by the Senate Committee on Finance. In this regard, I compliment the leadership of the Senate, and compliment the administration and Chairman DOLE and the ranking member (Mr. LONG), for their diligent efforts.

Mr. President, as I have said before and will say again, we are not yet home. There are severe constraints that have been imposed on this budget process by politics, by the reality of the budget, and by the administration on what they will accept and not accept. Under those constraints, we still do not have a bill that I believe serves the American people well. It is my hope that, in the conference process, there can be an accommodation.

Mr. President, raising taxes any time, but particularly during a recession, is not a good idea unless there are extraordinary circumstances involved. If we are going to raise taxes, we must do it with commonsense. There are portions of this tax bill that is now in conference that are desirable reform. However, other portions and the majority of the bill hits directly at the middle class, the middle-economic class of this country, who are bearing the brunt of the tax load at this time and who can ill afford increased taxes, particularly at a time when we had promised them a decrease in taxes.

The bill also hits at badly needed incentives for investment, particularly, the accelerated cost recovery system deletion for 1985 and 1986 and the investment tax credit basis reduction.

Overall, it just seems to be bad policy to give with one hand with the tax bill we passed last year and then take away, just a few months later, with the bill that is under consideration now.

In the name of forcing compliance by a few, the bill would penalize honest taxpayers by requiring the withholding of taxes on savings income. It is estimated that the cost to savers due to reduced interest compounding and loss of reinvestment would be $1.7 to $2 billion annually. The cost of compliance that will be passed on to the consumer would be at least $1.5 billion per year plus a new paperwork nightmare.

The bill would reduce deductions allowed for casualty and medical expenses by individuals. The nondeductible cost of medical expenses paid by a person making $22,000 would increase from $660 to $1,540 and the nondeductible cost for personal property losses would increase from $200 to $2,200.

The bill would raise excise taxes on telephones, aircraft fuel, and other broadly used articles in domestic commerce. The effect is to add at least another $100 a year of taxes, direct or indirect, on the average man or woman in this country.

The bill would undermine private pension plans potentially affecting 6.5 millions of Americans and eliminating $5 to $10 billion in annual capital formation.

The bill would take the first step toward forcing Federal workers into the social security system without fixing that system so it will work for all retirees. The cost to a Federal worker making $22,000 will be over $280 in 1983 and over $310 in 1985.

The bill would change the business tax rules enacted last year for small and large businesses but particularly onerous on small businesses, thus discouraging and confusing investment needed to form new jobs.

The bill would discourage new investment in mineral and energy activities at exactly the wrong time for the country and for my own home State employment and revenue needs.

The bill would discourage new hiring and encourage layoffs by all businesses by raising Federal unemployment taxes. The additional tax paid by employees would increase by $41 in 1983 and hit $231 in 1985.

Mr. President, I would strongly suggest that the actions of the Senate today in recommending to the conference that we increase unemployment benefits be considered in the context of raising these taxes. If these taxes are to be raised, then it is absolutely imperative that we increase the benefits as agreed to by the Senate today.

Mr. President, there are alternatives to taxes other than the ones that I have mentioned. One alternative clearly is not to take such a huge bite. I am not one that believes that the financial markets are going to react in 1983 to a reduction of $23 billion. It is going to take far greater reductions in expenses of the Federal Government before these markets are going to react.

For that reason, we may well react for other reasons.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

DEATH OF P. L. SNEAD

Mr. HEFLIN. Mr. President, it is with great sorrow that I apprise the Senate of the death of a dear friend of mine, P. L. Snead, who was found murdered in his home in Centre, Ala., on Friday, July 16, 1982.

P. L. was a man who loved his country. He was willing to pay the price for freedom for his fellow man. During World War II, P. L. flew 24 missions over Germany as a tailgunner. For these heroic acts, he received a Purple Heart and several other medals. He was willing to put his life on the line for his beliefs. As a result, we have a better Nation in which to live and a greater appreciation of the freedoms we are so privileged to enjoy.

P. L. was a man who loved his community and wanted to see it grow and prosper. He was a member of the Centre Chamber of Commerce, director of the Cedar Bluff Bank, a volunteer in the Centre Volunteer Firemen, a member of the Alabama Cattlemen's Association, and a member of the Alabama Farm Bureau. In addition, he served as president of the Snead Tractor Co., and was active in the Masons and Shriners.

P. L. loved life and he wanted others to be able to enjoy life. He had his eyes donated to the eye foundation for the benefit of someone who had previously been unable to enjoy the gift of sight. In donating his eyes, he said, "I have been able to see the beautiful world and I want others to be able to see the beauty of it also."

He loved his church and that for which it stood. P. L. had requested earlier in his life that no flowers be sent to his funeral, but rather memorials be made on his behalf to his church's building fund. His family granted his wish.

A native and lifelong resident of Cherokee County, P. L. is survived by his brother, Hughard Snead of Centre, and his three sisters, Mrs. Olga McCord of Guntersville, Mrs. Allene Laney of Gadsden, and Mrs. Sybol Ellis of Centre. I would like to express my deepest sympathy to those members of P. L.'s family.

P. L. Snead was a man who loved life, his fellow man, his community, his church and his family. P. L. died prematurely at the hands of a criminal. May the death of a man like P. L. Snead be a challenge to this Congress and our Nation to act to control the ever increasing crime rate in our country. P. L. will be greatly missed, but his memory will remain forever with those who knew and loved him.

DISCRIMINATORY TAXES ON AVIATION FUEL

Mr. HEFLIN. Mr. President, a few days ago the Senate approved the largest peacetime tax increase in our history. I did not support the Tax Equity and Fiscal Responsibility Act of 1982 because it contained a number of provisions which will raise revenues at the expense of lower and middle-income taxpayers. Moreover, in many instances, the bill singles out particular groups of taxpayers upon which to impose new tax burdens.

One provision in the bill which I strongly objected to places an unfair and highly discriminatory tax on the aviation industry. Under this bill, the tax on noncommercial aviation fuel will increase from 4 to 12 cents a gallon, and nongasoline fuels, such as

kerosene, will go to 14 cents a gallon. This will actually triple the Federal tax on noncommercial aviation fuel.

In my opinion, this untimely proposal will harm the entire aviation industry. For example, it is estimated that the cost of these new taxes to operators of noncommercial jet aircraft may be as high as $84 per hour of flight time. In addition, the increasing divergence between aviation and automobile fuel prices may force many pilots to use automotive fuel, a cheaper and probably dangerous alternative.

Over the last several months, I have talked to a number of general aviation pilots in my home State of Alabama. Many of them have told me repeatedly that they could live with some increase in the present rate of taxation on aviation fuel. However, the general aviation industry simply cannot afford a tripling of the tax on aviation fuel. This is an industry composed largely of small businesses who must not be forced during these economically turbulent times to bear a new and inequitable tax burden.

During the Senate's deliberation on the tax bill Senator CANNON offered an amendment which I supported because I felt it was an equitable and reasoned proposal. His amendment, which was strongly endorsed by the Aircraft Owners and Pilots Association, called for waiving the new tax on aviation fuel when the trust fund for airport and airway system development exceeds $500 million. Unfortunately, this amendment was defeated.

Mr. President, the provisions in the tax bill which will triple the Federal tax on noncommercial aviation fuels should be repealed. At the very least Senator CANNON's approach, which ties the tax levels to the trust fund surplus, should be adopted. I urge the House and Senate conferees, in their deliberations on the tax bill, to reconsider this provision and remove this unfair tax burden from the general aviation industry.

Thank you, Mr. President.

THE CRIME CONTROL ACT OF 1982—TITLE IV—HABEAS CORPUS REFORM

Mr. NUNN. Mr. President, Senator CHILES and I have addressed our colleagues for over 2 months now on the need for reform of the laws currently governing habeas corpus proceedings. Every day this Legislature passes new laws to correct mishaps in other laws. And every day our criminal justice system is threatened with a continual wave of frivolous habeas corpus petitions. In light of the substantial abuse which has surrounded these habeas petitions for decades, Senator CHILES and I believe that it is necessary to eradicate those procedural loopholes which allow such misuse of these petitions.

S. 2543 focuses on the most critical areas of change needed in habeas corpus proceedings. It provides for a 3-year stature of limitations in filing for habeas relief, thus helping our criminal justice system to avoid problems like those encountered in the following example.

Mayor J. L. Stringer of Hobson City, Ala., was indicted by an Alabama grand jury on one count of forgery and one count of embezzlement. The State's case alleged that Stringer had cashed a check issued to a Mr. Malone, by virtue of Stringer's forgery of Malone's endorsement. Malone testified that he neither endorsed his name on the check nor authorized the mayor to do so. The evidence showed that Stringer had deposited the check in his own account. Stringer himself testified that Malone granted him permission to endorse the check in question. With permission as his defense, Stringer openly admitted at trial that he had signed Malone's endorsement on the check. The jury acquitted him of forgery, but convicted him of embezzlement.

Stringer's conviction was affirmed by the Alabama Court of Appeals. The Supreme Court of Alabama subsequently denied his petition for writ of certiorari. Still dissatisfied with these State court rulings, Stringer, like so many others, continued to press his case by seeking Federal habeas relief in the U.S. District Court for the Northern District of Alabama. In an extremely brief opinion, that court issued the writ on the ground that Stringer was without counsel when he admitted signing the check during a telephone conversation with the district attorney. The writ was issued despite the fact that Stringer had openly and voluntarily made the same admission during his trial testimony. Neither Stringer nor his attorney ever raised the issue at trial. His sole defense was Malone's alleged permission for the endorsement. His forgery of the endorsement was never at issue in the case.

On appeal, the Fifth Circuit Court of Appeals affirmed the district court's grant of the writ. The U.S. Supreme Court denied the State's petition for a writ of certiorari. In an especially strong dissenting opinion, Justice Rehnquist, joined by Chief Justice Burger and Justice O'Connor, pointed out the costly toll which habeas corpus abuse exacts from our criminal justice system:

> It is scarcely surprising that fewer and fewer capable lawyers can be found to serve on state benches when they may find their considered decisions overturned by the ruling of a single federal district judge on grounds as tenuous as these. This case represents, not merely one more piece of grist in a giant judicial mill, but a vivid illustration of the misapplication of the precedent of this Court by a single federal habeas court, followed by a conclusion that the habeas court's version of our case law required exclusion of evidence which the state court system had found to be harmless.

Senator CHILES and I have echoed those very same concerns in this Chamber for over 2 months now. Abuse of the great writ continues to obstruct the essential goals of our criminal justice system. Finality of judgment is being seriously impaired by overextension of the Federal writ of habeas corpus. The moment has long since come to correct and reform our habeas corpus laws by passing the provisions available in S. 2543, the Crime Control Act of 1982. Such strong legislative action will help restore public respect for our criminal justice system and send a clear warning to all concerned that this Congress will no longer tolerate flagrant and needless abuse of the great writ of habeas corpus.

Senator CHILES and I are going to join with Senator THURMOND in a bill he plans to introduce.

SUPPLEMENTAL APPROPRIATIONS ACT, 1982

Mr. PROXMIRE. Mr. President, earlier today the distinguished majority leader laid down the regular supplemental appropriations bill, H.R. 6863.

The supplemental appropriations bill now before us, H.R. 6863, has, over the years, been commonly referred to as the "Spring supplemental," but in the words of a once popular song, "Spring has been a little late this year." The long drawnout battle over the urgent supplemental appropriations bill has delayed the pending legislation to an unseasonably late date.

Nonetheless, I think the chairman of the Appropriations Committee, the distinguished senior Senator from Oregon, deserves this body's thanks for moving the bill as quickly as he did. Just 5 days after this complex piece of legislation passed the House it was reported by the Senate Appropriations Committee.

Furthermore the bill cuts the President's budget requests by more than $2 billion. This total reduction is made up of cuts of about $2.3 billion in defense activities and $90 million in foreign aid offset by an increase of $308.5 million in the President's domestic budget. Although the domestic increase is substantial—it represents a 12-percent add-on to the President's requests—in some instances it is an increase in name only. For example, the Appropriations Committee has decided to appropriate $50 million for Veterans' Administration pay costs rather than shift funds from veterans entitlement programs, as the administration proposes, where the money is clearly needed to make payments mandated by law.

Anyone who thinks that the Defense Department is being shortchanged by this bill, incidentally, should understand that 57 percent of the budget authority contained in the bill as reported by the Senate Appropriations Committee goes to the Defense Department. To be more precise, of the total budget authority of $8.98 billion in the bill as reported, $5.72 billion will be dedicated to our national defense.

One way of gaging the essential nature of the funding we are providing in this legislation is to look at the outlay table on the back page of the Senate report. It indicates that 82 percent of the funds provided by the bill will be spent in the next 2 months—not just obligated but spent. Clearly these funds are needed now.

The table in question also indicates that the bill is below the Appropriations Committee's allocation under the budget resolution by $8.7 billion in budget authority and $1.3 billion in outlays. However, further economics can and, hopefully, will be made, either on this floor or when we go to conference. For example, I believe we should strike the $355 million the committee added to the bill for the Caribbean Basin Initiative.

Given the state of the Nation's economy, particularly the history making budget deficits everyone agrees we are facing in fiscal year 1982 and beyond, I particularly hope that my colleagues will restrain the impulse to add money to the bill as reported. Although many worthy programs are short of funds, nothing could be more devastating to the health of our economy than an orgy of budget add-ons at this point in time. The bill as reported is a good one in most respects and we should do our best to cut, not add to, the totals recommended by the Appropriations Committee.

ARMENIAN TERRORIST REPRISALS FOR GENOCIDE 67 YEARS AGO

Mr. PROXMIRE. Mr. President, Turkey's Consultative Assembly has recently condemned the attacks of Armenian terrorists abroad and has called for international cooperation to combat terrorism. The Assembly called for national governments to condemn all terrorist activities and to refrain from behavior that might appear conciliatory.

Since 1974, there has been a chain of assaults on Turkish diplomatic representatives in foreign countries by Armenian terrorists. In the past 9 years, there have been 21 assassinations of Turkish representatives as well as 128 assaults on Turkish officials or offices. The terrorism launched by the Armenians against the Turks stems from a long history of hostility between the two groups. There are fundamental religious differences between the Armenians and the Turks; the former are Christians and the latter, Muslims. Also, during the Second World War, the Turks fought on Germany's side. They distrusted the nationalistic Armenians who lived within the Ottoman Empire's borders yet close to Russia, Turkey's enemy during the war.

Because of the differences in religion and political affiliations the Turks, in 1915, drove the Armenians from their homes in Eastern Turkey. Many Armenians died of starvation and disease during the forced marches into the Syrian desert. Many others were massacred. Estimates of the number of victims range from 1 million to 1.5 million. The total Armenian population at this time was about 2 million. The intentional destruction of more than half of the Armenian ethnical or religious group certainly constitutes genocide.

Yet as horrible as these actions were, the terrorism that the Armenian activists are now practicing against Turkish representatives abroad, cannot be defended. These activities are no more justifiable than the activities of the Palestinians, the I.R.A. or the Red Brigades. The Armenian terrorists are attacking Turkish ambassadors and embassy employees who cannot logically be held responsible for the genocide the Armenian people were subjected to 67 years ago under the Ottoman Empire. Further, it does not seem that their separatist cause as well as their desire for reprisal will be achieved through terrorism. Rather, terrorism only contributes to the erosion of organized society.

A better way of dealing with the atrocities of genocide is through a strong international treaty such as the Genocide Convention. By not ratifying the Convention, the United States, like the Armenian activists, is undermining efforts to improve civility in the world. Mr. President, we must give our advice and consent for ratification of the Genocide Convention to help in the international effort to condemn and punish those people who practice the heinous crime of genocide. Ratification by the United States would strengthen the Convention and would provide a better method of punishing genocidal criminals than the terrorists activities practiced by the Armenians. We must share the concerns of Turkey's Assembly and condemn the terrorist activities of the Armenians, yet at the same time provide an effective and legitimate means to prevent and punish genocide offenders by ratifying the Genocide Convention.

MILITARY WANTS ADVANCE AUTHORITY TO USE NUCLEAR WEAPONS

Mr. PROXMIRE. Mr. President, in all the profound concern all of us feel about the terrible threat of nuclear war, we have one reassuring fact. All of us have assumed that the war could not start unless the top man—the President of the United States or the President of the Soviet Union made the critical decision. On July 21, Walter Pincus reported in an article in the Washington Post that U.S. Army officials want "preclearance" to use tactical nuclear weapons in battle.

Mr. President, think of the significance of such a power. We would be giving field officers in battle the authority to start a nuclear holocaust that might only end with the total devastation of the United States as well as the Soviet Union.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 21, 1982]

ARMY WOULD LIKE ADVANCE AUTHORITY TO USE A-WEAPONS

(By Walter Pincus)

U.S. Army officials have told congressmen in secret briefings over the past few months that they want "pre-clearance" for using tactical nuclear weapons in the Central European battlefield of the future because "they are fearful * * * presidential clearance will come too late," according to Rep. Norman W. Dicks (D-Wash.).

At present, the president himself must authorize use of any nuclear weapons before they can be fired. In the case of nuclear weapons to be used in Western Europe, the president is committed to discuss any decision beforehand with his North Atlantic Treaty Organization allies.

No change in these procedures is officially being studied at the Pentagon, according to sources there.

Army commanders have argued before that they needed pre-clearance for short-range systems, out of concern that they would be overrun by attacking Soviet forces.

Previous presidents have refused to give away their authority, despite Army assertions that it could take up to 24 hours between a field commander's request for release of such weapons and the president's response.

Dicks, a member of the House Appropriations subcommittee on defense, said yesterday he was "stunned" by the presentation, which was part of a briefing for congressmen entitled "AirLand Battle 2000" and was described by an Army Training and Doctrine Command spokesman as a "look at the doctrine of the future."

Army officials argued that "they needed to have pre-clearance first," Dicks said in a closed congressional hearing, the transcript of which was recently declassified and made public.

An Army spokesman said yesterday that it would like release of nuclear weapons "to come earlier in the battle," but he questioned whether officials have told congressmen that they want it "before the battle had begun."

In an interview, Dicks said defense officials testifying at a closed hearing had expressed their preference for pre-release, although the views of Maj. Gen. Niles W. Fulwyler, director of the Army's nuclear and chemical directorate, and Deputy Undersecretary of Defense T. K. Jones were deleted from the published transcript.

Fulwyler did say, according to the recently published hearing transcript, that with pre-delegation of the president's authority to use nuclear weapons "it would be much simpler to plan for that battle * * *."

In an unclassified version of the "AirLand Battle 2000" briefing, the Army says it expects "the battlefield of the 21st century to be dense with sophisticated combat systems whose range, lethality, and employment capabilities surpass anything known in contemporary warfare * * *. One other aspect of the future battle is drawn from the growing proliferation of nuclear, chemical and biological weapons coupled with the enemy's apparent permissive attitude regarding employment of these weapons. It is imperative that forces plan from the outset to fight dispersed on the 'conventional-nuclear-chemical-biological-electronic battlefield.'"

The "AirLand Battle 2000" briefing, which Army sources said was "developed to guide future organizational alignment, doctrinal guidance training and material requirements," could raise new political problems in Western Europe, where this "integrated battlefield" would be located and these weapons used.

As late as last October, American and German officials in Bonn were denying that such a concept as the "integrated battlefield" was anything more than a talking paper. However, U.S. Army officials said yesterday that new Army manuals based on the concept are about to be published.

Mr. BAKER. Mr. President, I understand there is one other speaker in morning business, and I wonder if the Senator from Missouri would permit me to take care of some housekeeping details before he speaks.

Mr. DANFORTH. Certainly.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I see my friend the minority leader is on the floor. Could I inquire of him if he is in a position to consider certain items on today's Executive Calendar which have been cleared on my side for action by unanimous consent?

I refer particularly to all of those items under New Reports beginning on page 4 with the Army, being Calendar Order No. 885 and continuing through all of those nominations in the Army on page 5, page 6 to include the Navy, the Judiciary, the Department of Justice, and page 7, those nominations placed on the Secretary's desk in the Air Force, Army, and Navy.

Mr. ROBERT C. BYRD. Mr. President, I am pleased to cooperate with the majority leader by stating that those nominees have been cleared on my side of the aisle.

Mr. BAKER. I thank the Senator.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, in view of that, I ask unanimous consent that we go into executive session for the purpose of considering the nominations just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

ARMY

The United States Army Reserve officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, Sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Clifton C. Capp, xxx-xx-xxxx
Brig. Gen. Mack J. Morgan, Jr., xxx-xx-xx... xxx-...
Brig. Gen. James L. Pelton, xxx-xx-xxxx
Brig. Gen. Norbert J. Rappl, xxx-xx-xxxx
Brig. Gen. Garnet R. Reynolds, xxx-xx-xxxx xxx-...
Brig. Gen. John Ricottilli, Jr., xxx-xx-xxxx xxx-...

To be brigadier general

Col. Roger R. Blunt, xxx-xx-xxxx
Col. Dean L. Linscott, xxx-xx-xxxx
Col. Bernard H. Thorn, xxx-xx-xxxx
Col. Foster Marshall II, xxx-xx-xxxx
Col. Stuart E. Harlowe, xxx-xx-xxxx
Col. Harry J. Mott III, xxx-xx-xxxx
Col. George J. Vukasin, xxx-xx-xxxx
Col. John R. Davis, xxx-xx-xxxx
Col. Albert E. Gorsky, xxx-xx-xxxx

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, Section 593(a), 3385, and 3392:

To be major general

Brig. Gen. Melvin J. Crain, xxx-xx-xxxx
Brig. Gen. James W. Duffy, xxx-xx-xxxx
Brig. Gen. John F. Gore, xxx-xx-xxxx
Brig. Gen. Bruce Jacobs, xxx-xx-xxxx
Brig. Gen. Joseph M. Lank, xxx-xx-xxxx

To be brigadier general

Col. Douglas D. Bradley, xxx-xx-xxxx
Col. Richard I. Braund, xxx-xx-xxxx
Col. Willard G. Burks, xxx-xx-xxxx
Col. Julius J. Chosy, xxx-xx-xxxx
Col. Bernard G. Ehrlich, xxx-xx-xxxx
Col. Melvin V. Frandsen, xxx-xx-xxxx
Col. John M. Hilliard, Jr., xxx-xx-xxxx
Col. David T. Kent, xxx-xx-xxxx
Col. Charles H. Kone, xxx-xx-xxxx
Col. Claude H. McLeod, xxx-xx-xxxx
Col. Allan R. Meixner, xxx-xx-xxxx
Col. Oliver W. Myers,, xxx-xx-xxxx
Col. Frank J. Schober, Jr., xxx-xx-xxxx
Col. James H. Throwe, xxx-xx-xxxx

NAVY

The following-named officer, under the provisions of Title 10, United States Code, Section 5148 (b), to be assigned as Judge Advocate General of the Navy:

To be Judge Advocate General of the Navy

Rear Adm. James J. McHugh, 201-22-8966, Judge Advocate General's Corps, U.S. Navy.

THE JUDICIARY

Antonin Scalia, of Illinois, to be United States Circuit Judge for the District of Columbia Circuit.

Michael M. Mihm, of Illinois, to be United States District Judge for the Central District of Illinois.

DEPARTMENT OF JUSTICE

Frederick J. Scullin, Jr., of New York, to be United States Attorney for the Northern District of New York for the term of four years.

Faith P. Evans, of Hawaii, to be United States Marshal for the District of Hawaii for the term of four years.

Larry D. Thompson, of Georgia, to be United States Attorney for the Northern District of Georgia for the term of four years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY

Air Force nominations beginning Philip S. Core, to be Lieutenant Colonel, and ending Elvira C. Remo, to be Lieutenant Colonel, which nominations were received by the Senate and appeared in the Congressional Record of July 26, 1982.

Army nominations beginning Alfred T. Forrest, to be Colonel, and ending Mary L. M. Hagan, to be Major, which nominations were received by the Senate and appeared in the Congressional Record of July 12, 1982.

Army nominations beginning Creighton W. Abrams, to be Colonel, and ending Buck R. Deal, to be Major, which nominations were received by the Senate and appeared in the Congressional Record of July 12, 1982.

Army nominations beginning Paul J. Luedtke, to be Major, and ending Peter L. Yee, to be Captain, which nominations were received by the Senate and appeared in the Congressional Record of July 26, 1982.

Navy nominations beginning Richard Sanford Abele, to be Commander, and ending Daniel Allan Woxland, to be Commander, which nominations were received by the Senate and appeared in the Congressional Record of July 26, 1982.

Navy nominations beginning Norbert F. Reichenbach, to be Ensign, and ending Herminio C. Valenzuela, to be Commander, which nominations were received by the Senate and appeared in the Congressional Record of July 26, 1982.

Navy nominations beginning Terry R. Otterman, to be Lieutenant Commander, USN. Permanent, and ending John Thomas Yates, Jr. to be Lieutenant (Junior Grade), Supply Corps, USN. Permanent, which nominations were received by the Senate and appeared in the Congressional Record of July 26, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President immediately be notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have two brief matters that I believe have been cleared. I should like to proceed to the discharge of the Judiciary Committee from further consideration of H.R. 5228 and S. 1446, if the minority leader is in a position to agree.

Mr. ROBERT C. BYRD. The Senator wants to place them on the calendar, does he?

Mr. BAKER, Yes, that is correct.

Mr. ROBERT C. BYRD, I have no objection.

DISCHARGE OF COMMITTEE ON THE JUDICIARY FROM FURTHER CONSIDERATION OF H.R. 5228

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H.R. 5228, the Nuclear Material Implementation Act of 1982, and I ask that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISCHARGE OF COMMITTEE ON THE JUDICIARY FROM FURTHER CONSIDERATION OF S. 1146

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 1446, the Senate companion bill, and that it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT AMENDMENTS OF 1982

Mr. BAKER. Mr. President, I am prepared to request at this time that the Senate consider Calendar No. 697, S. 2363, if the minority leader is in a position to agree.

Mr. ROBERT C. BYRD. There is no objection, Mr. President.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 697, S. 2363.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2363) to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Affairs with an amendment to strike out all after the enacting clause and insert the following:

Title I—GENERAL PROVISIONS

DEFINITIONS

SEC. 101. (a) Section 101(1) (42 U.S.C. 4601(1)) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act is amended by deletion of the following two phrases: "(except the National Capital Housing Authority)" and "(except the District of Columbia Redevelopment Land Agency)".

(b) Section 101(3) of such Act (42 U.S.C. 4601(3)) is amended to read as follows:

"(3) The term 'State agency' means any entity which has eminent domain authority under State law."

(c) Section 101(4) of such Act (42 U.S.C. 4601(4)) is amended by inserting a comma after "insurance" and inserting "or mortgage interest subsidy to a person".

(d) Section 101(6) of such Act (42 U.S.C. 4601(6)) is amended to read as follows:

"(6) The term 'displaced person' means—

"(A) any person who moves from real property, moves personal property from real property, or moves a business or farm operation, as a direct freusilt of the acquisition of such real property in whole or in part for a program or project undertaken by a Federal agency, or with Federal financial assistance;

"(B) solely for the purposes of subsections (a) and (b) of section 202, and section 205, any person who moves from real property or moves personal property from real property—

"(i) as a direct result of acquisition, or of the written order of any displacing agency to vacate other real property, on which such person conducts a business or farm operation, for a program or project undertaken by a Federal agency, or with Federal financial assistance;

"(ii) as a direct result of rehabilitation or demolition for a program or project undertaken by a Federal agency, or with Federal financial assistance, where the person is a tenant, and where the head of the displacing agency determines that such displacement is permanent; or

"(C) solely for the purpose of subsections (a) and (b) of section 202, and any other provisions of this Act which the head of the displacing agency may prescribe, any other person who is a tenant, and who the head of the displacing agency determines will be permanently displaced as a direct result of a program or project undertaken by a Federal agency, or with Federal financial assistance.".

(e) Section 101 of such Act (42 U.S.C. 4601) is amended by adding at the end thereof the following new subsections:

"(10) The term 'suitable replacement dwelling' means any dwelling that is decent, safe, and sanitary; adequate in size to accommodate the occupants; affordable; in an area not subject to unreasonable adverse environmental conditions; similar in type of improvement to the displacement dwelling; and in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment.

"(11) The term 'displacing agency' means any Federal agency, State, State agency, or, for the purposes of paragraphs (B) and (C) of section 101(6), any person furnished Federal financial assistance which causes a person to be a displaced person.

"(12) The term 'lead agency' means the Cabinet-level department, agency, or other entity designated by the President to coordinate implementation of the Uniform Act under section 213 of this Act.

"(13) The term 'appraisal' means a written statement independently prepared by a qualified appraiser setting forth an opinion of value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.".

TITLE II—UNIFORM RELOCATION ASSISTANCE

DECLARATION OF FINDINGS AND POLICY

SEC. 201. Section 201 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4621) is amended to read as follows:

"DECLARATION OF FINDINGS AND POLICY

"SEC. 201. (a) The Congress finds and declares that—

"(1) displacement as s direct result of programs or projects undertaken by a Federal agency, or with Federal financial assistance, is caused by a number of activities, including rehabilitation, demolition, code enforcement, and acquisition;

"(2) displacement occurs in a variety of social, economic, geographic, and legal circumstances; relocation assistance policies must provide for sufficient flexibility to assure fair, uniform, and equitable treatment of all affected persons; and

"(3) the displacement of businesses often results in their closure; minimizing the adverse impact of displacement of businesses is essential to maintaining the economic and social well-being of communities.

"(b) This title establishes a uniform policy for the fair and equitable treatment of persons displaced as a direct result of programs or projects undertaken by a Federal agency, or with Federal financial assistance, in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole. It is the intent of Congress that—

"(1) the primary purpose of this title is to minimize the hardship of displacement on persons displaced as a direct result of programs or projects undertaken by a Federal agency or with Federal financial assistance;

"(2) Federal agencies shall carry out this law in a manner which minimizes waste, fraud, and mismanagement;

"(3) the administration of this Act shall, to the maximum extent feasible, minimize unnecessary administrative and program costs borne by States and State agencies through the promulgation of economical regulatory requirements, and the delegation of substantial administrative discretion to the States;

"(4) uniform procedures for the administration of relocation assistance shall, to the maximum extent feasible, assure that the unique circumstances of any displaced person are taken into account and that persons in essentially similar circumstances are accorded equal treatment under this Act;

"(5) for the purpose of determining the unique circumstances of a displaced person,

the goals of the displacing agency, the unique resources at its disposal for administering relocation assistance, the overall housing and other needs of the community, and the preferences and needs of the displaced person shall be taken into account as appropriate; and

"(6) the improvement of housing conditions of economically disadvantaged persons under this title shall be undertaken, to the maximum extent feasible, in coordination with existing Federal, State, and local governmental programs for accomplishing such goals.".

MOVING AND RELATED EXPENSES

SEC. 202. (a) Section 202(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4622(a)) is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following:

"(a) Whenever a program or project to be undertaken by a displacing agency will result in the displacement of any person, the head of the displaced agency shall provide for the payment to the displaced person of—";

(2) by striking out "and" at the end of paragraph (2);

(3) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(4) actual reasonable expenses necessary to reestablish a displaced nonprofit organization or small business at its new site, but not to exceed $10,000.".

(b) Section 202(b) of such Act (42 U.S.C. 4622(b)) is amended by striking out all that follows "may receive" and inserting in lieu thereof "an expense and dislocation allowance, which shall be determined according to a schedule established by the head of the lead agency.".

(c) Section 202(c) of such Act (42 U.S.C 4622) is amended to read as follows:

"(c) Any displaced person eligible for payments under subsection (a) who is displaced for the person's place of business or farm operation, and who is eligible under criteria established by the head of the lead agency, may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (a). Such payment shall consist of a fixed payment in an amount to be determined according to criteria established by the head of the lead agency, except that such payment shall not be less than $1,000 nor more than $20,000. A business shall qualify as a business under section 101(7) of this Act on grounds other than its rental to another person of any part of the real property".

REPLACEMENT HOUSING FOR HOMEOWNER

SEC. 203. Section 203(a) of the Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970 (42 U.S.C 4623 (a)) is amended—

(1) by striking out "acquired by" and all that follows through "market" in paragraph (1)(A) and inserting in lieu thereof "acquired by the displacing agency, equals the reasonable cost of a suitable replacement dwelling";

(2) by striking out paragraph (1)(B) and inserting in lieu thereof the following:

'(B) The amount, if any, which will compensate such person for any increased interest costs and other debt service costs which such person is required to pay for financing the acquisition of any such suitable replacement dwelling. Such amount shall be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred and eighty days prior to the initiation of negotiations for the acquisition of such dwelling."; and

(3) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) the additional payment authorized by this section shall be made only to a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the date on which such person receives final payment from the displacing agency for the acquired dwelling or the date on which the displacing agency's obligation under section 205(c)(3) of this Act is met, whichever is later, except that the displacing agency may extend such period for good cause. If such period is extended, the payment under this section shall be based on the costs of relocating the person to a suitable replacement dwelling within one year of such date. Nothing in this section shall authorize an agency to restrict a person's choice to relocate to the suitable replacement dwelling that is most nearly comparable to the displacement dwelling by paying a lower level of compensation than is necessary to accomplish such purpose unless the payment required will exceed the total payment amount established under subsection (a) of this section.".

REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

SEC. 204. Section 204 for the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4624) is amended to read as follows:

"REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

"SEC. 204. (a) In addition to amounts otherwise authorized by this title, the head of the displacing agency shall make a payment to or for any displaced person displaced from any dwelling unit not eligible to receive a payment under section 203 which dwelling was actually and lawfully occupied by such displaced person for not less than ninety days prior to the initiation of negotiations for acquisition of such dwelling, or, where displacement is not caused by acquisition, any other event which the head of the lead agency may prescribe. Such payment shall consist of the amount necessary to enable such person to lease or rent for a period not to exceed two years, a suitable replacement dwelling. For the purpose of this subsection the amount referred to shall equal the lesser of (A) $3,000 or (B) twenty-four times the amount obtained by subtracting from the monthly housing costs for a replacement dwelling 25 per centum of the displaced person's gross monthly income. For the purpose of the preceding sentence, the term 'gross monthly income' means the total monthly income of all adult members of the household, including, though not limited to, supplemental income payments from public agencies other than emergency assistance. At the discretion of the head of the displacing agency, a payment under this subsection may be made in monthly installments.

"(b) Any displaced person eligible for payments under subsection (a) may elect to receive in lieu thereof either Federal low income housing assistance or similar State or local governmental assistance if such assistance is available at the time of displacement and such person is otherwise eligible for such assistance. The failure of any such person to make such an election shall be taken into account when evaluating the eligibility of such person for any Federal or federally assisted low income housing assistance program during the two years following the date on which such person received the payment authorized under subsection (a) of this section.

"(c) Any person eligible for a payment under subsection (a) may elect to apply such payment to a downpayment on, and other incidental expenses pursuant to, the purchase of a suitable replacement dwelling. Notwithstanding, a displaced homeowner who has occupied the displacement dwelling for at least ninety days but not more than one hundred and eighty days prior to the initiation of negotiations for the acquisition of such dwelling shall, at the discretion of the head of the displacing agency, be eligible for the maximum payment allowed under this subsection, provided that such payment shall not exceed the payment such person would otherwise have received under section 203(a) of this Act had the person occupied the displacement dwelling for one hundred and eighty days prior to the initiation of such negotiations.

"(d) No payment shall be made under this section to any person who is determined by the head of the displacing agency, according to criteria established by the head of the lead agency, to have occupied the displacement dwelling for the purpose of obtaining assistance under this title.".

RELOCATION ASSISTANCE COORDINATION AND ADVISORY SERVICES

SEC. 205. Section 205 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4625) is amended to read as follows:

"RELOCATION ASSISTANCE COORDINATION AND ADVISORY SERVICES

"SEC. 205. (a) The head of any displacing agency shall assure that the relocation assistance advisory services described in subsection (c) are made available to all persons displaced by such agency. If such agency head determines that any person occupying property immediately adjacent to the property where the displacing activity occurs is caused substantial economic injury as a result thereof, the agency head may make available to such person such advisory services.

"(b) The Secretary of Housing and Urban Development shall assign a high priority for assistance under the programs referred to in sections 204(b) and 206(b) of this Act to persons eligible under such section. To the extent practicable, the Secretary shall also require that federally assisted State and local governmental low-income housing assistance programs assign priority for assistance to such persons. To the extend practicable, the Administrator of the Small Business Administration and the heads of other Federal agencies administering programs which may be of assistance to displaced persons shall make available technical assistance under subsection (c)(5) and expedite the applications for such assistance by such persons.

"(c) Each relocation assistance advisory program required by subsection (a) shall include such measures, facilities, or services as may be necessary or appropriate in order to—

"(1) determine, and make timely recommendations on, the needs and preferences, if any, of displaced persons for relocation assistance;

"(2) provide current and continuing information about sales prices and rental charges on suitable replacement dwellings for displaced homeowners and tenants and suitable locations for businesses and farm operations;

"(3) assure that no person will be required to move from the person's dwelling unless the person has been given a reasonable choice of opportunities to move to a suitable replacement dwelling;

"(4) assist a person displaced from the person's business or farm operation in obtaining and becoming established in a suitable replacement location;

"(5) supply information concerning other Federal programs which may be of assistance to displaced persons, and technical assistance to such persons in applying for assistance under such programs; and

"(6) provide other advisory services to displaced persons in order to minimize hardships to such persons in adjusting to relocation.

"(d) The head of any displacing agency shall coordinate the relocation activities performed by such agency with other Federal, State, or local governmental actions in the community which could affect the efficient and effective delivery of relocation assistance and related services.

"(e) Whenever two or more Federal agencies provide financial assistance to a displacing agency or displacing agencies other than a Federal agency, to implement functionally or geographically related activities which will result in the displacement of a person, the heads of such Federal agencies may by agreement designate one such agency as the cognizant Federal agency whose procedures shall be utilized to implement the activities. If such agreement cannot be reached, then the head of the lead agency shall designate one such agency as the cognizant agency. Such related activities constitute a single program or project for purposes of this Act.".

HOUSING REPLACEMENT BY FEDERAL AGENCY AS LAST RESORT

SEC. 206. Section 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4626) is amended to read as follows:

HOUSING REPLACEMENT BY DISPLACING AGENCY AS LAST RESORT

"SEC. 206. (a) If a program or project undertaken by a Federal agency, or with Federal financial assistance, cannot proceed on a timely basis because suitable replacement dwellings are not available, and the head of the displacing agency determines that such dwellings cannot otherwise be made available, the head of the displacing agency may take such action as is necessary or appropriate to provide such dwellings by use of funds authorized for such project. The head of the lead agency shall require that this section may be used to exceed the payment ceilings established in sections 203 and 204 only on a case-by-case basis, for good cause.

"(b) Whenever housing replacement as a last resort will result in the provision of housing for persons who are otherwise eligible for low-income housing assistance, the requirement that the displacing agency provide suitable replacement housing may be met through the provision of low-income housing assistance by a program or project undertaken by a Federal agency, or with Federal financial assistance.".

FEDERAL SHARE OF COSTS

SEC. 207. (a) Section 211(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4631(a)) is amended to read as follows:

"(a) The cost to a displacing agency of providing payments and assistance pursuant to titles II and III shall be included as part of the cost of a program or project undertaken by a Federal agency, or with financial assistance. A displacing agency, other than a Federal agency, shall be eligible for Federal financial assistance with respect to such payments and assistance in the same manner and to the same extent as other program costs.".

(b) Section 211(b) of such Act (42 U.S.C. 4631(b)) is amended by striking out the second comma and all that follows "required by" through "available", and inserting in lieu thereof "State law which is determined by the head of the lead agency to have substantially the same purpose and effect of such payment under this section.".

ADMINISTRATION

SEC. 208. Section 212 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4632) is amended to read as follows:

"ADMINISTRATION

"SEC. 212. (a) A displacing agency shall prevent unnecessary expenses, duplications of functions, and Government competition under this Act and promote the efficient and effective delivery of relocation assistance services by carrying out such functions through any governmental instrumentality having an established organization for delivering such services, or any individual, firm, corporation, or association.

"(b) The use of private sector delivery systems shall, whenever feasible, incorporate competition among alternative service providers in order to minimize costs.".

CERTIFICATION

SEC. 209. (a) Section 210 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4630) is amended to read as follows:

"AGENCY CERTIFICATION OF STATE PROGRAMS

"SEC. 210. (a) Except as provided in paragraph (b) of this section, the head of a Federal agency shall not approve any grant to or contract or agreement with a displacing agency, under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this title, unless he receives satisfactory assurances from such agency that—

"(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under sections 202, 203, and 204 of this title;

"(2) relocation assistance programs offering the services described in section 205 of this title shall be provided to such displaced persons;

"(3) within a reasonable period of time prior to a displacement, suitable replacement dwellings will be available to displaced persons in accordance with section 205(c)(3) of this title.

"(b) Notwithstanding any other provision of law, except for the provisions of section 211 of this title, this title shall not apply to any displacing agency, other than a Federal agency, in any State which adopts legislation which the head of the lead agency certifies will accomplish substantially the same purpose and effect as this title, and title I of this Act, with respect to the definition of a displaced person, the categories of assistance required, and the levels of assistance provided to such persons in such categories. The head of the lead agency may rescind any certification issued under this subsection if he determines that such State law is not being fully complied with and enforced. The head of the lead agency shall provide the State government with due notice prior to taking any such action, and provide such government with an opportunity to demonstrate why such action should not be taken. Criteria for withdrawal of certification shall be developed by the head of the lead agency.

"(c) Prior to certifying any State law under subsection (b) of this section, or section 305, the head of the lead agency shall provide interested parties with an opportunity for public review and comment. In particular, the head of the lead agency shall consult with interested local general purpose governments within such States on the impacts of such State laws on the ability of local governments to carry out their responsibilities under the Act.

"(d) The head of the lead agency, in coordination with the heads of other Federal agencies, shall monitor from time to time, and report to Congress on a biennial basis on, a State's enforcement of, and compliance with, any State law certified under subsection (b) of this section. At the request of the head of the lead agency, a State shall provide the information necessary for such purpose.".

REGULATION

SEC. 210. Section 213 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4633) is amended to read as follows:

"REGULATION

"SEC. 213. (a) The President shall designate a lead agency.

"(b) The head of the lead agency shall—

"(1) develop, publish, and promulgate, with the active participation of other departments and agencies responsible for funding relocation and acquisition actions, and in full coordination with State and local governments, such rules as may be necessary to carry out this Act;

"(2) assure that relocation assistance activities under this Act are coordinated with low-income housing assistance programs or projects by a Federal agency, or a State or State agency with Federal financial assistance;

"(3) monitor, in coordination with other Federal agencies, the implementation and enforcement of this Act, and report to the Congress, as appropriate, on any major issues or problems with respect to any policy or other provision of this Act; and

"(4) perform other duties as may be provided by law as related to the purposes of this Act.

"(c) Within one year following the enactment of the Uniform Relocation Assistance and Real Property Acquisition Policies Act Amendments of 1982 the head of the lead agency shall, in full coordination with the Secretary of the Interior, the Attorney General, the Director of the Office of Management and Budget, the Chief of Engineers of the Army Corps of Engineers, and the heads of other affected departments and agencies, transmit to the Congress a comprehensive plan to facilitate the speedy and equitable settlement of condemnation cases pending before the Federal courts.".

TRANSFER OF SURPLUS PROPERTY

SEC. 211. Section 218 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4638) is amended by striking out "all amounts received" and inserting in lieu thereof "all net amounts received".

REPEALS

SEC. 212. Sections 214, 215, 217, and 219 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4634, 4635, 4637, and 4639) are hereby repealed.

SEC. 213. Section 209 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4629) is amended as follows—

(1) Strike the word "Commissioner" wherever it appears, and insert in lieu thereof "Mayor".

(2) Strike the word "Federal" after "required of a", and insert in lieu thereof "displacing".

TITLE III—UNIFORM REAL PROPERTY ACQUISITION POLICY

UNIFORM POLICY ON REAL PROPERTY ACQUISITION PRACTICES

SEC. 301. (a) Section 310(2) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C 4651(2)) is amended by inserting the following before the period at the end thereof: "except the head of the acquiring agency may forgo an appraisal where the acquisition of such property is a donation, or is a voluntary sale with a selling price of $700, or any greater amount which the head of the lead agency may prescribe, and the seller, after being fully informed of the acquiring agency's obligation to conduct such appraisal, relieves the agency of such obligation. At the election of the owner or the owner's designated representative, the owner shall be provided with a written justification for the amount determined to be just compensation.".

(b) Section 301(9) of such Act (42 U.S.C. 4651(9)) is amended to read as follows:

"(9) If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the head of the acquiring agency shall offer to acquire that remnant. For the purposes of this Act, an uneconomic remnant is a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and which the head of the acquiring agency has determined has little or no value or utility to the owner.".

(c) Section 301 of such Act (42 U.S.C. 4651) is amended by adding at the end thereof the following sections:

"(10) Nothing in this title, or in any other provision of law, shall be construed to prevent a person whose real property is being acquired in connection with a project under this title, after the person has been fully informed of his right to receive just compensation of such property, from making a gift or donation of such property, or any part thereof, or any interest in, or of any compensation paid therefor, to an acquiring agency as said person shall determine.".

CERTIFICATION

SEC. 302. Section 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4655) is amended to read as follows:

"AGENCY CERTIFICATION OF STATE PROGRAMS

"(a) Except as provided in paragraph (b) of this section, the head of a Federal agency shall not approve any program or project or any grant to, or contract or agreement with, an acquiring agency under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the acquisition of real property on or after the effective date of this title, unless he receives satisfactory assurances that—

"(1) in acquiring real property it will be guided, to the greatest extent possible under State law, by the land acquisition policies under section 301 of this title and the provisions of section 302 of this title; and

"(2) property owners will be paid or reimbursed for necessary expenses as specified in sections 303 and 304 of this title.

"(b) Notwithstanding any other provision of law, this title shall not apply to any acquiring agency in any State which adopts legislation which the head of the lead agency determines will accomplish substantially the same purpose and effect as this title. The head of the lead agency may rescind any certification issued under this subsection if he determines that such State legislation is not being fully complied with and enforced. The head of the lead agency shall provide the State government with due notice prior to taking any such action, and provide such government with an opportunity to demonstrate why the action should not be taken.".

TITLE IV—EFFECTIVE DATE

SEC. 401. The provisions of this Act and the amendments made by this Act shall take effect twelve months from the date of enactment of this Act, except that section 213, of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and section 401 of this Act shall take effect on the date of this Act.

Mr. DURENBERGER. Mr. President, S. 2363, now before the Senate, will comprehensively reform the Uniform Relocation and Real Property Acquisition Policies Act of 1970, a law designed to establish a policy of fair and equitable treatment for persons displaced by federally funded programs. This legislation represents the culmination of a lengthy bipartisan effort, begun in the 96th Congress by Senator JIM SASSER when he was chairman of the Subcommittee on Intergovernmental Relations. It incorporates the detailed views and concerns of both appointed and elected officials from every level of our intergovernmental system, and I would like to take this opportunity to thank Senator SASSER and all the rest who have contributed so much of their valuable time and efforts in pursuit of these needed reforms.

Because the Uniform Relocation Act (URA) is 1 of 60 generally applicable policy requirements that are conditions of Federal financial assistance, its reform has been of considerable interest to the intergovernmental community. State and local officials currently administer approximately 95 percent of all URA-covered displacements, principally, under housing and transportation grant-in-aid programs. And although these officials have, throughout the drafting of this legislation, demonstrated their strong support for the act's underlying policies, they have consistently criticized URA for its numerous inefficiencies, inequities, and paperwork burdens—many of which unnecessarily raise both administrative and program costs.

S. 2363 will comprehensively address these problems by accomplishing over 40 changes to the present act. Key reforms will include broadening the act's scope to cover persons displaced by HUD activities, such as rehabilitation and demolition programs, which very often make victims of the residents of those neighborhoods they are designed to improve; consolidating the 20 different Federal agency regulations that now implement the act into a single, uniform regulation under the stewardship of a lead Federal agency; creating a new payment of up to $10,000 for small businesses and nonprofit organizations, because this class of displacees is currently entitled to less assistance than others, with the result that many fail following displacement; and the achievement of significant savings through a number of management reforms, such as correcting a faulty formula for computing payments to homeowners whose mortgage interest costs will be higher at their replacement dwelling. Other, perhaps less dramatic changes, will reflect the commonsense suggestions of those State and local administrators who have been most directly involved in the day-to-day administration of URA. It may not sound like a large accomplishment, but under these amendments State and local officials would, for the first time, be empowered to forgo the expense of a formal appraisal where the property acquisition is a donation, or has an agreed-upon selling price of $700 or less.

Mr. President, I point out that, according to the Congressional Budget Office, S. 2363 will result in the saving of approximately $8 million annually. However, CBO has estimated that no savings will accrue in fiscal year 1983, while the initial cost of the lead agency required by these amendments will be approximately $100,000 during that year. S. 2363 might appear to require the provision of new budget authority to cover these costs. This is not intended by the Committee on Governmental Affairs; the committee intends that the cost of implementing S. 2363 be absorbed by the appropriate agencies. Also, S. 2363 is not intended to drive up the future budget requests of these agencies to cover these costs.

The Uniform Relocation Act Amendments of 1982 should help remind us all that the New Federalism is not the cutting of budgets or the reducing of tax burdens; it is legislation such as this, developed with a degree of sensitivity for State and local Governmental concerns not accorded a high priority under the old federalism. Surely, such difficult and comprehensive un-

dertakings are essential ingredients in the decongestion of our intergovernmental system. For to the extent that we find a Federal purpose in such policies as URA, it remains our obligation to insure that these mandates constitute only the minimum necessary burden on the already strained resources of our State and local governments. Our passage of S. 2363 will send a welcome signal to a concerned intergovernmental community that this Congress stands ready to improve upon, not simply sort out, the Federal role in State and local affairs.

Mr. President, I ask unanimous consent that a fact sheet on S. 2363 be printed in the RECORD at this point.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET: S. 2363, AS AMENDED

A. Reduces Administrative Burdens on State and Local Governments: Establishes a lead Federal agency to consolidate 20 different Federal agency regulations into a single, uniform regulation.

Delegates "substantial administrative discretion" to the States to accommodate the need for flexibility to meet local circumstances.

Exempts States from titles II and III if they are certified to have adopted a statute which accomplishes "substantially the same purpose and effect" as the titles.

B. Broadens Coverage to Promote Greater Fairness and Equity: Expands coverage to include persons displaced by federally funded rehabilitation and demolition programs, and any other programs or projects which are found to result in person's permanent displacement.

Expands coverage to include persons displaced by private entities which have been granted the power of eminent domain.

Creates an entitlement for displaced nonprofit organizations or small businesses of up to $10,000 to assist in reestablishment at the replacement site (businesses do not currently qualify for mortgage or rental adjustment payments).

C. Raises Moving Payment Ceilings to Compensate for Inflation: Removes ceiling on "Expense and Dislocation Allowance" so that local officials may set the amount (this payment may not be received in lieu of actual moving expenses, which have no ceiling).

Raises ceiling on payment businesses may receive in lieu of actual moving expenses from $10,000 to $20,000.

D. Eliminates Windfalls, Program Duplication, Waste, Fraud and Mismanagement: Changes mortgage interest differential formula to reflect current mortgage interest rates, thereby eliminating annual windfalls of over $2 million.

Changes rental differential subsidy formula to reflect a person's ability to pay, thus targeting this provision more effectively toward the needy, while reducing total payments by about $4 million annually.

Reduces the number of years for which a person's increased rent may be subsidized from 4 to 2 years to correspond to the average length of time a person stays at a rental dwelling; while reducing the total payment ceiling from $4,000 to $3,000 (the annual subsidy ceiling is raised from $1,000 to $1,500).

Directs the Secretary of HUD to assign a high priority under federally assisted housing programs to eligible persons displaced under the Uniform Act. The heads of other agencies whose programs are of assistance to such persons are directed to provide technical assistance during the application process, and to expedite the consideration of such applications.

Changes the definition of the dwelling to which displaced persons are entitled to be relocated from a "comparable" to a "suitable" replacement dwelling, thus eliminating up to $2 million in windfalls each year.

Incorporates protections against persons who locate in the path of Federal projects in order to obtain Uniform Act benefits.

Budget Impact. Because entitlements under the Uniform Act are funded as part of the cost of displacing programs or projects, there is no direct increase in Federal outlays associated with the Act. However, estimates by the Congressional Budget Office and the Office of Management and Budget indicate savings of approximately $8 million in annual relocation costs.

Mr. LEVIN. Mr. President, I am grateful for this opportunity to seek clarification of a point which, as Senator DURENBERGER knows, has been a cause of concern to me. It relates to section 206(b) of the amendments, which states that—

Whenever housing replacement as a last resort will result in the provision of housing for persons who are otherwise eligible for low income housing assistance, the requirement that the displacing agency provide suitable replacement housing may be met through the provision of low income housing assistance by a program or project undertaken by a Federal agency, or with Federal financial assistance.

Current HUD policy, as established in regulation, is that replacement housing must be available on the private market, unless a tenant is displaced from a Government owned or subsidized dwelling, in which case a dwelling which is similarly Government owned or subsidized would be acceptable replacement housing. It is my understanding that the intention of section 206(b) is to continue this policy insofar as it relates to tenants displaced from Government owned or subsidized housing.

Where section 206(B) would, however, change existing HUD policy is by enabling a displacing agency, in a last resort situation, to discharge its obligation to a tenant eligible for low income housing assistance, but displaced from private rental housing, by using existing subsidy programs such as section 8 assistance, rather than being forced to exceed the payment ceiling established in section 204. While this would give the displacing agency greater flexibility than at present in meeting its obligation to provide suitable replacement housing, our intention is not to force a person to relocate to a dwelling or environment that is significantly different in character from the displacement dwelling. That is the principle that underlies the present HUD regulations, which recognize that there are different types of low income housing assistance, and that people eligible for such assistance have individual requirements and preferences which we should respect. Thus we could expect that a tenant displaced from private housing would normally be offered section 8 assistance, unless he had previously—and voluntarily—applied for a different type of assistance, for example public housing. A homeowner would not be covered by section 206(B) unless he opted for low income housing assistance.

If Senator DURENBERGER can confirm my understanding that this is the intention of the change we are making in section 206(B), and that understanding is incorporated in regulation, then I believe that we shall have discharged the obligation which Congress has, when a person is displaced by a federally financed program or project, to rehouse that person in suitable replacement housing.

Mr. DURENBERGER. The Senator and I are in agreement on this issue. The amendment to section 206(B) is intended to improve, within certain limits, the flexibility that a displacing agency has in discharging its obligation, under section 205(c)(3), to relocate persons to suitable replacement housing. Suitable housing is defined as being, among other things, decent, safe and sanitary, and affordable. The principle limit to the flexibility intended by section 206(B) is that a displacing agency must honor, to a reasonable degree, the displaced person's preferences with respect to the character of the replacement dwelling. For example, where a person is eligible for public housing, but has not applied for such assistance, and, moreover, would regard relocation to such housing as a disbenefit, it is not intended that the displacing agency be empowered to make relocation to a housing project the person's only option under its last resort housing authority. Similarly, an agency would have an obligation to honor a homeowner's desire to remain a homeowner. Section 206(B) is not intended to permit a displacing agency to discharge its obligation to a homeowner who wishes to remain one by providing Government owned or subsidized rental housing.

I also stress that a displaced person need only relocate to housing that is decent, safe, and sanitary in order to receive a payment under sections 203, 204, or 206. For example, a person may relocate to housing that is not within the regulatory definition of affordable. Such an election would relieve a displacing agency of its obligation, under section 205(c)(3), to provide a person with affordable housing. However, it is not intended that a person's rejection of any, or all, of the options offered under section 206 be sufficient, by itself, to affect a person's right to the full payment allowable under sec-

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tions 203 or 204, when otherwise eligible.

These, I believe, are the principal considerations that need to be incorporated into the regulations for implementing section 206(B). That, even as it is desirable to facilitate the more efficient combination of services and programs in the administration of URA, so, too, must we safeguard the interests of those whose displacement would not have occurred but for the existence of Federal programs designed to benefit the public.

Mr. SASSER. Mr. President, I will vote in favor of S. 2363, the amendments to the Uniform Relocation Act. The objectives of S. 2363 are similar to those of legislation I sponsored in the last Congress.

Because of giant loopholes in the present law, too many displaced people are just not eligible for benefits under the Uniform Relocation Act, or, if benefits are paid, agency interpretation of the statute varies so much that inequities result. About the last attribute of the current act is its "uniformity."

Senator DURENBERGER's legislation goes a long way toward improving matters at the Federal level. There would no longer be such a major variance in interpretation from agency to agency. At the same time, this bill allows flexibility for the States to modify the law, within limits, to suit regional circumstances.

I congratulate Senator DURENBERGER on shaping a bill that extends the coverage of the Uniform Relocation Act and closes major loopholes. The extensive work that I did during the 96th Congress on amendments to the Uniform Relocation Act has, I hope, been useful in pinpointing the problems with the act and in finding appropriate solutions.

Mr. WARNER. Mr. President, I should like to take a moment to understand the view of the distinguished Senator from Minnesota, on a recent Federal Appeals Court decision concerning the treatment of utilities under the Uniform Relocation Act. In the case of Chesapeake & Potomac Telephone Co. against Landrieu, and the Norfolk Redevelopment and Housing Authority, the Fourth Circuit U.S. Court of Appeals held that the city of Norfolk must pay relocation benefits to a public utility, in this case the telephone company, to reimburse it for costs involved when the city closed a street as part of a redevelopment project. Some of the funding for this project came from the city of Norfolk's community development block grant (CDBG). Is the distinguished Senator familiar with this case?

Mr. DURENBERGER. Yes, I am. The subcommittee staff has discussed this case at great length with representatives of local governments and agencies undertaking redevelopment work for local governments. I have discussed the case with the mayor of Norfolk.

Mr. WARNER. I am pleased to learn of the Senator's interest in this matter. My concern is that this court case, while it may apply only to future actions taken in the fourth circuit's jurisdiction, may set an unfortunate precedent for other districts. I ask the chairman's indulgence to explore this matter in some detail in order to clarify the Senate's position on this question. I believe this is a particularly appropriate time to do so, since the amendments before us will be looked to by the courts in the future.

Mr. DURENBERGER. I am pleased to explore this matter with my distinguished colleague. He is absolutely correct in pointing out that the Senate should take this opportunity to clarify its position on this important question. I welcome his contributions.

Mr. WARNER. It is my understanding that in the Norfolk case, the situation is that the Uniform Act was triggered when the city transferred title to the property at issue to the Norfolk Redevelopment and Housing Authority, the local government's primary development agency, for the purpose of actually carrying out the street closing which occasioned the relocation. This was ruled to be an acquisition. Surely, such transfers of title are common practice for many cities which have redevelopment authorities to carry out their community development activities. I am concerned by this interpretation. Do the amendments before us speak to this issue?

Mr. DURENBERGER. No, they do not, not explicitly. However, I want to assure my distinguished colleague that it is not the committee's intention, nor is it my intention with these amendments, to support such an interpretation. I agree with the Senator that this interpretation needlessly complicates the implementation of needed redevelopment work, and ignores the realities of city governmental structures.

The problem at hand stems from the fact that the act requires the compensation of businesses, such as utilities, for their moving expenses when they are forced to move from real property that is acquired by a Federal or State agency for a federally funded program or project. The court ruled erroneously, however, when it construed the transfer of title over the right-of-way in question between the city of Norfolk and its principal development agency, the Norfolk Redevelopment and Housing Authority, to be an "acquisition" for the purposes of the act. The clear intent of Congress, when enacting the Uniform Act of 1970, was to protect the owners of private property, and any tenants thereof, from the incidence of involuntary expense resulting from the acquisition of such property by public agencies having the power of eminent domain. The intent was for the act to update the fifth amendment protections against such power to cover a broader range of expenses than simply "fair market value" for the property.

Conversely, where the use of eminent domain is absent, such as in purely private transactions, the act generally does not apply. Here, any affected tenants are assumed to be adequately protected under law through whatever contracts may exist with the landlords. While the amendments create exceptions under HUD rehabilitation and demolition programs, for example, these are designed to provide special protection for the poor, who often become victims of the very programs designed to improve the neighborhoods they inhabit. No such exception is intended for public utilities.

Eminent domain was not used in Norfolk. The public, having once acquired the property in question, needed not use it again to transfer title. Rather, the transfer was merely incidental to affixing public accountability and responsibility with the appropriate governmental entity. I hope that the courts, in future rulings on such purely public transactions, regard them as bookkeeping in nature only, and not as "acquisitions" for the purpose of the Uniform Act.

Mr. WARNER. If the Senator will indulge me on one more point, I should also like to express my concern over the effect Norfolk has had on the ability of our cities to plan the costs of their redevelopment projects. The potential cost of litigation from similar lawsuits by public utilities is enormous, and quite unpredictable. As I recall, the need to introduce a greater degree of predictability into federally financed community development programs was one of the driving forces behind the enactment of the Uniform Act. I hope this benefit will not be lost.

Mr. DURENBERGER. I thank the Senator. My understanding of the Norfolk case is that the points we have discussed today were not argued. I am certain that when they are, the certainty and predictability we all value will return. I believe we have made the intent of this Congress very clear in this regard.

Mr. WARNER. I thank the distinguished chairman for his comments. He has clarified the committee's views on this subject, and provided a substantive basis for legislative history should this matter come up in other courts.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NECESSITY FOR AIR BAGS AND SEATBELTS

Mr. DANFORTH. Mr. President, yesterday, the U.S. court of appeals ordered the National Highway Traffic Safety Administration to reinstate a rule it revoked last year that would have required air bags or automatically closing seatbelts in all cars by September 1983. Immediately, this decision was met with indications from NHTSA that it will continue to fight implementation through the appeals process, and complaints from automobile manufacturers that it will be impossible for them to meet this compliance date.

Indeed, I heard this morning that American Motors is claiming that it will take at least 3 years to "retool" for provision of passive restraints.

Mr. President, I submit that the automobile manufacturers are only undermining their own credibility with such rhetoric. Passive restraint technology is over 10 years old, and previous statements made on the public record by those in the automobile industry indicate that 1 year would be enough leadtime for installation of passive restraints.

As for NHTSA, its dilatory tactics are totally inconsistent with its mandate from Congress. Mr. President, Congress enacted the National Traffic and Motor Vehicle Safety Act of 1966 in response to the alarming number of deaths and personal injuries on the Nation's highways. The stated purpose of the Safety Act was "to reduce traffic accidents and injuries to persons resulting from traffic accidents."

NHTSA, under its present administration, is squandering public funds and wasting judicial resources to stall implementation of a technology proven over and over again to save human lives—thousands of lives.

Mr. President, over 50,000 people died in 1978 as a result of an automobile accident. In 1981, that number had grown to 58,000. With the increased number of small cars on our Nation's roads, experts predict the death toll to rise as high as 70,000 by 1990. To put these figures in perspective, this death toll is equivalent to more than two Air Florida size crashes per day. Studies after studies, conducted over more than a decade, demonstrate that passive restraints, and, in particular, the air bag, would save over 9,000 lives per year. This is more lives than were lost in the Falklands war. Furthermore, such restraints would save more than one-half million injuries.

Mr. President, for some unknown, tragic reason automobile manufacturers and NHTSA do not seem to respond to the cost of human life. They only seem interested in dollars and cents. Well, Mr. President, today, I want to talk in terms of dollars and cents.

Passive restraints are cost beneficial. Manufacturers conservatively estimate that the price of air bags, if put on only 40 percent of American cars, would be approximately $185 per car. This is comparable to the cost of "pinstriping" and other vanity items. Public opinion polls have repeatedly shown that the American people favor the installation of air bags and would be willing to pay the additional costs if only given the option. But right now, air bags are not available on any cars built in America.

Motor vehicle accidents are a major drain on our economy, costing society approximately $50 billion each year in medical costs, lost wages, welfare costs and property damage. This is enough to give the 25 million Americans living below the poverty line $2,000 a year each.

Insurance companies are also losing tremendous amounts of money. I am told that today insurance companies cannot make money on writing car insurance. Rates are held down only through cross subsidies from securities and investments. In 1980, Allstate Insurance Co., alone, paid out over $1 billion in death claims and medical expenses stemming from automobile accidents. These large losses in turn drive the price of auto insurance higher and higher.

The passive restraint standard would save our taxpayers money. Doctors could concentrate on research to solve problems like cancer and heart disease instead of treating self-inflicted wounds. Indeed, a recent study by William Nordhaus, a Yale economist, estimated the net economic benefits from the use of air bags would be approximately $2.4 billion per year. He also computed the costs to automakers, consumers, insurance companies, hospitals, and doctors and concluded that an air bag in every car by 1984 would mean a net social savings of $33 billion over the next 4 years.

Automobile manufacturers complain that the added cost of passive restraints will drive up the cost of automobiles and preclude poor and middle income families from being able to purchase new cars. But this is an obfuscation of the true economic issue. You cannot drive a car without automobile insurance, and insurance companies would offer significant discounts for cars equipped with air bags. Experts estimate that eventually insurance premiums would be cut by $400 over the life of a car once all cars had passive restraints.

Mr. President, there are those who say, "let the market work." With the rapidly increasing number of auto accidents we would think that the manufacturers would look to occupant protection as a powerful sales feature. But, as of yet, Detroit has failed to exploit the selling power of safety. Foreign competitors have not. In Europe, Mercedes-Benz has equipped one model of its luxury sedans with air bags. I fear that once again, as was the case with smaller, more fuel-efficient cars, Detroit is sleeping and we will soon see American money flowing overseas.

Mr. President, these facts and figures demand our attention. The Federal Government has its own direct monetary interest in this matter because the cost of medicare and medicaid goes up with the number of automobile accidents and injuries.

Mr. President, as I have done over and over again, I today call upon NHTSA to stop fighting safety and to do what Congress wanted it to do. I sincerely hope that it will stall no longer and immediately comply with the mandate of the court. America cannot afford the slaughter that is occurring on our highways. We need the protection of the passive restraint standard and it is time we had it.

SALES OF MATERIAL TO THE SOVIET UNION

Mr. ARMSTRONG. Mr. President, we in Congress are wrestling with two severe problems: a budget crisis of unprecedented magnitude, and an increasingly ominous military threat from the Soviet Union. Both of these problems have been aggravated substantially by our foolish, reckless, and naive trade policies with the Soviet Union.

In the last decade alone, the Soviet Union has acquired from the United States and our allies at least $50 billion worth of sophisticated technology that can and has been put to military use. The Soviets very likely would not have been able to produce their latest generation of intercontinental ballistic missiles without U.S.-supplied grinding equipment, microprocessors, and computer technology. Most of the Soviet soldiers who invaded Afghanistan rode in vehicles built in factories designed by American engineers and financed in part by loans from American banks. American know-how, technology, and equipment also has been put to work in the design and manufacture of wide-body Soviet military transport aircraft, air defense radars, antisubmarine warfare suites, and tanks.

This transfer of militarily useful technology for, literally, pennies on the dollar has had enormous financial as well as security consequences for the United States. At a recent hearing of the Subcommittee on International Finance of the Banking Committee, I asked Dr. Stephen Bryen, the Deputy Assistant Secretary of Defense for International Economics, Trade and Security Policy, if the Pentagon had ever made an effort to determine to what extent our defense requirements had been affected by our trade policies

with the Soviet Union. His answer was startling. Dr. Bryen said, and I quote:

The problem is that the numbers we keep coming up with are so large, that we keep going back to the analysts and saying, is something wrong here? In one area alone, in communications switching, we try to estimate the cost to us if we had to figure out new systems and replace systems across the board, and it kept coming out in the tens of billions of dollars.

I asked Dr. Bryen the question again, to be sure I had his answer right. He confirmed it. Our defense needs are billions—tens of billions—of dollars higher this year than it otherwise would have been because the Soviets have been able to obtain from us critical technology in just the one area of communications switching. When we add in the MX missile, the B-1 bomber, and all the other weapons we are building primarily to counter weapons the Soviets very likely could not have built without technology supplied by us and our allies, it is not difficult to imagine that we will spend $20, $30, $40 billion more for defense this year and in each succeeding year for than we would otherwise have had to spend because of our reckless trade policies with the Soviet Union. Imagine how much smaller our budget deficit would be if we were not paying this premium for our folly. Imagine how much further interest rates would fall if we could reduce the deficit by an additional $20, $30, $40 billion.

It is too late now to undo the consequences to technology transfers past. We will have to pay for our mistakes. And pay, and pay, and pay. But we must avoid a repetition of those mistakes in the future.

The Yamal natural gas pipeline represents an extra originally threatening transfer of Western technology. Not only would this pipeline make Western Europe extremely vulnerable to Soviet economic blackmail, but also the deal would provide the Soviets with an additional $6 to $10 billion a year in hard currency earnings to pump into their war machine. The amount of money we would have to spend to counter the additional threat to our security that this would pose is mindboggling to contemplate.

There is another aspect of the Siberian natural gas pipeline that deserves much more careful attention than it so far has received. There is mounting evidence that the Soviets plan to construct the pipeline with what is, for all practical purposes, slave labor.

I recently had the privilege of chairing a hearing of the Subcommittee on International Finance of the Senate Banking Committee on the human rights consequences of the Yamal pipeline. What we heard was astounding and appalling. Michail Makarenko, a Russian human rights activist recently released from the Gulag Archipelago predicted that as many as 1 million forced labor camp inmates will die during the pipeline's construction. Two Vietnamese witnesses, Doan Van Toai, a former official of the National Liberation Front, and Le Thi Anh, director of the Vietnamese Information Bureau in Washington, presented evidence strongly indicating that as many as half a million Vietnamese, mostly from the so-called reeducation camps in the south, would be sent to Siberia and elsewhere in Eastern Europe. We heard testimony also from Ambassador Zdzislaw Rurarz, who was the Polish Ambassador to Japan before his defection to the United States after martial law was declared in his country. Ambassador Rurarz, an internationally recognized economist, supported the charges that the Yamal pipeline cannot be built without slave labor, and expressed grave doubt that it could be built without Western, primarily American, technology and credits.

The testimony presented left no doubt that part and parcel of the construction of the Yamal pipeline will be one of the greatest human rights crimes of the century. If the pipeline is, as some claim, a monument to détente, it is a grisly sort of monument, like the mountains of skulls the conqueror Tamerlane used to leave behind after his Mongols had sacked another city.

There is very little we can do about the mistreatment of their own citizens by the Governments of the Soviet Union and Vietnam. But the Yamal pipeline is a special case. It cannot be constructed without Western technology, know-how, and capital. If we permit American corporations or their foreign affiliates to participate in the construction of the pipeline, would we not then become accomplices of a grotesque violation of human rights?

The President of the United States has answered this question resoundingly in the negative. He was under great pressure from foreign governments, from some major corporations here in the United States, and even from his own State Department, to lift the sanctions he had imposed on the participation of U.S. firms in the pipeline in response to the Soviet-inspired coup in Poland. Rather than yield to this pressure, the President extended those sanctions to apply to the foreign subsidiaries of U.S. corporations as well.

By taking this courageous stand, the President has struck a decisive blow on behalf of the security of the West, for lower defense budgets in the future, for solidarity with the Polish people, and for the basic human rights of all those oppressed behind the Iron and Bamboo Curtains. For this courageous stand, the President deserves the commendation and support of the Senate, and all Americans.

ORDER FOR PRO FORMA SESSION TOMORROW VACATED

Mr. BAKER. Mr. President, an order had been entered for a pro forma session tomorrow and that the Senate go over until Monday. There is no need for a pro forma session. The length of time in which the Senate can stand in recess without the concurrence of the House will not be exceeded by the order for the Senate to convene Monday.

Therefore, I ask unanimous consent that the order for the pro forma session be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION DURING RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that the Secretary of the Senate may receive messages from the House of Representatives and from the President of the United States until 4 p.m. on Friday and that Senators may have until 4 p.m. to introduce bills and resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, AUGUST 9, 1982

Mr. TOWER. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until next Monday at noon.

The motion was agreed to; and at 6:07 p.m., the Senate recessed until Monday, August 9, 1982, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate August 5, 1982:

DEPARTMENT OF STATE

James Malone Rentschler, of Pennsylvania, a Career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Theodore George Kronmiller, of Virginia, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, for the rank of Ambassador.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be Members of the National Commission on Libraries and Information Science for terms expiring July 19, 1987:

John E. Juergensmeyer, of Illinois, vice Frances Healy Naftalin.

Jerald Conway Newman, of New York, vice Joan Helene Gross.

Julia Li Wu, of California, vice Clara Stanton Jones.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 5, 1982:

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Clifton C. Capp, xxx-xx-xxxx
Brig. Gen. Mack J. Morgan, Jr., xxx-xx-xxxx
Brig. Gen. James L. Pelton, xxx-xx-xxxx
Brig. Gen. Norbert J. Rappl, xxx-xx-xxxx
Brig. Gen. Garnet R. Reynolds, xxx-xx-xxxx
Brig. Gen. John Ricottilli, Jr., xxx-xx-xxxx

To be brigadier general

Col. Roger R. Blunt, xxx-xx-xxxx
Col. Dean L. Linscott, xxx-xx-xxxx
Col. Bernard H. Thorn, xxx-xx-xxxx
Col. Foster Marshall II, xxx-xx-xxxx
Col. Stuart E. Harlowe, xxx-xx-xxxx
Col. Harry J. Mott III, xxx-xx-xxxx
Col. George J. Vukasin, xxx-xx-xxxx
Col. John R. Davis, xxx-xx-xxxx
Col. Albert E. Gorsky, xxx-xx-xxxx

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, section 593(a), 3385, and 3392:

To be major general

Brig. Gen. Melvin J. Crain, xxx-xx-xxxx
Brig. Gen. James W. Duffy, xxx-xx-xxxx
Brig. Gen. John F. Gore, xxx-xx-xxxx
Brig. Gen. Bruce Jacobs, xxx-xx-xxxx
Brig. Gen. Joseph M. Lank, xxx-xx-xxxx

To be brigadier general

Col. Douglass D. Bradley, xxx-xx-xxxx
Col. Richard I. Braund, xxx-xx-xxxx
Col. Willard G. Burks, xxx-xx-xxxx
Col. Julius J. Chosy, xxx-xx-xxxx
Col. Bernard G. Ehrlich, xxx-xx-xxxx
Col. Melvin V. Frandsen, xxx-xx-xxxx
Col. John M. Hilliard, Jr., xxx-xx-xxxx
Col. David T. Kent, xxx-xx-xxxx
Col. Charles H. Kone, xxx-xx-xxxx
Col. Claude H. McLeod, xxx-xx-xxxx
Col. Allan R. Meixner, xxx-xx-xxxx
Col. Oliver W. Myers, xxx-xx-xxxx
Col. Frank J. Schober, Jr., xxx-xx-xxxx
Col. James H. Throwe, xxx-xx-xxxx

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 5148 (b), to be assigned as Judge Advocate General of the Navy:

To be judge advocate general of the Navy

Rear Adm. James J. McHugh, xxx-xx-xxxx xxx-... Judge Advocate General's Corps, U.S. Navy.

THE JUDICIARY

Antonin Scalia, of Illinois, to be U.S. circuit judge for the District of Columbia circuit.

Michael M. Mihm, of Illinois, to be U.S. district judge for the central district of Illinois.

DEPARTMENT OF JUSTICE

Frederick J. Scullin, Jr., of New York, to be U.S. attorney for the northern district of New York for the term of 4 years.

Faith P. Evans, of Hawaii, to be U.S. Marshal for the district of Hawaii for the term of 4 years.

Larry D. Thompson, of Georgia, to be U.S. attorney for the northern district of Georgia for the term of 4 years.

IN THE AIR FORCE

Air Force nominations beginning Phillip S. Core, and ending Elvira C. Remo, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 26, 1982.

IN THE ARMY

Army nominations beginning Alfred T. Forrest, and ending Mary L. M. Hagan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 12, 1982.

Army nominations beginning Creighton W. Abrams, and ending Buck R. Deal, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 12, 1982.

Army nominations beginning Paul J. Luedtke, and ending Peter L. Yee, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 26, 1982.

IN THE NAVY

Navy nominations beginning Richard Sanford Abele, and ending Daniel Allan Woxland, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 26, 1982.

Navy nominations beginning Norbert F. Reichenback, and ending Herminio C. Valenzuela, which nominations were received by the Senate and appeared iin the CONGRESSIONAL RECORD on July 26, 1982.

Navy nominations beginning Terry R. Otterman, and ending John Thomas Yates, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 26, 1982.

HOUSE OF REPRESENTATIVES—*Thursday, August 5, 1982*

The House met at 10 a.m.

Rabbi Esor Winer Ben-Sorek, Seaford Jewish Center, Seaford, N.Y., offered the following prayer:

Almighty and Supreme Architect of the Universe:

In deepest humility we stand in this holy sanctuary, dedicated to world peace and the dignity of all mankind. Here, in this sacred shrine, wherein were spoken words which shaped the destiny of this Nation and made it a blessing and a source of blessing to all the families of Earth.

We pray, O Heavenly Father, for wisdom and ability, for knowledge and understanding, that we may faithfully serve those who have reposed their trust in us.

Inspire our hearts, O God, that we may serve You in truth.

Let us ever be mindful of the need to rekindle liberty's torch which is the blessed "flame beside the golden door."

Bless, we pray, those who serve this glorious American Nation, that their labors will bring peace and harmony into every home and every heart. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LENT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LENT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 27, answered "present" 1, not voting 70, as follows:

[Roll No. 245]

YEAS—336

Addabbo	Archer	Bedell	Bevill	Fowler	Mavroules	Simon	Stratton	White
Albosta	Ashbrook	Beilenson	Biaggi	Frank	Mazzoli	Skeen	Studds	Whitehurst
Alexander	Aspin	Benedict	Bingham	Frenzel	McCollum	Smith (AL)	Stump	Whitley
Anderson	AuCoin	Benjamin	Bliley	Gaydos	McCurdy	Smith (IA)	Swift	Whittaker
Andrews	Bailey (MO)	Bennett	Boland	Gephardt	McDonald	Smith (NE)	Synar	Whitten
Annunzio	Bailey (PA)	Bereuter	Boner	Glickman	McEwen	Smith (NJ)	Tauke	Williams (MT)
Anthony	Barnard	Bethune	Bonior	Gonzalez	McGrath	Smith (OR)	Tauzin	Williams (OH)
			Bonker	Gore	McHugh	Smith (PA)	Taylor	Wilson
			Bowen	Gradison	Mica	Snowe	Thomas	Winn
			Breaux	Gramm	Michel	Snyder	Traxler	Wirth
			Brinkley	Gray	Mikulski	Solarz	Trible	Wolf
			Brodhead	Green	Mineta	Solomon	Vander Jagt	Wortley
			Brooks	Gregg	Minish	Spence	Vento	Wright
			Broomfield	Grisham	Mitchell (NY)	St Germain	Volkmer	Wyden
			Brown (CA)	Guarini	Moakley	Stangeland	Wampler	Wylie
			Brown (CO)	Gunderson	Molinari	Stanton	Watkins	Yatron
			Broyhill	Hagedorn	Mollohan	Stark	Waxman	Young (FL)
			Burgener	Hall (OH)	Montgomery	Staton	Weaver	Young (MO)
			Burton, Phillip	Hall, Ralph	Moore	Stenholm	Weber (OH)	Zablocki
			Campbell	Hall, Sam	Moorhead	Stokes	Weiss	Zeferetti
			Carman	Hamilton	Morrison			
			Carney	Hammerschmidt	Murphy			
			Chappie	Hance	Murtha			
			Cheney	Hansen (ID)	Myers			
			Clausen	Hansen (UT)	Napier			
			Clinger	Hartnett	Natcher			
			Coats	Hatcher	Neal			
			Coelho	Hawkins	Nelligan			
			Coleman	Heckler	Nelson			
			Collins (IL)	Hefner	Nowak			
			Collins (TX)	Heftel	O'Brien			
			Conable	Hertel	Oakar			
			Conte	Hightower	Obey			
			Corcoran	Hillis	Oxley			
			Courter	Holt	Panetta			
			Coyne, William	Hopkins	Parris			
			Craig	Horton	Pashayan			
			Crane, Daniel	Howard	Patman			
			D'Amours	Hoyer	Patterson			
			Daniel, Dan	Hubbard	Paul			
			Daniel, R. W.	Huckaby	Pease			
			Dannemeyer	Hughes	Pepper			
			Daschle	Hutto	Perkins			
			Daub	Hyde	Petri			
			Davis	Jeffords	Peyser			
			Dellums	Jenkins	Pickle			
			Derrick	Jones (NC)	Porter			
			Derwinski	Jones (OK)	Price			
			Dicks	Kastenmeier	Pritchard			
			Dixon	Kazen	Pursell			
			Donnelly	Kennelly	Quillen			
			Dorgan	Kildee	Rahall			
			Dougherty	Kindness	Railsback			
			Dowdy	Kogovsek	Rangel			
			Downey	Kramer	Ratchford			
			Duncan	LaFalce	Regula			
			Dunn	Lagomarsino	Reuss			
			Dwyer	Lantos	Rinaldo			
			Dymally	Latta	Ritter			
			Dyson	Leach	Roberts (KS)			
			Early	Leath	Roberts (SD)			
			Eckart	Lee	Robinson			
			Edgar	Lehman	Roe			
			Edwards (AL)	Leland	Rogers			
			Edwards (CA)	Lent	Rose			
			Edwards (OK)	Levitas	Rostenkowski			
			Emery	Lewis	Roth			
			English	Livingston	Roukema			
			Erdahl	Loeffler	Rousselot			
			Erlenborn	Long (LA)	Roybal			
			Evans (GA)	Lott	Rudd			
			Evans (IN)	Lowery (CA)	Russo			
			Fary	Lowry (WA)	Sawyer			
			Fascell	Lujan	Scheuer			
			Fenwick	Lundine	Schneider			
			Ferraro	Lungren	Schulze			
			Fiedler	Markey	Schumer			
			Findley	Marlenee	Seiberling			
			Fish	Marriott	Sensenbrenner			
			Fithian	Martin (IL)	Shamansky			
			Flippo	Martin (NC)	Sharp			
			Florio	Martin (NY)	Shaw			
			Foglietta	Martinez	Shumway			
			Foley	Matsui	Shuster			
			Ford (MI)	Mattox	Siljander			

NAYS—27

Atkinson	Evans (IA)	Luken
Badham	Fields	Miller (CA)
Barnes	Gejdenson	Miller (OH)
Butler	Goodling	Mitchell (MD)
Clay	Hendon	Oberstar
Coughlin	Hiler	Roemer
Dickinson	Jacobs	Sabo
Dreier	Johnston	Schroeder
Emerson	LeBoutillier	Washington

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—70

Akaka	Fazio	McCloskey
Applegate	Ford (TN)	McDade
Bafalis	Forsythe	McKinney
Beard	Fountain	Moffett
Blanchard	Frost	Mottl
Boggs	Fuqua	Nichols
Bolling	Garcia	Rhodes
Bouquard	Gibbons	Richmond
Brown (OH)	Gilman	Rodino
Burton, John	Gingrich	Rosenthal
Byron	Ginn	Santini
Chappell	Goldwater	Savage
Chisholm	Harkin	Shannon
Conyers	Holland	Shelby
Coyne, James	Hollenbeck	Skelton
Crane, Philip	Hunter	Udall
Crockett	Ireland	Walgren
de la Garza	Jeffries	Walker
Deckard	Jones (TN)	Weber (MN)
DeNardis	Kemp	Wolpe
Dingell	Long (MD)	Yates
Dornan	Madigan	Young (AK)
Ertel	Marks	
Evans (DE)	McClory	

□ 1010

Mr. CHENEY changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 58. Joint resolution proposing an amendment to the Constitution altering Federal budget procedures.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

□ 1020

RABBI ESOR WINER BEN-SOREK

(Mr. LENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LENT. Mr. Speaker, it is indeed a great privilege and a great pleasure to welcome as our guest chaplain today, Rabbi Esor Winer Ben-Sorek, rabbi of Seaford, N.Y., Jewish Center, who offered the prayer opening today's session of the House of Representatives. I know my colleagues join me, Rabbi, in expressing our deep gratitude for your thoughtful and inspirational message. Certainly the rabbi's prayer today illustrates clearly why he is such a highly regarded religious and intellectual leader, not only in the Seaford community, but throughout Long Island, and indeed the State of New York.

In the 12 years he has been a Long Island resident, Rabbi Ben-Sorek has established an outstanding and tremendously impressive record of service in the fields of religion, education, and community service. It is impossible for me to list his many impressive accomplishments and achievements in the brief time which has been allotted me, Mr. Speaker, but let me say that few individuals have done as much for so many as Rabbi Ben-Sorek, and few have been as active and as effective in as many fields of service.

The Fourth Congressional District which I have the honor to represent is most fortunate to have Rabbi Ben-Sorek as an influential member and spiritual leader of our community. I am proud today to welcome Rabbi Ben-Sorek and his lovely wife, Rachel, to our Chamber.

Rabbi Ben-Sorek was born in Boston, Mass. He received his B.A. degree from New York University and his M.A. from New York University's Graduate School. He received his doctorate in literature from the Union Theological Seminary of Virginia (Episcopal) in 1957, and has undertaken postgraduate studies at Boston University; the University of Vermont; Havat HaLimud, Jerusalem, Israel, and, with a Ph. D fellowship, at the Universite de Poitiers in France.

Rabbi Ben-Sorek pursued his rabbinical studies at the Hadar HaTorah Rabbinical Seminary in Brooklyn, N.Y., and the Yeshiva Marbeatze Torah in Brooklyn, where he was ordained.

Since his ordination, Rabbi Ben-Sorek has compiled a tremendously impressive record of service in the fields of religion, education, and community service. In 1955 and 1956, for example, Rabbi Ben-Sorek served as assistant to the rabbi of Temple Beth-El of Richmond, Va., as lecturer in religion at Virginia Union University, and Jewish chaplain at the Virginia State Penitentiary. From 1959 to 1970, he served as lecturer on Hebrew and Biblical literature at Boston University. At various times during this period Rabbi Ben-Sorek was also interim rabbi at two temples; principal of Hillel Academy, North Shore, Mass.; Jewish adviser, Ecumenical Commission of Richard Cardinal Cushing of Boston; and director of student activities for B'nai B'rith foundations at Tufts University, Jackson College; and Simmons College, and assistant professor of Hebrew at Emerson College.

Rabbi Ben-Sorek came to Long Island in 1970 as coordinator of studies and assistant principal at Temple Israel of Great Neck, N.Y.

In 1973 he became Rabbi of the Seaford Jewish Center where he now serves. In these years, Rabbi Ben-Sorek also has served as chaplain for the Brunswick Psychiatric Hospital and at nursing homes in Freeport and Great Neck; he is a member of the Social Service Staff of the Margaret Tietz Center for Nursing Care; and he has served as professor of Bible, Academy for Jewish Religion; and adjunct assistant professor of Hebrew at Queensborough Community College.

Currently Rabbi Ben-Sorek is a member of the Board of Governors of the New York Board of Rabbis; vice president of the Long Island Board of Rabbis; a member of the Board of Directors of the National Conference of Christians and Jews; and cochairman of the Religious Advisory Council of Nassau County National Conference of Christians and Jews.

Rabbi Ben-Sorek's distinguished career has been highlighted by a number of honors and awards. In 1967 he was named Outstanding Young Man of America by the U.S. Jaycees; in 1968 he received the Great Teacher Award from the Boston University Student Council; and in 1969, received the Amicus Poloniae honor from the Polonia Society, Ministry of Education and Culture of the Polish Government in Warsaw. He has also been honored by the Long Island towns of Hempstead and North Hempstead for his years of service to the American Jewish Community, and cited by the National Conference of Christians and Jews as a Builder of Brotherhood.

Mr. Speaker, Rabbi Ben-Sorek is a distinguished American, and we have been fortunate to have him as our guest chaplain today.

NUCLEAR FREEZE AND THE YOUTH OF AMERICA

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, many times over this past several years I have taken the floor of this House to talk about the young people of our country. Today, I want to do that once more. But, today it is with a very different slant because we are taking up the question of nuclear freeze today, an immediate verifiable nuclear freeze.

The President just a few days ago viewed this as "an obsolete and sterile plan." That is what he said. I view this, Mr. Speaker, as a question of survival for our children and for their children, if we in this Congress do not recognize, Mr. Speaker, that the overwhelming majority of the American public, over 70 percent, have indicated their strong support to stop this headlong rush into a nuclear holocaust that we seem to be heading toward.

Let us use our senses. Let us be intelligent in what we do, and we can keep this country strong and we can survive in this world along with the other people. Let us vote today for an immediate, verifiable nuclear freeze.

NATIONAL ENDOWMENT FOR THE ARTS MUST BE PRESERVED

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, because of the National Endowment for the Arts, great works of art in every discipline have reached millions of Americans who could never have afforded access to these pleasures before the Endowment's existence. But if the administration has its way with the arts budget this year, cultural elitism will once again be the rule. The patrons of the arts will be only the rich and only those with rich backers will be artists.

In a few days, we who serve on the House Interior Appropriations Subcommittee will be considering the administration's proposed budget cuts for the arts. Last year, the President wanted to slash the NEA budget by 50 percent. This year, he is proposing a 32-percent cut.

In my own State of Oregon, NEA assistance would decline from $1.3 million this year to under $1 million if the 32-percent cut is applied to us. I ask you to think for 1 minute about $1.3 million. The Defense Department spends $1.4 million on shots and other veterinary services for the pets of military personnel. Additional millions are spent transporting military pets when servicemen are transferred.

Simply by eliminating this kind of frivolity in the Pentagon budget, the Government could fund the entire arts budget for Oregon without a cut. It could provide the $70,000 desperately needed to help preserve the west coast's premier Shakespeare festival in Ashland. It could provide the $1,000 for the Rogue Valley Chorale in Medford. It could provide $2,500 for the Artquakes festival in Portland. And there would still be enough left over

to support the faltering Salem Symphony Orchestra, desperately in need of funds.

But I do not think this is what the administration has in mind for the arts in America. He assures us that the private sector will pick up the slack, but how can we believe that in Oregon when our businesses are going broke, our families are losing their homes, and we have an 11.1-percent unemployment rate?

Arts contributions in America have been stimulated by the National Endowment's programs. They fund the new artists whom no investor will. They introduce us to the innovative, the exceptional. We must preserve this unique institution or forever deny access to the arts to all but the rich.

BUDGET-BALANCING FLIMFLAMMERY

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, I would like to share the lead editorial in the Daily News of Thursday, August 5, with my colleagues this morning.

It is entitled, "Budget-Balancing Flimflammery," and the editorial reads as follows:

Is there no limit to the crimes against public intelligence committed by Congress? Last month the Senate played three-card monte with tax cuts (now you see them, now you don't). Yesterday, it convicted itself of an even bigger flimflam by approving a proposed amendment to the Constitution requiring a balanced budget.

This circus act, with the White House acting as ringmaster, was a show of naked hypocrisy—an outrageous insult, an election-year gimmick if there ever was one.

There was Ronald Reagan, architect of a budget for 1983 that contained a built-in deficit of $100 billion when he submitted it, barnstorming around the country, shamefully twisting arms to change the Constitution into a grotesque instrument for political gain by making it appear as though he was the superman, the great protector and champion of fiscal responsibility. What a joke! Even as the Senate voted, David Stockman, Reagan's budget maven, was saying that the 1983 deficit could easily go to $135 billion.

Sure, a balanced budget is a good goal that should be zealously sought by both the President and Congress. But the fuzzily worded abomination approved by the Senate yesterday would, if ultimately passed, overflow federal court dockets with cases challenging inherently imprecise revenue predictions in times of economic uncertainty and stress and open the way to endless litigation as to whether this or that spending program abided by the letter—and spirit—of the constitutional amendment.

Fortunately, the Senate's word yesterday was far from the last. The House of Representatives will now get its say. Please, for a change, forget about politics and leave the Constitution alone.

REAGAN'S TASK FORCE REPORT ON LEGAL EQUITY FOR WOMEN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as cochair of the Congressional Caucus for Women's Issues, I have watched this administration erode, through executive reorganizations, illegal firings, unsubstantive appointments, regulations, and lax enforcement of the law, the intent of legislation Congress passed to promote equity for women.

The firing of Wendy Borchert, the President's special assistant on women's issues, is only the most recent of a long chain of alarming and confusing Reagan administration action on women's issues.

He fired his special assistant on women's issues.

He fired, through illegal procedure resembling an orchestrated coup, the executive director of the National Advisory Council on Women's Educational Programs.

He fired, then rehired, the director of the Women's Educational Equity Act.

He created a task force on legal equity, that has hardly met, and he has refused to make the group's report public.

Yesterday, I obtained a copy of the report, "Legal Equity for Women." I can understand why Reagan will not release it. The report is an embarrassment. It shows that the Reagan administration does not understand what women's issues are.

The report tells women that while sex discrimination "is not inconsequential, it is plainly not overwhelming." It tells women that they are taking their rightful place alongside of men in all fields of endeavor.

I have reserved time for a special order today so that I may include in today's CONGRESSIONAL RECORD the text of the Reagan administration report, "Legal Equity for Women." I think the women of America have the right to know what the Reagan administration is and is not doing to promote their legal and economic status. They need to know that he is not for equality with a capital "E" and he is not for equity with a small "e."

Besides, if President Reagan does not read what comes across his desk, I figure he may read the CONGRESSIONAL RECORD.

□ 1030

FAIR TAX BILL INTRODUCED

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I am introducing a bill today which addresses one of the major frustrations Americans face—the complexity of the Federal income tax system. Senator BILL BRADLEY is introducing an identical bill in the Senate.

You have been hearing a lot about the "flat tax." Well, our plan is not flat—it is fair. The Bradley-Gephardt Fair Tax Act of 1982 is aimed at restructuring the Tax Code to make it fair, more efficient, and understandable to the majority of Americans.

Our current tax system is so full of deductions, special preferences, and credits that the average person cannot understand it. This can be clearly seen by the fact that more than 55 percent of people who filed the long 1040 tax form and 15 percent of those who filed the so-called "short" form 1040A earlier this year could not even prepare their own tax returns. They sought professional assistance from private tax preparers.

Complexity has caused many people to distrust the tax system, those who collect the taxes, and even those of us who write the tax laws. The growth of the underground economy and the myriad tax avoidance schemes is likewise alarming.

If we ask people to pay their taxes voluntarily—and voluntary compliance is the basis of our system—we must give them laws they can understand. And we must have a system they perceive is fair and equitable.

Judging from the mail I receive, I wonder if anyone thinks the system is fair or understandable. The many brackets and high tax rates built into the present system only serve to limit the incentive to work more, save more, and to invest more. In addition, tax preferences encourage people to invest in enterprises or activities with rates of return which are inflated by the Tax Code. This causes inefficient allocation of our economy's resources and impedes growth.

I believe it is time to restructure the Tax Code to increase efficiency and fairness and to make it understandable to the majority of taxpayers. The Bradley-Gephardt tax plan would eliminate most of the inequities and special preferences that complicate the current tax system. It would lower tax rates and broaden the tax base, but still retain the concept of progressivity that has been a part of our tax system since 1913.

Specifically, our bill would reduce the tax rate to 14 percent for single taxpayers earning up to $25,000 and for couples earning up to $40,000. People earning above those amounts would pay a surtax ranging from 6 to 14 percent. The maximum tax rate would be 28 percent, down from the current top rate of 50 percent. The only deductions, credits, and exclusions retained would be those generally available to most taxpayers and

those which are needed to measure income or alleviate genuine hardship. These include: An increased taxpayer exemption of $1,500 for taxpayer and spouse; an increased standard deduction (zero bracket amount) of $4,600 for joint returns; deduction for charitable contributions, home mortgage interest, State and local income and real property taxes, employee business expenses and medical expenses—in excess of 10 percent of adjusted gross income; exemption for interest on general obligation bonds; child care credit converted to a deduction; and exclusion for social security and veterans' benefits.

The bill is designed to be revenue neutral—that is, it would bring in the same amount of revenue in 1984 as would current law—including the third year tax cut scheduled for next year. Unlike some of the "flat" tax bills, the Bradley-Gephardt plan would not place an unfair burden on low- and middle-income taxpayers in favor of those with higher incomes. About 75 to 80 percent of Americans would pay at the 14-percent rate under our bill and pay no more in taxes than they do now. In fact, about 65 percent would get a tax cut under our bill.

Who are the losers? Those people who today make liberal use of tax shelters and deductions will pay more in tax—but only their fair share.

The Bradley-Gephardt tax plan would be fair and equitable. It would ease the recordkeeping burden on taxpayers and make filling out tax forms on April 13 not so dreadful. But most importantly, it would give us a tax system people could support—because they could understand it.

A NUCLEAR WEAPONS FREEZE MAKES ECONOMIC SENSE

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, some opponents of the nuclear freeze resolution argue that a nuclear freeze would greatly harm our economy. As we prepare to debate the freeze today, I want to alert my colleagues to a study conducted at my request by the Congressional Research Service which proves this notion simply untrue.

The study reveals that a freeze would shrink the Federal deficit by as much as $6.67 billion in fiscal 1983 and would free up backlogs and bottlenecks in high-technology industries as well. The GNP would drop temporarily as well, according to the report, but by less than 1 percent.

This report, "The Implications of a Nuclear Freeze for the U.S. Economy," is both timely and useful. It should encourage those of my colleagues who are worried about the economic impact of a freeze but equally concerned about the growing risks of a nuclear confrontation. Indeed, a nuclear freeze makes good economic sense, regardless of whatever else you conclude about the Zablocki proposal.

Copies of the study are available through my office as well as through CRS and will be at the pages stands. I urge my colleagues to consider the findings of the study as we enter the nuclear freeze debate.

HANDICAPPED—A TRAGIC STEP BACKWARD

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, the Department of Education has just released its proposed regulations for handicapped and disabled children.

Sadly, in dozens of instances, these proposed regulations relax, or revoke, hard-won protections for handicapped children, in the realm of educational opportunities. Mainstreaming of handicapped and disabled children in the classroom is threatened. The old practice of segregating handicapped and disabled children is encouraged. Access to education programs may be denied, as parents are forced to assume an ever greater share of the financial burden for residential care.

These regulations are a step backward from our commitment to a free, appropriate public education for handicapped children. The tremendous potential of handicapped children has been realized through the guaranteed civil rights and educational opportunities of the handicapped. We must not step back from that commitment.

NUCLEAR FREEZE WOULD HALT LAUNCH-ON-WARNING MOVE

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, I rise in support of House Joint Resolution 521, which calls for negotiations to achieve a mutual and verifiable freeze on nuclear weapons systems by the United States and the Soviet Union, to be followed by negotiations for major nuclear arms reductions by both sides. I urge my colleagues to vote for House Joint Resolution 521 and against weakening amendments or substitutes.

I have heard the arguments against House Joint Resolution 521. Let us discard the claim that it calls for an unverifiable agreement: All you have to do is read it to see that it does the exact opposite. Let us discard the claim that it would force a unilateral policy on the United States: All you have to do is read it to see that it calls for mutual negotiations, not unilateral action.

I have heard the argument that it would resurrect a flawed SALT II agreement. Yet the Reagan administration is now observing the terms of this treaty. I approve and applaud the long-overdue commencement of START negotiations, but they will take time. In the meantime, our security will be enhanced by formally adopting SALT II, which will require the Soviets to reduce existing strategic forces.

In yesterday's Washington Post, an editorial stated that the freeze "would hobble plans to make [land-based] missiles less vulnerable, would thus increase instability and make war more possible." But the exact opposite is the case. A nuclear freeze will increase American security because it will prevent the development of new, highly accurate weapons which will erode deterrence by raising the possibility of a successful first strike.

Both nations are moving in this direction, the United States with the MX and Trident II missiles. It is a very disturbing development because it removes the one stabilizing element that has existed, the knowledge that each side can retaliate against an attack by the other. When that knowledge is taken away, the dangers of war through miscalculation or accident are increased substantially. If there is one thing that we can do, right now, to enhance American security, it is to stop this trend that will end by putting our security, far more than today, in the hands of Soviet decisionmakers.

It has been argued that we unilaterally disarmed during the past decade. But during the 1970's we added 1,000 more warheads to our stockpile than the Soviets did to theirs, and added 3,000 more warheads to submarines than they did. It has been argued that we must have a nuclear force that is equal to that of the Soviet Union. But how can we give a meaningful definition of this equality? Must both nations have equal numbers of increasingly vulnerable land-based ICBM launchers, where the Soviets are ahead, or must we both have equally diverse and well-balanced triads, where we now have a clear advantage? Is it equal amounts of megatonnage, where the Soviets are ahead, or equal numbers of warheads, where we are ahead?

This concern about equality might have meaning if nuclear weapons were not so powerful. But they have raised the destructive potential of war to a level that the human mind cannot comprehend. Just 2 of our submarines have easily enough warheads to destroy the 200 largest Soviet cities. Those two submarines carry a tiny fraction of our entire arsenal, and a small fraction of what would be left

after a completely successful Soviet first strike against us.

It seems to me that most arguments against the freeze are based on the belief that we have lost an arms race with the Soviets, that we have failed some test of will. It is time to recognize that thousands of additional nuclear weapons will not make us secure from attack, any more than the existing thousands have done. Neither the United States nor the Soviet Union can ever use these arms without destroying themselves together.

House Joint Resolution 521 simply sets an agenda for American policymakers, beginning with the adoption of a treaty that has already been negotiated, then moving toward additional goals of a freeze and reductions. Since 1945, the arms race has gone on so that thousands of nuclear warheads are now piled up on both sides. We have just voted to authorize the development of additional nuclear weapons systems, to which the Soviets will surely respond. This week, we face a choice. We can continue this process as before, or we can begin to stop it. I believe this vote will be one of the most important that any of us will ever cast here. We must not lose this chance to preserve humanity.

GEORGE WASHINGTON SILVER HALF DOLLAR AVAILABLE

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, today each Member will receive a "Dear Colleague" letter from me containing order forms for the new George Washington commemorative silver half dollar. I urge every Member to make the availability of these coins known to their constituents.

On Tuesday, the gentleman from Georgia (Mr. BARNARD), who was the original sponsor of the legislation, and I were shown the coins by Mint Director Donna Pope. These are truly beautiful coins and are a significant commemoration of the 250th anniversary of the birth of our first President. They feature George Washington in full uniform on horseback on the obverse and Mount Vernon on the reverse.

This coin is one of the most beautiful coins ever issued by the United States. Both obverse and reverse feature incredible detail, down to the buttons on Washington's vest and the individual panes in Mount Vernon's windows. The coin is a shining example of the engraver's art and is a tribute to Elizabeth Jones, the Nation's chief engraver.

Besides being the first 90-percent silver coin minted since 1964, and the first commemorative coin since 1954, the coin helps in our battle against the national debt. Each coin carries a 20-percent surcharge that is to be used solely to reduce the national debt. If all 10 million of the authorized coins are sold, nearly $16 million will go toward debt reduction.

I urge my colleagues to inform their constituents of the availability of these beautiful and fiscally sound silver coins.

LISTEN TO YOUR BOSS, MR. STOCKMAN

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, yesterday I intended to present a statement somewhat critical of Budget Director David Stockman, but after sitting through the well-orchestrated attack on President Reagan's economic program from the Democratic side of the House, I withheld my statement because I did not want anyone to think my remarks were part of that effort. My criticism of Mr. Stockman has not changed, however, so today I rise to say what I planned to say yesterday.

Mr. Speaker, last November, Budget Director David Stockman apologized to President Reagan and the Nation for undermining the current economic recovery program with his critical remarks in an Atlantic Monthly article. Unfortunately, Mr. Stockman persists in sending signals that are not compatible with the President's positions.

The latest example occurred Tuesday when he said the administration planned to make across-the-board cuts in benefit programs later this year. Now we have all heard the President state repeatedly that he will not propose any reductions in the benefits of our Nation's social security recipients. Yet, Mr. Stockman's remarks, as reported throughout the United States Wednesday morning, cry out that benefit cuts are needed.

If we are to have a successful economic recovery, it is important that the administration, including Mr. Stockman, send clear and consistent signals to the Congress. But more importantly, Mr. Stockman must stop needlessly frightening our country's older citizens with more talk about reductions in retirement benefits.

Although President Reagan has overruled the Budget Director many times on this subject, Mr. Stockman persists in frightening millions of Americans whose survival depends on their small benefit checks.

To the Budget Director, I say, Dave, I hope my message to you is clear: Stop scaring older Americans and start listening to what your boss, our President, is saying.

CYCLISTS TO END HUNGER

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, on Monday, August 9, cyclists to end world hunger will reach our Nation's Capital, completing the final leg of a coast-to-coast bicycle marathon to raise awareness about the world's hungry and malnourished.

These dedicated cyclists, departing from several different starting points in June, have crossed 15 States, they have met with State and local officials, and have brought their message about the need to intensify our efforts to alleviate hunger to thousands of citizens. I commend these concerned marathon participants, who have raised considerable sums of money during the marathon for the fight against hunger, for their important contribution to raising our Nation's awareness about the plight of the world's hungry.

I invite and urge my colleagues to join in welcoming the cyclists to end world hunger to Washington, D.C. at the Lafayette Park reception at noon, on Monday, August 9, and on the steps of the Capitol before our session next Tuesday, August 10. They are deserving of our recognition.

□ 1040

THE ARMENIAN QUESTION

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I wish to associate myself with the remarks of my colleague from California (Mr. PASHAYAN). He has addressed the issue today before the House. I believe that all of my colleagues should review the remarks of Walter Karabian, a former member of the State legislature where he discusses the importance of an immediate dialog between our country and those that are involved in the Armenian-Turkish problem.

Mr. Karabian has done this in a very positive and constructive way. It is an issue that remains with us, and I encourage my colleagues, as the gentleman from California (Mr. PASHAYAN) has done, to review these ideas.

DEMOCRATIC STRATEGY TO MAKE REAGAN LOOK BAD

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, many of us are returning to our districts on a regular basis now to campaign for reelection and we are confronted with

questions that range from "Why aren't things better?" to "Why can't you balance your checkbook; we have to balance ours?"

When you are in search of answers I suggest that you refer to an article by Donna Blanton of the Sentinal Star of Orlando, Fla., of a couple of weeks ago where she interviewed a Bill Hamilton, a pollster for the National Democratic Committee.

He admits in this article that he and other Democratic-oriented consultants are doing their part to help insure that recovery does not come too soon. I repeat that: recovery does not come too soon.

He says, and I quote:

I and others have been counseling Congress to hold Reagan out there, to hold his feet to the fire as long as we can, short of putting the country under.

So when I go home to my district I say the reason we cannot balance our checkbook here like you have to is because it is by design. The National Democratic Committee's consultants are telling their people to go so far as they can to extend the economic pain as deep as they can without putting the country under.

A STRONG ECONOMY FIRST TO INSURE A STRONG DEFENSE

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, last week the House passed the largest defense authorization in peacetime history, up from $131 billion last year to more than $177 billion in fiscal 1983. It contained some unwise weapons authorizations which I opposed and pressed spending intentions in this vital area to the limits of credibility.

Now the President tells us he is not going to be bound by our spending ceilings for defense in 1984 and 1985 that were set in the budget resolution and endorsed by the White House.

At the same time we are told that a tax increase, the largest in history, is part of my party's philosophy. Interestingly enough, the amounts of new tax revenue in the Dole bill would approximate the amounts of additional new spending the President has in mind for the military.

Our Nation's defenses do need strengthening in view of the Soviet's massive arms buildup or, better, armaments on both sides need to be reduced.

But, Mr. Speaker, a far greater danger to our country is a failed economy, and our highest defense priority is to put our economic house in order and make our economy strong and stable once again.

A tax bill to help pay for even more defense spending is far off the mark.

STRATEGIC TRADE ACT OF 1982

(Mrs. BYRON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BYRON. Mr. Speaker, I rise again today to call my colleagues' attention to the Strategic Act of 1982.

The late Senator Hubert Humphrey is reported to have once said that he favored selling anything to the Russians that they could not shoot back. I would say that we should not sell anything to the Soviet bloc that could in any way be used to produce, improve, or maintain weapons that are directed at us and our allies.

The Soviet pipeline provides something of a case in point. The administration is attempting to restrict the export of turbine rotors and the technology which they embody. It took General Electric about 10 years to develop these turbine rotors. Now, the Soviets proudly announce that they are going to develop their own turbines. The Soviets must devote time and money that could otherwise be used to build military aircraft engines. I ask you, why would we ever consider selling our civilian turbine engineering to the Soviets so they could use their engineers to develop military turbines?

The Strategic Trade Act of 1982 is intended to enhance the Defense Department's review of just such situation. We must have comprehensive review of our exports. We must insure that the Soviets are not shooting back at us the same technology that we sold them in another form.

NATIONAL COIN WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 516) to provide for the designation of April 17 to April 23, 1983, as "National Coin Week," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ANNUNZIO. Mr. Speaker, reserving the right to object, and I shall not object, as the author of House Joint Resolution 516, I rise in support of the request of the gentleman from New York (Mr. GARCIA). I want to thank him for his efforts in bringing this resolution to the House floor so expeditiously.

National Coin Week is an event that has been celebrated for more than 60 years. Through National Coin Week the 8 million coin collectors in America share the hobby with the communities in which they live. Many of these collectors will take part in educational forums and public displays in an effort to share the educational, cultural, and historical worth of their coins with their neighbors.

Coins are much more than a medium of exchange. They tell of the history and aspirations of our Nation. Our great leaders, such as Lincoln, Washington, Jefferson, and Roosevelt, are honored on our current coins. The motto "In God We Trust" first appeared on a 2-cent coin issued in 1864. The motto arose as a tangible reaffirmation of our faith in God during the terrible strains of the Civil War. The word "Liberty" expresses our national quest for freedom. The motto, "E Pluribus Unum" meaning "from many, one," demonstrates our belief in a Federal system. The image of the eagle on quarters, halves, and the $1 coins evokes the traits of our national bird that we so admire: strong, proud, and free.

Coin collectors preserve material of historic value. Not only do they collect U.S. coins, but many collectors specialize in tokens and notes issued by local companies and banks. These items are of extreme historic importance since they can be use to trace a community's history and development.

Coins tell us about our personal history as well. Many young Americans have discovered in their grandparents' attics a half-forgotten box containing strange coins. These coins bear words in a foreign language or perhaps in an alphabet with unfamiliar letters. Perhaps these coins are the only money the child's grandparents or great-grandparents had with them when, after weeks in cramped shipboard quarters, they arrived on America's shores.

Behind, the new immigrants may have left oppression, war, or famine. Ahead lay liberty, freedom, and a new yet challenging life. The curious and strange looking coins are a tangible reminder of that moment when the child's forebears stood on the threshold between the old life and new world. They are reminders that personal roots extend to heritages and cultures far beyond our borders.

Coins are a physical link to the past. We can hold in our hands the very same coins carried by our ancestors. The coins bring us closer to our ancestors in a way unique from studying books or records.

National Coin Week has been recognized in past years by proclamations issued by various State and local governments. Over 800 local coin clubs are scattered across the 50 States and the overseas military installations as well. Congress has issued commemorative proclamations for National Coin Week on occasion in the past. I believe that we should once again recognize National Coin Week.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 516

Whereas coin collecting is a hobby enjoyed by millions of Americans; and

Whereas coin collecting is an endeavor that has educational and cultural value; and

Whereas coin collecting promotes greater understanding of our history and heritage; and

Whereas coin collecting contributes to the preservation of material of historical significance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 17 to April 23, 1983, as "National Coin Week", and calling on the people of the United States to observe such week with appropriate activities and ceremonies.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUPUS AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 183) to authorize and request the President to issue a proclamation designating October 17 through October 23, 1982, as "Lupus Awareness Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 183

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 17 through October 23, 1982, as "Lupus Awareness Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FAMILY WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 190) to authorize and request the President to designate "National Family Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MYERS. Mr. Speaker, reserving the right to object, and I shall not object, as the author of National Family Week when it was first introduced back in 1970, I urge my colleagues to approve House Joint Resolution 406. This resolution was introduced by the gentlemen from Utah (Mr. MARRIOTT) and I, and it has been cosponsored by 240 Members of the House. A similar resolution was introduced in the other body by Senator BURDICK and it was passed on May 26.

The purpose of National Family Week is simple: It is a specific time to recognize the importance of the family in American life and the fundamental role it has played in forming our values upon which this Nation is based. While many may be skeptical about the proliferation of commemorative resolutions, I think it is important to remember National Family Week is neither commercial nor promotional. Its purpose is not to promote sales or festivities. Rather, it is a way to encourage people to pause for a moment and reflect on the way families have affected their lives and the course of the Nation. National Family Week is appropriately observed during the week which includes Thanksgiving, a time when American families are reunited for the purpose of giving thanks for the blessings which have come to them. It is a time to recognize the contribution the family has made to the Nation's shared values of liberty, justice, equality, freedom, and compassion.

A wise philospher observed thousands of years ago, "the root of the state is in the family." The pressures of our modern age make this a time of challenge for the families in America, but we can take time this Thanksgiving and this National Family Week to offer our thanks for keeping families strong and united and our Nation's people strong and united for the good of mankind.

Last year in a proclamation, President Reagan said:

National Family Week is a time to be thankful for the family as national heritage and resource. It is a time to recommit ourselves to the concept of the family—a concept that must withstand the trends of lifestyle and legislation. Let us pledge that our institutions and policies will be shaped to enhance an environment in which families can strengthen their ties and best exercise their beliefs, authority, and resourcefulness. And let us pledge mindful that we do so not only on behalf of individual family members, but for America.

Furthermore, National Family Week has been recognized by the Governors of more than 40 States and territories of the United States. It has passed both Houses of Congress and been proclaimed by four different Presidents of both parties in 1972, 1976, 1977, 1978, 1979, 1980, and 1981.

I urge my colleagues to join me in honoring the family by celebrating National Family Week 1982 during the week of Thanksgiving, November 21 to 27.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 190

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of November 21 through 27, 1982, as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DISABLED VETERANS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 123) authorizing and requesting the President to proclaim "National Disabled Veterans Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 123

Whereas there are two million three hundred thousand veterans with disabilities resulting from their service in the United States Armed Forces;

Whereas these disabled veterans have sacrificed their well-being in the service of their country;

Whereas many of these disabled veterans endure severe disabilities, such as loss of limb, paralysis, blindness, deafness, and delayed-stress syndrome and other mental disorders;

Whereas these disabled veterans consistently experience inordinately high rates of joblessness; and

Whereas these disabled veterans have made vital contributions to the national security and welfare by helping our Nation

preserve its freedom, strength, and prosperity; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of Novermber 7, 1982, as "National Disabled Veterans Week", in recognition of the contributions that veterans with service-connected disabilities have made to the national security and welfare of the United States and calling upon government agencies at the Federal, State, and local levels and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

● Mr. BADHAM. Mr. Speaker, I wish to thank the subcommittee chairman, BOB GARCIA, for his efforts in bringing this legislation to the floor. Also, I want to thank all 272 of my colleagues who joined me in sponsoring House Joint Resolution 359.

This legislation is intended to give recognition to the contributions that veterans with service-connected disability have made to our national security and welfare through their efforts to help preserve our prosperity, strength and freedom.

There are 2,300,000 veterans with severe disabilities such as loss of limb, paralysis, blindness, deafness, and delayed-stress syndrome. The physical and mental well-being which these brave Americans lost in service to our country during wartime cannot be restored. However, we can be sure that they are honored as they rightfully deserve.

Every year in November we pay tribute to all those who have served our country in the Armed Forces. In order to bring the Nation's attention this year to the bravery and courage of this very special group of veterans, I ask you to join me in voting for this bill to designate the week of November 7 through the 13th as "National Disabled Veterans Week."●

● Mr. DERWINSKI. Mr. Speaker, I rise in support of Senate Joint Resolution 123, a bill designating the week of November 7, 1982, as "National Disabled Veterans Week."

Mr. Speaker, the disabled veteran has always been of special concern to me. The disabled veterans, both men and women, have sacrificed and suffered for the well-being of our country. In my opinion there is really no way we could ever repay or compensate these men and women for their unselfish contribution for the continued welfare and well-being of our Nation. We, the Members of this body, should continue to do whatever we can to protect the interest of the disabled veteran through continued VA administered programs and benefits, even though we the American people, could never repay them for their sacrifice.

Mr. Speaker, I feel it is only fitting and proper that we designate the week of November 7, 1982, as Disabled Veterans Week since it would encourage bringing together the people of our country to recognize the men and women who have served us in time of war. They have made a sacrifice for us—and we have a commitment to those who have made this special contribution and we must insure that it is honored.

I urge my colleagues to support this measure.●

□ 1050

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ARCHITECTURE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 510) to designate the week of April 17, 1983, as "National Architecture Week," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 510

Whereas the Congress of the United States recognizes the unique contributions of the architectural profession to the history, texture, and quality of life in the United States of America; and

Whereas the year 1982 marked the one hundred and twenty-fifth anniversary of the founding of the American Institute of Architects, and the beginning of an organized architectural profession in this Nation; and

Whereas American architecture has historically reflected an appreciation of our classical past; has pointed the way toward a vision of the future, combining advances in building technology with design innovation to give exciting new forms to our cities, and has continually affirmed the belief of all Americans in the basic integrity of our common values; and

Whereas American architects have been vigilant in the stewardship of the Nation's architectural treasures, including the monuments, buildings, majestic avenues, and green spaces: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 17, 1983, is designated "National Architecture Week", and that the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a week with appropriate ceremonies and activities paying tribute to American architects.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on all the resolutions just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SALARIES AND EXPENSES LIMITATION ACT

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 547 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 547

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6812) to limit the salaries and expenses of certain offices within the Department of the Treasury and the Department of Housing and Urban Development, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be considered as read for amendment under the five-minute rule. No amendment to the bill shall be in order except the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill, and no amendment to said substitute shall be in order except a substitute printed in the Congressional Record of August 3, 1982, by, and if offered by, Representative Stanton of Ohio, said substitute shall not be subject to amendment but shall be debatable for not to exceed one hour, equally divided and controlled by Representative Stanton and a Member opposed to said substitute, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without germane instructions.

The SPEAKER. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, I yield the customary 30 minutes for purposes of debate only to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 547 provides for the consideration of the Banking Committee's reconciliation proposal, H.R. 6812, the Salaries and Expenses Limitation Act.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Housing and Urban Affairs. In order to expedite consideration the bill shall be considered as read for amendment.

Mr. Speaker, this is a modified closed rule which limits the amendment process to the two major proposals which were considered by the Banking Committee. During markup Representative STANTON offered a substitute for the committee's proposal which would permit the Department of Housing and Urban Development to add an up front lump sum payment of FHA insurance premiums to mortgages at the time of settlement. The Stanton substitute was rejected in committee by a vote of 19 yeas to 24 nays. However, in order to preserve the rights of the minority to offer an alternative proposal, the Committee on Rules granted Mr. ST GERMAIN's request to make the Stanton amendment in order. Therefore, the rule provides that no amendment to the bill shall be in order except the Banking Committee substitute and no amendment to the Banking Committee substitute shall be in order except an amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of August 3, by Representative STANTON. The Stanton substitute shall not be subject to amendment.

Mr. Speaker, to give the House an ample opportunity to discuss the issue of changing the FHA premium collection procedures, House Resolution 547 provides 1 hour of debate on the Stanton substitute to be equally divided between Mr. STANTON and a Member opposed to the amendment.

There are two waivers of points of order to permit consideration of the Stanton substitute. First, the rule waives points of order against the substitute for failure to comply with clause 7 of rule XVI which prohibits nongermane amendments. This waiver is necessary because H.R. 6812 authorizes appropriations for salaries and expenses of the Department of the Treasury and HUD and the amendment which proposes changes in FHA insurance premium collection procedures would not otherwise be germane to the bill.

Second, the rule waives clause 5 of rule XXI against the Stanton substitute. Clause 5 of rule XXI prohibits appropriations in a legislative bill and this waiver is necessary because section 1 of the substitute would permit the Secretary to pay refunds of portions of the FHA mortgages insurance premiums. This provision would permit direct payments without action by the Appropriations Committee and thus, could be construed as an appropriation.

Upon conclusion of consideration of the bill, one motion to recommit with or without instructions would be in order, however, the instructions on a motion to recommit must be germane to the bill.

Mr. Speaker, H.R., 6812 limits the fiscal year 1983 authorization for salaries and expenses of the Office of the Secretary of the Treasury to $51,632,000 and limits the authorization for HUD salaries and expenses to $593,852,000. The bill imposes a cap on the administrative expenses of the New York City loan guarantee program at $775,000 and the Chrysler loan guarantee program at $1.3 billion. Additionally, the bill contains provisions designed to minimize the number of furloughs and reductions in force that might result from the limitation on the administative expenses by requiring that reductions be achieved whenever possible through certain personnel practices including limiting hirings and promotions, encouraging voluntary retirement, and restricting "contracting out."

The overall savings accomplished by this legislation is $5 million. However, the Banking Committee maintains that it has complied with its reconciliation instructions to accomplish a savings of $2.1 billion by reporting to the House, H.R. 6267, the Net Worth Guarantee Act and H.R. 4603, the Deposit Insurance Flexibility Act. These bills were passed by the House on May 20, 1982 and October 28, 1981, respectively, and are currently awaiting action by the Senate Banking Committee. It is estimated that the savings which would result from enactment of these two bills together with the savings of H.R. 6812 would surpass the committee's reconciliation requirements.

Mr. Speaker, House Resolution 547 facilitates the orderly consideration of two alternative reconciliation proposals without intervention of extraneous issues which could delay the reconciliation process. I know of no opposition to the rule and I urge its adoption.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule violates the Budget Act of 1974 and the first budget resolution for fiscal year 1983.

The Budget Act clearly states that reconciliation recommendations from the standing committees of the House are to be reported to the House Budget Committee which "* * * shall report to its House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revision." The recommendations of all committees on reconciliation are to be considered in only one resolution under the law. And yet, this rule violates that law by providing for separate consideration of only one committee's recommendation.

This rule also violates the procedure established in the first budget resolution for fiscal year 1983. That resolution adopted by this Congress in June is explicit in instructing the committees involved in reconciliation to report their recommendations to the Budget Committee for inclusion in a single omnibus reconciliation bill. Today, we are again being asked to follow a procedure wholly inconsistent with that resolution.

That resolution in section 2(a) provides as follows:

> Not later than August 1, 1982, the House committees named in subsection (c) (1) through (10) of this section shall submit their recommendations to the House Committee on the Budget. Those recommendations shall be sufficient to accomplish the reductions required by subsections (b) and (c) of this section. After receiving those recommendations, the committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

Mr. Speaker, we should be following the procedure set forth in the budget resolution, not the procedure in this rule.

Mr. Speaker, it is true that the House followed a similar procedure in considering the reconciliation bill of the Post Office and Civil Service Committee. As I predicted, and as the big spenders expected, the House did not muster the courage to pass legislation to give the taxpayers the savings from the Post Office and Civil Service Committee which were mandated by the Budget Act. In other words, that vote was for continued high interest rates and against the best interests of the American people.

Under the first budget resolution, the Banking Committee was directed to reduce outlays by $695 million through reconciliation savings in fiscal year 1983 and $2.1 billion over 3 years. This bill, without an expected amendment by the gentleman from Ohio (Mr. STANTON), would not come close to the numbers in the budget resolution, and only by the adoption of the Stanton amendment to provide for a one-time premium for FHA insurance would the bill meet the savings required by the first budget resolution for fiscal year 1983.

It is my understanding that the chairman of the Committee on Banking and Urban Development (Mr. ST GERMAIN) and the distinguished gentleman from Ohio (Mr. STANTON), the ranking Republican member of the committee, have come to an agreement on this bill which will bring the committee into compliance with the budget resolution reconciliation instructions.

As I understand it, the gentleman from Rhode Island has agreed to accept a substitute offered by Mr. STANTON which will meet the target of the budget resolution by reducing outlays through reconciliation by the required $695 million in fiscal year 1983 and $2.1 billion over a 3-year period.

While I still object to the procedure used in considering this bill independent of an omnibus reconciliation bill, I support the provisions of the compromise since they do meet the savings mandated by the committee by the budget resolution.

□ 1100

My understanding is that the substitute to be offered by the gentleman from Ohio (Mr. STANTON) requires payment of the full amount of Federal Housing Association insurance on a home at the time of settlement. The total premium will be added to the mortgage loan and amortized over the life of the loan. While such a plan will save the Federal Government almost $700 million in fiscal year 1983, it will add only about $3 to $4 a month to the mortgage payment of the home buyer, a sum that is certainly not out of line.

This provision already has been approved by the Senate and both the House-passed budget resolution and the Democratic-backed House Budget Committee resolution contained this assumption.

Mr. Speaker, I am pleased with this compromise particularly since it follows closely our experience on Tuesday when the House failed to force compliance with the budget resolution from the House Post Office and Civil Service Committee.

By adopting this substitute, the House has an opportunity to demonstrate that it is capable of living up to its responsibilities. I urge adoption of the rule.

Mr. BEILENSON. Mr. Speaker, we have no further requests for time.

Mr. LATTA. Mr. Speaker, we have no further requests for time.

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6812) to limit the salaries and expenses of certain offices within the Department of the Treasury and the Department of Housing and Urban Development.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6812, with Mrs. SCHROEDER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 30 minutes and the gentleman from Ohio (Mr. STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I have been working very closely with the chairman of our Housing Subcommittee, the gentleman from Texas (Mr. GONZALEZ), and with the Banking Committee's ranking minority member, the gentleman from Ohio (Mr. STANTON), since this legislation was reported from the committee.

I believe that we have worked out a satisfactory accommodation of all the issues involved and this will be explained after the gentleman from Ohio (Mr. STANTON) offers the amendment that was made in order under the rule.

I point our that under existing legislation, the Secretary of HUD indeed can implement the changes in FHA that are contemplated. However, the amendment that was made in order that will be offered by the gentleman from Ohio (Mr. STANTON) does improve the situation in that it increases the statutory amount of the mortgage, thereby reducing the downpayment that would be necessary from the purchaser.

Additionally, the legislation requires a rebate to the purchaser in the event that the property is sold at an earlier date than contemplated.

So that in our view, and that of quite of few of us on the committee with whom I have discussed this amendment on our side of the aisle, is that this amendment indeed is an improvement and frankly is or could be looked upon as a proconsumer amendment.

And for that reason, at the proper time, we shall support it.

Mr. STANTON of Ohio. Madam Chairman, I yield 1 minute to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Madam Chairman, I rise in support of the amendment offered by the gentleman from Ohio. I wish to compliment Mr. STANTON for his resourcefulness and also to compliment the chairman, Mr. ST GERMAIN, for his willingness to listen and for his assistance to help the members of the Banking Committee avoid what could have been a real difficult situation. The substitute appears to be a very logical way to meet the budget target on a program that is currently in place rather than on a program that has not yet been enacted.

I understand that the Department of Housing and Urban Development intends to charge the mortgage insurance premium in one lump sum at the time of home purchase rather than collecting these premiums monthly throughout the life of the mortgage.

This method of premium collections will provide $695 million to the insurance funds in fiscal year 1983 and the availability of these funds will thus significantly reduce HUD outlays. This method will also eliminate enormous amounts of paperwork now required of lenders and of HUB.

Plans for the administration of the new policy will include steps to protect the home buyer from any adverse impact. The premium will be based on the first 12 years of the mortgage rather than the entire life of the mortgage, as is presently the case.

Second, the home buyer will be allowed to include the mortgage insurance premium in the mortgage amount without increasing the amount of the downpayment required by FHA. The resulting monthly insurance premium under this system will be no greater than that currently required.

I urge passage of this compromise measure.

Mr. STANTON of Ohio. Madam Chairman, I yield 3 minutes to a distinguished member of our committee, the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Madam Chairman, my colleagues will notice from the report on this legislation and the minority views previously filed that this bill was reported in its original form by a straight party vote of 21 to 20. At the time the bill was considered by the committee, the chairman of the committee took some umbrage at my suggestion that the bill as it existed at that time would not achieve the projected savings required by the budget and reconciliation procedure and I think it is fair to assume that the gentleman from Rhode Island was not terribly pleased by my characterization of this bill and in my observations as to its merits.

I am truly sorry that we were not in accord as to the merits of this proposal, because I have the highest possible regard for the gentleman from Rhode Island, who has had a long and distinguished career in this Congress, and I certainly intended no disrespect to him. I apologize for my passion in opposing certain aspects of this legislation if it was excessive.

But, I would remind my colleagues and my chairman, that Benjamin

Franklin said in 1784, in a letter to a Sarah Bache:

I wish the bald eagle had not been chosen as the representative of our country, for he is a bird of bad moral character. Like those men who live by sharping and robbing, he is generally poor and often very lousy. The turkey, however, is a much more respectable bird, and withal a true original native of America.

Now, I would have noted no on this foul fowl had it persisted in its original form. And I would have urged my colleagues to do likewise, had it persisted in the same form as it was when it was considered by the committee.

But I congratulate the chairman, and I mean this with all the sincerity that I can muster, because in the finest traditions of the democratic process, which is the genius of the American political system, a compromise has been reached which is always possible between rational people of good will. Most, if not all, of the objectionable personnel and fiscal provisions of this bill have now been stricken and a critical amendment has been accepted by the majority.

I now favor the bill. I will vote for it. And I urge my colleagues to do likewise.

Mr. STANTON of Ohio. Madam Chairman, I expect to explain fully to the membership, when we get to the amendment process, exactly what my amendment is.

For that reason, I reserve the balance of my time.

Mr. ST GERMAIN. Madam Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. VENTO).

□ 1110

Mr. VENTO. Madam Chairman, I appreciate the gentleman yielding the time.

I just rise to point out the concern that I have with respect to the process that has taken us to this point in terms of a budget reconciliation recommendation.

Madam Chairman, the problem, of course, is that the impression is left that the Net Worth Guarantee Act, and the regulators bill which CBO projects would save some $3.1 billion, actually $1 billion in excess of the amount that is proposed to be saved by the FHA insurance amendment that is supported by the administration and apparently supported by most members on the Banking Committee today indeed is where some of the problem exists.

The fact is, of course, that we have sent the regulators bill and the net guarantee measure to the Senate some time ago and have seen no response. The only concern we have is that the Senate Banking Committee continues to hold those bills hostage to a broader range of issues that affect banking law and policies with which our committee is concerned.

I think that the concern here, of course, is a real one. There is a question of whether or not those measures, the Net Worth Guarantee Act and the regulators bill will become law; indeed, they should become law, and, of course, the concern is on the part of the Budget Committee members and others that we must, in fact, slash away at other programs in order to achieve these savings because, to some extent, the reluctance of the Senate to act on these other matters of urgent importance to my colleagues are languishing in the Senate.

If we look closely at what is going to be the position of reconciliation and what this body is being asked to pass is a cut in the FHA program. The FHA program, as most Members know, is one of the most successful programs that we have had to achieve the goal of housing for Americans and homeownership.

What this proposes to do is accelerate the payments of that particular program, providing a windfall of some $2.1 billion in the next 3 years; but this is not money that would not otherwise be coming to the Federal Government; rather, it is an up-front payment of the FHA insurance; so really, after we get beyond a certain point, we will find that the amount of revenue coming into FHA indeed will be diminished rather than increased. It is only during this 2- or 3-year period when we have the insurance premiums coming in on a regular monthly basis and the initial up-front payments coming that for the short term we gain a big net revenue increase.

Now, of course, I suppose one would argue that in the long run if housing sales accelerate, if FHA maintains its position in the market, the number of nominal dollars may actually increase; but the point is that I think we ought to understand clearly what we are doing here today. We are aggregating and placing an enormous cost on FHA, a front-end type of cost, which in the short term will mean some revenue gain; in the long term, of course, it will mean that we will eventually lose that money that would otherwise become due in the terms of FHA insurance contracts.

I do and will argue against such change in policy; but I thought for those who are concerned about wrapping themselves in the cloak of fiscal responsibility that they ought to understand exactly what they are doing; that is, in fact reducing revenues in those outyears, passing along the problems to those future decisionmakers that may be honored to sit in this body and passing those problems on. That is really what is going on here. Our concern, of course, is that that is not a real savings.

Madam Chairman, this amendment will be another blow to the housing industry and a further obstacle for those people who want to purchase a home.

Currently, FHA mortgage insurance premiums are paid, based upon the remaining indebtedness, over the life of the mortgage. Since the risk to the insurance fund is not on the total value of the house but rather the unpaid balance, it makes a great deal of sense to base the premiums directly on the risks to the fund. This is a system that has worked for 40 years; it is actuarially sound; and, the single family housing insurance fund has not required infusions of money from general revenue.

The amendment we are considering today would allow FHA to demand that the home buyer pay the entire discounted value of the insurance premium upon purchase of the home. What will be the effect of this change upon families wanting to purchase a home?

First, this amendment will increase the cost of an average home by $1,500 to $2,000. I cannot think of a worse time to further inhibit the ability of families to buy a home. Already, interest rates have pushed millions of families out of the housing market.

Second, proponents of this amendment argue that this will not increase the downpayment or the purchase price of the home. However, they fail to mention that unless the full insurance premium is paid in cash upon settlement, the only option left to the home buyer will be to fold this cost into the mortgage. The home buyer will for the next 30 years be paying 15½ percent interest upon the insurance premium. The insurance premium becomes a cost added on top of purchase price, closing costs, and realtor fees.

Third, this will mean that fewer families are going to be able to purchase a home and those that can purchase a home, will be forced to purchase a less expensive home. Banks are not going to be fooled by the assertion made today that the cost of a home will not increase. Banks and savings and loans are going to look at the bottom line. The homeowner will be given two options. Increase the down payment by $2,000, which is almost 50 percent, or increase the cost of the mortgage by the same amount. We must realistically recognize that there will be many families that cannot come up with the extra down payment money, and there are families who will not be able to qualify for the higher mortgage.

In addition to the increases in the cost of homeownership, this amendment contains other serious problems for the consumer.

Currently, if the homeowner sells his home before the term of the mortgage, he is not forced to pay off the unneeded portion of the mortgage in-

surance. Indeed, there is no reason for him to contribute to the fund when he is not placing the fund at risk or exposure. This proposal would allow a rebate of only a portion of the insurance premium. If a homeowner sold his home in the 7th year of the mortgage, he would only receive a rebate from the 10th or 12th year. By this method, the homeowner would be contributing to the fund even though he was not contributing to the risk.

The only positive aspect of this proposal is that it increases revenues to the FHA fund in the next few years. However, it achieves this savings at the expense of a sustained and consistent flow of funds in the future. It is a paper savings.

Madam Chairman, the Banking Committee has reported legislation that exceeds our reconciliation instructions. We do not have to take this action to meet the budget resolution.

We do not have to take this action to improve the financial condition of the FHA fund. The single-family portion of the fund is in excellent shape and this action raises serious questions about the actuarial soundness of the fund in the future.

We should reject this amendment because it increases the cost of housing, and because it will allow fewer persons to qualify to purchase a home.

The old adage rings true; "if it's not broke don't mess with it." The FHA fund is not broke and this amendment will only make it more difficult to purchase a home. Is that what we want to do in a situation when housing starts are below 1 million? This measure seriously undermines the FHA insurance program and dismantles an important tool to help consumers achieve the dream of homeownership.

Mr. ST GERMAIN. Madam Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Madam Chairman, I think the gentleman from Minnesota is preeminently correct, that we should be under a complete and full understanding of what we are about.

I certainly concur with our distinguished chairman of the full committee. I want it clearly understood, of the agreement that will pave the way for this House to take action on the major housing reauthorization bill that has now been waiting consideration for some time.

I feel so strongly about the consideration of the housing bill that I was willing to go along on this concession because the crying needs of this Nation demand that we act on housing and the only thing we have going on the congressional level on either side is the already-committee-approved bill, H.R. 6296; Rules-Committee-approved, Housing Act of 1982 of the Committee on Housing of the Banking Committee of the House of Representatives.

It is with that clear understanding that on the basis of this agreement, in turn based on the pledges from our distinguished minority colleagues, will insure the paving of the way for serious and sober consideration of a Full Housing Act of 1982.

I think we ought to clearly understand, though, for the benefit of my very distinguished and most able member of this committee, the gentleman from Minnesota, that under section 203(c) of the National Housing Act, the basic Housing Act, the Secretary has the power to provide for the prepayment of FHA mortgage insurance premiums, which is the basis of the amendment.

Now, it also ought to be pointed out that this power has never been exercised since 1934, the inception of FHA, and obviously for good reason; but we have never had an administration predicated like this one is; in other words, we have never had Reagan before, but I think we ought to know these are the intentions of the Secretary of HUD. These are the premeditated intentions of this administration that it will be the first time that this power will be exercised by anybody, any Secretary, since 1934.

Therefore, I am apprehensive about the future of FHA; but I consider this, I say to my distinguished brethren from Minnesota, as a damage control effort in view of this residual power in the statutes.

Mr. VENTO. Madam Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to my distinguished colleague.

Mr. VENTO. It may be true, and I would take the studied view of my learned colleague and others that the Secretary apparently has this particular power and that it is his intention to implement an up-front payment of something like $1,500 to $2,000 on the average home in terms of FHA insurance.

Mr. GONZALEZ. That is right.

Mr. VENTO. However, he does not have the power to exceed the FHA limits and to include that particular payment as part of the loan package for a prospective homeowner, so indeed, we have been very, very diligent, and I might add, to my chagrin sometimes in terms of not reducing the downpayment in terms of FHA because of the exposure of risk to the FHA insurance fund; but in this case what we are doing, we are keeping the same downpayment requirements, we are keeping the same loan limits; but the power that the Secretary does not have is to incorporate that particular up-front FHA payment into the loan which is granted by the Stanton amendment which expands the exposure to the FHA fund.

This is, indeed, extended in this legislation, so while the Secretary of HUD may have the power, the practical impact of trying to implement that may be very limited without the actions of this House to facilitate.

Mr. GONZALEZ. Madam Chairman, if I may reclaim my time at that point, there is a conflict of opinion on that. It is not that clear that the Secretary under these same general provisions does not have that residual power of implementation. From our standpoint, the implementation power is there in sufficient and adequate quantity.

Mr. VENTO. Madam Chairman, if the gentleman will yield, let me just say, apparently there is a cloud in some minds on that. I think it is clear, at least in terms of passing this particular amendment that will be proposed here for the Members, it will be clearing it up with a sobering experience in terms of passing this particular amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ST GERMAIN. Madam Chairman, I yield 1 additional minute to the gentleman from Texas.

Mr. VENTO. Madam Chairman, if the gentleman will yield further, I think the point is simply because the Secretary has the intent to do something does not mean that we should not consider whether it is the right thing to do or whether it is the wrong thing to do and what the impact is on housing.

I ask the gentleman in all seriousness, does the gentleman think this is the time with less than 1 million starts a year, to add to a very proven and effective program an increased cost of from $1,500 to $2,000 to accomplish the goal of homeownership for Americans? Does the gentleman think this is the time to add that particular cost on to the burden of homeownership, in all seriousness?

Mr. GONZALEZ. I do not know that there would be any good time to implement this, but if the gentleman listened to the remarks of the full committee chairman in his preliminary remarks there is an effort to provide some safeguards. But I, too, am concerned about the future of FHA with this administration initiative.

□ 1120

Now, the end, the residual, the potential for damage to the fund, yes, of course it is there. That question, though, has been considered.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ST GERMAIN. Madam Chairman, I yield 3 minutes to the gentleman from New York (Mr. SCHUMER), a member of the committee.

Mr. SCHUMER. I thank the chairman.

Madam Chairman, I would like to congratulate the gentleman from Ohio (Mr. STANTON) for seeking to work out a compromise on the mortgage insur-

ance premium program. I think that his intentions are good, and what he is attempting to do is fine.

I do have a few questions I would like to ask of my good friend and respected colleague, the gentleman from Ohio (Mr. STANTON).

The first question I have relates to the loan-to-value ratio. As you know, the FHA-insured loans require only a 3 percent down payment, therefore, adding the up-front mortgage premium into the mortgage may result in a loan-to-value ratio greater than 100 percent in the early years of the mortgage. That would mean that the buyer of the home would owe more on the mortgage than the home is worth.

During that time, when the buyer owes more than the home is worth, it seems that there is a greater likelihood that he or she will default because he or she has no equity position and, literally, nothing to lose in a default. Thus, my first question is this: Does HUD or the gentleman from Ohio (Mr. STANTON) have any predictions about how long a period of time the typical mortgage's loan-to-value ratio will exceed 100 percent. In other words, how long will the size of the loan be greater than the value of the home?

Mr. STANTON of Ohio. Madam Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Ohio.

Mr. STANTON of Ohio. I thank the gentleman for yielding.

Madam Chairman, first and foremost it would depend on the depreciation of the house itself. That would be the prime factor. The criteria would be set according to that.

Other than that, it would be a relatively short period of time.

The gentleman is correct in that what we do here is to make sure that with the premiums up front, the basic down payment itself is not increased. That is really what this action does. In a colloquy earlier with the other gentleman from Texas and the gentleman from Minnesota, they did explain that the decision to bring the mortgage payments up front really is not before us today.

This is a decision that HUD itself has made.

Mr. SCHUMER. Very well.

My second question is: The substitute provides, and with good reason for a rebate if the home is sold before the end of period upon which the mortgage premium is based, but only if the rebate is granted on an actuarially sound basis.

Can the gentleman tell me in what year, approximately, the rebate might prove to be actuarially sound?

Mr. STANTON of Ohio. Will the gentleman yield further on that point?

Mr. SCHUMER. I would be delighted to yield.

Mr. STANTON of Ohio. First, let me state that the idea of the return of the premiums for prepayment was worked out and brought to the attention of this gentleman by the majority on the housing staff. This is one of the original objections that they had, originally in committee, for consideration of this amendment.

This was brought to their attention and it was worked out whereby now, in effect, there will be, where there is a prepayment on the original loan, a rebate back.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHUMER) has expired.

Mr. ST GERMAIN. Madam Chairman, I yield an additional minute to the gentleman from New York.

Mr. SCHUMER. Madam Chairman, I have one final question.

I still would be curious to know the actual number of years, but if it has been worked out, I am willing to accept the gentleman's assurances and will check with the majority staff.

The final question also relates to the rebates. The granting of these rebates will result in some outlays to the Federal Government, obviously, which outlays will offset the first-year savings.

Do we have any idea of how much the rebates will amount to? In other words, how much offset will there be?

Mr. STANTON of Ohio. If the gentleman will yield further, HUD has informed me that that is not necessarily so because many of these mortgages are assumed. The way it is now they figure in their calculations a 0.5 percent per month collection so, that with the 1 point up front, the savings on the interior amount of administrative costs would be fantastic and more than offset than anything else would be.

Mr. SCHUMER. In conclusion, Madam Chairman, I think that these questions raise some legitimate doubts about the program.

Nonetheless, my respect for the gentleman from Ohio (Mr. STANTON) and for HUD lead me to believe that it is a program worth trying, and I will support the gentleman's substitute, as amended by the amendment offered by the chairman of the Banking Committee, Mr. ST GERMAIN.

Mr. ST GERMAIN. Madam Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. BARNARD), a member of the committee.

Mr. BARNARD. I thank the chairman.

Madam Chairman, I want to rise in support of this bill with its substitute, and to join my distinguished chairman and the leader of the minority on the Committee on Banking, Housing and Urban Affairs in strongly asking our colleagues to support it.

We passed legislation in this House, a budget resolution, which contained reconciliation. This is an effort on the part of the Committee on Banking, Housing and Urban Affairs to comply with the law. It is not something we went out and, probably, looked for to do, but it was the law. It was a requirement of the Committee on Banking, Finance and Urban Affairs.

I think this is the best consideration that could have come out of the Committee on Banking, Finance and Urban Affairs. The fact that it represents such a bipartisan support on the committee certainly justifies the support of this committee in the finality of it all.

Yes; it is going to mean some changes in the HUD program, but on the whole, as we look at those changes, they are very, very minimal.

The costs to the one having an insured loan are very, very small in return for what he would be receiving.

So as I said, it is the best solution to a big problem and I would certainly endorse it and encourage my colleagues to support it.

Mr. STANTON of Ohio. Madam Chairman, I yield myself such time as I may consume, and I do so solely for the purpose of explaining to the Committee that as soon as we rise, I will have an amendment to this legislation.

I would like to further explain that the chairman of our committee will have an amendment to the amendment by unanimous consent. This is to take care of a change in the amendment regarding the Mint. Other than that, my amendment will be the same as is printed in the RECORD.

Madam Chairman, we yield back the balance to our time.

Mr. ST GERMAIN. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill, and no amendments to said substitute are in order except a substitute printed in the CONGRESSIONAL RECORD or August 3, 1982, by and if offered by Representative STANTON of Ohio. Said substitute shall not be subject to amendment but shall be debatable for not to exceed 1 hour, equally divided and controlled by Representative STANTON and a Member opposed to said substitute.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 6812

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Salaries and Expenses Limitation Act".

DEPARTMENT OF THE TREASURY

SEC. 2. (a) Notwithstanding any other provision of law, there are authorized to be appropriated for salaries and expenses of the Office of the Secretary of the Treasury not to exceed $51,632,000 for fiscal year 1983.

(b) Section 5 of the Act of November 8, 1978 (92 Stat. 3092; Public Law 95-612), is amended—

(1) in subsection (a), by striking out "and such sums as may be necessary for each fiscal year thereafter"; and

(2) in subsection (b), by striking out ", and such sums as may be necessary for each fiscal year thereafter,".

(c) Section 111(a) of the New York City Loan Guarantee Act of 1978 (31 U.S.C. 1531(a)) is amended by inserting ", except that for expenses for the administration of this title there are authorized to be appropriated not more than $775,000 for fiscal year 1983" after "to carry out this title".

(d) Section 15(a) of the Chrysler Corporation Loan Guarantee Act of 1979 (15 U.S.C. 1874(a)) is amended by inserting ", except that for the administration of this Act there are authorized to be appropriated not more than $1,283,000 for fiscal year 1983" after "to carry out the provisions of this Act".

(e) The last sentence of section 3552 of the Revised Statutes (31 U.S.C. 369) is amended to read as follows: "There are authorized to be appropriated for fiscal year 1983 not to exceed $50,165,000 for all expenditures (salaries and expenses) of the mints and assay offices not herein otherwise provided for.".

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 3. Notwithstanding any other provision of law, there are authorized to be appropriated for administrative and nonadministrative expenses of the Department of Housing and Urban Development not to exceed $593,852,000 for fiscal year 1983, of which not to exceed $267,723,000 may be made available from the various funds of the Federal Housing Administration.

PERSONNEL PRACTICES TO PROMOTE JOB SECURITY

SEC. 4. The reductions in budget authority and outlays required by this Act and by the amendments made by this Act shall, to the maximum extent practicable, and in accordance with applicable provisions of law, be achieved by—

(1) limiting hirings and promotions;

(2) eliminating all but essential overtime, holiday, and premium pay;

(3) detailing employees to other agencies on a reimbursable basis;

(4) limiting the hours of intermittent employees and reducing the use of temporary employees;

(5) encouraging employees to enter into leave without pay status or to take other voluntary measures for reducing the number of hours that they work, such as by changing their work schedules from full-time to part-time or from part-time to intermittent;

(6) encouraging eligible employees to take voluntary retirement; and

(7) restricting the extent to which agency functions are performed through contracts with nongovernmental entities.

EFFECTIVE DATE

SEC. 5. This Act shall take effect on October 1, 1982.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STANTON OF OHIO

Mr. STANTON of Ohio. Madam Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. STANTON of Ohio: Strike all after the enacting clause and insert in lieu thereof the following:

TREATMENT OF FHA SINGLE-FAMILY MORTGAGE INSURANCE PREMIUMS

SECTION 1. (a) Section 203(b) of the National Housing Act is amended by—

(1) inserting after "150 per centum of such median price" in the first sentence of paragraph (2) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(2) inserting after "cost of acquisition" in paragraph (9) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

(b) Section 203(c) of such Act is amended by inserting the following before the period at the end of the fourth sentence: ": *Provided*, That with respect to mortgages (1) for which the Secretary requires, at the time the mortgage is insured, the payment of a single premium charge to cover the total premium obligation for the insurance of the mortgage and (2) on which the principal obligation is paid before the number of years on which the premium with respect to a particular mortgage was based, or the property is sold subject to the mortgage or is sold and the mortgage is assumed prior to such time, the Secretary shall provide for refunds, where appropriate, of a portion of the premium paid and shall provide for appropriate allocation of the premium cost among the mortgagors over the term of the mortgage, in accordance with procedures established by the Secretary which take into account sound financial and actuarial considerations".

(c) Section 213(b)(2) of such Act is amended by inserting after "exceeded by not to exceed 90 per centum in such an area" the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(d) Section 221(d) of such Act is amended by—

(1) inserting after "in any geographical area where he finds that cost levels so require" in paragraph (2)(A) the following: ": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "of its acquisition cost" in paragraph (2)(B)(i)(2) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)"; and

(3) striking out "mortgage insurance premium," in paragraph (2)(B)(i)(2).

(e) Section 234(c) of such Act is amended by inserting after "one-family house price in the area, as determined by the Secretary" in clause (A) of the third sentence thereof the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(f) Section 235(i) of such Act is amended by—

(1) inserting after "respectively" in paragraph (3)(B) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "respectively" in paragraph (3)(C) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(3) inserting after "so require)" in paragraph (3)(D) the following: ": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(4) inserting after "acquisition" in paragraph (3)(E) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

IMPLEMENTATION

SEC. 2. The amendments made by this Act may be implemented only if the Secretary determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by this Act, is actuarially sound.

Mr. STANTON of Ohio. Madam Chairman, I expect to explain the amendment thoroughly, and I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. VENTO. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VENTO. Madam Chairman, under the rule, the gentleman from Ohio is recognized for a specific time. Someone opposed to the amendment is recognized. Who is recognized for that time?

The CHAIRMAN. Is the gentleman from Rhode Island (Mr. ST GERMAIN) opposed to the amendment being offered?

Mr. ST GERMAIN. In its present form, Madam Chairman, yes.

The CHAIRMAN. Then the gentleman qualifies for 30 minutes of time.

AMENDMENT OFFERED BY MR. ST GERMAIN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STANTON OF OHIO

Mr. ST GERMAIN. Madam Chairman, I ask unanimus consent to offer an amendment to the Stanton amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN to the amendment in the nature of a substitute offered by Mr. STANTON of Ohio: On page 4 insert the following immediately fol-

lowing "Act" on line 12: ", except for section 3,".

On page 4 insert the following new section immediately following line 16:

The last sentence of section 3552 of the Revised Statutes (31 U.S.C. 369) is amended to read as follows: "There are authorized to be appropriated for fiscal year 1983 not to exceed $50,165,000 for all expenditures (salaries and expenses) of the mints and assay offices not herein otherwise provided for.".

□ 1130

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. STANTON) for 30 minutes.

Mr. STANTON. Madam Chairman, I yield myself such time as I may consume.

Mr. ST GERMAIN. Madam Chairman, should we not dispose of the amendment just offered?

The CHAIRMAN. We will have debate on both amendments at the same time. The unanimous consent request did not add additional time for the amendment offered by the gentleman from Rhode Island.

Mr. VENTO. Madam Chairman, did the Chairman call for unanimous consent? Is not the other amendment based on unanimous consent? "Is there objection" I think should be asked.

The CHAIRMAN. The Chair asked if there were objections. The gentleman from Rhode Island asked unanimous consent to offer his amendment. The Chair asked if there were objections. There were no objections. The amendment has been offered. There can be no additonal time, so we will proceed under 30 minutes controlled by the gentleman from Ohio and 30 minutes by the gentleman from Rhode Island.

Mr. STANTON of Ohio. Madam Chairman, my amendment is basically the same provision recommended in the first budget resolution. I should also point out that it was agreed to during the negotiations between the administration and the House and Senate leadership, which had been referred to as the Gang of 17. It was also agreed to in the original Jones budget resolution and the Latta amendment. It was agreed to in the Senate and it is now before us here in the House, with some modest adjustments, designed to remedy some of the concerns expressed by the majority.

Basically, the amendment would permit the FHA premiums, which HUD intends to collect in advance, to be excluded from the calculation of FHA's mortgage limits and loan to value ratios. In addition, it would require that there be rebates if the property is sold prior to the term upon which the premium payments were based. It also provides that the mortgage limit and loan to value provisions can only go into effect if the Secretary determines that this program, with those changes, is actuarially sound.

Now, I want to make one thing clear. This language does not authorize HUD to collect FHA premiums in advance. That is already in the law in section 203(c) of the National Housing Act and HUD will implement it. All this does is to allow the premiums to be excluded from the mortgage limits and loan to value ratios so that home buyers do not have to pay higher downpayments. Since the premiums would the become part of the amortized monthly payment, there is no increase in monthly mortgage payments compared to the current system of collecting an additional fee of 0.5 percent of the unpaid balance each month as an insurance premium.

This amendment benefits the home buyers. It merely keeps the home buyer from having to make larger downpayments to buy a house under FHA, if the mortgage was right at the limit or the downpayment was to be the minimum provided. Without this amendment, HUD will implement the advance payment authority and a number of prospective home buyers will have to increase their downpayments in order to qualify for FHA insurance.

Madam Chairman, I suggest that the opposition to this amendment is based on a general dislike for being told, through reconciliation, that the committee must do certain things. I can understand that, but I would hope that the opponents would look at the merits of the amendment in light of the fact that the advance payments will be required by HUD regardless of our actions and that this amendment itself helps the home buyer. The home buyer should not suffer because certain members do not like the reconciliation process.

I urge the passage of the amendment.

Mr. VENTO. Madam Chairman, will the gentleman yield?

Mr. STANTON of Ohio. I yield to the gentleman from Minnesota.

Mr. VENTO. Madam Chairman, the gentleman pointed out a very interesting point; that is, that his amendment limits or facilitates the implementation of this action by the Secretary, that is, the imposition of the up-front FHA insurance payment. Is that correct?

Mr. STANTON of Ohio. It does not facilitate it. They have the authority now, as the gentleman explained, in 302(c) to do it. We are going to do it anyhow.

Mr. VENTO. The point is, this facilitates. It does not mandate the Secretary, does it? Is that correct?

Mr. STANTON of Ohio. No, it does not. He has the authority now.

Mr. VENTO. The point I would make to the Chairman, and I think an interesting point, is that since this does not mandate the collection of that fee, some $2.1 billion over 3 years, since it does not mandate it, the Secretary already has that power, so is it necessary for this committee to do anything to comply with the savings? This simply facilitates it, and the gentleman has mentioned, of course, that there are some consumer protections, so the fact of the matter is that this action is not necessary for the Secretary to impose a fee. We really are not doing anything in this amendment. That would be the conclusion that I am left with listening to the gentleman saying that we are not ratifying it, not taking any action. I think the gentleman follows my thought.

Mr. STANTON of Ohio. I would be very happy, if the gentleman asked me to clarify that point for his own personal attention. As I stated, what we effect by our actions is not a mandate. They have the authority anyhow. What we do do specifically in this legislation is to assure that when we add on the cost of the premium to the price of a particular mortgage, we do not increase the downpayment. From that point of view I hope the gentleman would agree.

Mr. VENTO. The gentleman does not increase the downpayment, but he adds to the total amount. It expands the FHA mortgage limitation so that they accommodate whatever the increase is in terms of FHA up-front insurance payment is made at the closing of home purchase.

Mr. STANTON of Ohio. I would say to the gentleman further, if he wants further connotation of what the committee does, ordinarily at the present time insurance is based on cost-per-month basis on the balance of 0.5 percent. This is a one-time 3.5-percent charge, so that if it is calculated, it is a 14-percent savings overall by paying up front.

The problem lies in what happens on the prepayment. This has been worked out to the satisfaction of all concerned.

Mr. VENTO. I understand what the gentleman is doing, but I am asking what the bill does. One of the provisions of the bill, the final one, says that this is actuarially sound. The amendments made by this act may be implemented if the Secretary determines that the program is actuarially sound. It will be the Secretary's determination to be certain that this is actuarially sound. Congress is not saying in this act that this particular proposal to up front collect these is actuarially sound. We are saying the Secretary has to make a finding along those lines. Is that correct?

Mr. STANTON of Ohio. I did not particularly hit that point, to be honest with the gentleman. But let me say that the Mortgage Bankers Association agrees with us and is in favor of this legislation, and they say that we should watch and monitor it, and

certainly we will. The committee plans to watch this closely because our No. 1 responsibility, I feel, is to keep it actuarially sound.

Mr. WYLIE. Madam Chairman, will the gentleman yield?

Mr. STANTON of Ohio. I yield to my colleague from Ohio.

Mr. WYLIE. Madam Chairman, I think the gentleman from Minnesota is straining at a gnat here. If this satisfies the OMB, why are we fussing about it? If HUD has the authority right now and they want to take the House of Representatives and the other body along in the process, I do not see too much wrong with that.

Mr. VENTO. If the gentleman would yield further, I think the point is being made that the legislation has this particular qualification in. For instance, in order to make the program actuarially sound we do not change the downpayment. We expand the mortgage limits, and I think this is no small point to all of us who want to make certain that a program and FHA remain healthy. But the point I would make to my colleagues here is that it can be made actuarially sound in a number of ways.

Maybe FHA up-front insurance program just works, then there is no problem. However, one way to make it actuarially sound is to raise the income limits that people have to have in order to qualify for an FHA loan, because that would make it actuarially sound.

Mr. WYLIE. If the gentleman will yield on that, if the changes that are being made to this bill do not make the program actuarially sound then they cannot be implemented.

Mr. VENTO. However, there are different ways to make it actuarially sound. One is to say that we will not loan to anyone who has an income of less than $30,000, a $60,000 mortgage. If it is a $62,000 mortgage, he has to have an income of $35,000.

□ 1140

So you preclude a lot of people. You can make it actuarially sound by doing a variety of other things that I do not believe are necessarily intended.

Mr. STANTON of Ohio. Madam Chairman, I reserve the balance of my time.

Mr. ST GERMAIN. Madam Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Madam Chairman, I rise in opposition to the Stanton amendment.

I think the last colloquy between myself and the sponsor of the amendment indicates a significant number of problems with this particular amendment. I think in the short term, yes, it will yield some money to the FHA program, but I think it basically is an assault.

Housing has not fared well, Madam Chairman, in the last 2 years in terms of programs and in terms of the interest rate. It seems like all other issues that have come before this Congress and affected our economy have been compounded in terms of their impact upon the housing industry. I think in all of this period of time, the FHA program has stood out as being a countercyclical program, a program that helps to achieve homeownership. As a matter of fact, during certain periods of our history nearly 40 percent of the homeownership that occurred was derived based on the FHA program. Today that figure is still near 25 percent. Even with the private insurance activities that are going on, the FHA program is a bedrock program.

Madam Chairman, when this administration sought to cut back the FHA authority and reduce the budget authority with regard to that, this Congress, on a bipartisan basis, fought those initiatives to limit FHA, to limit its application, and to keep in place a marketplace mechanism so the FHA could indeed serve on a demand basis.

This is a program that has paid its own way throughout these years. it has not had an impact in terms of the budget, and it has not had an impact in terms of creating a deficit. That is because of the time-proven system of payment in which there is a percentage added on to the monthly payment for the individual to cover the actuartial loss that is due the FHA program.

So it has been an amazingly successful program. Frequently we hear the adage in this body, "if a program isn't broke, don't try to fix it." What we are trying to do today, Madam Chairman, in my opinion, is to try to gain a short-time revenue at the expense of a very successful program, the FHA program. that is really what is going on here. We are playing a shell-and-pea game in which we get more money in the next 3 fiscal years, but no one knows what will happen after that.

But what suffers in this particular translation is that we are undercutting a very important program that has served the people we represent to help attain homeownership, and we are doing that for very dubious gain.

I think it is very clear that in order to make this program actuarially sound, people are going to have to have higher incomes in order to qualify to make these payments and to qualify for the FHA loan. We are living in a time transition when the homes and the value of them are not necessarily appreciating at as fast a rate as has occurred in the past.

I submit to the Members that this program is going to cause a great deal of problems. It is an average payment of from $1,500 to $2,000 in terms of the FHA program. The home buyer will for the next 30 years be paying more in interest on the money he has borrowed. The total cost to the consumer in the long run will be greater. The insurance premium becomes a cost added on the purchase price, the closing costs, and the realtor's fees. I ask the Members, as I did during the discussion in the general debate on this, is this the time, when housing starts are below 1 million, that we want to add an extra charge of $1,500 to $2,000 to the purchase price of a home?

We are dreaming if we think that people are going to be able to make that payment at the closing. Most of them are not, and if we add it onto the payment, it is going to be a greater cost over the life of the mortgage. They are going to pay these high interest rates in that cost to the banks, not to the FHA, and it is going to undermine the FHA program in the sense it will preclude people and it will be one more impediment for people to go in the FHA direction. We already have had the half percent cost, and we add $2,000 to the purchase price of a home and it is going to be a discouragement for people to go in that particular way. It is a disincentive. It may not, because of that, even raise the revenue that is projected by the sponsors of this amendment.

In other words, they could not achieve it directly by limiting its budget authority, but on a bipartisan basis, they thought that they had found a way to undercut the importance of the FHA program today, I say to my friends; they found a way to gut this particular program by putting a penalty charge up front in order to get the FHA insurance that we have had on a pay-as-you-go basis through the years of this program.

Madam Chairman, FHA has been an important tool to attain the goal of homeownership in this country. Homeownership remains an important goal, but FHA is going to be handicapped in its effort to help achieve that goal with this policy of the Stanton amendment.

Mr. STANTON of Ohio. Madam Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Madam Chairman, I thank the gentleman for yielding me this time.

I have no desire to prolong the debate on this matter, but the question has been recently and frequently asked by representatives of the housing industry and by constituents in my district as well, housing being our No. 1 industry, so for the purposes of legislative history, Madam Chairman, let me try to make the assurance once again that this Congress is not in any way attempting to perpetrate some horrendous deed as the gentleman has suggested.

The question is and the issue really is: Does this amendment actually raise the cost to the home buyer? The answer is that it does not.

The home buyer may build the value of the up-front premium into the mortgage amount. Consumers will not be required to make higher downpayments because of this proposal, and in fact the typical FHA-insured home buyer who adds the up-front premiums to the mortgage amount will pay less per month than he or she would have paid in principal and interest, plus premiums, under the current method of monthy premium payments. The estimates have been projected on the up-front effects of premium payments and monthly costs with the premium assumed to be somewhere between 3.1 and 3.5.

If in fact on a $40,000 mortgage that premium was applied at its minimum level, it would reduce the monthly payment on a $40,000 mortgage and on a $80,000 mortgage. If in fact the highest projected premium was assessed, it would increase an $80,000 mortgage over the full length of the amortization of that obligation the sum total of $3.21 per month. On a $40,000 mortgage the estimates is that the monthly payment would be reduced even at the highest possible premium. The final determinations, as I understand it, have not been made at this date.

However, the suggestion the gentleman makes that this amendment in some way is decimating the viability and the desirability of the FHA program, is simply not factually correct.

Mr. VENTO. Madam Chairman, will the gentleman yield?

Mr. PARRIS. I am delighted to yield to the gentleman from Minnesota.

Mr. VENTO. Madam Chairman, I appreciate the gentleman's scholarship in this particular area, but is it the gentleman's understanding that this particular proposal will yield less money to the FHA over the term of the mortgage than it otherwise would receive?

Mr. PARRIS. Madam Chairman, the point of this debate—and I do not mean to be nonresponsive to the gentleman's question—is that the FHA intends to impose this kind of payment process because the anticipated cost reductions, which is the reason we are here, will in fact reduce the costs, and thereby comply with the reconciliation requirement.

Perhaps I misunderstood the question.

Mr. VENTO. Well, I asked if it would increase the amount of money going to FHA or decrease it.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. PARRIS) has expired.

Mr. ST GERMAIN. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, initially, I would just like to comment on the amendment that I offered. The purpose of that amendment is to authorize appropriations for the Bureau of the Mint for fiscal year 1983, not to exceed $50,165,000. That is so the mint can continue to function, and I do not think that there can be any quarrel with that. We do need the Bureau of the Mint.

Mr. STANTON of Ohio. Madam Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

Mr. STANTON of Ohio. Madam chairman, it was not really our intention to cut out this money from the Bureau of the Mint, and I certainly would concur with the amendment that the gentleman offered by unanimous consent.

Mr. ST GERMAIN. Madam Chairman, I thank the gentleman.

I am prepared, therefore, to accept the amendment offered by the gentleman from Ohio (Mr. STANTON) as amended, provided I have his agreement that any surplus savings credited to our committee following the conclusion of the budget process can be utilized for other programs within our jurisdiction such as, just as an example and not to be specific, subsidized housing or housing for the elderly or what have you.

□ 1150

Mr. STANTON of Ohio. Will the gentleman yield on that point?

Mr. ST GERMAIN. I am happy to yield.

Mr. STANTON of Ohio. I certainly concur with the chairman of the full committee. He has my agreement and I share the expression in the colloquy we had earlier with the gentleman from Texas also that we should, indeed, have the staff start looking at our housing bill to get that moving along and point out where the differences are. This is something the gentleman from Texas alluded to earlier: the time has come to do just that.

Second, Mr. Chairman, you point out that hopefully by the adoption of this amendment there is an excellent possibility that we will exceed our budgetary allocation called for under reconciliation.

Not only do I agree with the chairman, but I checked with the Office of Management and Budget and Mr. Stockman specifically to make sure that as far as he personally was concerned, or the OMB was concerned, we would get and keep any additional savings within our committee.

I am pleased to say that certainly he said that as far as he personally was concerned, he would not object to or block this.

If the gentleman will continue to yield, we should point out to the committee that hopefully our additional savings, if they do ever come to our committee, would come by the Net Worth Guarantee Act process. That is where we would have the most chance. I have to be very clear that in bringing this up to the OMB Director he wanted to make very sure for the record that he opposes, the administration opposes, and the majority of our side opposes, this approach to this particular problem at this particular time. So we wanted to make sure that was understood.

But if on some basis down the road some type of thing like this should by chance ever become law, legitimate savings would accrue, and if they do in the committee, these would be included in the excess that we would have.

This, of course, would make not only our committee happy but I should think it would make all of the Members of the House very happy.

Mr. ST GERMAIN. I assume the gentleman would also join me in urging the Budget Committee to follow this same course of action as far as any excess funds are concerned.

Mr. STANTON of Ohio. If the chairman would yield further, I would certainly join in urging the Budget Committee to take the same consideration.

Mr. ST GERMAIN. Under those circumstances, again I repeat that I support the amendment as amended.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I would like to inquire of the gentleman from Ohio if FHA implements this payment to the insurance fund, will the prospective homeowner, once he acquires the property, and then let us say 5 years later he sells the property, and I do not know what the average is of the turnover but probably something in that area, will the present homeowner be able to recapture that portion of the insurance that has not extended over the life, assuming a 30-year loan, or will all of that be lost to FHA as such?

Mr. STANTON of Ohio. Will the gentleman yield?

Mr. ST GERMAIN. I am happy to yield.

Mr. STANTON of Ohio. I am glad my friend asked that question.

That was one of the original problems when we first were asked by the Budget Committee what we would do if somebody put the premium up front and then sold his or her house, whether or not the premium would be recaptured.

I am pleased to say that a formula has been worked out proportionately whereby if a person had the insurance up front for the life of the mortgage, at the end of 5 years there would be a rebate mechanism put in force similar to what is done in other standard insurance agencies.

The staff says that unless that mortgage were assumed, it would then be worked out between the parties.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Minnesota.

Mr. VENTO. I think the point is the fact of appreciation here. In other words, we actually have to have appreciation, or the value would be covered, is that correct, by the sale of the home? Is that correct?

Mr. STANTON of Ohio. The gentleman is correct.

Mr. VENTO. In other words, there is an offset in that particular sense.

Mr. ST GERMAIN. The rebate has nothing to do with the appreciation. The rebate would still be there if the house was sold. There is no tie-in to appreciation there.

Mr. VENTO. If the gentleman would yield further, one additional point, and that is the concern that somehow this money, this savings that is going to be utilized or regained in the next few years is not needed for FHA insurance premiums.

In other words, if this money were cash that could be used to spend for the defense budget or anything else to offset our expenses in the next few years, that is one thing. But it is necessarily money that is reserved for the FHA pool.

In other words, this great savings that we are making is not accomplished because miraculously somehow there is less loss due to the FHA fund; is that correct? Is there any reason to believe there will be any difference in FHA actuarially?

Some of us argue it will be far worse. I argue, for instance, it might be a greater risk based on this type of program because we increase the size of the mortgage increase the exposure for loss. At least that is what this particular amendment does. Very specifically it permits expanded FHA limits for this purpose.

So the point is that the money that is going into the Federal Treasury is going to be used for FHA losses. That is at least the point insofar as the insurance premium; is that not correct?

Mr. ST GERMAIN. Just as the premiums that have been going into FHA since the inception of FHA are set aside for that purpose.

Mr. VENTO. The point is, though, that this then ends up being a paper savings. In other words, there is no real savings in this budget insofar as the money that goes for FHA is used for that risk pool. That is the fact of the matter; is it not?

Mr. ST GERMAIN. Just a minute. If it is a paper savings or any kind of savings, the point is that the OMB, the Budget Committee, and everybody else agrees that it is a savings and it does meet the requirements of reconciliation. And, to the extent the change in FHA procedures reduces net outlays, these savings can be used to offset spending in other areas.

Mr. STANTON of Ohio. Would the chairman yield on that point?

Mr. ST GERMAIN. I yield to the gentleman.

Mr. STANTON of Ohio. One further point. I wish that my friend from Minnesota would understand that HUD is going to initiate this action whether or not we take it.

Mr. VENTO. If the gentleman will yield, then realistically what we are doing here really is nothing at all. In other words, we have no role in this other than to accommodate OMB and HUD and they say that the net worth guarantee does not accomplish it, the regulators' bill does not accomplish it, but this FHA insurance up-front collection does accomplish it; therefore, we ought to do it.

Mr. ST GERMAIN. Reclaiming my time, what this does is perfect, perfect that which the Secretary of HUD could do without any action. It perfects it, makes it more workable, more feasible and, in the opinion of many, more consumer oriented than otherwise.

I yield one last time.

Mr. VENTO. I appreciate the gentleman yielding because I know he wanted to give me as much time as I need in this particular discussion.

Mr. ST GERMAIN. We are being repetitious. That is the point.

Mr. VENTO. We have a responsibility here to actually set an appropriate policy as to whether it is right or wrong. There are different modes by which we could fight HUD on this if we did not agree and, indeed, I do not agree.

I think that we ought to fight HUD in terms of this particular issue and in terms of HUD proposed FHA policy. That is precisely the point.

The answer and policy in the resolution amendment I think will inhibit the opportunity for homeownership in this country by imposing this particular fee at the inception of closing or as an additional $1,500 to $2,000 cost for raising the mortgage or raising the amount of income on the applicants.

So we are really saying that we are resolving our problem by putting an extra cost on new homeowners on consumers in this particular sense at the inception of the purchase.

All of the money that goes into FHA is used for FHA insurance, so really there is no savings unless we intend in the future to charge a higher insurance premium than what we charge right now for this particular purpose.

As far as I know, that fund is inviolate, and so there will be a paper savings for these Members this year that are concerned about savings, and down the road we are going to have to recapture those particular funds to use them for insurance.

So the actual savings here I think is very, very questionable in my judgment and does not warrant a change in policy as being prescribed here, which I do not think there is any evidence to show that it will not inhibit homeownership in this country.

Mr. ST GERMAIN. I reserve the balance of my time.

Mr. STANTON of Ohio. Madam Chairman, I yield 2 minutes to our friend, the gentleman from Pennsylvania (Mr. WALKER).

□ 1200

Mr. WALKER. I thank the gentleman for yielding.

I would like to ask a couple of questions just to clarify what is going on here for someone who is not a member of the committee and who has been trying to follow the debate.

Do I understand that if your amendment is adopted, and the chairman has accepted it, that the Committee on Banking, Finance and Urban Affairs will be in at a figure below the reconciliation targets? In other words, you will have met the reconciliation targets plus some money; is that correct?

Mr. STANTON of Ohio. If the gentleman will yield, by the adoption of this amendment, we meet the full requirements of the concurrent budget resolution on our reconciliation goal.

Mr. WALKER. Now, did I also understand that a part of this agreement with the chairman is that any savings beyond reconciliation which are incurred will be available to be utilized by your committee for other programs in the future?

Mr. STANTON of Ohio. If the gentleman will yield further, it is correct. This was a point, that if in the future additional savings do accrue to our committee, that we wanted to make sure, the chairman wanted to make sure, we would be credited for these, as long as they are legitimate savings, and not be taken away from us.

Mr. WALKER. Well, I think that that is entirely proper. But what I wanted to establish here for the record is just how much, if we can get a figure, those savings might be.

I do not want in the future to be faced with a situation where we are coming to the floor with a bill saying that we are using here money which was available to us as a result of savings in the reconciliation process.

Could we get some idea on the record of how much money we are talking about here, so that we have some benchmark to measure future action?

Mr. STANTON of Ohio. I would be very happy to do that. As I said, the action today meets our budget reconciliation process. The additional accurual would come primarily, probably totally, from the Net Worth Guarantee Act that we passed. When you add the two together, at the moment it is difficult to give you an exact answer because there is a difference between the

Budget Committee and OMB and what the CBO actually have.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. STANTON of Ohio. Madam Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

If the gentleman will yield further, but the ball park figures, the very maximum we could possibly ever look toward, is probably about $200 or $250 million.

Mr. WALKER. So, in other words, we are talking about a figure that is somewhere in the vicinity of a quarter of a billion dollars, and that we can probably fairly evaluate programs that would come onto the floor saying that they were within that figure, around a figure somewhere in that range?

Mr. STANTON of Ohio. Along down the road, before we would ever go to 1984 or 1985, of course, we will have decided what the outcome of that particular bill is.

Mr. WALKER. I thank the gentleman.

Mr. HUCKABY. If the gentleman will yield, of this savings, how much of it will be available to the General Treasury of the United States?

Mr. STANTON of Ohio. Well, what you are talking about is meeting budgetary reconciliation goals. Nobody is going to take $700 million away from the FHA insurance fund.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

Mr. STANTON of Ohio. Madam Chairman, I yield myself 1 minute.

The amount of savings themselves, primarily, to answer directly the gentleman's question, comes to the U.S. Government, would, once again, whatever the net worth guarantee bill, for example, depend on whatever savings were accrued to the FSLIC insurance fund, that they do not have to pay out, because the particular legislation enacted treating S. & L.'s deficits differently. So it is an "if come" proposition. At the moment the savings to the actual Treasury Department in dollars and cents are practically nil.

Mr. HUCKABY. If the gentleman will yield for one further question, is the FHA this current fiscal year operating at a loss?

Mr. STANTON of Ohio. No, they are not.

Mr. HUCKABY. They are not operating at a loss? They are operating in a positive cash position today. And so we are further increasing their positive cash position; is that correct?

Mr. STANTON of Ohio. I understand that this particular fund, the FHA insurance fund that this comes from, has in excess of $2 billion in reserves.

Mr. HUCKABY. They have in excess of $2 billion in reserves.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has expired.

Mr. STANTON of Ohio. Madam Chairman, I yield back the balance of my time.

Mr. ST GERMAIN. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. STANTON).

The amendment to the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. STANTON), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. VENTO. Madam Chairman, I object to the vote on the ground that a quorum is not present, and I insist on my point of order.

The CHAIRMAN. Is the gentleman from Minnesota (Mr. VENTO) asking for a recorded vote?

Mr. VENTO. Madam Chairman, I am objecting to the vote on the ground that a quorum is not present.

The CHAIRMAN. The gentleman cannot make that request in the Committee of the Whole.

Mr. VENTO. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. The gentleman from Minnesota (Mr. VENTO) has demanded a recorded vote. Members in favor of making this vote a recorded vote will please rise and remain standing. The Chair will count.

Mr. VENTO. Madam Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

An insufficient number.

PARLIAMENTARY INQUIRIES

Mr. STANTON of Ohio. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STANTON of Ohio. What the gentleman is calling for now is just for a quorum call; is that correct? The Chair had already announced the total of the vote before, as an insufficient number having arisen.

The CHAIRMAN. The point of order was made before the Chair's announcement, so the Chair's announcement is inoperative, and the point of order stands on the quorum.

Mr. STANTON of Ohio. Madam Chairman, I never heard the words "point of order" being said.

The CHAIRMAN. The gentleman from Minnesota (Mr. VENTO) made a point of order that a quorum was not present just prior to the Chair's announcement of her count for a recorded vote. The Chair sustained that point of order.

Mr. STANTON of Ohio. I thought that request came after the Chair had said there was an insufficient number.

The CHAIRMAN. No; that was while the Chair was counting for a recorded vote after the voice vote.

Mr. WYLIE. Madam Chairman, I thought the gentleman from Ohio asked for a recorded vote and that the Chair had announced that an insufficient number were standing.

The CHAIRMAN. The gentleman made his point of order just before the Chair announced there was an insufficient number of Members standing on the recorded vote. Therefore, the point of order would stand because the Chair's count had not been announced and, therefore, was inoperative.

Mr. WYLIE. I thought the sequence of events was in the reverse, but I respect the ruling of the Chair.

Mr. QUILLEN. Madam Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. QUILLEN. Madam Chairman, as I recall, the Chair ruled that the gentleman from Minnesota could not make a point of order against a quorum not being present in the Committee.

The CHAIRMAN. The gentleman could not object to the vote on the ground that a quorum was not present in the Committee of the Whole.

Mr. QUILLEN. The Chair ruled that he could not.

The CHAIRMAN. He could not object to the vote.

Mr. QUILLEN. So, therefore, the point of order was included in his motion.

The CHAIRMAN. But the point of order was in order in the Committee of the Whole.

Mr. STANTON of Ohio. I have a parliamentary inquiry, Madam Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. STANTON of Ohio. Could the Chair tell us how we could get to a vote—we have no objection to a vote—by putting it directly without a quorum call?

The CHAIRMAN. There has to be a quorum call at this point. The gentleman from Minnesota (Mr. VENTO) made a point of order that a quorum is to not present. Obviously a quorum is not present.

The Chair announces——

Mr. WYLIE. Madam Chairman, I have a parliamentary inquiry.

The gentleman could withdraw his point of order that a quorum is not present if he gets a recorded vote?

The CHAIRMAN. Unfortunately, the gentleman cannot withdraw his point of order once a quorum has been announced by the Chair as not present.

Therefore, the Chair announces that pursuant to clause 2——

Mr. ST GERMAIN. Madam Chairman, I have a parliamentary inquiry.

If the gentleman from Minnesota would ask unanimous consent to withdraw his point of order relative to a quorum not being present, could that not be accomplished?

The CHAIRMAN. The gentleman cannot do that in the absence of a quorum. Even by unanimous consent business cannot be conducted after the absence of a quorum has been announced.

Therefore, pursuant to clause 2, rule XXIII, the Chair announces that she will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1210

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. VENTO) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 337, noes 69, answered "present" 1, not voting 27, as follows:

[Roll No. 246]

AYES—337

Addabbo	Bevill	Coats
Akaka	Biaggi	Coelho
Albosta	Bliley	Coleman
Alexander	Boggs	Collins (IL)
Anderson	Boland	Collins (TX)
Annunzio	Boner	Conable
Anthony	Bonker	Conte
Applegate	Bowen	Corcoran
Archer	Breaux	Coughlin
Ashbrook	Brooks	Courter
Aspin	Broomfield	Coyne, William
Atkinson	Brown (CA)	Craig
AuCoin	Brown (CO)	Crane, Daniel
Badham	Broyhill	Crane, Philip
Bailey (MO)	Burgener	D'Amours
Bailey (PA)	Butler	Daniel, Dan
Barnard	Byron	Daniel, R. W.
Barnes	Campbell	Dannemeyer
Bedell	Carman	Daschle
Benedict	Carney	Daub
Benjamin	Chappie	Davis
Bennett	Cheney	de la Garza
Bereuter	Clausen	Deckard
Bethune	Clinger	DeNardis
Derrick	Kennelly	Reuss
Derwinski	Kindness	Ritter
Dickinson	Kogovsek	Roberts (KS)
Dicks	Kramer	Roberts (SD)
Dingell	Lagomarsino	Robinson
Donnelly	Lantos	Rodino
Dorgan	Latta	Rogers
Dougherty	Leach	Rose
Dreier	Leath	Rostenkowski
Duncan	LeBoutillier	Roth
Dunn	Lent	Roukema
Dwyer	Levitas	Rousselot
Dyson	Lewis	Rudd
Eckart	Livingston	Russo
Edwards (AL)	Loeffler	Santini
Edwards (OK)	Long (LA)	Sawyer
Emerson	Long (MD)	Schneider
Emery	Lott	Schulze
English	Lowery (CA)	Schumer
Erdahl	Lowry (WA)	Sensenbrenner
Erlenborn	Lujan	Shamansky
Evans (IA)	Luken	Sharp
Evans (IN)	Lundine	Shaw
Fary	Lungren	Shelby
Fascell	Madigan	Shumway
Fazio	Markey	Shuster
Fenwick	Marks	Siljander
Ferraro	Marlenee	Simon
Fiedler	Marriott	Skeen
Fields	Martin (IL)	Smith (AL)
Findley	Martin (NC)	Smith (IA)
Fish	Martin (NY)	Smith (NE)
Fithian	Martinez	Smith (NJ)
Foley	Mavroules	Smith (OR)
Ford (MI)	Mazzoli	Smith (PA)
Forsythe	McClory	Snowe
Fountain	McCloskey	Snyder
Fowler	McCollum	Solarz
Frenzel	McCurdy	Solomon
Garcia	McDonald	Spence
Gaydos	McEwen	St Germain
Gephardt	McGrath	Stangeland
Gibbons	McHugh	Stanton
Gilman	McKinney	Staton
Gingrich	Mica	Stenholm
Glickman	Michel	Stratton
Gonzalez	Mikulski	Stump
Goodling	Miller (OH)	Swift
Gore	Mineta	Synar
Gradison	Minish	Tauke
Gramm	Moakley	Taylor
Green	Molinari	Thomas
Gregg	Montgomery	Traxler
Grisham	Moore	Trible
Guarini	Moorhead	Udall
Gunderson	Morrison	Vander Jagt
Hagedorn	Mottl	Volkmer
Hall, Sam	Murphy	Walgren
Hamilton	Murtha	Walker
Hammerschmidt	Myers	Wampler
Hansen (ID)	Napier	Watkins
Hansen (UT)	Natcher	Weaver
Hartnett	Nelligan	Weber (MN)
Heckler	Nelson	Weber (OH)
Hefner	Nichols	Weiss
Heftel	O'Brien	White
Hendon	Oakar	Whitehurst
Hightower	Oberstar	Whitley
Hiler	Oxley	Whittaker
Hillis	Panetta	Whitten
Hollenbeck	Parris	Williams (MT)
Holt	Pashayan	Williams (OH)
Hopkins	Patman	Wilson
Horton	Paul	Winn
Howard	Pease	Wirth
Hoyer	Pepper	Wolf
Hubbard	Perkins	Wolpe
Hughes	Petri	Wortley
Hunter	Peyser	Wyden
Hutto	Pickle	Wylie
Hyde	Porter	Yates
Ireland	Price	Yatron
Jeffords	Pritchard	Young (AK)
Jeffries	Pursell	Young (FL)
Johnston	Quillen	Young (MO)
Jones (NC)	Rahall	Zablocki
Jones (OK)	Railsback	Zeferetti
Kazen	Ratchford	
Kemp	Regula	

NOES—69

Andrews	Brinkley	Chisholm
Bellenson	Brodhead	Clay
Bingham	Burton, John	Crockett
Bonior	Burton, Phillip	Dellums
Dixon	Hertel	Patterson
Dowdy	Huckaby	Rangel
Downey	Jacobs	Rinaldo
Dymally	Jenkins	Roe
Early	Kastenmeier	Roemer
Edgar	Kildee	Roybal
Edwards (CA)	LaFalce	Sabo
Evans (GA)	Lee	Savage
Flippo	Lehman	Schroeder
Florio	Leland	Seiberling
Foglietta	Matsui	Shannon
Frank	Mattox	Stark
Frost	Miller (CA)	Stokes
Gejdenson	Mitchell (MD)	Studds
Gray	Moffett	Tauzin
Hall (OH)	Mollohan	Vento
Hall, Ralph	Nowak	Washington
Hance	Obey	Waxman
Hawkins	Ottinger	Wright

ANSWERED "PRESENT"—1

Scheuer

NOT VOTING—27

Bafalis	Dornan	Holland
Beard	Ertel	Jones (TN)
Blanchard	Evans (DE)	McDade
Bolling	Ford (TN)	Mitchell (NY)
Bouquard	Fuqua	Neal
Brown (OH)	Ginn	Rhodes
Chappell	Goldwater	Richmond
Conyers	Harkin	Rosenthal
Coyne, James	Hatcher	Skelton

□ 1230

The Clerk announced the following pairs:

On this vote:

Mrs. Bouquard for, with Mr. Conyers against.

Mr. Chappell for, with Mr. Ford of Tennessee against.

Messrs. SAVAGE, HAWKINS, HERTEL, ROYBAL, PATTERSON, MATTOX, and EVANS of Georgia changed their votes from "aye" to "no."

Mr. GARCIA changed his vote from "no" to "aye."

Mr. SCHEUER changed his vote from "aye" to "present."

So the amendment in the nature of a substitute, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment, in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

PERSONAL EXPLANATION

Mr. SCHEUER. Madam Chairman, I wish to state that I voted "present" on the last vote because of the theoretical possibility of a conflict of interest.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mrs. SCHROEDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6812) to limit the salaries and expenses of certain offices within the Department of the Treasury and the Department of Housing and Urban Development, pursuant to House Resolution 547, she re-

ported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to facilitate the collection of insurance premiums under title II of the National Housing Act and to authorize the expenses of the Bureau of the Mint for fiscal year 1983."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just passed.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

□ 1240

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 1193 INTERNATIONAL COMMUNICATION AGENCY AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATIONS, 1982 AND 1983

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 97-697), on the resolution (H. Res. 548), waiving certain points of order against the conference report on the bill (S. 1193) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6046, EXTRADITION ACT OF 1982

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 97-698), on the resolution (H. Res. 549) providing for the consideration of the bill (H.R. 6046) to amend title 18 of the United States Code with respect to extradition, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6191, CIVIL RIGHTS COMMISSION AUTHORIZATION, 1983

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 97-699), on the resolution (H. Res. 550), providing for the consideration of the bill (H.R. 6191) to amend Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for the fiscal year ending September 30, 1983, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 6542, WILDERNESS PROTECTION ACT OF 1982

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 534 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 534

Resolved, That upon the adoption of this resolution it shall be in order, section 401(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6542) to withdraw certain lands from mineral leasing, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text of the bill H.R. 6846 as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of section 401(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), and pending that, I yield myself such time as I may use.

Mr. Speaker, the resolution provides for the consideration of the bill (H.R. 652) the Wilderness Protection Act of 1982. House Resolution 534 is a 1-hour open rule.

The rule provides for an amendment in the nature of a substitute consisting of the text of a bill (H.R. 6846) to be considered as original text for the purpose of amendment. It contains the provisions customarily included in rules when a committee reports a substitute. All are technical and simply insure that the minority has the same rights which would be available if the committee had reported a clean bill. They provide for the substitute to be read as original text for purpose of amendment; permit Members to demand separate vote in the House on perfecting amendments as well as the substitutes; and provide that the motion to recommit may contain instructions.

The rule provides for a waiver of section 401(a) of the Congressional Budget Act of 1974, which prohibits certain forms of back-door spending. The waiver applies to section 4(b) of the introduced bill and to an identical section 4(b) of the substitute made in order under the rule. The provision involved permits contacts to be entered for inventories of certain lands. The waiver is regarded as technical, since the committee has entered an agreement with the Budget Committee to cure the violation by offering a committee floor amendment. The substance of the agreement is confirmed in a letter from the chairman of the Committee of the Budget to the chairman of the Committee on Rules, dated July 26.

Aside from those technical matters, however, this is simply an open rule that permits any germane amendment to the text for which the Committee on Interior and Insular Affairs was responsible.

I should note that a minor item, beyond the jurisdiction of the committee, was acted on in H.R. 6542 and, as the substantive committee of jurisdiction, the Committee on Rules did not consent to the reporting of that provision. That provision is the second sentence of section 5(d) and is not part of the substitute.

Mr. Speaker, the bill was introduced in response to growing concern over the adequacy of protection provided to our Nation's wilderness. Since enactment of the landmark Wilderness Act of 1964, each administration has obeyed the law in a manner designed

to responsibly balance development and preservation.

In 1981, however, the current Secretary of Interior discovered that each previous Secretary of Interior and each previous Secretary of Agriculture, under Presidents Johnson, Nixon, Ford, and Carter, had misread the law. The law, we are told by our respected Secretary of Interior, not only permits bulldozing the wilderness; the law requires it.

Mr. Speaker, the bill before us is a straightforward and simple response to that lunacy. The bill simply reenacts the intent of the law as it has stood for 17 years in a form that will free the Secretary of the Interior from the terrible mandate forced on him by a law he considers to require him to open wilderness areas and potential wilderness areas to mineral leasing.

I think it is important to understand that not only the wilderness, but also the minerals under them have been there for millions of years. They are not going to evaporate this year, next year, or any time. The bill does lock away certain resources but it does not throw away the key. If the country's need is sufficient, section 5 of the substitute provides a procedure which will enable the President to propose such exploration and enable Congress to implement that recommendation with a one sentence joint resolution.

But the bill does make the point, Mr. Speaker, that the areas protected should be the last opened to development whose consequences are not reversible. The bill responsibly provides for limited exploration and other activities to identify resources. But 137 million acres of Federal land in the lower 48 States are already under exploration leases and it is estimated that 80 percent of these leases will expire without any exploratory drilling having taken place. Random access to roadless wilderness ought not to begin while less sensitive Federal lands are inadequately explored for mineral resource potential.

Mr. Speaker, I wish to commend the distinguished chairman of the committee and the gentleman from Ohio for the leadership in bringing this bill forward. It provides Congress with a fair opportunity to set, clarify, or even change Federal wilderness policy.

The rule is open and provides a fair and orderly procedure by which the House can address those issues in H.R. 6542 that are within the jurisdiction of the Committee on Interior and Insular Affairs.

Mr. Speaker, I urge the adoption of the rule and reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule and the bill have been explained by the gentleman from Massachusetts. There will be quite a bit of controversy on the bill when it reaches the floor for consideration. It takes large acreage from designated wilderness areas, and prevents any exploration for minerals or oil or natural gas.

But, Mr. Speaker, I know of no objection to the rule itself. I think the bill should be amply debated and considered on the floor.

Mr. Speaker, I yield 5 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I do not stand in this well opposing the rule. I do oppose the editorializing of that person who presented the rule.

The rule is not a bad rule. I understand the prerogatives of the chairman of the Rules Committee, but the bill is a bad bill. There is no necessity for this bill, and the comments made about our Secretary of the Interior were neither called for nor justified nor true. Other Secretaries have leased and actually had drilling, mining and other activities in the wilderness areas previous to this Secretary. Those are the facts, not rhetoric.

More than that, there is in the bill an additional 9 million acres which this body has not acted upon. I believe it is the responsibility of this body to act responsibly and not respond to that media which tries to convey the idea that wildernesses are going to be destroyed.

More than that, Mr. Speaker, this Nation is faced with some crucial decisions in the near future. There are 231 million acres of land now in wilderness. The argument will be made that we are only talking about 7 million acres of land in this bill plus the 9 million acres, but it is all public land. Out of 7 million and approximately 730 million acres of publicly owned land, we have 231 million acres in wilderness.

That sounds attractive. I know everyone in this room is for wilderness and all the birds and the trees and the fine running streams, but not 1 acre of those wildernesses within those borders has no other value than wilderness. It has minerals, timber, hydropower, oil and gas, and all other things that this Nation needs for the economy and the strength of this great Nation of ours to not only benefit its people but to lead the world.

When I hear people on this floor every day of the year, every day of the month, they say, "We need just a little more wilderness."

□ 1250

We only have a hundred and some odd million acres of wilderness in Alaska.

That happened to us 2 years ago. it really did not affect many people, but now we are slowly going through this Nation and picking out the areas that have other values. Our constituents next year will spend $110 billion for oil from the Middle East. We will import over 50 percent of our minerals from other countries.

How can we talk about balancing the budget, employing people, and becoming economically strong when we are importing those raw resources that made this Nation great?

We do not have the right, we do not have the moral right to take resources from the rest of the world. We have the right and the justification to develop our resources so we can lead.

Again, I say that the rule is not bad, but this is a bad piece of legislation and I will have amendments to offer to it to try to improve it. Hopefully, there are enough thinking Members in the great deliberative body in which I serve who can realize that what we are doing here in responding to the emotionalism, not the law of 1964, that the media is trying to use to crucify an individual who is explaining to the American people that we have a problem of developing our resources. And we cannot do it if we do not have access to it.

Mr. Speaker, I will not vote against the rule, but hopefully, as we go forth in the deliberations next Monday, the thinking Members of this body will look beyond that which is easy and look to the responsibility of leading this Nation again into the economic recovery and the support and leadership of this world.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I will not attempt to debate the substance of the bill at this time. I think that is more appropriate for the debate on the bill itself. I would, however, just like to respond to a couple of points made by the gentleman from Alaska (Mr. YOUNG).

First of all, the Secretary of the Interior himself suggested that Congress pass legislation clarifying his authority to lease for oil and gas and other types of minerals in wilderness areas and wilderness candidate areas. That is what this bill does.

This is a bipartisan bill. The coauthor is the gentleman from New Mexico (Mr. LUJAN), the ranking minority member of the Committee on Interior and Insular Affairs, and the bill received bipartisan support in the committee.

Second, I would like to point out this: The bill does not affect anything in Alaska. It does not affect the BLM lands, which are the bulk of the public lands, and, of course, as the gentleman from Alaska himself finally conceded, it only covers designated wilderness areas and wilderness candidate areas, lands that amount to only 2 percent of the land surface in the lower 48

States, and even less than that, if we had included Alaska. Furthermore, it only covers lands which, according to a scientific study, amount to between 2 and 3 percent of the oil potential.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I will yield in a minute.

Mr. Speaker, it may be that some day we will have to drill and dig in our wilderness areas, but we should go to all of the other parts of the public lands before we tear up the last remaining wild areas in this country. I think that is the reason for the tremendous support behind this legislation.

There are 137 million acres of public lands under oil and gas lease today, and the Secretary of the Interior himself concedes that 80 percent of those leases will expire without ever having been explored or developed.

So we have plenty of areas to work in before we should start digging up and drilling the wilderness areas.

Mr. Speaker, I will now yield to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman admit that there are 9 million acres in this bill which we have not addressed in the congressional body?

Mr. SEIBERLING. Of course.

Mr. YOUNG of Alaska. Wait a minute. Let me ask this.

Mr. SEIBERLING. Mr. Speaker, I would like to respond before I yield further.

Those are wilderness candidate areas that have been recommended by the Forest Service for consideration as wilderness or have been designated by Congress or the administration as areas of study for wilderness, and all we are doing with respect to them is reserving congressional freedom of action in preventing drilling at this time in such areas.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman admit that in fact we are making those wilderness without proper action in the committee?

Mr. SEIBERLING. No.

Mr. YOUNG of Alaska. We have not had hearings on them, and we have not had a proper input on them in many areas before they are considered wilderness. They have not been properly analyzed, and we are going to, by automatic action of this body, be putting them in the wilderness.

Mr. SEIBERLING. No, we are not putting them in wilderness. We are merely telling the Secretary that they cannot be drilled unless and until the Congress says they can.

Mr. YOUNG of Alaska. Again, Mr. Speaker, the gentleman from Ohio and I are decent adversaries, and I continue to have respect for him, but I continue to say that we have not started to analyze these things.

The gentleman admits that we are going to have to drill the land when we need it. I understand that Alaska is not included in this, but one day perhaps these resources will be needed. We cannot properly develop them without identification and knowing where the resource is.

In the committee, the one amendment which I supported and actively pushed for was the seismic use of explosives, and that was rejected. Without that tool, we cannot identify where the resources are within that wilderness. If we have to drill in the wilderness at a future time and to keep the rape of our lands from occurring—and I have argued this time and again—we must identify where the resources are to avoid the environmental damage.

But those who are promoting this type of legislation and previous legislation do not want identification; they want control of the resources until some future date.

Mr. SEIBERLING. Mr. Speaker, I will simply respond again without trying to argue the merits of the bill. We will have plenty of time to do that. There is more than enough land with oil and gas potential to occupy the oil and gas industry for the next 20 years before we have to make a decision about whether we are going to open up the wilderness areas.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I commend the gentleman from Alaska (Mr. YOUNG) and the gentleman from Ohio (Mr. SEIBERLING) for their vigorous support of their views which are in complete opposition on this bill.

At this time, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 521, CALLING FOR A MUTUAL AND VERIFIABLE FREEZE ON AND REDUCTIONS IN NUCLEAR WEAPONS AND FOR APPROVAL OF THE SALT II AGREEMENT

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 538 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 538

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 521) calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement, and the first reading of the resolution shall be dispensed with. After general debate, which shall be confined to the resolution and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the resolution and preamble shall be considered as having been read and open for amendment at any point under the five-minute rule. It shall be in order to consider an amendment in the nature of a substitute for the preamble and the text of the resolution consisting of the text of the preamble and the text of the resolution contained in H.J. Res. 538, by and if offered by, Representative Broomfield of Michigan, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1300

The SPEAKER. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 538 is an open rule providing for the consideration of House Joint Resolution 521, the resolution calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement.

The rule provides for 3 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. House Resolution 538 further provides for one motion to recommit.

It should be noted that the rule provides that the resolution and preamble shall be considered as read and open for amendment at any point under the 5 minute rule.

The rule also makes in order an amendment in the nature of a substitute offered by Representative BROOMFIELD of Michigan and consisting of the text of the preamble and the resolution contained in House Joint Resolution 538. To permit this amendment to be offered, the rule waives all points of order against it for failure to comply with the provisions of clause 7 of rule XVI. This is the germaneness requirement. A waiver of the germaneness rule is necessary because the text of House Joint Resolution 538 at lines 10 and 11 of page 3 contains the words "and other nations." This could be interpreted to fall beyond the scope of House Joint Resolution 521, which focuses on nuclear arms restraint be-

tween the United States and the Soviet Union.

Mr. Speaker, House Joint Resolution 521 is the nuclear freeze resolution which has become the legislative vehicle for the discussion of the nuclear arms race and issues related to the possibilities for nuclear war. This legislation establishes approval of SALT II as a vital step to further progress in arms control and arms reduction. It further mandates objectives for the conduct of the START negotiations, including a complete halt to the nuclear arms race and the achievement of a mutual and verifiable freeze on and reductions in nuclear weapons and their delivery systems.

This rule permits the issues related to House Joint Resolution 521 to be debated and considered openly. Clearly, discussion of these issues responds to the will of the American people and is in our national interest.

Mr. Speaker, I urge my colleagues to adopt this rule so that we may proceed to debate the serious matters concerning nuclear weapons.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule has been amply explained.

Mr. Speaker, I would like to state that since the late 1950's the Soviet Union has engaged in a steady escalation of its production and deployment of nuclear weapons. In the last 10 years this escalation has placed the Soviet Union in a position where our land-based nuclear missiles are vulnerable to a Soviet first strike.

The Soviets are on the threshold of attaining unchallenged military might not only in the realm of strategic weaponry but conventional forces as well.

Since 1970 the Soviets have exceeded U.S. defense spending by $240 billion. The Soviets are currently devoting 13 to 14 percent of the gross national product to defense while the U.S. figure is just about 6 percent.

We all know that we have had treaties with the Soviet Union during this period of time but the Soviet Union has never abided by those treaties. Their nuclear might has steadily increased.

Let me give just a quick review of the military balance. For ICBM's the United States has 1,052, the U.S.S.R. 1,398.

Long- and medium-range bombers, the United States 376, the U.S.S.R. 650.

SLBM's, the United States has 576 and the U.S.S.R. 989.

Ballistic missile submarines, the United States 36, the U.S.S.R. 84.

Surface-to-air missiles, the United States zero and the U.S.S.R. approximately 10,000.

Interceptors, the United States 273, U.S.S.R. 2,500.

Intermediate-range nuclear forces, United States zero, U.S.S.R. 680.

When we get to debate on the measure the gentleman from Michigan (Mr. BROOMFIELD) will offer a substitute. The Broomfield substitute urges that the two nations negotiate a reduction in their nuclear capability and be sure that it is verifiable and equitable.

It is a good substitute.

Mr. Speaker, I know of no objection to the rule and I urge its adoption.

At this time, Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, today we have and will continue to hear impassioned pleas for a nuclear arms freeze as embodied in House Joint Resolution 521.

That resolution, while commendable in its efforts to seek peace in our troubled world, would only invite what it purports to avert. A freeze resolution that would set in concrete the singular and growing disparity between Soviet and United States nuclear deterrence without allowing the United States the chance to either address that disparity or even effectively verify compliance.

Let us make no mistake about the role of our nuclear arsenal: Never in the development of these weapons has there ever been even a suggestion that they exist for any reason but deterrence; and deterrence of a hostile political force whose steady commitment to global expansion has forced it to resort to military action over 120 times since World War II, and whose military buildup over the past 20 years has been nearly double that of the United States.

Meaningful arms reductions can come about only when both parties can approach the bargaining table with relatively equal forces, and when both parties can be reasonably assured through past history and verification that whatever negotiations decide, they will be kept.

Unfortunately, past history tells us that the Soviet Union is willing to break and bend any treaty to gain any advantage in military might. While the United States has lived up to its agreements and pursued a course best described as benign neglect of its Armed Forces, the Soviet Union has introduced 24 new strategic weapons delivery systems while the United States has built 3, including the introduction of the SS-20 to threaten our NATO allies; the Soviet Union has built, in the amazingly short time, a blue ocean navy whose expressed purpose is to challenge the American Navy "anywhere on the globe," while the U.S. Navy has reduced its force by almost a third; the Soviet Union has violated many major agreements, including the Biological Warfare Convention—the Kennedy/Khrushchev accord relating to offensive weapons in Cuba. Clearly, given the relative disparity between our deterrent forces, and the past history of Soviet commitment to its treaty obligations, we must be careful to fashion arms reductions talks that are in fact, as well as rhetoric, verifiable and equitable.

House Joint Resolution 521 ignores these most serious and most necessary conditions and while being well intentioned, amounts nearly to nothing more than collective wishful thinking.

Our country cannot negotiate from weakness which is prohibited by Public Law 92-448.

I oppose House Joint Resolution 521 and urge approval of the Broomfield-Stratton substitute.

Mr. Speaker, I would like to point out that very recently in the American Medical News, a publication of the American Medical Association, an article appeared which I believe needs to be read by every Member of this body. It is an article by Dr. Edward Teller, father of the H bomb, and he spells out very graphically what our position really is.

He says, in effect, that peace can only be won if strength is in the hands of those who want peace truly. That is not the situation today, Mr. Speaker.

At this time I include that article in the RECORD for my colleagues and yield back the balance of my time.

The article referred to follows:

FATHER OF H-BOMB WARNS OF U.S. WEAKNESS

It is a quiet Sunday morning in the coffee shop of the downtown Holiday Inn in Evanston, Ill., a Chicago suburb that is a fortress of middle-class respectability.

He is in Evanston to visit his two children, but as he has done for decades, physicist Edward Teller, PhD, is still trying to wake people up—wake them up to the realization that "disarmament by the U.S. means war with the Soviet Union" and that "we are decisively behind the Soviets in every means of making war, including nuclear." He emphasizes, "Peace can be won only if strength is in the hands of those who want peace. Today, that is not the situation."

Over breakfast, the 74-year-old scientist, who is generally known as the "father of the hydrogen bomb," comes quickly to his points. His deep voice and rich Hungarian accent resonate throughout the room, describing a grim scenario of potential American deaths, defeat, and destruction.

"Who are these physicians who call themselves 'Physicians for Social Responsibility'? Does that mean all other physicians not belonging to this small group are not responsible?

"The so-called 'Physicians for Social Responsibility' (an anti-nuclear war group, AMN, Feb. 29, 1980, and Sept. 21, 1979) are, in fact, highly irresponsible. The only way to prevent war is for America to regain its nuclear strength so that the Soviets will not be tempted to strike. The actions of the doves, of the (his voice rising with disbelief) people of peace, will cause war, not prevent war. We are now in a period of danger and during the next 10 to 20 years, that danger will become exceedingly great. We must arm a strong America to extend the period in which the Soviet leadership must hesitate.

"If the doves prevail, if an arms freeze is forced upon America, then a nuclear war is a 'practical certainty.' And, if that war were

held today, the Russians would win and the U.S. would cease to exist as a nation.

"And these arrogant groups who preach disarmament will have to bear part of the blame."

Dr. Teller's voice will one moment rise high to amuse, the next sink low to frighten, but his message is unrelentingly grim. As his powerful hands stab the air and his penetrating blue eyes burn through the craggy eyebrows, he uncompromisingly hammers home his philosophy that only nuclear energy—and nuclear weapons—can protect America against Soviet expansionism. A senior research fellow at Stanford U.'s Hoover Institution, he is in Evanston between trips to Washington, D.C., for meetings at the Pentagon with the Federal Emergency Management Agency (FEMA) and at the White House with the President's Scientific Advisory Council.

He has spoken before to medical groups, most recently at a May meeting of the American College of Nuclear Medicine, and he says he wants to speak to physicians because, "The medical profession can make an enormous contribution if only it can help cure this nation of its tragic neurosis—the neurosis that a 'nuclear war is unthinkable.' If we accept the myth that a nuclear war is unthinkable, then we will not think about it and we will not do anything about it. And the danger to our way of life will grow greater every month. The peace physicians want us to not think about this.

"A neurosis is the opposite of reason, the opposite of clear thinking," he continues. "Clearly, a nuclear war is possible. And, if the leaders in the Kremlin, who are exceedingly cautious and who are no adventurers, if they think that they can win a nuclear war, the danger grows. We must not help them think they can win.

"America suffers from a second neurosis—our myth of overconfidence. For too long we have neglected our nuclear defense. Today, if war comes, we are no match for the Soviets, in either quantity or quality of weapons. Our deficit is decisive and it can be measured in years.

"President Reagan is the first U.S. leader who has had the guts to tell his people this sad and terrible fact. That we are second best. We may be 10 years behind, we may be as much as 15 years behind, or we may be only six years behind. But we are decisively behind. I have spent half my life in defense work and of this fact I am 'reasonalby certain.' Of another fact, I have no fear of being contradicted. The Russians are 'tremendously ahead' of us in civil defense. And civil defense is very important.

"Civil defense may not win a nuclear war, but it can help assure that we will survive as a people. But since we have done next to nothing about civil defense, our survivability is not assured. For years, I have urged our defense community to at least share with Americans the tremendous gains the Russians have made in civil defense, but we tend to keep Soviet secrets better than American secrets."

Dr. Teller is infuriated by what he terms (in rising tones) "the physicians of peace," because he thinks "they are misusing their right of free speech. We live in a democracy and I do not say that we should take away their right of free speech. That is the priceless heritage of our way of life. But what they are recommending may destroy our way of life. People cannot be expected to sacrifice for defense unless they are told of the danger and the people have not been told. Not until President Reagan had the courage. We are in danger, and the danger grows each month. The Pentagon is worried, and it has every reason to be worried.

"Of course, all physicians must have a sense of social responsibility. It is the civic duty of every physician—and every citizen—to try to avert war, especially nuclear war. But for a small group of doctors to assert that only they are 'responsible' seems to me a little presumptuous. We all want to avert war. But do the actions of this group of doctors make nuclear war less likely or more? I say more.

"The people of peace say that a nuclear holocaust will mean the end of mankind, and that both the U.S. and Russia have stockpiled enough nuclear weapons to destroy each other two times or 20 times over. Overkill.

"These two beliefs are not true. First, as the National Academy of Sciences pointed out in 1975, a nuclear exchange would inflict heavy damage only on the belligerent nations. The neutral nations would suffer much less harm.

"More importantly," he emphasizes, "there are possible scenarios in which the Soviet Union can 'win' a nuclear war. Indeed, if the Soviet advantage becomes great enough, it may be that America will have to completely surrender.

"Today, we have absolutely no defense against a Soviet first strike. That first strike would do terrible damage to our cities and would kill outright 60 percent of our population, or 130 or 140 million Americans. Because we have done next to nothing on civil defense, the damage would be extremely grave. We have done nothing about civil defense because for years we have had a MAD policy. That means Mutual Assured Destruction. You hit us and we hit you. But its not certain that we could retaliate and destroy the Soviets.

"For years," Dr. Teller continues, "the Soviets have been working on civil defense and they could evacuate much of their population before a first strike. Our retaliation might cripple their industrial centers, but would destroy no more than 10 percent of their population, which is 20 million, less than Russia lost in World War II. And, every month, the Russians are working on ways to destroy our retaliatory ability and to intercept our missiles. They have methods, like laser, that potentially can prevent our retaliatory strike, but whether or not they have perfected these methods, I do not know.

"This I know. As long as the Soviets can work their will through peaceful means, they will not start a nuclear war. They are cautious people, and they know that time is on their side. I will not say that they are warlike, but they are expansionist, and war and expansionism have a lot in common. As long as we keep feeding babies to the Russian wolves, they will not attack. But I hardly think that feeding babies to wolves is the best way to protect yourself against the wolves.

"Let's say that the recent volcanic upheaval in Mexico lowers worldwide temperatures over the next few years and that this causes the Russian harvests to be even worse than usual. They need to feed their people, and let's say that they go after the oil in the Persian Gulf. With oil, they can feed their people. Now, my dovish friends listen to this scenario and say, 'But, aha, seizing the Persian Gulf would mean war. The U.S. would have to draw the line!' I ask them:

" 'With what do we draw the line?'

"The sad and terrible fact is that the Soviets could wipe us out with one strike—assuming we do not surrender when the missiles start flying—and lose no more than 10 percent of their population. They would have enough nuclear weapons left over to blackmail the rest of the world to replace their machinery, their manpower, and their food. The result would be assured Soviet domination of the world.

"The Soviets today are not sure that they can do this. But for every month that we remain ill with the neurosis that a 'nuclear war is unthinkable,' the danger grows and the situation becomes more possible for the Soviets to be strongly tempted. We must rebuild our strength so that the period of time in which the Soviets will hesitate is extended permanently. We need a policy of Mutual Assured Survival.

"Physicians who try to scare people about nuclear war are right in trying to prevent war, but they are wrong in trying to disarm the U.S. as the means of preventing war. In the 1930s, do not forget, it was the Depression that brought Hitler to power in Germany. The anti-war groups in Britain, France, and the U.S. thought that they would prevent a repeat of World War I, but instead they helped bring Hitler to power and helped encourage the Germans to launch an even greater slaughter in World War II against what he saw as spineless opponents. I do not want history to repeat itself."

The Hungarian-born Teller was studying at Germany's Leipzig U. in 1930 when Hitler came to power. He left and, after stops in Denmark and England, settled in the United States in 1935. He was naturalized in 1941 and during the next 11 years helped develop the atomic and hydrogen bombs. He recalls:

"From the age of six or eight, I thought that my future would be in mathematics. But as a college student, there was great excitement about atomic fission and I became a theoretical physicist. When I came to America, my friends were all urging me to put my talents into weapons research. I held back.

"I decided when Hitler invaded Belgium and Holland. At that time, I heard President Franklin D. Roosevelt give a speech in which one of his phrases seemed aimed directly at me. Roosevelt said, 'If our best minds and our best scientists will not work on defense and on weapons, then freedom will be lost.' My mind was made up.

"I think the same situation is true today. Because America dropped the A-bomb first, because of the Vietnam War, and because of the reaction against the Vietnam War, our best scientists have turned away from military work. This fact has not escaped the Russians.

"In America, physicians and other groups can publicly urge our nation to disarm. But there are no such groups in Russia, a totalitarian nation. Recently, 11 Russians demonstrated in Red Square in support of the nuclear freeze. They have disappeared into the Gulag Archipelago. In Russia, the physicians do not group together to pressure their nation into disarming.

"In America, physicians can perform a great public service by taking the lead in building a national civil defense. Only physicians can educate people about radiation and about what can be done in the event of a nuclear strike. So far, this nation has done nothing but designate areas of evacuation, and—if Congress does not give FEMA the money it needs—little more will be done. Without civil defense, the survivability of America is not assured.

"Our 'nuclearphobia' affects medicine directly. Since 1945, the number of people killed by radiation can be counted in the dozens; the number killed because of lack of radiation diagnosis and treatment in, say, cancer, can be counted in the hundreds of thousands and maybe the millions. This is an example of how misinformation about radiation can scare. People are scared to use something that can save their lives.

"More importantly, physicians can act and counteract the misinformation. If the antinuclear forces hold back nuclear energy, we will become 'dangerously dependent' upon oil from areas like the Persian Gulf. If America is not cured of its neurosis that a nuclear war is 'unthinkable,' then a nuclear war is 'fairly probable.' If the peaceniks succeed in freezing American arms, then a nuclear war is a 'practical certainty.'"

Dr. Teller has been holding forth for two hours, expressing views he has held for two generations. It is time to meet his son. "I am forever described," he notes, "as the father of the H-bomb. I would much prefer to be known as the father of two wonderful children."

He thunders, "I do not know that the nuclear war will come. It may have started before you leave this building. It may come in 1990, or 2000, or (with a smile) 1984. If we are wise, it may not come at all.

"Am I pessimistic? No. I believe it is a duty to be optimistic. An optimist believes that the future is uncertain, and he acts accordingly. I am optimistic enough to talk to you. I am optimistic enough to believe that you will write a story accurately and persuasively. I am even enough of a crazy optimist (his voice now dramatically rising) to believe that physicians and others will read this story, and perhaps, take action. If physicians participate in civil defense, the Russians will know that we mean business. We must avoid a tragic scenario similar to the 1930s. The nuclear age cannot survive another Hitler."

The tale of doom and gloom told, the aging scientist is about to disappear into the quiet of a Sunday afternoon. But first, the final warning:

"To prevent a nuclear war, we must think."

● Mr. MARTIN of North Carolina. Mr. Speaker, I support adoption of the rule, House Resolution 538, making in order consideration of the nuclear freeze resolution, House Joint Resolution 521.

Let me say that the hundreds of thousands of Americans who have participated in the popular movement advocating an immediate freeze have given a useful service to their Nation and to the cause of peace. They have focused the spotlight on a major issue that otherwise faced dim neglect. They may well deserve credit for emboldening President Reagan to seize an important, thoughtful initiative to break the decade of stalemate in nuclear control talks. They have energized the commitment of a far broader spectrum of political philosophy than earlier antinuclear advocacies that could muster mostly those so pacifist as to disdain any insistence on verification and to accept even unilateral disarmament as preferable to freedom. No, today's movement is determined that any control must be bilateral and subject to reliable verification. The leftist fringes are providing neither the grassroots leadership nor the bulk of the movement.

This movement deserves credit, and it deserves to be listened to. Many of its new leaders, in fact, accept the argument that it is better to have the President of the United States now actively pursuing negotiated reductions of nuclear arms with the Soviet Union than it would be to reject his proposals (before the Soviets do, even), for that would smash the Geneva talks and pull the table away from his negotiators. They have no sympathy with their allies on the fringes whose object is to deny Ronald Reagan any share of credit for advancing the cause of reduced nuclear forces. Even as they sincerely contend that an immediate freeze is the better strategy, they just as sincerely want to encourage the President to a stronger, even more aggressive role in achieving restraint and reversal over the nuclear arms race. They prefer a different tactic, but they do not want to undermine the lead of the only President we've got; the only American authorized to negotiate with the Russians.

So I support this rule. It makes in order one resolution that will be interpreted as rejecting the President's proposals, which not even the Soviets have yet rejected. It also makes in order our substitute, which endorses President Reagans initiative for strategic arms reduction talks, as a START, and encourages him and the Soviet negotiators in Geneva to pursue reduced and balanced levels of these weapons in a way that leaves neither side vulnerable to a strike by the other.●

Mr. HALL of Ohio. Mr. Speaker, this is an extremely fair rule. It provides a form of discussion on probably one of the most important issues we are going to discuss this year.

I have no further requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6214, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1983

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 519 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 519

Resolved, That upon the adoption of this resolution it shall be in order, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6214) to authorize certain construction at military installations for fiscal year 1983, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections, and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 6214, it shall be in order to move to take from the Speaker's table the bill S. 2586 and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 6214 as passed by the House.

□ 1310

The SPEAKER. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 519 is an open rule providing for the consideration of H.R. 6214, the Military Construction Authorization Act for fiscal 1983.

The rule provides for 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

In order to expedite consideration of H.R. 6214, the rule provides that the bill shall be read for amendment under the 5-minute rule by titles instead of sections, with each title considered as read. The rule also provides for one motion to recommit.

It should be noted that the rule waives a point of order against the bill under section 402(a) of the Congressional Budget Act. Section 402(a) provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year.

Section 606 of the bill contains various authorizations for fiscal year 1982. Since the bill was not reported by May 15, 1981, it would be subject to a point of order under section 402(a) of the Budget Act.

It is the understanding of the House Budget Committee that the Armed Services Committee intends to offer a floor amendment making section 606 first effective in fiscal year 1983, thereby curing the the existing Budget Act problem. Accordingly the Budget Committee supports this technical waiver of section 402(a) of the Budget Act.

The rule further waives all points of order against the bill for failure to comply with the provisions of clause 5 of rule XXI. Clause 5 of rule XXI prohibits appropriations in a legislative bill. This waiver is necessary because certain sections of the bill contain provisions which might be considered to involve appropriations. For example, section 803 provides that the secretary of each military department shall procure energy systems using solar energy or other renewable forms of energy if the procurement is possible and will be cost effective, reliable, and otherwise suited to supplying the energy needs of the military department. This procurement directive could be interpreted to involve appropriations.

After the passage of H.R. 6214 the rule makes it in order to take from the Speaker's table the bill S. 2586. It shall then be in order in the House to move to strike out all after the enacting clause of S. 2586 and to insert the provisions contained in H.R. 6214 as passed by the House.

Mr. Speaker, H.R. 6214 authorizes about $7.5 billion for construction activities at military facilities both in the United States and overseas. This amount is $355 million below the administration request.

I am especially pleased that the committee has authorized over $33.6 million for Wright-Patterson Air Force Base, including $20.6 million for the materials laboratory. The new materials laboratory will be used for testing nonmetallic substances used in aviation. The facility will include 68 laboratory areas in a complex of 87,196 square feet.

Also included in this legislation with respect to Wright-Patterson are $9.5 million for a new air freight terminal, $2.08 million for alteration of the Foreign Technology Division computer facility, $790,000 for an energy conservation investment program, and $700,000 for a new refueling vehicle shop.

The bill also contains $810,000 for the Defense Electronics Supply Center at Kettering, Ohio. Included in this is $440,000 for alteration of the automated data processing center and $370,000 for a coal storage pad.

In addition, section 307 of the bill permits the use of $395,000 in foreign military sales surcharge funds to renovate the former base commissary building to serve as the new headquarters for the Foreign Military Sales Center. The center currently is housed in a condemned two-story, 36-year-old building at Wright-Patterson Air Force Base. The present building is considered to be structurally unsound and the Air Force terms it "a serious hazard to life and property."

I commend the committee for including the funds I have mentioned with respect to Wright-Patterson Air Force Base and the Defense Electronics Supply Center. The committee has been most attentive to these projects which will serve the national interest and benefit the people of the Third Congressional District of Ohio.

Mr. Speaker, passage of H.R. 6214 is necessary before appropriations can be provided to finance the construction activities of the military departments and defense agencies during fiscal year 1983, I am not aware of any opposition to the rule on H.R. 6214, and I would urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we all know that this military construction bill is absolutely necessary. There is no objection to the rule. I support it.

Mr. Speaker, I urge adoption of the rule, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution (H.J. Res. 521) which the House is about to consider.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CALLING FOR A MUTUAL AND VERIFIABLE FREEZE ON AND REDUCTIONS IN NUCLEAR WEAPONS AND FOR APPROVAL OF THE SALT II AGREEMENT

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 521) calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motions was agreed to.

The SPEAKER. The Chair designates the gentleman from New York (Mr. MCHUGH) as Chairman of the Committee of the Whole and requests the gentleman from California (Mr. MILLER) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 521) with Mr. MILLER of California, Chairman pro tempore, in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the joint resolution is dispensed with.

Under the rule, the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 1½ hours, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of House Joint Resolution 521, calling for a mutual and verifiable freeze on and reductions in nuclear weapons.

House Joint Resolution 521 represents a comprehensive effort to mandate the objectives for the conduct of the START negotiations. It is one of the most critical pieces of legislation with which the Congress will deal this session.

The Committee on Foreign Affairs did an effective job in establishing a sensible, coherent, and meaningful strategy for U.S. negotiations at the START talks. Following extensive hearings and an extended markup, the resolution was reported out of the Committee on Foreign Affairs favorably by a vote of 28 to 8, with bipartisan majorities.

The two main elements of House Joint Resolution 521 involve a mutual and verifiable freeze and an expression on the SALT II issue. Both those issues were thoroughly debated in the committee. The strong 28-to-8 bipartisan vote by which the resolution was reported out speaks for itself.

Mr. Chairman, since the June 23 committee markup, it has become increasingly clear, at least to me, that a majority of this body had some concern with the resolution's language in section 2 dealing with SALT.

Accordingly, at an appropriate time I will offer an amendment to revise the resolution's SALT II provision. Doing so, I believe House Joint Resolution 521 will be in compliance with the majority position held in the House.

As reported by the Foreign Affairs Committee, calling for approval of SALT II, would, in my opinion, give the United States important advan-

tages and benefits that mere observance of the treaty does not.

Formalizing SALT II, for example, would require actual reductions of at least 250 Soviet nuclear force systems, without any corresponding U.S. reductions. Without SALT II, the trends in Soviet nuclear weapons power, so disturbing to all of us, will in fact be aggravated, not alleviated. The committee's intent by seeking approval of SALT II was to codify an agreement to which President Reagan has said he continues to adhere.

Therefore, Mr. Chairman, my amendment striking the language seeking approval of SALT II by amending section 2 expressing continued adherence to SALT II should meet all of the objections of some of the Members.

Over the past several weeks a great deal pro and con has been said about this legislation. That is as it should be. I think it is a very important piece of legislation. We should have thorough study and concern on a vital question like this. In the process of that intense debate, however, a regrettable misapprehension has arisen.

Like all of you, I have received letters from the American veterans' organizations and other groups expressing concern over House Joint Resolution 521. Erroneously, they contend that the measure would allow the Soviet advantage to be frozen in and that verification of a freeze is impossible.

□ 1320

Those same letters, however, recognize that there are too many nuclear weapons in the world and that drastic reductions are needed to insure world peace.

Let me say clearly and emphatically that I understand and share those concerns. They were the same concerns in fact which led me and the Foreign Affairs Committee to craft House Joint Resolution 521.

There are also a number of people who have become frozen by the word "freeze." In the minds of some, the word has assumed a distorted connotation.

In the extreme it is suggested that House Joint Resolution 521 will allegedly undermine U.S. national security and that it is supposedly going to result in our unilateral disarmament.

Nothing, absolutely nothing, could be further from the truth.

My support and encouragement for a strong national defense is second to none. My record speaks for itself.

I would not be the sponsor of House Joint Resolution 521 if for one moment I believed it would damage U.S. security interests.

Let there be no doubt or question. This legislation is totally supportive of the best national security interests of the United States. As a result of my own amendments in committee, the measure says any freeze must be mutual and verifiable. In other words, there will be no freeze if it is not mutual, there will be no freeze if it is not verifiable.

Moreover, because negotiations for a freeze would be conducted within the START framework, this resolution is most definitely not unilateral disarmament.

Like President Carter before him, I know that President Reagan will not conclude a nuclear arms control agreement which does not protect the national security interests of the American people. The fact of the matter, however, is that we are here today on instructions from the American people. The grassroots have spoken. They want to see this nuclear buildup stopped. This resolution will do that. And we can do no less.

I do not think we should support a facade, a resolution that does not do anything. This resolution gives instructions, gives our views, assists our President in the negotiations. In the minds of the people it is clear that there are far too many nuclear weapons in the world today. In their mind it is clear that the genie must begin to be put back in the bottle if we are ever to have true security.

And this should be our goal.

House Joint Resolution 521 is the answer to those people who say enough is enough. It is a responsible answer to those who also say, as I do, that we cannot trust the Soviets. it is a balanced answer to a world tired of the threat of nuclear annihilation.

And if I did not firmly believe that, I would not be standing here today urging adoption of House Joint Resolution 521.

House Joint Resolution 521 deserves the strong support of the Congress. It has 183 cosponsors, more than any other similar resolutions in the House. It is not a partisan bill. As evidenced by the committee vote, a majority of both Democrats and Republicans support House Joint Resolution 521. And it has a bipartisan support of sponsors.

Let me just very briefly, Mr. Chairman, list the differences between House Joint Resolution 521 and the Broomfield substitute.

House Joint Resolution 521 calls for a freeze first with reductions to go in tandem, and certainly to follow as soon as possible. The Broomfield substitute would reduce and only freeze afterwards.

House Joint Resolution 521 calls for continued adherence to SALT II so long as the Soviets do likewise. This reaffirms the President's intention to formally adhere to the provisions of SALT II because it is in our national security interests to do so.

The Broomfield substitute is silent, very silent on this important issue.

House Joint Resolution 521 permits the procurement of new weapons to preserve and maintain a United States deterrence while contributing to nuclear reductions.

The Broomfield substitute implies that we are in a position of strategic inferiority, and that we should engage in an excessive and costly arms race while seeking reductions.

House Joint Resolution 521 preserves the proper role of the Congress on national security issues.

We have this responsibility. We should not back away from what is our duty. We were elected for that very purpose.

The Broomfield substitute gives the President a blank check. In effect, the Broomfield resolution abdicates our true authority and responsibility.

In conclusion, Mr. Chairman, let me emphasize that Congress cannot take a passive role in arms control. Since Congress will be asked to approve the final product of START, we have a responsibility to contribute to the formulation and development of that final product.

House Joint Resolution 521 is the best means to achieve meaningful congressional oversight over U.S. arms control policy.

Therefore, I urge the support of my colleagues for a meaningful resolution, and I urge the passage of House Resolution 521 by the House.

Mr. BROOMFIELD. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, I rise in strong opposition to House Joint Resolution 521 as reported from the Committee on Foreign Affairs.

Very simply, Mr. Chairman, it is dangerous to the national security of the United States.

It undercuts the President and cripples our negotiators in Geneva.

It seeks to resurrect the discredited SALT II Treaty.

It violates the laws of the United States.

It concedes substantial weapons advantages to the Soviets and locks our NATO allies in an inferior strategic position.

And, it removes the incentive for further reductions in nuclear stockpiles—the only real hope for preventing the destruction of mankind.

After general debate, I will offer a bipartisan substitute which has been cosponsored by more than 160 Members of this body and which corrects the flaws of House Joint Resolution 521 and supports the administration's policy of actually reducing nuclear weapons levels.

It has the full support of the President who said in a letter to every Member of the House:

The (Broomfield-Carney-Stratton resolution) will make clear to the Soviets that the American people are united in seeking substantial reductions to equal and verifiable levels in the arsenals of both sides, and re-

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ducing the risk of war by accident or miscalculation. I strongly support the resolution.

The American Legion, the Veterans of Foreign Wars, and many other national organizations are also opposed to House Joint Resolution 521.

E. Philip Riggin, director of the American Legion's National Legislative Commission, said the following:

H.J. Res. 521 is clearly an undesirable approach to nuclear arms control legislation for several reasons. If a nuclear freeze were imposed as the first step in START negotiations, all incentives for the Soviets to negotiate a mutual, equitable, and verifiable reduction would be removed. . . . We firmly believe that H.J. Res. 538 (the Broomfield-Carney-Stratton substitute) would enhance the position of the United States during START negotiations and would create an incentive for negotiations on the part of the Soviets.

The resolution before us is especially ill-timed, coming so soon after the opening of the strategic arms reduction talks in Geneva. Its passage would undercut our chief negotiator, Gen. Edward L. Rowny, at the very moment he should be receiving our support and encouragement.

It simply ignores the Soviet monopoly on large, multiple-warhead ICBM's. That monopoly poses a threat to our strategic deterrent and to the nuclear balance which has prevented world war and nuclear attack for 30 years.

The START talks are deadly serious negotiations which bear on the survival of mankind. The political mischief implicit in the resolution before us detracts from that purpose.

In a letter to General Rowny as the general departed for Geneva, the President said:

The proposals you take to Geneva represent a practical, phased plan which will protect the legitimate security interests of both sides. It is designed to enhance deterrence and to achieve stability by reducing nuclear forces on both sides to equal levels in a verifiable manner. Its provisions significantly reduce the forces of both the Soviet Union and the United States and, therefore, contain benefits for both sides, as well as for the rest of the world.

The President's START proposals look forward to a time when the awesome nuclear arsenals of the superpowers are actually reduced, lowering the nuclear anxiety that has become a feature of public concern throughout the world.

The resolution before us looks backward.

It seeks to turn the clock back and reopen the debate over the fatally flawed SALT II Treaty which President Carter could not get through a Democrat-controlled Senate.

SALT II was discarded because it could not be verified, because it locked in Soviet nuclear superiority, and because it actually permitted nuclear force expansion.

SALT II was rejected by a Democrat-controlled Senate in 1977, and it has not improved with age.

In fact, there is considerable evidence that while the United States has adhered to the treaty in principle, the Soviets have violated major provisions and effectively undercut SALT II.

Mr. Chairman, all of us are striving desperately for a way to end the nightmare of mankind's ultimate destruction by terrible miscalculation or accident.

But in our haste to erase that frightening possibility, we must be careful our actions do not increase the odds of it happening.

History shows the weaker we became, the less likely the Soviets are to negotiate, and the more likely they are to press their advantage.

Others have foreseen the dangers in U.S. nuclear inferiority and attempted to write guarantees against such vulnerability into law.

Public Law 92-448, authored by Senator HENRY JACKSON, states that the United States must not enter into any arms agreement which provides for force levels inferior to those of the Soviet Union and its allies.

That is precisely what the resolution before us would have us do.

The committee bill accepts the enormous and growing Soviet lead in both intermediate and intercontinental range, ground-based ballistic missiles—the key element in the nuclear standoff we have maintained for decades with the Soviets.

It ignores increasing improvements in Soviet manned bombers at the expense of our ability to modernize our manned bomber fleet. It locks NATO into a position of inferiority in Europe where 300 Soviet intermediate-range missiles are already aimed at Western Europe. NATO forces have no comparable weapon and will never have one under the terms of House Joint Resolution 521.

Eugene Rostow, the Director of the U.S. Arms Control Agency, views this as one of the most critical flaws in the committee resolution.

In a letter I received Tuesday, Director Rostow said:

To freeze that critically important Soviet advantage would eliminate any possible incentive for the Soviets to accept the principles we are seeking to vindicate—that of nuclear arms for deterrence only, and that of equality at sharply reduced levels of force.

It is far better to negotiate for an equal, stable balance at greatly reduced levels than to freeze the nuclear status quo and hope for a miracle later.

The committee bill is clearly grounded in a belief in miracles and a trust in the Soviets that is unsupported by past experience or commonsense.

The Soviet track record in exercising restraint when it has an advantage or in abiding by international agreements has been nothing to brag about.

Not only have the Soviets failed to comply with the spirit of SALT II, there is considerable evidence of widespread Soviet violations of SALT I which they signed in 1972.

In the aftermath of the Soviet invasion of Afghanistan, its role in the suppression of Poland, and its complicity in the chemical and biological atrocities visited on the innocent people of Southeast Asia, what reason is there to believe a new treaty would be honored any more carefully by the Soviets?

The bipartisan substitute I will offer insists that any arms control agreement with the Soviets be based on equality and that it be verifiable. Our national security cannot be allowed to turn on the fragile thread of trust in the Soviets alone.

In a world armed to the teeth, arms control is a matter of gravest national security. Before you vote, ask yourself whether the committee resolution or our substitute will really enhance the prospects for arms reductions?

Will approval of the freeze and rejection of the President's START policy advance the cause of nuclear arms reductions?

Is the Soviet Union likely to sit down and negotiate seriously in Geneva with an administration whose position has been repudiated by Congress?

Do we want the Soviets to think they should hold out for a better deal from the U.S. Congress?

Will the Soviets be eager to negotiate actual reductions in the levels of armaments if we agree to freeze their current advantage?

Mr. Chairman, House Joint Resolution 521 may be good politics for some, but it is bad arms control policy for the peace-loving people of the world and for the national security of the United States.

I urge you to defeat the committee bill and approve the Broomfield-Carney-Stratton substitute.

□ 1330

Mr. Chairman, I want everyone to carefully listen to this debate, because I think it is going to be one of the most important issues you will vote on this year.

Mr. ZABLOCKI. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, first of all, I would like to express my thanks and appreciation to the chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI) for his full support of this resolution and his total cooperation and fairness, as always, in the conduct of Foreign Affairs Committee business.

I was delighted that after adopting various amendments, the Foreign Affairs Committee was able to report out a resolution with such overwhelming support from both sides of the aisle.

I would also like to pay tribute to the two gentlemen from Massachusetts (Mr. CONTE and Mr. MARKEY) for their leadership in the nuclear freeze movement, giving concrete form to the aspirations of many millions of Americans around the country who have realized in this last year and a half that they do not want to continue the arms race indefinitely, that they are opposed to the insanity of more and more nuclear weapons, more and more overkill, and that they want a nuclear freeze.

Now, I would like to address several questions. One of them may seem obvious: Is it important to stop the nuclear arms race?

Indoubtedly, the great majority of people will say that it is. Nevertheless, let us look at the question briefly.

First of all, consider the waste involved in the nuclear arms race. One side builds new and more sophisticated weapons, the other responds and more and more resources are diverted from the needs of the people on both sides. It is particularly hurting us today here at home in the United States. But the greatest danger of the nuclear arms race and the most important reason for bringing it to an end is that every step toward more sophisticated weapons, toward shorter warning times, increases the risk that war could happen by accident.

□ 1340

As weapons accuracy increases and as warning times shorten both nations may well feel forced to adopt a launch-on-warning strategy.

We know of many recent cases where the computers were in error, where instruments were misleading. In three cases, the error went undetected for several minutes. If launch-on-warning goes into effect, the corrected information may well come in too late. Once the retaliatory missiles are launched on their way, there can be no calling them back.

My second question is: Will the Reagan administration's policies as given shape in the Broomfield substitute stop the arms race? Surely the President is to be commended for getting START talks underway and for his call for reductions in nuclear missiles.

So far so good; but the President does not even claim that his approach will stop the buildup of nuclear weapons and the deployment of new types of weapons in the coming months and the coming years for, while the START talks are proceeding—and it is clear that they are going to take years to get anywhere, just as the SALT II talks did—the President is calling for a huge buildup of nuclear weapons, and 17,000 more nuclear warheads.

The administration is worrying about whether there is even going to be enough plutonium to make those warheads. This administration is calling for production and deployment of the MX missile, the Trident II, cruise missiles, the B-1 and Stealth bombers. Is this how you stop the arms race, by stepping up the pace on our side?

Mr. President, if we produce and deploy these new and more dangerous weapons, you know the Soviets are not going to stand still. They are bound to respond with new and more dangerous systems of their own.

We will then see these as intolerable threats and will ourselves, once again, respond. And so the pileup will continue and our security will be less, not greater.

This Reagan policy is what the substitute offered by our good friend, the gentleman from Ohio (Mr. BROOMFIELD) supports. His resolution says some of the right things; it even uses the term "freeze," but the fact is that it is based on the Reagan premise that the United States must build up its nuclear armaments before any reductions or any freeze can take place.

My third question: Will a mutual and verifiable freeze stop the arms race? The answer is yes, it will, if it can be successfully negotiated. It will. By definition it will.

The beauty of the freeze idea, which came from the grassroots of Middle America, was its commonsense, its simplicity. The way to stop the arms race is to stop it.

Now, we know that while the idea is simple, to arrive at such a freeze would not be simple. That is why the key paragraph of our resolution is worded in such a flexible way.

Under the resolution, the START talks should have the objective that the United States and the U.S.S.R. should decide, and I quote, "When and how to achieve a mutual, verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems."

Let me emphasize this language states the objective, the goal; it does not purport to specify how or when that objective is to be achieved. That is why it can be simple.

My fourth question is: Would a freeze lock the United States into a position of inferiority vis-a-vis the Russians? The answer is no.

Last April at a press conference the President rather unexpectedly said that the Soviets have a definite margin of superiority. That statement was promptly criticized by many in the President's own party and it was effectively fudged by people in the President's own administration.

For example, Richard Burt said, and I quote:

> What the President actually said was that the Soviets have the momentum and we are worried about the trends.

If you study the figures, it is clear the Soviets are ahead in some areas; we are ahead in others. The result is rough equivalence.

Senator JACKSON put it this way:

> In the aggregate we have the capability now of deterring the Soviets. The qualitative advantages that we have in our bomber force and our submarine force balance Soviet advantages in heavy missiles.

There are many other experts who agree that a rough equivalence exists, including Herbert Scoville, Gen. Lew Allen, Harold Brown, and James Schlesinger.

No leading officer in the U.S. Armed Forces will tell you that he will trade the weapons in his service for those at the command of the Soviet Union.

Now, if you look at what the Soviets have in or near the production stage, it becomes clear that the trends Mr. Burt was talking about are indeed a matter of concern for at least a decade to come. These adverse trends could be stopped cold by a freeze. In other words, the effect of the freeze on the Soviets would be greater in the short run than it would be on us.

Yet many Soviet officials from Brezhnev on down have suggested that the Soviets would be in favor of a freeze. If they mean it, fine. If they do not, let us at least call their bluff.

I circulated just yesterday to all the Members a "Dear Colleague" letter which I hope they will look at. That letter has information in it giving substance of what Richard Burt was talking about. Even if the Reagan administration arms proposals go through, the U.S. relative position, relative to the Soviets, is going to deteriorate in the next 10 years in terms of weapons, particularly in terms of time-urgent hard target kill potential.

So the time for a freeze is now.

A fifth question: Would a nuclear freeze be verifiable? The short answer to that is that a comprehensive nuclear freeze such as what we are talking about would not only be verifiable, but that the obstacles to verification would be less than for any selective controls or reductions.

The same verification problems that arise under a freeze would arise under any arms control proposal, and the committee resolution before us makes clear that if it cannot be verified then it will not be frozen.

Mr. Chairman, the nuclear freeze is a safe and sensible arms control proposal and I strongly urge its adoption by the House.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. STRATTON) a cosponsor of this resolution.

Mr. STRATTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise, obviously, to oppose the resolution being offered from the Foreign Affairs Committee and to support what I regard as the more sensible, reasonable, and sup-

portable Broomfield-Carney-Stratton substitute.

I was encouraged on yesterday when one of the outstanding liberal journals in the United States, a journal that not always supports the position that I take on things, came out with an editorial. I am speaking, of course, of our own beloved Washington Post. It had an editorial entitled "Cooling the Freeze." The Post editorialist—and I do not know which one they have, but they have improved a little bit with this one—pointed out that the freeze was, of course, obsolete. It was OK when it got started but times have passed it by now. We have two major arms reduction negotiations already going on in Geneva. So there is no point in beating a dead horse.

The editorial pointed out, for example, and let me quote the Post because I think this is important for my liberal friends who usually take their initiative from what the Post recommends:

> The Soviets now lead in the crucial category of first-strike or counter-force weapons, land-based missiles whose high accuracy and power threaten the other side's similar forces. A freeze, which would hobble plans to make these missiles less vulnerable, would thus increase instability and make war more possible.

□ 1350

If you want to make war more possible, support the Zablocki resolution.

They also pointed out:

> Moreover, with due respect for the difficulty of negotiating anything with Moscow, it is practically inconceivable that adequate verification could be negotiated for the House resolution. It calls for freezing not just deployment but also the testing and even the production of warheads, missiles and other delivery systems.

I will say to my good friend from New York (Mr. BINGHAM), who has just assured us that that verifiability is possible, that the Washington Post says is, "That's too ambitious."

So this Zablocki resolution is not a workable resolution. Instead this House ought to be supporting the President of the United States. People hae been talking about our failure to negotiate with the Soviets. People have been talking about no arms control initiatives. But lets open our eyes: We have two initiatives underway today; in Geneva, the intermediate nuclear force negotiations, which, incidentally, if the Zablocki freeze resolution went in would be wiped out completely. And we also have the START negotiations, which call for sweeping arms reductions on both sides.

I think it is time for us to get back to the old idea of a bipartisan foreign policy. Politics should stop at the waters edge. What is going to happen if the House of Representatives today votes for Zablocki and repudiates the President of the United States and his two Geneva negotiations? Mr. Rowny will be told by his Soviet counterpart, "There is no point in talking seriously, Ed. Your own Congress is not even behind you."

Surely we do not want that to happen. Let us support the President. Lets as restore the old idea of a bipartisian foreign policy. After all, it is an old Democratic custom which we have allowed to slip away in rancorous partisan debate. Franklin Roosevelt had Henry Stasson and Frank Knox. Harry Truman had the magnificent support of Senator Arthur Vandenberg and Christian Herter. And Dwight Eisenhower had constant support from a Congress led by two outstanding Texans, Sam Rayburn and Lyndon Johnson.

Let us get behind our President as he takes on the Soviets in Geneva. He needs every expression of solid support he can get from the American Congress. Let us vote down the captious, contentious, narrowly partisan Zablocki resolution.

Mr. ZABLOCKI. Mr. Chairman, I yield 6 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, today we have come to a most important crossroad in our attempt to stop the relentless move toward nuclear annihilation.

The American people, in a steadily growing movement to break the stalemate of nuclear terror which hangs over this globe, have begun to take matters into their own hands. The nuclear buildup buzzwords, such as "superiority," "war-fighting," "nuclear blackmail," "preemptive strike," "zero option," "counterforce," and so on—and on—and on, no longer have meaning. The constant bombardment in reds and blues on bar charts, pie graphs, histograms and matrices, to show one side or the other as No. 1, no longer impresses our citizens. Americans by the millions are coming to realize that nuclear weapons serve no useful national security purpose except as a deterrence, which if breached, either by accident or miscalculation, will ultimately lead to mutual suicide.

So, Mr. Chairman, we have before us today House Joint Resolution 521, which incorporates the mandate of these growing millions to get on with meaningful arms limitation and reduction and at the same time to stop—I say again, stop—the endless nuclear buildup between the Soviet Union and the United States.

These citizens who are joining the movement are not just a few utopians who want to attain some sublime existence away from the realities of the world. On the contrary, they are blue- and white-collar workers, doctors, civic leaders, lawyers, and business men and women, many of whom do not trust the Soviet Union, abhor repression, and believe in a strong national defense.

Why then have they joined this movement? Because they are panicked—no. Because they are faint-hearted—no. Because they believe "better red than dead"—no. The reason they are part of this movement is because they have gone over and over in their minds about how a nuclear war will play out and the conclusion is always the same—the end of civilization. This is a sobering prospect and one which requires positive action to prevent.

At present, positive action is still in the wings. The SALT process was considered "fatally flawed" in the other body and thus was laid to rest. Years of step-by-step negotiations aimed at eventually harnessing the rampant buildup of nuclear weapons were put into limbo.

The President strongly desires to get a process moving again. He is well aware of the dangers and consequences of nuclear war and should be applauded for his initiatives toward arms reductions. But his approach is embodied in a further buildup and is spelled out today in the antifreeze, Broomfield amendment.

I am not here to resurrect the SALT process, although that may have merit, but I am here to point out that nuclear arms reduction in the past has been impossible. Reduction in the future will only be possible if both sides make meaningful moves that engender trust and confidence. It is here that we will get into the "twilight zone" of nuclear supergobbledygook. The Broomfield substitute, or House Joint Resolution 538 is dubbed a "freeze resolution"—but a freeze which is to take place after the further buildup that Zablocki is attempting to halt. The opponents of 521 are stating that Zablocki will freeze an inferiority for the United States in nuclear weapons. Yet, it is difficult, if not impossible, to find anyone in our Military Establishment who would switch our present capability for that of the Soviet Union. No military leader will state that we are inferior to the Soviet Union in our total strategic approach. When you consider the diversity and flexibility of our triad, the capabilities of our allies, the other challenges, such as China, facing the Soviet Union and the difficulties within the Soviet system, one might conclude that the Soviet Union is in the inferior position.

Opponents of Zablocki say it is a unilateral freeze and that it cannot be verified. The text of the resolution is specific. If it "ain't" mutual, and it "ain't" verifiable, it "ain't" a deal.

Simply put, we want the United States to make the offer to the Soviet Union to "freeze" right now. This resolution does not propose that we stop our nuclear defense effort until we get a solid agreement. It does not stop

other nonnuclear research efforts to improve our defenses. If we cannot get a mutual and verifiable "freeze," then we will have to try something else. But at least we should make the effort. If you believe, as I and these increasing number of Americans do, that neither we, nor they, need one more nuclear weapon to insure the destruction of the other's society, then you should consider voting for House Joint Resolution 521, the Zablocki resolution.

On the other hand, the Broomfield amendment is clearly opposed to a "freeze" no matter what language it employs. It is business as usual. We have nothing to lose by urging the President to offer a mutual freeze. If it works, it could pave the way to meaningful reductions which all of us want. I urge you to vote for House Joint Resolution 521—the Zablocki proposal.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. HYDE), who is one of the original cosponsors of the substitute amendment.

Mr. HYDE. Mr. Chairman, it comes as no great insight that we have had nuclear weapons since August 6, 1945, at least. It is curious that as we rouse ourselves from the sedative of détente and at long last start to rebuild our neglected military defenses, suddenly in a sunburst of insight, nuclear weapons and mushroom clouds become very relevant and we must freeze.

Well, you know, if you freeze first and then you want to negotiate reductions, there has to be some incentive to the Soviets to negotiate, and anybody who has studied negotiating with the Soviets understands that they have one purpose and we have another. We walk in there like Joe Corntassel, looking for an agreement. We think they really want to get something that will reduce tensions, whereas they approach the negotiations seeking to further the world revolution.

I suggest to the Members that if we freeze now, it is like freezing with Soviet hands around our throat. I would rather they put their hands down and back off and then freeze. I would rather spend our time negotiating reductions, and then when we reach an equilibrium, freeze, rather than freeze in an imbalance.

"Well," you will say, "who says there is an imbalance?"

I agree, there is one set of experts over here. There is retired Adm. Gene La Rocque, who has not had access to classified material in some time, and we know where he is coming from.

□ 1400

There is the "godmother of the freeze movement," Ms. Randall Forsberg, who spent 10 years associated with the Stockholm Institute for Peace Research. You know where Stockholm is. That is where that Soviet nuclear submarine surfaced by accident, much to the consternation of the Swedish people.

Well, you can accept those people; you can believe Physicians for Nuclear Responsibility and Women Strike for Peace, and they are great organizations, or you can accept the judgment of Eugene Rostow, who served in a Democratic administration, Gen. Edward Rowny, who spent a professional lifetime in this field, the entire Defense Department, the State Department, the CIA, General Williams, Director of the Defense Intelligence Agency, and the other experts.

I tell you what, for the sake of argument forget them. Let us listen to the Secretary of Defense under President Jimmy Carter, Harold Brown, who was supposed to be a "dove." Well, he testified on April 30, before the Senate Foreign Relations Committee, and he said:

> I have to add that I do not think that putting those proposals into effect would be very helpful to U.S. security. People, I think, are gravely concerned about the effects of a nuclear war, rightly so. We would be destroyed if there were a thermonuclear war by the weapons that now exist. Therefore, freezing that situation says, well, we will freeze the situation such that if there is a nuclear war we will be destroyed.
>
> So a freeze by itself is not enough. And I am afraid it has become something of a substitute for detailed consideration of what it is you want to do to reduce the chance of nuclear war and reduce the size of nuclear stockpiles.
>
> I think, therefore, that what is needed is not a statement of a freeze, because they all have bad flaws, in my judgment, but proceeding to detailed negotiations. . . .
>
> I would have grave problems, for example, with a situation that froze U.S. bomber and cruise missiles development but had no effect on Soviet air defense systems, because they are not nuclear. . . .
>
> I would have comparable problems with a freeze that prevented the United States from improving the survivability of its nuclear submarines, ballistic missile submarines, but allowed Soviet antisubmarine warfare to go ahead because it is not nuclear.
>
> When you add to that the verification problems, you can see that endorsement of a freeze can be a substitute for constructive action.

That is Harold Brown, the former Secretary of Defense under Mr. Carter.

You know it was ironic in 1962 when Khrushchev blinked over Cuba at President John Kennedy. That is because we had nuclear superiority and they had inferiority. From SALT I to SALT II, the roles have become strategically reversed. They possess superiority and we have the inferiority, and by freezing we reward their rearming and we penalize our restraint.

What would a freeze now do? I tell you what it would do, and some of you may love this. It would kill the neutron bomb, which is our counter to the overwhelming Soviet tank advantage. It would kill the B-1. That leaves us with the old B-52's, some of which are much older than the pilots flying them. It would kill any more production of sea-launched ballistic missile submarines, but not the Soviet attack subs, and it would provide no answer to the Soviet SS-20's.

Mr. Chairman, this is government by bumper sticker, and I say to you, "Don't throw the dice with freedom."

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I do not know of anyone in this body who is not in favor of a freeze on nuclear weapons and, for that matter, in favor of disarmament.

But under what conditions? It is the judgment of this Member that nuclear disarmament must be brought about through negotiation rather than legislation. Otherwise, we freeze ourselves in a position of inferiority, especially insofar as medium-range missiles are concerned for the defense of Europe. We have agreed to deploy 108 Pershing missiles and 464 ground-launched cruise missiles. Recent polls in Europe indicate that the German people support our policy. Without this force, the Soviet Union with its 315 SS-20's, containing more than 900 warheads, could blackmail our NATO partners into submission.

If we are forced to fight another war, is it not better to fight that war somewhere else rather than within the shores of the United States? Recent events in Lebanon convince me that this would be preferable. It is well to remember that in every war of the past century not one civilian in this country has been killed or maimed on American soil.

To those who continue to contend that restraint on our part will influence the Soviet Union, I would remind that we have not produced a chemical warfare agent since 1969 and what we have produced have deteriorated to the extent that only some 10 percent are usable. And what was the Russian response to this show of good faith on our part? An enormous increase in their stock and the use of chemical agents both in Afghanistan and through their proxies in Southeast Asia.

Many years ago, there was a popular song titled "Wishing Will Make It So." Most of us here today have lived long enough to know that this just is not so. Yet, knowing this, we persist in attempting to meet the most serious challenge confronting humanity by passing a resolution and wishing it will make the problem go away.

For myself, and I expect I speak for many other of our fellow citizens, I

would be delighted to see all weapons, for all Nations, stabilized and standardized to the M-1 rifle. Still, I know this is not going to happen. And regrettably, I do not believe adoption of the Zablocki resolution is going to result in international security insofar as nuclear weapons are concerned.

I will not attempt to go into comparisons of numbers and throw-weights and all the other esoterica of the nuclear game. More than enough has already been said, and in some instances has done more to confuse than to enlighten.

Such discussions lead us into interesting exercises, but these exercises obscure what ought to be the subject of concern—that is, which of the measures before us today will, if adopted and implemented, lead to a balance of arms which guarantees our ability to deter an agressor nation.

For these are the key words: balance and deterrence.

The implication of House Joint Resolution 521, offered by Mr. ZABLOCKI, is that parity—and therefore balance—exists today between the Soviet Union and the United States with regard to nuclear weapons. This simply is not true. In a number of very vital areas, we lag behind the Soviet Union, and the gap grows ever bigger. To freeze at present levels condemns this and future generations to existence under the threat of aggression.

The threat of nuclear war is real. The yearning for a solution is every bit as real. We do not need pollsters, no matter how well regarded, to tell us the people do not want nuclear arms buildups. If there is one issue on which there is full agreement across the nation and throughout the world, it is the desire to rid the Earth of a threat which can consume us all.

But this desire, this yearning for a nuclear-free future, cannot be based on any unilateral action on our part, and it cannot be realistically achieved under the "freeze-and-reduce" formula of the Zablocki resolution.

Leaving international nuclear stockpiles at present levels will not diminish the threat of nuclear war; it enhances the likelihood that such a war will occur.

Mr. Herman Obermayer, editor of the Fairfax Northern Virginia Sun, commented on the recent antinuclear rally in New York on June 25 of this year, and while his thoughts were addressed to a different aspect of the nuclear issue, some of the points he made apply to today's debate:

> If the price of freedom is death and destruction, many people would willingly surrender to tyrants and madmen. This is a sensible approach, if you only think about it superficially. But it is unrealistic when you think it through. Death or tyranny are not the only two options.

Further on, he states:

> Abandoning the development and manufacture of atomic weaponry will leave us with an arsenal of obsolete—yet terribly dangerous—bombs. A circumstance more threatening to world peace or American safety is hard to imagine.

A peaceful world is the goal of the resolution before us today. It is the goal of the alternative resolution which is also before us.

An examination of the two will demonstrate that House Joint Resolution 538 offers us the better option of achieving that goal, and I urge its adoption.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Chairman, I rise in support of the nuclear freeze resolution before the House today. Although this freeze may not be the final, foolproof answer to the threat of nuclear war, I believe it successfully addresses a major issue in disarmament.

The importance of this freeze is that it would break the momentum of the arms race. This in itself would be an achievement, but more importantly, we cannot reverse the arms race without first stopping it from going forward. This will not eliminate all the dangers we face, but it will set events moving in the right direction.

Obviously, one problem the nuclear freeze does not address is the rampant proliferation of nuclear capabilities among countries all over the globe. It also leaves enormous arsensals of nuclear weapons already deployed. What is important about the freeze is that it is a first step we must take, a prelude to progress we can hope to continue later.

Without arguing about the quantities of warheads these countries have deployed, I have not heard of one reputable military commentator who would exchange our nuclear forces for those of the Soviet Union. Moreover, I have heard a number of astute commentators on our national security who feel that this is an idea whose time has come. While most of the Soviet arsenal is fixed at land bases, ours is dispersed in the triad of land, sea, and air; I think that the practical advantage is ours. Still, the greater truth is that both countries have the capacity to devastate each other by means of the weapons already at hand and, in this sense, any arguing over numbers becomes meaningless. If each country has the weapons, then there is no sense in deploying yet more.

I emphasize that I would never support any resolution if I had the slightest fear that it would jeopardize the security of the American people. I am completely convinced that the resolution at hand is not only good for the safety of the United States, but also beneficial to the peace of the world. For one thing, I believe that the mutual character of the reductions will produce essential parity between the two great powers in question. More importantly, there must be iron-clad verification procedures, including the on-site inspections, as needed to monitor compliance and implement this freeze. Genuine arms reduction depends on its being mutual and certain.

Mr. Chairman, I appreciate the efforts of the distinguished chairman of the Foreign Affairs Committee, Mr. ZABLOCKI, in bringing this resolution before us. I urge my colleagues to join me in supporting it.

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, tomorrow marks the 37th anniversary of the day Hiroshima was annihilated.

I am proud to say that today in the House we are voting on a resolution that says we have learned from the horror of Hiroshima. This resolution says we want to freeze the nuclear arms race so we do not drift closer and closer to a nuclear holocaust that would have the destructive force of 1 million Hiroshimas.

What did the administration do today. It detonated another nuclear device underground that had the explosive force of seven Hiroshima bombs. It shook buildings in Las Vegas 77 miles away.

And none other than Energy Secretary James Edwards was on hand to witness the event.

What a fitting way to commemorate the 37th anniversary of the atomic bomb that destroyed Hiroshima. Exploding another bomb.

At least in the House, we are calling for a freeze today on the nuclear arms race, so no one explodes any more of these horrible weapons.

It has been almost 5 months since Congressman CONTE, Congressman BINGHAM, and I introduced the nuclear weapons freeze and reductions resolution.

In that time, opponents of the freeze have hauled out every argument they could think of against this proposal. Some of these arguments have been ridiculous.

We have been accused of being soft on communism. But nowhere in this resolution does it say we approve of the Soviet way of life.

We have been accused of trusting the Soviets too much. But nowhere in this resolution are we asking for a treaty that cannot be verified.

This resolution has even been linked to the 1938 agreement, which Neville Chamberlain signed with Hitler, giving up the Sudetenland. Now I ask you, where in this resolution does it say we are going to give the Soviets Alaska?

Nowhere.

When you cut through all the arguments that have been made by each

side, all the figures that have been thrown out, all the charges and countercharges that have been made—the question boils down to this:

Which proposal stops the nuclear arms race and leaves the world safer?

Is it the Broomfield substitute?

Or is it the freeze resolution which a bipartisan majority on the House Foreign Affairs Committee passed?

The Broomfield substitute is the Reagan arms control proposal.

Sprinkled throughout this substitute is the word freeze. But that is just a public relations ploy. The Broomfield substitute is not the freeze. I repeat, it is not the freeze.

The Reagan proposal starts with the misconception that the United States is strategically inferior to the Soviet Union.

Even though both sides can now reduce the other to rubble, the Reagan proposal calls for a freeze only after we achieve equal and reduced levels.

Translated: The Reagan proposal would reduce land- and submarine-based missiles. But it would still allow the United States to build more first-strike weapons like the MX and the Trident II missiles.

It would allow the United States to produce 17,000 more nuclear warheads over the next 15 years.

It would still allow the Soviets to improve the destabilizing aspects of their nuclear forces.

That is not my idea of stopping the nuclear arms race. And it is certainly not my idea of making the world a safer place in which to live.

What would our resolution do?

It would bring the arms race to a grinding halt.

It would freeze further production, testing, and deployment of nuclear weapons—on both sides.

Then both sides would begin reducing.

And then, and only then, would the arms race begin moving in reverse.

The choice is simple. If you want to continue the nuclear arms race to achieve some mythical level of equality, then vote for the Broomfield substitute.

But if you want to stop the nuclear arms race, stop it dead in its tracks so we can begin meaningful reductions, then vote for House Joint Resolution 521, the nuclear weapons freeze.

Mr. Chairman, in the past 2 years, our arms control values seem to have been thrown out of whack.

While the Soviet leaders score propaganda points overseas with talk of disarmament, we seem to have become the nuclear jingoists with talk of nuclear warning shots, and winnable nuclear wars, and protracted nuclear conflict.

It is almost as if negotiation has become a dirty word for us.

The pursuit of arms control has become a sign of weakness.

And the questioning of a nuclear weapons program has become unpatriotic.

The American people have sensed this change.

That is why in town halls, in city councils, and in State legislatures across this country they have gathered to petition for a nuclear freeze.

That is why this resolution is before the Congress. The American people are concerned—and they are afraid.

They want America to be the Nation that prevents nuclear war, not the Nation that marches into it.

They want an America to be the Nation that stands for peace, not the Nation that just stands up to the Soviets.

They want America to be the Nation that leads the way to halting the nuclear weapons spiral, not the Nation that comes up with the newest weapon.

The American people want a freeze. A freeze now.

□ 1410

The CHAIRMAN. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of the proceedings is in violation of the rules of the House.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. WHITE), an original sponsor of the substitute.

Mr. WHITE. Mr. Chairman, I think a reading of the Broomfield resolution itself will indicate why I feel that this is the resolution we certainly should support. It calls for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement.

In other words, it is calling for parity of nuclear weapons between the two countries.

Let me just make a few observations as one who otherwise has no other motivation in this debate except as an American.

Every peace-loving human would want a limitation on nuclear weapons. All Americans should want some freeze that would safeguard peace and our free institutions.

No American should want any freeze that would place our Nation in a subordinate position subject to intimidation for our entire lives.

The Soviet Union has to realize that this country does not plan any preemptive strike and that their inordinate buildup has not been purely for defense, but for political or offensive purposes.

Remember, the United States had a monopoly of nuclear weapons during much of the cold war and we could have attacked at any time and we did not when we had it.

Subsequently we clearly pronounced a policy of no first strike and we are still committed to this policy.

If we endorse a resolution that locks us into an inferior position from here on, a freeze in place, we in effect make ourselves permanently vulnerable to an intimidation without a shot being fired, especially if we continue a policy of absorbing the first attack before retaliating.

In effect, we will be then forcing ourselves in self-protection to a changed policy of a launch on warning and this ups the stakes, this makes even more touchy the trigger.

Thus the committee resolution would cause greater hazard resulting in a much faster trigger and place peace more in jeopardy.

The principle still does subsist and is valid that in this world peace will continue only with the perception of strength. A resolution for verifiable parity will provide that perception of strength.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, early one morning 30 years ago I took my place atop a knoll in the Nevada desert known as Frenchman's Flats. I was there as a young Congressman with a keen interest in science and in our national defense. I was there to witness the testing of a hydrogen bomb.

Standing 7 miles from the explosion point, I felt the Earth around me shake as the blinding light and the huge fireball rose into the sky in the form of a giant mushroom. The impact of that bomb—small by today's megaton standards—reached 50 miles.

It was supposed to the ultimate weapon of national defense—the scientific advancement which would guarantee the security of America for generations to come.

However, I could not help thinking, My God, this is just the beginning—the beginning of what Adlai Stevenson called "the choice between hope and horror," the choice of whether we tie our Nation's defense to a weapon so horrible that we say to use it would be unthinkable.

The scientific lesson we learned that day at Frenchman's Flats was that thermonuclear explosions could provide us with essentially limitless potential for destruction. The air, the animals, the plants, the sea, the atmosphere above us, and the Earth itself all could be destroyed by these weapons. It is no wonder that we have come to call nuclear war unthinkable.

For over 30 years we have chosen to ignore the nuclear peril which hangs over our heads. Today, mankind lives in the shadow of 50,000 nuclear warheads—the equivalent of 10 tons of TNT for every man, woman, and child on Earth. These numbers have multiplied in the name of deterrence—the theory that the mightier our weapons,

the less vulnerable we would be to an attack. But deterrence is a two-way street. As we have increased our nuclear stockpile, so has the Soviet Union. We must now ask the question: Does it really enhance our safety to force our adversaries to build bigger bombs? Does this massive mutual terror not present a dangerously deceptive sense of security that could be undone by the slightest error?

Albert Einstein, reflecting on the consequences of unleashing the power of the atom, wrote in 1947 that "this power of the universe cannot be fitted into the outmoded concept of narrow nationalisms." He predicted that "our only security and our only hope" is that "an informed citizenry will act for life and not death."

The resolution before the House today gives us the opportunity to do just that—to choose life over death—to have the courage to turn away from old formulas of terror and destruction as the false guardians of peace.

The resolution reflects a deeper, and in fact, more sensible and workable policy: That the greatest deterrent to nuclear war is the understanding that it means extinction for mankind.

The American people are calling for this resolution because they realize, as Einstein predicted, that this is not merely a question of national interest, but of the future of the human race.

According to a Harris poll taken earlier this year, 86 percent of the American people believe that "even a limited nuclear war cannot be won, but will result inevitably in an all-out nuclear war." Also, 70 percent of the American people now believe that "the risks of nuclear war starting by accident are growing because both sides keep adding to the number of weapons." This is the finding of an ABC News-Washington Post poll.

The American people realize that these are not weapons we—or any other country—can use for tactical warfare, but only for the annihilation of civilization. Yet, this administration continues to talk of the possibility of a limited nuclear war, and of even preparing our citizens for an all-out nuclear war, as a recent Defense Department study revealed. Clearly, we cannot leave the decision of nuclear weapons production up to the military technocrats alone. We, as political leaders and as mothers and fathers, must make the choices that will affect future generations.

This resolution, which I sponsored in its original form, is a bold first step to reverse our current course toward disaster. It sets as our goal the mutual, verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles and other delivery systems. Such a freeze is imperative because experience has taught us that arms control negotiations without the firm objective of freezing weapons will only lead to new weapons systems that are used as bargaining chips in future talks. The bargaining chips of today become the standard weapons of tomorrow—and nuclear proliferation continues. A freeze, however, eliminates the possibility of either country undermining true arms reduction by producing new weapons.

Moreover, a freeze can work. America's military experts have told the Congress that verification of Soviet testing and deployment of nuclear missiles is possible.

This resolution also calls for the approval of the SALT II treaty, which is the product of 7 years of intense negotiations by our country and the Soviet Union. Under this treaty, the Soviets would have to reduce their numbers of operational missiles or bombers, as well as set a verifiable limit on the number of multiple independently targetable reentry vehicles, or MIRV missiles. Without SALT II, there will be no limits placed on the deployment of these weapons, which are the most threatening to our country.

Finally, this resolution establishes the complete halt of nuclear arms proliferation as America's unequivocal goal at the START negotiations.

This action will tell the world that the American people and their Government are willing immediately to begin a meaningful program of nuclear arms reduction with the Soviet Union; that we refuse to continue down the same road of nuclear nightmare diplomacy.

In a discussion of disarmament, Albert Einstein wrote:

> We stand, therefore, at the parting of the ways. Whether we find the way of peace or continue along the old road of brute force so unworthy of our civilization depends upon ourselves . . . our fate will be according to our deserts.

I pray we choose the right course.

I urge my colleagues to vote for this resolution which will begin to write the final chapter of the history that I witnessed 30 years ago in the Nevada desert.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentelwoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY. Mr. Chairman, Less than 1 year ago, I was involved in my first compaign for Congress. Last October, November, December, and January found me running in a special election for Connecticut's First District seat, which was left vacant by the untimely death of Congressman William Cotter.

During those fall and winter days, I found myself speaking out on the need for a United States-Soviet nuclear freeze. I was disturbed by administration plans for a major arms buildup. I was disturbed about remarks made by ranking administration officials that reflected a belief that nuclear war is thinkable. And not only thinkable, but survivable as well.

While I was compaigning for Congress, I was secretary of state. My office was located on the ground floor of Connecticut's State capitol, a place where people felt comfortable stopping in and talking about their concerns. Many of them expressed a fear that the possibility of nuclear war was growing; a fear that the very leaders running our Government and our Defense Department had begun to substitute a belief in the survivability of a nuclear exchange for the more solid belief that every effort should be made to prevent one.

On coming to Washington, I immediately became aware of House Joint Resolution 433, introduced by Representative MARKEY. I signed on March 10. Later, as I watched freeze resolutions pass in town meetings and in State legislatures, I wondered, "Was I so politically astute that I anticipated early on the widespread feeling for the freeze?" That thought did not last long. I soon realized that, instead, I had been one of those individuals at the grassroots level. Only I happened to have a congressional campaign as a platform to use in speaking out in favor of the nuclear freeze.

The nuclear freeze movement began at the grassroots; in neighborhoods, in cities and towns, all across the country. Young men and women, grandmothers and grandfathers, business and religious leaders—people from all walks of life—are demanding an end to the arms race. This movement is telegraphing a signal that the American public is tired of rhetoric and doubletalk. Rhetoric patronizes the call for disarmament. Doubletalk says we must build more arms before we build less. Reason and commonsense tell us the danger of nuclear annihilation is not abstract, it is very real. We must act now to reduce this danger posed by nuclear weapons.

We, as Members of Congress, have a responsibility to speak on this question. House Joint Resolution 521 calls for immediate talks between the United States and the Soviet Union to freeze the testing, production and deployment of nuclear weapon systems. Further talks to achieve substantial, equitable, and verifiable reductions in these destructive weapons would follow this commonsense first step.

In speaking out for a nuclear freeze, however, we must not advocate a simplistic approach to arms limitation. Ground rules must be established and maintained.

We are talking about a bilateral freeze—not unilateral disarmament.

We are talking about a verifiable freeze. I am in no way suggesting that we give up anything until we agree on a process of ascertaining what is being frozen or cut back and at what levels.

I know it will be difficult to reach an agreement on a bilateral freeze that is verifiable. Yet there are hundreds of thousands of individuals in this country who want us to make this effort. I am proud to be one of them.

On June 12, I used my platform as a Congresswoman to tell thousands of young people in New York that singing and marching is helpful in a symbolic way to the push for a nuclear freeze. But more important, I told them, voices crying out for a future will not be heard unless those voices are registered and willing to vote. I urged them to become politically involved in a system that will eventually save them or kill them.

Today, I would like to use my platform to admonish editorial writers who only a few months ago were applauding the freeze movement, but who now say it is time to return to business as usual. An editorial in yesterday's Washington Post said,

> The worthier issue in our view is crisis stability. The principle danger of nuclear war arises less from the accumulation of weapons, as troubling as that is, than from the fearsome chance that in a crisis one side might feel compelled to fire first lest its missiles be taken out of their silos.

In less than a year, we have come full circle. Once again we are discussing the possibility of a first strike and what to do in the event of a nuclear war.

Today, neither the United States nor the Soviets can rationally launch a nuclear first strike in the belief it will catch the other side off guard and destroy its ability to retaliate with devastating force. And while each nation can complain the other has the advantage in one weapon system or another, overall, the nuclear stockpiles of the United States and the Soviet Union are equal. New and more accurate weapons will only upset this balance and encourage military planners to entertain the notion of waging a successful first strike.

We must emphasize arms negotiations and force cutbacks if we are really to assure our Nation's—this world's—safety. The savings that would result from a freeze on nuclear weapons—billions and billions of dollars—could well be spent on improving our conventional defense posture. The savings might also offset the Federal deficit or fund the continuation of programs that meet very real and pressing human needs.

A nuclear exchange, with the massive number of weapons available to both sides, would disrupt the world's climate, destroy its ecosystem, and contaminate the world's environment with radition for thousands of years to come. By freezing—and then reducing—nuclear stockpiles, we aim to avoid this holocaust which would leave only death and horrible destruction in its aftermath.

We are here today, all of us, because the people are telling us enough is enough. Commonsense tells us enough is enough. There can be no winners in a nuclear war.

A mutual freeze on nuclear arms is the first step toward a saner nuclear weapons policy. It is absolutely essential that we break the cycle of the arms buildup and begin a serious dialog on cutting back—now, not later.

A mutual freeze on nuclear arms is not a quick-fix solution to the dangers of nuclear weapons. A freeze, however, would be a hopeful beginning. This is what Joint Resolution 521 is all about. It is a beginning. Let us start today on the long road to a comprehensive, verifiable and bilateral nuclear freeze.

□ 1420

Mr. BROOMFIELD. Mr. Chairman, I yield 3½ minutes to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Chairman, I rise today as a member of this House who sometime ago became a cosponsor of this resolution. At that time, recognizing the seriousness of the proposition, I had doubts, but I felt that because of some of the statements emanating from the highest echelons of this administration, which were by some descriptions bellicose in nature, or at very least indicated a disposition not to discuss this magnificant issue at any length, it was incumbent upon us to pass this resolution.

In the weeks that have passed, I have attempted to supplement that which I believed I knew at the time, with additional information, and have wrestled with my own conscience on this issue more than any single issue that I can remember in the 6 years I have had the privilege of being a Member of the House.

I speak today also as one who has been as outspoken—actually more outspoken against some of the administration's domestic policies than any Member, of this House on either side of the aisle. And also critical of some of this administration's policies in the field of foreign affairs.

I should add one other statement at this point, and that is that I also rise as one who has not publicly laid the blame for all of the world's problems at the feet of the Soviet Union.

Having said this and after a great deal of soul-searching, and reading, and listening, and discussion, I feel it necessary to state that I shall vote against this resolution and for the Broomfield substitute because I believe that Mr. BROOMFIELD, the President, and those closest to him are as patriotic as I am, or as any Member of this House or the other body, and have as strong a feeling of wanting to protect our people and the interests of this country as much as anyone of us do.

I will vote against this resolution in spite of the Mary McGrory's of this world, who believe that they have the only answer to this extraordinarily complicated and dangerous problem, and who have and will, I am sure, vigorously criticize those who differ with them.

I will vote against this resolution because I am not now satisfied in my own mind that the interest of my children and yours are best protected by passage of this resolution. I continue to harbor doubts of the Soviet Union's willingness to negotiate seriously and live up to weapons limitation and reduction agreements. My own studies of their military buildups, and current and projected capabilities, make me wonder, more and more, what is the intensity of their commitment to peace.

And lastly, Mr. Chairman, I will vote against this resolution because I have noted in recent times that our President, and those who help guide him on this issue, have spoken rationally and reasonably about their desire to limit the arms race and to negotiate in a reasonable fashion. I admire them for the position they have now taken.

Mr. Chairman, if this resolution should be defeated, it would be my hope, and I am sure the hope of all Americans, that the President will not take the defeat of this resolution as an indication that we are not concerned about arms limitation or about negotiations in those areas. I have reason to believe that, in fact, they will not so interpret the defeat of this resolution.

I would finish by saying that though I may differ from those who are in favor of this resolution, I admire their deep feeling for bringing this matter to the forefront. They, sir, have acted responsibly, and with what they believe to be in the best interests of this Nation.

I thank you, sir, for permitting me to make known what I believe.

Mr. ZABLOCKI. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I rise in support of House Joint Resolution 521 because I truly believe its benefit to United States, allied, and world security interests would be substantial.

As you know, President Reagan has proposed a $1.7 trillion defense remodernization program over the next 4 years. Simply stated, this means that as a Nation, we shall be spending more than $1 billion per day on defense and defense related items by fiscal year 1987. Most of these moneys are being directed toward a significant revitalization of U.S. strategic and theater nuclear weapon strike capacities. Cou-

pled to these efforts, is a newly approved defense guidance policy that suggests a U.S. willingness to both wage and survive either a limited, or protracted, nuclear war with the Soviet Union. To me, each of these initiatives are preposterous and completely unworthy of congressional sanction or approval.

The growth of the arms control movement is not merely confined to the United States. Throughout Europe and indeed, the world, growing public concerns over the very real possibility that we shall engage in what many of us believe would be the final holocaust, along with this administration's apparent intransigent attitude toward engaging in serious arms control negotiations have stimulated domestic and worldwide support for approval of this legislation.

Today, the American Government is on the defensive. We are perceived as being reckless and irresponsible in our entire gambit toward world affairs. Allied confidence in our abilities to exert the needed leadership that will guide us away from policies of confrontation and toward policies of cooperation are in question and as a result, the Soviet Union has seized this opportunity to drive a wedge between the United States and its allies. This wedge is the issue of arms control and reduction.

As elected representatives, we hold no greater responsibility to the people of America and the world than to reverse these perilous trends. We must begin to reverse the trends of the last 37 years and respond to the legitimate fears and concerns of all peoples by offering an American arms control and reduction proposal that clearly demonstrates U.S. resolve and commitment to world peace and stability.

In this regard, approval of House Joint Resolution 521 represents an important first step toward a slowing of this relentless race without end. Approval of House Joint Resolution 521 will once again reestablish American preeminence and leadership in the field of arms control. Finally, approval of House Joint Resolution 521 will enhance the prospects for future arms control agreements with the Soviet Union in which real and verifiable reductions in nuclear weapons could be facilitated. For each of these reasons, I urge my colleagues to join us in support of this measure.

Mr. MOFFETT. Mr. Chairman, I would like to thank the gentleman from Wisconsin, the distinguished chairman, for his leadership on this issue and for yielding me this time.

Mr. Chairman, mention has been made of this movement. I think we ought to concede that we would not be here were it not for this movement. We would not be debating this today. It is interesting to hear the gentleman from Illinois (Mr. HYDE) talk about government by bumper sticker. I think he has certainly given us a lesson in that area over the years. But we are here because we are a free country and because people have spoken out, and I think we all know it. We would not be here if we did not in fact have a movement out there that meant something.

Now, here is a photo, and I would be happy to have my colleagues see it up close—the gentleman from New York took this photo—and it is a picture of this crowd of close to 1 million people in Central Park. I would just like to relate one experience of having been there and having been on the stage but, perhaps more importantly, having been in the train station as they came into Grand Central Station from my State.

I must say to my colleagues that characterizations of this movement as something other than a family-based movement is really quite inaccurate. It was very moving to see these people come by the thousands and thousands from my own State and from other States into Grand Central Station that morning.

Now, what they are saying is not that they are prepared to negotiate the arms control agreement themselves, but what they are saying is that we need to get to the negotiating table and there needs to be a general framework for what that agreement will entail.

Theodore Roszak, in the late 1960's, said something about the regime of experts. And people are sick and tired of leaving their fate totally in the hands of a regime of experts, including us, because we have failed. The experts have failed. There are more weapons. There is more tension. There is more likelihood of war, not less, and the people are telling us that.

Now, this is a powerful movement, and it is something that we should rejoice in. It has been a confidence builder for the American public. We are always talking about how turned off people are, they are not participating and they are not taking part in citizenship activities. In small towns, many Republican towns, as my colleagues know, one after another across this county, there have been affirmative votes on this resolution. It gives people the feeling that they can accomplish something, that they have a collective kind of power, that they can in fact get a reluctant President to the negotiating table.

Now, as I went to speak at the freeze rally, one friend said, "You know, every politician who discusses or debates this issue ought to have a baby in his or her arms." And, at the risk of sounding just a litle bit hokey, I would say that I had my 2-month-old daughter in my arms as I spoke that day. And maybe we all ought to have a little more contact with the next generation as it comes along, as we debate these issues, because we have to be willing to take some risks for peace, to break new ground for peace. It is, in my view, far less of a risk to take a step toward peace than it is to keep plunging toward nuclear confrontation.

So on behalf of children, it seems to me, and the infants of this world, let us take just a little bit of a risk, let us take a small step, because this is only the beginning, and let us be for this resolution. This is not government by bumper sticker, but what it is a very clear question of whether we are going to be for disarmament or against disarmament today.

It is a small step. It must be followed by freezing nuclear proliferation. Then we must freeze the development of weaponry in space.

But we must take this step now before it is too late.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to my dear friend, the gentleman from New York.

□ 1430

Mr. STRATTON. Does the gentleman imply that if we are against the Zablocki resolution we are in favor of nuclear war? I would certainly hope not.

Mr. MOFFETT. I am glad the gentleman asked that question.

What I would say to the gentleman in response to his question is that many people seem to be saying in this debate on behalf of the gentleman from Michigan's resolution that we want to reduce nuclear weapons as long as we build everything on the Pentagon shopping list first, No. 1. No. 2, we are for a freeze as long as we can continue to build for 10 years and the Soviets stand still. I do not think we will ever get there.

Mr. Chairman, I refuse to yield any further and yield back the balance of my time.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I rise in opposition to the Zablocki amendment. I do not need a baby in my arms to cry out for a nuclear freeze. I think we all want it. We want to end nuclear weapons. I do not think that I could ever vote to send our young people off to war. My sole aim in this Congress is to prevent war.

Mr. Chairman, recently I chanced to come upon an international newspaper supplement called World Paper. This paper is a supplement to newspapers on four continents and has a readership of more than 1 million. In an issue largely devoted to nuclear weapons, was included an article by Pierre Lellouche who is head of international

security studies at Institut Francais Des Relations Internationales in Paris and is a columnist for a French weekly, Le Point.

I would, when it is appropriate in the House, move to put all of this article in the RECORD, but let me quote two paragraphs which I think are appropriate to this debate.

Mr. Lellouche writes:

It must be remembered that Europe has been a remarkable island of peace and stability over the past 37 years in a world torn by countless conflicts, both local, and involving the superpowers. The reason for this lies not in the reconciliation between East and West, which in fact never occurred, but in the fact that the post-war territorial and political division of the old continent has been guaranteed by direct involvement of both superpowers.

Strategically, this has meant creation of two military blocs, but more importantly, the status quo has been preserved by the extension of the superpowers' nuclear deterrence relationship to Europe. In that sense, Europe is the only region in the world (with the exception perhaps of Japan) that is fully "covered" by the deterrence of the superpowers.

To be sure, to live under such a system "forced peace" imposed by the threat of nuclear holocaust is not particularly pleasant for any European. But what are the alterntives? What would happen, for instance, if Western Europe did disarm unilaterally as some pacifist advocates would like her to do?

Regional denuclearization and disarmament is meaningless in the age of intercontinental missiles which can reach targets located 10,000 kilometers away with pinpoint accuracy in less than 20 minutes. So the nuclear threat to Europe would not "go away" miraculously.

Two of our speakers here have said that no U.S. military would trade weapons with the Soviets. Well, Admiral Rickover said he would swap submarines. And anyone would be out of his mind not to trade missiles with the Soviets.

A denuclearized Europe would not be a nuclear-safe zone, nor even a "zone of peace." Were Europe to find herself without the protection of nuclear weapons, she would then have to live with an overwhelming Soviet superiority in conventional armaments. Without the threat of nuclear war on her own soil, what then would deter the USSR from launching a conventional attack on its European neighbors, or, short of actual war, what would prevent Moscow from turning its military advantage into a political one? Those in Europe who now claim "better red than dead" should know that without a stable nuclear deterrence between East and West, they would surely be "red" but most likely they would be red and dead!

Mr. Lellouche goes on to say that the key to security in Europe "is not an idealist yet abstract concept of disarmament, but the preservation of the fragile military equilibrium—both conventional and nuclear weapons—between the two sides. Conceived in this framework, arms negotiations could enhance, not reduce, security by achieving that equilibrium at lower levels of armaments, and by preventing the deployment of systems that are dangerous and destabilizing."

He goes on to point out that in the class of theater nuclear weapons alone, the U.S.S.R. has more than 1,100 intermediate ballistic missile warheads while the United States has none. The Soviet Union, he says, massively developed and modernized theater nuclear warheads during the 1970's without any justifiable reason since the United States had withdrawn its own theater missiles in the early 1960's. Still, he points out, the Soviets argue that there is "parity." He concludes by saying that our goal should be to "preserve peace by preserving a stable balance of forces, if posible, at lower levels of armaments. History shows that wars are only the product of an imbalance of forces, leading to fear on the one hand and miscalculation on the other."

The purpose of the modernization of our ICBM forces by the MX and our other strategic modernization is to develop a proper balance of forces.

The Zablocki resolution, as the gentleman from Illinois said, would stop all research and development, all testings and follows the false hope that a unilateral step on our part would lead to restraint on the part of the Soviets.

It should be rejected and we should be consistent in the Congress in sending the message to the Soviets that we are not going to let ourselves get in the position of giving them a hope of strategic superiority.

Such an approach is encompassed in the Broomfield-Carney-Stratton joint resolution. It urges arms reduction talks between the two powers which would conclude in "an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels."

Our negotiators in Geneva say and I quote General Rowney who said to me last night—

The Zablocki resolution is just what the Russians want and will hurt us badly.

The article follows:

WE NEED THE PROTECTION OF NUCLEAR WEAPONS

(By Pierre Lellouche)

PARIS.—No European, including this writer, derives any pleasure from the fact that Europe is literally an arsenal packed with several thousand nuclear warheads belonging to four nations (the US, the USSR, and to lesser degrees, France and the UK).

And all Europeans know that a war with the Soviet Union involving nuclear weapons would entail the destruction of the entire continent, not to mention the destruction of territories of both superpowers.

But it must also be remembered that Europe has been a remarkable island of peace and stability over the past 37 years in a world torn by countless conflicts, both local and involving the superpowers. The reason for this lies not in the reconciliation between East and West, which in fact never occurred, but in the fact that the postwar territorial and political division of the Old Continent has been guaranteed by the direct involvement of both superpowers.

Strategically, this has meant the creation of two military blocs (NATO and the Warsaw Pact), but more importantly, the status quo has been preserved by the extension of the superpowers' nuclear deterrence relationship to Europe. In that sense, Europe is the only region in the world (with the exception perhaps of Japan) that is fully "covered" by the deterrence of the superpowers.

To be sure, to live under such a system of "forced peace" imposed by the threat of nuclear holocaust is not particularly pleasant for any European. But, what are the alternatives? What would happen, for instance, if Western Europe did disarm unilaterally as some pacifist advocates would like her to do?

Regional denuclearization and disarmament is meaningless in the age of intercontinental missiles which can reach targets located 10,000 kilometers away with pinpoint accuracy in less than 20 minutes. So the nuclear threat to Europe would not "go away" miraculously. Should Scandinavia, for instance, become a nuclear free zone (which it is de facto today as none of the four Nordic countries either owns or deploys nuclear weapons in peacetime), the Soviet Union would still have a whole array of nuclear missiles and bombers capable of reaching the region either from bordering areas or even from Siberia. (The recent Soviet submarine incident in Sweden illustrates this point.)

A denuclearized Europe would not be a nuclear-safe zone, nor even a "zone of peace." Were Europe to find herself without the protection of nuclear weapons, she would then have to live with an overwhelming Soviet superiority in conventional armaments. Without the threat of nuclear war on its own soil, what then would deter the USSR from launching a conventional attack on its European neighbors, or, short of actual war, what would prevent Moscow from turning its military advantage into a political one? Those in Europe who now claim "better red than dead" should know that without a stable nuclear deterrence between East and West, they would surely be "red" but most likely they would be red and dead!

The key to security in Europe is not an idealistic yet abstract concept of disarmament, but the preservation of the fragile military equilibrium—both conventional and nuclear weapons—between the two sides. Conceived in this framework, arms negotiations could enhance, not reduce, security by achieving that equilibrium at lower levels of armaments, and by preventing the deployment of systems that are dangerous and destabilizing.

One such system is the so-called "theater nuclear weapons" that have been massively developed and modernized by the Soviet Union during the 1970s without any justifiable reason (since the US had withdrawn its own theater missiles in the early 1960s). In this class of weapons alone, the USSR has more than 1,100 intermediate ballistic missile warheads while the US has none. Still, the Soviets argue that there is "parity." Meanwhile the US proposes that the USSR dismantle all of the weapons in exchange for the cancellation of the planned deployment of NATO's 572 new missiles. But that "zero option" has been rejected by the Soviets.

Finally, disarmament negotiations do not simply amount to trading "beans," that is,

certain kinds of weapons against others. Genuine disarmament can only derive from the resolution of the political conflicts that drive the arms race in the first place. Since it is most unlikely that the East-West rivalry will cease in the foreseeable future and given the fundamental nature of that competition, our goal should be to preserve peace by preserving a stable balance of forces, if possible at lower levels of armaments. History shows that wars are only the product of an imbalance of forces, leading to fear on the one hand and miscalculations on the other.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I wonder if anybody in this Chamber or those listening seriously, think that if we continue on this road of nuclear warhead for nuclear warhead that we are ever going to reach a point of deescalation. I do not think any thoughtful person, knowing the world today, seriously believes that.

So what we come up with is those who are opposing the Zablocki resolution are somehow finding a justification of saying, "Well, we probably will never get deescalation, therefore we better keep getting stronger as they get stronger or else something is going to happen."

And what I would like to suggest to everyone is that something is going to happen. Something is going to happen if we keep going on this road. And that something may be 5, 10, or 20 years down the road, but when it happens, it is going to end for everyone.

I think we ought to be thinking seriously of that particular fact.

It is very unfortunate in my opinion that this administration today is really practicing duplicity on the American public. The very people who put this administration into office are being misled and deliberately confused by what the administration is doing.

Where did the administration's nuclear freeze come from? It came out of a sudden panic that the people of the United States were finally speaking out clearly on this issue. And so the administration said, well, we will have a nuclear freeze of our own, and that nuclear freeze will do all the things except of course we have to catch up first in every department, and it may be a few years down the line, but we will be safe.

I do not think anybody really believes that is the case. I believe the American public has truly been tricked or at least the administration has tried to trick it. But I do not think they have succeeded. Because the public is speaking out very clearly on this issue. And I wonder if we are really listening.

The people of the United States have overwhelmingly told us on every poll, on every community that has been involved in this issue, they have said let us bring a halt to this insaneness. And they must be saying today, is anybody there in the Congress, does anybody care as to what we the American people are saying.

Now, we have got to let them know that we are hearing them, and we have to pass this resolution.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. LAGOMARSINO), a member of the Foreign Affairs Committee and a sponsor of the substitute amendment.

Mr. LAGOMARSINO. Mr. Chairman, I rise to support the language of the Broomfield-Carney-Stratton substitute which calls for a freeze at equal and substantially reduced levels. That language correctly reflects the problem of Soviet advantages in nuclear weapons, particularly in the threat to Western Europe. For example, the Soviet Union has 300 SS-20 rockets, each with three independently targetable warheads, and with backups aimed at our Western European NATO allies. NATO has none. It was only after our NATO allies agreed to start deploying the Pershing II missiles at some point in the future that the Soviet Union began pushing the idea of a nuclear freeze. It is easy to understand why the Soviets want to freeze the status quo in Europe.

The North Atlantic Council ministerial meeting on May 4–5, 1981 provided an occasion for NATO to respond to the Soviet initiatives. As expected, the allies found the Soviet proposal for a moratorium on LRTNF deployments "wholly unacceptable" because it would freeze the West into inferiority by blocking the NATO modernization program altogether. The allies confirmed their commitments to the December 1979 decision, noting that Soviet deployments of SS-20 missiles already exceeded the total LRTNF deployment planned by NATO.

On the other hand, the freeze, as proposed by the Foreign Affairs Committee, on the production, testing, and deployment of nuclear arms would not promote stability or reduce the risk of war. A freeze at current levels would leave the United States in a position of military disadvantage and would prevent us from taking steps to correct that imbalance.

I daresay that few of my colleagues who have seen the secret Defense Intelligence Agency briefing on the U.S.S.R. vis-a-vis the United States with regard to nuclear and nonnuclear positions would disagree with my statement.

The particular committee freeze resolution would give the Soviets little reason to negotiate actual reductions in their nuclear forces. Furthermore, certain elements of the proposal for the freeze would be virtually impossible to verify, leaving us unable to confirm Soviet compliance with such a freeze.

Recent reports also indicate that the Soviets have gone to great lengths to cover up their continuing efforts to increase their armaments. In spite of Brezhnev's statements that Moscow would freeze the building of SS-20 sites while the Geneva arms reduction talks are underway, there are reports that the Soviets have built three more SS-20 sites targeted on Western Europe.

My own personal experience in discussions with the Soviets leaves me skeptical about their sincerity in arms reductions. When I visited the Soviet Union in August 1979, I met with Members of the Presidium of the Supreme Soviet. I raised the question as to what the Soviets were going to do to reciprocate for the United States having canceled, under President Carter, the B-1 bomber and development of the neutron bomb, having delayed deployment of the Trident II missiles, and having canceled an atomic-powered aircraft carrier. I got no immediate response to my question: but the next Soviets who spoke stated that the Soviet Union does not believe in unilateral disarmament.

Even an arms control advocate like Harold Brown, Secretary of Defense under President Carter, questioned the sincerity of Soviet intentions on the arms race. He said: We race fast, they race fast; we slow down, they race fast. He recently said:

> A congressional endorsement would carry some major risks. Its effect is to put pressure on the United States, but not on the Soviet Union. It would displace or draw attention away from more specific and effective arms control proposals and from actions needed to stabilize the strategic balance. Inevitably, the idea of a freeze will crowd out the fine print.

If the Soviets do not intend to reciprocate for those American arms restraint initiatives, then the United States must neither freeze our military capability at an inferior level nor find ourselves negotiating arms reductions from a position of weakness.

You also have to wonder about the Soviets' sincerity on arms control and disarmament when you compare the reactions of our two Governments to peace demonstrations. As you know, some 500,000 people demonstrated in New York in June without incident and without interference from our Government. In contrast, 10 members of the Soviet's 11-member peace movement got thrown in jail for their activities in Moscow.

When Australian Prime Minister Fraser was in the United States in May, he delivered a speech to the Foreign Policy Association in New York on the importance of the Western alliance. Prime Minister Fraser strongly praised President Reagan's initiative in calling for arms reduction talks with the Soviets, but he also emphasized the West should make a serious

effort in strengthening its conventional forces in order to reduce the Soviet advantage and to reduce their temptation to exploit that advantage.

Prime Minister Fraser added:

It seems to me that it is not unilateral disarmament but such a combination of increased effort in the conventional arms field and serious engagement in nuclear arms control negotiations which offers the best means of reducing the risk of nuclear war.

Prime Minister Fraser also referred to the example of the 1930's and 1940's when there were those who proclaimed a "peace movement" but who ignored the fact that no one wants war. The argument is only between differing views of how peace can best be preserved, and preserved with a respect for human freedom and dignity. Prime Minister Fraser quotes Walter Lippmann, who wrote, in 1943, a commentary called "The Vicious Circle of Pacifism," which bears repeating today.

In the name of peace, the Nation is made weak and unwilling to defend its vital interests. The pacifist statesmen justify their surrender on the ground, first, that peace is always preferable to war, and second, that because the Nation wants peace so much, it is not prepared to wage war. Finally, with its back to the wall, the pacifist Nation has to fight nevertheless. But then it fights against a strategically superior enemy; it fights with its own armaments insufficient and with its alliances shattered. . . . The generation which most sincerely and elaborately declared that peace is the supreme end of foreign policy, got not peace, but a most devastating war.

The problem with this resolution in supporting approval of SALT II is concisely summarized by David Sullivan in a recent issue of International Security Review. He writes:

Many former top American leaders now have acknowledged that they were misled by the Soviets during the negotiations on the key issues of both strategic arms limitation talks—SALT I and SALT II. The Soviets successfully exploited Detente and SALT negotiations in order to achieve a destabilizing level of strategic superiority over the United States, in particular, a counterforce capability. This advantage translates into negotiating leverage which, coupled with the Soviet Union's propensity for deception as part of its negotiating strategy and with failure to abide by either the spirit or provisions of the agreements, bodes ill for the United States in negotiating sound SALT III and theater nuclear force (TNF) agreements.

There are two things that concern me about the antinuclear campaign: One, if the American public should be convinced that nothing is worth the risk of nuclear war, then we would be leaving ourselves open to Soviet nuclear blackmail. Two, if fears about nuclear weapons are translated into a refusal to upgrade and protect our own nuclear weapons from Soviet attack, we leave ourselves that much more vulnerable to a potential Soviet strike.

I urge my colleagues to support the Broomfield-Carney-Stratton substitute. Solid support for the negotiations now going on is the best way to achieve meaningful, responsible, and significant nuclear arms control and reduction we are negotiating now. We would have to start all over again.

□ 1440

Mr. BINGHAM. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Michigan (Mr. WOLPE), a member of the committee.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I rise in strong support of House Joint Resolution 521, the so-called nuclear freeze resolution sponsored by Representative CLEMENT ZABLOCKI, and I rise in opposition to the substitute resolution offered by Representative BROOMFIELD. I urge each of my colleagues here in the House to lend their support to this resolution which will be, if adopted, the first sign that our Federal Government is serious about bringing the nuclear arms race to a halt. Despite arguments to the contrary that have come out of the administration, we cannot move toward reductions in the world's nuclear arsenals until we can at least reach agreement to stop adding to those stockpiles. This resolution will encourage the administration to pursue that policy in a reasonable and practical fashion.

I have heard the argument that this resolution should not be moved because the administration has shown its commitment to arms reduction by entering into the so-called START talks. Well, my colleagues, if those talks are indeed intended to achieve the ends sought by this resolution, we will only be strengthening the administration's hand in those negotiations. On the other hand, and I regret to say that I am afraid that this is more likely, if those talks are not beginning with the same commitment felt by those of us who are advocating this resolution, we have an obligation to the American people, in fact to the world, to push this resolution vigorously. It should send a message to the administration that we expect arms reduction talks to move forward from the point of SALT II from the point of view that talks should bring further expansion of nuclear stockpiles to a complete halt and then move toward reducing the arsenals that now exist on both sides.

The world today is living on the brink of devastation. We have been very fortunate that tensions have not triggered the wrong leader at the wrong time to take the ultimate wrong step. We cannot continue to count on luck. There are just too many tensions in this world that could trigger that wrong, devastating decision.

I also think this resolution will serve a very useful purpose in putting our defense policies in perspective. None of us in this House want to see the United States vulnerable to outside pressures and threats. What this country stands for is much to important to run that risk. But there are those of us who feel that the defense we need is one based on a realistic concept of what is needed to assure our security. I, for one, am afraid that we do not have the basic framework from which to work. Instead, we have a Pentagon with a wish list of weapons systems that is, to a large extent, having its way. This resolution should serve to set some parameters within which our defense planners can put together a realistic, effective policy to replace the present approach of finding weapon system after weapon system which they decide are needed because they are more sophisticated or have some greater capability, whether or not that sophistication or capability will meet a real defense need.

Just recently a memorandum by the late President Harry Truman was made public. President Truman was certainly not a man who wanted to see this country of ours left vulnerable. But he was a pragmatic man, one who understood the awesome power of advanced weapons. In that memo, written nearly a quarter of a century ago, Truman indicated that we were "faced with total destruction" and "that destruction is at hand unless the great leaders of the world prevent it."

I call on my colleagues today to heed President Truman's warning. We have waited too long already, but we have been lucky. It is our responsibility to the people of this country and of the world to act to freeze this ever-growing nuclear menace before our luck runs out.

Mr. WOLPE. Mr. Chairman, there is one essential difference between the Zablocki resolution that is before us and the Broomfield substitute. The Broomfield substitute would establish a nuclear freeze only after an extensive nuclear arms buildup. The Zablocki resolution says very simply that the time to establish a mutually verifiable bilateral freeze on the nuclear arms race is now and that substantial reductions in the nuclear arsenals of both the United States and the Soviet Union should promptly follow bilateral adherence to a freeze.

In the brief time allotted, I want to focus my remarks on the most critical issue in this debate. Advocates of the Broomfield substitute claim that if we freeze superpower nuclear stockpiles at their present levels, we will leave ourselves vulnerable to a preemptive first strike. Nothing could be further from the truth.

To put the issue of our own nuclear deterrent in perspective, it should be noted that of the 50,000 tactical and strategic nuclear warheads owned by

the United States and the Soviet Union, 30,000 are the property of the United States.

If the unimaginable were to happen tomorrow and the Soviet Union were to launch a surprise first strike against the United States—a strike so extraordinarily accurate that it defied even the worst case scenarios of all our military analysts by totally eliminating our land-based nuclear force, our airborne nuclear fleet, and all the nuclear submarines that are in port at any one time—there would remain at sea at least 20 nuclear submarines, each carrying 16 missiles, each missile carrying 8 to 10 nuclear warheads, each warhead having an explosive power, on the average, seven times that of the bomb that fell on Hiroshima. These 20 subs alone would be sufficient to destroy every major industrial, defense and population center in the Soviet Union three times over.

There is more explosive power in just one of our nuclear submarines than in all of the munitions combined that exploded in World War II. Nonetheless, we stand here today in the presence of people who passionately argue that our present nuclear arsenal is insufficient to deter a Soviet first strike. There is only one word to describe this posture: Madness.

The devastation of Hiroshima is a frightening and repulsive image that will burn in human memory forever. It is a memory that graphically and indisputably conveys the horror of nuclear holocaust.

Today, the explosive force of the bomb that fell on Hiroshima is dwarfed by the megatonnage of the superpowers' nuclear arsenals, now estimated to be 1.6 million times that of the Hiroshima device. If we fail to pass the Zablocki resolution today—if we fail to seize upon this opportunity—then that destructive force will continue to grow exponentially like a cancer out of control.

The real question before us is whether or not we are in greater danger by freezing the nuclear arms race now, or whether we run a greater risk by allowing the nuclear arms race to continue at its maddening pace. My own view is that an immediate, bilateral and verifiable nuclear freeze is in our Nation's best interest.

Mr. Chairman, one last point. We are planning to spend $1.6 trillion on defense over the next 5 years—a sum the magnitude of which is difficult to imagine. If we were to spend that sum at the rate of $1 million per day, 365 days a year, it would take us over 4,000 years to exhaust the warchest.

Now the President tells us that he does not feel constrained by even this extraordinary spending target. He is concerned that the incredible sums already allotted are insufficient to cover what in fact will be the real costs of his defense program. The Department of Defense now concedes that the cost of the Reagan defense program was underestimated by $780 billion—a sum that is nearly five times greater than the anticipated Federal deficit for this fiscal year. The defense budget is out of control and unless we alter our plans to participate in a nuclear arms race of indeterminable length and magnitude, we will commit ourselves to a future of greater deficits, continued high-interest rates, crippling levels of unemployment, and an ever-escalating diversion of scarce capital and human resources away from those areas of genuine need both within and outside the defense budget.

The Zablocki resolution offers us an important opportunity to examine our national priorities and to freeze this kind of madness in its tracks.

The difference between the Zablocki resolution that is before us and the Broomfield substitute. The Broomfield substitute would establish a nuclear freeze only after a very extensive nuclear arms buildup.

The Zablocki resolution says very simply that the time to establish a freeze on the nuclear arms race is now and that substantial reductions in the nuclear arsenals of both the United States and the Soviet Union should promptly follow adherence to the freeze.

Mr. Chairman, I want to focus my remarks, in the brief time I have, on the most critical issue in this debate. Advocates of the Broomfield substitute claim that if we freeze superpower nuclear stockpiles at their present levels, we will leave ourselves vulnerable to a preemptive first strike. Nothing could be further from the truth.

Mr. BROOMFIELD. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Florida (Mr. BENNETT), the ranking member of the Armed Services Committee.

Mr. BENNETT. Mr. Chairman, first of all I want to congratulate the Foreign Affairs Committee for going into this matter, because I think it is a very, very important matter.

Second, I would like to say after very careful thought on both these resolutions and looking at what they actually say, as distinguished from what people say about them, I find there are very great differences.

The Joint Resolution 521 freezes at the present limitations of inferiority on the part of the United States and approves the SALT II Treaty, which probably not 5 percent of the Members of the House have ever read. How we could ever approve a treaty that has been in dispute for a long time in the Senate with many of its words very ambiguous, when we have probably not even read it, sort of escapes me.

I am not trying to be terribly critical of that resolution, but I have to weigh it against House Resolution 538. House resolution 538 seeks to freeze at equal and substantially reduced levels; nothing said about SALT II Treaty at all and I see no reason to say anything about the SALT II Treaty.

There are some additional points of some value in House Resolution 538. It has some provisions against weapons that could be exploded by terrorists and things of that type and prevent accidents and miscalculations in communications.

Finally, it says something about proliferation by third parties. As well intentioned as the atoms for peace program was, it certainly proliferated the opportunity to have nuclear war throughout the world and certainly that is something we should now address.

Finally, the President has asked, and our arms control leadership in this country has asked, that they be helped by not agreeing to a position of inferiority.

When I look at these two resolutions, what they actually say, as distinguished from what people say they say, I come up with the idea that House Resolution 538 is a much better resolution. It looks for a reduction, an actual elimination of war. It does not look for crystallizing and freezing an inferior position, which is a good way to have a war. I know nothing that brings about war more quickly than having one party or country possess an inferior position.

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Finally, I would like to say as a Member of Congress who has been very long interested in this subject matter, I was the original author of the Arms Control Agency and I have repeatedly said during my entire career that I wish to see all atom and nuclear weapons eliminated, and I feel the U.S. Government is spending too much on nuclear weapons. I do not want to go forward in such expenditures.

I have repeatedly said, and I say now, that I think we are doing too much in the field of nuclear war. I do not think we can afford to do what we are doing today. We cannot afford conventional warfare preparedness that is needed in this world today to prevent the occurrence of war, and it is absolutely ridiculous for us to put out all that money that we are putting down in the nuclear field.

It was my amendment, bear in mind, that eliminated a Trident submarine from the last bill which we just passed out of the House of Representatives.

I favor strengthening our conventional warfare ability more. I do not favor a great buildup in nuclear war ability at all.

I think that we should look at these two resolutions and weigh them for what they are: One tends to freeze us

in a position of inferiority, which is absolute request for war, being inferior. Perhaps House Joint Resolution 521 could be amended to be a more useful vehicle; but on balance House Joint Resolution 538 seems preferable and less likely to bring about war because it does not freeze us in an inferior position.

Mr. BINGHAM. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, the issue which the nuclear freeze resolution addresses is the most fundamental matter facing humankind today—survival. This resolution springs from the knowledge that all life on this planet is in imminent jeopardy from the continuous escalation in the arms race. The resolution is committed to the most basic of values—the desire to keep life going on this planet.

The nuclear freeze issue is a middle America issue which came to public prominence from the realization by an increasing number of people that nuclear war must be prevented. Those who support the idea of a nuclear freeze understand that we need schools, not bomb shelters; highways built and harbors dredged, not unworkable evacuation plans.

Nuclear war is nothing short of a grim, goulish, and gruesome business which would devastate life as we know it. Efforts by the administration and its defense planners to convince the public that nuclear war is survivable, even manageable, is little more than a deception of the American public. The idea that we must continue in escalating the arms race by deploying and developing ever more nuclear weapons to close the so-called window of vulnerability is folly.

We now have both a foreign policy and budget that beats ploughshares into spears. How disgraceful.

I urge my colleagues to support this vital legislation and cast their vote in favor of the continuation of life on this planet.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Maryland (Mrs. BYRON).

Mrs. BYRON. Mr. Chairman, I rise in support of the Broomfield substitute.

The urgency of the arms control must not prevent our careful construction of verifiable force levels that retain our capability to deter potential aggressors. Reducing the number of weapons on both sides will reduce the risk of nuclear warfare. The Broomfield substitute will get us to acceptable, verifiable, flexible, and reduced force levels.

Our commitment should be to the success of significant reductions before negotiating for a freeze on arms at existing and higher levels. Yet we must have the flexibility to modernize our forces, to redress technology gains by the Soviets so that we can provide a capable and lasting deterrent.

No arms control agreement can, by itself, prevent or deter the development of new systems. We cannot put technology back on the shelf, but arms control agreements can reduce the levels of nuclear forces.

We can provide for our national security within this negotiation of the reduction of levels.

Mr. Chairman, I have spent a great deal of time on this issue. I have met in Geneva with General Rowny, head of our START talks negotiating team. I have met with Mr. Nitze, the head of the INF negotiating team.

I am convinced we must give them the flexibility available to meet their challenge.

We have the new weapons systems such as the B-1 and the MX going into our inventory. I have a son who is flying a B-25. That B-25 was built in 1957. My son was built in 1955.

We must look to action that promotes the long-range national security of the United States.

We do not want to freeze nuclear weapons; we want to reduce them. But we want fair and equitable reductions that lead to greater stability. Supporting the Broomfield substitute gives us that flexibility.

Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I rise in support of the Zablocki nuclear freeze resolution.

Mr. Chairman, the principal consequences of our failure to pass the nuclear freeze resolution may well be that there will be no history to record our failure, that there will be no future generations to lay blame upon us.

Those of us who support the nuclear arms freeze should be under no illusion that adoption of today's resolution is the end of a struggle. It will be the beginning of an effort to give meaning to the words of our resolution, to make sure that the United States takes the actions necessary to carry out the spirit of the resolution before the House today.

We must not fail to pass this resolution today. Anything less than a victory for House Joint Resolution 521 will break faith with the millions of Americans who, without regard to partisan political persuasion, are demanding forceful action by this House. The people want us to take the first step toward ending the threat of an instant nuclear holocaust. Since 1945, arms control and nuclear armaments have been the virtually exclusive domain of specialists. Suddenly, however, not only are the experts talking about nuclear warfare, the issue has been the subject of public demonstrations throughout Western Europe, town meetings in New England, dinner table discussions in private homes and, thanks to Ground Zero Week, community forums in cities throughout the State of Minnesota and across the entire United States.

The transformation of this issue into one of popular citizen debate is one of the most refreshing developments in public policy discussion in more than two decades.

It is a new and healthy challenge to political leaders and to executive branch "experts," forcing them to defend or, better yet, to rethink long-held views on nuclear weapons development.

What I find refreshing about the nuclear freeze movement is that it reflects the refusal of the average citizen, American or European, to accept the proposition that nuclear war is as inevitable as death. Citizens are saying to their governments that something can and should be done and that they want action now.

Until recently, for most of us, nuclear war was unthinkable—so we left the thinking about it to the experts. People are now saying that no longer will they leave the setting of nuclear policy to professionals. Since nuclear war involves everyone's life, it is also everyone's business.

The people who joined in the nuclear freeze movement have come to the realization that the fate of mankind is in their hands, not exclusively in the hands of experts, and that something can be done to prevent the unthinkable—nuclear war.

The bomb dropped on Hiroshima leveled the city and killed half its people. That bomb was called Little Boy; its explosive yield was 12½ kilotons. Today, there are some 50,000 warheads in the world's nuclear arsenal, among which the Hiroshima bomb would be classified as merely a tactical weapon. That nuclear arsenal totals 1 million times the destructive capacity of Little Boy or 4 tons of TNT for every man, woman, and child in the world. That fact alone should be enough to stir profound and thoughtful consideration in public debate on nuclear arms limitation.

It is the great strength of our political system that our people can express their views on this issue, that they can provide the leadership, the direction, the incentive for the nuclear freeze movement. Our democratic, dynamic political system gives this Congress the freedom to take the first step, which, frankly, the Soviet Government—closed, secretive, isolated, dictatorial—cannot take.

This 97th Congress will not vote on any foreign policy issue which makes as much commonsense as House Joint Resolution 521. I am proud to have cosponsored House Joint Resolution 521,

as well as the initial freeze resolution (H.J. Res. 434).

It calls for a "mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems."

The freeze will not end the threat to humanity that exists in the 50,000 nuclear warhead arsenal that the superpowers possess today. A freeze, however, will prevent the threat from growing inexorably, and will provide a basis upon which the United States and the Soviet Union can proceed to negotiate verifiable, mutual reductions perhaps to the point where we might possess the capacity to blow each other up only once or twice.

Our first task is to understand what the freeze proposal is and what it is not. The nuclear freeze resolution is not unilateral disarmament, as some have characterized it. Rather it calls on the United States and the Soviet Union to "pursue a complete halt to the nuclear arms race."

It explicitly calls on both countries to "decide when and how to achieve a mutual, verifiable freeze on the testing, production, and further deployment of nuclear warheads."

And it calls on both countries to "give special attention to 'destabilizing' weapons whose deployment would make such a freeze more difficult to achieve."

Following agreement on a freeze, the resolution calls on the United States and the Soviet Union to "pursue major, mutually verifiable reductions in nuclear warheads missiles, and other delivery systems * * * in a manner that enhances stability."

I am very pleased that the committee has also included a provision calling for ratification of SALT II. I hope we can retain that provision in the final version. The United States should have ratified SALT II—it is the product of negotiations by three administrations, both Republican and Democratic. It offers the basis for negotiations which can lead to a mutual, verifiable freeze. The Soviets would be required to reduce their missile delivery systems by 10 percent, or 250 systems.

There is nothing very difficult to understand in this resolution or unreasonable in its approach. It recognizes that the current nuclear balance is relatively stable—that deterrence is working. A freeze would guarantee that neither the United States nor the U.S.S.R. would enter a period of vulnerability from new weapons or be tempted to undertake a preemptive strike.

Contrary to arguments from opponents, a freeze would be verifiable. Both testing and deployment can be verified by technical means already available to the United States—electronic surveillance—in which we have a vast superiority over the Russians and other countries.

True, it is harder to verify production of nuclear weapons, but on this issue former DOD Under Secretary for Research and Engineering, William Perry, at Senate hearings on SALT that our intelligence is good enough so that "we monitor the (Soviet) activity at the design bureaus and production plants well enough that we have been able to predict every ICBM before it began its tests."

Thanks to our colleague, the gentleman from New York (Mr. BINGHAM), the entire House has seen the excellent letter of endorsement of House Joint Resolution 521 written by a coalition of statesmen and retired military officials to the chairman of the House Foreign Affairs Committee.

I quote from their letter in part:

A freeze will not lock the United States into a position of inferiority. We are capable of destroying the Soviet Union many times over, just as they are capable of destroying the United States. Neither side can defend itself against destruction. With totals of more than 17,000 strategic weapons, and combined arsenals of 50,000 nuclear weapons, there is no such thing as inferiority or superiority. There is only utter annihilation.

A freeze can be verified. Present intelligence systems have enabled the United States to observe and forecast new Soviet nuclear systems with great accuracy. The Soviet Union has already agreed formally to expanded verification procedures which will increase that capability, particularly with respect to nuclear tests which are essential to the development of new systems. The fact is that a total freeze on all testing, development and deployment of nuclear systems would be much easier to verify than the complex arms reduction agreements proposed by President Reagan. Reliable verification is a plus for a nuclear freeze—not a weakness.

The letter is signed by George Ball, Adm. Eugene Carroll, retired, William Colby, William Fulbright, Averell Harriman, Townsend Hoopes, and Thomas Watson, Jr.

Not only can a freeze be satisfactorily verified, but the resolution would prevent the introduction of new and destabilizing weapons which may be increasingly unverifiable and beyond the reach of arms control negotiations as we have known them in the past. This approach recognized that if we do not stop the arms race now, we may not get another chance.

In his inaugural address, President John F. Kennedy described for the Nation a world in which both sides were "overburdened by the cost of modern weapons, both rightly alarmed by the steady spread of the deadly atom, yet both racing to alter that uncertain balance of terror * * *."

Kennedy opened the era of negotiations when he appealed to the country: "Let us never negotiate out of fear. But let us never fear to negotiate."

Indeed, let us negotiate—with our NATO allies united behind us. Let us negotiate by removing the arms control process from narrow partisan politics. Let us negotiate so as to minimize the risk of a surprise first strike by retaining adequate deterrent capacity on both sides.

Let us negotiate now before we lose so much by further military buildups that both sides are forced to keep their nuclear power on hair-trigger alert.

But most of all, let us negotiate now, before a false start in some future unforeseen surprise crisis destabilizes the entire world, and engulfs us all in the final holocaust.

I urge this House to pass the Zablocki nuclear freeze resolution, without crippling amendments, and make a dramatic step toward real and lasting peace.

Mr. BINGHAM. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. Mr. Chairman, over the past decade, the Soviet Union has embarked on a massive, and threatening, conventional and strategic arms buildup. I have no sympathy whatsoever with those who have criticized American military efforts but turn a blind eye to these Soviet provocations. While I have opposed particular weapons systems as militarily or cost-ineffective, on the whole my record in Congress has been one of support for upgrading our defense forces. For example, I voted for the $35 billion increase in defense spending provided in last year's budget and the additional $45 billion increase we approved just last week. Today, we have another opportunity to strengthen our national security.

I am pleased to rise in support of House Joint Resolution 521. My cosponsorship and strong support of this resolution is based on the following convictions:

That nuclear warfare represents the gravest threat to American security by being the one force that jeopardizes the very survival of our society.

That preventing the outbreak of nuclear war or the conditions that could give rise to nuclear war remains, as it has been for the past 30 years, the central objective of U.S. strategic policy.

That this deterrence requires a determination both to maintain credible military forces that can deny to an adversary the possibility of gaining any meaningful advantage from attacking the United States or its interests, and to engage in arms control negotiations and agreements to limit and then to reduce the global nuclear stockpile whose only value, military and otherwise, lies in its nonuse.

That while there are some areas in conventional forces where we need to

improve our position vis-a-vis the Soviets, we are not currently at a disadvantage in strategic forces. A freeze of strategic forces at current levels would preserve U.S. advantages in the following areas: Number of warheads, missile accuracy and reliability, bomber forces, cruise missiles, and survivable submarine forces. Of course, the freeze would preserve Soviet advantages in other areas but no country, including the United States, could agree to an arms control arrangement that gave all the advantages to the other party. A freeze would merely maintain the balance that currently exists between United States and Soviet strategic forces.

That, therefore, approval of the SALT II Treaty, which would require the Soviets to reduce their operational strategic bombers or missiles by at least 250 units while imposing no such reduction on U.S. Forces, followed by adoption of "a mutual and verifiable freeze" on nuclear warheads and delivery systems would be in the best interests of the United States as preparatory steps toward the major, mutual reductions advocated by both President Reagan and House Joint Resolution 521.

Beyond the simple question of numerical limits on nuclear arms, which has been the primary focus of both proponents and opponents of arms control, House Joint Resolution 521 makes a positive contribution toward the fundamental objective of preventing the use of nuclear weapons.

Given that the firing of nuclear weapons is more likely to be the result of a miscalculation, either accidental or in a crisis, than a deliberate, premeditated act, the promotion of crisis stability is certainly one of the most important goals for nuclear arms control. The resolution now before the House furthers this goal by stopping the deployment of additional nuclear weapons, and by preventing the testing of new strategic systems and technologies, both of which would threaten the current nuclear balance. Furthermore, House Joint Resolution 521 singles out for special attention in the arms control negotiations those weapons which, because of their accuracy, explosive force, and short flight time, have the potential to carry out a disarming first strike.

Thus, the net impact on crisis stability of implementing House Joint Resolution 521 will be to lessen the pressures for adoption of destabilizing strategies, such as launch-on-warning, and weapons systems, such as the nonsurvivable, counterforce MX missile.

A second key consideration in preventing the use of nuclear weapons is the general political climate. Since there is no way to "uncreate" the know-how to construct nuclear devices and since most arms control advocates envision that the end product of their efforts will leave at least a residual force of survivable, retaliatory nuclear weapons, even a very optimistic view of our future prospects must allow for the continued existence of nuclear weaponry. Therefore, there will continue to be an option, whether through calculation or miscalculation, to employ these weapons. Thus, prevention of nuclear war will continue to require the political will to do so.

Seen in this light, House Joint Resolution 521 is one further step in the long, agonizing, unquestionably difficult, but absolutely vital process of nuclear peace. President Kennedy likened the original Test Ban Treaty to the Chinese parable that a journey of a thousand miles must begin with a single step. Today we have the opportunity to take another step in the journey of mutual arms control and confidence building that both must attend to for the prevention of the nuclear holocaust.

The nuclear arms control process is not something that we can undertake as a reward for "good behavior" by the Soviets nor refrain from as a punishment for various Soviet offenses. It is something that we, as well as the Soviets and all other nations, must participate in because it is in the interest of all to do so.

This joint resolution keeps the process going by calling for the immediate adoption of the SALT II Treaty, which though far from perfect, would, in the view of the Joint Chiefs of Staff, make a "useful" contribution toward American security, and setting clear and achievable goals for the next round of the so-called START negotiations. And let us be clear on this latter point: House Joint Resolution 521 does not unilaterally commit the United States to observe a nuclear freeze followed by arms reductions; rather, it commits us to seek these goals in the context of an agreement that is mutual and verifiable.

Even though the nuclear freeze would be an important practical, as well as symbolic, achievement, I believe that future arms control agreements must go beyond the concept of numerical limitations and more directly address the factors that determine the likelihood of nuclear war.

As I have already mentioned, crisis stability is an absolutely essential bulwark against the outbreak of hostilities. In the nuclear realm, the key commodity for promoting this stability is not territory to be acquired or surrendered, nor weapons systems to be used or held in reserve, but time. Whether in defusing or limiting the impact of strategic accidents or in allowing "cooler heads" to prevail in a period of serious tensions, providing a maximum amount of time for reaction, on the part of both sides, in my opinion ought to be at the top of the arms control agenda.

I would urge the President and our START negotiating team to give serious consideration to each of the following measures for "buying time":

Update and expand the various United States-Soviet agreements for preventing nuclear war by accident, miscalculation, or miscommunication (Hot Line Agreement, Accident Measures Agreement, Prevention of Nuclear War Agreement).

Establish a joint United States-Soviet crisis control facility to monitor all nuclear weapons-related activities including missile tests, as suggested by some Members of the other body.

Negotiate a strong and verifiable antisatellite warfare treaty to head off weapons competition in this particularly destabilizing field because of its threat to the reconnaissance and communications satellites which provide the major "breathing space" for leaders in nuclear crisis.

Negotiate limitations on the operating areas for strategic submarines to prevent launchers from occupying the coastal waters of the other country because such positioning (with the short flighttime to potential targets) changes the basic nature of the strategic submarines from being a stabilizing, deterrent force into a destabilizing, first-strike threat.

With regard to the political climate, I believe that the United States must rededicate itself to the task of nuclear nonproliferation. Each additional nation that develops a nuclear weapons capability complicates arms control negotiations, and increases the chances for accidental nuclear warfare. Recent statements and policy actions by the Reagan administration, especially the lifting of the prohibition on transfer to Argentina of a sophisticated technology with nuclear weapons applications, have been very troubling and could be communicating the wrong messages about our country's commitment to antiproliferation. Therefore, I earnestly request the President to embrace H.R. 6032, the Nuclear Nonproliferation Policy Act of 1982, which would strengthen the current controls on the export of nuclear weapons-related technologies and materials and thereby would make crystal-clear the U.S. position on this crucial question.

In conclusion, I would like to once again urge a favorable vote for House Joint Resolution 521. Coming as it does on the heels of our overwhelming approval of the defense authorization bill, which, for the third straight year, significantly boosts the capabilities of our Armed Forces, this vote gives us a chance to demonstrate our commitment to the other pillar of our national security.

Without sufficient defense forces, of course, no arms control agreement could be trusted to insure our national

security. But without mutual and verifiable arms control, which brings stability and some measure of limitation to nuclear competition, no amount of weaponry can insure our survival.

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The CHAIRMAN. The Chair will advise that the gentleman from Michigan (Mr. BROOMFIELD) has 50 minutes remaining, and the gentleman from Wisconsin (Mr. ZABLOCKI) has 37 minutes remaining.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. Mr. Chairman I rise in opposition to the Zablocki resolution and in favor of the Broomfield-Stratton substitute.

Mr. Chairman, a generation of Europeans and Americans have grown up accepting as an article of faith that their security was assured by the fact that America's defenses were far superior to those of the Soviet Union. But now this assumption is no longer true.

The Soviet leaders have used a combination of means to achieve superiority in strategic as well as conventional weapons over the United States and the NATO allies. One method was a foreign policy and propaganda campaign calling for "peaceful coexistence." A second salient was arms control negotiations in which under political pressure to "make a deal" quickly, the United States granted concessions that enabled the U.S.S.R. quickly to "catch up" in strategic arms. A third tactic was to launch an intense covert action effort promoting U.S. disarmament which now is manifest as the "nuclear freeze" campaign.

Who were the initiators and key organizers of the U.S. nuclear freeze campaign? They are the same so-called peace groups and activists who earlier organized protests in support of the Vietnamese Communists. They are the same people who still support the Hanoi regime despite the evidence of the millions of refugee and boat people. They are the same ones now organizing support for the Palestine Liberation Organization and the Communist terrorists in El Salvador and Southern Africa.

One of these "nuclear freeze" supporters, the Women's International League for Peace and Freedom (WILPF) still maintained in 1945 that in the 1930's, Adolf Hitler had been the world's "best hope" for peace.

If WILPF's judgment was so wrong in 1945 in the face of so much evidence of the nature of Nazi totalitarianism, why should this group be trusted when it excuses the Soviet invasion of Afghanistan?

Another early and very active supporter of this "nuclear freeze" resolution is the American Friends Service Committee (AFSC). But despite the implications of its name, AFSC is not a pacifist organization. Its leaders have urged Americans not to condemn revolutionary terrorism on the grounds that the existence of any sort of inequality in our own free society "legitimizes" terrorist violence. And organizationally, AFSC supports this immoral argument by supporting the terrorist Palestine Liberation Organization.

Logic demonstrates that a "freeze" in any contest benefits the one who is leading. In the case of strategic nuclear weapons, it can be shown clearly that the Soviet Union now has a significant, dangerous lead over the United States. This unquestionably is the reason Soviet chief Leonid Brezhnev publicly supported a "nuclear moratorium" in a speech early in 1981.

It is equally clear that it was no coincidence that U.S. disarmament groups and activists with past histories of collaboration with earlier Soviet covert action campaigns were galvanized into supporting a "nuclear freeze" campaign immediately after Brezhnev's statement although "freeze" type proposals have been floated before.

The "nuclear freeze" campaign is a fraud. There is no grassroots movement of support for this resolution. Its passage in local meetings was orchestrated by small groups of activists—the same activists who formerly were telling us that the South Vietnamese, Cambodian, and Laotian people would be "better off" under the Communists, and who put together demonstrations against nuclear power and industrial development.

The individual credited by the "nuclear freeze" campaign with drafting this proposal is Miss Randall Forsberg, who commenced her peace activities with the Women's International League for Peace and Freedom (WILPF) and became a WILPF "intern" at the Stockholm International Peace Research Institute (SIPRI). SIPRI was embarrassed recently by the information that Norway was prosecuting a SIPRI "researcher" for espionage for a hostile foreign power—clearly the Soviet Union.

The grassroots "nuclear freeze" and disarmament demonstrations of the past spring failed dismally to attract local participation other than the usual activists. That they were noticed at all was the work of the television and print media who sought out interviews with participants in tiny rallies to pad out air time and column inches.

To return to the issue of "peaceful coexistence," I think we ought to examine what Lenin, the chief prophet of Soviet Communist orthodoxy, had to say on the subject. In 1919, Lenin told the Russian Communist Party:

> We are living not merely in a State, but in a system of states and it is inconceivable for the Soviet Republic to exist alongside of the imperialist states for any length of time. One or the other must triumph in the end. And before that end comes, there will have to be a series of frightful collisions between the Soviet Republic and the bourgeois states.

And in 1915, Lenin projected that once the Communists were victorious in seizing control of one country, they would use it as a base for destabilizing other non-Communist countries and, depending on the instance, use their armed forces to aid Communist revolutionaries by invasion. Lenin's exact words were:

> Uneven economic and political development is an absolute law of capitalism. Hence, the victory of socialism is possible first in several or even in one capitalist country base. After expropriating the capitalists and organizing their own socialist production, the victorious proletariat of that country will arise against the rest of the world—the capitalist world—attracting to its cause the oppressed classes of other countries stirring uprisings in these countries against the capitalists, and in case of need using even armed force against the exploiting classes and their states.

For several decades, it has been our strategy, primarily because of rejection of the social cost of an intensely militarized society as well as for the economic cost to accept Soviet superiority in conventional forces. This we had counterweighted through our nuclear strategic deterrent. Strategic deterrence has successfully prevented a world war for the past 37 years. We are now at risk because we have been surpassed by the Soviet Union in strategic weapons.

The answer to this situation is to modernize our deterrent, not to give up and thereby signal the Soviets that we have lost our will to withstand their pressure.

We should understand how this situation came about. First in the 1960's, the Soviets initiated arms control talks and held out the idea that if the United States showed "good faith" by making concessions and by unilaterally not building any new major weapons while talks were underway, the Soviet leaders would accept "parity" in strategic weapons with the United States. This was supposed to end the arms race and bring a golden age of cooperation, friendship and trust between the Soviets and the West.

At the same time as "peaceful coexistence" and "détente," was being promoted, the Soviets escalated their support to Communist terrorist insurgent forces in Indochina and to the Hanoi government which were attacking pro-Western and neutral governments; and increased support for similar terrorist groups in Southern Africa, the Middle East, and Latin America.

Our political leaders accepted this. Our conventional forces had been in a long decline since the Korean war. In the 1960's, despite the Vietnam conflict, it continued. We stopped mod-

ernizing major strategic weapons and having new ones "on line," started transferring high technology with direct military applications to Russia, and signed the first Strategic Arms Limitations Treaty. The talk about "parity" proved irrelevant. SALT-I established conditions that permitted the Soviet Union to achieve strategic superiority over America—and with Soviet development of multiple independently targeted reentry vehicles—MIRV'd warheads—the U.S.S.R. achieved strategic parity in 1974.

But having achieved parity in 1974, the U.S.S.R. has never slowed the frantic pace of its military buildup. Indeed, the production rates for SS-20 missiles, for example, were increased during the past 2 years.

By 1977, Western defense officials were working on plans to modernize NATO as well as America's strategic deterrent forces in order to counter the Soviet buildup.

Exactly at this moment, a "peace offensive" was started in Europe and America. This so-called peace campaign in fact is a Soviet covert action campaign—clandestine political warfare—carried out under the direction of the International Department of the Soviet Communist Party Central Committee. In fact, this campaign seeks de facto Western disarmament, for you can disarm by not modernizing your military forces which are the basis of deterrence as surely as by directly consigning weapons to the scrap heap.

The CPSU International Department has three apparatuses for initiating and directing Soviet covert action campaigns. First, it coordinates the efforts of the nonruling Communist parties. Second, it directs the international front groups which conceal Moscow's hand, although certainly not perfectly, in political pressure and propaganda operations. Third, the KGB's departments involved in covert action through the use of "agents of influence" and intelligence" assets" work in coordination with the international department.

Playing a key role in coordinating Soviet political warfare operation against America and NATO is the World Peace Council, the principal international Soviet-controlled front under the control of the CPSU International Department. As a new study by the Western Goals Foundation, "The War Called Peace: The Soviet Peace Offensive," documented:

> Since 1950, when it launched the Stockholm Peace Appeal, the World Peace Council (WPC) has been the Soviet Union's single most important international front organization. The WPC's first Stockholm Peace Appeal sought an absolute ban on the atomic bomb at a time when the Soviet Union's nuclear capability lagged far behind the United States. The 1950 Stockholm Peace Appeal declared that "the first government to use the atomic weapon would be committing a crime against humanity and should be dealt with as a war criminal." This theme is still being promoted by leaders of the U.S. disarmament drive.

The WPC and a closely related Soviet front which works in tandem with it, the Prague-based Christian Peace Conference, focused their activities during the 1970's on involving Western religious leaders and groups in Soviet covert action campaigns.

The U.S. anti-Vietnam demonstrations of the late 1960's and early 1970's was coordinated through the World Peace Council; and organizers and activists from the American Friends Service Committee (AFSC), Women's International League for Peace and Freedom (WILPF), Clergy and Laity Concerned (CALC), Fellowship or Reconciliation (FOR), SANE, and the War Resisters League (WRL) participated. These same groups were the first to organize and promote the "nuclear freeze" proposal.

As the Soviet covert action campaign got under way in 1977 with the main focus of activity in Europe, street demonstrations were organized by the local chapters of the World Peace Council with the help of local Communist parties, anti-Western New Left radicals, pacifist socialists, militant ecology groups and some leftist religious activists and church groups.

What were the demands on their banners? The new disarmament groups said "Stop the neutron bomb," and "Say no to cruise and Pershing missiles"—the very same slogans first put forth by the Soviet-controlled WPC.

Their bias was shown by the fact that their literature said nothing about the threat to peace posed by the Soviet Union and Warsaw Pact forces. Instead they denounced the United States of America as the chief "threat to peace" in the world, the originator of oppression and so on. The line was very familiar. We have been hearing it since the Soviets launched their first "peace offensive" in 1950.

As loud as are their protests against NATO and America, the "peace" movement remains characteristically silent on the matter of Soviet SS-20's, Soviet Backfire bombers, the nuclear-armed Soviet submarines lurking in the sea near European coastlines, and Soviet sea-launched cruise missiles. Whenever forced to include some statement on Soviet nuclear weapons, these phony "peace" groups find excuses for Soviet aggression and resort to the line that "it's up to Soviet citizens to make changes in their society and it's up to U.S. activists to bring about disarmament of America."

The "nuclear freeze" campaign coalsced from earlier separate campaigns against individual U.S. weapons systems. In Europe, as we said, the focus was on the theater nuclear forces opposing the Warsaw Pact—the Pershing II intermediate range missile, the cruise missile and neutron bomb. In America, the so-called peace groups concentrated their attacks against plans to modernize the U.S. strategic forces. The Trident submarine, B-1 bomber and MX missile were attacked on three levels.

At one level there were protests at the factories and shipyards in which these weapons were being made and at military bases on which they would be stationed.

At the second level, so-called liberal organizations with varying degrees of political influence but which were strong supporters of "détente" with Moscow and had opposed U.S. efforts to help South Vietnam were approached by the disarmament groups for testimonial statements against modernizing our nuclear deterrent forces and to apply pressure on Congress and the White House.

At the third level, Liberal Congressmen and Senators were pressed to vote against funding for the B-1, MX and Trident, to vote for severe cuts in those programs, and to encourage the White House to undertake SALT-II negotiations as a substitute for building new defenses.

During the 4 years of the Carter administration, this campaign registered some startling successes. The neutron bomb program was terminated; the MX missile delayed; the Trident submarine program was seriously cut; and the B-1 bomber was killed. A SALT-II treaty was signed which was so unbalanced in Moscow's favor that the Senate declined to consider its ratification.

Meanwhile, the Soviet Union increased its rate of strategic arms acquisition and deployment. As deployment of one series of Soviet submarines or missiles ended, a more advanced model took its place on the production lines. As America killed its B-1 bomber, the Soviets produced their own equivalent, the Backfire. As America considered producing a single Trident submarine, the Soviets built their Typhoons.

In November 1980, American voters decided they did not want this course to continue. The polls continue to show that Americans reject by a 70-percent majority a nuclear freeze that would leave this country second in defense capability to the Russians.

The majority of the American people look at what the Soviets are doing in Afghanistan, see the oppression in Poland, see how the Soviets have been exporting Communist insurrection and totalitarian dictatorships into Central America, and then come to the correct understanding that the Soviet Communists and their allies want more and more power and have not abandoned long-term goal of world power. Then they very sensibly con-

clude that the most sensible response is to put our shoulder to the wheel and modernize our deterrent forces to the extent that the Soviets recognize our hardware capability and our moral determination.

Will and determination to maintain one's independence does not get you anywhere without the means to back it up.

Following the November 1980 election, U.S. Communists and leftists who collaborate with the Soviet-controlled World Peace Council and allied Soviet front groups were holding meetings on how to defeat the new administration's announced plans to modernize American and NATO defenses.

As our friend and colleague, John Ashbrook wrote shortly before his death in an introdution to "The War Called Peace," the United States has fallen into a "dangerous pattern of maintaining tremendous superiority over the Soviet Union—but only on the drawing boards and with prototypes that are never put into production. Paper weapons deter no one. They demonstrable do not deter the Soviet Communists who are waging war against us—an ideological, economic, political, and terrorist war against all the Free World."

But little leftist disarmament activity took place until Brezhnev's Moscow speech in which he suggested a "nuclear moratorium." Within weeks, U.S. disarmament activists met in Washington to plan a campaign, but they used slightly different words from Brezhnev and called it a "nuclear freeze."

Money was raised, offices are rented, and in new clothes, the groups that had collaborated with the Soviet controlled World Peace Council produced the "Nuclear Freeze Campaign" which has received extensive uncritical television and newspaper coverage in America.

The nuclear weapons freeze unites under one slogan the one separate demands of the Soviet-directed European and American disarmament campaigns.

The "nuclear freeze" would mean no NATO deployment of the planned 464 Tomahawk cruise missiles and 108 Pershing II missiles. The "nuclear freeze" would mean no neutron bombs to counteract the threat of invasion by Warsaw Pact tanks. The "freeze" would mean no construction of B-1 bombers, no further development of "Stealth" bombers, no MX missiles or new Trident submarines.

I would like to make the point that our old Titan ICBM's have been ordered to the scrap pile without even getting the Soviet Union to give up an equivalent number of its ICBM's. We also have our aging Nautilus nuclear submarines whose service life is nearly completed. A "nuclear freeze" would mean those submarines would not be replaced resulting in yet another American move of unilateral disarmament.

The June 12 "March for a Nuclear Freeze and Disarmament" and the June 14 civil disobedience action during the U.N. Second Special Session on Disarmament were the product of a year of planning. Even so, only 165,000 marched past the United Nations, while the remainder of the crowd in Central Park consisted of young people attracted by the free concert by leading rock music stars.

It was evident that the New York demonstration was not controlled by pacifists, but by revolutionaries.

Leftist organizations marched in a large contingent supporting Soviet-backed PLO terrorists and others in El Salvadore, Turkey, Northern Ireland, Iran, South Africa and the Philippines, But the organizers kept these openly revolutionary Marxist-Leninist groups separated from the church and religious groups,

It also was plain that the U.N. march was Communist-organized. Not only did the Communist Party, U.S.A.-controlled section of the World Peace Council, the U.S. Peace Council, take a prominent role in organizing the nuclear freeze march and rally, but groups with long and consistent records of participation in WPC campaigns were equally prominent. USPC leaders including executive director Mike Myerson, a high ranking CPUSA official, and USPC coordinator Sandra Pollock were especially active in the planning. In addition, the Communist Party was a sponsor of the event in its own name.

Likewise, most of the trade union groups—the old District 65 Distributive Workers now affiliated with the United Auto Workers, District 1199, National Union of Hospital Health Care Employees, United Electrical (UE), and so forth—came from unions long dominated by the Communist Party.

Furthermore, the Communist Party, U.S.A., reserved for itself the right to make the final statement in the march—a statement that disarmament did not mean an end to Communists fighting in "wars of national liberation." They did this by concluding the parade with the banners of the U.S. Peace Council and other Communist Party-controlled organizations; followed by the red banners of the Communist Party, U.S.A., and members of its heirarchy led by Gus Hall who first came to public attention as a Moscow-trained saboteur during the Republic Steel strike more than 40 years ago. Last of all marching in formation came the veterans of the Communist International Brigades from the Spanish Civil War, the Veterans of the Abraham Lincoln Brigade.

The Communists support the nuclear weapons freeze for several reasons:

First, the nuclear freeze would preserve Soviet superiority over America in strategic nuclear weapons, and over NATO's theater nuclear weapons.

Second, the nuclear freeze would be a crunching political defeat because it would demonstrate to the nations of the world that the West no longer had the will to defend itself against Soviet aggression. Economic and political isolation would quickly follow.

The nuclear freeze has other dangers. It would encourage the Soviets to press their military advantage through nuclear blackmail to "Finlandize" the United States. If the Soviet strategists believe their military superiority over America is overwhelming, they will without question use it for political blackmail. At that point, the end of American national sovereignty, the end of the Western forms of representative government, freedom and independence would follow quickly.

Or—putting aside the probability of Soviet political blackmail—American military weakness would pose a dangerous temptation to the Soviets to use their military forces in a first strike. The Russians are not suicidal. No country in history outside the fantasy of the "Mouse That Roared" has ever declared an aggressive war on an opponent it believed significantly stronger than itself.

Supporters of the nuclear freeze resolution say that because the United States has 9,000 nuclear warheads, 2,000 more than the number estimated in the U.S.S.R.'s atomic arsenal, we have a commanding nuclear lead and ought now to stop.

As John Rees wrote in an article, entitled "Why We can't Afford a Nuclear Freeze," which appeared in the May 1982 American Opinion magazine:

> America's nuclear warheads are very much smaller than those of the Soviet Union. The 9,000 U.S. warheads have a total explosive power of 2,968 megatons. We have 54 ancient Titan missiles with single warheads of 5 to 10 megatons. Dividing it out, you will see that the average U.S. warhead has a yield of one-third of a megaton.
>
> The Soviet Union, with 30 percent fewer warheads, nevertheless has a "throw weight" of 5,111 megatons—1.7 times greater than ours. The average Soviet ICBM warhead has the explosive power of three megatons, while some of the warheads on their medium-range and intermediate range missiles are smaller.
>
> In practical terms, this means that Soviet warheads pack a punch strong enough to destroy up to 90 percent America's land-based nuclear deterrent Inter-Continental Ballistic Missiles (ICBM's)—54 ancient Titan missiles with single warheads of some 5 to 10 megatons, and 998 Minuteman-II missiles whose small warheads are in the kiloton range.

This article went on to point out that since 1965, the U.S.S.R. deployed 300 superpowerful SS-9 and SS-18 missiles which have multiple warheads, each in the megaton range. In the past 12 years since conclusion of

the first SALT treaty, the Soviet Union has deployed three new generations of missiles with multiple MIRVed warheads. These are designated SS-17—four independently targeted warheads—SS-18—up to eight MIRVed warheads—and the SS-19—six MIRVed warheads. It continued:

During the Nixon Administration, the U.S. government proposed that the number of long-range strategic bombers, Intercontinental Ballistic Missiles (ICBM's) and Submarine-launched Ballistic Missiles (SLBM's)— be "frozen." By June 1972, the totals of these types of strategic weapons in the arsenals of the U.S. and USSR were about identical. But this offer to accept and maintain "real parity" was totally rejected by the Soviet Union.

While the Nixon White House sought to conclude an arms limitation agreement primarily for the political purposes in being able to go into the 1972 campaign with an agreement with the Russians under one's belt to build one's image as a "peace" candidate. To get that 1972 Interim Agreement of the limitations of strategic arms, the United States made major concessions to the Soviets who were very well aware of the partisan political intent and the domestic pressures being exerted on the Nixon Administration—since they were doing all they could to exacerbate the anti-Vietnam campaign.

In that 1972 arms control protocol, America agreed to Soviet demands (based on Soviet claims that essentially said that England and France were not really sovereign nations and that their nuclear weapons were really under American control and should be counted with U.S. forces) and that they should be allowed a considerably larger strategic missile force. For example, as part of this protocol, the United States agreed to let the Soviets have 950 submarine-launched ballistic missiles (SLBM's) while we would build only 710.

The sad fact is that all the American SLBM's permitted under the 1972 interim protocol have not been built because our Trident submarine program has been deferred and redeferred so that where once we had planned to deploy three Trident submarines a year to replace our aging Nautilus/Poseidom submarines and their missiles that have warheads with only 50 kilotons of explosives force, we produce but one. As of the end of last year, the United States had 575 SLBM missiles. And the Soviets? They have 989 SLBM's, 39 over the 1972 interim protocol. And they are still building.

In land-based strategic missiles, the picture is similar. As American Opinion reported:

In the mid-1960's under the Johnson Administration, America 904 ICBM's to the USSR's 292—that was a 3 to 1 superiority in strategic missiles. But in 1967, when the first preliminary discussions on a Strategic Arms Limitation Treaty (SALT-I) took place, the Johnson Administration, with the full support of Defense Secretary Robert Strange McNamara decided unilaterally to "freeze" the U.S. ICBM force at 1056. We are now down to 1054 because in the last couple of years, two missiles have exploded in their silos. There are no replacements and there are the Minuteman-II production line has been shutdown for several years.

The situation with Submarine Launched Ballistic Missiles (SLBM's) shows how the U.S. has undertaken *de facto* unilateral disarmament in this area over the past decade by slowing the rate of construction of nuclear powered ballistic missile submarines below what is needed to replace our aging Polaris-Poseidon submarines and missiles (which carry warheads with a mere 50 kiloton kick).

Prior to January 1975, the USSR had 34 Yankee-class ballistic missile submarines each carrying 15 missiles. The Soviets began bringing a more modern, higher-performance class of ballistic submarines, the Delta class, in 1973, just after SALT-I was signed.

Between 1973 and 1981, the Soviets produced 30 Delta class submarines and increased the rate of production to 6 per year, arming them with MIRVed missiles with increased range and packing multimegation punches.

Throughout the 1970's, the Soviets kept improving both the SS-N-S missiles and the Delta submarines. The Delta-1 carried 12 missiles; Delta-II and Delta-III subs have 16. The SS-N-8 missile has been deployed in two modes, one with a range of 7,800 kilometers, and the improved version with a range of 9,100 km. The SS-N-18 missile has been deployed in three modes. One mode carries three MIRVed warheads with a range of 6,500 km. Mode 3 carried seven MIRVed warheads with an identical range.

The range of the SS-N-8 and SS-N-18 Soviet Submarine Launched Ballistic Missiles is markedly greater than our C-4 Tridents which we have just begun to deploy. These already-deployed Soviet missiles have greater range than our C-4 Tridents and carry MIRVed multi-megaton warheads. Between 1973 and 1981, the USSR deployed 30 Delta submarines whose SS-N-8 and SS-N-18 missiles have ranges of 7,500 to 8,000 kilometers. The production rate has increased to 6 per year.

By 1979, the Soviets were testing the new SS-NX-20 missile and following year launched the first giant Typhoon class submarine which carries 20 missile launch tubes.

The response of our administration to this build-up in light of "détente" and "peaceful coexistence" with the Kremlin was to order our new Trident submarine program to be cut to only one per year for the period 1981 to 1985.

As American Opinion noted:

In 1978, the United States had 656 SLBM missiles. As the Polaris/Poseidons are being retired, we have let the number of our SLMB missiles dwindle to 576.

What is more alarming is that the Trident program projected a total of only 13 submarines; yet 27 Tridents are needed just to replace the 656 missiles we had on our old submarines four years ago.

In other words, unless the United States commences a significantly expanded Trident submarine program (and moves to develop and build successors to Trident), America will be unilaterally reducing the number of submarine-launched ballistic missiles as the Nautilus/Poseidons are retired. The "nuclear freeze" resolution would block new submarine construction. This is one more example of why this House should not and must not support the "nuclear freeze" resolution.

There can be little doubt in the minds of serious students of the Soviet system that the demand for a "nuclear freeze" is a critical tactic of their policy. This was analyzed in an article in American Opinion in February of this year by John Rees which stated:

Consistency of leadership personnel is one of the hallmarks of the Soviet regime. Membership in the Politburo of the Soviet Communist Party changes slowly so that the top officials have decades of personal tactical experience in the USSR's protracted war against the Free World. Mikhail Suslov has been the Politburo official responsible for coordinating all ideological matters including the international propaganda themes since the days of Josef Stalin. And Suslov's principal deputy, Boris Ponomarev, had headed the CPSU International Department since the late 1940's. Thus it is hardly surprising that a Soviet Politburo directive issued by Suslov in 1949 that established the prime targets for recruitment into the "fronts" and the so-called "peace" campaign still obtains today:

"Particular attention should be devoted to drawing into the peace movement trade-unions, women's, youth, cooperative, sport, cultural, education, religious, and other organizations, and also scientists, writers, journalists, cultural workers, parliamentary, and other political and public leaders."

It is difficult for Americans and citizens of other Free World lands to grasp the ability of a totalitarian "command" regime like the USSR to subordinate all of its agencies to goals set by the ruling Politburo. The Soviet Ministers of Foreign Affairs and Defense, the KGB chief Yuri Andropov, and the ideological chief and his deputy who heads the CPSU Intenational Department all are members of the Politburo. Thus not only are the resources of the Soviet Communist Party's International Department—the fronts and local nonruling Communist parties—mobilized; but so are the secret agents of influence controlled by KGB and the diplomatic corps of the Foreign Ministry.

Among the fronts established by the Soviet Union after World War II are the Afro-Asia People's Solidarity Organization (AAPSO); International Association of Democratic Lawyers (IADL); International Federation of Resistance Fighters (FIR); International Organization of Journalists (IOJ); International Union of Students (IUS); Women's International Democratic Federation (WIDF); World Federation of Democratic Youth (WFDY); World Federation of Scientific Workers (WFSW); World Federation of Trade Unions (WFTU); and the World Peace Council (WPC). Another front, the Christian Peace Conference (CPC), has been under total Soviet control since 1968 and operates in tandem with the World Peace Council.

This February American Opinion article continued by examining what we now know to be the antecedents of the nuclear freeze campaign. It reads:

A major center for Soviet front activity is the United Nations in New York and Geneva. The World Peace Council, Women's International Democratic Federation, Christian Peace Conference and their sister fronts are highly active among the U.N. Non-Governmental Organizations (NGOs), particularly on the issues of disarmament and support for the Soviet-backed terrorist national liberation movements.

WPC planning targeting the Second U.N. Special Session on Disarmament moved into high gear with the NGO "Urgent Action Conference for Disarmament," held in August 1981 in Geneva, which was organized by the Special NGO Committee on Disarmament cochaired by WPC president Romesh Chandra.

In the words of a WPC report, the NGO meeting considered "obstacles to disarmament in the light of the new developments in the arms race, especially in nuclear arms, as well as NGO actions to overcome them." In plain words, that meant the topic was how to stop the U.S./NATO defense modernization program. The WPC report pointed out how useful the U.N. Non-Governmental Organizations could be if harnessed to the disarmament drive in influencing American and European government leaders.

And there was a panel of international disarmament activists who agreed that "urgent measures be taken to stop the drive towards a nuclear catastrophe and emphasized the importance of NGOs in influencing decision-makers to curb the arms race." An examination of the membership in this panel is instructive. One member was Nino Pasti, a former General in the Italian Army who held high-level NATO posts in the early 1970s when he suddenly retired and ran successfully for the Italian Senate as an "independent" on the Italian Communist Party ticket. Pasti's action prompted European comments to the effect that NATO could no longer be considered as having any secrets. Pasti is highly active in the Italian WPC section and in the WPC.

Other participants were Randall "Randy" Forsberg, executive director of the Brookline, Massachusetts-based Institute for Defense and Disarmament Studies, who joined with John Kenneth Galbraith and U.S. Rear Admiral (Ret.) Gene LaRocque, the highly dovish head of the prodisarmament Center for Defense Information in events at the 1980 Democratic National Convention; Leopoldo Nilus of the World Council of Churches; Soviet Spokesman Prof. G. A. Trofimenko and Prof. Hilke Tromp, of the University of Groningen, the Netherlands, who with Admiral LaRocque co-sponsored a major disarmament conference in Groningen last spring.

Prime among the WPC/led United Nations NGO concerns were "the danger of the deployment of new nuclear medium range missiles in Europe and * * * immediate negotiations on this subject." The NGO disarmament group agreed that their main activity in 1981-82 would be to contribute to "the preparations and work" of the Second U.N. Special Session on Disarmament in June 1982.

Later in the American Opinion article, Mr. Rees documented the Communist connections of former NATO generals and the Washington-based Center for Defense Information (CDI) which more accurately should be called the Center for Defense Disinformation. The article reads:

In the disarmament drive, the Soviet media and the World Peace Council are making heavy use of several former NATO military officers who, following their retirements (which terminated their access to military secrets and ended their ability to directly influence policy), have become highly visible "assets" for the Soviet propaganda machine.

Particularly active have been Gen. Nino Pasti, the former NATO Vice-commander now a member of the Italian Senate elected to the Italian Senate as an "independent" on the Communist Party ticket; Major Gen. Gert Bastian, formerly commander of the 12th Armored Division of the West German Army; and U.S. Rear Admiral (Ret.) Gene LaRocque, director of the Center for Defense Information (CDI).

Several of these retired military officers including Bastian, Pasti, Johan Kristi of Norway, Francisco da Costa Gomes of Portugal who is a World Peace Council vice-president, Georgios Kumanakos of Greece, Von Meyenfeld of the Netherlands and French Admiral Antoine Sanguinetti, signed a statement in November 1981 addressed to the NATO military commanders and foreign and defense ministers. The "peace generals" attacked the NATO military upgrading agreements regarding the Pershing and cruise missiles, called for arms negotiations with the Russians, and asked the European NATO members to break away from alliance with the U.S. to develop better relations with the Warsaw Pact regimes.

Pasti held a press conference in the Hague to charge that the very idea of a "strategic superiority of the Soviet Union and its military build-up was, as the Soviet press agency TASS reported, a "lie fabricated by the CIA and spread by NATO propaganda." The Soviet media heavily publicized the WPC general's comment, "I can give the assurance that the most convinced opponent of war is the Soviet Union, who in the last war suffered the gravest trials. This cannot be said of the United States where the idea or war is linked with the profits of certain circles."

Pasti is a leader of the Italian section of the World Peace Council and with the WPC itself. American Opinion continued by reporting that both these World Peace Council "generals for peace" made U.S. speaking appearances on Capitol Hill in 1981, which were organized by SANE. The WPC groups also met with the Coalition for a New Foreign and Military Policy (CNFMP), a lobbying group highly active on Capitol Hill. These appearances illustrate how the WPC exerts its influence over prominent U.S. disarmament groups, and indeed even over Members of this Congress as on May 5, 1981, at the invitation of Members, a 2-hour WPC briefing was held in Congress. As Mr. Rees reported:

The featured speakers were Pasti, who was identified only as an Italian Senator, not as a prominant World Peace Council activist; and Richard Barnet, co-founder of the Institute for Policy Studies (IPS), the influential leftist think-tank which has developed a network of contacts among Congressmen and their aides, government officials, the press and academic community.

IPS has been characterized as the "perfect intellectual front for Soviet activities which would be resisted if they were to originate openly from the KGB." Barnet and Pasti urged support for the Brezhnev offer of a "nuclear moratorium" * * *.

The next day, Pasti returned to Capitol Hill accompanied by World Peace Council president Romesh Chandra and six other WPC representatives. Again, a group of Congressmen * * * issued an invitation to their colleagues to meet with the foreign delegation to discuss "arms spending," southern Africa and U.S. policy in Central America. None of them could claim that they did not know this was a WPC group since the invitation specified that the delegation was led by Romesh Chandra and identified him as the World Peace Council president.

The tour by Chandra, Pasti and company was coordinated by two U.S. Peace Council functionaries drawn from the ranks of the Young Workers Liberation League (YWLL), the youth group of the Communist Party, U.S.A. (CPUSA). In Washington, the WPC group met with the Coalition for a New Foreign and Military Policy (CNFMP), an anti-defense lobbying group, and were honored with a reception held in the home of a SANE staffer.

So here we have seen leaders of a major Soviet front working with leaders of U.S. disarmament groups—IPS, SANE, CNFMP and the Communist Party-controlled U.S. Peace Council—in attempting to influence Representatives and Congressional staffers.

As many of us are aware, the Center for Defense Information, to which I referred earlier, is highly active in these matters of waging "war through peace." As the study of Soviet covert action in the peace movement by the Western Goals Foundation, "The War Called Peace" noted:

The publications of the CDI and statements of its leaders consistently have opposed each major upgrading in U.S. defense forces, and have opposed U.S. overseas bases and defense treaties with non-communist allies. CDI leaders and publications have been praised and quoted by the Soviet media on those and related issues since CDI's inauguration in 1973.

In the fall of 1975, after causing a crisis in U.S.-Japan relations by telling a subcommittee of the Congressional Joint Committee on Atomic Energy that the U.S. did not honor agreements to off-load atomic weapons from U.S. warships before they entered Japanese harbors, LaRocque went to Moscow as a guest of the Institute of the U.S.A. and Canada, a think-tank with close ties to the KGB. LaRocque later altered his statements on U.S. nuclear weapons and admitted he had no knowledge that the U.S. had ever violated its agreements with Japan in a Moscow interview with the correspondent for the Japanese Communist Party (JCP) newspaper Akahata [10/26/75].

Currently, LaRocque's statement, "If you dummies let us, we'll fight World War III in Europe," is being widely used by the organizers of demonstrations against "Euromissiles" in the NATO countries. [WIN magazine, 1/1/82].

* * * program, "International Observers Roundtable" [15 November 81]. Gennady Gerasimov commented:

"When I was in Washington quite recently, I happened to be at the Center for Defense Information where I talked with Rear Adm. Eugene Carroll, retired, codirector of this center. He confirmed again, he stressed that all their calculations show that a nuclear war would inevitably and ineluctably become universal and that a limited nuclear war is impossible and unrealistic. For this reason, incidentally, the rear admiral expressed his support for Leonid Ilich Brezhnev's appeal to the U.S. Administration to give up dreams of attaining military superiority over the Soviet Union. Each of the sides today possesses sufficient potential to destroy each other, even several times over.

Thus attempts to secure military advantages are senseless. This was the opinion of this retired rear admiral."

The Western Goals study continued:

CDI's former military officers are frequently quoted by the Soviet propaganda organs to legitimize their attacks on NATO and U.S. defense forces as trigger-happy dangers to peace.

Although CDI states it "supports a strong defense but opposes excessive expenditures or forces," it has opposed every major new U.S. weapons system—from the B-1 bomber and Trident submarine to cruise missiles and neutron warheads—

LaRocque's deputy at CDI, Eugene J. Carroll, another retired U.S. rear admiral, recently was praised on the Moscow Radio Domestic Service as upsetting the U.S.-Soviet strategic balance while at the same time minimizing the Soviet military buildup.

In 1979, in cooperation with the Members of Congress for Peace Through Law Education Fund, CDI financed a 27-minute film, "War Without Winners," to promote the litany that "there is no defense against nuclear war." The film was produced by Harold Wilens, chairman of the board of the Factory Equipment Corporation, CDI advisor, and a leader of Businessmen Move for New National Priorities (BEM); and its director was Haskell Wexler, the revolutionary film director who in 1975 produced a propaganda film for the terrorist Weather Underground Organization consisting of interviews with five fugitive leaders including Kathy Boudin.

The CDI film project director was its senior staff member Arthur L. Kanegis, now CDI's media director. Late in March 1982, Kanegis, of the Georgetown Center for Strategic and International Studies, was interviewed for National Public Radio's All Things Considered news show dismissing evidence of Soviet use of nerve gas and other biological toxins in Afghanistan and Cambodia.

CDI's newsletter, Defense Monitor, publishes carefully selected data that consistently presents the USSR as a weak opponent. For example, a recent issue (Vol. XI, Number 1, 1982) asserts "there is no evidence to support the notion of growing Soviet 'geopolitical momentum' " and points to setbacks in Egypt, Somalia, Guinea, Bangladesh and India without noting gains in Angola, Mozambique, Ethiopia, South Yemen, Vietnam, Cambodia, Laos, Nicaragua, Grenada, Syria, Iraq, Libya, and other countries.

In total contrast to the CDI are the views of Albion Knight who was graduated from West Point in 1945 and at the time of his retirement from the U.S. Army in 1973 was a brigidier general. Much of General Knight's military career involved his expertise in nuclear weapons and upon his retirement he joined the staff of the Congressional Joint Committee on Atomic Energy and later the Energy Research and Development Administration. In 1977, he resigned from ERDA in protest against the Carter administration test ban treaty with the Soviet Union. Not only does General Knight have a distinguished and scientific background but in 1954 he was ordained as an Episcopal priest and in addition to his service as a line officer he conducted a pastoral ministry. General Knight gave an interview to the national conservative news magazine The Review of the News (June 9, 1982) in which he stated:

The proposal for a nuclear freeze is politically wrong, militarily a mistake, and theologically based upon fallacies.

The "nuclear freeze" would freeze the United States into a position of clear strategic inferiority to the Soviet Union. It would keep the United States in a position of being blackmailable politically by the Soviet Union. It offers the American people no hope when there is hope.

It is quite possible for the American people to be defended against a Soviet attack. But a "nuclear freeze" may make that impossible because it not only says freeze what you have, but it freezes research, development, testing and production of nuclear weapons. There are defensive weapons that may protect the American people as well as our allies which would not be developed. I think that it is morally wrong not to defend a nation when it is technically feasible to do so.

General Knight was asked why the opinions of the clergy have been given so much weight on disarmament. He replied:

In the past, the clergy has had a rather high credibility with the American people in discussions of moral issues because obviously that is their business. However, the clergy in this particular case are only looking at a few selected moral issues, not across the board moral issues. By and large, I think the clergy of the large "mainline" denominations have been used emotionally and they do not understand the issues that they are talking about.

Some can be educated. For example, when I was able to talk to the clergy of one diocese about these problems caused by the fact that the nuclear arms race has already been run and won by the Soviet Union and about its implications to the United States, all but about two arrived at a very clear understanding of the other moral issues that they had not faced.

They included the question of intentionally leaving the American people unprotected, and intentionally targeting innocent Soviet men, women and children who have absolutely nothing to do with the policies of their government.

These clergymen finally began to see that there were other moral issues involved. But I'm convinced that if there is a possibility of sitting down with them without the emotion that has been associated with the nuclear freeze that has come from the headquarters of the churches, the local clergy will understand. Their people already understand, and if their people understand, they will certainly have a better understanding.

Asked about the charge that nuclear weapons are "immoral" and that their use would be a "crime," General Knight said:

There is a theological fallacy that weapons per se are either moral or immoral. Weapons, be it a rock, rifle or a nuclear weapon have no moral value whatsoever. The morality comes from the mind of the person who decides that it must be used, and for what purpose. Is that purpose to destroy freedom? Then it is immoral. Is it to protect freedom? Then it is moral.

I think the dropping of the atomic bombs on Hiroshima and Nagasaki were intensely moral because when I served in the occupational forces in Japan in 1945 and 1946, I saw the defenses that I otherwise would have been required, as a young lieutenant, to overcome on the island of Kyushu. Not many people would have survived that initial landing.

Before I conclude, we should briefly examine some of the key groups promoting the "nuclear freeze."

American Friends Service Committee—AFSC—formed by a group of Socialist Quakers opposed to the draft in World War I, the AFSC has been penetrated and used by Communists since the early twenties when it sent Jessica Smith, later the wife of Soviet spies Harold Ware and John Abt—since the fifties CPUSA general counsel and a member of the CPUSA Political Committee—to the Soviet Union to determine famine relief needs in Russia which was suffering from the effects of forced collectivization of farms and the effects of civil war.

In its literature, the AFSC has publicly and consciously chosen to support revolutionary terrorist groups and has tried to justify revolutionary armed struggle and terrorism on the grounds that no matter how violent the revolutionary process, the future Socialist utopia would end the "violence of the status quo."

As a result of AFSC support for the Vietcong, the Philadelphia Meeting of the Society of Friends withdrew its financial support from the AFSC. The AFSC worked in collaboration with the World Peace Council against U.S. aid to South Vietnam, sending "observers" to participate in WPC meetings.

AFSC's six key program areas are disarmament—Terry Provance—and human rights; global justice—targeting South Korea and Central America—the Middle East—where the AFSC supports the cause of the terrorist Palestine Liberation Organization—PLO—Southern Africa—where AFSC supports the pro-Soviet terrorist movements in Namibia and South Africa—Indochina—supporting the pro-Soviet Hanoi government in Vietnam and its puppet regime in Cambodia—and opposing registration for a military draft.

The director of the AFSC's disarmament program since the revival of the international disarmament campaign in the midseventies has been Terry Provance, a WPC activist and founding member of the U.S. Peace Council—USPC—who is also a leader of the Mobilization for Survival—MFS—and is active with the World Information Service on Energy—WISE.

AFSC operates a lobbying arm, the Friends Committee on National Legislation—FCNL—headed by Ed Snyder, who has played a key role in developing strategy for pressure on Congress against the U.S. defense budget, and particularly against development or deployment of new weapons systems.

Another AFSC project, the National Action/Research on the Military/Industrial Complex—NARMIC—serves as the AFSC's intelligence-gathering arm. NARMIC works closely with the Institute for Policy Studies—IPS—the North American Congress on Latin America—NACLA—a pro-Cuba research group, and other antidefense and disarmament research organizations.

Clergy and Laity Concerned (CALC) was organized in 1965 by the National Council of Churches, but first became widely known in 1967 when it cosponsored a White House demonstration in conjunction with the Mobilization Committee to End the War in Vietnam, a coalition strongly influenced by Communists and found by the House Committee on Internal Security in 1970 to have "operated from its inception with significant international Communist support" through the World Peace Council. CALC's former leader, Rev. Richard Fernandez, served on the New Mobe Steering Committee.

In January 1970, CALC described its goals in these terms:

> What we are about today is not simply an end to the war in Vietnam, but a struggle against American imperialism and exploitation in just about every corner of the world. * * * Our task is to join those who are angry and who hate the corporate power which the United States presently represents, and to attempt, in our struggle, to liberate not only black, brown and yellow men in every corner of the world, but more importantly, to help liberate our own nation from its reactionary and exploitative policies.

CALC's present codirector, John Collins, was an endorser of the U.S. Peace Council's November 1981 national conference. On February 17, 1982, CALC released an "open letter to Congress" signed by 400 religious activists and leaders opposing U.S. aid to El Salvador. With the AFSC, CALC sponsored a U.S. speaking tour by nine European disarmament leaders. According to a report prepared for radical philanthropist Stewart Mott:

> CALC has been most active in the formation and nurturing of the Nuclear Weapons Freeze Campaign, participating on the steering committee and involving a number of the 42 CALC chapters in the Freeze Conferences. * * * There is a new CALC chapter in Amarillo, Tex., (home of Bishop Matthiesen and the Amarillo Pantex Plant, DOE's assembly plant for all war-heads), and it is serving as a center for job references, and counseling of the former atomic workers who have left their jobs on principle, and for a conversion study and vigils.

The report noted that CALC's present mailing list had dwindled to 2,000 names from 50,000 during the anti-Vietnam protests until 4 years ago when CALC hired Liz Broder's direct mail firm to rebuild the list now at 20,000 names.

Other CALC program areas include South Africa and the "politics of food" —CALC provided the initial U.S. coordination for the campaign against the Nestle Corp.'s infant formula.

Coalition for a New Foreign and Military Policy (CNFMP)—based at 120 Maryland Avenue NE., Washington, D.C. 20002, 202/546-8400, is a lobbying group and information clearinghouse formed to lobby Congress for termination of U.S. military aid to South Vietnam. Following its success and the conquest of South Vietnam in May 1975, CNFMP underwent a name change and redirection into the new disarmament campaign.

CNFMP states that by a "new" policy, it means one "based on * * * the need to cooperate with nations of highly different political systems." CNFMP's programs call for U.S. recognition and economic aid to Communist and pro-Soviet regimes in Vietnam, Cambodia, Laos, Angola. Other programs call for aid to revolutionary and anti-U.S. terrorist movements by a cutoff of U.S. aid and economic relations with the Philippines, Thailand, Indonesia, South Africa, El Salvador, Chile, et cetera. This indicates that CNFMP's phrase "nations of highly different political systems" is code for "Communist totalitarian regimes."

CNFMP is a major distributor of propaganda originating from the Institute for Policy Studies (IPS) and Center for Defense Information (CDI), and works closely with the two groups. Steve Daggett, on the IPS staff for 3 years, in 1981 became CNFMP's budget priorities coordinator.

CNFMP's slogans and projects closely parallel those of the World Peace Council (WPC) and WPC delegations to Washington hold meetings with CNFMP. A number of CNFMP activists participated in the 1979 founding of the U.S. Peace Council.

On February 26, 1982, CNFMP sponsored an all-day conference, Nuclear Arms and National Security, on issues for the U.N. Second Special Session on Disarmament (SSD-II). CNFMP is supporting the "nuclear freeze" campaign, is working with the AFSC's NARMIC on a "Guns versus Butter" slide show, and has hired Liz Broder to build its 12,000-name mailing list to 500,000.

Among the members of the CNFMP's Disarmament Working Group (DWG) are the IPS Militarism and Disarmament Project, NARMIC, Physicians for Social Responsibility (PSR), War Resisters League (WRL) and U.S. Peace Council (USPC). Prior to the formation of the USPC, another CPUSA front, the National Center to Slash Military Spending, participated in the CNFMP/DWG. After formation of the USPC, that front dissolved and recommended its members and supporters become active in both CNFMP and the USPC.

Members of the coalition include the American Friends Service Committee (AFSC), Business Executives Move (BEM), Center for International Policy (CIP), Clergy and Laity Concerned (CALC), SANE, War Resisters League (WRL), Women Strike for Peace (WSP) and the Women's International League for Peace and Freedom (WILPF), as well as several church-related groups.

Committee for National Security (CNS)—1742 N Street, NW., Washington, D.C. 20036, 202/833-3140, according to IPS, its co-founder and senior fellow, Richard Barnet "played a major role in organizing" CNS "to mobilize broad support for détente to counter the voices calling for a return to confrontation and intervention."

Other CNS leaders include Paul Warnke, an IPS trustee and SALT II negotiator for the Carter administration; and former CIA Director William Colby.

In 1982, Warnke was working with ACEWA on a task force to implement the Kennan proposals on nuclear weapons cuts. CNS has a global task force with Dick Ullman and Gus Speth on population and development issues; and has received funding from the Cos Cob Foundation "for work on the Comprehensive Test Ban Treaty and * * * a speakers' bureau to stress that this treaty is a part of the Nuclear Freeze Campaign."

Nancy Ramsey, former legislative director for WILPF and then coordinator of Americans for SALT before joining CNS, has resigned now that "CNS is off to a good start," has considerable media attention, and is raising a sustaining budget of $300,000 a year.

Institute for Defense and Disarmanent Studies (IDDS)—251 Harvard Street, Brookline, Mass., 02146, 617/734-4216, was formed in January 1980 by Randall Forsberg, 38, a former Harvard Ph. D. candidate and "peace researcher" at the Stockholm International Peace Research Institute (SIPRI) where she went initally as an intern from the Women's International League for Peace and Freedom (WILPF). IDDS recently received tax-exempt status, and has a staff of eight full-time and three part-time employees. Forsberg, IDDS executive director, in 1980 circulated a draft call for a "nuclear freeze." It received minimal support from the major disarmament groups until March 1981, following the Brezhnev speech to the CPSU 26th Congress.

In cooperation with CDI leaders Gene LaRocque and John Kenneth Galbraith, Forsberg was active in disarmament lobbying of delegates to the 1980 Democratic National Convention, taking the position that "for the U.S. to regain nuclear superiority, rather than stopping the arms race, will produce unprecedented danger of first strike by both sides in time of crisis;

and is the single greatest danger currently facing the world."

IDDS officers include Patrick Hughes, secretary, and George Sommaripa, treasurer. The board of directors includes individuals from the academic and activist wings of the anti-defense lobby including several individuals and organizations active with the WPC. Board members include Betty Lall, chairperson, U.N. Committee on Disarmament and International Security; Hayward Alker, MIT; Richard Barnet, IPS; Elise Boulding, Dartmouth; Kay Camp, WILPF; Harvey Cox, Harvard; Richard Falk, Princeton; Sanford Gottlieb, New Directions; Robert Johansen, Institute for World Order (IWO), Cheryl Keen; Ann Lakhdhir; Everett Mendelsohn, Harvard; Philip Morrison, MIT; George Rathjens, MIT; Judith Reppy, Cornell; and Brewster Rhoads, director, CNFMP.

Institute for Policy Studies (IPS)—1901 Q Street NW., Washington, D.C. 20009, 202/234-9382, is a revolutionary thinktank that has consistently supported policies that facilitate the foreign policy goals of the Soviet Union and weaken the position of the United States. This has been true whether the issue is disarmament (for the West), abolition of nuclear power (for the West), opposition to intelligence agencies (for the West) or support for Soviet-backed revolutionary terrorist groups.

To put its policy recommendations into action, IPS has built networks of contacts among congressional legislators and their staffs, academics, Government officials, and the national media.

In 1978, in an article in "National Review," Brian Crozier, director of the London-based Institute for the Study of Conflict, described IPS as the "perfect intellectual front for Soviet activities which would be resisted if they were to originate openly from the KGB."

IPS has been particularly concerned with researching U.S. defense industries and arms sales policies to free world countries under pressure from Soviet-supported terrorist movements. The director of IPS arms sales research, Michael Klare, is a veteran of the North American Congress on Latin America (NACLA), a Castroite research group that has aided CIA defector Philip Agee, and who worked with the Center for National Security Studies (CNSS), and IPS offshoot affiliated with the Fund for Peace. Klare has made frequent trips to Havana to "lecture" on U.S. arms policies to "graduate students"' at the University of Havana, and has participated in disarmament conferences sponsored by WPC groups.

IPS's arms race and nuclear weapons project is directed by William "Bill" Arkin, who is compiling a book of U.S. nuclear weapons data with "everything from where the bombs are stored to where weapons delivery systems are cooked up." This is to be kept up-to-date with revisions biannually.

Arkin, who formerly worked for the Center for Defense Information, is coordinating an attack on the defense budget by a group including Bertram Gross and longtime IPS activist Richard Kaufman, assistant director and general counsel of the Joint Economic Committee of Congress.

Arkin was coordinator of the March 1982 European Nuclear Disarmament (END) "researchers conference" in Holland; briefed END leaders on U.S. weapons developments" which affect Europe, * * * and works closely with Stan Norris of CDI and with press people from the Wall Street Journal, the New York Times, the Washington Post, and CBS" where 60 Minutes was utilizing his material on nuclear weapons in Europe.

In addition to taking a leadership role in the National Nuclear Weapons Freeze Conference, February 19-20, 1982, in Denver, and conducting a workshop attacking the impact of military spending on local areas, and writing a pamphlet on nuclear weapons to be distributed by the time of SSD-II, Arkin reportedly was also teaching a course at the Defense Intelligence School called "Research and Methodology: Effects of Limited Nuclear War in Europe."

IPS played a seminal role in the formation, funding and development of networks linking Western ecological and antinuclear activists with key disarmament organizers and armaments researchers, including some in Eastern Europe. These groups include the Nuclear Research and Information Service (NIRS), the World Information Service on Energy (WISE), and European Nuclear Disarmament (END).

On April 10, 1982, an IPS-sponsored group visiting Moscow for a week of meetings with high-level Soviet officials responsible for disseminating disinformation and propaganda for United States consumption, met with U.S. reporters to serve as the unofficial means for floating the possibility that Brezhnev might agree to a New York summit meeting in New York at SSD-II.

The IPS group, led by its principal spokesman, Marcus Raskin, IPS cofounder and senior fellow, included Robert Borosage, IPS director, National Lawyers Guild (NLG) activist and former director of the Center for National Security Studies (CNSS); Minneapolis Mayor Donald M. Fraser; Rt. Rev. Paul Moore, Jr., Episcopal Bishop of New York; New York lawyer Robert S. Potter; and Roger Wilkins, journalist and senior fellow of the Joint Center for Political Studies (JCPS) which specializes in "black issues."

The IPS group identified only two of the CPSU Central Committee officials they met—Georgi A. Arbatov, head of the Institute of the United States of America and Canada, a "think-tank" that provides research and analysis and also cultivates and develops contacts with Americans at the direction of the KGB and the International Department of the CPSU Central Committee; and Vadim V. Zagladin, first deputy chief of the CPSU International Department responsible for "disinformation."

The IPS group was used by the Soviets to float a classic disinformation salient by carrying back statements from anonymous "Soviet leaders" threatening to put the Soviet missile force in Europe on an immediate launch footing.

In various U.S. interviews, Borosage has floated such standard Soviet themes as that the U.S.S.R. is satisfied by "rough parity" with the United States, that the United States is restarting the arms race, that the Soviets want to go back to SALT II and get U.S. ratification; that if the United States starts another round in the arms race, it will seriously hurt the Soviet economy and ordinary Soviet citizen—but they will still go ahead, so competition is futile; and the threat that the modern U.S. weapons proposed for deployment are "very dangerous * * * and would lead to much more dangerous stages that would make both sides insecure, not more secure."

Mobilization for Survival (MFS)—with national offices until the close of the U.N. SSD-II in the Church of All Nations, 48 St. Marks Place, New York, N.Y. 10003, 212-460-8545, was organized in the fall of 1976 by a handful of United States and European WPC activists. MFS made its first formal appearance on April 23, 1977, at a conference in Philadelphia led by individuals active with the WPC, Chicago Peace Council, WILPF, WSP, AFSC, CALC, and related groups. These included British disarmament activist Peggy Duff of the International Confederation for Disarmament and Peace (ICDP); Sid Peck; Sid Lens; Ron Young, AFSC: Michael Klare; Terry Provance; David McReynolds and Norma Becker.

Sid Peck, a former CPUSA functionary, explained MFS's origins by noting that the WPC, in cooperation with the ICDP and Japan Council Against Atomic and Hydrogen Bombs the Japanese Communist Party-controlled Gensuikyo were "working closely with nongovernmental organizations the world over to create the maximum impact on the United Nations Special Session on Disarmament in late May 1978."

MFS has been to a considerable extent superseded by the June 12 Dis-

armament Coalition partly to protect MFS's tax-exempt status and for legal considerations since the June 12 group was involved in civil disobedience planning.

MFS's "educational" role allows it to serve as a communications network for local environmental and anti-nuclear power groups promoting their participation in disarmament activities; and to prepare disarmament information packets for outreach to churches, hospitals, and trade unions.

National Nuclear Weapons Freeze Campaign Clearinghouse (NNWFCC)— 4144 Lindell Street, room 201, St. Louis, Mo. 63108, 314/533-1169, was set up late in 1981 as the National Nuclear Weapons Freeze Campaign moved into high gear. Pending its own tax exemption, NNWFCC was funded via the Council for a Livable World Education Fund.

Chief coordinator of the Clearinghouse is Randy Kehler, a veteran War Resisters League organizer who went to Federal prison starting in 1970 for 2 years as a draft resister. Later Kehler led the successful "nuclear freeze" campaign in western Massachusetts prior to his selection to head the coordination center. Prior to the June 12 demonstration, Kehler moved to New York City and was a key organizer.

The Nuclear Weapons Freeze Campaign (NWFC) was launched at a National Strategy Conference for a Nuclear Freeze, held in Washington, D.C., March 20-22, 1981. Among the key initiators were Cora Weiss, Riverside Church Disarmament Project (RCDP); Women's International League for Peace and Freedom (WILPF) which at that time was still sponsoring presentations and reports to its chapters from those who had attended the WPC's September 1980 World Parliament of the Peoples for Peace in Sofia, Bulgaria; Clergy and Laity Concerned (CALC); CNFMP; SANE; the Fellowship of Reconciliation (FOR); War Resisters League (WRL); and MFS Religious Task Force.

The conference followed a call for a nuclear weapons moratorium in a speech by Soviet President Brezhnev at the February 1981, 26th Congress of the Communist Party of the Soviet Union. Endorsers of the nuclear freeze include Mike Myerson, a CPUSA functionary serving as executive secretary of the U.S. Peace Council (USPC). Major organizational support for the campaign is being provided by the AFSC, CALC, WRL, and WILPF.

NWFC national executive committee member Currie Burris, national coordinator of the Clergy and Laity Concerned (CALC) "Human Security: Peace and Jobs" program who last year participated in a tour of Europe by leaders of U.S. disarmament groups, is urging the NFC "to develop enough clout to stop the deployment of the Pershing and cruise missiles in Europe. They are scheduled to go on line in 1983 and this would be disastrous for the Freeze Campaign."

Burris also has recommended that U.S. activists take lessons from the Dutch stop the neutron bomb organization, which is led by Dutch Communist Party functionary Nico Schouten and is a spinoff from the World Peace Council—WPC.

A more obvious radicalization in orientation of the nuclear freeze campaign was in evidence at its February 19-20, 1982, national conference where influential WRL activist David McReynolds, urged opposition to U.S. aid to El Salvador be included in freeze campaigning and criticized the NWFC for not challenging "the whole structure of anti-Soviet prejudices" saying, "This is something the left should do."

The NWFC national executive committee projects a 3-to-5-year campaign may be needed to obtain U.S. Government agreement to a freeze, and members have expressed their belief that a change in the White House in 1984 would be necessary for victory.

Physicians for Social Responsibility (PSR)—P.O. Box 144, Watertown, Mass. 02172 (617/924-3468) states that in 1961, PSR "acted as a united medical voice in warning of the hazards of atmospheric nuclear testing, significantly contributing to the momentum that led to the Partial Test Ban Treaty of 1963."

The present PSR, Inc., organized in 1978 by 10 Boston-area antinuclear health activists, describes itself as a "nonprofit organization committed to public and professional education on the medical hazards of nuclear weaponry."

PSR works with a variety of groups backing United States and Western unilateral disarmament including IPPNW, the Union of Concerned Scientists (UCS), FAS, CDI, and IPS in promulgating the most extreme "end of the world" propaganda as the inevitable result unless the United States heeds its appeal to reduce tensions with the U.S.S.R. and ban "all use of nuclear weapons."

Claiming a membership of 10,000 and 101 chapters, the PSR president is Helen Caldicott, 43, an Australian pediatrician and disarmament zealot whose shrill hysterical voice had frequently been heard at MFS antinuclear rallies.

She claims to have been instrumental in persuading Australian trade unions to oppose mining of uranium ore, and reportedly has attempted to persuade top AFL-CIO officials to adopt antinuclear policies. In 1981 Caldicott and other peace activists visited the U.S.S.R. She has given up her position at Harvard Medical School to devote full time to disarmament organizing.

PSR's presentations on the horrors of nuclear war are heavily salted with radical supporters of Soviet-backed Third World terrorist groups, veteran unilateral disarmament proponents, and health care professionals associated in the past with such groups as the Medical Committee for Human Rights (MCHR), Medical Aid to Indochina (MAIC), and the United States-Cuba Health Exchange (US-CHE).

A presentation on February 13, 1982, by the New York City PSR, P.O. Box 411, Planetarium Station, New York, N.Y. 10024 (212/477-3416)—the salaried staff coordinator is Joanne Pomerantz—featured Richard J. Barnet, IPS; Jerome Frank, board member of SANE and CLW and a past president of FAS; Robert J. Lifton, IPPNW activist and US-CHE sponsor; Studs Terkel and Victor W. Sidel, M.D., professor and chairman of the Department of Social Medicine, Montefiore Hospital and Medical Center of the Albert Einstein College of Medicine, and US-CHE sponsor.

Speakers at other New York City PSR meetings from August 1981 to January 1982 include Michio Kaku, Physics Department, City College of New York—CCNY—a frequent radical rally speaker who links his antinuclear sentiments to the Hiroshima atomic bombing; H. Jack Geiger, M.D., a founding PSR member and president of International Physicians for the Prevention of Nuclear War—IPPNW—in which top Soviet Government officials have leadership roles; Barry Commoner, Citizens Party; and Joe Fahey of Pax Christi and the Manhattan College peace studies section on the European nuclear disarmament movement.

SANE—a citizens committee for a sane world—514 C Street NE., Washington, D.C. 20002 (202/546-7100), cooperates directly with the WPC, cosponsoring two Capitol Hill appearances by WPC activists in 1981. SANE and the CNFMP are cooperating in compiling a joint computerized mailing list by congressional districts, and in a media task force against the Reagan administration defense budget.

SANE's major 1982 project, cosponsored with Congress Watch and FRAC is the fair budget action program which will apply pressure in congressional districts for diverting the defense budget to social programs.

SANE played a leading role in a 1975 Chicago National Conference to Slash Military Spending organized by the CPUSA's then head of WPC U.S. activities, Pauline Royce Rosen. The organization formed from that conference, the National Center to Slash Military Spending, joined CNFMP; but dissolved in 1980 and was superseded by the U.S. Peace Council (USPC).

SANE executive director is David Cortright, a founder of the U.S. Peace Council, former GI organizer at Fort Bliss, IPS protege of Marcus Raskin, and staffer of the Center for National Security Studies. Cortright has hired Chad Dobson of the Campaign To Stop the MX and moved him from Salt Lake City to the east coast to help organize the June 12 demonstration.

SANE's board of directors is headed by Cochairmen Seymour Melman and William Winpisinger, president of the International Association of Machinists and Aerospace Workers (IAM). Its letterhead lists board members including Ramsey Clark, William Davidon, Jerome Frank, Representative TOM HARKIN, Homer Jack, David Livingston, Robert Maslow, Joseph Miller, Michael Moffitt (IPS), Robert Musil, Leon Quat, Marcus Raskin, Representative FRED RICHMOND, Alex Rosenberg, Morton Stavis, Edith Tiger, Sr., Mary Luke Tobin, Kosta Tsipis, and Representative TED WEISS.

U.S. Peace Council (USPC)—7 East 15th Street, room 408, New York, N.Y. 10003, 212/989-1194, was launched as the official U.S. national section of the WPC at a November 1979 conference in Philadelphia.

The CPUSA newspaper Daily World, November 1, 1979, credited three veteran CPUSA organizers for laying the organizational basis for the WPC by "working for years to establish local committees, organize delegations from the United States to international meetings of the WPC, and distribute information about the Peace Council to activists in the United States."

Those named included Pauline Royce Rosen, "who coordinated all WPC activities in the United States for many years" and led what in effect was a CPUSA front serving as a cover for the WPC, the National Center to Slash Military Spending (NCSMS), which dissolved in 1980 and recommended to its supporters they join the USPC and CNFMP; Sylvia Kushner of the Chicago Peace Council (CPC); and Elsie Monjar of the Los Angeles Peace Council (LAPC).

Among those taking active roles in the USPC founding, speaking or listed as workshop leaders, were Mark Shanahand, CNFMP: Sarah Staggs, CPC; Connecticut Representative Irving Stolberg; David Cortright, SANE; Rev. William Hogan, CALC; Terry Provance, AFSC; Erica Foldy, CNFMP; Frank Chapman, AFSC; Archie Singham, The Nation editorial board; Betsy Sweet, WILPF; Massachusetts Representative Saudra Graham; New York City Council members Miriam Friedlander and Gilberto Gerena-Valentin; and Ed Vargas, vice president, Connecticut Federation of Teachers, Hartford, Conn.

The published list of USPC sponsors included Canon Frederick B. Williams, president, Council of Churches of Manhattan; Alden Whitman; Edith Villastrigo, director, Washington Office, Women Strike for Peace (WSP); Michigan State Senator Jackie Vaughn III; Fred Stover, U.S. Farmers Association; Rev. Anthony M. Stevens Arroyo, director, CEMI, Pax Christi; Dr. Robert J. Schwartz, chairman, New York SANE; Jack Sangster, Fund for New Priorities in America (FNPA); Ruth Messinger, New York City Council; Maryann Mahaffey, Erma Henderson and Clyde Cleveland, Detroit City Council members; Dr. L. Charles Gray, vice president, Christian Peace Conference; Donna Cooper, Washington, D.C. Peace Center; Illinois Representative Carol Mosely Braun; and Marjorie Boehm, president, U.S. section, WILPF.

In a brochure distributed at its second convention in November 1981, the USPC explained its support for disarmament and Third World revolutionary organizations:

> The campaign to stop weapons of mass destruction cannot be separated from support for the peoples of Southern Africa, Asia and the Middle East * * *. The movement to defend and consolidate detente is at the same time a movement to halt the forces that seek to crush struggles for liberation. The demand for jobs and rebuilding the cities of our country is simultaneously a demand to reduce the military budget, from which we must get the billions of dollars needed for that task.

USPC executive director is Michael Myerson, a top-ranking Communist Party official.

Women's International League for Peace and Freedom (WILPF)—headquartered at 1213 Race Street, Philadelphia, Pa. 19107 (215/563-7110), and a Washington legislative office formerly shared with WSP, has been cooperating in WPC and WIDF projects to such an extent that WILPF last year was made a WPC affiliate. WILPF has a tax-exempt "educational" arm, the Jane Adams Peace Association (JAPA). WILPF leaders include Yvonne Logan, president; Libby Frank, executive director; Betsy Sweet, program director.

The heavyhanded pro-Soviet stance of many WILPF activists includes participation in the WPC and USPC by Disarmament Coordinator Katherine "Kay" Camp; frequent sponsorship of exchange visits with the Soviet Women's Committee; and a call for a campaign against anti-Sovietism in the media—defined as any suggestion that the U.S.S.R. may be responsible for the arms race or pose a threat to the United States. WILPF's "STAR" petition campaign utilizes an old WPC slogan, "Stop the Arms Race."

Women Strike for Peace (WSP)—145 South 13th Street, Philadelphia, Pa. 19107 (215/923-0861)—was founded in 1961 as a "national movement of women against the arms race and for the fulfillment of human needs." Virtually its first act was to assign CPUSA member Selma Rein to arrange WSP's affiliation with the WIDF.

WSP's national coordinator is Ethel Taylor, and its national legislative coordinator is Edith Villastrigo. WSP members have comprised a substantial proportion of U.S. delegations to World Peace Congresses. WSP has been working in support of the local nuclear freeze initiatives aiding in PSR horror shows, and carrying out effective "lobbies by proxy."

In June, during the week of the President's address to the U.N. Second Special Session on Disarmament, the Soviets conducted nuclear weapons tests that followed the sequence of a nuclear first strike—a test of antisatellite weapons, firings of ICBM's, followed by tests of submarine-launched missiles and SS-20's. At the same time, military analysts reported various troop, ship, and aircraft movements which further indicated that the Soviet Union was testing a "model" first strike.

In a recent interview, Dr. Ray S. Cline, executive director of the Georgetown University Center for Strategic and International Studies, and a former Deputy Director of the Central Intelligence Agency, said of this Soviet exercise:

> I think the Soviet Union wanted to remind the NATO allies that the U.S.S.R. does indeed have the capability to start a nuclear war, and that they intended our reaction to be fear leading to the acceptance of the idea that it is useless to build up resistance—conventional and nuclear—to counter their strength.
>
> I see both that kind of military testing and the whole "peace" movement as a deliberate psychological warfare campaign against the stability and coherence of the NATO alliance. Fear is what the Soviet Union always relies on. Certainly fear of nuclear weapons being used in a "first strike" is a very useful solvent to remove the timid and fearful from the supporters of a strong NATO.

The nuclear freeze resolution is one of the most ill-advised measures to ever come before this body.

It is possible to defend the American people against a Soviet attack. But a nuclear freeze will make that impossible because it not only says "freeze what you have," but also freezes research, development, testing, and production of nuclear weapons. It would freeze the United States in the position of strategic inferiority to the Soviet Union and in a position where we would be subject to blackmail by the Kremlin, and offers us no hope of preserving our freedom.

The nuclear freeze resolution should be defeated by a resounding vote.

Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ZEFERETTI).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of House Joint Resolution 521, the nuclear weapons mutual freeze resolution.

As you know, this resolution contains the essential nuclear freeze language embodied in House Joint Resolution 443, which was introduced by my colleagues SILVIO O. CONTE and EDWARD J. MARKEY. During consideration of this important legislation, my New York colleague JONATHAN BINGHAM was successful in having the Foreign Affairs Committee incorporate the essential language of the Conte-Markey nuclear freeze and reductions resolution into their bill.

While President Reagan has been urging Members not to support any type of a freeze resolution because such passage may endanger current negotiations in the strategic arms reductions and limitation talks (START), it is my firm belief that the President has clearly misread what Americans want. We, in the House of Representatives, know from the growing grassroots movement across the country that Americans want an end to the nuclear arms buildup between the United States and the Soviet Union.

The resolution we are considering today, as you know, calls on both the United States and the Soviet Union to negotiate a mutual and verifiable freeze on the testing, production, and development of nuclear warheads, missiles, and other delivery systems—and then begin major reductions of nuclear armaments. This is the type of action Americans want now before it could be too late.

The nationwide movement to call a halt to the nuclear arms race is one of the most encouraging developments of our generation. Hundreds of thousands of people recently gathered in New York City's Central Park to protest the buildup of nuclear arms. If this is not enough proof of what we in the Congress should do, then we must take into account the growing number of States, concerned citizens' groups, and religious organizations which have adopted nuclear freeze resolutions. From my congressional district and Staten Island alone, I have received almost 10,000 signatures urging that the Congress adopt a nuclear freeze resolution. The American people are now thinking the unthinkable. They are demanding leadership from their leaders.

The very fate of humanity is at stake today. Both the Soviet Union and the United States now hold the capability to destroy mankind. If we turn our backs on this issue, we may be turning our backs on whatever future there may be. History shows that no weapon ever created has gone unused. History also shows us that where armed forces have been built on a massive scale by rival powers, it ultimately leads to war.

There are many who believe that nuclear arms are necessary to act as a deterrence. They are also quick to add that by allowing the United States to continue its buildup of nuclear arms, it will enhance any negotiations with foreign powers because we are stronger. To this I say ridiculous. We have two basic choices. We can either continue to go on piling up instruments of doom or we can recognize the peril and begin to dismantle weapons so that they will never be used again.

Mr. Chairman, as you know, I have long supported adequate funding for a strong national defense. And I will continue to do so in order to keep America safe. But what we are talking about today is not keeping America safe, it is the possible destruction of all mankind.

We must face the truth. We can no longer take refuge in the hope that the holocaust won't happen. We can show the American people leadership or we can turn our backs on their individual concerns. I, therefore, urge my colleauges to pass House Joint Resolution 521 and oppose any weakening language. In the final analysis, the fruits of 4¼ billion years on this planet Earth could be undone in the matter of 1 simple hour.

Mr. BINGHAM. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Chairman, I think the debate today is illuminating on the all-important question, and I think the question underlying this debate ought to be whether or not we are more secure now than we were 20 years ago or 15 years ago or 10 or 5. I do not believe that anyone in here really believes that we are any more secure now then we were when we embarked a generation ago on a nuclear arms race.

One must then ask whether or not we will be any more secure in another decade after we have spent, what, $175 billion or $250 billion more, at the same time that we are cutting medicare and social security and other vital programs.

Will we be more secure? Is there anyone here on the Armed Services Committee, from the other side of the aisle, or in this Chamber who would really argue that if we engaged full throttle in a nuclear arms race, as we are obviously going to do with the MX and all the rest, we are really going to pull it off and be somehow or another more secure?

We all remember the argument on the MiRV. We said that if we could just get ahead we would somehow outclass and outpace the Russians and they would agree to nuclear arms reduction, and be secure thereafter. What happened? The Russians increased their expenditures, increased their commitment to multiple-entry warheads, and they achieved this.

So, now we are off to develop new generations of nuclear weapons. And we are less secure than we were before. My friends, each rung on the ladder goes higher, but there is no security. We escalate and as we do we become less and less secure. The higher we go on the escalation ladder the greater the danger of the fall for our world. Not only does each higher rung increase the danger from the fall, but it increases the cost of getting there.

No one is addressing how this Nation might finally one day be unraveled. It is my judgment that we are much more likely to be unraveled by economics rather than military means.

I would ask my friends, to ask the question, "are we really willing to spend this Nation into economic oblivion in the quest of some Holy Grail called nuclear equality.

Many years ago we started negotiations for SALT II. Through three administrations and over 7 years the best of the talents of the Republican Party and the best of the talents of the Democratic Party, pursued SALT II to reduce the nuclear arms race. It was finally negotiated and signed. This resolution offered by my good friend, the chairman of the Foreign Affairs Committee, Mr. ZABLOCKI, originated Mr. MARKEY and refined by Mr. BINGHAM, carefully urges the ratification of SALT II.

This administration cannot really fool anybody by saying that they are going to jump out ahead of everything that has been done in SALT II, coopting the rhetoric of the freeze movement but carefully avoids the substance.

The battle here today is between two resolutions. My friend from Michigan, Mr. BROOMFIELD, is offering us what really is the Jackson-Warner resolution. The Jackson-Warner resolution has as its basic ingredient the thought that, like the MiRV missile, we will somehow leap forward by great expenditures and buy greater security.

I think, with all due deference to the maker of this resolution, what we are really seeing is, "Let's pursue the nuclear arms race to its ultimate conclusion."

What is that ultimate conclusion? Where is the conclusion of the nuclear arms race? It is World War III, so I think it not too disdainful to say that the alternative to the Zablocki resolution is an alternative which says, "We want to freeze the nuclear arms race right after World War III." That is essentially what Broomfield-Jackson-Warner means.

Our resolution is not going to take us off on any unilateral disarmament, as some would misinform us. It simply does not provide for that. I take

second to none in my zeal for national security. I sincerely believe we will increase our national security now and in the future by adopting a nuclear freeze and do so by adopting the Zablocki resolution.

I urge you for the sake of our children, our country, and the future of our civilization—vote for the freeze.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from North Carolina (Mr. MARTIN).

Mr. SHUMWAY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of North Carolina. I yield to the gentleman from California.

Mr. SHUMWAY. Mr. Chairman, today's debate on House Joint Resolution 521, the resolution reported by the House Foreign Affairs Committee calling for a freeze on nuclear weapons and for approval of the SALT II agreement, is one of the most significant in memory.

Worldwide concern about the strategic arms race and the possibility of a devastating nuclear war has been gathering momentum and attracting considerable public attention in recent months. Because they address an area of critical importance, and because the stakes are so great for all Americans, the various nuclear freeze and arms control proposals now being debated are worthy of detailed review.

The concept of a freeze on the production of nuclear weapons is so attractive that it is difficult to critically analyze the alternate proposals. Obviously, everyone wants to secure a peaceful existence. Nuclear weapons have enormous potential to cause death and destruction to a degree the world has never before known. Typifying this fact is the slogan used by some antinuclear activists: "The freeze—because nobody wants a nuclear war."

This is a simple and appealing approach. Indeed, it implies that only those who want a nuclear war could oppose a freeze. It is therefore not surprising that thousands of concerned Americans have given support to the nuclear freeze campaign.

The subject of strategic arms limitation, however, is exceedingly complex, and the proposals before us deal literally with the question of national survival. The nuclear freeze and arms control proposals embodied in House Joint Resolution 521, and House Joint Resolution 538—the Broomfield-Carney-Stratton resolution—are thus worthy of sober and dispassionate review.

One of the initial complications is that the United States and the Soviet Union have historically pursued conflicting international objectives, and have perceived international treaties and agreements in entirely different settings. It is Soviet doctrine, in a literal sense, that international peace and stability can ultimately be achieved only when there is no longer opposition to the spread of communism; for the Soviets, peaceful coexistence means neutralizing the ability of the United States and our allies to resist the expansion of Soviet influence.

In this regard, I subscribe to the sentiments of our colleague, ED DERWINSKI, as articulated in his supplemental views in the committee report accompanying House Joint Resolution 521:

> One of the aspects of the debate on the nuclear freeze that I find objectionable is the persistent tendency in certain quarters to equate the United States with the Soviet Union. The culprit is the Soviet Union; the culprit is not the United States. The dangerous military and political situation that has existed in the world since the end of World War II has been fomented by the U.S.S.R. and its Communist allies; not by the U.S. * * *. It has been the fact of a strong nuclear arsenal in U.S. hands and the willingness of the U.S. to use it, if necessary, to defend the vital interests of the Free World, that has kept the world free from both total Soviet domination and from nuclear war.

Over the past decade, Soviet defense spending has escalated dramatically. During this period the Soviets have deployed an unprecedented number of new strategic weapons, including three classes of ICBM's, Typhoon and Delta class submarines, together with improved submarine-launched missiles, and more than 250 Backfire bombers. By way of contrast, the United States has not deployed a new ballistic missile in 16 years—we are still debating the MX—the Trident represents the first new missile-firing submarine in 15 years, and the B-1, when ultimately deployed, will replace B-52's first produced in the early fifties.

The massive Soviet arms buildup—strategic and conventional—has taken place during a period when the spirit of détente has been the driving force behind U.S. foreign policy actions. The Soviet buildup has persisted unabated during a period when the Soviets have concurrently committed themselves to the Limited Test Ban Treaty of 1963, the SALT I Agreement of 1972, the Threshold Test Ban Treaty of 1974, the SALT II Agreement of 1979, and almost a dozen other treaties and agreements on arms control. While the United States, in other words, was faithfully abiding by previously negotiated arms control agreements, whether formal, expired, or even unratified, as in the case of SALT II, and delayed the development and deployment of improved weapons, the Soviet Union has pursued an aggressive policy of seeking to achieve relative superiority in terms of both strategic and conventional forces.

The extent of the Soviet commitment to global peace can be further questioned when one considers their involvement in Southeast Asia, Angola, Ethiopia, Nicaragua and, more recently, Afghanistan and Poland. We now have clear proof that the Soviets have used poison gas in Afghanistan, in violation of the Geneva protocol signed by the Soviet Union in 1925. We also have proof that the Soviets have experimented with "yellow rain," or biological toxins from molds, in Laos and Cambodia, in violation of the Biological Warfare Convention of 1972.

Any agreements with the Soviet Union must necessarily be based upon the good faith of both parties to adhere to the agreement. In other words, in view of postwar history, can we trust the Soviets?

House Joint Resolution 521 calls for a mutual and verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems. Without verification, any arms control agreement is meaningless. Yet in spite of the verification provisions contained in the SALT I treaty, the Soviet Union has not closely adhered to its terms and, indeed, has employed deceptive measures to avoid this requirement. Further, the Soviets have consistently refused to allow foreigners on their soil to inspect their missile silos, defense installations, factories, warehouses, and other storage spaces. Without onsite inspection, verification, whether in the context of SALT II or a nuclear freeze, is impossible.

I therefore question the strength of the commitment by the Soviet Union to abide by treaty commitments entered into. I am concerned, Mr. Chairman, that a simple nuclear freeze, as contemplated by the proponents of House Joint Resolution 521, might well reward the Soviet Union for a military buildup unprecedented in world history. While freeze advocates argue that relative strategic parity exists between the United States and the Soviet Union, this is by no means a unanimously held position. Although hardly an authoritative source, a recent article in Time magazine pointed out that the Soviets presently have more than twice the nuclear destructive force than does the United States. U.S. News & World Report noted in June that "most analysts agree that even if the Reagan administration succeeds in implementing its proposed $1.6 trillion 5-year armament program, the United States will be hard pressed to neutralize the Soviet Union's current advantage."

Under these circumstances, it makes little sense for the United States to agree to freeze its strategic arsenal, even if the Soviets are willing to do so. Such an action would, in my view, clearly work to the advantage of the Soviet Union. This conclusion seems strengthened by the fact that Chair-

man Brezhnev has stated that he favors a freeze, and that the Soviet Union is prepared to halt the production and stockpiling of nuclear weapons—although, it should be noted, even small independent disarmament meetings have been barred in Russia, as have, of course, popular demonstrations. There is no evidence in Soviet history or strategic policy that indicates that such a position would be taken if it did not directly serve Soviet interests.

Although, for these reasons, I cannot support the relatively simplistic solution to the very complex problem of nuclear arms control embodied in House Joint Resolution 521, I do feel that it is absolutiely essential that the danger of nuclear war be reduced to the greatest degree possible. I do therefore endorse House Joint Resolution 538, a bipartisan resolution which calls for an effective, equitable, and verifiable nuclear arms agreement based on the principle of substantial and militarily significant reductions. Rather than merely freezing nuclear weapons at current levels. Which would guarantee the Soviet Union a more modern and perhaps more capable strategic nuclear force than the United States, House Joint Resolution 538 requires that nuclear weapons be reduced to equal levels. A simple freeze, without prior reduction, would offer no incentive for the Soviets to surrender their current strategic advantage in future negotiations. In short, our ultimate objective must be the continuing reduction of nuclear stockpiles, and not a freeze at current excessive levels. House Joint Resolution 538 accomplishes this objective, and I urge that it be supported.

Whatever our action may be, I remain pessimistic about Soviet intentions with regard to arms control; Soviet credibility, as evidenced by efforts to manipulate the nuclear freeze movement in the West, while allowing no such expressions of concern at home, is not great. I remain troubled by the problem of verification—if we cannot see for ourselves what the Soviets are doing, how can we trust them? Yet the goal of nuclear arms reduction is worthy, and the international momentum for a meaningful agreement between the Soviet Union and the United States must not be allowed to dissipate.

In this context, we should not resort to simplistic actions based on fear and misunderstanding, but should instead pursue mutual disarmament while preserving the principle that human liberty and dignity are worth defending. As our forefathers did, it is our task to guard and protect our beloved country from aggression and tyranny. We must dispel the notion that it is somehow "better red than dead." The preservation of freedom and opportunity in this country is worthy of our continued sacrifice and devotion, and must be accorded the highest priority. We must not fall victim to seductive proposals for world peace through means which have proven futile in the past, and which provide no assurance for the future. House Joint Resolution 538 meets these tests, Mr. Chairman; House Joint Resolution 521 certainly does not.

Mr. MARTIN of North Carolina. Mr. Chairman, as we engage in this historic debate, let us not lose sight of one goal that we share: To control the growth and spread of nuclear weapons, and reduce their numbers in a way that leaves neither side vulnerable.

The disagreement between us is whether success can be achieved best by an immediate freeze followed by negotiations; or instead by negotiating in advance to set reduced levels to which we must dismantle surplus weapons on both sides to achieve a freeze. One side says we have to stop the train before it can be put in reverse. Our side says there are two trains, and the Soviet's nuclear train has been building speed and momentum and crucial advantages while ours has languished in idle for over a decade.

One side says that we must freeze first to prevent each side from building more weapons, as a prerequisite to nuclear reductions. Our side says the best and only way to get the Soviets to accept equivalent limitations at either current or reduced force levels is to first convince them that we will build new modern weapons to match theirs unless they agree to mutual controls that establish equivalence. We believe a nuclear freeze will be achieved much sooner if it is carefully bargained so that neither America nor the Soviet Union has a real or perceived vulnerability to a preemptive first strike. The probability that an immediate freeze would present the Soviets with strategic advantages would not only foreclose any reason for them to bargain away their advantages; but, worse, could well set the clock ticking down the time until their advantage translates into an irresistible temptation to indulge nuclear blackmail upon us and our allies.

It has already been argued that to arbitrarily adopt an immediate freeze does pose a serious disadvantage to the United States. Our present relative strength status might be argued; but what cannot be disputed is that the weapons upon which we rely for deterrence against surprise attack are older weapons, approaching obsolescence. If we content ourselves to rely another decade or two on those old submarines, B-52 bombers and early vintage ICBM's, many of them will become unseaworthy, or weakened by structural fatigue, or unreliable, or vulnerable. What then?

If the Soviet leaders perceive that potential advantage of an immediate freeze, they will be eager to accept it and refuse further negotiations while they patiently wait out the time until their advantage becomes real and irresistible.

By way of analogy, consider a competition between two rival baseball teams. Our team has seasoned players averaging 30 years old; theirs has younger players, age 15, not as experienced but eager and strong. Our more mature players tire easily, but we have plenty of reserves and ours have all seen a lot more curve balls and changeup deliveries. The teams might be well matched today, seasoned veterans against spirited keen-eyed youth. Suppose we now agree that over the future seasons, each team must keep the same rosters forever, without changes on either side. It is obvious in this analogy that in only 10 years the competition would become badly unbalanced against our then 40-year-old team and in favor of their then 25-year-old team.

It is just as obvious that a sudden freeze of nuclear arsenals, without regard for relative advantages, without regard for potential obsolescence, would soon result in increasingly dramatic advantages for the Soviet Union and against freedom.

Now, it must be noted that our substitute resolution does not rule out the idea of an immediate freeze as a step toward reduced forces. It may be that the Soviets will counter with some such proposal. If they do, they will have to take into account what that step is worth to them, and will have to yield counterbalancing advantages to the United States, if they want to seriously bargain for this. It would be folly for the Congress to lock our negotiators into what may well be the Soviet's opening position.

If our negotiators see offsetting advantages and disadvantages, they might then accept such a freeze as a first step on the road to a full package of nuclear controls. Or they might offer to observe a 1-year or 2-year moratorium as long as negotiations proceed toward a conclusion. That would set a freeze with a time limit as a means of setting a fixed date for reaching the intended bargain. Or they might reject these moves if they see no good-faith bargaining from across the table but only delaying tactics and evasion, or if it is clear the Soviets only want a freeze if it can become a way to entrap us. Our substitute allows all these bargaining options. It does not impose what might become a trap. Our substitute permits negotiation of a freeze only as its terms clearly do not put us in a position of inferiority and invulnerability, now or later.

We see no inconsistency in our commitments to provide necessary funds for the B-1 bombers to counter their 250 "Backfire" bombers, for the Trident to offset their 60 new missile submarines, or for the MX to assure survivability of our retaliatory capability as a strategic deterrent to their massive system of ground-based missiles. We see no inconsistency in committing funds for new weapons to restore a balance in order to push the Soviets to serious negotiations, even if the intended result of nuclear reductions will require that many of these new counterforce weapons subsequently be dismantled.

Indeed, if a $10 billion commitment to modernize our weapons produces a bargain whereby those weapons would not be needed, why that would be the best $10 billion ever spent by this or any country in the cause of peace.

There are some who insist that a sudden, poorly understood freeze first is the only way to stop the arms race. We disagree. We believe we must not disrupt the negotiations in progress, for that will halt any progress at all. We believe we must not pull the negotiating table away from our President. We believe the Congress must not reject the President's initiative before even the Soviets do. We believe the best chance of really achieving something worthwhile is to support our President's negotiating position and encourage its serious consideration.

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Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE).

Mr. WILLIAM J. COYNE. Mr. Chairman, I rise in strong support of House Joint Resolution 521, the nuclear freeze resolution.

The action Congress takes on this most important matter is a tribute to the thousands of Americans who set out to put the issue of nuclear weapons control on the political agenda. This body is debating a nuclear weapons freeze not because political pundits deem it to be the issue of the day, nor are we reacting to a well-managed media campaign. We are considering this resolution because grassroots activity has placed the matter on the national agenda. It calls to mind the observation by President Eisenhower that "people want peace so much that one of these days government had better get out of the way and let them have it."

Stockpiling nuclear weapons beyond an already attained capacity for world destruction—a capability of both the United States and the Soviet Union—is a strategy that quite rightly has been called into question. In fact, the acronym used to describe this situation—MAD, for mutually assured destruction—aptly describes our current condition. In response to that condition, 125 city councils across the Nation, including the council of my own city of Pittsburgh, have passed nuclear freeze resolutions, as have the legislatures of Oregon, Connecticut, Massachussets, Maine, Vermont, Minnesota, Wisconsin, and Iowa.

As Members of Congress, we have a responsibility to provide for the common defense. We have no responsiblity to provide for common destruction, mutually assured or otherwise.

President John F. Kennedy once noted: "We have the power to make this the best generation in the history of the world—or to make it the last." For this generation, and those to come, I urge a yes vote in favor of House Joint Resolution 521, the nuclear freeze resolution.

Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from New York (Mr. SCHUMER).

Mr. SCHUMER. Mr. Chairman, I rise in support of this joint resolution.

Mr. Chairman, tomorrow marks the 37th anniversary of the atomic attack on Hiroshima. The issue before the House today is how to move toward preventing nuclear weapons from ever being used again. As we debate the political and technical differences between the two alternatives before us, I hope that we will not lose sight of human considerations. On this issue, we should be guided not by party ties but by the shared desire to live in a world that is not constantly threatened by nuclear holocaust.

I know that none of us want a nuclear war. Both sides of this debate agree that we must pursue negotiations to control the nuclear arms race. The difference can be found in the attitudes of each side toward the effectiveness of our nuclear policy since Hiroshima. Opponents of the freeze often argue that although we need to control nuclear weapons, the last 37 years prove that they do not pose a great threat to humanity because they deter war. At its extreme, this attitude views nuclear weapons as positive creations which have made our Nation peaceful and prosperous since the Second World War. For example, Ms. Phyllis Schlafly has called the atomic bomb "a marvelous gift that was given to our country by a wise God."

Those of us who support the Zablocki nuclear freeze resolution firmly believe that urgent action is required to get us out of the dangerous spiral toward nuclear war. We believe that although previous arms control measures have had limited success, they have essentially served to regulate the increase in weaponry. We support the Zablocki resolution because it seeks to avoid the pitfalls of previous arms control negotiations. The Broomfield substitute would give the congressional seal of approval to business as usual, which has left our world anxious and endangered.

We have spent the last 15 years arming in order to disarm. Every nuclear weapon that we have built has been justified as a bargaining chip but no weapon has ever been bargained away. We have been locked into a pattern in which arms control negotiations take so long that an entire new generation of weapons is developed, tested, and deployed in the interim. The Broomfield approach would lead to the same old problem, resulting in years of complex negotiations, improvements in weapons technology on both sides, and increased risk of nuclear war. We might end up with fewer weapons on each side but they would be more precise weapons which could reach their target more quickly than current weapons. Each side would end up with more warheads targeted against its land-based missiles, increasing the risk of disaster by error or miscalculation. The result of this process would not only be greater insecurity but it would also result in profound disillusion with arms control and even greater skepticism about the sincerity of our leaders. Governments cannot continually ignore public aspirations for peace and security. The Broomfield substitute is an attempt to obfuscate the reality of the nuclear threat and to co-opt the strength of the nuclear freeze movement. It must be rejected.

Even if Broomfield is approved, this House cannot put the nuclear freeze issue to rest today. The Harris poll reports that 56 percent of the voters now say they would vote against a candidate for Congress this fall, even if they agreed with him or her on nearly every other issue, if that candidate wanted to escalate the nuclear arms race.

The Zablocki resolution represents the citizens' instructions to their Government on the best way to proceed in nuclear weapons negotiations. It has been carefully crafted to include the recommendations of the arms control community and the citizens' demands. Passage of Zablocki will begin a process of achieving an American consensus on our position in the negotiations. For the first time, the Congress, the President, and the people can work together to achieve a complete halt to the arms race and begin to reverse the spiral toward nuclear war.

Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. FLORIO).

Mr. FLORIO. Mr. Chairman, we are here today on instructions from the American people.

House Joint Resolution 521 calls upon both the United States and the Soviet Union to pursue a mutual and verifiable freeze and reduction in nu-

clear weapons. This resolution arises from a broadbased public conviction that the leadership of the nuclear superpowers can and must do better in the pursuit of peace.

It is regrettable that this resolution is necessary. It is regrettable that officials currently responsible for nuclear policy talk casually of the plausibility of fighting a nuclear war. It is regrettable that they seriously contemplate nuclear scenarios involving tens of millions of potential fatalities.

In response to this irrational and casual approach to confrontation, the reaction of the American people has been rational and sober. House Joint Resolution 521, the freeze resolution, is carefully worded to insure that the freeze will be mutual and verifiable and that it will enhance rather than detract from stability. The resolution reflects the conviction that neither the reckless pursuit of security nor the careless pursuit of peace should be allowed to increase the risk of war.

The critics of the freeze contend that it will disadvantage the United States. But the freeze would apply to the Soviet arsenal as well as our own and would have to be verifiable on both sides.

The critics of the freeze argue that it would lock us into an inferior position. But this ignores the facts. The U.S. ballistic-missile submarines are superior to the Soviets, our long-range bombers are superior to the Soviets, our cruise missiles are superior to the Soviets', and our stockpile of nuclear bombs outnumbers the Soviets. Even on the most unlikely and pessimistic assumption that our land-based missiles could be completely crippled in a first strike, surprise attack, we would have 15 or more undetectable ballistic-missile submarines hidden in the vast reaches of the oceans, from which we could deliver an unimaginably ferocious counterattack. One such submarine has 16 missiles, each of which has 10 warheads. This means that the discharge of the weapons of two submarines could demolish every major city in the Soviet Union.

The critics of the freeze also contend that a freeze would prevent the United States from developing new weapons needed as bargaining chips in negotiations. The trouble with this argument is that the table is piled high with old chips that we have never bargained for anything but an increased change of mutual annihilation. In the early 1970's this country developed a means of launching multiple warheads for a single rocket. Instead of proposing that both superpowers forgo these weapons, we tried to deploy them to gain advantage over the Soviets. Now that the Russians have developed the same technique, the critics of the freeze can think only of escalating the arms race again. But each new turn of this lethal spiral has increased instability and danger, until the world is poised today on a hair trigger, with nuclear weapons that can reach their targets in minutes.

I said at the outset that we are here with instructions from the American people. Our instructions are to call a halt, and then to undo the hideous trap closing in upon mankind.

It is a tribute to democracy that the public has risen up to remind officialdom of these fundamentals. In addressing the Soviet Government, as well as our own, the American people speak for the voiceless public of Russian as well as for themselves. If mankind survives this critical passage—as I have faith we will—it will be to the lasting credit of democracy that it rose to meet mankind's greatest challenge.

I cast my vote for the freeze.

Mr. BINGHAM. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I rise in strong support of the committee resolution and in opposition to the substitute.

Mr. BINGHAM. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I support this very important resolution.

I want to commend the gentleman from New York and the Committee on Foreign Affairs for the work that they have done in bringing this issue to the House of Representatives.

Today we have an opportunity to show the American people that this House understands the importance not only of arms control but of trying to restore sanity to the arms race. It is very difficult for me, as someone who believes in a very strong national defense and as one who in most instances sides with those who urge a buildup of our forces, to disagree on this issue.

However, I believe that today our weakness is not in the area of strategic forces. I believe that there is not U.S. strategic inferiority. I think the President was wrong to say that. We do have a credible deterrent. Just look at the facts. When you look at the total U.S. force, over 50 percent of it is at sea, totally invulnerable at any time. If there was a first strike by the Soviet Union, they would not be able to take out those submarines at sea. That gives us a credible deterrent. In addition we have a superior strategic bomber force.

If we could stop the arms race today and stop the escalation in strategic forces, then we could take that money that we so desperately need and use it to strengthen our conventional forces. That is where we are weak, and that, the declining condition of our conventional forces, is what could lead us into a nuclear war. Thus a mutual, verifiable nuclear arms freeze should be our goal as part of an overall nuclear arms control and reduction strategy.

Mr. DICKS. Mr. Chairman, I support this very important resolution, but I find it unfortunate that the issue of nuclear arms control and reductions has become a divisive, political issue.

I am certainly pleased that the House is debating today the issue of how we can end the nuclear arms race. Ultimately, it is the most pressing issue not just for the United States, but for all mankind.

I support the resolution for several reasons. First, it clearly sets forth the important goal of halting the arms race. Specifically it states our negotiations must have the objective of deciding when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems, with special attention being given to destabilizing weapons. It does not lock us into an inflexible position, and provides that the freeze must be mutual and verifiable. My good friend Congressman GORE has several perfecting amendments that strengthen House Joint Resolution 521.

There is danger in the unrestrained growth of nuclear systems on both sides. The Soviets have shown a determination to go forward with a number of new systems including the SS-20, several new classes of submarines, and reportedly a new bomber. Clearly, allowing the Soviets to proceed on this course is not in our best interest. I do not believe time is on anyone's side in the nuclear arms race, the longer it goes on the worse it is for all parties.

Second, I support the resolution's call for prompt approval of the SALT II Treaty provided adequate verification capabilities are maintained. SALT II, in my judgment provides constructive limits on both sides. We are observing its provisions now. Most importantly, I feel the progress of future arms control efforts will be seriously undermined if the United States tosses the constructive results of SALT II aside. I realize the committee has to face certain realities, but, SALT II still has great importance for our country.

Having said this, I feel it is a pity that the perceptions of the two proposals we are considering today have become so polarized. If we are to be successful in reaching a nuclear arms agreement we must have united support. Even the most optimistic realize that ending the arms race will take time and that it will not be easy. But it will be incredibly more difficult if it continues to be perceived as a partisan political issue.

Earlier successful negotiations on the test ban, use of weapons in space, and SALT I achieved what they did because they enjoyed bipartisan sup-

port. The problems faced by SALT II can be directly traced to the disintegration of this coalition support.

I ask permission to include in the RECORD an excellent article dealing with this question by Brewster Denney, professor of public affairs at the University of Washington, which appeared in the New York Times on Sunday, July 25. Dr. Denney notes that on close examination the texts of the two resolutions being considered do not differ that dramatically. Both call for reductions. Both call for negotiations on the details of a freeze. Both require verification of the agreements.

We need to send a strong signal to the administration and to the world that we are serious about arms control and reductions. Passage of this resolution as reported will accomplish this. But in the longer run we have to get together and present a united front if we are to achieve the goal we all desire.

I think the so called freeze movement has already helped persuade the administration on the need to move on ending the arms race. We need to continue that momentum. But we must not, in so doing put ourselves into a position that ultimately makes it more difficult to achieve the ultimate objective.

The freeze movement is responsible for forcing the administration to begin the START talks. They know we have a credible nuclear deterrent and they realize that continuing the arms race is futile.

The referred to article follows:

[From the New York Times, July 25, 1982]

TWO CAMPS, ONE FREEZE

(By Brewster C. Denney)

SEATTLE.—It has been popular for some time to say that there is no longer a consensus on broad issues of national policy. The notion that consensus is both unachievable and inappropriate may have become so widely accepted that America's political cognoscenti have lost the nose for it. They can no longer smell the opportunity for consensus and instead even prefer the sweatier aura of politics by combat and caricature. The current debate over a nuclear-weapons freeze is a case in point.

Compare the texts of the Kennedy-Hatfield and the Jackson-Warner freeze resolutions. The press and partisans of each have badly distorted their actual meaning. It is widely believed that the Kennedy-Hatfield freeze must be an instant, unilateral freeze with the present Soviet supremacy in theater nuclear weapons in Europe left in place. Not so. The resolution proposes a negotiated, verifiable freeze with special attention to the most destabilizing weapons. It is frequently stated as fact that the Jackson-Warner measure calls for a substantial buildup of United States strength before negotiations for reductions can begin. Again, not so. It is a negotiated freeze and a negotiated reduction with negotiations to start immediately.

Both resolutions call for reductions. Surely the supporters of both resolutions prefer substantial reductions to a freeze and prefer a freeze to uninhibited increases of nuclear inventories on both sides. Both resolutions call for negotiations of the details of the freeze. Both require verification of the agreements. Both may require substantial, even protracted, negotiations. The texts themselves, devoid of the polemics that have accompanied their introduction, are really quite similar.

My view is that there is in fact a broad consensus on national security and arms control waiting to be recognized, but the people who can make that consensus operative—including the press and the partisans of the resolution—are too busy playing ad hominem hawks and doves to do it. Jackson-Warner supporters glibly slap the unilateral disarmament "peacenik" label on Kennedy-Hatfield supporters, ignoring the solid attention the text pays to verification, reduction and special treatment of the most destabilizing weapons and that the resolution is supported by many longtime friends of a strong defense. Kennedy-Hatfield supporters paint the Jackson-Warner agreement as an unrealistic license to continue the arms race, ignoring the fact that real reductions are in the interests of both sides and that reductions of inventories of weapons now in place are easier to verify and, thus, to negotiate than freezes on the production of new ones.

There is a new sense of urgency about arms negotiations. There is a real underlying consensus emerging that includes people who are both serious about the Soviet threat and determined to lower the level of arms. American and Soviet negotiators are discussing reduction right now in Geneva. Now is the time to show unified support for a new verifiable agreement that reduces the risk of nuclear war.

Why can't Senators Edward M. Kennedy of Massachusetts and Henry M. Jackson of Washington, both Democrats, make a single resolution and get broad support now? The Nuclear Test Ban Treaty of 1963 was the result of a Kennedy-Jackson collaboration. Such a collaboration might persuade the Administration that these negotiations must be pursued assiduously. Consensus politics will be required for Congressional approval of a new agreement. The basis for consensus is there. The two resolutions have together the overwhelming support of the Congress and the American people. And, who knows, a successful act of consensus on this subject may help to revive the art of consensus. A long list of unresolved issues are on the national agenda once we have reduced the threat of nuclear war.

Brewster C. Denney is professor of public affairs at the University of Washington, vice chairman of the board of trustees of the 20th-Century Fund and was a United States representative at the United Nations General Assembly in 1968.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I think the gentleman from Washington (Mr. DICKS) has made a point that needs to be emphasized.

Would the gentleman trade the Soviet Air Force for the U.S. Air Force, or their strategic bomber force for ours?

Mr. DICKS. Absolutely not. We have clearly a superior force with our bombers equipped with cruise missiles.

Mr. DOWNEY. Mr. Chairman, the gentleman is aware, of course, that we have already 110 FB-111's and B-52's on strip alert at any one time capable of responding in a massive way to a Soviet first strike.

Mr. DICKS. And we are strengthening that great capability with our air-launched cruise missiles, which gives us standoff capability.

Mr. DOWNEY. Not only that, but the cruise missiles are highly accurate weapons capable of destroying command and control centers. The SRAM is capable of destroying Soviet ICBM silos, not in a time-urgent manner but certainly in 8 to 10 hours after a war would start.

Let me ask the gentleman if my analogy would hold any water. I see this as two old adversaries locked in a room knee deep in gasoline. One has nine matches, and the other has seven matches, and it really does not matter who strikes the first match because the consequence for both would be the same—total annihilation.

I think if one takes a look at the difference between a real freeze and the "Hollywood freeze" and strips away the tinsel facade and gets at the real tinsel of the Broomfield amendment, we will see that theirs is not arms control, theirs is not a serious attempt to restrain the growth of weapons. Theirs is an attempt to allow the growth of weapons to remain unchecked.

Mr. DICKS. Mr. Chairman, the gentleman makes a very important point.

Does the gentleman also believe, as I do, that if it were not for the freeze movement in this country, if it were not for these dedicated people who want to restore some sanity to U.S. policy, we would never have gotten the START talks underway?

There was no inclination on the part of this administration to get into those talks. I believe we ought to have bipartisan support on those talks. I know the gentleman from New York agrees with that.

But it was, this grassroots feeling, that made it possible to get the START talks underway; don't you agree?

Mr. DOWNEY. There is absolutely no question about that. The administration has been moving reluctantly with the proposal because of the force of the START talks.

It is not a question of who is for or against nuclear war. I would concede that even my anti-arms-control friends are against nuclear war. The issue is whether or not there is a meaningful stop to the growth of weapons. A meaningful halt comes with the Zablocki resolution.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. GILMAN), a member of the committee.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, both of the resolutions being considered today address the desire to achieve a nuclear freeze.

As awareness has grown of the tremendous destructive potential of nuclear weapons, the American people have begun to press the Congress to find some means of reducing the threat of nuclear war. This resolution, the Broomfield-Stratton resolution, is a bipartisan effort which supports the initiation of strategic arms reduction talks and urges the Soviet Union to join with the United States in concluding an equitable and a verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels.

Mr. Chairman, the Broomfield-Stratton resolution, which will be offered as a substitute, avoids the serious deficiencies of the Zablocki resolution and addresses the concerns of the American people in a reasonable and responsible manner.

The Zablocki resolution seeks to address a legitimate concern, but the response to that concern is ill-advised. A freeze at current levels would ratify Soviet advantages and undermine any prospects for real reductions and undermine the prospects for real and meaningful START negotiations which are going on with the Soviet Union. The Soviets will not make concessions unless there is a compelling reason to do so. House Joint Resolution 538 seeks militarily significant reductions in nuclear weapons and provides for a mutual and verifiable freeze at equal and substantially reduced levels—the American people should demand nothing else.

Mr. Chairman, both resolutions are the product of genuine concern. However, I genuinely believe House Joint Resolution 538 would more readily commit us to the goals we have set to achieve peace and stability throughout the world.

Mr. GILMAN. Mr. Chairman, throughout our Nation and throughout the world, there is a nuclear anxiety—a fear of the consequences of a nuclear holocaust. Certainly, we, in this Chamber, share a deep desire to prevent the death and destruction that would result from the use of any nuclear weapons. What we are debating today, and what is of the utmost concern to the American people, is the urgent need to find a way to prevent a nuclear war.

The House Foreign Affairs Committee resolution (H.J. Res. 521), the Zablocki resolution, which calls for a nuclear freeze, does not in and of itself reduce the threat of nuclear war. More critical, in meeting this objective, are reductions in nuclear arms race and to reduce the risk of a nuclear war. House Joint Resolution 521 in imposing a freeze does not guarantee such arms reductions, and does not provide for verifying such a freeze. Rather passage of this resolution by the Congress would signal to the Soviets that we are willing to accept something less than the arms reductions which are so vital—a freeze at a dangerous level of nuclear imbalance, with the number of weapons far too great already, and a return to the flawed Salt II agreement.

While many argue that the United States already has sufficient effective nuclear weapons, our defense experts contend that air weapons are not as effective as land-based ballistic weapons, and that the Soviets land-based missiles far outnumber those of the United States. The proposed nuclear freeze would lock in the current Soviet advantages, cutting off our initiatives to correct those imbalances and to achieve a more stable deterrent in the future. Moreover, our negotiators are of the firm belief that such a freeze would eliminate the incentive for the Soviets to further engage in serious arms control negotiations.

Another major problem with House Joint Resolution 521 is verification. A meaningful nuclear freeze cannot merely be announced; it has to be negotiated. Such a negotiation would be the most complex in arms control history. The United States and the Soviet Union would first have to clearly define the meaning of a freeze for every single existing weapons system and agree on procedures for checking on every phase of weapons development and deployment. Contrary to the arguments of its supporters, a nuclear freeze is not a shortcut to arms control.

We cannot verify a freeze by any national technical means. We cannot see inside factories and warehouses where weapons are produced. If we agreed to a freeze, then we would have to place our trust in the Soviet Union's honoring such an agreement. But the Soviets have a poor track record of honoring international agreements. In fact, they have abrogated over 90 percent of the treaties to which they have been signatories. The Soviets have amply demonstrated their adventurism—their bent on rushing in wherever and whenever they sense the slightest opportunity for geopolitical profit. If there is a serious question of trusting the Soviets, then we must be prepared to verify the Soviet arms activities. We can and should do better than a freeze. We should move expeditiously and effectively toward nuclear arms reductions and we should concentrate our energies and negotiations on that objective.

President Reagan has committed the administration to fully pursue the strategic arms reduction talks (START) which are now underway. In addition, the President's decision to abide by the SALT II Treaty provisions voluntarily, on a mutual basis, is a clear demonstration of the administration's desire to seriously pursue these efforts. These and other actions constitute a concrete first step toward reducing the nuclear arsenals of both nations.

We need to demonstrate, at this time, that the American people and the Congress of the United States are united behind the President's START proposal. Failure to endorse START would seriously undercut the American negotiating position, reducing our chances for arms control. The President's credibility, and the credibility of our Nation, is at stake. The Broomfield-Carney-Stratton resolution will strengthen the hand of the President and our representative in these all-important and highly sensitive arms reduction negotiations. The Broomfield resolution makes it clear that we are united behind the President in seeking substantial reductions which will lead to equal and verifiable levels in the arsenals of both the Soviet Union and the United States, and to a reduction in the risk of war by accident or miscalculation. By adopting the Broomfield resolution, we are not opposing an eventual freeze and we are not fostering a nuclear war. On the contrary, we are determined to prevent a nuclear war, to prevent nuclear blackmail, and to bring about a reduction of nuclear weaponry.

Most of us in this Chamber seek the same objectives. We want to find the most effective way to prevent a nuclear war. Where we differ is in determining how best to achieve that objective—by a mutual freeze at present levels, as proposed in the Zablocki resolution, or by a negotiated reduction to equal levels, then a freeze, followed by further negotiated nuclear disarmament, as proposed in the Broomfield-Carney-Stratton resolution.

The United States cannot accept freezing an imbalanced situation that jeopardizes our national security. We must pursue every avenue to bring about reductions and the eventual halt of any production of these weapons on both sides. START is an important beginning in our effort to reduce our nuclear arsenals in a mutual balanced and verifiable manner.

Let us not allow a nuclear freeze to cloud our more important goals of real arms reductions and eventual disarmament. These must be the major goals for which we demonstrate and for which we hope and pray. Accordingly, I support the Broomfield-Carney-Stratton resolution, and I urge my colleagues to lend their support to this resolution, and to stand behind the administration in its efforts to relieve the world's nuclear anxiety by insur-

ing the eventual end of the threat of a nuclear war.

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Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend from New York yielding.

I just want to compliment the gentleman from New York (Mr. GILMAN) for his statement. I agree with him.

He made the important point that you cannot just pass a piece of paper and pass a resolution for arms control. It has to be negotiated and that is what President Reagan wants to do—negotiate arms reduction.

If the Zablocki resolution should pass, you can tell our negotiators at Geneva who are trying to work on behalf of our President and this country to reduce heavy first-strike nuclear weapons to pack their bags and come home, because you cannot negotiate when the U.S. Congress undercuts the very premise from which they are negotiating.

The President's negotiating premise is that any agreement must be equal, verifiable, and should move toward a reduction of arms and not require unilateral concessions by the United States.

So I congratulate the gentleman for opposing the Zablocki resolution.

I appreciate the position the gentleman has taken on behalf of the START talks that President Reagan has initiated and would like to make the following statement:

We have now had over a decade of experience with arms control negotiations with the Soviet Union, which I have witnessed in part at first hand, having served as a congressional delegate to SALT II and very recently as a delegate to the U.N. Special Session on Disarmament. If there is one thing we have learned in our dealings with the Soviets, it is that there are no easy fixes to the threat of nuclear war.

The nuclear freeze resolution before the House today purports to be a serious arms control measure. It incorporates token reference to mutuality and verifiability and strategic stability. But a review of the record of United States-Soviet arms control experience lends sobering insight to the perils of a nuclear freeze.

Fast on the heels of the Soviet invasion of Czechoslovakia, the United States entered strategic arms limitation talks with the U.S.S.R. With the first blush of détente, the U.S. negotiators sat down with their Soviet counterparts to discuss how together we might limit the danger of nuclear war. At that time, analyses showed that the United States and the Soviet Union had reached a point of rough nuclear parity. Therefore, a natural initiative arose from the United States: A long-term, bilateral strategic nuclear weapons freeze at then current ceilings. But the Soviets flatly rejected that suggestion, and the U.S. negotiators had to cast about for other, more acceptable schemes. From their efforts emerged the SALT I Interim Agreement and the ABM Treaty, which were signed into law in 1972. These agreements were considered useful only as a starting effort, not satisfactory in and of themselves. To make this clear to all concerned, the U.S. delegation appended a statement to the SALT I accords which read that if a follow-on agreement limiting offensive weapons were not reached within 5 years, "U.S. supreme interests" could be jeopardized.

That 5-year deadline came and went, yet no follow-on agreement was reached.

In early 1979, 2 years past the SALT I expiration date, President Carter, by his own account, offered a nuclear weapons freeze to the Soviet Union. Brezhnev refused.

Instead, the Soviets pushed for SALT II, which President Carter submitted to the Senate with great fanfare. It was clear, even before the Soviets invaded Afghanistan prompting President Carter's deferral of the treaty, that SALT II lacked the necessary Senate support. In the words of the Senate Armed Services Committee, the proposed SALT II Treaty "was not in the national security interest of the United States." Hearings before the Senate's Foreign Relations, Armed Services, and Intelligence Committees highlighted a number of fatal flaws in the treaty's unequal, escalatory, and unverifiable terms. These Senate hearings also focused concern on the linkage between the trust assumed in the treaty, and the contrasting realities and risks of Soviet noncompliance in a period of an accelerating Soviet drive for strategic superiority.

Recognizing the fatal flaws of SALT II, President Reagan is wisely seeking a strategic arms agreement with the Soviet Union that would reduce to equal and verifiable levels of capability the strategic forces of both the United States and the Soviet Union. We have entered the START negotiations, seeking to enhance U.S. security, strategic stability, and the prospects for peace. And in Europe, President Reagan has proposed the elimination of all long-range nuclear weapons from the continent, with the strong support of all of our NATO allies.

In response, the Soviet Union has proposed that, as a first step, we should freeze the testing, production, and deployment of all nuclear weapons, both strategic and theater. The United States has rejected Brezhnev's freeze.

Comes now the Zablocki resolution, which would codify SALT II and impose a nuclear weapons freeze.

Ten years after the Soviets first rejected a freeze, 10 years after the SALT I delegation's warning that U.S. supreme interests would be jeopardized if no follow-on agreement were reached providing for equal levels of offensive capability—10 years during which the Soviet Union has engaged in the most massive military buildup in peacetime history, 10 years during which the Soviets have moved from a position of strategic parity to achieving a margin of superiority—the Soviet Union has called for a nuclear weapons freeze, and we, in the House, are called upon to consider the merits of freezing our strategic deterrent forces.

I want to thank my colleague, JONATHAN BINGHAM, for his "Dear Colleague" letter of yesterday which provided a copy of a graph prepared by the Joint Chiefs of Staff showing comparisions of U.S. and Soviet strategic forces. As Mr. BINGHAM so correctly pointed out, the graphs show that the Soviets lead in virtually all indexes of comparative strategic capability—and in most cases by a substantial margin. For example, the Soviets lead us in ICBM's, 1,398 to 1,052; SLBM's, 950 to 520; missile submarines, 69 to 32; nuclear missile warheads, 7,500 to 7,200; ICBM warheads, 5,900 to 2,150; missile throw weight, 5 million kilograms to 2 million kilograms; heavy bombers, 400 to 350; medium bombers, 900 to 64; heavy missiles, 308 to zero; intermediate range ballistic missiles, 600 to zero; intermediate range ballistic missile warheads, 1,250 to zero; ABM interceptors, 64 to zero; bomber defense missiles, 10,000 to zero.

Because of American inaction during a decade of relentless Soviet buildup, the charts now show that we are at a serious strategic disadvantage. And that situation will grow worse before it begins to get better—before the President's strategic modernization initiatives are on line during the last half of the decade.

During the SALT years, the Soviets developed the SS-16, SS-17, SS-18, SS-19 and SS-20, and currently has four new ICBM's in development, the United States shut down its only ICBM production line.

The Soviets produced four SLBM systems: The SSN-8, SSN-17, SSN-18, and SSN-20. The United States deployed two.

The Soviets produced over 70 Backfire bombers, and continue to produce Backfires at the rate of about 2½ aircraft per month; and now there are not one but two follow-on Soviet bombers in production. The United States canceled production of the B-1 in 1977, and now hopes to have a fledging B-1 force by the mid-1980's.

The Soviets developed the Delta 1, Delta 2, Delta 3, and Typhoon strategic submarines; the United States developed but one class, the Trident.

The Soviets first deployed an antisatellite system in 1971. The United States hopes to have such a system deployed in the late 1980's.

These facts are a matter of public record. In addition, any Member of this body who has heard the Defense Intelligence Agency briefing on the Soviet threat understands the formidable challenge to U.S. security that exists today. The inescapable conclusion is that American restraint has been exploited by the Soviets, who have pushed their advantage through the dedication of enormous resources, to the point that the U.S. deterrent is now in jeopardy.

President Reagan's strategic modernization programs seek to redress existing vulnerabilities in our strategic force posture. During the consideration of the defense authorize bill over the past 2 weeks, Members of this House, in vote after vote, demonstrated their support of those programs, and their agreement that the MX, the B-1, the D-5, and C-cubed-Eye initiatives are essential to the defense of the United States.

The freeze proposal now before the House, if adopted, would overturn the judgment of each of those votes. With a broad stroke, we would be rejecting the President's strategic moderization programs by invoking the magic of a freeze, thereby locking the United States into a position of inferiority.

The Washington Post, editorial against the Zablocki nuclear freeze resolution is exactly correct in warning that a freeze would be destabilizing. As the Post wrote,

> The principal danger of nuclear war arises less from accumulation of weapons, as troubling as that is, than from the fearsome chance that in a crisis one side might feel compelled to fire first lest its missiles be taken out in their silos. As it happens—and many advocates of a freeze agree—the Soviets now lead in the crucial category of first-strike or counterforce weapons, land-based missiles whose high accuracy and power threaten the other side's similar forces. A freeze, which would hobble plans to make these missiles less vulnerable, would thus increase instability and make war more possible.

There is no greater threat to peace today than the instability created by the Soviets' drive for strategic dominance. And that is why I believe that to freeze our strategic forces—as the Soviets have proposed—would be a tragic mistake for the free world.

Modern-day weapons of war carry a potential for destructiveness and human suffering too gruesome for most of us to contemplate. Recognizing this, many in the West have raised their voices to say, "Stop! We must stop producing these agents of death. Let us appeal to the Soviet leaders as reasonable men to stop this buildup. After all, is not their stake as great as ours in assuring that the horrors latent in these awful weapons are never vested on humanity?"

Yes, there is horror. Just try to envision the scene of an attack. A bomber flies overhead, releasing a rocket. Its warhead explodes, forming a telltale cloud. The people in its path begin to retch and vomit uncontrollably. They collapse from dizziness and chest pain. Their skin burns as from intense heat, and blisters form whenever the skin is exposed. Convulsions ensue. Finally, in great pain, the victims grasp their stomachs, and emit a gush of blood from mouth and nose. Minutes later, they are dead.

This is not a description of a hypothetical nuclear attack. It is a summary of medical evidence, meticulously collected by U.S. technicians and local populations, of the effects of Soviet chemical attacks in Laos, Kampuchea, and Afghanistan. In the last 5 years, the Soviets have killed over 10,000 men, women, and children in this manner. And we have reports of bodies gutted by Soviet soldiers, who were apparently collecting data on the precise effects of their gruesome weapons.

And with each bomb dropped, and each person sickened or killed, the Soviets have violated the most solemn, time-honored arms control agreement ever written: the Geneva Protocol of 1925, a part of international law for nearly 60 years.

If we want to understand fear of modern weaponry, then let us talk to the Laotians, Cambodians, and Afghans who have seen their friends and families killed by chemical clouds, dropped by Soviet aircraft.

If there is one lesson to be drawn from Soviet brutality in Afghanistan and Southeast Asia, it is the futility of an arms control agreement that relies for its enforcement on the Soviets' sense of honor and humanity.

The American people understand this. Public opinion polls consistently show that 80 to 90 percent of all Americans believe that the Soviets would cheat on any nuclear weapons freeze agreement. And Americans are not paranoid: There are sound reasons for believing that the Soviets would cheat. They have violated virtually every international accord that they have ever signed, from noninvasion pacts with Poland and Rumania and dozens of other victims of Soviet aggression, to the 1949 Four Powers Agreement providing for a free and open Berlin—where the Berlin Wall stands as a monument to Soviet honor—to the Yalta Conference, which guaranteed independence and free elections in the nations of Eastern Europe, to the Kennedy-Khrushchev agreement foreclosing a Soviet offensive military presence in Cuba, to the accords of SALT: SALT I Interim Agreement, the ABM Treaty and SALT II—each of which has been violated in multiple counts by the Soviets.

One more example of Soviet duplicity. In March, in the midst of intermediate range negotiations in Europe Brezhnev proclaimed that the Soviets would observe a unilateral moratorium on further deployments of SS-20's—which was magnanimous of him because at that point the Soviets had already targeted 300 SS-20 launchers on Western Europe. And then, without missing a beat, the Soviets deployed at least 15 more SS-20 launchers in the months since March. The Soviets can't even abide by the terms of their own freeze decision, much less by a freeze we might propose.

Twenty years ago, President Kennedy warned against trusting in the Soviets' commitment to arms control, saying, "We know enough now about broken negotiations, secret preparations, and the advantages gained from a long test series never to offer again an uninspected moratorium." And to President Kennedy's warning of the Soviets' record of contempt for every arms control obligation they have ever assumed and it seems to me that a Soviet promise not to test, produce, or deploy anymore nuclear weapons is as worthless as the guarantees of individual rights for all citizens found in the Soviet Constitution.

It seems to me that after the Soviet invasion of Afghanistan, after Soviet repression in Poland, after Soviet support of international terrorism, after Soviet intervention in the Middle East, Southeast Asia, Africa, and even our own hemisphere, we should have learned enough about Soviet aggression and militarism never to agree to paralyze our own defense efforts in the hopes that the Soviets will eventually agree to reduce the levels of their armaments.

Speaking of Soviet freeze initiatives, Soviet Foreign Minister Gromyko predicted that "the new word from Moscow will reach out to the hearts and minds of men both in Europe and on the other side of the Atlantic Ocean, and everywhere around the world." I do not believe that Gromyko's sentiments sway American hearts, or that Brezhnev's false arguments persuade American minds.

I am adamantly opposed to this resolution. A freeze would undercut President Reagan's arms control efforts, and end all chances for arms reductions agreements, as both Ambassador Rowney and Ambassador Nitze have warned. A freeze then, would be a great propaganda victory for the Soviet Union, and a clear sign of American disunity.

A freeze would be unequal and thoroughly unverifiable. A freeze would give the Soviets every incentive to

cheat, while the United States, honoring the agreement, stood still. A freeze, then, would lead to unilateral disarmament.

A freeze would concede to the Soviets the fruits of a decade of relentless military expansion.

This simple proposal holds within it the eclipse of America's strength, and with it jeopardize both freedom and peace.

Mr. GILMAN. I thank the gentleman for his remarks. I think they are very important.

Most in this Chamber are seeking the same objectives. It is merely the method we differ on. I thank the gentleman.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. McHUGH).

Mr. McHUGH. Mr. Chairman, I rise in support of the nuclear freeze resolution (H.J. Res. 521) as reported by the House Foreign Affairs Committee, and in opposition to the substitute that will be offered by the gentleman from Michigan (Mr. BROOMFIELD).

In a very real sense, Mr. Chairman, the choice before us today is simple. Do we want to halt the nuclear arms race during the extended negotiations which will be necessary to reach agreement on substantive arms reductions, or do we want the arms race to continue unabated while negotiations proceed? Do we want a mutual freeze now, or at some undefined date in the future?

As you know, House Joint Resolution 521 as reported would seek an immediate and mutual halt in the nuclear arms race. It recommends specific objectives for the conduct of the START negotiations, including as a first step the pursuit of a mutual and verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems. Following such a freeze, it calls for the negotiation of an agreement to achieve substantial and verifiable reductions in nuclear weapons. It also recommends as an interim step prompt approval of the SALT II agreement provided that adequate verification capabilities are maintained.

By way of contrast, the Broomfield substitute would strip the resolution of any meaning by merely endorsing the initiation of the START talks. While it implies that the eventual objective of those negotiations should be a freeze at equal and substantially reduced levels, it does not establish a nuclear freeze as the first objective of the talks. It would thus encourage a continuation of the arms race while negotiators haggle over the terms of future reductions. It also does not endorse ratification of the SALT II agreement.

This is the choice we face, Mr. Chairman, and it is a critical one. We know from experience that negotiations dealing with arms reductions take years to conclude. SALT II took 7 years to negotiate. Without a freeze in the nuclear arms race, the Soviet Union and the United States will procure and deploy new and more sophisticated weapons systems during the protracted negotiations. If both sides are free to proceed pell-mell with the arms race while negotiations go on, complex and destabilizing weapons systems will be introduced. The threat to both sides will increase, and the negotiations to achieve mutual and verifiable reductions will become more complex, making it more difficult to reach an agreement.

This would be the effect of the Broomfield substitute. It is, in essence, empty rhetoric and would send a clear signal to the Reagan administration that the arms race should proceed apace. The resolution as reported, on the other hand, would recommend a nuclear freeze as a first objective of the START talks, thus enabling the more difficult and protracted negotiations on arms reductions to go forward without the introduction of new weapons systems on either side.

Beyond the substance of these competing proposals, Mr. Chairman, there is also the question of Congress appropriate role in these matters. We all recognize that under the Constitution the Senate must ratify any arms control agreement reached between the United States and the Soviet Union. In today's debate we must also ask whether Congress has a role to play in recommending the objectives to be pursued by the U.S. negotiating team at the START talks.

Proponents of the Broomfield substitute apparently believe that arms control is a subject best left to the discretion of the President. This is why their proposal is devoid of any real substantive content. Indeed, in taking this position they can argue that Congress has never before gone on record so specifically regarding the objectives to be pursued in arms talks with the Soviets.

In this regard, Mr. Chairman, I think there are two important points to be made. First, a significant number of Americans have called upon Congress to adopt a nuclear freeze resolution. In my judgment this reflects a growing anxiety about the President's commitment to meaningful arms control. Our citizens have heard high officials in this administration contemplate the possibility of a "limited" nuclear war and even a "winnable" nuclear war. They have heard cold war rhetoric accompanied by unprecedented increases in the military budget. They are apprehensive and they want their Government to make a meaningful commitment to mutual and verifiable arms control. The test of this commitment, proposed by grassroots America itself, is adoption of the nuclear freeze resolution.

In short, it is appropriate for Congress to act in this matter because the people are calling upon us to act. While Congress cannot mandate negotiating objectives on the President, in adopting this resolution we can formally recommend to the President those objectives in which millions of Americans have expressed their fervent belief. In so doing, we can increase the possibility that the President will pursue those objectives at the bargaining table. On the other hand, if we reject this resolution we will at the same time reject the pleas of our people for congressional action and signal the President that he should continue to rapidly escalate the arms race.

There is a second reason for congressional action, Mr. Chairman, and it is to give the President a clear expression of congressional intent. As the history of the SALT II negotiations makes clear, the prospects for eventual ratification of an arms control agreement rest in some measure upon bipartisan support for the President's objectives during negotiations. Therefore, to the extent that Congress can define its own thinking at the opening of negotiations, the more sure a President can be that his negotiating objectives conform to congressional thinking and will thus produce an agreement which can secure Senate ratification.

For these reasons, Mr. Chairman, I believe it is appropriate for Congress to act at this time, and I further believe that the negotiating objectives recommended in the committee's resolution are sound and workable. As reported by the committee, the resolution recommends that the START talks should have six objectives:

First, pursuing a complete halt to the nuclear arms race;

Second, deciding when and how to achieve a mutual and verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems;

Third, giving special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve;

Fourth, pursuing substantial, equitable, and verifiable reductions in nuclear weaponry following an agreement on a mutual freeze;

Fifth, preserving present limitations and controls on current nuclear weapons and nuclear delivery system; and

Sixth, incorporating ongoing negotiations in Geneva on land-based intermediate-range nuclear missiles into the START negotiations.

As I said, Mr. Chairman, I believe that these objectives represent a rea-

sonable and sound approach to the pending arms control negotiations. They are consistent with our Nation's interests, and are based upon three fundamental premises.

First, these objectives are premised on the view that the strategic power of the United States and the Soviet Union is in approximate parity. While that view is apparently not held by certain officials of the Reagan administration, including the President himself, the report of the Foreign Affairs Committee is clear in recognizing what it calls the "inescapable fact" of an effective nuclear parity. This premise is crucial, of course, for if the Soviet Union enjoys a significant lead in strategic power a mutual freeze would not be in our Nation's interest. While this is the position the President has taken to justify his opposition to that freeze, his view is not consistent with the facts or with the weight of expert opinion presented to Congress over the years.

Second, the objectives embodied in the committee resolution have as a premise that a freeze must be mutual, that is, it must apply to the Soviet Union as well as the United States. In this connection, I would stress that House Joint Resolution 521 would not unilaterally preclude any defense program proposed by President Reagan. Only when and if the Soviets agreed to a freeze would we be bound. The terms of a freeze are subject to negotiation and will not be imposed by this resolution.

This resolution would simply put Congress squarely on record in favor of a mutual and verifiable freeze as the first objective of negotiations with the Soviets. It is nonetheless significant for it would indicate that Congress and the American people are serious about wanting to halt the arms race, and that we reject the notion of arming more now in order to discuss disarmament later.

Finally, an underlying premise of this resolution is that any freeze or reduction in nuclear weapons must be verifiable. Those of us who support House Joint Resolution 521 believe that this is possible now through U.S. national technical means. However, we recognize that the Reagan administration must be satisfied on this count and thus we welcome any additional means for enhancing verification that it may choose to implement or negotiate with the Soviets.

Mr. Chairman, the American people want a mutual, verifiable nuclear freeze now. They do not want an escalating arms race with only the vague promise of a freeze someday in the future. Yet, this is the approach of the Broomfield substitute, and it should be rejected today.

The only resolution which calls for the negotiation of a nuclear freeze and recognizes the need to halt the nuclear arms race now is House Joint Resolution 521. I urge my colleagues to support this resolution.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Rhode Island (Mrs. SCHNEIDER).

Mrs. SCHNEIDER. Mr. Chairman, to a degree that few in this country anticipated even a year ago, the control of nuclear weapons has reemerged as one of the most urgent issues of our time.

Today we are witnessing an unprecedented amount of concern about the accelerating arms race and the very real possibility of nuclear war. Recent demonstrations indicate that the desire for arms control against arbitrary increases in nuclear war is alive and well.

It was our general-President Dwight D. Eisenhower, who warned us clearly of the disastrous cost of choosing an inappropriate path to the legitimate goal of national security, and I quote:

> There is no way in which a country can satisfy the craving for absolute security—but it can easily bankrupt itself morally and economically, in attempting to reach that illusory goal through arms alone. The Military Establishment, not productive of itself, necessarily must feed on the energy, productivity and brain power of the country, and if it takes too much, our total strength declines.

One cannot dispute that the more nuclear weapons one side builds, the other side will also build. The result guarantees less security in the world. In fact, nuclear superiority is not only a meaningless term in this age of multiple overkill, it is a hinderance at the bargaining table, and by the end of this century it is estimated that 60 nations will have the bomb.

We as the decisionmakers must wake up and realize that we are laying the groundwork to the ultimate destruction of this planet. This is no light matter. The town governments, churches, students, doctors, and the American people overall are crying out to their elected officials to provide the backbone, to provide the trust and faith necessary to take the first step toward a bilateral arms freeze. We have a chance today and I am asking you, my colleagues, to support House Joint Resolution 521, a call for nuclear weapons freeze and reductions and approval of the Salt II agreement.

I believe we must seek meaningful reductions in the overall numbers of nuclear warheads and their delivery systems—strategic and tactical. Most arms control analysts recognize that a smaller force of reliable, survivable weapons systems, tightly controlled, would constitute the best deterrent for the United States and the Soviet Union. The numerical limits and qualitative constraints contained in the Salt II Treaty represent an excellent starting point for future negotiations.

I as an elected official refuse to sit idly by as the rhetoric and the actions escalate. This body is all too often too inclined toward crisis management. I am not willing to accept that approach. I see the road that lies ahead and there is no question in my mind that our nuclear arms course must be reversed.

I am willing to provide that enthusiasm, that energy and leadership to work closely with my colleagues and to join with other nations so that we might bring pressure to bear on our leading governments to reduce the nuclear arms race.

Only a concerted effort to prevent the use of nuclear weapons—by accident, miscalculation, or design—can save us from the holocaust of nuclear war.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I rise in strong support of the Zablocki amendment and in opposition to the amendment of my friend from Michigan (Mr. BROOMFIELD).

There are several myths that have been floated around here. Let me just dispose of one of them briefly.

It was suggested by someone who spoke earlier that we cannot reach an agreement with the Soviets because, and I quote: "We have one purpose and they have another."

There is no question they have a different system of government and we have strong areas of disagreement. But they do have one purpose that we share, and that one purpose is survival.

I believe they genuinely want peace just as we genuinely want peace.

My friend from Florida said people have not read the two resolutions. I think that generally is probably correct.

If you read the two resolutions, and both incidentally, contrary to what has been said on this floor, both call for a mutual and verifiable freeze, not a unilateral freeze, but if you read them both the difference is that my friend from Michigan says freeze, but do not do it now. And he says another thing: Do not freeze until we reach this point of parity, some point down the line.

The assumption is that our friends in the Kremlin are going to sit there and twiddle their thumbs while we build up our arms. In fact, those in the Kremlin, as we build up our arms, what are they going to do? They are going to build up their arms.

Jonathan Schell has written this thoughtful book in which he not only says there is a possibility that never again will a baby be born on the face of the Earth. He says there is a possibility that never again will there be biological life on the face of the Earth.

In that world I want to see that we have some security.

I do not suggest this freeze resolution is an answer in and of itself. But it is a step in the right direction and it is a step, frankly, on the part of Congress as a signal to the administration that "We want you to be serious about arms control."

Finally, if I may just add this, there are issues where you can succumb to political pressures. This is not one of them. Here survival of humanity is at stake, not in this one resolution but in our attitude, in this one step and many others. Let us follow our heart and our conscience—and not military pressures.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, it is somewhat ironic that we are debating the issue of a nuclear freeze. Ironic, because there has been an effective freeze in the United States on the deployment of new strategic weapons for the last decade. During this same period of time, the Soviets used détente as a cover for an enormous build-up of conventional and nuclear military might. In the last 10 years the Soviets developed and deployed systems which now threaten our very survival.

Certainly a number of factors have given rise to the nuclear freeze movement. Fear of a nuclear holocaust has been a major motivation for freeze advocates. The strange quandary is, that if the Soviet Union were not what it is—an expansionist military power—the world would not fear a nuclear holocaust. No such fear existed when the United States had a monopoly on nuclear weapons, or clear superiority. In every major international confrontation from Berlin in the 1960's through the 1973 Middle East war, our nuclear superiority helped restrain Soviet aggression.

Today, military analysts are not speaking of American nuclear superiority. Rather, they are expounding on Soviet superiority. A comparison of the events connected with the Cuban missile crisis with those of Afghanistan and Poland leaves no doubt that a great power shift has taken place.

Why oppose a nuclear freeze at this time? President Reagan has warned of the danger of America being locked into a position of nuclear inferiority. What is he talking about? In the European theater he is referring to the Soviet monopoly on medium-range missiles. In the mid-1970's, the Soviets began deploying the triple warhead SS-20's. To date, they have deployed 315 mobile SS-20's, in addition to 280 single-warhead SS-4 and SS-5 missiles, for a total of more than 1,200 warheads, not counting refires. NATO has no comparable systems deployed.

With regard to strategic systems, the Soviets are now able to threaten the U.S. nuclear force with a first-strike capability. The Soviets surpassed our NATO force in total destructive power in their strategic systems in the late 1960's and in the number of strategic nuclear delivery vehicles in 1973. The resulting imbalance in ICMB's is frightening. For instance, in order to assure a high probability of destroying a hardened ICBM silo, two high-yield and high-accuracy warheads must be used. Only the U.S. Minuteman III and the Soviet SS-18 and SS-19 ICBM's carry warheads which are capable of doing this. The United States currently has about 1,650 warheads deployed on Minuteman III's, whereas the U.S.S.R. has over 4,000 warheads deployed on SS-18's and SS-19's. The Soviet 4,000 are more than enough to take out our land-based missile silos. In fact, the Soviets may well be able to destroy our ICBM's with the SS-18 alone.

Our aged bomber force is likewise in jeopardy, as are our submarines in port. Our subs at sea will become increasingly vulnerable to Soviet detection and attack in future years. I ask you, Is this the position the United States should be locked into? Obviously, the answer is no.

A freeze would not only prohibit the upgrading of delivery systems, it would also leave us with weapons that are inadequate and unreliable. We produced our last strategic bomber warhead over 13 years ago. Since that time we have been relying on the B-28 and B-43 warheads which are dangerous to transport. In several plane crashes, in Greenland and Spain, the warheads have dispersed radioactive material which the United States cleaned up at considerable expense. The resulting international protests helped to confine our bomber force to the ground where it now lies vulnerable to a Soviet SLBM attack.

The freeze would prohibit the deployment of the B-83 replacement warhead and the W-80 cruise missile, both of which will be made with new high explosives that are far less sensitive to shock and high-velocity impact than the conventional high explosives used in our current stockpile. This new explosive, combined with other new fire-resistant features, makes virtually impossible the dispersal of plutonium as a result of an aircraft accident. These improvements will contribute in a very significant way to the overall survivability of the bomber force by allowing the Air Force to maintain the bombers at a maximum readiness posture and to dispatch the bombers in a crisis situation without the fear that an accident might result in plutonium dispersal.

In fact many of the proposed strategic modernization plans, like the deployment of the Trident D-5 missile and replacement of the Titan ICBM's, are not additions to the arms race, but needed modifications that will vastly improve the flexibility, survivability, and safety of U.S. strategic forces.

Very little attention has been given to the age and the physical differences that exist between United States and Soviet nuclear warheads. About two-thirds of the Soviet warheads are estimated to be less than 10 years old while at least half of the U.S. strategic warheads are between 15 and 20 years old. A few are even older. In addition, as Soviet warheads are more physically robust than ours, the situation is somewhat analogous to the long-term durability of a Mack truck as compared with a light-weight, high-performance sports car.

The Zablocki resolution would prohibit testing of nuclear warheads. Thus, should the freeze be adopted as policy, we would be unable to maintain and certify the performance of nuclear warheads currently on hand. As our strategic stockpile continues to age, the international perception of what the two sides can accomplish will begin to favor the Soviets even more.

What would the impact of a freeze be on arms negotiations and other vital defense issues? It is reasonable to assume that if we agree to accept the present arms imbalance as status quo, the Soviets will not seriously negotiate to reduce nuclear arms advantages which they see as necessary to advancing their geopolitical objectives. In addition, a United States-Soviet freeze may well encourage international nuclear proliferation as our allies perceive that the United States has accepted an inferior position, and thus, may not be able to provide an adequate protective nuclear umbrella.

Will a freeze mean less defense spending? Not when you consider that a freeze will force an increased reliance on conventional arms for deterrence, which are the big-ticket items in the defense budget.

The latest Soviet defense outlay reports confirm that there will be no slackening of Soviet defense spending in the foreseeable future. According to NATO officials, after adjusting for inflation, Soviet defense spending will continue to rise at an average yearly rate of 4 percent. This means that the Soviets plan to spend on defense at least 15 percent of their gross domestic product by 1985, compared with 11 to 13 percent in the early 1970's. In 1985 the United States will probably spend just 6 percent of our GNP on national security even with the Reagan defense plan. Proponents of the freeze should be prepared to increase defense spending for conventional forces substantially as a result of what they are advocating here today.

In short, a nuclear freeze at today's levels of nuclear arms would not enhance our deterrent. It would not enhance our freedom, or make the world a safer place to live in. A nuclear freeze would put a stamp of approval on the Soviet arms buildup and Soviet expansionism and international aggression. It would also make arms reductions almost impossible to achieve.

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Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Maine (Mr. EMERY).

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I believe that this debate on nuclear weapons, arms reduction, and world peace is vitally important, so the American people have a better understanding of what is at stake and where we are going in terms of our national security policies.

Certainly, no Member of Congress is in favor of nuclear war. The underlying question is how to reduce the chances of such an occurrence happening. Despite the vast arsenals of both superpowers, it is my fear that a nuclear conf'agration has a higher probability of occurring between smaller nations with contiguous borders, such as India and Pakistan. It is there, and other places, where age-old, deep-rooted emnities exist, that such a war has a higher probability of starting. Nuclear weapons technology has proliferated dangerously, with new members to the "nuclear club" waiting in the wings. These are mostly Third World nations, which are far less stable than the superpowers, and who are more likely to use such weapons. So, one major concern I have is nuclear proliferation to volatile regions of the world. I believe that the Congress should do all it can to limit the proliferation of nuclear materials and technology that can be used to create nuclear weapons. This concept is a key provision of House Joint Resolution 538, which I strongly endorse and support.

House Joint Resolution 538 goes on to directly address the most pressing problems affecting strategic arms between us and the Soviets. First, the resolution strongly and unmistakably endorses the strategic arms reduction talks that President Reagan initiated with the Soviets, and that are now underway in Geneva. This administration has also made an offer to the Soviets, for them to remove their 300 SS-20 Soviet intermediate range missiles which threaten Western Europe, by offering not to deploy our ground-launched cruise missiles and Pershing II missiles, which are due to go into service in December 1983 at NATO bases. Each Soviet SS-20 has an average range of up to 3,500 miles and carries 3 nuclear warheads. The United States has no similar system in its present arsenal, nor do our NATO allies. This administration is strongly committed to the reduction of intermediate range nuclear weapons by means of its zero-option proposal, as well as reducing strategic weapons.

Second, House Joint Resolution 538 calls for an equitable and verifiable treaty which will freeze strategic nuclear forces at equal, but substantially reduced levels. The flaw in House Joint Resolution 521 is that it perceives that we have rough parity now, so that we can freeze now. This is not the case. A quick glance at the current military balance dispels this myth:

	United States	U.S.S.R.
Land-based ICBM's	1,052	1,398
Strategic submarine missiles	576	989
Ballistic missile submariness	36	84
Long- and intermediate-range bombers	376	650

The Soviets continue to research, test, and deploy new systems or product-improve older ones, despite their lead. Though I do not believe they seek nuclear war, I do believe that they see their nuclear arsenal as a tremendous bargaining chip for political prestige and international blackmail. Of course, they have more than they need, for arms reductions talks purposes, so a nuclear freeze in place would suit the Soviets just fine. We simply have less to give up, and more to lose, than they at present.

House Joint Resolution 538 takes sobering note of past and current Soviet international behavior which is vitally important when considering the reliability of your negotiating partner. This brings us to heart with another major question: verifiability. Both resolutions before us contain the world "verifiable," but House Joint Resolution 538 places greater emphasis on this important factor by noting that our national security cannot be based solely on trust, especially when dealing with the Soviet Union. We currently rely on national technical means employing aerial reconnaissance, satellites, seismographic studies, and other classified data, to keep tabs on Soviet strategic arms developments.

There are serious doubts within our military and intelligence agencies whether we currently have the capability to fully verify Soviet compliance on an arms reduction treaty, at present, without some form of onsight inspection. To date, the Soviets have rejected onsight inspection, raising doubts in our mind as to how sincere they are. If a treaty between us and the Soviet requires more than the intelligence gathered by national technical means, for verification purposes, then I strongly support that concept, including the ultimate guarantee of compliance, onsight inspection. I believe that the combination of truly equal force levels at significantly lower thresholds, coupled with genuine verifiability, will lead to a treaty that will instill mutual confidence in both sides.

Once that is accomplished, we can then move on to the next step of attempting to completely eliminate nuclear weapons from both nations, with appropriate safeguards. Arms control and reduction are in our national security interests, only when their is equal reciprocity in all aspects by the other parties.

Finally, House Joint Resolution 521 calls for the ratification SALT II, which this body has no role in, nor does the Senate seem to have the inclination to approve of. SALT II was rejected by a Democratic-led Senate in the 96th Congress because of its flaws, particularly in the area of verification. SALT II did not, does not, and will not adequately address our national security requirements in terms of strategic arms control.

In conclusion, I truly believe this debate among Members of Congress is very healthy. However, it must be remembered that this cannot be a one-sided debate on the international level. Public opinion polls do not exist in the Soviet Union and public opinion is not a part of the Soviet political process. Though our nuclear arms reduction proposals are addressed to both nations, nothing we agree upon is legally binding on the Soviets. Let us not tie our hands, as they sit back in silence. House Joint Resolution 538 is the safer more realistic way in furthering world peace and our national security.

Mr. EMERY. Mr. Chairman, undoubtedly this is one of the most critical issues that the House of Representatives has faced in some time. And I am fully aware of the concerns that have been expressed to me and to all of us in this Chamber from the millions of citizens who worry about the direction of the arms race and who worry about putting billions and billions of dollars over the next several years into weapons that we hope and pray fervently will never be used.

There is no question, however, that if the arms control process is going to be successful, we have to enter into it with open eyes, and we have to recognize that to accomplish this gcal is not a simplistic matter to be resolved easily with simplistic solutions. In fact, the negotiations into which we have recently entered will be tough, they will be arduous, they will be difficult, and they will not be brought to a conclusion in a short period of time. It is essential that we focus on the issues at hand, and I believe that the START proposals of the administration are a constructive answer to the long-range problem of nuclear arms control, and we must support it.

One of the most serious concerns is the problem of the highly accurate heavy ICBM with multiple warheads, and one of the most important and critical goals of the START talks is to focus on this problem, and not merely to feeeze, but to reduce the numbers of warheads, reduce the yield, reduce the throw weight, limit the accuracy, reduce the number of missiles themselves and, of course, limit the range. We want to reduce the total heavy ICBM force and other forces as well by one-third to a half of what they are presently. We are not satisfied merely with freezing at current force levels, which we all agree are dangerous, but in fact we hold out a reasonable hope, built into the treaty, proposal, to reduce them significantly.

But who has frozen? In a very real sense, it is the United States that has frozen in recent years. We have delayed the procurement of a follow-on bomber to the B-52 which is about 25 years old. We have delayed any basing mode or any construction of the MX. We are having terrible problems with the Trident submarine program. In fact, we only have one in the water now in operating condition. And, of course, we have also unilaterally limited the construction of other aircraft, of ships and weapons improvements of many kinds. In all of this time the Soviet Union has not been freezing. They have constructed a series of weapons, the SS-18. We worry about the capabilities of the submarine-launched SSNX 20.

The fact of the matter is that under the freeze proposal we would be locked into dependency on aging weapons systems, whereas the Soviet Union has a force of modern, highly capable weapons.

Why is the balance between the United States and the Soviet Union important? For stability purposes, of course. We cannot ignore the fact that the Soviets have a capability of destroying our own systems, and we do not want to be forced into a situation where we even consider the possibility of having to launch our weapons on warning or under attack in order for them to survive. That is destabilizing and exceptionally dangerous. Balance will prevent that.

We also have to realize that the Soviets have developed a cold launch capability, which allows them to reload, in some cases, and, of course, that is all the more of a threat to our systems.

Additionally, SALT II simply will not work with a loss of monitoring stations in Iran, with the possible encryption of missile telemetry. We cannot be sure of verification. With the possible existence of a mobile heavy missile and with questions of a heavy hard target capable submarine-launched SSNX-20, we are surely at a disadvantage. We must maintain a balance. We cannot lock ourselves into a position of inferiority.

And finally, we cannot undercut our negotiators with this freeze resolution at such a critical point in the START process. I fear, if this resolution is not adopted as modified by Mr. BROOMFIELD, that we may prolong and frustrate the very hope of nuclear arms reduction that we all desire so much.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, I rise in strong support of House Joint Resolution 521 and in opposition to the Broomfield substitute.

The remarkable thing about the present nuclear freeze movement is its middle class nature. As I travel about my congressional district, I find that people from every walk of life now fear nuclear war as they have not in the past 30 years. People from every town and village, people of every occupation, people from both political parties, people of every age simply cannot understand how a further buildup in nuclear weapons on both sides could possibly increase the security of either the United States or the Soviet Union. They cannot understand why the number of weapons on each side makes much difference when both the Soviet Union and the United States both can destroy each other many times over. They cannot understand why President Reagan feels it necessary to increase our supply of nuclear weapons before starting to reduce them. They cannot understand why now President Reagan can possibly believe that the Soviets will stand still in their weapons development while the United States proceeds to build up its nuclear stockpile.

Mr. Chairman, people cannot understand these things because there are no good answers. Paul Nitze, one of President Reagan's chief arms negotiators, can give you all sorts of esoteric convoluted reasons why black is really white, why up is really down, why it is necessary for the United States to build more and bigger missiles as a means of reducing nuclear armaments. But Mr. Nitze's reasons do not make sense to the average American who believes that enough is enough, that we and the Soviets already have far more nuclear weapons than we need, and that it is time to get on with the job of a mutual, verifiable nuclear freeze to be followed by substantial reductions. I again urge support for House Joint Resolution 521.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Chairman, I rise in support of House Joint Resolution 521, calling for negotiation of a mutual verifiable freeze on the testing, production, and deployment of nuclear weapons and delivery systems, as well as the ratification of SALT II. We have a unique opportunity today to once again be a world leader, an opportunity to show the world that we can step back from the abyss, that security cannot be achieved with a nuclear weapons capability, and that we do not need an additional 17,000 nuclear weapons added to our current inventory in order to begin serious arms control negotiations with the Soviet Union.

It is no coincidence that House Joint Resolution 521 is before the House of Representatives today. There has been a groundswell of concern in this country and a reawakening of the implications of living in the nuclear age. It is also no coincidence that since massive rallys have been held in this country and around the world, the administration has given higher priority to nuclear arms discussions. The issue today is whether we should freeze now, or freeze later when the United States has supposedly regained superiority or achieved an equilibrium state in strategic nuclear weapons systems. Another concern of those offering the substitute "freeze later" amendment to House Joint Resolution 521, is that we cannot verify a freeze. In my opinion, both of these arguments ring hollow.

To put the inferiority argument into perspective I cite a statement made by Gen. John W. Vessey, Jr., Chairman of the Joint Chiefs of Staff, who said when asked during a Senate Armed Services Committee hearing whether he would trade U.S military capabilities with those of his Soviet counterpart: "Overall, would I trade with General Ogarkov? (Chief of the Soviet General Staff) Not on your life!"

There are three ways to measure U.S.-U.S.S.R. nuclear forces. They can be measured by number of launchers, number of warheads, and payload. The following chart provides current figures for both the U.S. and U.S.S.R. in all three areas:

	Strategic launchers		Deliverable nuclear warheads		Payload (in thousands of lbs)	
	U.S.	U.S.S.R.	U.S.	U.S.S.R.	U.S.	U.S.S.R.
Intermediate range ballistic missiles						710
Intermediate range bombers					16,000	27,000
Long-range bombers	316	150	2,500	600	21,000	5,000
Submarine launched ballistic missiles	576	950	4,750	1,900	1,135	2,120
Intercontinental ballistic missiles	1,052	1,398	2,152	5,500	2,250	9,630
Totals [1]	1,944	2,498	9,402	8,000	40,385	44,460

[1] Count does not include British and French nuclear systems totaling 144 submarine missiles, 18 intermediate land-based missiles and 150 medium-range bombers.

Comparisons.—Arms Control Association.

Sources: International Institute for Strategic Studies; United States Air Force and Defense Department; Center for Defense Information.

As my colleagues can see, these figures belie the claims of U.S. inferiority. I believe former Secretary of State, Alexander Haig, put it best when he stated in an interview in April of this year that "(The) window of vulnerability (is a matter of) trends, (not) contemporary reality . . . In a contemporary sense, the United States is very, very strong and very, very capable, especially in the strategic area. Our systems are both more sophisticated and reliable and more technologically sound."

Verification. As a Strategic Air Command intelligence officer in the early 1970's I know firsthand our capabilities with respect to surveillance, reconnaissance, and intelligence gathering. I have the utmost confidence in our ability to monitor Soviet compliance with an arms control agreement. Former Deputy CIA Director, Herbert Scoville, and ex-Carrier Battle Group Commander, Rear Adm. Eugene Carroll, Jr., both feel that existing intelligence systems combined with expanded verification procedures recently negotiated with the Soviet Union will enhance our ability to verify compliance, especially with respect to the nuclear testing which is essential to the development of new weapons systems.

I am also inserting three additional charts which show: existing nuclear weapon stockpiles of the United States; projected nuclear warhead production through the remainder of this decade; and those programs in the research and development stage. I think my colleagues will be surprised by the number of different weapons already stockpiled and those currently or soon to be in the development stage.

TABLE I.—THE U.S. NUCLEAR STOCKPILE

Warhead/ weapon	Year first de- ployed	Yield (kilotons)	User [1]	Number in stock- pile [2]	Status
W-25/Genie	1957	1–5	AF	400	To be replaced by new air-to-air missile.
B-28/bomb [3]	1958	1,100	AF, MC, N	1,200	To be replaced by B-83.
W-31/Nike Hercules [3]	1958	1–20	A, NATO	750	Being with- drawn.
Honest John [3]	1958	1–20	NATO	200	Only left in Greek and Turkish Armies.
W-33/8-in artillery.	1956	Sub-12	A, MC, NATO	2,000	To be replaced by W-79.
B-43/bomb	1961	500–1,000	AF, MC, N, NATO.	2,220	To be replaced by B-83.

TABLE I.—THE U.S. NUCLEAR STOCKPILE—Continued

Warhead/ weapon	Year first de- ployed	Yield (kilotons)	User [1]	Number in stock- pile [2]	Status
W-44/ASROC	1961	1	N	850	To be replaced by ASW warhead/ standoff weapon.
W-45/ Terrier [3].	1956	1	N	310	To be replaced by W-81.
Medium ADM [3].	1964	1–15	A, MC, NATO	300	To be with- drawn.
W-48/155- mm artillery.	1963	Sub-2	A, MC, NATO	3,500	To be replaced by W-82.
W-50/ Pershing 1A.	1962	60–400	A, NATO	410	To be replaced by W-85.
B-53/ strategic bomb [3].	1962	9,000	AF	150	To be with- drawn.
W-53/Titan II [3].	1963	9,000	AF	65	To be withdrawn starting late 1982.
W-54/special ADM.	1964	01–1	A, MC, NATO	300	No planned replac- ment.
W-55/ Subroc [3].	1965	1–5	N	400	To be replaced by ASW warhead/ standoff weapon.
W-56/MM II	1966	1,000–2,000	AF	540	To be partially replaced with Minute- man III/ MX.
B-57/depth bomb.	1964	Sub-20	AF, MC, N, NATO.	1,000	
B-61/bomb	1968	100–500	AF, MC, N, NATO.	3,000	In produc- tion.
W-62/MK- 12 MM III.	1970	170	AF	1,200	Being partially replaced by W-78.
W-68/ Poseidon.	1971	40–50	N	3,480	Being partially replaced by W-76.
W-69/SRAM	1972	170	AF	1,140	To be replaced by lethal neutraliza- tion system.
W-70/Lance	1972	1–1,000	A, NATO	565	In produc- tion, circa 380 neutron types planned.
W-76/Trident I.	1979	100	N	1,300	In produc- tion, circa 3,600 planned.
W-78/MK- 12A MM III.	1979	335	AF	540	In produc- tion, 1,083 planned.
W-79/8-in artillery.	1981	1	A, MC, NATO	120	In produc- tion, circa 800 planned.
W-80/air- launched cruise missile.	1981	200	AF	80	In produc- tion, 4,348 planned.

[1] Marine Corps, Navy, Army, Air Force, and the North Atlantic Treaty Organization.

[2] Authors estimates of stockpile breakdown of 26,000 weapons as of January 1982.

[3] Weapons planned for retirement in 1982–87 as called for in present plans. Other weapons will begin retirement or partial removal in the mid-1980's but are not indicated. Users include the Air Force.

Source: Derived from the Nuclear Weapons Data Book (prepared by the Natural Resources Defense Council and published by Ballinger).

TABLE II.—*Projected Nuclear Warhead Production, 1982–mid 1990's*

	Number planned [1]
In production (1982):	
B61bomb	1,000
W70 Lance (neutron bomb)	280
W76 Trident I	2,300
W78 Mk-12A reentry vehicle	543
W79 8" artillery shell (neutron bomb)	680
W80 Air-launched cruise missile	4,268
Subtotal [2]	9,071
Planned (1982–1987):	
W80 Sea-launched cruise missile	460
W81 Standard 2ER	350
W82 155mm artillery shell	3,500
B83 bomb	2,500
W84 Ground-launched cruise missile	560
W85 Pershing II	300
W87 MX Warhead	2,400
Subtotal [2]	10,070
Future Systems (late 1980's-1990's):	
Antisubmarine warfare warhead	1,250
Low-altitude air defense system	500
Lethal neutralization system	1,200
Corps Support Weapon System	500
Advanced tactical air delivered weapon	2,500
Tactical air-to-surface munition	1,500
Adanced cruise missile technology	3,000
Subtotal	10,450
Alternate Systems: [3]	
MARV	7,500
Submarine-launched ballistic missile	
Subtotal	7,500
Total warhead production	37,091

[1] Information derived from Nuclear Weapons Data Book (forthcoming) and authors estimates Number planned is in addition to those weapons already in the stockpile.

[2] Not all of these warheads will be produced in the 1980's.

[3] Competing warhead programs for Trident SLBM upgrade and Trident II.

TABLE III.—NUCLEAR WEAPONS RESEARCH AND DEVELOPMENT PROGRAMS

Warhead program	Status [1]	First deployment	Number planned	Weapon application
W80 sea/launched cruise missile	Phase 3	1984	460	New weapon.
W81 standard missile 2 (extended range)	Phase 3	1984	350	Replacing W45 and for Aegis shipboard.
W82 155-mm artillery projectile	Phase 3	1984	3,500	Replacing W48.
B83 modern strategic bomb	Phase 3/4	1983	2,500	Replacing B28 and B43.

TABLE III.—NUCLEAR WEAPONS RESEARCH AND DEVELOPMENT PROGRAMS—Continued

Warhead program	Status[1]	First deployment	Number planned	Weapon application
W84 ground-launched cruise missile	Phase 3/4	1983	560	New weapon.
W85 Pershing II missile	Phase 3/4	1983	300	Replacing W50.
W87 MX warhead	Phase 3	1986	2,400	Warhead for MX advanced ballistic reentry vehicle (ABRV).
Antisubmarine warfare warhead	Phase 2	Late 1980's	1,250	Replacing W55 and W44 in new ASW standoff weapon.
Maneuvering reentry vehicle (MARV)	Phase 2	Late 1980's	[2](7,500)	for MK-500 Navy "Evader" warhead option to replace W68 and W76.
Low-altitude air defense system (loads)	Phase 2	1985	500	New weapon.
Lethal neutralization system	Phase 2	Late 1980's	1,200	Air-to-air missile warhead formerly called ASLAM replacing W69.
Corps support weapons system	Phase 1	1988	500	Replacing W70.
Advanced tactical air delivered weapon	Phase 1	1990	2,500	New multipurpose guided tactical bomb.
Submarine-launched ballistic missile warhead	Phase 1	1989	[2](7,500)	Replacing W76 or for Trident III advance ballistic reentry vehicle.
Tactical air-to-surface munition warhead (TASM)	Phase 1	Early 1990's	1,500	New weapon.
Advanced cruise missile technology warhead	Phase 1	Early 1990's	3,000	Replacing W80.

[1] Status in fiscal year 1982. Phases refer to stage development phase 1 weapons conception, phase 2 program study and feasiblity, phase 3 development engineering and full-scale development, phase 4 initial production.
[2] Alternative warhead programs competing for SLBM programs.

Source: Derived from the "Nuclear Weapons Data Book" (forthcoming).

I do not wish to convey that the Soviet Union does not have an equal number of nuclear weapons stockpiled or in development, but rather emphasize the tremendous amount of national resources which are being committed to perpetuate an arms race which threatens to consume us all. The administration will be spending approximately $222 billion in the next 5 years alone on nuclear weapons programs.

Some of this country's greatest military leaders have warned for decades of this impending Armageddon. Omar Bradley, in an address on Armistice Day, 1948, stated that "With the monstrous weapons man already has, humanity is in danger of being trapped in this world by its moral adolescents. The world has achieved brilliance without conscience. Ours is a world of nuclear giants and ethical infants." Hyman Rickover, father of the nuclear Navy, stated earlier this year before the Joint Economic Committee that "disarmament is the most urgent need of the hour * * * the arms race is so far out of control that the human race probably will blow itself up in a nuclear war. Without disarmament or divine intervention, I think probably we'll destroy ourselves." I certainly hope that Admiral Rickover is wrong, but the continuing escalation of nuclear weapons development on both sides of the ocean, including the planned development of 17,000 additional nuclear warheads to the U.S. arsenal alone by the end of this decade, this doomsday prophecy may yet be fulfilled. The time is now for a mutual nuclear arms freeze.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in support of House Joint Resolution 521, to reflect the wisdom of this Congress and will of the American people for a mutual and verifiable freeze on nuclear weapons, followed by reductions in the nuclear arms holdings of the United States and the Soviet Union.

At the end of March, when House Joint Resolution 434—the precursor of House Joint Resolution 521—was discussed in this chamber, as a cosponsor of the resolution I emphasized the danger the world faces because of the stockpiling of nuclear arms. Albert Einstein, whose work led to the unleashing of atomic energy, in 1947 called such energy a "menace." He said:

> Perhaps it is well that it should be. It may intimidate the human race into bringing order into its international affairs, which, without the pressure of fear, it would not do.

During the past months, the pressure of fear—fear of nuclear miscalculation, fear of nuclear accident, fear of nuclear war, fear of nuclear lunacy—has brought citizens in the Commonwealth of Massachusetts and throughout the Nation to the determination that it is time to bring order into international nuclear affairs. There are indications that the same pressure of fear is bringing Soviet citizens to the same conclusion.

House Joint Resolution 521, of which I am a cosponsor, offers such order. It lays out an orderly process for the conduct of START negotiations: achievement of a mutual freeze on the testing, production, and deployment of nuclear weapons—with special emphasis on "destabilizing" weapons—and equitable, verifiable reductions in the United States and Soviet nuclear arsenals.

Moreover, it calls for cooperation and coordination with this country's NATO allies on the negotiations with the Soviet Union.

House Joint Resolution 521 has widespread support: Cosponsorship by 183 members of the House, endorsement by at least 38 national organizations (from the American Association of University Women to the National Education Association to the Union of Concerned Scientists), backing of its tenets by 444 town meetings in New England and 191 city councils across the Nation. A poll released July 27 by Louis Harris indicates that 86 percent of American voters want the United States and Soviet Union "to negotiate an effective nuclear arms agreement that would result in a substantial cutback in the nuclear weapons each country now has," and 81 percent want the two countries to agree that they will not produce new nuclear arms, on the basis that their arsenals are approximately equivalent.

Mr. Chairman, House Joint Resolution 521 offers us the opportunity to bring the order that Einstein indicated. We must not let the opportunity pass.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I rise in support of the resolution and I think it is important that we realize just what the resolution says. There has been much disagreement as to the implications of the resolution and we must not allow rhetoric and political posturing to get in the way of our decision on this matter.

I was an early cosponsor of the Conte-Markey-Bingham resolution which was incorporated into House Joint Resolution 521. I chose to cosponsor the Conte-Markey-Bingham language because I found it a balanced and reasonable approach to arms control. The intent of this resolution is that the United States and the Soviet Union join in a mutual and verifiable freeze. I can understand my colleagues' concern about the Soviet Union's willingness to enter into a freeze that is verifiable. I agree that this will be a serious problem. But the resolution states that the freeze should be mutual and verifiable. If it is not so, then there will be no freeze.

Nuclear war is the most awful danger facing the world today and every effort that can safely be made to lessen the danger of such a holocaust should be vigorously pursued. I believe that the mutual and verifiable freeze on the testing, production and deployment of nuclear warheads, missiles, and other delivery systems is such an effort.

This freeze would finally say what the people of the United States and the rest of the world have been saying for so long: It is time to just stop. Stop the testing, stop the production, stop the deployment and then negotiate re-

ductions of these awful weapons. Find other ways to expend your energy and resources.

The ever-increasing buildup of nuclear arsenals in pursuit of the ever-elusive goal of nuclear superiority at an incomprehensible cost of intellect and resources is indeed a sad commentary on our contemporary world. If we could expend half this money and effort on the development of jobs rather than the development of more and more sophisticated weaponry, imagine the difference in our economy. If we could spend half the time and effort and resources now spent on nuclear weapons and technology on programs for education and housing, for programs for the elderly and the handicapped, maybe then we would be achieving a truly civilized world.

Let us stop and think about what we do here in this Congress for a moment. What are we really about? Do we want nuclear weapons or do we want to challenge the Soviets to stop. Let us take the advantage and show the world that it is the United States that is genuinely concerned for peace in the world. It is the United States that wants to reduce the risk of nuclear war. And it is the United States that is truly willing to seize the initiative and do something to achieve peace and to lessen the danger of nuclear war.

Albert Einstein was once asked with what weapons he thought the third world war would be fought. He replied that he did not know exactly, but that he was certain that the fourth would be fought with bows and arrows.

Let us listen to the commonsense of the American people and ask the Soviets to join us and simply say "stop."

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I rise in support of the Zablocki nuclear freeze proposal, as amended. We have facing us today one of the most important measures we will have to consider during our tenure as Members of Congress. Today we have the opportunity to voice our support for arms control. The issue of the nuclear arms freeze has presented many of us with an apparent dilemma between bringing about a rational halt to the arms race or supporting the President's ability to negotiate with the Soviets from a position of strength. Indeed we must assure both objectives.

I believe that the Zablocki resolution with the committee amendments represents a balanced approach to nuclear arms control by bringing us closer to each of these objectives. It expresses the clear support of the Congress for continued action by the President to negotiate an equitable arms control agreement. Indeed the language of the resolution specifically allows the President the flexibility he needs to negotiate a bilateral freeze and long-term arms reductions with the Soviets.

First, the resolution as amended advocates a freeze "consistent with the maintenance of overall essential equivalence" between the United States and U.S.S.R. It does not, as some have protested, endorse a position of inferiority. Second, the resolution leaves to the President's prerogative the decision of how and when to achieve an equitable and verifiable freeze. I strongly support the President's efforts through the START process to bring about arms reductions, and applaud the progress he is making through negotiations to diffuse the dangerous and wasteful nuclear arms race. I believe that the Zablocki proposal is fully consistent with the President's stated goals.

The call for arms control arose from the grassroots of our great democracy. An aroused and informed populace has called upon us to approve a fair and sensible measure to halt the nuclear arms race. I believe that our duty is clear. Let us seize this opportunity to send an unequivocal message to the world—that we support a reciprocal end to the arms race. I sincerely believe that the Zablocki freeze proposal is the best means to accomplish that goal.

Mr. ZABLOCKI. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Chairman, many aspects of the nuclear freeze movement are highly emotive. Some liberals seem to support any arms control initiative without concern for practicality or verification. Some conservatives, on the other hand, object to anything that implies agreement with the Soviets or concomitant restraint on the United States. It is imperative as we vote on the freeze resolutions to look not at the constellations of political groupings supporting one approach or another, but at the precise words of the resolutions before us and the ideas that underpin their crafting. In this regard, I challenge serious students of arms control to find objection to the nuclear freeze approach passed by the House Foreign Affairs Committee.

The problem with the Broomfield substitute which rejects an immediate freeze in favor of unrestrained weapons development until an idealized treaty is negotiated, is that it hinges on two assumptions: First, that the Soviets will stand still as we develop more weapons. This is nonsense. History shows that the Soviet Union will commit at least as much as we do to further weapons development. Second, that more nuclear weapons really matter. This, too, is nonsense. In a world of nuclear overkill and redundance, the United States and the Soviet Union are like two rivals locked in a small room in a dual to the death where one has 1,400 pistols and the other 1,200. The one with 1,400 has no advantage. One or both of the parties are likely to be killed or maimed with the first pistols used.

Perhaps the most mischievous notion in modern politics is that the United States may be in a position of nuclear inferiority with the Soviet Union and that American security is somehow jeopardized by a "window of vulnerability."

As Dickens might have said: "This is humbug." When American Armed Forces have the capacity to destroy the Soviet Union many times over there is no such conceptualization as inferiority. Death is death. A human being cannot die twice.

Finally, it should be stressed that the nuclear freeze movement is not a fad. A fad in American politics might be defined as an idea without a constituency. The monumental difference between the arms control movement today compared to 1 year ago or 26 years ago is that it has become quintessentially middle class. It is not a liberal movement, nor a youth movement, nor a partisan undertaking.

For the first time in American politics arms control initiatives are grassroots; they are pushing emergetically from the bottom up, from the hamlets and cities of America to our Government here in Washington.

Arms control activists for too long could be listed on two hands—a few professionals at State, the NSC, and Defense—with the fate of any agreement hinging on the temper of several senior Senators.

But just as someone once observed that war is too important a business to be conducted exclusively by generals, the American people are saying today that arms control—that is, survival—is too vital a concern to be left exclusively to a few politicians.

Middle-class America is taking a stand. In no uncertain terms the American people are telling elected officials at all levels that issues of survival cannot be allowed to stultify in the demagoguery of Presidential campaign rhetoric. Expressions of concern have become institutionalized in churches, synagogues, businesses, unions, professional associations of doctors, lawyers, scientists, and teachers. Representatives in Congress ignore the heedings of educated America at political peril for themselves and for their political parties if arms control is allowed to become an issue of partisanship rather than individual judgment.

The surprise isn't how rapidly the arms control issue has materialized as a popular national movement, but how late it has been in blooming.

It is not enough to say to the American people that "Executive preroga-

tive" in treaty negotiations prevents Congress from going on record in favor of a more forthcoming approach to arms control.

We are the people's House. It is right and proper to reflect the concerns of American families to the world at large. We have a duty in whatever small way we can to express the concerns of the people of the most awesome democracy ever created on this the most important issue of our age.

The nuclear arms freeze resolution is not intended to undercut this administration's negotiating position vis-a-vis the Soviet's. Rather it is intended to bolster administration resolve, and make clear to political leaders in both parties that speaking out for issues where survival of the species is at stake is not only a moral, but a political imperative. Presidents need not fear political reprisal for pursuing responsible arms control.

That—rather than the subtleties of semantics—is the message that this nuclear freeze resolution is intended to record.

In this regard it must be emphasized that the freeze resolution of the House Foreign Affairs Committee does not represent unilateral arms control. It is premised on negotiation of a verifiable agreement with the Soviet Union and is designed to be supportive of the President's START proposal.

I am sure I speak for the vast majority of those favoring a nuclear freeze in describing the President's speech this past spring at Eureka College as representing landmark recognition of the vital importance of entering into strategic arms control negotiations aimed at mutual reductions in nuclear weaponry. The proposals the President outlined are far reaching, and their successful negotiation would indeed represent an important breakthrough toward a reduction of the nuclear terror on terms consonant with our national interest.

It must be recognized, however, that the negotiation of a strategic arms accord based on these principles will be an exceedingly difficult and time-consuming endeavor. If nothing is done to put a cap on the strategic arms race in the interim, the further development of destabilizing weapons on both sides may increase the danger of nuclear war and complicate prospects for eventually reaching agreement on substantial reductions of the kind proposed by the President. The very far-reaching nature of the President's START proposal has thus made it more, rather than less, important that a freeze be established now and that existing restraints on the arms race be maintained and formalized.

That is why it is crucial to underline the importance of abiding by SALT II, as the House Foreign Affairs Committee does in its freeze resolution. There is simply no plausible reason for opposing ratification of SALT II, which in fact puts a cap on deployment of the most destabilizing strategic weapons.

The logic of this course is underscored by the fact that both the United States and the Soviet Union have indicated that they will take no action to prejudice ratification and thus are abiding by its key provisions, except that the Soviets are not obligated to destroy more than 250 launchers that they would otherwise be required to dismantle under the terms of the Treaty.

Plainly, the United States is less well off in the current impasse than it would be if ratification went forward. Moreover, in the absence of ratification of SALT II there is no assurance that the Soviets will continue to abide by its provisions.

Arms control discussions hold a precariously brief place in mankind's history. The maintenance of SALT obligations and conclusion of a bilateral nuclear weapons freeze are not an end but a beginning—a direct, dramatic and, to my mind, essential means of launching a new period of fruitful negotiations across the entire range of arms control issues. Such talks, to be truly successful, must cover not only strategic weapons systems but also aim at a comprehensive nuclear test ban, the complete abolition of chemical and biological weapons, the creation of nuclear free zones, greater controls against nuclear proliferation, and mutual reductions in the maintenance and transfer of conventional weapons.

Arms control talks must ultimately involve a broad range of nations other than the superpowers, since all nations have a stake in the prevention of the global holocaust that would undoubtedly follow a nuclear exchange between either the superpowers or midlevel powers in territorial disputes in areas such as the Middle East.

In order to make real progress toward arms control, it is necessary, then, to move beyond expressions of concern to engage national leaders in a practical quest for a reduction of armaments. The outcry against nuclear weapons must be wedded to a commitment on the part of national leaders and strategic experts to practical steps designed to achieve their reduction and hopefully elimination.

And, at the risk of trivializing the peace issue, it is clear that no announcement would be more likely to turn the economy around than that associated with successful completion of arms freeze or reduction talks. The fundamental concern of arms control is survival, but an important premise of those seeking mutual weapons restraint is the prospect of reorienting federal spending from defense to economic and social development. Prudent arms control may well be a prerequisite to revived economic activity in America in the eighties.

The nuclear freeze movement is more than a protest. It is a profound plea from concerned Americans for a basic change in our approach to global security. It is not a fad, but it will produce nothing but frustration unless concern can be translated into action on the part of our national leaders.

The American people are now thinking hard about the unthinkable. They are demanding leadership from their leaders.

The significance of this new recognition of the perils that more than three decades of nuclear weapons competition have brought us cannot be overstated. The very fate of humanity is at stake. The fundamental distinction between this generation of citizens of the world and all previous ones is that we have the capacity to destroy ourselves.

The American people are thus demanding that their leaders live up to their responsibilities so that citizens of the Earth can continue to live and breathe on a planet suddenly and incomprehendibly prone to extinction.

This is what we are talking about today. Have we any choice but to take some risks for peace?

□ 1540

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. Mr. Chairman, we have before us today an historic opportunity. Congress, by its vote, can help to advance the cause of arms control and the overall peace and security for the world. We must not fail the test. We must firmly resist all attempts to politicize this fundamental question.

Our Nation, today, is engaged in a seamless web of comprehensive arms reductions negotiations. In the conventional force field, we have the mutual balanced force reduction negotiations. For theater nuclear forces, the intermediate nuclear force negotiations are underway. For strategic forces, the START negotiations have just commenced. Soviet behavior in these ongoing negotiations must be kept in mind when we vote today.

All too often, we allow our emotions to cloud our reason. The facts as I see them are these: its look at the record.

At MBFR—which has been in progress for a decade—we have made little progress. Despite repeated attempts on our behalf, the Soviets have refused to agree to a reduction in size of conventional forces. We have tried to accomodate Soviet objections, who felt that the United States wanted to reduce force levels by too large of an amount. We have continued to negotiate in good faith—despite the fact that the Soviets sit across the table from

us, attempting to deceive us about the size of their forces. The Western delegations have agreed to open up military facilities—and will permit, under MBFR—the permanent stationing of Warsaw Pact officials at NATO military installations: In return, we would have our officials at Warsaw Pact facilities so as to assure that neither side attempts to violate the agreement. Of course, the Soviets have categorically refused to accept this proposal.

Despite the discouraging record of MBFR, our Nation has not given up hope. We have even been willing to expand the arms control agenda. To cover theater nuclear forces, negotiations have been underway for several months. America's offer was to immediately cancel all plans for deployment of new intermediate range missiles. Once again, our openhandedness was rejected by the Soviet Union. Soviet factories, we are told, are working around the clock to build new offensive SS20 missiles and ground sites are being prepared for their deployment. At the same time, the United States has thus far not built a single new such weapon. In fact, we have unilaterally withdrawn 1,000 or our nuclear warheads from Europe. How many Americans realize that?

Even with these two major strikes against us, the United States this year has further enlarged the arms control agenda. For several weeks, the START negotiations have been in progress. Again, it was at America's initiative that these negotiations began. It was America that made the proposal for a reduction in size of intercontinental missiles. It is the Soviets who have failed to respond in a serious and meaningful manner.

Despite this tragic history in arms control, Mr. Speaker, the American people, Congress, and our President remain steadfastly committed to the pursuit of meaningful and verifiable reductions in armaments. For many years, I personaly have felt that nuclear proliferation and the buildup of armaments were the most important threat to the future of mankind. The mobilization of worldwide public support for MBFR, INF, and the START talks will make it virtually impossible for the Soviets to continue with their tactics of procrastination and deceit. The resolution that this Congress passes today will send an important signal to the world—a signal that the Communist leaders in Moscow will not be able to ignore. We can, by our votes, tell our adversaries that they are facing a nation united in support of reduction in nuclear armaments.

This vote today can help to build a major pillar in our foreign policy. Last week, we built the other half of the equation: We voted for the largest defense bill in our Nation's history.

We are not letting history repeat itself. In 1941, we sincerely pursued the road marked "negotiations" because we wanted to avert hostilities in the Pacific. We put much effort into those talks—with the Secretary of State and President Roosevelt himself taking the lead in these negotiations. We did not, however, put sufficient emphasis on rebuilding America's deterrent capabilities.

We will not repeat that mistake again. Our Nation will not again be caught napping. We are not going to be mesmerized by Soviet propaganda. We are not, however, going to let our foreign policy be tilted in favor of either pillar. That is why today's vote is so important. It brings our desire for negotiations and force reductions into coequal status with the defensive, military vote that we recently cast. It tells the world that we will negotiate in good faith but we are not going to let America fall by default to her enemies.

Mr. Chairman, I believe that all of us in this Congress sincerely want the current arms control negotiations to succeed. We therefore should, in analyzing these resolutions, determine which of them will contribute the most toward achievement of our goal. Yesterday, when in touch with our START delegation about this question, I was personally assured by Ambassador Rowny that the most meaningful act—the greatest assistance—that Congress could give him would be by passage of the Broomfield substitute. Ambassador Rowny believes that this resolution will be an important tool that he can utilize to help to achieve success in the START negotiations. As a firm and consistent supporter of a reduction in strategic nuclear forces, I want to give the Ambassador whatever tools that he needs in order to negotiate a meaningful verifiable, and significant force reduction agreement.

We must not undercut the man in the frontline. We must give the Ambassador whatever assistance that we can. I will therefore vote for the substitute and hope that all others who really believe in arms control will join with me.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming (Mr. CHENEY).

Mr. CHENEY. Mr. Chairman, I yield to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, I would like to share with you the views I received from our leading defense official regarding the nuclear freeze. As the Chairman of the National Defense Task Force I requested the views of several of our Nation's military experts on the nuclear freeze. In a letter I received from our Secretary of Defense Weinberger he stated and I quote:

I very much share the desire of Members of the Senate, House and others to reduce the risk of nuclear war by bringing about major, equitable, and verifiable reductions in the nuclear arsenals of the United States and the U.S.S.R. The best way to achieve that end is to move directly to negotiations aimed at achieving substantial, verifiable and stabilizing reductions, as the President has urged, but not to freeze forces at the current unequal levels. An unequal "freeze" would only perpetuate and exacerbate existing military imbalances, decrease our deterrent capability, and eliminate any incentive for the Soviets to agree to real reductions. Only by demonstrating a commitment to maintain our deterrent capability, with or without arms control, will we convince the Soviets that it is in their best interests to join us at the negotiating table to seek agreement on real arms reductions.

Mr. Chairman, I would now like to quote from a letter I received from Lieutenant General Miller of the U.S. Marine Corps:

Assuming the Soviet Union would agree to . . . a mutual and verifiable freeze on nuclear armaments the initial military consequence would be to freeze the United States into a overall position of slight inferiority with respect to the Soviet Union. In some specific cases, a freeze would lock the United States and its allies into a position of significant inferiority, such as in Europe where we would have no direct counter to the threat posed by Soviet SS-20 missiles. With the passage of time, this overall position would deteriorate because the largely older U.S. systems would reach the end of their service lives considerably ahead of the relatively newer Soviet systems. Unilateral implementation of the provisions of the freeze resolutions by the United States would have dire consequences. Such an occurrence would be very destabilizing in that the Soviet Union could foresee a time when it would have such a measure of nuclear superiority that the temptation could be overwhelming to attempt to restructure the world along Soviet lines through direct aggression and coercion.

Mr. Chairman, I would also like to quote for the RECORD the views of the Secretary of the Air Force Verne Orr on the freeze resolution:

A Freeze now at the existing levels of armaments would be detrimental to the security interests of the United States. I have difficulty with the freeze proposal on two counts: (1) The proposal implies that if one side reduces arms, the other side will reciprocate. Such has not been the case. In fact, the Soviet buildup in weaponry occurred during a time when we were reducing our arms capability. (2) The proposal assumes a level of symmetry, a balance between the United States and the Soviet Union which does not exist. The Soviets have a margin of numerical superiority in several areas, and it would be in their best interest to freeze levels in order to retain that margin.

I am in full support of arms control initiatives, but those initiatives must be realistic and effective. Effective arms control requires some degree of symmetry—a balance between the two parties—both in terms of their military capabilities as well as during the process of arms reduction. The President's recent arms control proposals will do this, if they are in fact supported by a strong and viable military posture. For this reason, restoring the military capability of this Nation is the most positive step that can be taken now toward meaningful arms

reduction. A freeze now simply cements the existing imbalance.

Mr. Chairman, in conclusion I would like to submit for the RECORD a recent statement on the nuclear freeze resolutions which I wrote as chairman of the National Defense Task Force a policy arm of the Republican leadership in the House of Representatives:

A RESPONSIBLE NUCLEAR FREEZE

As awareness has grown of the tremendous destructive potential of nuclear weapons, the American people have begun to more vigorously press the governments of the world to find some means of reducing the threat of nuclear war. This heartfelt desire for stability and peace is both understandable and commendable. It is in this spirit that some advocate an immediate freeze on nuclear weapons; this however constitutes an overly simplistic solution to a very complex problem. The House will shortly consider two arms reduction resolutions that embody the freeze concept in very different ways. This paper will briefly examine and evaluate the Zablocki Resolution (H.J. Res. 521) and the Broomfield-Stratton Resolution (H.J. Res. 538) in terms of the ability of each to accomplish the intended goal of a safer world.

The Zablocki Resolution essentially calls for a "mutual and verifiable freeze on and reductions in nuclear weapons." In effect this approach would freeze "testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems" as the first step to be followed by mutual reductions in nuclear force levels. As adjuncts to this central point, H.J. Res. 521 also calls for: "a complete halt to the nuclear arms race," giving special attention to destabilizing weapons (such as the highly accurate large ICBMs), incorporating the theater nuclear forces talks into the START negotiations and immediate approval of SALT II.

In contrast the Broomfield-Stratton Resolution seeks "substantial, verifiable, equitable, and militarily-significant reductions" of nuclear weapons "resulting in equal and sharply reduced force levels." Under this resolution the United States and the Soviet Union would first have to agree on nuclear arms reductions before considering a nuclear freeze. In addition, H.J. Res. 538: "reaffirms support for Public Law 92-448 which states that the United States not enter into an arms accord which provides for force levels inferior to those of the Soviet Union"; urges measures to control nuclear terrorism, halt nuclear proliferation and reduce the danger of war by miscalculation; and focuses the idea of a freeze on "nuclear forces at equal and substantially reduced levels."

On the surface the two resolutions appear to be very similar, but in fact there are very great differences that would fundamentally affect the future security of the American people. The following are some, though by no means all, of the most important differences in approach:

WHEN TO FREEZE

The most obvious and perhaps the most debated difference between the two resolutions is the question of when to implement a freeze. Zablocki would freeze first and reduce arms later, while Broomfield-Stratton would reduce to equal arms first and then freeze those levels. The Zablocki approach of an immediate nuclear freeze, without first reducing nuclear weapons to equal levels, would leave the Soviets with a stronger, more modern nuclear force and therefore no incentive to surrender that advantage in later arms reductions talks.

Over the past decade or more, the Soviets have steadily and rapidly built up their nuclear arsenal, particularly in the destabilizing land-based intercontinental ballistic missiles. During this same period the United States has done very little. The result is a "nuclear arms race" in which one contestant has been sprinting for a decade while the other has stood still. The United States now finds itself with an aging nuclear force that has steadily slipped from superiority toward inferiority.

Under the "freeze first" scenario, achieving the important goal of nuclear weapons reductions would depend upon the "good intentions" and "peace-loving" nature of Moscow. The Soviet record in Afghanistan and Poland offers little reason to be hopeful that the world can count on that.

The more prudent course, contained in the Broomfield-Stratton approach, would be first to negotiate the more important reductions in arms and then move to an acceptable freeze at equal levels. In addition to insuring the initial reductions, a freeze at equal levels would remove the desire to protect an ephemeral numerical advantage and increase incentives for even deeper reductions in weapons numbers in the future. For the long-term goal of ever-diminishing nuclear stockpiles, only the Broomfield-Stratton Resolution offers real hope.

SALT II RATIFICATION

It is curious that the Zablocki Resolution calls for the immediate ratification of SALT II. This flawed treaty could not be ratified by a Democratically-controlled Congress in the previous administration because of its inherently unequal provisions, and it is no more acceptable today. The inclusion of SALT II is all the more puzzling when juxtaposed against other provisions of the Resolution. For example, Zablocki calls for a freeze "on the testing, production, and further deployment" of nuclear weapons, but several of the central sections of SALT II provide specifically for the introduction of new weapons for several years into the future.

Additionally, Zablocki calls for "giving special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve." At the same time, SALT II allows the Soviet Union to retain its advantage in the 308 superheavy SS-9 and SS-18 ICBMs, which with their first-strike capability are the most destabilizing weapons in either arsenal. SALT II is simply not consistent with the other provisions of the Zablocki Resolution, nor is it consistent with the aim of real reductions in the stockpiles of both sides to equal levels. The Broomfield-Stratton Resolution does not attempt to revive this dead issue but looks ahead to new, meaningful START initiatives.

COMBINING START AND TNF TALKS

Another feature of the Zablocki Resolution that runs counter to the intended spirit of arms control is the provision to combine the present Geneva talks on theater nuclear weapons in Europe with the strategic arms reduction talks. The touchy problem of how intermediate range, European-based missiles fit into the overall context of arms control remained unresolved for many years until the current round of separate talks began. The attempts by the Soviet Union to cloud strategic arms talks with the problem of theater weapons proved vexing in the past and wasted literally months of negotiating time that could have been better spent on the main issues of ICBMs and missile-firing submarines. Now, at last, the two issues have been separated, with an American proposal on the table to work toward a zero level of theater weapons. Implementation of the Zablocki Resolution could only bring a return of the confusion in negotiations that occurred before the issues were separated. The Broomfield-Stratton Resolution makes no attempt to interfere with the conduct of the two sets of negotiations as they are presently structured.

MODERNIZATION AND RISK OF WAR

Underlying both of the nuclear arms resolutions is a deep-seated desire to, as the Zablocki Resolution states, "reduce the risk of nuclear war." Having examined the most overt differences in the two approaches, it is worth looking at another point implicit in the debate: the problem of modernization and the future of the U.S. deterrent force.

As earlier noted, the United States largely opted out of the nuclear arms race throughout the 1970s, while the Soviet Union eschewed this unilateral restraint and rapidly modernized and expanded its nuclear forces. During the decade of the 1970s, the Soviets deployed three new classes of ICBMs, including the giant SS-18, two new classes of ballistic missile submarines with improved missiles, and the new Backfire bomber. While the Soviets thus strengthened their forces and vastly improved the accuracy of their warheads, the United States constantly delayed the development and deployment of improved weapons. America consequently began the 1980s with bombers older than the pilots who fly them, submarines that are rapidly approaching the time they will no longer be seaworthy, and ICBMs of the same design approved in the Eisenhower Administration. Having allowed all three legs of the strategic triad to reach near-obsolescence simultaneously, we are now forced to fund simultaneous modernization to keep our strategic deterrent intact.

If adopted, the Zablocki Resolution might halt this vitally needed modernization or even the replacement of unserviceable weapons systems. By seeking a "freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems" the Zablocki approach, once the freeze is in place, implicitly forecloses the possibility of modernizing our aging nuclear forces to insure the maintenance of a strong deterrence. Instead of reducing the risk of nuclear war, such a policy could make war a stronger possibility. Without a credible deterrent force, there would be no reason for the Soviets to refrain from pressing a growing military advantage. At some point the United States would find its interests so threatened that a confrontation would inevitably ensue. Secure in the knowledge that a deteriorating U.S. nuclear force could not stop them, the Soviets might press the confrontation to the point of war. The United States would then be faced with the choice of surrendering its vital interests or waging a hopeless war with inadequate weapons.

The Broomfield-Stratton Resolution precludes this bleak scenario by adopting language that calls for "an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels." By focusing on "levels" of straegic forces rather than forbidding any future deployment, the Broomfield-Stratton approach allows the flexibility to modernize

U.S. deterrent forces, albeit at substantially reduced levels. The United States can thus insure that its aging deterrent force is modernized to continue to serve as a protective umbrella of security for its citizens, while at the same time incrementally achieving reductions in the total number of nuclear weapons held by both sides.

CONCLUSION

In almost every respect, the Broomfield-Stratton Resolution better protects U.S. security interests and does more to attain the goal everyone strives for: ridding the world of nuclear weapons. The Zablocki Resolution contains internally inconsistent elements such as calling for a freeze while supporting the SALT II treaty that allows more building of weapons. The Zablocki approach also removes any incentive for the Soviets to consent to reduction by locking in the advantage they presently enjoy with an immediate freeze. It casts aside the already-achieved negotiating progress of separating theater and strategic force reduction talks in favor of returning to the confusion of dealing with both issues at once. Finally, the Zablocki Resolution threatens the future security of the United States by casting doubt upon our ability to modernize U.S. forces to match the newer Soviet forces.

The Broomfield-Stratton Resolution avoids all these pitfalls while remaining steadfastly committed to the goal of real reductions in nuclear forces to equal and verifiable levels that would encourage both sides to seek further reductions in the nuclear warheads. Ridding the world of nuclear weapons is a noble and worthwhile goal, but it is one that must be pursued carefully, ever mindful of the need to provide for the long-term security of the United States and our Allies. Of the two resolutions coming before the House, only the Broomfield-Stratton Resolution meets these criteria.

Mr. CHENEY. Mr. Chairman, I yield to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of House Joint Resolution 521, which calls for a mutual and verifiable freeze on and reductions in nuclear weapons. This resolution is the product of the national ground swell of concern about the nuclear arms race that has been led by my State of Vermont. To date, 177 of Vermont's 251 towns have passed resolutions in favor of the weapons freeze.

I have had some reservations about the specifics of the freeze, not because I believe it is verifiable but because I am concerned that it does not go far enough. I also felt that we should support the President at the negotiating table with President Brezhnev to negotiate an arms control agreement that would stabilize and roll back the arms race.

The resolution before us today does lend important encouragement to the President in his efforts to begin the START talks. It also suggests that the greatest attention in these negotiations should be payed to weapons systems that threaten to further destabilize the arms race. I believe that it is a constructive suggestion to the President.

I would like to address several issues that this resolution raises, some of which have been discussed exhaustively and some that have been unfortunately ignored.

This freeze resolution has been criticized on the grounds that it would leave the United States in a vulnerable position and that it would not be verifiable. First of all, any arms control agreement between the United States and the Soviet Union will have to be verified in some manner, even the type of agreement proposed in the substitute by the gentleman from Michigan (Mr. BROOMFIELD). I am satisfied, based on such testimony as that of former CIA Director William Colby, that a freeze is verifiable. The issue, it seems to me, is not whether or not a freeze is verifiable, it is whether or not we will have arms control. A freeze, especially if coupled with a comprehensive test ban, would in fact be more verifiable than a more complex agreement. Furthermore, the resolution specifically states that the freeze should be verifiable, so if there is no verifiability there would be no freeze.

Another issue that has been discussed at length is whether a freeze would lock the United States into a position of inferiority. That question is a little like asking who has the advantage when two men, one with a 12-gage shotgun and the other with a 20-gage, have guns to each other's heads. In other words, small variations in arsenals such as those in the hands of each superpower are immaterial. If there is indeed a difference in the arsenals of the superpowers, many defense experts assert that the edge belongs to us. As General John Vessey, Chairman of the Joint Chiefs of Staff, stated before the Senate Armed Services Committee: "Would I trade with General Ogarkov—chief of the Soviet general staff? Not on your life."

His view is borne out by the consensus among the military that the United States has the edge in two of the three legs of the nuclear triad.

Another objection to the nuclear freeze is that it does not cover conventional weapons that affect the nuclear arms balance, especially antisubmarine weapons, antiaircraft missiles, and ballistic missile defense systems. I share this reservation and I would carry it somewhat further to say that the freeze concept is limited because it does not address the problem of conventional forces in Europe. This is why I introduced my own freeze resolution last March, House Concurrent Resolution 287, which addressed these problems by adding language on conventional forces to the wording on nuclear weapons contained in the original freeze resolution.

The present balance of forces in Europe is based on a mix of nuclear and conventional weapons and I am not convinced that the nuclear threat can be eliminated without negotiating on conventional and nuclear weapons together. If we are serious about reducing the threat of nuclear war, and I believe that all of us here in the House wish to do that, we must examine the possible scenarios for the start of an accidental or a deliberate nuclear war. Probably the most likely of these scenarios is a conventional war in Europe or the Middle East that one side begins to lose. In my view, we must work hard to minimize the likelihood of this and other scenarios, something that neither of the resolutions under discussion here today address.

Another scenario that I would like to call attention to is that of the superpowers being drawn into a nuclear war between other countries. The proliferation of nuclear weapons and technology that has weapons applications is extremely dangerous. I am disturbed by the reluctance of this administration to put tight restrictions on the transfer of such technology and I would like to see the Congress play a more active role in this area if the President will not do so.

What I am saying here is that avoiding nuclear war and achieving meaningful reductions in arms is an extremely complicated process. Wars are caused by more than just weapons and we must make an attempt to get at some of these other causes. The freeze resolution is important as an expression of concern about the arms race, and because it is a workable start to serious arms control. But it is not enough.

Mr. CHENEY. Mr. Chairman, I yield to the gentleman from Kentucky (Mr. HOPKINS).

Mr. HOPKINS. I thank the gentleman for yielding.

Mr. Chairman, I rise today in opposition to the Zablocki resolution and in support of the Broomfield resolution.

Mr. Chairman, this issue of a nuclear freeze has troubled me as much or more than any I have faced during my time in the Congress. I have listened to my constituents, studied, read, and reasoned with myself and argued with others. I can honestly say I have not spent as much time and emotional energy on any one issue as I have with this topic.

Mr. Chairman, we are used to dealing with tough issues here in Congress. We have tough debates and issues every day. But, in my mind, no other issue—not tobacco, not abortion, not food stamps, not social security, not balancing the budget—nothing is more important than this. It has troubled me because I cannot help but think of the impact of our debate on me personally, on my children, on my grandchildren, on your families, on

your grandchildren. It is an immensely personal issue.

And in trying to resolve my difficulties, I have talked with many people. Yesterday, I met with the President, the Vice President, the Secretary of State and the Secretary of Defense. The stakes are high, and the risks are great. But in the final outcome, my decision has been to oppose the Zablocki resolution and support the Broomfield resolution, that is to reduce and then freeze.

One of the things that troubles me the most about our debate is that people seem to have the idea that if you are opposed to a nuclear freeze of any type, you are somehow in favor of a nuclear war. How absurd. How totally and completely absurd. I am really insulted when someone implies that I, or any one of my colleagues actually wants a nuclear conflict. I know this is not a conscious reaction, but unfortunately, it has become a reaction to many people.

In my opinion, the proponents and opponents of this debate have pretty much the same goals in mind. We all want to reduce the chances on nuclear conflict; we want to reduce the number of nuclear weapons in the world, and we want to prevent further productions and testing of weapons. The only difference is how can we best accomplish this goal.

Without trying to cover all arguments for and against, I would like to touch on some points today that make a difference in my mind. Maybe they will make some difference for you too.

First of all, a nuclear freeze and nuclear arms reductions will not be accomplished solely within the bounds of the United States. No matter what we do here, no matter how much the American people want peace or arms reductions it will not be accomplished by ourselves. The Soviets have to work with us and agree with every step along the way.

And history tells me that the Soviets will agree with absolutely nothing unless they see it very clearly as being in their national interest. And why would it be in their national interest to negotiate arms reduction talks if we place them, by our generosity, in a position of strategic superiority. And I sincerely believe that is exactly what the Zablocki resolution would do. Facts and statistics are readily available to support this statement, and I will not repeat them at length today. But I believe it is true and therefore believe the Zablocki resolution would not reduce the chances for war, but would actually increase the chances for war.

A second aspect of this argument that bothers me are some of the myths that are being perpetuated. For example, I have seen in the newspapers and in letters floating around the Hill incredible statements about the number of nuclear weapons and warheads being produced today and what we will produce over the next few years. Well, I have seen the classified figures, and I am astounded to see what the general public reads in the papers.

I want to point out something that has, to my mind, been a strangely silent fact during this discussion. The President's modernization program, much of which we debated and voted on last week during the defense authorization bill, is just that—a modernization program. We are not trying to get ahead of the Soviets, we are trying desperately to catch up. Our total number of weapons will increase only slightly, as will our yield capability. Having done very little to upgrade our strategic forces for the last 10 to 15 years, we are simply trying to make them more survivable, safer, and a better deterrent to prevent war.

If we fail in this upgrading, modernization effort, I am afraid we will be locking ourselves into a position of strategic inferiority. That is not safe, it is not smart, and it will not make us safer. As I have pointed out, I believe it will actually increase the chances of war.

Mr. Chairman, let there be absolutely no misunderstanding. I wish with all my heart to avoid an international struggle that could destroy the lives of millions of people, regardless of nationality. History cautions us, however, that weakness does not guarantee safety. I want as much as anyone in this room to eliminate nuclear weapons. The question is "how do we reach this desirable goal?" I will not vote to lock our country into inferiority.

Mr. CHENEY. Mr. Chairman, I yield to the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. I thank the gentleman for yielding.

Mr. Chairman, the real issue before us today is not to determine which Members are really committed to reducing the threat of nuclear war and which are not, as some of our colleagues would have us believe. We would all like to see an end to the costly and dangerous arms race, and a more stable international environment in which all threats to peace are effectively controlled or eliminated. Anyone who suggests otherwise is guilty of political posturing, and the American people deserve much more from their Congress on this crucial issue than that, even if it is an election year.

The real challenge at hand is to choose the piece of legislation which is most meaningful in promoting these goals. I am convinced that the Broomfield-Stratton substitute resolution will have a much greater and more effective impact on reducing the threat of nuclear war than any freeze proposal. In fact, passage of the freeze resolution could impede progress on nuclear arms reductions.

Supporters of the freeze point out that the Soviet Union has agreed to the freeze proposal, so why should we not? Has not anyone wondered why they are willing to be so cooperative? Can we believe its because the Soviet leaders really represent the Soviet people and their concern over the nuclear arms race when Soviet authorities have prohibited public rallies in support of the freeze? When these leaders channel tremendous resources into weapons at the expense of the Russian people?

Let us not be naive. If the Soviets support a freeze, its because it is in their own interests to do so. A freeze at present levels would lock in Soviet superiority and eliminate their incentive to engage in genuine negotiations with us. Why should they? Are we to believe our own example of restraint will encourage them to cut back? That has been tried before and it does not work.

While we neglected our chemical weapons program for 13 years, the Soviet Union has developed a well-stocked chemical arsenal and an aggressive policy for its use. Despite an international ban, civilian populations in Afghanistan and Southeast Asia have been victims of Soviet toxin weapons. Our repeated efforts to achieve a ban on chemical weapons have met with no detectable Soviet cooperation.

On a larger scale, our own well-documented restraint in defense spending over the past decade has been matched by consistently higher Soviet defense spending and an unprecedented nuclear and conventional arms buildup. Remember Afghanistan? Remember Poland? How can we ignore these clear demonstrations of Soviet intentions that are completely contradictory to the freeze proposal? The Soviets only commitment to voluntary arms control is to voluntary U.S. arms control. When they have had the opportunity for restraint in the past, they have never taken it. Why should things be different this time?

By calling for a freeze and the ratification of SALT II, House Joint Resolution 521 undermines the President's START initiatives and indicates a lack of American resolve on this important issue. Even with token reductions in Soviet weapons, this resolution would leave us in a vulnerable position and it undercuts Soviet incentive to agree to any further reductions. A freeze would be a hollow victory for its supporters and might leave us with the dangerous impression that we have accomplished something when in fact we will have accomplished nothing. It is arms control in a vacuum, not in the real world. Some will feel more secure, but we will all be less secure.

The Broomfield-Stratton resolution, on the other hand, is a vital link in presenting a united American front in support of mutual and verifiable nuclear force reductions. It responds to the dual concerns of the American people for arms control and for national security. It does not rely on the goodheartedness of Soviet leaders or on wishful thinking, but on the concrete principles of discussion, leverage, and negotiation, principles by which tough problems can be resolved in a realistic fashion.

I urge my colleagues to support the Broomfield-Stratton resolution and to oppose the paper tiger freeze that has led so many to believe that we can achieve greater security and lasting peace without really trying.

Mr. CHENEY. Mr. Chairman, House Joint Resolution 521, which deals with the freeze and reduction of nuclear weapons is without a doubt, one of the most important issues that will come before us during this session of Congress. Indeed, the responsible reduction of nuclear weapons may be the overriding moral issue in this period of our history.

In recognition of the importance of this issue, the Republican Policy Committee met earlier this week and adopted a position which states, in part, that, "Arms control is a matter of the gravest national security, not the latest fashionable trend."

Because of the importance of the issue, and the difficulty of its resolution, the Policy Committee has adopted a statement in opposition to the Zablocki-Bingham nuclear freeze resolution. That resolution does not realistically take into account the present imbalance in United States-Soviet nuclear weaponry, nor does it seem to appreciate the immense difficulties that would come from trying to negotiate a freeze for all existing weapons systems while also establishing procedures to verify compliance.

The committee does support the Carney-Bloomfield-Stratton substitute which expresses support for President Reagan's efforts to reach an agreement in the strategic arms reduction talks. As chairman of the Republican Policy Committee, I respectfully ask my colleagues to give careful consideration to this very important issue and urge that they support the Carney-Broomfield substitute.

Mr. Chairman, I hereby insert into the RECORD the text of the RPC's position on the nuclear arms reduction issue:

The House of Representatives will consider this week the vital issue of nuclear arms reductions. The House will face a clear choice between two basic approaches to arms reductions: the Zablocki-Bingham Resolution (H.J. Res. 521), which advocates a nuclear freeze and approval of SALT II, and the Broomfield-Carney-Stratton Resolution (H.J. Res 538), which calls for an arms agreement between the United States and Soviet Union at equal and reduced levels.

The House Republican Policy Committee finds that the Zablocki-Bingham Resolution is seriously flawed and expresses its strong support for the Broomfield-Carney-Stratton Resoluton.

By calling for a freeze on all nuclear weapons at existing levels, the Zablocki-Bingham Resolution ignores recent adverse trends in the nuclear balance. The Soviet Union has been engaged in an ongoing modernization of its nuclear forces, while the U.S. is only beginning its force modernization. A freeze would catch the U.S. MX missile and the B-1 bomber on the drawing boards, while the Soviet Backfire bomber and SS-17, SS-18, and SS-19 missiles are already in the field.

A freeze would also lock the U.S. and its NATO allies into a position of inferiority in Europe. The Soviet Union has 600 intermediate range missiles aimed at Western Europe, while NATO forces have no comparable weapon. A freeze would stop the modernization program agreed upon by NATO allies to correct this imbalance.

Another problem with the Zablocki-Bingham nuclear freeze is verification. A meaningful nuclear freeze could not just be announced; it would have to be negotiated. Such a negotiation would be the most complex in arms control history. The U.S. and the Soviet Union would have to define the meaning of the freeze for every single existing weapons system and agree on procedures to check on every phase of weapons development and deployment. Contrary to the arguments of its supporters, a nuclear freeze is no short cut to arms control.

Finally, the Zablocki-Bingham freeze is unlikely to lead to the very reductions which its supporters seek. By stopping U.S. strategic and theatre modernization programs, a freeze would remove the Soviet Union's incentive to negotiate reductions. Why, for example, should the Soviet Union reduce its 300 SS-20s and large numbers of SS-4 and SS-5 missiles aimed at Europe when a freeze would leave the U.S. with no equivalent land-based systems deployed in Europe?

On top of these fundamental flaws of the freeze approach, the Zablocki-Bingham Resolution adds the out-dated SALT II agreement. This agreement failed the test of Senate scrutiny three years ago and was withdrawn after the Soviet invasion of Afghanistan. Formal ratification now would take away the President's flexibility and lock the U.S. into a controversial agreement. Moreover, ratification of SALT II would remove one of the few remaining sanctions against the Soviet Union for invading Afghanistan. Once again, we would demonstrate to the Soviets that we have short memories.

While opposing the Zablocki-Bingham Resolution, the House Republican Policy Committee strongly endorses the Broomfield-Carney-Stratton Resolution as a better approach to real arms reductions.

The Broomfield-Carney-Stratton Resolution starts from the recognition that a nuclear weapons balance is the key to peace. It is the existence of this balance which has helped maintain the longest unbroken period of peace in Europe during this century. The Broomfield-Carney-Stratton Resolution calls for an agreement which will ensure that this balance is preserved.

The Broomfield-Carney-Stratton Resolution expresses full support for President Reagan's efforts to reach such an agreement in the Strategic Arms Reduction Talks (START) in Geneva. These talks hold out the best prospect for an equitable and verifiable agreement which would freeze U.S. and Soviet forces at equal and reduced levels.

Recognizing the broader dangers of nuclear weapons, the Broomfield-Carney-Stratton Resolution also calls for the U.S. to propose negotiations on reducing the danger of accidental nuclear war and preventing the spread of nuclear weapons.

The House Republican Policy Committee urges all Members of the House to give careful thought to the two approaches to arms reduction embodied in the Zablocki-Bingham Resolution and the Broomfield-Carney-Stratton Resolution. Arms control is a matter of the gravest national security, not the latest fashionable trend. In the final analysis, House Members should ask themselves which resolution will really enhance the prospects for arms reductions. Will approval of the freeze, and rejecting the President's START policy, advance the cause of arms reductions? Is the Soviet Union likely to sit down and negotiate seriously in Geneva with an Administration which has had its position repudiated in advance by Congress? Do we want the Soviets to think that they should hold out for a better deal from Congress?

The House Republican Policy Committee believes that President Reagan deserves the support of Congress in his arms negotiations with the Soviet Union and that the Broomfield-Carney-Stratton Resolution is the best way to advance the cause of meaningful arms reduction.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, the intense public debate throughout the Nation has brought this nuclear freeze proposal to the floor of the House. House Joint Resolution 521 is both a reasoned call for a new nuclear arms policy and a resounding reaffirmation of the American democratic system. No issue could have a more profound effect on the future of mankind than that of nuclear arms control. No issue has aroused greater interest in the minds of the American people. The call for a nuclear weapons freeze has been a truly grassroots effort involving millions of Americans concerned about the dangers of the arms race.

In town meetings, city councils, State legislatures and public demonstrations across the country, the voice of the American people has been heard loud and clear. Millions of Americans have signed petitions indicating their endorsement of the freeze proposal. Each individual, local, and State effort has played a part of the unprecedented rallying of public opinion around this issue. It is an issue of unprecedented gravity and consequence. There is today a widespread recognition of the futility of the nuclear arms race. It has achieved great momentum, a momentum which has carried the call for nuclear weapons control to the House today. And by passing the nuclear freeze resolution, we

will fulfill our responsibility to work the will of the people. Most importantly, we will embark on the most significant effort at self-preservation which could be undertaken on behalf of the human race.

I have received petitions from every corner of my district containing thousands of signatures of people committed to insuring world peace and survival through nuclear arms control. I have met with numerous individuals and community leaders who have taken it upon themselves to organize public opinion by sponsoring meetings, lectures, informal discussions, and petition drives. As an example, I recently met with representatives of the nuclear freeze movement from a number of small towns in the eastern portion of my district. The group included Dr. and Mrs. Alfred Yankauer, the Rev. David Christensen, Ms. Lorna Lanza, Mr. Robert Brown, Ms. Jane Cronin, Mrs. Ruth Dyer Wells, Rev. James L. Imse, Mr. Vincent T. Walsh, Ms. Octavia Taylor and Ms. Jenny Taylor. This truly diverse group of people represented people from literally all walks of life. Their broad coalition provides ample evidence that the issue of nuclear arms control transcends political, economic and religious distinctions which divide public opinion on other issues. I commend these dedicated individuals for their foresight. Their continued efforts, and similar efforts by millions of concerned Americans, will hopefully achieve the objects of House Joint Resolution 521—a freeze of nuclear arms production, move on to reductions in nuclear arms inventories, and avoid the global suicide which attends continuation of our present course of one-upsmanship with the Soviet Union.

To many critics, the proposal of a nuclear freeze seems too simple a proposal to effectively solve such a complex problem. The notion of a mutual and verifiable freeze on nuclear weapon production is outwardly a simple one. But without a freeze on production, any arms control negotiations are bound to fail. In each instance of such negotiations in the past, the opposing sides have engaged in rapid nuclear weapon production in order to gain a strengthened bargaining position. Only by eliminating such jockeying for a theoretical and fractional strategic advantage can we proceed with effective arms reduction talks. Mutual arms reduction is the goal. This cannot be achieved when both the United States and the Soviet Union are frenziedly building and stockpiling warheads and delivery systems.

I believe that the Reagan administration's START proposals are somewhat encouraging. The President is at least talking now about arms control. Unfortunately the START proposals do not go far enough. They provide loopholes for both sides.

The American people recognize that an end to nuclear weapons production is indispensable to meaningful arms limitation efforts. That is why a recent poll by the New York Times and CBS showed that 72 percent of Americans favor such a freeze. I believe the Foreign Affairs Committee has wisely made House Joint Resolution 433, which I cosponsored along with many of my colleagues, an integral part of the resolution we are considering today. By calling for a freeze and making the freeze a major objective of the START negotiations, House Joint Resolution 521 adopts the most promising approach, while taking advantage of the ongoing START talks as a forum. In addition, the resolution endorses the SALT II agreements limiting the development and deployment of warhead delivery systems.

In my opinion, House Joint Resolution 521 embodies the most promising approach to arms control which has been proposed to date. In addition, it is consonant with the powerful voice of the American people. They have recognized the folly of the headlong rush to nuclear superiority and ultimate disaster. They have spoken with one voice and have brought this resolution to Congress demanding that the Government commit itself to real arms control and reduction. Our Nation depends for its strength on the ability of the people to influence the course of government. By passing this resolution, we will send a message to the President and to the Soviet Union that the American people want arms control, and that they want it now. I urge my colleagues to support House Joint Resolution 521.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Chairman, I rise today in support of House Joint Resolution 521 which calls for a nuclear weapons freeze, the approval of SALT II and substantial reductions in nuclear weapons.

It is rather ironic that we are debating this historic piece of legislation the day before the 37th anniversary of the bombing of Hiroshima—when the first nuclear weapon was used. On August 6, 1945, the city of Hiroshima was incinerated by a single nuclear weapon; 2 days later the same fate befell the city of Nagasaki. According to one account of the bombings, the human toll is estimated at 240,000 dead—many expiring in lingering agony from burns and radiation aftereffects—tens of thousands severely injured and thousands more finally accounted missing. I think that it is important that we reflect on the tragedy that crushed Hiroshima and Nagasaki because there are many who have yet to comprehend the incredible destructive power of nuclear weapons.

Today the United States can explode 12,000 nuclear weapons on the Soviet Union—and the Soviets can explode over 8,000 nuclear weapons on the United States. It should be remembered that each of these nuclear warheads is infinitely more powerful than the bombs dropped on Hiroshima and Nagasaki over three decades ago. It should also be remembered that each side can absorb a surprise first strike attack and still be able to respond as to annihilate the other society. If that is not enough of a deterrence capability, I cannot imagine what would be.

There are those who believe that the United States could win and/or control a nuclear war and think that the road to national security is achieved through stockpiling increasing quantities of nuclear weapons. This is just plain absurd. Let us face it, when those missiles are launched a controlled or limited conflict becomes an unrealistic concept. Further, how can we expect that the same leaders who lacked the sense, judgment and diplomacy to prevent a nuclear war, will suddenly insure the limiting of nuclear usage? To except a nuclear exchange to be managed with cool logic and exquisite precision is pure folly.

An important lesson which should have been learned over these past 37 years is that in the nuclear age the rivalry of nations is no longer a question of who will win or lose; in a nuclear war there would be only losers. If there is ever a nuclear war there will be no worries over taxes, energy, inflation, or any other issue—all that would remain is a dead or dying civilization. As President Truman stated at the time of the bombings of Hiroshima and Nagasaki, "The release of atomic energy constitutes a new force too revolutionary to consider in the framework of old ideas."

The time has long since come that we must, despite our many differences with the Soviet Union, indeed because of those differences, take every step possible to put limits on a costly and dangerous arms race. We have reached the point of merely adding overkill to our arsenal many years ago—it makes no sense for us to continue on this road to economic and possibly world destruction.

Nothing has weakened America more in recent decades than the waste of human resources and talent on military overkill. It is important that we remember that national security means much more than the size of our nuclear arsenal. It means as well the quality of education, housing, health care, and the overall quality of life for all our citizens.

In conclusion, let me again urge my colleagues to support House Joint Res-

olution 521. We must stop this arms race madness now; and this legislation is a constructive and meaningful step in the direction of sanity and commonsense.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, as this bill is being debated, I find myself in a quandary. It appears that I may have to leave for my district before the debate is completed and the vote taken. I have ascertained to my satisfaction that House Joint Resolution 521 will pass this body by a substantial margin. Nevertheless, I may not be able to be here for final passage. If I were here, I would support this resolution and the several amendments which I understand will be offered by the committee. Should the Broomfield-Stratton substitute be adopted, then I would support it as well.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Chairman, I rise in support of the Zablocki resolution.

Mr. Chairman, in the past year we have witnessed a rebirth among the American people and among ourselves. The revival has not been pleasant or without pain, for it involves a resurfacing of our most basic contemporary fear, as a nation, and as a species—the fear of nuclear war.

Wherever our collective national dread of nuclear war fled following the cataclysmic events of the 1940's and 1950's, it has returned. But instead of giving in to despair and apathy in the face of this overwhelming threat, the American people have chosen another path. They have chosen to educate themselves on the issue, to ponder what can be done about it, and to convert their conclusions into political action. The sight of a half million people in Central Park bears testimony to this awakening, but no more so than resolutions passed in town halls across the country and impassioned letters and calls to every Member of this body.

I, too, have read and listened and sought to grasp the incomprehensible finality of nuclear war. As time has passed and the issue has clarified in my mind, I faced the reality that my previous notions may have been wrong. In short, I learned, and I am eternally grateful for the grassroots movement which caused me to challenge my own assumptions.

Like my fellow countrymen, I became familiar with previously vague terminology such as throw weights, megatonnage, MIRV's, and dense packs. The Foreign Affairs Committee debated the freeze issue last month. I stand before you today confident that I comprehend the subject more than I did previously. But at the same time, I have gained another piece of valuable insight—a realization that the key variable in the nuclear debate is simply unknowable.

The administration's position that our Nation's defenses contain a "window of vulnerability" is based on assumptions that no one can predict absolutely. I do not doubt that most of my colleagues have idly wondered at what they would do if confronted with a doomsday situation. I know I have. I suspect the President has on more than one occasion. And I sincerely doubt that any of us who have performed this mental exercise can predict what we might do with certainty when we received word that Soviet missiles are in the air and headed for the continental United States.

Mr. Chairman, I am convinced from the research I have done on the subject that only at this point—only when a U.S. President receives the verified information that Soviet missiles are in the air—does the so-called window of vulnerability slide open. Before the apocalyptic moment, we and the Soviets are at a standoff of mutually assured destruction. And at that moment, the President can slide the window closed by launching our arsenal before the Soviet missiles rain down.

Should the President choose the latter course—and none of us can say with absolute certainty that he would not—the chances are excellent that global annihilation would ensue. Because we cannot predict with any assurance whatsoever, the course, that a human being serving as President would take, there is only one solution. We cannot allow the scenario to happen. We simply cannot.

The administration's further assumption that we risk a position of inferiority by adopting a nuclear freeze is disputed as often as it is offered, and by sources no less reputable in their own right. A recent New York times magazine article by Lesilie H. Gelb states, "I have yet to meet a senior American military officer involved in this subject who would trade the American arsenal for the Soviet one." From this and other sources, I have concluded that a basic parity exists. Either side, should they choose to do so, could destroy the other beyond social recognition, and likewise can expect to be destroyed in the process.

Because of this balance of insanity, the debate over strategic arms must move to a higher ground. The issue transcends throwweight and megatonnage and MIRVs and dense packs. It becomes a moral question that both sides must face, and a dilemma that demands an answer.

We, both sides, presume a great deal about our importance in history when we presume that we can go on holding a knife to the throat of mankind's history and its future by escalating our destructive capabilities with impunity. Our current path is an affront to all that has come before, and all that remains to be achieved.

We have no power to pass a resolution that is binding upon the leadership of the Soviet Union. For that reason a call for a nuclear freeze and subsequent reductions by this body could be futile.

Still, I urge support for such an action today—not because it necessarily represents a nuclear panacea, but because it is morally right and therefore a signal to the world that the United States remains the last, best hope of mankind. It is a good-faith gesture if nothing else—something that we can leave this Chamber today proud that we have been a part of. If it accomplishes more than good faith, then it is great policy, and the proper course for a great nation.

At times, a body such as this is called upon to look beyond its national boundaries and its provincial interests. It has done so in the past and it can do so again today. To quote another, "An invasion of armies can be resisted, but not an idea whose time has come."

Mr. Chairman, I support the Zablocki resolution before us today and urge the support of my colleagues because it offers the best path to the higher ground we must take. To freeze the arms race and to turn it around by pressing ahead on START may seem to some a naive approach to a complex problem. I do not deny that I have chosen to ignore the numbers game that both nations have played since these terrible secrets became known to us. But I would argue that it is equally naive, if not more so, to assume that the superpowers can straddle the nuclear abyss forever without someday losing our footing and falling into oblivion.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, I had come to the floor today, listening to the debate, to read a three-page speech. But I really want to say that on both sides I think the debate has been helpful, it has been instructive, and rather than read that speech I thought I might respond just from a gut level feeling about my concerns.

Jimmy Carter in the midst of a Presidential campaign was debating our present President, Ronald Reagan, and happened to say in response to a question that he had talked to his daughter and asked her a question about what was the most important issue that she thought the world faces, and she said nuclear proliferation, nuclear war was the most difficult issue.

And that answer startled the United States, and many political observers felt that that statement was very un-

called for in the midst of a professional debate.

The gentleman from Connecticut (Mr. MOFFETT) on the floor today talked about speaking before 1 million people with a young child in his arms, his own daughter.

Now, I do not have the formula for creating daughters, so I have three sons. But I can tell my colleagues, among my 10-year-old and my 13-year-old and my 15-year-old, and in their classrooms in school, the discussion of nuclear war and what the Russians have and what the United States has in terms of megatonnage of nuclear bombs is talked about all the time. They count warheads, they count ICBM's, SLBM's, and they know almost as well as many Members of Congress the fact that each side has more nuclear capacity than they need to destroy human life as we know it on this planet.

My oldest son this past December, when we received for Christmas a home computer, also received a book by Ground Zero, "Nuclear War, What's in It for You."

In the back of that particular volume there were figures on how many of each kind of weapons the Soviets had, how much we had. And he, on his own initiative, sat down and put a map of the United States on this home computer, and began using the large number of weapons that the Russians had, and putting little blips on top of American cities.

First he put 400 blips on the map to indicate 400 strikes on the 400 largest cities. He went to 800 and 1,200 and tried to make the size of the circles hitting those cities about the size of a nuclear explosion. And by the time he got to 1,600 or 1,700 blips on this map of the United States, the whole United States was clouded out.

I think that represents in a visual way to a 15-year-old the impact of the amount of weapons that the Russians have, and the amount of weapons that we have, and the kind of impact that it would have in nuclear war.

□ 1550

Those who are the professionals, who sit and negotiate, need to understand that at all levels, from the very young to the very old, we seek a freeze on the production of nuclear weapons and we want to move to Geneva and discuss the reduction of those weapons so that for the future we can live in peace. My children request that and your children request that.

Mr. Chairman, I welcome the chance today to support a movement that has taken hold of the entire Nation. From President Reagan to the ordinary citizens in my district, all Americans are now engaged in a great debate focusing on nuclear war and peace.

But we should not deceive ourselves about our leadership on this issue. Although some Members of Congress have been on the cutting edge of the nuclear freeze movement, the debate taking place today is really a reaction to initiatives begun as voter referendums, town meetings, demonstrations, and discussions in the United Nations. This is an issue which deeply affects every individual American. It is literally a life-or-death issue. In debating this resolution today we are responding to the urgent concerns of our constituents.

The debate today is heavy with symbolism. We are considering a measure which we obviously cannot enforce without the support and cooperation of the administration, the Soviet leadership, and peace-loving people throughout the world. When we stage a symbolic debate in the House, there are bound to be flaws and contradictions.

For example, how many of us will vote today to support arms control after voting last week for yet another year of the biggest peacetime military buildup in our history? How many of us will vote today to freeze or reduce numbers of nuclear weapons when last week we supported development of more new systems like the MX missile and B-1 bomber?

I was among the few who opposed the final version of the defense authorization. I wish that I could have supported a reasonable, cost-effective defense bill, but we were not offered such a bill last week. I recognize the need for a strong, sound national defense force in the dangerous and complex world that we live in. Yet, I find it very difficult to call for arms control in my speeches and then support the arms race when pressed to a vote. I have to wonder how many Members who vote today for one version or another of arms control will be able to vote the same way in the future on substantive measures dealing with the current arms buildup.

Despite the symbolic nature of the debate, there are some clear issues presented in the resolution before us which I am compelled to support. Specifically, the call for a mutual freeze on nuclear arms development seems to be the only logical way to get a handle on the arms race. The rhetoric and technical issues which have clouded the issue for so long must be swept aside if we are ever to have a clear vision of our goal—prevention of nuclear annihilation.

The resolution also calls for special attention to destabilizing weapons. This is extremely important. We have learned from experience that technology advances faster than our political ability to control developments. The doctrines upon which rest the little stability and security we now have could be destroyed by new developments in areas like antiballistic missile technology, or military development of satellites and outer space. The precarious balance we now have with the Soviet Union must be at least preserved if we are to begin to edge away from the brink of destruction.

The most difficult step in the process will be the future reductions of our nuclear arsenal. It is difficult to imagine, as we rush headlong on the current arms escalation, that this same Congress will soon vote to eliminate weapons systems and reduce numbers of missiles and bombs. But if we bind ourselves to this type of resolution, if the negotiations are successful, if we succeed in removing the obstacles to peace, the issue will come back to us. We will have a moral responsibility to carry out our commitments, change our habits, and move in the opposite direction.

The only thing more difficult to imagine is the alternative. If the United States and the Soviet Union continue on this course can any of us imagine that the balance of terror will hold forever. At this moment conflicts are raging throughout the world—in the Middle East, in Africa, Southeast Asia, Central America. World events are unpredictable and often uncontrollable. Who could have imagined at the beginning of 1982 that Britain would fight a war with Argentina and that the world would look on in helpless amazement at a conflict in the remotest corner of the world.

American and Soviet interests are sprawled all over the world. It is difficult to imagine any possible conflict which would not carry the seed of potential conflict between the superpowers. Even assuming that all future world leaders will be sane people unable to risk nuclear war, the potential for miscalulation is horrifying. Every day that we delay a solution to the arms race we are really inching closer the day that we can no longer turn back and start on the road to peace. This is the alternative we face if we do not act soon on the most important issue of our age.

I congratulate Congressmen MARKEY, CONTE, and BINGHAM, and the others who succeeded in bringing this issue before us, and I urge adoption of the resolution.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, in my opinion, neither of the two major versions of a nuclear freeze resolution now before the Congress provides an immediate and practical resolution to the great dilemma of our age: The threat of nuclear war.

Neither of these resolutions are anything more than expressions of intent, and neither carries the force of law, as some leaders on both sides have implied. In fact, a major disappointment throughout this debate has been to

see the factions in Washington polarize so quickly and so irreversibly along predictable ideological lines. More than any other issue facing us today, this issue should cut through partisan politics.

Yet it has become primarily an illustory political battle. Both sides have disdained compromise, and both sides have engaged in over some mistatements and some understatements. Despite claims to the contrary, the "freeze now" advocates do not have a monopoly on love of peace, and administration supporters do not have a monopoly on patriotism. House Joint Resolution 521 would not trade us to the Soviets, but we must also acknowledge that neither would it bring an end to the threat of nuclear war. As one of our colleagues noted in this morning's paper, we are doing a bit of a dance here, and I rather suspect the dance is more for position than for solution. This congressional waltz is mainly for appearances—and both partners want to lead.

Personally, I consider myself very close to the feelings and the goals of the "freeze now" advocates. We simply disagree on specifics of approach. I think the substance of a pragmatic and permanent agreement ending the arms race can probably best be reached by expert negotiation. But I also believe the grassroots freeze campaign has done the country a valuable service by pushing the debate to the public forefront, by keeping the pressure on, and by challenging world leaders to dare to risk peace.

And if neither of these resolutions will work a magic spell against nuclear war, months of debate and argument have convinced me that either version is a valid representation of the keen desire of the American people for a safe and peaceful world of coexistence. As a symbolic statement, I could support either House Joint Resolution 521, or House Joint Resolution 538.

But in the final analysis, I feel the language in House Joint Resolution 538, the Broomfield substitute, is clearly preferable. It is more cautious, and I believe, more realistic. The administration, which began arms reduction talks with the Soviet Union several weeks ago, says House Joint Resolution 538 would be the most helpful to the negotiating process; and the chairman of the House Armed Services Committee, our check and the Members of Congress check on the executive branch, has also endorsed this version over House Joint Resolution 521. Thus, I intend to support House Joint Resolution 538. If this version is defeated, I feel I can in good conscience support House Joint Resolution 521, and I plan to. Whichever side wins today, I hope the end result will be measured in real progress, and not points in a political poll.

And, finally, if the Broomfield substitute does prevail, the administration should not gloat over any victory, for it will not be an endorsement of the record to date. What all of this debate boils down to is that the days of stalling are ending. The American people want an end to this nuclear arms race, and they want it now. I hope the administration is listening.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Chairman, our highest national security objective should be to reduce the risk of war. The President has affirmed this, and all sides in the present debate agree on it. The question is how to achieve it.

The reason for the present debate is that all Americans are rightfully concerned about the grave danger of nuclear war. Whichever resolution we adopt here today, we will have expressed that concern, and in doing so we will have responded to a deep emotional feeling throughout our Nation. Since neither resolution is binding on our Government, one might suppose that this is the major result we will accomplish, and that in the final analysis it makes little difference which resolution we actually pass.

But there will be another major result of this debate, Mr. Chairman, for the two resolutions are worded very differently. One calls for substantial, fully verifiable, and equitable reductions in nuclear weapons, expresses our determination to preserve freedom, and makes clear our belief that the Soviet Union is the greatest threat to peace in the world. It clearly supports President Reagan's position in the current START negotiations and reaffirms implicitly our Nation's essential policy of peace through deterrence, which has prevented global war for the past 37 years.

The other resolution calls, in the first instance, for a freeze of nuclear arsenals at their current dangerous levels, makes no mention of our determination to preserve freedom, and places the United States and Russia on equal moral ground. It supports the essential elements of Mr. Brezshnev's negotiating position in START.

Mr. Chairman, the other major result of this debate will be to send a message to the Soviet Union about our basic intentions as a Nation—about our willingness to resist aggression and our determination to prevent Russia from gaining and using military superiority. Adoption of the Zablocki resolution would undermine our negotiating position in START, but far more important than that, it would invite the Soviets to make a serious miscalculation about our national will. It would represent a victory for those whose first objective is to stop our programs for strategic deterrence. It could be interpreted by the Soviets as a sign of weakness, a sign that we are unwilling to continue bearing the burden of defending our freedom. Such a conclusion would be wrong, of course, but such miscalculations have been made throughout history and have often led to intensified arms races and ultimately war.

As I listen to this debate today, I am reminded of another great debate, very similar to this one, that took place 50 years ago in England. I refer to a famous Oxford Union debate. Even today, the Oxford Union debates receive considerable attention in England. But in the interwar period, they were much more significant. The newspapers played them up, cabinet ministers came to observe or participate, and the students represented, much more than today, the sons of the privileged classes and intellectual leadership of England, with the most to gain or lose from their country's fate.

A generation of students had been decimated in World War I, and in the postwar period there was a great revulsion toward war and a deep desire to avoid it at all costs. This culminated in the early 1930's in the great Oxford Union debate on the question: "Resolved, that this house will not fight for King and country." The proposition carried. It was only one debate, of course, but it summarized and fixed in people's minds a national mood that also found expression in the subsequent years of appeasement diplomacy. Most importantly, for present purposes, many believe it helped Adolph Hitler make a grave miscalculation about the willingness of Britain to resist Nazi aggression. For, when finally pushed to the wall, of course England did resist the Nazis, and resisted heroically. Ironically, many of those same elite students who had voted 7 or 8 years before that they would not fight, later did fight bravely, and died tragically, in a war that might have been prevented with a firmer and earlier demonstration of national resolve.

Mr. Chairman, the same lesson can be drawn from the Korean war and, most recently, the Falklands war. The North Koreans might never have attacked the South if President Truman had not specifically excluded Korea from our zone of national interest in the Pacific a few months earlier, and Argentina probably would not have invaded the Falklands if she had not badly miscalculated the likely British response. But we need not cite more examples. The lesson of history is clear. Nations can and do miscalculate the resolve of their adversaries with tragic results.

So let us express today our concern about nuclear war, but let us do it in a way that sends a strong and clear message to the Soviets. Let us send them a message that this resolution is not a sign of weakness in our resolve. Let us

make it as clear as we can that we will not let them pursue military superiority to any advantage. Only in that direction lies any true hope of peace and weapons reductions.

Mr. Chairman, I believe adoption of the Zablocki resolution would increase the danger of war, not reduce it. I urge all of my colleagues to vote instead for the Broomfield-Carney-Stratton resolution.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. MAVROULES).

Mr. MAVROULES. Mr. Chairman, I rise to speak in support of House Joint Resolution 521, a resolution calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement.

Aristotle once said: "We make war that we may live in peace." But in today's nuclear world, if we make war, we will not live at all.

The call for a mutual and verifiable nuclear freeze echoes throughout the cities and towns of every State of the Union—and, indeed, throughout the world. Hundreds of professionals who have dedicated their lives to the study of weapons, war and peace, support the freeze. Hundreds of thousands of Americans who would lose their lives in a nuclear conflict, support the freeze.

The voices raised are eloquent and informed. They include those of former State Department officials, rear admirals, arms control officials and negotiators, Nobel laureates, former Ambassadors, religious leaders of every denomination, and former Defense Department and CIA chiefs, along with dozens of respected leaders in law, medicine, and academics.

A mutual and verifiable nuclear freeze is possible because we are presently in a situation of rough nuclear parity with the Soviet Union. A freeze is also timely, because it gives us a chance to stop the next, potentially devastating round of arms buildups before it begins.

Those who speak of a "window of vulnerability" miss the point. Instead, what we have is a window of opportunity.

Just over a decade ago, in the years preceding the SALT accord, another such window was open. We had just developed the technology to MIRV our ballistic missiles. Many pressed for an immediate embargo on the technology, lest it spread out of control in both the American and Soviet arsenals. But the call went unheeded, and now MIRV'ed missiles present the most dangerous threat to peace and are a perplexing arms control issue.

We now stand before another open window of opportunity: The first-strike counterforce threshold. Unless we stop the development of missiles with hard-target kill capability immediately, the window will close and the world will become even more unstable and dangerous.

The freeze also offers other rewards. First, the Soviet Union would be barred from the further deployment and modification of its SS-17, 18, and 19 missiles.

Second, the problem of nuclear proliferation could be more forcefully approached. Other nations would no longer be able to point to our massive arms buildup as justification for the sale of nuclear technology to developing nations.

Third, the price is right. After having passed the largest defense budget in our Nation's history, this House has the opportunity to adopt the most effective defense measure of all—at no cost. A mutual and verifiable nuclear freeze would dispel the uncertainty of the arms race—and supplant it with the certainty of a static situation, the best possible defense against war by misunderstanding. The Soviet Union does have a formidable advantage in conventional forces, and it is those which would be marshalled against us in a future war. The billions of dollars saved by the freeze could be used to enhance our conventional capability, and survivability.

The second part of the resolution, approval of the SALT II Agreement, also offers numerous advantages. "Sending signals" to the Soviet negotiators at the start talks has been mentioned many times in this House in recent weeks. If we are truly concerned about showing the Soviets that we are serious about arms control and that we mean what we say, the clearest and strongest signal that we can send—the only signal that really matters—is the ratification of SALT II.

Furthermore, the Soviet leadership is on the brink of change. Approval of SALT II is the surest way of reaping the benefits of half a decade of negotiations before the change occurs.

It would encourage any new Soviet leader to strive for his agreement at the START negotiating table. In addition, both sides adhere to the SALT II limits now; official approval would require any new Soviet leadership to continue to do so.

Many arguments have been raised against the resolution, but none of them is convincing. The contention that the Soviets presently have nuclear superiority is discredited by the fact that none of the resolution's critics would consent to trade forces with the Soviet Union.

Some argue that since significant reductions are needed, a freeze is not advisable. That is like saying that we should not feed any of the world's starving children since we cannot feed them all. Large force reductions are necessary, and the resolution calls for a freeze as a first step in the wider SALT negotiations. The freeze will provide a stable foundation for those talks, which may be extended over many years.

Though some fear that a mutual and verifiable nuclear freeze might do harm to our NATO alliance relationships, the resolution itself calls for consultation with our allies. Furthermore, the call for a freeze is being raised even more loudly in Europe than here at home, and there is still considerable disagreement over basing sites for the Pershing II's and cruise missiles. The change, accompanied by increased conventional strengths, may well be more welcome than we expect.

Finally, verifiability will not be a major problem. A mutual nuclear freeze is by far the easiest type of agreement to monitor, since any action whatsoever is forbidden. We need only watch for the slightest bit of activity. It is inconceivable that any violation which could even come close to affecting our security would not be easily detected.

In proposing the Nuclear Test Ban Treaty, President John F. Kennedy concluded his remarks to the United Nations with a declaration which is even more fitting today:

> The decision is ours. Never have the nations of the world had so much to lose, or so much to gain. Together we shall save our planet, or together we shall perish in its flames. Save it we can—and save it we must—and then we shall earn the eternal thanks of mankind and, as peacemakers, the eternal blessings of God.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. Mr. Chairman, for the second time in several months, this Chamber has entered into a vital debate over the future of the arms race. I cannot think of a more important topic to discuss in Congress, and I am pleased to join in this debate as an early cosponsor of the nuclear freeze resolution which is before us today.

I was also among those in this Chamber approached about a year ago when the nuclear freeze movement was in its infancy and was asked to lend my support to this cause. The case presented for a nuclear freeze was as compelling then as it is now, and I joined Congressman TOBY MOFFETT and hundreds of other concerned Connecticut citizens in signing a petition calling for a bilateral, verifiable nuclear arms freeze.

A year later, the freeze concept has gained the attention and support of millions of Americans. And these committed, concerned citizens have compelled the administration to the bargaining table in Geneva and the Congress to debate the freeze proposition.

The resolution before us today, Mr. Chairman, embodies the sensible goal of a bilateral, verifiable nuclear freeze along with the flexibility to allow American arms negotiators to incorpo-

rate the freeze principles most effectively in the START talks.

To those who argue that a bilateral, verifiable freeze would lock the United States into a position of inferiority, I urge them to reconsider this notion. I urge them to ask themselves the question, "Would you trade the American and NATO nuclear forces for those of the Soviet Union and the Warsaw Pact nations?" The number of "yes" answers would no doubt be very few. There are imbalances among segments of Eastern and Western forces, but on the whole there is rough parity in nuclear forces.

Instead of trying in vain to "win" the nuclear arms race, we must defuse it. Further escalation can only make relations less and less stable. In this event, there simply could be no winners in the arms race.

Mr. Chairman, the resolution before us today is a fresh, innovative approach to a most serious problem. We can either seize on this initiative—one which has been spurred on by the approval of freeze resolutions in cities and towns across Connecticut and the Nation—and make a realistic move to halt the nuclear arms race, or we can lock ourselves into a protracted squabble over relative strengths and weaknesses which may never be resolved. Let us have the courage today to take a real step toward enhancing national security, to put a halt to the nuclear arms race.

Mr. LOWRY of Washington. Mr. Chairman, will the gentleman yield?

Mr. MAVROULES. I yield to the gentleman from Washington.

Mr. LOWRY of Washington. Mr. Chairman, the gentleman's point hits the nail right on the head. The developments of the future weapons systems, the "first strike weapons" countered by the "launch on warning systems" are much more dangerous than even existing on-line weapons. House Joint Resolution 521 wants to prevent the development of those extremely dangerous weapons. But tragically the Broomfield substitute pushed hard by the administration would result in continuing the arms race and continuing development of future first-strike launch on warning weapons.

I rise in strong support of 521 and in particular to rebut very inaccurate charges made by our State Department with regard to the nuclear weapons freeze and the current status of our strategic deterrent. I would like to set the record straight on what I consider to be distortions of the facts. This document, put out by the State Department in April, goes to great lengths to extoll the military might of the Soviet Union while at the same time bad-mouthing our own strategic efforts. This is not only unfair—it is a dangerous distortion, especially in light of the beginning of the START talks. Let me itemize a few of the claims made in this document and then provide some further information.

First, under the section on ICBM's the State Department claims that while the Soviets have built up their ICBM force, we have done nothing but introduce a variant of the Minuteman missile. I would not deny the massive Soviet buildup in ICBM's. Likewise, I cannot stand by and let it be put forth that we have done so little in this area in the last decade. For example, between 1970 and 1975 we built 550 MIRV'd Minuteman III missiles; throughout the 1970's we upgraded our ICBM force by better hardening our silos, adding the INS-20 guidance system to our Minuteman III's, and new command and control systems; and, since 1979 we have been in the process of adding 900 highly accurate MK-12A warheads to our Minuteman III arsenal.

Second, in discussion of our sea-based forces, the State Department makes the claim that, in a 15-year period ending in 1982, we "did not build any new missile-firing submarines." This is an amazing claim and deliberately designed to distort the reality of our capability. Again, let me provide some facts:

While the Poseidon was introduced before 1970, the fact is that we converted submarines for most of the decade and armed them with 496 MIRV'ed missiles. Beyond the conversion of these submarines, we have upgraded Poseidon significantly with the addition of 192 Trident I missiles on 12 Poseidon submarines with over 1,500 warheads between 1978 and the present.

It should also be noted that, during our decade of "restraint" in the 1970's, we put over 3,000 more wearheads on submarines than did the Soviets.

Third, under the section on bombers, the State Department asserts that it has been "nearly a quarter of a century since the last U.S. heavy bomber was produced." The Department then goes on to point out that the Soviets have produced 250 Backfire bombers—which are not designated as heavy bombers and which are more than accounted for by our production of 76 FB-111 SAC bombers and 356 F-111 nuclear-capable bombers. This last bit of information is not contained in the State Department document. Further on the question of our bomber forces, the State Department fails to mention the addition of over 1,000 SRAM (short-range attack missiles) missiles to our bomber fleet, that the B-52 has been certified sound by the Air Force until 1990, that it has been upgraded with new engines, nuclear hardening, offensive avionics, new electronic countermeasure equipment, new wing skin, and many other improvements.

I could go on with this exercise, but I believe the point is made. I must, however, point out that I am incredulous that our State Department would distort the true capabilities of our strategic forces prior to negotiations, in an effort to neutralize a legitimate expression of concern on nuclear arms by the American people, as embodied in the nuclear weapons freeze movement. I can only hope that we will today stand up for our citizens and not be fooled by these bits of incomplete information given to us by the State Department. Defeat the crippling Broomfield amendment and pass House Joint Resolution 521.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Chairman, I yield to the gentleman from South Dakota.

Mr. ROBERTS of South Dakota. Mr. Chairman, I rise in support of the Stratton-Broomfield amendment which embodies the contents of House Joint Resolution 538, of which I am a cosponsor.

Nuclear war is a holocaust that has no winners. We are not debating the dangers and destruction associated with nuclear war, we are attempting to decide the best method to prevent a holocaust.

I support the Stratton-Broomfield approach to this problem, as a symbol of the United States resolve in preserving freedom throughout the world, and protecting our citizens at home. Should the Zablocki-Bingham resolution pass, I fear that we will send a message to our allies and potential enemies that the United States no longer is committed to peace, but has become committed to living in a rose-colored world.

A bit of history better explains our need to support the Stratton-Broomfield resolution. In the last decade, the Soviet Union has engaged in a steady escalation of its production and deployment of nuclear weapons, while the United States has been unilaterally weakening our defenses. While actual dollar figures are deceptive as to weapon buildups, the number of new systems is not. Over the last 20 years we have introduced 3 new weapons, and the Soviets have upgraded 10 different systems. This, along with their national policy stance, indicates a willingness to build up to a first strike capability.

There has never been a more urgent need for arms reduction talks between the Soviet Union and the United States. The aggressiveness of the Soviets must be answered soon or the global balance of military power that has warded off nuclear conflict for 20 years will crumble.

An immediate freeze is not the answer. With the Soviet buildup, intrusions into Angola, Afghanistan, Poland, and interference of other

parts of the world, any freeze will become a unilateral freeze. It is not in the best interests of the world and the United States to freeze at this time.

The Stratton-Broomfield resolution seeks substantial, verifiable, equitable, and militarily significant reductions of nuclear weapons resulting in equal and sharply reduced force levels. This reduction will be accomplished through hard negotiations, such as the START talks that President Reagan has scheduled. These talks will begin the real work of reducing arms and the arms race.

The choice before this body is clear: Either a fairy-land assurance of the nuclear freeze, or getting on with the difficult but urgent task of nuclear reduction negotiations, entering those negotiations from a position of strength and resolve.

□ 1600

Mr. KRAMER. Mr. Chairman, during discussion of a nuclear freeze, let us not overlook some basic facts.

When we look at the Soviet track record established during the SALT I and SALT II negotiations, we are looking at a nation whose commitment to genuine arms control must be very seriously questioned.

Let us not delude ourselves. Since the first SALT I negotiating session of November 1969, the Soviets have deployed an awesome amount of new strategic equipment. When one counts up the new ICBM's cruise missiles, bombers, missile submarines, sublaunched missiles, and antisatellite systems the Soviets have deployed or have in development, one comes up with a total of 21 separate systems in less than 13 years. Yet this took place during what was supposed to be a freeze on the momentum of Soviet offensive forces.

Second, we also see this Soviet behavior in other areas—specifically, in Soviet violations of the 1925 Geneva Convention outlawing chemical warfare and its violation of the 1972 Biological Weapons Convention. We see this behavior in Soviet attempts to test weapons or capabilities prohibited by SALT II, in what appear to be violations of the threshold test ban, and in its recent strategic exercises, which appear to be a dress rehearsal for a full-scale nuclear war initiated by the Soviet Union.

When we look at this kind of behavior, we have to ask ourselves: What kinds of arms agreements can we sign with such a nation? What kinds of enforcement mechanisms can we hope to count on?

I believe that we must draw the following conclusions:

First, our Nation must have in its hands a series of backstops to any agreement we sign with nations such as the U.S.S.R. Specifically, I propose that our Nation deploy a strategic defensive system that would protect against the impact of a Soviet violation of an arms agreement. Today, it is our lack of such a defensive backstop that renders us so vulnerable to a Soviet violation, and also provides such strong incentives to the Soviets to violate an agreement. It also makes us extremely sensitive to issues of verification, compliance, and enforcement.

Second, this kind of defensive backstop, once it is in place could do some remarkable things for our diplomacy. It would make it less dangerous for us to stop where we are—as is proposed by the freeze resolution, House Joint Resolution 521, under discussion today. Today, when we have stripped ourselves of our ballistic missile defenses, have almost destroyed our air defenses, and have little civil defense, a freeze would without question cement us into permanent strategic inferiorty. However, our deployment of space-based ballistic missile defenses could change this situation by letting us compensate for this Soviet advantage.

Third, our deployment of a defensive backstop would also speed up the process of reaching arms control agreements. How would it do this? First of all, wide disparities in force levels would not be so important anymore, if we had the ability to stop large numbers of Soviet weapons, particularly missiles. Second, it would make us far less dependent on airtight verification criteria, which frequently turn out to be the most powerful obstacles to arms agreements. In other words, if we had the ability to enforce compliance with agreements by our own defensive backstops, or if we could compensate for Soviet advantages in numbers of weapons by having the ability to intercept or neutralize them, we open up some surprising new routes to arms control.

Finally, we need to totally rethink our approach to arms control, particularly the role of strategic defensive systems. What we should consider is a strategic transition from a strategy of nuclear retaliation to one that lets us defend our homeland, using nonnuclear space-based defenses, without being forced to retaliate against Soviet cities. We should encourage the construction of strategic defenses, mixed with a standing down of strategic offense forces. I believe that the recent Air Force creation of a Space Command may play a crucial role in such a transition and in a "denuclearization" of warfare through such defenses.

What I am proposing is not a new concept. I have been reviewing the arms control concepts and proposals generated before SALT came on the scene to see which ones could serve as useful models for future arms control agreements. I was amazed to find that such a transition, with phased and deep reductions in offensive forces guaranteed by offsetting defensive deployments, had been proposed to the United Nations in 1962 as one route to disarmament. Even more amazing was the author of that proposal—the Soviet Union.

I must caution you that at that time, the United States, the U.S.S.R., and others were competing to put attractive proposals before the U.N. Nevertheless, there was an element of originality in this proposal. Today, with available and foreseeable technology, such a transition is well within the realm of possibility.

Today, the U.S. START position seeks deep reductions in offensive forces to equal, verifiable levels. This approach offers a unique opportunity, should we later wish to seize it, to lay the way for a strategic transition away from nuclear retaliation. For at such reduced force levels, strategic defenses make a powerful contribution to stability. With appropriate foresight, this transition could occur considerably faster than it could under other approaches.

I urge you to support House Joint Resolution 538. But I also urge all of us to rethink the stale assumptions about destabilizing strategic defenses that have put American strategic thought into a deep freeze since 1967. We need to unfreeze our thinking—and I propose that we start doing that today.

The CHAIRMAN. The Chair will advise that the gentleman from Michigan (Mr. BROOMFIELD) has 22½ minutes remaining, and the gentleman from Wisconsin (Mr. ZABLOCKI) has 16 minutes remaining.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Chairman, the debate on nuclear and defense policy in the Congress and the country proves our public concern over nuclear arms as well as our capacity as a democracy to address the great issues of the day. Today we have witnessed a wide range of emotions over a nuclear arms freeze. The major argument is between those who say that if we begin cutting back on nuclear weapon production, Moscow will do the same; and those who believe that a nuclear deterrent on our part is necessary to protect freedom unless and until the Soviet Union poses no nuclear threat.

It must be clearly understood that the major issue confronting the world today is not the possession of nuclear arms by the United States for the purpose of waging an offensive war. The object is to deter the Soviets and maintain the balance of power in the interest of preserving freedom. If freedom cannot be defended through any other means but the possession of a nuclear deterrent by the United States, then having such a deterrent is

a political and moral imperative on our part. For a generation or more, American possession of nuclear weapons have been the only thing standing between us and those bent on world domination. In fact, any freeze proposal that would place the United States in a position whereby our deterrent capability would not be credible is in itself a direct, destructive threat to peace.

Many of my constituents question the need for our continued participation in the arms race when both the United States and the Soviet Union have more than enough power to destroy the world. It is my view, that the question is not who can win a nuclear holocaust. The issue is whether we can maintain the balance of power and deter the Soviets from starting a war. We are being naive if we believe the Russians will call off their march for world domination just because we have self-sacrificed and agreed to freeze our current level of nuclear arms. Past history illustrates that the Soviets only do us lip service when it comes to negotiations on arms control. Our country, on the otherhand, has lived within the limitations of all those agreements, and in the spirit of these agreements, dramatically reduced its military capabilities over a period of two decades.

When the Soviet Union signed the same agreement, we assumed they were echoing our commitment. However, during the decade of the 1970's the Soviets deployed three new classes of ICMB's, including the giant SS-18, two new classes of ballistic missile submarines with improved missiles, and the new Backfire bomber. While the Soviets thus strengthened their forces and vastly improved the accuracy of their warheads, the United States constantly delayed the development and deployment of improved weapons. America consequently began the 1980's with bombers older than the pilots who fly them, submarines that are rapidly approaching the time they will no longer be seaworthy, and ICBM's of the same design approved in the Eisenhower administration. Having allowed all three legs of the strategic Triad to reach near obsolescence simultaneously, we are now forced to fund simultaneous modernization to keep our strategic deterrent intact.

Without a credible deterrent force, there would be no reason for the Soviets to refrain from pressing a growing military advantage. A freeze at current U.S. levels would lock in the Soviet advantage in strategic weapons that now exists. I have no doubt that the Kremlin would jump at the chance for such an instructive agreement.

At this point it is instructive to read an editorial from the liberal Washington Post of August 5, 1982:

COOLING THE FREEZE

The nuclear freeze resolution comes to the floor of the House as something of a victim of its own success. It was launched on the wave of anxiety that Ronald Reagan helped propel by his threatening statements on war and by his apparent intent to ignore arms control and to "rearm" at full speed. A freeze seemed to many of its sponsors just the broad-brush gesture needed to engage public emotion and restrain a president gone wild. Mr. Reagan, however, responded by toning down his statements and moving into negotiations with Moscow. As a result, what began its political life as a strategic roadblock arrives on the floor largely as a tactical alternative. The edge of urgency is gone.

In regard to the freeze, the basic problem is one of analysis, and it has resisted a consensus solution over the years. The problem is, is one or the other side ahead in the nuclear competition? Ronald Reagan argues that the United States has been falling behind and that therefore a freeze would lock in a dangerous measure of American inferiority. His critics believe that a rough parity exists and could be preserved to common advantage by a freeze. Where you stand on this broad issue seems to depend more on your political disposition than on the numbers. It is not likely to profit much from further debate.

The worthier issue in our view is crisis stability. The principal danger of nuclear war arises less from the accumulation of weapons, as troubling as that is, than from the fearsome chance that in a crisis one side might feel compelled to fire first lest its missiles be taken out in their silos. As it happens—and many advocates of a freeze agree—the Soviets now lead in the crucial category of first-strike or counterforce weapons, land-based missiles whose high accuracy and power threaten the other side's similar forces. A freeze, which would hobble plans to make these missiles less vulnerable; would thus increase instability and make war more possible.

Moreover, with due respect for the difficulty of negotiating anything with Moscow, it is practically inconceivable that adequate verification could be negotiated for the House resolution. It calls for freezing not just the deployment but also the testing and even the production of warheads, missiles and other delivery systems. That's to ambitious.

If Mr. Reagan is to persuade the House to "cool the freeze," however, he must go beyond particular pros and cons and address the common belief that a freeze is the only alternative to an accelerated arms race whose likely next phase of counter-force weapons is especially ominous. He must show that he is prepared to bargain sensibly on arms control and not simply to use the talks as a screen behind which to pursue an ephemeral and destabilizing advantage. It is precisely his failure to make this showing that keeps alive the freeze and breeds continuing mistrust of his ability to secure the nuclear peace.

As you know, I worked very hard during the Department of Defense authorization to eliminate the production of a new generation of chemical weapons. Throughout the preparation for that debate, I was reminded that the Russians cannot be trusted to conform to arms control agreements. The stories out of Sverdlovsk and the mounting evidence from Afghanistan have wrought a world perception—if not reality—that the Soviets are not only producing biological and chemical weapons—they are using them.

I am gratified that my amendment was adopted because binaries are militarily ineffective and a waste of the taxpayers' dollars in that we already have an adequate deterrent capability. But, more importantly, our enacted opposition to chemical weapons drives home the point here and abroad that our goal is world peace. Our refusal to produce or use chemical weapons sets us apart from the Soviets in a way that corroborates our oft-declared goal to reduce arms. We are not like the Soviets—we do not want to be like the Soviets—and we can prove it.

I believe that at the heart of the nuclear freeze discussion are two principals: Deterrence and the sincere commitment to have world peace. Both proposals currently before the House want world peace. The administration is seeking substantial reductions to equal and verifiable levels in nuclear arsenals in the START talks. If we position ourselves at the START bargaining table with the resolve that America will not acquiesce to inferiority, we can maintain the deterrent factor that is so vital for the balance of power and survival of mankind. We must not send a signal to the Kremlin that the American people and the Congress are divided on this issue. If we fail to speak in one voice, we will surely witness the consequences of the stanza, "United we stand, divided we fall."

Under the Constitution, the President of the United States should take the lead in foreign policy. It is up to him to give direction and formulate our overall picture for national security. However, the Congress has the important duty to select those programs which make up our defense posture. A clear expression of this oversight responsibility in the recent congressional ban of binary weapons. That is a proper role for Congress. However, should we shackle the administration with a resolution that favors the current balance of United States and Soviet nuclear weapons, we are clearly undercutting President Reagan's basic foreign policy strategy and frustrating his constitutional authority.

The incentives for real arms control are now in place. Our national security is based on the principle of peace through strength. We must make certain that the Soviet Union realizes we have a credible nuclear and conventional deterrent to its warmaking machines. It is the only method by which we can avoid war and preserve peace.

That is why I support the bipartisan Broomfield-Carney-Stratton substitute.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I certainly support Chairman ZABLOCKI's thoughtful resolution.

Today we debate an issue which will indicate our moral fiber as a nation and, indeed, whether or not we are a civilized nation.

Why should we not use our superpower status for peace and sanity? Indeed, if our full arsenal were to be deployed along with the numerous and enormous numbers of Soviet weapons, human life on this planet would have little chance of surviving.

But when will we not only surface as a Congress for nuclear arms control but for arms control, period?

Witness the devastation that our arms supplies have caused throughout the world. Witness Lebanon. Witness El Salvador. I wish the American people and, indeed, Members of Congress would take the time to read the report supplied by the Subcommittee on International Security and Scientific Affairs of the Committee on Foreign Affairs. We are arming countries to the teeth; tons and tons of weapons from our country are sent all over the world.

I wish someone would tell me how we enhance world peace by sending $81 million in military aid, at taxpayers' expense, to El Salvador; by sending $900 million to Egypt at taxpayers' expense; by sending $1.4 billion to Israel at taxpayers' expense in military assistance; by sending $343 million to Turkey in military assistance at taxpayers' expense; by sending $10 million in weapons to Lebanon, by sending $166 million to Korea in military assistance at taxpayers' expense; let alone all the other debts that we have forgiven at taxpayers' expense.

Have we enhanced world peace by these supplies? Without arms control, in many ways the nuclear freeze is really meaningless. So let us pass this resolution and then let us go on to a very, very basic issue, and that is arms control, period.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. Mr. Chairman, I thank the gentleman for yielding this time to me, and I rise in support of House Joint Resolution 538.

Mr. Chairman, there is no more important issue we confront than how best to reduce the danger of nuclear war. All men and women of good will agree that we must do all in our power to avert nuclear war and to reduce the nuclear arsenals of the world. This effort must be undertaken responsibly and thoughtfully.

A nuclear arms freeze must be based on three vital principles:

It must be based on a reduction in the arsenals of both sides.

It must be truly verifiable.

It must insure that our Nation maintains the capacity to deter aggression.

House Joint Resolution 538 meets these requirements.

The alternative before the House would have us freeze weapons now and reduce arms later. I believe we must reject this approach. A freeze that does not contemplate reduction would perpetuate a most dangerous situation where the Soviet Union possesses superiority in a number of strategic categories and does not confront the intractable problem of verifiability.

We cannot be content with resolutions that merely ratify the status quo. In the last decade the Soviets have gained great momentum in their nuclear capability, while the United States has fallen behind in its modernization program. This strategic instability would be enshrined by the Zablocki freeze resolution.

Moreover, this approach would endanger arms control. After freezing in place the existing Soviet advantage, what incentive would the Soviets have to negotiate reductions. After all, the threat to peace comes from a bellicose and aggressive Soviet Union which has demonstrated its peaceful intentions from Poland to Afghanistan. The possibility of meaningful reductions becomes remote indeed under the Zablocki formulation.

The Broomfield freeze resolution explicitly recognizes that the current level of nuclear weapons is too high. It will establish the basis for a long-term and mutually verifiable freeze at lower and equal levels. It directly confronts the issues of continued arms growth, inequality, and verification. And it will buttress our negotiating position in Geneva.

A sustained and systematic reduction offers the best hope for mankind. It will enable the United States to maintain its deterrent while dramatically reducing the threat of nuclear holocaust.

We must remember that the purposes of nuclear deterrence is to deter war. American possession of nuclear arms, far from jeopardizing mankind, is all that has stood between us and those bent on world domination.

A freeze based on mutually verifiable reductions would guarantee deterrence and it would serve a far more important purpose. It would enable the two great powers to redirect their resources from amassing weaponry to attacking the ancient scourges of mankind: poverty, disease, and hunger. The great and good uses to which both sides could put the billions of dollars and rubles saved are incalculable. And, it would mark a turning point in the history of mankind.

Mr. BROOMFIELD. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana (Mr. HILLIS).

□ 1610

Mr. HILLIS. Mr. Chairman, I rise in strong support of the Broomfield-Stratton-Carney substitute, House Joint Resolution 538.

We in Congress often discuss matters of great importance to the Nation. In the 12 years I served in the House, however, I cannot remember a more important debate than this one.

We live in an age when the lives of millions of people all over the world could be threatened within a few hours by the outbreak of an all-out nuclear exchange between the United States and the Soviet Union. The consequences of this threat has led to a desire by all sane people for a reduction in nuclear capabilities and the likelihood of nuclear war.

It is the relative balance of nuclear capability that has maintained the peace in Europe and between the United States and the U.S.S.R. over the last 30 years. We must maintain that relative balance while reducing the total number of nuclear weapons if we are to have meaningful arms reduction which protects our national security interest while reducing the threat of nuclear war.

As one Member who has served as a congressional adviser to the SALT II negotiations, and as a delegate to the U.N.'s Special Session on Disarmament, I feel compelled to express my deep concern with the Zablocki resolution, and my support for the Broomfield substitute.

Obviously a freeze in nuclear weapons such as one proposed by House Joint Resolution 521 is attractive. However, I feel we do ourselves and the American people a great disservice by supporting what amounts to a resolution of political convenience. We should instead be supporting the resolution which best protects our national interest and which will facilitate meaningful arms reductions. That resolution is the Broomfield resolution.

To require a long-term mutually verifiable freeze proposed by House Joint Resolution 521, will, in my view, detract from the more important issue of reducing nuclear arms. Our negotiators will have to use their time and skills to draft an agreement on verification. Judging from the Soviet's history with respect to verification issues, we must conclude that these discussions would take considerable time leaving the more important issue of arms reduction for later considerations.

Further, if we simply adopt a freeze at current levels, even if verifiable, we would leave the Soviets with an advantage in nuclear capability, particularly in Europe. It is obvious to me that the

Soviet's SS-20's gives them an unquestionable advantage in Europe. A freeze would stop our modernization efforts currently underway and agreed upon by NATO allies to correct that situation.

I am concerned that our discussions and actions here today may prove dangerously counterproductive. It would seem to me that the President has already set the correct course of action. We should be unified in supporting the efforts of the President and Ambassador Ed Rowny to reach a strategic arms reduction agreement with the Soviets. If we expect the Soviet Union to enter into meaningful discussions, they must understand that the American people and the Congress support the President's efforts. To pass a resolution calling for a freeze and ratification of SALT II, will give the Soviets no incentive to agree to meaningful arms reductions.

The Reagan administration is committed to equitable and verifiable arms control aimed at substantial reductions in nuclear capabilities. The freeze called for in House Joint Resolution 521 takes advantage of the desire of everyone to reduce the threat of nuclear war. Unfortunately, it does not promote reductions, equality, or verifiability, not does it recognize the fact that serious United States-Soviet arms reductions negotiations are currently underway.

If the United States adopts the policies contained in House Joint Resolution 521, we would be perpetuating the current imbalance of power making future arms reduction agreements almost impossible to achieve. The current START talks would be hopelessly complicated and delayed. As a result, the threat of nuclear war would not be decreased.

The only reasonable position for this House to take is adoption of the Broomfield substitute. This is what I urge my colleagues to do and thereby do what is right for America.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Chairman, today's debate centers on an issue which has exhibited growing popular appeal in our Nation—the question of a nuclear freeze. In recent months, many well-intentioned Americans have in some form or manner expressed their support for this general concept. As is often the case, these expressions of support leave the difficult task of actual implementation to those of us in Congress and the administration.

Presently, we have before us two resolutions expressing general support for the nuclear freeze concept. Both are, without question, well-intentioned. Yet, the Zablocki resolution, if not naive, is at least a simplistic approach with very grave liabilities. The Broomfield resolution, while sharing a strong commitment to peace, differs in that it is a realistic approach, one which requires meaningful nuclear arms reductions by both the United States and the Soviet Union. Moreover, the Broomfield resolution provides the necessary safeguards to protect our Nation's security in the event that Soviet calls for a nuclear freeze are, as many suspect, merely paper promises.

Passage of the Broomfield resolution is absolutely essential, for it is the only approach which recognizes that this issue cannot be considered only in light of American good intentions. Americans must bear in mind that Soviet combat troops are fighting in Afghanistan, that the Soviet-supported Polish military continues to rule Poland with an iron hand, and that Soviet proxies, Cuban combat troops and East German internal security police, can be found in almost every region of the world. Clearly, while Soviet rhetoric pays lipservice to "peace," Soviet actions mean simply one thing; repression for millions of people throughout the world.

I challenge those who now seek to enter into negotiations solely on the basis of Soviet good faith to ask the citizens of the world if this is realistic or totally naive. Ask the people of Afghanistan. Ask the people of Cambodia. Ask the people of Poland.

If the answer is not apparent, it should be.

All too often, those espousing the nuclear freeze movement fail to take these grim realities into account. Turning a blind eye to these repressive actions does not make them any less real.

It is equally unfortunate that certain elements in the nuclear freeze movement seem to forget that in the 1970's, when the United States was in essence undertaking a unilateral freeze on its own, the Soviet Union was developing its nuclear and conventional arsenal at a staggering pace. The clear lesson of the 1970's is that unilateral restraints do not work.

Mr. Chairman, I support the Broomfield resolution because it sets general principles that Americans can, quite literally, "live with." It expresses an essential point which we can all agree upon: strategic arms should be reduced, not merely frozen. In doing this acknowledges the overriding importance that these reductions be equal, verifiable, and that ultimately they result in peace and freedom everywhere.

But perhaps the most important reason for supporting the Broomfield resolution is that it addresses in a realistic way a complex problem which cannot be simplified to the point of mere slogans. No matter how tempting it may be to politicize this issue, we must avoid at all costs slipping into a political game of meaningless rhetoric. It goes without saying that this is an extremely complicated issue. It should not be reduced to the level of "bumper sticker" type arguments.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I have listened to the debate, and I think it has been a good debate on an extremely important issue.

Few of us are diplomats. Few of us are military specialists. All of us, I think, try to represent the people in our districts and their concerns. While they are concerned about national security and the Soviets, people in my district are also scared to death of the possibility of nuclear catastrophe, that somehow we are on a track that is taking us to Armageddon, and there is really no way to get off that track. There is no way to control our destiny.

The fear is that all of the assurances, all of the words, all of the resolutions are really just so much political pablum to try to respond to the fear. It is not a real commitment to try to limit arms.

What people are looking for, it seems to me, is not just words or assurances, but some kind of change, some kind of real commitment, to do other than just business as usual when it comes to the question of nuclear arms. I am afraid when we remove all the fluff from the Broomfield amendment, it essentially is an affirmation of the status quo, it says, "Don't worry. What we are doing now is the right thing. Just stick with us and everything will be OK."

But, if you feel that there is a different message that must be sent out, that there is a new and dedicated effort that must be made to achieve a meaningful limitation of nuclear arms, then I think there is really no alternative than to support the resolution that has been reported by the committee.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, today I rise in favor of a nuclear freeze. I rise to oppose the committee freeze and to support the Broomfield freeze. I oppose the Zablocki freeze because it provides no incentive to the Soviets to reduce their nuclear arsenals, and it freezes the United States at inferior levels. It requires the ratification of a defective SALT II agreement. It does not adequately address, the unequal stockpiling advantages of the Soviet Union, and it is defective in its provisions of adequate verification.

The Zablocki amendment would simply freeze at the status quo, whatever that might be. Such a freeze would be dangerous to the U.S. security, stability, and world peace. Such a freeze would undercut NATO and pre-

vent us from developing survivable ICBM's, as the Soviet Union has. Such a freeze would prevent the B-1B bomber modification program that would give us parity with the Soviet Union.

It would prevent the development of the Trident submarine, which would give us parity with the Soviet Union. It would prevent development of the Pershing II and GLCM deployment, while their Soviet counterparts continue intact the SS-20's, the SS-4's, the SS-5's.

Instead of this defective committee approach, I wholeheartedly endorse the Broomfield freeze. The Broomfield freeze requires a freeze at equal and verifiable levels, and sets up a policy of real arms reduction. The Broomfield freeze complies with Public Law 92-45, which states that any nuclear arms accord cannot make the U.S. level inferior to that of the Soviet Union.

□ 1620

If we have parity today, then all is well, we have nothing to worry about. If not, then this amendment requires that we begin to reduce to get to that level of parity.

The Broomfield amendment also calls for a fully verifiable agreement. The most important thing, Mr. Chairman, is that this Broomfield approach is supported by the President of the United States, who has the ultimate responsibility of doing the negotiating. We only have to vote; he has to negotiate.

It is also supported by Mr. Ed Rowny, head of the U.S. delegation to Geneva on the START talks. It is plain to me that the Broomfield freeze is far superior to the alternative and should be adopted as a helpmate to the President in reducing the nuclear arms race.

Mr. Chairman, I urge all my colleagues to support the Broomfield freeze.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Wisconsin (Mr. SENSENBRENNER.)

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Minnesota.

Mr. STANGELAND. Mr. Chairman, I rise in support of the Broomfield amendment.

The two greatest challenges of our times are to preserve individual freedom and to prevent nuclear holocaust. These issues rise above all factions, all philosophies, and all political considerations.

Today, we have a choice. We can vote to support President Reagan's efforts to reduce the nuclear arsenals of the world.

Or we can vote to freeze the United States into a position of nuclear inferiority.

President Reagan has brought the Soviets to the table to discuss mutual and verifiable reductions in the arsenals of our two great powers.

But if we vote today to support a policy that will guarantee the Soviets a position of nuclear superiority, how can we expect the Kremlin to negotiate in good faith to eliminate that advantage? I am willing to do anything to reduce the nuclear arsenals which threaten our generation and all those to come.

However, I do not want to scrap the chance of reducing those arsenals by giving the Soviets no reason to negotiate in good faith.

We have to support President Reagan in his bold efforts to reduce the spectre of nuclear war.

Let us not tie the hands of our negotiators.

Let us support the Broomfield amendment—as this is the initiative which could lead to reductions in the world's nuclear arsenals.

Mr. SENSENBRENNER. Mr. Chairman, I was one of the original cosponsors of House Joint Resolution 521, and I cosponsored that joint resolution in the belief that the two competing sides—the one that was essentially saying, "freeze, then talk" and the other that was saying, "talk, then freeze"—were both being unrealistic in their approach to the entire issue of nuclear arms control.

But that version of House Joint Resolution 521 is not coming before us today. Instead, we have a version which is the Foreign Affairs Committee amendment, and we have as well the version that has been introduced by our colleague, the gentleman from Michigan (Mr. BROOMFIELD), our colleague, the gentleman from New York (Mr. STRATTON), and the gentleman from New York (Mr. CARNEY). So we have to compare the two approaches that are before us to see which will be the tactic that is used to effectively reach a mutual reduction of arms in a verifiable manner. Given that choice, I cast my lot with the Broomfield-Carney-Stratton approach.

The whole argument over the nuclear freeze has, in my opinion, gotten somewhat off the track. It has gotten off the track because a lot of people are confusing goals with tactics. Few Americans would dispute the goal that we would like to achieve in the Geneva negotiations, and that is a reduction in nuclear weapons on both sides of the Iron Curtain, and verifiable in a manner so that each side can detect any cheating that the other side may do.

The dispute, however, is over tactics, whether we ought to freeze or whether we ought to reduce. I would submit that a dispute over tactics is really not something that we ought to be entering into here because we are not doing the negotiating. The negotiating is being done by officials in the executive branch in Geneva. They are facing the Soviets day after day, week after week. They are having to respond to Soviet proposals. They are having to give American counterproposals to the Soviet side, and by being a Monday morning quarterback, when we are not in the stadium over in Geneva, we are undercutting the position that the negotiators are having to take, representing our country for the peace of the world.

I am not one who wants to impugn the motives of the President of the United States, as apparently some in this body do. President Reagan has demonstrated his sincerity, by going to the IMF negotiations with the zero option of no nuclear missiles in Europe on both our side and the Warsaw side of the Iron Curtain. And where were our nuclear freeze people in this House when he did that? We did not have a major debate. We did not debate a resolution supporting the President's zero option. There was silence from that side of the aisle for a proposal that ought to have been supported to get arms reduction talks off the ground.

Now, when the START talks are finally getting off the ground, the Monday morning tacticians, the people who do not have to face the Soviets on a day-to-day basis, are coming in and giving a game plan that might work and might not work. I hope that if their resolution passes, it does work. But if they undercut the negotiations that are going on over in Geneva by giving contrary messages to the Soviet Union, then they may very well be dooming those negotiations to failure.

Mr. Chairman, if those negotiations fail, I fear for the future of my 7-month-old son and all the other children in the United States of America.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, during the debate on the defense authorization bill, I asked the ranking member of the Armed Services Committee how many nuclear warheads we would have at the present time if we froze all weapons, and he said we would have around 9,000 nuclear warheads. I asked how many it would take to destroy and pulverize the Soviet Union. The answer was around 500.

I asked how many the Soviets had. The answer was, around 7,000. I assume it would take around 500 such bombs, or fewer actually because the Soviet Union's are larger, to pulverize and destroy this country.

When I talked to my constituents, they asked me if it is true that there is somebody in the Soviet Union right now with his hand on a button, and if he presses that button, within 30 minutes the United States and its people

and civilization and society are no more; they are destroyed. I said "Yes." And, of course, we have the same capacity to destroy the Soviet Union. That is even with a freeze.

I have asked every general and admiral who has ever appeared before one of my committees, "why must we have the capacity to destroy the world and all its people 20 and 30 times over? Why does it take more?" And they do not have an answer. There is no answer.

Mr. Chairman, this nuclear freeze today is exactly that. It is a plea by all peoples in this country and in the world to our leadership and to the Soviet leadership to stop the arms race. It is not tactics; it is a plea for survival.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the distinguished second ranking member on the Democratic side of the Committee on Foreign Affairs, the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I want to commend my chairman, the gentleman from Wisconsin (Mr. ZABLOCKI) for taking the initiative in bringing this matter before this body for consideration. I think the President needs to know that we, too, who represent the American people, are behind responsible action.

Mr. Chairman, the term "nuclear freeze" is a simple phrase which has a certain appeal, at least on the surface.

Unfortunately, the world of nuclear weapons, and the dangers they present, are not at all simple. Indeed, serious, detailed, and responsible analysis is a must when it comes to nuclear arms negotiations and discussions.

Today we are faced with an awesome task as weapons become more numerous and sophisticated—the task of protecting our Nation from the threat of nuclear attack from any quarter and the task of moving the world toward nuclear sanity.

To that end, I have joined with our distinguished colleague Mr. BROOMFIELD and others in cosponsoring a bipartisan resolution aimed at real reductions, not just a freeze, in the world's nuclear arsenal. Additionally, this resolution asks that real teeth be put into any agreement so we can adequately verify any future arms agreement.

Whenever we discuss nuclear arms negotiations, we must be careful to remember the fundamental differences between our country and the Soviet Union.

America has no ambitions to expand her territory, and we have built no walls—neither physical nor mental—to lock our people in. No, the U.S. commitment is to self-determination, freedom, and peace.

The Soviet Union, on the other hand, has continued to conduct a massive buildup of its military might over the past several years. It is the U.S.S.R., not the United States, which has crushed freedom in Czechoslovakia, in Hungary, in Berlin, in Poland, and in Afghanistan.

And it is the Soviet Union which today uses and supports the use of internationally outlawed chemical weapons in Southeast Asia and in Afghanistan in clear and open violation of its treaties and international obligations.

Thus, it is vital for the United States to work for a verifiable reduction in the face of Soviet aggression—we should not freeze ourselves into a position of nuclear inferiority.

The administration appears to be on the right track with the START talks, and it is important that the Congress join with the administration by showing our resolve and determination to pursue a verifiable reductions in nuclear arms.

Additionally, the Congress has an obligation to the American people to help reduce the nuclear threat which hangs over all of us—Congress has an obligation to insure that our country's position in nuclear arms negotiations results in reasonable reductions which can be verified beyond a shadow of a doubt.

In fact, only after significant reductions have been made can the world safely embrace a nuclear freeze. To freeze right now might leave America, and the rest of the free world, subject to Soviet political blackmail and aggression.

To freeze now or to resurrect a seriously flawed SALT II agreement, which was never ratified by the Senate would only serve to make the new START negotiations more difficult. And, frankly, there would be little incentive for the Soviets to negotiate in good faith.

Mr. Speaker, we all know how the Russians operate. If America is to obtain true and equal nuclear reductions, the Russians must be made to realize that we will only negotiate from strength, not weakness. It is not a simple task, but our survival depends upon it.

I, therefore, urge your support for the Broomfield-Stratton resolution.

□ 1530

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to my colleague, the gentleman from North Carolina.

Mr. MARTIN of North Carolina. Mr. Chairman, I would like to commend the dean of my delegation for his outstanding statement on behalf of this substitute proposal.

Mr. FOUNTAIN. I thank my colleague.

Mr. BROOMFIELD. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, many people have been working recently to promote a nuclear arms freeze and to bring an end to the nuclear arms race. I understand and share the concerns of everyone who has been working toward this goal. Few would dispute the desirability of putting an end to the nuclear arms race. No one can dispute the horror of nuclear war because in such a war, nobody would be a winner.

It is incredible to think what could be done both in this country and throughout the world if the resources devoted to mass destruction were instead devoted to helping people and solving problems like mass transportation, health care, housing, hunger, education, and many others. All could be solved if it were not necessary to spend the incredible amounts of money on the arms race.

If it were up to this Nation alone to determine whether or not the nuclear arms race continued, there is no doubt in my mind that there would not be such a race and there would never have been such a race. If you look back over previous administrations, through Eisenhower, Truman, Kennedy, Ford, and Nixon, and this administration and every American President through World War II, they tried to put a limit and an end to weapons of mass destruction.

But unfortunately, it is not just up to the United States. It is going to take an effort on the part of the leaders of the Soviet Union and I mean an honest effort. Unfortunately, I do not think the Soviets, track record and their commitment to this area is very good. When President Carter unilaterally canceled weapons systems like the neutron bomb, the B-1 bomber, and others, the response of the Soviet Union was not to hold back but to have an unprecedented increase in spending on National defense. As a result, many people feel that the Soviets have moved beyond the United States in many areas.

The difficulty I have with a freeze on nuclear weapons at present levels of force is that there is no incentive really to negotiate an arms reduction and a genuine reduction is what we all really want. Also with a freeze in place, there would be no means to verify nuclear arms levels. The President, the Congress, and the American people have no assurance whatsoever that this really is a bilateral type of agreement. I think that until we have a framework for reduction, I do not think any Congress or any President can endorse a measure that could possibly endanger our national security. We have to continue and I think we all will continue to pursue every effort to do something about this very serious problem.

Without question, the politically easy thing to do would be to vote for a freeze, but we have to look at the overall security of this country. There is no disagreement on the desirability of freezing nuclear weapons. My concern is to make sure that the United States and other countries are adequately protected. I believe that a nuclear freeze resolution would be the wrong signal to send at this time, and for these reasons, I support the Broomfield-Carney-Stratton substitute to House Joint Resolution 521 which I believe provides a better way to achieve the result we all desire—the reduction of nuclear arms and the end to the nuclear arms race.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. ERTEL).

Mr. ERTEL. Mr. Chairman, the passage of House Joint Resolution 521 is essential to our future as a nation. We have heard all the figures and facts. There has been much debate.

As a former member of the U.S. Navy, I fully support and understand the need for national security and an adequate national defense. There are those who say that a nuclear weapons freeze could lead to long-term Soviet military superiority. However, House Joint Resolution 521 calls only for a verifiable and mutual freeze. In terms of functional nuclear warheads, which experts agree to be the most accurate measure of nuclear strength, the United States and the Soviet Union are equal. Both nations currently control about 7,000 warheads, far more than needed to conduct a projected "first strike/second strike" exchange of nuclear weapons. The value of retaining enough weapons for a "protracted" war beyond an initial exchange is nebulous, at best, given the conditions expected to exist after such an exchange. We have superior water- and air-based capabilities and formidable land capabilities, providing the most sophisticated national defense in the world. Our current buildup of nuclear weapons does not enhance our national security.

A nuclear buildup would divert precious, scarce resources from the production of consumer goods, further worsening our economic woes. Resources, including skilled manpower, would be detracted from the domestic economy, putting us at an economic disadvantage with foreign countries. The counterparts of the U.S. technicians being used by the military are building a better system of transportation in another country. The science and engineering resources used to design a new bomb could more effectively modernize the steel industry. Plants in jeopardy of closing, could be expanding, taking people out of the bulging unemployment lines.

The passage of House Joint Resolution 521 is most important to the existence of humanity. No words can even describe the devastation, suffering, and destruction that would occur if even a single, 1-megaton bomb was dropped on a major city. The 500,000 people killed will care little that we had more bombs than the other side. We are speaking of human life and the planet Earth, we are speaking of the destruction of cities like New York, Pittsburgh, Philadelphia, Los Angeles, and Chicago. We are talking about the devastation of towns like Harrisburg and Williamsport. We are speaking of the loss of friends and family.

How can we face this Nation, our families, our friends, and our children and tell them we cannot stop the destruction of this planet?

The Declaration of Independence embodies some of our most fundamental American ideals. We are endowed with the rights of "Life, Liberty and the Pursuit of Happiness." How can we claim the right of liberty when we are entrenched by the fear of nuclear war? How can we pursue our happiness when our precious resources are being increasingly diverted to the military? How can we support life when we build and prepare for its destruction?

The passage of House Joint Resolution 521 is imperative.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, nearly 2 years ago, at the height of the 1980 Presidential campaign, former President Carter made what was then considered to be a major political gaffe. Commenting on what the major issues facing our Nation would be in the years ahead, Mr. Carter told how he had spoken with his daughter about the subject. Her response had been nuclear war.

Today, as we debate House Joint Resolution 521, a joint resolution calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement, it is difficult to believe how hard the political pundits laughed when Mr. Carter made that statement. Today, somewhere in southwest Georgia, I believe the former President of the United States is probably having the last laugh.

A BIPARTISAN ISSUE

This is, of course, not a humorous subject. Nor is it a partisan topic. One hundred and eighty-three Members from both sides of the aisle have endorsed this proposal and are listed as cosponsors. I am honored to be among them. Those who have advocated this specific proposal include Republicans and Democrats, veteran Members of Congress and their youthful colleagues, and U.S. Representatives from every region in our land.

This proposal is also supported by a large and diverse number of civic, religious, and trade associations. Included in this category are over 100 Roman Catholic bishops, the Union of American Hebrew Congregations, the U.S. Conference of Mayors, the National Education Association, the United Auto Workers (UAW), the YWCA of the United States, Common Cause, and the American Public Health Association.

In addition, nuclear freeze resolutions have been passed or endorsed by 125 city councils, ranging from Ithaca, N.Y., to Tucson, Ariz.; nearly 400 town meetings in the United States; 30 county councils, ranging from Alameda County, Calif., to Madison County, N.Y.; and the State legislatures of Massachusetts, Oregon, Connecticut, Maine, Vermont, Minnesota, Wisconsin, and Iowa. In my own State of New York, the assembly has passed a freeze resolution. As the national momentum builds on this issue, voters in some States will have an opportunity to vote for such a resolution in this November's elections; the Wisconsin State Legislature has placed such a referendum on the ballot in September and efforts are underway in several other States for November balloting.

When the American public is polled, they overwhelmingly support a nuclear freeze; a Harris poll earlier this year revealed that 81 percent of those polled favored a bilateral freeze with 16 percent opposing such a freeze and 3 percent expressing no opinion. Similar polls have revealed a consistent support for a nuclear freeze.

A TIME FOR ARMS CONTROL

Mr. Chairman, it should have come as no surprise that this issue has captured the hearts of the American people. The time for serious work on this most critical of issues is long overdue.

Some 30 years ago, President Eisenhower warned the Nation—and the world—that:

As of now, the world is racing toward a catastrophe. Something must be done to put the brake on.

An entire generation has been born and raised into adulthood since President Eisenhower spoke of the nuclear holocaust waiting in the wings. And with that generation's growth has come in awesome explosion in nuclear weaponry.

Today, it is estimated that the United States and the Soviet Union together possess over 50,000 nuclear weapons with a total explosive power equal to 1 million Hiroshima bombs. One U.S. Poseidon submarine has enough warheads to cause 30 million fatalities in the Soviet Union, far more than it suffered throughout all of

World War II. In Europe alone, our Nation has 1 nuclear weapon for every 50 soldiers. Among the thousands and thousands of warheads we possess, only 2,000 would be required to destroy every major city in the Soviet Union.

Mr. Chairman, the nuclear arms race is the height of madness. And Americans from every corner of the Nation and from virtually every walk of life are beginning to pressure their elected leaders to end our great silence. Today, we are being asked to act in a bold and responsible manner. We are being asked to set the stage for an end to the geometric growth of nuclear weaponry. We are being asked to usher in a new era where peace is sought with as much vigor, as much passion, and as much commitment as we lend to our policies of stockpiling.

Our era of nuclear growth has seen only small sparks of success in the effort to control both the number of weapons and the set of nations who possess them.

PROLIFERATION AND THE FREEZE

Over a year ago, I outlined my thoughts on nuclear proliferation in a speech to this body. Since that time, the international situation has not improved and the prospect for greater distribution of nuclear technology and the ability to make nuclear weapons have not waned. Although we have in place the Nuclear Non-Proliferation Act of 1978, requiring countries supplied by the United States with nuclear materials to subject themselves to inspections by the International Atomic Energy Agency, the possibility of nuclear war beginning without Soviet or American action remains. As we watch the Mideast smolder, the fear of a nuclear war started by either terrorists or nations involved in a small conflict ought to hasten our attention to the matter at hand.

During the early development of nuclear energy, India's great leader, Jawaharal Nehru, pointed out the great dilemma that the progress of technology unfettered by moral and ethical standards posed.

Use nuclear power for evil,

He said,

And it will destroy the world; use it for good and it will raise the world to unknown standards of progress and happiness.

Only a few days ago, his daughter, Indira Ghandi, concluded her meetings with President Reagan by resolving a dispute over this very subject—nuclear power. And, in the midst of this resolution was the lingering concern about India's potential construction of a nuclear weapon. The generations pass but the issue remains.

Thus, Mr. Chairman, we are left to consider why the issue of nuclear proliferation would be addressed by the passage of a nuclear freeze resolution. I believe that it would improve our credibility as the world's chief proponent of nonproliferation; passage would indicate that we are serious in our attempts to limit our own nuclear growth.

At a time when the United States is attempting to persuade many of the world's developing nations to forgo a nuclear weapons arsenal, it is hypocritical for our Nation to continue its massive arms buildup without even greater efforts to effectuate a nuclear freeze. To the leaders of many of the world's smaller nations—countries that would suffer death and destruction in a nuclear war—our talk of limiting the spread of nuclear weaponry must appear to be entirely self-serving. It is a little wonder that many of those leaders have concluded that the Soviet Union and the United States are concerned primarily with advancing or protecting their own interests.

If, however, we move forcefully at this time, I believe we can enhance our ability to persuade these nations of the wisdom of foreswearing the use of nuclear armaments. We would back our words with the strong, decisive action that is necessary to move the mountains that face the world's peoples.

LIMITS ON THE U.S.S.R. AND U.S.

Mr. Chairman, if we examine the nuclear arms limitation situation solely from the standpoint of American and Soviet negotiations, this resolution stands as a beacon of light to guide our path toward bilateral disarmament. Over a decade has passed since a strategic arms agreement was ratified by the U.S. Senate. In that time, SALT I has expired and SALT II remains unratified. Having scorned the progeny of his Presidential predecessors, Mr. Reagan has embarked on an ambitious program entitled START—Strategic Arms Reduction Talks. He has done so while engaging in a heated war of words across the Atlantic with both the Soviet Union and with our European allies who find themselves poised between the two largest producers of nuclear weaponry.

While there is much talk from the administration about the prospects for its START negotiations, I see little forward momentum. We are at a standstill and appear to be heading nowhere.

This resolution, Mr. Chairman, will serve, if nothing else, to build a fire under those charged with negotiating with the Soviets; it not only provides sensible and reasonable goals for the President's START negotiations, it places the Soviets on notice.

Mr. Chairman, this resolution also calls for what this Nation ought already to have in place: the ratification of SALT II. Signed in 1979 by President Carter after 7 years of negotiations by Presidents Nixon, Ford, and Carter, it has died a sad and silent death. It is time to reconsider its merits and take advantage of the strengths it offers our Nation.

The proper place to begin this analysis is to examine the purposes of this resolution. They include:

The pursuit of a complete halt to the nuclear arms race;

The successful negotiation of a mutual and verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems;

Following such a freeze, the pursuit of substantial, equitable, and verifiable reductions through numerical ceilings, annual percentages, or any other equally effective and verifiable means of strengthening strategic stability; and

The preservation of existing limitations and controls on current nuclear weapons and nuclear delivery systems.

Mr. Chairman, it is the belief of this resolution's supporters that we ought to freeze both American and Soviet arms at current levels, rather than allow for a further jockeying of position by the superpowers. It is this belief that underlies the spirit of this resolution and the fervor of the millions of Americans who support it. It is their belief—and mine—that the world cannot afford further finger pointing regarding arms levels; both nations must stop their exponential growth. Only through this policy will reductions ever take place; to argue that we must increase arms in order to negotiate "out of strength" is the height of folly. It is exactly this myopia that has created the dilemma in which we find ourselves today.

Passage—and pursuit—of this freeze resolution will not undermine our national defense, it will not undercut our START negotiators, and it will not jeopardize world stability.

SALT II would result in major arms reductions by both superpowers and would represent a strong and wise foundation from which to enter the START negotiations. The treaty calls for a 10-percent reduction in Soviet missiles or bombers in order to meet a ceiling under which the United States own levels fall. While SALT II would allow the United States to deploy the MX missile to offset Soviet advantages in heavy intercontinental ballistic missiles (ICBM's), it would prohibit both nations from deploying all but one form of the new, modern ICBM systems.

SALT II was never considered a perfect document from the American point of view; but it was unrealistic for its detractors to consider our Nation cheated in the bargain. What the agreement does not complete can be accomplished by the START negotiations. What advantages it offers—reductions by the Soviets, general limits on ICBM's, new standards by which to judge weapon types, and improved

means of verification—ought to be taken as a step in the direction of peace.

This resolution expresses the desire of the House of Representatives to see the SALT II Treaty ratified now and end the state of suspense that currently characterizes our efforts to limit the nuclear arms race.

WHY THIS FREEZE IS NECESSARY

Mr. Chairman, I must finally address the subject of why this resolution calling for a mutual and verifiable freeze on nuclear weapons and reductions in the nuclear arsenals of the United States and the Soviet Union is superior to mere support for the START negotiations and a freeze on strategic nuclear forces at equal and substantially reduced levels.

THE ISSUE OF STRENGTH

One of this era's great euphemisms has been coined often in this debate; we hear frequently of the "window of vulnerability" to a Soviet first strike. Indeed, in his recent letter to Members of the U.S. House of Representatives, Mr. Reagan alluded to this theme when he noted that "dangerous asymmetries in the nuclear balance" exist. This notion has been challenged and refuted by an ever-increasing number of defense experts. Yet, it is this notion on which opponents of a freeze base their attack.

The issue of strategic balance is one that has plagued defense planners since the postwar era. Today, it is clear that no definitive answer exists to the question of which superpower has the strategic advantage. What does exist, however, is the emerging picture of two nations with a different mix of armaments, two nations with a relatively equal ability to destroy the world. The asymmetry to which the President referred is found in virtually every area of weaponry; we outrank the Soviets in the number of missile warheads, in missile accuracy and reliability, in cruise missile technology, in the number of bombers and accuracy of bomber weapons, and in strategic force readiness while the Soviets have the advantage in the number of land-based ICBM launchers, in the number of multiple warhead ICBM's, in submarine missile launchers, and in ballistic missile megatonnage. Because we each have advantages over the other, it is easy for each to shade the argument in its favor; charts depicting America's lack of readiness often ignore the total nuclear picture in an effort to whip up the popular emotions.

The current administration says that the Soviet Union has a "definite margin of superiority" over the United States due to a massive buildup in the past decade. As a result, President Reagan has embarked on a campaign to rearm America; he has called for the addition of 17,000 nuclear warheads to our arsenal in the next 10 years alone. At the same time, he has proposed massive increases in defense spending—unchecked even in the face of economic crisis at home—to modernize our fleet, deploy the MX missile, the Trident submarine, the B-1 bomber, and the cruise missile. This policy of determined and swift increases in American nuclear weaponry is designed to strengthen our hand at the bargaining table by supposedly allowing American negotiators to "bargain from strength."

What this great new armament of America and its supporters ignore are the facts of America's own readiness, the words of its military leadership, and the commonsense of negotiating for the elusive prize of nuclear disarmament.

During the past 10 years, the United States has quietly embarked on its own rearmament; we have introduced the Trident and Poseidon submarine-launched missiles, deployed over 500 multiple warhead ICBM's produced 1,100 more warheads than did the Soviet Union, added over 1,000 short-range attack missiles to the B-52 bomber force, and developed the cruise missile technology. While the Soviets have become extremely strong in land-based ICBM's, deploying 72 percent of their missiles in this manner, the United States has only tied 24 percent of its missile forces to ICBM's, leaving the majority in elusive submarines which patrol the oceans of the world. Thus, America has not stood still while the Soviets have marched forward.

While I am not a military expert, those who serve our Nation in these capacities can testify to our strength. Consider the following:

Adm. Thomas Hayward, Chief of Naval Operations, U.S. Navy, in testimony before Congress in 1981:

I would not trade the U.S. Navy for the Soviet Navy under any circumstances.

Gen. Lew Allen, Chief of Staff, U.S. Air Force, in testimony before Congress in 1981:

I would not trade the U.S. Air Force for its Soviet counterpart.

And note the following exchange between a U.S. Senator and the Chairman of the Joint Chiefs of Staff earlier this year:

Senator CARL LEVIN:

Would you swap U.S. military capability overall for that of the Soviets?

Gen. John Vessey, Chairman of the Joint Chiefs of Staff:

I would not trade.

While the administration says that the United States has fallen seriously behind the Soviets, its own Department of Defense stated in the "Annual Report for Fiscal Year 1982" that:

The United States and the Soviet Union are roughly equal in strategic nuclear power.

Mr. Chairman, even if we ignore the divergent statistics and the strong testimony of our Nation's defense experts, commonsense tells us that to be successful in negotiations requires much more than rapidly building up your own forces before you make the crucial compromises. What is to prevent the Soviets from matching—or surpassing—our anticipated growth in nuclear weaponry? And what is to deter the Soviets from delaying the START negotiations until they feel that they can bargain from strength? This is exactly how we have reached our existing nuclear impasse. It is time to throw off the yoke that has kept us from making progress; it is time to set a strong national policy in favor of a mutual and verifiable freeze; it is time for action to achieve that goal with all due speed.

At the same that this resolution would set forth a new national goal it would provide the START negotiators with a strong foundation from which to debate the Soviets. This resolution will underline the commitment of the Congress to end the arms race only a short time after one chamber declined to ratify the SALT II treaty; it signals our interest in a rapid and reasonable START treaty. Further, it puts the Soviets on notice that we expect them to agree to a freeze and allow the inspection necessary to make verification work. Each and every time the Soviets balk they will face world scorn at their unwillingness to match the bid this Nation has placed on the negotiating table. Far from tying the hands of START negotiators, this resolution will be a powerful instrument to sway world opinion in our favor, place the Soviets at a negotiating and propaganda disadvantage, and, most critically, force a workable freeze and a significant reduction in the arms race.

Mr. Chairman, few issues have caught the imagination of the American people in the post-Vietnam war era with the speed and purpose of the nuclear freeze movement. Its diversity—symbolized by the support of such leaders as Rev. Billy Graham and former CIA Director William Colby—denotes the breadth of support that lies behind the resolution upon which we vote today.

For nearly 37 years this Nation has eluded the pall of nuclear war; for 37 year we have similarly eluded the issue of the growing nuclear threat. Until recently, we had grown quiet and complacent as a people, resigned to ignore the most pressing issue of our age. While a few spoke out against the tyranny of this threat, the majority accepted it as the price we paid for scientific advancement. In truth, we have simply denied the truth. We have known all along that if we chose to defeat this monster, to end this threat, we could do just that.

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Today marks a new highwater mark. If we pass this resolution, it will mark the beginning of a new era in nuclear arms control. It will mark the beginning of a crusade to rid our Earth of as many nuclear weapons as is possible, knowing that so long as we have the ability to reason, we have the ability to end this terrible threat to mankind.

Mr. Chairman, there is no more important issue facing our Nation or the world. The votes we cast today will be viewed by history as the most important cast this year.

I believe this simply because it is my firmly held belief that, if we do not succeed in negotiating a bilateral freeze on the arms race, we are resigning ourselves to the eventual destruction of the human species. Nothing short of a worldwide holocaust awaits us if we continue to pursue our current mad path.

The disaster that we court is not a lengthy decline of civilization; it is a swift and horrible end to our world. This tragedy could occur through accident, miscalculation, or design. With the amazing speed of ICBM's—taking less than 20 minutes to span the globe—and submarine-launched missiles—taking perhaps as little as 5 minutes, there will be no time for cool, rational decisionmaking. Our scientific advancements have made it impossible for us to plan on anything but chaos should nuclear war erupt.

Mr. Chairman, this resolution does not call for a unilateral freeze, and I would not support such an action; it calls for a bilateral freeze. This resolution does not ask us to blindly accept the Soviet's claims; we must have a strong verification process that will guarantee that the Soviets open their closed society to the world's nuclear inspectors. This resolution does not call for unilateral or bilateral disarmament. Unilateral disarmament would be foolhardy, and bilateral disarmament at this time is an unrealistic goal. Instead, this resolution seeks only to prevent further increases in the nuclear stockpiles of the world's two superpowers. It seeks simply to stop the folly of this arms race we have been engaged in since 1945. This resolution, Mr. Chairman, seeks only to halt the hands of the ticking doomsday clock and then, hopefully begin the critical process of moving the hands backward.

Mr. Chairman, I will proudly cast my vote today in favor of House Joint Resolution 521 and go on record in support of a mutual and verifiable nuclear freeze. I urge all my colleagues to do so also.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania Mr. (GRAY).

Mr. GRAY. Mr. Chairman, I rise in support of House Resolution 521 and would simply like to add that a nuclear war is an equal opportunity destroyer. I strongly urge my colleagues to vote in favor of the resolution.

The gravest threat facing the world community is the continued escalation of the nuclear arms race. And I believe, Mr. Chairman, that this resolution states clearly that the world's leaders must recognize this ultimate threat to humanity. Our leaders must address the need to control and reduce these awesome weapons.

We must not be fooled into thinking that in an all-out nuclear war, there is survivability for some people.

Such a holocaust, Mr. Chairman, would not discriminate on the basis of race, age, sex, religion, economic condition or social position. Nuclear war is an equal opportunity destroyer.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Washingtion (Mr. BONKER).

Mr. BONKER. Mr. Chairman, I would like to commend the chairman of the full committee and the chairman of the subcommittee, the gentleman from New York, Mr. BINGHAM, and Senator HATFIELD for bringing this issue before the Congress.

Everything that we do pales by comparison. I think people everywhere are concerned, even frightened, about the prospects of nuclear war.

Indeed, in Europe where they have mass demonstrations in almost every major city, the concern is not so much with the Russians as it is with nuclear weapons themselves.

Frankly, people just do not know what to do and there is a sense of helplessness, even hopelessness, about the inevitable path toward nuclear annihilation.

But one of the things that we can do is debate this issue as indeed we are today. We can explore ways of dealing effectively with the nuclear arms race. We can try to find some solutions or alternatives to the current situation.

This resolution can serve as a catalyst to generate public debate on this great issue. Indeed, many people in my congressional district, as I am sure is occurring in other congressional districts, are talking about the fears associated with nuclear capability that exists in both superpowers.

There are several communities within my district where the issue is appearing on the ballot this November.

We should also consider the economic dimension to the nuclear arms race. If we were to take the social security trust fund out of the entire budget we would see that nearly 50 percent of all Federal spending is now going into defense programs and interest on the debt.

Any substantive criticism that I have heard today I think misses the essential point. At best this document is a plea by the people of America to slow down the rapid and almost uncontrollable race to develop and build more nuclear weapons.

By supporting this resolution we can resolve to begin our way down the path to freeing the Earth from the scourge of nuclear weapons or by opposing this resolution we can resolve to allow this Nation to continue down the inescapable path of a nuclear abyss.

The choice is ours to make. I trust today we will follow the right path by adopting the Zablocki resolution.

At no time in history has there existed as much destructive capability as there exists now; 50,000 nuclear warheads with a combined explosive force equal to about 1 million Hiroshima bombs are now in the world's arsenal. Between the Soviet Union and the United States, we have the nuclear equivalent of 4 tons of TNT for every man, woman, and child in the world. We have the capability to end all life on Earth. No one can reasonably argue that either adversary needs to add to this mad nuclear overkill.

Both nations in this senseless race possess essentially equivalent nuclear capabilities. On the one hand, the United States has a quantitative advantage in number of deployed strategic warheads and qualitative advantages in missile accuracy and in force survivability. On the other hand, the Soviets have the advantage in number of launchers and in throwweight. There is no reputable military expert, no member of the Joint Chiefs of Staff, who would trade our nuclear force for the Soviet force. The freeze would lock in rough parity, not disadvantage or advantage for either side, and then move on to equitable and stabilizing reductions.

A mutual freeze on nuclear weapons would be verifiable. Testing and deployment are clearly verifiable by national technical means. Furthermore, in testimony before the Senate Foreign Relations Committee former Under Secretary of State, William Perry stated "at the nuclear weapons production stage, the United States has been able to monitor Soviet activities at the design bureau and production plants so that every Soviet ICBM test has been predicted before it occurs." Former CIA officials William Colby and Herbert Scoville have also testified that the freeze is verifiable. In fact, under the Zablocki freeze resolution, verification would be simplified because the detection of even one new missile or aircraft would be evidence of a violation.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, we all want to end the nuclear arms race, but whether the freeze resolution is the best way to go about doing it depends

upon a judgment as to whether an adequate balance of nuclear power currently exists between the superpowers.

If it does, then it obviously makes sense to work for a freeze now, thereby maintaining what Winston Churchill once called the balance of terror, which more so than any other single factor has prevented the nuclear holocaust which we all fear.

If it does not, however, then it would obviously make no sense to lock in existing imbalances in the nuclear balance between the superpowers which could ultimately jeopardize our most vital interests and possibly even tempt the Soviet Union into launching a nuclear attack against us.

Calculating the nuclear balance is not an easy or simple undertaking. But I am struck by the fact that most of those who have studied this question, like former Secretary of Defense Harold Brown, the former head of the NSC, Professor Brzezinski, the commander of our Air Force, Lew Allen, and Paul Warnke, the former head of the ACDA, have all said that we now have a position of essential equivalence in terms of the nuclear balance with the Soviet Union.

To be sure, the Soviet Union has certain advantages over us. They have more ICBM launchers. They have more MIRV'ed ICBM's. They have more aggregate equivalent megatonnage and they have greater throw-weight in their missiles.

But by the same token, we have certain advantages vis-a-vis the Soviet Union. We have more warheads. We have more MIRV'ed SLBM's. We have more bombers. And we have more SLBM-launched reentry vehicles.

The bottom line is that the Soviet Union has an assured second-strike capability against us but we have an assured second-strike capability against them. It makes much more sense, therefore, to freeze the arms race now, thereby maintaining an adequate balance of nuclear power, rather than spending billions of dollars, as the Broomfield resolution would require us to do, in an effort to achieve absolute nuclear equality with the Soviet Union, when we probably will not be able to achieve exact equality and would not be significantly better off even if we could.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. ERDAHL).

Mr. ERDAHL. Mr. Chairman, the use, deployment and awesome potential of nuclear weapons is the most serious threat to civilization today. In the past year Americans have expressed a genuine concern for their government to reduce the risk of atomic destruction. This sentiment is strongly felt in my home State of Minnesota.

Eliminating the specter of nuclear war is not a partisan issue. That is why I am an original cosponsor and supporter of House Joint Resolution 521, calling for a mutual and verifiable freeze on and reductions in nuclear weapons.

I do not take this position lightly because I recognize the sincerity and the dedication of the gentleman from Michigan (Mr. BROOMFIELD), the gentleman from New York (Mr. CARNEY), and the other gentleman from New York (Mr. STRATTON), and the others who have offered an alternative proposal.

□ 1640

There are two resolutions being debated here today. Some of our colleagues support one which, they say, goes beyond a freeze and reduces nuclear arms. The other resolution, approved by the Foreign Affairs Committee, also does just that. It calls for a mutual and verifiable freeze and then for arms reductions. If we are going to work for effective strategic arms reductions, at some point in that process we must call for a complete halt in the arms buildup. It is kind of analogous to throwing a ball straight up in the air. Before it can start down, it has to stop someplace. This resolution is not based on faith or trust; it is based on verifiability. Verifiability must be adequately assured to both parties, and certainly to our own administration, before any freeze goes into effect.

Second, House Joint Resolution 521 is in the mutual best interest of all parties. We on this planet are perhaps the only rational beings in all creation. Yet now we possess the overwhelming capability to completely exterminate the human race and all other living things on Earth. It is possible to prevent this destruction if the United States demonstrates its willingness to take the initiative on arms reductions.

Finally, this resolution need not conflict with current negotiations on arms control. Rather, the ideas in this legislation are wholly compatible with START, and I commend President Reagan for his initiative in that direction. This resolution does not in any way, tie the hands of the administration in dealing with the Soviets. It is merely a sense-of-Congress resolution.

Mr. Chairman, there are forces in the universe that are even greater than the force within the atom.

One of them is reason. Let us let reason prevail today. I urge my colleagues to join with me in affirming this critical initiative for peace.

We have a duty as elected officials to encourage every approach which will diminish the possibility of nuclear war. It is only logical to combine a freeze with reduction efforts. Otherwise, eventual reduction will be postponed in an endless search for imaginary parity. The struggle for nuclear superiority and fear are the fuels that have propelled the arms race to the present brink of disaster.

Mr. Chairman, it was Albert Einstein who said: "The unleashed power of the atom has changed everything save our thinking, and we thus drift toward unparalled catastrophy." We must also now change our thinking. Einstein also said; "The fourth world war will be fought with bows and arrows."

I support this resolution because it sends a signal to the whole world that the American people and their elected representatives accept the responsibility to prevent this drift toward catastrophe.

Mr. ZABLOCKI. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, the issue before us today is the overriding moral issue of our times.

No one pretends that a vote in support of this resolution is a panacea, but those of us who do support the resolution, and I number myself among them, believe that this will be a very healthy step in the direction of telling not only the people of this great country, but the people of the world that this House of Representatives realizes the time has come to stop this escalating nuclear madness.

It is time for us to consider that all we have done here for human progress, in those years, in all of the years of the Congress, could be wiped out forever in minutes in a nuclear war.

We must see the simple fact—a fact that the American people and the people of the world have seen—and we must act today to send a message to every human being on Earth that we intend to take this first step, that we intend to make this a world free of the terror of nuclear war.

This body recently voted millions of dollars for a program to protect the people of this country in the event of nuclear war. But we know that there is no protection for nuclear war.

The people of this country have, by the millions, come forward to support a new movement whose goal is nothings less than to preserve the future of the human race. The nuclear freeze movement is a movement of simple wisdom which surpasses the wisdom of the experts who have created the nightmare of nuclear weaponry.

The people of the world wish to live in peace. They wish to have a world for themselves and their children which is free from the threat of incineration. They want to tell the statesmen and lawmakers to end forever the irrational and dangerous logic by which we operate—a logic which has produced a world in which the very armaments we have produced for our security have made us insecure.

I have stood on the floor of the Congress for 18 years and I have taken part in all of the battles on major issues which have confronted this body during that time. My feelings on the fundamental issues of economic and social justice and on the environment have been passionate.

The nuclear freeze movement will not go away. The nuclear freeze movement reflects an impulse among our people who recognize that this country and the other countries of the world already have a capacity to destroy all of humankind many times over. The time has come for this body to say, "We've had enough!" And the only way we can reflect that judgment is to vote yea on the pending resolution.

Mr. BROOMFIELD. Mr. Chairman, I yield the balance of my time to close debate to the gentleman from New York (Mr. CARNEY), a senior cosponsor of this substitute legislation.

The CHAIRMAN. The gentleman from New York (Mr. CARNEY) is recognized for 3½ minutes.

Mr. CARNEY. Mr. Chairman, I would like to take this time to congratulate everyone who has sponsored either of these important resolutions. We all know that if it were not for the hard work of the gentleman from Wisconsin (Mr. ZABLOCKI), the gentleman from Massachusetts (Mr. MARKEY), the gentleman from New York (Mr. BINGHAM), the gentleman from Michigan (Mr. BROOMFIELD), and the gentleman from New York (Mr. STRATTON), I do not think we would be here today debating this important issue. And I congratulate all of those gentlemen, all who have participated in this debate and all who have cosponsored either resolution.

This is an historic time, ladies and gentlemen. Today we have for the first time in our history two very important negotiations taking place in Geneva. We have the START negotiations underway which seek to reduce the current level of ICBM's on both sides by one-third to one-half. At the same time we are involved in negotiations related to intermediate range nuclear weapons. And what are we trying to do there? We are trying to negotiate a zero level of those weapons. A zero level, not to freeze them right now, where the Soviet Union has 900 warheads aimed at Europe and we have none in place to serve as a deterrent. We are trying to negotiate it down to an equal level of zero-zero.

Our resolution allows that to happen. Our resolution is one that is trying to support those efforts, those important negotiations that are now taking place. Our resolution is the one that will allow them to continue with good faith on our part and, hopefully, with the Soviet Union being at those negotiations in good faith as well.

I think that this is very important to recognize because for the last 3 hours, when people talked about our resolution, the Broomfield-Carney-Stratton, they said it allowed for an expansion of the number of nuclear weapons. That is not the case. It is allowing for the hopeful conclusion of these negotiations calling for significant reductions of nuclear weapons on both sides.

Our plan has been very carefully laid out by the President since November 18, both for the ICBM's and for the intermediate-range ballistic missiles.

Ladies and gentlemen, it is time for us to be statesmen; it is time for us to assist our negotiating teams, not to give our negotating teams a vote of no confidence. And I suggest to you very strongly that to tell them to freeze now and come back at a later date to start all over again with these negotiations, to abandon the President's policies of reductions, would be absolutely wrong. Our resolution does not allow that to happen, and I would implore my colleagues to support the resolution.

Let us look at the "freeze now" concept. What do we do? We remove the incentive for the Soviet Union to come to the bargaining table in good faith. In essence, this Congress and this body would have done the bargaining for the Soviet Union.

We are all cognizant of the fact that the Soviet Union supports this freeze. I am going to get into the reasons why they do. I will leave that to your imagination. So we would freeze ourselves into a position that would remove the incentive for the Soviet Union to stay at those bargaining tables. We would freeze in the current imbalance. And that, ladies and gentlemen, is what most Americans are afraid of.

Why has this sudden fear spread across America? Because there is a sudden realization that there is indeed an imbalance, and it is also understood that the Soviet Union enjoys superiority in 1982. We would freeze in that position.

There is one other point I would like to make: Our nuclear deterrent forces are rapidly approaching obsolescence. Approximately 90 percent of our strategic forces are on delivery systems 15 years old or older. Whereas two-thirds of the Soviet systems are 5 years old or newer. Deterrence and the preservation of peace depends on the reliability of our deterrent forces. If our systems are not reliable, deterrence could be undermined and war more possible.

In conclusion, the question before us today is a clear one. Do we support the President's bold arms reduction proposals? Or do we undermine his efforts, and do the Soviet's negotiating for them. In the interest of world peace, I strongly urge my colleagues to support the President by supporting House Joint Resolution 538.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Chairman, I rise in strong support of House Joint Resolution 521 and Chairman ZABLOCKI's efforts. During the last 6 years in this country we have seen a deterioration of our ability to sustain a land-effort war on a limited scale because of the military's prepossession and in fact almost obscene love affair with the complicated toys of strategic war.

That has led us to two arguments in this town that, quite frankly, as a father and a grandfather, terrify me. One is called limited nuclear war. One is called survivability.

I would suggest to you, my colleagues, that neither is in fact possible. What we are really facing here, to quote George Kennan, "is a war regarded as inevitable or even possible and, therefore, much prepared for, has a very good chance of eventually being fought." And I think we should realize right now that we the Representatives of the people better come from where our people are coming and say, "Enough. Stop."

I would suggest to you, in closing, that in peace, children bury their parents. In war, parents bury their children. But in nuclear war, there are no burials.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. CROCKETT).

Mr. CROCKETT. Mr. Chairman, today this body considers one of the most important issues we shall ever face—the reduction of nuclear weapons through a negotiated, verifiable freeze on American and Soviet nuclear armaments.

As a cosponsor of this measure, and as one who has watched this administration rattle its sabers for the past 2 years, I am frankly frightened by the stance taken by the White House and others in this debate—that we must somehow forego nuclear reductions until we achieve 1-to-1 parity with the Soviet Union on each weapon system, and until the Pentagon is satisfied it has "enough" weapons to "protect" us from nuclear destruction.

Mr. Chairman, that kind of logic frightens me, as it frightens my constituents. I recently took an opinion poll in my new district. One of the questions I asked of my constituents was whether they supported a nuclear arms freeze as a first step towards nuclear disarmament. The results of that poll were overwhelming—by a margin of more than 5 to 1, the people of Michigan's 13th District said they want this freeze, and they want this

Congress to begin disarmament. And my constituents are not alone—all over this country, citizens are meeting in town councils, State legislatures and other public and private bodies to demand action on a nuclear freeze.

I think this Congress must heed those voices of reason, and must support the committee resolution before us today.

□ 1650

Mr. ZABLOCKI. Mr. Chairman, I yield the time remaining to the gentleman from Florida (Mr. FASCELL).

The CHAIRMAN. The gentleman from Florida (Mr. FASCELL) is recognized for 1 minute.

Mr. FASCELL. Mr. Chairman, as a cosponsor, I rise in full support of House Joint Resolution 521, the Zablocki resolution.

The recent surge in public concern over the nuclear arms race brings welcome support to those of us who over the years have sought to get a handle on this most slippery, complex, and vital subject. It has long been apparent to me that in this, as in so many areas affecting our national security, national concensus is required to provide an underpinning which serves as a reliable guide to our convictions and our commitments for ourselves, our friends and our foes.

House Joint Resolution 521, the resolution now before us, is the development and consolidation, on a broad national basis, of a coherent set of principles and interests to serve as just such a guide to the broad thrust of our foreign policy.

Certainly no area better deserves our urgent attention, for our survival itself is on the line.

In this brief time I do not expect to go into every detail of technical jargon, abstruse doctrines and arcane concepts that tend to permeate this subject. There are, however, basic predicates and conclusions which I submit are clear, reasonably understood, and supported by the American people.

First, our preference for peace is firm and should be plain.

Second, we will defend ourselves, and will honor our defense cooperation agreements with our allies.

Third, we understand that the better we are prepared to fight a war, any kind of war, the less likely we are to fight it.

Fourth, this means that while we do not need outright superiority over the Soviets, there does need to be a degree of parity, comparability, equivalence, or mutual sufficiency between our two military establishments, so that there is no imbalance that might tempt one side, or frighten the other, into some sort of rash action.

Fifth, we need to be capable of defending ourselves against every kind and every level of threat, from rocks to rockets, and our adversaries must believe that we have the capability to defeat them or destroy them. Credibility is vital to deterrence, and deterrence is vital to our security.

It is clear to the American people, as it is to us in this Chamber, that based on overwhelming evidence and fact, that both the United States and the U.S.S.R.—each now has more nuclear weapons than necessary to bring about total destruction of either country as well as the rest of the world. Simply adding more systems, tonnage, missiles, accuracy, modernization or more bombs, would serve merely, in Winston Churchill's colorful phrase, to "make the rubble bounce."

Commonsense tells us clearly that mere quantitative superiority is meaningless.

What about qualitative superiority?

First, we have more nuclear warheads than the Soviets, a basic advantage—up to a point—which many experts have confirmed. Beyond that—advantages and disadvantages flow between the two super powers, but, it is clear that neither side can act with impunity—now or in the future.

Second, first strike capability on one side will most certainly force first strike capability on the other. But assuming that there was some unmatched technical superiority for a first strike by one side, there is nothing in the state of this horrible art upon which to base a conclusion that the recipient country would not be able to launch a death blow in return.

And, finally, commonsense tells us that if "a limited nuclear war" was started, the losing side would not wait to determine if it was losing before launching what it perceived to be a winning counter blow or that it would withhold the balance of its nuclear force pending negotiations.

As President Reagan has himself recognized, there can be no winning of a nuclear war. Indeed, it seems to me highly questionable that there can be any meaningful survival of such a war. A nuclear attack or exchange to wipe out existing forces would create so much radioactive fallout and contamination that not even the most remote areas of the world would be safe. All land and water as well as air would not be capable of sustaining any life for long. The attacker would kill itself.

This is not to cry doom, or assume only the worst will happen. If we are to construct and pursue a rational nuclear arms policy, however, we must understand the nature and scope of the weapons we are talking about, and we must understand the possible outcomes of their use.

The American people do not want to throw up their hands in defeat, frustration, or fear. They do not believe in the two principal options of hopelessness—that we must either go on forever piling bomb upon bomb, missile upon missile in an unending race with the Soviets, or else have to submit to blackmail by a "superior" Soviet nuclear force.

The American people want this great country to take the lead in the struggle for peace.

The American people want the United States to take the lead in stopping and reversing the nuclear arms race.

The pending resolution expresses the commonsense and determination of the American people that we should try as a nation to achieve these goals.

The goal is to obtain agreement on a mutual freeze binding the Soviets as well as ourselves, and serving to open the way to reductions in the arsenal on both sides.

The resolution calls for a complete halt to the nuclear arms race. Certainly a rational and sensible objective.

It calls for a verifiable freeze. If the freeze is not mutual, if it is not verifiable there could be no agreement.

I believe this legislation, and the unmistakable popular support it enjoys, will have had the desired effect if President Reagan is encouraged to intensify the arms limitation and reduction effort. A mutual and verifiable freeze followed by or accompanied by mutual and verifiable reductions in nuclear weapons and delivery systems however would be a dramatic change to greatly reduce the risk of nuclear war.

The American people want our Government—all of us—to work as hard as we can to achieve that objective since it is the greatest challenge facing us—facing all people—facing the existence of the world.

This resolution expresses these sentiments, hopes, and desires, Mr. Chairman, and it should be overwhelmingly adopted.

● Mr. GREEN. Mr. Chairman, I rise in support of the resolution, and in opposition to the substitute offered by the gentlemen from Michigan and New York (Mr. BROOMFIELD and Mr. CARNEY).

I was pleased to be among those who originally cosponsored House Joint Resolution 434, the freeze resolution introduced by our colleagues from Massachusetts and New York (Mr. CONTE and Mr. BINGHAM). I feel the committee's resolution (H.J. Res. 521) offered by Mr. ZABLOCKI, is a worthy bill, especially with the perfecting amendments agreed to by the House.

I can tell my colleagues that the American people are serious about arms control. The rally held in my district on June 12 during the U.N. Special Session on Disarmament was a moving demonstration of the depths of these feelings. Thousands of people of all ages, races, political persuasions, from all parts of the country, and around the world peacefully gathered

to express to the leaders of the world their strong desire for an end to the nuclear arms race. We would be irresponsible and unwise to ignore the importance of this movement.

Critics of the freeze claim its enactment would ratify existing inequalities in Soviet versus American strategic forces. There is little argument that our land-based strategic forces are currently vulnerable. Soviet land-based ICBM's outnumber ours by approximately 6,000 to 2,100. Their ICBM's have greater throwweight and megatonnage. I would point out that this is to a large extent due to the differing technological paths our two countries have taken: We have opted for accuracy improvements, the Soviets for bigger warheads and greater destructive capability. Given these disparities, which are especially serious in the area of theater weapons systems, I would hope that as the two superpowers work toward a freeze on strategic weapons a compromise might be achieved to reduce and equalize theater weapons.

If our land-based missiles may be vulnerable to a Soviet first strike, there is no question that our sea-based strategic forces are vastly superior to those of the Soviets. Our SLBM's outnumber the Soviets' by approximately 5,000 to 1,500. In addition, as I have suggested already, these forces are currently effectively invulnerable. To maintain this, I would want to see a freeze negotiated so as to prohibit nonnuclear technical improvements that would alter the Soviet-American strategic nuclear balance. We also have more intercontinental bombers than the Soviets, by a margin of 410 to 345.

Clearly, there are significant disparities in our deterrent forces if one compares them "leg-to-leg." Our strategic forces are based on a triad of sea-, air-, and land-based "legs." However, the purpose of the strategic triad is precisely that we do not need to compare strategic legs separately. Under our triad, we have so multiplied the uncertainties facing a Soviet strategic planner that the whole is necessarily more important than the parts of our strategic forces. Rough parity certainly exists between our forces if we look at each superpower's arsenal as a whole. Furthermore, if we can take U.S. military leaders, who claim they would not trade American military might for that of the Soviets, at their word, one could argue that a freeze ratifies American superiority.

Critics of the freeze also contend that the freeze cannot be verified. But this resolution supports only a verifiable freeze: Inadequate verification, no freeze. It is that simple. Present means of verification—known as national technical means consisting of seismographic, satellite, and other intelligence information—can adequately monitor testing and deployment. Production is more difficult to monitor, but testimony to Congress by Pentagon officials indicates the United States has in the past anticipated every nuclear systems test the Soviets have undertaken. In addition, negotiations with the Soviets on a comprehensive test ban treaty, which the administration has unwisely decided not to pursue, indicated Soviet willingness to accept on-site inspections under certain conditions.

Critics also contend the freeze is somehow equivalent to unilateral disarmament. Few would support an arms control agreement in which only the United States disarms, and which placed us at a disadvantage relative to the Soviets. Yet, clearly, this resolution insists on bilateral action. And, as noted above, it is misleading to claim we are currently at a disadvantage.

The freeze proposal also slows our going forward with the strategic redundancy programs contemplated by this and the former administration. I have long felt that the strategic force modernization program was a blueprint to beggar conventional readiness and bankroll unnecessary strategic programs like the B-1 bomber and the MX missile. The administration, in modernizing our forces, has chosen to pursue all the options. No longer do we actually have a triad, but rather something like a pentad consisting of land-based ICBM's, SLBM's, manned pentrating bombers, air-launched cruise missiles, and sea-launched cruise missiles. But by failing to make strategic choices that recognize the fiscal constraints under which we operate, the administration will undermine the economic means for our whole defense effort. The freeze is one way of halting this process. By curtailing unnecessary strategic force modernizations, a freeze would allow us the budgetary means to beef up our conventional forces and hold down on deficits. Strong conventional forces will allow us to project military strength where we need it, and move us back from the hair-trigger environment wherein nuclear weapons are our most credible response.

I supported the resolution's endorsement of SALT II, and am disappointed this provision was dropped. I feel it is unwise that this treaty has never been ratified. SALT II set ceilings on the overall inventory of strategic arms (2,250 launchers, which would have reduced Soviet, but not U.S. launchers), as well as sublimits in the overall numbers of MIRVed launchers and MIRVed ICBM's. SALT II also restricted qualitative improvements in strategic systems, such as the Soviet Backfire bomber. This treaty is an important complement to a nuclear freeze, and to START, as well. It should be ratified immediately. If we are abiding by SALT II, why should we fail to ratify it?

I strongly support House Joint Resolution 521 and urge all my colleagues to vote for it. The need for nuclear arms control is clear. The freeze, in addition to SALT, and START, and the "zero-option" proposed for intermediate-range nuclear forces in Europe, is a reasonable means of bringing about necessary reductions and limits in our nuclear arsenals. It deserves the strong, bipartisan support of the Members of this House. Thank you, Mr. Chairman.●

● Mr. WYDEN. Mr. Chairman, I rise today in support of House Joint Resolution 521, calling for approval of the SALT II agreement, and for a mutual and verifiable freeze on and reductions in nuclear weapons.

I commend the President for bringing forth a proposal, known as START, to reduce nuclear arms. But while this is welcome as a starting point to negotiations, it does not go far enough, because it fails to include a proposal for a freeze on new nuclear weapons.

And it was introduced against a backdrop of actions that leave no doubt about the administration's callous attitude toward nuclear war.

For instance, the President announced this week he feels free to shirk the spending guidelines reached with Congress earlier this year and spend $241 billion on a massive defense buildup. This buildup will pour billions into a new generation of nuclear weapons—some of which we do not even know how to deploy.

Meanwhile, the Pentagon has drawn up elaborate strategies to fight a protracted nuclear war—and another plan that spends billions in futile attempts to enable Americans to survive one. The President's suspension of nuclear test ban treaties between the Soviet Union and the United States—the work of several previous administrations—dealt a startling blow to the cause of nuclear nonproliferation.

The nuclear freeze resolution before Congress today is not a call for unilateral disarmament, but is a call for the United States and the Soviet Union to put a halt to the dangerous buildup of arms that has occurred over the past 15 years. The key words to this concept are "mutual" and "verifiable." It has been shown that a freeze on nuclear weapons between the United States and the Soviet Union could be accurately verified.

The President's contention that we must build up in order to reduce our nuclear arsenal in order to protect our national security is simply unfounded. The United States and the Soviet Union are effectively equivalent in strategic nuclear power. In fact, the United States has more than 9,000

strategic warheads compared to the Soviet Union's 7,400.

The time to freeze is now. The nuclear stockpile on both sides has reached excessive levels, and the freeze is the first step toward reducing these weapons and reducing the tensions that continue to inch us toward a nuclear exchange. Once a verifiable freeze is obtained, sensible arms reduction talks can take place in an atmosphere free of the distrust that now encompasses both sides.

President Reagan has sent a letter to House Members urging defeat of the nuclear freeze resolution. The President's indifference to the dangers of nuclear brinkmanship is alarming. Congress must seize the initiative and prevent a spiraling new arms race.

I urge my colleagues to vote "yes" on this legislation—a vote for an end to nuclear weapons on our planet.●

● Mr. OTTINGER. Mr. Chairman, I rise in strong support of House Joint Resolution 521, calling for a mutual and verifiable freeze on and reductions in nuclear weapons, and for approval of the SALT II agreements. As an original sponsor of this bill, and as a congressional sponsor of the nationwide grassroots "call to halt the nuclear arms race," I urge my colleagues to support this important legislation.

House Joint Resolution 521 is an important step toward finally initiating genuine arms control. It would accomplish this in three ways:

First, the bill calls for the prompt approval of the SALT II agreements, which would result in immediate arms limitation, control, and reduction.

With SALT II approved, the Soviets will have to dismantle 250 intercontinental bomber or missile systems, thus reducing their existing operational nuclear forces by 10 percent. Without approval of SALT II, the Soviets would retain these 250 systems, upgrade them, or add to them.

SALT II also sets a limit on Russia's deployment of independently targeted reentry vehicles (MIRV's) which the Reagan administration has proclaimed to be one of the most threatening weapons we face.

The treaty prohibits Russia from the development, testing, and deployment of rapid reload systems, which are highly destabilizing; and it makes significant contributions to insuring adequate verification of its provisions, including a prohibition on interference with "national technical means" of verification, regular United States-Soviet exchanges of information, a requirement that the Soviets provide figures on their own offensive forces, and more.

One compelling argument for approval of the SALT II agreement is that its provisions have been adhered to for 3 years. As former Secretary of State Henry Kissinger recently observed:

> I have great difficulty understanding why it is safe to adhere to a non-ratified agreement while it's unsafe formally to ratify what one is already observing.

Second, the freeze resolution calls for a mutual and verifiable freeze. This proposal has been advocated by millions of Americans who have signed freeze petitions and voted in freeze referendums at the local level.

A freeze in nuclear weapons systems is vital because it would stop the senseless expansion of our nuclear arsenals which have already far exceeded the levels necessary for deterrence.

The most important equation in the debate over arms control is not whether we can match the Russian weapons system for weapons system. It is whether we have sufficient capability, known to the Russians, to destroy the Soviets should they attempt a first-strike attack. Clearly we have that ability—indeed, only one Poseidon submarine, firing all 16 of its missiles with 10 warheads each, could deposit the equivalent of three Hiroshima bombs on each of 160 Soviet cities, killing 30 million people—and clearly the Soviets recognize it, and are thus deterred from attempting a first strike.

The reality of today's strategic balance is that neither side can start and win a nuclear war. We are significantly ahead of the Soviets, although both sides enjoy advantages in particular weapons systems.

The fact is that thanks to our more diverse deployment of strategic nuclear weapons and the invulnerability of our submarine-launched warheads which outnumber the Russians 5,000 to 1,600, a nuclear arms freeze would preserve for the United States a staggering, versatile retaliatory capability far in excess of our actual deterrent needs.

A third objective of this bill is to move from a freeze to substantial, equitable, and verifiable reductions in nuclear arsenals. As the House Foreign Affairs Committee report notes:

> These reductions can be best achieved after a freeze has been negotiated to halt the nuclear arms race. During the negotiations on a freeze, the approval of SALT II will provide the best baseline to proceed with freeze negotiations.

House Joint Resolution 521 seeks priority negotiations of destabilizing weapons and technologies, such as those with a combination of high accuracy, multiple warheads, large explosive force, and short flight time. These weapons could force the superpowers to adopt a launch-on-warning policy, thereby greatly increasing the danger of crisis or an accident leading to a full scale nuclear war.

It is imperative to our national security that we pursue these reductions. If we continue the arms race, we are only jeopardizing our security by diverting enormous sums of money to weaponry and ignoring the needs of our conventional military forces and the needs of a strong industrial base and an educated population, without which we cannot have a strong America.

President Reagan has argued that the approach embodied in House Joint Resolution 521 will undermine the credibility of his negotiators at the START talks. This is nonsense. The same arguments were used when MIRV's were being developed—that we needed them as bargaining chips. We failed to negotiate and built MIRV's. The Russians built MIRV's. We ended up with no arms control and considerably less security since it is much easier to count missiles than it is to count warheads. An agreement now is more difficult.

Indeed, the most undermining influence in the negotiations has been the administration's very own policies. They include a recently promulgated 5-year defense guidance which calls for the ability to fight and win a protracted nuclear war; a 6 year, $222 billion expansion of our nuclear arsenals involving sea-, land-, and air-based missiles and the construction of 17,000 new nuclear warheads, and the deployment of space weaponry requiring abrogation of existing international treaties; a 7-year, $4.2 billion civil defense program which seeks to make credible the claim that nuclear war is fightable, winnable, survivable.

These policies send dangerous signals to the Soviet negotiators at Geneva and to our allies and adversaries throughout the world. They contradict the President's declared intention to lessen the risk of nuclear war. And they will result in a futile nuclear arms race which will leave us bankrupt and less secure.

Millions of Americans have tirelessly sought a responsible arms control effort. By calling for approval of SALT II and articulating a nuclear arms freeze and reductions, I believe this bill answers their demands. I urge my colleagues to support House Joint Resolution 521.●

● Mr. PATTERSON. Mr. Chairman, today we are faced with a historic choice between stopping the arms race or continuing a dangerous buildup of nuclear weapons.

There is a growing concern among the American public about the escalating nuclear arms race and the increasing possibility of nuclear war. People from Maine to California have lost confidence in the President and the Congress to prevent a nuclear holocaust, launched either by design or accident, from occurring. We become even more concerned when we see the administration proposing a $1.7 trillion defense budget over the next 4 years, asserting that a nuclear war is survivable, and winnable, and that the administration has civil defense pre-

paredness plans to save us in the event of a nuclear attack.

Today we must start to construct a framework to assure the people of this country that we too are concerned and are seriously willing to begin the necessary steps to negotiate a nuclear weapons freeze. I encourage my fellow House colleagues to join me in supporting House Joint Resolution 521, which calls upon the United States and the Soviet Union to seek an end to the arms race through a nuclear weapons freeze and mutual verifiable reductions in nuclear arms. The idea is long overdue and a necessary effort. The United States, which produced the first nuclear weapons, maintains a clear nuclear superiority, and has a stockpile capable of destroying the world several times over, holds a special responsibility to help reverse reckless nuclear escalation.

Support for a mutual and verifiable freeze on nuclear weapons is both strong and broad. Recent polls show that the American people overwhelmingly support the idea of a nuclear freeze by a 3 to 1 margin. It has been endorsed by many of the country's Roman Catholic bishops and numerous city councils, county councils, and State legislatures. In my own State, California, over 717,000 signatures were collected to insure the inclusion of a freeze initiative on our November ballot. Over 102,000 of those signatures came from thoughtful citizens in my home area, conservative Orange County.

Nuclear war could destroy our civilization. We owe it to our strong belief in God and the future of our children to stop nuclear escalation before it gets irreversibly spread to smaller, lesser developed countries, whose leaders and actions may not be controllable. Nuclear bombs are no longer regarded as merely weapons of deterrence, but as weapons of war. Weapons originally designed to protect us and preserve our liberty have become the greatest threat to our existence.

Mr. Chairman, if now is not the time to stop the nuclear arms race, when will that time come? Our duty to God and country, freedom and peace, and the survival of our families and children mandate a "yes" vote on this nuclear freeze resolution.●

● Mr. CONYERS. Mr. Chairman, citizens throughout the Nation will be tuning in their radios and televisions to determine where the House of Representatives of the United States stands on the question of stopping the arms race. After all, it is they who led us, their elected representatives, to consideration of the most important issue of contemporary times.

We have to decide which of two messages to send to them. Passage of the committee resolution is the right message. That resolution calls for a mutual and verifiable freeze on nuclear weapons, reductions in the nuclear arsenals of the United States and the Soviet Union and prompt approval of the SALT II agreement. It also introduces a concept into the arms control arena which has been initiated by grassroots activism and has previously been ignored by our negotiators and experts, the thought of simply freezing the testing, production, and deployment of nuclear weapons. Such a freeze is perhaps the only means of assuring that arms reductions talks occur in an environment conducive to their success.

Passage of the Broomfield and Carney substitute is the wrong message. It states that Congress supports the START negotiations and "urges the Soviet Union to join with the United States in concluding an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels." Citizens will have no difficulty in recognizing that this substitute offers nothing new; rather it only ratifies the current method of attempting to achieve arms control, which leaves the whole decisionmaking process to the so-called experts, while excluding the public from participation. This approach has failed miserably in the past, as evidenced most recently by our decision to fund a new generation of the most destabilizing, lethal, and destructive nuclear weapons and systems designed primarily to deliver them. These systems include the MX, B-1, Pershing II missile, ground-, air-, and sea-launched cruise missiles, and others. In short the substitute is a snow job which will not for one minute fool the American people.

In addition, the substitute proposal ignores that the United States historically has been the primary initiator of weapons production, and the Soviet Union has, in large measure, followed the lead of the United States. The following chart starkly illustrates this point by showing for both the United States and the Soviet Union the first date of testing for warheads and the first date of deployment for missiles and other delivery systems:

Weapon	United States	U.S.S.R.
Atomic bomb	1945	1949
Intercontinental bomber	1948	1955
Hydrogen bomb	1952	1955
Intercontinental ballistic missile	1958	1957
Satellite in orbit	1958	1957
Sub-launched ballistic missile	1960	1968
Multiple warhead missile	1964	1973
Antiballistic missile	1972	1968
MIRV	1970	1975
Long-range cruise missile	1982	

Now we are at it again, beginning new and more destructive weapons programs that will require that the Soviet Union do the same.

It is time for political leaders to join those they represent in supporting a freeze before the deployment of any new or additional nuclear weaponry. Just as we fueled the arms race in the past we have it within our power to now turn it around; and perhaps even establish some momentum toward disarmament.

In conclusion, I direct my colleagues' attention to a timely message delivered by former President Dwight D. Eisenhower. He said, "People want peace so much that one of these days government had better get out of their way and let them have it." In my judgment, House Joint Resolution 521 is one step in the right direction.●

● Mr. ROSENTHAL. Mr. Chairman, I rise to express my unequivocal support for House Joint Resolution 521, calling for a mutual and verifiable freeze on, and reductions in, nuclear weapons. This is a historic day in the House; it is the day we address the crisis that faces humanity.

The nuclear arms race is out of control. It is speeding along a destruction course marked by the acquisition of nuclear arms by unstable governments and by increasing technological advances which could nullify the main deterrent to a first strike: That each superpower could now survive a first strike by an enemy and launch a devastating retaliation.

There is another reason that now is the time to institute a freeze: Despite saber rattling to the contrary, there is now sufficient parity of nuclear weaponry between the United States and the Soviet Union. Measured by accuracy and the total number of warheads, the United States seems to be in front. Judging by delivery systems and explosive force, the Soviet Union would appear in the lead. But in the end, we actually balance each other.

The House resolution before us today is not a radical measure. It is a formal declaration of a message we have been receiving loud and long from the people we are elected to represent. In fact, we are not taking the lead on this crucial question; we are following the people of this Nation who elected us to represent their views.

More than 700,000 people demonstrated in New York City in June. These concerned citizens from all over the United States and the rest of the world have sent us a message: Stop the arms race "in the name of present and future generations."

Religious orders, physicians' groups, scientists, doctors, lawyers, and many other respected, responsible coalitions have been leading the fight for a sane, rational policy of disarmament. This is a significant group of leaders, for they are the ones who we rely on for direction and advice—they are the helpers and healers of society. And they are not alone.

A recent Harris poll reveals that 56 percent of the voters would "vote

against a candidate for Congress this fall, even if they agree with him or her on nearly every other issue . . . if that candidate wanted to escalate the nuclear arms race." And 73 percent of the voters are in favor of every country that has nuclear weapons banning their production, storage, and use.

By mid-July, resolutions supporting a bilateral freeze had been passed in 446 town meetings, by 191 city councils and 38 county councils across the Nation. More than a dozen State legislatures have already responded to their constituents' cry with resolutions calling for an end to the arms race. And this fall we will see nuclear freeze referendums on the ballots in States from Rhode Island to California, as well as the District of Columbia.

House Joint Resolution 521 does not open any windows of vulnerability, as some would have us believe. But it could close the door on a nuclear holocaust. Most importantly, it is a signal to the public that we in the House have heard their call and we are ready to reverse the arms race.●

● Mr. FOGLIETTA. Mr. Chairman, I rise to commend Chairman ZABLOCKI, the members of the Foreign Affairs Committee, and particularly my colleague, Mr. MARKEY, for their diligence, leadership, and perseverance in bringing this resolution to the floor of the House.

There is no more crucial issue confronting the future of the world than that of the arms race, and of nuclear war. This freeze is a desperately needed step in making the world safer. To reject this freeze, to adopt the Broomfield substitute, would cripple the intent of the nuclear freeze resolution. The American people sent us here to Washington. We have an obligation to reflect their views on this issue, and their views are clear: We must freeze nuclear arms, and proceed quickly toward radical reductions in the nuclear stockpile. To do less would be to reject the urgent call coming from around this country, from each one of our districts. I doubt that there are many Members of this body who have not seen the mail on this subject. I have received hundreds of letters, from all over America, calling upon us to do the right thing: stop building more bombs.

The freeze will not increase the risk of nuclear war. Rather, it will diminish it, and show our determination to reduce the risk of a war with no winners.

Mr. Chairman, we are approaching an entirely new threshold in the accuracy and lethality of our nuclear weaponry. We are approaching an entirely new threshold in the ability of the United States and the Soviet Union to conceal the presence of nuclear arms. Once we have passed these thresholds, we will critically impair the chances for any successful arms treaty. These weapons destabilize, and cause us to consider changing our strategy from launch on attack to launch on warning. I need not remind anyone here what that means. Our computer systems, and those of the U.S.S.R., are far from perfect, and prone to reading the flight of Arctic geese as a fleet of backfire bombers or Soviet ICBM's coming over the horizon. Anything that we do to increase the risk of launch on warning will dramatically increase the risk of war. Without the nuclear freeze, without SALT II, that risk is geometrically increased.

Mr. Chairman, the Broomfield substitute does not address the demands of the American people and does not address the absolute need for a mutually verifiable freeze. I urge its defeat. I urge this body to heed the call of the American people, and pass the Zablocki resolution. Thank you.●

● Mrs. BYRON. Mr. Chairman, in dealing with strategic policy, which is to say, in dealing with nuclear weapons and the purpose of nuclear weapons, one is constantly involved in the relationship between perception and reality.

Reality is that any extensive use of strategic nuclear weapons would radically change and perhaps totally destroy life on this Earth as we know it.

But the perception might be something different.

A potential adversary might perceive reality incorrectly. He might perceive that he could destroy life in our Nation while not destroying it in his own. Or he might perceive that he can create a condition where his nuclear power is so superior to ours that we and our allies—perhaps particularly our allies—are prepared to give him his way in world affairs rather than risk a challenge to his power. This condition is referred to, I believe, as nuclear blackmail.

The possession of strategic nuclear weapons by the United States is inherently paradoxical. A nuclear intercontinental ballistic missile is a weapon whose existence is designed to prevent the necessity for its use. A paradox.

The ICBM is the only thing I know of that fails in its principal purpose the minute it is used.

That No. 1 purpose of the strategic weapon—not to be used—is called deterrence.

That does not change the fact that having that nuclear capability is necessary as long as a potential adversary has such capability. It is necessary to deter such adversary from using that capability against us, or from using it for nuclear blackmail.

To the extent that each side can deter the other from any thought of using such weapons, the security of both is enhanced.

It is an assumption widely stated—and perhaps perfectly natural—that an increase in the number of nuclear weapons makes their eventual use more likely. That may be true. But there is no evidence to necessarily support that assumption.

The growth of nuclear weapons on the part of the United States and the Soviet Union has not led to their use. And it would be difficult, if not impossible, to prove that the increase in numbers makes nuclear war more likely.

Actions on the world scene, aggressive foreign policy moves, coercion of other nations, identification with warring allies, or conflict over scarce and critical materials, are the things which, as they always have, bring war closer. Periods of heightened tension have come and gone in world affairs as either superpower or its allies have pushed their national interest, and it would be impossible to find any correlation between the growth in tension, the periods of near-conflict, and any raising or lowering of the numbers of nuclear weapons in the world.

The superpowers now have gone a generation with the possession of nuclear weapons without using them.

Likewise, although the danger of nuclear accident is something we must always guard against, the superpowers have gone a generation without a major accident involving nuclear explosion.

Some time the obvious must be said because it seems to be forgotten: The United States maintains all of its Armed Forces, including its nuclear arsenal, for defensive purposes. The United States had clear nuclear superiority for many years and neither used its nuclear power nor engaged in nuclear blackmail against the Soviet Union or anybody else.

The Soviet Union obviously felt insecure in the period of U.S. superiority and pushed vigorously to build up its strategic as well as its conventional forces.

It would seem to be obvious also that the fear of nuclear conflict is most significantly reduced when we have a balance of forces. That is, when the forces of each side are of such rough equivalence—what Mr. Schlesinger used to call essential equivalence and meaningful symmetry—that neither side can have any confidence that attack on the other would succeed. And when each side has the perception that the other side has the capability and the will to oppose an attack by inflicting unacceptable damage on the aggressor. That condition is called stability.

We want to avoid actions which throw that balance off—in other words which lead to instability. And we want to encourage actions which maintain stability.

PURPOSE OF ARMS CONTROL

The first statement that has to be understood is that the No. 1 purpose

of arms control, or arms control negotiations, is to achieve or enhance stability.

The No. 1 purpose is not to freeze everything at a given level, although in a perfectly stable situation that might be desirable.

The No. 1 purpose is not to reduce nuclear arms—although an eventual reduction in the number of nuclear arms is something that all of us find desirable.

The No. 1 purpose of arms control is to promote stability.

If one side or the other has a substantial advantage a reduction in weapons on both sides does not increase stability. In fact, it might lead to greater instability.

Back in 1960 when the United States had 1,000 ICBM's and the Soviet Union under 100, clearly the Soviets would not have accepted any offer to freeze strategic weapons at then current levels, and would not have accepted any offer to reduce each side by 100 weapons to reduce the number of nuclear weapons in the world.

And you could not blame them too much for laughing at such a proposal.

From their perception such a reduction would have made their unstable situation even worse.

We should be working, now, for a resolution that promotes stability and that promotes stability in such a way as to move, eventually, from a stable situation to a gradual, mutual reduction of nuclear weapons that maintains stability.

PURPOSE OF THE RESOLUTION

As we must always be conscious of perception and reality in the nuclear arena, we must be conscious of both in dealing with legislative efforts that could affect that arena.

A reading of House Joint Resolution 521 and a reading of the media coverage of House Joint Resolution 521 shows a significant difference between reality and perception.

House Joint Resolution 521 calls for a mutual and verifiable freeze and reduction in nuclear weapons and for approval of SALT II. If one just reads the title of the resolution it is a natural assumption that it is calling for an immediate freeze on nuclear weapons and immediate approval of SALT II.

It is a curious fact that the principal recommendations laid on the table by the Soviet Union at the START negotiations call for a freeze on nuclear weapons at the present level and approval of SALT II.

If you read House Joint Resolution 521, it says that the United States and the Soviet Union should begin negotiations having the objective of pursuing a halt to the nuclear arms race and deciding when and how to achieve a mutual and verifiable freeze on testing, production, and deployment of nuclear warheads, missiles, and other delivery systems. One of the objectives listed is substantial, equitable, and verifiable reductions.

There is all the difference in the world between deciding when and how to achieve a freeze on nuclear warhead and missile production and simply stating that one should have an immediate freeze.

Presumably, the resolution would give the U.S. negotiators and the administration the leeway to insist that a freeze should come at a stable level and that either the Soviet Union should reduce in its areas of advantage to our level, or the United States should continue with certain deployments where the Soviets presently have a clear advantage.

What has appeared in the media to date, however, and what will surely appear in the media if this resolution is passed, is simply that the House supports a nuclear weapons freeze.

The phrase "nuclear freeze" has the advantage of being a slogan which sounds good and which relieves the necessity for further thinking.

Both the present Republican and the previous Democratic administrations came to the conclusion that the Soviet Union has strategic advantages over the United States and that the trend of forces was such that unless rectifying steps were taken by the United States, the Soviet Union could achieve clear nuclear superiority by the end of the decade of the 1980's.

Thus, both this Republican and the previous Democartic administration supported development of the MX missile—though disagreeing on the basing mode.

Both supported the continued deployment of enhancements to the air breathing leg of the strategic triad—the Carter administration through cruise missiles and development of the Stealth bomber, the Reagan administration through development of the B-1 as well as development of cruise missiles and the eventual Stealth bomber.

Both supported continued development and deployment of the Trident ballistic missile submarine and of the follow-on Trident missile, the so-called D-5.

Both administrations recognized the very serious imbalance in intermediate nuclear forces since the deployment of the Soviet SS-20, and both supported development of the Pershing II and ground-launched cruise missiles.

SOVIET DIRECTION

It is remarkable how prepared people continue to be to take a unilateral step toward nuclear disarmament with the belief that the Soviet Union would respond in kind even though the approach has been tried and disproven in the past. Part and parcel of that is the remarkable belief that the Soviet developments are only responding to U.S. initiatives.

Let us begin by keeping in mind that the Soviet Union has clear unambiguous superiority in conventional forces in Europe. No one that I know of who has any knowledge on defense matters, regardless of political persuasion, disputes the fact that the Soviets have a vast superiority in tanks, artillery tubes, and other instruments of conventional war, or that the production rates for these conventional weapons in the Soviet Union in all categories substantially exceeds our own.

No one that I know of disputes the fact that the level of conventional forces maintained by the Soviet Union facing Europe are far in excess of what would be required solely for defensive purposes of defending the Soviet Union and its Eastern bloc allies against attack.

When SALT I was negotiated Dr. Kissinger told us that what we wanted to do was stop the momentum of Soviet offensive arms buildup, and that once the SALT I Treaty and the accompanying offensive protocols were approved the Soviet Union, on achieving equality with the United States in a number of strategic weapons, would stop its continued development.

That was part of the reason, do not forget, that the United States accepted the treaty.

It did not happen.

The Soviet Union reached equality with the United States in the number of missiles, the number of launchers, and kept going. The Soviet Union now exceeds the United States substantially in launchers, in silos, in missiles, and very greatly in throw-weight, in virtually all categories except warheads where it is rapidly closing the gap. Since it has achieved superiority in numbers, the Soviet Union has been working assiduously to improve the accuracy of the systems and, recently, the Secretary of Defense announced that the accuracy of Soviet ICBM's now exceeds that of the United States.

When the U.S. President killed the B-1 bomber program it was stated that this initiative would encourage the Soviet Union to make a corresponding gesture of withholding military advancement. The Soviets laughed at the idea and continued to develop the Backfire bomber and, in addition, is developing a follow-on bomber.

A Soviet representative at Geneva, when the corresponding elimination of the Backfire was requested, said to a member of our committee, "I am neither a pacifist nor a philanthropist."

The Soviet Union put on a marvelous display of outrage about the enhanced radiation weapon—the so-called neutron bomb—although each Soviet SS-20 intermediate range nuclear missile is 20,000 times more powerful than an enhanced radiation weapon. President Carter stopped the production of the enhanced radiation weapon. Did the Soviet Union remove

any SS-20's? No, it not only did not remove the SS-20's, it continued to produce them. It has produced an average of one a week for 300 weeks.

The intermediate force negotiations currently taking place in Geneva are concerned with the threat of what are sometimes referred to as long-range theater nuclear weapons. The weapons that matter in those negotiations are the Soviet SS-20 and the U.S. Pershing II and ground-launched cruise missiles (GLCM's).

There are a number of differences between those weapons systems but there is one particular difference that we have to keep in mind for the purpose of the present resolution.

The difference is that over 300 SS-20's are deployed, fully operational, ready to be fired at any time, and able to cover Western Europe totally except for a small part of southern Portugal and Spain.

The Pershing II and the GLCM are still in development and will not be ready for deployment until 1984. A freeze now would freeze a condition of clear superiority in theater nuclear weapons for the Soviet Union which, as I mentioned, already has clear superiority in conventional weapons.

If this House votes a resolution that is presented to the world by the media as a freeze of everything at present levels, what is the effect on the perception of the Soviet Union?

What would the incentive then be for the Soviet Union to negotiate for further reductions?

What possible leverage would we then have to work toward removal of those SS-20's which cast such a dark shadow on the future of Western Europe?

PROMOTE STABILITY

The awesome and frightening nature of nuclear weapons is such that it is understandable that if the school board in school district 11 back in your district, caught up in the frustrations of a frightening age, tries to voice some protest by approving a nuclear freeze resolution.

But that does not meet the responsibilities of a national legislator.

You must look to actions that promote the long-range national security of the United States, not to what solves the political wound of the moment.

Yes, we should put our voices to a resolution that promotes arms control, that promotes a lessening of tension, that promotes an eventual reduction in nuclear weapons and that says we are never going to quit working and working and working toward eventual disarmament.

But let us avoid catch words and slogans that give false hope to our own people and the wrong message to the Soviet Union.

Let us work for a resolution that promotes stability, a resolution that says to the Soviet Union: "we will not try to get a nuclear advantage over you as long as you realize that you cannot maintain a nuclear advantage over us."

We do not want to freeze nuclear weapons—we want to reduce them.

But we want fair and equitable reductions that lead to greater stability and, therefore, less likelihood of war in the future.

Amendments or substitutes to make this a thinking man's disarmament resolution will be offered on the floor today.

Let us have the courage to accept them.●

● Mr. STARK. Mr. Chairman, today we have before us one of the most important resolutions the Congress has ever addressed, one with implications for the future existence of our country and quite possibly the entire world. For today, we ask ourselves the question of whether we will continue down the road of nuclear escalation and possible human extermination, or whether we will say this insanity must come to a halt.

This is what is at the heart of the nuclear freeze resolution. The resolution does not compromise the integrity of our defenses; it does prevent a buildup of destabilizing weapons that would only add to the threat of nuclear war. It does not sell short our commitments to our NATO allies; it does provide that any agreement achieved through the START negotiations must be consistent with preexisting U.S. commitments to NATO defense. It does not place blind trust in Soviet compliance; it does call for negotiation of a "major, mutual, and verifiable" freeze.

More importantly, it proclaims the feelings of millions of Americans fearful of the holocaust that looms ever nearer with each additional warhead that we build. Our people do not want to sacrifice our Nation's safety, but they also do not want to be incinerated so some Dr. Strangelove theorist can test his belief that nuclear war is winnable. It is not. I know it, you know it, and the American people know it.

In 1963, the late Senate Republican leader Everett M. Dirksen stated that "I should not like to have written on my tombstone: 'He knew what happened at Hiroshima, but he did not take a first step.'" The nuclear freeze resolution offers our Government a rational nuclear arms policy, one fraught with hope rather than despair. Let us hope that this Congress is willing to take this important first step, lest we be similarly haunted by the hundreds of millions of tombstones which will read: "Congress knew what happened at Hiroshima, yet they refused to take that first step." We owe it to our future to approve this resolution.●

● Mr. FORD of Michigan, Mr. Chairman, I rise in support of House Joint Resolution 521 which endorses a mutual and verifiable nuclear freeze and prompt approval of the SALT II agreement. I am a cosponsor of this measure and feel that this is clearly one of the most important arms control votes this year in the House.

The resolution we are considering today urges the United States and the Soviet Union to pursue in the negotiations at Geneva a mutual and verifiable freeze on the testing, production and further deployment of nuclear warheads, missiles and other delivery systems, followed by equitable and verifiable reductions. In the meantime, it urges prompt approval of SALT II.

This resolution accurately embodies the spirit of the national grassroots mandate for an immediate halt to the nuclear arms race. As has been suggested, the START proposal, if successfully negotiated, can be a useful addition to a nuclear freeze, but certainly not a substitute. I am afraid that the effect of any substitute being considered today would prescribe further arms escalation during years of inconclusive negotiations.

Throughout American, people are grasping the reality of our present situation and demanding an immediate halt in the nuclear arms race by both the United States and the U.S.S.R. For the sake of my grandchildren and the future of all life, I feel totally committed to supporting a mutual nuclear weapons freeze—followed by sharp reductions in the nuclear arsenals of both superpowers. Thirty-seven years ago this week, the United States dropped its first atomic weapon on Hiroshima. We are now faced with an historic choice between stopping the arms race or continuing the dangerous buildup of weapons we are now involved in. In view of the unspeakable horror that would be unleashed upon all humankind by a nuclear holocaust, it is imperative that the House pass this resolution today.●

● Mr. KASTENMEIER. Mr. Chairman, removing the threat of nuclear annihilation is the most acute and urgent task of the present day.

We, here in the United States, have been warned many times over the years about the possibility of self-extinction brought by the existence and the stockpiling of nuclear weapons. Every President, from Eisenhower to Carter, has tried to remind us that there could be no such thing as victory in a war fought with such weapons. Yet, when we look back over all these years, the competition between the United States and the Soviet Union in the development of nuclear weaponry has proceeded steadily, relentlessly, without the faintest regard for the future of the human race. Both the

United States and the Soviet Union have gone about the business of piling nuclear weapons upon nuclear weapons, missiles upon missiles, new levels of destructiveness upon old ones. Today, it is estimated that the United States, the Soviet Union, and the other nuclear weapons states possess more than 50,000 nuclear warheads. It is obvious that the vast resources of this planet are being devoted more and more to the means of destroying, rather than enriching, human life.

The fact is that the presence of nuclear weapons has moved civilization closer to the eve of destruction. The world, however, was not meant to be a prison in which humanity awaits its execution. The nuclear sword of Damocles, dangling ever so precipitously over the future of civilization, must be removed altogether. We must either stop the nuclear arms race and proceed to nuclear disarmament or face annihilation.

There is now strong public support in our Nation for a mutual freeze and verifiable nuclear arms reduction between the United States and the Soviet Union. This sentiment has been expressed in numerous town meetings in New England and in various State legislatures, including that of Wisconsin, where resolutions supporting the nuclear moratorium have been adopted. In several States this fall, citizens will be able to directly vote on the nuclear freeze issue. Wisconsin citizens will be voting on a nuclear freeze referendum on September 14.

We, here, in the House of Representatives now have the opportunity to go on record as favoring negotiations for a mutual freeze and verifiable nuclear arms reduction by voting for House Joint Resolution 521, which I have cosponsored.

Mr. Chairman, the accumulation of nuclear weapons today constitutes much more of a threat than a protection for the future of mankind. The time has come for us to seek an agreement repudiating these nuclear weapons and to seek security in nuclear disarmament. The ending of the nuclear arms race and the achievement of real disarmament are tasks of primary importance and urgency. To meet this historic challenge is in the political and economic interests of all nations and peoples of the world as well as in the interests of insuring their genuine security and peaceful future. We have the will and the faith to make a supreme effort to break the logjam on nuclear disarmament. We must view this as an opportunity which time and history may not once again allow us. We must persist until we prevail, until the rule of law has replaced the dangerous use of force and banished nuclear weapons from the arsenals of nations. Let us look forward to the day when the threat of a nuclear holocaust no longer exists and when we can devote our common skills and full resources to the enlargement of the peaceful opportunities of mankind.

Mr. Chairman, I urge House passage of House Joint Resolution 521.●

● Mrs. COLLINS of Illinois. Mr. Chairman, I rise today in support of House Joint Resolution 521, the bill to provide for a mutual verifiable nuclear weapons freeze. As a cosponsor of this resolution, I appreciate the opportunity to attempt to influence the President to end the nuclear arms race and thereby reduce the possibility of a nuclear war.

President Reagan has often told us about the dangers of a "window of vulnerability". As the Foreign Affairs Committee report on House Joint Resolution 521 states, the "window of vulnerability is reciprocal." If the Soviet Union were to attempt a successful first strike, they would have to launch 2,000 perfectly coordinated warheads. To assume, and I quote directly from the committee report, that "first, the President would blithely ignore the incoming Soviet missiles and not order U.S. ICBM's launched, and second, not retaliate when faced with 17 to 35 million American Deaths is an incredible scenario, with no basis in reality * * * the window of vulnerability is a two-edged sword and makes any first strike a dangerous gamble with unacceptable risks."

What reasons are there to continue the arms race? We continue build up so that we may achieve parity or an edge, so that we may have more chips to bargain with, so that we may reduce arms, and so that we may move to a lower level of parity.

If we continue to build up, in an effort to achieve parity with the Soviet Union, we only increase the chance of nuclear holocaust, either through accident or design. As weapons become ever more sophisticated and reliable, one nation may be alluded into a false sense of security; they may actually begin to believe they can win a first strike. The purpose of this dangerous buildup is unfounded, the Department of Defense admitted in its fiscal year 1982 annual report that the United States and Soviet Union are roughly equal in strategic nuclear power. Does it not seem appropriate to begin reductions now?

I believe it does and I urge my colleagues to adopt House Joint Resolution 521. In addition with so many of my colleagues cosponsoring this resolution we are sending a message to the Senate to pass SALT II. As long as both sides have informally agreed to abide by its rules, there is no reason why we cannot go on record in accordance with its provisions. Let me point out that SALT will not undermine START negotiations. Arms limitation talks are a very long and arduous process. SALT II took 7 years to negotiate. Will it not take a similar number of years to negotiate START? If we have no legally binding agreement to adhere to, it may actually undermine START negotiations because during that time, the arms race will continue.

In conclusion, I ask my colleagues to look at the nuclear arms race reduction issue. Today we have a very strong grassroots movement supporting it, but this is not a new measure. Some of the most respected individuals of this century have openly opposed nuclear arms. Bertrand Russel, the great mathematician and philosopher, spent the last years of his life ardently opposing nuclear arms and nuclear war. We must also not forget Albert Einstein, who was very deeply concerned about the proliferation of nuclear arms.

I wish to restate that we have the opportunity before us today to end the nuclear arms race. This is one of the most important issues this Congress, or indeed, any Congress has ever had to deal with. I ask you to vote affirmatively on House Joint Resolution 521. With its passage, we will not only move America a step closer to a safer and brighter future, but we will bring the whole world a step closer to that future.

Thank you.●

● Mr. CLAY. Mr. Chairman, the threat of nuclear holocaust is the gravest danger to humanity ever known in the history of the world. In the beginning, we pretended to duck and cover from the dangers of nuclear warfare. But today we know there is no shelter, and no rhetoric can protect us from the force of our own strength. We have, in the name of peace and security, developed the power to destroy all human life. Now we must face the hard reality that we live in a time when our technological ability to inflict massive destruction has advanced far more rapidly than our political ability to resolve conflict and reduce the tensions between nations.

As elected leaders, it is our responsibility to insure a strong national defense. In doing so, we must realize that today's defense policies must go beyond the traditional arguments involving man against man or nation against nation. Today we must address the need to protect ourselves against total self-destruction. Nuclear warfare is not about humiliation in battle but about the annihilation of mankind. Nuclear weapons endanger the continuity of life on our planet. This has not been the issue in traditional war policy, but it is one we must acknowledge today and it must supercede all debate. We cannot determine our superiority by counting our nuclear bombs. There are no winners in a nuclear war and more nuclear armaments at this point in time can only means less security for all the people of this Earth.

The halting of nuclear arms production by itself could save our Government over $20 billion. Certainly, there are far more humane ways to allocate our resources. But if it costs us nothing to produce nuclear weapons, we still could not justify their proliferation.

Nuclear weapons do not provide for our national security. We must accept this and realize this issue as an impetus to bring our political skills up to par with our technological capabilities. If we are to provide for our national security in the 1980's we must be bold and innovative. We have powers we have never known before and we must be willing to create new policies and take actions we have never taken before. A strong national defense must be maintained without the further proliferation of nuclear weaponry. There is no other alternative. This is the hard reality of the task before us today. Denying this challenge will only ultimately lead to nuclear holocaust. The strategic strength of both the United States and the U.S.S.R. in nuclear weapons is effectively equivalent—both nations can destroy our world. There is no need to go any further. It is time to stand up in the name of human life.●

● Mr. BIAGGI. Mr. Chairman, as an original cosponsor of the so-called nuclear freeze resolution I rise today to compel my colleagues to pass House Joint Resolution 521 which embodies the spirit and conveys the urgency of the nuclear freeze resolution.

Pending before the House is not just another piece of legislation. We are debating a document to determine our destiny, a statement of survival if you will. Our approval of the joint resolution will represent a vitally important step forward in our quest to end the mutually suicidal nuclear arms race.

House Joint Resolution 521 is simple in content but profound in intent. It calls for a "mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement.

The House is responding to a new and powerful national movement to end the arms race. In a fashion like the revolution which freed us from England—the nuclear freeze movement began slowly in various small town meetings in the heart of New England. This movement caught fire and in village after village—town after town and finally city after city began to discuss the merits of this issue. The national media began to focus attention on these meetings and when rallies began to spring up in cities in Europe a movement was born.

The U.S. movement reached its apex with a massive and peaceful rally in my home city of New York where upward of 500,000 people gathered in Central Park to show their support for an end to the nuclear arms race. What is remarkable about this movement in addition to its relative newness, is its intergenerational makeup. Picture after picture I have seen from various meetings and marches for a nuclear freeze show young and older people marching side by side united in support for an end to the arms race. Nuclear freeze resolutions have now been endorsed by 125 city councils—by one or both houses in 12 State legislatures and by nearly 400 New England town meetings. Campaigns are underway to put a nuclear freeze proposal on the ballot in 10 States including my home State of New York, Pennsylvania, California, Michigan, and New Jersey. Clearly, Mr. Chairman, our actions today have great support among millions of concerned Americans around this Nation.

A more detailed examination of the joint resolution provides us with the justifications for its approval. Consider one of the first statements in the legislation: "The greatest challenge facing the Earth is to prevent the occurrence of nuclear war by accident or design."

The next section of the resolution spells out the precise reason why we are in need of a nuclear freeze. It points out that the two nuclear superpowers have amassed such enormous stockpiles of nuclear weapons and nuclear delivery systems as to graphically remind ourselves that we are perched on the precipice of mutual destruction.

Once spelling out the problems before us in terms of the arms race and extolling the virtues of the SALT II Treaty as a vehicle to accomplish a mutual and verifiable freeze, the resolution moves to the all important resolved clauses which I would like to insert verbatim into my statement:

That the United States and the Soviet Union should immediately begin the strategic arms reduction talks (START) and those talks should have the following objectives:

(1) Pursuing a complete halt to the nuclear arms race.

(2) Deciding when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems.

(3) Giving special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve.

(4) Proceeding from this mutual and verifiable freeze, pursuing substantial, equitable, and verifiable reductions through numerical ceilings, annual percentages, or any other equally effective and verifiable means of strengthening strategic stability.

(5) Preserving present limitations and controls on current nuclear weapons and nuclear delivery systems.

(6) Incorporating ongoing negotiations in Geneva on land-based intermediate-range nuclear missiles into the START negotiations.

In those negotiations, the United States shall make every effort to reach a common position with our North Atlantic Treaty Organization allies on any element of an agreement which would be inconsistent with existing United States commitments to those allies.

SEC. 2. The United States shall promptly approve the SALT II agreement provided adequate verification capabilities are maintained.

With respect to the actual freeze this is critical to the whole concept of arms reduction but it cannot be considered a viable option unless it is strictly and mutually verifiable. A nuclear freeze is critical to slowing the arms race which must happen because both the United States and the U.S.S.R. have massive plans for expanding their existing nuclear arms. One estimate indicates that the United States will have to spend over $50 billion simply to keep pace with the Soviets. To institute a nuclear freeze would finally put an end to the dangerous obsession of both of the superpowers to achieve "nuclear strategic parity."

The resolutions call for a mutual reduction in existing stockpiles of nuclear warhead missiles and other delivery systems is equally as important. In 1960, the United States and the Soviet Union together had a total of 2,500 nuclear weapons—today just more than 20 years later the number is closer to 50,000. In addition to the astronomical growth in actual weapons over the past two decades we have also witnessed a rapid improvement in technological breakthroughs which has resulted in the development of even more sophisticated and consequently more dangerous nuclear weapons on both sides.

In the cases of both the freeze in future weaponry and the reduction in existing weapons—the key elements must be bilateralism and verifiability. It is clear that no one was watching the nuclear store when the massive inventories of weapons possessed by the two superpowers were accumulated. Unless there is a strict and mutual verification process accompanying a freeze resolution it will produce a far more ominous result—namely, a dangerous imbalance in nuclear weapons—under which case a freeze would result in the United States being reduced to a position of perpetual inferiority.

It is naive to have a discussion about a freeze in future nuclear weapons without a candid assessment of current strategic balances. From the prospective of myself and other proponents of this resolution—the United States and the U.S.S.R. have reached a point of rough parity in terms of our nuclear forces by virtue of us having numerical advantages in some areas and the Soviets a similar advantage in others. Our advantages are in the number of missile warheads—missile accuracy, cruise missile technology, and in the number of bombers and accuracy of bomber weapons.

Assuming this rough parity, it is entirely proper for us to pursue a nuclear freeze at this time—for in fact were we to delay this freeze it is likely that the balance would vanish as the Soviets have plans for massive buildup of their nuclear capacities and it would take an enormous commitment of U.S. funds to keep pace. If we assume that a freeze is in order—then it should be pursued with intensity with corresponding attention being directed at reducing existing stockpiles. I assure my colleagues as one who has traditionally voted for the strongest possible national defense—I would not lend my name to this nuclear freeze resolution if I thought the Soviet Union was in a superior military position to us and that a freeze would aggravate this imbalance.

I must admit to some degree of reservation about the addition of language into this resolution wholeheartedly endorsing SALT II and urging its immediate approval. My reservation stems from the reliance which we are placing in SALT II as the enforcement vehicle to insure that a nuclear freeze will be bilateral and verifiable. We cannot overlook the fact that during the time of SALT I and SALT II we have witnessed the alarming increase in nuclear arms. While in the technical sense—SALT II was never ratified by the Senate—it was signed in 1979 and is in effect until 1985. SALT II is ambiguous with respect to its language insuring verification, and I feel this must be addressed by our arms negotiating team should this resolution pass and become law. SALT does show promise in the area of arms reduction as it does require the Soviets to reduce their missiles or bombers by 250 systems. In addition, SALT II does provide for the establishment of definitions on kinds of weapons and how to count them for verification purposes. While this provision does not cause me to want to change my position—I would have preferred that this resolution not rely on SALT as the vehicle of enforcement.

Let me add to my comments that my support for this resolution does not translate into support for the position advocated by some that we should renounce first strike capacity in the event of a nuclear conflict. I find this to be an uncomplimentary position to the nuclear freeze and does work to our Nation's worst security interests as well as those of Western Europe.

Let us go back in history—the date was July 16, 1945—the place—Alamagordo, N. Mex.—the event—the detonation of the first atomic bomb in world history—named Trinity—the culmination of the Manhattan project. Fathom if you will the nuclear phenomenon is less than 40 years old—but look at the threat it poses to our very survival. Since that fateful day in 1945 we have seen the horrors of Hiroshima. We have seen the world brought close to nuclear confrontation several times in the past 2 decades. Today more than 30 nations have the capacity to build a nuclear bomb and too many of them are far too unstable to be vested with this awesome responsibility.

This world was warned by men like Einstein and Eisenhower about the growth and spread of nuclear weapons. Bernard Baruch in the year 1946 when he presented a U.S. plan to control nuclear weapons made a very simple statement "We are here to make a choice—between the quick and the dead. Let us not deceive ourselves we must elect world peace or world destruction." These are relevant words today as much as they were 36 years ago.

To me the choice is clear—existence or extinction. It is my fervent hope that as a nation and a world the nuclear arms race is abandoned and arms reduction becomes its replacement.

For 23 years I was a police officer in the streets of New York City. This means that for thousands upon thousands of days I faced death in the course of my daily duties. The nuclear arms race frightens me—for it poses the same risk of death for me as did my work on the streets of New York. Yet there is a major difference—as a police officer I had little control over those who might kill me—in the case of nuclear arms we have the resources to stop it before it kills anyone. This resolution is such a step.

The debate today is as important as any I have witnessed over my 14 years in this body. I stand for my position because I believe it is the best road for us to follow in the future. I support the nuclear freeze because I firmly believe that our only hope for future survival is to control the spread of nuclear arms now. I shudder when I think of the alternatives. Many of us have wives and children and even grandchildren. Let us consider them as we debate the pending resolution. Do we through our abdication today present them with a more dangerous tomorrow? Do we choose to live our remaining years in fear of a nuclear holocaust? I refuse to accept this premise and therefore support the nuclear freeze.

Let me conclude by paying tribute to an esteemed colleague and dear friend JACK BINGHAM whose leadership on behalf of this most worthy cause has been exemplary and inspirational. Our approval of this legislation would be a fitting tribute to a man whose commitment to the cause of disarmament is legendary. I urge passage of the joint resolution.●

● Mr. BROWN of California. Mr. Chairman, this week marks the 37th anniversary of one of the most tragic episodes in not only U.S. history, but human history. On August 6, and 9, 1945, atomic bombs were dropped on Hiroshima and Nagasaki, respectively. My generation cannot forget the destruction, the devastation, the horror of that event. Future generations should not forget.

Today's vote on the nuclear freeze resolution, House Joint Resolution 521, will again highlight the fact that since August 1945 every being on Earth has lived under the continuing threat of nuclear annihilation. There are now 50,000 nuclear warheads in the world, possessing the explosive yield of roughly 20 billion tons of TNT, or 1,600,000 times the yield which was dropped on Hiroshima. It is enough. It is enough to destroy our world.

For our survival and our children's, we, as representatives of the people of this country, must listen to the ground swell of public concern and harness this destructive capability. Elected officials throughout this country must listen to the frightened and angry voices of our citizens, over half of whom have never lived without this ultimate threat. We must do more than acknowledge their concern over total nuclear devastation as we continue to succumb to a massive recommitment to arms.

Gen. Douglas MacArthur explained the futility of this continued commitment:

> The very triumph of scientific annihilation has destroyed the possibility of war being a medium of practical settlement of international differences. . . . If you lose, you are annihilated. If you win, you stand only to lose. War contains the germs of double suicide.

And yet today both the Soviet Union and the United States have the capacity to destroy each other several times over. This threat may never be completely eliminated, but it does not have to be exacerbated. The U.S. Government insists upon better and bigger ways in which to expand its military capacity, while we should instead be continuing our search for newer, better ways to solidify peace—real peace, not the mere absence of war.

Beginning with the Geneva Protocol of 1925, which prohibited the use of bacteriological warfare, the United States has gradually and steadily participated in controlling and eliminating the worst evils of war. We have not always been successful, and, at times, we have been diverted from that course, but the underlying objective has remained consistent. This nuclear freeze resolution and SALT II approval is another extremely important mark on that continuum. I urge my colleagues to join me in supporting this measure for achieving the ultimate goal in national and international security—mankind's very survival.●

● Mr. WIRTH. Mr. Chairman, we are today considering the most important issue of our time, for it is the only

issue on which the life or death of all of us, and of everything on this planet, depends. The issue before us is the prevention of nuclear war.

A mutual and verifiable freeze on further testing, production, and deployment of nuclear weapons by the United States and the Soviet Union sounds so simple, and the resolution before us is simple. Certainly it is only a starting point in our efforts to move toward an easing of nuclear tensions.

But the enactment of this resolution will send an important signal to all the people of the world that the threat of nuclear war is unacceptable, and that we must take strong, bold steps to end this threat. We cannot afford to wait.

This week we commemorate the 37th anniversary of the first uses of nuclear weapons which devastated the Japanese cities of Hiroshima and Nagasaki. In the years since, the leaders of the world have failed notoriously at eliminating nuclear weapons from national arsenals. We have seen stockpiles of nuclear arms mushroom, and we now face a new generation of nuclear weapons, under consideration in both the United States and the Soviet Union, of a far more threatening nature than any before them.

The danger has never been greater, but neither has the opportunity to put a stop to this insanity. Prompted by the administration's plans to spend $1.7 trillion on arms in the next 4 years, including new and dangerous counterforce nuclear weapons, and by loose talk by administration officials about the possibility of winnable nuclear war, a potent grassroots movement has emerged in this country unlike any I have seen in my years in Congress. Public opinion polls and marchers in the streets, speeches by doctors and scientists and resolutions by city councils across the land have sent us a message we cannot ignore: Stopping the arms race is a paramount importance to the people we represent.

My own constituents are a good example. Boulder, Colo., in a citywide referendum last fall, endorsed a mutual United States-Soviet nuclear freeze resolution by a 2 to 1 margin, becoming one of the first cities in the Nation to do so. Petitions calling for a freeze have been signed by more than 2,000 people in nearby Longmont, citizens in Arvada have succeeded in calling a special election, and elsewhere in my district similar efforts are under way.

When the County Commissioners of Boulder County were asked to endorse a crisis relocation plan which absurdly assumed that nuclear war could be survived by evacuating to a nearby community, overwhelming public opposition led to the rejection of this plan. Instead, a citizens group has developed a booklet describing how to avoid a nuclear war—certainly the best form of surviving nuclear attack. This is by one example of the kind of committed grassroots involvement the freeze movement has sparked.

This movement by people, which has resulted in our consideration today of this resolution, is the most hopeful, promising political effort I can remember. As representatives of the people, we must respond.

But in our consideration of this resolution, we owe our constituents more than a politically popular vote for what some claim is an overly simplistic approach to a most complex problem.

Certainly, none of my colleagues would argue in favor of nuclear war. The decision before us today is whether this resolution is the most effective way for us to proceed in efforts to avoid this unspeakable possibility. I would like to share with my colleagues my reasons for believing it is, by responding to the major arguments against this resolution.

First, opponents claim that a freeze on further testing, production, and deployment of nuclear weapons would lock the United States into an inferior military position relative to the Soviet Union. It is true that the Soviet Union currently has more land-based intercontinental ballistic missiles than the United States—approximately 1,398 to our 1,053. In certain other areas of nuclear capability, the Soviet Union also has advantages. But the United States has significant advantages in other areas, such as the number of submarine-launched missiles—about 5,000 compared to the Soviet Union's 1,500—and in submarine technology generally. Our Nation also holds the upper hand in missile accuracy, and in the number of warheads. In short, Mr. Speaker, most arms experts believe that an overall rough equivalency in nuclear forces now exists between the United States and the Soviet Union. Now is therefore an excellent time to stop adding to these arsenals, which together already contain the explosive capability of 24,000 pounds of TNT for every man, woman, and child in the entire world.

Second, opponents claim that freezing current levels of nuclear warheads will make negotiating real reductions in nuclear weapons at the START and INF arms control negotiations more difficult to achieve. While this argument may sound impressive on the surface, I believe the resolution we are considering adequately expresses the intent of Congress, also clearly the intent of the freeze movement, that a freeze is only intended as a first step toward the eventual real reductions in the numbers of nuclear weapons and eventually eliminating this threat entirely. The resolution sends a clear directive to START negotiators to pursue to completely halt the nuclear arms race and to move beyond a freeze to pursue substantial, equivalent, and verifiable reductions in nuclear forces. But the freeze is an important first step. Further, the fact that the resolution calls for prompt approval of the SALT II agreement, which I have always supported, insures that arms control limits agreed to by both sides after long and difficult negotiations will be in effect while longer term discussions are underway.

Third, the opponents of this resolution argue that a freeze would not be verifiable. But existing national technical means at our disposal, I believe, could provide a real verification of the terms of a freeze agreement. Indeed, since any new nuclear weapons activity would be prohibited under a freeze, this agreement would be easier to monitor than other types of arms control limits. We should, of course, continue to press the Soviets to cooperate on still more effective verification procedures.

In short, Mr. Chairman, after study of the leading arguments against adoption of this resolution, I do not believe they are sufficient to lead us away from this simple but compelling resolution. The Broomfield-Carney substitute really provides only a vague sense of Congress that negotiations should be undertaken. Since negotiations are already underway, and the substitute gives little direction to the negotiators, it acts as a smokescreen for business as usual—allowing the arms race to continue unhindered into the foreseeable future.

Mr. Chairman, while I have always supported a strong defense for our Nation, the nuclear arms race makes our real defense needs—conventional weapons that work, trained manpower, spare parts, and readiness—secondary. It diverts urgently needed resources and scarce tax dollars toward a monstrous threat that bodes ill for everyone.

While the Soviet Government does not allow its citizens to openly debate a resolution such as House Joint Resolution 521, there is no evidence that they do not also urgently desire an end to the nuclear threat. After all, the memory of the 20 million Russians killed in World War II is still fresh in many Soviet minds—our action today, by striking a chord in the Soviet conscience, will convey to Soviet leaders the necessity and urgency of seriously negotiating a halt to the arms race.

The Soviets know as well as we do that the nuclear arms race threatens the survival of all people in the world every day we allow it to continue. As an early sponsor of the resolution before us, I urge my colleagues not to delay taking this critical step in ending the nuclear arms race. We owe it to the American people and to the entire human family.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of House Joint Resolu-

tion. 521, because I believe that the very survivability of our Nation, and indeed the entire human family, depends on it.

House Joint Resolution 521 would direct our START negotiating team to pursue a complete halt to the nuclear arms race. To further this objective it asks that both sides decide on a timetable to achieve a mutual verifiable freeze on the testing, production, and delivery of nuclear weapons and then to proceed to the even more important objective of a substantial and equitable reduction in nuclear stockpiles.

The resolution will also reduce tensions by asking that the START negotiations preserve present limitations and controls on current nuclear weapons and nuclear delivery systems and incorporate ongoing negotiations in Geneva on land-based intermediate-range nuclear weapons. Finally, it would direct the attention of the START negotiators toward the next generation of weapons whose deployment would make a freeze more difficult to achieve.

House Joint Resolution 521 is comprehensive, realistic, and vitally important to the safety of all of us. It also speaks to an understanding of the world that my colleagues and I in the Congressional Black Caucus share; namely, that the problems in the world are political, social, and economic, and thus for the most part cannot be resolved by military means. We thus feel that expenditures on nuclear weapons do not buy us security but indeed, buy us insecurity. Out of this understanding, we submitted the Congressional Black Caucus alternative budget, also known as the Fauntroy substitute, which of the four budgets debated on the House floor, was the only one to include the principles of the nuclear freeze. I urge that House Joint Resolution 521 be passed, and at this time I would like to submit for the RECORD a statement that I issued in support of the nuclear freeze campaign in the District of Columbia, for clearly the District of Columbia would be a major target in the absurdity and tragedy of a nuclear war. I am pleased to now report that the freeze will be on the ballot in the District of Columbia on November 2.

I believe that the danger of nuclear war from the combination of an arms buildup and this change in nuclear strategy is our No. 1 problem: This is uniquely true for the District of Columbia. While some parts of the United States might question whether they would experience the direct effect of a nuclear exchange, can any of us doubt that the District, as the center of National Government and our Military Establishment, would be target No. 1 for the Soviet Union in the event of nuclear war. Even if only one, 1-megaton nuclear weapon were exploded over the District, 98 percent of our population would be killed in an area stretching in a 2-mile radius from the blast site. The force of a single such blast and resulting firestorm would kill or injure 45 percent of the population and destroy most structures up to 5 miles from the blast site. Those who survived would envy the dead. The effects of radiation on the survivors would be debilitating. Disease and epidemics would be uncontrollable for there would be no medical care. Most if not all hospitals would be destroyed, most medical personnel killed or injured and medical resupply impossible.

It has become almost a cliche for America's political leadership to assert that the nuclear arms race is the most important issue facing the human race. Yet the United States and the Soviet Union continue to build massive nuclear arsenals. Presently, even though the United States possesses some 30,000 nuclear war heads and the Soviet Union about 20,000 we again find plans for a major new nuclear weapons development and deployment program. These plans involve a fundamental shift in America's nuclear strategy from a deterrence posture based on the principle of assured retaliation if the Soviets were to initiate a strike against the United States and its allies to one of developing a nuclear war-fighting capability. The forces to be deployed would target Soviet land-based nuclear forces with a highly accurate generation of missiles.

The long-established strategy based on the maintenance of the assured capability of destroying the entire spectrum of Soviet targets is a risky but effective deterrent to either side's actual use of these weapons. If the United States proceeds with plans that create a plausible first strike capability and the Soviets counter with a similar program, the incentive will become high for each to launch a nuclear attack before their nuclear forces are destroyed by the other preemptive attack. The present nuclear balance, therefore, would be replaced with an inherently unstable hair-trigger situation with each in a sense backing the other into a corner leaving no room for maneuverability during an international crisis.

If the danger of nuclear war is our No. 1 problem, our No. 2 problem is that not enough of our people are paying attention to the reality of this threat. Many harbor the misconception that nuclear war is winnable, that security can result from ever increasing nuclear arsenals, and that use of nuclear weapons is a viable political alternative. Whatever may have been the validity of these principles when only conventional warfare was possible, they have absolutely no applicability to nuclear warfare. The rules have changed; the nuclear arms race and nuclear war are not extensions of politics, they are mutual suicide. For 35 years we have been both uninformed and misinformed about this compelling reality. The fact is that the development of nuclear weaponry has changed forever all preexisting assumptions about war as an instrument of national policy.

My reason for bringing this uncomfortable reality to your attention at this time is that over the last several months a grassroots movement has developed that we in the District should join. In the fall of 1979, Senator MARK HATFIELD proposed an amendment to the Salt II Treaty calling for a joint United States-Soviet freeze on nuclear weapons. While politics halted the debate on the treaty and thus the amendment, the freeze idea was picked up by a variety of organizations around the country. A freeze campaign has begun seeking to educate the American public on the horrors of nuclear war and to seek their support in bringing about a freeze on new nuclear weapons. As it is being presented, supporters are asking that the United States and Soviet Governments announce an immediate moratorium on all further testing, production, and deployment of nuclear weapons. This freeze would be followed by negotiations to incorporate the freeze in a treaty and further meaningful arms reduction talks.

This is not a movement of unrealistic idealists working on the fringes of American politics. Already the Oregon and Massachusetts Legislatures and the New York Assembly have passed freeze resolutions, as have four dozen towns, cities, and counties across the country. Freeze activities are underway in over 40 States and petition campaigns are underway in 25. In December, Californians initiated an effort to put on the ballot a referendum calling for the Governor to communicate to the President the sense of the people of California that a freeze be proposed to the Soviet Union. A total of 28 Members of Congress have already endorsed the freeze as well as a lengthy list of religious and social organizations. When given the opportunity to vote, the public shows its support. On November 3, 1981, 68 percent of the voters in Boulder, Colo. supported it. In the 1980 general election, 30 of the 33 western Massachusetts townships that went to Ronald Reagan voted by a 59-percent majority for a mutual freeze. Most importantly a Gallup poll in June 1981 showed that 72 percent of Americans support a mutual ban on the production of nuclear weapons.

I am proposing that the District of Columbia become a part of this movement and participate jointly in organizing a freeze initiative to be added to the ballot for the November 1982 elections. We have an unparalled opportunity here. Ours is a population which, I believe, will listen carefully and one that obviously has a direct self-interest in reducing the risks of nuclear war. Our efforts can be expected to attract wide media attention and help bring this issue to the front door of national policymakers. This will aid the national freeze movement by first broadening the base of public support, help put the freeze on the national agenda and focusing the attention of Congress and the administration. Endorsement of the freeze by the people of the District of Columbia will add both to the legitimacy of this effort as well as increase the momentum that has been generated elsewhere. If in November both California and the District of Columbia successfully adopt freeze initiatives, no politician will be able to ignore the implications of this vote.●

● Mr. PAUL. Mr. Chairman, I am certain that no one here today has come to his or her decisions on the various nuclear freeze proposals without careful consideration of the historic significance of our actions. I would like to take this opportunity to explain why I am compelled to oppose a nuclear freeze as outlined in these bills. Although the wording of House Joint Resolution 538 is preferable to that of House Joint Resolution 521, I feel that both resolutions are severely flawed on several accounts.

Let me make it very clear from the outset that I believe our present stock of nuclear weapons is more than adequate for the purposes of our current defense policies. I have consistently opposed the development or deployment of any new nuclear weapons.

However, I am concerned about the current defense strategy, which really is not a defense at all. Historically, the purpose of defense has been to make attack more costly and success more uncertain. Our current strategy relies on our capability to destroy the Soviet Union with a retaliatory second strike, rather than relying on an ability to protect our citizens and cities from a Soviet first strike. Indeed, this in one of the cornerstones of the MAD scenario.

Such vulnerability is an abomination for all freedom-loving people, and must come to an end. I hope that the United States will develop a purely defensive system that will release Americans from their bondage as nuclear hostages. I am concerned that such a system would be banned by these treaties. I do not want to see the United States locked into a position where we are unable to take advantage of a technological breakthrough.

I cannot justify supporting resolutions that call on the United States to enter into treaties with the Soviet Union. Treaties are irrational agreements to make with the untrustworthy thugs who occupy the Kremlin.

We are displaying an incredibly naive understanding of an enemy that is committed to the destruction of our very way of life. Marxist/Leninist ideology as espoused by the Soviets calls for the violent overthrow of capitalism and the West—and we are willing to trust the promises of such people!

There are those who argue that the Soviets can be trusted because they really want the treaties, or they would not have agreed to their provisions. Of course they want them. They are temporary expediencies that allow them some breathing room under the guise of détente. Communist writings make clear a willingness to abide by the rules of international diplomacy and international law so long as there is something to be gained. When rules and treaties are no longer convenient, they are to be discarded. I submit that the Soviets will break any treaty whenever it suits them to do so—whenever it no longer serves Soviet objectives.

For too long we as a nation have fallen prey to the prevalent "mirror-image" fallacy. We have looked at the United States and the Soviet Union as if they have the same aspirations, the same motives, and the same behavior standards. Well, they are not equal, and any objective assessment of Soviet behavior since World War II would make that abundantly clear. The Soviet Union is a much greater threat to world peace, and Russia certainly meets all of the qualifications of a "imperialist" power bent on world domination. It is time we as Americans came to recognize the Soviet Union for what it is, however painful and costly that might be.

Many proponents of the freeze claim that these resolutions do not rely on our good faith, or blind trust, in the Soviets. After all, these resolutions call for "mutually verifiable" freezes. However, verification is still imperfect, and is likely to remain so for some time to come. Under these conditions, the United States can never be certain that the Soviet Union will not cheat on force level limitations, or even on a complete freeze. Given Soviet agressiveness, their incentive to cheat is much greater than ours.

While verification is a major problem, an ever greater problem of any treaty with the Soviets is enforcement. So long as verification is not foolproof, and perhaps even if it were, the Soviets can easily deny any accusation that they have violated the treaty. How would the United States respond to such a denial? Would we ever be willing to go to war, or even to create an "international incident" in an attempt to get the Soviets to abide by the treaty? I seriously doubt it. Violations were a problem under SALT I, and we simply chose to look the other way. At what level of cheating would the United States decide to abrogate any new treaty? Ten missiles? Two hundred missiles?

Many have said that the objections I have raised are merely technical problems, and that we need not concern ourselves with such matters since these resolutions are only statements of intent. However, we are deciding on a course of action here today that will have policy ramifications for years to come.

I desire to see an end to this nuclear arms race as much, if not more, than anyone else. I think the cost is destructive to our economy, and the controversy is harmful to our society. However, I am unwilling to jeopardize the freedom of this Nation by endorsing policies based on a fallacious conception of the Soviet Union, or policies that will leave us with no defense flexibility in the years to come.●

● Mr. GEJDENSON. Mr. Chairman, I rise in support of House Joint Resolution 521, which calls on the Soviet Union and the United States to freeze current testing, deployment, and production of nuclear weapons at existing levels.

Initially, I would like to take this opportunity to compliment the citizens of Connecticut and those of the entire Nation for their grassroots effort to demonstrate to the Congress their earnest and sincere desire for a nuclear freeze. It was not the Congress who began this essential movement to put an end to the madness of the arms race, but the citizens of the Nation who had the courage to voice their concern about the increasing threat of nuclear war. In my State alone, which was one of the first four States in the country to take a leading and active role in the freeze movement, over 25,000 citizens have signed petitions which call for a halt to the arms race and a freeze on United States and Soviet weapons.

In the New England tradition, many towns have held town meetings to allow for a full airing of this issue. In addition, these towns have passed their own resolutions, which also call for an immediate freeze. This campaign, which has swiftly spread across the country, clearly demonstrates the overwhelming concern of the American people for the future of our society and the very critical nature of this issue. It is the people of this Nation who have kept up the momentum of the freeze movement and who have worked so hard to keep it alive. They are the leaders. We, as Members of Congress, must follow their lead and pass this critical resolution. We owe it to those who have spent so much time and energy and who have worked so hard in succeeding to bring this important issue to the attention of the Congress to demonstrate to them our mutual concern for the future of our Nation and of the world.

As a member of the Foreign Affairs Committee, I have had the opportunity to study this issue in detail and listen to many hours of debate on the pros and the cons of the nuclear freeze. I have come to the conclusion, as did the committee, that the only answer to ending the arms race is to push for an immediate bilateral freeze on the production, deployment, and testing of nuclear weapons. The Broomfield substitute, which is brought before us today, is not enough. It will not stop the arms race but in the end will extend it. My distinguished colleague from Michigan states that we must seek a freeze, but only after equal numbers of nuclear weapons and warheads have been reached. This is not a realistic proposal. The United States and the Soviet Union will never have the exact same numbers of the exact same nuclear weapons. But, in any case, it is not the numbers of weapons or warheads that is the question. Both nations already possess enough warheads to destroy the world many times over. If the Broomfield substitute is adopted the Congress will be justifying the continuation of the arms race. We must not allow that to happen. I urge my colleagues to follow the lead of the Foreign Affairs Committee and to pass the Zablocki resolution, which calls for the two superpowers to strive for a "mutual, verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems." Any addition to the already enormous arsenals

of the United States and the U.S.S.R. can only increase the risk of war.

I intend to cast my vote for an end to the madness of the arms race and a freeze on nuclear weapons. I urge my colleagues to follow this path. It is clearly the only answer.●

● Mr. STOKES. Mr. Chairman, I rise in strong support of the Zablocki nuclear freeze resolution (H.J. Res. 521) which calls for a "mutual, verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems" and for "the approval of the SALT II agreement." Mr. Chairman, there can be no doubt that a comprehensive, bilateral freeze on nuclear arms race is an idea whose time has come. For far too long the American people have been silent on this issue while Government leaders and military experts in the name of national security, have brought us closer to the brink of total destruction. Now finally, the American people in ever increasing numbers have demanded a halt to this madness.

The nuclear arms race is moving into a new and critically dangerous stage. Presently the United States and the Soviet Union have enough nuclear warheads to destroy every major population center in both nations and in all nations with which they are allied. Moreover, both the United States and the Soviet Union plan to produce new weapons which have the capability of destroying the nuclear weapons of the other side. If the two superpowers develop and deploy these weapons, they will in the event of a crisis, be compelled to each launch a nuclear attack before their arms are destroyed by the other side. The present fragile nuclear balance will become even more unstable, and the risk of nuclear war will be higher than ever before. The first step in ending the nuclear arms race, and the safest way of reducing any threat from the Soviet Union would be to support House Joint Resolution 521.

Mr. Chairman, the President's plan to reduce nuclear weapons would permit the MX missile, the B-1 bomber, and an entire generation of new and modernized weapons to proceed apace in both the United States and the Soviet Union. The plan does not cover strategic bombers or cruise missiles, and would invite the two superpowers to engage in even greater competition in these advanced weapons. Any arms control agreement, like the one proposed by the President and the one embodied in the Broomfield substitute, which would allow hundreds of billions of dollars to be spent on the next generation of even more sophisticated missile and bomber systems is not an agreement. In reality, it is a prescription for a new arms race.

The Congress by seeking an agreement with the Soviet Union to achieve a mutual and verifiable freeze on testing, production and the further deployment of nuclear warheads, missiles, and other delivery systems, would be restoring the faith of the American people that our Government is earnestly striving to deter nuclear war.

Mr. Chairman, Jonathan Schell at the conclusion of his book "The Fate of the Earth" writes:

One day—and it is hard to believe that will not be soon—we will make our choice. Either we will sink into the final coma and end it all, or, as I trust and believe, we will awaken to the truth of our peril, a truth as great as life itself, and, like a person who has swallowed a lethal posion but shakes off his stupor at the last moment and vomits the posion up, we will break through the layers of our denials, put aside our faint-hearted excuses, and rise up to cleanse the Earth of nuclear weapons.

Mr. Chairman, I urge my colleagues to follow Mr. Schell's suggestion and put aside all excuses in supporting House Joint Resolution 521 and not be misled by the illusion of the Broomfield substitute, that it will stop the dangerous new developments of the nuclear arms race. As the fall elections approach, the American people are increasingly anxious to know where their elected representatives stand on halting or continuing the nuclear arms race. Your vote on the Zablocki freeze resolution and the Broomfield substitute will let them know. I urge you to vote against the Broomfield substitute and in favor of the Zablocki resolution.●

● Mr. FRENZEL. Mr. Chairman, I intend to vote today for the Broomfield substitute to the Zablocki nuclear freeze resolution.

The whole arms control debate has escalated into a prime national issue in recent months. Americans all across the country are becoming more and more aware of the awesome destructive power contained in the United States and Soviet nuclear arsenals. The freeze proposal has become a rallying point for those who want to put a stop to the dangers associated with an uncontrolled arms race.

I have long been a proponent of arms control, and I yearn for substantial reduction of nuclear weapons. But I think the freeze is not the best way to achieve arms control.

One of the principal motivations of the freeze movement seems to have been a serious concern about the administration's commitment to arms control. The early rhetoric of the administration did not help. A year ago we heard talk of linking arms control to Soviet behavior in other areas and of finishing the job of rebuilding our defense capabilities before getting down to serious negotiations.

Fortunately, the President's position seems to have shifted. In his May 9 Eureka College speech he reaffirmed his commitment to deep reductions, calling for a one-third reduction in the number of warheads. The START talks subsequently commenced June 29 in Geneva. It is my belief that the Eureka speech represents the true administration policy.

The freeze campaign may be responsible for encouraging the President to make the START initiatives when he did. Of course, some questions still remain about the administration position in the START talks and about our willingness to forgo some elements of the planned strategic modernization program. Therefore, it is wholly appropriate for us to remind the President of our deep concern about our arms control policy.

Nonetheless, I do not think that the best way to do this is by House endorsement of a policy prescription, the nuclear freeze proposal, which may not be the best route to arms reduction.

Many potential problems with the freeze proposal have been debated here in Washington and around the country in recent weeks. In any type of arms control, the verification issue is crucial. Many experts believe that it may be impossible to negotiate a completely verifiable freeze on all phases of the arms race, especially on the testing and production of new devices. The verification test means that neither freeze nor reductions will come soon. In fact, some supporters of the freeze proposal have urged me to vote for it on the grounds that it does no harm because we will never be able to negotiate one anyway. That reason should not be good enough for anyone here.

My main worry, though, is that House support of a nuclear freeze, whether or not implemented, could confuse our aims and hinder the purpose of the START talks—real arms reductions.

We have not been standing still. Nonetheless, the Soviets have been deploying new systems over the last couple decades at a much faster rate than we have been. As a result, we have planned to modernize the two legs of our triad (ICBM's and bombers) whose survivability is becoming threatened, as well as to develop a new missile for our Trident submarines.

I question whether now, when these systems are close to being developed, is the best time for us to call for a freeze. I do not mean to suggest that the Soviets may not also deploy new systems, but on balance we have more things coming down the pipe than they do. We seem to be most worried about the present Soviet advantage in hard target capable missiles. They seem to be most worried about the possibility of our deploying the MX, B-1, and D-5, the new triad. I fear that if we accept the freeze as the first step in the START talks, we may get no farther because the real pressure on the

Soviets to reduce will have been removed. The high-risk aspect of the freeze is that there is little incentive to take the necessary second step, which is arms reductions. Perhaps that is why President Brezhnev has apparently endorsed the freeze proposal.

I had been one of the early cosponsors of Representative ZABLOCKI's original arms control resolution (H.J. Res. 443), which was subsequently amended by his committee to add language calling for approval of SALT II and endorsing the freeze. I felt that the original resolution, parts of which remain in House Joint Resolution 521, was a sensible approach to a complex problem. I do not think the Broomfield substitute is perfect. But because of its approach of endorsing the the framework of the START talks without the encumbrance of a freeze before reductions, I shall vote for it.

I regret this body could not have avoided the confrontation between House Joint Resolution 521—freeze, then cut—and the Broomfield amendment—cut, then freeze. People on both sides want arms control, and that fact should have been the centerpiece of this resolution.

Many American would have difficulty determining why the two versions are in conflict. Since the negotiations may well be a one-step, rather than a two-step exercise, the two basic positions may be even closer than the proponents suspect. In any case, the success of our negotiations will be determined at the bargaining table, rather than by nonbinding House resolutions.

If the negotiations proceed poorly, if our negotiators perform badly, there will be time for criticism. For now, the President's aims to reduce nuclear arms ought to be encouraged.●

● Mr. SANTINI. Mr. Chairman, today we are debating an issue of critical importance to the entire world. The survivability of civilization, as we know it, could very well hinge on how rational and responsible Americans grapple with the threat of nuclear war.

We, Members of Congress, as representatives of the people, have a special obligation to think about the unthinkable: namely, the possibility of a nuclear holocaust.

Today, the United States, the Soviet Union and the other members of the nuclear club, a club that grows less exclusive with each passing year, possess more than 50,000 nuclear warheads, representing the equivalent explosive power of 1 million Hiroshima bombs.

For years, many of our leaders have chosen to turn our backs, pretending that the threat of nuclear war does not exist. We can no longer neglect the moral imperative to curtail the nuclear arms race. To paraphase a well-known religious leader, nuclear disarmament is becoming the central moral issue of the eighties, just as Vietnam was in the sixties.

However, unlike Vietnam, a nuclear war will not likely afford us the luxury of learning from our mistakes. This is why today we must reaffirm our commitment to reduce the risk of nuclear war through arms control policies. The goal of these policies must be to seek drastic reductions in the nuclear arsenals of both the United States and the U.S.S.R. Only through reductions will world peace and stability be enhanced. The strategic arms reduction talks (START), in progress since June 29, are specifically directed at the achievement of an equitable and verifiable arms control agreement that would substantially reduce and freeze strategic nuclear forces at equal levels.

Any resolution that promotes the spirit and objectives of START deserves full, bipartisan congressional support. For these reasons I give my support to House Joint Resolution 538.

Let there be no mistake, however, my support of the Broomfield resolution for an "equitable" and "substantial reduction" of nuclear arms should in no way be misinterpreted by the White House or the Pentagon as a vote for "nuclear business as usual."

Whichever resolution the House adopts today, the real message we are sending is just this: The people of the United States are speaking out loudly for negotiations directed at nuclear arms reductions by the Soviets and by the United States. We will not accept anything less than good-faith efforts by both sides to stop this spiraling, senseless arms race.●

● Mr. BONIOR of Michigan. Mr. Chairman, in March of this year, Members of the House of Representatives met in an unusual night session to debate the nuclear arms race. At that time, I called upon the United States and the Soviet Union "to look beyond the geopolitical conflict which causes each nation to add weapon upon weapon to its nuclear arsenal in the name of national security." I asked, instead, "that the major powers look to a more fundamental human reality—the unthinkable, yet all too plausible possibility of a nuclear holocaust." Ultimately, the issue we addressed then in debate and, more significantly, now in our vote "is not the gulf between East and West, between antagonistic world views but the awesome possibility that a wider, unbridgeable chasm will open, irrevocably separating us from future generations."

Since last March, we have seen over and over again that the call for a nuclear freeze has struck a deep chord in the American people. They have expressed their support for a freeze through resolutions in hundreds of town meetings and city councils in every section of this country. Over 2 million people have signed petitions calling for a nuclear freeze. Last June, approximately 700,000 people marched in New York, in what has been called the largest political demonstration in U.S. history. It is now our responsibility to let those voices and footsteps resound in the Halls of Congress.

The American people have told us how fundamentally they fear the horrors of nuclear war. Doctors have reminded us that the suffering in death caused by such a war cannot be limited. Scientists have warned that the environmental damage of nuclear war cannot be repaired. The American people have brought this message to our doorstep—the only defense we have against nuclear war is to prevent it, and the only way to prevent a nuclear war is to begin, now, to reduce nuclear weapons.

The nuclear freeze resolution, House Joint Resolution 521, is just such a beginning. The proposal for a freeze is not a final solution to the arms race, but provides a realistic framework for negotiations and arms reductions. It is not based on the blind assumption that the Soviet Union will follow our lead, but calls for mutual and verifiable actions on the part of the United States and the U.S.S.R.

For those of us in Congress, the nuclear weapons freeze represents an opportunity to prove that we have listened to the fears that are stirring the American people. It represents an opportunity to prove that our democratic institutions can live up to their promise, can serve as a vehicle through which people can control their destiny, and can tame the most awesome instruments of destruction that our species has devised.●

● Mr. EVANS of Delaware. Mr. Chairman, I rise in support of the nuclear freeze resolution, offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

There is no single issue before this body that carries such weight or demands more complete attention from each Member of Congress. A nuclear war is so horrible to contemplate that we must continue to do all we possibly can to convince the Soviet Union that neither side could win, and the existence of humanity itself would be at grave risk.

The single greatest threat to our country, and all other nations in the world, is the ominous destructive potential of nuclear weapons. Mutual and verifiable reductions in these deadly arsenals by the Soviet Union and the United States must be of the highest priority for both Governments.

I would agree with those who say a freeze is not enough; what we truly need is a real reduction in the number of nuclear weapons. I would also point out, however, that, while unbalanced

situations that jeopardize our national security are unacceptable, there simply has to be a mutual and verifiable freeze in production of these weapons by both sides in order to move toward meaningful reductions. We cannot back away from the brink of a nuclear holocaust without first halting our charge toward it.

All Americans must continue to pledge support for a real, negotiated, bilateral reduction in the number of nuclear weapons, and for all nations to stop building these instruments of global destruction.●

● Mr. FISH. Mr. Chairman, House Joint Resolution 521, calls for negotiating a mutual, verifiable freeze on nuclear arms followed by a reduction in nuclear arms levels. Nuclear rams reduction is clearly an imperative. The United States and the Soviet Union have the capability of destroying each other many times over. Neither side can win a nuclear war. For years, I have called for negotiated reductions of nuclear arms leading to their eventual elimination. Today, we have a President who has made a start toward negotiating reductions.

The idea of a freeze at current force levels is appealing. Were there no ongoing negotiations for arms reduction, a freeze would express the deeply felt belief that the superpowers must halt their arms buildup. But negotiated reductions in both strategic and theater nuclear arms are in place and the sincerity of the parties should not be prejudged. That a freeze now in the opinion of U.S. negotiators would be counterproductive should be afforded considerable weight.

Had the House of Representatives called for a negotiated mutual verifiable freeze, how would this help? It would be purely symbolic act, as the Senate is on record opposing the freeze first concept and a President veto would surely be sustained.

A major drawback to House Joint Resolution 521 is that freeze negotiations would take years, dissipating energies from the goal of arms reduction. Verification negotiations took most of the 7 years negotiative agreement on SALT II. Verification of freeze would be even more complex and time consuming.

Of equal importance is what kind of signal a vote for a freeze at current levels would send to both the Soviet Union and to our allies. At best the result would be confusion and the appearance of a divided strategy. At worse, the Soviet Union would have little incentive to continue theater nuclear negotiations. The offer we have made is not to deploy Pershing II's and the cruise missle in Europe in return for the Soviet Union's withdrawing their SS-20's presently deployed and aimed at European targets. As our Pershings have not even been built, a freeze now would leave the Soviet threat in place with its inherent political intimidation of Western Europe and leave use without any bargaining leverage.

Mr. Chairman, there is an alternative to House Joint Resolution 521. The alternative is pressing on with ongoing negotiated reductions. The future of mankind is at stake.●

The CHAIRMAN. All time has expired.

Pursuant to the rule, the resolution and preamble are considered as having been read and open for amendment at any point under the 5-minute rule. It is in order to consider an amendment in the nature of a substitute for the preamble and the resolution contained in House Joint Resolution 538 by and if offered by, Representative BROOMFIELD of Michigan.

The text of the joint resolution is as follows:

H.J. RES. 521

Whereas the greatest challenge facing the Earth is to prevent the occurrence of nuclear war by accident or design;

Whereas the increasing stockpiles of nuclear weapons and nuclear delivery systems by both the United States and the Soviet Union have not strengthened international peace and security but in fact enhance the prospect for mutual destruction;

Whereas on May 9, 1982, President Reagan announced that he had written to Soviet President Brezhnev to propose negotiations to achieve an agreement that significantly reduces the number of nuclear weapons, enhances stability, and opens the way to even more far-reaching steps in the future;

Whereas the SALT II agreement mandates the prompt reduction of Soviet strategic forces by two hundred and fifty-four deployable strategic nuclear delivery vehicles; imposes significant restrictions on Soviet multiple-warhead deployable intercontinental ballistic missiles, and on warheads for these missiles, in terms of numbers and throw-weight; prohibits equipment for rapid reload of intercontinental ballistic missile silos; and in these and other verifiable respects improves the ability of the United States strategic forces to carry out their deterrent mission;

Whereas the United States and the Soviet Union have observed the SALT II agreement since its signing;

Whereas adequate verification of compliance has always been an indispensable part of any international arms control agreement; and

Whereas a mutual and verifiable freeze followed by reductions in nuclear weapons and nuclear delivery systems would greatly reduce the risk of nuclear war: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States and the Soviet Union should immediately begin the strategic arms reduction talks (START) and those talks should have the following objectives:

(1) Pursuing a complete halt to the nuclear arms race.

(2) Deciding when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems.

(3) Giving special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve.

(4) Proceeding from this mutual and verifiable freeze, pursuing substantial, equitable, and verifiable reductions through numerical ceilings, annual percentages, or any other equally effective and verifiable means of strengthening strategic stability.

(5) Preserving present limitations and controls on current nuclear weapons and nuclear delivery systems.

(6) Incorporating ongoing negotiations in Geneva on land-based intermediate-range nuclear missiles into the START negotiations.

In those negotiations, the United States shall make every effort to reach a common position with our North Atlantic Treaty Organization allies on any element of an agreement which would be inconsistent with existing United States commitments to those allies.

SEC. 2. The United States shall promptly approve the SALT II agreement provided adequate verification capabilities are maintained.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 4, strike out lines 19 through 21 and insert in lieu thereof the following:

SEC. 2. The United States shall continue to adhere to the SALT II agreement so long as the Soviet Union adheres to that agreement and so long as it is in the national security interests of the United States to continue to adhere to that agreement.

Mr. ZABLOCKI. Mr. Chairman, this is a very simple and clarifying amendment.

Mr. Chairman, I rise in support of the amendment.

The resolution before us today, House Joint Resolution 521, is the refined and amended version of my original legislation on this same subject, House Joint Resolution 443. I frequently referred to the latter as an attempt to bridge the differences between the freeze proponents on the one hand and those who upheld the administration viewpoint on the other. And that is exactly what we succeeded in doing as evidenced by the 28-8 bipartisan vote which reported this resolution out of the committee.

I go into that brief background only by way of noting that the amendment I now have pending is in that same spirit. It is an attempt to bridge the distance between honest and strong differing views on the question of SALT II. I firmly believe the adoption of this amendment will bridge that gulf. I believe it is the reasonable middle ground on which the majority of the House can agree.

In as few words as possible, the amendment embodies existing U.S. policy regarding the SALT II agreement. It says what President Reagan has pledged to do; namely, to adhere to SALT II so long as the Soviet Union does likewise. To that the amendment

simply adds "so long as it is in the national security interests of the United States to continue to adhere to that agreement."

Let me quickly and emphatically point out that I firmly believe it is in the national security interests of the United States to fully adhere to SALT II. My determined hope is that we will scrupulously and faithfully follow that policy of adherence and that nothing would be done to undermine or vacate it in any way.

In fact, I would remind my colleagues that the House adopted an amendment only last week which reinforces our commitment to strictly observe our adherence to SALT II. This amendment was offered to the defense authorization bill by my colleague and fellow Wisconsinite the Honorable LES ASPIN. What the Aspin amendment does is to restrict funds for the procurement, testing, deployment or operation and maintenance of any strategic nuclear weapon or nuclear weapon system that would contravene President Reagan's declared policy of refraining from any action which would undercut SALT II so long as the Soviet Union does likewise.

What the Aspin amendment did last week, my amendment complements and reinforces today.

Finally, in the spirit of bipartisanship which has consistently characterized House Joint Resolution 521 throughout its consideration in the Foreign Affairs Committee, I believe this amendment represents a bipartisan endorsement of the President's decision to move forward on the START talks. In that sense, the amendment reinforces the President's arms control initiatives and is fully consistent with those initiatives.

This amendment has been carefully considered. It is balanced and fair. It seeks the objective we all share—movement toward reducing and eventually eliminating the nuclear weapons on both sides that threaten the destruction of the world.

It is an amendment that deserves support. I urge all my colleagues to join me in approving it.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

We have looked at this amendment. I just have one question.

It says, "So long as it is in the national security interests of the United States to continue to adhere to that agreement." That would be a Presidential determination, I should think.

Mr. ZABLOCKI. I am pleased to advise the gentleman that is exactly what it would be. Since the President makes a determination on such areas as a violation of human rights, so would the President make a determination in this instance that continual adherence to SALT II is in our national security interests.

Mr. HYDE. Well, we have discussed this exhaustively on our side, and we are pleased to accept this amendment.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to briefly comment. This does weaken somewhat the current language on SALT II but it certainly keeps the major difference or a major difference between this and the Broomfield amendment because the reference to SALT II is maintained.

Obviously one of the most naive notions in the current arms control debate is that any future treaty will be far removed from SALT II. People with experience in the area know that a new agreement may go beyond SALT II, but SALT II will form a key building block for any future arms control agreement if it is going to get mutual support.

I would only comment further that we must understand that the SALT II reference is a very crucial difference between the two bills before us today.

Mr. Chairman, it is only with great reluctance that this weakening language referencing SALT II can be accepted. However, a reference to SALT II is hereby maintained in the Zablocki resolution and this still distinguishes it in a positive way from the Broomfield substitute.

One of the most naive notions of the current arms control debate is that any future treaty will be far removed from SALT II. Anyone with any experience in arms control understands that, while a new approach may go beyond SALT II, it will have to include most of the ingredients of that agreement to be accepted by the other side.

In fact, both the United States and Soviet Union have agreed to take no action to prejudice the ratification and thus are abiding by its key provisions, except that the Soviets are not obligated to destroy the 250 launchers that they otherwise would have been if the treaty were formally ratified. In other words, the United States is plainly less well off in the current impasse than it would be if ratification went forward. SALT II is imperfect, but it is better than nothing and, more importantly, is an essential building block for more comprehensive agreements.

It is frequently argued by anti-SALT II and antifreeze partisans that those who propose negotiations with the Soviets before we redress a supposed strategic imbalance by producing new counterforce weapons are idealistic and impractical. The reverse is profoundly the case. It is naive to assume that the Russians will stand still as we develop more weapons. History shows that lacking treaty restraint the Soviet Union will commit at least as much as we do to further weapons development.

In the absence of the SALT II limits on fractionation and MIRV's launchers, for example, the Soviets can be expected to dedicate sufficient resources to quantitatively increase the number of warheads on their land-based missiles, thus nullifying the effect of even the most ambitious of the administration's weapons program.

In addition to the restraints established, the SALT II accord contains a framework of agreed basic definitions and terms. If we reject this basic framework, the negotiation of an entire agreement with lower ceilings or different counting systems will be incomparably more difficult.

As a supporter of the freeze approach of the House Foreign Affairs Committee, I would stress that there is no contradiction between pursuit of an immediate freeze and prompt ratification of SALT II. The two are complementary and mutually reinforcing. Ratification of SALT II would produce an immediate boost in mutual confidence and a small reduction in Soviet weapons systems, while negotiations aimed at a mutual and verifiable freeze could well lead to significant cutbacks in the nuclear arsenals of both sides. Both approaches are responsive to the clear wish of the American people and our allies for prompt and direct action toward reducing the risk of nuclear war.

The important point is that immediate action is needed if we are to build the kind of national security that can only come from a reduction of instruments of mass destruction by both superpowers. It is time to shelve the destabilizing rhetoric of the last Presidential campaign and get down to the serious business of serious arms control. As former Secretary of State Henry Kissinger has recently observed, it is difficult to understand why it is safe to adhere to a nonratified agreement while it is unsafe formally to ratify what one is already observing.

The best means of building the mutual confidence that must underlie strategic arms reductions is to ratify an existing agreement, the fruit of years of negotiations, that so serves our mutual interest that it has thus far been informally observed by both sides even in the absence of formal ratification. START negotiations have to start somewhere, and there would seem to be no more appropriate starting point for fruitful negotiations than ratification of SALT II.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I am happy, Mr. Chairman, to support this amendment. I think it is a unifying approach to a very important question, and I hope very much it will be adopted unanimously.

Mr. ZABLOCKI. I thank the gentlewoman for her contribution.

Mr. Chairman, I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, this amendment is addressed to one of the more obvious flaws of a totally flawed resolution. And now the sponsors of the resolution, those speaking in favor of the amendment, are trying to take this SALT II out because they know it is not supported by a majority of the House.

It is one of the things that demonstrates the failings of this resolution. Instead of allowing them to sweeten it up, I think the amendment should be rejected.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take this time to speak in favor of the Zablocki resolution and against the Broomfield resolution. One of the earlier speakers, my distinguished friend from New York (Mr. CARNEY), talked about the fact that we did not have any missiles pointed at Europe. I would hope not. They are our allies.

I would assume we had missiles pointed at that part of Europe that is within the borders of the Soviet Union.

What we are talking about here is the survival of the human race. We are not talking about anything else.

We are talking about stopping the arms race and helping the human race.

When the people on the other side of the aisle and this side of the aisle talk about expenditures of money, talk about cutting back on programs, we ought to take a look at this.

The money spent on a nuclear arms race would balance the budget in a minute. The money spent on the nuclear arms race if it was spent on helping people would solve our problems in a minute.

The fight for the minds of men and women throughout the world is going to be not one with nuclear weapons, but it is going to be one by showing that a political philosophy and an economic philosophy works to help people.

As long as this Nation points our major address at means of destroying the human race we will not be the country or the philosophy that will be followed by other governments and other peoples. And what is more important is other peoples.

So I would think that this is a key issue, and the issue is clearly a matter of world peace, a matter of human survival.

You can go down the road of the substitute with Ronald W. Reagan, who believes that nuclear war is something not to be feared, and you can keep it limited, or you can go down the road of those who are concerned about humanity, and concerned about the future of the men and women and children that are living now and will be living in the coming years. They would say it is time to stop nuclear madness. It is time to freeze the present levels and go toward a reduction; that is what it is all about.

We want to do away with weapons that can kill people from distances of thousands and thousands of miles. We want to do away with war as an instrument of foreign policy and accept peace as the way of mankind in the future.

Mr. CARNEY. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York. I will be happy to yield to my friend in case I misquoted the gentleman.

Mr. CARNEY. I thank the gentleman for yielding.

What I did say was that we have no missiles in Europe pointed at Russia. We have the intent to put some missiles there. But what we would like to accomplish is not to have to do that. We would like to accomplish, to have a zero missile base in Europe.

Mr. JOHN L. BURTON. I will take back my time.

Here is one of the great arguments of all times.

The Soviet Union is in Europe. We are telling them they cannot have missiles in their own country. That is ridiculous. After all the Russians do not have any missiles in North America.

□ 1700

Mr. DELLUMS. Mr. Chairman, I, too, take this opportunity to make my comments on the resolutions before us.

First, Mr. Chairman, it would seem to me that the bottom line of this entire discussion is that our planet is in danger. I have said that on a number of occasions. This planet is in danger.

The one single thing that unites us all here, Republicans, Democrats, blacks, whites, left, right, whatever, is the planet itself. The planet is in imminent danger from the potential of a nuclear holocaust.

We have decided that we are going to address this significant problem, what has been referred to as the moral issue of our time, with two pieces of paper, referred to as sense-of-Congress resolutions, where we diligently place upon those two pieces of paper artful words to protect the world from the dangers of a nuclear holocaust. Both pieces of paper propose to bring about a freeze. Both pieces of paper propose to save humanity. In that context, I choose one piece of paper over the other. I choose the Zablocki piece of paper over the Broomfield piece of paper, Mr. Chairman.

I emphasize the term, "piece of paper," because that is all that it is, unless we are prepared to go beyond the words, to go to action.

Mr. Chairman, it seems to me that we have to move beyond the rhetoric of a nuclear freeze and an end to the nuclear arms race to the concept of meaningful reductions and to the elimination of crisis-destabilizing weapons.

Mr. Chairman, I think that it is a fundamental contradiction to take the well of this House and speak to the American people about support for a freeze and support weapons systems like the MX missile, the Trident missile, the Pershing missile and the cruise missile, to go home and tell your constituents, "I want to end the nuclear arms race. I am for the freeze," when we all know that the MX missile is a crisis-destabilizing weapon. It is not a weapon of deterrence. It is a weapon that gives us the capacity to destroy life, to engage in a first strike.

The Trident II missile is a hard-target time-urgent killer, a first-strike weapon.

Mr. Chairman, to deploy a Pershing missile 4 to 6 minutes from the Soviet Union is crisis destabilizing.

Mr. Chairman, we are here talking about a verifiable treaty, when the cruise missile is technology that is beginning to go beyond the entire concept of verifiability, when we rest our case on the notion of verifiability. How do you verify when you develop and vote for, purchase and deploy, weapons systems that go beyond our ability to verify? You tear down the very fiber and structure of negotiations.

Mr. Chairman, it is a contradiction to walk into this well and say, "I am for the freeze," and vote for a quarter of a trillion dollar military budget.

It would have been interesting to have a different juxtaposition. It would have been interesting if we had had this resolution on the floor prior to the vote on the defense authorization bill.

Mr. Chairman, I would remind you and the American people that only 70-some-odd Members of this body voted against the absurdity of a military budget that included crisis-destabilizing weapons such as the MX missile, first strike; Trident missile, first strike; Pershing missile, crisis-destabi-

lizing; ground-launch, air-launch cruise missile; these missiles defy verifiability. Only 70-some-odd Members of this body had the courage to oppose the systems. I think that is a contradiction. How can you vote for a quarter of a trillion dollar military budget that brings us closer to the brink of nuclear disaster and then vote for a piece of paper and assume that you have saved the planet from destruction?

So all this is is a debate around pieces of paper unless we have the tenacity and the courage and the honesty to go far beyond the rhetoric, Mr. Chairman, and have the audacity and the boldness to challenge these weapons systems that are threatening our lives and challenging the future of the American people.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, it is my hope that the American people will go beyond this vote today and they will continue to intensify their struggle to end this madness.

Do not be lulled into some sense of complacency because this body voted for one resolution or other that may be referred to tomorrow as a freeze, because we in this body all know the weakness of artful words and sense of Congress resolutions, unless our colleagues are prepared to really fight against these weapons systems.

I do not think there are enough people in this body to challenge that madness, so we have to reach beyond this body to the American people and say, "Intensify your activity. The MX missile is dangerous to you. The Pershing missile is dangerous to you. The cruise missile is dangerous, and all these destabilizing weapons are dangerous and a sense-of-Congress resolution with 200-some-odd votes is not going to end that madness. It will only happen when you the people are prepared to challenge your representative to go beyond the paper and the words.

"What we are asking you to do is continue to intensify your effort to bring a terminal end to the arms race before we terminate the human race."

Mr. Chairman, in summary, our planet is in danger. It is the one single thing that unifies us. We all are riding on this ship together and only fools destroy the one single vehicle upon which all of us are traveling through space. I would not like to be defined as a fool.

Mr. Chairman, these are only pieces of paper, unless we are prepared to act, but if I have to make a decision today, I choose the Zablocki piece of paper, because it at least moves us in the proper direction and I hope the American people in the next several weeks will intensify their efforts to make this piece of paper on organic document that really does preserve the integrity of human life on the face of this Earth.

Mrs. MARTIN of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the entire 5 minutes, but there have been many questions asked me today about an amendment that I was going to introduce, which would have removed all mention of the SALT II treaty from the bill.

This amendment, which I thought a very reasonable one, whatever one's position on SALT, has already been taken care of through the amendment of the distinguished chairman. I do not think, however, that some people may have heard that discussion.

As of now, the Zablocki bill contains no mention of ratification of the SALT Treaty, no requirement that it be ratified. It is, indeed, what I think its original sponsors wished it to be, a discussion of the nuclear freeze resolution. Whatever the body's final judgment on either the Broomfield or the Zablocki bill, both are now freed of that additional—I will not call it a burden—but that additional factor that deserves its own bill, its own forum for discussion, so the bills can be looked at equally and the decision can be made in a more fair and a more reasonable manner.

Mr. HYDE. Mr. Chairman, will the gentlewoman yield?

Mrs. MARTIN of Illinois. Indeed, I will.

Mr. HYDE. Mr. Chairman, I thank the gentlewoman for yielding.

I just want to say, and God knows I do not want to prolong this debate at this hour, but I have spent 8 years listening to the equating of the United States of America with the forces of evil in this world and how we are the threat to peace.

I just would like to say as I look at the lineup, I see the Soviet Union occupying the Baltic States, Latvia, Lithuania, Estonia, Romania, Bulgaria, Czechoslovakia, Hungary, East Germany; I see them making a prison state out of Poland, bleeding Poland and the working class that they pretend to be the embodiment of, a brutal war in Afghanistan.

I see 300 SS-20's with triple warheads and reloadable, that totals 1,800 long-range nuclear weapons aimed at the heart of Europe, and I see our country virtually disarmed.

I recall the commanding general of the National Guard said that we could not defend against Snow White and the Seven Dwarfs if they attacked; so equating us and the Soviet Union in all of this is dangerously inaccurate.

I just wanted to say that because now I feel better.

I thank the gentlewoman.

Mrs. MARTIN of Illinois. Mr. Chairman, I am glad the gentleman from Illinois feels better, none of us thinks Snow White and the Seven Dwarfs are the enemy, either. Certainly the presence of the Soviet Union and its actions should have proved to all the world that they, indeed, are an adversary; but our debate here is on the appropriate action for this Congress and for this Nation, a nation that rightfully is both by truth and perception a peacemaker.

□ 1710

Mr. GONZALEZ. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this is the first time since this administration has come into power that I have received calls from the White House, both the White House and the State Department, asking if I would be amenable to supporting this, I imagine, Broomfield version of this, and it intrigued me because I felt, well, if the usual political barometer is faithful, this means maybe there is a big and close issue here as to differences between versions of conflicting or opposing resolutions.

So to my surprise—and I did not intend to speak out, but to my surprise—I was going to wait to hear the debate to fully make up my mind—I heard the distinguished chairman of the full committee offer his amendment which, in effect, in my opinion, makes it a Republican tweedledee and a Democratic tweedledum, and the only reason I was hesitating about any kind of a pledge along the Presidential urgings, because also, for the first time I received a letter from the President with respect to this issue, is I do not think the President is bereft of any moral right to sincerely press this issue.

During the 1980 Presidential campaign, he made a prime issue of the SALT II, he belabored and pilloried and whiplashed Carter on the basis of not only SALT II, but the Panama Canal Treaty as well. To this day that assault continues. And to come in now, after statements such as making Soviet Russia the absolute inexorable enemy by saying that the Soviet leaders, just months ago, were unscrupulous, untrustworthy, total liars, would stop at nothing—nothing—to perpetrate their evil designs.

Well, with that kind of an attitude, how can we say that in world opinion we are not to be feared as we are. How can the President expect the world to consider him sincere in his protestations that he wants to negotiate for peace and arms reduction?

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. Not at this point. I have a very limited time. If I have time, I will.

Mr. Chairman, who are we to expect worldwide support? Let me assure the Members of this House we do not have it. We do not have it in our own backyard, frontyard, the Western Hemisphere. We do not have it in Europe and in Asia and in Africa. We have refused to deliberate with the world's countries. We are the only ones holding out on the first-strike affirmation. Why?

We are the major country that has refused on the Genocide Pact. Why?

What is our intention? How can any reasonably minded non-American interpret that? It is pathetic, in my opinion.

When I heard my distinguished colleague from Illinois with respect to Russia, I was amazed that he would not press for a declaration of war, instead of a peace resolution. I could not help but realize the tragedy and it reminded me of a movie that I had heard a lot from the kids about, and finally one night I saw it on TV, The Planet of the Apes. It showed these protagonists, two warring nations, one ape-like and the other more human-like but worshipping this thing that was obviously an atomic bomb. They had made a cathedral out of it and were worshipping it. The contest came over that.

It seems to me that is exactly what we have fallen into. We have in this generation since Hiroshima worshipped the atomic bomb. We have put our whole security and moral being and all on the defense or the use of the atomic weaponry. We are constructing the modern Nuclear Maginot Line. Remember the Maginot Line that we all, in my generation, heard about right before and during the beginning of World War II.

I feel that we have strayed so far from the real issue. The real issue here is a moral one. When the chairman amends this to take out any significant difference, because that is the issue, if we are unwilling to honor a pledge and a treaty entered into in good faith by the President (Carter), and never had a chance to interpret it, at least by the Senate, and in the meanwhile the man who now occupies the house and is asking for our vote on a resolution that the gentleman from California (Mr. DELLUMS) very accurately described as nothing but a contest between versions of pieces or scraps of paper, I cannot honestly support it.

So I cannot go along and I cannot support the Zablocki version, as amended. Much less does this mean I can support the Republican tweedleedee version.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I understand the amendment has been accepted. I apologize to the House for prolonging a noncontroversy, but there are a number of points that have to be made for the record.

First, I was hoping we would get away from calling this the Zablocki resolution, because I have so much respect for my chairman that down deep in my heart I know if he really could tell us, he would like to divorce himself from it at this point.

But the point is that at the time the committee processed this resolution there was a wave of national publicity, some of it spontaneous, most of it organized. The committee reflected that at the time, and the Congress reflected it at the time, and too many Members crawled out on the limb of an ill-timed resolution.

On sober reflection, the atmoshpere in the country is now quite a bit different. I think it is so different that frankly even the Broomfield substitute is unnecessary. But as the gentleman from Texas pointed out, it is the alternative.

My observation is that 95 percent of the debate here today has been excellent. There have been a few exceptions, but that is understandable on an issue of this magnitude.

But one point I hope we all ought to agree on is that no President of the United States ever wants to start a nuclear war or have the country involved in a nuclear war. In fact, no major responsible world leader who has national nuclear capability should ever want to use it. I do not believe any of them do.

The issue here, then, is how you negotiate down to the point where nuclear war is less and less apt to occur whether by accident or by design.

Second, no President of the United States ever wants to get into any war. War is always a last resort.

And no military leader wants to start a war because, more than anybody else, the military understands the horrors of war. They are usually forced into war by mistakes of diplomacy.

It seems to me, therefore, we ought to look at one unfortunate trend that runs through much of the language here and that, for example, is in this amendment. It presumes that the Soviet Union is adhering to the SALT II agreement. I do not think they are. Anybody who ever thought they would is ignorant of world history, at least world history since the Soviets shot their way into power in Russia.

The issue here is whether the United States, which is really the country that has kept the peace for 38 years, should be equated in this debate or in the eyes of the people watching all over the world, with the Soviet Union. I do not think that is so.

The Soviet Union is a military superpower—there is no question about that. It has marshaled the greatest war machine the world has ever known but it has assembled this huge offensive force at cruel cost to all the peoples in its vast empire—Russians, and the non-Russian peoples, Balts, Armenians, Unkranians, Tartars, comprising the rest of the subject peoples of its far-flung domain. But the Soviet Union is only a military superpower—it is an economic weakling. "The Soviet state may have the head and shoulders of a superpower," as the Economist on August 30, 1980 said, "but its feet are made of numbly incompetent clay."

Internal control throughout the Soviet Union is maintained by tyranny and terrorism and Communist domination is extended into its neighboring states. This network of captive nations embrace those within the U.S.S.R. itself, Estonia, Latvia, Lithuania, Byelorussia, the Ukraine, Georgia, Armenia, Azerbaidzahn, and of belatedly recognized significance, the subject Moslem peoples, the Kazakh, Turkmen, Uzbek, Kirgiz, Tadzhik, and so on. Indeed, in a certain context, the Russians are themselves captives of communism. Outside the immediate frontiers of the Soviet Union, Poland, Czechoslovakia, East Germany, Hungary, Bulgaria, Romania, North Korea, Vietnam, Laos and Cambodia (Kampuchea) comprise both a national and an ethnic imperium. Soviet troops are now methodically killing Afghans to draw their country into this bitter league.

On another plane is Soviet repression of religious groups. The Catholic and orthodox churches of the Ukraine have been wiped out as have the Catholic Church in Lithuania and the Protestant churches in Latvia and Estonia. Jews throughout the Soviet Union are persecuted. Pentecostals and Jehovah's Witnesses, two tiny sects, are repressed. The Moslems, as noted above, a huge minority, are discriminated against and persecuted.

This massive empire, held together by repression and fear, is a powerful and dangerous adversary. It is itself, however, in danger of explosion. The pressures are immense. Nothing must be done to afford the Soviet Union advantage in its expansion or aid its adventures abroad. It must be held in check, no matter what.

The Soviet Union clearly is pursuing its own unique quest. To equate its course of action with our own would be a travesty. Our goal in renewing America's strength is to keep the peace while the Soviet mission is aggression and aggrandizement. Reflect upon the misery inflicted upon Afghanistan. Think only of the actions in Laos and Cambodia of the Soviet surrogate, Vietnam.

The Soviets have offered no peaceful solutions in the Middle East. They

have armed and trained guerrillas and terrorists, instead. They have exacerbated tensions and promoted chaos. They have prepositioned huge stocks of weapons in areas controlled by their allies—Syria, Libya, and in PLO controlled areas of Lebanon—for purposes that can be easily guessed. They have supported both sides in the bloody Quixotic Iraq/Iran war.

Far afield, they have propelled their puppets, armed and armored, into Ethiopa and Angola. They promote the Moscow brand of "national liberation" in Nicaragua and pursue its goals in El Salvador's guerrilla warfare.

To accept the thesis that the United States is an equal threat to world security and peace is to deny history. What is needed is a reduction in nuclear armaments as proposed by the administration. To freeze Soviet superiority would be to invite World War III.

In my opinion, there is only one responsible superpower; that is the United States. There is one dangerous, irresponsible, treacherous, superpower, and that is the Soviet Union.

And for anyone to think that somehow we are the ones that the world should be afraid of, that we are the ones that create the problem, is absolute nonsense.

The problem is created solely by the worldwide designs of the Soviet Union.

Now, the next time I get time, I will address the need for this amendment as such but here I certainly would hope that we all recognize that the United States should be rightfully proud of what we have done since the end of World War II for freedom in this world.

□ 1720

We fought World War II to defeat a terrible dictatorship. We have kept the peace since then in the face of another terrible dictatorship. We have nothing to be ashamed of as a nation for our postwar history, whether it be under President Truman, President Eisenhower, President Kennedy, President Johnson, President Nixon, President Ford, or President Carter. They have all tried their best. They have worked to keep the peace of the world, that is our national goal and that has national public support.

I would hope that we would at least, regardless of our honest differences of opinion, recognize in a positive and proud fashion the great role in history of the United States in the postwar era.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I am very pleased to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I wonder if we could not have a limitation on this amendment, which is not controversial.

After the gentleman's 5 minutes, I ask unanimous consent that all debate on this amendment end at 5:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin that debate on this amendment end at 5:30?

There was no objection.

Mr. DICKINSON. Mr. Chairman, I would like to compliment the chairman of the Foreign Affairs Committee, the author of this amendment, for offering an amendment to the committee resolution which would make it somewhat more palatable. If there was a resolution that needed improvement, his original one did, and this does some good toward that end, and I compliment him.

I think, though, Mr. Chairman, in looking at the entire problem, that perhaps we get lost in the fantasy and in the rhetoric here, and people begin to think, "Well, everybody is either for or against a nuclear freeze."

Nothing could be further from the truth, Mr. Chairman. Whether you vote for or against the Zablocki resolution, or for or against the Broomfield resolution, I think everyone here is for a nuclear freeze. They are for an end to the arms race. The only question is, on what terms.

The question is, Do we want to lock ourselves into a position of inferiority vis-a-vis the Soviets which would say, "All right, everybody freeze the status quo, nobody can move," because they are already in place and we are not? Or, do we want to work out some reasonable agreement in achieving some degree of parity and then freeze?

Let me give the Members an exampale: The Soviets—and this is from our intelligence agencies, and I do not think it is disputed—since 1977 have averaged placing an SS-20 in place in Europe, in the Warsaw Pact countries, aimed at Western Europe, one a week for over 300 weeks. Each one has three independently targeted warheads. That is 900 targets that they have put in place, and we have done nothing during that time.

Then, Chairman Brezhnev on March 16 made the public statement that, "We will freeze our SS-20 deployment at 300."

You know, today there are 320. He has improved that by 20 more. You cannot trust him. You cannot believe him, and to put an agreement in place to say that we will not have on-site inspections and absolute verifiable inspections would be ludicrous.

Let me give the Members another example. In October 1979, Leonid Brezhnev said that the Soviet Union would unilaterally and unconditionally withdraw over the next year up to 20,000 servicemen and 1,000 tanks. Everybody applauded and he got good press. Everybody in Europe said, "Yes, these fellows, they are doing good things."

Do you know how far those tanks went? They went to west Poland where they were exchanged for newer, more modern tanks which only took three men to operate. The same troops that were withdrawn came back, and they have had an increase of almost 50 percent. Everybody remembers how they left, and everybody applauded. They have increased what they had. The tanks they withdrew and got so much applause for were just traded in on new models and they came right back to where they were before, and they are there today.

So, these are the people we are dealing with. I talked personally to General Rowny who is in the negotiations in Geneva. He says that if we put this resolution in place we will be tying their hands so that he might as well come home. What has he got to trade with? If they are in place and we say we will do nothing more, we will be doing a farcical and nonsensical thing here to say that we will not adequately verify a treaty, that we are going to trust the Russians because they always kept their word in the past. We will go to the negotiations in a position of inferiority. It is ludicrous, and so what we are doing here is, we are trading in our birthright for a mess of pottage.

Mr. Chairman, I would like to step back from the issue of a nuclear weapon freeze for a moment just to put it in perspective. I would like to do this by telling you a brief story from recent history that has several instructive morals.

In October 1979, Leonid Brezhnev announced that the Soviet Union unilaterally and unconditionally would withdraw over the next year up to 20,000 servicemen and 1,000 tanks from East Germany.

The Soviets staged a dramatic farewell for these troops, and especially for the tanks. Although the American press scarcely noticed the ceremonies, they played well in Europe. This gesture was intended to demonstrate the good will and civicmindedness of Soviet leaders. Its timing, just before a NATO meeting, to decide on deployments of long-range theater nuclear forces to NATO, showed once again the contrast between peaceful Socialist countries and aggressive, imperialist NATO.

Of course, what this show demonstrated to those who looked beyond the magician's prestidigitation, was the extraordinary cynicism of Soviet leaders and the ordinary gullibility of the West—public and leaders alike. This brazen performance played to polite applause, not the catcalls and cries of fraud that it deserved.

Within a year, those withdrawn units were back. They had gone no

further than western Poland, where they turned in their old tanks for newer models and participated in exercises to familiarize them with the new equipment and tactics. They returned not only with newer tanks, but with almost half again as many. Furthermore, there now are about 10,000 more troops in East Germany than when Brezhnev announced the withdrawal.

Applauding the Soviet Union for withdrawing these forces could be compared to applauding a man who has been shaking his fist in your face for drawing it back in order to hit you.

But, to appreciate fully the irony of the Soviet Union's taking credit as a peacemaker for a routine upgrading of forces, one must go beyond the simple numbers and appreciate the process in which this "withdrawal" played a part.

For years the Soviet Union has not only steadily added to and improved its forces in Eastern Europe. It has developed and refined a version of blitzkrieg that would have awed Nazi generals. The Soviet leadership is sensitive on this point. They do not like the Nazi term blitzkrieg. They insist on their own term, "combined arms operations," because, like so many other things, blitzkrieg really was invented by the Soviets.

Yearly, the Soviets exercise their forces, always building toward the ability to deliver a decisive, crushing blow so quickly that NATO governments will have no time to defend themselves. These exercises are necessary to incorporate constant refinements in equipment, tactics, and organization. Unlike the civilian economy, the Soviet military is very productive.

When this "withdrawal" took place, Warsaw Pact forces had just reorganized armored divisions in order to increase their firepower. By introducing tanks that required only three-man crews instead of the previous four-man crews, and by other changes, they were able to add well over 100 tanks to a division without straining their ability to train new crews. Also as a part of this reorganization, they gave more initiative to lower levels of officers, an important development for today's fast-moving and possibly nuclear battlefield.

The impressive capabilities of these new forces were demonstrated not quite a year ago, during the Zapad 81 exercise. This exercise was held during the mounting Polish crisis and was widely misinterpreted as intended to pressure Polish workers into behaving like proper socialists.

In fact, Sapad 81 was an extremely important exercise, the largest held in almost 10 years. It exercised a powerful and fast-moving force that struck deep into the territory of the "aggressor"—NATO, of course. In fact, judging from marching time, types of terrain, and other features of the exercise, the exercise ended with Soviet troops about one-half day outside Paris—the first time that the Soviets had exercised a crossing of the Rhine River. This, by the way, is one of the major features NATO forces have in common with Warsaw Pact forces—they both plan to operate in Western Europe.

Now, what does this story have to do with the freeze?

Well, for one thing—you have heard a lot recently about the massive Soviet military buildup. This gives you a little better idea where some of that investment is going.

For another, it tells you something about Soviet arms control proposals. The lack of candor is something to reflect on when you may be tempted to dismiss demands for strict standards of verification.

It also tells you that Soviet leaders are deadly serious in their pursuit of military superiority. They are not just looking for symbolic advantages. They want a military that can get the job done in a hurry. Do not kid yourself that they will agree to arms control proposals that will turn all those weapons into toys. They will agree to genuine arms reductions only when they become convinced that their military buildup will not pay off.

Frankly, so far it has. The arrogance toward NATO and the interventions around the world are a direct consequence of increased Soviet strength.

I hope that this administration and this Congress will convince Soviet leaders that their ride is over. Rejecting a nuclear weapon freeze, a proposal that favors the Soviet military buildup, would be a step in the right direction.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(At the request of Mr. EMERY and by unanimous consent, Mr. DICKINSON was allowed to proceed for 2 additional minutes.)

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I think the gentleman from Alabama has made a very important statement. I have become very concerned during the last several months at the growing evidence that the Soviets have not in fact complied with the limitations placed on them by the mutual agreement to adhere to the SALT II provisions, even though that treaty remains unratified.

One of the central concerns that the gentleman and I share, if I understand his position, is that within any framework of a nuclear freeze, or really any other treaty for that matter, has been the most stringent verification techniques so that we will be in a situation where we will comply and the other side will not comply. I would point out that there have been a variety of cases where we believe the Soviets have been cheating.

Mr. DICKINSON. That is the history of it.

Mr. EMERY. That is clearly the history, so I would hope that we would not naively assume that a freeze without tying the Soviets into a framework that is verifiable and will substantially reduce the possibility of violations——

Mr. DICKINSON. If I might say and make my position clear, I think this is the choice we have here. It is Zablocki versus Broomfield, and I think the Broomfield amendment to the Zablocki would do that.

Mr. EMERY. I agree with the gentleman. The final comment I wanted to make is, as the gentleman knows, I have asked the House Armed Services Committee to review these allegations of SALT II violations. I think it is very important that the American people have some idea of the duplicity with which these violations have taken place. After all, any agreement has trust, and the only way it can work is if we know beyond any shadow of a doubt that both sides are complying with the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT IN THE NATURE OF SUBSTITUTE OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BROOMFIELD: Strike out the preamble and insert in lieu thereof the following:

Whereas the most serious challenges facing the American people, who are a people of peace, are the preservation of freedom and the prevention of war, with particular reference to nuclear war, by accident, miscalculation, or design;

Whereas the American people share the yearning of the world's people for reductions in nuclear armaments;

Whereas the Soviet Union, by its actions in Poland and Afghanistan, and through its refusal to abide by international chemical weapons agreements, has created threats to world peace;

Whereas sizable and verifiable mutual reductions of Soviet and United States nuclear forces to an equal and far lower level would enhance stability and the maintenance of peace;

Whereas the Congress has expressed its mandate in Public Law 92-448 that the United States should not enter into a nuclear arms accord that provides for force inferior to those of the Soviet Union;

Whereas the stated policy of the United States Government is to negotiate verifiable reductions to equal levels in the nuclear arsenals of both the United States and the Soviet Union;

Whereas the United States and the Soviet Union began formal negotiations in November 1981 in Geneva on the limitation and reduction of intermediate range nuclear forces;

Whereas in May 1982, the Foreign Minister of the North Atlantic Treaty Organization nations welcomed the President's proposal to cut stockpiles of long-range nuclear missiles as "a far-reaching but realistic offer" that could lead to "fair and effective agreements";

Whereas the United States and the Soviet Union began formal negotiations on June 29, 1982, in Geneva on the limitation and reduction of strategic nuclear armaments: Now, therefore, be it

Strike out all after the resolving clause and insert in lieu thereof the following: That (1) the Congress supports the initiation of the strategic arms reduction talks and urges the Soviet Union to join with the United States in concluding an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels.

(2) The Congress reaffirms support for Public Law 92-448 which states that the United States not enter into an arms accord which provides for force levels inferior to those of the Soviet Union.

(3) To encourage arms restraint and stability, the United States should propose to the Soviet Union and other nations practical measures to—

(A) reduce the danger of nuclear war through accident or miscalculation;

(B) prevent the use of nuclear weapons by third parties, including terrorists; and

(C) halt the worldwide proliferation of nuclear weapons.

(4) The Congress insists that any arms control agreement must be fully verifiable as our national security cannot be based on trust alone.

□ 1730

Mr. BROOMFIELD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan (Mr. BROOMFIELD) is recognized for 5 minutes in support of his amendment in the nature of a substitute.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Chairman, sometimes those of us in elected office have a tendency to debate every intricate detail of an issue until the major focus is blurred by minute facts. The nuclear freeze issue is one such case.

The facts are that both the United States and the Soviet Union have a nuclear arsenal tens of times over the necessary amount to destroy each other and the Earth many times over. What is there left to debate? One time is enough, that is all there is to it.

We continue to debate over how many nuclear warheads we have as opposed to how many they have, or whether or not we can trust the Soviets to observe a freeze. Are these questions truly relevant? The point is, we each have the capacity now to destroy each other and the world at least one time. That is parity, because once is all that counts.

Neither side can defend against nuclear war, and responsible scientists such as the Physicians for Social Responsibility, the American Nurses Association, and other medical associations are convinced that nuclear war is unsurvivable. In short, once you are dead and once the Earth is destroyed, what is there left to debate?

In the meantime, while we continue to prepare at great cost for total destruction, gradual destruction and decay invades our cities, countrysides, rivers, lakes, bridges, roads, highways, schools, parks, and hospitals. The American dream is turning into the American nightmare for millions of unemployed, and the quality of life erodes to desparate proportions for our elderly, youth, disabled, and working men and women who are trying to make ends meet.

I support House Joint Resolution 521, and will continue to support similar resolutions to bring about a nuclear arms freeze.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, we have had over 5 hours of debate. We have had 3 hours of general debate. We desire to finish the joint resolution today. The only real controversial debate or extended debate will be on the Broomfield substitute. The only other amendments the gentleman from Wisconsin is aware of are noncontroversial.

I wonder if we could establish a limitation of time, after the gentleman from Michigan (Mr. BROOMFIELD) has his 5 minutes, of 1 hour of debate on the substitute and all amendments to the resolution, House Joint Resolution 521, and amendments to the amendment.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I do not have the time. The gentleman from Michigan (Mr. BROOMFIELD) has the time.

The CHAIRMAN. Does the gentleman from Michigan (Mr. BROOMFIELD) yield?

Mr. BROOMFIELD. Mr. Chairman, may I ask, Is this coming out of my time?

The CHAIRMAN. Yes, it does come out of the gentleman's time.

Mr. BROOMFIELD. Then, Mr. Chairman, I will ask for additional time, and I will be glad to yield to the committee chairman.

Mr. ZABLOCKI. Mr. Chairman, I will ask the gentleman to yield to the gentleman from New York (Mr. BINGHAM).

Mr. BROOMFIELD. I yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, do I understand the chairman's request to include amendments such as the clarifying amendments that he knows I have to offer?

Mr. ZABLOCKI. The amendment and all amendments thereto.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. BROOMFIELD. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, would the gentleman amend that to indicate that one-half hour would be controlled by himself and the other half hour by the gentleman from Michigan (Mr. BROOMFIELD)?

Mr. ZABLOCKI. Mr. Chairman, I would be glad to add that to the unanimous-consent request.

The time might not be controlled, I might say to the gentleman from New York, because if the time were limited, every Member standing would have the time divided, the 1 hour.

Mr. BROOMFIELD. What the gentleman is suggesting, I believe, is that half the time be controlled by each side.

The CHAIRMAN. The Chair will advise the gentleman from Wisconsin (Mr. ZABLOCKI) that the Chair has discretion with respect to that, but the Chair might be inclined to divide the time equally, to be controlled by the chairman and the ranking minority Member.

The Chair would inquire as to the nature of the request so the Chair is clear. The Chair understands that the gentleman is proposing by unanimous consent that subsequent to the gentleman from Michigan speaking for 5 minutes, there would be a time limitation of 1 hour thereafter, to be divided equally, at the Chair's discretion, between the gentleman from Wisconsin and the gentleman from Michigan. Is that correct?

And the Chair would inquire, Is the request on the Broomfield amendment and all amendments thereto, or does it also cover the resolution?

Mr. ZABLOCKI. Mr. Chairman, in my unanimous-consent request I had intended to include the Broomfield substitute and all amendments that will be offered—and there are just four, I believe, that are noncontroversial—and amendments to amendments, limiting the discussion to 1 hour after the gentleman from Michigan (Mr. BROOMFIELD) has had his 5 minutes.

The CHAIRMAN. The Chair will inquire, Is the gentleman referring to amendments to the Broomfield substitute and also to the resolution?

Mr. ZABLOCKI. Yes; the resolution (H.J. Res. 521) and amendments thereto, including the substitute.

PARLIAMENTARY INQUIRY

Mr. STRATTON. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. STRATTON. Mr. Chairman, the Chair indicated that the Chair would have discretion to allocate the time, One-half hour to the gentleman from Wisconsin, and one-half hour to the gentleman from Michigan, and I would urge that the Chair do so. Otherwise we have got four amendments coming from one side and only one amendment coming from the other side, and that is manifestly unequal.

The CHAIRMAN. The Chair will exercise discretion. Is there objection to the request of the gentleman from Wisconsin?

Mr. MARKEY. Mr. Chairman, reserving the right to object, I think, in view of the nature of the matter we are discussing, that that would be far too truncated a discussion, and I would hope that a more extended debate would be possible than 1 hour divided equally. Just with the Members standing, that would be 1 minute apiece to discuss probably the most important amendment we can imagine.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I am glad to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I would suggest that the simplest thing—and this is something we have a consensus on over here—is to have 1 hour on the Broomfield amendment, a half hour there and a half hour here. That is a clean hour on Broomfield, and then we can thereafter in fact dispose of whatever amendments there are.

Mr. MARKEY. Mr. Chairman, I can accept that, as long as the Broomfield amendment gets 1 hour.

Mr. BINGHAM. Mr. Chairman, reserving the right to object, I would point out that if that procedure were followed, the rules of the House would not be followed, because those Members offering perfecting amendments to the main resolution are entitled to offer those amendments and to have them considered before the debate is carried on and concluded on the Broomfield substitute. So that would not be in accordance with the rules of the House, and I for one would be constrained to object.

Mr. GORE. Mr. Chairman, will the gentleman yield under his reservation of objection?

Mr. BINGHAM. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, as a suggestion to the committee chairman, he might consider modifying his unanimous-consent request to allow debate on the perfecting amendments to the main resolution first and then have an hour's debate, controlled with a half hour on each side, on the Broomfield substitute after the main resolution is perfected; and at the end of the debate on the substitute, at that point we would then move to a vote on final passage.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I believe I have the floor, Mr. Chairman, under my reservation of objection.

The CHAIRMAN. Would some Member please state for the Chair a unanimous-consent request and then other Members may reserve their right to object? The Chair is not clear at this point as to what the unanimous consent is, and suspects that other Members are not clear either.

Mr. ZABLOCKI. Mr. Chairman, may I retract my unanimous-consent request and restate it?

Mr. Chairman, I ask unanimous consent that all debate on the Broomfield amendment, and any amendments that may be offered to the substitute, end at 6:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HYDE. Reserving the right to object, Mr. Chairman, as I understand it, we must first dispose of the perfecting amendments to the Zablocki resolution before we get to the Broomfield substitute, and so what we need is a time limit, hopefully, on all perfecting amendments to the Zablocki resolution, at which point we would go to Broomfield.

So, does the committee chairman have a suggestion as to how much time we wish to consume on the perfecting amendments? I would suggest that that be the gentleman's unanimous-consent request.

Mr. ZABLOCKI. Mr. Chairman, I think we can resolve this matter if I may again retract my unanimous-consent request and offer a new one.

The CHAIRMAN. The gentleman may proceed.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on perfecting amendments be limited to 10 minutes, 5 minutes for and 5 minutes against.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. LEVITAS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. Mr. Chairman, I withdraw my request.

Mr. GORE. Mr. Chairman, I have a unanimous-consent request.

The CHAIRMAN. The gentleman will withhold. The gentleman from Michigan (Mr. BROOMFIELD) controls the time.

Mr. GORE. Mr. Chairman, will the gentleman yield for the purposes of making a unanimous-consent request?

Mr. BROOMFIELD. Yes; I am glad to yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I ask unanimous consent that debate on all of the perfecting amendments to the resolution end at 6:30 p.m., and that debate on the Broomfield substitute be limited to 1 hour, a half hour allocated to each side.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. LEVITAS. Mr. Chairman, reserving the right to object, as to the perfecting amendments to the main resolution to which the unanimous-consent request applies, would that still protect those Members who have printed in the RECORD the amendments which are to the main resolution?

The CHAIRMAN. That is correct. They would be protected.

Mr. LEVITAS. That would be in addition to the time provided?

The CHAIRMAN. If they had not offered the amendment before the time expired, yes.

Is there objection to the request of the gentleman from Tennessee?

□ 1740

Mr. WALKER. Mr. Chairman, reserving the right to object, if there are votes on any of the perfecting amendments, that would come out of the time between 5:30 and 6:30; is that correct?

The CHAIRMAN. That is correct.

Mr. WALKER. Therefore, further reserving the right to object, it is possible that some Members might not get to offer their perfecting amendments if, in fact, a vote were taken during that period of time?

The CHAIRMAN. They may have the right to offer them. It is a question of whether they would have time to debate them.

Mr. WALKER. I thank the Chair.

In other words, they would be able to offer them but there is a possibility that they would not be able to debate them?

The CHAIRMAN. Unless they are printed in the RECORD beforehand, in which case there would be 5 minutes on each side.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. MARKEY. Mr. Chairman, reserving the right to object, and I do not intend to object, only with the caveat that debate on the Broomfield substitute be 1 hour in duration, regardless of whether it begins at 6:30 or later because of a rollcall that might be pending at 6:30?

The CHAIRMAN. That is the nature of the request, as the Chair understands it.

Mr. MARKEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The Chair will state the unanimous-consent request as understood by the Chair.

The gentleman from Tennessee has asked unanimous consent that all debate on perfecting amendments to the resolution cease at 6:30 and that thereafter there will be 1 hour of debate on the Broomfield substitute and all amendments thereto, the time to be equally divided.

Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. BROOMFIELD) is recognized for 5 minutes in support of his amendment.

There was no objection.

PARLIAMENTARY INQUIRY

Mr. HYDE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Michigan yield for a parliamentary inquiry?

Mr. BROOMFIELD. I yield to the gentleman.

Mr. HYDE. Have we not agreed to not go to the Broomfield now, but go to the perfecting amendments?

The CHAIRMAN. The gentleman from Michigan is entitled to his time. He was recognized prior to the unanimous-consent request.

If the gentleman chooses to relinquish his time, that could be done.

Mr. HYDE. I suggest negotiating the freeze would be a lot simpler than what we have been doing here today.

Mr. BROOMFIELD. Mr. Chairman, I think probably to expedite the situation I should withdraw my amendment and have it brought up at 6:30.

The CHAIRMAN. Does the gentleman ask unanimous consent to withdraw his amendment?

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent that my amendment be brought up at 6:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan to withdraw his amendment?

There was no objection.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: Page 3, strike out lines 3 through 5 and insert in lieu thereof the following:

That, consistent with the maintenance of essential equivalence in overall nuclear capabilities, the Strategic Arms Reduction Talks (START) between the United States and the Soviet Union should have the following objectives:

Page 4, beginning in line 2, strike out all that follows "weapons" through the end of line 3 and insert in lieu thereof a period.

Page 4, after line 21, add the following:

SEC. 3. Consistent with pursuing the overriding objective of an immediate freeze, nothing in this resolution shall be construed to prevent the United States from taking advantage of concurrent and complementary arms control proposals.

Mr. BINGHAM. Mr. Chairman, first of all, may I advise the Members that these amendments appear at page 19465 of yesterday's RECORD.

My amendment would do four things.

First of all, it would bring up to date the first resolved clause as it appears in the committee resolution. At the time the committee acted on the resolution the START talks had not begun and so obviously it is necessary now to speak in terms of the START talks having begun and that is reflected in the amendment.

The other three changes are in the nature of clarifying amendments. They do not change the substance of the resolution in any way. They have come from a series of discussions with a number of Members who expressed some question as to the intention of the sponsors of the resolution.

Some of these questions we thought could be dealt with in the course of a colloquy but various Members expressed the feeling that they should be spelled out in the resolution. That is what we have done here.

As I say, in the judgment of the sponsors and the judgment also of those who have been responsible for organizing the freeze movement, and I speak here also on behalf of the original sponsors of the freeze resolution, the two gentlemen from Massachusetts (Mr. CONTE and Mr. MARKEY) these amendments do not change the substance of the resolution. They are simply clarifying.

The first change is to insert the words at the beginning of the resolved clause "* * * consistent with the maintenance of essential equivalence in overall nuclear capabilities."

That reflects the view of the sponsors of this resolution that such equivalence now exists and our view that such equivalence should be maintained in any negotiations that follow.

The second amendment eliminates words that gave some cause for confusion in the original resolution. The original resolution, subparagraph 3, said that the START talks should give "special attention to destablilizing weapons whose deployment would make such a freeze more difficult to achieve."

Questions were raised as to why do we distinguish between one type of destabilizing weapon and another. All destabilizing weapons deserve special attention and therefore those words are simply eliminated so as to make clear that we are concerned about all destabilizing weapons and they all deserve special attention.

Finally, a new section is added at the end of the resolution and I will read it because it is short.

Consistent with pursuing the overriding objective of an immediate freeze, nothing in this resolution shall be construed to prevent the United States from taking advantage of concurrent and complementary arms control proposals.

That, too, I think is self-explanatory. We regard the freeze as a necessary first step having the highest priority. But it is not the intent of the resolution to say that other opportunities for concurrent and complementary arms control proposals should have to be ignored.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I am happy to yield to my chairman.

Mr. ZABLOCKI. I thank the gentleman for yielding.

I want to commend the gentleman and compliment the gentleman from New York. I support his amendments.

I believe they add a valuable contribution and a clarification to the original resolution, House Joint Resolution 521.

Actually, they provided added flexibility for the United States and I believe that some of the concern that some Members have expressed on this resolution will be addressed by the gentleman's amendment.

Certainly there was a considerable amount of negotiation that I know the gentleman engaged in to obtain this agreement on language, and I want to again congratulate him and say that I support these amendments.

Mr. BINGHAM. I thank the gentleman.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I am glad to yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I would like to join with my colleague from Wisconsin in complimenting the gentleman from New York on the work he has done on this resolution and this clarifying language. I think it does clarify the resolution in ways that are very, very important to me and to others. I think that these are very good additions to the resolution and I think that it is very strengthening and very important that the gentleman's amendments be approved.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(At the request of Mr. CONTE and by unanimous consent Mr. BINGHAM was allowed to proceed for 1 additional minute.)

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Massachusetts.

Mr. CONTE. I would like to thank the gentleman for yielding, and state

that I support his perfecting amendments. The gentleman from New York has been the chief architect of our freeze resolution, working diligently from the start to wake this Congress up to go on record against the nuclear arms race. He is certainly to be commended for his knowledge and leadership on this issue, and I am grateful for his efforts on this resolution.

Mr. BINGHAM. I thank the gentleman for his kind remarks and would like to reciprocate.

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. I thank the gentleman.

I do have a question concerning the meaning of the first amendment on page 3, line 1. I did not quite understand your explanation or understanding of the meaning of that statement.

Does it mean without question that it is assumed that parity exists?

□ 1750

Mr. BINGHAM. I think it is a fair statement that those who support this resolution, those who support the freeze, proceed on the basis of the proposition that there is essential equivalence in overall nuclear capabilities.

That is fundamental to our position. In other words, we do not accept the proposition that we are behind in nuclear capability.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(On request of Mr. STRATTON, and by unanimous consent, Mr. BINGHAM was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me for a clarification of this amendment?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. STRATTON. I take it that the first paragraph of the gentleman's amendment clarifies another significant flaw in the Zablocki resolution, namely, that you are now coming out in favor of equivalence and parity rather than just freezing in place. I think, myself, that we ought not to be sweetening up the flawed Zablocki resolution, but apparently the House wants to do that.

My question, however, goes to section 3 of the gentleman's perfecting amendment. The gentleman talks about taking advantage of "concurrent and complementary arms control proposals."

I do not understand exactly what concurrent and complementary arms control proposals are. Is the gentleman suggesting that some third party is going to initiate the proposals which the U.S. delegation will be introducing at Geneva?

Mr. BINGHAM. No. The intention there is to say that if in the course of negotiations—and we recognize that a freeze is going to require negotiations, it is not something that can be done overnight; it is something that will have to be pursued—if in the course of these negotiations it appears that other proposals can also be dealt with, such as reductions, we do not want to stand in the way of that. We are not opposed to that.

Mr. STRATTON. The gentleman recognizes, does he not, that the course and the direction of the negotiations, as far as the U.S. side is concerned, is constitutionally under the control and direction of the President of the United States?

Mr. BINGHAM. Of course.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Tennessee, who has contributed so much to this.

Mr. GORE. Mr. Chairman, I want to compliment my colleague, the gentleman from New York, for his extraordinary labors. I strongly support this amendment. I think the second part of it is particularly important.

Mr. Chairman, millions of Americans have concluded that the only way either we or the Soviets can win the arms race is by ending it. Freeze resolutions around the country attest to the strength of this belief, and it has accordingly become a major theme in congressional debate about nuclear issues.

A great deal is at stake. Congress has before it spending bills that will define the scope and pace of U.S. strategic weapons programs for years to come. But without SALT II, and years away from some new agreement with Moscow, there is no agreed framework within which to make these decisions.

The President is urging Members of the Congress to follow his lead in arms control, or to at least not do anything that would undermine his negotiating position. Unfortunately, his proposals, both for nuclear weapons procurement and for START, have failed to prevent the further erosion of the bipartisan consensus vital to both.

Many Members of Congress and much of the public are convinced that the President's overall approach will not work. On the contrary, there is growing fear that should events move along lines preferred by the President, there will be much greater tension and danger relating to nuclear weapons than ever before. This skepticism has already manifested itself in a series of close votes on the MX missile, and it is also demonstrated by rapid House approval of an amendment to the Defense appropriations bill, the practical effect of which was to legislate SALT II constraints.

The President cannot afford to ignore what is happening. If this polarization continues, vital choices about nuclear weapons may be stalemated, and we will have another stillborn negotiating effort with the Soviets.

House Joint Resolution 521 has now become the focal point for public dissatisfaction with the arms control approach adopted by the President. This resolution is both more and less than what the President says it is. House Joint Resolution 521 will not undermine the U.S. negotiating position in START because the resolution as amended will provide ample flexibility. But this resolution also encompasses a great deal more than the President is willing to admit as evidenced by the massive outpouring of support for efforts to halt the madness of the nuclear arms race.

House Joint Resolution 521 gives basic emphasis for the idea of a freeze as a primary objective but it also recognizes that this objective must be pursued with flexibility as well as tenacity.

This point is underscored in a series of amendments introduced by Mr. BINGHAM which I helped to draft, along with Mr. ASPIN, Mr. DOWNEY, and Mr. FOLEY. These changes were important to many of us who were concerned about the rigidity of the freeze language, but were strongly supportive of the effort to bring a halt to the nuclear arms race. These technical amendments address three specific issues within the freeze language.

The first alters the resolved clause of House Joint Resolution 521 to include the concept that the objectives to be pursued in START should be consistent in maintaining relative equivalence in the nuclear capabilities of both sides. This was designed to counter the criticism that the freeze would lock the United States in a position of nuclear inferiority or that it requires unilateral action on the part of the United States.

The second amendment emphasizes that a key objective of START is to give special attention to destabilizing weapons. However, it drops the modifying clause which states "whose deployment would make such a freeze more difficult to achieve." The phrase unnecessarily focuses only on the destabilizing weapons of the United States because it is the United States which will deploy the next generation of nuclear weapons. Special attention must be focused on destabilizing weapons but we must look at the currently deployed Soviet weapons as well as the projected deployment of U.S. weapons. A proposal that ignores Soviet counterforce weapons and continued testing of these weapons is not in our national security interest and not in the interests of promoting world peace.

The third amendment would create a new section 3. This change makes

clear that House Joint Resolution 521 is not merely a statement of credo, but the basis for a robust approach to policy issues regarding nuclear weapons and arms control. Concurrent and complementary arms control proposals that are consistent with the pursuit of a freeze are welcome. If it is clearly possible to achieve meaningful reductions while pursuing a freeze, the United States ought not to be precluded from adopting such proposals if they are in our national interest. This amendment adds flexibility to START and is proof that House Joint Resolution 521 will, in no way, undercut the President's negotiating position.

The President's position on strategic arms control is, I believe, sincerely meant. But, unfortunately, it is an example of an approach that leads away from, rather than toward, the goals of House Joint Resolution 521. While the goal of achieving significant reductions is laudable, we have to recognize that reductions are not in and of themselves benign. Analysis of the President's specific proposals in START and of his program for new nuclear weapons shows that his approach will exacerbate uncertainty and tension by stimulating the most dangerous and destabilizing aspects of the arms competition.

Stability is not something inherent in the strategic forces of either country, taken in isolation. It depends instead on the relationship between the two forces and on how these forces tend to influence decisionmaking when they are played off against each other.

Within the architecture of the President's START proposal, the Soviet Union would retain its technical ability to launch a first strike on U.S. ICBM silos. Indeed, the ratio of their warheads to our silos would more than double. At the same time, the United States—through the deployment of the MX ICBM and the Trident II D-5 missile—would have acquired the means to target all of the Soviet Union's silos. This result would make nuclear war far more likely than it is today. The poisonous fear of a first strike would increase dramatically in both countries. Obviously, this situation is intolerable.

In place of House Joint Resolution 521, the President would have us adopt House Joint Resolution 538 introduced by Mr. BROOMFIELD, Mr. CARNEY, and Mr. STRATTON. This seeks to appropriate the idea of a freeze, but in reality endorses administration proposals and policies that lead in a contrary direction.

House Joint Resolution 521 affirms that the proper objective of American arms control must be to bring about a mutual and credible cessation of the nuclear buildup. It does not repudiate the arms control process, nor does it ignore its difficulties and complexities. The resolution reflects the view that the process has, to date, served mainly to accommodate, rather than terminate, the trend toward more numerous and more destabilizing forms of nuclear weaponry. House Joint Resolution 521 is a call for Members of Congress to recognize that we must change course and halt the arms race. It deserves widespread support.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New Jersey.

Mr. HUGHES. I wonder if the gentleman can perhaps enlighten me on one aspect of the gentleman's amendment.

As I understand it, on page 3, the gentleman would strike "should immediately begin" from the resolution.

Mr. BINGHAM. That is correct.

Mr. HUGHES. So that the language would recite "That, consistent with the maintenance of essential equivalence in overall nuclear capabilities, the Strategic Arms Reduction Talks (START) between the United States and the Soviet Union should have the following objectives:"—one, two, three, and so forth.

Mr. BINGHAM. That is correct.

Mr. HUGHES. Who is to make the decision as to when and how we may achieve a mutual verifiable freeze, then?

Mr. BINGHAM. Well, the whole thrust of this resolution, from the beginning, has been that it amounts to urging that negotiations commence, with priority on halting the arms race, priority on achieving a freeze.

As I said in my remarks in general debate, the phrase "deciding when and how" was included so as to suggest that we have flexibility there, whatever the parties can agree to.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has again expired.

(On request of Mr. HUGHES and by unanimous consent, Mr. BINGHAM was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. But, incidentally, there is no change in those words.

Mr. HUGHES. I think the gentleman's amendment is a very significant one. And, in essence, I really think it narrows the gap. If you read the language of the Broomfield substitute and the language of the gentleman's amendment, it is the President who is going to have to decide when and how to achieve a mutual verifiable freeze. And if I read the gentleman's amendment correctly, he eliminates the term "should immediately begin" and inserts in its place a general statement at the end, "Consistent with pursuing the overriding objective of an immediate freeze, nothing in this resolution shall be construed to prevent the United States from taking advantage of concurrent and complementary arms control proposals."

So it seems to me that the gentleman has made a major improvement, a substantive improvement, in the committee language.

Mr. BINGHAM. Well, I thank the gentleman. If I might just say, I am glad the gentleman feels that way, but I do not feel there is any substantive change in the resolution. What we have done here is to incorporate in the language of the resolution the intention that was there all along and which perhaps could have been taken care of through colloquies, but it is now proposed to be added by amendment.

Mr. HUGHES. If the gentleman will yield further, it is also the President who has to decide whether or not indeed there has been a maintenance of essential equivalency in overall nuclear capabilities between the United States and the Soviet Union before we trigger the other two paragraphs, which in essence gives the President the discretion first of all, of deciding when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads. That language, it seems to me, gives the President the flexibility I believe he needs during this process.

Mr. BINGHAM. No, on that I cannot agree with the gentleman, because the way this is phrased, "Consistent with the maintenance of essential equivalence" means that we are saying in this resolution that essential equivalence now exists and should be maintained.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from New York.

Mr. SCHEUER. I thank the gentleman for yielding.

Mr. Chairman, I wish to congratulate the gentleman in the well for the outstanding fine leadership he has displayed on this issue, for the burden that he has carried in getting this resolution to the floor, and for the particular contribution he is making in this resolution in clearing away much of the confusion that has befogged this issue, for making it clear that we do not wish to upset the balance, that we are going to insist mutual equivalence, that we believe parity should be maintained, but, above, all, we should get on with the job of reducing the level of armaments and ending the idiotic and catastrophic arms race.

Mr. Chairman, the question of a verifiable nuclear freeze is not some intellectual exercise, some academic frivolity; we are talking about the very existence of our planet and the future of human life.

There can be no question that the current nuclear arms race between the

United States and the Soviet Union is a competition of lunacy; the only real debatable point is how high each side could make the rubble bounce.

Put simply, we are faced with two choices, two alternatives, in voting on a nuclear freeze.

The first approach, embodied in House Joint Resolution 521 and in the Senate as the Kennedy-Hatfield nuclear freeze resolution, calls for a verifiable and mutual freeze in nuclear weapons production and deployment followed by immediate negotiations to achieve mutual and verifiable reductions in nuclear arsenals. This approach makes abundant sense and has clearly captured the support of one of the most broadly based grassroots movements in American history.

The second approach, embodied in the various amendments offered in this House today, seeks to subvert and sabotage the nuclear freeze movement's objectives by retaining the catchwords but reversing the order of events. Opponents of the freeze, including the Reagan administration, would have us believe that we should first negotiate a reduction to some point of equality and then institute a freeze.

This second approach effectively turns the nuclear freeze resolution on its head while undermining the thrust of the nuclear freeze movement.

Reversing the order of the strategic arms reduction talks clearly makes the possibility of a freeze dependent on the progress of the arms reduction talks themselves. In the meantime, both sides will continue in their unbridled escalation of their respective nuclear capability with no assurance with the freeze will ever be the subject of serious negotiations.

We have civilized constraints in our country on the percentage of our gross national product which we are willing to channel out of civilian society and into the military.

There are thoughtful, credible leaders throughout the land and in this House who insist that we have gone far enough in reducing social services to the poor, the elderly, and the needy, far enough in starving our cities for the capital needed to maintain their physical infrastructures and the level of human services we have developed over a half century of progress.

Mr. Chairman, these constraints and the public opinion which supports them are virtually absent in the Soviet Union. Their leaders are oblivious if not utterly contemptuous of such opinion.

While the military has unlimited claim on resources, Soviet civilian society is starved, the economy is in shambles, and there are widespread shortages of consumer goods of even modest quality.

So in this competition of lunacy, the Soviets are in a fair position to operate unmindful of any of these restraints. If we chose to compete with them in an arena of lunacy, we could, indeed, lose. We could lose our present preeminance in bomber and submarine nuclear delivery capabilities.

Mr. Chairman, the freeze itself should be the basis for the START negotiations in Geneva.

This is not some new, radical idea. The nuclear freeze concept is not some new movement in its infancy.

A nuclear freeze was first proposed in Geneva in 1964 by U.S. Representative Adrian Fisher—at a time when the U.S. strategic buildup of Minutemen missiles and Polaris submarines was nearing completion and the Soviet buildup was not yet even underway.

A nuclear freeze resolution introduced by former Senator Edward Brooke of Massachusetts was passed by the Senate in 1970 by a vote of 73 to 6.

What has dramatically changed since 1964?

What has changed is that the nuclear arms race has taken on a deadly life of its own in reaching new heights of potential destruction. What has changed is that we have seen several more nations joining the once exclusive nuclear club. What has changed in our country is an administration coming into office in this country which is dedicated to notions such as a "winnable nuclear war" and a "limited nuclear war which can be fought in Europe."

All of these developments are deadly threats to peace and the achievement of an orderly reduction in man's ability to destroy himself and his planet.

The argument regarding relative superiority by the Soviets, or by ourselves, is a specious one which ignores the fact that both the Soviets and the United States have already achieved sufficient firepower as to make any nuclear exchange a simple case of planetary suicide. That is the reality that drives the engine of the nuclear freeze movement. That is the reality that has caused the American people, the peoples of Europe and the peoples of Asia to cry out enough Stop this madness.

Mr. Chairman, we have the opportunity today to send a message to the Soviets, and to the world.

The message is this. We have enough nuclear capacity to destroy you and you have enough to destroy us. Continuation of this escalation can only escalate the chances that one or the other of us, by design, accident, or miscalculation, might precipitate a horrifying nuclear exchange.

Our message is simple. Our military experts already agree that they would never consider exchanging our nuclear deterent for the Soviet's nuclear capacity. Why? Because regardless of the arguments over numbers of missiles, deployment of weapons or even the size of warheads, the fact remains that our nuclear capacity is more than sufficient to do the job of protecting our Nation and its strategic interests around the world.

Must we wait another generation before we come to our senses and put a halt to this nuclear nightmare?

The answer is "no."

We can take the first step without jeopardizing our security. We can take the first step, all the while maintaining our insistence that any freeze and any subsequent reductions in nuclear weapons be mutual and verifiable. We can take the first step on the road back to sanity.

The vehicle is the nuclear freeze amendment. The engine is the nuclear freeze movement.

I urge my colleagues to reject any amendments and adopt House Joint Resolution 521, the Zablocki resolution for a nuclear freeze.

We will be the winners and our grandchildren will thank us for it.

Mr. BINGHAM. I thank the gentleman for his comments. I would add only that I assume the gentleman means following a freeze.

Mr. SCHEUER. Yes.

Mr. HYDE. Mr. Chairman, I move to strike the last word.

Mr. HYDE. Mr. Chairman, I do not know what to do with this amendment. I cannot really object to it. It makes an incoherent resolution more incoherent, and perhaps that is a virtue, because I will tell you, page 4, line 4, of the Zablocki resolution says "Proceeding from this mutual and verifiable freeze," but the Bingham amendment says that we are going to have concurrent negotiations.

So it would seem to me that proceeding from something means that it is there or you cannot proceed from it. But here we have what is now a melting freeze. The freeze is in place, but we are going to negotiate reductions while the freeze is in place.

Now, section 3 of this amendment says "nothing * * * shall be construed to prevent the United States from taking advantage of concurrent and complementary arms control proposals."

I suggest that there is something, and that is the total disinterest of the Soviet Union in negotiating reductions when they have locked in a military superiority.

Now, there is a dispute about that, I will grant you that. I will grant you that the peace research groups and some people who are no longer in office say there is essential equivalence. I think you ought to grant, however, that the CIA, the DIA, the Secretary of Defense, the Secretary of State, the Arms Control and Disarmament Agency, and so forth say, "No;

there is not an essential equivalence." But we take care of that in this amendment because we say "consistent with the maintenance of essential equivalence * * *."

So wishing does make it so, and, by saying so, we have established essential equivalence.

□ 1800

Well, we have got something here that, as I say, makes further incoherent a resolution, that requires us to lock in place and then for some mystical magic way we are going to get the Soviets interested in talking about reductions. At the same time we will have one table like at Panmunjom negotiating the freeze and the verification inherent therein, and it better be on-site because you cannot verify production, research, and deployment with national technical means.

So then we have another table, negotiating reductions if they are interested. But of course history says they do not get interested unless we are threatening them with an ABM, then they got interested, or we are going to put Pershing missiles and cruise missiles in Europe, then they get interested.

So we are suddenly going to enjoy behavior modification in the Soviets.

So I do not object to this amendment. I just read it and wonder.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

The gentleman touched on a very important question in his remarks. I wish he would elaborate on it some if he would.

One of the concerns that I have is that if there is simply a freeze negotiated or whatever, however defined and however interpreted in terms of substantial equivalency, that at that point the Soviet Union would lose any incentive to do what we really all ought to be talking about which is significant substantial reductions of nuclear weapons on a verifiable basis.

Does the gentleman believe that the amendment offered by the gentleman from New York will, as it is written—leaving aside the Broomfield amendment—contributes toward subsequent reductions, or does he believe it will simply lock us into a situation?

Mr. HYDE. I think it irrelevant to the main issue. The main issue is no Soviet incentive for reductions if you freeze. If you freeze, they walk away with a smile on their face because there is no incentive to reduce. They are locked in their position of intercontinental ballistic missile superiority. So whether you say now we can negotiate while we freeze or we freeze first and then negotiate, it is the freeze first or concurrent with the negotiation that is the disincentive to the Russians to seriously negotiate reductions.

Mr. LEVITAS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. PORTER

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: Page 3, line 11, immediately before the period insert ", not as an end in and of itself but as a logical first step toward achieving nuclear arms reductions".

Mr. PORTER. Mr. Chairman, the amendment I offer restates clearly and concisely what Members on both sides of the debate have been expressing repeatedly: That a verifiable freeze on the testing, production, and further deployment of nuclear weapons is not an end in and of itself, but a logical first step toward achieving nuclear arms reductions, which is our overriding goal.

If I felt that all that could be achieved was a freeze, I could not support the Zablocki resolution. A stepping back by both powers from further escalation of the nuclear arms race is certainly a step in the right direction. But I agree with the President that more—actual reductions—can be achieved.

Where I differ with the White House is in its insistence that somehow these reductions can be reached if only we will step up our production and deployment of new weapons systems. Nothing can be further from the truth.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

The gentleman's amendment complements the operative clause in paragraph 4, page 4. We have studied the gentleman's amendment. We think it adds to the bill. We are pleased to accept it.

Mr. PORTER. I thank the gentleman.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

Again, this does not help a bad situation. In my judgment it is redundant. "The freeze is not an end in and of itself but a logical first step." I would say if it deprives the Soviets of any rationale or reason to negotiate downward from a position of superiority, the logic will be on their side and the illogic on ours.

But if the gentleman thinks this is helpful, then so be it.

Mr. PORTER. I thank the gentleman.

If I could continue with what I wanted to say, maybe it would explain it.

Mr. Chairman, until recently, for every year since World War II, the United States has had clear nuclear superiority. But while we have been standing still, the Soviets have been deploying new SS-18's at the rate of 30 warheads per month for the last 2 years. Even so, they have not yet surpassed us. As former Chairman of the Joint Chiefs of Staff, Gen. David Jones has said, he would not trade our nuclear forces for the Soviets.

Today we have a window of rough parity—and it is on this point that I differ factually with the administration. We are not inferior to the Soviets in nuclear weaponry, though it is clear the momentum, the buildup, is presently on their side. This window is a chance to come to grips with the great danger from the threat of nuclear war that hangs over the head of all mankind. Since we are presently deploying few new missiles, while the Soviets are rushing forward, and we will not be deploying MX missiles for another 2½ to 3 years, a freeze, it seems to me, will help our position, not hurt it. Without one, 900 or more new Soviet nuclear warheads will be aimed at the United States from superhardened SS-18 cluster silos, while few new U.S. weapons will be aimed back.

A freeze need not be open ended. This resolution is a sense-of-Congress resolution, not binding on the administration, but an expression on behalf of the American people through their elected Representatives of their desire to live in peace and freedom. A freeze for several years linked to nuclear arms reductions agreements being achieved would, in my judgment, be within its spirit.

The important intent of this outpouring of expression is that more be accomplished to establish an end to the ever-escalating nuclear arms race than talk. We know nothing will be done by this administration to compromise our national security. We know that nothing will be agreed to that is not absolutely verifiable. But, Mr. Chairman, there will never be another time more ripe for agreement. If we delay until parity is broken and we are once again unquestionably superior, as the President has suggested, what incentive will then exist for the Soviets to agree?

Yesterday, the administration publicly criticized Israel for escalating the

fighting in Beirut because it would undermine our efforts to negotiate peace. By resisting a freeze and continuing deployment of nuclear arms, are we not escalating the nuclear arms race and undermining efforts to negotiate peace at Geneva?

Hope is what the American people look for, Mr. Chairman. Hope for the future. The details will, regardless of what we do today, be left to the President. This resolution states to the world our desire for peace and our willingness to pursue it rationally and always with an understanding that the privileges we enjoy as a free people must be protected and preserved.

I urge the adoption of the amendment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

I want to commend the gentleman from Illinois (Mr. PORTER) for what I think is an amendment that highlights the true crux of this whole debate.

The difference between the Zablocki resolution and the Broomfield substitute is not very great in terms of words. But if you really understand what the people of the country are trying to tell us, they are saying the time has come, first, to stop making more nuclear weapons and, second, to start getting rid of these things.

We have built them up beyond all reason, beyond all necessity, and there is an evil genius propelling the arms race that somehow makes it a self-propelling vicious cycle.

If we adopt the Zablocki amendment, we are probably not going to change the negotiations very much. But we will be giving some direction which so far the experts have lacked.

A group of us met, and I was one of them, with General Rowny some weeks ago. We had a long discussion, and he gave us all kinds of technical objections to the freeze. And I said:

> Look, you experts have been negotiating this for 10 or 15 years, and in the meantime the number of nuclear weapons has risen tenfold and more. It is time, the American people are saying to us, that we took control of this problem out of the hands of the experts and that somebody at the top gave them some direction.

Now, the President is technically the person at the top, but there is somebody over the President and that is the people of the United States. We are here trying to translate into a legislative policy directive that popular will to put a stop to the arms race, to first halt this insane buildup and then start taking it down.

The gentleman from Illinois (Mr. PORTER) has further clarified that issue, even though I think that the Zablocki resolution is quite clear if you study it.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, I appreciate the gentleman yielding. I compliment the gentleman for clarifying the effect of the two resolutions, the substitute and the Zablocki resolution.

We hear the other side of the aisle criticizing those of us who want to freeze weapons first and then cut the arsenals.

But to me the arms race is a lot like a footrace in which you are trying to reverse field.

Who in arguing for such a reversal would say that as you are charging forward at breakneck speed that somehow you can start running backward before you first come to a stop?

If we really want a reduction reversal of field in the arms race, we have got to come to a stop first. We have got to put a freeze on it. We have got to put a hold on this binge we are on which is leading mankind to disaster.

Mr. SEIBERLING. Well, I thank the gentleman. I would just like to add one other aspect of this. If you freeze at the end of the process, it may take years to negotiate reductions; of course, it will, and in the meantime are we going to let this race go on and pile more and more thousands of nuclear weapons on top of what we already have? That is what the military wants to do and if we do not somehow put a cap on the thing at the start, by the time we get the arms reduction we are going to be having to reduce from an even higher total, which will make the whole process much more difficult.

So there is a practical advantage to be derived from carrying out what I think is the clear expression of popular will in this country.

Again, I think the amendment of the gentleman from Illinois (Mr. PORTER) clarifies this whole thing. I am happy to support it.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to bring out one thing. My colleague just said that there are 10 times as many weapons today as there were 20 years ago. The fact of the matter is that there are fewer weapons today than there were in 1963 from the standpoint of the United States.

We have to understand something else, too, which is very, very important, and that is the fact that if you look at our inventories right now, we would see that 90 percent of our warheads are on delivery systems that are over 15 years old. Contrary to that, opposing that, you might say, the Soviet Union has two-thirds of all their warheads on delivery systems that are 5 years or less in age.

I think in the last 10 years it is quite obvious to everyone that the Soviet Union continued to build when we negotiated. In the words of Harold Brown, the Defense Secretary under President Carter, he put it this way, he said that when we build, the Soviets build. When we do not build, the Soviets build. That is precisely what they did for the last 10 years and they did that when we tried to slow up our building. We wanted to show good faith and they took advantage of that.

I think it is very, very important, too, that we have to understand, it was mentioned that there was no direction given to Mr. Rowny over in Geneva. That is not so at all.

Clearly, the President of the United States has given direction not only to his advisers and negotiators, but he gave that same direction to the people of the United States. His intent is to reduce at the START talks the levels of our stockpiles one-third to one-half. His intent is to reduce to zero the number of intermediate range missiles that are located in Europe; so there is direction, and it is a direction that calls for the reduction of stockpiles, a direction that calls for a reduction of the possibilities or probabilities of a nuclear holocaust, either by design or by miscalculation.

So I would have to take exception to the fact that one might think there is no direction.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I am glad to yield to my colleague, the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

I was sitting here listening to the gentleman speak, and correct me if I am wrong, but I thought I heard the gentleman say that the United States has less nuclear weapons today than we did in 1963?

Mr. CARNEY. That is correct.

Mr. HARKIN. Can the gentleman substantiate that? I mean, do we have actually less nuclear warheads today than we did in 1963?

Mr. CARNEY. That is correct.

Mr. HARKIN. We have less nuclear missiles than we had in 1963?

Mr. CARNEY. Warheads. I cannot substantiate the number of vehicles.

Mr. HARKIN. Does that include all the MIRV'd warheads, too?

Mr. CARNEY. Yes.

Mr. HARKIN. In terms of the number of explosions that we can cause, for example, in the Soviet Union, we have less today than we did in 1963?

Mr. CARNEY. That is correct. I cannot say that for vehicles. I do not know.

Mr. HARKIN. That is very startling news, that we could actually cause more nuclear explosions in the Soviet Union in 1963 than we can today; that is what the gentleman is saying?

Mr. CARNEY. I am saying we have less nuclear warheads today than we did in 1963.

Mr. HARKIN. I am talking about warheads that are MIRV'd.

Mr. CARNEY. I am speaking of MIRV'd warheads. I am not speaking of vehicles. I am speaking of warheads and, in fact, we have less. I am not talking about delivery systems.

Mr. HARKIN. Could the gentleman tell me the numbers? Could the gentleman just give the numbers? What are the numbers?

Mr. CARNEY. I do not have the numbers offhand. Much of that is classified, I think my colleague from Iowa realizes that.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I am glad to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

The gentleman mentioned, as I did in the well some time ago, remarks made by ex-Secretary of Defense Harold Brown.

I would like to point out, too, that during the period that he was in office, and President Carter was in office, we did unilaterally withhold some weapons systems. President Carter vetoed a nuclear carrier; he canceled the B-1 bomber; he delayed some other programs. The Soviet Union did not respond at all. They charged right ahead. There was no slowdown, no hesitation in their plan to improve and modernize their facilities, while we have slipped far behind; is that not correct?

Mr. CARNEY. Yes. I appreciate the comments of my colleague, the gentleman from California.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

I know the hour is late and Members are impatient, but this is an incredibly important debate and the American people are impatient about an ongoing nuclear arms race.

I rise to support the amendment of the gentleman from Illinois (Mr. PORTER) and I rise to support the amendment of the gentleman from Wisconsin (Mr. ZABLOCKI).

I want to point out that I come from North Dakota and when I go back on weekends, I drive on roads that pass by 300 intercontinental ballistic missiles buried underground.

In North Dakota, we have 300 ICBM's buried underground. We have two Strategic Air Command bases; so we know something about nuclear weapons. We also know something about the difficulty of living near nuclear weapons and the threat they pose to world peace. This may explain why North Dakotans have collected 16,000 signatures to put the nuclear freeze on our ballot this fall.

I was not privileged to be present a couple years ago when Hubert Humphrey gave his last address about 6 weeks before he died. He gave that address in the U.S. House of Representatives, which was unprecedented at the time. Hubert Humphrey said something very important and relevant, I think, to today's freeze debate. He said, "The question whether this world will exist in peace rests largely on the leadership capability of the American people."

He said, "To the extent we know it, this is the only place that life exists in the universe and the question of whether that life will continue to exist in peace rests largely on our leadership abilities."

He was absolutely right.

I just cannot understand the reason why people in this Chamber and people around the country are self-deprecating about the strength of America.

I understood when the gentleman from Illinois was talking about Snow White and the Seven Dwarfs, he was joking. Yet I have heard the reference a dozen times in the last year and a half that the U.S. Army could not lick the Salvation Army, and people did not smile when they said it.

They should know better than that.

Let me read from the Department of Defense annual report of 1982. It says: "The United States and the Soviet Union are roughly equal in strategic nuclear power."

Now, that is not a placard of a peace marcher. That comes from a document of the U.S. Defense Department, the very Defense Department with whom we entrust $253 billion in budget authority to spend money for weapons. They are saying that the United States and the Soviet Union are roughly equal in strategic nuclear power.

So I get a little upset when I hear people being self-deprecating about the strength of this country. This country is a fine country and a very strong country and we invest a great deal of money to keep this country strong.

Now, we do not vote for every proposal that everybody in this Chamber wants, but I think we vote for the right proposals, by and large. That is one reason why this is a strong country.

Let me just say the countries in this world that spend the largest percentage of their gross national product on defense happen to be the countries that also are experiencing the slowest rate of economic growth. This is not an accident.

□ 1820

It is time that we provide some leadership to stop the continual arms race between this country and the Soviet Union. I am not suggesting we ought to throw down our weapons; I am not suggesting we ought to threaten our security.

But I am saying that Hubert Humphrey was dead right when he said in this well that the leadership responsibility rests on our shoulders. The leadership responsibility that we owe to our children and grandchildren is to decide now that it is not in our interest, and it is not in the Soviet interest, for us to continue this tremendous and wasteful buildup of nuclear weapons.

It is in our interest, for both economic and security reasons, to work with them on a bilateral, verifiable freeze that stops this incredible and fruitless spending.

Let me end with a quote that I think is right on point, from Dwight D. Eisenhower, 1953, April 16. I hope that the Members will listen carefully to this. He said:

> Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of it scientists, the hopes of its children.

This is a quote from Dwight David Eisenhower when he became President in 1953. It is something I still believe in today.

Let me emphasize I do not think any of us suggests it is time to throw down our weapons and see what happens. What we do believe in is the pressing need for a verifiable, bilateral nuclear freeze.

It is time for us to provide some leadership if we care about the future of civilization.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DORGAN of North Dakota. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding, and I compliment him for his outstanding statement.

Mr. Chairman, I would like to correct the record. Mr. CARNEY said we have fewer nuclear weapons today than we did in 1963. If he means promptly deliverable weapons, he is incorrect. In 1963, the United States had about 400 single-warhead missiles and the Russians about 100. Since then, year after year, both sides have been building up the numbers, the accuracy, and the destructive power of their nuclear warheads. Today both sides have over 7,000 deliverable strategic nuclear warheads, most of them deliverable with less than 30 minutes' warning time. That does not count the thousands of "tactical" nuclear weapons and intermediate range nuclear missiles, on both sides. The Soviet Union and the United States each has the power to destroy all life on this planet.

The people are saying, "Stop this nonsense and start going in the other direction!"

The CHAIRMAN. The time of the gentleman from North Dakota (Mr. DORGAN) has expired.

Mrs. FENWICK. Mr. Chairman, may we have unanimous consent for 1 additional minute for the gentleman?

The CHAIRMAN. If the gentleman requests additional time.

Does the gentlewoman from New Jersey wish to be recognized?

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

I would like to commend my colleague who has recited those words of General Eisenhower. We need to hear such words more often than we do nowadays.

I remember, also, when General Eisenhower was given a great honor in England, his Guild Hall speech. He said:

> I think humility must be the portion of any man whose fame is earned on the blood of his fellow citizens.

Now, there is something splendid about that man, schooled in war, speaking so clearly about peace, reminding us what Western civilization is really all about.

I think it is touching that you should remember his words here today. They seem so appropriate, so needed. I thank the gentleman from North Dakota (Mr. DORGAN).

Mr. DAN DANIEL. Mr. Chairman, will the gentlewoman yield to me briefly?

Mrs. FENWICK. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. I thank the gentlewoman for yielding.

Mr. Chairman, President Eisenhower also said that unpreparedness is well nigh as immoral as war itself.

Mr. HYDE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentlewoman for yielding.

Mr. Chairman, I could not agree more with the gentlewoman from New Jersey and the gentleman from North Dakota. But in this context, I would just like to suggest that we have a marvelous habit of judging other people by ourselves, and we like to negotiate things away before we get to the table.

Negotiating with hard-line, dedicated Communists is typified——

Mrs. FENWICK. Mr. Chairman, I would like to reclaim my time.

I know it is cruel, is it not?

Mr. HYDE. It is cruel. I would not have thought it of the gentlewoman.

Mrs. FENWICK. I know, but I will tell the gentleman: What General Eisenhower and our colleague from North Dakota was saying is that this is where we are moving, this is what we hope for. Nobody suggests that we do not have to have a verifiable freeze. Mutually verifiable, that is, if we are going to do anything with the Soviet Union. Nobody is suggesting that we are naive and that we do not understand.

But our colleague was reminding us of where we hope to go and where the world must go, and what goals and ideals we have to hold in our hearts, while we do the heavy, expensive business of defending our country, as we must.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I guess I finally realized why there are so many people who are opposed to the Zablocki bill and the nuclear freeze bill.

Listening to the gentleman from New York, I do not see him here on the floor now, but to come out with a preposterous type of statement to say that we have less strategic warheads today than we did in 1963—and if anyone was here for the questioning, I asked him specifically: "Do you mean that we can actually create less nuclear explosions in the Soviet Union today than we could in 1963?" And he said yes.

Now, I am very curious: How many Members in this body are operating under that kind of misinformation? If that is the kind of misinformation floating around, then this debate ought to go on for a couple or three days or more so that we can get the facts out on the table.

I asked the gentleman who made that statement to please come up with some facts, some data to back up that statement.

Every source of information that this Member has seen from the Department of Defense, from the Arms Control and Disarmament Agency, from private sources, all indicate that exactly the opposite is true; that we have many more strategic nuclear warheads than we had in 1963.

But again, I wonder: How many people like the gentleman from New York are laboring under that misconception?

Mr. CARNEY. Mr. Chairman, I would like to submit the following statement by Senator WARNER before the Senate Foreign Relations Committee on May 12, 1982, and the following official Department of Defense news release. This material coroborates my earlier statement that the United States now has significantly fewer warheads in its nuclear weapons stockpile than it did in 1963.

STATEMENT BY SENATOR WARNER

A dramatic example of U.S. restraint in nuclear weaponry is found in our nuclear stockpile which is smaller today than in any year since 1961—the year before the Cuban missile crisis. The largest increase in our stockpile occurred during the early 1960's. It peaked during the mid-1960's. It has decreased by about one quarter since 1967, and the trends in the total yield of the stockpile have followed a similar, but much more sharply declining pattern.

[News Release]

JUNE 1, 1982.

THE UNITED STATES NUCLEAR WEAPON STOCKPILE

One aspect of the current debate about our national defense policies and recent arms control initiatives has focused on the size of the United States nuclear weapon stockpile, addressed in this fact sheet. It is often stated or assumed that the quantity of nuclear weapons possessed by the United States has steadily increased and that we now possess more nuclear weapons than ever. This is not so. By the term "stockpile," we mean the totality of our nuclear weapons, whether mounted on delivery systems such as ICBMs, deployed with forces overseas, or stored in the United States. The size and makeup of the stockpile has varied considerably over the thirty-seven years that nuclear weapons have been in existence. Since 1946, both nuclear weapons production and the aggregate totals have been authorized annually by the President (as required by the Atomic Energy Act of 1946, as amended).

During the first few years after World War II, the US stockpile was very small, due to the limited supply of nuclear material (plutonium and enriched uranium) and because the Soviets had not yet developed nuclear weapons. For example, in 1945, we had only two nuclear weapons in the stockpile; in 1946, nine; in 1947, thirteen; and in 1948 we had fifty. However, in response to the international situation and the Soviets' first nuclear test in 1949, the US began to build a larger stockpile. This increase was accelerated in the late 1950s and early 1960s. The US nuclear weapons stockpile quantity reached its highest level in the mid-1960s at a few tens of thousands (the precise number being classified). Since that time, despite a few fluctuations, the stockpile quantity has declined. Moreover, the total yield (detonation energy) of the stockpile has decreased significantly.

Because the bulk of the U.S. stockpile was built during the 1960s, those weapons are now becoming obsolete. At the present time, the production rates are increasing in order to replace those obsolete weapons with newer versions whose characteristics are better suited to today's needs. As they are replaced, we disassemble and destroy the older weapons. In general, there are two types of changes being introduced into the stockpile. The nuclear weapons themselves are being improved, often to take advantage of new developments in safety and security, and the systems of which the weapons are a part are being modernized to meet today's deterrence needs. During this several year period of increased weapon production, as new weapons are built and old ones destroyed, with current planning the net change in the size of the stockpile will nevertheless be small. Of course, if we can reach agreement with the Soviet Union on the arms control initiatives for strategic and intermediate range nuclear forces proposed by President Reagan, the size of the projected stockpile would be reduced.

The variations in stockpile size which we have discussed are shown in the sketch below. The approximate relative quantities are indicated by the graph; the actual quan-

tities are classified. Until we are able to totally eliminate the threat of nuclear war, the United States must possess nuclear weapons as a deterrent. We have avoided nuclear war, and met our national and international objectives and commitments, by continuing to ensure that our nuclear weapon stockpile is safe, secure, and capable of deterring the Soviet Union from using or threatening to use their nuclear weapons against us or our allies.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized for 3 minutes under the previous agreement.

Mr. DAN DANIEL. Mr. Chairman, I take this time to respond to the statement made by the gentleman from California (Mr. DELLUMS).

Mr. Chairman, I commend our colleague from California (Mr. DELLUMS) in reminding us of the votes we have recently cast on defense issues which have a close relationship to the resolution before us today.

Let us recount them:

On passage of the Defense authorization bill, the vote was 290 in favor, 73 opposed.

In the matter of the deletion of funds for the Pershing II missile, the vote was 74 in favor, 311 opposed.

In the matter of deleting funds for the B-1 bomber, the vote was 142 in favor, 257 opposed.

In the matter of deleting funds for the MX missile and other strategic programs for 1 year, the vote was 21 in favor, 355 opposed.

Yes, Mr. Chairman, this body has spoken loud and clear. The people represented by these Members assembled want no part of peace through surrender. The Members knew this last month when we debated the Defense authorization bill, they surely must know it now.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from New York is recognized for 2 minutes.

Mr. SCHUMER. Mr. Chairman, I stand here a little bit frustrated after listening to the arguments today, particularly the last argument.

We are standing here debating whether we have more warheads or less warheads than the Soviet Union. I think that is not the point, at least as far as the American people are concerned. This is a movement where the people have led the President, the Congress, and the political leadership. Millions of Americans have become supporters of the nuclear freeze movement not because they think we have more weapons than the Soviet Union or because they feel the Soviets have more weapons than we do, not because of abstract concepts like throw weights and MIRV's and MX's and SS-20's. They have demanded a freeze on nuclear weapons because they realize that there is a quantum difference between this issue and any other issue that has been argued on the floor of this House.

To read about the destruction that nuclear weapons can cause is almost a mystical experience. It shows that we are not talking 1,700 bombers and 1,400 missiles; we are talking about the existence of this Earth, and if we continue with this latter day House of Atreus, if we continue to be concerned with others, we can build up more ways so that they will build more so that we can build more kill so they can build even more, we will blow ourselves off the face of this Earth.

Who has more does not matter. What matters is that we each have enough to destroy each other. And if we continue to constantly play the game of we have to have a little more so they have to have a little more so we have to have a little more, we are sealing our own fate.

Enough, is what the American people are saying. Forget the numbers, forget the throw weights, forget the abstract concepts. This is different: No nuclear war. Let us start to freeze nuclear weapons now.

□ 1830

The CHAIRMAN. The time of the gentleman has expired. All time has expired under the unanimous-consent agreement to limit debate.

The question is on the amendment offered by the gentleman from Illinois (Mr. PORTER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MARKEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names.

[Roll No. 247]

ANSWERED "PRESENT"—393

Addabbo	AuCoin	Bereuter
Akaka	Badham	Bethune
Albosta	Bailey (MO)	Bevill
Alexander	Bailey (PA)	Biaggi
Anderson	Barnard	Bingham
Annunzio	Barnes	Blanchard
Anthony	Bedell	Bliley
Applegate	Beilenson	Boggs
Ashbrook	Benedict	Boland
Aspin	Benjamin	Boner
Atkinson	Bennett	Bonior
Bonker	Forsythe	Martin (NC)
Bowen	Fountain	Martin (NY)
Breaux	Fowler	Martinez
Brinkley	Frank	Matsui
Brodhead	Frenzel	Mattox
Brooks	Frost	Mavroules
Broomfield	Garcia	Mazzoli
Brown (CA)	Gaydos	McCloskey
Brown (CO)	Gejdenson	McCollum
Broyhill	Gephardt	McCurdy
Burgener	Gilman	McEwen
Burton, John	Gingrich	McGrath
Burton, Phillip	Glickman	McHugh
Butler	Gonzalez	Mica
Byron	Goodling	Michel
Campbell	Gore	Mikulski
Carman	Gradison	Miller (CA)
Carney	Gramm	Miller (OH)
Chappie	Gray	Mineta
Cheney	Green	Minish
Chisholm	Gregg	Mitchell (MD)
Clausen	Grisham	Mitchell (NY)
Clay	Guarini	Moakley
Clinger	Gunderson	Moffett
Coats	Hagedorn	Molinari
Coelho	Hall, Ralph	Mollohan
Coleman	Hall, Sam	Montgomery
Collins (IL)	Hamilton	Moore
Conable	Hammerschmidt	Moorhead
Conte	Hance	Morrison
Conyers	Hansen (ID)	Mottl
Corcoran	Hansen (UT)	Murphy
Coughlin	Harkin	Murtha
Courter	Hartnett	Napier
Coyne, James	Hatcher	Natcher
Coyne, William	Hawkins	Neal
Craig	Heckler	Nelligan
Crane, Daniel	Hefner	Nelson
Crane, Philip	Heftel	Nichols
Crockett	Hendon	Nowak
D'Amours	Hertel	O'Brien
Daniel, Dan	Hightower	Oakar
Daniel, R. W.	Hiler	Oberstar
Dannemeyer	Hillis	Obey
Daschle	Hollenbeck	Ottinger
Daub	Holt	Oxley
Davis	Hopkins	Panetta
de la Garza	Horton	Parris
Deckard	Howard	Pashayan
Dellums	Hoyer	Patman
DeNardis	Hubbard	Patterson
Derrick	Huckaby	Paul
Derwinski	Hughes	Pease
Dickinson	Hunter	Pepper
Dicks	Hutto	Perkins
Dixon	Hyde	Petri
Donnelly	Jacobs	Peyser
Dorgan	Jeffords	Pickle
Dougherty	Jeffries	Porter
Dowdy	Jenkins	Price
Downey	Johnston	Pritchard
Dreier	Jones (NC)	Pursell
Duncan	Jones (OK)	Quillen
Dwyer	Kastenmeier	Rahall
Dymally	Kazen	Rangel
Dyson	Kemp	Ratchford
Early	Kennelly	Regula
Eckart	Kildee	Reuss
Edgar	Kindness	Rhodes
Edwards (AL)	Kogovsek	Richmond
Edwards (CA)	Kramer	Rinaldo
Edwards (OK)	LaFalce	Ritter
Emerson	Lagomarsino	Roberts (KS)
Emery	Lantos	Roberts (SD)
English	Latta	Robinson
Erdahl	Leach	Rodino
Ertel	Leath	Roe
Evans (DE)	LeBoutillier	Roemer
Evans (GA)	Lee	Rogers
Evans (IA)	Lehman	Rose
Evans (IN)	Leland	Rostenkowski
Fary	Lent	Roth
Fascell	Levitas	Roukema
Fazio	Lewis	Rousselot
Fenwick	Loeffler	Roybal
Ferraro	Long (MD)	Rudd
Fiedler	Lott	Russo
Fields	Lowery (CA)	Sabo
Findley	Lowry (WA)	Santini
Fish	Luken	Sawyer
Fithian	Lundine	Schneider
Flippo	Lungren	Schroeder
Florio	Madigan	Schulze
Foglietta	Markey	Schumer
Foley	Marlenee	Seiberling
Ford (MI)	Marriott	Sensenbrenner

Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Simon
Skeen
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Smith (PA)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

□ 1840

The CHAIRMAN. Three hundred ninety-three Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Massachusetts (Mr. MARKEY) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will announce that this is a 5-minute vote.

The vote was taken by electronic device and there were—ayes 323, noes 84, not voting 27, as follows:

[Roll No. 248]

AYES—323

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
AuCoin
Badham
Bailey (MO)
Barnard
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Brown (CO)
Broyhill
Burton, John
Burton, Phillip
Campbell
Carman
Chappell
Chappie
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Coughlin
Courter
Coyne, James
Coyne, William
Crockett
D'Amours
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Dunn
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emerson
English
Erdahl
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fish
Fithian
Flippo
Florio
Foglietta
Foley
Ford (MI)
Fowler
Frank
Frenzel
Frost
Garcia
Gejdenson
Gephardt
Gibbons
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Gregg
Grisham
Guarini
Gunderson
Hagedorn
Hamilton
Hammerschmidt
Hance
Harkin
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hertel
Hightower
Hiler
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
LeBoutillier
Lee
Lehman
Leland
Levitas
Lewis
Long (MD)
Lowery (CA)
Lowry (WA)
Luken
Lundine
Markey
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Martinez
Matsui
Mattox
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
McGrath
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Morrison
Mottl
Murphy
Murtha
Natcher
Neal
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (KS)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shuster
Simon
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (PA)
Snowe
Snyder
Solarz
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stokes
Studds
Swift
Tauke
Tauzin
Taylor
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitley
Whittaker
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

NOES—84

Archer
Ashbrook
Atkinson
Bailey (PA)
Bevill
Breaux
Broomfield
Burgener
Butler
Byron
Carney
Cheney
Conyers
Corcoran
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Dickinson
Dougherty
Dreier
Duncan
Dyson
Edwards (OK)
Emery
Erlenborn
Fields
Forsythe
Fountain
Gaydos
Gilman
Gramm
Hall, Ralph
Hall, Sam
Hansen (ID)
Hansen (UT)
Hendon
Hillis
Holt
Hunter
Hutto
Hyde
Jeffries
Johnston
Kemp
Kindness
Leath
Livingston
Loeffler
Lott
Lungren
Madigan
Marks
McDonald
Michel
Montgomery
Moore
Moorhead
Myers
Napier
Nelligan
Nichols
Paul
Quillen
Rhodes
Roberts (SD)
Rousselot
Rudd
Shelby
Shumway
Siljander
Skeen
Smith (AL)
Smith (OR)
Solomon
Spence
Stratton
Stump
Thomas
Walker
Whitehurst

NOT VOTING—27

Andrews
Bafalis
Beard
Bolling
Bouquard
Brown (OH)
Collins (TX)
Dornan
Ford (TN)
Fuqua
Ginn
Goldwater
Hall (OH)
Holland
Ireland
Jones (TN)
Lent
Long (LA)
Lujan
McClory
McDade
Railsback
Rosenthal
Skelton
Synar
Whitten
Wylie

□ 1850

Mr. ERLENBORN and Mr. NAPIER changed their votes from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, regardless of who wins or loses this vote today, it will not be for lack of trying. I believe that this White House lobbying effort, against a bilateral nuclear freeze, may just be the strongest ever made on any arms control issue—if not the strongest made on a foreign policy issue.

For those who describe this lobbying effort as either "last-minute" or "moderate," let me provide a few examples to show that it is indeed a full court press:

In a virtually unprecedented "1-on-1" meeting, the top 10 foreign policymakers of this country sought to persuade 10 Members of the House of their position. I know of no other meeting where such a small group of Representatives—or even, for that matter, a larger group—has been called to the White House to meet with: the President, the Vice President; the Secretary of State; the Secretary of Defense; the National Security Adviser; the White House Chief of Staff; the President's Counsel; the head of the Arms Control and Disarmament Agency; and still others.

The press offices of ACDA, State, and DOD appear to go into double-time to leak new stories to the press. Success strikes on Sunday, when the New York Times carries a front page story quoting "administration officials" claiming movement in the START (strategic) talks; and the Washington Post carries a similar front page story telling of movement in the INF—medium-range—talks. Although neither story actually proves any details of these claims, the headlines and placement of the stories carry the message, which becomes a major administration argument: "do not undermine our negotiations; we are making progress."

Our chief negotiator—General Rowny—takes time off to make trans-Atlantic calls from Geneva to wavering Members of Congress in Washington. I did not know that lobbying Congress was in the job description of chief negotiators.

The head of the Arms Control and Disarmament Agency comes to the Hill to offer briefings to whomever will listen, on the dangers of SALT, the dangers of the freeze, and the supposed progress being made in the negotiations.

A personalized letter goes from the President to all House Members.

Just yesterday, a personalized letter from the National Security Adviser goes to Members.

Invitations to the White House abound. They are not partisan.

Members are called at home, by the White House staff, in the evening. "The personal touch."

Ambassadors are called to duty to make phone calls. We have known for some time that this administration had appointed a spectacutarly high percentage of political ambassadors; now we see them called on to perform.

Mr. Chairman, there are other examples. And more calls—from ambassadors, Cabinet officers, and probably the President—will be made today.

I cite these examples for three reasons:

First, because they are so unusual. Perhaps Jimmy Carter tried them on the Panama Canal Treaty, or Woodrow Wilson on the League of Nations—both of which were directed only at Senators. I can remember no parallel effort—even when this body finally said "no" to funds for Vietnam—in the House.

Second, because I simply cannot believe that any U.S. administration will pull out all the stops to oppose a simple, understandable, and effective, effort to stop the arms race.

Finally, because they represent the classic example of a legislative fight between Washington power and people power—Washington power being Cabinet officers, trans-Atlantic calls, and leaks to the Post; versus a grassroots coalition without even a computer at its disposal, and with little lobbying experience.

I wish to alert my colleagues that it is entirely possible that the real victors of this Washington versus people fight will not be known until November.

Mr. Chairman, over the next 4 years the Reagan administration has proposed to spend over $1.7 trillion to close the so-called window of vulnerability. Most of the emphasis will be placed on the production and deployment of the new strategic nuclear weapons such as the MX missile, the Trident submarine, and the B-1 bomber. According to the administration, this massive buildup of our Nation's defense programs will correct the imbalance between United States and Soviet national security systems.

The Soviet Union has signed a pledge refusing to use nuclear weapons in a first strike capacity, and has called upon the United States to do the same. President Reagan has refused. Former Secretary of State Alexander Haig has reiterated many times that the entire defense of the West hinges on the first use of nuclear weapons. In fact, according to Mr. Haig, to pledge no first use would effectively leave the West at the mercy of the Soviets, with nothing to counterbalance their conventional advantages in Europe.

This administration seems to believe that by threatening the Soviets with the production and deployment of these weapons and by refusing to denounce first use, the United States is actually creating a greater deterrent. However, an objective look at the situation leads to the realization of the absurdity of this logic. To continue to produce and deploy vast numbers of these weapons throughout the world only multiplies the potential of any minor conflict escalating into a nuclear war.

We must remember that to make nuclear weapons the linchpin of Western strategy and security is extremely shortsighted and very dangerous.

The vicious cycle of technological advances in nuclear weaponry by both the United States and the U.S.S.R. can only be broken by a comprehensive, bilateral nuclear weapons freeze. This freeze should precede negotiations for mutual reductions, for without such a freeze, new and more dangerous weapons are constantly being deployed while the negotiations are proceeding.

President Reagan has stated many times over that he will be using these weapons as incentives in the START talks with the Soviets. However, this type of "bargaining chip" policy has been shown to produce exactly the opposite of the desired effect. For instance, the main purpose of the cruise missiles was to use them in the "bargaining chip" capacity in the SALT negotiations. Now, nearly a decade later, they are firmly imbedded as a vital part of our national defense program.

According to various studies, an immediate freeze on the testing, production, and deployment of nuclear weapons could save the United States as much as $20 billion in fiscal year 1983, and over $200 billion over the next 5 years. At this time, when the national deficit for 1983 alone threatens to exceed $145 billion, we can no longer afford to throw money at questionably useful weapons which will only be used as "bargaining chips." It is nothing more than wishful thinking to believe that agreements will be reached sooner because of the threat of these weapons. To base one's defense programs on this type of policy, to go into negotiations planning to use these weapons as a sword to hang over the heads of the Soviets, and still expect them to negotiate freely and in good faith is unthinkable.

The concept of a bilateral, verifiable nuclear freeze has won the endorsement of millions of Americans and many State and local governments. In a poll taken in March 1982, over 70 percent of the American people favored a freeze on the testing, production and deployment of nuclear weapons. That number has increased even more since that time. The citizens of the United States are demanding that those of us here in Washington carry out their desires and adopt a plan for a freeze on nuclear weapons.

I stongly endorse House Joint Resolution 521, the resolution introduced by the gentleman from Wisconsin, Mr. ZABLOCKI, which not only calls for a mutual and verifiable freeze on nuclear weapons, but also for the prompt approval of the SALT II Treaty. I believe that this is the best move toward a more secure and peaceful world.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: Page 3, line 3, immediately after "That" insert "(a)"; and on page 4, after line 18, insert the following:

(b) Obtaining or continuing an agreement on a freeze in accordance with this resolution shall cease to be an element of the START process at the end of the 2-year period beginning on the date of enactment of this joint resolution unless the President certifies to the Congress at the end of that 2-year period that substantial progress is being made in negotiating substantial equitable and verifiable reductions.

The CHAIRMAN. The Chair will inquire of the gentleman from Georgia, for the record, if his amendment has been printed in the RECORD?

Mr. LEVITAS. It has been printed in the RECORD, Mr. Chairman.

□ 1900

Mr. Chairman, the issue and the subject we are discussing today is how to make this world a safer place to live in, in light of the terrible threat of destructive nuclear weapons.

There is not any sane or rational person who does not wish to achieve the goal of making this world a safer place in the face of the nuclear threat. There is really no survivable total nuclear war for civilization as we know it. The issue, to the extent that it is expressed symbolically through the two resolutions before us, is how can we best achieve that goal.

Certainly merely freezing the number of warheads and weapons will not make this world a safer place. There is already too much destructive nuclear force in the world.

In order for this world to be a safer place, we are going to have to see substantial reductions of nuclear arsenals by the Soviet Union and by ourselves in a way which is equitable, balanced, and verifiable so that there is no dis-

proportionate relationship in this balance.

And so the question, Mr. Chairman, is do we achieve that goal by simply freezing, whether it is before or after reduction of forces, or at any point?

Now, I recognize that this debate today has been pursued by many Members as if we were actually preparing a treaty, and as if we were actually participating in the negotiations, and as if this were something binding on someone. And we all know really that that is not the case. And perhaps we have been deceiving many members of the public by letting them think that is what is going on. This resolution has no legal or binding effect on our negotiators or the President. There are some who think we should not, in Congress, be choosing between these two nonbinding resolutions but rather deal with this issue in more appropriate ways.

But if there is the purpose of sending a signal to someone, who is it? It is not so much sending a signal to the President or our negotiators. I fear we are sending a signal to the Soviet negotiators, and the expression of opinion we come to here today will be more of an indication to the Soviets rather than anyone else in the world as to what we are about.

It is my great concern that if we are simply talking about freezing, if at the end of this whole process of this resolution or the substitute or the START negotiations we simply end up with a freeze, it is my great concern that the Soviet Union will have no incentive to do anything else. That freeze level, however defined, whatever technical terms are used, will lock them into a situation which they would prefer to have, whether it is in intercontinental ballistic missiles or intermediate range ballistic missiles in Europe, or in whatever area, they will have no incentive to bring about meaningful nuclear arsenal reductions.

The purpose of my amendment, Mr. Chairman, is a simple one. It is to say that unless the Soviet Union moves forward to do something more than merely get what they want to get without negotiation, that we actually end up with a balanced, mutual, verifiable reduction of nuclear forces so that the world can be safer, then all this conversation about a freeze should be treated as mere verbiage behind which the Soviets can maintain a position of dangerous nuclear strength.

What my amendment does is it says that the obtaining or continuing of an agreement on a freeze in accordance with this resolution shall be an element of the START process, but if at the end of 2 years there has not been substantial progress made toward reduction of the sort proposed in the START negotiations, then we will not go forward with our hands tied. There will thereby be some incentive to the Soviet Union to negotiate reductions.

But if we do not adopt this amendment, then it seems to me we give the Soviet Union absolutely no incentive to do anything other than achieve a freeze whether it is negotiated or agreed to in immediate terms. It is absolutely imperative, if any Member is serious about wanting to see the world be a safer place, through any form of arms negotiations, when we cannot give an incentive to the Soviet Union to do nothing beyond a freeze at whatever point that comes. And the 2-year period from the date of passage of this resolution would be an appropriate period of time, Mr. Chairman, to determine the bona fide efforts on the part of the negotiators to see that we get a safer world.

And it is for that reason, Mr. Chairman, that I urge adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I think this amendment would be a most unfortunate addition to this resolution.

The amendment appears to proceed on the basis that the United States is now in a position of inferiority to the Soviet Union.

As I have explained earlier, the proposition on which this amendment is based is that we are not in such a position.

What is more, I think the amendment attempts to set an arbitrary time limit on the effort to achieve a freeze.

It took 4 years to negotiate SALT I, and another 7 years to negotiate SALT II. And assuming a freeze were able to be negotiated in the next 2 years, but no progress had then been made on reductions, it appears to me that it would be tragic for the President then to say all bets are off, we can go back to the arms race, we can go back to the mutual buildup on both sides simply because we have not been able to achieve successful negotiations or to make meaningful progress, whatever that may mean, in terms of negotiating reductions.

So I would plead with those who believe with us that we are in a state of substantial equivalence, that there is just as much incentive on the part of the Soviet Union to agree to further reductions as there is for us, the same incentive—the only incentive that there is, that does not exist under the freeze, is the incentive of the threat that we are going to embark on additional armaments, that we are going to embark on an additional buildup. And that is the incentive that the supporters of the Broomfield resolution apparently believe is necessary.

We who support the freeze idea do not think that that is necessary. We think we can achieve reductions following upon a freeze. And that is precisely what we contemplate.

But to set this kind of a time limit I think would do terrible damage to the resolution.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Massachusetts.

Mr. MARKEY. I thank the gentleman for yielding.

This amendment would create a huge loophole for the President. It would put a stopwatch on the negotiations of a freeze. And that is just completely unacceptable. It would allow the President to just drag out negotiations to the point where he could report to the Congress that he had not been able to make any progress. At that point we would be able to go back to the arms race as usual.

What we need to do is send a message, a clear signal that we believe this is the route the President ought to take. But we should put no time limit on the business of the most important issue which faces this world. This is not the FTC. This is not some agency we are putting an arbitrary limit of time upon for implementation of a regulation. This is a decision on a new arms control policy that we want the President of the United States to implement.

I cannot understand for the life of me why we would want to give the President an opportunity to be able to dismiss it after a couple of years and say that the process has not worked because there had not been adequate time given to him to see that it could work.

□ 1910

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for his contribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

PARLIAMENTARY INQUIRY

Mr. HYDE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HYDE. Mr. Chairman, may we address the amendment?

The CHAIRMAN. Under the rules, there are 5 minutes allotted to the proponent of the amendment and 5 minutes allotted to an opponent of the amendment.

Mr. HYDE. Mr. Chairman, that was an in-house situation over there, proponents and opponents.

The CHAIRMAN. The Chair is unable to change the rules.

Mr. HYDE. So be it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LEVITAS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LENT

Mr. LENT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair would inquire if the gentleman's amendment has been printed in the RECORD.

Mr. LENT. The amendment was printed in the RECORD on Tuesday, I believe, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LENT: Page 4, insert the following after line 3 and redesignate succeeding paragraphs accordingly.

(4) Providing for cooperative measures of verification, including provisions for on-site inspection, to complement National Technical Means of verification and to ensure compliance.

(Mr. LENT asked and received permission to revise and extend his remarks.)

Mr. LENT. Mr. Chairman, this is a simple amendment to the Zablocki resolution (H.J. Res. 521). It addresses a problem which, according to all polls, a majority of the American people express concern about in any consideration of a mutual nuclear freeze. That problem is verification.

My amendment addresses this point by simply adding the requirement of onsite inspection to verify compliance with any nuclear arms freeze agreed upon by the United States and the Soviet Union.

The American people desperately want to put an end to the arms race. They want a freeze. They would like to see that freeze accompanied by a reduction in strategic stockpiles. But, in any discussion I have had with my constituents, the sine qua non of any agreement negotiated with the Russians is that it must be verifiable.

The Soviet track record of treaty violations and cheating on their agreements—whether we look at their violations of the test ban treaties of 1973 and 1974; or their build-up of forces in Cuba by deploying long range missile carrying submarines and bombers; or their violations of SALT I and II; or their production of toxic "yellow rain" used in Afghanistan and Indochina in violation of the Biological Weapons Convention; or their flaunting of the human rights provision of the Helsinki accords—that track record of concealment, duplicity and treachery make it abundantly clear that any agreement to a nuclear freeze must be verifiable through onsite inspection by either the parties to the agreement or a third party.

When our national security is at stake, agreements based merely on trust—or even on cameras in the sky—especially with the Soviets—are simply not good enough.

Without onsite inspection, there is no way our space satellites can have X-ray vision to peer through the roofs of warehouses or into the tunnels in the urals to see hidden extra boosters to convert Russian SS-20's into SS-16's.

Without onsite inspection, there is no way our electronic intelligence can counter the deliberate biasing of doctoring of Soviet missile transmissions that have consistently duped our most sophisticated spying devices and antennas.

Without onsite inspection, there is no way a spy satellite can effectively verify a freeze prohibition on increased megatonnage, or on the improved throw weight of missiles, or on the deployment, testing and production of warheads, missile and other delivery systems.

If you choose to ignore the Soviet record of concealment, duplicity, and treachery, then you can, in good conscience vote against this amendment. But if you believe as I do we owe our children greater certainty that our agreements with the Russians will be strictly adhered to, you can strengthen the Zablocki resolution by adopting this amendment.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. LENT. I yield to my colleague, the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, what I am trying to figure out from my friend, the gentleman from New York, is whether or not there would be a requirement for onsite inspection for the conclusion of a treaty, whether or not there is a limiting factor to what the gentleman is offering, or whether or not this just complements the existing national technical means which are currently available.

Mr. LENT. The language of the amendment speaks for itself; but in response to the question of my colleague, the verification provisions of any treaty would have to include provisions for onsite inspections in addition to the usual requirements for national technical means.

Mr. DOWNEY. Mr. Chairman, if the gentleman will yield further, if, for instance, the Soviets or we decided that we were not interested in having onsite inspections, would that preclude the ability of one side or the other to ratify the treaty?

Mr. LENT. It certainly would, because it must be mutual, it must be verifiable and it must provide for onsite inspections.

Mr. DOWNEY. I thank the gentleman.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, may I ask the gentleman who made the amendment again if he would rise.

Is the gentleman mandating that onsite inspection be a requirement, regardless of whether other national technical means would be available to provide the information required for verification?

I yield to the gentleman.

Mr. LENT. That is correct. Actually, I was encouraged to introduce this amendment by the gentleman's own "Dear Colleague" letter that was sent to me on August 4, wherein the gentleman indicated, and I will quote from the gentleman's letter: "A freeze can be adequately verified. It can be done through national technical means already in place and could be enhanced by onsite inspections which the Soviets are not as adverse to as they once were."

So based on that, I have taken the gentleman at his word.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I would be glad to yield.

Mr. BINGHAM. Mr. Chairman, the gentleman from New York (Mr. LENT) has just interpreted his amendment in a way that causes me to rise in strenuous objection to it. I do not object to it on the basis of the text. The text puts in an additional item in the list of objectives to be achieved in the START talks—objectives, and one of those objectives, according to the language of the gentleman's amendment is, "providing for cooperative measures of verification including measures for onsite inspection" and so on, "to complement national technical means."

Now, as an objective, I have no objection to it. But the gentleman's interpretation of it is that it mandates that there must be onsite inspection before a freeze can go into effect, and I am strenuously opposed to that. But I think the gentleman is putting much more meaning into the amendment than his amendment as proposed would indicate.

Mr. LENT. Mr. Chairman, if the gentleman will yield, the gentleman is correct. The language at the beginning of the resolution provides that the United States and the Soviet Union should immediately begin the START talks and those talks should have the following objectives, and I have simply added to the six objectives that are already in the Zablocki resolution an objective that there be onsite measures of verification.

□ 1920

Mr. BINGHAM. On the basis of the gentleman's interpretation of his amendment, I think it is a very serious mistake for us to add this to the proposition because it requires a certain type of verification in the freeze, and

that might very well prevent the freeze from taking place.

The freeze is stated to be verifiable, as the chairman explained in his opening remarks. If it is not verifiable, then there is no freeze.

But the gentleman is trying to insert a mandated provision in the verification and, thus, reduce the flexibility that the President would have in negotiating a verifiable freeze.

Mr. MARKEY. If I may reclaim my time, indeed the Soviets have agreed recently in concept to the idea of onsite inspection for nuclear tests. But the problem will be, if it is a requirement that for all of the nuclear freeze provisions, that is, for the deployment and testing and production of nuclear weapons that onsite inspection be a prerequisite.

Again, as I read this language I do not see that is a prerequisite. But as the gentleman interprets it, that seems to be the intent.

If the gentleman will clarify it and give us his interpretation with respect to the other aspects of the freeze, I think we might be willing to accept it. But it all depends on his interpretation.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

Mr. Chairman, as a matter of fact, the only thing that one can verify today with national technical means is deployment. We have got to have onsite inspection to verify nuclear production and we have to have it to verify nuclear testing, and without onsite inspection the resolution does not mean anything.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

Mr. Chairman, let me respond to my colleague from New York (Mr. LENT). There is absolutely no requirement for us to be onsite. Our national technical means right now can give us the capability of measuring what type of ballistic missile tests they are doing, giving us an excellent idea of the accuracy. It is absolutely fallacious to state we have to do onsite inspection.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from New York (Mr. LENT).

The amendment was agreed to.

The CHAIRMAN. The Chair will inquire if there are other perfecting amendments to the resolution.

If not, under the previous agreement, by unanimous consent, the gentleman from Michigan (Mr. BROOMFIELD) will be afforded the opportunity to offer his amendment in the nature of a substitute.

There will be an hour of debate on that substitute and all amendments thereto. The time will be equally divided between the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Michigan (Mr. BROOMFIELD).

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer the amendment.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BROOMFIELD: Strike out the preamble and insert in lieu thereof the following:

Whereas the most serious challenges facing the American people, who are a people of peace, are the preservation of freedom and the prevention of war, with particular reference to nuclear war, by accident, miscalculation, or design;

Whereas the American people share the yearning of the world's people for reductions in nuclear armaments;

Whereas the Soviet Union, by its actions in Poland and Afghanistan, and through its refusal to abide by international chemical weapons agreements, has created threats to world peace;

Whereas sizable and verifiable mutual reductions of Soviet and United States nuclear forces to an equal and far lower level would enhance stability and the maintenance of peace;

Whereas the Congress has expressed its mandate in Public Law 92-448 that the United States should not enter into a nuclear arms accord that provides for force levels inferior to those of the Soviet Union;

Whereas the stated policy of the United States Government is to negotiate verifiable reductions to equal levels in the nuclear arsenals of both the United States and the Soviet Union;

Whereas the United States and the Soviet Union began formal negotiations in November 1981 in Geneva on the limitation and reduction of intermediate range nuclear forces;

Whereas in May 1982 the Foreign Minister of the North Atlantic Treaty Organization nations welcomed the President's proposal to cut stockpiles of long-range nuclear missiles as "a far-reaching but realistic offer" that could lead to "fair and effective agreements";

Whereas the United States and the Soviet Union began formal negotiations on June 29, 1982, in Geneva on the limitation and reduction of strategic nuclear armaments: Now, therefore, be it

Strike out all after the resolving clause and insert in lieu thereof the following:

That (1) the Congress supports the initiation of the strategic arms reduction talks and urges the Soviet Union to join with the United States in concluding an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels.

(2) The Congress reaffirms support for Public Law 92-448 which states that the United States not enter into an arms accord which provides for force levels inferior to those of the Soviet Union.

(3) To encourage arms restraint and stability, the United States should propose to the Soviet Union and other nations practical measures to—

(A) reduce the danger of nuclear war through accident or miscalculation;

(B) prevent the use of nuclear weapons by third parties, including terrorists; and

(C) halt the worldwide proliferation of nuclear weapons.

(4) The Congress insists that any arms control agreement must be fully verifiable as our national security cannot be based on trust alone.

Mr. BROOMFIELD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Under the previous agreement entered into, the gentleman from Michigan will be recognized for 30 minutes, and the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, we have had a good debate on a subject President Reagan has called one of the most important and challenging initiatives of his Presidency.

What we do today will send a signal to the Soviets, to our negotiators in Geneva, and to a world preoccupied with the terrible prospect of nuclear holocaust. The choice is clearcut: The Broomfield-Carney-Stratton substitute protects our national security and backs up Ambassador Rowny and his negotiating team in their effort to win real reduction in nuclear weapons levels.

House Joint Resolution 521 plays fast and loose with our national security and pulls the rug out from under our negotiators.

Passage of the committee resolution would be a signal for them to pack up and come home.

So weigh your decision carefully and make certain the signal we send to the Soviets tonight is the right one. The committee resolution repudiates the President's initiative in the strategic arms reduction talks, just as they are getting off the ground.

Our substitute tells the Soviets in unmistakable terms that we here in Congress are united behind the President's arms reduction program.

Make sure the vote you cast today creates no misunderstanding among our NATO allies. Do not signal our willingness to abandon them to nuclear blackmail by freezing Soviet missile superiority.

The committee resolution sends that message loud and clear. Our substitute reaffirms our continued support for a strong NATO alliance backed by U.S. nuclear resolve. Let us make certain the action we may take tonight contributes to the ultimate goal of real re-

ductions in the nuclear stockpiles of both sides.

This is the single, clearest, easiest-to-understand difference between the two measures before us: Our substitute is for less; their resolution is for more.

The committee resolution locks in the nuclear firepower of both sides at its present awesome levels. Our substitute is dedicated to achieving actual verifiable reduction in those levels.

Our substitute will reduce now and freeze later; the committee resolution would freeze now and reduce later.

Mr. Chairman, for all those reasons, I believe the choice is clear and I certainly urge the passage of the Broomfield-Carney-Stratton substitute amendment.

Finally, I would like to share with you a letter I have just received from the President of the United States. He says:

As you approach today's vote, I want to reiterate my strong support for your arms control resolution. I firmly believe that its passage will significantly aid Ambassador Rowny in achieving our negotiating objective with the Soviets in Geneva: *reductions* in the nuclear arsenals of both sides. Passage of the "freeze" resolution reported by the House Foreign Affairs Committee, on the other hand, would undercut our negotiators by suggesting to the Soviets that we would be willing to accept something less than the reductions we have proposed.

I am convinced that our negotiating position in Geneva offers the best opportunity for reducing the risk of nuclear war. I sincerely appreciate your continuing efforts toward achieving this vital goal.

Sincerely,

RONALD REAGAN.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I want to congratulate the gentleman from Michigan (Mr. BROOMFIELD) and his colleagues who have offered this amendment.

Mr. Chairman, the "nuclear freeze" that is being proposed today is by no means the first exercise of its kind. Nor, in my opinion, does it pay sufficient attention to the history of arms control negotiations, including strategic negotiations, that have been conducted in the course of this century.

First of all, the idea of a freeze on nuclear weapons has been around for almost two decades. In 1960 and 1962 for example, the United States proposed a freeze on the production of nuclear materials in the United Nations.

Moreover, many of us may not remember that the SALT I agreements themselves were supposed to freeze Soviet offensive momentum.

However, in retrospect, SALT I was the "freeze that failed." For over the 13 years that we and the Soviets have been active in the SALT I and II negotiations, they have deployed, or have under development, a total of 21 separate strategic systems, of which they have fully deployed 12. During that same period, the United States has deployed or has in development a total of eight systems, of which only two are fully deployed.

In short, we have seen from the evidence of SALT the story of a "freeze that failed." However, we still do not seem to have taken that grim lesson to heart, as is apparent from the fact that we are discussing this subject today—13 years after the inauguration of a "SALT process" that was to impose fundamental limits on Soviet weapons. We have instead seen a massive acceleration of Soviet strategic efforts and the development by the Soviets of counterforce capabilities years ahead of the predictions that our defense officials thought possible in the early 1970's. We must also look at the freeze proposed today in the context of the failure of our earlier agreements to stop aggressive, totalitarian arms races.

For example, from the period of 1922 through 1936, the United States, France, Britain, Japan, and Italy engaged in the most elaborate, technically methodical arms discussions that have ever been held in this century—the famous "naval conferences" for limiting naval forces that occurred in Washington, Geneva, and London. These forces, I should note, were regarded as "strategic" forces in the same sense that we use the word today for our nuclear missiles, submarines, and bombers. These conferences attracted the cream of the world's military specialists. Large delegations spent weeks poring over elaborate texts and ship blueprints.

It quickly became apparent, however, that the two most dangerous naval powers on the horizon were Japan and Germany, particularly after the economic difficulties of the Great Depression had gutted the defense budgets of the former allies. By 1922, Germany had already secretly tested its famous U-boat design, in violation of the Treaty of Versailles.

Germany had also made elaborate provisions for building up a large air force and army, another violation of the Versailles provisions. Germany could evade accusations that it was violating that treaty by training its ground and air force units in Russia, by agreement with Stalin.

By 1935, it was becoming apparent that the attempt to impose a "naval freeze" on the totalitarian Governments of Nazi Germany and Japan had failed. A note of desperation became evident in British discussions of the emerging German Navy: How could they restrain the growth of the German U-boat fleet? By April 1939, the Germans were conducting convoy attack exercises in the North Atlantic, with submarines deployed all the way to the east coast of the United States, that would result in the famous "wolf pack" tactics used by the U-boats in World War II.

The British, realizing that Hitler would not be restrained by existing agreements, finally decided that they had to recognize the obvious. They signed a bilateral naval agreement with Hitler in 1935, which had an escape clause that permitted the Nazis to build up as many submarines as they wanted, if they determined that conditions forced them to do so. It presumed, for example, that the Nazis had no submarines under construction—even though everyone knew they did. In fact, the Germans launched their first acknowledged U-boat less than 2 weeks after signing the treaty.

What lessons can we draw from this tragic and ludicrous diplomatic exercise?

First of all, the ability of a democratic people to delude themselves, and to persist in following illusions despite overwhelming counter evidence, is almost infinite—unless national leaders encourage their citizens to face unpleasant, even frightening, realities. The escapist delusions of a cheap, effortless peace that swept through Europe and Britain during the 1930's are now being echoed in the present freeze debate.

Second, Soviet violations of existing chemical and biological arms control agreements raise the most fundamental questions about the advisability of signing any "freeze" agreements with them, particularly freezes at existing force levels.

Third, arms control agreements—including "freezes"—are useless in restraining determined, totalitarian aggressors. A "naval freeze" did not stop Japan and Hitler in the 1930's. The freeze agreement proposed to us today will not stop the Soviet war machine, which is infinitely more powerful than Japan and Germany combined were in the 1930's.

Finally, there is a smell of 1935 about this present debate. The same desperate attempts to deny reality, the popularization of simple peace solutions, the political escapism—somehow I imagine that today's brand of freeze rhetoric was echoed in the House of Commons 45 years ago.

Like the German U-boats in 1939, the Soviet Union is conducting strategic exercises in 1982 that should chill the heart of every person in this Chamber.

A few weeks ago, the Soviets conducted what can best be described as a full-fledged nuclear-war exercise that displayed capabilities we have never seen before. Just as the German convoy-attack exercises of 1939 started alarm bells ringing in every European defense ministry, so the Soviet behavior we have seen during the "SALT

process," not to mention this spring, should come as a sobering reminder of the dangers we face and the stakes that are being discussed today.

I urge my colleagues to support the Broomfield-Carney-Stratton substitute and to support a courageous President who is trying to make us face realities we would prefer to ignore. It has been truly said: "Those who fail to study the past are condemned to repeat it."

□ 1930

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding. I rise in support of the Zablocki resolution.

Mr. Chairman, as I have listened to this debate I want to apologize to the people who wrote wonderful speeches for me, because I am moved not to give them. Today I will be a text deviate.

As I have listened to this debate I keep remembering the time of the incredible Jonestown massacre. Looking at the picture of that horrible event as a parent, I kept looking at those young people and saying, "Why, why didn't one of them question the taking of the cyanide?"

Is it because we as parents are not raising our children properly to ask those questions? It is important to teach them to be polite but they must also think. Now, why do I bring that up today, and why does that come to my mind as I listen to the debate on the nuclear freeze? When we compare these two resolutions, remember the public is saying, "Why, why are we on this incredible course to massive destruction, to nuclear holocaust? Why are we being asked continually to leave it to the experts? We did and the experts have not done anything about it. Why are the politicians telling us we cannot control war and nuclear destruction?"

I think the entire world is ahead of about 200 politicians of the superpowers in the world. The people are impatient. I agree with the gentleman from California (Mr. DELLUMS) when he said the real time to deal with nuclear war was in the last couple of weeks when we were here discussing the Defense authorization bill. He is right, but the freeze is one more step, and I think we have to take as big a step as we possibly can. People want no more excuses.

The Zablocki resolution is the biggest step we can possibly take today. If we water it down by voting for the Broomfield substitute our constitutents will be very, very frustrated and wonder why in the world we once again try to backpedal, try to look like we are on both sides of the issue, or we did not deal with the issue they consider vital to human survival. If we do not begin to act to stop the continual nuclear build up we will be just like the young people at Jonestown who placidly drank the cyanide.

Mr. Chairman, I urge support of the Zablocki resolution.

Mr. Chairman, I include in the RECORD at this point a letter from Elizabeth Robinson, Freeze Volunteer, and another letter from Carol Rochman, Colorado Campaign for a Nuclear Weapons Freeze:

MARCH 26, 1982.

From: Elizabeth Robinson, Freeze Volunteer

Congresswoman PAT SCHROEDER,
Rayburn Office Building,
Washington, D.C.

Re Denver Campaign for a Nuclear Weapons Freeze

DEAR PAT: The Denver Campaign for a Nuclear Weapons Freeze has expanded rapidly since its inauguration several months ago. The campaign has been organized in each of the eleven Denver City Council Districts and a steadily increasing number of volunteers is currently gathering signatures urging our City Council to place the Freeze resolution on the primary ballot September 14. We are encountering enthusiastic support from church, environmental, professional and citizens groups who are united by a grave concern for an international climate that increasingly presents nuclear war as a rational possibility.

Such widespread support exists for the Nuclear Weapons Freeze because many citizens know that it has been conclusively demonstrated that even a "limited" exchange of nuclear weapons would result in death, injury and disease on a scale unprecedented in human history. The civil defense crisis relocation plan for Denver has not been given a public hearing, apparently because of the obvious impossibility of implementing it. Local medical authorities assure us that there is no possible medical response to be expected in the event of nuclear war since most hospitals and medical supplies would be destroyed and most medical personnel would be dead. Recovery from a nuclear war would be impossible because of the destruction of the economic, ecologic and social fabric on which human life depends. Fallout would contaminate our planet for generations, severely damaging all living things.

Halting the production, deployment and testing of nuclear weapons is the first imperative step toward lessening the risk of nuclear war; a war in which there will be no winners.

We thank you and your fellow congress people for providing a forum for considering national security in its fullest sense.

The Alliance for Basic Human Needs has endorsed and fully supports the campaign calling for a Freeze on the production, testing and deployment of nuclear weapons because we recognize it as a vital first step toward reversing policies which value the building of nuclear weapons more than the lives of the people of this country and because a Freeze would mean that dollars which had previously been spent for nuclear weapons could then be diverted back into the economy to help create jobs, provide housing, food, health care, and insure the survival and growth of the poor people of this nation.

We thank you and your colleagues, Pat, who are working so hard in your attempt to hear and respond to the concerns and needs of your constituents. It is not popular to work for the poor, nor, at this time, is it popular to work for peace. We recognize and appreciate the courage and commitment it takes to do both. God bless and be with you.

Sincerely,

L. LORRAINE GARCIA,
Chairperson, Alliance for Basic Human Needs.

MARCH 26, 1982.

Re Colorado Campaign for a Nuclear Weapons freeze.

Representative PAT SCHROEDER,
Rayburn Office Building,
Washington, D.C.

DEAR PAT: The Colorado Freeze Campaign continues to grow at an incredible rate. The campaign really got off the ground last November with a 67% vote for the Freeze Initiative in Boulder. Since that time local, county and city campaigns have started all over Colorado. At this time there are Freeze Committees in Boulder, Denver, Arapahoe County, Greeley, Colorado Springs, Arvada, Golden, Fort Collins, Lakewood, Pueblo, Pitkin, County, Sterling, Loveland, Alamosa, Longmont, Montrose, Delta, Grand Junction, Hotchkiss, Cedaridge, Paonia, Montrose, Westminster, and Tabernash. About six (6) of these committees are looking into the possibility of placing legal Freeze ballot initiatives on their city or county ballots next Fall. Other campaigns, such as the Pitkin County Freeze Campaign, are focusing on a popular petition campaign, general education and gaining endorsements for the Freeze Proposal. An example of the results of this work is that both the Pitkin County Board of Commissioners and the Aspen City Council have unanimously endorsed the Freeze proposal.

In addition to the organized Freeze Committees, there are many other individuals in towns around Colorado (such as Durango and Steamboat Springs) who have expressed strong interest in organizing in their areas. Many of these individuals will come together in a statewide consultation on April 4th to share information and learn how to start organizing in their areas. We expect the campaign to continue to grow dramatically.

The demand on the educational resources of the American Friends Service Committee (which is providing educational services to the Freeze Campaign) is phenomenal. All the films and slide shows are continuously booked and demand for literature has quadrupled this past six (6) months.

I personally have been working full time toward stopping the arms race for five (5) years. I have become dramatically aware of how many people in Colorado have joined me in believing this to be the issue of most pressing importance in our times. The diversity and numbers of people who are joining the Freeze Campaign continue to delight and inspire my faith that people working together can stop the insanity which the arms race represents.

Sincerely,

CAROL ROTHMAN,
Colorado Campaign for a Nuclear Weapons Freeze.

PREFERENTIAL MOTION OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WALKER of Pennsylvania moves that the Committee now rise and report the bill to the House with the recommendation that the resolving clause be stricken out.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. WALKER) is recognized for 5 minutes.

Mr. WALKER. Mr. Chairman, I offer this motion as a pro forma motion because, due to the time limitations I found on our side, the time had run out for our participation and so I am hopeful that maybe a couple of Members who otherwise would not have gotten a chance to speak to this issue may be able to do so during this little bit of time.

Mr. Chairman, as I sat here and listened to this debate today, it suddenly struck me that there is something that has been missing in much of what we have heard. What struck me as being missing is the fact that I view this debate from a context, and that context is that I am proud of my country. I am proud of its role in defending freedom. I am proud of its role in supporting self-determination in the world rather than the overt imperialism that characterizes our adversaries. I am proud of the things we have stood for and continue to stand for in the world.

I am a little tired of those who choose to criticize this country continually rather than looking at the kind of success we have achieved. I am particularly tired of those who are constantly telling us that we are enemies of peace, when the history of the past 40 years shows clearly that we have been the world's foremost peacemaker.

I am sure all of my colleagues share that sense of pride and share my concern about the negative aspersions that are often cast against our Nation. That is why I am concerned when I lay these two resolutions side-by-side and take a look at them.

One resolution says clearly that we believe in peace, that we believe in the presentation of freedom, and that we believe in the prevention of war, and that we yearn to reduce the horror of nuclear weapons within that context.

The other resolution has a distinctly negative tone about it. It places blame. It says, frankly, that we have joined in enhancing the prospects for mutual destruction. That distinction is important to me, because both resolutions support the freeze concept. Both resolutions want to see strategic nuclear arms reduced. Both resolutions do what millions of Americans have said they want done toward ending the arms race, but one resolution, the Broomfield-Stratton-Carney resolution, does so in a way that enhances our sense of national pride, and I intend to support it.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I just cannot imagine that the gentleman from Pennsylvania is serious in the motion that he has offered. After we had spent 7 hours on this very important piece of legislation. I am sure even he must admit it is a very critical piece of legislation, certainly one of the most important pieces of legislation we will be dealing with in this session of the Congress.

But, I do rise in strong opposition to his motion, and also to the substitute offered by my good friend from Michigan (Mr. BROOMFIELD). I do so reluctantly because of my close and productive relationships with the gentleman from Michigan on a variety of foreign policy issues, but in this instance, Mr. Chairman, the Broomfield substitute merely codifies what the President had already agreed to concerning the SALT talks. In fact, in some respects it does less than what the President has done in strategic arms control.

For example, the Broomfield substitute does not even address the issue of what to do about SALT II, even though the President has already announced that he would adhere to the agreement. Obviously the President's action in adhering to SALT II and beginning START deserves our support. We applaud Mr. Reagan for those efforts, but is that all we are expected to do? Do we not have a larger role to play in the formulation of U.S. arms control policy? Does the Congress in fact not have a responsibility to help shape our arms control policy? I believe we do.

But, the Broomfield substitute would abdicate that role. Yes, it would abdicate that role. My point is simply this: This Congress has the responsibility to approve the final product of START. It has a corresponding duty to conduct various and vigorous oversight during the negotiation of START, and by mandating objectives for the conduct of START House Joint Resolution 521 provides for such oversight.

The difference between House Joint Resolution 521 and the Broomfield substitute is really quite simple. The committee resolution calls for a mutual, verifiable freeze first, with reductions negotiated at the same time or shortly thereafter. This is a two-track approach to the problem. By contrast, the Broomfield substitute provides for reductions first with a freeze to follow only later.

Seen in these simple but fundamental terms, the Broomfield substitute is as different from House Joint Resolution 521 as night is from day. One probably unintended result—one might even say virtue—of the Broomfield substitute is that it undercuts completely the argument that some have raised on the left side of the aisle that a freeze is technically unworkable. That has been the argument heard often in the past from freeze opponents. In effect, the Broomfield substitute undoes that argument. It obvioulsy accept the principle that a freeze is possible, albeit after reductions.

□ 1940

It seems the proposition of the very concept of a freeze is feasible.

Let there be no mistake about it. House Joint Resolution 521 is workable, it is responsible, it advances the national security interests of the United States. It requires that the freeze be mutual and verifiable or else there will be no freeze.

Let there definitely be no mistake about it. House Joint Resolution 521 is not unilateral disarmament. It does not freeze an alleged Soviet advantage. It does not undermine U.S. national security.

It is for these many solid reasons that House Joint Resolution 521 is supported by 182 cosponsors. The resolution is also endorsed by a wide range of civic and religious groups as well as the United Auto Workers; the American Federation of State, County and Municipal Employees; the Service Employees International Union; the U.S. Conference of Mayors; Common Cause; the National Education Association; and the American Public Health Association.

In addition, some 135 bishops who are members of the National Conference of Catholic Bishops have endorsed the idea of a nuclear freeze as embodied in House Joint Resolution 521. That fact clearly speaks to the morality of this vital question.

Finally, Mr. Chairman, while House Joint Resolution 521 calls for action now in stopping the arms race through a mutual and verifiable freeze on nuclear weapons and delivery systems, the pseudo-freeze called for in the Broomfield substitute would occur only after negotiations on reductions. During these arduous reductions negotiations, the very Soviet capabilities which are of rightful concern to all of us will grow by leaps and bounds, even if the Regan defense program is fully funded.

In short, Mr. Chairman, if you want to deny Congress its rightful role in arms control policy, support the Broomfield substitute. If you want to expend over a trillion taxpayer dollars while contributing nothing to United States' national security, support the Broomfield substitute.

If you want to ignore an arms control agreement that strengthens the United States' national security, support the Broomfield substitute.

I do not believe, Mr. Chairman, any of us want to do that. That is why I hope the substitute will be overwhelmingly defeated.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Pennsylvania (Mr. WALKER).

The preferential motion was rejected.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Chairman, I rise in support of the Broomfield substitute.

I have been sitting here for a long time listening intently to the debate on both sides. We have wandered far afield. We have talked about many things. I think it is time we get back down to what we are talking about.

For those who follow the illusion of freeze and then reduce, let me refresh your memory with a little history.

Not long ago, since the Russians had 600 intermediate range missiles aimed at Western Europe, we thought it was necessary to have a counterforce. We planned to install Pershing missiles in Western Europe where our allies were under the gun. We proposed that if the Russians would remove their 600 missiles we would not proceed and deploy our counterforce.

We went further and proposed that we would, in addition, agree to reduce our missiles to one-third below existing levels.

Let me quote for my colleagues, who still follow that illusion that we can have reduction after we freeze, what Defense Minister Ustinov of Soviet Russia said:

> We will not allow the existing balance of forces to be disrupted.

What other way do you want to hear it? That means in plain, down-home language where I come from, "After we freeze, fellows, there won't be any reductions."

That is about like a ballgame at halftime, when the score is 12 to 6, at halftime, in favor of the other team and you agree to freeze the score at 12 to 6 in favor of your adversary. Do not try to get them to negotiate to reduce that score after you have frozen them in as the winner. They will want to leave the score just like it is.

After this freeze entered our vocabulary for the first time, people in this country then took up the cry, not of our side, but of the other side. We find people supporting the Russian proposal and not the proposal advanced by their own country.

I cannot get used to this kind of reasoning. When I first got here in 1971 during the Vietnam war, I found people down here in this place taking up for our enemies, who were then killing our people in Vietnam. They were against their own country.

I find people here today asking us to support a position which favors our adversary.

I am sure they are sincere about it, or I hope so. But they are not serving the best interest of their own country when they are taking the Russian side in this controversy.

In 1947, when we alone possessed the atomic bomb, Secretary of State Dean Acheson, on behalf of our country, proposed that we turn over to an international agency this unique technology, to be used only for peaceful purposes. The Russians would not agree. Which country is more dedicated to peace as a famous columnist, Henry Taylor once said:

> Humanity cries out against war and this is the cry of decency and hope which comes as one voice from the deepest heart and soul of our mighty nation. But, as we dwell more and more on the horrors of war, we are driven deeper and deeper into fears that burst fissures in the rock of our patriotism and resolutions. To fear war is good, but to fear war too much is the surest way to invite it. Any nation's true home is its inner spirit. A fear-gripped nation which doubts itself bears arms against itself, guaranteeing ultimate war.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Chairman, I will try to refrain from giving aid and comfort to the enemy so as not to further disarrange the gentleman from South Carolina.

One thing that I think we ought to note is the importance of the very fact that this debate is taking place and the fact that the alternatives before us are so close in their wording. A year ago it would not have happened this way, and tribute ought to be paid to the people out in the country who first began to articulate their concern about the nuclear arms race because we have today in the Broomfield alternative a proposal for a freeze that many of its most ardent advocates on today's floor would have spurned a year ago as softness. And it is only the public insistence on a reversal of the nuclear arms race that has brought us to this point.

So we ought to understand that yes, there are differences in these two resolutions. But the fact that differences remain ought not to blind anybody to the distance we have come toward support for a genuine freeze.

The very fact that the opposition to the freeze sponsored by the gentleman from Massachusetts (Mr. MARKEY) and the other gentleman from Massachusetts (Mr. CONTE) and the gentleman from New York (Mr. BINGHAM), the very fact that the alternative is the Broomfield alternative says that we have progressed, enormously in concern for the nuclear arms race.

Because we have now an alternative, offered by the Republicans, which goes far beyond where they were last year. In fact, I would say that those voting for the Broomfield substitute today, many of them do not really believe in it. They are putting it forward politically because there is in the country such an important demand for movement away from the arms race that they feel the need for some acknowledgement of it.

There are differences, though, and the major difference appears to be an insistence by the supporters of the Broomfield amendment that the House acknowledge American inferiority militarily to the Soviet Union.

I do not understand this insistence.

I do not understand why it is considered to be in the national interest that we pretend to an inferiority that is not there, but that is what we are being told. We are being told if we do not admit that we are in fact behind in arms, that we do not have an equivalence in our ability to deter, we are somehow undercutting the position of our Nation.

I think exactly the reverse is the case. I do not think you enhance our national interest, I do not think you enhance the role this country can play in the world, and I do not think you enhance our deterrence vis-a-vis the Soviet Union by claiming and insisting that we are militarily inferior, particularly when we are not. So, I hope we defeat the Broomfield substitute.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Chairman, Afghan tribal leader Fazl Manan Pacha, 60, spoke for all his people:

> They came with tanks, with planes, with helicopters, with MIG's, with all sorts of modern weapons. A division of the Russian Army. Powerful.
>
> They began in the morning at 6:30. First they bombed all the villages, the houses, the little villages, on the hills and in the valley. At that time all the people were in their houses. They were living their life. The children were bombed. The women killed, all those people killed.
>
> The young people who could fight from shelters fought. They fired on the tanks and on the Red Army soldiers. Many people were killed there by the Russians. Many Russians were killed, too.
>
> Sometimes the Russian soldiers entered the houses. They were put down by the helicopters on the roofs, 200 of them. That way they entered the villages and fought in the houses and the villagers resisted in their own houses. Many people dead, Russians, and our women and children, too. A terrible scene. Terrible. I don't know how to say. Everywhere wounds. Little children and women. Everywhere crying and crying . . . .
>
> One sort of bomb caused a great, great heat and everywhere things caught fire.
>
> Another sort of bomb gave a very bad smoke, a pain in the head, a very bad taste in the mouth, a terrible pain in the legs.
>
> Now all the main places in Kunar, like Asmar, Shigal, Dangam, everything is in the hands of the Russians. All, all the people who lived in that place are completely, completely gone. Everywhere you look there is death and death and no life, only tanks and trucks with Russian soldiers. I don't know what is going to happen to Afghanistan, what is going to happen to the holy warriors. The Russians have no idea of . . . human life.

The ongoing conflict in Afghanistan has been named the "Forgotten War." Today, however, it is pertinent to remember that war as we discuss the nuclear freeze resolution before the

House of Representatives. It is an outstanding example of just how consistently the Soviets have violated past agreements.

For example, the Soviets are right now violating agreements and treaties banning the production and use of chemical and biological weapons. These vile weapons are being used in Southeast Asia and Afghanistan.

These Soviets are the same people, the only people, who give the world the small plastic mine shaped like a toy, a butterly, a pen . . . the only purpose of which is to blow off a hand, a foot of a child. That keeps the parents occupied.

More ironic is that even as we speak and work to pass nuclear freeze resolutions, the Soviets are violating their pledge to stop deployment of SS-20 missiles in Europe while the freeze debate was ongoing.

On March 16 President Leonid Brezhnev announced a freeze on deployment of SS-20's saying the Soviet action was dependent on the West refraining from deployment of American missiles in Western Europe.

Another statement by Brezhnev on May 18 confirmed his earlier announcement and indicated the moratorium applied also to preparations for deployment of missiles. However, completion of these bases has continued since both these announcements resulting in an increase of some 50 in the number of operational SS-20 warheads according to Richard Burt of the State Department. Brezhnev is so trustworthy.

Finally, I subscribe to the notion that a freeze as proposed by the committee would make significant arms control more difficult. The Soviets just would not have the incentive to agree to reductions in strategic and intermediate-range nuclear arms if they knew they could simply freeze the existing military situation.

This has been borne out time and time again by the Soviets. For example, they repeatedly refused to negotiate any limitations on ballistic misssile defenses until the United States introduced its own ABM system. They also refused to negotiate any limits on intermediate-range nuclear forces in Europe until NATO announced its own modernization program.

By the United States unilaterally canceling the B-1 the Soviets were free to go full steam ahead with their Backfire and their own B-1 and they did just that.

Experience demonstrates that the Soviets will not make significant reductions in their forces if they believe their position of advantage is ratified. And why should they?

I agree with former President Carter's Defense Secretary Harold Brown when he essentially says negotiate first, get the best agreement and then freeze; as opposed to freeze now and try to negotiate later.

The final point I would like to mention is the problem of verifiability. The Washington Post in a recent editorial has acknowledged that the committee proposal is virtually unverifiable. If that is true, then the committee version is fatally flawed.

If it is so flawed, why would we want to risk our future on such a proposal. Certainly the framers of the committee version do not base their aspirations on trust and good faith in the Soviets.

Mr. Chairman, let us not burn our history books and close our eyes to the lessons thereof. If we remember "Forgotten War," that history will be clear indeed.

□ 1950

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. AuCoin).

Mr. AuCOIN. Mr. Chairman, the question we have before us in the form of the Broomfield substitute is that the backers of that substitute want, first, to build up arsenals, and then, hopefully, to freeze those arsenals, and then, hopefully, to cut those arsenals back.

We are thus presented with two "hopes": One, that some day, at some undefined, unspecified point in the future, there might be a freeze; and the other "hope" is that perhaps, after that, at some unspecified time, there might be a nuclear arms reduction.

The only "reality" presented in the Broomfield substitute is that it would have us go forward with a multibillion-dollar defense buildup that we cannot afford, buying first-strike weapons that will make this world less safe rather than more safe.

I would ask my colleagues to reflect on what kind of thinking this is. It is not new. It is not the fresh direction that the people at the grassroots are asking for. What it is, is the same old stuff that we have had over the last 30 years, the kind of thinking that says somehow, if we just keep on racing, the other side will somehow decide that we can call an end to it. But our very racing is a provocation to the other side, and their racing is a provocation to us.

What do we end up with? We end up with a world as dangerous as it is today, because this thinking has brought us to the brink, with an arsenal on both sides which has, for the first time in the human history, the destructive capacity to annihilate all forms of life in the world.

As I listened to the debate tonight, I reflected on the crazy things that have been going on in the interchange of words. I cannot help but think of Orwell's book "1984," where we learned about "doublespeak" and "doublethink." And some of you may remember some of the words used in "doublespeak"—"war is peace"; "love is hate"; "freedom is slavery."

Well, I ask my colleagues: Is war peace? Is an arms race arms control? Will any human being really find security in an insecure world provoked by an arms buildup, which the Broomfield amendment would allow? I think the answer is no. The substitute should be defeated, and the Zablocki resolution—the real nuclear arms freeze—should be resoundingly passed.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Maine (Mr. Emery).

Mr. EMERY. Mr. Chairman, as many people have stated several times today, you have to look beyond the numbers of weapons on each side in order to understand the meaning of the balance that we seek. The numbers do tell a very important story, however. You have to understand that nearly 90 percent of all of the warheads on U.S. missiles are on missiles that are 50 years old or older. And, on the other hand, approximately 90 percent of the Soviet warheads are on launchers that are less than 10 years old. And fully two-thirds of the Soviet launchers are less than 5 years old.

Also, you have to understand the point is that our systems are older and, in some cases, less reliable than Soviet systems. In addition, they are less numerous. The momentum in the arms race clearly belongs to the Soviet Union, and that has been that way for 10 years, at least.

Freezing at current levels would simply reward the buildup that the Soviets have engaged in while we have failed to modernize our forces at the same time.

But the bottom line is simply this: We are all interested in reducing the possibility of nuclear war—every one of us here—and the message that we have received from our constituents around the country reaffirms that very important goal: To reduce the possibility of war, to reduce the numbers of nuclear weapons, to move back from that balance of terror.

The only question that we debate here today is: How is that to be accomplished? I firmly believe that we must endorse the START talks proposals that the President and our negotiators are now entering into in Geneva. I feel that it is extremely important that we give this opportunity the chance that it needs to succeed.

For us to pass a freeze resolution here today that binds the hands of our negotiators, that frustrates the efforts that they are engaging in, that sends the wrong signal to the Soviet Union at the wrong time, may well cost us the one opportunity that we have to make meaningful reductions in those heavy ICBM's and other systems that

are so terrifying and are so dangerous to mankind.

But make no mistake about it. Passage of a freeze resolution today, failure to support the START talks, will undermine the very effort that we are engaging in and, in a great irony, it may well be the action of those with a sincere concern that may cause a delay in the ultimate reduction of several years and frustrate the goals that are so important to all of us.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman yielding.

Mr. Chairman, I want to congratulate the gentleman on his statement.

I am sorry that there are not more Members here to listen to him. The gentleman is absolutely correct. The freeze message is to tell our negotiators: "Come home. Pack your bags. Give up. Do not negotiate. We are going to write the negotiations from the floor of the U.S. House of Representatives." What the country does not need is 435 negotiators.

It cannot be done. The gentleman is absolutely correct. The President has begun a process by which we can realize a reduction in heavy armaments, and this freeze is going to undercut the very goal that the people who are on the other side of the aisle say they are in favor of. Mr. Chairman, it is counterproductive and history will not look lightly on those who vote to weaken this Nation's negotiation posture.

Mr. Chairman, the gentleman should be applauded for his comments and I thank him for his leadership, knowledge and courage.

Mr. EMERY. I thank the gentleman. I agree with the gentleman's comments.

Mr. ZABLOCKI. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Chairman, I rise in strong support of the Zablocki resolution and in opposition to the Broomfield substitute.

I want to commend the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from New York (Mr. BINGHAM) and the gentleman from Massachusetts (Mr. MARKEY) for their leadership on this important issue.

But we ought to remember that we politicians did not initiate this effort. As has been noted, this is something that truly reflects the attitude and the judgment of the people we represent. It reflects not only the views of the American people, but I am quite confident that it reflects the views of the people of the Soviet Union, it reflects the views of human beings everywhere, that the time has come to end the insanity of the arms race, to stop the production and deployment of these weapons, to freeze the deployment and production of these weapons in a responsible, mutual, verifiable way, and to begin the reduction of these weapons.

This is a view that is consistent with that that has been expressed by the President. What we are doing tonight is reflecting the views of our constituents, a view that reflects the sanity of the people of the world, that it is time to bring an end to the arms race.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, I rise in support of the Broomfield substitute for a number of reasons. Let me just say that House Joint Resolution 521 is clearly of dubious constitutionality. I realize that last week, since we trampled on the Constitution so easily in dealing with the tax bill, that this may be a trivial matter to some of my colleagues here; but I suggest that it should not be in this important forum.

First, House Joint Resolution 521 would have the Congress insert itself into formulating the content and priorities of specific treaty negotiations, an aspect of international affairs which is well established as the exclusive constitutional role of the executive branch.

Prof. Chester J. Antieou, an eminent scholar on constitutional law, has noted that—

> The commencement of diplomatic negotiations with a foreign power leading to a treaty is completely in the discretion of the President and the Secretary of State. . . . The Executive is here not subject to interference by either Congress or the judiciary in the control *or direction* of such negotiations." (Emphasis added.)

The U.S. Supreme Court has long recognized the President's exclusive constitutional role at the negotiation stage of the treaty process. Referring to the President's role in 1936, Justice Sutherland, speaking for the Court stated:

> He alone negotiates. Into the field of negotiation, the Senate cannot intrude; and Congress itself is powerless to invade it." (*U.S. v. Curtis-Wright Export Corp.*, 1936, 200 U.S. 304, 319).

House Joint Resolution 521 steps into the realm of treaty negotiation reserved to the President by the Constitution. House Joint Resolution 521 is not a concurrent resolution merely expressing the sense of Congress on nuclear arms reductions. It is a joint resolution which, if passed by Congress, and absent a veto, will become the law of the land. It would establish a statutory policy on when the arms reduction negotiations should begin and what the negotiations should include; in the words of the committee report, "it mandates objectives" for the START negotiations. It would even "mandate" the order in which the objectives of the negotiations should be undertaken by the President and his representatives in those negotiations.

Such obvious and specific interference in the negotiating stage of the treaty-making power would be patently inappropriate even if this were the mere expression of the opinion of Congress in the form of a concurrent resolution. In its present form, as a joint resolution, it plainly oversteps the bounds of the powers which the Constitution has reposed in the legislative branch.

Second, section 2 of House Joint Resolution 521 in its original form purported to mandate that the United States promptly approve the SALT II agreement. On its face, this provision appears to command the executive to ratify SALT II. Indeed, the committee report uses the terms ratify and approve interchangeably. In the first place, SALT II was submitted to the Senate as a treaty, and the other body has not given its constitutionally required advice and consent to ratification. Congressional speculation about resubmission of SALT II as an executive agreement is just that, pure speculation. In the second place, even if the other body had given its advice and consent, the act of ratification by which the SALT II agreement would become effective is a part of the process which, it is well settled, the Constitution leaves to the sole discretion of the executive branch ("Restatement 2d, Foreign Relations Law of the United States," sec. 130, 131, American Law Institute, 1965). As amended, a question of constitutionality remains. Can they do by indirection what they cannot do directly?

House Joint Resolution 538, the Broomfield-Carney-Stratton substitute, on the other hand, does not transcend these constitutional bounds. It does not seek to direct the negotiating process of the START talks. It would merely express the opinion of the Congress in support of the initiation of the talks and support of existing law; and it expresses the views of Congress on nuclear arms control and stability, in general. It makes no effort to mandate the ratification by direction or indirection of SALT II. It is, therefore, clearly preferable to House Joint Resolution 521 on constitutional grounds, as well as for substantive arms control reasons.

□ 2000

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. DOWNEY).

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I rise in opposition to the Broomfield amendment.

Mr. Chairman, I rise in opposition to the Broomfield-Carney-Stratton substitute for several important reasons.

Most importantly, the substitute represents no more than a pseudo-freeze on nuclear weapons. Under the provisions of this substitute, both the United States and the Soviet Union would be permitted the opportunity both to test and deploy entirely new and more lethal generations of nuclear weapons than those presently deployed. Following such developments, both sides could then move on to a freeze in strategic and theater nuclear weapons systems.

In my mind, such a proposition is ludicrous. The time to stop the arms race is now! A new and even more destabilizing round of the nuclear arms race is about to begin. the United States alone is on the verge of deploying extremely capable "first-strike" weapons systems that will be quite destabilizing to the present balance in strategic nuclear weapons. We are also on the verge of deploying newer theater nuclear weapons systems (the Pershing II) that will bring Moscow within 5 minutes of American nuclear striking power. Clearly, these efforts do little to encourage Soviet trust for announced American intentions to lessen the risk of nuclear war through reductions in our mutual nuclear arsenals.

Second, assuming we support the substitute and implement the President's remodernization programs and, assuming a Soviet response to this buildup that we know to be certain, will our security interests be better served? Yesterday, our colleague from New York, provided us with an important chart that was prepared by our own Joint Chiefs of Staff. In each of the four measures of strategic capability: (1) hard target kill capability; (2) numbers of weapons; (3) equivalent megatonnage, and; (4) time urgent hard target kill capability, the United States is better off today than we will be anytime in the next 10 years. Why then should we now embark on such costly, dangerous and destabilizing efforts such as those suggested in the substitute or by the President's modernization program?

I cannot support this amendment nor can I endorse the President's remodernization program. I see little value in both the United States and the Soviet Union's mutual penchant to continue to acquire more and more nuclear overkill capacity than we presently have over one another. Clearly, the history of the arms race is fraught with examples of one side responding to a perceived, or real, advantage of the other. Each deadly action initiated by one side sets off an equally deadly reaction by the other side and the upward pressures of the arms race continue, unabated.

The President describes our present strategic position with respect to the Soviet Union as inferior. He asserts that there now exists a "window of vulnerability." For this reason, both he and the gentleman from Michigan urge us to reject House Joint Resolution 521 and support the substitute amendment. In my mind, the substitute amendment represents no more than a business as usual attitude toward the nuclear arms race and does little to enhance U.S., allied, or world security or the prospects for peace.

Today, let us join together in renouncing this business as usual routine and redefine the "window of vulnerability" as a "window of opportunity" to place an end to the ominous nuclear arms spiral that has continued without relent for the last 37 years. For these reasons, I urge you to oppose the Broomfield substitute and join me in supporting the Zablocki resolution as reported by the Committee on Foreign Affairs.

Mr. DOWNEY. Mr. Chairman, the time is getting close for us to choose. And we do have an alternative here. It is not as some of my friends on the Republican side have suggested between reducing now and freezing later, or freezing now and reducing later.

If my colleagues read the text of their amendment, there is nothing to prevent the full-scale escalation of more weapons on both sides. And even if we get the START Agreement in 5 or 6 years' time, that will not add to our security. Instead the window of vulnerability and other problems will certainly emanate therefrom.

We have an opportunity today to correct some of the problems that have been inherent in the whole question of nuclear weapons since 1945. We have a very sorry history, my colleagues, of dealing with this act of terror.

In 1946 Members on both sides of the aisle wanted to place nuclear weapons in an agency for international control, and that failed.

Save the exception of the SALT I agreement and the ABM Treaty, and the aboveground test treaties, we have not really controlled nulcear weapons.

This gives us the ability to send a signal. Our negotiators are not going to have to come home and pack their bags if the House of Representatives sends them a signal we would like to freeze today. They will continue to work on the START negotiations as they should. But they will be armed, and the American people will be armed with the belief that this body believes with them that the time has come to control these weapons of destruction.

Right before his death, Albert Einstein, no stranger to the question of nuclear weapons and their destructive capabilities, said to the American people, "When you discuss nuclear weapons, remember your humanity, and forget everything else."

Mr. BROOMFIELD. Mr. Chairman, may I inquire as to the time remaining on both sides.

The CHAIRMAN. The gentleman from Michigan (Mr. BROOMFIELD) has 15 minutes remaining and the gentleman from Wisconsin (Mr. ZABLOCKI) has 21 minutes remaining.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in opposition to the Broomfield substitute. This measure is far inferior to the committee measure which it attempts to displace.

This amendment is caught up in the logic of building more weapons, more nuclear missiles, and bombs when indeed the numbers held by both the major powers are far in excess of any reasonable defense need.

Rather than capitalize on the SALT II Agreement, admittedly a nonratified treaty, but very importantly a treaty which both the Soviets and the United States observe today, this Broomfield amendment superimposes the Strategic Arms Reduction Talks. Mr. Chairman I have no objection to continue seeking reductions in nuclear arms with the Soviets through START or other initiatives but there is a great difference between a treaty such as the SALT II Treaty and talks, however much they may be blown up by advocates.

Most Members are well aware of the concerns and imperfections in the SALT II Treaty and for that matter with past treaties addressing this most important concern of nuclear weapons, but all of these efforts represent benchmarks from which we proceed hopefully forward.

Today we have an opportunity to put in place an important cornerstone by support of the verifiable nuclear freeze embraced by the committee measure.

This will be an important action, a milestone in moving forward to express the feelings that have been expressed across this country, that U.S. policy should be to stop the uncontrollable growth of nuclear weapons in the hands of the superpowers.

Stop and freeze these weapons while we move forward with further reductions.

The Broomfield amendment is an unjustified leap in faith; it is designed to capture support and concern for reduction of nuclear weapons while the present growth continues to go forward in full bloom. That is simply not acceptable to those of us who recognize the necessity of meaningful progress on this issue.

The Broomfield substitute is at the very least misleading, if not counter-

productive. Mr. Chairman, we do not need the Broomfield resolution or amendment. This is the present policy under which we have come to the unsatisfactory conclusion that exists today—the Broomfield substitute is chuck full of good intentions I am sure, but what this Congress must do is to provide new direction and urgency to the issue of nuclear arms reductions and I submit that the nuclear freeze resolution is the serious type of action and expression that will speak with good faith to humanity which cries out for a responsible action and policy from our great Nation.

Mr. ZABLOCKI. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. DENARDIS).

Mr. DENARDIS. Mr. Chairman, the committee resolution asks us to freeze now, reduce later. The Broomfield amendment asks us to negotiate now, permits and encourages the building of nukes while we wait, and maybe, just maybe, we will reduce later what we have increased in the meantime. Why? No rational reason in my book.

The risks are simply too great. We must freeze now and reduce later. I support the Zablocki amendment.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, the fact is that in 1965 we had about 6,000 deliverable strategic nuclear warheads, and now we have over 9,000. This is documented graphically in the publication entitled "The U.S. Military Posture for Fiscal Year 1977 of the Joint Chiefs of Staff."

This is in response to a discussion that I had earlier with the gentleman from New York.

However, I would just like to point out that is what is so ridiculous about talking about these numbers in this way. That you can view them from the many points of a prism.

When you get to that many numbers of nuclear warheads, all you are talking about is how many times you are going to make the rubble bounce. Is it going to be a 100-foot crater or is it going to be a 200-foot-deep crater. That is what you are discussing, once you get to those many thousands of nuclear warheads. The fact is that we have lived under this threat for many many years. And we have left it in the hands of the generals, of the scientists, of the so-called experts.

And the fact is that no longer will the people of the United States allow their lives to be held in constant peril by the decisions of an elite group of generals, politicians, and scientists.

This resolution is proof that we are beginning to realize that things of this nature are not better left to the so-called experts. That the incredible amount of money and effort spent on nuclear weapons has left us in far greater peril than we have been at any time in human history. And that peace will only come when governments get out of the way, as Dwight Eisenhower said, and let the people have it.

Seventy-six percent of Americans favor a bilateral and verifiable freeze on the production, testing, and deployment of nuclear weapons. So do I. And so should this House.

I believe this debate and this vote that we are about to have will be the most important and fateful debate and decision that those of us in the Congress today will ever have.

I urge the defeat of the Broomfield amendment and I support the Zablocki resolution.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, today we are witnessing a masterful attempt to pull the wool over the eyes of the American people, an overwhelming majority of whom support a nuclear weapons freeze.

The drafters of this substitute must have figured that, well, if we can intersperse the word "freeze" in here enough, maybe we can sell it to the American people that this is a freeze.

But here is what the American people are getting with this substitute. Remember now this substitute is the Reagan arms control policy. Here is what the people get with this proposal:

One. Long-range ICBM warheads will be reduced by one-third, but nothing would be done to constrain the types of ballistic missiles or warheads, or to constrain further development of bombers and cruise missiles on each side.

Two. The building of destabilizing first strike weapons like the MX and Trident II missiles would proceed as scheduled. The Soviets would also be able to modernize their destabilizing forces.

Three. We would be able to deploy the hard-to-verify ground- and sea-launched cruise missiles—and so would the Soviets.

Four. The production of some 17,000 nuclear warheads would apparently proceed on schedule. And the Soviets can match us warhead for warhead. You call that arms control? I call it an arms bazaar.

The freeze resolution has been accused of being naive. Do you want to know what is naive? I think it is naive to think that the Soviets are going to allow us to build all these new weapons and they are just going to sit on their hands until we are finished. That is being naive.

The freeze has been accused of putting into place a window of vulnerability. But the Reagan proposal would do nothing to close any window of vulnerability. The Reagan proposal does nothing to constrain the deployment of highly accurate first-strike weapons. Each side's land-based missiles would still be vulnerable. If fact, they would be even more vulnerable because the missiles aimed from the other side would be even more accurate.

What is more, the Reagan reductions would have each side with more warheads targeted on the other side's land-based missiles.

Talk about a "leap into the unknown," as the administration accused the freeze of being. Talk about bad arms control policy.

The Reagan administration says that the American people and Congress should be unified behind the administration when it goes to Geneva.

□ 2010

Well, the American people are unified. But they are unified behind a halt to the nuclear arms race. They are not unified behind a proposal that continues the arms race. The American people want a proposal that lets them and the Soviets live together. They do not want a proposal that lets them die together.

This is the final option of our time. We shall either know each other or we shall exterminate each other.

Vote "no" on the Broomfield substitute.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. HYDE. Mr. Chairman, would the gentleman from Illinois (Mr. DERWINSKI) yield to me for a question, just for a second?

Mr. DERWINSKI. Yes.

Mr. HYDE. May I ask the gentleman from Michigan (Mr. BROOMFIELD), referring to the last paragraph of the gentleman's resolution, it says,

> The Congress insists that any arms control agreement must be fully verifiable, as our national security cannot be based on trust alone.

Is it the intention of the gentleman that that includes onsite verification where appropriate?

Mr. BROOMFIELD. Yes, it does.

Mr. HYDE. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, let me point out, first of all, I am using the microphone on this side because I rise in support of what I call the Stratton-Carney-Broomfield amendment. It is the bipartisan approach which I believe is the only acceptable package before us.

Now, I am also aware of the fact that on this issue most of our Members might have their minds made up. In the hope that a few do not, I am addressing this body.

I wish to remind you that we have a counterpart in the Soviet Union. It is called the Supreme Soviet.

I would ask any of you, any of you, have you ever considered that someone could rise up in the Supreme

Soviet and question any of the policies, much less the character and integrity of Mr. Brezhnev? He would disappear forever. I just ask you that as you ponder your final vote.

Then there has been some talk about public opinion in the United States. On this issue and a lot of others there is far less public opinion being concentrated on what we are saying and doing here than you think. There are more Americans out watching ball games tonight than there are worrying about what is said here. Why? Because we live in a false atmosphere here in Washington where we think everybody in the country is watching this artificial propaganda issue that has been thrust upon us.

I would suggest one other thing. I would suggest to you, do any of you think that there is any public opinion allowed in the Soviet Union? Think about that for a moment.

But I also remind you that 40-some years ago, a great American, Arthur Vandenberg, intoned the phrase, "Politics stops at the water's edge," and that was the philosophy that helped make our victorious effort in World War II possible.

Recently, Jimmy Carter, as President of the United States, in the field of foreign affairs accomplished two great things, the Camp David accords and the Panama Canal Treaty. I suggest to you as a Republican who supported both, that that was in the spirit of Arthur Vandenberg in having politics stop at the water's edge.

But where are we today? We are speaking not just to this Chamber. We are speaking, and again I reemphasize, not just to people in the United States and not to all the people around the world, they may not be watching us; but the people who are watching us are in the chanceries here in Washington, in the diplomatic stations around the world, in the brain trust in the Kremlin, they are the people who are watching us. They are looking at this procedure and they will interpret a vote for the other amendment, the amendment opposite Stratton-Carney-Broomfield as a repudiation by the Congress of everything that we have stood for in this country in bipartisan foreign policy since World War II.

I will tell you who else is watching. The captive peoples of Eastern Europe are watching and they would interpret the passage of this resolution, unless it is amended by Broomfield-Carney-Stratton, they would interpret that as an American retreat from the realities of the threat of Soviet tyranny. That is the interpretation we are talking about.

If you want to cast a vote that will inspire the captive people behind the Iron Curtain, vote for Stratton-Carney-Broomfield.

If you want to give them the heartbreak, the heartbreaking thought that America might not live up to its responsibility for freedom, then vote for the language that came out of the committee.

I suggest one other thing. That this country of ours is far greater, far more noble, far stronger than you think. We do not have a thing to apologize for in the conduct of foreign affairs. We do not have a thing to apologize for in how we use our national defense forces. We do not have armed forces threatening anybody's freedom. We have military forces who are on station to defend our freedoms and the freedoms of people all over the world.

If you vote for the wrong resolution, that committee resolution, you are voting to drive a nail in the coffin of the hopes of all peoples around the world for ultimate freedom for all people. That is the issue before you.

The issue here is the perception, because remember, you are voting on a resolution, and what is a resolution? Gratuitous advice to the President of the United States.

I ask you, if you look back at the postwar history of this country, has any Congress ever tried to pass a resolution like this, regardless of its political makeup and regardless of what the political party of the President.

This is mistaken resolution. You can correct it by voting for Stratton-Carney-Broomfield.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I am opposed to the Broomfield resolution, and I am for the Zablocki resolution.

Today is an important moment in the history of the House. The nuclear freeze resolution (H.J. Res. 521) is on the floor today because the American people have demanded that we begin to halt the international arms race, and they are absolutely right.

A stop to the testing, production, and deployment of nuclear weapons is a civilized and sensible policy, and as an original cosponsor of the freeze resolution, I am delighted that we are having this debate. I hope the House will adopt without amendment the freeze resolution as reported by the Foreign Affairs Committee. We have the opportunity to vote for the future and I for one am pleased to do it.

I support the Zablocki resolution and I oppose the Broomfield resolution. The nuclear freeze is a logical first step toward achieving a commonsense approach toward ending the nuclear arms race that threatens world civilization.

Mr. BINGHAM. Mr. Chairman, I am somewhat surprised at the tone of the remarks just made by my friend, the gentleman from Illinois. The gentleman suggests that only one of these resolutions is bipartisan.

I would remind the gentleman that the resolution before us was reported out of the Committee on Foreign Affairs with a majority of both parties voting for it.

The gentleman from Massachusetts, the ranking member of the Appropriations Committee, is one of the principal sponsors of the resolution and has been from the beginning.

I do not think it is a service to this House to suggest that this is a partisan matter.

Second, I do not think it is a service to this House to suggest that anyone in this Chamber thinks the Soviets are nice people or ought to be trusted. There is nothing in this resolution to suggest that this resolution is based on that philosophy.

This resolution is based on the philosophy that whatever we do has to be verifiable and it has to be agreed to and if it is not verifiable, as the chairman said in his opening remarks, there is not going to be a freeze.

Now, let me take what little time I have remaining to focus the rest of my remarks on an issue that has been raised, but really not sufficiently discussed. It was raised by my friend, the gentleman from California (Mr. LAGOMARSINO) and others on this side; that is the apparent imbalance that exists in Europe today.

I would like to make three points about that in the light of this resolution. First of all, this resolution explicitly calls for working things out with our allies in Europe, particularly where we have a commitment to those allies. I for one, am deeply concerned with our relations with our allies in Europe. They are in terrible shape today, but I would not suggest that we should proceed in this matter without regard for them. We must proceed in consultation with them.

Second, I believe that if a freeze were to be negotiated, that the great majority of Europeans would welcome that with a huge sigh of relief and the problem of intermediate range weapons would greatly diminish. Certainly the urgency of the situation in Europe would be overshadowed by the great step toward peace that would have been taken.

□ 2020

Finally, I would make the point that the imbalance that is alleged to exist has been grossly exaggerated. The SS-20's are not a new threat. There have been SS-4's and SS-5's aimed at European cities for many years. There is a counterbalance which includes our forward-based forces.

Many of our planes can reach Soviet cities. We have the SLBM's ranged along the coast of Europe. The French

and British forces also have to be taken into account.

Indeed, there is no agreement whatsoever on the relative figures between the United States and the Soviet Union. It depends on who one listens to.

Just a word here from our own Congressional Research Service:

While there are imbalances favoring the Soviets in intermediate-range missiles in Europe, our existing forward-based nuclear systems, consisting of nuclear capable aircraft (including the F-111, F-4, F-16, and carrier-based aircraft) and SLBM's on submarines in the waters around Europe, coupled with the British and French nuclear forces, should prove sufficient to continue to deter either Soviet use of nuclear weapons or a Soviet conventional attack.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire (Mr. D'AMOURS).

Mr. D'AMOURS. I thank the gentleman for yielding.

Mr. HOLLENBECK. Mr. Chairman, will the gentleman yield?

Mr. D'AMOURS. I yield to the gentleman from New Jersey.

Mr. HOLLENBECK. Mr. Chairman, I rise in support of House Joint Resolution 521, calling for a mutual, verifiable freeze on the testing, production, and further deployment of nuclear weapons.

Mr. Chairman, today, on the eve of the day the United States dropped our first atomic bomb on Hiroshima in World War II, we are faced with an historic choice between stopping the arms race or continuing a dangerous buildup of nuclear arms. Finally, 37 years later at a time when our smallest strategic warhead is several times larger than the bombs dropped in 1945, we are given the opportunity to focus even more attention on the urgent need for more rapid progress toward reductions in nuclear weapons. The outcome of our decision could very well determine whether we halt the proliferation of nuclear arms or whether we allow our ability to maintain overkill capacity over one another to continue to increase the risk and likelihood of nuclear war.

In March of this year I had the privilege of participating in the debate in this body over the future of our country's nuclear weapons and arms control policy. I took the opportunity then to express my disappointment in the dilatory tactics of some of my colleagues who took pleasure in showing us why it was in our best interests to continue piling weapons of destruction one on top of another. I said at that time that the main obstacle to a negotiated freeze would be these discerners who would continue, seemingly unincumbered by the weighty responsibility they held, to point meticulously to every imagined imperfection and flaw and simply by virtue of their concern over how the Soviets behave in a real world, would prolong the status quo and would heighten even further the dangers of a nuclear contest.

Today, 4 months later, little has changed. The critics continue to maintain that a nuclear freeze is not in our national security interests. For their benefit, please allow me this chance to emphasize what House Joint Resolution 521 will and will not do, and why it actually heightens our security needs. This resolution does not mean a blind pursuit of détente, or a willingness to accept Soviet actions which are contrary to our interests in a stable world. I and the other supporters of House Joint Resolution 521 do not endorse a freeze and reduction in nuclear arms as a concession to the Soviets or because we like them. We do so because it is so clearly in our mutual interests to do so. Today we live in a world of threats and counterthreats, of force and counterforce, and as technological advances make new weapons more usable, the temptation to use them will be greater than before. Clearly, each deadly action initiated by one side will set off an equally more lethal reaction by the other side until humanity as we know it will fall by the wayside.

Furthermore, Mr. Chairman, the resolution before us for a bilateral freeze is not to be based on blind trust in the good intentions of the Soviets. Verification must be required at every stage of the process and verification is possible. This is not a proposal for unilateral disarmament. The freeze itself is a matter of negotiation between the United States and the Soviet Union and the reductions that it seeks must be mutual and balanced. They cannot and should not be designed to freeze either the United States or the Soviet Union into a position of permanent inferiority.

Neither is the proposal naive or unrealistic. It simply affirms the fact that we are prepared to choose the path of immediate negotiation and rejects the thinking of those who would have us continue to haggle over the terms of the reductions sought in the START talks.

Mr. Chairman, those of us who cherish life on Earth must encourage our Government to act in harmony with the demands of peace rather than out of narrow self-interest. The continual preparations of war demonstrated by the production of ever more numerous, powerful and sophisticated weapons show that there is a desire to be ready for war and being ready means being able to start it. It also means taking the risk that sometime, somewhere, someone can set in motion the terrible mechanism of general destruction. Our first moral imperative then is obviously to prevent any use of nuclear weapons under any circumstances. It think that this resolution by demanding an immediate halt in the nuclear arms race followed by significant reductions in the nuclear arsenals of both the Soviet Union and the United States serves as the best vehicle for accomplishing this objective. At the same time it addresses the fears of Americans across the country who are grasping the reality of our present situation and are demanding for the sake of their children and for the future of life itself to reverse the arms race by first calling it to a halt. I urge the resolution's adoption.

Mr. D'AMOURS. Mr. Chairman, I rise in strong support of the Zablocki amendment.

The gentleman from the other party who preceded me in the well, the neo-DERWINSKI, stated or indicated that the American public was not watching us today. Well, he would like very much and they would like very much for us to believe that, but why do you think we are here? We are not here as leaders; we are here as followers.

There is a movement in this land and it is a powerful and broad movement. That is what we are responding to, and we had better believe that they are watching what we are doing here today.

We are here today to send a signal, as leaders from both parties have indicated. That is all we are doing. What we are doing does not have the effect of law. There is no enforcement mechanism, even though it is a joint resolution signed by the President.

This is, in effect, sending a signal and we are sending tha signal in response to this grassroots movement that has gotten us here in the first place.

This is not a Democratic movement; it is not a Republican movement.

Fifty towns in New Hampshire voted overwhelmingly in favor of a freeze. These town meetings are held in the most conservative reaches of the State of New Hampshire. This is not a conservative movement or a liberal movement. What could be more conservative than wanting to preserve humankind, than wanting to preserve the human species?

Mr. Chairman, I would suggest that all we are going to be voting on here in 1 or 2 minutes is whether or not we are aware, whether or not we are awake to the realities of the horrors of nuclear war, as are the constituents who have impelled us to come here today, as are the constituents who have impelled the President to Geneva to negotiate.

Are we going to tell those constituents that we are not yet awake to the reality that they fear? Are we going to tell them that at long last we are not going to take some step to change direction?

Make no mistake about it, Mr. Broomfield's resolution is business as usual; no change of direction, a continuation of the arms race; whereas,

Mr. Zablocki's resolution simply says: Look, we have got to halt this mad course that we have been on for a number of years. And it suggests that we do that.

Mr. Broomfield's resolution, on the other hand, by his own admission, says: Let us keep going and later on we will make the decision that our constituents want us to make and are hoping we will make tonight.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, at times there is a sense of unreality about this body, but it is not the unreality of our knowing better what is going on in the rest of the country or the rest of the world; it is an unreality based on the fact that we are way behind that the people of this country are thinking.

Just a month or so ago, 700,000 people gathered in Central Park in New York to indicate their opposition to the mad rush that we and the Soviet Union are taking toward world destruction. I think it is appropriate that this particular debate is taking place on the very eve of the 37th anniversary of the dropping of the first atomic bomb in anger.

That bomb which everybody has said in this debate was a tiny one, killed over 100,000 people. It is now generally acknowledged that a full exchange of nuclear weapons between the Soviet Union and the United States will kill 100 million Americans and 100 million Russians.

That is the reality that we ought to be talking about. Instead, we are engaged in gamesmanship. There are people on that side of the aisle who think if they can be clever enough and cover it up that maybe the President will get some extra points from those who support a freeze while he continues his foot dragging.

I do not think that our constituents will thank us if, at the end of our game playing, the world and all of its hopes and most of its people are blown up and disappear. That is the road we are heading down.

I think those of us who hold these offices as representatives of the people are privileged to be playing a role of leadership. We have the chance, literally, to save humanity. Instead, I am afraid that often we are more a part of the problem than of the solution. I do not believe that we can game play with a nuclear arms race and think that we are going to fool or save humanity.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. STRATTON) a cosponsor of this substitute resolution.

Mr. STRATTON. Mr. Chairman, earlier in the debate this afternoon the gentleman from Texas (Mr. PICKLE) said that it really did not make much difference between these two resolutions; neither one of them would become statutory, they were just expressions of Congress.

But the fact of the matter is there is one very important difference between the two resolutions. One of them, the Broomfield resolution, provides:

Resolved, that the Congress supports the initiation of the Strategic Arms Reduction Talks and urges the Soviet Union to join with the United States in concluding an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels.

The Zablocki resolution, coming out of the Committee on Foreign Affairs, however, says this: "It is resolved that the United States and the Soviet Union should immediately begin the Strategic Arms Reduction Talks," which actually have already begun, and then it tells the President and his negotiators what to do, "halt the nuclear arms race," also to "decide when and how to achieve a mutual freeze on testing, production," and so forth.

But, as has already been mentioned in this debate, in foreign policy the starting of negotiations is the exclusive responsibility of the executive branch of the Government. It is up to the President of the United States.

As someone said earlier, what has happened to the old idea of a bipartisan foreign policy rather than one that has Congress trying to tell the President how to negotiate? Obviously, the Soviets are not going to be convinced that the United States means business in Geneva if the President has one idea and the Congress has another.

The Committee on Foreign Affairs often comes up with resolutions on momentous events. But I just wonder what has happened in the last 9 months to our good Chairman ZABLOCKI and the people under his control.

□ 2030

The Members may have forgotten that there was a very momentous event, back on November 19, 1981, just about 9 months ago. The President announced the start of the intermediate nuclear force talks in Geneva, and the offering on the part of the United States of the zero option. At that time, the distinguished chairman of the Foreign Affairs Committee, Mr. ZABLOCKI, offered to the House a resolution of support of Congress for the President's initiatives for peace. And here is what Mr. ZABLOCKI had to say in that resolution:

Whereas the President's willingness to cancel deployment of Pershing II and ground-launch cruise missiles if the Soviet Union dismantles its SS-20, SS-4, and SS-5 missiles is a dramatic and bold step toward real nuclear arms reduction;

Whereas the President's call for "equality at lower levels of conventional forces in Europe" is a necessary part of his goal of reducing the threat of war.

Whereas the President's invitation to President Brezhnev to join in a conference that would "develop effective measures that would reduce the dangers of war arising out of uncertainty and miscalculation" demonstrates this Nations's belief in the need for mutual restraint between the superpowers and

Whereas the President's goal of "mutual reduction of conventional, intermediate range nuclear and strategic forces" is in the great American tradition of seeking and keeping the peace through realistic methods: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its commendation of and support for the President's initiatives for peace and reaffirms its desire to work with him so that the threats of nuclear war can be reduced and perhaps eliminated in our lifetime.

Now, what happened in those 9 months that we should have this critical kind of statement with regard to an even more important initiative of the President? The President of the United States had introduced a strategic arms limitation and reduction proposal which was even more important than the INF and far more detailed and far more precise than any freeze. Yet here we see the leadership of the Foreign Affairs Committee and the Democratic majority of that committee coming out unanimously against the President of the United States and trying to tell him how to run the business of negotiation when everybody knows that that kind of devisiveness between the President and the Congress is bound to make these negotiations null and void and prevent us from bringing an end to the threat of nuclear war.

The distinguished majority leader (Mr. WRIGHT) even mentions during the debate that the remarks of Mr. ZABLOCKI recall the days of President Harry Truman how Republican Senator Arthur Vandenberg had helped the President carry out a genuine bipartisan foreign policy.

I wish we could rise high enough here tonight to match that same bipartisan spirit of cooperation between Congress and the White House that marked the 1950's.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Chairman, as a supporter of the Zablocki resolution I would like to stress that I, too, am proud of my country. Supporters of the Broomfield approach have no monopoly on patriotism. The issue is not as several speakers have recently implied, drawn between those who feel guilty about American foreign policy and those who generally support it. Rather than national pride, the fundamental issue of arms control relates to the human condition in the 20th century. We, simply put, have the capacity not only to wage war, but to end civilization. The nuclear bomb ends

any luxury we might have had to think of ourselves exclusively as Americans. We have no choice now but to be patriots of the Earth and all its people. Security in the nuclear age is not self-willed, it can only be collective—based on expanding respect for law and human tolerance.

In a narrower sense, I would like to comment briefly on several notable aspects of the Broomfield substitute. Twice in the substitute resolution references are made to Public Law 92-448. It would therefore appear appropriate to establish in this debate precisely what this joint resolution dated September 30, 1972, calls for.

First, it is notable that it is this public law which by joint resolution other than through the "advise and consent" prerogatives of the Senate approves the interim agreement of May 26, 1972, relating to SALT I. This joint resolution approach involving House as well as Senate participation is a responsible precedent, one which might will be followed for future arms control accords, whether they be SALT II, START, or a comprehensive test ban.

Second, it is notable that this Public Law which is 10-years old urges the President "to seek at the earliest practicable moment Strategic Arms Reduction Talks (SART) with the Soviet Union, the People's Republic of China, and other countries, and simultaneously to work toward reductions in conventional armaments * * *" In other words, Congress presaged the notion of START and set precedent for the debate this afternoon by urging more comprehensive agreements.

Third, it is notable that the resolution concludes with the observation:

> Congress considers that the success of the interim agreement and the attainment of more permanent and comprehensive agreements are dependent upon the preservation of longstanding U.S. policy that neither the Soviet Union nor the United States should seek unilateral advantage by developing a first strike advantage.

Solemn words, these, which alas have not been adhered to by either of the super powers.

Finally under the assumption that semantics can have staggering consequence in international diplomacy, it would appear relevant to relate the words of the operative clause of the Broomfield resolution to the precise words of Public Law 92-448. The Broomfield resolution stipulates:

> The Congress reaffirms support for Public Law 92-448 which states that the United States not enter into an arms accord which provides for force levels inferior to those of the Soviet Union.

Using somewhat different verbs, and therefore implying somewhat different intent, Public Law 92-448 states:

> The Congress recognizes the principle of United States-Soviet Union equality reflected in the antiballistic missile treaty, and urges and requires the President to seek a future treaty that, inter alia, would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union.

The distinction of presentation involves more than nicety of language. A "request" to the President is different than a constraining statement of public policy. The President maintains under the Broomfield substitute the discretion and flexibility to make agreements where weapons systems are not equated one for one. For example, in attempting to establish a strategic balance, it might well be prudent to give one side a numerical advantage in one type of system in return for the other's advantage in another.

In conclusion, Mr. Chairman, I would like to stress that whereas I consider the Zablocki approval vastly preferable to the Broomfield alternative, the Broomfield alternative represents a progressive step forward in congressional involvement in arms control. The explicit endorsement it contains to Public Law 92-448 holds much more that is positive from on arms control perspective than its supporters might suspect.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Chairman, I would like to respond to the questions raised by the gentleman from New York and other speakers here today. The question of, are we not undercutting the START negotiations with the Zablocki resolution, and why do we need to have the Zablocki resolution when the START process has already begun?

We have heard that we have the START underway, we are making progress, we do not want to undercut the President, it is not necessary to have a resolution, and we are telling the President how to negotiate if we pass the Zablocki resolution.

I think it is important to recognize that as to undercutting the President the Bingham amendments are an important corrective. We are not undercutting what the President would like to do if he is genuine about arms control now that the Bingham amendments are into the Zablocki resolution. But the question remains, why do we need this resolution if the START process has begun? I would submit that if we had a President who was genuinely interested in arms control, perhaps it would not be necessary. If we had a President who would not use the START talks to build up massive amounts of armaments; if we had a President who would negotiate in good faith, then I think the Broomfield resolution would be enough—or indeed we would need no resolution at all.

Now, the President says that he is interested in genuine arms control, and I would like to believe him. But, look at the record. The record tells us something different. When President Kennedy proposed the Test Ban Treaty in 1963, Ronald Reagan opposed it. When President Johnson pushed for nonproliferation in 1967, Ronald Reagan opposed it. When President Nixon negotiated the SALT I agreement in 1972, Ronald Reagan opposed it. When President Ford restricted the sale of weapons grade material in 1975, Ronald Reagan opposed it. When President Ford concluded the Vladivostok Agreement in 1976, Ronald Reagan opposed it. And when President Carter negotiated SALT II in 1979, Ronald Reagan opposed it.

For 20 years Ronald Reagan has opposed every step toward arms control by every President of either political party, whether they be Republican or Democrat.

Now they are saying they are for arms controls. Well, maybe, and maybe not.

My guess is that a resolution is necessary.

And the Broomfield resolution is not enough. The House ought to approve the Zablocki resolution. Crowd them a little bit, push them a little bit toward arms control.

Mr. ZABLOCKI. Mr. Chairman, I yield myself 1 minute. I do so in order to express my appreciation to the gentleman from New York for bringing to the attention of our colleagues how fair the gentleman from Wisconsin is. When the President is right, of course we applaud him; and in this instance, when he is a bit wrong, we are trying to help him, and that is why I introduced the resolution we are hopefully going to approve—House Joint Resolution 521.

I would like to clear the air a bit, if I may, of the erroneous idea that the resolution would lead to a halt on a unilateral basis. Nothing could be further from the truth. It would not be a unilateral act. It would not weaken the security of the United States. It would strengthen the confidence of the American people and, I might say to my friend from Illinois, (Mr. DERWINSKI), it would also strengthen the confidence of our friends and allies that the United States is serious about peace, that we are serious in trying to reduce the arms race. Therefore, I hope my colleagues will support House Joint Resolution 521. I urge defeat of the Broomfield substitute.

Mr. Chairman, the time has come to put things into perspective.

On the one hand, we have House Joint Resolution 521, which calls for a mutual and verifiable freeze on and reductions in nuclear weapons and continued adherence to the SALT II agreement so long as the Soviet Union adheres to that agreement and so long as it is in the national security inter-

ests of the United States to continue to adhere to that agreement.

On the other, we have House Joint Resolution 538, which expresses the support of the Congress for the United States and the Soviet Union to engage in substantial, verifiable, equitable, and militarily significant reductions of their nuclear weapons resulting in equal and sharply reduced force levels, which would contribute to peace and stability.

That, I submit, is simply a repeat in different words of part of the intent of House Joint Resolution 521.

We are all for negotiations. We are all for substantial, verifiable, equitable, and militarily significant reduction of nuclear weapons.

We are all for peace and stability.

That is what the arms control negotiations in Geneva are all about—and presumably the President has so instructed the U.S. negotiators to work for this objective.

And that is all that House Joint Resolution 538 does—repeats the U.S. negotiating position with which we all agree. It does nothing that would halt the costly and dangerous arms race that is now taking place.

This is not what the American people want. They want a halt to the costly and dangerous arms race and they want it now. They want to greatly reduce the risk of nuclear war.

In contrast, the adoption of House Joint Resolution 521 would lead to halt to the arms race providing such a halt were mutual and verifiable. Meanwhile, negotiations would be conducted with the objective of reaching mutual and verifiable reductions of nuclear delivery systems.

It would not be a unilateral action. The Soviets would also be required to agree to freeze its nuclear weapons as well. It would not weaken the U.S. negotiating position.

It would not weaken the security of the United States.

It would not weaken the United States vis-a-vis to the Soviet Union.

It would strengthen the confidence of the American people, and our friends and allies that the United States is serious about ending the arms race.

Mr. Chairman, during my 34 years in the Congress, I have supported those programs and policies which strengthen the security of the United States. If I had any thought that adoption of House Joint Resolution 521 would weaken the security of the United States, I would not be asking my colleagues to support House Joint Resolution 521, and urging defeat of the Broomfield substitute.

It is because I firmly believe that House Joint Resolution 521 will enhance the national security that I support it and ask my colleagues to do the same.

Mr. Chairman, we now have parity with the Soviet Union.

We now have the qualitative advantage in delivery systems.

We have the capacity to destroy the Soviet Union several times over. Unfortunately, they also have the capacity to inflict unacceptable damage on us as well.

Adoption of House Joint Resolution 521 would not change this equation at all.

Adoption would, however, be a first step in what President Reagan has asked Soviet President Brezhnev to do—that is to enter into negotiations to achieve an agreement that significantly reduces the number of nuclear weapons.

Now, what else does House Joint Resolution 521 do?

By implication, it commends the President for his wisdom in continuing to adhere to the provisions of the SALT II agreement provided, and I emphasize, that the Soviets continue to adhere to its provisions and provided its continued adherence is in the national security interests of the United States.

Under SALT II, the United States can increase its production of nuclear weapons delivery system whereas the Soviet Union is required to reduce its delivery systems.

In my book, that is a pretty good deal and we should not reject it, provided it is verifiable.

Mr. Chairman, in conclusion, I want to emphasize my belief that the Congress must be a vitally interested partner in the arms reduction process.

We cannot escape that responsibility.

Adoption of House Joint Resolution 521 would reinforce Congress role as a partner in a matter that is of vital interest to the security, and safety of the American people. Its adoption would be a clear-cut signal to the world that the United States is confident in its ability to deter nuclear war, that it is interested in halting the arms race, and that it is willing to take the lead in this process.

Nothing, I submit could be more in the national security interest than this.

I urge defeat of the Broomfield substitute.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the minority leader of the House, the gentleman from Illinois (Mr. MICHEL). I would like to inform the House that following Mr. MICHEL's presentation I am going to yield 1 minute to the gentleman from New York (Mr. GILMAN) for the purpose of introducing an amendment which I think would be acceptable.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman. I rise in support of the Broomfield, Carney, Stratton substitute.

Effective verification is, of course, crucial to any arms control agreement that we may enter into with the Soviets. A variety of methods are employed to determine Soviet compliance with the provisions of SALT. Among these is reading or interpreting the signals—telemetry—emitted by Soviet missiles during their test flights. Much has been said about the Soviets encrypting some of their missile telemetry but there has been little, if any, mention of the possibility that the U.S.S.R. may be falsifying the unencrypted data that we do get from Soviet missile tests.

Indeed, such falsification of telemetry data is the most plausible reason why the U.S. intelligence community was so wrong some years ago in estimating the accuracy of Soviet missiles. In short, the Soviets may be using disinformation to deceive us in the technical realm of intelligence as they always have in the area of human intelligence.

I would like to quote from a discerning article on this whole problem by Edward Joy Epstein which appeared last month in Commentary magazine:

> The problem for the Soviet Union in the early '60s was to increase its vulnerable and numerically inferior missile force to a threatening level—without provoking the United States similarly to increase, or defend, its existing missile force. Moreover, the Soviet Union had to effect this building at a time when all its silo-construction and missile-testing programs were being closely monitored by the cameras and sensors of U.S. spy satellites. It was able to accomplish this seemingly impossible task because U.S. intelligence gravely underestimated the truly threatening aspects of the Soviet missile—their potential for accuracy on the basis of intercepted test data and the reports of double agents that had been deliberately falsified and that played into preconceptions about the Soviet Union's technological capacity.
>
> The likelihood that such a deception could have been detected in contemporaneous time frame seems remote. Disinformations that micmic prevailing preconceptions contain their own camouflage. Moreover, as we have seen such deceptions rapidly become entangled and fused with the bureaucratic interests of the intelligence services themselves . . . Thus, while Congress and the informed public have been under the impression that satellites and electronic wizardry can be relied upon for foolproof intelligence, the story of the misestimates of Soviet missile accuracy demonstrates that these "national technical means" are at least as susceptible to Soviet deception as less exotic means of intelligence gathering.

A freeze would leave the US in a position of military disadvantage and prevent us from taking steps to remedy dangerous vulnerabilities in our forces which have resulted from the extensive Soviet buildup of the past decade and a half.

A freeze would undercut and eventually destroy U.S. strategic deterrent and undercut NATO's ability to deter Soviet aggression of threats of aggression. It would prevent any modernization of US theatre and

strategic nuclear forces while leaving intact the Soviet position.

ICBMs. As a result of Soviet improvements in missile accuracy, U.S. ICBMs are not vulnerable to attack. A freeze would deny us the ability to modernize and improve the survivability of our ICBM force and in particular, to build and deploy the MX, while leaving intact Soviet counter-ICBM capabilities.

Bombers. U.S. bombers are aging and are becoming increasingly vulnerable to Soviet air defenses. A freeze would deny us the ability to modernize our bombers and the weapons they carry. More specifically, a freeze would prevent us from building and deploying the B-1B and Advanced Technology Bomber and their weapons, including the ALCM. But, it would leave intact and permit improvements in Soviet air defenses which counter our bombers.

SLBMs. U.S. SLBMs, while quite strong today, face block obsolescence in the 1990s when Poseidon submarines must be retired. A freeze would deny us the ability to modernize our SLBM force to ensure the long-run strength of our sea based deterrent. At the same time, a freeze would allow the Soviets to continue their anti-submarine warfare programs designed to find and destroy our submarine force.

TNF. Today, the Soviet Union possesses a monopoly in long-range intermediate-range nuclear missiles. A freeze would prevent the US from building and NATO from deploying the Pershing II missile and GLCM while leaving intact the Soviet force of 900 SS-20 warheads and some 300 SS-4 and S-5 warheads.

Overall, a freeze today would lock in Soviet advantages, effectively cut off our plans to correct these imbalances and achieve a more stable deterrent in the future, and eliminate incentives for the Soviets to engage in serious arms control negotiations. For these reasons, we do not believe that a freeze today would be in the best interests of the United States or in the best interests of our friends worldwide who share our goal of maintaining peace.

Even if there were rough equivalence in strategic forces, the Soviet Union would still have a strong conventional edge, constituting a danger to our European allies and to third world areas that are of strategic concern to the West.

The adequacy of deterrence—our basic policy—cannot be judged merely by looking at numbers of warheads of megatonnage. Because many nuclear weapons are targeted against other nuclear weapons, deterrence can only be effective if a certain proportion of one's own weapons can survive attack by the other side. Furthermore, these weapons must be able to penetrate any defenses the other side has, and must have the ability—the accuracy and explosive power—to destroy heavily fortified or "hardened" targets such as missile silos and command bunkers. For moral, political and military reasons, the United States does not target civilian populations as such. A nuclear war would not destroy the Soviet and American populations "once over" much less many times over, but we must not let anyone doubt the horrible loss of life which could be associated with any nuclear war. That is why deterrence is so important.

The "overkill" argument then in addition to being incorrect, is also misleading because it ignores or downplays factors that are crucial to a strong and stable deterrent. Deterrence of nuclear war is one of the most important tasks we face. We cannot, therefore, afford to cloud our understanding of its exacting requirements by falling back on such simplistic notions of deterrence as "overkill."

A freeze would prevent us from taking the necessary steps to correct the existing vulnerabilities in our forces, thereby preserving instability

By freezing in place Soviet advantages, the USSR would have little incentive to negotiate the reduction in forces we seek. This has already been demonstrated in the area of intermediate-range forces, where the USSR only agreed to come to the negotiating table when it became clear that we and our NATO allies were determined to take steps to counter Soviet INF deployments. Moreover, a freeze would only cap existing levels of forces, not reduce them as we are proposing in our START negotiations.

Strategic negotiations are by nature complex: even with expressed willingness of the Soviets to reach agreement, lengthy negotiations on forces to be frozen, definitions, etc. would be likely. It is not surprising that the Soviet Union has advocated a freeze, particularly one that would limit qualitative modernization, since this would preserve Soviet military advantages and prevent the US from taking steps to overcome the vulnerabilities of our forces.

Important elements of a freeze on testing, production and deployment of all nuclear weapons would be virtually impossible to verify. With an adversary as secretive as the USSR, even on-site inspection would not solve the problem because no inspection system could be everywhere at once, so we could not be sure of compliance.

Although we are, of course, concerned about the cost of military programs, arms control proposals are not concluded with the objective of saving money but improving national security. A freeze and cancellation of our modernization program could save money—but at a high cost to our national security. Agreed limits at much reduced levels could save money without endangering our security. Of course, if nuclear arms were frozen, there would still be the imbalance in conventional forces: to counter Soviet conventional superiority could be very costly and could involve other unpopular measures such as instituting a draft. It is often overlooked that nuclear forces account for only 15 percent of our defense spending.

Such pressure could undermine our negotiating position in INF and in START. By freezing Soviet advantages, they will have little incentive to agree to the reductions we are seeking.

Support for a weapons halt might be useful if it were brought to bear equally on both sides, but we know that in the Soviet Union there is little opportunity for independent public expression of opposition to Soviet military programs. Indeed, while the Soviet Union welcomes public opposition to nuclear programs in the West, it severely suppresses them in the Soviet Union, as the reported harassment of nuclear arms protesters in Moscow in recent weeks indicates.

A nuclear freeze is not only bad for our national security, it is bad for our arms control objectives. It makes achievement of reductions less likely, is virtually impossible to verify, and would preserve instability rather than increased security.

During the last 10 years, the Soviet Union has introduced 12 new or improved nuclear weapons systems and has upgraded or expanded every element of its nuclear arsenal. Since 1972, it has:

Developed and deployed at least 10 different variants of three new types of ICBMs and now has an entirely new, fifth generation of ICBMs in test and development;

Added over 60 missile-firing submarines in four new or improved classes and began deploying two new types of missile submarines, the Typhoon and the Delta III;

Produced more than 250 modern Backfire bombers that have inherent intercontinental capabilities and are now testing a prototype intercontinental bomber similar to the B-1; and

Improved its large air defense system to be even more effective against our bombers.

During the same 10 years, the U.S. introduced only three new nuclear weapons systems and:

Deployed no new types of ICBMs and only one variation of the existing Minuteman (in 1986, the MX will become the first new U.S. ICBM to be deployed in 16 years, assuming the program continues);

Built only four prototype B-1 bombers (when the B-1 becomes operational in 1985, it will be nearly a quarter of a century since the last U.S. bomber was produced); and

Has allowed its air defenses to deteriorate to near impotence.

[From the New York Times, May 30, 1982]

POLL SHOWS NUCLEAR FREEZE BACKED IF SOVIET DOESN'T GAIN

(By Judith Miller)

Most Americans support the concept of a freeze in Soviet and American nuclear arsenals, but they turn against the proposal if it means that the Soviet Union would gain a military advantage, according to the latest New York Times/CBS News Poll.

The survey, conducted May 19-23, also found that both opponents and supporters of a nuclear freeze could easily be swayed by the kind of freeze proposed and its probable impact on American military prowess.

"This issue is very much up for grabs," a White House official concluded.

ARGUMENTS OF TWO SIDES

This observation is consistent with the views of Reagan Administration officials and Democratic opponents who maintain that leadership will be a critical factor in determining how Americans ultimately come to view the freeze as a way of halting the growth in the superpowers' nuclear arsenals.

The Administration has proposed deep reductions in nuclear weapons but argues that a freeze would lock the United States into a position of permanent strategic inferiority to the Soviet Union.

Proponents of a nuclear freeze, by contrast, maintain that American and Soviet forces are roughly equal in strength, so a moratorium now would prevent either side from gaining a military advantage and halt the arms race.

The survey, conducted by telephone with 1,470 adults in the continental United States, indicates that the public's position on the freeze is likely to be significantly affected by whether people come to believe the Administration's assertions or those of proponents of a freeze.

While a substantial majority, 72 percent of those interviewed, said that they favored "putting a stop to the testing, production and installation of additional nuclear weapons by both sides," about half of them changed their minds and opposed a moratorium if it would give the Soviet Union a nuclear edge over the United States. Sixty per-

cent of those surveyed opposed such a freeze.

Similarly, more than a third of those who initially opposed a nuclear freeze indicated that they would favor it if the proposal would result in equal United States and Soviet nuclear strength. Eighty-seven percent of those surveyed supported such a freeze.

In general, a significant majority of respondents resisted initiatives that were one-sided or in which cheating could not be detected. Seventy-one percent opposed a freeze in which the Soviet Union or the United States could cheat without being caught, and 67 percent said they would oppose a moratorium if the United States had to put a freeze into effect first.

In addition, the public expressed considerable confusion about President Reagan's position. Almost a third thought, accurately, that he opposed a freeze; almost a third thought he favored it, and almost 40 percent did not know where Mr. Reagan stood on the issue.

However, a slight majority said they trusted Mr. Reagan to make the "right" decisions about controlling nuclear weapons. Equally encouraging to White House advisers was the poll's finding that almost 60 percent of those interviewed said a nuclear freeze was "too complicated" for the public to decide.

"We always felt that when the President came forward with his proposal on arms reductions, he would win the support of an increasing number of people in the country," said David R. Gergen, a White House spokesman, when told of the survey's results.

REAGAN'S NUCLEAR ARMS PROPOSAL

On May 9, President Reagan proposed in a speech at Eureka College in Illinois that the Soviet Union and the United States make major reductions in their long-range, or strategic, nuclear arsenals. The Times/CBS News Poll was taken shortly after the speech.

While supporters of a freeze have praised Mr. Reagan's call for deep cuts in the number of nuclear armaments, they argued that his plan would take years to negotiate, and thus, would permit the nuclear arms buildup to continue. They have urged the Administration to freeze weapons first, and make reductions later.

The freeze campaign has gathered momentum in recent months through intensive grass-roots organizing and considerable attention from the news media. When told of the survey's results, supporters said they were neither surprised nor disheartened that the public showed mixed feelings and confusion about the freeze, or about Mr. Reagan's position on arms control.

The President has been forced to use the freeze campaign's rhetoric," said Richard Pollack a spokesman for the freeze campaign. "While this has confused some people, it's already a victory for us."

"It's clear that we have an enormous educational task ahead," said Randall Kehler, director of the National Freeze Campaign Clearinghouse, a St. Louis-based group that is coordinating freeze-related activities around the nation. "But this is a relatively new movement."

EVIDENCE OF MIXED FEELINGS

Proponents and opponents of a freeze appear to face a tough challenge in securing firm support, given the mixed feelings about nuclear strategy, Mr. Reagan's policies and military spending that were evident in the survey.

Support for a nuclear freeze wavered by 69 percentage points, from 18 to 87 percent, depending on the wording of the question.

Among the findings were these:

Support for defense. Many who support a freeze still favor a strong defense and a tough foreign policy. About 44 percent of those surveyed, and 40 percent of freeze proponents, said they were unwilling to lower proposed spending on military programs to reduce the Federal deficit. Forty-eight percent of the respondents said they were willing to do so. Almost half of those interviewed thought the nation should try to reduce tensions with the Soviet Union, but 37 percent of all respondents, and 32 percent of freeze supporters, wanted to "get tougher."

Who favors freeze. Support for a nuclear arms moratorium cuts across racial, religious, regional, income and party affiliation. But in general, younger, more affluent and better educated people are more inclined to support a freeze. For example, when asked whether they would favor a freeze if it meant that the Soviet Union would gain a nuclear advantage, 34 percent of respondents between the ages of 18 to 29 said yes. Only 17 percent of those over 64 responded yes to the question. Similarly, 21 percent of those with annual incomes of less than $10,000 favored such a freeze, as against 39 percent of those who earned more than $30,000 a year. Forty-four percent of college graduates surveyed favored the proposal, as opposed to 20 percent who had less than a high-school education.

Role of women. Women have been key ogranizers in the freeze movement and are more likely than men to think nuclear war is inevitable and to disapprove of Mr. Reagan's foreign policy. But women are just as likely to favor or oppose a nuclear freeze as men are, and they change their minds just as readily as men.

Risks of freeze. The public is slightly more willing to take risks associated with a nuclear freeze than it is to continue on the current course of weapons-building. Forty-six percent of those surveyed said that continuing to build more weapons was more dangerous; 39 percent of the sample cited a freeze as Western Europe from being taken over by the Soviet Union.

In August 1945, shortly after the atomic bomb was dropped on Japan, a Gallup poll found that 69 percent of the public thought development of the bomb had been a good thing. Today, 63 percent said it was a bad thing.

TOUGH STANCE IS EASED

The Reagan Administration has been aware of the public's anxiety about nuclear war. Recently, it has softened its confrontational stance toward the Soviet Union and reduced public discussions about fighting limited nuclear wars. White House officials believe that Mr. Reagan's proposal last fall to limit medium-range nuclear weapons in Europe and this month's strategic arms reduction plan have convinced some Americans that the Administration is committed to achieving meaningful arms control agreements.

On Monday, President Reagan is expected to announce as official policy that the United States will adhere to the limitations in a 1979 strategic arms control agreement with the Soviet Union, as long as Moscow does. This, too, is part of the Administration's broader effort to address public anxiety about nuclear issues and to slow the momentum building on Capitol Hill to approve a similar resolution.

Demoncratic proponents of a nuclear freeze contend that despite such measures, support for a nuclear freeze is likely to build. Representative Edward J. Markey, Democrat of Massachusetts, argued that while the public appeared confused about the freeze, 10,000 to 15,000 citizens were continuing to organize local support for the initiative. The results would be evident in some election races in November, he said.

"The freeze is a complicated subject," agreed Senator Alan Cranston, the Democrats whip from California. "But this fall, Democratic will be asking two questions: Are you better off financially than you were two years ago, and do you feel safer from war than you did two years ago."

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I rise in support of the Broomfield amendment.

Mr. Chairman, the Zablocki nuclear freeze refers not only to nuclear warheads and missiles, it also includes delivery systems. Such a freeze now would involve terrible risks for our Nation. For example, we would stop development of the B-1, while they would retain their present large force of modern Backfire bombers. We would stop development of the Trident, while they would go forward with production of "find and destroy" attack submarines. We would put no medium-range missiles in place to shield Western Europe, and the Soviets would keep in place hundreds of such missiles, directed and pointed at NATO.

In my view the flaw in the Zablocki resolution is that there exists up to now no basis to believe the Soviets would live by its terms. The problem is one of trust. We cannot trust a leadership that would roll into and batter Afghanistan and ruthlessly force the Poles to submit to an iron-fisted military regime.

Our President, our negotiators, all our military leadership, and the brilliant Director of the Arms Control and Disarmament Agency, Eugene Rostow, all have unanimously rejected the Zablocki proposal.

In brief, let us test their good will in mutual and broad-based reductions hammered out at the conference table, including nuclear weapons. Let us reduce and then freeze. That is our best and safest course.

Mr. MICHEL. Mr. Chairman, supporters of the Zablocki resolution tell us we are in a nuclear arms race.

But the United States is not in a nuclear arms race. We are instead in a desperate, dangerous and deadly nuclear arms predicament brought about by 10 years of a Soviet nuclear arms buildup unanswered by the United States.

The only way we are going to get out of this deadly predicament is to first sharply reduce Soviet and U.S. nuclear

arsenals to equal and fully verifiable levels and then "freeze." At the same time we must continue to build to match the threat of Soviet conventional forces.

As that process goes on it would be tantamount to national suicide to stop research, development and deployment of programs such as MX, B-1, and Trident. Last week, in votes on the defense authorization bill, the House voted for these programs. Are we to repudiate those votes today?

We are asked by the supporters of committee resolution if we would trade our nuclear arsenal for the Soviet nuclear arsenal?

Aside from the fact that I have not heard Mr. Brezhnev make such an offer recently, the question is not which nuclear arsenal you would take—it "is a question of which nuclear arsenal currently fulfills the strategic mission assigned to it.

The mission of our triad is to credibly deter aggression. Credible deterrence is not possible if our most accurate land-based ICBM's are—or are perceived to be—vulnerable. Thus, our nuclear force, within the context of our own strategy, may not now be ready to do what we want.

Can we in all conscience base the safety of the American people on pious hopes of what the Soviets might do after a freeze at levels where our land-based missile force is or is perceived to be vulnerable?

A freeze should be a goal to be pursued, after equal and verifiable reductions in arms, not a preliminary condition to arms reduction. House Joint Resolution 521 is "cart-before-the-horse" diplomacy.

House Joint Resolution 521 makes no distinction either in motivation, goals or intention, between Soviet and American stockpiling of nuclear weapons.

But Soviet aggressive military doctrine, as seen in Poland and Afghanistan, is relevant to the moral dimension of our debate and should be part of it. Our substitute resolution specifically mentions Poland and Afghanistan.

In forbidding "testing, production and further deployment" of nuclear weapons, House Joint Resolution 521 would forbid us from modernizing our aging Triad. But our substitute would allow such modernization while at the same time reducing the overall levels of nuclear weapons.

Thus, it is only House Joint Resolution 538 that can help us achieve the twin goals we all desire. To reduce arms and at the same time make sure our remaining nuclear force can do the job of credible deterrence.

We are told that since both sides already have enough nuclear power to destroy each other any number of times, it really does not matter if one side or the other is superior at the moment. So why not freeze now?

This is confused thinking. It confuses the possession of arms with the perceived ability and willingness to use them which is the sole basis of a credible deterrence.

On the morning of December 7, 1941, the United States had enough destructive power in Hawaii to theoretically destroy all those attacking Japanese planes many times over.

The Japanese surprise attack nullified our "throw-weight" advantage of 1941 because they gambled successfully that we could not get our power into action quickly enough and in concentrated form.

If your adversary believes you cannot or will not pull the trigger on your best gun or can be prevented from pulling it, it does not matter how big the gun is or what it can do in theory—it is just a useless piece of expensive junk in fact.

The central and undeniable strategic fact of our time is that the Soviet Union's most accurate and deadly land-based missiles now have the capacity to eliminate our most accurate and deadly land-based missiles and still have enough left over for a counter-retaliatory strike.

I will not pursue the deadly logic that begins with the fact or even the perception of first-strike vulnerability. Ultimately we get to the dillema where a President of the United States would be faced with a terrible choice.

Either he could retaliate with our less accurate missiles, thereby condeming our cities to destruction in a counterstrike, or he could fail to retaliate and thereby condemn our Nation to surrender.

We are told by eminent spokesmen for a freeze that such a scenario is unlikely. Only recently former Secretary of Defense Robert McNamara assured us he thinks it is "absurd" to believe a Soviet first-strike capability could lead to either our destruction or our surrender.

I would very much like to be assured by the complacency of these experts, like Robert McNamara. But, as I recall, they have been wrong before on matters of national security.

So let me ask you all one question. Suppose these same people are wrong again?

Suppose, instead, the experts who tell us we are now vulnerable are right?

If I have to choose between competing experts in the field of nuclear arms, I'm going to choose the opinion that forces me to be more cautious, more purdent, more concerned.

And that means we reject a freeze now and accept the principles of House Joint Resolution 538.

As I said, we face a deadly predicament. Crying "Freeze in our time" is not going to help us get out of that predicament.

In over 30 years in Washington, I have yet to see a proposal so clouded by emotion, so fraught with danger, so unexamined in its consequences, so seemingly plausible, so attractive on the surface, yet so surely wrong, and so ultimately deadly to our national survival as House Joint Resolution 521.

The President of the United States, who has already initiated arms reduction talks with the Soviet Union, fully supports the Broomfield-Carney-Stratton substitute. He does not and cannot support the Zablocki-Bingham resolution.

What good is it going to do world peace if we approve a resolution the President has studied and then rejected?

Let us do the sensible thing here. Vote for the Broomfield-Carney-Stratton substitute and help the President of the United States in his current efforts to sharply reduce nuclear arms.

I would plead with you not to burden him with a concept that he does not want, does not need and as a matter of fact has rejected for good reasons.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of House Joint Resolution 538, the Broomfield substitute. World peace is indeed an honorable and necessary goal—one with which all of us elected to represent the American people are entrusted. We have also been entrusted with an obligation to make sure that the United States is prepared to defend itself should world order break down. People have debated throughout history whether defense preparedness insures peace, or leads to war. George Washington stated that "to insure peace, one must be prepared for war." It is my belief that strong nations do not slide into conflict; careless nations do.

The Zablocki proposal, House Joint Resolution 521, and all other "freeze" efforts of this type strive for limiting the possibility of nuclear war. This has vast appeal. It seems to provide a simple answer to a very complex problem. If Americans stand up, so the story goes, and say "enough," suddenly the problem will go away. But the fact of the matter is that even if this could be accomplished, a freeze at this point would only legitimize Soviet superiority in numerous areas of nuclear and conventional force capabilities. No American Government with any responsibility can allow this to happen.

Mr. Chairman, as we debate this issue, there is a history of which we must be conscious. We cannot forget that the Soviet Union outspent the

United States on national defense by an estimated $300 billion (or 30 percent) during the 1970's. It must be remembered that this was while the SALT I Treaty was in effect. During this period, the Soviets built the largest strategic forces in the world. They now maintain the only antiballistic missile system operative today. The United States is currently outnumbered in ICBM's, submarine-launched ballistic missiles, surface-to-air missiles, and interceptor aircraft. We are so far behind in conventional arms and ground forces that comparison is useless.

The popular belief seems to be that if the United States freezes its nuclear arsenal, then somehow the Soviet Union, under the pressure of world opinion, will actually stop accumulating its nuclear arsenal. This is a dangerous and shortsighted belief. Recent history shows just the opposite. It is not hard to notice that this legislation does not instruct us as to how we will verify a freeze with the situation.

What point is served by an American nuclear freeze? One often hears, through the news media, of the growing peace movement in Western Europe and North America, but seldom of the lack of one in the Soviet Union. Can anyone here seriously believe that what Americans decide in, town meetings, State referendums or even House resolutions will have any effect on what the Soviet Presidium does with its nuclear arsenal? Surely not. My colleagues, the American public cannnot conduct foreign policy en masse, and legislation like this only serves to present a divided homefront to the Soviet Union now that serious reduction negotiations are underway. It will appear to the Soviets that the American public and the American Congress do not support the President's determination to strike an equitable deal with them. Let me repeat equitable. Our actions will undercut his authority and bargaining leverage during these talks, and provide no incentive for the Soviets to negotiate. Why should they strive for reductions, Mr. Chairman, when the status quo provides them with an adequate margin of superiority, fully recognized by the United States? I would remind my colleagues that it was this same kind of rationalization and grassroots movement toward world peace that led the American people blindly and without preparation into World War II.

As we know in this body, there are many facts, figures, and statistics that we, as Members of Congress, can examine. The Department of Defense regularly gives briefings here in the Capitol—I just wish that more of my colleagues would attend. Unfortunately, many of these facts are classified secret. They are very convincing, but as long as they are unavailable to the American public they are absolutely useless. Proponents of this resolution are proud to say that this effort is the fruit of public pressure. But what about informing the public? An effort is now being made to declassify an unprecedented amount of information vital to the security of this country. It is my belief that this information will shock many Americans to their senses. Now I ask my colleagues, wouldn't it be better to hold off on this public goal until the public has more responsible information by which to make an educated decision on this issue?

Winston Churchill once stated that those who do not study history are condemned to repeat it. Before the United States enters into any agreement with the Soviet Union, expecially as important an agreement as a nuclear freeze, it is important to look at the Soviet's track record, past and present, on various international agreements. Let me assure you, it is an abominable record on their part, as they seldom keep such agreements in either fact or spirit.

The resolution emphasizes "verifiable bilateral negotiations," presumably as a way to counter arguments that we would be entering this agreement on blind faith alone. No suggestions are made, however, as to how this is to be accomplished. This is one of the major problems facing our Government.

How do we make any agreement verifiable? Even though the United States has sophisticated satellite monitoring systems, the Soviets have never allowed any foreign observers onto their soil to satisfy established international checks and balances on agreements. Without provisions like this on any treaty, bilateral nuclear disarmament could turn into unilateral American disarmament; and this would seriously jeopardize the safety of our Nation and that of the entire free world.

In 1944 the Soviet Union signed the Yalta agreement providing for free elections in Eastern Europe after the war. I do not believe that anyone needs to be reminded of the recent events in Poland which underscore the failure of that international agreement. In 1945, the Soviet Union signed the United Nations Charter condemning foreign intervention and the use of force in diplomacy. Today 90,000 Russian soldiers struggle to maintain control of Afghanistan, against the wishes of that population. The Soviet Union is a signatory of both the 1925 Geneva Protocol and the 1972 Convention on the Prohibition of Development and Stockpiling of Bacteriological Weapons. And yet, at this moment, thousands are dying in Indochina and Afghanistan due to the causes of yellow rain. In 1975 the Soviet Union signed the Helsinki Accords on Human Rights. Local conditions have deteriorated, not improved, within the Soviet Union since that treaty went into effect.

I fail to understand how these issues have been neglected by the so-called peace movement. How can any nation in good conscience sign an agreement with the Soviet Union knowing all this? The Soviet Union cannot be trusted, and I cannot support any action which bases much of its argument on trust and faith that that nation will suddenly change its style. We cannot forget that the Soviet Union is not responsible to domestic and international public pressures as is the United States.

The points I have made express why I do not support the direction of the current nuclear freeze movement, or House Joint Resolution 521. What can be done as an alternative that will achieve the same goals? I propose a more responsible way of achieving a safe and stable world, while protecting the position and freedom of the United States. President Reagan has made an excellent start at achieving this desired goal.

On November 18, 1981, President Reagan announced that the United States was ready to sit down and negotiate with the Soviets a real reduction of nuclear weapons. The President proposed the following points:

The United States will cancel its development of 572 modern cruise missiles in Europe, if the U.S.S.R. will dismantle its own medium range missiles behind the Iron Curtain.

The U.S. is prepared to begin negotiations on over-all reductions in American and Soviet strategic arms and forces.

The U.S. is prepared to achieve full equality at lower levels of conventional forces maintained by both NATO and the Warsaw Pact.

The U.S. will renew a proposal for a conference to reduce the risks of a surprise attack by either side.

This "zero option" plan was a historic step that was met with praise from our European allies. Following later in the spring, the President continued to outline his views on the arms race.

In February, our negotiating team in Geneva offered the Soviet Union a draft treaty on intermediate range nuclear forces. The United States offered to cancel deployment of our Pershing II ballistic missiles and ground-launched cruise missiles in exchange for Soviet elimination of the SS-20, SS-4, and SS-5 missiles. This proposal would eliminate with one stroke those systems about which both sides have expressed the greatest concern.

Continuing on in a commencement address at Eureka College on May 9, the President announced the bargaining position of this Nation at the START negotiations:

The United States and the Soviet Union would agree to reduce the number of their warheads to equal ceilings at least one-third below current levels—with no more than one-half of those warheads to be mounted

on land-based missiles (the most accurate of all missiles).

The two nations would then establish an equal ceiling on other elements of their strategic nuclear forces, including limits on destructive power, to be set at less than current American levels.

All future American-Soviet negotiations would be open to any suggestions. There would be no preconditions and everything would be on the table for negotiations.

While in Europe last month, the President called for common collective ceilings for both NATO and the Warsaw Pact conventional forces. After 7 years, there would be a total of 700,000 ground forces and 900,000 ground and Air Force personnel combined. This call also included a package of associated measures to encourage cooperation and verify compliance.

In his address before the United Nations Conference on Disarmament on June 17, President Reagan went further and proposed an international conference on total military expenditures to build on the work of the U.N. in developing a common system for accounting and reporting the growth of conventional forces.

Since then the United States and the Soviet Union have begun strategic arm reductions talks (START) in Geneva. My friends, these talks are for arms reductions—that is much better than a freeze, and a lot safer. With all this, it is evident that our President has opened the dialog and begun the task the American people have called for. Do not we owe it to the President to back his efforts? I do, and I shall continue to do so.

I further support the efforts of our colleagues, Senators JACKSON and WARNER who have cosponsored legislation which has already won the endorsement of a Senate majority. This bill calls for continued American efforts at parity in areas where the United States is now greatly deficient while efforts at nuclear leveling off are being carried on between the two countries. In the same light, House Joint Resolution 538 sponsored by Representatives BROOMFIELD, CARNEY, and STRATTON is a far more responsible piece of legislation than is House Joint Resolution 521. This new resolution supports the initiation of the strategic arms reductions talks (START) and urges the Soviets to join with us in concluding an equitable and verifiable agreement which freezes strategic nuclear forces at, not current levels, but equal and substantially reduced levels. This resolution recognizes Public Law 92-448 which states that the United States may not enter into an arms accord which provides for force levels inferior to those of the Soviet Union. That is why we should support House Joint Resolution 538.

The American people must be educated, not only as to the horrors of a nuclear war, but also to the horrors of being unable to protect ourselves and our principles in this modern age. The Nation should begin to readopt civil defense procedures as the administration is currently suggesting.

We all want peace. We all fear nuclear weapons. But some things are worth protecting, and the recent movement toward peace at all costs by Members of this body could be a very dangerous mistake, costing exactly the opposite of what all Americans wish—peace and world stability. I urge my colleagues to vote for the adoption of House Joint Resolution 538.

□ 2040

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

AMENDMENT OFFERED BY MR. GILMAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROOMFIELD

Mr. GILMAN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. GILMAN to the amendment in the nature of a substitute offered by Mr. BROOMFIELD: Page 2, immediately following the first whereas clause, add the following:

Whereas the consequences of a continued arms race and the accompanying increased risk of nuclear war are unacceptable, it is imperative that the highest priority be given to the successful completion of the START negotiations in a timely fashion.

Mr. GILMAN. Mr. Chairman, throughout this important debate here today we have heard much about START negotiations and the various freeze proposals. We have heard statistics about the current nuclear capabilities of both the United States and the Soviet Union. We have also heard about the horrors of nuclear war.

While we may differ on the way to solve these complex issues and we may differ about the full extent of their implications, there is no disagreement about the importance of these issues and the need to give them our highest priority.

My amendment is very straightforward in its language and intent. It very simply states that: "The consequences of a continued arms race and the accompanying increased risk of nuclear war are unacceptable, it is therefore imperative that the highest priority be given to the successful completion of the START negotiations in a timely fashion".

It should be remembered that the SALT II agreement took more than seven years merely to negotiate. It should also be understood that even with good faith efforts by both parties the complex issues of START and a freeze will require a serious and sustained effort to reach agreement. What must not be forgotten in this process, however, is the strong desire of the American people to pursue this end with all deliberate speed. We must make it clear that risks of ignoring this explosive situation are totally unacceptable and that the Nation, people and Government of the United States give the highest priority to the diligent conduct and the rapid and successful completion of the START negotiations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GILMAN) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. BROOMFIELD).

The amendment to the amendment is the nature of a substitute was agreed to.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, even before the explosion of the first atomic bomb over Hiroshima in 1945, thoughtful scientists began to question the moral and political implications of the awesome weapon they were working to create. As Robert Oppenheimer, the scientific leader of the Manhattan project, was later to write, "The physicists have known sin; and this is a knowledge which they cannot lose." From that time to the present a consensus among both scholars and laymen has emerged on the point that there is no such thing as victory in a war fought with nuclear weapons.

Despite this rising tide of popular opinion which has swept up presidents and premiers alike, the major powers have persisted in the development, production, and deployment of nuclear devices. In assessing the progress of more than three decades of negotiations, explicitly aimed at reducing the potential of a nuclear exchange, one is struck by what can only be described as the loss of rationality behind these negotiations. A pattern has emerged in which each side is obsessed with the chimera of relative advantage and strives only to retain a maximum of weaponry for itself while putting its opponent to the maximum disadvantage. Such an approach offers little hope of halting the weapons race; it has in fact grown to be an integral part of it.

And so we have gone on piling weapon upon weapon, missile upon missile, new level of destructiveness upon old ones. Like the children of Hamlin marching blindly along behind their Pied Piper, we and the Russians together have continued in the creation of nuclear weapons to where today we have reached levels of such grotesque dimensions as to defy rational understanding.

This can only be described as a policy of redundancy. The impetus behind this redundancy is the lack of perspective with which we assess the nuclear weapons race. The knowledge that with a combined arsenal of 50,000

nuclear weapons the United States and the Soviet Union can destroy each other several times over has little real meaning. We are anesthetized to such statistics. It is only now that we are beginning to realize that with such capabilities already in our possession, there is no such thing as inferiority or superiority; just growing uncertainty.

Today, this Congress is confronted with the critical decision of continuing the buildup of nuclear armaments or heeding the sentiments voiced by millions of Americans and other people around the world.

I put it to you that what is needed today are incentives. I am not referring to unilateral gestures made irrespective of reciprocation. What is needed is an agenda of creative initiatives aimed explicitly at reciprocation and future agreements.

This Congress must send a message expressing a new commitment to breaking the 37-year spiral of nuclear weapons increases. I was encouraged by President Reagan's pledge several months ago that we would "negotiate as long as necessary to reduce the numbers of nuclear weapons to a point where neither side threatens the survival of the other." It is from this commitment that we must move forward by calling for a halt, forthwith, in the testing, production, and deployment of nuclear weapons systems in both the United States and in the Soviet Union. There is no question that for this policy to be acceptable, and effective, it must be based explicitly on the principle of reciprocation; on a mutual and verifiable freeze in our respective nuclear armaments at their present levels of parity. By calling for a halt to all testing or other activity to alter the present balance, any activity in this area would be evidence of a violation, and therefore more easily detectable than without a freeze where nonallowable activities could be disguised among those that are allowable.

This halt in the expansion of our nuclear armaments must not be mistaken as an end in and of itself. Clearly we must move forward from this freeze toward actual reductions in American and Soviet armaments. The ratification of the SALT II agreement, which would be made superfluous by the implementation of a freeze on nuclear weapons, is an important symbolic step in demonstrating the sincerity of the country in entering into a new arms agreement. Ultimately, for a policy based on the principle of reciprocation to be effective in halting the nuclear weapons race, it is essential that this country demonstrate the sincerity of our intentions by honoring our past commitments.

It is for these reasons that I believe it to be imperative that this body approve today the resolution (H.J. Res. 521) as reported by the House Committee on Foreign Affairs. As my colleagues are aware, this resolution as introduced by Mr. ZABLOCKI and amended in committee calls for a mutual and verifiable freeze in the testing, production, and deployment of nuclear devices and for proceeding from such a freeze with a policy aimed at substantial, equitable, and verifiable reductions in existing weapons.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ECKART).

Mr. ECKART. Mr. Chairman, I rise in support of the Zablocki resolution and in opposition to the Broomfield amendment.

There has been a great deal of discussion on this floor concerning budget cuts, social security, defense spending, and the impact that these cuts and expenditures will have on the young people, the old people, and the working men and women of this country.

I can think of no manner in which the future would be more radically, dramatically, or permanently changed than the untold horror of nuclear war that could ensue if the spread of nuclear weapons continues unabated.

The nuclear genie is, unfortunately, out of the bottle. In the 1940's, the United States was the first country to introduce the full meaning of the words "nuclear power" to the world at Nagasaki and Hiroshima. In the 1950's, our country pioneered the Atoms for Peace program. And in the 1970's, the challenge was whether or not we could limit the number and spread of nuclear weapons, and today the challenge appears to be whether or not we can prevent their use.

We have a unique opportunity tonight by demonstrating to the whole world our commitment to our future and our children's future.

Let us pass the freeze and give our children something to look forward to.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Chairman, I support the Markey-Conte-Bingham resolution, House Joint Resolution 521. There is no issue that is universally more important than trying to head off the threat of nuclear war. House Joint Resolution 521 would be a substantive first step in achieving this.

Our children have never known a world free of the nuclear threat. We have matured in a society that could be, at any moment, instantaneously, and forever, changed. The concept of such a violent change is, in many ways, beyond our comprehension.

We argue about strategic balance, the window of vulnerability, and no-first-use as if they were ordinary terms with ordinary meanings. They are not. They are part of a nuclear jargon that has taken on a life of its own, apart from what is real.

What is real is that we, and when I say we I mean both the United States and the Soviet Union, are capable of destroying, many times over, life as we know it. That is a staggering thought. We can not only shape our future into an empty void, but we can erase our past.

All that we struggle for, all that we believe in, is dependent on the ability of a select group of men to decide what our fate will be, what action or event is important enough to push the button. I am uncomfortable with this thought.

I believe this bill is a subtle, psychological statement that says no to the insanity of the arms race. Someone has to take the first step. I see no harm in the United States accepting that responsibility.

We are discussing, to paraphrase Jonathan Schell, the fate of the Earth. Of course, I support House Joint Resolution 521, my beliefs would not permit me to do anything else.

Mr. ZABLOCKI. Mr. Chairman, I yield the remaining time to our beloved Speaker, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Chairman, it is regrettable that the Republican leader was the concluding speaker on their side and I, the Democratic Speaker, am the concluding speaker on my side. I hate to see this be a party matter or a party issue.

To me this is a matter of conscience and I am sure that the Republican leader feels it is a matter of conscience, as I do. I speak not as a Democrat, but as an American citizen.

I look around this body today and I think there are perhaps three or four of us left who in 1953 went out to the Yucca Flats and Frenchmen Flats and saw the atom bomb explosions. I was younger then and curious about the might of our Government.

I remember as though it were yesterday their constructing out in the desert a 1-mile square city.

The bomb was the largest bomb that was ever exploded. It was about twice the size of the bomb that had been exploded at Hiroshima or Nagasaki and it wiped out that entire complex.

Then we went out and saw a 3-mile square city built and from about 7 miles away, in the side of a mountain, we saw the bomb explode and the mushroom cloud.

Seven seconds later the repercussion hit us and knocked us off our benches.

In comparison with what we have today the bombs that we saw in those days were mere fuses. There is so much strength today that we can eliminate the world.

Anybody that ever saw one of those bombs, must wonder why we did not start this freeze movement years ago.

The resolution we are considering today, in my opinion, addresses the most solemn and fundamental responsibility of the leaders of this country; preserving the lives of our citizens and the citizens of the world.

□ 2050

Thirty years ago, when I came to Washington, President Eisenhower observed the nuclear race and said "As of now the world is racing toward catastrophe * * * and something must be done to put the brake on."

Well, with a few notable exceptions, such as the Test Ban Treaty, the brakes have not been put on. On the contrary, the foot is on the accelerator, and it is getting heavier and heavier.

And now we are about to put the accelerator to the floor with a massive buildup of strategic weapons. There is a world stockpile of 50,000 nuclear warheads. Is that not enough? Should we add to it? I do not believe so.

The supporters of the Broomfield substitute maintain that we can go forward with this buildup, spend billions of dollars, and then begin dismantling these systems. It has not happened in the past.

The only realistic hope of putting the brakes on the nuclear arms race is to try to avoid this buildup. The way to avoid it is to seek a bilateral mutually verifiable freeze.

There was a very interesting article in the paper recently by former Defense Secretary McNamara, and how true it was. He told about the buildup when the Kennedy administration came in, and then how, after we had built up, the Russians built up. And this has been continuing and going on through the years. But former Secretary McNamara was right when he said that we overstate the Soviet forces and we understate our own.

I think that we do this often. Just look at the Mig's that were knocked out of the air over there in Lebanon.

Freezing the strategic nuclear forces would not put the United States in an inferior position to the Soviet Union. Within our triad 75 percent of our nuclear capability is in submarines and bombers. If they knocked out everything we had in the country and destroyed it, our triad would annihilate the Soviets if they ever attempted a first strike. The nuclear arsenals of the United States and the Soviet Union can bring hell on this Earth. I believe we do negotiate from strength, and I believe that we can afford to take a step toward preserving civilization as we know it today.

I think it is simple logic. We do not reduce arms by accelerating the arms race. We first have to stop the race and then reduce arms. I urge you on both sides of the aisle, as an American who has seen this bomb, that we begin to do this today by adopting the committee resolution rather than the substitute. We will be enhancing, in my opinion, our national security, and we will be protecting future civilization. That is the duty of all of us as leaders. I ask for the defeat of the Broomfield amendment and the passage of the resolution.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. BROOMFIELD), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 204, noes 202, answered "present" 1, not voting 28, as follows:

[Roll No. 249]

AYES—204

Archer	Gilman	Myers
Ashbrook	Gingrich	Napier
Atkinson	Gradison	Nelligan
Badham	Gramm	Nelson
Bailey (MO)	Grisham	Nichols
Bailey (PA)	Hagedorn	O'Brien
Barnard	Hall, Ralph	Oxley
Benedict	Hall, Sam	Parris
Bennett	Hammerschmidt	Pashayan
Bereuter	Hance	Patman
Bethune	Hansen (ID)	Paul
Bevill	Hansen (UT)	Petri
Bliley	Hartnett	Pickle
Breaux	Hatcher	Price
Brinkley	Hefner	Quillen
Broomfield	Hendon	Regula
Brown (CO)	Hightower	Rhodes
Broyhill	Hiler	Ritter
Burgener	Hillis	Roberts (KS)
Butler	Holt	Roberts (SD)
Byron	Hopkins	Robinson
Campbell	Hubbard	Roemer
Carman	Huckaby	Rogers
Carney	Hunter	Roth
Chappell	Hutto	Rousselot
Chappie	Hyde	Rudd
Cheney	Ireland	Santini
Clausen	Jeffries	Sawyer
Clinger	Jenkins	Sensenbrenner
Coats	Johnston	Shaw
Coleman	Jones (NC)	Shelby
Conable	Kazen	Shumway
Corcoran	Kemp	Shuster
Coughlin	Kindness	Siljander
Courter	Kramer	Skeen
Coyne, James	Lagomarsino	Smith (AL)
Craig	Latta	Smith (NE)
Crane, Daniel	Leath	Smith (OR)
Crane, Philip	LeBoutillier	Smith (PA)
Daniel, Dan	Lee	Snyder
Daniel, R. W.	Lent	Solomon
Dannemeyer	Levitas	Spence
Daub	Lewis	Stangeland
Davis	Livingston	Stanton
de la Garza	Loeffler	Staton
Deckard	Lott	Stenholm
Derwinski	Lowery (CA)	Stratton
Dickinson	Lungren	Stump
Dougherty	Madigan	Tauzin
Dreier	Marks	Taylor
Duncan	Marlenee	Thomas
Dunn	Marriott	Trible
Dyson	Martin (NC)	Vander Jagt
Edwards (AL)	Martin (NY)	Walker
Edwards (OK)	McCollum	Wampler
Emerson	McCurdy	Weber (MN)
Emery	McDonald	Weber (OH)
English	McEwen	White
Erlenborn	Michel	Whitehurst
Evans (GA)	Miller (OH)	Whitley
Fiedler	Mitchell (NY)	Whittaker
Fields	Molinari	Williams (OH)
Fish	Mollohan	Wilson
Flippo	Montgomery	Winn
Forsythe	Moore	Wolf
Fountain	Moorhead	Wortley
Frenzel	Morrison	Young (AK)
Gaydos	Murtha	Young (FL)

NOES—202

Addabbo	Ford (MI)	Oberstar
Akaka	Fowler	Obey
Albosta	Frank	Ottinger
Alexander	Frost	Panetta
Anderson	Garcia	Patterson
Annunzio	Gejdenson	Pease
Anthony	Gephardt	Pepper
Applegate	Gibbons	Perkins
Aspin	Glickman	Peyser
AuCoin	Gonzalez	Porter
Barnes	Gore	Pritchard
Bedell	Gray	Pursell
Beilenson	Green	Rahall
Benjamin	Gregg	Rangel
Biaggi	Guarini	Ratchford
Bingham	Gunderson	Reuss
Blanchard	Hall (OH)	Richmond
Boggs	Hamilton	Rinaldo
Boland	Harkin	Rodino
Boner	Hawkins	Roe
Bonior	Heckler	Rose
Bonker	Heftel	Rostenkowski
Bowen	Hertel	Roukema
Brodhead	Hollenbeck	Roybal
Brooks	Horton	Russo
Brown (CA)	Howard	Sabo
Burton, John	Hoyer	Savage
Burton, Phillip	Hughes	Scheuer
Chisholm	Jacobs	Schneider
Clay	Jeffords	Schroeder
Coelho	Jones (OK)	Schumer
Collins (IL)	Kastenmeier	Seiberling
Conte	Kennelly	Shamansky
Conyers	Kildee	Shannon
Coyne, William	Kogovsek	Sharp
Crockett	LaFalce	Simon
D'Amours	Lantos	Smith (IA)
Daschle	Leach	Smith (NJ)
Dellums	Lehman	Snowe
DeNardis	Leland	Solarz
Derrick	Long (MD)	St Germain
Dicks	Lowry (WA)	Stark
Dingell	Luken	Stokes
Dixon	Lundine	Studds
Donnelly	Markey	Swift
Dorgan	Martin (IL)	Tauke
Dowdy	Martinez	Traxler
Downey	Matsui	Udall
Dwyer	Mavroules	Vento
Dymally	Mazzoli	Volkmer
Early	McCloskey	Walgren
Eckart	McHugh	Washington
Edgar	McKinney	Watkins
Edwards (CA)	Mica	Waxman
Erdahl	Mikulski	Weaver
Ertel	Miller (CA)	Weiss
Evans (DE)	Mineta	Williams (MT)
Evans (IA)	Minish	Wirth
Fary	Mitchell (MD)	Wolpe
Fascell	Moakley	Wright
Fazio	Moffett	Wyden
Fenwick	Motti	Yates
Ferraro	Murphy	Yatron
Findley	Natcher	Young (MO)
Fithian	Neal	Zablocki
Florio	Nowak	Zeferetti
Foglietta	O'Neill	
Foley	Oakar	

ANSWERED "PRESENT"—1

Goodling

NOT VOTING—28

Andrews	Fuqua	McGrath
Bafalis	Ginn	Railsback
Beard	Goldwater	Rosenthal
Bolling	Holland	Schulze
Bouquard	Jones (TN)	Skelton
Brown (OH)	Long (LA)	Synar
Collins (TX)	Lujan	Whitten
Dornan	Mattox	Wylie
Evans (IN)	McClory	
Ford (TN)	McDade	

□ 2110

The Clerk announced the following pairs:

On this vote:

Mr. McDade for, with Mr. Rosenthal against.

Mr. Lujan for, with Mr. Ford of Tennessee against.

Mr. Schulze for, with Mr. Railsback against.

Mr. JAMES K. COYNE and Mr. COUGHLIN changed their votes from "no" to "aye."

So the amendment in the nature of a substitute as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McHUGH, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 521) calling for a mutual and verifiable freeze on and reductions in nuclear weapons and for approval of the SALT II agreement, pursuant to House Joint Resolution 538, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment consisting of the text of the joint resolution (H.J. Res. 521), as amended, is as follows:

H.J. RES. 521

Whereas the most serious challenges facing the American people, who are a people of peace, are the preservation of freedom and the prevention of war, with particular reference to nuclear war, by accident, miscalculation, or design;

Whereas the consequences of a continued arms race and the accompanying increased risk of nuclear war are unacceptable, it is imperative that the highest priority be given to the successful completion of the START negotiations in a timely fashion;

Whereas the American people share the yearning of the world's people for reductions in nuclear armaments;

Whereas the Soviet Union, by its actions in Poland and Afghanistan, and through its refusal to abide by international chemical weapons agreements, has created threats to world peace;

Whereas sizable and verifiable mutual reductions of Soviet and United States nuclear forces to an equal and far lower level would enhance stability and the maintenance of peace;

Whereas the Congress has expressed its mandate in Public Law 92-448 that the United States should not enter into a nuclear arms accord that provides for force levels inferior to those of the Soviet Union;

Whereas the stated policy of the United States Government is to negotiate verifiable reductions to equal levels in the nuclear arsenals of both the United States and the Soviet Union;

Whereas the United States and the Soviet Union began formal negotiations in November 1981 in Geneva on the limitation and reduction of intermediate range nuclear forces;

Whereas in May 1982 the Foreign minister of the North Atlantic Treaty Organization nations welcomed the President's proposal to cut stockpiles of long-range nuclear missiles as "a far-reaching but realistic offer" that could lead to "fair and effective agreements";

Whereas the United States and the Soviet Union began formal negotiations on June 29, 1982, in Geneva on the limitation and reduction of strategic nuclear armaments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) the Congress supports the initiation of the strategic arms reduction talks and urges the Soviet Union to join with the United States in concluding an equitable and verifiable agreement which freezes strategic nuclear forces at equal and substantially reduced levels.

(2) The Congress reaffirms support for Public Law 92-448 which states that the United States not enter into an arms accord which provides for force levels inferior to those of the Soviet Union.

(3) To encourage arms restraint and stability, the United States should propose to the Soviet Union and other nations practical measures to—

(A) reduce the danger of nuclear war through accident or miscalculation;

(B) prevent the use of nuclear weapons by third parties, including terrorists; and

(C) halt the worldwide proliferation of nuclear weapons.

(4) The Congress insists that any arms control agreement must be fully verifiable as our national security cannot be based on trust alone.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the joint resolution?

Mr. PAUL. Yes, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. PAUL moves to recommit the joint resolution, H.J. Res. 521, to the Committee on Foreign Affairs.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ZABLOCKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 175, nays 229, not voting 30, as follows:

[Roll No. 250]

YEAS—175

Addabbo	Barnes	Boner
Akaka	Bedell	Bonior
Albosta	Bellenson	Bonker
Alexander	Benjamin	Bowen
Anderson	Biaggi	Brodhead
Annunzio	Bingham	Brooks
Aspin	Blanchard	Brown (CA)
AuCoin	Boland	Burton, John
Burton, Phillip	Guarini	Pursell
Butler	Hall (OH)	Rahall
Chisholm	Hamilton	Rangel
Clay	Harkin	Ratchford
Coelho	Hawkins	Reuss
Collins (IL)	Heckler	Rinaldo
Conte	Hertel	Rodino
Conyers	Hollenbeck	Roe
Crockett	Howard	Rose
D'Amours	Hoyer	Rostenkowski
Daschle	Hughes	Roukema
Dellums	Jacobs	Roybal
DeNardis	Jeffords	Russo
Dicks	Kastenmeier	Sabo
Dingell	Kennelly	Savage
Dixon	Kildee	Scheuer
Donnelly	Kogovsek	Schneider
Dorgan	LaFalce	Schroeder
Dowdy	Lantos	Schumer
Downey	Leach	Seiberling
Dwyer	Lehman	Shamansky
Dymally	Leland	Shannon
Early	Levitas	Sharp
Eckart	Lowry (WA)	Simon
Edgar	Luken	Smith (IA)
Edwards (CA)	Lundine	Smith (NJ)
Erdahl	Markey	Snowe
Ertel	Martinez	Solarz
Evans (DE)	Matsui	St Germain
Evans (IA)	Mavroules	Stark
Fary	McHugh	Stokes
Fascell	McKinney	Studds
Fazio	Mikulski	Swift
Fenwick	Miller (CA)	Traxler
Ferraro	Mineta	Udall
Findley	Minish	Vento
Fithian	Mitchell (MD)	Walgren
Florio	Moakley	Washington
Foglietta	Moffett	Waxman
Foley	Neal	Weaver
Ford (MI)	Nowak	Weiss
Fowler	Oakar	Williams (MT)
Frank	Oberstar	Wirth
Garcia	Obey	Wolpe
Gejdenson	Ottinger	Wyden
Glickman	Panetta	Yates
Gonzalez	Paul	Yatron
Goodling	Pease	Zablocki
Gore	Pepper	Zeferetti
Gray	Peyser	
Green	Pritchard	

NAYS—229

Anthony	Daniel, Dan	Hall, Sam
Applegate	Daniel, R. W.	Hammerschmidt
Archer	Dannemeyer	Hance
Ashbrook	Daub	Hansen (ID)
Atkinson	Davis	Hansen (UT)
Badham	de la Garza	Hartnett
Bailey (MO)	Deckard	Hatcher
Bailey (PA)	Derrick	Hefner
Barnard	Derwinski	Heftel
Benedict	Dickinson	Hendon
Bennett	Dougherty	Hightower
Bereuter	Dreier	Hiler
Bethune	Duncan	Hillis
Bevill	Dunn	Holt
Bliley	Dyson	Hopkins
Boggs	Edwards (AL)	Horton
Breaux	Edwards (OK)	Hubbard
Brinkley	Emerson	Huckaby
Broomfield	Emery	Hunter
Brown (CO)	English	Hutto
Broyhill	Erlenborn	Hyde
Burgener	Evans (GA)	Ireland
Byron	Fiedler	Jeffries
Campbell	Fields	Jenkins
Carman	Fish	Johnston
Carney	Flippo	Jones (NC)
Chappell	Forsythe	Jones (OK)
Chappie	Fountain	Kazen
Cheney	Frenzel	Kemp
Clausen	Frost	Kindness
Clinger	Gaydos	Kramer
Coats	Gephardt	Lagomarsino
Coleman	Gibbons	Latta
Conable	Gilman	Leath
Corcoran	Gingrich	LeBoutillier
Coughlin	Gradison	Lee
Courter	Gramm	Lent
Coyne, James	Gregg	Lewis
Coyne, William	Grisham	Livingston
Craig	Gunderson	Loeffler
Crane, Daniel	Hagedorn	Long (MD)
Crane, Philip	Hall, Ralph	Lott

Lowery (CA)
Lungren
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Mazzoli
McCloskey
McCollum
McCurdy
McDonald
McEwen
Mica
Michel
Miller (OH)
Mitchell (NY)
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Nelligan
Nelson
Nichols
O'Brien
Oxley
Parris
Patman
Patterson
Perkins
Petri
Pickle
Porter
Price
Quillen
Regula
Rhodes
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rogers
Roth
Rousselot
Rudd
Santini
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Smith (AL)
Smith (NE)
Smith (OR)
Smith (PA)
Snyder
Solomon
Spence
Stangeland
Stanton
Staton
Stenholm
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weber (MN)
Weber (OH)
White
Whitehurst
Whitley
Whittaker
Williams (OH)
Wilson
Winn
Wolf
Wortley
Wright
Young (AK)
Young (FL)
Young (MO)

NOT VOTING—30

Andrews
Bafalis
Beard
Bolling
Bouquard
Brown (OH)
Collins (TX)
Dornan
Evans (IN)
Ford (TN)
Fuqua
Ginn
Goldwater
Holland
Jones (TN)
Long (LA)
Lujan
Madigan
Mattox
McClory
McDade
McGrath
Pashayan
Railsback
Richmond
Rosenthal
Skelton
Synar
Whitten
Wylie

□ 2130

Mr. LONG of Maryland changed his vote from "yea" to "nay."

Mr. PURSELL changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. (Mr. WRIGHT). The question is on the passage of the joint resolution.

PARLIAMENTARY INQUIRY

Mr. HARKIN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr HARKIN. Mr. Speaker, my parliamentary inquiry is this: Is the vote that we are about to take on the Zablocki resolution (H.J. Res. 521), as amended by the Broomfield resolution (H.J. Res. 538), which, if Members vote for it, means that they vote in favor of President Reagan's nuclear buildup?

The SPEAKER pro tempore. Let the Chair state that the vote is on the final passage of the Zablocki resolution (H.J. Res. 521), as amended by the Broomfield substitute. Any further inquiry is not a parliamentary inquiry.

The question is on the passage of the joint resolution.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 273, nays 125, not voting 36, as follows:

[Roll No. 251]

YEAS—273

Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Badham
Bailey (MO)
Bailey (PA)
Barnard
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Blanchard
Bliley
Boggs
Boner
Bonker
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown (CO)
Broyhill
Burgener
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coats
Coleman
Conable
Corcoran
Coughlin
Courter
Coyne, James
Craig
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dougherty
Dowdy
Dreier
Duncan
Dunn
Dyson
Edwards (AL)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Foley
Forsythe
Fountain
Frenzel
Frost
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Gore
Gradison
Gramm
Gregg
Grisham
Gunderson
Hagedorn
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Hatcher
Hefner
Heftel
Hendon
Hightower
Hiler
Hillis
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnston
Jones (NC)
Jones (OK)
Kazen
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leath
LeBoutillier
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lungren
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
Mica
Michel
Miller (OH)
Mitchell (NY)
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Obey
Oxley
Parris
Patman
Patterson
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rogers
Rose
Rostenkowski
Roth
Rousselot
Rudd
Santini
Sawyer
Schulze
Sensenbrenner
Shamansky
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Smith (PA)
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Staton
Stenholm
Stratton
Stump
Swift
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weber (MN)
Weber (OH)
White
Whitehurst
Whittaker
Williams (OH)
Wilson
Winn
Wolf
Wortley
Wright
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

NAYS—125

Akaka
AuCoin
Barnes
Bedell
Beilenson
Biaggi
Bingham
Boland
Bonior
Brodhead
Brown (CA)
Burton, John
Burton, Phillip
Chisholm
Clay
Coelho
Collins (IL)
Conte
Conyers
Coyne, William
Crane, Daniel
Crane, Philip
Crockett
Dellums
DeNardis
Dixon
Donnelly
Dorgan
Downey
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (CA)
Fascell
Fazio
Fenwick
Florio
Foglietta
Fowler
Frank
Garcia
Gejdenson
Glickman
Gonzalez
Gray
Green
Guarini
Hall (OH)
Harkin
Hartnett
Hawkins
Heckler
Hollenbeck
Howard
Hoyer
Jeffries
Kastenmeier
Kennelly
Kildee
Kogovsek
Lantos
Leach
Lehman
Leland
Luken
Lundine
Markey
Martinez
Matsui
Mavroules
McDonald
McHugh
McKinney
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mottl
Oakar
Oberstar
Ottinger
Panetta
Paul
Pease
Pepper
Peyser
Rahall
Rangel
Ratchford
Rodino
Roe
Roukema
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shannon
Simon
Solarz
St Germain
Stark
Stokes
Studds
Udall
Vento
Walgren
Washington
Waxman
Weaver
Weiss
Williams (MT)
Wirth
Wolpe
Wyden
Yates

NOT VOTING—36

Addabbo
Andrews
Bafalis
Beard
Bolling
Bouquard
Brown (OH)
Collins (TX)
Dornan
Evans (IN)
Ferraro
Ford (MI)
Ford (TN)
Fuqua
Ginn
Goldwater
Hertel
Holland
Jones (TN)
Long (LA)
Lujan
Madigan
Mattox
McClory
McDade
McGrath
Pashayan
Railsback
Richmond
Rosenthal
Skelton
Synar
Whitley
Whitten
Wylie
Zeferetti

□ 2150

Mr. McHUGH changed his vote from "yea" to "nay."

Mr. KEMP and Mr. BUTLER changed their votes from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A joint resolution to express the support of Congress for the United States and the Soviet Union to engage in substantial, verifiable, equitable, and militarily significant reductions of their nuclear weapons resulting in equal and sharply reduced force levels which would contribute to peace and stability."

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6892, AGRICULTURE RECONCILIATION ACT, FISCAL YEAR 1983

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 97-702) providing for the consideration of the bill (H.R. 6892) to provide changes in legislation to meet reconciliation requirements of the first congressional budget resolution—fiscal year 1983—for the House Committee on Agriculture, which was referred to the House Calendar and ordered to be printed.

EXPRESSING THE SENSE OF CONGRESS THAT THE GOVERNMENT OF THE SOVIET UNION SHOULD ALLOW YURI BALOVLENKOV TO EMIGRATE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 385) expressing the sense of the Congress that the Government of the Soviet Union should allow Yuri Balovlenkov to emigrate, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 385

Whereas Yuri Balovlenkov is married to an American citizen, Elena Balovlenkov, who resides in the United States; and

Whereas the Soviet Union is a party to the Helsinki Accords, which recognizes the freedom to emigrate and provides for family unification: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the Government of the Soviet Union should immediately allow Yuri Balovlenkov, who is near death as a result of a hunger strike, to emigrate.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution presently being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Concurrent Resolution 385, expressing the sense of the Congress that the Government of the Soviet Union should allow Yuri Balovlenkov to emigrate, which was introduced by Congresswoman BARBARA MIKULSKI. I wish to commend the gentlewoman from Maryland for her humanitarian action. She has acted quickly to bring the tragic situation of a husband and wife who are devoted to each other but who are separated a long distance from each other, to our attention.

Elena resides in the United States and Uri in the Soviet Union. Learning of her husband's hunger strike in protest against the Soviet authorities' refusal to let him emigrate, she decided to travel with her small child to Moscow to be with Yuri. But Yuri has persisted in the rightness of his cause and has continued to fast. I understand that he is now paralyzed and that the shadow of death is just around the corner. Unless this man is granted the right to emigrate from the Soviet Union, he will surely die.

It is not often that such a tragic situation of the forced separation of husband and wife touches us here in Congress. But it serves to highlight the anguish that many in the world suffer. It also serves to illustrate why we have international humanitarian and human rights standards that require all governments to observe commonly recognized practice in treating their nationals. Obviously some governments do not observe these rules. The Soviet Union is a case in point. The Soviets have not only subscribed to the Helsinki accords that require their Government to permit family reunification and emigration to this end. They have also ratified the International Covenant on Civil and Political Rights which also defines emigration as a right that everyone, no matter what country he or she resides in, should exercise. You surely agree with me that the Soviet Government should live up to its commitments.

For the sake of humanity and for humanitarian rules and for the sake of the Balovlenkov family, I urge your support of this resolution. We must act quickly today in order that this House can communicate the sense of the resolution immediately to the Soviet and American authorities in Moscow, before it is too late.

Ms. MIKULSKI. Mr. Speaker, I come before you today to ask for the urgent passage of House Concurrent Resolution 385, a resolution expressing the sense of the Congress that Yuri Balovlenkov, a Soviet hunger striker, should be allowed to leave the Soviet Union. Mr. Balovlenkov now lies near death in his Moscow apartment having engaged in a hunger strike for over 75 of the last 90 days. The man's condition is critical. He has lost over one-third of his body weight.

Mr. Balovlenkov has undertaken this tragic strike after repeated, and ill-founded denials by Soviet authorities to allow him to join his American wife and daughter in the United States. Soviet leaders cite Yuri's access to computer technology some 8 years ago as reason for his continued retention.

He wants to live as any normal family: Watching and aiding in the growth and development of his child—simply being a parent.

Despite their signing of the Helsinki Final Act which includes provisions on family unification, Soviet authorities have decided that Yuri Balovlenkov has no basic human rights.

Throughout the hunger strike, I and other Members of this body have called upon Soviet leaders to release Mr. Balovlenkov. We have received little or no acknowledgment of our overtures. I would hope, therefore, that the House could act both forcefully and expeditiously and pass this resolution without delay. The resolution is a no-nonsense message to the Soviet Union about how the Congress feels about this case and others like it.

There can be no doubt that Yuri Balovlenkov's hunger strike springs from an intense desire to be free and united with him family. It is a measure of the compelling sense of deprivation and desperation that one could only feel after repeated denials on one's most basic freedoms.

I urge the House to pass this resolution and send a message to the Soviets:

That their being a signatory to the Helsinki accords constitutes a sacred trust.

That values of freedom and family unification transcend vague illusions to national security.

That Yuri Balovlenkov must be free.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have asked for this time for the purpose of receiving the schedule for next week, and for that purpose I yield to the distinguished majority whip, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I thank the distinguished Republican whip for yielding.

Mr. Speaker, I will read the schedule for next week, which is somewhat lengthy, and I think it is perhaps important for Members to know that the schedule next week is not only very heavy, but Members should be prepared for late evening sessions on Tuesday, Wednesday and perhaps on Thursday, and for the likelihood of a Friday session.

On Monday the House will meet at noon and consider two bills under the District Day Calendar, H.R. 5595, increase Federal payment to District of Columbia, and H.R. 6276, authorize revenue bonds for financing educational loans.

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The House will then consider three bills under suspension of the rules: House Concurrent Resolution 388, disapproval resolution on regulations to the Education Consolidation and Improvement Act; H.R. 6128, United States Code, title 31, technical amendments; and an unnumbered bill, Shy Flat Tabernacle Cemetery, Christian County, Ky.

The House will also undertake general debate only on the following: H.R. 6124, military construction authorizations, the rule already having been adopted, and H.R. 6542, Wilderness Protection Act, a 1-hour open rule, which has also been adopted.

All votes which would occur or be ordered on Monday will be postponed until Wednesday, August 11.

Tuesday the House will meet at 10 a.m. and will consider H.R. 6892, changes in agriculture legislation, pursuant to the reconciliation instructions of the fiscal year 1983 budget, a modified rule, 1 hour of general debate; H.R. 5427, Radio Broadcasting to Cuba Act, concluding consideration; and H.R. 5203, the Federal Insecticide, Fungicide, and Rodenticide Act, to complete consideration.

For the information of the Members, Tuesday is primary day in the State of Michigan, and that is the reason that the votes on Monday are being postponed until Wednesday.

On Wednesday and the balance of the week, August 11, 12, and 13, 1982, the House will meet at 10 a.m., and recorded votes postponed from Monday, August 9, 1982, will be the first item of business.

H.R. 6214, military construction authorizations, will be completed; H.R. 6542, Wilderness Protection Act, will be completed; H.R. 6308, Rail Safety and Improvement Act of 1982, an open rule with 1 hour of debate, will be considered; H.R. 6323, EPA research authorization, open rule, 1 hour of debate; H.R. 6324, oceans and atmosphere authorizations, an open rule, with 1 hour of debate; and H.R. 5831, consolidated farm and rural development, an open rule with 1 hour of debate.

The House will adjourn by 3 p.m. on Friday. Adjournment times, as I have mentioned, on all other days will be announced later. But it is to be anticipated that Members will be asked to work late on Tuesday and Wednesday and perhaps on Thursday.

□ 2200

Mr. LOTT. If the gentleman would allow me to ask a couple of questions. The gentleman does anticipate asking for unanimous consent to come in at 10 o'clock on Tuesday.

Mr. FOLEY. Yes; I do. It is obviously subject to approval by unanimous consent.

Mr. LOTT. And it is a possibility we will be in session, have votes on Friday.

Mr. FOLEY. Yes; it is very likely, I might say, considering the length of the schedule that there will be a Friday session next week, and Members should be so prepared.

Mr. LOTT. I notice that the regulatory reform bill has not yet appeared on the schedule. Do we have any indication yet when that might come up?

Mr. FOLEY. I would like to respond to the gentleman, but I am reluctant to do so in the absence of the gentleman from Georgia (Mr. LEVITAS), who has had such a strong interest in this particular question.

He is unfortunately absent from the Chamber at this moment. I am surprised to see that. But I do note it.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Pennsylvania.

Mr. WALKER. The gentleman from Georgia, when he left the Chamber, assured this gentleman he would be watching with interest the proceedings on the floor. Now, I realize it is against the rules to indicate how he might be watching with interest these proceedings. But I am sure he would be very interested.

Mr. FOLEY. I would be glad to respond to the gentleman and I am very hopeful in the very near future there will be some positive information on this particular subject.

Mr. LOTT. I thank the gentleman.

ADJOURNMENT TO MONDAY, AUGUST 9, 1982

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON TUESDAY, AUGUST 10, 1982

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House convenes on Tuesday, August 10, 1982, it convenes at 10 a.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. SMITH of Iowa. Mr. Speaker, reserving the right to object, I hesitate to do this, but in the Appropriations Committee we are trying to get our bills out now. We have two bills up Tuesday. We have got to get these things out of committee.

I am wondering, we did not have any notice this was going to happen. We have two bills, including one of mine coming up Tuesday morning. We have important legislation on there starting at 10 o'clock. Are we going to have the rule first?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Washington.

Mr. FOLEY. The rule will have to be taken up first, and following that there would be 1 hour of general debate. And so I would assume that would take us past that.

Mr. SMITH of Iowa. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE ARMENIAN QUESTION: IN SEARCH OF A JUST SOLUTION

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PASHAYAN. Mr. Speaker, since January 29 of this year, a good deal of attention has been focused on Americans of Armenian descent and the international attacks on Turkish diplomats both in this country and abroad, by terrorist groups claiming to represent the Armenian people.

But the Armenian people do not condone terrorism; such actions are unacceptable to civilized people everywhere.

So that we all can perhaps understand a little better what is truly involved in the problem between Armenians and Turkey, I should like to share with my colleagues a speech delivered in April to the Los Angeles World Affairs Council by Walter Karabian, once a member of the California State Legislature, now an attorney practicing law in Los Angeles, and always a leader in the American Armenian community.

"THE ARMENIAN QUESTION: IN SEARCH OF A JUST SOLUTION"

(By Walter Karabian)

We do not condone terrorism. We emphatically oppose it! If you pause for a moment and think, you should realize how obvious it is that the very people who have been subjected to brutal, mass violence and terrorism could ever condone or desire that it be directed against others. But our moral

objections will not make terrorism disappear. Neither will wishing. To rid the world of terrorism, it is necessary to understand its roots, what impels men and women to turn against the cannons of morality and civilization to injure or kill innocents.

The world at large will consider the few Armenians who have turned to terrorism as criminals. I believe they regard themselves as patriots. They have chosen to step outside the boundaries of civilization because they seek to avenge a crime that civilization has largely ignored. In what they see as callous moral omissions, the powers of the world both great and small have not even considered the injustice of the Armenian atrocities, let alone moved to initiate an adjudication.

Armenian Americans are law abiding citizens. Acts of terrorism are as repugnant to us today as they were some seven decades ago. The crime seven decades ago amounted to genocide against the Armenian people. It began in 1894 with Adul Hamid, the infamous Red Sultan, reached its apex under some of the greatest villains in history, Enver Pasha, Talaat Pasha, and Djemal Bey during World War I, and concluded with Kemel Ataturk in the early 1920's. The total loss of Armenian lives reached one and a half million of a total population of two million. Those who survived became a tragic wave of refugees immigrating to all parts of the world. They left behind the remnants of a shattered Turkish society, a destabilized economy, and a moral damnation from which Turkey has still to this day not recovered.

At the time of the massacre, the United States Ambassador to Turkey, Henry Morgenthau, wrote "The whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915."

Ambassador Morgenthau did not know of the horrors that were to come in the Nazi concentration camps; but Adolph Hitler did know of the horrors that had come in Turkey when in 1939 he gloated, "Who nowadays speaks of the extermination of the Armenians?" The Nazi Holocaust has at least been acknowledged, not only by the civilized world but also by the German people themselves whether they were actually the same individuals who perpetrated the crimes or not. That recognition has made for a certain sense of justice. And with recognition has come a degree of restitution, also from the German nation.

Most contemporary Germans are no more responsible for the Holocaust than we of today are for the Indian massacres on the American Western Frontier a century ago. Yet, Germany has committed itself to making amends for the greatest wrong of its national past. The Armenian people believe passionately that Turkey must render them justice too.

There are many parallels between Turkey's crime against the Armenian people and Germany's crime against the Jewish people. To punish the one but not even to acknowledge the other makes the justice of Nuremberg seem like a victor's peace rather than an affirmation of human rights. Our failure to stand by those principles can only make easier further genocide.

Turkey was not at war with Armenia because Armenia was, in fact, a part of the Ottoman Empire. The Armenian people had the same legal right to be protected by their sovereign government as the other people within the Ottoman Empire. Likewise, the government had the legal and moral duty to protect its citizens. Therefore, the slaughter which resulted amounted to a genocide.

But why the genocide? Why would a powerful government ruling more than 20 million people seek to destroy a small cultural population of two million? There had existed between the Turkish and Armenian peoples an ancient religious animosity; Moslems viewing Armenians as infidels, and Armenians choosing martyrdom rather than submitting to forced religious conversion.

Turkey was at war with Russia, whose armies included Russian Armenians. This situation is so painfully similar to the circumstances in World War II concerning Japanese Americans. The United States was wrong to inter Japanese Americans; but her wrong did not amount to killing.

Was so-called infidelism reason for the slaughter of Christian Armenian males, the dishonoring of their women and the forced conversion of their children? Does calling it a "holy crusade" justify brutal violations of fundamental human rights? And is nationalism sufficient reason for the eradication of cultural and religious people few in number?

To Armenians, the Turkish denial of its atrocities is patently preposterous. While, like myself, most Armenians do not condone terrorism, they can understand the frustration of some of their young people made furious by the civilized world's indifference to the brutal wrong committed by official acts of a government on their parents and grandparents. In every Armenian household, the memory of the Turkish massacre is a living, angry presence.

An Armenian poet wrote, "When wise men see no remedy, the fools find the way." Through violence, the young prone to terrorism not only seek to avenge their dead ancestors they also aim to dramatize the legacy of injustice that all Armenians feel. They intend to bring pressure to bear upon Turkey to recognize and make amends for its predecessor's crimes.

We must understand these simple facts that lie at the base of the terrorist impulse. And we must understand that, while Armenian assassins have chosen unjust means to their end, the cause in which they act is just.

But, must justice require the spilling of blood? Must more lives be lost to right a distant wrong? Can we not find a way to set aside the agonizing usual course of events in the interest of a peaceful settlement? Unhappily, modern history teaches us that settlements among peoples seem too often to proceed through two stages: first terrorism, then negotiation. Let us pass over the stage of terrorism and proceed directly to the diplomatic undertaking. Let us extinguish the fire of terrorism by destroying the fuel by which it burns.

Armenians around the world ask only that the modern Turkish government publicly recognize the genocide of its predecessor government of the Ottoman Empire. Armenians care very deeply about the questions of restitution, property, compensation, and a homeland; but they do not insist that these be judged beforehand. In the interest of reaching the diplomatic stage and ending the phase of suffering, they are willing to leave such matters to negotiation.

Armenians ask now that this Turkish government recognize the genocide of its Ottoman predecessor. The enormity of the injustice done to the Armenian people is an incontestible historical fact. Without demanding recognition of this hateful crime, Armenians would dishonor their dead and ignore their dispossessed.

Some people suppose that the Armenian tragedy is best forgotten, that the continuing Armenian anger is inappropriate. Many national leaders find it convenient to put the Armenian question aside, preferring to ignore it rather than encourage the Turkish government to seek a just solution. This is especially true at a time when Soviet expansionism poses such a serious threat. It is tempting to let Turkey have its way in order to preserve a buffer state between the free world and the Soviet Union.

But Armenians have faced the politics of convenience before. The British Prime Minister Disreali opposed a plan that would have created an Armenian dependency under the nominal rule of Turkey. He feared that Armenians would gravitate to Russia as the Balkan peoples had. Later, the allies did not see fit to enforce clause 61 of the Berlin treaty of 1878 that required Turkey to reform its abuses against the Armenians.

The Western powers have always used the pretext of humanitarian concerns to cover their real diplomatic interests in Turkey. The British publicized the Turkish atrocities in World War I, but acquiesced while General Yudenich planted Cossack colonies on land along the Russo-Turkish border that belonged to Ottoman Armenians who had been deported or massacred by the Turks. In 1916, the Clemenceau French government promised the Armenian government they would erect an autonomous Armenian state in the Cilician part of their Anatolian zone in order to attract several thousand Armenians to join the Legion D'Orient. This promise was not fulfilled.

The United States had also put its self-interest ahead of justice for the Armenian people. An isolationist America turned down an opportunity to take the Mandate over Armenia in 1920 for fear of becoming entangled in further hostilities in that far-off region.

And when finally Armenia declared its independence in May 1918, the West did not prevent the Soviet and Turkish takeover of the new Armenian state just two years later in 1920. It has never been convenient to stand up against Turkey and protest their treatment of Armenians, but surely justice can never be a matter of pure convenience. Those who allow genocide to go unpunished for reasons of national interest must share some of the guilt themselves.

More and more Armenian Americans realize that during the Nixon, Ford and Carter Administrations with the invasion of Cypress by Turkey, the challenging of Greek territorial waters in the Aegean Sea, and even with the unabashed exportation of opium by Turkey, the U.S. in effect fell into a policy of convenience. We hope the Reagan Administration will not follow the same course. While we are pleased by the words of sympathy, understanding and support that come from this Administration, we are not pleased that no efforts are being expended to reach a peaceful, diplomatic solution.

I believe, further, that the free world has a stake in inducing Turkey into justice. The censure of the Ottoman government's crime would warn those nations who would, under color of war, relieve their suspicions of cultural and religious minorities by genocide. One does not have to look far in the contemporary world to find religious minorities surrounded by a hostile majority. Surely it

is in the interest of the free world to make indelibly clear that it will not tolerate the murder of so-called infidels.

Recently, we have witnessed the violation of human rights as a tactic of nationalist suppression in Poland and Afghanistan. To be sure, struggles between contending peoples are inevitable in any nationalist movement, but there is a crucial difference between the legitimate exercise of police restraint on civil disorder and the physical elimination of potential dissenters. Genocidal solutions to national problems cannot be condoned.

Indeed, the recognition that genocide is a crime is central to the protection of human dignity. There cannot be a statute of limitations on such crimes. To allow genocidal actions to go unrecognized or unpunished flaunts the most basic principles of civilized countries and encourages those who would perpetuate future cultural or religious massacres.

Recognition and censure of the Ottoman government's crimes against the Armenian people will place on warning those who would contemplate genocide for military, religious or nationalistic reasons in the future.

Moreover, we recognize the significance of Turkey to the North Atlantic Treaty Organization. It is for this reason, among others, that we feel that NATO could be strengthened by a resolution of the Armenian Question, and as well the similar problems of other Christian nationalities formerly subjects of the Ottoman Empire. Each year in Congress, the question of military aid to Turkey is raised against the background of Cypress, the Aegean Sea dispute and human rights violations in Turkey. If international secular justice is brought to bear on these problems intrinsically religious in nature, then much of the controversy of military aid to Turkey would be eliminated. In addition, to the matter of justice, then, is it not in the national interest of the United States to resolve the Armenian Question?

We ask, no, we implore the Administration to establish the machinery, the simple bringing together of those who will directly benefit from a solution. We implore the world to give us justice as a solution. We seek justice through diplomacy not out of weakness but with a deep resolve to quiet the haunted screams and cries of our ancestors who were murdered. We will not go away; we shall not fade away. We can only put away our resolve when we are given justice. Make no mistake about it, we will never turn our back on the events of this Century. Our national character has the genocide burned indelibly into it.

We Armenians know perhaps better than most that no man and no nation, including Turkey, is immune from Plato's immortal admonition, "He who commits injustice is ever made more wretched than he who suffers it."

DEMAND FOR ANSWERS TO KILLINGS OF AMERICANS IN EL SALVADOR

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GARCIA. Mr. Speaker, on July 13, the House passed a resolution requiring the President, in his certification process of El Salvador, to insure Congress that the Government of El Salvador is making progress in their investigation of the death of the four religious workers and two agricultural advisers murdered in that country nearly 2 years ago.

The resolution passed overwhelmingly. Yet, I am uncertain that even this will be enough to make the Government of El Salvador realize that it must make every effort to see that justice is served in the cases of these six slain Americans.

The killing of an American citizen abroad cannot be taken lightly. I understand that the Salvadoran Government is working under severe constraints. The violent internal conflict that has been raging in that country for nearly 4 years has, of course, hampered the normal flow of justice and legal proceedings. But this is ridiculous. Last week the President certified that the Salvadoran Government was making human rights progress. Yet, there is still no definite sign, after such an extended period of time, that the trials of the murderers of these Americans is going to take place.

No matter what your perspective on the role of the United States in El Salvador is, we are all dedicated to the principles of justice. We all believe in safeguarding the rights of American citizens at home and abroad. As long as this travesty of justice is allowed to continue, these principles will continue to be undermined.

The families of these victims have suffered enough. Many of them have worked hard to see that justice is served in the deaths of their sisters. We must help them in their fight.

I am circulating a letter in the House to His Excellency Alvaro Alfredo Magana, the President of San Salvador, with copies to Roberto d'Aubuisson and to Gen. Jose Guillermo Garcia, telling them that the Members of Congress, in both Houses, are tired of waiting for the results of the investigation of four Americans who were brutally assaulted and murdered in San Salvador. The letter reads as follows:

SUBCOMMITTEE ON CENSUS
AND POPULATION,
Washington, D.C., August 5, 1982.

His Excellency ALVARO ALFREDO MAGANA,
President,
San Salvador, El Salvador,
Central America.

DEAR MR. PRESIDENT: It is approaching two years since the four American religious workers and two agricultural advisers were killed in El Salvador. The progress in bringing their murderers to trial has been painfully slow.

It is understood that your system of government works differently from ours. It is also understood that your country is experiencing a violent civil conflict that severely hampers the normal working of your legal system.

Despite these differences and difficulties, we would greatly appreciate your government making an increased effort in expediting the investigation of these six murdered Americans.

On July 13, the House of Representatives overwhelmingly passed a resolution to add to the Presidential certification process of El Salvador the condition that a proper investigation is conducted regarding the deaths of these Americans. We trust that you will do all that you can to see that this is carried out.

Sincerely,

ROBERT GARCIA,
Member of Congress.

Mr. GARCIA. I hope to hand-deliver this letter to President Magana in San Salvador, at the first available opportunity.

ENTERPRISE ZONES: A TEST OF THE ADMINISTRATION'S CREDIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 10 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, when Roger Ahlbrandt left HUD this year, the Federal Government lost the services of an able public servant. The silver lining for those of us in Pittsburgh is that he will return to the University of Pittsburgh as a professor, where he will, I am sure, continue to distinguish himself as a thoughtful urban critic.

Ahlbrandt pointed up some flaws in the concept of urban enterprise zones—the "crown jewels" of the Reagan administration's urban policy—in a recent New York Times article. His cogent criticism of these zones rings all the clearer when one considers how little serious analysis has been done on their possible effectiveness. For HUD's part, it is worth noting that Ahlbrandt, a former Reagan administration official, suggests that—

The Administration is having a difficult time establishing its credibility in the urban-policy area because it has listened too long to the ideologists of the far right who say that competitive markets will solve the problems and that government intervention should be minimized.

These well-considered arguments should be an important part of upcoming debate on urban enterprize zones.

I would like to share with my colleagues the full text of Ahlbrandt's recent article:

NEW APPROACH FOR CITIES

(By Roger S. Ahlbrandt, Jr.)

PITTSBURGH.—A key component of any overall effort to help cities and their residents cope with adversity is economic development. And in this sense, the Administration must re-think its approach. Its uneven enterprise zone experiment should be scrapped in favor of an economic-development block grant.

The enterprise zone experiment—the Administration's primary urban initiative—is awaiting action by Congress. This idea was fashioned on the economic principle of competitive markets. Theorists argued that if more competitive conditions could be cre-

ated in inner city areas, economic development could be stimulated. An enterprise zone attempts to do this by reducing regulations such as zoning restrictions and by providing tax credits for the future. No Federal appropriations are involved.

This program, however, does not address the real impediments to development in inner city areas. Development is not occurring there because risks to investors are higher than in other locations. The expected return on investment is lower in inner city locations not because of higher taxes and more stringent regulations but because of higher crime rates, poorer public services and decaying elements of the infrastructure, such as roads, bridges and public transport. To encourage the expansion or location of businesses in these areas, the investment risk must be shared by government and private companies.

Public officials and businessmen stress that what is needed to encourage job creation in the inner city are improved infrastructure and public grants of low-interest loans at the inception of projects.

An economic-development block grant should be created to provide cities with money to make needed infrastructure improvements and to provide the additional capital necessary to make projects economically feasible. The actual development—as in the case of the enterprise zones—would be undertaken by private firms.

The major difference between these two mechanisms to encourage development is the way the aid is provided. A block grant enables local government to make sure a project gets started. Enterprise zones provide assistance by reducing taxes at some point in the future. The benefits of the block grant approach are immediate and would be particularly helpful to small companies. Enterprise zones do not offer such benefits, and this omission is critical. Financing is one of the principal needs of small companies, which are responsible for the majority of jobs created. Therefore, enterprise zones do not address the most important economic-development issue for these firms.

There is no reason to expect enterprise zones to create a significant number of new jobs. Many studies of business investment decisions show that tax incentives are of only minor importance in the expansion or location decisions of private companies. Most mayors, city development directors and private developers are skeptical about the zone concept and would prefer grants to stimulate private investment.

Participants in a recent conference in Cleveland on successful public-private development strategies in about 20 cities repeatedly emphasized that Federal money was the key to attracting private investment.

The Administration is having a difficult time establishing its credibility in the urban-policy area because it has listened too long to the ideologists of the far right who say that competitive markets will solve the problems and that government intervention should be minimized.

By scrapping its "draft" National Urban Policy report, which stressed a laissez-faire approach to urban policy, the Administration has signaled that it may be receptive to urban policies that try to grapple with the real problems of cities.

The block grant is consistent with the objectives of this Administration; it relies on the private sector to start and carry out the development and it builds on the positive results of existing programs of the Department of Housing and Urban Development. Money for the block grants could be provided by combining them with existing economic programs and adding the tax loss expected from the enterprise zone plan, $1 billion annually by the end of the third year.

To demonstrate that it is serious about helping local governments cope with their urban problems, the White House must consider policies and programs that transcend narrow ideological boundaries. The refutation of the "draft" National Urban Policy report was a step in that direction. The substitution of an economic-development block grant for enterprise zones would be another.●

THE TAX INCREASE MUST BE DEFEATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, this special order is entitled, "The Tax Increase Must Be Defeated."

I want to devote this time to talking about the problems with a 5-year, $228 billion tax increase as the Senate Finance Committee report on pages 414 and 415 describes it, because I do not think we in this body want to pass a 5-year, $228 billion tax increase as described by the Senate Finance Committee.

And so I want to spend some time in the next few minutes discussing why the tax increase should be defeated.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I want to thank him for taking this time to indicate that there are a number of Members in this Chamber who are already going on record as opposed to the Senate-passed bill for tax increases.

It is obvious to this Member of the House that what we did the other night is both unconstitutional and unconscionable in running that tax increase by this body without even giving us a chance to work our will on it, let alone the fact that it is a revenue-raising measure that started on the Senate side.

But I think that it is also important to recognize that in the context of the budget that this tax bill is coming to us on, that the spending side of the equation is not being met by this House. That just the other day we approved a bill out of the Post Office and Civil Service Committee that accomplished less than 10 percent of its spending goals; in other words, the spending savings goals. So that we are not meeting spending targets and at the same time we are coming through with a massive tax increase that will penalize many, many millions of Americans, and at the same time penalize an economy which is struggling as it is, and pile on top of it a new tax burden.

I think that the gentleman in raising this special order does give us an opportunity to say very flatly that there are many of us in this body who are not going to vote to penalize the economy further, to drag the economy down by voting for massive tax increases at this point in our economic history.

I thank the gentleman for yielding.

Mr. GINGRICH. I know the gentleman has to leave soon. But I wonder if I might ask him before he leaves, is it true the gentleman was in the meeting with President Reagan before the budget vote in which President Reagan indicated his commitment to a 1-year, $20 billion tax increase?

Mr. WALKER. I was not in the specific meeting, but I did have that assurance from the President at the time that we voted. And we were told flatly that what we were voting on was a 1-year budget, and in that 1-year budget that we were pledging ourselves to $20 billion worth of additional taxes.

When we quizzed both the President and his representatives on the fact that within the overall budget bill that there was talk in there of $100 billion of tax increases, we were told specifically that you are not in any way committed to that $100 billion of taxes, that you are pledging yourself to $20 billion in taxes in 1 year.

That is specifically now a direction which the administration decided not to go. They have signed on to the Senate a 3-year, $100 billion increase which as the gentleman has pointed out over a period of 5 years becomes over a $200 billion increase in taxes and that is entirely unacceptable and does great damage it seems to me to the budget process.

It seems to me the only way we are ever going to get budget deficits down is to get the economy growing again. What you are doing with this tax increase is assuring the fact this economy cannot recover.

Mr. GINGRICH. I thank the gentleman.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I appreciate my colleague taking this time to explain to the House that there are many here who have very grave doubts about the effects of this gigantic tax increase, that the gentleman is now pointing out over a 5-year period, is in excess of $200 billion.

So it has a real impact.

Now, aside from the real constitutional question of whether we have in fact totally abandoned our responsibility under the Constitution to originate

revenue-raising bills, and I think that is an important issue, and many of us have explained that to the President himself, aside from that important issue, is there not really a substantial amount of incidents in history that show that when legislative bodies increase taxes in recessionary periods, that that has a devastating effect on recovery and growth, and so forth? It has exactly the opposite effect as being hoped to be achieved.

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Mr. GINGRICH. I think the gentleman is exactly right. In fact, this could be called "the higher unemployment and longer recession tax increase of 1982." I think it will have both those effects. It will increase unemployment over a time and it will lengthen the recession.

Mr. ROUSSELOT. Well, many of us are pretty well convinced that is what history shows and we are surprised that this part of the issue has not been properly discussed, and that is the impact of substantial tax increases on an economy when they are trying to revive it, when people are trying to find a way to come back, to pull out of what has obviously been a downturn, and that there is no history that I know of that shows that tax increases help in a recovery.

Mr. GINGRICH. Well, I think the gentleman is exactly correct. Not only do tax increases not help in a recovery, but if you are in a recession—if your businesses are weak, if you are concerned about jobs—tax increases take more money away from the businesses that are trying to create jobs and give that money back to the Government. It seems to me that a tax increase is the worst possible medicine.

Mr. ROUSSELOT. Well, as a matter of fact it could be from those people from whom the money comes in these new taxes, or as in some cases it is called heavier compliance, that it is a disincentive to produce and grow; is that not correct?

Mr. GINGRICH. Well, certainly if you are a typical businessman or businesswoman and you are trying to decide what to do over the next 5 years, knowing that the Senate Finance Committee report indicates that over the next 5 years the Government will take, in addition, $228 billion out of the economy for the Government, you would be probably discouraged from creating any new jobs or investing in any new factories.

Mr. ROUSSELOT. Well, I thank my colleague again for taking this time to explain to the House what the impact of this might be and maybe a different viewpoint than we have sometimes received even from the news media.

Mr. GINGRICH. Well, I thank my colleague for his comments.

I am taking this special order because we may have less than 2 weeks to act. There is some talk that the bill will come back from conference on August 17, or thereabouts. It seems to me this would be a great mistake, that it would be the worst possible thing for this administration to encourage bringing a tax increase up before the House prior to the August recess.

This particular bill has had a peculiar history of reckless speed. It was deliberately brought out of committee apparently on the very day in which the tax cut went into effect, so that the news coverage was of a massive tax hike on July 1 instead of a tax cut. It was whipped through the Senate with such speed that at 5 o'clock in the morning Senators were voting on the bill after an all-night session in which a number of Senators added sweetheart amendments worth $200 million here and $500 million there and $40 million here. This was done in a way demeaning to the entire Ways and Means Committee tax process. Then the bill was brought over to the House in an imperfect form, whipped out of the Ways and Means Committee with a snap vote in the evening, and rushed to the House floor the following day. When the gentleman from California sought to have an hour to discuss the merits of passing the bill, which after all should never have originated in the other body—an act which I believe may prove to be unconstitutional—we then discovered that there was no time; a motion to table was offered by the gentleman from Illinois who is the chairman of the Committee on Ways and Means and we were thus choked off from even debating the bill adequately. It was then rushed to conference with the average House Member never having realized what a sham parts of the bill were and how many loopholes had been added, rather than closed, in the process.

There is a serious constitutional question whether or not a bill which reduced revenue in the House can be sent back from the other body as a massive tax increase, clearly a different bill. One wonders whether the Constitution has not been violated, since the Constitution clearly says all revenue-raising measures shall originate in the House.

That power was put in precisely so that the people's house, the body closest to the American people, would have primary control over the Nation's purse strings.

It was a clear reflection of the reality of English history that if you want to control the executive branch, you have to vest in the people's house control over money, based on the English experience that when you raise revenue, someone will spend it, and the best way not to have them spend it is not to raise it.

We are, therefore, risking what turns out to be hundreds of years of constitutional history, both in Britain and in this country.

I think that is a very dubious thing to do. Certainly no one elected this administration to risk violating the Constitution; but there are additional reasons to question this particular tax increase.

First, we are, as the gentleman from California pointed out, in a recession. This particular recession has caused much of the deficit, which is ostensibly the reason for the tax increase. In fact, a recent Heritage Foundation report, entitled "Breach Of Faith: The Tax Package," issued August 3, 1982, said:

> Over four-fifths of the recent estimated increase of the deficit is cause by a deteriorating economy, not by the tax cuts. Expenditures for unemployment compensation, food stamps and other entitlements, have increased rapidly, while the slower than expected economic recovery has depressed tax revenues. A reinvigorated economy could eliminate most of the budget deficit. The Congressional Budget Office estimates that for each percentage point decline in the unemployment rate the deficit shrinks $25 billion. A reduction in unemployment from the current 9.5 to say 6 percent would erase the lion's share of the budget deficit predicted for the next 3 years. A tax cut acceleration, not an increase, is what is needed.

The Heritage Foundation is exactly right. The chamber of commerce has similar figures. Raising taxes in a recession will kill jobs, increase unemployment, lengthen the recession, cause a loss in revenue to the Government, increase Government spending and increase the size of the deficit. It is, therefore, just the opposite of what we need. We need to increase, to accelerate the tax cut for 1983. We certainly do not need to increase taxes massively in 1982.

Second, the sheer size of this bill is fundamentally wrong. The Senate Finance Committee report indicates on pages 414 and 415 that over the next 5 years this bill will raise $228 billion in additional revenue, $228 billion in tax money from the American people.

Now, that is fundamentally not what the American people elected this Congress and this administration to do. No one ran for President or the House or the Senate in 1980 on the Republican ticket promising to raise taxes by $228 billion over the next 5 years.

Therefore, the bill is simply too large. Many of us who are conservative, who want to cut spending and cut taxes, would consider a package which cut spending adequately, and included a 1-year, $20 billion measure that would meet what we promised when we voted in the House for the budget package. But none of us who are truly conservative have any interest in voting for a 5-year, $228 billion revenue measure.

Third, we must confront the reality that there has been a massive failure

to cut spending. Of course, the liberal leadership favors a massive tax increase. Of course, the Democratic leadership is willing to rush through a bill which brings in an additional $228 billion. They want to spend the money; but again, there is a trap; as the Heritage Foundation in its same report, entitled "Breach Of Faith: The Tax Package," indicates:

The tax increases are sailing through Congress while the budget cuts are bottled up in House committees.

The fact is very simple. The first concurrent resolution on the budget for fiscal year 1983 instructed nine House committees to report spending reductions of $6 billion 570 million in fiscal year 1983 and $27.1 billion over 3 years. Yet according to the "Minority Budget News," and I quote:

Based on preliminary staff estimates as to expected committee action, total spending will be reduced by $15 billion over 3 years.

That means a shortfall in budget cuts, in spending cuts, of more than $2.5 billion in 1983, rising to about $12 billion over 3 years.

□ 2220

The budget resolution also called for nonreconciled savings, that is, budget cuts that were not ordered but were recommended by the Budget Committees of $14 billion.

These recommended cuts have been almost totally ignored by the House committees. In fact, only about 2 percent of those recommended but not ordered cuts have been made. In sum, the Budget Committee's minority staff estimates that only about $15.7 billion of the $41 billion in budget cuts recommended in the budget resolution will be implemented.

In other words, we are about to be sucked into a liberal trap in which only 38 percent of the budget spending cuts are enacted, while we enact five times the budget tax increases that the House voted on, clearly not what those who are interested in less Government and less spending would like to see happen.

Frankly, those who have studied the process of big government have come to the conclusion that if you really want to shrink the Government, you have to shrink its revenues. Government will always grow to be larger than the amount of money we are willing to raise, and as long as we raise taxes, someone will find a way to spend it.

But the policies of tax and tax, spend and spend, which have been going on for half a century, are never going to end if we accept them.

Again quoting Heritage, "Cutting taxes remains the surest road to trimming spending."

Economist Milton Friedman argues that the only way to force Congress to reduce Government spending and contain Government deficits is to cut Government off at the source, tax revenues. He contends that those raising the loudest concerns with deficits are simply favoring tax increases to be followed by further spending increases. According to Friedman, and I quote, "The reason they are born again budget balancers that are now talking about raising taxes is not because they fundamentally changed their view but because they recognize that the most effective way to hold down Government spending is to hold down Government revenue."

Heritage continues, and I quote, "Would raising taxes result in a balanced budget?" Friedman does not think so: "They are talking as if their concern is to enact higher taxes in order to keep budget deficits down," he says. "Their real motive is to keep taxes up so that the Government can resume big spending programs as soon as the present public drive for lower taxes and spending passes."

In other words, Heritage concludes, and I quote, "A victory for the Senate Finance Committee package will set in motion the tax-and-tax, spend-and-spend cycle that Reagan has come so close to breaking. Congress still has the chance to keep its faith with the American people and reject the Senate tax package."

In addition to the failure to cut spending first and only then raise taxes, there is a fourth public policy contradiction. We need to keep faith with the American people. We need to convince the American people that when a politician runs for office he will keep his word; when he appoints a Cabinet it will reflect his past behavior; that in fact when we say something, we mean it.

Yet we have a bill which would add 5,200 Internal Revenue agents to the force. Clearly, no one in 1980, asked to choose whether Carter or Reagan would be the President recommending 5,200 additional agents, would have picked President Reagan.

We have a bill recommended by the Secretary of the Treasury which calls for withholding on interest and dividends. Yet, it was that very same Secretary of the Treasury who just a few years ago was one of the most active spokesmen against withholding on interest and dividends.

Finally, we have a clear commitment by the administration to a number of Members of this body who voted for the budget only with the understanding that we were committed to a 1-year $20 billion tax increase. We were not committed to a 5-year $228 billion tax increase.

Finally, and fifth, there is a philosophical contradiction in this action. It is somewhat ironic that the Senate Finance Committee tax bill has found favor with the New Republic, the New York Times, and the Washington Post. But it has been severely and scathingly criticized by the National Review, Human Events, and the Wall Street Journal.

There are good reasons for this. A healthy, free society starts with the people and then moves to general principles and then develops institutions and only, finally, worries about the whims of individual personalities.

The people, looking over time at institutions, ask what principles do they stand for? Over the last 20 to 30 years, if you set up New Republic, New York Times, Washington Post, people understood those were liberal institutions. If you said National Review, Human Events, the Wall Street Journal, people understood those were conservative institutions.

Therefore, people could draw certain conclusions. If the New Republic, the New York Times, and the Washington Post all like a bill, and National Review, Human Events, and the Wall Street Journal all three dislike a bill, it is reasonable to guess that that bill is liberal.

The fact is that the Senate Finance Committee bill raising $228 billion in additional revenue over the next 5 years is a liberal bill. It increases the reach of the Government, it increases the grasp of the Government, it increases the money available to Government, and it is surely a step away from the path we have followed for the last 18 months.

I suggest all of us who were elected on a platform endorsed by National Review and Human Events and the Wall Street Journal; that all of us who for years have advocated change, opposed by the New Republic, the New York Times, and the Washington Post; that all of us gather once again, defeat the Senate Finance Committee bill, that we force change in the process in this House, that we pass a constitutional amendment to require a balanced budget, that we cut spending, that we rally to the President and convince him to veto any spending bill in any supplemental which is above the budget and then, having done that, we go back to what we promised when we passed the budget. We pass a 1-year $20 billion tax increase that may well include a few hangers-on to raise a few additional dollars in future years, but under no circumstances do we consider a 5-year $228 billion tax increase.

USE OF THE INSANITY DEFENSE MUST BE RESTRICTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 10 minutes.

● Mr. PORTER. Mr. Speaker, the Hinckley verdict dramatically illustrated a point many of us have known for some time, that is, that Federal law regarding the use of the insanity

defense is in urgent need of reform. In order to guarantee that only those defendants actually insane are able to successfully use the insanity defense, I have introduced a bill that would make the following reforms in our Federal laws:

First, the M'Naghten Rule would become the single test by which the defendant's sanity, or lack thereof, is to be determined by the jury. The test incorporated into my bill restricts the successful use of the insanity defense to only those defendants whom the jury determines did not know the nature and quality of their acts due to mental disease or defect, or did not know the criminality of their acts due to such disease or defect. This test is superior to more modern formulations, such as the ALI Model Penal Code and "irresistible impulse" tests, because the latter are too ambiguous and allow for excessive amounts of confusing psychiatric testimony to be introduced into evidence. My bill eliminates much of the ambiguity present in these newer tests, while simultaneously narrowing the traditional M'Naghten Rule by substituting the term "criminality" for "wrongfulness." In short, my proposal retains an insanity defense, while restricting that defense so as to minimize confusing expert testimony and to reduce the number of defendants who fall under its protection. This approach to limiting the insanity defense is more consistent with our society's theological, moral, and legal beliefs regarding free will and personal responsibility than those proposals which advocate outright abolition of the insanity defense and the use of a "mens rea" test in its place.

Second, a new verdict of "not guilty by reason of insanity" would be used in those cases in which the defendant's lack of sanity was the reason for his acquittal. At present, Federal law does not distinguish between acquittals by reason of insanity and acquittals due to the prosecution's inability to prove all elements of the alleged offense beyond a reasonable doubt. My bill would draw a much-needed distinction between these two very different reasons for acquittal, and would allow the court to order those defendants acquitted by reason of insanity to undergo psychiartic testing, and, if necessary, subsequent hospitalization on the basis of such testing.

Third, under my proposal, the insanity plea would be defined as an affirmative defense that must be proven by the defendant. The defendant would have the burden of proving his insanity by clear and convincing evidence. Currently, the prosecution is often required to prove the defendant's sanity beyond a reasonable doubt, just as any element of the offense must be proven. My bill removes this intolerable burden from the prosecution. The Government, of course, would still be required to prove all the elements of the alleged offense beyond a reasonable doubt.

Finally, a new verdict of "guilty but mentally ill" would be created to allow for the conviction of those defendants who, although mentally disturbed, were found by the jury to be of sound enough mind as to be held morally and legally culpable for their actions. Any defendant convicted under such a verdict would be required to serve the remainder of his sentence in prison should he recover his mental health. Juries would thereby be able to convict defendants like John Hinckley while still acknowledging doubts as to the accused's mental stability and health. A "guilty but mentally ill" verdict would thus establish a much-needed middle ground for juries to opt for during their deliberations. At the same time, this new verdict would not be plagued by the constitutional questions that have arisen regarding the proposed "guilty but insane" verdict.

I trust my colleagues will agree with me that this set of proposals is one of the most equitable and comprehensive measures yet to be introduced in this Congress. I urge their support and cosponsorship of this bill.●

ATTORNEY GENERAL'S REPORT TO THE PRESIDENT ON WOMEN'S EQUALITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 60 minutes.

Mrs. SCHROEDER. Mr. Speaker, I call to the attention of my colleagues the First Quarterly Report of the Attorney General to the President and the Cabinet Council on Labor Policy as required by Executive Order 12336:

THE FIRST QUARTERLY REPORT OF THE ATTORNEY GENERAL TO THE PRESIDENT AND THE CABINET COUNCIL ON LEGAL POLICY AS REQUIRED BY EXECUTIVE ORDER 12336

(Prepared by the Civil Rights Division U.S. Department of Justice, June 28, 1982)

President Reagan signed Executive Order 12336 on December 21, 1981 establishing a Task Force on Legal Equality for Women (hereinafter TF). The mission of the TF is to ensure "the systematic elimination of regulatory and procedural barriers which have unfairly precluded women from receiving treatment from federal activities." (See Appendix A.) The Attorney General or his designate has been assigned responsibility to complete a review of Federal laws, regulations, policies and practices; and, to identify and periodically report to the President on any language or provision that tolerates discrimination on the basis of sex.[1] This is the first such report by the Department of Justice.

The drive to cleanse Federal law of unpermeable gender based clarification is certainly not new with this Administration. For several years, Federal statutes and regulations needlessly providing for unequitable treatment of the sexes have been targeted for revision or elimination. Pursuant to Presidential directives, a comprehensive plan was developed in 1976 for review of the United States Code in order to locate all such offenses in statutory provisions. This effort was expanded the following year to include similar review by the Federal agencies of their rules, regulations, policies and practices.

The preliminary results of this identification activity are set forth in a report issued in 1978 by the Civil Rights Division of the Department of Justice (the "1978 Report"). It reveals that more than 3,000 Code sections have been identified as containing some form of sex bias; however, a large majority of these involve only terminology problems of a non-substantive nature and either already have been remedied or are readily curable. In addition, even as to substantively discriminatory laws the 1978 Report confirms that most of them are drawn so narrowly as to have little impact on the populace generally, or even on any sizeable number of people. Thus, the dimension of the statutory problem identified by the Justice Department, while not inconsequential, is plainly not overwhelming. The next section of this Report provides an overview and update of the legislative review activity that has thus far been undertaken and comments briefly on future steps to be taken in this area.

Following the discussion on statutory reforms, the Report sets forth in Part III similar information with regard to the ongoing review of rules and regulations by Federal agencies. Because Federal regulations have only recently begun to be incorporated into computer retrieval systems, the search for sex-oriented language in agency regulations has proceeded at a slower pace than with the statutes. Nonetheless, real progress continues to be made toward fulfillment of the overarching objective to rid the laws of this country of unjustified sex biases. Continuing activities designed to bring into full compliance all regulatory schemes throughout the Federal government will be outlined.

The Report finally identifies several major issues that directly affect women's rights, and describes recent developments, due in no small part to efforts of this administration, that have contributed greatly toward removal of the offensive features of the identified program. Also mentioned in the concluding section are some of the remaining areas of controversy in the field of sex discrimination that are receiving the attention of this administration.

II. REVIEW OF FEDERAL STATUTES

The United States Code has been examined on several occasions to ascertain which federal statutes contain language that differentiates solely on the basis of sex. As might be expected, the results of these surveys have not been uniform. For example, one computer search performed in 1977 by the United States Commission on Civil Rights identified some 800 Code Sections having a sexual bias. Another study undertaken by the Justice Department later the same year, which was based on a more comprehensive computer search, produced over

[1] The Attorney General has named the Assistant Attorney General for Civil Rights as his designee under Executive Order 12336.

3,000 Code Sections containing gender-specific language.

It is probably fair to say that there currently remain on the books a sizeable number of federal statutes that are framed in masculine terms only. Nonetheless, only relatively few such Code provisions are so worded that they will not permit a sex-neutral interpretation, and the courts have not been at all hesitant in recent years to adopt this more expansive reading. Consequently, sex-biased terminology in most instances under federal law has little substantive importance.

Moreover, Congress has in recent years enacted specific legislation designed to equalize treatment of the sexes under federal statutes. For example, 1 U.S.C. § 1 now provides: "in determining the meaning of any Act of Congress, unless the context indicates otherwise . . . words importing the masculine gender include the feminine as well; . . ." To be sure, this provision does not remove all "sex discrimination" concerns, since use of the masculine gender in some statutes is in a context that reveals a clear congressional intent to cover men only. Nonetheless, this curative legislation helps in many instances.

So, too, does enactment by Congress of 5 U.S.C. 7202(c), which provides that "notwithstanding any other provision of law, any provision of law providing a benefit to a male Federal employee or his spouse or family shall be deemed to provide the same benefit to a female Federal employee or to her spouse or family." Here, again, the legislation has identifiable limitations—in that it applies only to Federal employees and may well not include members of the Armed Forces, the U.S. Postal Service, independent Commissions (see, e.g., 5 U.S.C. § 2105), and the career foreign service. Nonetheless, it benefits a large group of women in this country employed by the Federal Government by removing for them yet another gender-based barrier.[2]

There still remain, of course, substantive sections of the Code that differentiate solely on the basis of sex. We have collected in an appendix to this Report (Appendix B, infra) an updated list of such sex-biased statutes requiring corrective action by Congress. For the most part, these Code provisions can be lumped into five general categories, each of which embraces a single policy area: military, social security, welfare, spousal and family benefits, and immigration. This, in essence, defines the dimensions of the legislative problem.[3]

However, to ensure that there is no mistake in this regard, we are about to undertake a final computer search of the United States Code and will hopefully be in a position at the time of the next report to verify that, indeed, there no longer linger any vestiges of unjustifiable sex discrimination in the vast majority of federal statues.[4]

III. REVIEW OF AGENCY RULES, REGULATIONS AND POLICIES

The task of identifying Federal rules, regulations, programs and policies that tolerate disparate treatment on account of sex was assigned some years ago to each Federal agency. An interim account of the progress of that effort was contained in the 1978 Report, covering some 63 federal agencies. Our recent review of the status of that original undertaking revealed that most agencies have now completed the "identification" of sex bias in their rules, regulations, programs and policies, but many have yet to take corrective action to cure existing discriminatory provisions or practices. At least two principal agencies, the Department of Health and Human Resources and the Department of Education, are still in "identification" stage and have not reported their findings on the threshold inquiry. Moreover, agency regulations are currently being computerized, thus allowing a more thorough search in the future.

Even so, some general observations can be made that will help to frame the broader issue. We have verified that the review undertaken by twenty-two (22) small agencies disclosed no substantive distinction in their rules, regulations, programs or practices based on sex.[5]

In addition, five (5) other agencies whose reviews had identified areas of possible sex bias have now resolved or corrected the identified problem and are no longer a matter of concern. One of these, the Federal Reserve System, has by regulation altered its requirements with respect to offical advertising materials displayed by State-chartered banks so as to include an explicit prohibition against sex discrimination. Another, the National Aeronautics and Space Administration (NASA), has made material changes in its selection procedures and criteria for the Astronaut Candidate Program to open new opportunities for women. Still another, the Securities and Exchange Commission (SEC), has begun to look more closely at corporate equal employment opportunity (EEO) information as being subject to disclosure in appropriate cases under the SEC's "material information" rule. Also in this group is the United States International Communication Agency (USICA), which has developed new guidelines for equal treatment of the sexes in USICA media matters. And finally, there is the National Transportation Safety Board, which has agreed to embark on a more active recruitment program for women for trainee positions due to the low female representation among the Board's accident investigators.

Of the remaining thirty-four (34) reporting agencies (HHS and DOE have still to report), specific instances of sex-bias practices or procedures have been identified in one form or another, and, in varying degrees, steps are being taken to remove the discriminatory features in question. A principal area of activity for the Task Force will be the monitoring of this corrective action on an agency-by-agency basis to ensure that women are not denied opportunities under any federal program solely because of their sex.

The prospects of such a denial, it should be added are becoming increasingly remote. In this connection, the Justice Department's recent review of agency attention to these matters since the 1978 Report has been most encouraging. For example, a painstaking reexamination of regulations by the Department of Commerce revealed not one substantive gender-biased provision. A similarly thorough combing of the many other component documents issued by the Commerce Department disclosed only a few offending terms, all of which are non-substantive in nature and have already been scheduled for correction in the next revision of periodicals.

The Department of Agriculture (DOA) is another good example. Through its conscientious efforts, one significant, substantively discriminatory statute within its enforcement responsibility has been amended to eliminate sex bias, and the Department has proposed corrective legislation for another.[6] In addition, the regulations and policies of the Farmers Home Administration (FmHA), which falls under DOA's jurisdiction, have been largely rewritten to remove their adverse impact on women.[7] This does not

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[2] See also 38 U.S.C. § 102(b), dealing with veterans benefits, which provides that, for purposes of this title of the U.S. Code, any reference to wife includes husband and any reference to widow includes widower. This provision, however, applies only to Title 38 and therefore does not cure other veterans benefits statutes in other Titles of the Code containing sex-biased language.

[3] We would not want to be misunderstood on this point. In some respects, the different treatment on the basis of sex that remains in these five areas could be tied to legitimate policy objectives that do not require complete change. For example, the limitation on women in combat accounts for the differentiation in many military statutes. Careful scrutiny is required in determining whether, and to what extent, a restructuring of that legislation into sex neutral terms should take place.

[4] No comprehensive computer search has been made since 1977. In a few instances since the Congress has actually enacted new sex-biased statutes (for example, amendments to the Railroad Retirement Act of 1974, 45 U.S.C. § 231e, Public Law No. 97-35). A current computer search is therefore needed to complete the Justice Department's assignment.

[5] These agencies include the following: Appalachian Regional Commissioner; Arms Control & Disarmament Agency; Board for International Broadcasting; Commodity Futures Trading Commission; Consumer Product Safety Commission; Federal Deposit Insurance Corporation; Federal Election Commission; Federal Maritime Commission; Federal Mediation & Conciliation Service; Federal Trade Commission; Government Printing Office; Indian Claims Commission; Inter-American Foundation; National Labor Relations Board; National Mediation Board; National Transportation Board; Nuclear Regulatory Commission; Occupational Safety and Health Review Commission; President's Council on Physical Fitness; Tennessee Valley Authority; United States International Trade Commission; United States Postal Service. In a few of these agencies, where unnecessary gender-specific terminology had been used in the past, a directive was issued which prohibited the use of such language in all newly proposed or revised regulations (e.g., Federal Election Commission, Federal Maritime Commission).

[6] Section 2014(c) of Title 7, United States Code, permitted an exception for "mothers or members of the household who have the responsibility of care of dependent children . . ." to the general rule that households with an "able-bodied adult" were ineligible for food stamps. Pub. L. No. 95-113 removed this exception by substituting new provisions relating to income standards for eligibility. The other statute in question, 7 U.S.C. § 1923 authorizes preferential treatment for married and dependent families for certain agricultural loan programs and is inconsistent with the Equal Credit Opportunity Act. 15 U.S.C. § 1691 et. seq. Corrective legislation proposed by the Department of Agriculture has not yet been enacted.

[7] Virtually all 900 pages of FmHA's regulations, internal directives and forms have been rewritten to remove sex bias. Among the more significant changes are the following: (1) insurance policies must now reflect all owners, not just husbands; (2) an analysis of the industry and initiative of the wife no longer required for farm loans; (3) spouses no longer required to execute deeds of trust, notes and documents of indebtedness unless they are co-applicants/borrowers; (4) wives are no longer individually and separately liable on documents of indebtedness, notes, etc., that are not for their benefit; (5) language referring to the applicant and borrower as the husband has been removed; (6) several statements of nondiscrimination on the basis of sex have been added; and (7) implementing regulations for the Equal Credit Opportunity Act in the loan processing provisions have been finalized.

mean that the Task Force's work in this area is finished, however. For these Federal measures to be effective, it is imperative that the regulatory and policy changes be included in the FmHA state supplements (the operating procedural manual governing individual loan processing for each state). The latest information available indicates that most of the state supplements have not been updated to include the changes, and correcting that situation will be one of the principal areas of concern for the Task Force.

On another front, the General Services Administration (GSA) has also taken corrective measures with respect to certain discriminatory features in its rules and regulations. Thus, the failure to include "sex" as a protected class within the nondiscrimination provisions of its posted notices in public buildings has been cured by the agency. Moreover, GSA has agreed to revise some nineteen publications, including the GSA Handbook, that portrayed male employees as supervisors or in leadership positions, while females appear only as secretaries. In the face of a report in 1978 by Public Building Services (PBS) on the Federal Government's lack of attention to female-owned businesses, GSA took the additional initiative to co-sponsor a seminar with the Wharton School on "Women in Business."

The Interstate Commerce Commission has a similar record. Responding to the identification of several minor provisions of the Interstate Commerce Act that contained discriminatory language based on sex,[8] the then Acting Chairman of the Commission forwarded to the Speaker of the House of Representatives on April 20, 1981, legislation designed to elminate these and similar suggestions of sex discrimination; the bill is currently pending before Congress. ICC publications containing sex role-stereotyped illustrations are in the process of being corrected. And in the regulatory and policy area, the rate structure offered by a common carrier (interstate limousine service) has been revised to remove sex bias.[9]

The Federal Home Loan Bank Board, additionally, has acted on the areas of sex bias identified in its regulations and has favorably resolved all but one.[10] Similarly, the Central Intelligence Agency has concentrated its efforts, as it needed to, on increasing the number of women in its professional job categories: up to 20 percent as of 1981.

The essential point is that all agencies of the Federal Government have focused their attention on the legal imperative of striking from their rules, regulations, programs and policies unjustified disparities in treatment based on sex, and they are currently in the process of implementing necessary changes. Such administrative activity is admittedly tedious; rarely does it attract public attention or draw headlines. But, its importance to achieving the fundamental goal of equal opportunity for all, regardless of sex, cannot be overstated. Thus, the monitoring efforts of the Task Force in this area and the continuing review of the Department of Justice, will be most vigilant so that a meaningful and comprehensive conclusion can ultimately be attained.

IV. OTHER WOMEN'S ISSUES OF GENERAL IMPORTANCE

Beyond the removal from Federal laws, rules and regulations of language that unjustifiably discriminates on account of sex, there are a number of broader issues of general importance to women that are receiving attention from this Administration. As to some of these, a gender-neutral solution has been found; for others, further study is needed. Set forth below is but a sampling of some of those issues.

A. This Administration has, for example, taken corrective action in equalizing income levels used to define poverty status for men and women. To understand the significance of the adjustment, some background information is needed.

On the average, women employed full time earn approximately 60 percent of what male full-time employees earn. At least some of this difference in earnings appears to be attributable to educational practices which do not prepare women for employment or which channel them into lower paying occupations. Additionally, women have traditionally assumed primary responsibility for homemaking and child care. These responsibilities interfere with continuous employment and with the ability to maintain and increase earning capacity over an adult life.

Comparing the earnings of full-time workers, however, gives an incomplete picture of the relative economic positions of men and women. In 1948, the median income of white females was 45.1 percent of that of white males.[11] The median income of non-white males was higher: 54.3 percent of that of white males. The income of non-white females was much lower: only 19.6 percent of that of white males. In 1979, the income of non-white males had increased in relation to that of white males to 65.1 percent, while that of white females had declined to 35.6 percent. Over the same period, the income of non-white females increased to almost the same level as that of white females: 33.2 percent of the income of white males.[12]

These income levels include the incomes of both full- and part-time workers in each category. They may, therefore, include some persons who were primarily supported by the incomes of others. Accordingly, it may be more instructive to look at poverty rates as a measure of relative economic well-being. In 1959, the poverty rate for all persons was 22.4 percent. The poverty rate for persons in families headed by men was 18.7 percent, while for families headed by women the poverty rate was 50.2 percent. By 1978, the poverty rate for persons in male-headed families had declined by almost two-thirds to 6.6 percent. The rate for persons in female-headed families had also declined, but by only about one-third, to 32.3 percent. In addition, although the number of people living in poverty declined from about 39 million in 1959 to 24 million in 1978, the number in families headed by women actually increased from 12 million to almost 13 million. In 1978, more than half (50.3 percent) of all families below the poverty level were headed by women, although female-headed families were only 14.6 percent of all families. And poor families headed by women were poorer than families headed by men: the "income deficit" (difference between the poverty level and actual family income) was $2,190 for female-headed families as compared to $1,664 for male-headed families.[13]

In light of these discrepancies, efforts began several years ago to convince the Office of Federal Statistical Policy and Standards to abandon its continuing use of a sex-based poverty level distinction. It was not until June 1981, however, that the proposal to adopt a sex-neutral definition of the poverty level was approved by the Cabinet Council on Economic Affairs. The Director of the Bureau of the Census has now been instructed by the Administration to use the new definition in reporting data from the 1980 Census. It will also be used in reporting data from the Current Population Surveys beginning with 1981. See 46 Fed. Reg. 62674 (1921). This will undoubtedly work to the advantage of a sizeable number of women who were unfairly assigned a lower economic status, both individually and as heads-of-household, under the prior gender-based statistical regime.

B. Another area where the Administration has been instrumental in bringing about changes of significant benefit to women involves the legislative effort culminating in enactment of the Economic Recovery Tax Act of 1981. That legislation contains several provisions designed to eliminate tax burdens previously imposed solely on women, including amendments to the marriage tax penalty, child and dependent care credits, and the widow's tax. The effect of each of these changes is summarized below.

THE MARRIAGE PENALTY

Under prior law, the so-called marriage penalty penalized women by cutting into a couple's earnings if both work; a higher income tax was imposed on the income of a two-earner married couple than would have been imposed had each spouse been taxed as a single person. The tax acted as a disincentive to women in the workplace because the penalty increased as a couple's income rose, and as the difference between the amounts earned by each spouse narrowed.

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[8] For example, statutory exceptions allowing the issuance of free passes presently extend to, among others, ". . . traveling secretaries of railroad Young *Men's* Christian Association . . . to *linemen* of telegraph and telephone companies . . . to *newsboys* on trains . . . [and to] the families of certain of those listed, 'families' being defined as including '*widows* during *widowhood*.'" [Emphasis added.]

[9] The ICC has also been advised of its enforcement responsibility under the Equal Credit Opportunity Act with respect to common carriers. The Task Force intends to monitor the agency's development of a regulatory enforcement program to carry out that responsibility so as to ensure the proper sensitivity to women's rights.

[10] Exclusion of pregnancy-related disabilities from the disability insurance package remains unresolved, but that is due primarily to the insurance carriers' refusal to make any alterations to benefits or coverage under the existing long-term contract.

[11] The median income does not include persons, such as fulltime homemakers, who had no income.

[12] The trend between 1948 and 1979 was not continuous. Income for white females declined between 1948 and 1963, when it reached a low of 29.9 percent and began to increase at the end of the decade. The income of non-white males reached a low of about 50 percent at about the same time, while that of non-white females fluctuated slightly around 19 percent until about 1962 when it began to increase. The income of non-white males has continued to increase relative to that of white males, but the relative incomes of both white and non-white females have declined in recent years; for white females, it declined from a high of 37.7 percent in 1977. The high for non-white females, 34.4 percent, occurred in 1976.

[13] It should be noted that these figures may understate the number of low-income women and persons in families headed by women as compared to men, because the official poverty level used in 1978 was lower for women than for men. The (non-farm) poverty level for a man living alone was $3,460, while that for a woman was $3,196. A family of four headed by a man was officially "poor" with an income of $6,665, but a family of the same size headed by a woman was not "poor" if its income was above $6,632. The statistical picture is clouded somewhat by the failure to include the value of in-kind transfers when calculating income.

To reduce the discrimination against two-earner married couples, the 1981 Act permits these couples to deduct on their joint returns 10 percent of the first $30,000 of earnings of the lower earning spouse. This deduction will be phased in over two years. A 5 percent deduction, or a maximum of $1,500, will be allowed for taxable years beginning in 1982 and the full 10 percent, or a maximum of $3,000 will be allowed in subsequent taxable years. This deduction will be available regardless of whether a couple itemizes their deduction.

CHILD AND DEPENDENT CARE CREDIT

Child care is a major concern for working women. For women with relatively low salaries, the costs of child care often negate the benefit of working outside the home to improve the family's economic position.

As a result of the 1981 Economic Recovery Tax Act, the nonrefundable credit for child and dependent care expenses necessary for gainful employment will be available on a three-tiered basis in tax years beginning after December 31, 1981. First, taxpayers with adjusted gross income of $10,000 or less will be entitled to a credit equal to 30 percent of employment-related expenses. Then, the credit will be reduced by one percentage point for each 2,000 of adjusted gross income, or fraction thereof, above $10,000. Finally for taxpayer with adjusted gross income of over $28,000, the credit will remain at the 20 percent level applicable under prior law to all taxpayers.[14]

THE WIDOW'S TAX

In the last five years Congress has taken certain initiatives—the Tax Reform Act of 1976, the Revenue Amendments of 1978, and most recently the Economic Recovery Tax Act of 1981—to reduce the estate tax burden on female surviving spouses. The first two of these were only partially helpful because the were aimed solely at limiting the harsh effects of estate tax provisions on female surviving spouses, not at correcting the legislation or addressing the underlying assumption that work in the home is not economically productive. Until the 1981 legislation, women had been expected to work in the home or in the family business as part of their marital contract, without recognition under the tax laws for their role in the economic success of the family unit.

Prior to the industrial revolution, many people viewed work and home as closely interwoven. In most families, both men and women performed economically productive work. As society became more industrialized, however, income producing work was generally conducted outside of the home, and, consequently work performed in the home gradually lost its recognition as "economically productive."

The presumption that work at home is without economic value became a policy embodied in the tax code. This presumption, coupled with the reality that wives more often than not survived their husbands, gave rise to the term "widow's tax." Its derivations springs from the particularly harsh effect on female surviving spouses of former section 2040(a) of Title 26 of the United States Code. Prior to the Economic Recovery Tax Act, Section 2040(a) required payment of federal estate taxes on the adjusted gross estate of the decedent, including jointly held property, unless the surviving spouse could prove contribution for "full and adequate consideration in money or money's worth." Failure by a spouse to prove contribution "in money or money's worth" resulted in a 100 percent inclusion of the joint property in the decedent's estate for Federal tax purposes.[15] If the estate was short on liquid assets, a dismantling of the jointly held property was often required in order to pay the federal estate tax.

The only way to avoid inclusion of jointly held property in the decedent's estate was to prove an economic contribution. The fact that the property was legally held in both parties' names under state law did not control or affect this Federal statutory requirement. Only if the surviving spouse could prove separate income from outside employment, a separate estate, or assets or income accruing separately through inheritance or accumulated prior to marriage, would exclusion of the spouse's interest be permitted. Moreover, in proving contribution, it was necessary to show that the consideration was received in "money or money's worth." That the wife performed vital services in a traditional way—housekeeping, cooking, and child care—was not enough.

In response to public pressure from farm women, Congress enacted Section 2040(b) of the Tax Reform Act of 1976, creating the so-called "qualified joint interest" in property used in farming or other businesses. While such a joint property interest could be excluded from the decedent's estate notwithstanding Section 2040(a), Section 2040(b) was not understood by many taxpayers and therefore was infrequently used.

In recognition of this fact, Congress enacted Section 2040(c) as part of the Revenue Amendments of 1978. Unfortunately, Section 2040(c), which created an "eligible joint interest" was also of limited use. It applied only to a decedent's spouse who had "materially participated" in a farm or other closely-held family business. The spouse was permitted to "work off" her interest in the jointly held property over a number of years if she materially participated in the family business.

Because neither of these Code provisions provided a meaningful answer, Congress, with Administration support, tried a third time in 1981 to remove the widow's tax from the Code. Passage of the Economic Recovery Tax Act (Pub. L. No. 97-34) successfully eliminated the harsh effect of section 2040(a) on women. By its terms, women who survive their spouses are now considered, for Federal estate tax purposes, owners of half of the jointly held property, regardless of their financial contribution toward its acquisition. Interspousal transfers at time of death pass tax free. Most important, however, is the recognition by Congress through this Act that marriage is, among other things, an economic partnership and that a woman's contributions, including homemaking services and active participation in the family business, are vital to that partnership.

C. A separate issue to be addressed concerns the different treatment accorded to men and women under certain employee pension plans. Because women, as a group, tend to live longer than men, the likelihood is that pensions dependent on sex-based actuarial (life-expectancy) principles generally require women, as compared to men, to make larger individual contributions into a pension fund, while receiving smaller periodic payouts from the fund as retirement benefits.

In 1978, the Supreme Court in *Los Angeles Department Water and Power* v. *Manhart*, 435 U.S. 702, held that Title VII of the Civil Rights Act of 1964 prohibits employers from requiring women to make larger contribution payments into a pension fund in which all employees were required to participate. The issue before the Court in *Manhart* was, however, exceedingly narrow, and the Court so treated it. Thus, no consideration was given on that occasion to the perplexing problem of how the distribution of employee benefits should be determined.

Several lower courts since *Manhart* have held that all pension plans which differentiate in employee treatment on the basis of sex—whether measured in terms of contributions or benefits—are prohibited by Title VII. Still to be finally resolved by the courts, however, are a number of complex issues related to the proper use of actuarial tables in determining pension and annuity benefits, the extent to which "spousal coverage" questions are a proper matter for Title VII consideration, and the appropriate measurement of damages to compensate victims of sex discrimination in this area. These difficult issues obviously have important policy overtones and they are currently receiving careful consideration by this Administration through a separate Presidential Working Group that is studying the ramifications of *Manhart* and lower court decisions that have followed in its wake.

D. Several concerns have also been raised about the treatment women generally are accorded under the Social Security Act in the area of retirement benefits. The problem can be briefly stated. The Social Security system provides benefits for homemaking spouses of covered workers, but their benefits are less comprehensive than those provided for spouses who work outside the home. No additional benefits are provided for spouses who combine homemaking with paid employment; thus, secondary wage earners get little additional protection from the Social Security taxes they pay. For this reason, and because of certain unintended results of the benefit formula, retirement benefits for couples and their survivors are significantly different depending on how earnings are distributed. In general, one-earner couples receive higher benefits than two-earner couples with the same total earnings. At very low income levels, benefits for one-earner couples may be the same as those for two-earner couples, and some two-earner couples may receive lower benefits than couples where both spouses have equal earnings.

These concerns are but a part of a series of complex issues under the Social Security Act that fall within the review responsibil-

[14] The maximum amount of employment-related expenses to which the credit can be applied is $2,400 if one qualifying child or dependent is involved and $4,800 if more than one is involved Thus, the maximum credit for one qualifying individual ranges from $720 for taxpayers with income below $10,000 to $480 for taxpayers with income in excess of $28,000. Similarly the maximum crdit for two or more qualifying individuals will range from $1,440 to $960. Under the prior law, the maximum amounts of employment-related expenses subject to the 20 percent credit were $2,000 for one qualifying individual and $4,000 for two or more, with maximum credits of $400 and $800 respectively.

[15] A wife often acquired her share of the jointly held property as a gift from her husband. Until recently, however, amended 26 U.S.C. § 2040(a) provided that the total value of jointly held property was includible in the decedent's estate "except such part thereof as may be shown to have originally belonged to such other persons and never to have been received or acquired by the latter from the decedent for less than in adequate and full consideration in money or money's worth." Thus, even a gift from a husband to his wife was not considered "hers" for Federal estate tax purposes.

ity of the President's Social Security Task Force. They are mentioned here only to identify them as areas targeted for consideration by this Administration as part of its overall effort to remove whatever unfairness exists in the laws based on unjustifiable discrimination on account of sex.

V. CONCLUSION

This report reveals that considerable progress has been made toward the goal of attaining legal equity for women in the statutes and regulations of the United States Government. Most gender-based barriers have today been eliminated and, with their removal, women in dramatically increasing numbers are taking their rightful place alongside men in all fields of endeavor. This heartening progress does not suggest, however, that we can now rest on recent accomplishments. The fight against sex discrimination is not yet over, and until the laws of this country fully protect the rights of men and women equally, there can be no relaxation of the effort to eradicate the last vestiges of official action grounded in sex-based prejudices. To that end, the monitoring efforts of the Task Force and the research efforts of the Department of Justice will continue to be most vigilent.

WM. BRADFORD REYNOLDS,
Assistant Attorney General, Civil Rights Division.

SOCIAL SECURITY

Uncorrected Sex Bias in Federal Statutes:

42 U.S.C. § 402—Establishes eligibility requirements for various Social Security benefit categories. It is necessary to compare eligibility requirements for wives and widows with those for husbands and widowers in order to identify provisions which discriminate on the basis of sex.

Subsections 402(b) and (c) establish old-age benefits for wives and husbands, respectively, of individuals entitled to old age or disability benefits. Under Section 402(b), divorced wives, as defined in section 416(d), may be entitled to benefits. There is no provision for benefits for divorced husbands, but benefits are now payable to divorced husbands pursuant to *Oliver* v. *Califano*, Civil No. 76-2397 (N.D Cal. June 24, 1977).

Subsection 402(b) also provides benefits for the wife of a retired or disabled individual who has in her care a dependent child of that individual. There is no corresponding provision for husbands, but benefits have been extended to husbands by regulation as a result of *Cooper* v. *Califano*, 81 F.R.D. 57 (E.D. Penn. 1978). See 20 C.F.R. 404.330(c).

Prior to 1977, husbands, but not wives, were required to demonstrate economic dependency on the insured spouse in order to be eligible for benefits. The Supreme Court extended benefits to husbands without regard to dependency in *Califano* v. *Goldfarb*, 430 U.S. 199 (1977), and Congress amended the statute to reflect this change in the 1977 Social Security Amendments. Pub. L. No. 95-216, 91 Stat. 1527 (1977).

Subsections 402(e) and (f) establish benefits for widows and widowers respectively. Subsection 402(e) also establishes benefits for surviving divorced husbands in section 402(f). See 20 C.F.R. 404.336. This distinction was found to be unconstitutional in *Vitali* v. *Harris*, 508 F. Supp. 854 (D. Fla. 1981); *Baker* v. *Harris*, 503 F. Supp. 863 (D.D.C. 1980); and *Ambruse* v. *Califano*, No. 78-608-V (W.D. Wash. Sept. 24, 1979). Benefits are now being paid to surviving divorced husbands on the same basis as surviving divorced wives.

Subsection 402(f)—Cuts off benefits for widowers who remarry before age 60. Widows who remarry before age 60 also lose eligibility, but regain it if the subsequent marriage terminates. This distinction was held to the unconstitutional in *Mertz* v. *Harris*, 497 F. Supp. 1134 (S.D. Tex. 1980), and benefits are now paid to widowers who have remarried but are not married at the time of application.

Subsection 402(d) of the Act provides benefits for dependent children of disabled, retired, or deceased workers. Subsection 402(d)(1)(D) provides that these benefits terminate when a child marries, but subsection 402(d)(5) makes an exception for a child over 18 who marries a person who is also entitled to Social Security benefits. A child over 18 is entitled to continue to receive children's benefits if he or she is disabled. Thus, under subsection 402(d)(5), a married child who is disabled can continue to receive benefits if his or her spouse is a disabled worker or is also entitled to benefits as a disabled dependent child. If a husband and wife are each entitled to benefits as disabled children, and the wife recovers from her disability, her benefit will be terminated but her husband's benefit will not be affected. However, if the husband recovers and the wife remains disabled, *both* of their benefits will be terminated. Similarly, the benefits of a disabled child married to a disabled worker will be terminated when the worker recovers if the child is the wife, but not if the child is the husband. The rationale for this distinction is that a husband is expected to support his wife if he is not disabled, but a wife is not expected to support her husband. See 20 C.F.R. 404.352(b)(2). A challenge to this distinction is pending in *Cimaglia* v. *Harris*, No. 78-6353. (S.D. Fla.).

Subsection 402(g) provides "mothers" benefits for widows and surviving divorced wives who are caring for a dependent child of the decedent. The statute does not provide benefits for similarly situated fathers, but benefits were extended to fathers by the Supreme Court in *Weinberger* v. *Weisenfeld*, 420 U.S. 636 (1975), and to surviving divorced fathers by *Yates* v. *Califano*, 471 F. Supp. 84 (W.D. Ky. 1979). See 20 C.F.R. 404.339 and 404.340.

42 U.S.C. § 403—Section 403 refers to benefit categories established by section 402, discussed *supra*.

42 U.S.C. § 405—Refers to benefit categories established by section 402, discussed *supra*.

42 U.S.C. § 441—Section 411(a)(5) establishes rules for crediting earnings for persons who are self-employed. It provides that in community property states all of the income derived from a trade or business is treated as income of the husband "unless the wife exercises substantially all of the management and control of such trade or business . . ." This provision was held to be unconstitutional in *Hester* v. *Harris*, 631 F.2d 53 (5th Cir. 1980); *Carrasco* v. *Secretary of Health, Education, and Welfare*, 628 F.2d 624 (1st Cir. 1980); and *Becker* v. *Harris*, 493 F. Supp. 991 (E.D. Calif. 1980). *See* C.F.R. 404.1086.

42 U.S.C. § 413(a)—Defines "quarter of coverage" for purposes of determining insured status. There is a savings provision for people who reached retirement age between Jan. 1, 1955 and July 1, 1957 and had too few quarters of coverage to be eligible because earnings were credited in the quarter in which they were paid instead of when they were earned. Retirement age at that time was 62 for women and 65 for men. Not changed.

42 U.S.C. § 416—Subsection 416(h) establishes rules for determining relationships between potential beneficiaries and insured workers. An illegitimate child would be eligible for benefits based on the earnings record of a natural parent if the child could inherit by intestate succession from the parent under the laws of the State in which the parent is (or was at the time of death) domiciled. Because of the difficulty of establishing paternity, some formal evidence of the relationship may be required for an illegitimate child to inherit from his natural father. Subsection 416(h)(3) therefore establishes rules under which a child will be "deemed" to be the child of an individual for purposes of eligibility for Social Security benefits. Two of these rules are gender specific: an applicant shall be deemed to be the child of an insured individual if he "has been deemed by a court to be the *father* of the applicant," or if such insured individual is shown by evidence satisfactory to the Secretary to be the *father* of the applicant and was living with or contributing to the support of the applicant.

In most states, proof of the biological relationship alone is sufficient to enable and illegitimate child to inherit from its mother. Under the Social Security Act, however, proof of the biological relationship will not make an illegitimate child eligible on the basis of his or her father's record *unless* the father was either living with the child or contributing to his or her support at the relevant time. *See* 20 C.F.R. 404.355(d).

42 U.S.C. § 417—Section 417 of the Act provides that military service during World War II may be treated as covered employment for the purpose of determining eligibility for and the amount of Social Security benefits, unless the veteran is eligible for another federal penison based, in whole or in part, on that service. Subsection 417(f) provides that the widow of a veteran who is entitled to a military retirement benefit may elect to have the military service treated as covered employment by waiving her right to the military retirement benefit. There is no equivalent provision for widowers of World War II veterans. *See* 20 C.F.R. 404.1343(b).

42 U.S.C. § 422—Refers to benefit categories established by section 402, discussed *supra*.

42 U.S.C. § 425—Refers to benefit categories established by section 402, discussed *supra*.

42 U.S.C. § 426—Refers to benefit categories established by section 402, discussed *supra*.

42 U.S.C. § 427—Provides benefits for persons who were 72 years old or older in 1969 and who have some covered employment, but not enough to qualify for benefits under the general rules. Benefits are also provided for wives and widows, but not husbands and widowers, of persons who are eligible under this section.

42 U.S.C. § 428—Individuals who were 72 years old or older in 1968 and who have too few quarters of coverage to be eligible for old-age insurance benefits may be eligible for a special benefit. However, if a husband and wife are both eligible for this special benefit, the amount of the wife's benefit is reduced by one-half. *See* C.F.R. 404.383.

WELFARE

Uncorrected Sex Bias in Federal Statutes:

42 U.S.C. § 602—Benefits are provided for families with dependent children if the father, but not the mother is unemployed. In 1979, the Supreme court found this distinction to be unconstitutional and extended benefits to families with unemployed

mothers. *Califano* v. *Westcott*, 443 U.S. 76 (1979).

42 U.S.C. § 602(a)(19)(A)—Exemptions from requirement to register for "manpower" services: "(v) a mother or other relative of a child under the age of six who is caring for the child; or (vi) the mother or other female caretaker of a child, if the father or another adult male relative is in the home. . . ."

42 U.S.C. § 602(a)(19)(G)(iv)—Permits a mother to choose among available child care services, but not to refuse such services. Amended by P.L. 96-272, 94 Stat. 512 (1980) but discriminatory provisions were not changed.

42 U.S.C. § 633—Priority for placement in Work Incentive jobs is given first to unemployed fathers and then to mothers.

Corrected Sex Bias in Federal Statutes:

42 U.S.C. § 622(a)(1)(C)(iii)—State child welfare servcies must ensure that day care is provided only when it is in the best interest of the child and the mother. Amended by, P.L. 96-272, 94 Stat. 517, (1980) and now refers to the welfare of children and their families.

42 U.S.C. § 625—"Child welfare services" defined as services "protecting and promoting the welfare of children of working mothers." Amended by, P.L. 96-272, 94 Stat. 519 (1980) to remove reference to "mother".[16]

DEPARTMENT OF AGRICULTURE

Uncorrected Sex Bias in Federal Statutes:

7 U.S.C. § 1923—Provides a preference for married or dependent families in certain agricultural loan programs.[17]

Corrected Sex Bias in Federal Statutes:

7 U.S.C. § 2014(c)—Prior to amendment, an exception was permitted for "mothers or other members of the household who have the responsibility of care of dependent children" to the rule that households with able-bodied adults were ineligible for food stamps. P.L. 95-113, 91 Stat. 962 (1977) substituted a new provision with regard to eligibility.

42 U.S.C. § 1773(c)—Priority in selection of schools for purpose of the school breakfast program to be given to schools in which, among other factors, there is a special need to improve the dietary practices of working mothers.

DEPARTMENT OF COMMERCE

Uncorrected Sex Bias in Federal Statutes:

46 U.S.C. § 331—Abolition of certain customs fees including those for apprenticing boys to the merchant service.

46 U.S.C. § 601—Attachment of seaman's wages not permitted except pursuant to court order regarding payment for support and maintenance of "wife and minor children."

DEPARTMENT OF INTERIOR

Uncorrected Sex Bias in Federal Statutes:

25 U.S.C. § 13—Bureau of Indian Affairs may direct, supervise and expend monies for the benefit, care and assistance of Indians in United States including employment of field matrons.

25 U.S.C. § 137—Authorizes supplies and annuities to be distributed to able-bodied males for service done on reservations for Indians.[18]

25 U.S.C. § 274—Authorizes the Commissioner of Indian Affairs to employ Indian girls as assistant matrons and Indian boys as farmers and industrial teachers in Indian schools.

43 U.S.C. §§ 161-2, 164, 166-8, 170, 255, 243A, 272, 278, 279, 240, 271; 50 U.S.C. *App.* §§ 563, 564, 570—Provisions contain substantive discrimination and relate to entry on public lands and benefits flowing from such entry. Code sections listed were repealed in part, but remain applicable in Alaska until 1986. Pub. L. 94-579 (1976), 90 Stat. 2787 (1976).

25 U.S.C. § 181—White man may not acquire a right to tribal property by marrying an Indian woman.

25 U.S.C. § 182—Indian woman who marries U.S. citizens becomes U.S. citizen and does not lose any tribal property rights.

25 U.S.C. § 183—Evidence which is admissible to prove the marriage of a white man to an Indian woman.

25 U.S.C. § 184—Children of marriage between white man and Indian woman married after June 8, 1897, shall have rights and privileges of mother's tribe.

25 U.S.C. § 342—Permits removal of Southern Utes to new reservation with consent of the majority of the adult male tribal members.

25 U.S.C. § 371—Children are the legitimate issue of their father for purpose of descent of land.[19]

Corrected Sex Bias in Federal Statutes:

30 U.S.C. § 187—Amended by Pub. L. No. 95-554, Sec. 5, 92 Stat. 2074 (1978) which removes the prohibition against employment in mines of any girl or woman.

DEPARTMENT OF JUSTICE

42 U.S.C. § 1986—Provides for damages to the "widow" (if none, to the "next of kin") of a deceased person as a result of a wrongful conspiracy in violation of Section 1985.

RAILROAD RETIREMENT BOARD

Uncorrected Sex Bias in Federal Statutes:

45 U.S.C. § 231a(c)(1)(ii)(C)—Provides that benefits to be paid to wives, only, with children in their care.

45 U.S.C. § 231a(d)(1)(v)—Entitles widow, surviving divorced wife, and surviving divorced mother to annuity benefits, but not widower, surviving divorced husband and surviving divorced mother.[20]

45 U.S.C. § 231e(a)(2)—Provides eligibility for lump-sum payments where an individual has died leaving no widow, surviving divorced wife, or widower, but not requiring there to be no surviving divorced husband. § 231f(b)(2) entitles wife or divorced wife or husband to payments, but not divorced husband.

DEPARTMENT OF STATE

Corrected Sex Bias in Federal Statutes:

22 U.S.C. §§ 1064, 1076, 1078, 1079, 1079b, 1079c, 1079l, 1079m, 1079n, 1079o, 1079p, 1079q, 1082, 1086—Provisions of the Foreign Service Act that contained sex-bais have been repealed and cured by Pub. L. No. 96-465, 94 Stat. 2159 (1980) (Successor provisions are contained in 22 U.S.C. § 3901 *et seq.)*

U.S. CONGRESS

Uncorrected Sex Bias in Federal Statutes:

31 U.S.C. § 97—General Accounting Office may disallow claims for pay and bounty where the payments have already been made to the soldier or his widow.

31 U.S.C. § 43(b)—Sets out the survivorship benefits of widows and children of Comptrollers General. The Comptrollers are assumed to be male.

MISCELLANEOUS

Uncorrected Sex Bias in Federal Statutes:

24 U.S.C. § 165—Pensions of male inmates of St. Elizabeth's to be used for the benefit of their wives and minor children. Pensions of female inmates used for benefit of minor children.

24 U.S.C. § 191—St. Elizabeth's may admit insane civilians of the Quartermaster Corps, and men who were insane while in military service, and become insane again after discharge.

48 U.S.C. § 1461—No polygamist or bigamist or woman cohabiting with one of those is eligible to vote or hold office in a U.S. territory.

42 U.S.C. § 1395 mm(a)(3)(A)(iv)—Permits use of sex as an actuarial factor in determining payments to health maintenance organizations.

31 U.S.C. § 125—Provides for payments from special deposit account for withheld foreign checks to widows of a veteran and her children.

41 U.S.C. § 35 & § 36—Establishes different minimum ages for male persons (age 16) and female persons (age 18) to enter into contracts with executive departments, independent establishments or other instrumentalities, etc. DOL has amended its regulations to provide the same minimum age of sixteen for both sexes to enter into contracts. 41 C.F.R. 50.201.1(d) & 41 C.F.R. 50.201.1(f).

Corrected Sex Bias in Federal Statutes:

11 U.S.C. § 35(a)(7)—Provision in the Bankruptcy Act that previously referred to alimony or support of wife or child now refers to "debtors" right to receive alimony or support. Amended by P.L. No. 95-598, 92 Stat. 522 (1978).

APPENDIX B—FEDERAL STATUTES CONTAINING UNCORRECTED SEX BIAS AND CORRECTED SEX BIAS

MILITARY

Uncorrected Sex Bias in Federal Statutes:

Department of the Army

10 U.S.C. § 3504—Ordering retired members to active duty—Director of Women's Army Corps.

10 U.S.C. § 3683—Certain service during wartime to be credited in computing years of active service.

10 U.S.C. § 3848—Different years for men and women for separation of officers or transfers to retired reserve, from active duty.

10 U.S.C. § 3888—Retirement for age—N/A Women's Army Corps.

10 U.S.C. § 3927—Mandatory retirement of regular commissioned officers—N/A Women's Army Corps generally.

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[16] By letter dated May 6, 1981 from Attorney General William French Smith to the Honorable George Bush, President of the Senate, notice was given that the Department of Justice woud not defend the constitutionality of this provision challenged in *Conley* v. *Schweiker*, No. 80-2735 (D. Mass.——).

[17] This provision is in conflict with the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*

[18] DOI has proposed legislation to repeal 25 U.S.C. § 137 and 274 which are considered "obsolete."

[19] Sections 181-184, 342 and 371 have not been recommended for revision because they relate to the internal affairs of Indian tribes and Nations to which the United States government has a special relationship. Art. I, section 8 of the Constitution of the United States. See also *Santa Clara Pueblo* v. *Martinez*, 439 U.S. 49 (1978).

[20] This section defines these terms according to the definitions provided in sections 216(c), (d), (e), and (g) of the Social Security Act, 42 U.S.C. § 416. Those definitions have been found to be unconstitutional in *Vitali* v. *Harris*, 507 F. Supp. 854 (D. Fla. 1981); *Baker* v. *Harris*, 503 F. Supp. 863 (D.D.C. 1980); and *Ambruse* v. *Califano*, No. 78-608-V (W.D. Wash., Sept. 24, 1979.)

10 U.S.C. § 3963—Higher retirement grade for service during certain period—certain female officers during WW II.

10 U.S.C. § 4309—Use of rifle ranges by all able-bodied males.

10 U.S.C. § 4651—Equipment to certain educational institutions to 100 physically fit male students.

10 U.S.C. § 4712—Disposition of effects of deceased persons—priority list.

10 U.S.C. § 4713—Disposition of effects of deceased persons—priority list of eligible recipients.

10 U.S.C. § 8963—Higher retirement grade for service during certain periods—*e.g.*, nurses or medical specialists during wartime.

24 U.S.C. § 44a—Deductions from pay of enlisted men.

24 U.S.C. § 52—Inmate of Soldiers' Home—may assign his pension to a wife.

50 U.S.C. § 1591—Appointment of Army Nurse Corps—female personnel.

50 U.S.C. App. § 1593—Retirement grade and pay of members of Army Nurse Corps.

50 U.S.C. App. § 1595—Computation of length of service of female dietetic and physical therapy personnel.

50 U.S.C. App. § 1596—Uniform allowances of women appointees.

50 U.S.C. App. § 1597—Blanket appointment of female officers by President.

50 U.S.C. App. § 1598—Transportation allowances for women appointees.

Corrected Sex Bias in Federal Statutes:

10 U.S.C. § 3071—Composition of the Women's Army Corps. Repealed, Pub. L. No. 95-485, 820(b), 92 Stat. 1627 (1978), Defense Officer Personnel Management Act (DOPMA).

10 U.S.C. § 3209—Commissioned officers in Women's Army Corps. Repealed, Pub. L. No. 95-485, 92 Stat. 1627 (1978).

10 U.S.C. § 3215—Warrant Officers and enlisted members in Women's Army Corps. Repealed, Pub. L. No. 95-485, 92 Stat. 1627 (1978).

10 U.S.C. § 3220—Distribution of Reserve officers between each branch and the Women's Army Corps. Pub. L. No. 95-485, Sec. 820(c)(4), 92 Stat. 1627 (1978) removed reference to Women's Army Corps.

10 U.S.C. § 3283—Appointment of officers—Women's Army Corps excepted. Pub. L. No. 95-485, Sec. 820(d)(1), 92 Stat. 1627 (1978) removed reference to WAC.

10 U.S.C. § 3916—Retirement for length of service—different for men and women. Repealed, Pub. L. No. 96-513, 94 Stat. 2835 (1980).

10 U.S.C. § 3296—Separate promotion lists—Women's Army Corps. Repealed, Pub. L. No. 96-513, 94 Stat. 2835 (1980).

10 U.S.C. § 3297—Promotion selection boards for Women's Army Corps. Repealed, Pub. L. No. 96-513, 94 Stat. 2835 (1980).

10 U.S.C. § 3311—Women may be appointed as officers in Regular Army only in Women's Army Corps (WACs). Repealed, Pub. L. No. 95-485, Sec. 820(d)(4) (1978).

10 U.S.C. § 3363—Commissioned officers—Army Reserve—Promotions of Women's Army Corps made from Reserve commissioned officers assigned to that branch. Pub. L. No. 95-485, Sec. 820(e)(1), 92 Stat. 1627 (1978) removed reference to WAC.

10 U.S.C. § 3364—Promotion of Army Reserve officers—separate classifications for Women's Army Corps. Pub. L. No 95-485, Sec. 820(e)(2)(3)(4), 92 Stat. 1627 (1978) removed reference to WAC.

10 U.S.C. § 3383—Commissioned Army Reserve officers—promotion of WAC officers. Pub. L. No. 95-485, Sec. 620(e)(5), 92 Stat. 1627 (1978) removed reference to WAC.

10 U.S.C. 3580—Secretary of the Army to prescribe military authority that Women's Army Corps commissioned officers may exercise. Repealed, Pub. L. No. 95-485, Sec. 820(f), 92 Stat. 1627 (1973).

10 U.S.C. § 3814—Discharge of regular commissioned officers during 3-year probation "not because of marriage unless in first year". Repealed, Pub. L. 96-513, 94 Stat. 2835 (1980).

U.S.C. § 3818—Termination of appointment of enlistment of regular female members. Repealed. Pub. L. No. 96-513, 94 Stat. 2835 (1980).

DEPARTMENT OF THE NAVY

Uncorrected Sex Bias in Federal Statutes:

10 U.S.C. § 5896—Reserve officers to be recommended for promotion—separate subsections for eligible women. [Note: Amended *but not cured* by DOPMA 503(34).]

10 U.S.C. § 5897—Certification of reports by selection boards for promotion of reserve officers—women and men.

10 U.S.C. § 5898—Submission of selection board reports to President for approval—women officers.

10 U.S.C. § 5899—Promotion zones for reserve officers—separate provisions for women.

10 U.S.C. § 6015—Women not to be assigned to combat duty nor to vessels other than hospital and transport ships.

10 U.S.C. § 6403—Elimination of Naval Reserve and Marine Corps Reserve women officers. [Note: Amended *but not cured* by DOPMA 503(40).]

10 U.S.C. § 6912—Benefits for aviation cadet.

10 U.S.C. § 6913—Appointment of aviation cadets as reserve officers.

10 U.S.C. § 6914—Appointment of reserve Naval aviators as officers in Regular Navy and Marine Corps.

10 U.S.C. § 6915—Reserve student aviation pilots.

10 U.S.C. § 7601—Commissaries—sale to members of service and widows.

Corrected Sex Bias in Federal Statutes:

The following Statutory provisions were *repealed* by the Defense Officer Personnel Management Act, Pub. L. No. 96-513, 94 Stat. 2835 (1980):

10 U.S.C. § 5143—Bureau of Navy Personnel: Assistant Chief for Women.

10 U.S.C. § 5206—Director of Women Marines.

10 U.S.C. § 5447—Women not counted in distribution of permanent grades of officers on active list in line of Navy.

10 U.S.C. § 5449—Women not counted in distribution of officers on active list of Marine Corps.

10 U.S.C. § 5449—Women not on list of active Navy Staff Corps officers.

10 U.S.C. § 5452—Secretary of the Navy prescribes number of women line officers on active duty in grade above Lieutenant (J.G.) and in Marine Corps above First Lieutenant.

10 U.S.C. § 5504—Women officers not counted in list of Navy line officers.

10 U.S.C. § 5575—Original appointments to Supply Corps from male persons.

10 U.S.C. § 5576—Original appointments to Chaplain Corps from male persons.

10 U.S.C. § 5577—Original appointments to Civil Engineers Corps from male persons.

10 U.S.C. § 5581—Women appointments to Naval Reserve Medical Corps, JAG, Dental, Medical Service Corps.

10 U.S.C. § 5583—Appointment of Marine Corps officers from male non-commissioned officers.

10 U.S.C. § 5584—Appointment of Marine Corps active duty for former male officers.

10 U.S.C. § 5586—Officer appointments for male warrant officer and enlisted members.

10 U.S.C. § 5590—Authorization for appointment of women officers in Navy and Marines.

10 U.S.C. § 5663—Running mates—not applicable to women.

10 U.S.C. § 5664—Women officers get running mates from women officers on active list in line of Navy.

10 U.S.C. § 5701—Selection boards—promotion of male line officers.

10 U.S.C. § 5702—Selection boards for promotion of Staff Corps officers N/A to women.

10 U.S.C. § 5703—Selection boards for promotion of male officers of Marine Corps.

10 U.S.C. § 5704—Separate selection board for promotion of women officers in Navy and Marines.

10 U.S.C. §5707—Promotions section for women.

10 U.S.C. §5708—Certification reports required of selection boards—separate list for male and female.

10 U.S.C. §5710—Selection boards—separate selection standard for unacceptable women.

10 U.S.C. §5711—Presidential suspension of provisions relating to selection boards—not applicable to women officers.

10 U.S.C. §5751—Eligibility of male line officers of Navy and Marines—for consideration by selection board.

10 U.S.C. §5752—Eligibility of Navy women line officers—for consideration by selection board.

10 U.S.C. §5756—Numbers that may be recommended to selection boards—Navy male line officers and Marine Corps male line officers.

10 U.S.C. §5757—Navy and Marine Corps male officers designated for limited duty.

10 U.S.C. §5758—Number of male officers designated for engineering duty that may be recommended to selection boards for promotion.

10 U.S.C. §5760—Number of women in Navy and Marine Corps that may be recommended for promotion.

10 U.S.C. §5762—Numbers of Navy Staff Corps officers that may be recommended for promotion to grades below Rear Admiral N/A to women.

10 U.S.C. §5763—Number of women Staff Corps officers that may be recommended for promotion.

10 U.S.C. §5764—Separate "promotion zone" in each grade for male and female officers.

10 U.S.C. §5765—Separate promotion zones for male and female officers of Marine Corps.

10 U.S.C. §5766—Promotion zones of Staff Corps officers—reference to separate zones for male and female officers.

10 U.S.C. §5767—Special designation of a woman officer to grade of Rear Admiral or Brigadier General.

10 U.S.C. § 5768—Normal terms of service in grade and total commissioned service of male officers.

10 U.S.C. § 5769—Eligibility for Promotion of male officers.

10 U.S.C. § 5770—Promotions to grade of Lt. Cdr. for male line officers.

10 U.S.C. § 5771—Eligibility of women officers for promotion.

10 U.S.C. § 5776(b)—Failure of selection for promotion.

10 U.S.C. § 5778—Promotions of women officers must be by permanent appointment.

10 U.S.C. § 5780—Permanent promotion of male line officers of Navy and Marine Corps male officers.

10 U.S.C. § 5782—Permanent promotion of Navy Staff Corps officers—distinguishes male officers.

10 U.S.C. § 5783—Promotion of Naval Reserve and Marine Corps Reserve officers—males.

10 U.S.C. § 5784—Temporary appointment of Navy ensigns—Marine Corps—Second Lieutenants—N/A to women.

10 U.S.C. § 6384—Discharge of officers having less than 20 years of service for unsatisfactory performance. Separate provisions for males and females.

10 U.S.C. § 6386—President may suspend provision of Ch. 573—N/A to women.

10 U.S.C. § 6387—Computation of total commissioned male line officers.

10 U.S.C. § 6388—Computation of total commissioned service—Staff officers N/A to women.

10 U.S.C. § 6389—Naval and Marine Corps Reserve—elimination from active status applies only to women reserve officers in Medical Corps, JAG, etc.

10 U.S.C. § 6393—Secretary of the Navy may terminate appointment of any woman officer in regular Navy or Marine Corps.

10 U.S.C. § 6395—Discharge for unsatisfactory service—different computations for males and females.

10 U.S.C. § 6398—Retirement of Navy women—Captains and Commanders.

10 U.S.C. § 6400—Retirement of regular Navy women Lieut. Commanders and regular Marine Corps women Majors.

10 U.S.C. § 6401—Discharge of Navy women Lieuts. and Marine Corps Captains for length of service/severance pay.

10 U.S.C. § 6402—Discharge of Navy women Lieuts. and Marine Corps women First Lieuts.

10 U.S.C. § 6909—Officer appointments from "male citizens".

37 U.S.C. § 202—Pay grades for certain officers in Navy—includes pay grade of woman officer appointed under 10 U.S.C § 5767(c).

37 U.S.C. § 904—Pay and allowances—separate categories for male and female officers.

37 U.S.C. § 905—Pay and allowances for certain women officers.

The following statutory provisions were cured by amendment by the Defense Officer Personnel Management Act, Pub. L. No. 96-513, 94 Stat. 2835 (1980):

10 U.S.C. § 5446—Employment Discrimination—women not allowed to become Navy Line and Staff Officers on active duty or Marine Corps officers.

10 U.S.C. § 5582—Transfers for male officers.

10 U.S.C. § 5587—Appointment of male persons as officers for engineering duty.

10 U.S.C. § 5589—Appointment of male officers to duty in Supply Corps.

10 U.S.C. § 5596—Temporary appointment of officers—women members ineligible.

10 U.S.C. § 5665—Running mates—reserve officers—separate section on women.

10 U.S.C. § 5891—Reserve promotions—eligibility of women officers.

10 U.S.C. § 6911—Designation of male enlisted members as aviation cadet.

10 U.S.C. § 6912—Benefits for aviation cadet.

10 U.S.C. § 6913—Appointment of aviation cadets as reserve officers.

DEPARTMENT OF THE AIR FORCE

Uncorrected Sex Bias in Federal Statutes:

10 U.S.C. § 8549—Female members of Air Force may not be assigned to aircraft engaged in combat missions.

10 U.S.C. § 8683—Computation of years of service—certain service as nurse, woman medical specialist, etc., to be counted.

10 U.S.C. § 8848—Separation or transer to retired reserve—certain female officers may be retained for 30 years.

10 U.S.C. § 8963—Higher retirement grade for service during certain periods—e.g., nurses or medical specialists during wartime. [Note: Amended but not cured by DOPMA 504(21).]

10 U.S.C. § 9651—Equipment for certain educational institutions: "100 physically fit male students over 14."

10 U.S.C. § 9712—Disposition of effects of deceased persons by summary court martial—list of eligible recipients—priority according to sex.

10 U.S.C. § 9713—Disposition of effects of deceased persons by Soldiers' Home—priority according to sex.

Corrected Sex Bias in Federal Statutes:

The following statutory provisions were repealed by the Defense Office Personnel Management Act, Pub. L. No. 96-513, 94 Stat. 2835 (1980):

10 U.S.C. § 8202—Authorized strength in female commissioned officers.

10 U.S.C. § 8215—Authorized strength of regular Air Force in female warrant officers.

10 U.S.C. § 8257—Qualifications for grade of aviation cadets; male citizens; male enlisted members.

10 U.S.C. § 8297—Composition of promotion selection boards—separate for male and female.

10 U.S.C. § 8814—Discharge of regular commissioned officers during 3-year probationary period—because of his marriage.

10 U.S.C. § 8818—Secretary of the Air Force may terminate the appointment or enlistment of any female member under regulations prescribed by the President.

10 U.S.C. § 8888—Computation of years of service for purpose of computing retirement pay under mandatory retirement for age—separate provisions for Air Force nurses or medical specialists.

10 U.S.C. § 8927—Computation of years of service for purpose of determining mandatory retirement for length of service—separate provisions for male and female officers.

COAST GUARD [21]

Uncorrected Sex Bias as in Federal Statutes:

14 U.S.C. §§ 371, 372, 373—Provides that "male citizens in civil life may be enlisted as, and male enlisted members of the Coast Guard with their consent may be designated as aviation cadets." Although these statutes remain in the United States Code the Coast Guard no longer has aviation cadets.

14 U.S.C. § 487—Provides for procurement and sale of items to Coast Guard officers, enlisted men and to the widows of same.

14 U.S.C. § 599—Allows seaman to stipulate an allotment of any portion of his wages to his grandparents, parents, wife, sister or children.

33 U.S.C. §§ 771-775, 482—Provides for benefits to "widows" of Lighthouse Service Personnel.[22]

46 U.S.C. § 561—Provides for apprenticing boys to the sea service and "such Coast Guard official shall ascertain that the boy has voluntarily consented to be bound, and that the parents or guardian of such boy have consented to such apprenticeship."

SELECTIVE SERVICE SYSTEM

Uncorrected Sex Bias in Federal Statutes:

50 U.S.C. § 453—Male citizens register for draft (upholding constitutionality of all male registration for draft, *Rostker* v. *Goldberg*, 453 U.S. 57 (1981)).

50 U.S.C. App. § 454—Male registrants.

50 U.S.C. App. § 455—Men selected for training and service.

50 U.S.C. App. § 456—Deferments relating to Men.

50 U.S.C. App. § 466—Men in definition.

BENEFITS FOR SPOUSES AND FAMILIES

Uncorrected Sex Bias in Federal Statutes:

30 U.S.C. § 902(a)—Defines a dependent of a minor as a child or a "wife." DOL has amended its regulation implementing this statue to define dependent as including both spouses. 20 CFR 718, 725, 727.

30 U.S.C. §§ 843(d), 902(e), 902(g), 921, 922(A), 922(b), 923(b), 924 (a) and (e), 931, 934—Provisions resulting from the above definition of "dependent."

42 U.S.C. § 1652—Provides for benefits to "surviving wife" and child of nonresident.

33 U.S.C. §§ 771-5. 482—Provides for benefits to "widows" of Lighthouse Service Personnel. No longer separate service and class of widows remaining is very small, if any.

18 U.S.C. § 3056—Provides for secret service protection for the wife or widow of a President.

28 U.S.C. §§ 375, 604—Annuities to widows of U.S. Court Justices.[23]

IMMIGRATION AND NATURALIZATION

Uncorrected Sex Bias in Federal Statutes:

8 U.S.C. § 1557—Prohibits the transportation in foreign commerce of women and girls for the purposes of prostitution and debauchery.

8 U.S.C. § 1101(a)(42)—Defines "refugee" and includes in the definition the inability or unwillingness of the refugee to return to the country of the refugee's nationality due to possible persecution on account of race, religion, or political opinion.

8 U.S.C. § 1101(b)(1)(D)—Defines "child" for purposes of obtaining a status, benefit, or privilege by virtue of the child's relationship to its "natural mother."

8 U.S.C. § 1182(e)—Provides for waivers to certain aliens in the United States on educational status, when returning to the country of nationality or last residence would result in persecution on account of race, religion or political opinion.

8 U.S.C. § 1253(h)(1)—Provides that the Attorney General shall not deport any alien (with certain exceptions) to a country if the alien's life or freedom would be threatened on account of race, religion, nationality, etc.

8 U.S.C. § 1353—Allows for payment of travel expenses for employees, their "wives and dependent children" when transferred outside the United States.

8 U.S.C. § 1409—Child born out of wedlock "shall be held to have acquired at birth the nationality status of his mother . . ." (if mother is a U.S. citizen).

8 U.S.C. § 1432—Children born outside of U.S. of alien parents or alien and citizen

[21] The Coast Guard is by statute, under the auspices of the Department of Transportation in peacetime and the Department of the Navy in wartime.

[22] These provisions appear not to be cured by 1 U.S.C. § 1, 5 U.S.C. § 7202 or 38 U.S.C. § 102(b).

[23] The Judicial Survivor's Annuities Reform Act, Pub. L. No. 94-554, 90 Stat. 2603 (1976) remedied similar provisions in 28 U.S.C. § 376 but sections 375 and 604 remain uncorrected.

parent who subsequently lost citizenship automatically becomes a citizen upon fulfillment of certain conditions including naturalization of the mother of a child born out of wedlock.

8 U.S.C. § 1452—Procedures to procure certificates of citizenship for persons who derived U.S. citizenship through the naturalization of a parent or a husband.

8 U.S.C. § 1451(e)—Provides that a "wife or minor" child shall not lose any right or privilege that would have been derived if the alien's naturalization status had not been revoked.

8 U.S.C. § 1489—Provides that notwithstanding the provision of any treaty or convention to the contrary no woman is to lose her citizenship due to marriage or subsequent residence abroad either of which occurred within a timeframe specified in the statute.

22 U.S.C. § 214—Excuses payment of passport fees for officers or employees of the United States proceeding abroad on official business, the immediate family, American seaman or from a "widow . . ." of a deceased member of the Armed Forces travelling to visit a grave of such member.

AN UPDATE ON THE AIR TRAFFIC CONTROLLERS' SITUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. The motivation for my rising at this late hour is to take note of what the newspapers quite generally were commenting on just about 2 days, 3 days ago, on the anniversary of the air traffic controllers' strike and the demise of their union.

For the first time in the history of our country, a union was destroyed by the Government. But the thing that I think failed to come through in all of the stories—and at this point I submit for the RECORD the New York Times of August 1, 1982, Sunday, along with its story with respect to the air traffic system at this point after 1 year, and its functions and present operating situation and problems.

The Washington papers and the substantial newspapers both on the west coast as well as on the east coast took time to have extensive mention of the situation. The thing that impresses me and motivates my rising at this point is that in no article or in no commentary since then have I read about the real, impelling motivation behind the strike.

Most of the stories deal with the wage demands and the like, but the truth of the matter is that the impelling, underlying motive and the longtime critical issue that the controllers specifically have been pressing for, was the reform of the system with respect to the acquisition of the equipment necessary to keep up with the safety standards to insure even minimal safety in air transportation in our country.

□ 2230

Now, that has been totally lost sight of, and the President in what I consider to be a very serious abdication of a considerate and humane approach in his zeal to punish the strikers and destroy the union has perpetrated a very serious injustice, and one that continues to imperil very seriously the transportation safety in this vast network that America has built and which, by and large, has been a marvelous thing. I have traveled extensively and continue to do so. In the 20½ years I have been in the Congress I have put in over 7½ million air miles just between the district and the Capitol, so that I have spoken out on this subject matter since the first month that I came to the Congress when I confronted a crisis with respect to the local air traffic control center, then located in my district in San Antonio, Tex.

But the thing that is so tragic is that from time to time, as some of us have tried to arrest and even caused to have the proper subcommittees call hearings, as we did last year and the year before, and brought in the technical advisers and the department heads and agency heads from the administrative branch of the Government, that at no point have we been able to succeed in making a dent. Yet, the airline traffic controllers put their whole existence as to career, as to union on the line on the basic issue of safety, which today is still unaddressed.

Now, it is ironic because politically this was one of the few unions that came out and totally endorsed the President in 1980. As a matter of fact, the President wrote the union a letter in which he committed himself to their basic request and petition for a commitment for the outlays of money necessary to modernize the air route safety equipment that was so necessary. Some of us had recited in the last 3 years some of the occurrences, some eventually ending in disaster, some through fortuitous circumstances did not.

One particularly was in my district, where through a failure of the system we miraculously were saved a tremendous, horrendous disaster over one of the busiest shopping malls in the city of San Antonio. Today, the danger is still great. Long before the tragedy at Washington's National Airport last January, I got up in the well of this House and predicted that such was an exposure to safety, well-being of life and limb of those using that airport that I feared for the consequences.

Naturally, it has been very demoralizing to report what has happened. But, the findings are always that the poor pilot who died in the crash is the one who was blamed. But all of the factors which also add up to the fact that absence of adequate staffing of air route traffic control personnel is a contributing factor and has been in the public discussions hidden away and tucked away in the investigations of the FAA and the National Transportation Safety Board's investigations.

The most recent tragedy in New Orleans really ought to sober everybody in America, and today at National Airport, for example, the danger is a continuing one, for even though traffic has decreased by some 20 percent, and this is the only thing that has, in my opinion, really saved us from continuing recorded tragedies after tragedies, but right now at National Airport there is a continuing menace for other reasons, other than just personnel inadequacy, but also because of the innate, inherent restrictions, and shortcomings of that very airport.

Yet, the safest airport, the most functional airport in the world, Dulles International Airport, is almost lying unused. It is at a record low level of use, and all the while the air route traffic control personnel level continues to be at a dangerous low.

What great sacrifice of pride or principle would be entailed for the President to recognize and realize he is wrong? He has killed a union—it is dead. It is deader than a doornail. What is wrong with coming back and rehiring the majority of the air route traffic controllers that had amassed the experience, the expertise that is so critically needed now?

I appealed to the President several months ago, but this President does not reply to Congressmen's letters, apparently. When I have written him twice only, because I gave up on this last time, he has his congressional liaison officer answer, and I think that is unacceptable. So, what I am saying here for the record is that now that the anniversary is being marked, and this very, very serious feature is being overlooked, I think that we should all be mindful that these tragedies and the future ones that tragically, unfortunately, sadly, I have a premonition inevitably, as we dillydally along the routes that we have been in the last 12 months with this what I consider to be utterly unforgiveable attitude of indifference—not one dollar has been spent in the promised, committed improvement in equipment.

The great issues that the air route traffic controllers gave their well-being, their honor, their meager income, the security of their families in order to have reached the point of going on strike so that, Mr. Speaker, I think that we are confronted with continuing tragedies, that a great ingredient in that will be the continued failure to man at the proper level, even with the reduced volume of air traffic, of the air route traffic control personnel.

Mr. Speaker, I include at this point an article from the New York Times of

August 1, 1982, entitled, "Air Traffic System Looks to Recovery."

[From the New York Times, Aug. 1, 1982]

AIR TRAFFIC SYSTEM LOOKS TO RECOVERY—YEAR AFTER STRIKE, IT FUNCTIONS, BUT NOT WITHOUT PROBLEMS

(By Richard Witkin)

The nation's air traffic control system appears to have weathered the year since 11,400 union members illegally walked out and were then dismissed by the President much better than was generally expected.

But the underlying labor-management struggle is still being played out, and the consensus of aviation experts is that several uncertainties cloud the outlook for the Reagan Administration's plan to rebuild and refine the system.

Traffic volume is 83 percent of the prestrike level, the experts note, with negligible effect on the number of people flying. And there have been no major accidents attributable to a control error. While travelers have had to tolerate considerably more flight delays than before the strike, that problem has not been as bad as initially feared.

BURDENS AND STRESSES

Two-thirds or more of the dismissed strikers are employed, officers of the controllers' defunct union say, though many are in other fields and their average income is much less than the $33,000 they had been receiving. About 200 are working as controllers abroad.

But many are suffering the burdens of unemployment or inadequate income, and the stresses that followed the walkout have led in some cases to broken marriages and even to several suicides. For others, the difficult readjustments have cemented some family ties.

"We're still in the midst of turmoil, going from a high-paying job to starting over," said Charles Holt, who is 35 years old and took a job as an elevator mechanic after joining the walkout in Miami. Mr. Holt, whose wife has gone to work, added, "I think my relationship with my family is better."

William Cousins, who is also 35, recently opened a heating and cooling subcontracting business and expects to net $10,000 this year, as against $42,000 as a controller. His wife has taken a $12,000 job as a dental assistant.

"I'm going to succeed at whatever I do," he said. "It sure doesn't take money to keep my family happy. But I loved my work."

With the dismissal of so many experienced controllers, a heavy workload was imposed on the curtailed work force, and that is one of the big uncertainties in rebuilding the system. Also, a Congressional deadlock over getting those controllers more pay has had a negative effect on morale.

A second uncertainty is the ability of the airlines and other operators to sustain whatever economic penalites are imposed by disrupted conditions. That, in turn, affects the dispute over whether it is time to decide that the punishment, in lost wages and benefits, has already fit the crime and to do some rehiring of those who lost their jobs.

Finally, there is the issue of safety. The consensus of safety experts is that traffic control today is at least as safe, probably safer, than it was, if only because the controller shortage has led the Government to increase the distances by which airborne planes are separated.

There have been no major accidents tied to controller mistakes since the walkout, but, were such a crash to occur, it might alter public opinion and the Administration's position against rehiring.

Though the walkout cut the number of flights, it has evidently had a negligible effect on domestic airline passenger totals. Throughout 1981, both before and after the walkout, passenger volume was down about 5 percent from 1980, according to the Air Transport Association. In the first six months of this year, it was up about 4.8 percent over the comparable period in 1981. The rise is largely attributed to the many offers of deeply discounted air fares.

ADMINISTRATION HAS FEW DOUBTS

At the moment, the Administration entertains few doubts that it has chosen the right course and will meet its target date for having the system virtually back to normal. Its response to the walkout, which began a year ago Tuesday, marked the first time that a union of Federal employees had been put out of existence by the Government.

Transportation Secretary Drew Lewis said in a recent interview, "We did the right thing, and I am positive the traffic-control system is being rebuilt."

The current traffic volume of 83 percent of the prestrike level contrasts with the low point of 75 percent in the first week of the strike. Mr. Lewis suggested at one point that the 100 percent level could be reached by next February, but he and other Government officials soon settled on next spring.

The Administration is now sticking to that prediction. However, air travelers will still have to put up with schedules that are not the most convenient and with more peak-hour delays than before the walkout. It will be December 1983, the officials say, before those inconveniences are eliminated and July 1984 before supervisors and other staff members are all back to normal duties.

In the interview, Mr. Lewis was asked to comment on proposals to speed things along by rehiring some controllers while taking care to screen out strike leaders and known troublemakers. He replied, "There's no way to rehire selectively without being subject to charges of discriminatory hiring." He also reiterated the view that putting strikers to work alongside nonstrikers would create friction that could make the airways unsafe.

CONTROLLERS DISAGREE IN POLL

This is a view that is disputed by a scattering of nonstriking controllers who have been circulating petitions urging selective rehiring. A Government-commissioned Roper Organization poll of 897 nonstriking controllers showed that 31 percent believed some of their former colleagues "should be hired back under certain conditions" while 58 percent opposed rehiring "under any circumstances."

The success of the Administration's policy to date is largely owed to the talents, esprit and stamina of the current work force. It is a force of only about 10,000 consisting mainly of nonstrikers and supervisors, plus a sprinkling of returned retirees and people borrowed from the military. The Administration has no intention of rebuilding to the prestrike strength of 16,000, contending this was at least 3,000 more than needed.

It was commonplace in the first weeks after the walkout for controllers to put in 60-hour weeks in responses to the crisis. They did it with an enthusiasm that seemed almost universal particularly impressing pilots with whom they dealt. And they made a signal contribution to dashing the union's calculations that it could cripple air transportation and win key demands.

The public, which largely supported President Reagan's handling of the strikers, was mainly disenchanted by union demands for a $10,000-a-year raise for all controllers. The union officers have insisted that the more basic issues were a shorter workweek, to decrease stress and increase safety, and an improved retirement plan.

It was assumed from the start of the walkout that those who stayed at work could not take 60-hour weeks very long.

The pressure did steadily subside as the Federal Aviation Administration began to master its intricate game plan, which included quotas on traffic bound for the nation's 22 busiest airports. It also provided that flight delays would be taken on the ground before departure rather than in circling patterns where planes had to be watched by controllers on radar.

Figures have been compiled by the aviation agency for 16 major airports covering departure delays of 15 minutes or more. They show that the overall average climbed to 36.3 delays per 1,000 operations last May, compared with 26.8 in May 1981. Among the airports hit hardest were Los Angeles, Dallas-Fort Worth and Washington National, where so many planes had to wait to leave because of heavy traffic flowing into such cities as New York and Boston.

At present, according to J. Lynn Helms, head of the agency, 75 percent of the controllers are working 40-hour weeks. "Of course," he said in a written answer to questions, "we still have facilities with critical staffing problems—the N.Y. center is just one of them—where controllers are working six-day weeks. But we are just now beginning to get the newly trained controllers into operational positions in the system so that the situation should start to improve in the coming months."

Whether the improvement will be extensive enough and fast enough for the Administration's rebuilding plan is not yet clear. Indications have been growing that the early flush of controller enthusiasm has given way to some deterioration of morale.

CONDITIONS "WORSE NOW"

Don Mongeon, a former Miami controller who is getting financial help from relatives, says that some nonstrikers at his former job told him that "the overall working conditions are worse now than they have ever been."

Any drop in morale is also generally attributed to the minimum vacation time that has been allowed to date. It evidently comes too from the buildup in on-the-job training of controllers newly graduated from the Government academy in Oklahoma City. But there is another important reason.

The Administration has asked Congress, as it promised from the start, for a raise for controllers who stayed on. It would be similar to the increase in a contract that the union negotiating team had tentatively accepted in June 1981, only to have it rejected by the rank and file.

The Reagan pay bill, which has passed the Senate, is being blocked in the House by the powerful chairman of the Post Office and Civil Service Committee, Representative William D. Ford. Mr. Ford, a Democrat from the heavily unionized Detroit area, has a competing bill that won approval from his committee. It would provide a one-time bonus for those who have been operating the system, would require that the system be rebuilt to its prestrike condition by next year and would authorize selective rehiring of some strikers if necessary.

The dominant view of knowledgeable people watching the situation is that the Congressional deadlock is not likely to be broken this year. The point in determining whether the Administration will have to relax its stand will come, it is felt, only after the plan has had six more months of testing. The results, in turn, will permit aircraft operators to reach firmer conclusions on how the conflicting courses of action would affect their economic health. For the time being, the airlines are bringing no public pressure on the Administration to agree to rehiring.

"The whole problem, right now, is probably at its toughest point," said Lawrence M. Jones, who headed a three-member Government-created team of experts that issued a report in mid-March indicting the aviation agency's handling of employee relations.

"We're in the midst of having to train the people coming out of Oklahoma City," he said. "it will take most of this year and probably longer before there is any relief from the controller workload. The dog days of their effort will be in the next six months."

GEORGE WASHINGTON SILVER HALF DOLLAR AVAILABLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today each Member will receive a "Dear Colleague" letter from me containing order forms for the new George Washington commemorative silver half dollar. I urge every Member to make the availability of these coins known to their constitutents.

On Tuesday, the gentleman from Georgia (Mr. BARNARD), who was the original sponsor of the legislation, and I were shown the coins by Mint Director Donna Pope. These are truly beautiful coins and are a significant commemoration of the 250th anniversary of the birth of our first President. They feature George Washington in full uniform on horseback on the front and Mount Vernon on the reverse.

This coin is one of the most beautiful coins ever issued by the United States. Both front and reverse feature incredible detail, down to the buttons on Washington's vest and the individual panes in Mount Vernon's windows. The coin is a shining example of the engraver's art and is a tribute to Elizabeth Jones, the Nation's Chief Engraver.

Besides being the first 90-percent silver coin minted since 1964, and the first commemorative coin since 1954, the coin helps in our battle against the national debt. Each coin carries a 20-percent surcharge that is to be used solely to reduce the national debt. If all 10 million of the authorized coins are sold, nearly $16 million will go toward debt reduction.

I urge my colleagues to inform their constituents of the availability of these beautiful and fiscally sound silver coins.●

NEW JERSEY MAYOR SUPPORTS H.R. 5540

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

● Mr. MINISH. Mr. Speaker, I would like to bring to the attention of my colleagues a letter I received from Kenneth A. Gibson, mayor of Newark, N.J. Mayor Gibson's letter urges support for H.R. 5540, the Defense Industrial Base Revitalization Act. He makes a strong case for the need for this legislation, stressing modernized industries with workers processing essential skills as a step toward decreasing our reliance on foreign imports.

Mayor Gibson recognizes the beneficial impact H.R. 5540 will have on strengthening the backbone of this Nation—the industrial base—while training our most valuable resource—people. I hope the insight of my colleagues equals that of Mayor Gibson.

This legislation, of which I am an original cosponsor, should come before the House in the next week or two and I urge my colleagues to vote for it.

The text of the letter follows:

OFFICE OF THE MAYOR,
Newark, N.J., July 8, 1982.

Hon. JOSEPH G. MINISH,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MINISH: I respectfully request your support for H.R. 5540, known as the Defense Industrial Base Revitalization Act.

The bill would strengthen our domestic defense industrial base by assisting in the modernization of domestic industries which are necessary to the manufacture or supply of defense materials. The assistance would be targeted mainly to small and medium sized businesses and would include financial assistance through loans, loan guarantees, purchase agreements and price guarantees.

In addition, the bill would provide for grants to states for training workers in skills necessary to maintain these industries. Training, retraining and upgrading of skills are included.

The legislation recognizes the need for American defense to be self-reliant, rather than reliant upon imports. It would help American industry become modernized and competitive on a world market basis. It also recognizes that modern industry requires modern skills. In a country whose unemployment level is at its highest since World War II, we cannot afford to continue losing jobs to imports. American workers must be taught the skills to use in the upcoming years. A recent survey by the National Tool and Machinery Association concluded that this industry would have a shortage of 240,000 workers by 1984. Approximately 10,000 people will be needed in the defense industry to replace those lost by attrition. There are current shortages of skilled workers in many defense industries at a time when some parts of our country, like Newark, are experiencing Depression era unemployment. This bill would bridge the gap to help solve the problem.

We must increase production, increase worker productivity and produce higher quality items in order to decrease our dangerous reliance on foreign imports. Our workers must be skilled and ready to meet the challenge.

Most American production equipment is 20 years old. The average West German plant is 12 years old. The majority of Japanese machine tools are less than 10 years old. With archaic equipment, how can we successfully compete?

H.R. 5540 is a five year modernization and skill training program. $5 billion would be for industry and materials, while $1.25 billion would go into skills training.

This bill is not a cure-all, but it should help areas like Newark and the State of New Jersey, while simultaneously helping to bail us out of our dependence on imported defense materials.

Please support H.R. 5540.

Thank you.

Sincerely,

KENNETH A. GIBSON.●

ECONOMIC INEQUALITY WORSENED IN 1981 UNDER REAGANOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, over the last year and a half I have warned on many occasions that economic inequality would become more severe under Reaganomics, with tax cuts mainly benefiting the affluent, spending cuts hurting middle, and lower income families, record real interest rates, the highest unemployment rate since 1941, and a recession which is so severe that 48 percent of Americans believe we are in an economic depression.

In their March 1981 Joint Economic Report, the Democratic members of the Joint Economic Committee cautioned that:

The poor are threatened by proposed cutbacks in transfer programs, and middle class has suffered a significant decline in its real income in recent years. Government tax and expenditure actions should not increase poverty or reduce the share of income going to the middle class.

Economic inequality fell steadily from the New Deal years until the late sixties, when the guns-plus-butter policy of the Vietnam war led to a dozen years of stagflation and a reversal of this trend. Now our backward slide on economic equality has become even more rapid under President Reagan.

If heightened inequality led to faster growth, I would be less concerned. But there is no evidence of this. In fact, those countries with high growth rates have had less inequality than the more anemic economies, with Japan standing out as first in growth but last in inequality.

Recently the Census Bureau published its annual report on income and

poverty in the United States, with the first data for 1981. I have the results summarized in a table with this statement. The census data show that last year, the first year of Reaganomics:

First. The income share of the poorest fifth of families was the lowest since 1963.

Second. The income share of the second 20 percent was the lowest since the survey began in 1947. The portion received by the lowest two-fifths combined also reached a record low.

Third. The middle fifth's percentage was the lowest since 1952. And for the bottom three-fifths, their share tied the record low of 33.7 percent, reached in 1949.

Fourth. The story was very different for those on top. The portion of income received by the richest 20 percent was the highest since 1961. And the share of the top two-fifths tied the previous record high of 66.3 percent.

Fifth. Last year the number of persons living in poverty rose by more than 2 million, to 31.8 million, while the official poverty rate rose from 13.2 percent to 14 percent.

The Administration is fond of analogies from the bakery. We have been told that in the past we were so concerned about the shares of the pie that we failed to increase the size of the pie. And on July 1 Senate Republicans treated us to the spectacle of a 17-foot-wide pie at the Washington Monument, in honor of the second stage of the President's regressive tax cut.

But in truth, there is no yeast in Reaganomics. Real GNP has fallen by 2.1 percent since the President's inauguration. These new census data show conclusively that middle and lower income families are being hit double by Reaganomics. They received smaller slices, of a smaller economic pie.

I append the census data, and a list of recent materials, on income distribution.

Table and additional material follow:

PERCENTAGE DISTRIBUTION OF AGGREGATE FAMILY INCOME, 1947–81

Year	Percentage of aggregate family income				
	Lowest fifth	Second fifth	Middle fifth	Fourth fifth	Highest fifth
1947	5.0	11.9	17.0	23.1	43.0
1952	4.9	12.3	17.4	23.4	41.9
1957	5.1	12.7	18.1	23.8	40.4
1962	5.0	12.1	17.6	24.0	41.3
1967	5.5	12.4	17.9	23.9	40.4
1972	5.4	11.9	17.5	23.9	41.4
1977	5.2	11.6	17.5	24.2	41.5
1978	5.2	11.6	17.5	24.1	41.5
1979	5.3	11.6	17.5	24.1	41.6
1980	5.1	11.6	17.5	24.3	41.6
1981	5.0	11.3	17.4	24.4	41.9

Source: Bureau of the Census.

MATERIALS ON INCOME DISTRIBUTION, JANUARY 1981–JULY 1982

(1) The 1981 Joint Economic Report, March 2, 1981, "Income Distribution," pp. 27-29.

(2) "Our Backward Slide on Economic Equality," article by Chairman Reuss, Washington Star, July 5, 1981.

(3) "Inequality: Here We Come," article by Chairman Reuss, Challenge, September-October 1981, pp. 49-52.

(4) "Inequality Makes for Worse Growth, Not Better," statement by Chairman Reuss, in Congressional Record, October 27, 1981, p. H7806.

(5) "Impact of the 1981 Personal Income Tax Reductions on Income Distribution," study prepared for the Joint Economic Committee, December 23, 1981.

(6) "Impacts of Reaganomics on Income Distribution," hearing on February 10, 1982. (Witnesses: Edward Budd, Sheldon Danziger, Stephen Rousseas, A. Gary Shilling, James D. Smith.)

(7) The 1982 Joint Economic Report, March 1, 1982, "The Tax Program and Income Distribution," pp. 34-39.

(8) "Equality and Fairness: Back to Methuselah," speech by Chairman Reuss to Americans for Democratic Action, March 6, 1982, reprinted in Congressional Record, March 8, 1982, pp. H722-H723.

(9) "The Trojan Horse is Feeling its Oats," statement by Chairman Reuss, in Congressional Record, June 21, 1982, pp. H3715-H3716.

(10) Request to Treasury for comprehensive study of tax expenditures by income level, due Fall 1981.●

BEYOND A NUCLEAR FREEZE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 15 minutes.

● Mr. BROWN of California. Mr. Speaker, today we have debated long and hard on the attributes of a nuclear freeze and were unsuccessful in committing this body to clearcut endorsement of such a proposal. I am deeply disappointed by our failure. However, nuclear freeze is but one step toward the ultimate goal of common security. In order to help direct our attention toward the additional steps required I am introducing a resolution which will call for secure disarmament and a framework for the peaceful settlement of disputes.

This resolution encourages a multilateral disarmament agreement, binding upon all nations, and verified by an international body. The key point in this resolution is the movement beyond a weapons freeze to actual disarmament. This disarmament would proceed in phases, insuring that no country secures a military advantage over another.

I was convinced that we should have begun this process with the movement toward a bilateral freeze of nuclear weapons. However, the United States and the Soviet Union are not alone in their nuclear capability. There are other nations who must become involved in these discussions, a situation requiring multilateral agreements and verification of compliance. Although we have rejected the path of a bilateral weapons freeze, we must still prepare the way for the next logical step.

Some people might contend that disarmament is a "utopian dream," but as the United States, the Soviet Union, and other military powers continue to increase the power of their weaponry geometrically, the urgency of disarmament becomes imperative. This urgency was well stated in the final document of the United Nations' General Assembly's First Special Session on Disarmament (SSOD I) in 1978: For "Mankind is confronted with a choice. We must halt the arms race and proceed to disarmament or face annihilation." The quest for disarmament is not a dream, it is a choice. A choice between survival or ultimate, complete nuclear devastation.

In addition, a May 1982 report by the Commission on Disarmament and Security Issues entitled, "Common Security—A Blueprint for Survival," goes beyond the traditional superpower dilemma to the need for multilateral negotiations on nuclear arms reductions, the need to limit the introduction of other nonnuclear weapons of mass destruction, and the need to be concerned about the arms race of conventional weapons. This report proposes concrete, constructive remedies, and I recommend it to anyone interested in what more can be done for achieving nuclear disarmament.

The significant contributions—including the name of this resolution—made by the Independent Commission on Disarmament and Security Issues in developing "Common Security—A Blueprint for Survival," should be a starting point in the process of achieving true international security and genuine disarmament. The Chairman of the Commission, Olof Palme, former Prime Minister of Sweden, deserves much credit. Other notables include Cyrus Vance, former Secretary of State of the United States, George Arbatov, member of the Soviet Central Committee and Deputy of the Supreme Soviet, David Owen, former Secretary of State for Great Britain, and many other experts. I have incorporated many of the concepts from the report in the resolution I am introducing today.

Public support for disarmament is not a new phenomenon. It was strong at the close of World War II when the bombed-out ruins of the cities of both victorious and defeated nations stood as mute testimony to the destructiveness of the era's conventional weapons. The obliteration of Hiroshima and Nagasaki—37 years ago this week—by the first primitive atom bombs marked a quantum leap in weapon power. World War II's enormous toll of human life and suffering—civilian as well as combatant—strengthened determination to reduce armaments and thereby to lessen the probability of another catastrophic world war.

Now, nearly four decades later, the urgency to disarm is even greater. The Hiroshima and Nagasaki atom bombs were but firecrackers compared to the nuclear warheads of today. Conventional weapons have become vastly more destructive, sophisticated, and costly. Military establishments burgeon in countries large and small, prosperous and poverty stricken. The military establishments in the world annually absorb some $600 billion, money sorely needed for critical nonmilitary purposes. Despite this gigantic arms buildup, few nations feel secure. In the interest of security and at the behest of military leaders, modern technology has developed weaponry capable of destroying civilization.

Beginning with the Geneva Protocol of 1925, which prohibited the use of bacteriological warfare, the United States has gradually and steadily participated in controlling and eliminating the worst evils of war. We have not always been successful, and, at times, we have been diverted from that course, but the underlying objective of common security has remained consistent. Some of the other treaties and agreements which the United States has participated in include: The Antarctic Treaty, December 1959; the Limited Test Ban Treaty, August 1963; the Outer Space Treaty, January 1967; the Nuclear Non-Proliferation Treaty, July 1968; Anti-Ballistic Missile Treaty, July 1974; and several others.

My resolution would be but one more step toward our objective. It would require verification of disarmament, encourage promotion of institutions dedicated to peaceful resolutions, and require the peaceful development of space. Some efforts have already been made. For example, the committees in both this body and the other one have held hearings on an academy for peace and conflict resolution. Such an academy could be an anchor for developing first-rate research and analysis of the causes of war, including cultural differences, trade rivalries, territorial claims and other factors, even accidents—and the means to achieve peace.

Another constructive example is a proposal by my colleague from Kansas (Mr. WINN) for the establishment of an international peacekeeping satellite. "Peacesat," as it has been referred to, would be part of a larger United Nations Satellite Monitoring Agency and serve to monitor military activities over the globe, aiding in arms control verification. By incorporating the proposal into this resolution, I felt we could further our goal of arms limitation and verification while insuring the peaceful development of outer space. At the same time, we will send a message to the world that we intend to be leaders in the pursuit of peace.

Peace is much harder to achieve than war. It takes a presence of mind on all sides. It takes the understanding and commitment of generations. Plutarch, speaking on politics and the fact that we cannot deal with political problems in an episodic way, observed:

They are wrong who think that politics is like an ocean voyage or a military campaign, something to be done with some end in view, something which levels off as soon as that end is reached. It is not a public chore, to be gotten over with; it is a way of life.

In other words, we cannot focus on problems for a short period of time, we must address them for generations. Similarly, if we are serious about the most important problem of modern day politics, the problem of peace, we must establish a framework for our's and future generations.

My resolution is part of that framework. I urge my colleagues to join me, and the eight original cosponsors of this measure, in promoting this framework for achieving the ultimate goal in national and international security—mankind's very survival.

H. CON. RES. —

Concurrent resolution expressing the sense of the Congress that the common security of all nations is threatened by the escalating arms race and that the danger of nuclear war requires renewed and persistent efforts to negotiate a comprehensive treaty for a staged disarmament to be verified by an international security and disarmament authority and accompanied by strengthened international peacekeeping and dispute resolution institutions.

Whereas the United States was founded upon the principal that all men are created equal and are endowed by their Creator with the inalienable right to life, liberty, and the pursuit of happiness;

Whereas these inalienable rights are being jeopardized today by the unprecedented destructive power of modern weapons and the unchecked growth of national armaments;

Whereas the United States has as its ultimate goal a world which is free from the scourge of war and the dangers and burdens of armaments, a world in which the use of force has been subordinated to the rule of law, and a world in which international adjustments to changing circumstances are achieved peacefully;

Whereas the fears and suspicions of, and misunderstandings among, nations make progress toward this goal difficult at the very time the increasing dangers and burdens of armaments make progress imperative; and

Whereas a descent respect for the opinion of mankind makes it incumbent on this great free Nation to set forth its vision of a world at peace and do declare its willingness to move with all deliberate speed in concert with others to negotiate the agreements and the conditions for world peace and the rule of law: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should be encouraged in his efforts to achieve deep cuts in the amounts of nuclear weapons held by each nation and to establish a peace which will endure.

SEC. 2. The Congress endorses a complete halt to the nuclear arms race between the United States and the Soviet Union, including a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems.

SEC. 3. The Congress would welcome an international agreement which would provide for the common security of all nations through (i) the staged disarmament of all nations until non-threatening force levels are reached under effective international inspection and control, and (ii) concurrent agreements providing methods and instrumentalities for the peaceful settlement of international disputes and the creation of a United Nations police force, in accordance with the following principles:

(1) The international agreement should specify the sequence for disarming all nations, by stages, and the time limits for each stage.

(2) With the understanding of all parties that the nature and extent of control will depend on the verification required for each stage, the international agreement should provide such strict and effective international control at all stages that all parties could be assured that all other parties are complying with the agreement.

(3) To implement control over and inspection of disarmament, an international security and disarmament authority should be established, with its own voting procedures, within the framework of the United Nations.

(4) The international security and disarmament authority should have its own inspectors who should have unrestricted access without veto to all necessary places for verification at each stage of the disarmament process, and its own international peacekeeping surveillance system, using the best available satellite surveillance technology.

(5) The disarmament process should proceed in such a manner that at no point could any nation or group of nations gain military advantage and equal security could be insured for all.

(6) There should be agreement among all parties before each subsequent stage in the disarmament process is begun that the preceding stage has been implemented and verified in a satisfactory manner and that any additional verification arrangements required for the next stage are ready.

(7) Progress in disarmament should be accompanied by measures to create new institutions, and to strengthen existing ones, for maintaining the peace and resolving all international disputes by peaceful means.

(8) The nations participating in the negotiations for an international agreement should strive to achieve and implement the widest possible agreement at the earliest possible date and should continue their efforts without interruption until agreement upon the total program has been achieved.

(9) Nuclear-free zones and existing treaties and agreements should be preserved and expanded as part of the negotiating process and efforts on other arms control and disarmament measures should continue in a manner designed to facilitate negotiations on the international agreement.

SEC. 4. The President is requested to transmit copies of this resolution to the heads of government of all nations of the world and to invite them to participate in negotiations on an international agreement to establish the common security of all nations and peace in the world.

SEC. 5. The President is requested to report by March 1, 1983, to the President

and the Committee on Foreign Relations of the Senate and to the Speaker and the Committee on Foreign Affairs of the House of Representatives on the steps he has taken respecting this resolution and the responses he has received.●

TODAY'S BUSINESS FAILURE EPIDEMIC

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, I want to report on hearings held recently by the House Small Business Oversight Subcommittee, which I chair, on today's business failure epidemic and the devastating toll it is taking on small business.

The subcommittee invited leading experts from the academic, business and bankruptcy worlds to testify to find out why so many businesses are failing and what it means for our economy.

The hearings were held against the backdrop of the gravest crisis faced by American business since the Great Depression. This is what we see:

Capital investment by companies is off sharply. Data Resources Inc. forecasts that business investment will be off 8 percent this year over last year despite the massive tax incentives to invest enacted last year.

After-tax profits of corporations in the first quarter of 1982 were almost one-third lower than a year earlier, the sharpest drop in the postwar period. The New York Times reported earlier this week that corporate profits have reached the lowest levels in perhaps 5 years.

Many companies are saddled with heavy short-term debt. The ratio of short-term debt to total debt is at a new high. Business balance sheets and corporate liquidity are more fragile than at any other time in postwar history.

Since the first quarter of 1981, industrial output has dropped more than 7 percent. Our Nation's factories ran at a dismal 69.8 percent of capacity in June of this year, 15 percentage points below the rate at which capital goods makers start getting orders for equipment to add capacity.

Small business proprietorship income is expected to be nearly 15 percent lower this year than in 1980, according to Data Resources Inc.

And businesses are failing at a rate not seen since the Great Depression.

Today's figures as reported by Dun & Bradstreet, the business information concern, are truly alarming. The failure rate today is almost 90 per 10,000 listed companies, just short of the failure rate of 100 per 10,000 companies recorded in the Great Depression year of 1933. Put another way, 11 businesses are failing right now for every hour of the business day.

Business failures have only become a serious problem since 1981. Looking back over the postwar period, we find that business failures ranged, between 1946 and 1980, from a low of 5 per 10,000 listed companies in 1946 to a high of 64 per 10,000 in 1961. The business failure rate average for those 35 years was 40.3 per 10,000 listed companies.

Beginning in 1981, however, business failures began to shoot up. In 1980, 11,742 companies, or 42 per 10,000 companies, failed. In 1981, the figures jumped to 16,800 or 62 per 10,000 companies. For 1982, the prediction is 25,000 or 88 per 10,000 listed companies. The average for 1981 and the first half of 1982 is 75 per 10,000 companies, an 86 percent increase over the 1946–80 average.

In the past 2 years, the business failure rate has jumped 110 percent, the second largest 2-year jump since 1920. The only time it was higher was in the 2 years immediately after World War II, when business failures returned from the depressed war level to normal.

Today's figures are indeed grim. We should remember that the Dun & Bradstreet figures cover only failures which involve losses to creditors. The number of business failures today is really much higher, since thousands of businessmen simply decide to close their businesses because they see only an unprofitable future. These business closings, which are really failures, reflect a lack of confidence in the business environment and are not reflected in Dun & Bradstreet's statistics. As President Reagan's recently released report on "The State of Small Business" tells us, the Dun & Bradstreet figures are "a valuable indicator of business distress."

The hearings looked at this distress not only in numerical terms but in human terms. What we are seeing today is a great human tragedy. We must not forget that business failures mean lost jobs, ruined lives, and dashed dreams. They mean lost pensions, lost life savings, and lost tax revenues. They also take a human toll in the lost self-esteem felt by those directly affected. They mean an end to the American dream of opportunity and owning one's own business that has been such a powerful art of this Nation's dynamism.

Last March, when it was becoming clear that 1982 would see a record number of business failures, I wrote to two dozen U.S. bankruptcy judges and trustees to find out why this was happening. I wanted to hear directly from them because they are seeing every day what is happening, why it is happening and what needs to be done to end this terrible spiral of failure.

I received 19 replies from throughout the Nation which I included in the hearing record. This is the picture that emerged from the letter:

Business are failing in all sections of the country and in every economic sector.

Large and small businesses and young and old businesses are failing.

Business are failing in record numbers, and the failure rate continues to rise.

The business failures experienced today are much worse than those experienced during the last severe recession of 1974–1975.

Business are failing today because of high interest rates and the deep recession.

The revised Federal bankruptcy code is not a cause of the increased number of business bankruptcy filings.

Let me read a few of the responses:

U.S. Bankruptcy Judge Peter M. Elliott of Los Angeles wrote:

I would say that the major cause of small business failures is high interest rates.

U.S. Trustee William P. Westphal, Sr., of Minneapolis wrote:

The two primary causes for the increase in bankruptcies generally, as well as for small business in particular, are the extremely high interest rates and the length of the current recession.

U.S. Trustee Scott H. Bush of Dallas wrote:

The tentacles of the current recession reach to all communities, at all locations. Even the glorious Sunbelt has not been insulated. The current recession is much more severe than the 1974–1975 recession.

U.S. Bankruptcy Judge Charles B. McCormick of Chicago wrote:

The increase (in small business bankruptcy filings) must, I feel, be blamed on the common elements of high interest, tight money, inflation, the loss of jobs due to plant closings, and the farming out of work to foreign countries and the other ills that greet one in the media every day.

U.S. Bankruptcy Judge William L. Norton, Jr., of Atlanta wrote:

I do not see incompetency or mismanagement or dishonest actions in individuals or businessmen, which some credit grantors or others ascribe to debtors in the Bankruptcy Court, as being the cause of prevalence in bankruptcies. I see the overwhelming number of individual and business debtors in this court who sincerely and honestly want to pay their debts and have been and are attempting to pay such debts. I see many businesses and persons in my court who I feel: there, but for the grace of God, go I.

As the letters I received show, high interest rates and the prolonged and deep recession are placing an extraordinarily heavy burden on all businesses, and small businesses in particular. This is the same message we heard from our academic witness at the hearing. According to Edward I. Altman, a professor of finance at New York University and a leading expert on predicting business failures,

The devastating effects of reduced profits and high interest rates, that have remained

around 20 percent or more for several years, are continuing to reduce the ranks of our smaller firm population.

Because of high interest rates, Professor Altman continued, businesses today pay more than 40 cents of each dollar of cash flow for interest charges, up from 20 cents of 4 years ago. "No wonder so many marginal firms are succumbing to the economic reality of bankruptcy," he said.

This is unfair. Small business relies almost exclusively on banks for financing. They cannot shop around or bargain for the best interest rates, as can large corporations. Many small businesses are paying at least prime rate or above prime for their loans. That means close to 20 percent interest. What makes these rates even more crushing is that the real interest rate is at least 10 percent, the highest in recent memory.

The impact can be seen everywhere. Joseph W. Duncan, the chief statistician for Dun & Bradstreet, presented to the subcommittee his firm's latest business failure figures. They showed continuing and sharp increases throughout the Nation and in all industries. The Sun Belt and Mountain States are as hard hit as the farm States, Midwest and mid-Atlantic region. The failures touch not only the weak manufacturing, wholesale, retail, and construction sectors but also the previously strong service industries.

What does the future hold? Only more grim numbers and more tragedy, the subcommittee was told.

Unless the economy improves, and interest rates decline significantly, I am afraid that the already staggering number of business failures will swell to levels comparable to the early 1930s.

The normally cautious Professor Altman predicted. In 1932, the nadir of the Great Depression, 31,822 businesses failed for a catastrophic failure rate of 154 per 10,000 listed companies.

The risk, he added, is that increased business failures will lead banks to tighten credit further and thus accelerate the business failure spiral. "If banks ration credit to only the most creditworthy firms," Professor Altman said, "the marginal firm will stand little chance of surviving. It is also probably true that the marginal firm is oftentimes also a small firm."

Today's problem goes beyond high interest rates. The problem stems from the mix of economic and fiscal policies currently being followed that have driven our Nation's economy into the worse recession since World War II and created the severest liquidity crisis for business since the Great Depression. As Professor Altman warned, "The real risk * * * is not whether the economy will turn around and stage a recovery, but how long the recovery will last. If the turnaround is relatively short like the one we experienced in late 1980, then thousands of firms, particularly smaller ones, will not have sufficient time to get back on a positive cash flow basis."

The consequences are obvious and ominous. We will see a ripple effect throughout the economy as failing large companies topple small firms doing business with them. Thousands of people will lose their jobs. This is happening right now. U.S. Trustee James Eichstaedt of Los Angeles told the subcommittee that the bankruptcy last April of the Wickes Cos. the large retail chain, has cost several thousands jobs and seriously squeezed the small firms that did business with Wickes. With so many large U.S. companies in such desperate financial straits, we can count on it happening again and again and again if new economic and fiscal policies are not adopted that will bring interest rates down to affordable and stable levels and encourage the economy to grow.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. PORTER, for 10 minutes, today.

Mr. LATTA, for 60 minutes, on August 10, 1982.

(The following Members (at the request of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mrs. SCHROEDER, for 60 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. REUSS, for 10 minutes, today.

Mr. BROWN of California, for 15 minutes, today.

Mr. LAFALCE, for 20 minutes, today.

Mr. WOLPE, for 60 minutes, on August 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBEY, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $3,094.

Mr. MARTIN of North Carolina, prior to the vote on House Joint Resolution 538.

Mr. CARNEY, following Mr. HARKIN on number of nuclear warheads since 1963.

Mrs. SCHROEDER, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $3,808.

Mr. RUDD, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,785.

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. NELLIGAN.

Mrs. HOLT.

Mr. YOUNG of Florida.

Mr. SMITH of Oregon.

Mr. LAGOMARSINO.

Mr. LEACH of Iowa.

Mr. PAUL.

Mr. ROBERTS of South Dakota.

Mr. PORTER.

Mr. FINDLEY.

Mr. DREIER.

Mr. WORTLEY.

Mr. GUNDERSON.

Mr. EVANS of Delaware.

(The following Members (at the request of Mr. KILDEE) and to include extraneous matter:)

Mr. MOFFETT.

Mr. DORGAN of North Dakota in two instances.

Mr. LEVITAS in two instances.

Mr. HOYER.

Mr. EDWARDS of California.

Mr. FLORIO.

Mr. SKELTON in three instances.

Mr. RAHALL.

Mr. RATCHFORD.

Mrs. BYRON in two instances.

Mr. MAZZOLI.

Mr. HERTEL.

Mr. KASTENMEIER.

Mr. MINETA in two instances.

Mr. WYDEN.

Mr. LONG of Maryland in two instances.

Mrs. SCHROEDER.

Mr. GEJDENSON.

Mr. CLAY.

Mr. LANTOS.

Mr. SCHUMER.

Mr. ROSENTHAL.

Mr. CONYERS.

Mr. MURPHY.

Mr. ROYBAL.

Mr. RANGEL.

Mr. SIMON in three instances.

Mr. OBERSTAR.

Mr. PEASE.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 58. Joint resolution proposing an amendment to the Constitution altering Federal budget procedures; to the Committee on the Judiciary.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, August 9, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4551. A letter from the Assistant Secretary of the Navy for Shipbuilding and Logistics, transmitting notice of the decision to convert to contractor performance the custodial services function, at the Public Works Center, Norfolk, Va., pursuant to section 502(b) of Public Law 95-342; to the Committee on Armed Services.

4552. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112B(a); to the Committee on Foreign Affairs.

4553. A letter from the Acting Secretary of the Interior transmitting a draft of proposed legislation to amend the Act the October 26, 1972 (86 Stat. 1181), as amended, to increase the authorization of appropriations for Perry's Victory and International Peace Memorial National Monument, and for other purposes; to the Committee on Interior and Insular affairs.

4554. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4555. A letter from Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, on island-wide water supply study, Puerto Rico, pursuant to section 204(a) of Public Law 91-611; to the Committee on Public Works and Transportation.

4556. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize student nutritional assistance programs in the defense overseas schools, and for other purposes; jointly, to the Committees on Armed Services and Education and Labor.

4557. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the quarterly report on non-disclosure of safeguards information, pursuant to section 147e of the Atomic Energy Act of 1954, as amended; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

4558. A letter from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting his 12th quarterly report, pursuant to section 7(a)(5)(E) of Public Law 94-586; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

4559. A letter from the President, Federal Financing Bank, transmitting notice of procedural changes regarding certain information provided in the Bank's annual report; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. Supplemental report on H.R. 4374. A bill to improve the international ocean commerce transportation system of the United States (Rept. No. 97-611, Pt. III). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALL of Ohio: Committee on Rules. House Resolution 548. Resolution waiving certain points of order against the conference report on S. 1193, a bill authorizing appropriations for fiscal years 1982 and 1983 for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting (Rept. No. 97-697). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules House Resolution 549. Resolution providing for the consideration of H.R. 6046, a bill to amend title 18 of the United States Code with respect to extradition, and for other purposes (Rept. No. 97-698). Referred to the House Calendar.

Mrs. CHISHOLM: Committee on Rules. House Resolution 550. Resolution providing for the consideration of H.R. 6191, a bill to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for the fiscal year ending September 30, 1983 (Rept. No. 97-699). Referred to the House Calendar.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 6195. A bill to direct the Secretary of Agriculture to release a reversionary interest held by the United States in certain lands located in Christian County, Ky., so that such lands may be used for cemetery purposes (Rept. No. 97-700). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. House Concurrent Resolution 388. Concurrent resolution disapproving certain regulations submitted to the Congress on July 29, 1982, with respect to the Education Consolidation and Improvement Act of 1981 (Rept. No. 97-701). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 551. Resolution providing for the consideration of H.R. 6892. A bill to provide changes in legislation to meet reconciliation requirements of the first congressional budget resolution—fiscal year 1983—for the House Committee on Agriculture (Rept. No. 97-702). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN:

H.R. 6938. A bill to amend the Federal Reserve Act to require the Board of Governors of the Federal Reserve System to transmit to the Congress a monetary early warning report whenever the Board or the Federal Open Market Committee takes any action to implement a change in existing monetary policy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BAILEY of Pennsylvania:

H.R. 6939. A bill to repeal certain amendments made by the Omnibus Budget Reconciliation Act of 1981 to the Federal-State Extended Unemployment Compensation Act of 1970; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 6940. A bill to authorize the purchase, sale, and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation, N. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EVANS of Iowa (for himself, Mr. HILLIS, Mr. GUNDERSON, Mr. ROBERTS of South Dakota, Mr. FINDLEY, Mr. MADIGAN, Mr. ROBERTS of Kansas, Mr. RAILSBACK, Mr. ERDAHL, Mr. STANGELAND, Mr. BEREUTER, Mr. LEACH of Iowa, Mr. TAUKE, and Mr. Volkmer):

H.R. 6941. A bill to provide for a national pseudorabies eradication program; to the Committee on Agriculture.

By Mr. FINDLEY:

H.R. 6942. A bill to provide for the review of the behavior of individual justices and judges by three-judge panels; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 6943. A bill to continue until the close of June 30, 1985, the existing suspension of duties on color couplers and coupler intermediates used in the manufacture of photographic sensitized material; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. AUCOIN, Mr. BEILENSON, Mr. BROWN of California, Mr. DOUGHERTY, Mr. EDGAR, Mr. FAZIO, Mr. MINISH, Mr. PATTERSON, and Mr. DWYER):

H.R. 6944. A bill to amend the Internal Revenue Code of 1954 to reduce the individual income tax rate and to broaden the income tax base; to the Committee on Ways and Means.

By Mr. HOYER:

H.R. 6945. A bill to amend chapter 54 of title 5, United States Code, to improve the merit pay system for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. HUGHES (for himself, Mr. HYDE, Mr. SAWYER, Mr. KASTENMEIER, Mr. GLICKMAN, Mr. FISH, and Mr. KINDNESS):

H.R. 6946. A bill to amend title 18 of the United States Code to provide penalties for certain false identification related crimes; to the Committee on the Judiciary.

By Mr. PORTER:

H.R. 6947. A bill to amend title 18 of the United States Code to clarify and modify the criminal law with respect to persons alleged to be insane at the time of the alleged commission of Federal offenses, and for other purposes; to the Committee on the Judiciary.

By Mr. TAUKE (for himself, Mr. RAILSBACK, Mr. FINDLEY, Mr. EVANS of Iowa, Mr. LEACH of Iowa, Mrs. MARTIN of Illinois, and Mr. PRICE):

H.R. 6948. A bill to restrict the authority of the Chief of Engineers to terminate certain cottage site leases on the Upper Mississippi River; to the Committee on Public Works and Transportation.

By Mr. VOLKMER:

H.R. 6949. A bill to establish the plea of guilty but insane; to the Committee on the Judiciary.

By Mr. WALGREN (for himself, Mrs. HECKLER, Mr. BROWN of California, Mr. ERTEL, Mr. DYMALLY, and Mr. MCCURDY):

H.R. 6950. A bill to establish a national high-technology technician training program, utilizing the resources of the Nation's 2-year community colleges to contribute to the economic strength of the United States by creating a pool of skilled technicians in strategic high-technology fields, to increase national productivity, to improve the competitiveness of the United States in international trade, and for other purposes; jointly, to the Committees on Education and Labor and Science and Technology.

By Mr. LEVITAS (for himself and Mr. RHODES):

H.J. Res. 565. Joint resolution designating the week of October 4 through October 10, 1982, as "National Productivity Improvement Week"; to the Committee on Post Office and Civil Service.

By Mr. LANTOS (for himself and Mr. KEMP):

H. Con. Res. 391. Concurrent resolution expressing the sense of the Congress that Hu Na should be granted asylum under the immigration laws of the United States; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Mr. CONYERS, Mr. KASTENMEIER, Mr. PEASE, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. OTTINGER, Mr. EDGAR, and Mr. BARNES):

H. Con. Res. 392. Concurrent resolution expressing the sense of the Congress that the common security of all nations is threatened by the escalating arms race and that the danger of nuclear war requires renewed and persistent efforts to negotiate a comprehensive treaty for a staged disarmament to be verified by an international security and disarmament authority and accompanied by strengthened international peacekeeping and dispute resolution institutions; to the Committee on Foreign Affairs.

By Mr. DREIER (for himself and Mr. ROUSSELOT):

H. Res. 552. Resolution to amend the Rules of the House of Representatives to require a two-thirds vote on legislation which increases the statutory limit on the public debt; to the Committee on Rules.

By Mr. MOFFETT:

H. Res. 553. Resolution to prohibit the consideration in the House of Representatives of any concurrent resolution disapproving a final rule promulgated by the Federal Trade Commission; to the Committee on Rules.

By Mr. WORTLEY:

H. Res. 554. Resolution expressing the sense of the House of Representatives that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 4961 should not agree to the Senate provision concerning withholding on interest and dividends, and for other purposes; to the Committee on Way and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROBERTS of South Dakota:

H.R. 6951. A bill for the relief of Mary Jane Cote, widow of Lt. Col. George R. Cote, U.S. Army, retired, deceased; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 6952. A bill for the relief of Clive Francis Harrison; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1981: Mr. MORRISON.

H.R. 2007: Mr. EDWARDS of Oklahoma.

H.R. 2222: Mr. ROBINSON and Mr. HUTTO.

H.R. 2322: Mr. SILJANDER, Mr. PARRIS, Mr. EVANS of Georgia, Mr. SENSENBRENNER, Mr. VENTO, Mr. BROWN of Colorado, Mr. LEBOUTILLIER, and Mr. BENJAMIN.

H.R. 3644: Mr. ERDAHL.

H.R. 4509: Mr. MYERS.

H.R. 4873: Mr. BROOKS, Mr. CORRADA, Mr. BEVILL, Mr. HALL of Ohio, Mr. MCCURDY, Mr. BONER of Tennessee, Mr. GINGRICH, Mr. LEACH of Iowa, Mr. DOUGHERTY, Mr. LEHMAN, Mr. MITCHELL of New York, Mr. ROEMER, Mr. DYSON, Mr. DAUB, Mr. PEYSER, Ms. FERRARO, Mr. MCDADE, Mr. EVANS of Georgia, Mr. CHAPPIE, Mr. MARTINEZ, Mrs. KENNELLY, and Mr. AUCOIN.

H.R. 4931: Mr. CLINGER, Mr. QUILLEN, Mr. JAMES K. COYNE, Mr. WHITE, Mr. HENDON, Mr. HOPKINS, Mr. RITTER, Mr. KEMP, and Mr. LATTA.

H.R. 5469: Mr. MOAKLEY.

H.R. 5752: Mr. CORCORAN, Mr. ROGERS, and Mr. COATS.

H.R. 5911: Mr. WALGREN, Mr. HANCE, and Mr. ROBINSON.

H.R. 5918: Mr. WORTLEY and Mr. HUGHES.

H.R. 5920: Mr. NELLIGAN.

H.R. 5976: Mr. CLAUSEN.

H.R. 6009: Mr. CARMAN and Mr. RATCHFORD.

H.R. 6021: Mr. FAZIO.

H.R. 6073: Mr. MYERS.

H.R. 6231: Mr. MARTIN of New York.

H.R. 6270: Mr. STRATTON.

H.R. 6311: Mr. COELHO.

H.R. 6465: Mr. CONTE and Mr. HUTTO.

H.R. 6467: Mr. MAVROULES, Mr. BIAGGI, Mr. MCCLOSKEY, Mr. MICA, and Mr. MITCHELL of New York.

H.R. 6591: Mr. HUGHES, Mr. RATCHFORD, and Mr. WOLPE.

H.R. 6661: Mr. RUDD, Mr. HUTTO, Mr. YATRON, Mr. EVANS of Georgia, and Mr. WORTLEY.

H.R. 6662: Mr. ERDAHL and Mr. EVANS of Delaware.

H.R. 6702: Mr. ALBOSTA.

H.R. 6709: Mr. WEBER of Ohio.

H.R. 6781: Mr. BEILENSON, Mr. JOHNSTON, Mr. WOLF, Mr. COELHO, Mr. HILER, Mr. MITCHELL of New York, Mr. LEBOUTILLIER, Mr. HAGEDORN, Mr. COATS, Mr. DAUB, Mr. KINDNESS, Mr. HAMILTON, Mrs. SCHNEIDER, Mr. STATON of West Virginia, Mr. LONG of Louisiana, Mr. WEBER of Ohio, Mr. MCGRATH, Mr. REGULA, Mr. FOGLIETTA, Mr. FISH, Mr. CORCORAN, Mr. HENDON, Mr. BURGENER, Mr. VENTO, Mr. GEJDENSON, Mr. GILMAN, Mrs. ROUKEMA, Mr. CLINGER, Mr. HATCHER, Mr. LANTOS, Mr. PATTERSON, Mr. DERRICK, Mr. SHARP, Mr. WALGREN, Mr. GLICKMAN, Mr. LUJAN, Mr. UDALL, Mr. ROBERT W. DANIEL, JR., Mr. LAGOMARSINO, Mr. ROBERTS of South Dakota, Mr. SWIFT, Mr. MITCHELL of Maryland, Mr. PEASE, Mr. RALPH M. HALL, Mr. HAWKINS, Mr. WAXMAN, Mr. FOLEY, Mr. LELAND, Mr. HUTTO, Mr. DYMALLY, Mr. JOHN L. BURTON, Mr. DWYER, Mr. QUILLEN, Mr. SHELBY, Mr. BROWN of California, Mr. MURPHY, Mr. EDGAR, Mr. ALBOSTA, Mr. EDWARDS of California, Mr. LAFALCE, Mr. GUNDERSON, Mr. AKAKA, Mr. SEIBERLING, Mr. TAUZIN, Mr. MONTGOMERY, Mr. MATSUI, Mr. PANETTA, Mr. ROYBAL, Mr. SHUMWAY, Mr. DIXON, Mr. DELLUMS, Mr. YATRON, and Mr. MARTINEZ.

H.R. 6789: Mr. MURPHY, Mr. BEVILL, Mr. DAVIS, Mr. RAILSBACK, and Mr. ROEMER.

H.R. 6901: Mr. CLINGER, Mr. DOUGHERTY, and Mr. BAILEY of Pennsylvania.

H.R. 6917: Mr. LAFALCE and Mr. COATS.

H.J. Res. 355: Mr. GRAY and Mrs. SNOWE.

H.J. Res. 456: Mr. GEPHARDT, Mr. RAILSBACK, Mr. HUTTO, Mr. EVANS of Iowa, Mr. LEWIS, Mr. MARTIN of New York, Mr. TAUKE, Mr. SNYDER, Mr. MORRISON, Mr. FOGLIETTA, Mr. BROWN of California, Mrs. COLLINS of Illinois, and Mr. KEMP.

H.J. Res. 524: Mr. BONIOR of Michigan, Mr. OTTINGER, Mr. WIRTH, Mr. SIMON, Mr. JOHN L. BURTON, Mr. REGULA, Mr. WASHINGTON, Mr. D'AMOURS, Mr. PRICE, Mr. LANTOS, Mr. DENARDIS, Mr. GUARINI, Mr. HORTON, Mr. FAUNTROY, Ms. OAKAR, Mr. RATCHFORD, Mr. MOFFETT, Mr. WALGREN, Mr. EVANS of Georgia, Mr. RAHALL, Mr. MOLINARI, Mr. AUCOIN, Mr. MAVROULES, Mr. LOWRY of Washington, Mr. SOLARZ, Mr. SMITH of Iowa, Mr. MARTINEZ, Mrs. FENWICK, Mr. BEVILL, Mr. FRENZEL, and Mr. MINISH.

H.J. Res. 530: Mr. JEFFORDS.

H.J. Res. 545: Mr. MOFFETT, Mr. BROWN of California, Mr. MAVROULES, Mr. DELLUMS, Mr. FORD of Tennessee, Mr. FOGLIETTA, Mr. KILDEE, Mr. D'AMOURS, Mr. BRODHEAD, Mr. STARK, Mr. RATCHFORD, Mr. BEILENSON, Mr. MOAKLEY, Mr. KASTENMEIER, Mr. AUCOIN, Mr. FRANK, Mr. WAXMAN, Mr. WON PAT, Mr. WEAVER, Mr. FAUNTROY, Mr. MINISH, Mr. EDGAR, Mr. PHILLIP BURTON, Mr. PATTERSON, Mr. SHANNON, Mr. BOLAND, Ms. MIKULSKI, Mr. VENTO, Mr. OTTINGER, Mrs. SNOWE, Mr. WYDEN, Mr. DONNELLY, Mr. LANTOS, Mr. DOWNEY, Mr. SMITH of Pennsylvania, Mr. LONG of Maryland, Mr. ROSENTHAL, Mr. MCKINNEY, Mrs. KENNELLY, Mr. JOHN L. BURTON, Mr. JEFFORDS, Mrs. SCHROEDER, Mr. EDWARDS of California, and Mrs. SCHNEIDER.

H. Con. Res. 255: Mr. PATTERSON, Mr. OXLEY, and Mr. RATCHFORD.

H. Con. Res. 312: Mr. NELLIGAN.

H. Con. Res. 355: Mr. YOUNG of Missouri, Mr. PORTER, Mr. GOODLING, Mr. STARK, Mr. SIMON, Ms. OAKAR, Mr. SKELTON, Mr. STOKES, Mr. HOLLENBECK, and Mr. GARCIA.

H. Con. Res. 364: Mr. RATCHFORD.

H. Con. Res. 385: Mr. LONG of Maryland, Mr. MOAKLEY, Mr. FISH, and Mr. FRENZEL.

H. Res. 318: Mr. FROST.

H. Res. 521: Mr. PHILIP M. CRANE, Mr. HANSEN of Idaho, and Mr. JEFFRIES.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

552. By the SPEAKER: Petition of the American Bar Association, Chicago, Ill., relative to regulatory reform legislation, H.R. 746 and S. 1080; to the Committee on the Judiciary.

553. Also, petition of the Advisory Neighborhood Commission 6B, Washington, D.C., relative to the master plan for the U.S. Capitol; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5427

(Amendment to the amendment of the Committee on Energy and Commerce.)

By Mr. TAUKE:

—Page 4, strike out line 11 and all that follows through page 6, line 8, and insert in lieu thereof the following:

"(2) no Federal agency shall have any authority to select a frequency for such radio broadcasting, and the Board shall not have any authority to operate on a frequency for such radio broadcasting, if such frequency, as of the date of the enactment of the Radio Broadcasting to Cuba Act (A) is allocated to non-Government radio broadcasting in the United States; or (B) is within 10 kilohertz of any frequency allocated to non-Government radio broadcasting in the United States.".

Page 3, line 24, strike out "(d)(1)" and insert in lieu thereof "(d)".

Page 4, line 1, strike out "(A)" and insert in lieu thereof "(1)".

—Page 5, line 18, insert before the period the following: ", except that the Assistant Secretary shall not have any authority to select any radio frequency allocated for use by any broadcasting station which is designated to function as an originating primary relay station under the emergency broadcast system established in subpart G of part 73 of title 47, Code of Federal Regulations".

H.R. 6308

By Mr. MATSUI:

(To the amendment in the nature of a substitute.)

Page 2, lines 3 and 4, strike out "amended by adding at the end a new subsection as follows:" and insert in lieu thereof the following:

amended—

(1) by amending subsection (h)(1) to read as follows:

"(h)(1)(A) The Secretary shall, within one year after the date of enactment of the Federal Railway Safety Authorization Act of 1982, issue initial rules, regulations, orders, and standards to insure that the contruction, maintenance, and operation of railroad passenger equipment maximize safety to rail passengers. The Secretary shall periodically review such rules, regulations, orders, and standards and shall, after a hearing in accordance with subsection (b) of this section, make such revisions in such rules, regulations, orders, and standards as may be necessary.";

(2) by redesignating subsection (h)(2) as subsection (h)(1)(B);

(3) by striking out "subsection" in subsection (h)(1)(B), as redesignated by paragraph (2) of this section, and inserting in lieu thereof "paragraph";

(4) by inserting after subsection (h)(1)(B), as so redesignated, a new paragraph as follows:

"(2) The Secretary shall, within two years after the date of enactment of the Federal Railroad Safety Authorization Act of 1982, issue initial rules, regulations, orders, and standards to require initial and periodic subsequent training of on-board railroad operating and service personnel in evacuation procedures and the use of emergency equipment. The Secretary shall periodically review such rules, reglations, orders, and standards and shall, after a hearing in accordance with subsection (b) of this section, make such revisions in such rules, regulations, orders, and standards as may be necessary.";

(5) by redesignating subsection (h)(4) as subsection (h)(5);

(6) by inserting after subsection (h)(3) a new paragraph as follows:

"(4) The Secretary shall submit to the Congress a report—

"(A) within one year after the date of enactment of the Federal Railroad Safety Authorization Act of 1982 with respect to rules, regulations, orders, and standards issued under paragraph (1) of this subsection, and

"(B) within two years after the date of enactment of the Federal Railroad Safety Authorization Act of 1982 with respect to rules, regulations, orders, and standards issued under paragraph (2) of this subsection,

which describes any rules, regulations, orders, and standards issued or to be issued under this subsection, explains the reasons for their issuance, and compares them to comparable Federal regulations and procedures which apply to other modes of transportation, especially those administered and enforced by the Federal Aviation Administration."; and

(7) by adding at the end a new subsection as follows:

H.R. 6892

By Mr. WAMPLER:

Amendment in the nature of a substitute.

That this Act may be cited as the "Food and Agriculture Reconciliation Act—Fiscal Year 1983".

TITLE I—DAIRY

Subtitle A—Dairy Price-Support Program

SEC. 101. Section 201 of the Agricultural Act of 1949, as amended by the Agriculture and Food Act of 1981, is amended by—

(1) effective October 1, 1982, striking out everything in subsection (c) after the first sentence and preceding the sentence which begins "Such price support shall be provided";

(2) adding a new subsection (d) as follows:

"(d) Notwithstanding any other provision of law—

"(1)(A) For that portion of the national milk supply required to meet domestic commercial market needs (i) effective for the period beginning October 1, 1982, and ending September 30, 1983, the price of such milk shall be supported at $13.10 per hundredweight of milk containing 3.67 per centum milkfat; and (ii) effective for each of the fiscal years beginning October 1, 1983, and October 1, 1984, the price of such milk shall be supported at such level that represents the percentage of parity that the Secretary determines $13.10 represented as of October 1, 1982. That portion of the national supply required to meet domestic commercial market needs shall be the estimate of marketings of milk by producers minus the estimate of removals of milk from the market by the Commodity Credit Corporation under the price support program; and that portion of the national milk supply determined excess to domestic commercial market needs shall be the estimated removals of milk from the market by the Commodity Credit Corporation under the price support program.

"(B) The level of price support provided producers on that portion of the national milk supply determined excess to domestic commercial market needs shall be the level of price support provided for in subparagraph (A) reduced by such uniform rate as determined by the National Dairy Board as necessary to recover the funds required to meet that portion of the cost of the price support program which is the responsibility of producers of milk as defined in paragraph (2). Such level of price support shall be (i) determined by the National Dairy Board provided for in paragraph (6); (ii) announced prior to October 1 of the fiscal year to which the rate applies and may be adjusted during the fiscal year as determined necessary by the National Dairy Board; and (iii) shall be achieved through a uniform reduction of the price paid producers on that portion of the national milk supply determined excess to domestic commercial market needs. The funds represented by such reduction shall be remitted to the Commodity Credit Corporation at such time and such manner as prescribed by the Secretary by each person making payment to a producer for milk purchased from the producer, except that in the case of any producer who markets milk of the producer's own production directly to consumers, such funds shall be remitted to the Corporation by the producer. The Corporation shall credit the funds received by it under this provision to the account of the National Dairy Board. Such account shall bear interest at the same rate as payable by Commodity Credit Corporation on its borrowings from the United States Treasury. The funds represented by such reduction shall be considered as included in the payments to a producer of milk for purposes of the minimum price provisions of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937.

"(2) Producers of milk shall have responsibility in each fiscal year during which this program is in effect for (A) that portion of the estimated total cost of Commodity Credit Corporation purchases under the price support program for milk represented by purchases in excess of five billion pounds (milk equivalent), related costs associated with such purchases and costs associated with inventory management and disposition of products related to said purchases in excess of five billion pounds (milk equivalent), (B) the amount of marketing reduction incentive payments due producers under paragraph (4) for reductions in their milk production, (C) anticipated administrative expenses of the Board, and the expenses arising from the operations of the Board under this subsection, and (D) any balance remaining from the immediately preceding fiscal year on advances made to the Board by the Commodity Credit Corporation as provided for in paragraph (3). There shall be deducted from such total amount the estimated receipts from the sale or transfer of dairy products and other operations conducted under this subsection. For the purposes of this paragraph the estimated cost of purchases of five billion pounds (milk equivalent) shall be the dollar amount represented by the cost of purchasing and handling butter and nonfat dry milk produced from five billion pounds of milk of 3.67 per centum milkfat content. Price support operations under this Act shall not, however, be limited to the purchase of these products or to their purchase in the proportions they appear in milk. In the event of an increase in dairy product imports through action taken under section 22 of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624), the portion of the cost of the price support program which is the responsibility of producers shall be reduced by the milk

equivalent represented by such increased imports. The milk equivalent of any such increased imports shall be determined on either a solids-not-fat or milkfat-milk equivalent basis, whichever is higher.

"(3) The price of milk shall be supported through the purchase of milk and the products of milk. All such purchases shall be made at the level provided under paragraph (1)(A). If funds available to the Commodity Credit Corporation to meet that portion of the cost of the price support program which is the responsibility of producers are not adequate to meet current needs, purchases of dairy products shall be made using funds otherwise available to the Commodity Credit Corporation. Such expenditure shall be deemed an advance by the Commodity Credit Corporation to the National Dairy Board which shall be liable for its repayment with interest at the same rate as payable by the Commodity Credit Corporation on its borrowings from the United States Treasury. The National Dairy Board shall make provision for repayment of any balance outstanding at the end of any fiscal year by the end of the succeeding fiscal year. Funds for such repayment shall be provided in the manner prescribed in paragraph (1)(B) or through sales of products under the provisions of paragraph (8).

"(4)(A) If the level of price support provided for under paragraph (1)(B) is less than the level of price support provided for under paragraph (1)(A), a payment shall be made to any producer who can establish that the producer's marketings of milk during the period described in subparagraph (D) have been reduced from the level of marketings during the corresponding period of the prior fiscal year.

"(B) Prior to approving such payment, the Board shall require evidence that such reduction in marketings has taken place including a certification by the producer in a form specified by the Board, that such reduction is a net decrease in marketings of milk and has not been offset by expansion of production in other production facilities in which the person has an interest or by transfer of partial interest in the production facility or by the taking of any other action which is a scheme or device to qualify for payment.

"(C) The payment due any producer under this paragraph shall be determined by multiplying the number of hundredweights of milk by which marketings were reduced from those for the same period a year earlier by a rate in dollars per hundredweight established by the Board: *Provided*, That no refund shall be made on a quantity of milk in excess of the quantity for which the person was paid at the rate provided under paragraph (1)(B) nor shall the rate of payment exceed the difference between the level of price support provided under the paragraph (1)(A) and the level of price support under paragraph (1)(B).

"(D) The Board shall provide for application for such payment at least on a quarterly basis but not more frequently than monthly: *Provided*, That if application for payment is made for any period during the year, a year-end statement of marketings must be filed by the applicant. *Provided further*, That payments make under this section during the year shall be considered preliminary settlements for reductions in marketings. In making final settlement for the year, the Board shall base such settlements on the volume of marketings for the entire fiscal year. If, based on total marketings for the year, the Board should determine that preliminary settlements have resulted in overpayment to the producer, the producer shall repay the amount of the overpayment plus interest.

"(E) If a reduced level of support is provided under paragraph (1)(B) for consecutive fiscal years, the Board shall recognize the actions taken by persons in reducing milk marketings in any of such years preceding the current fiscal year when determining eligibility for payment in the current fiscal year: *Provided*, That if a person increases milk marketings in the current fiscal year from the year of reduced marketings, any payment made to that person shall be adjusted to reflect such increase. If a person increases marketings to a level in excess of the marketings of said person during the fiscal year immediately preceding the first fiscal year the program was effective, no payment will be made.

"(F) Eligibility for payment under this paragraph is limited to those producers who made reductions in their marketings of milk and is not transferable to any other person.

"(5) In carrying out this subsection, the Board may, on a reimbursable or nonreimbursable basis, as it deems appropriate, utilize—

"(A) marketing administrators appointed by the Secretary for the administration of Federal milk marketing orders promulgated under provisions of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937;

"(B) State and county committees established under section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h); or

"(C) administrators of State milk marketing programs.

"(6)(A) There shall be established a National Dairy Board (hereinafter referred to as the "Board") that shall consist of fifteen members plus the Secretary;

"(B) The fifteen members of the Board (other than the Secretary) shall be appointed by the President with the advice and consent of the Senate from recommendations submitted by organizations certified by the Secretary as eligible to make such recommendations. Nominations to the initial Board shall be submitted by the President to the Senate for its advice and consent not later than January 1, 1983;

"(C) In making such appointments, the President shall take into account the geographical distribution of milk production volume throughout the United States;

"(D) The term of Board members shall be three years and no member shall be eligible to serve more than two consecutive terms: *Provided*, That in making initial appointments to the Board, the President shall designate one-third of the appointments as one-year terms, one-third of the appointments as two-year terms, and one-third of the appointments as three-year terms;

"(E) Vacancies on the Board shall be filled by the President in the same manner as initial appointments are made;

"(F) The members of the Board shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in their performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

(G) The Secretary shall certify as eligible to make recommendations for Board membership, any organization that is determined to meet the eligibility criteria established by the Secretary upon the submission of a factual report which shall contain information deemed relevant and specified by the Secretary including, but not limited to the following:

(1) geographical territory covered by the organization's active membership;

(2) nature and size of the organization's active membership, including the proportion of the total number of active milk producers represented by the organization;

(3) evidence of stability and permanency of the organization;

(4) sources from which the organization's operating funds are derived; and

(5) functions of the organization.

(H) If the Secretary determines that a substantial number of milk producers are not members of, or their interests are not represented by any such eligible organization, nominations for the Board may be made from recommendations made by such milk producers in the manner authorized by the Secretary.

"(7)(A) At its initial meeting, the Board shall elect from its members a chairman, vice chairman, and secretary-treasurer. These officers shall have a term of one year. The Secretary shall not be eligible for service in these positions.

"(B) The chairman shall preside at all meetings of the Board and shall be responsible for supervision and direction of any personnel employed by the Board to carry out the directives of the Act.

"(C) The Vice Chairman shall, in the absence of the Chairman, preside at meetings of the Board. In the event the office of Chairman is vacated by the death, resignation, or by disqualification of the incumbent, the Vice Chairman shall assume those duties until a successor has been duly named and qualified by the Board.

"(D) The secretary-treasurer shall be responsible for maintenance of such records as may be required by the Board. In addition, the secretary-treasurer shall prepare such reports as are necessary including an annual report to the chairman of the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and the chairman of the Committee on Agriculture of the United States House of Representatives.

"(E) Regular meetings of the Board shall be held on a schedule determined by the Board. Special meetings may be called by the Chairman, by the Secretary or by a majority of the Board requesting the Chairman convene such special meeting.

"(F) The Board may issue such regulations as are necessary for the conduct of activities required by this subsection.

"(G) The Board may employ such personnel as may be required to assist in carrying out the purposes of this subsection. Such employees shall be considered employees of the Department of Agriculture, however, costs of such employment shall be met from funds available to the Board under this subsection for the conduct of its activities.

"(8) Notwithstanding any other provision of law, the Board shall have the following duties and responsibilities—

"(A) based on estimates of milk production, consumption, and Commodity Credit Corporation purchases, determine the relative proportions of milk to which the price support levels provided for in paragraph (1) shall apply;

"(B) determine the amount of the producer responsibility for dairy product purchases as determined under paragraph (2);

"(C) determine and announce prior to October 1 of each year, the level of price support under paragraph (1)(B) and the uniform rate by which the price paid farmers for milk determined to be in excess of domestic commercial market needs shall be reduced to achieve the level of price support provided for in paragraph (1)(B);

"(D) dispose of dairy products acquired by the Commodity Credit Corporation through price support operations provided for herein. Such dispositions may include, but are not limited to—

"(i) sales to the domestic commercial trade for unrestricted use: *Provided*, That in no event shall such sales be made at a price less than the higher of the current market price or 110 per centum of the currently effective price for purchase of the product by the Commodity Credit Corporation;

"(ii) transfer to Federal, State, and local government agencies for use in food assistance programs. Such programs shall include the child nutrition programs of the Department of Agriculture, elderly feeding programs, and others whether of an ongoing or of a temporary nature designed to meet short-term conditions. Unless otherwise provided for by law, the rate of reimbursement for commodities used in such programs shall be determined by the Board: *Provided*, That dairy products, not in excess of five billion pounds (milk equivalent) made available for child nutrition programs operated by the Food and Nutrition Service of the Department of Agriculture and similar programs including those conducted under the Older Americans Act, shall be made available at the request of the Secretary without cost annually;

"(iii) sales to persons engaged in international commerce for the purpose of commercial export sales of said dairy products;

"(iv) sales and transfers of dairy products to foreign governments, agencies of foreign governments, or international agencies; and

"(v) other sales or donation efforts to meet specific needs, as determined by the Board. This may include, but is not limited to, disposition of dairy products for other than unrestricted commercial use to prevent waste, deterioration, or loss of the product;

"(E) the Board shall have authority to direct the reprocessing and, if necessary, repackaging of dairy products to facilitate operations undertaken pursuant to this paragraph;

"(F) proceeds realized from any operations undertaken pursuant to this paragraph shall be remitted to the Commodity Credit Corporation and credited to the account of the Board;

"(G) if, in the judgment of the Board, any of the operations provided for in subparagraph (D) can be more effectively carried out through products other than those purchased by the Commodity Credit Corporation or on a basis other than through purchase by the Commodity Credit Corporation and subsequent resale or transfer, the Board shall develop and announce details of such programs;

"(H) make recommendations to the Secretary regarding details of the operation of the price support program for milk; and

"(I) establish and announce the rate of the marketing reduction incentive payment provided for in paragraph (4).

"(9) The Secretary of Agriculture shall—

"(A) exercise the authority vested in the Board by this subsection until such time as the initial Board has begun functioning, but in no event later than April 1, 1983;

"(B) serve as a member of the Board;

"(C) cooperate with the Board in the performance of its duties, including providing the Board access to all pertinent economic and financial data and information necessary to the achievement of its responsibilities, and provide the Board with such facilities and support as may be determined necessary;

"(D) collect from all persons who make payment to farmers for milk and from farmers who market milk of their own production directly to consumers, the funds derived from the reduction in prices paid farmers for that portion of the national milk supply determined excess to the needs of the domestic commercial market so as to achieve the level of price support provided for in paragraph (1)(B);

"(E) provide for audit and verification to determine that all funds due have been collected and properly credited;

"(F) provide for the delivery from the inventories of the Commodity Credit Corporation dairy products acquired in the conduct of the price support program for milk. Such deliveries shall be in the form and at the time and place directed by the Board; and

"(G) provide for the payment of obligations incurred by the Board in carrying out its responsibilities. Such obligations shall be paid from funds available to the Board under this subsection. Such payments shall be made at the direction of the Board.

"(10)(A) The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violation, any regulation issued under this subsection. Any such civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action: *Provided*, That nothing in this subsection may be construed as requiring the Secretary to refer to the Attorney General minor violations of this subsection whenever the Secretary believes that the administration and enforcement of this subsection would be adequately served by suitable written notice or warning to any person committing such violation.

"(B) Any person who willfully violates any provision of any regulation issued by the Secretary or the Board under this subsection, or who willfully fails or refuses to remit any amounts due thereunder shall be liable, in addition to payment of the full amount due plus interest, for a civil penalty (to be assessed by the Secretary) of not more than $1,000 for each such violation which shall accrue to the United States and may be recovered in a civil suit brought by the United States.

"(C) The remedies provided in subsections (A) and (B) of this section shall be in addition to, and not exclusive of, the remedies otherwise provided at law or in equity.

"(11) Each producer who markets milk and each person required to make payment to the Corporation under this subsection shall keep such records and make such reports, in such manner, as the Secretary determines necessary to carry out this subsection. The Secretary may make such investigations as the Secretary deems necessary for the effective administration of this subsection or to determine whether any person subject to the provision of this subsection has engaged or is engaged or is about to engage in any act or practice that constitutes or will constitute a violation of any provision of this subsection or rule or regulation issued under this subsection. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence and require the production of any books, papers, and documents that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever such person may be found.

"(12) All operations conducted under this subsection shall be considered a program or operation of the Department of Agriculture for the purposes of section 22 of the Agricultural Adjustment Act of 1933.".

Subtitle B—Dairy Promotion Act

SHORT TITLE

SEC. 110. This subtitle may be cited as the "Dairy Promotion Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 111. (a) The Congress finds that—

(1) dairy products are basic foods that are a valuable part of the human diet;

(2) the production of dairy products plays a significant role in the Nation's economy; the milk from which dairy products are manufactured is produced by thousands of milk producers; and dairy products are consumed by millions of people throughout the United States;

(3) dairy products must be readily available and marketed efficiently to assure that the people of the United States receive adequate nourishment;

(4) the maintenance and expansion of existing markets for dairy products is vital to the welfare of milk producers and those concerned with marketing, using, and producing dairy products, as well as to the general economy of the Nation; and

(5) dairy products move in interstate and foreign commerce, and dairy products that do not move in such channels of commerce directly burden or affect interstate commerce in dairy products.

(b) It, therefore, is declared to be the policy of the Congress that it is essential and in the public interest to authorize the establishment, through the exercise of the powers provided herein, of an orderly procedure for the financing (through adequate assessments on all milk produced in the United States for commercial use) and the carrying out of an effective and continuous coordinated program of promotion designed to strengthen the dairy industry's position in the marketplace, and maintain and expand domestic and foreign markets and uses for dairy products produced in the United States. Nothing in this subtitle may be construed to mean, or provide for, control of production or otherwise limit the right of individual milk producers to produce milk.

DEFINITIONS

SEC. 112. As used in this subtitle—

(1) the term "Board" means the National Dairy Promotion Board established under section 114 of this subtitle;

(2) the term "Department" means the Department of Agriculture;

(3) the term "dairy products" means manufactured products for human consumption which are derived from the processing of milk, and includes fluid milk products;

(4) the term "fluid milk products" means manufactured liquid products derived from the processing of milk and customarily consumed as beverages;

(5) the term "milk" means all classes of cow's milk produced in the United States;

(6) the term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity;

(7) the term "producer" means any person engaged in the production of milk within the United States for commercial use;

(8) the term "promotion" means actions such as paid advertising, sales promotion, and publicity to advance the image and sales of, and demand for, dairy products;

(9) the term "Secretary" means the Secretary of Agriculture; and

(10) the term "United States" means the several States and the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

ISSUANCE OF ORDERS

SEC. 113. (a) Whenever the Secretary has reason to believe that the issuance of a proposed dairy products promotion order will tend to effectuate the declared policy of this subtitle, the Secretary shall give due notice and opportunity for hearing upon the proposed order. Such proposal for an order may be submitted and a hearing may be requested and proposed for an order submitted by an organization certified under section 116 of this subtitle, or by any interested person affected by the provisions of the subtitle, including the Secretary.

(b) After notice and opportunity for hearing are given, as provided for in subsection (a) of this section, the Secretary shall issue a dairy products promotion order if the Secretary finds (and sets forth in such order), upon the evidence introduced at such hearing, that the issuance of such order and all the terms and conditions thereof will tend to effectuate the declared policy of this subtitle.

(c) The Secretary may, from time to time, amend dairy products promotion orders.

REQUIRED TERMS IN ORDERS

SEC. 114. Any order issued under this subtitle shall contain the following terms and conditions:

(1) Providing for the establishment and appointment by the Secretary of a National Dairy Promotion Board that shall consist of not fewer than thirty-six members; and providing for the definition of powers and duties of the Board that shall include only the powers enumerated in this section, including the powers to (A) administer such order in accordance with its terms and provisions, (B) make rules and regulations to effectuate the terms and provisions of such order, (C) receive, investigate, and report to the Secretary complaints of violations of such order, and (D) recommend to the Secretary amendments to such order. The term of an appointment to the Board shall be for three years with no member serving more than two consecutive terms, except that initial appointments shall be proportionately for two-year and three-year terms. The Board may appoint from its members an executive committee whose membership shall, to the maximum extent practicable, reflect the membership composition of the Board. Such executive committee shall have such duties and powers as are conferred upon it by the Board.

(2) Providing that members of the Board shall be milk producers appointed by the Secretary from nominations submitted by eligible organizations or associations certified under section 116 of this subtitle, or, if the Secretary determines that a substantial number of milk producers are not members of, or their interests are not represented by, any such eligible organization or association, then from nominations made by such milk producers in the manner authorized by the Secretary: *Provided,* That in making such appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of milk production volume throughout the United States. In determining geographic representation, whole States shall be used as a unit. A region may be represented by more than one director and a region may be made up of more than one State.

(3) Providing that the Board shall develop and submit to the Secretary for approval any promotion plan or project, and that any such plan or project shall take effect only if approved by the Secretary.

(4) Providing that the Board shall submit to the Secretary for approval budgets, on a fiscal period basis, of its anticipated expenses and disbursements in the administration of the order, including probable costs of dairy product promotion projects.

(5) Providing that each milk producer shall pay, at the plant of first receipt, an assessment based upon the number of hundredweights of milk for commercial use, handled for the account of the producer, in the manner as prescribed by the order, for the expenses and expenditures (including provision for a reasonable reserve and those administrative costs incurred by the Department after an order has been promulgated under this subtitle), as the Secretary finds are reasonable and likely to be incurred by the Board under the order during any period specified by the Secretary. The operator of such plant shall collect such assessment from the producer and shall pay the sum to the Board in the manner as prescribed by the order. The rate of assessment prescribed by the order shall be five cents per hundredweight of milk for commercial use, or the equivalent thereof. To facilitate the collection of such assessments, the order or the Board may designate different operators of plants or classes of such operators to recognize differences in marketing practices or procedures used in the industry. The Secretary may maintain a suit against any person subject to the order for the collection of such assessment, and the several district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy.

(6) Providing that the Board shall maintain such books and records (which shall be available to the Secretary for inspection and audit) and prepare and submit such reports from time to time to the Secretary, as the Secretary may prescribe, including reports requiring an appropriate accounting by the Board with respect to the receipt and disbursement of all funds entrusted to it.

(7) Providing that the Board, with the approval of the Secretary, may enter into contracts or agreements for the development and conduct of the activities authorized under the order under terms and conditions specified in subsection (a) of section 115 of this subtitle for the payment of the cost thereof with funds collected through the assessments under the order. Any such contract or agreement shall provide that (A) the contractors shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project, and (B) the plan or project shall become effective upon the approval of the Secretary, and (C) the contracting party shall keep accurate records of all of its transactions and make periodic reports to the Board of activities conducted and an accounting for funds received and expended, and such other reports as the Secretary may require.

(8) Providing that the Board, with the approval of the Secretary, may invest, pending disbursement under a plan or project, funds collected through assessments authorized under this subtitle only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

(9) Providing that no funds collected by the Board under the order shall in any manner be used for the purpose of influencing any governmental policy or action, except as provided by paragraph (1)(D) of this section.

(10) Providing that the Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Board, including a per diem allowance as recommended by the Board and approved by the Secretary.

PERMISSIVE TERMS IN ORDERS

SEC. 115. Orders issued under this subtitle may contain one or more of the following terms and conditions:

(1) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for advertising and promotion of the sale and consumption of dairy products, and for the disbursement of necessary funds for such purposes: *Provided,* That any such plan or project shall be directed toward the sale and marketing or use of dairy products to the end that the marketing and use of dairy products may be encouraged, expanded, improved, or made more acceptable and shall make no reference to private brand or trade name: *Provided further,* That no such advertising or sales promotion program shall make use of unfair or deceptive acts or practices with respect to the quality, value, or use of any competing product: *And provided further,* That during the two-year period beginning on the effective date of an order first issued under this section, fluid milk products may not be promoted under this subtitle.

(2) Providing that operators of plants receiving from producers milk for commercial use maintain and make available for inspection such books and records as may be required by any order issued under section 113(a) of this subtitle; and providing for the filing of reports by such persons at the time, in the manner, and having content prescribed by the order, to the end that infor-

mation and data appropriate or necessary to the effectuation, administration, or enforcement of this subtitle, or any order or regulation issued under section 113(a) of this subtitle shall be made available to the Secretary: *Provided,* That all information so obtained shall be kept confidential by all officers and employees of the Department, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order with reference to which the information to be disclosed was furnished or acquired. Nothing in this paragraph shall be deemed to prohibit (A) the issuance of general statements, based upon the reports, or the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person, or (B) the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such persons. No information obtained under the authority of this subtitle may be made available to any agency or officer of the Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement actions necessary for the implementation of this subtitle. Any person violating the provisions of this subsection, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or to both, and, if an officer or employee of the Board or the Department, shall be removed from office.

(3) Providing terms and conditions incidental to and not inconsistent with the terms and conditions specified in this subtitle and necessary to effectuate the other provisions of such order.

CERTIFICATION OF ORGANIZATIONS

SEC. 116. (a) The eligibility of any organization to represent milk producers, to request the issuance of an order under section 113(a) of this subtitle and to participate in the making of nominations under section 114(2) of this subtitle shall be certified by the Secretary. The Secretary shall certify any organization that the Secretary determines meets the eligibility criteria established by the Secretary under this section, and the Secretary's determination as to eligibility shall be final.

(b) Certification shall be based, in addition to other available information, upon a factual report submitted by the organization, which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including the following:

(1) The geographic territory covered by the organization's active membership.

(2) The nature and size of the organization's active membership, including the proportion of the total number of active milk producers represented by the organization.

(3) Evidence of stability and permanency of the organization.

(4) Identification of the sources from which the organization's operating funds are derived.

(5) The functions of the organization.

(6) A statement describing the organization's ability and willingness to further the aims and objectives of this subtitle.

The primary considerations in determining the eligibility of an organization shall be whether its membership consists primarily of milk producers who produce a substantial volume of milk and whether the primary or overriding interest of the organization is in the production of milk and dairy products.

REQUIREMENT OF REFERENDUM

SEC. 117. (a) The Secretary shall conduct a referendum as soon as practicable among producers who during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use for the purpose of ascertaining whether the issuance of an order is approved or favored by the producers. No order issued under this subtitle may be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than one-half of the producers voting in the referendum.

(b) The Secretary shall be reimbursed from assessments collected by the Board for any expenses (other than salary payments to Government employees) incurred for the conduct of the referendum.

SUSPENSION AND TERMINATION OF ORDERS

SEC. 118. (a) The Secretary shall, whenever the Secretary finds that any order issued under this subtitle or any provision thereof obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such order or such provisions thereof.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of a representative group comprising 10 per centum or more of the number of producers subject to the order, to determine whether the producers favor the termination or suspension of the order. The Secretary shall suspend or terminate the order within six months after the Secretary determines that suspension or termination of the order is approved or favored by a majority of the producers voting in the referendum who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use.

(c) Prior to the fifth anniversary of any order issued under this subtitle, the Secretary shall conduct a referendum to determine if producers support continuation of such order. The Secretary shall terminate such order unless its continuation is approved or favored by a majority of producers voting in the referendum who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use.

(d) The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this subtitle.

COOPERATIVE ASSOCIATION REPRESENTATION

SEC. 119. Whenever, pursuant to the provisions of this subtitle, the Secretary is required to determine the approval or disapproval of producers, the Secretary shall consider the approval or disapproval by any bona fide cooperative association of producers, engaged in marketing milk or dairy products as the approval or disapproval of the producers who are members of or under contract with such cooperative association of producers: *Provided,* That if a cooperative association of producers elects to exercise this prerogative on behalf of its members, such cooperative association shall provide each producer on whose behalf the cooperative association is expressing approval or disapproval a description of the question presented in the referendum together with a statement of the manner in which the cooperative association vote was cast on behalf of the membership. Such information shall inform the producer of procedures to follow to cast an individual ballot should such producer choose to vote. Such individual ballots shall be tabulated by the Secretary and the vote of the cooperative association shall be adjusted to reflect such individual votes.

PETITION AND REVIEW

SEC. 120. (a) Any person subject to any order may file, with the Secretary a petition stating that any such order, any provision of such order, or any obligation imposed in connection with such order is not in accordance with law and praying for a modification thereof or for an exemption therefrom. The petitioner shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations issued by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition, which shall be final, if in accordance with law.

(b) The district courts of the United States in any district in which such person is an inhabitant, or carries on business, are hereby vested with jurisdiction to review such ruling, if a complaint for the purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering a copy of the complaint to the Secretary. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires.

ENFORCEMENT

SEC. 121. (a) The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued under this subtitle. Any such civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action: *Provided,* That nothing in this subtitle may be construed as requiring the Secretary to refer to the Attorney General minor violations of this subtitle whenever the Secretary believes that the administration and enforcement of this subtitle would be adequately served by suitable written notice or warning to any person committing such violation.

(b) Any person who willfully violates any provision of any order issued by the Secretary under this subtitle or who willfully fails or refuses to remit any assessment or fee duly required thereunder, shall be liable to a penalty (to be assessed by the Secretary) of not more than $1,000 for each such violation which shall accrue to the United States and may be recovered in a civil suit brought by the United States.

(c) The remedies provided in subsections (a) and (b) of this section shall be in addition to, and not *in* lieu of, the remedies otherwise provided at law or in equity.

INVESTIGATIONS; POWER TO SUBPENA AND TAKE OATHS AND AFFIRMATIONS; AID OF COURTS

SEC. 122. The Secretary may make such investigations as the Secretary deems necessary for the effective administration of this subtitle or to determine whether any person subject to the provisions of this subtitle has engaged or is about to engage in any act or practice that constitutes or will constitute a

violation of any provision of this subtitle or of any order, rule, or regulation issued under this subtitle. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence and require the production of any books, papers, and documents that are relevant to the inquiry. Such attendence of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents. Such court may issue an order requiring such person to appear before the Secretary, there to produce records, as so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever such person may be found.

ADMINISTRATIVE PROVISIONS

SEC. 123. (a) Nothing in this subtitle may be construed to preempt or supersede any other program relating to dairy product promotion organized and operating under the laws of the United States or any State.

(b) The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

AUTHORIZATIONS

SEC. 124. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle. Sums authorized to be appropriated by this subtitle shall not be available for payment of the expenses or obligation incurred by the Board in administering any order issued under this subtitle.

Subtitle C—Donation of Dairy Products

SEC. 130. Section 416 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, such dairy products may be donated for distribution to needy households in the United States. Such dairy products may also be donated through foreign governments and public and nonprofit private humanitarian organizations for the assistance of needy persons outside the United States, and the Commodity Credit Corporation may pay, with respect to commodities so donated, reprocessing, packaging, transporting, handling, and other charges, including the cost of overseas delivery. In order to assure that any such donations for use outside the United States are coordinated with and complement other United States foreign assistance, such donations shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 and shall be in addition to the level of assistance programed under that Act.".

TITLE II—ADJUSTMENT PROGRAM FOR THE 1983 CROPS OF WHEAT, FEED GRAINS, UPLAND COTTON AND RICE

1983 CROP WHEAT LOANS

SEC. 201. Section 107B(a) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this subsection, the Secretary shall make available to producers loans and purchases for the 1983 crop of wheat at not less than $3.80 per bushel.".

1983 CROP WHEAT ACREAGE REDUCTION AND DIVERSION PROGRAM

SEC. 202. Section 107B(e)(1) of the Agricultural Act of 1949 is amended by—

(1) striking out in the first sentence "Notwithstanding any other provision of this section, the" and inserting in lieu thereof "Notwithstanding any other provision of law—

"(A) Except as provided in subparagraph (B) of this paragraph, the"; and

(2) adding at the end thereof the following:

"(B) For the 1983 crop of wheat the Secretary shall provide for a combination of (i) an acreage limitation program as described under paragraph (2) or a set-aside program as described under paragraph (3) and (ii) a diversion program as described under paragraph (5) under which the acreage planted to wheat on the farm would be limited to the acreage base for the farm reduced by a total of 25 per centum, consisting of a reduction of 15 per centum under the acreage limitation or set-aside program and a reduction of 10 per centum under the diversion program. As a condition of eligibility for loans, purchases and payments on the 1983 crop of wheat, the producers on a farm must comply with the terms and conditions of the combined acreage limitation or set-aside program and diversion program.".

WHEAT ACREAGE BASE

SEC. 203. Section 107B(e)(2) of the Agricultural Act of 1949 is amended by inserting immediately after the fifth sentence the following: "Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the programs for the 1983, 1984, and 1985 crops of wheat shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base: *Provided*, That the acreage base for each wheat producing farm that follows a normal summer-fallow crop rotational practice and has a 3-year history of such practice shall be calculated by multiplying one-half the announced acreage limitation or set-aside percentage by the acreage annually idled and devoted to conservation practices and adding the result to the acreage planted on the farm to wheat for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made.".

1983 CROP RETIREMENT AND CONSERVATION PAYMENTS FOR WHEAT

SEC. 204. Section 107B(e)(5) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this paragraph, the Secretary shall make crop retirement and conservation payments available to any producer of the 1983 crop of wheat who participates in the acreage limitation or set-aside program for such crop of wheat under paragraph (2) or (3) of this subsection, as applicable, if the permitted acreage for the farm as determined under such paragraph is reduced by an amount equivalent to 10 per centum of the acreage base for the farm in addition to the reduction under such paragraph, and the producer devotes to approved conservation uses an equivalent acreage of cropland in addition to the acreage devoted to conservation uses under such paragraph. Such payments shall be made in an amount computed by multiplying (i) the rate of $3.00 per bushel by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subsection. The Secretary shall make not less than 50 per centum of any payments under this paragraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this paragraph, subject to the provisions of subsection (f), the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.".

1983 FEED GRAIN LOANS

SEC. 205. Section 105B(a)(1) of the Agricultural Act of 1949 is amended by inserting at the end thereof the following: "Notwithstanding the foregoing provision of this subsection, the Secretary shall make available to producers loans and purchases for the 1983 crop of corn at not less than $2.71 per bushel.".

1983 CROP FEED GRAIN ACREAGE REDUCTION AND DIVERSION PROGRAM

SEC. 206. Section 105B(e)(1) of the Agricultural Act of 1949 is amended by—

(1) striking out in the first sentence "Notwithstanding any other provision of this section, the" and inserting in lieu thereof "Notwithstanding any other provision of law—

"(A) Except as provided in subparagraph (B) of this paragraph, the"; and

(2) adding at the end thereof the following:

"(B) If on October 15, 1982, the Secretary estimates that the 1982 crop of corn will be in excess of 7.3 billion bushels, the Secretary shall announce on such date that there will be in effect for the 1983 crop of feed grains a combination of (i) an acreage limitation program as described under paragraph (2) or a set-aside program as described under paragraph (3) and (ii) a diversion program as described under paragraph (5) under which the acreage planted to feed grains on the farm would be limited to the acreage base for the farm reduced by a total of 20 per centum, consisting of a reduction of 10 per centum under the acreage limitation or set-aside program and a reduction of 10 per centum under the diversion program. As a condition of eligibility for loans, purchases and payments on the 1983 crop of feed grains, the producers on a farm must comply with the terms and conditions of the combined acreage limitation or set-aside program and diversion program.".

FEED GRAINS ACREAGE BASE

SEC. 207. Section 105B(e)(2) of the Agricultural Act of 1949 is amended by inserting immediately after the sixth sentence the following: "Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under programs for the 1983, 1984, and 1985 crops of feed grains shall be the same as the acreage base applicable to the farm under the acreage limita-

tion program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base: *Provided*, That the acreage base for each feed grain producing farm that follows a normal summer-fallow crop rotational practice and has a 3-year history of such practice shall be calculated by multiplying one-half the announced acreage limitation or set-aside percentage by the acreage annually idled and devoted to conservation practices and adding the result to the acreage planted on the farm to feed grains for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made.".

1983 CROP RETIREMENT AND CONSERVATION PAYMENTS FOR FEED GRAINS

SEC. 208. Section 105B(e)(5) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this paragraph, if the Secretary announces under paragraph (1)(B) of this subsection that there will be in effect a diversion program on the 1983 crop of feed grains, the Secretary shall make crop retirement and conservation payments available to any producer of the 1983 crop of feed grains who participates in the acreage limitation or set-aside program for such crops of feed grains under paragraph (2) or (3) of this subsection, as applicable, if the permitted acreage for the farm as determined under such paragraph is reduced by an amount equivalent to 10 per centum of the acreage base for the farm in addition to the reduction under such paragraph, and the producer devotes to approved conservation uses an equivalent acreage of cropland in addition to the acreage devoted to conservation uses under such paragraph. Such payment shall be made in an amount computed by multiplying (i) the payment rate, by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subsection. The payment rate for corn shall be in the amount of $1.50 per bushel and in the case of grain sorghums, oats, and, if designated by the Secretary, barley shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn. The Secretary shall make not less than 50 per centum of any payments under this paragraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this paragraph, subject to the provisions of subsection (f), the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.".

1983 CROP UPLAND COTTON ACREAGE REDUCTION PROGRAM

SEC. 209. Section 103(g)(9)(A) of the Agricultural Act of 1949 is amended by—

(1) inserting immediately after the third sentence the following: "If the Secretary should make the determination referred to in the first sentence of this subparagraph for the 1983 crop of upland cotton and establish an acreage reduction program for such crop, the Secretary shall provide that 25 per centum of any reduction required in the acreage base for the farm shall be made under the diversion program provided in subparagraph (B) and the balance of the reduction shall be made under an acreage limitation program as provided in this subparagraph. In such event, as a condition of eligibility for loans, purchases and payments on the 1983 crop of upland cotton the producers on a farm must comply with the combined acreage limitation and diversion program.".

(2) inserting immediately after the eighth sentence (after the addition of paragraph (1) of this amendment) the following: "Notwithstanding any other provision of this subparagraph, the acreage base to be used for the farm under the programs for the 1983, 1984, and 1985 crops of upland cotton shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.".

1983 CROP RETIREMENT AND CONSERVATION PAYMENTS FOR UPLAND COTTON

SEC. 210. Section 103(g)(9)(B) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this paragraph, the Secretary shall make crop retirement and conservation payments available to any producer of the 1983 crop of upland cottion who participates in the acreage limitation program for such crop of upland cotton under subparagraph (A), if the permitted acreage for the farm as determined under such subparagraph is reduced by an amount equivalent to the reduction required by the Secretary to be made under this subparagraph in addition to the reduction made under the acreage limitation program, and the producer devotes to approved conservation uses an equivalent acreage of cropland in addition to the acreage devoted to conservation uses under such acreage limitation program. Such payments shall be made in an amount computed by multiplying (i) the rate of $.25 per pound by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subparagraph. The Secretary shall make not less than 50 per centum of any payments under this subparagraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this subparagraph, subject to the provisions of paragraph (13), the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.".

1983 CROP RICE ACREAGE REDUCTION AND DIVERSION PROGRAM

SEC. 211. Section 101(i)(5)(A) of the Agricultural Act of 1949 is amended by—

(1) striking out in the first sentence "Notwithstanding any other provision of this subsection, the" and inserting in lieu thereof "Notwithstanding any other provision of law, except as provided in the third and fourth sentences of this paragraph, the";

(2) inserting immediately after the second sentence of this paragraph the following: "If on November 15, 1982, the Secretary estimates that the 1982 crop of rice will be in excess of 145 million hundredweight, rough rice basis, the Secretary shall announce on such date that there will be in effect for the 1983 crop of rice a combination of (i) an acreage limitation program as described in this paragraph and (ii) a diversion program as described under paragraph (B) under which the acreage planted to rice on the farm would be limited to the acreage base for the farm reduced by a total of 20 per centum, consisting of a reduction of 10 per centum under the acreage limitation program and a reduction of 10 per centum under the diversion program. As a condition of eligibility for loans, purchases and payments on the 1983 crop of rice, the producers on a farm must comply with the terms and conditions of the combined acreage limitation and diversion program."; and

(3) inserting immediately after the ninth sentence (after the addition of paragraph (2) of this amendment) the following: "Notwithstanding any other provision of this subparagraph, the acreage base to be used for the farm under programs for the 1983, 1984, and 1985 crops of rice shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.".

1983 CROP RETIREMENT AND CONSERVATION PAYMENTS FOR RICE

SEC. 212. Section 101(i)(5)(B) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this paragraph, if the Secretary announces that there will be in effect a diversion program on the 1983 crop of rice, the Secretary shall make crop retirement and conservation payments available to any producer of the 1983 crop of rice who participates in the acreage limitation program for such crop of rice under subparagraph (A), if the permitted acreage for the farm is reduced by an amount equivalent to 10 per centum of the acreage base for the farm in addition to the reduction under subparagraph (A), and the producer devotes to approved conservation uses an equivalent acreage of cropland in addition to the acreage devoted to conservation uses under such subparagraph. Such payment shall be made in an amount computed by multiplying (i) a payment rate of $3.00 per hundredweight by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subparagraph. The Secretary shall make not less than 50 per centum of any payments under this subparagraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this subparagraph, subject to the provisons of paragraph (8), the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.".

TITLE III—FOOD STAMP ACT AMENDMENTS OF 1982

SHORT TITLE

SEC. 301. This title may be cited as the "Food Stamp Act Amendments of 1982."

HOUSEHOLD DEFINITION

SEC. 302. Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by—

(1) in the first sentence, striking out "parents and children" and inserting in lieu thereof "parents and children, or siblings,"; and inserting "or siblings" after "the parents"; and

(2) inserting after the first sentence a new sentence as follows: "Notwithstanding paragraph (1) of the preceding sentence, an individual who lives with others, who is 60 years of age or older, and who is unable to purchase food and prepare meals because such individual suffers, as certified by a licensed physician, from a disability which would be considered a permanent disability under section 221(i) of the Social Security Act (42 U.S.C. 421(i)) or from severe, permanent, and disabling physical or mental infirmity which is not symptomatic of a disease shall be considered, together with any of the others who is the spouse of such individual, an individual household without regard to the purchase of food and preparation of meals if the income of the others (as computed under section 5(d) for purposes of determining, without regard to such individual and spouse, eligibility to receive food stamp benefits) does not exceed 165 per centum of the applicable nonfarm income poverty guideline prescribed by the Office of Management and Budget, adjusted as described in section 5(c), for a household excluding such individual and spouse.".

ROUNDING DOWN

SEC. 303. (a) The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by—

(1) in clause (1), inserting "(based on the unrounded cost of such diet)" after "adjustments"; and

(2) in each of clauses (6) and (7), striking out "nearest dollar increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment for each household size".

(b) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in the second sentence, striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment"; and

(2) in the proviso to clause (2) of the fourth sentence, striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment".

(c) The first sentence of section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by inserting "lower" after "nearest".

DISABLED VETERANS AND SURVIVORS

SEC. 304. (a) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by adding at the end thereof a new subsection as follows:

"(r) 'Elderly or disabled member' means a member of a household who—

"(1) is sixty years of age or older;

"(2) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

"(3) receives disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.);

"(4) is a veteran who—

"(A)(i) has a wartime disability, peacetime disability, or disability by treatment or vocational rehabilitation, which is rated as total under section 314, 334, or 351, respectively, of title 38, United States Code; or

"(ii) is considered in need of regular aid and attendance or permanently housebound under any such section; or

"(iii) is considered permanently and totally disabled, in need of regular aid and attendance, or permanently housebound under subsection (a), (b), or (c), respectively, of section 502 of title 38, United States Code;

"(5) is a surviving spouse of a veteran and—

"(A) is considered in need of regular aid and attendance or permanently housebound under subsection (d) or (e), respectively, of section 541 of title 38, United States Code; or

"(B) receives veterans' compensation for a service-connected death or pension benefits for a non-service-connected death under section 321 or subchapter III of chapter 15, respectively, of title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)); or

"(6) is a child of a veteran and—

"(A) is considered permanently incapable of self-support under section 414 of title 38, United States Code; or

"(B) receives veterans' compensation for a service-connected death or pension benefits for a non-service-connected death under section 321 or subchapter III of chapter 15, respectively, of title 38, United States Code, and has a disability considered permanent under section 221(l) of the Social Security Act (42 U.S.C. 421(i)).".

(b) The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking out "sixty" and all that follows through "Act" the second place it appears and inserting in lieu thereof "an elderly or disabled member".

(c) Section 5(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(c)(1)) is amended by striking out "a member who is" and all that follows through "Act" the second place it appears and inserting in lieu thereof "an elderly or disabled member".

(d) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in the fourth sentence, striking out "a member" and all that follows through "Act" the second place it appears and inserting in lieu thereof "an elderly or disabled member";

(2) in the fifth sentence—

(A) striking out "a member" and all that follows through "Act" the second place it appears and inserting in lieu thereof "an elderly or disabled member"; and

(B) in clause (A), striking out "household" and all that follows through "Act" the second place it appears and inserting in lieu thereof "elderly or disabled members".

(e) The first sentence of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended by striking out "sixty years" and all that follows through "Act" the second place it appears and inserting in lieu thereof "elderly or disabled members".

COORDINATION OF COST-OF-LIVING ADJUSTMENTS

SEC. 305. Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by—

(1) at the end of clause (10), striking out "and"; and

(2) adding before the period at the end thereof the following: ", and (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under titles II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the adjustment".

ADJUSTMENT OF DEDUCTIONS

SEC. 306. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in clause (1) in the second sentence, striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983"; and

(2) in subdivision (i) of the proviso to clause (2) in the fourth sentence, striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983".

STANDARD UTILITY ALLOWANCES

SEC. 307. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) inserting after the fourth sentence the following: "In computing the excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations. An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be, or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households with regard to such expense only for excess utility costs. No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the other individual, household, or both."; and

(2) in subclause (B) of the last sentence, striking out "preceding sentence" and inserting in lieu thereof "fourth sentence of this subsection".

AVERAGING INCOME

SEC. 308. Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by inserting after subparagraph (B) a new subparagraph as follows:

"(C) In computing household income under this section, household income that is received on a regular weekly or biweekly basis from the same source(s) shall be converted to a monthly amount.".

MIGRANT FARMWORKERS

SEC. 309. The last sentence of section 5(f)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(4)) is amended by inserting after "subsection" the following: "(except the provisions of paragraph (2)(A) of this subsection relating to migrant farmworker households)".

ELIMINATION OF STUDIES AND REPORTS

SEC. 310. (a) The second sentence of section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking out "(1)" and ", and (2)" and all that follows through "1978".

(b) Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking out the last sentence.

(c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by—

(1) striking out subsections (d) and (e); and

(2) redesignating subsection (f) as subsection (d).

CATEGORICAL ELIGIBILITY

SEC. 311. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end thereof a new subsection as follows:

"(j) Notwithstanding subsections (a) through (i), a State agency may consider a household in which all members of the household receive benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and whose income does not exceed the applicable income standard of eligibility described in subsection (c) to have satisfied the resource requirements prescribed under subsection (g).".

IMPROVEMENT IN COST-EFFECTIVENESS OF MONTHLY REPORTING SYSTEMS

SEC. 312. The first sentence of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended by—

(1) inserting "adult" between "all" and "members"; and

(2) adding, after "Secretary", the following: ", except that with the prior approval of the Secretary, a State agency may select categories of households which may report at specified less frequent intervals upon the State agency's showing to the satisfaction of the Secretary that to require households in such categories to report monthly would result in unwarranted expenditures for administration of this subsection".

REQUIREMENTS APPLICABLE TO JOB SEARCH

SEC. 313. Section 6(d)(1)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(1)(ii)) is amended by inserting, after "Secretary", the following: "(including any reporting and inquiry as may be required by the Secretary to be fulfilled at the time of application)".

VOLUNTARILY QUITTING A JOB

SEC. 314. Section 6(d)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 6(d)(1)(iii)) is amended by striking out "sixty days" in the proviso and inserting in lieu thereof "ninety days".

ALTERNATIVE ISSUANCE SYSTEM

SEC. 315. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by inserting at the end thereof a new subsection as follows:

"(g) The Secretary may require State agencies—

"(1) to issue or deliver coupons using alternative methods, including an automatic data processing and information retrieval system; or

"(2) to issue, in lieu of coupons, a reusable document to be used as part of an automatic data processing and information retrieval system and to be presented by, and returned to, recipients at retail food stores for the purpose of purchasing food;

if the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that the use of such document or such system is necessary to improve the integrity of the food stamp program: *Provided*, That the cost of such document or system shall not be imposed upon retail food stores participating in the food stamp program.".

ELIMINATION OF INITIAL MONTH ALLOTMENTS OF UNDER TEN DOLLARS

SEC. 316. The first sentence of section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by inserting before the period at the end thereof the following: ", except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than $10".

DISCLOSURE OF INFORMATION

SEC. 317. Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting before ", except that (A)" the following: "or of direct Federal assistance programs and federally assisted State programs".

EXPEDITED SERVICE

SEC. 318. Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended to read as follows:

"(9) that the State agency shall—

"(A) provide coupons no later than five days after the date of application to any household which—

"(i)(I) has gross income that is less than $150 per month; or

"(II) is a destitute migrant or a seasonal farmworker household in accordance with the regulations governing such households in effect July 1, 1982; and

"(ii) has liquid resources that do not exceed $100; and

"(B) to the extent practicable, verify the income and liquid resources of the household prior to issuance of coupons to the household.".

PROMPT REDUCTION OR TERMINATION OF BENEFITS

SEC. 319. Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting after "earlier" the following: ", except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide notice of its action to the household as late as the date on which the action becomes effective".

DUPLICATION OF BENEFITS

SEC. 320. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by—

(1) in paragraph (16), striking out the period at the end thereof and inserting in lieu thereof a semicolon;

(2) in paragraph (20), striking out "and" at the end thereof;

(3) in paragraph (21), striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(4) adding at the end thereof a new paragraph as follows:

"(22) that the State agency shall determine, not less frequently than annually—

"(A) whether households participating in the food stamp program include as members individuals who, under section 6(g), may not be considered members of such households; and

"(B) whether households participating in projects conducted under section 17(b)(1) receive both coupons and any assistance provided under such projects in lieu of coupons.".

ERROR RATE REDUCTION SYSTEM

SEC. 321. (a) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended by adding at the end thereof the following new paragraph:

"(23) that the State agency shall reimburse the Secretary, in an amount determined under section 16(g) of this Act, for the value of excessive allotments issued to households.".

(b) Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended to read as follows:

"(c) The Secretary is authorized to adjust a State agency's federally funded share of administrative costs pursuant to subsection (a) of this section other than the costs already shared in excess of 50 per centum as described in the proviso to subsection (a) of this section, by increasing such share to 60 per centum of all such administrative costs in the case of a State agency (1) payment error rates with respect to eligibility, overissuance, and underissuance as calculated in the quality control program undertaken pursuant to subsection (d)(1) of this section are less than 5 per centum and (2) whose percentage rate of invalid decisions in denying eligibility as calculated in the quality control program conducted under subsection (d)(1) of this section is less than a nationwide percentage rate that the Secretary determines to be reasonable.".

(c) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by title XIII of the Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1282), is amended—

(1) in subsection (d)—

(A) by striking out "Effective October 1, 1978, and annually thereafter, each" and inserting in lieu thereof "Each",

(B) by striking out "subsection (c)(2)" and inserting in lieu thereof "subsection (c)", and

(C) in paragraph (1) by striking out "error rates" and inserting in lieu thereof "payment error rates", and

(2) in subsection (g)—

(A) by striking out paragraphs (1), (2), and (3), and inserting in lieu thereof the following new paragraph:

"(1)(A) Each State agency shall pay, other than for good cause as determined by the Secretary, to the Secretary or have withheld by the Secretary, as described in paragraph (2) of this subsection, the amount determined under subparagraph (B).

"(B) For purposes of subparagraph (A), the amount payable by a State agency for a fiscal year is an amount equal to the difference between—

"(i) the product of—

"(I) the payment error rate for such fiscal year; and

"(II) the aggregate value of all allotments issued to households by such State agency in such fiscal year; and

"(ii) the product of—

"(I) the allowable error rate for such fiscal year; and

"(II) the aggregate value of all allotments issued to households by such State agency in such fiscal year.

"(C) For purposes of subparagraph (B)(i)(I), the term 'payment error rate' means the percentage of all food stamp allotments which are issued a fiscal year to households that fail to meet the eligibility requirements of sections 5 and 6 of this Act and are overissued to eligible households.

"(ii) For purposes of subparagraph (B)(ii)(I), the allowable error rate is—

"(I) 9 per centum for fiscal year 1983;

"(II) 7 per centum for fiscal year 1984; and

"(III) 5 per centum for fiscal year 1985 and each fiscal year thereafter.", and

(B) by redesignating paragraph (4) as paragraph (2).

BENEFIT IMPACT STUDY

SEC. 322. Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by section 310(c) of this title, is amended by adding at the end thereof a new subsection as follows:

"(e) The Secretary shall conduct a study of the effects of reductions made in benefits provided under this Act pursuant to part 1 of subtitle A of title I of the Omnibus Budget Reconciliation Act of 1981, title XIII of the Agriculture and Food Act of 1981, and any other laws enacted by the Ninety-seventh Congress which affect the food stamp program. The study shall include a study of the effect of retrospective accounting and periodic reporting procedures established under such Acts, including the impact on benefit and administrative costs and on error rates and the degree to which eligible households are denied food stamp benefits for failure to file complete periodic reports. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report on the results of such study no later than February 1, 1984 and a final report on the results of such study no later than March 1, 1985.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 323. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by—

(1) striking out "and" after "September 30, 1981;", and

(2) inserting before the period at the end thereof the following: "; not in excess of $12,623,000,000 for the fiscal year ending September 30, 1983; not in excess of $12,817,000,000 for the fiscal year ending September 30, 1984; and not in excess of $13,570,000,000 for the fiscal year ending September 30, 1985".

PUERTO RICO

SEC. 324. (a) Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by inserting "noncash" before "food assistance".

(b) The amendment made by subsection (a) shall not apply with respect to any plan submitted under section 19(b) of the Food Stamp Act of 1977 (7 U.S.C. 2028(b)) by the Commonwealth of Puerto Rico in order to receive payments for fiscal year 1982 or fiscal year 1983.

(c) The Secretary of Agriculture shall conduct a study of the impact of making food assistance available to needy persons in the Commonwealth of Puerto Rico in the form of cash under section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028). The study shall include such impact on both the nutritional status of residents of Puerto Rico and the economy of Puerto Rico. The Secretary shall submit a report of the findings of such study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than six months after the effective date of this title.

REIMBURSEMENT OF POLITICAL SUBDIVISIONS AND STATE AGENCIES FOR WORKFARE ADMINISTRATIVE EXPENSES

SEC. 325. (a) Section 20(g) of the Food Stamp Act of 1977 (7 U.S.C. 2029(g)) is amended by—

(1) redesignating paragraph (2) as paragraph (3), and

(2) by inserting after paragraph (1) a new paragraph as follows:

"(2)(A) From 50 per centum of the funds saved from employment related to a workfare program operated under this section, the Secretary shall pay to each operating agency an amount not to exceed the administrative expenses described in paragraph (1) for which no reimbursement is provided under such paragraph.

"(B) For purposes of subparagraph (A), the term 'funds saved from employment related to a workfare program operated under this section' means an amount equal to the three times the dollar value of the sum of the decrease in allotments issued to households, to the extent that such decrease results from wages received by members of such households for the first month of employment beginning after the date such members commence such employment if such employment commences—

"(i) while such members are participating for the first time in a workfare program operated under this section; or

"(ii) in the thirty-day period beginning on the date such first participation is terminated.".

(b) The amendments made by this section shall take effect October 1, 1982.

AMENDMENTS MADE BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981 AND THE AGRICULTURE AND FOOD ACT OF 1981

SEC. 326. (a) Notwithstanding section 117 of the Omnibus Budget Reconciliation Act of 1981 (7 U.S.C. 2012 note), the amendments made by sections 101, 102, 103, 104, 105, 106, 107 (other than subsection (b)), 108 (other than subsection (c)), 109, 110, 111, 112, 113, and 114 of such Act shall take effect on the date of the enactment of this Act title, unless such amendments have taken effect before such date.

(b) Notwithstanding section 1338 of the Agriculture and Food Act of 1981 (7 U.S.C. 2012 note), the amendments made by sections 1302 through 1333 of such Act shall take effect on the date of the enactment of this title, unless such amendments have taken effect before such date.

EFFECTIVE DATES

SEC. 327. (a) Except as provided in subsection (b), this title and the amendments made by this title shall take effect on the date of the enactment of this title.

(b) Sections 321 and 325 shall take effect on October 1, 1982.

By Mr. ZABLOCKI:

—Page 41, line 12, immediately before the quotation marks, insert the following: "In order to assure that any such donations for use outside the United States are coordinated with and complement other United States foreign assistance, such donations shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 and shall be in addition to the level of assistance programed under that Act.".

EXTENSIONS OF REMARKS

REMARKS OF MR. ARIEL MELCHIOR, SR., AT THE COMMENCEMENT EXERCISES OF THE COLLEGE OF THE VIRGIN ISLANDS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. RANGEL. Mr. Speaker, I want to bring to the attention of my colleagues the remarks of Ariel Melchior, the former publisher and owner of the Virgin Island Daily News, made at the recent commencement exercises of the College of the Virgin Islands. Mr. Melchior's remarks review the history and progress of the College of the Virgin Islands from its inception in 1962 as a 2-year college to its full accreditation as a 4-year institution of higher learning.

The College of the Virgin Islands has served as a cornerstone for the education of the young people of the islands, many of whom have gone on to participate in the developing economy of the islands.

Mr. Melchior's words serve as an inspiration to the graduating class of 1982, and, I believe, deserve to be brought to my colleagues' attention for better understanding of the Virgin Islands.

The text of Mr. Melchior's remarks follows:

COMMENCEMENT ADDRESS BY ARIEL MELCHIOR, SR.

Dr. Arthur A. Richards, Acting Governor Henry Millin, Honorable Elmo Roebuck, members of the Broad of Trustees, Members of the Faculty and Administrative staff, graduating seniors, their parents, their relatives and all other members of our beloved Virgin Islands community, good evening.

I am deeply honored to have this opportunity to address the 1982 graduating class of the College of the Virgin Islands.

Since it opened its doors in 1963, this college has been a reservoir of hope for young men and women from the Virgin Islands and from across the Caribbean who have come here eager and thirsting for knowledge and academic excellence. The College of the Virgin Islands has met their needs and met them well.

When it began, and the first student walked this campus, the college was only a two year institution. But with expanding programs and increasing numbers of students, it quickly developed into a thorough four year scholastic program. Today, it is one of the premier institutions of its type in the Caribbean and in the nation.

Under the leadership of its first president, Dr. Lawrence Wanlass and its current president, Dr. Arthur A. Richards, the College of the Virgin Islands has brought disciplined and devoted higher education to these shores. In its brief life, it has made an earnest contribution to our community.

It has been like a fountain, each year providing our community with fresh young minds, possessing new and exciting ideas. It has stood for academic excellence and intellectual honesty and maturity. It has played and will continue to play a most vital and vibrant role here.

The college has provided us with scholars when we most needed them; vision when it was required; and it has served as a cultural center, enriching our lives through theater, concerts and art exhibits.

(Its significance and importance has been recognized by the Congress of the United States. As Dr. Richards mentioned earlier, the college has been identified by federal authorities in Washington as a seat of learning. Young men and women from the Eastern Caribbean will be coming here for cultural, technical, and scientific training. This will be a major step in the life of the college and in the life of the entire Caribbean.)

We have needed this institution, and as we move further into the 1980's, we shall need it, and the quality graduates that it will provide even more.

The role that the College of the Virgin Islands will continue to play will require greater financial support from both the public and private sector.

We must make a greater financial investment in this institution. We must see to it that its monetary resources are increased and that its fiscal future is made more secure. The consequences of failing to do so could have a retarding effect on its growth.

Yes, during the last two decades, we have progressed. Of course, we have had our share of problems, but imagine for just one moment where we might be today without the presence of the College of the Virgin Islands in this community.

Graduates of the class of 1982, today in the Virgin Islands, we stand at a critical point in our development, requiring a choice between irreconcilable courses.

We stand at a political crossroad. We stand at an economic crossroad. We stand at a spiritual crossroad!

Our community is deeply troubled. It is searching for its soul. We seem to be in the midst of chaos and misunderstanding. As a people we are indifferent towards one another and the plights of our neighbors.

As we walk the streets, we can see a look of hopelessness and despair on the faces of many of our young people.

They seem to be without purpose or a reason for living. Some of them have declared that they have little or no faith in this society, their society!

They are our lifeline to the future, but large numbers of them have turned against us. The have become embittered, frustrated, and angry. We must remember that when we look at them, we are looking at ourselves.

They stand at the crossroads with us, side by side. Their fate is interwoven with the very fabric of a society that we cherish, one that we love and one which must endure.

As a community, our fate, a collective fate, is in our own hands and only a common belief in the goodness of our people, and the sacredness of our ideals will keep us from coming apart.

We find people asking themselves, in despair, why should I live through this misery. We find people asking themslves why should I contribute to a community when so few seem to care.

But we must remember the words of the noted French philosopher, Albert Camus, who once said that the very purpose of life, itself, was to bring about change. And change we must bring about here; not later, but now; not tomorrow, but today; not with complacency, but with compassion and determination.

And even though we stand at a crossroad and our future appears uncertain, we must remember and acknowledge that our very existence we owe to those who came before us, those who shaped this society and to whom we owe a tremendous debt.

Yes, our ancestors before us stood at crossroads. They survived because they had the will to maintain a sense of themselves. They moved forward because they addressed their problems honestly. They endured because they refused to bow to the pressures of a confused society, nor to the greed that tempts all men and all women in life.

During the great depression, when we stood at what seemed to be the very abyss of life, we pulled together. We pulled together as young and old, we pulled together regardless of race, we pulled together as people—people who had very little in the way of material goods, but who had an abundance of heart and desire to strengthen and maintain the Virgin Islands. We pulled together then, and because of that effort we are here today.

Some might say that it is unfair to the class of 1982 to present them with a society that appears so bleak and where there is little apparent hope. I disagree! There is hope, the future is not bleak. We shall endure, but first we must recognize and understand that we stand at crossroads.

The class of 1982 did not create the myriad of problems that we are faced with today. You are innocent by-standers, who, if you chose to, can walk away from it all, and live lives of relative comfort. But we know that you choose to be concerned.

Lest you are misinformed, having a college degree does not mean that this community of which you are a part owes you something. Let me tell you here and now, it owes you nothing! It has provided you with an opportunity to excel in your chosen fields of endeavor, use that opportunity wisely.

Your obligation is to support your alma mater so that others who will follow you will enjoy the same advantages that you enjoy today.

The times that we live in call for young men and women who will confront the dilemmas that face this community. It is most important that you not become part of the problem, but you must become architects of the solutions.

Sitting here today are young men and women, who, if they have the will and vision, will feed the needs that we have. This class will be called upon to share its

wealth of information not only with these islands, but with the region and the world.

From this class will come the leaders of tomorrow in science, engineering, medicine, law, art, agronomy, and writing.

From this class must not only come scholars but men and women of high personal integrity with a strong commitment to social justice and respect for law. Keep in mind that every right you enjoy carries with it a corresponding obligation.

To put it frankly, we need you and we need you desperately. And you will find that despite the level of your education, you will need those whom you will serve.

You will need them for moral support, you will need them for spiritual support, you will need them as allies as we all face the crossroads together.

Do not be afraid to go it alone when those around you are pursuing their fantasies. This class must not forsake the righteous cause.

This class must not stand silently on the sidelines of life while the vast majority of the less fortunate of our people are being battered about in their daily struggle to survive in an environment in which the prices of the basic necessities for living are unreasonable and unaffordable.

You must help us in our search for answers. More than one-third of our population lives in substandard and unfit housing.

We will need your expertise in the area of housing development. What we have now is inadequate. The answer, and I think that you will agree with me, is not in highrise institutionalized apartments, but in sufficient individualized dwellings where people can develop a sense of family and a sense of pride and build their lives around a home they love and cherish.

Additionally, we cannot afford to close our eyes to the fact that there are racial tensions in this community and they are mounting daily.

There is a direct relationship between those tensions and the economic imbalance that exists here. If there is going to be sustained progress, all levels of our society must share in that progress!

Unfortunately, the resources of our growth do not seem to be distributed reasonably. Therein lies one of the many causes for discontent. It is a situation that we all know exists and to which we should all address ourselves with candor.

Is it any wonder that many of us are confused, bewildered, frustrated and angry, given such a situation. We live in constant fear. People are afraid to walk the streets at night and murders and assaults are committed in broad daylight with impunity.

We have retreated to our homes and our businesses, and even there we are not able to enjoy the safety and comforts that flow from life.

Yes, we are troubled. Yes, the waters are not still. There are divisions between factions, between classes, between races. There are even divisions over ideas and directions. Leadership is lacking. All is not well!

However, this is not a time for us to throw our hands up in the air. It is a time for us to come together and work towards viable and practical solutions.

We must learn to grow our own food, and become self-sustaining. If the state of Israel can grow food in the desert for its own consumption, certainly we can grow food in this land of plentiful green foliage.

The same methods that were used in that hardened desert can be used here. The same type of expertise that was applied there can be applied here. But first we must begin to think in bold terms.

As a community of Islands, we must find new ways to determine our own destiny. We must not allow ourselves to be held hostage to the economic contingencies that we do not control.

There is every reason that we should be looking forward to, and planning for, the day when we produce, here, many of the things that we now import.

It is hoped that many of you will decide to serve in positions of leadership in government, business, religion, education, and other fields.

The people who assume these roles must command the public trust. If they are going to represent us, they must be people of dignity, honesty, unselfishness and courage. They must be above scheming and petty bickering, they must deport themselves in an exemplary manner, discharge their sworn duty with efficiency, decorum, dedication and sincerity of purpose. They must conduct the people's business in no less a manner than they would conduct their own. They must lead, follow or get out of the way!

It is no secret that selfishness, greed, lawlessness, and widespread disrespect are symptoms of a society that is not totally well. A society begins to deteriorate when the people leave their futures to chance and to fate.

This class, the class of 1982, must reach for new heights. It must establish formidable goals. Its members must reject deception. Each of you must give fresh meaning to life. It will not be an easy task, but for us, with our meager resources, it has never been easy.

At this crossroad, we must make an investment in our futures and the futures of those who are still unborn.

Currently, we are mortgaging the lives of future generations of Virgin Islanders to pay for the ego trips that a power hungry leadership is enjoying today.

The economic philosophy, which is in vogue today, can only lead to disaster. We must stop living beyond our means and halt the fraudulent practice of writing bad checks that the next generation will be called upon to honor. You should be concerned about this situation.

The class of 1982 can help turn things around. It must think and act in bold and daring terms. None of you can afford to be indifferent to the presence of crime just as you cannot afford to accept waste, dishonesty, and corruption in government as a way of life.

As individuals you must be self-reliant. You must be firm yet compassionate. You must be willing to endure pain when necessary and make sacrifices for the good of the community when called upon to do so.

Your formal educations will be tested each day of your lives. Do not give up. Rekindle the sparks of determination with new vigor and even greater conviction.

Remember always the great sacrifices that some of your parents and loved ones made so that you might attend school. Remember that some of them scrubbed floors and worked tirelessly so that you could receive an education.

Remember that they sometimes worked an extra job so that you could buy books, and that without them this moment would not have been possible.

You are our hope! We need you now more than ever! Together we stand at the crossroad. Together we shall confront the irreconcilable courses and together we shall go forward.

Each of you must consider what you can do for the Virgin Islands in return for what the Virgin Islands has done for you. If you are diligent and faithful, time and events will record your contributions.

It is my personal conviction that if you set standards in your life, consistent with the high standards that the College has set in its twenty year history, you shall not fail and consequently, we shall not fail.

I leave you this evening with this final thought. Live your lives in such a manner that in the twilight of your years, when all is said and done, you may look back on your life with pride and a sense of satisfaction.

Give of yourselves each day for the betterment of the Virgin Islands. Help make it the land in which you want to live and raise a family. Inspire other generations. Leave a legacy that they will want to pass on to their children!

God bless each and every one of you. May you realize your dreams. May your accomplishments be many and may you come to know the real joy of living!

Thank you.●

MAJOR LEAGUE SPORTS COMMUNITY PROTECTION ACT OF 1982

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. FIELDS. Mr. Speaker, I would like to commend Congresssmen STARK, EDWARDS, and HYDE for their leadership in sponsoring H.R. 6467, the Major League Sports Community Protection Act of 1982, and I join them in urging prompt action on this important legislation.

H.R. 6467 is designed to protect the interests of the many fans and communities nationwide which support professional sports teams. It will enable professional sports leagues to prevent well-supported teams from abandoning their fans and communities without fear of antitrust liability. It will also confirm the authority of sport leagues to share revenues received from ticket sales, television contracts, and other sources among member teams.

The legislation takes a balanced and constructive approach. The presence of a professional sports team in a community serves not only to stimulate the local economy but more importantly, represents a source of lasting pride to the community. I know that this is the case with our own professional sports teams in Houston including the Oilers, the Rockets, and the Astros. H.R. 6467 will allow sports leagues to protect communities against arbitrary relocation of successful teams, particularly where league commitments have been made and relocation would subject local taxpayers to liability for retirement of publicly issued stadium bonds.

The bill is narrowly focused and would not affect labor-management relations. It is supported by mayors and community leaders from around the country as well as by the National Football League, the National Basketball Association, and the National Hockey League.

I join the growing number of cosponsors to this important legislation in urging its prompt approval.●

REMARKS OF REV. M. WILLIAM HOWARD

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. GRAY. Mr. Speaker, I commend to the attention of my colleagues the thoughtful comments by Rev. M. William Howard, concerning the issue of prayer in our public schools.

This issue, Mr. Speaker, is one of the most divisive and emotional ones in the current public and political arena. It finds men and women of good faith and the best of intentions on both sides of the debate.

Particularly in such an atmosphere, Mr. Speaker, I found Reverend Howard's thoughts to be as useful as they are eloquent. For those of us who might not know Reverend Howard, let me explain that since 1972, he has served as executive director of the Black Council of the Reformed Church in America. He recently completed a 3-year term as president of the National Council of Churches.

Reverend Howard is a graduate of Morehouse College, and is a board member of the National Urban League, the Independent Sector, and the People for the American Way. I offer his comments for the RECORD:

Rev. William Howard's thoughts follow:

WHOSE PRAYER? HOW THE SCHOOL PRAYER AMENDMENT ATTACKS RELIGIOUS LIBERTY

(By Rev. M. William Howard)

It is pure irony that the President of our nation, who has pledged so earnestly to "get government off the backs of the American people," has seen fit to promote a new role for government in one of the most sacred of private activities—prayer. On May 17, 1982, President Ronald Reagan sent to the United States Congress a proposed amendment to the Constitution which would not only allow government-run schools officially to set aside time for prayer during the school day, but would also allow school officials to direct this activity and even to determine the appropriate content of the prayer to be uttered.

This represents bold and unacceptable interference by the State in religious devotion. This proposed amendment should be defeated and the efforts of the last two decades to undercut the Supreme Court rulings on the matter of prayer in the public schools finally should be put behind us.

I am sympathetic to some of the sentiments which lead a large percentage of those polled to say they support "voluntary" public-school prayer. I share the concern of many about the moral fabric of our society, about crime, about rising teenage pregnancy and about unabated drug use among young and old. I am deeply troubled about the sometimes disastrous pressures that are mounting against the family, the increasing divorce rate and the problem of teen runaways. I share the overall feeling that things are changing around us so rapidly that we have less and less control over the destiny of our lives, and that our quest for stability and meaning is being frustrated by external forces. It is also true for me, a deeply religious person and a Christian minister, that efforts I may undertake to solve these problems will be informed by my faith in God.

I believe in prayer, and I know the power of prayer from personal experience. Family prayer is at the center of my family tradition, and we pray together often in our home. We also worship together as frequently as possible, and there are times, frankly, because the meaning derived from these experiences is so rich, that I wish all humankind could share in them with me. So I know first hand the confidence that is reflected in the affirmation, "God answers prayer". And when the troubles of life seem to overwhelm me, it is very much a part of my religious commitment to "take it to the Lord in prayer."

This is the view, no doubt, of persons who would have school children pray together as they begin their school day. They believe that if children are taught to pray at an early age, this will automatically have some lasting impact on their conduct and on their sense of good citizenship and good neighborliness later in life.

Whatever our personal views and reliance on prayer may be, however, we do have an important duty as citizens of the United States to study quite carefully the implications of our government's self-designated role in our religious affairs.

It is urgent to keep in mind that the freedom we have to believe as we do is secured in large measure by the respect we have for others' rights to believe and to teach their children as they choose.

The authors of the Bill of Rights knew all too well that democratic governments can be subject to the political will of the majority. This is why they sought to guarantee certain rights to the individual which the majority could not take away. Religious devotion is one of these rights. It is written in the First Amendment simply that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof". That the proposed amendment would violate this principle can be best illustrated by a quote from a paper being circulated by the White House explaining how, in the Administration's view, the new amendment would work:

"Since the voluntary school prayer amendment will eliminate any federal constitutional obstacle to voluntary school prayer, states and communities would be free to select prayers of their own choosing. They could choose prayers that have already been written, or they could compose their own prayers. If groups of people are to be permitted to pray, someone must have the power to determine the content of such prayers."

I say, exactly! Someone must have the power to determine the content of such prayers, but who? Who will decide is precisely the issue.

There is much talk about the lack of religious freedom in socialist countries, and proponents of the school prayer amendment say they are eager for "our" children to have the chance not to grow up to be atheists. Religious intolerance, bigotry and restriction is not, however, the exclusive purview of atheists and communists. In fact, history shows that deeply religious people are often the most guilty of intolerance, not just toward non-believers, but toward people who believe very deeply in something different.

Our society sometimes takes pride in the variety of great traditions which our system of government allows to exist together in a climate of relative civility. It is one of the laudable assets of our heritage. This variety is not declining, but increasing. Not only are people of different races, languages and cultures coming to live among us, but persons of religious traditions quite unfamiliar to many Americans are also coming to make this nation their home. The migration of peoples to these shores is at the core of the nation's identity.

These new Americans will pay taxes; their children will enroll in the public schools, and they are likely to be minorities in the communities where they live. What will be their recourse during the time set aside for prayer if the new amendment is adopted? Does majority rule apply when the rights of religious minorities are concerned? Whose rights will be observed when today's religious minority is tomorrow's religious majority? Will today's prayer advocates then change their tune? Could it be that those who support school-sponsored prayer take this position because they assume "their" prayer will be the chosen prayer?

In the midst of the discussion going on about state-sponsored prayer, my mind goes back to the opportunity I had to visit Iran to minister to the Americans being held hostage there in 1979. In Iran, religious fundamentalism is the basis of severe persecution by the government of those holding different religious beliefs. While Iran is admittedly a vastly different culture than ours, I believe we can learn a good deal about what happens when a particular religious view becomes synonymous with governmental authority by looking at the Iranian example. One person's religious conviction becomes another's tyranny.

The version of the amendment which the White House has submitted to Congress attempts to answer the problems of religious minorities, and of peoples with no religion, by adding a sentence that states: "No person shall be required by the United States or any state to participate in prayer." However, instead of solving the problem, this sentence sets the stage for more confusion.

Consider for the moment that a third grade child from a Hindu family attends a school which is largely Protestant Christian. For the sake of discussion, let's say that the Protestant parents could agree on an appropriate prayer for their children. Then imagine, in a practical situation, what it would take for the Hindu child not to be drawn into the approved Protestant prayer under the threat of being "set apart" by his peers. And what of the Hindu teacher who may be expected to lead their prayer? Will that teacher's job be threatened for refusing? And if the teacher consents to lead the prayer, will it be convincing or effective if the teacher really doesn't have the "feel" for that kind of prayer?

Advocates of public school prayer have presented this matter as a contest between believers and atheists, but I predict that any such conflict will not be nearly as disruptive as that which will surface between believers and other believers.

We all agree that freedom from religious persecution was one of the nation's founding principles; yet the history of this nation is cluttered with examples of how we have lost sight of that principle and fallen victim to the emotional impulse of the moment. In times such as these, the stated credo of the republic and the interpretations of its highest court have saved the day. The genius of these safeguards was not born of someone's imagination, but of bitter experience in precolonial Europe.

There is inevitably an extra-rational dimension and a sense of righteousness to the beliefs of religious adherents, and this reality does not always lend itself to the same level of respect for the beliefs of others. For this reason, the practice of religious devotion necessarily must be beyond the reach of political manipulation. The government's best law about it (that there shall be no law) has already been passed. The Supreme Court, because it is relatively free from contemporary whims and pressures, must be the highest temporal judge.

But let us be straightforward and honest with one another; some Americans have never accepted the fact that this nation provides basic federal guarantees. Some among us have historically argued for the rights of individual states to determine standards of behavior which have been clearly guaranteed by the federal Constitution. This line of thinking has fed years of criticism of the Supreme Court, which is charged with interpreting the U.S. Constitution for everyone in the United States. And it has motivated repeated efforts, by acts of Congress, to take away the Court's jurisdiction over certain civil rights issues.

During the struggle for racial justice in the civil rights movement of the 1960's, many of the same advocates of "states rights" openly criticized the Supreme Court. Their way of understanding government is now reflected in the President's school prayer proposal. In order to be a nation and not just a collection of separate states, though, we must stand for certain universally applied laws and standards of civil authority. Without these, we are even more subject to polarization and disintegration. Without these, we are more open to counter-productive civil strife.

The surest way for us to guarantee our precious freedom of religion is to keep the government out of the business of religious devotion. There are already many positive options open to us to keep alive our valued religious customs without getting the government, or government-run institutions involved.

The first thing we need to do as parents is to take more responsibility for the religious training of our children. The very best places for religious guidance are the home and the house of worship. There is so much we don't do to take advantage of these two places for religious nurture.

Parallel to that is our responsibility not to overestimate what prayer in schools can do to help our children compared to what we can do ourselves. We simply must not be duped by the brand of religious demagoguery which asks us to believe that all of society's ills are due to the absence of school-supervised prayer. One man, in testifying before a Congressional committee in 1980, linked the assassinations of Robert F. Kennedy and Martin Luther King, Jr. to the 1963 Supreme Court decision on prayer. Ordinarily, one could dismiss this kind of bizarre claim with the ridicule it deserves, but I am troubled that too many sincere people seem to accept these assertions without much critical thinking.

Moreover, we should be more informed about the rights we already enjoy as the law now stands. Children can voluntarily pray in schools. That's a fact. They may pray privately at their convenience or they may assemble in groups during free time to pray at their own choosing. They are, however, not to pray during the official school day and they are not to be led in prayer by school personnel. We also have the opportunity, which we have largely neglected, to introduce courses of study on different world religions into our school curricula, to enhance our children's appreciation of the religious quests of the world's peoples. This could also be a way of acquainting students with religions as integral parts of cultural heritages.

What I think we don't want is government-supported evangelism or proselytizing. This would only be asking for problems which our already-troubled public shools don't need. Instead, America's public schools need our help to be restored as free spaces for learning by all children, without intimidation. An important ingredient in this environment is their discovery of what they share—not the belaboring of what makes them distinct and separate. Knowing more fully what we, this rainbow of humanity, share together as Americans, is not only the greatest hope for the future of our society, but it could help us begin to maximize our opportunity to demonstrate that peoples, heretofore travelling radically different roads, can meet at the same junction.

One way of missing this opportunity, I believe, is to turn our public schools into battlegrounds for a holy war.●

MAJ. GEN. ALLEN H. LIGHT, JR.

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. COURTER. Mr. Speaker, on September 1, Maj. Gen. Allen H. Light, Jr., will retire from the U.S. Army with over 30 years of service. I wish to call my colleagues' attention to some of the contributions this outstanding officer has made to our country and its defense.

General Light was born in Lebanon, Pa., on April 5, 1929. After graduating from Lebanon Valley College in 1951, he began his exceptional Army career. Having begun his Army service in the enlisted ranks, General Light graduated from officer candidate school and was commissioned a second lieutenant in the U.S. Army Chemical Corps on November 8, 1952. Since then General Light has served his country in positions of increasing responsibility in the United States, Europe, and the Far East, and is a veteran of the Vietnam conflict. On January 23, 1974, he transferred to the U.S. Army Ordnance Corps.

In July 1979, General Light began his current assignment as commanding general of the U.S. Army Armament Research and Development Command, which is located in the district I represent. During this tenure, he has managed the development of weapons, weapon systems and materiel which serve to significantly improve the defense posture of our Nation.

Some of the more prominent systems developed under his leadership include the Sergeant York air defense gun system which, when fielded, will launch U.S. Army air defense forward to a new generation of capability; the squad automatic automatic weapon which will place in the hands of the individual American soldier the increased firepower that is so greatly needed; the M-128 ground emplaced mine scatterable system which will give our Army a capability to rapidly and accurately emplace both antiarmor and antipersonnel mines never before equalled; the M-60A3 tank fire control system, and solution of its pressing production difficulties for hundreds of U.S. Army tanks that will alone save the U.S. Government up to $50 million; the XM-21 alarm system which, for the first time, will give our Armed Forces the capability to detect lethal chemical agents at a distance of up to 3 miles; and the light-weight company mortar system which will drastically improve the current mortar's capabilties in virtually every respect.

General Light has not confined his attention solely to the development of weapons for our Armed Forces, however; under his leadership, the 7,800 civilian and military personnel of the U.S. Army Armament Research and Development Command have enjoyed continued improvements in the quality of their professional lives. He is widely recognized for his strong support of equal opportunity and Federal upward mobility, and is, in fact, as strongly people-oriented as he is product-oriented.

Mr. Speaker, the Garden State is indeed proud of this exceptional officer who has lived and served within its borders. His impact has enhanced the Nation and the world. His record of achievement is an inspiration to us all. I am struck by his aggressive leadership, attention to people, devotion to duty, and his distinguished list of contributions which will insure the welfare and defense of the United States for years to come. He has been the consummate soldier in time of war and peace. On behalf of all Americans, I thank General Light, his wife, Dorothy, and their four sons—two of whom also serve as U.S. Army officers—for their devoted service to this Nation, and I wish them the very best in the future.●

EDMUND MUSKIE SPEAKS ON FOREIGN POLICY

HON. MICHAEL D. BARNES
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. BARNES. Mr. Speaker, last month Edmund S. Muskie, former Secretary of State and our former colleague in the other body, gave an address upon receiving the first Distinguished Public Service Award of the Center for National Policy.

With his characteristic blend of humor and wisdom, he pointed out the need for greater maturity in the conduct of our foreign relations, and for improving "the quality of the dialog we are carrying on among ourselves and with our global cohabitants."

Our immaturity, he said, is "evident in a willingness to declare—quixotically—either our independence from, or our dominance of, the rest of the world. Neither is a viable option today, yet we waste so much energy debating the highly improbable."

He put his finger on the fact that "our Nation is seen too frequently by our friends—and enemies—as inconsistent, unclear, and lacking in steadiness. And the unkindest cut of all: We stand accused of acting in a manner contrary to our own interests."

In his analysis of U.S. policy toward the Soviet Union, the Western Alliance, and the Middle East, Muskie makes three particularly powerful points. First, the Reagan administration bears "an extraordinary burden before history for having been a party to scuttling the SALT process." Second, "we must think long and hard about the policy gap that is developing within the Atlantic Alliance in regard to our dealings with the Soviet Union." Third, some of our dilemmas in the Middle East may stem from "the administration's initial reluctance to accept an achievement of American policy—Camp David—apparently because it was a legacy of the other party." In all three areas, we are paying the price of immaturity.

Finally, Muskie called for improved bipartisan consultation on foreign policy, for "there are more years of experience, and collective wisdom, in Congress than can ever be assembled in a 4-year administration. President Reagan can succeed if he understands that many who did not work for his election are prepared to work for his success as President of all the people."

I hope my colleagues will give this speech careful attention.

The entire text follows:

REMARKS OF THE HONORABLE EDMUND S. MUSKIE, RECIPIENT OF FIRST DISTINGUISHED PUBLIC SERVICE AWARD, CENTER FOR NATIONAL POLICY, JULY 14, 1982

I am deeply moved and honored by this award. It is of particular significance to me that a man I deeply admire—my predecessor as Secretary of State, Cy Vance—is cochairman of the Center for National Policy. He is an all-too-rare example in our system of a public servant who resigned—on grounds of principle—from high office.

And, without that example, I could not have resigned from the Senate—on grounds of duty, I assure you—to become Secretary of State.

Be assured that in and of itself this award does not transform a politician into a statesman. If Harry Truman was right, I would have to be dead for 10 years to accomplish that.

As Secretary of State, I took great consolation from my political career. It served me well in dealing with my counterparts from parliamentary democracies. I felt little need to become a diplomat . . . and those of you who know me recognize the challenge such a transition would have been.

Yet, my chair at State did offer a new perspective on our political process, as it relates to foreign policy. Deep concern about the state of our national discussion on foreign policy issues moves me to address my remarks this evening to both our incumbent leaders and to those who aspire to incumbency.

The Nation's foreign policy machinery recently experienced a traumatic breakdown. Mark Russell may want to reevaluate his observation: "Who would have thought, between Secretaries of State, Kissinger and Haig, the one with the accent would be the one we can understand?" For I never understood Al Haig better than on the day he resigned. He cited no issue of principle, only the pervasive indictment that our highest policymakers had shifted from the careful course of "consistency, clarity, and steadiness of purpose."

Succinct and all-encompassing, I could not have said it better myself. I might have been blunter: If we are not going to hell, then where the hell are we going, Mr. President?

After reading over the weekend the talking paper Secretary-designate Haig prepared for his January 6, 1981, meeting with the President-elect, I more fully appreciated the limitations of my own power at the State Department. The Haig paper provided a novel concept of "Cabinet Government"—one department, indivisible, under God. On reflection, I have decided that I was far too modest when President Carter called. I asked only for the moon.

Many of us have resorted to looking for small signs of hope that the administration wasn't really serious after all about its foreign policy directions. Maybe the President didn't really mean it when he rejected the Law of the Sea Treaty because he thought that when you go out on the high seas, you can do what you want. Maybe our backing away from the China policy of the past two administrations is really a wallposter rumor. Or maybe we aren't really serious about violating SALT II provisions with something called "Dense Pack."

Then the other day my worst suspicions were realized: Herbert Hoover was resurrected as the patron saint of the Commerce Department, presumably as a Republican symbol of fiscal responsibility. I began at that moment to take the President at his word on foreign policy.

To add to your anxiety, my historical research reveals that President Hoover in 1932, in Geneva, proposed a 30 percent overall reduction in offensive armaments. If I told you my real felings about all this, there might be a run on banks tomorrow and new shovels issued for civil defense. So I won't. But don't wait until the President starts parting his hair down the middle.

Seriously though, I find little comfort or humor in Secretary Haig's confirmation of our Government's ineptitude abroad. Let us be clear on one point: We don't want Ronald Reagan remembered in foreign policy the way Herbert Hoover was in domestic policy. Yet, I think Ted Sorensen is right when he argues that the Democratic Party's search for new directions has focused almost entirely on domestic policy.

This is more than a personality or a party problem. Our Nation is seen too frequently by our friends—and enemies—as inconsistent, unclear, and lacking in steadiness. And the unkindest cut of all: We stand accused of acting in a manner contrary to our own interests.

Rather than looking for scapegoats or making excuses, we should step back and examine the collective political process through which the attitudes of our people are formed, and on which our Nation's decisions are based. That is more difficult, but infinitely more cleansing.

I want to talk about American maturity—and American lack of maturity—in international affairs. Most of all, I want to talk about the quality of the dialog we are carrying on among ourselves and with our global cohabitants. I am worried that we are talking around problems rather than to them, trying to put desire in place of fact, shibboleth in place of practical problem-solving.

We must begin with faith in the wisdom of the American people. Our people have never been afraid of hard choices when the facts are put before them plainly. They do not expect to be talked down to. They are capable of sacrifice, of long-term commitment, if the necessity is explained by credible leadership. They do not want public relations "victories" for their Presidents so much as they want, for their country, competence and vision and compassion on the job. Phil Geyelin had it right the other day when he argued that what we are beginning to see as a wave of criticism of Reagan is not the "denigration of the Presidency," but the public registering its great disappointment with performance.

Thomas Jefferson said in 1820: "I know of no safe depository of the ultimate powers of the society but the people themselves, and if we think them not enlightened enough to exercise their control in a wholesome discretion, the remedy is not to take it from them but to inform their discretion."

We are at a time in our national history when maturity is to be expected. But familiar elements of immaturity are now being reflected in our political discourse. They are evident in a willingness to declare—quixotically—either our independence from, or our dominance of, the rest of the world. Neither is a viable option today, yet we waste so much energy debating the highly improbable.

Some of us may be too idealistic, some of us too cynical, or too selfish. The maturing of American foreign policy requires us to look at certain facts about ourselves and others. Trying to see the world as it is, if I may use a homely analogy, requires a pair of bifocals. One set of lenses gives us the world in terms of our ideals, the other in terms of power. These are the lenses of idealism and realism, if you will.

We have had debates in the United States about Wilsonianism, about morality in foreign policy. There was a time not long ago

when many Americans believed we had lost our moral bearing. Accusations of Realpolitik gone mad were heard widely.

The American people support the proposition that there must be a moral element, a very large moral element, in our foreign policy. If the distinction between repressive "authoritarian" and "totalitarian" regimes means something to the Reagan administration, it is nevertheless a distinction without a difference to many.

We do believe in freedom, in democracy, we do care what happens to ordinary people, in all lands. We are, frankly, outraged by what happens to the common people in places like Poland, Argentina, South Africa, Afghanistan, Cambodia, and Lebanon. Any American leader—and any foreign leader—who turns his back on this reality of American foreign policy is in for a surprise . . . and a change.

Listen to Cyrus Vance: "Championing human rights is a national requirement for a Nation with our heritage. Without this moral strength . . . it would be impossible to have anything called a 'foreign policy' at all."

Yet, the spectacles of realism have their uses, too. We live in a world of nation-states, and our duty is to defend American interests—simultaneously, one hopes, with the interests of our friends and allies. We need to be aware, looking at the world as it is, that Great Power rivalries will not go away . . . that the role of power will not soon be replaced on the international scene . . . that being strong is still a prerequisite to being free and independent.

But just as contrived perceptions about a weak America do not make America weak—even though perceptions can be dangerous—chest-beating rhetoric does not make America strong. We are never so ineffective in the eyes of the world as we are when our rhetoric exceeds our capacity to act, or goes beyond the better judgment expected of us.

What I fear most about the current administration is that an old aphorism of Dr. Ben Jonson might come true. He said of public men: "They must create strange monsters, and then quell them . . . to make their art seem something."

It is only in putting the idealistic and the power-oriented views together that we can come to grips with the world and see our own interests more clearly. In that light, several things need to be said about some important foreign policy problems which transcend ideological fixations.

The most troublesome, most vital concern is our relationship with the Soviet Union. Yet this relationship is the most difficult to handle politically.

When we speak of our relations with the other nuclear super-power, what end do we have in mind? When the President speaks about the Soviet Union, he reminds me of the Roman Senator, Cato the Elder, who ended all his speeches with the ringing injunction, "Carthage must be destroyed." And so it was.

But this is the nuclear age. Ending the competition by eliminating Russia will not work.

Nor can we compel their alien system to change its stripes, or to collapse, by any sudden and immense outpouring of public funds on defense spending—and by peddling arms indiscriminately. The only rational conclusion, therefore, is to carefully try to negotiate a drawdown in the balance of terror so as to avoid armed disaster.

Now, I acknowledge that the cry "Carthage must be destroyed," sound more like a screaming eagle than the admonition: "We must be strong enough and wise enough to keep the peace." But we have to recognize that our security is tied to that of the Soviets. We don't want our ultimate fate, and theirs, to be the same—a radioactive ash heap.

Those in the Reagan administration—especially the President—who now conduct the START negotiations, bear an extraordinary burden before history for having been party to scuttling the SALT process. The current government will have run its course by 1984, and the American people will be entitled to ask: What have they done to build a framework that offers more substantial restraints on the arms race? It will not do to reject the fruits of years of bargaining—turning the 1980's into the "lost decade" of arms control—and to offer nothing more than a propaganda cover for an effort to "win" the next round in the race.

Those who have caused the arms race to run free now face one test: the prompt negotiation of far-reaching limitations. They will discover soon enough that they have not reinvented the wheel. "How the West was won" is not the way to save Western civilization.

We must also think long and hard about the policy gap that is developing within the Atlantic Alliance in regard to dealings with the Soviet Union. Historically, we have had our disagreements with the European Allies in peripheral areas—Vietnam and the Middle East come to mind. But never before have our views been so divergent when considering policy toward our principal adversary.

It was the United States, not Europe, that led the West in formalizing détente with the U.S.S.R. The Nixon administration never intended détente as a policy of appeasement, it was never meant to be a substitute for a tough, realistic approach. It was instead a pragmatic effort to define the competition in terms acceptable to us.

True, détente was oversold to the American people. It was not a magic formula for a new generation of peace.

But détente made sense because it offered the West some leverage over Soviet conduct, provided the necessary tension was maintained between competition and cooperation. And, if we believe in the superiority of democratic systems, over time it could have worked to undermine the rigidities of totalitarianism.

Is it the policy of the current administration to bring about a major crisis in the Alliance simply because, to most Europeans, an easing of tensions still makes sense? Are we to judge a country's fidelity to principle on the basis of a narrow U.S. view of Western interests?

The threat to Western unity today is not, in my view, the result of nations pursuing their economic interests. Who is to say whether grain sales or energy purchases are of greater consequence?

The threat to Western unity lies in the failure to accommodate to pluralism. The threat lies in creating unrealistic standards and in seeking to enforce them by untenable means. It is the epitome of hypocrisy for an administration which espouses the inviolability of the marketplace to seek to disrupt it in Europe.

This is not to argue that the marketplace should be the sole—or even the primary—determinant of Western interests. We cannot be so relaxed about Soviet intentions as to leave ourselves highly vulnerable to their unilateral action. It is essential that other countries recognize this as well, if they are to protect themselves against potential blackmail.

At this moment in the Middle East, we are facing serious dilemmas as we seek to protect American interests. This, too, may be the result of immaturity: The administration's initial reluctance to accept an achievement of American policy—Camp David—apparently because it was a legacy of the other party. It stands out even now as President Carter's greatest contribution to history, and for which his country will honor him.

Valuable months were lost and the initiative slipped from our grasp. No more than casual interest was expressed in moving beyond Sinai withdrawal to autonomy talks. Without our influence, the parties reverted to their national tendencies. When the peace process stalled, it was replaced by anxiety, insecurity, and aggressive behavior.

The Reagan administration constructed a policy of "strategic consensus" on the myth that concern over Soviet influence outweighed historic regional divisions. As we have done so many times in the past, we allowed anti-Soviet preoccupations to obscure a sense of states' primary interests. And we failed to exercise leverage in behalf of our own interest: the maintenance of peace in a vital region.

One sad result is that, in the case of Israel, we hear serious public discussion for the first time about the differences between our respective national interest outweighing the similarities. But there is some wisdom to be extracted from the current tragedy.

Our relationship with Israel has rested on no firmer foundation than a moral one. We have needed no further justification. Though others, such as the vibrancy of her democracy and the influence of her strength, are also valid. Nothing can erase our moral commitment, but harm has been done. Doubts have been raised.

It behooves both our countries to work to contain our differences and to remove the doubt. Israel can do this by leaving Lebanon with all deliberate speed. And the United States can contribute by once again becoming an active partner in the peace process.

Finally, I must comment on the management of foreign policy, or the lack thereof. For the disarray we find here is also a sign of an immature approach.

The role of government is to govern. The American people—especially now that Secretary Haig is gone—have a right to know who is in charge.

I cannot recall in modern times hearing so often the excuse that the President cannot comment because he has not kept up with events while traveling in Air Force One. How many times have we seen him on the evening news caught by surprise by news from abroad? It is almost as if he is saying to us: "How was I to know, I am only playing the part of President?"

The situation reminds me of a "Peanuts" cartoon I was told about the other day. Lucy was using metaphor to explain life to Charlie Brown: "Charlie, on the great oceans are large ships that carry many passengers. On each ship there is a sundeck, and on that sundeck the passengers arrange their deck chairs. Some place them facing forwards so they can see where they are going. Some place them facing backwards so they can see where they have been. Now Charlie, on the great ship of life, which way will you face your deck chair, forwards or backwards?"

To which Charlie replied: "I can't even get mine unfolded."

I think it is time our President got his foreign policy deck chair unfolded. Even now, the President acts at times as if he is not associated with the U.S. Goverment—let alone the head of its executive branch. It is as if he is the good spirit disembodied from the evil flesh of government. So much for the value of the experience of governing that largest State in the Union.

This is serious work for serious people. I am afraid I must agree with Norman Podhoretz who recently wrote that President Reagan "has yet to address himself with an equivalent seriousness and energy to the international situation [compared to the domestic economy]."

Let that one sink in for a while. . . .

The Haig resignation reminds us that there are some old problems in foreign policy management still around. But the more serious problem for the United States is the coming to power in the White House of people who represent a discontinuity in assumptions about the nature of the postwar world and our role in it—when compared with previous administrations. The only way I know how to cope with this—and I will admit to a paradox, if not a contradiction—is more strenuous efforts at bipartisan consultation. The War Powers Act requirements provide a timely proving ground this week as the executive and legislative branches consider sending Marines into Lebanon. Can Warren Christopher's proposed "compact in foreign affairs" between the branches function in a situation where there is a clear danger of "imminent involvement in hostilities" and the President should want—not just be required—to share the decision on troop commitment with Congress? I hope so. George Shultz' experience should help the President work across the lines in a Government where separate institutions share power and in which constitutional law has a central place. There are more years of experience and collective wisdom in Congress than can ever be assembled in a 4-year administration.

President Reagan can succeed if he understands that many who did not work for his election are prepared to work for his success as President of all the people. I appeal to him, in the year of the F.D.R. centennial, to study what President Roosevelt did in 1940 in reaching out to construct a bipartisan foreign policy. Reach out now, because the going will get tougher.

As we worry about perceptions of weakness—as we fret about our vulnerabilities and focus on our deficiencies—we would do well to look at ourselves as a nation the way FDR looked upon himself as a man.

Despite his crippled condition, he stood as a confident symbol of what this land ought to be. Haynes Johnson recently wrote from Campobello: "The FDR legacy most worth remembering involves a state of mind. . . . Millions of Americans never thought of him as crippled. Instead of becoming an object of suffering and weakness, he became the symbol of optimism and strength for a Nation experiencing its gravest challenges at home and abroad."

To those here tonight who have embarked, as I have before, on the long road to the White House: have confidence in our people . . . inform their discretion . . . speak to them forthrightly about the realities. And as you campaign for our highest office, remember FDR's advice: "The future lies with those wise political leaders who realize that the great public is more interested in Government than in politics."●

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REAGANOMICS: RUIN, NOT RECOVERY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. FORD of Michigan. Mr. Speaker, 1 year ago today, the President's so-called economic recovery program took effect. The President promised that it would quickly create millions of jobs, cut the inflation rate, and lead to a rising tide of prosperity for all Americans.

Today, a year later, the people of Michigan and my constituents know that these promises were empty; that Reaganomics means not the creation, but the loss of millions of jobs; not an end to inflation, but the continuation of record-high interest rates and a return to double-digit inflation; not prosperity for all, but unemployment, bankruptcy, and wage cuts for the many, and huge tax cuts for the wealthy few.

A year ago, unemployment in my congressional district was 9.3 percent; today it is over 12 percent. A wave of plant closings and bankruptcies has decimated the tax base of many of our communities. And despite Mr. Reagan's promises, our taxes are higher because the State has been forced to take up the burden for the poor, the jobless, and the sick which the Federal Government has given up.

Mr. Reagan promised a balanced budget but has requested the highest budget deficit in history. He promised relief for the auto industry, but opposes relief from imports and opposes policies to lower interest rates and spur car sales. Mr. Reagan promised jobs, but 2 million Americans have lost their jobs since the Reagan "recovery" began.

Reaganomics has meant ruin, not recovery.●

CLAUDE PEPPER WINS JEFFERSON AWARD

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. DERRICK. Mr. Speaker, on July 21, the American Institute for Public Service presented our illustrious colleague and chairman of the Select Committee on Aging, Representative CLAUDE PEPPER, the Jefferson Award for "The Greatest Public Service Benefiting the Disadvantaged" for 1982. CLAUDE was selected for this well-deserved and prestigious honor in recognition of the tremendous contributions he has made over these many years in improving the lives of our Nation's disadvantaged citizens.

I would like to share with my colleagues the interesting and profound remarks made by Mr. PEPPER upon receiving this impressive award.

Mr. Justice White, Mr. Chairman, my fellow winners and awardees, distinguished guests, ladies and gentlemen. I am profoundly grateful to you, Mr. Parks, for those very generous and kind words of introduction. I hope I may have the privilege of quoting them in my coming campaign. I am profoundly grateful for this honor that this great organization does me. Besides expressing my own gratitude for this honor, I'd like to raise a few brief and timid words in behalf of a fellow frequently ridiculed, often maligned, called the do-gooder.

There are those who vary in their attitude toward this person, from a sentiment of sympathy for what he loses in the good things of life, to disparagement of his judgment as not being able to discern what are the best things of life. I've never heard any recital of what happened to the three men on the way to Jericho who encountered the man who had fallen among thieves. But I venture to say that the man who had the lightest heart when he arrived at his destination was the man who, en route, had incurred a considerable hotel bill and had administered to the needs of a man who had fallen into trouble.

Nature, in the mysterious and magical ways in which it performs its wonders, somehow gives to the heart a sense of satisfaction, a kind of quiet peace, a sort of exhilaration, derived from the knowledge and the consciousness that one has lightened the load a bit of his fellow man along what is sometimes the wearisome journey of life.

There are those today who seek by dangerous methods to enjoy such satisfaction. It is rather odd that a therapy so long proven is not used instead of such dangerous courses as those to which they resort. This institution emphasizes the giving of one's life and efforts and assets because it knows that in the giving that donor will be the recipient of much good in return. It's a strange kind of therapy but nevertheless, the one who gives becomes the beneficiary of his own benefaction.

And so, how timely it is, that in this moment of our times; when men are lost too often along the way, there is the emphasis given by this organization and this occasion to the imperishable value of what one gives in aid of his fellow man. I am profoundly grateful that you have included me among the honorees of this occasion. I shall strive to be worthy of your confidence. Thank you very much. (Applause.)●

THE PURGE OF JOY SIMONSON

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1982

● Mr. PEYSER. Mr. Speaker, the recent politicization of the National Advisory Council on Women's Education Programs is yet another example of how the Reagan administration has demonstrated its total lack of commitment to equality for women in this country.

This 20 member Advisory Council appointed by the President makes

We must never forget the sacrifice made by Raoul Wallenberg. His actions against one of the greatest threats to world peace and freedom represent the highest ideals for which we can hope to strive. He is one of the true heroes of my generation.●

INTERNATIONAL PHYSICIANS FOR THE PREVENTION OF NUCLEAR WAR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. STUDDS. Mr. Speaker, in April of this year, the organization of International Physicians for the Prevention of Nuclear War (IPPNW) held their second congress in Cambridge, England. Over 200 doctors from 35 countries attended this conference, the objective of which was to increase public awareness regarding the medical consequences of a nuclear conflict. I would like to draw the attention of my colleagues to a letter prepared by the Second Congress of the IPPNW and sent to President Reagan and Chairman Brezhnev. It is my hope, as it is the IPPNW's, that an awareness of the devastating effects of a nuclear war will compel policymakers across the globe to take steps to insure that such a catastrophe never occurs.

The letter follows:

AN APPEAL TO THE PRESIDENT OF THE UNITED STATES OF AMERICA AND THE CHAIRMAN OF THE PRESIDIUM OF THE U.S.S.R. SUPREME SOVIET

The growing threat of thermonuclear war and the continued development and proliferation of nuclear weapons have compelled us as physicians to examine in detail the consequences such a war would have on the people of our nations and of the world, whose health and survival are our professional commitment.

During the past several days, physicians and scientists from 31 countries have gathered to consider relevant data on the immediate and long term effects of a nuclear conflict. We were unanimous in concluding that:

(1) Nuclear war would be a catastrophe for any country and any people against whom those weapons were used. In the nations directly attacked, tens to hundreds of millions of people would be killed instantly. Millions of those residing in nations not directly attacked would also perish. There is no possibility of an effective medical response in the ensuing chaos. From the medical standpoint alone, the terms "limited" and "winning" have no meaning in the context of nuclear war.

(2) Among those who might survive the initial effects of blast, fire, and radiation, many would face the prospect of prolonged agony and slow death. Untold numbers would succumb to injuries for which no adequate medical treatment could be provided. Widespread starvation, epidemics, and psychological stress would be inevitable.

Radioactive contamination would spread to vast areas and would pollute the biosphere. The natural protective ozone layer around the earth might be damaged, with unpredictable consequences to all forms of life and to the very survival of the human species. At the very least, the social, cultural, environmental, and medical damage in the aftermath of a nuclear war would persist for generations.

(3) Nuclear war in Europe would destroy at a stroke its civilization and the achievements of thousands of years of human effort.

(4) Since physicians would have no remedy for the foreseeable medical consequences of a nuclear war, the only effective action is prevention.

Mounting military expenditures and the intensification of the arms race heighten tension. Each new crisis worsens the threat of nuclear war. No matter how difficult the international problems facing the world today, there is no acceptable alternative to their resolution through serious and honest negotiations based upon realistic assessments and mutual respect, with account being taken of the security of all states. It is within your power to ensure that the removal of the threat of nuclear war be given the highest priority both in international negotiations and in decisions made at the national level. The imperative of our time is to rule out the very idea of the use of nuclear weapons, in any form or any scale. Ultimately, nuclear weapons must be destroyed before they destroy humanity.

The growth in sheer numbers of nuclear weapons and the increasing complexity and sophistication of delivery systems increase the possibility that a nuclear conflict may be triggered by tragic accident.

Physicians are aware from their daily work that technologic systems are liable to malfunction and the human performance may fail because of mental derangement or even simple error. Whereas such failures in medicine may jeopardise a single life, the malfunctioning of military systems may now endanger the existence of humanity.

The arms race is killing people now by diverting scarce resources from urgent health needs. We therefore urge that measures be taken to reduce military budgets and to channel part of the funds to improve living standards and to relieve the condition of millions of people who suffer from lack of food and housing, from poor sanitation, and from widespead but preventable disease.

We believe that action must be taken now to prevent nuclear war and to relieve these consequences of the arms race. We urge that as a first step, the nuclear powers cease all production, testing, and deployment of nuclear weapons and their delivery systems. This should be accompanied by mutually acceptable methods of verification. We further urge that all nuclear powers unequivocably renounce the use of such weapons, and agree to prevent their introduction into any conflict. We advocate effective bilateral and multilateral negotiations on the limitation, reduction, and ultimate elimination of nuclear weapons.

We are aware that negotiations have been in progress for many years with essentially no apparent effect on the arms race. While we welcome any initiative by either side to reduce its stock of nuclear weapons, we recognise that they are likely to be eliminated only by negotiation. We must again urge that such negotiations be pursued seriously and continuously until they succeed.

We are ready to assist the process of negotiation on nuclear arms limitation and reduction in any way you consider beneficial. We will continue our educational efforts about the medical effects of nuclear weapons and nuclear war in order to increase the consciousness of the threat of nuclear arms and the commitment of each country to their elimination. As examples of these educational efforts, we are enclosing documents drafted at our Second Congress.

In a more direct manner, it may be useful for an international group of physicians to make presentations, if you will permit us to do so, to U.S.-U.S.S.R. arms control negotiations sessions. It is our hope that a scientific description of the medical consequences of nuclear war would sharpen the focus on this dangerous threat and thus contribute to the process of reaching an agreement.

As leaders of the two most powerful nations, you can render immeasurable service to generations living and to those yet unborn by ending the growth of nuclear arsenals and the current drift towards confrontation and nuclear catastrophe. Only reversal of the nuclear arms race can ensure the security of the planet as a whole.

We are aware of the enormous responsibility you carry. We offer our unwavering support to your efforts to prevent nuclear war.

Respectfully yours,

On behalf of the participants in the Second Congress of International Physicians for the Prevention of Nuclear War.●

OPPOSITION TO CONTINUED FEDERAL SUPPORT FOR DOMESTIC ECONOMIC DEVELOPMENT PROGRAMS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. APPLEGATE. Mr. Speaker, considering the real impacts of President Reagan's program for economic recovery brings to mind a recent conversation I had with his Assistant Secretary for Economic Development, Carlos Campbell. Mr. Campbell was explaining the reasons for President Reagan's opposition to continued Federal support for domestic economic development programs, during subcommittee hearings on H.R. 6100, the National Development and Investment Act. Assistant Secretary Campbell asserted that economic development programs were proven failures, and the administration preferred a supply-side approach to promote local economic development.

I asked Mr. Campbell to justify his opposition to federally funded economic development here in the United States, in light of administration sponsorship of the proposed Caribbean Basin Initiative. Mr. Campbell's response to me was that I was comparing apples and oranges, as the purpose behind the Caribbean Basin Initiative was to promote economic revitalization to thwart communism in the region.

Logically, Mr. Campbell's response, and the administration's position, mean that either: First, the people

living in the Caribbean are better equipped to utilize and administer programs for local economic development; or, second, that Congress will be wasting precious Government resources in a futile attempt to combat communism using ineffectual economic development tools.

In trying my best to have the utmost faith in the President and his success in economic matters, I feel that the very programs he deems appropriate for the Caribbean Basin are ideally suited for the 18th Congressional District of Ohio, and very beneficial for the beleaguered economy of the entire Ohio Valley. Therefore, I would like to take this opportunity not to berate the administration's economic scorecard; rather, I request that the President truly assist the "steelworkers of the Ohio Valley" by granting them equal status with the island people of the Caribbean, and join me in proposing a companion "Ohio Valley Basin Initiative."●

LOOKING BACK AT ROSY SCENARIOS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. PEASE. Mr. Speaker, on August 1, the Washington Post printed a chronological series of statements on the economy in "The Quotations of Secretary Regan." Beginning with a statement made by Secretary of the Treasury Donald Regan in January of 1981 and following through with a dozen public statements up to last month, the article shows how the administration's economic predictions have turned 180 degrees several times, made bold and unqualified assertions which have proven to be absolutely false, and generally established a public record that should make many more skeptics out of people who have relied in good faith on the administration's economic pledges.

In his latest press conference last week President Reagan continued to exude optimism over the future of the economy while at the same time telling us that progress would not be easy. Eighteen months ago President-elect Reagan added no qualifiers to his rosy scenarios—it would be easy; he knew there was a simple solution to these complex problems. Unfortunately, facts have proven him to be very wrong.

The article follows:

[From the Washington Post, Aug. 1, 1982]

THE QUOTATIONS OF SECRETARY REGAN

Jan. 6, 1981: "Our plan, as we now see it, will lead to lessening of deficits over the next two or three years. If everything works well and nothing else changes, we could see a balanced budget in the fourth year of the Reagan administration."

Jan. 6, 1981: ". . . If you give business a tax break, most businessmen are profit-oriented and they will revitalize their own industries in their interest and in the interest of their stockholders."

Feb. 19, 1981: ". . . The unemployment rate is expected to decline steadily from 7.8 percent in the current year to less than 5.7 percent in 1986."

April 1, 1981: "A full three-year program announced and enacted into law, will enable the economy to plan for the future. It will produce immediate and beneficial responses by the workers, savers, and investors. . . . We believe that people pay attention to government policy and react in a forward-looking manner. Consequently, expectations will change quickly and interest rates will decline more rapidly than standard forecasts assume."

May 10, 1981: "Now, as quickly as we can get inflation under control, these interest rates will start down. . . . It's my judgment that in a couple of months, they will start coursing down. . . . If business starts to literally slow down very fast, the interest rates have to plummet."

July 12, 1981: "All I know is that our economy is slowing down. I know that's healthy, because we have to slow the economy down in order to get some of the inflation out of it. But it will turn up again, with its automatic, built-in effects, by the end of the year [1981].

Aug. 16, 1981: "Our deficit will be about $45 billion in 1982, and we will be aiming for a balanced budget later. There should be less need for the government to borrow. We are trying to get our fiscal house in order so that there will be more funds available for the private sector."

Sept. 14, 1981: "This administration has done its job. It has provided just what American industry said it needed to transform our economy. . . . Yet, I must stand here today and ask: Where is the business response? Where are the expansion plans? Its like dropping a coin down a well—all I'm hearing is an empty clink."

Oct. 31, 1981: "Though I anticipate that there may be several more months of disappointing economic statistics, there are powerful forces already at work to transform current areas of weakness into sources of economic strength. First and foremost, a powerful incentive and growth-oriented tax reduction is already in place. Consequently, the current recession will be mild, its end certain and swift. . . . 1982 and subsequent years will show vigorous, perhaps unprecedented economic growth."

Feb. 3, 1982: "I think the economy is going to come roaring back in the late spring. I think we will see recovery in the stock market and home building and I think we will see continuing relief on inflation and interest rates."

March 6, 1982: ". . . Whoever said it would be easy for the businessman? They have to take some type of risk and they have to believe something. Now they can just sit on their hands and let their competition get ahead of them, if they will. Some industries did that once, you know, a la the railroads, and they ended up in the position where the airlines took all their passengers away."

May 1, 1982: "I don't think the recovery can be nearly as robust as we would like with these deficits."

May 4, 1982: "I think that there's going to be a little delay on the interest rates coming down as fast we we had hoped."

July 25, 1982: "This recession came along [and] was much deeper than we had originally thought it would be. . . . I think that we can and will have a good recovery here in the United States over the next several years. . . . It's exactly on schedule for what we said."●

THE NATIONAL SCIENCE AND TECHNOLOGY IMPROVEMENT ACT

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mrs. HECKLER. Mr. Speaker, today I introduced the National Science and Technology Improvement Act, designed to strengthen human capital resources in scientific and technical fields. Senator SCHMITT is introducing companion legislation today in the Senate.

There is a growing realization in the education community and the private sector that the "science problem" is both far reaching and extremely serious. The path of science through American society is characterized by decline, shortages, and lost opportunities.

Within our school systems, fewer students are taking math and science courses. Negative attitudes toward these courses increase from third to eighth grade.

In the elementary schools the teachers are less qualified in math and science subjects. The same is true in the Nation's high schools, where the problem is compounded by a damaging exodus of math and science teachers to more lucrative industry jobs. The same exodus is taking place in the Nation's colleges and universities, placing an even greater strain on an educational system struggling to turn out adequate numbers of scientists, engineers, and other technical professionals.

Industry concern is growing as shortages crop up in the technical talent pool so necessary to run a rapidly changing and increasingly complex workplace. If these shortages continue to grow, they will affect industrial innovation and productivity, impairing our ability to compete in the international marketplace.

Clearly, some action needs to be taken. Several pieces of legislation have been introduced in the House and Senate to address what an article in last Sunday's Washington Post described as a "high tech lag projected to last through the decade."

The bill I introduced today takes a very specific approach to what I consider to be the root of the problem. Through in-service training, the bill seeks to improve the qualifications of our secondary science and math teachers and provides research grants to encourage college science, engineering

Admittedly, this last alternative would allow 2.5 million farmers to act, in part, as though they were a few big corporations—but this alternative is by far the most reasonable choice.

It would prevent a 1930s-style mass exodus of farmers onto city welfare rolls. It would not raise taxes. Yet it would keep agriculture from becoming so tightly controlled (like Big Oil) that prices went through the roof.

A sane system of limited controls would idle a carefully calculated amount of land, tying supply to worldwide demand, providing important conservation benefits to help heal the ravages caused by years of fencerow to fencerow overproduction.

The choice, 43 years after "The Grapes of Wrath," is before us.●

COMPUTER TECH INSTITUTE

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Saturday, August 7, it will be my privilege to address the graduating class of the Computer Tech Institute, Parkville, Md.

The Computer Tech Institute is a privately owned, post-secondary institution specializing in computer training including programing, operations, repair, and electronics. Computer Tech offers intensive, full-time instruction for everyone—from new high school graduates to older career changers—in the skills needed to get into the rapidly expanding computer field.

Graduating this Saturday will be:

David Phillip Barshay; Sue Blaney; John G. Cadden; Vern Jenkins; Bonita M. Kistner; Sharon Jill Kuritzky; Hannah R. Laufe; Craig A. Miller; Gordon Miller; Irina Patlakh; Phillip Puntanen; Jeffrey Ira Rosensweig; Sharon Denise Butler; Denise Laree Despain; Karen L. Franklin; Timothy E. Kaufman; Michael D. Lyle; M. Dale Maufre; Patricia B. Miller; Donnie Gray Paschall; Raymond A. Richards, Jr.; Paul C. Talerico, Jr.; Andrew T. Tawney, Sr.; Charles H. Watson, Jr.; Daniel K. Woytowitz; Rosalie M. Brendekamp; and Catherine A. Maddox.

At a time when so many Americans are unable to find work, these 27 graduates should be congratulated for seeking skills to get into a profession projected to expand faster than any other occupation.

I am pleased to join Mr. James Ruocco, president of Computer Tech Institute, families and friends in honoring these graduates.●

CHANGING THE SPEED LIMIT FOR INTERSTATE HIGHWAYS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. HUBBARD. Mr. Speaker, Mrs. James R. Wood, a constituent of mine from Paducah, Ky., has written a convincing letter urging that the 55 mile-per-hour speed limit on interstate highways should be changed. Her reasoning is to the point and I would like to share Mrs. Wood's letter with my colleagues at this time. The letter follows:

Hon. CARROLL HUBBARD:

I am writing concerning the 55 mph speed limit on Interstate Highways. I understand that the number of highway deaths has dropped since the speed limit was put into law a number of years ago. However, I question if the number of deaths on Interstate Highways has dropped as dramatically as on all the nation's highways as a whole. I called the state highway office and state police office hoping to find data to support or refute this point. They had no information available.

My own personal research indicates the death rate on Interstate Highways versus two lane highways and other secondary highways is very low. Personally, I do not believe this is because automobiles are being operated at 55 mph. It has been my observation that most autos are being operated between 60 and 70 mph. Unfortunately there is always the possibility the driver will be stopped for speeding.

Another point made by proponents of the 55 mph speed limit is fuel conservation. It is proven fact that city driving uses more fuel than highway driving. Accelerating from a complete stop takes more fuel than accelerating at a steady speed whether it is 55 mph or 70 mph.

The Interstate Highways were designed to safely operate an automobile at 70 mph. I would like to see a bill go before Congress that would reinstate the 70 mph speed limit on Interstate Highways. It would really be great if something could be done for this summer's driving!

Mr. Hubbard, I hope you will give this proposal your attention.

Sincerely,

MRS. JAMES R. (PEARL) WOOD.●

FACTS SHOW FALLACY OF COMMITTEE'S ACID RAIN BOONDOGGLE

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. RAHALL. Mr. Speaker, I have grave concerns with the acid rain control program adopted by the committee with jurisdiction over the Clean Air Act reauthorization in the other body. Notwithstanding the lack of justification for this program, which I shall explain in my remarks, little scrutiny appears to have been given by that committee to the impact its program would have on employment and consumer prices.

Preliminary data in these areas show that a staggering number of miners and workers in related occupations will be displaced—not in New England where the alleged impacts of acid rain are said to be worse felt but in the Midwest. Electricity rates will also skyrocket putting additional burdens on the poor and elderly, on working people, and on industry.

The program envisioned by the committee is not founded on scientific evidence and is not supported by existing data relating to the study of atmospheric chemistry. It is arbitrary in its selection of the gaseous pollutant to be regulated and in the amount of emissions to be reduced. It is prejudiced against certain regions of this country by attempting to place the blame for acid rain solely on the Midwest. Void of any factual justification, the program mandates that areas within a 31-State region must reduce emissions of sulfur dioxide by 8 million tons below the 1980 level over a period of 12 years. If enacted by the Congress, 12-years hence we will be experiencing a policy fiasco that has cost the consumers of this Nation billions of dollars, displaced thousands of workers and contributed to the specter of spiraling inflation without having any benefit in terms of achieving environmental goals.

We must face the fact that acid rain is caused by nitrogen oxides as much as sulfur oxides; something not recognized by the program accepted by the committee in the other body. We must realize that local sources of emissions are as much to blame for fish kills in the Adirondack Mountains of New York—and perhaps more to blame—than the alleged contribution of long-range pollutant transport. We must understand that the scientific community is still examining the causes and effects of acid rain and with the exception of a few renegades, do not condone the establishment of a massive regulatory program at this time.

The impetus for acid rain controls appears to be concern over fish kills in lakes in New England and Canada due to the increased acidity of waters in those areas. In addition, representatives of those areas point to the industrial Midwest as being the cause of that increased acidity instead of looking in their own backyard. These premises for new regulatory controls on coal-fired powerplants, however, are open to dispute and are not proven. Consider a recent study conducted by the U.S. Geological Survey entitled, "Temporal Trends in the Acidity of Precipitation and Surface Waters of New York." This highly scientific and in-depth examination of lakes and streams in New York does not support the dual premise that

waters in that State are becoming more acidic and that this trend is caused by the long-range transport of sulfur oxides from the Midwest. I quote from the study:

Chemical composition of precipitation in New York is affected by local as well as regional influences. Although the entire state has reportedly been subject to "acid precipitation" for 30 to 50 years, the concentration of free hydrogen ion has changed little on a statewide basis for the 13-year period beginning 1965.

The study further states:

Although statistically significant trends in pH of surface waters are indicated in some other areas of the state, the impact from precipitation is masked by the greater effects of agriculture and urbanization. However, statewide decreases in sulfate concentrations in streams were detected and averaged 1 to 4 percent per year. These decreases were similar to those detected in precipitation.

Yet, this study is not alone in denouncing the so-called facts used by proponents of the boondoggle acid rain control program accepted by the committee in the other body. The New York Department of Environmental Conservation (DEC) released an appendix to its report entitled "Waters in the Adirondack Ecological Zone with Post-74 Summer pH" in June of this year and a comparison of this new data to that compiled by the DEC in 1980 in a report entitled "Acidity Status of Lakes in the Adirondack Region of New York in Relation to Fish Resources" shows that in the most recent survey fewer numbers and acres of Adirondack water fall in the lower pH category—below pH 5—than in the earlier surveys. Albeit, this comparison does not provide for long-term analysis but nonetheless contradicts claims that vast numbers of Adirondack lakes are deteriorating at a rapid rate.

There is even more evidence to support a case against the control-now-ask-questions-later philosophy of the acid rain control program. Earlier this year, a study completed by Edward Krug of the Connecticut Agricultural Experimental Station entitled "Effects of Acid Rain on Soil and Water" raised fundamental questions over the relationship of long-range transport to environmental damage in New England. Another study conducted by Kenneth Rahn of the University of Rhode Island entitled "Elemental Tracers and Sources of Atmospheric Acidity for the Northeast—A Statement of New Evidence" indicated that acid rain in the Northeast may be derived from emissions of local origin rather than from the Midwest.

These are researchers and scientists from the very region of our Nation claiming to be most impacted by acid rain who are throwing doubt upon the validity of the acid rain control program. These studies are not generated by industry, but by Government and the academic community.

Mr. Speaker, I can only hope that my colleagues in the House will act with reason and deal with fact when deliberating this issue.●

HONORING GEORGE BARTELS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. OTTINGER. Mr. Speaker, I rise to bring to the attention of my colleagues the distinguished public service career of Mr. George Bartels, who will be retiring from service to the city of New Rochelle, N.Y., on August 1.

George Bartels has spent 25 years as a municipal official in New Rochelle. For 22 years he served as assistant to the city manager, and in the words of a resolution passed by the New Rochelle City Council, Mr. Bartels established "a hallmark for creative and effective contributions in the realm of municipal administration."

Mr. Bartels' achievements go beyond dedicated service to his city. He has contributed to the welfare of our Nation through service with the State Department and a 34-year military tour of active and reserve duty. He actively participates in such groups as the Boy Scouts, American Legion, YMCA, and Rotary Club.

George Bartels has made an important contribution to his community and country. I salute him for a brilliant career fueled by remarkable devotion, and wish him the best of luck in the future.

I am including in today's RECORD the text of a resolution commending George Bartels by the New Rochelle City Council.

RESOLUTION

Whereas, George W. Bartels virtually a life-long resident of this community, concludes his exceptionally meritorius career of devoted public service to the City and citizens of New Rochelle on August 1, 1982, and

Whereas, his illustrious quarter century, as a municipal official, with twenty-two years as Assistant to the City Manager, establishes a hallmark for creative and effective contributions in the realm of municipal administration, and

Whereas, during his lengthy tenure in a position of high responsibility, sensitivity and complexity, George Bartels has demonstrated an extraordinary aptitude for problem-solving, for applying innovative measures to the processes of management and for contributing wise counsel and warm-hearted understanding among all his associates, and

Whereas, George W. Bartels served his country with distinction during a thirty-four year tour of active and reserve military duty retiring with the rank of Colonel, as well as with the U.S. State Department, and actively participates in the public-spirited enterprises of the Boy Scouts, the American Legion, the YMCA NR day nursery, and of the Rotary Club, which he has served as President; now therefore, be it

Resolved, That this Council of the City of New Rochelle hereby commends George W. Bartels on his distinguished quarter century of service to the City administration and to all the people of this community among whom he has earned the greatest respect, the highest admiration and the most sincere affection. We wish him Godspeed and for him and his wife Joan we hope that the retirement days ahead will be healthful and happy and filled with bright sunshine, and now therefore, be it further

Resolved, That a copy of this resolution be spread upon the minutes of this Council and a suitable copy presented to George W. Bartels.●

I SAY IT'S SPINACH AND TO HELL WITH IT

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. WALKER. Mr. Speaker, I should like to draw the attention of my colleagues to a recent column by John Lofton which expresses the concerns I have with regard to the tax increase legislation now in conference committee. I recommend the article which follows to my colleagues. It helps make clear that we must not increase the burden on the taxpayer, but must cut spending to facilitate the reduction of the entirely unacceptable budget deficit we presently face.

The article follows:

"I SAY IT'S SPINACH AND TO HELL WITH IT"

Every day, in more and more ways—or so it appears from the point of view of an unreconstructed Reaganite—the president seems to be afflicted with what might be called the Spinach-Broccoli Syndrome.

You remember the famous New Yorker cartoon? The father is telling his kid that the spinach on his plate he's being urged to eat is really broccoli, but the kid says: "Well, I say it's spinach and to hell with it!"

On the foreign policy plate, Reagan is asking us to eat the "spinach" of SALT II, a treaty which candidate Reagan attacked as "fatally flawed" but which President Reagan is now, de facto, abiding by. We are, of course, being told this is "broccoli"—that the administration is not doing what it is doing (actually adhering to SALT II), but instead is merely "not undercutting" the treaty as long as the Soviets behave likewise, something which, incidentally, the Soviets have never agreed to.

Now, on the domestic policy plate, the president is asking us to eat, through 1987, a massive pile of "spinach" consisting of $227.7 billion in tax increases, taxes on: dividends and interest payments, cigarettes, telephone service, capital gains, business meals, corporations, individual deductions, pensions, federal workers, airline service and boating equipment.

And, of course, as is the case with the SALT II "spinach," we are being told this tax increase is not really the "spinach" it is, but really "broccoli." Presidential press spokesman Larry Speakes tells me that what Reagan has agreed to is simply a pro-

sociated with oil and coal development in sensitive land areas. The matter is particularly timely as the House is about to consider H.R. 6542, which would ban oil, gas, coal, and certain other mineral leasing in wilderness and wilderness candidate areas. The primary purpose of H.R. 6542 is to insure that adverse impacts such as described in the Washington Post article, cannot occur in the 2 percent of lands in the lower 48 States which are designated as wilderness or which Congress is considering for addition to the National Wilderness Preservation System.

I believe the article amply details the risks to the land and wildlife associated with mineral leasing and related development—roads, pipelines, and so forth—in sensitive areas.

The full text follows:

[From the Washington Post, Aug. 4, 1982]

PIPELINE BREAK DUMPS CRUDE INTO WATERWAYS

(By Jay Mathews)

LOS ANGELES, Aug. 3.—A ruptured oil pipeline has contaminated part of a reservoir, a river and a creek and threatened fish and other wildlife in northern Wyoming in one of the largest inland oil spills on record, state and federal officials said today.

Environmentalists, fighting what they see as a major threat to wilderness areas, immediately called the spill a sign of what could happen if Interior Secretary James G. Watt allowed more oil drilling in such remote areas.

"If this kind of thing can occur in such relatively flat and open land, we feel it has ominous implications for wilderness areas," said Bill Cunningham, northern Rockies representative of the Wilderness Society.

Wyoming officials said they had not yet determined the cause of the break in the 12-inch crude oil pipeline which spilled what they estimated to be more than 6,000 barrels, or about 250,000 gallons, of oil 10 miles south of Byron, Wyo.

The rupture apparently occurred during the weekend but was not discovered until yesterday morning, a common problem in remote areas. A passerby saw oil on the surface of Yellowtail Reservoir, about 20 miles east of Byron, and valves feeding the pipe were shut off, a Coast Guard official said.

A Coast Guard official sent to investigate the leak said it had not yet been determined what impact the spill had had on local wildlife but said the volume of oil lost approached the state's last major spill in 1980 into the Platte River.

The 1980 spill, apparently caused by underground telephone cable construction, killed 1,752 muskrats, 19 geese, 19 ducks and destroyed 183 goose eggs, according to the state's game and fish department.

Pete Petera of the game and fish department said the area affected by this week's spill served as a home for mink, muskrats and other fur-bearing animals who could be harmed by the oil. He said the lower Shoshone river, which received the oil spill from Whistle Creek and transported it to the reservoir, did not have many game fish.

The reservoir, however, is full of trout and walleyed pike, Petera said. Although the spill is reported to have extended only 200 yards into the flood prevention reservoir, "I don't think it's going to do the fish a danged bit of good," he said.

David Jossi, a private contractor working with the Department of Transportation in Washington, said there were 115 crude oil pipeline breaks in 1981 which spilled 578,169 barrels of the heavy oil onto American soil. Ninety-nine of the breaks were caused by construction equipment such as backhoes.

A spokesman for the state department of environmental quality said an initial report on this week's spill mentioned construction work in the area of the break. But officials from Wyoming state departments, as well as Coast Guard and Environmental Protection Agency officials, had reported no definite cause for the rupture late today as they continued to drive and fly by helicopter over the area.

A Coast Guard official said a containment boom floated across the mouth of the Shoshone River was keeping oil from spreading further into the reservoir. Another containment device was holding oil at the surface where Whistle Creek and the river meet so that the oil could be easily removed.

Officals of the Marathon Pipeline Co., which operated the pipe system, could not be reached for comment. Cunningham said pipelines laid in remote areas were dangerous not only because spills were difficult to detect but because rocky terrain made them susceptible to landslides and, in some areas, earthquakes. Jossi said transportation department figures show damage from pipeline failures in 1981 totaled about $5.2 million.

A suit brought by Wyoming against the pipeline company involved in the 1980 spill is pending in court. A suit by the pipeline company against the telephone company on whom it blames the rupture has also not been settled.●

CHIEF JUDGE BOB McQUEEN HONORED

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. McCLORY. Mr. Speaker, the village of Gurnee, Ill., located prominently in my 13th Congressional District, has established a tradition of annually honoring one of its citizens at a testimonial dinner and on the following day as the parade marshal of the Gurnee Days parade.

At this year's testimonial dinner on Saturday, August 14, the community will pay tribute to my longtime friend, the chief judge of the 19th Judicial Circuit, Robert K. McQueen.

Judge McQueen and his helpmate Peggy McQueen, have made Gurnee their home since 1953. A native of Iowa, Judge McQueen earned his doctorate of laws degree in 1949 at George Washington University Law School in Washington, D.C. For the next 25 years Bob McQueen served as a special agent of the FBI, after which he became an assistant State's attorney to former State's attorney and now circuit judge, Jack Hoogasian. A little over 10 years ago Bob McQueen was elected an associate judge of the Circuit Court of Lake County and was appointed and later elected in 1978 to a full circuit judgeship.

Judge McQueen's interests have been directed primarily at the administration of justice, including law enforcement and enhancing the reputation of the legal profession and the judiciary in the area which I am privileged to serve in this body.

In addition, Judge McQueen's talents and interests have been directed toward community service, including the YMCA, the Boy Scouts, the Elks, and various law enforcement and bar association activities.

Mr. Speaker, I am proud, indeed, to bring this report to the attention of my colleagues and to offer this public expression of appreciation and congratulations to Chief Judge Bob McQueen, together with my greetings and good wishes to Peggy and Bob McQueen with the expectation that they will receive a copy of these remarks at the testimonial dinner where citizens of the community of Gurnee and areawide public officials join to honor them.●

IMMIGRATION LAW CHANGE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. FRANK. Mr. Speaker, legislation is pending which would amend the U.S. immigration law so that people would no longer be barred from entering the United States according to their sexual preference. Recently, several of our colleagues in the House held a public meeting so that people opposed to the exclusion of immigrants based on sexual preference could voice their opinion. I would like to share with other Members of the House, two of the statements presented at that occasion.

One of these statements is an extraordinarily eloquent one from William and Peg Capron of Arlington, Mass. I first met the Caprons when William Capron and I taught together at Harvard University and Peg Capron was active in lobbying the Massachusetts State Legislature on various issues as a member of the League of Women Voters. Several years after I had met them, the question of the exclusion of immigrants from the United States based on sexual preference became an issue and they informed me that their son, who had become a Dutch citizen, was barred by this provision and was unable to come to visit them. Mr. Speaker, it seemed to me then and it seems to me now that no valid public service is served by a law which prevents Bear Capron from visiting his parents.

No one is asking that immigrants to this country be given any special privi-

leges nor that they be given any exemptions from the laws that apply within the United States. But neither does it seem to me that it is a wise use of our limited immigration service resources to inquire into the purely private lives of potential immigrants and to exclude, with no valid public policy reason, people who are prepared to come here, abide by the laws, and comport themselves in a perfectly reasonable fashion.

I would like to share with my colleagues the heartfelt statement the Caprons made on this recent occasion and also share with them, the official statement of the Unitarian Universalist Association of Massachusetts on this subject. The Unitarian/Universalist statement was presented by Rev. Robert Wheatly, another individual whom I came to know during my service in the State legislature because of his dedicated concern for the values which the Unitarian Universalist Society advocates.

The statements follow:

STATEMENT OF WILLIAM M. AND MARGARET M. CAPRON

We are William M. and Margaret M. Capron. We reside at 248 Gray Street in Arlington, Mass. Mr. Capron is 61 years old and was born in New York City. He is a professional economist presently on the faculty of Boston University. Mrs. Capron is also 61 and was born in Hartford, Conn. She works in a community based organization serving elderly residents of Watertown, Mass. We are submitting this statement jointly.

We appear in support of the elimination from the 1952 Immigration and Nationality Act of Section 202(a)(4) which excludes foreign homosexuals and lesbians. We believe that this provision, together with other statutes in the United States which discriminate against homosexuals and lesbians is completely unacceptable. These laws are based on medically and scientifically discredited beliefs about human sexuality. They deny to individuals basic freedoms to live their own lives and are therefore morally offensive to this country's most cherished precepts.

Our present attempt to exclude alien homosexuals and lesbians is also bad public policy and holds us up to ridicule among those people who have come to understand that homosexuality is a normal orientation of a minority of men and women in every society throughout history. To the extent that this bar in the immigration law is effective it deprives this country of visits from individuals with talents we value. Finally, like all essentially unenforceable laws, it is unfair when it is occasionally invoked and weakens respect for all provisions of U.S. law.

Before we say more about our strong objection to the above-mentioned provision of the Immigration and Nationality law, we should explain our special knowledge of an interest in this matter. We have been married for 40 years and have four grown children, two of whom are married. Our third child, Bear Capron, is 32 years old and a homosexual. 13 years ago when he was a freshman at Stanford University he told us about his sexual orientation.

At that time we were as ignorant and as filled with ungrounded prejudice on the subject of homosexuality as most people were in 1969. There has been a decided change in knowledge generally since then, specifically in the attitudes of health professionals. At any rate, in the intervening years we have learned a good deal about human sexuality and sexual orientation. We have also become acquainted with many gay men and lesbians and learned that they do not conform to any stereotype.

Our son Bear is an attractive, highly intelligent, gifted person. He moved to Amsterdam in 1970 and has attended drama school and begun his acting career there. In 1978 he became a Dutch citizen in order to be able to work throughout the Common Market countries without having to secure a work permit each time. He was obliged to give up his U.S. passport but stipulated at that time that he did not do so out of any desire to renounce U.S. citizenship.

Our family has always enjoyed a very strong and close relationship. Because Bear chose to become a citizen of the Netherlands, our opportunity for family visits with him in the U.S. has been curtailed by Section 202(a)(4) of the Immigration and Nationality law. Bear can come here legally only with a visitor's visa which has been stamped with a waiver identifying him as a homosexual, for whom an exception to the law has been made. Since the law labels homosexuals as "psychopathic personalities", it is particularly offensive.

However it was important to him and to us that he be with us this summer. In deference to our concern about his entering the country illegally Bear allowed our feelings to override his own and accepted such a second-class, fingerpointing visa. In his adopted country, the Netherlands, in the Nazi era homosexuals were forced to wear identifying pink triangles and were often subjected to brutal treatment. Our son's protest against the above-mentioned section of the immigration law is to the discriminatory singling out of homosexuals for exclusion from visiting the United States.

Actions to undercut the offensive section of the law through the federal courts have enjoyed welcome but very limited success. Even if a recent San Francisco district court decision is affirmed by the Supreme Court, limiting the Immigration Service's power to attempt to identify and exclude homosexuals, the exclusion of self-acknowledged homosexuals may be continued.

Moreover, it is the Department of State, not the Justice Department Immigration and Nationalization Service which determines to whom visas will be issued. Unless the law is changed there is nothing to prevent it continued unpredictable, arbitrary application no matter what limits are placed on enforcement at points of entry against those who have been issued a visa. Therefore we repeat our urgent appeal to the Congress to eliminate this archaic and offensive section of the 1952 Immigration and Nationality law. Its continued presence on the statute books makes a mockery of our nation's cherished position as a leading champion of human rights and the dignity of the individual.

TESTIMONY BY REV. ROBERT P. WHEATLY

I wish to speak in favor of House bill #3524, legislation to repeal Section 202(a)(4) of the 1952 Immigration and Nationality Act, which adversely and arbitrarily works against homosexuals seeking to enter the United States. I speak in the adsence of Dr. Eugene Pickett, President of a continental religious denomination, the Unitarian Universalist Association of Churches of North America, which has for over ten years publicly and officially called for full social, civil and legal rights for homosexual persons. I speak also as a minister and former public service employee who, as a closeted gay male for many, many years, experienced first-hand the fears and pressures that personal prejudice and uneven enforcement of outdated laws can generate in the heart of even the most law-abiding of citizens.

From previous speakers you have heard legal, medical, psychological and personal reasons why the current Immigration statute should be changed. I endorse the thrust of their remarks, for they are most valid. However, some of the prejudice within these various professions, unfortunately, has its roots in anciently-held religious beliefs, especially those from the Judeo-Christian heritage many of us share as common background to our own personal religious beliefs and values. Whether doctor, lawyer, legislator, psychiatrist or neighbor next door, we are all part of the general Judeo-Christian value system which has dominated our American history.

I would like to remind us all that there is great danger in anyone taking isolated texts from either Judaic or Christian sources and giving them universal applications for which they were not intended. Scriptures are to be taken seriously, yes, but not literally, out of context, without a true awareness of the circumstances under which they were written and situations to which they were to be applied.

For example, to validate bias or prejudice or attitudes or actions against homosexuals, verses from the Leviticus-Holiness code are quoted or the ancient story of Sodom and Gomorrah is retold, as if there were only one possible interpretation to be gleaned from a reading of these particular passages. Or, Pauline scriptures are brought forward to justify, for example, continued acceptance of his demeaning attitude toward women as well as his negative view of all sexuality. In the meantime, the importance of the fact that Jesus said not one word about homosexuality—indeed, very little that can be called directly instructive about sexuality per se—is missed entirely.

The point that I am anxious to make here is that even within the Judeo-Christian tradition which, I should remind you in our American pluralistic society does not even cover the full range of religious beliefs, there is far from unanimity of interpretation or meaning of specific texts. And, as it is unwise for government to base laws too closely on literal scriptural interpretations, it is wise for it to allow for the widest freedom for its citizens to believe and act, without undue restrictions upon either belief or movement.

Let me assume you that there is hardly a religious tradition in these United States, with the possible exception of some of the most literal-minded scriptural interpretors, within which there does not exist those in authority as well as in general membership who today challenge the old interpretations with regard to homosexuality and homosexuals. These are those who believe they follow Jesus' example in challenging the old: "Ye have heard it said of old . . . but I say unto you!" Or, "A new commandment I give unto you . . .!"

And, there exists within all major and most smaller religious traditions today large groups of homosexuals who insist that they, too, are whole, creative, good, loving, religious persons—loyal Americans and taxpay-

veteran's own "willful misconduct." Consistent with its general regulatory provisions, the VA has automatically determined that alcohol and drug abuse are conditions due to willful misconduct. The result is that veterans whose readjustment was impeded by alcohol or drug abuse, and who have overcome their substance abuse problems, are effectively barred from using the GI bill to assist in their continuing readjustment.

Mr. Speaker, as my colleagues know, alcohol and drug abuse has been one of the disturbing legacies of the Vietnam war. The release last year of a comprehensive study prepared by the Center for Policy Research for the VA confirmed the tragic corollation between alcohol and drug abuse and intensive combat duty.

During the 96th and 97th Congresses, important efforts were made to insure that alcohol and drug abuse problems could toll a veteran's delimitation period. Under the leadership of Senator CRANSTON, and the distinguished gentleman from California, Mr. EDWARDS, corrective legislation passed the Senate and received extensive consideration by the House. H.R. 6915 is based on these efforts.

Mr. Speaker, tolling a veteran's delimitation date for reason of alcohol or drug abuse would not grant service-connected eligibility for compensation or health care. Unlike compensation and service-connected medical eligibility, which are structural benefits granted for the duration of a veteran's disability, the GI bill is a readjustment benefit designed to insure a veteran's transition to civilian society. Allowing tolling for alcohol and drug abuse merely insures that our readjustment benefits are adequate to serve the tragic readjustment problems of alcohol and drug abuse.

Mr. Speaker, I insert the text of our legislation in the RECORD. In addition, I have also attached the relevant sections from the correspondence with President Reagan and two letters to Ms. Dorothy Starbuch, Director of the Department of Veteran's Benefits, outlining the cases of two Vietnam veterans whose applications were denied under the present regulations. The cases of those two veterans, whose identities have, of course, been masked, are the clearest demonstration of the regulation's adverse impact.

H.R. 6915

A bill to amend title 38 of the United States Code to clarify the time limitations for the completion by veterans of a program of education, and to include alcohol and drug dependence or abuse as medical conditions for purposes of determining the eligibility of veterans for readjustment and related benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CLARIFICATION OF TARGETED DELIMITING DATE EXTENSION

SECTION 1. (a) Section 1662(a)(3) of title 38, United States Code, is amended—

(1) in subparagraph (C)(i) by striking out "may" and inserting in lieu thereof "shall" and by striking out "only if the veteran has been determined by the Administrator to be in need of such a program or course in order to achieve a suitable occupational or vocational objective" and inserting in lieu thereof "unless the Administrator determines, based on an examination of the veteran's employment and training history, that the veteran is not in need of such a program or course in order to obtain a reasonably stable employment situation consistent with veteran's abilities and aptitudes"; and

(2) in subparagraph (D) by striking out "1983" and inserting in lieu thereof "1984".

(b)(1) Not later than 30 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register, for public review and comment for a period not to exceed 30 days, proposed regulations under section 1662(a)(3)(C)(i) of title 38, United States Code, as amended by subsection (a) of this section.

(2) Not later than 90 days after the date of the enactment of this Act, the Administrator shall publish in the Federal Register final regulations under such section 1662(a)(3)(C)(i) as so amended.

TOLLING DELIMITING DATES BY REASON OF DRUG AND ALCOHOL CONDITIONS

SEC. 2. (a) Section 1501 of title 38, United States Code, is amended—

(1) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10); and

(2) by inserting after paragraph (2) a new paragraph (3), as follows:

"(3) the term 'medical condition' includes an alcohol or durg dependence or abuse condition of a veteran.".

(b) Section 1662(a)(1) of title 38, United States Code, is amended by inserting "(or an alcohol or drug dependence or abuse condition from which such veteran has recovered)" after "misconduct".

CORRESPONDENCE WITH PRESIDENT REAGAN

WASHINGTON, D.C., *May 20, 1982.*

Hon. RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Last Saturday, in your weekly radio broadcast, you reminded the nation of its deep obligation to those who serve in the armed forces. Today, we urge you to honor that obligation by fully implementing two vital Vietnam veteran programs.

In March of this year, 747,000 Vietnam veterans were unemployed, a 47 percent jump from a year ago. Their unemployment rate of 9.9 percent was significantly higher than that of their non-veteran peers. Tragically, these figures are just the latest sign of the continuing employment problems facing many Vietnam veterans.

To meet these problems, last year Congress extended eligibility for the training program under the GI Bill as part of The Veterans' Health Care, Training, and Small Business Loan Act of 1981, P.L. 97-72. As the legislative history made clear, Congress sought to extend hope to a broad group of underemployed and unemployed Vietnam veterans.

That great hope has been dashed. The Veterans' Administration (VA) regulations implementing the legislation have barred from the program many of the veterans we sought to help. Without regard to a veteran's employment history or present employment problems, the VA has made ineligible any veteran with sixty (60) hours of post-secondary education and any veteran who has ever had just three months of vocational "preparation".

Unfortunately, the VA's failure to implement P.L. 97-72 did not stop there. Several years of hearings have clearly demonstrated that Vietnam veterans were not benefiting from the government's small business loan programs. To correct the problem, Congress created a special Small Business Loan Program for Vietnam veterans. In drafting the program, Congress merely extended, belatedly, to Vietnam veterans the consideration it had offered World War II veterans.

The Small Business Loan Program was to begin earlier this month. Yet the VA has not even proposed regulations to implement the program. Nor do they have plans to issue regulations by any specific date. The Office of Management and Budget (OMB) has not submitted to Congress a funding request for the program.

Mr. President, this is not a budgetary problem. It is a question of national fidelity. The combined cost of both programs over their entire lifetime is $167 million.

Vietnam veterans have waited too long for basic benefits. The important Readjustment Counseling Program was only enacted in 1979. The training and business programs enacted last year followed the beginning of American involvement in Vietnam by nearly two decades. They followed the official end of the Vietnam era by more than a half decade.

By failing to aggressively implement these measures, we compound long delay with present neglect. We urge you to take the necessary action to force prompt and full implementation of these important Vietnam veteran initiatives.

Sincerely,

DAVID E. BONIOR,
BOB EDGAR,
THOMAS A. DASCHLE,
DON EDWARDS,
LEON E. PANETTA,
Members of Congress.

THE WHITE HOUSE,
Washington, June 3, 1982.

Hon. DAVID E. BONIOR,
House of Representatives,
Washington, D.C.

DEAR MR. BONIOR: On behalf of the President, I would like to acknowledge and thank you for your letter of May 20, cosigned by four of your colleagues, urging full implementation of the Vietnam veterans training and business programs enacted last year.

Please know that we will be providing a thorough study of the concerns you have raised, and you will be contacted as any additional information becomes available regarding implementation of these programs. Your interest in bringing your views to the President's attention is most appreciated.

With best wishes,

Sincerely,

KENNETH M. DUBERSTEIN,
Assistant to the President.

JUNE 30, 1982.

DEAR MR. BONIOR: This is in further response to your letter to the President of May 20 expressing your concerns, as well as those of several of your colleagues, over the administration by the Veterans Administra-

tion of two new programs dealing with the education of Vietnam veterans and with small business loans to veterans.

I wish to assure you that the President is deeply concerned with the Nation's obligation to those who serve in the armed forces, including those who served during the Vietnam era. We agree that the unemployment rate for Vietnam veterans is too high, but we are pleased to note that this rate has dropped from the March figure of 9.9 percent you cited to 9.0 percent. This decrease of nearly 1 percent occurred during a period when the overall national average went up. Nevertheless, this lower rate is still too high.

Responding first to your comments on the extension of the delimiting date for pursuit of education programs under the GI Bill, enacted in the Veterans' Health Care, Training, and Small Business Loan Act of 1981, it is noted that the extension allows pursuit of only certain limited types of training. These are: apprenticeship or other on-the-job training; programs with a vocational objective if the veteran is in need of such training to achieve a suitable occupational or vocational objective; or a program of secondary training where the veteran has not received his or her high school diploma or an equivalency certificate.

It seems clear that the extension should focus on those veterans who lack a high school diploma, or the equivalent, and those who are unemployed or underemployed because they do not possess the education or skills that would provide them with an occupation. This proposal was viewed as a means to provide a limited extension to those veterans who, within their original 10-year delimiting period, were unable to effectively utilize their benefits to achieve the education or skills necessary to gain entrance to the work force. We do not believe the Congress intended that an extension should be granted to those veterans who possess a relatively extensive educational background or a marketable skill, but who are experiencing employment difficulties more closely related to economic problems, rather than their military service.

Concerning the small business loan program, you are aware that when the President signed the bill authorizing this new program, he indicated that since new VA small business loans might duplicate similar efforts within the Small Business Administration, he would weigh carefully any attempt to provide funding for such a program. Shortly after the enactment of this law, the Small Business Administration established a task force to make recommendations on methods of providing special consideration to all veterans in carrying out its loan programs. The task force recently completed its study and has submitted numerous recommendations to the Administrator of SBA. Those recommendations would provide meaningful Federal assistance to veterans in obtaining business loans. Funding of the VA small business loan program at this time would only serve to duplicate an existing SBA program and would require the VA to employ additional personnel and train current employees in an area where they have little expertise.

Nevertheless, since the proposed VA program is modeled after the SBA program, representatives of the Veterans Administration have met with Small Business Administration officials to discuss their experience with this type of program. The VA has drafted a set of proposed business loan regulations based upon existing SBA regulations and the advice provided by SBA personnel. It is expected that these new business loan regulations will be published for public comment in the near future.

Thank you again for bringing our concerns to the President's attention.

With best wishes,

Sincerely,

KENNETH M. DUBERSTEIN,
Assistant to the President.

INDIVIDUAL CASE HISTORIES

WASHINGTON, D.C., *July 14, 1982.*

Ms. DOROTHY STARBUCK,
Chief Benefits Director,
Veterans' Administration,
Washington, D.C.

DEAR MS. STARBUCK: I am writing regarding one of my constituents, Mr. ——, who has filed a claim for Veterans Administration educational benefits under PL 97-72. During your testimony before the Subcommittee for Education, Training, and Employment on June 17, you kindly offered to review certain cases, and I am requesting that option for Mr. ——. He represents a classic example of a person for whom PL 97-72 was intended, yet who has been rendered ineligible because of regulations.

Mr. —— has a twelfth grade education. Upon his discharge from the Army in 1970, he was not able to avail himself of VA educational benefits because of the pressing need to support his family. Mr. —— was employed as a screw machine operator until he was laid off in March, 1982. At that time, he applied for the educational extension to attend a VA approved computer school, Control Data Institute, to pursue "(ii) a course with an approved vocational objective;". Mr. —— was told he was ineligible for benefits because he had an "above entry level job". Even though it is a position for which he had no vocational training, the VA has determined that Mr. —— is skilled.

Mr. —— is unemployed and, due to his lack of skill, has been unable to obtain another job. Mr. ——'s work experience in the automobile industry is not in demand, and in fact, will probably become obsolete with the future of robotics. He and his family could well become tax users rather than taxpayers. At this point, it is preventable.

I appreciate your attention to this matter.

Sincerely,

DAVID E. BONIOR,
Member of Congress.

WASHINGTON, D.C., *July 22, 1982.*

Ms. DOROTHY STARBUCK,
Chief Benefits Director, Veterans' Administration, Washington, D.C.

DEAR MS. STARBUCK: I am writing regarding Mr. ——, one of my constitutents. Mr. ——, a Vietnam veteran, has applied for the two-year extension for education benefits from the Veterans Administration under PL 97-72. He has stated that the VA has denied him these benefits because he is skilled, according to their regulations. Since you kindly offered to review some cases of this type at the hearing before the Subcommittee for Education, Training and Employment on June 17, I am requesting that you look into Mr. ——'s situation.

Mr. —— was discharged from the Army in 1965. He attended Macomb County Community College for ten months. It was necessary for Mr. —— to quit school to support his family. He was employed as a spray painter at Ford Motor Company until he was laid off earlier this month. According to Mr.——, this a permanent layoff. He said Ford has indicated to him that they will be using robotics for their painting in the future.

Mr. —— has told me that the VA has notified him that his "skill" as a spray painter renders him ineligible for education benefits. He said that Ford Motor Company has submitted a letter to the VA stating that a spray painter is not skilled, and Mr. —— has told me that it took about five minutes to learn the job. In fact, Mr. —— wants to use his benefits to attend Macomb County Community College for a program in automobile painting. It is his thought that if the automobile industry does not recover, the market for repair and maintenance of used cars will become high in demand.

Mr. —— has not been able to get another job. His lack of skills in our current economy has virtually eliminated him from the stiff competition for jobs.

Please know your assistance in this matter is most appreciated.

Sincerely,

DAVID E. BONIOR,
Member of Congress.●

MOFFETT RESOLUTION TO BLOCK VETO OF FTC PROPOSED RULES

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. MOFFETT. Mr. Speaker, I am today introducing a resolution which would block further consideration of FTC veto resolutions through the end of the year. I do so in anticipation of moves by those who would prevent the FTC from protecting consumers in the funeral marketplace.

On July 28, 1982, the Commission approved a modest price disclosure rule which would enable consumers to price, ahead of time, the costs of providing funeral arrangements to the elderly. The rule would require price itemization and would provide guidance to funeral directors to prevent the kinds of abuses discovered during its 10 year investigation of the industry.

Today, I held a press conference on this issue which was cosponsored by the American Association of Retired Persons. My statement, a copy of the resolution, and a fact sheet on the rule appear below:

STATEMENT OF REPRESENTATIVE TOBY MOFFETT IN SUPPORT OF THE FEDERAL TRADE COMMISSION FUNERAL RULE

Let me begin by thanking M. Kent Brunette of the American Association of Retired Persons (A.A.R.P.) for joining me at this press conference today.

On October 11, 1975, a constituent from Niantic, Connecticut wrote to the Federal Trade Commission and said the following:

"I lost my wife about two years ago. She requested that she be cremated. She did not want any expensive casket nor did she wish to be embalmed. Both of these things were required (by the funeral director). They advised me that she must be cremated in the casket. This is ridiculous . . . Anything that

Bethel, Conn., who has organized the positive, informative program of activities to counter the Klan rally. We have seen the commitment of the Danbury city government under the leadership of Mayor Jim Dyer taking a courageous stand against a group no city would want to host. And we have seen the commitment of the Danbury community, which has responded most appropriately to the presence of the Klan in its midst.

Mr. Speaker, the Ku Klux Klan is largely an anachronism in America today. Our Nation has made tremendous progress on civil rights, affirmative action, religious freedom, and the promotion of liberty and respect for fellow men and women.

Despite this progress, though, the prospect of groups like the Klan emerging in America—in Danbury, Conn.—remains great. I know the overwhelming majority of Danbury citizens and Americans will reject the siren song of the Ku Klux Klan and will instead reaffirm the principles of toleration, freedom, and brotherhood upon which our community and Nation are based.●

THE STORY OF VLADIMIR SHACHNOVSKY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. HOYER. Mr. Speaker, recently we as a nation watched the agony of a young woman from Baltimore who is trying to get her husband—a Soviet refusenik—released from the Soviet Union. Our hearts went out to her and to all those people caught in the same web of political intrigue. There are so many stories and they continue to increase in direct opposition to the flow of emigrees—as the number permitted to leave the Soviet Union slows to a trickle, the volume of people wanting to leave increases.

In June of 1981, 182 Jews were permitted to leave the Soviet Union, a significant drop of 96 percent from the number permitted just 2 years earlier. This has caused great anxiety among Soviet Jews who, in the last decade, had come to believe that emigration, at least based on repatriation to Israel to reunify families, would continue at some respectable level. Yet more than 400,000 individuals remain in the Soviet Union despite their desire to leave that country.

One of these individuals is Vladimir (Zeev) Shachnovsky, who first discussed emigrating to Israel in 1971. He had become active in the Jewish movement in 1968 and had taken part in preparing a series of Russian language Jewish publications.

Upon expressing his desire to leave Russia, Mr. Shachnovsky lost his job as a mathematician. Despite this setback, he formally applied for a visa in December 1972. He planned to join his brother, Alexander, who had successfully emigrated to Israel earlier in the year.

It was also in 1972 that he began to teach Hebrew, quickly becoming one of the most qualified Hebrew teachers in the U.S.S.R. But his abilities prompted the KGB to order Vladimir to stop teaching, and his application for a visa was denied on the grounds of "secrecy."

Despite this, Vladimir continued his work and in 1973 his telephone was disconnected in an attempt to further discourage his organizing and teaching. From 1972 to 1975, Vladimir traveled to Leningrad and other cities in order to encourage the study of Hebrew. In April 1975, he gave six lessons in the city of Derbent and was arrested and sent by force back to Moscow. In late 1976, Vladimir and several other activists were arrested and sent to prison for 1 month.

Other applications for visas were denied and Vladimir and his wife, Elena, continue to live and wait in Moscow, hoping for a reprieve. Vladimir is now regarded as instrumental in introducing elements of Jewish religion and culture to his pupils and he has prepared 30 new Hebrew teachers to carry on the work. He and his wife continue to practice the Jewish ritual despite the lack of any traditional materials.

This man, and so many thousands of other Soviet citizens, have proven their strength and dedication in the face of a concerted and instituted policy of daily violations of personal freedoms. Security forces break into private homes, disrupt family and religious gatherings, confiscate personal property and threaten people with arrest and physical harm.

A little over 1 year ago I had an opportunity to visit the Soviet Union and speak with many families, friends and supporters of refuseniks—some who wanted to remain in their homeland, others who wished to emigrate. It was a heartrending experience I shall never forget.

We must never permit ourselves to be idle onlookers to this harassment, but instead must work to keep in the public eye the problems, concerns, and goals of these thousands of Soviet men and women. I am honored to be a part of the 17th Congressional Class of Soviet Jewry and to be able to have this opportunity to bring to the attention of my colleagues and to the Nation the plight of just one of these people.●

THANK YOU—COLONEL SMITH

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mrs. HOLT. Mr. Speaker, I would like to take this time to recognize a most special and unique Marylander, Col. Thomas Spence Smith of the Maryland State Police. The recent announcement of Colonel Smith's retirement marked the end of a nearly 42-year career committed to the highest level of leadership to law enforcement in the State of Maryland. Colonel Smith in 1970 became the first career Maryland State police officer to attain the rank of superintendent.

But it is not the longevity of his service nor his high rank that makes Colonel Smith so special. Rather, it is his many achievements during those years that makes Colonel Smith a unique Marylander and a unique American.

During his many years of service Colonel Smith received innumerable awards, appointments to many commissions and boards, and considerable national publicity. Some of these awards include: the American Trucking Association Award for Highway Safety, the National Highway Traffic Safety Award for Public Service, the Dictograph Security Award for Public Safety, and the President's Award for Energy Efficiency.

These awards, as well as many others, are more than just so many plaques on a wall. They are indicative of long and distinguished service that included: In 1951, working on the famous Kefauver Committee investigating organized crime; in the early 1970's, personally directing police operations during disorders at the University of Maryland resulting in a minimal amount of injury; and in 1972, successfully leading the State police during the then largest uprising of inmates in the United States at the Maryland House of Corrections in Jessup.

It is a career such as Colonel Smith's that brought greater expertise and greater efficiency to the State police, that inspires troopers to give that extra measure of effort, and, in the ultimate test that made Maryland a better place to live. For this, I, along with thousands of Marylanders, are deeply grateful.●

SIMPLE ACCOUNTING MEASURE NEEDED TO PREVENT THE DEMISE OF THE THRIFT INDUSTRY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. YOUNG of Florida. Mr. Speaker, savings and loans are the backbone of our Nation's housing industry, and it is through these financial institutions that millions of Americans have found it possible to realize the great American dream of owning their own home.

We all know that high interest rates and the resulting depressed housing market of the past few years have been a tremendous hardship on the thrift industry, but another lesser known problem, resulting from defective legislation passed decades ago, continues to plague savings and loans as it has for more than 50 years.

My constituent and friend Martin J. Roess, chairman and president of the Guaranty Savings & Loan Association in St. Petersburg, Fla., and a national leader in the savings and loan industry, recently wrote a very interesting paper about this defective legislation, and the simple solutions that are available to alleviate the problems it has caused.

Mr. Speaker, I would like to share his report with you and all of my colleagues, who I am sure also will find it enlightening.

MARK-TO-MARKET ACCOUNTING

(By Martin J. Roess)

Guaranty Savings and Loan Association; St. Petersburg, Florida It is unnecessary, short-sighted and tragic that the federal government is allowing a three hundred billion dollar segment of the thrift industry to become insolvent because of an obsolete accounting sophistry when it has a simple way to correct this situation without a bailout or any cost to the federal government and overnight.

This failure to act is daily increasing the number of thrift industry employees whose life careers are being disrupted and ruined unnecessarily and whose only fault is that they loyally and faithfully carried out the mandate of Congress to make long-term, fixed-rate loans on an affordable basis to the American public over the last fifty years under a law which all agree is and was defective.

In the words of Congressman Sam Gibbons at a recent public meeting, the Congress passed a defective law in the thirties which required the thrift industry to lend-long and borrow-short, and the thrift industry faithfully carried out this mandate. This law is the source of the current troubles of the thrift industry and nothing else. The thrift industry is paying the price of this defective law and the Congress and the Administration can and should act now to prevent more damage.

The accounting change which will stop this insensitive destruction of the thrift industry and the housing market is called "fresh start," "mark-to-market," or "quasi-reorganization" accounting.

The irony is that the Federal Home Loan Bank Board is already allowing accounting embodying this principle in cases where a supervisory forced merger is crammed down a declining institution in favor of a larger institution, which in many cases is also declining. In most cases, if the smaller institution was allowed mark-to-market accounting, no forced merger would be indicated or allowed. This "acquisition accounting," which is substantially the same as mark-to-market accounting, turns the targeted, ailing, smaller institution into a valuable asset in the hands of the larger institution favored by the Home Loan Bank Board. This is unconscionable treatment, to say the least, perhaps illegal.

It is truly said that "what is good for the goose is good for the gander," and it is therefore imperative that the Federal Home Loan Bank Board, preferably with White House or Congressional approval or acquiescence, immediately authorize mark-to-market accounting for hard-pressed savings and loans without conditioning authorization on a forced merger.

This is a relatively simple measure. It can be instituted overnight and will stop the carnage, human or otherwise and at no cost whatsoever to the federal government. It will also do much to restore affordable home ownership to the fifty million Americans now entering the family formation cycle. Protection and enhancement of the American family through affordable home ownership has been the continuing commitment of every Administration for the past fifty years.●

DESIDERIO ELECTED STATE DEPUTY

HON. JAMES L. NELLIGAN,

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. NELLIGAN. Mr. Speaker, I would like to take this opportunity to offer my congratulations to Basil A. Desiderio on his election as State deputy of the Knights of Columbus in Pennsylvania.

Mr. Desiderio, a native of Larksville, Pa., was elected to this prestigious position in May, after many years of devoted service to northeastern Pennsylvania, and to the 11th Congressional District, which I am privileged to represent.

In his new office, Mr. Desiderio will lead over 62,000 members of the Knights of Columbus in more than 300 subordinate councils throughout the Commonwealth of Pennsylvania.

Mr. Desiderio brings to this high position, much knowledge in the workings of the order, having served as grand knight of Plymouth Council, 984, district deputy of district 29, faithful navigator of Bishop William J. Hafey Assembly, fourth degree, Knights of Columbus, serving in numerous State positions, including State program director, State communities activity director, and associate membership director of northeastern Pennsylvania. In 1978, he was elected as State treasurer for the Pennsylvania Knights. Professionally, he operates a general contracting business, and serves as president of the Masonary Contractors Association of northeastern Pennsylvania. He holds membership in numerous religious and civic organizations. He is a member of St. Casimir's Church, Lyndwood, its Holy Name Society, and Ushers Club. He is a veteran of World War II, having served in the European theater of operations.

Mr. Desiderio is married to the former Isabelle Uravich, and they are the parents of three children, Donna of Chicago, Ill.; Charles of Larksville, and Basil, Jr., at home, and the grandparents of two grandsons, Jonathon and Andrew Desiderio of Larksville.●

IN HONOR OF CAROL BARRETT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. FLORIO. Mr. Speaker, I am privileged to call attention to one of New Jersey's outstanding citizens, Carol Barrett, for her leadership on behalf of New Jersey's and the Nation's environment. Mrs. Barrett is the founder and chairman of the 880-member West Jersey chapter of the Sierra Club. As many of my colleagues are aware, the Sierra Club is an organization dedicated to the responsible use of the Earth's ecosystems and natural resources.

Mr. Speaker, we all are indebted to citizens like Mrs. Barrett, who recognize that we must not allow our natural resources to be mortgaged at the expense of future generations. I would commend to each Member's attention the following article from the Courier-Post on Mrs. Barrett.

SHE FIGHTS A WILD BATTLE—COLLINGSWOOD WOMAN HEADS AREA SIERRA CLUB

(By Peggy Morgan)

The words run out swift as deer and ripe with their South Jersey breeding like tomatoes. The voice is warm and husky. It is the sort of voice Forties' movie heroines had: Tough-cookie tones both smart and trustworthy. The blustery, filibustery mouth sits under big eyes widely spaced at the top of a hypermetabolic slip of a person.

"Just me in the kitchen on the telephone with my mouth" is how Carol Barrett of Collingswood, founder and chairman of the 880-member West Jersey chapter of the Sierra Club, works much of the time, "especially when I'm on a case. You have to be an investigator, a digger, not exactly a birdwatcher." The mouth surely is an insurable resource.

After a talk, a Unitarian told Carol Barrett: "I've never heard anybody be so passionate about the Pine Barrens."

After a meeting, a builder's representative told her: "You just succeeded in offending 50 people."

about how to go about combating this pernicious problem.

However, there is a weapon in our economic arsenal that has been too long overlooked, and it is a weapon that most of us can agree on. What is more, it is a weapon which individual citizens, business enterprises, and governments—local, State, and Federal—can pick up and use. This unheralded weapon is productivity improvement.

Productivity is a comparison—comparing the values of what is produced with what is needed to produce it. In other words, productivity is input compared with output. Productivity encompasses the contributions of all resources of production: Technology, capital, energy, and the human effort and skills needed to manage them. A nation or an industry advances by using less of these resources to turn out more products and services.

This has been true throughout American history, our ability to produce more in less time and with fewer resources has helped raise our standard of living.

This natural yielding of more benefits from improved use of resources works well when allowed to function. The problem comes when increases in productive output or quality fail to cover increases in the cost of labor or other resources used. This creates inflationary prices because when productivity falters while a producer's costs go up, there is often no other choice—the producer must charge more for its goods or services in order to stay in business.

Thus at least one major remedy for inflationary ills is to increase American productivity, which for the past entire decade has lagged sadly behind increases of other industrial nations.

Since World War II, America has watched other countries close the gap on its productivity leadership. In 1950, for instance, one U.S. worker produced as much as seven workers in Japan and as much as three in Germany. By 1977, it took fewer than 3 Japanese or 1.3 Germans to match 1 American. And by early in 1979 the productivity path of America not only sputtered, but showed a downward turn.

There are several things we can do to improve productivity over the long run—tax incentives and fewer governmental restrictions to encourage more research, development, and capital investment and better training of workers to give some examples—but there is one thing that we can do to get the ball rolling and that is to stress the relationship of productivity to inflation by bringing it to the attention of the American people.

The American Institute of Industrial Engineers is again sponsoring the National Productivity Improvement Week, to focus more attention on this vital subject. AIIE chapters all over the Nation are participating in this event. The theme is "Productivity Is a Good Idea in Action," and posters extolling this fact will be on bulletin boards throughout hundreds of communities. They will also be contacting the media—newspapers, radio, television, and others—to help explain the importance of productivity improvement and help turn this around for America.

Today I am joined by JOHN RHODES in introducing a House joint resolution to proclaim October 4 through 10 as National Productivity Improvement Week and we invite each of you to join us in this effort.

The Joint Economic Committee in a report on productivity and inflation said:

> A rising rate of productivity growth can reduce inflation over time and will generate greater incentives to capital formation and productivity growth.
>
> * * * * *
>
> The time has come to end the long neglect of lagging productivity growth in the analysis of economic events—not only in the analysis of real growth over the longer run, but the dynamic process of accelerating inflation.

We urge each of you to join in this effort.●

THE BUKHMAN FAMILY

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. WYDEN. Mr. Speaker, today I would like to bring to the attention of my colleagues the plight of Jews attempting to emigrate from the Soviet Union.

There has been a precipitous drop in the number of Jews permitted to emigrate and there is little evidence that the Soviet Union is moderating its restrictions. Families live apart and people are exiled, imprisoned, persecuted, and harassed solely because they do not wish to remain residents of the Soviet Union. These injustices must not go unnoticed or be implicitly condoned by inaction.

As a member of the 97th Congressional Class for Soviet Jewry, I have had the opportunity to sponsor a refusenik family. My family is Aron and Liya Bukhman and their two daughters Diana and Polina. The entire Bukhman family applied for permission to emigrate in 1973 at which time Aron's parents, brother, and sister-in-law were allowed to depart. Aron's refusal was based on his previous service as an army sergeant from 1964 to 1967 and his possible exposure to classified material.

Since attempting to emigrate, the Bukhman family has lived under constant harassment. Aron and Liya have difficulty finding employment. Their daughter, Diana, has been denied the opportunity to attend kindergarten. And they live in constant fear, surrounded by persistent antisemitic activity in Kiev.

The grounds for refusing Aron an exit visa are absurd at best. Even if Aron possessed classified information in his job, it certainly would be considered obsolete now, more than 14 years later. This family is but one of thousands of Jewish families who wish to leave the U.S.S.R. and are refused for intolerably inadequate reasons.

Recent information indicates that only 182 Soviet Jews arrived with Israeli visas from the Soviet Union during the month of June. This contrasts with the 4,500 Jews who received exit visas in June 1979. Furthermore, during the first half of this year, about 1,500 Jews arrived in Vienna from the U.S.S.R.; during the first half of 1979, about 25,000 Jews received permission to leave. This decline in emigration is not due to lack of interest: More than 500,000 Soviet Jews have applied for, and have been denied, exit visas.

We must not quietly brush aside this issue. Every effort must be made to halt the unjust treatment of the Bukhman family and the hundreds of thousands of Soviet Jews like them. By focusing attention on these refuseniks in the U.S.S.R. we will be reminded that concerned Americans have not forgotten these hundreds of victims of Soviet oppression.●

BALANCED-BUDGET AMENDMENT TO BE A LEGACY FOR THE FUTURE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. EDWARDS of California. Mr. Speaker, I feel my colleagues would be interested in reading the text of a statement made today by Hon. PETER W. RODINO, JR., chairman of the House Committee on the Judiciary, with regard to balanced budget hearings.

The statement follows:

STATEMENT OF PETER W. RODINO, JR.

Today will conclude the Subcommittee's series of hearings on proposals to write a balanced-budget amendment into the Constitution.

We now all know that yesterday the Senate approved a proposed constitutional amendment that is substantially different from H.J. Res. 350, the measure this panel has most recently studied.

I personally continue to oppose the insertion of what is essentially an economic policy or theory or, more aptly, an economic fad into such a venerable document as our Constitution. Our three years of hearings have convinced me of the impossibility of drafting a proposal which will truly insure a

balanced budget without creating governmental paralysis.

I have been blamed—or credited—depending on one's point of view—in some reports for "bottling up" this proposal. That was never my intention. I am proud to be a Member of Congress, and I would not flaunt its rules or try to subvert its established processes. I saw no need to rush impetuously into amending the Constitution. Now that the Senate has acted, I intend to move ahead in mark-up—but with the same caution and the same deep respect for the sanctity of the Constitution that, I believe, have characterized this Subcommittee's proceedings.

I do not regret or apologize for the deliberate manner in which we approached this dubious undertaking. We have built a record that I think is unsurpassed in the Congress. I would match the knowledge and understanding of the Members of the Subcommittee on this matter against those of any group of legislators. It is a record I'm proud of; it is a record of which the Subcommittee can be proud.

With that knowledge, understanding, and record, we can now attempt to write an amendment that, if it does become part of the Constitution, will not sully or demean that document, but might be a worthy legacy for the infinite future.●

COMMENDATION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, I would like to commend Mr. Edward M. Simon of Glenmont Road, Baltimore, for receiving the Baltimore Federal Executive Board's Heroic Act Award.

Mr. Simon, manager of the Waverly-Roland Park Post Office, without regard for his own safety, helped police catch a suspect who shot and wounded a city letter carrier. On May 4, 1981, the wounded carrier entered the Waverly station and reported he had been shot. After attending to the carrier and calling the local police, Mr. Simon and another carrier, Raymond J. Willard, rushed to the scene of the crime. While assessing the damage to the postal vehicle, they spotted two youths armed with rifles leaving a wooded area nearby.

Mr. Simon, using his private vehicle, pursued the youths and Mr. Willard followed on foot. As a result, one suspect was apprehended and both weapons were recovered.

I am sure my colleagues join me in saluting Mr. Simon for his courage and quick thinking.

Residents of the Waverly-Roland Park area should be proud of Mr. Simon's selfless efforts. He is a credit to the Postal Service, where he has served for 32 years, and to this community.●

A TRIBUTE TO JUDGE WAYNE KANEMOTO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. MINETA. Mr. Speaker, I rise today to pay tribute to one of the most extraordinary men I have ever known, Judge Wayne Kanemoto of San Jose, Calif. Judge Kanemoto is retiring after more than 20 years of service on the bench.

I have known Judge Kanemoto all of my life. He has been a model of dedication, compassion, and loyalty for all of the people of San Jose.

Judge Kanemoto attended local schools, and received his law degree from the University of Santa Clara in 1942. He was then forced to join more than 110,000 others of us who were interned by the U.S. Government because of our Japanese ancestry. Despite this obstacle, Judge Kanemoto continued his efforts and passed the California bar examination while he and his family were living at the Santa Anita Race Track, which was then being used as an internment center.

It is both ironic and sad that Judge Kanemoto had to obtain special permission and an escort from military authorities to take the bar exam and then again to actually take his oath of office as an attorney.

In 1943, while serving as attorney for residents of his internment camp in Arizona, Judge Kanemoto volunteered for service with the 442d Regimental Combat Team, the Nisei unit which achieved its well-known combat record in Europe. After the war, he returned to San Jose and continued his distinguished legal career.

In 1961, Gov. Edmund G. (Pat) Brown named Judge Kanemoto to his seat on the San Jose municipal court.

I have always admired Judge Kanemoto. He has been a symbol of dedicated public service which it would do us all well to emulate.

In addition to his duties as a municipal judge, Wayne Kanemoto has a distinguished record of service to the Japanese-American community. He began a program to assist immigrants obtain their citizenship, and instituted group naturalization ceremonies in San Jose.

Judge Kanemoto was a founder of the Nisei Democrats of Santa Clara County. He helped set up our sister city program. He assisted in the formation of two Buddhist churches and the San Jose Landscape Gardeners Association.

Mr. Speaker, I am proud to have the opportunity to pay tribute to Judge Wayne Kanemoto. His influence and guidance helped bring me to this House, and it is only fitting that I now ask my colleagues to join with me in acknowledging his many achievements.●

REAGANETHICS AND FEDERAL PENSION RIGHTS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mrs. SCHROEDER. Mr. Speaker, I recently received the attached article from a constituent, Michael S. March, who has been a professor of public affairs at the University of Colorado since 1973. Dr. March served in the U.S. Bureau of the Budget and the Office of Management and Budget from 1944 to 1973. I commend to my colleagues the article written by Dr. March on this timely subject.

The article follows:

REAGANETHICS AND FEDERAL PENSION RIGHTS

(By Michael S. March)

The economic and social distress which Reaganomics is now engendering around the country threatens dire consequences for millions of elderly who are dependent on federal pensions. The ongoing debate on how to reduce the projected annual $180-230 billion federal deficits in President Reagan's 1983 revised budget has brought forth numerous proposals to balance the budget on the backs of the aged by denying them the cost of living increases which the laws authorize for Social Security, Civil Service Retirement, and Railroad Retirement pensioners.

These proposals raise serious issues of social equity and political reliability and ethics. They would break long-standing promises to already-retired people who had every reason to believe that the U.S. government would carry out the immensely important statutory pension commitments which had been enacted in the last 60 years by wide margins in the Congress. Cost of living increases for Civil Service retirees were enacted 20 years ago, and for Social Security recipients, 10 years ago, the first under a Democratic and the second under a Republican President.

The statutory cost-of-living provisions would be abrogated by deferring, cutting, or capping increases arbitrarily or by changing the indexation provisions. Senator Pete Domenici (R) has been a leader in the movement. OMB Director David Stockman has slyly supported the cuts. Recent Senate budget plans, which President Reagan supports, allocate $40 billion of potential reductions to the Social Security program.

While most of these proposals are presented as "temporary," any GOP success in imposing such cuts will have five undesirable consequences:

The elderly retirees who are dependent on these pensions for their livelihood will lose their periodic inflation-offsetting increments and thus will be subjected to the cruel tax of inflation. The great majority of these people have low or very modest incomes.

The Reagan Administration, through its GOP supporters in the Congress, will establish a precedent for abrogating specific pension rights which have been earned by workers who had retired in the belief that they

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that this amendment is bad economic and social policy.

And, finally, the editorial justifiably chastises the Congress for following the lead of this President and failing to correct the mistakes of last year, namely allowing those inequitable tax breaks and buying the administration's enormous increases in military spending.

The editorial is a succinct statement of why we must not follow the lead of the Senate and adopt this amendment in the House.

The editorial follows:

A FRAUD, A HOAX AND A CON

What fools this president takes us for. This man who approved a $104 billion budget deficit—the largest in history—now asks us to make what he did illegal. And we are supposed to applaud him for his courage!

The proposed constitutional amendment requiring balanced federal budgets is a fraud, a hoax, a con. And in promoting it, the president and his supporters in Congress have shown how deeply contemptuous they are of the public they serve.

The evidence is written right into the amendment itself: Congress can get around it by a three-fifths vote or by a majority vote to raise taxes. The amendment could also be waived in time of war.

But the balanced-budget requirement could also be side-stepped by bookkeeping maneuvers, such as transferring monies in the federal ledger to a separate capital budget or expanding loan guarantees. In both cases, the government could end up with a surplus on paper while continuing to operate a deficit.

Even some conservatives are troubled by another aspect of this proposal: its trivialization of the Constitution. Writing economic theory into the nation's charter of fundamental rights invites the courts into the budget process and thus distorts the delicate balance between the three branches of government.

The amendment is also bad economics and social policy. Most experts now agree on the need to get red ink under control; financing the federal deficit eats up available credit for the rest of us and pushes interest rates through the ceiling. But in a recession, deficit spending is one way to relieve the pain of unemployment and get the economy moving. Deprived of this tool, we'd be in even worse shape.

In defending his own untenable position, Ronald Reagan says we shouldn't blame him for the current ballooning deficit. It was the wasteful ways of Democrats in years past that got us into this mess, he says.

But the president conveniently ignores his own role: His defense budget is the largest in peacetime history. His tax breaks for the wealthy have deprived the federal treasury of billions. And his economic policies have left one in 10 Americans out of work, thus reducing federal revenues still further.

Honest men and women of both political parties would face the budget dilemmas head on, with equitable tax policies and with cutbacks in military excess. That the Congress seems unwilling to make these tough choices, and instead follows the Pied Piper of Simple (and Wrong) Answers, is a confession of political bankruptcy.●

CHEAP SERVICE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DERWINSKI. Mr. Speaker, in addition to baseball, mom, and apple pie, the Postal Service is one of America's great traditions. I was especially interested to see the editorial in the July 28 Southtown Economist Newspapers, serving suburban Chicago. I am inserting the editorial as it points out the economic benefits of our Postal Service as compared with other Western industrialized nations:

CHEAP SERVICE

In 10 years as a public corporation, the U.S. Postal Service has served commercial mailers better than it has the 200 million private citizens.

According to a recent study by the National Academy of Public Administration, postal patrons are regularly affronted by out-of-order stamp vending machines, branch post office lobbies locked at night, and 20-cent letters that take as long to get there as 8-cent letters did a decade ago.

Still, the Nixon administration's mass reorganization in 1971 surely saved the doddering 200-year-old Post Office Department from collapse under the weight of archaic practices and rising mail volume.

As a public corporation, the Postal Service has increased its capital assets by $3 billion, handled a larger volume of mail with fewer employes, and reduced its operating deficit substantially. In fact, it has learned to serve bulk mailers so well that residents are being snowed under by junk mail.

Nevertheless, the survey points out that the Postal Service has made these gains at the sacrifice of employee courtesy and customer services. The National Academy recommends the Postal Service begin simplifying its "excessively complex" rate structure with four classes and 38 subclasses of mail, and requiring all employees, rather than just some, to be helpful and courteous to patrons.

Despite all the misrouted 20-cent letters, it might be of some comfort to note that, while postage rates rose 88 percent from 1971 to 1980, the cost of first-class mail is still cheaper in this country than in any other Western industrialized nation.●

THE BUDGET WILL NOT BE BALANCED BY RAISING TAXES

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. SMITH of Oregon. Mr. Speaker, the credibility of Congress continues to decline as we follow one insane act with another. Our actions on the tax package might make good theater, but they make lousy government.

I voted against the Tax Equity and Fiscal Responsibility Act of 1982. It is not equitable. It is not fiscally responsible.

And it has a score of other problems. The question of constitutionality has been debated elequently by my colleagues. The House abdicated its responsibility by sending directly to conference a Senate-crafted bill that represents the largest tax increase in the history of our Nation.

It was said that this was the best we could do. Maybe that is right. There are several other absurd provisions we could have inserted into the myriad of absurdities in H.R. 4961.

This Nation's savings and loan industry is on its knees, because of disastrous actions of past Congresses. This Congress would compound the problem by foisting on them expensive administrative chores requiring withholding of 10 percent of all interest and dividend income.

But maybe this is the best we could do, when you consider some of the absurdities overlooked by the Senators who drafted our bill and the Ways and Means Committee which failed to draft a measure at all.

There were many special interests who breathed a sigh of relief that they were not singled out. Certainly, the biggest interest group of all—the average American taxpayer—is happy we did not renege on our promise of a third year tax rate cut.

H.R. 4961 has many problems and we passed it anyway. The biggest problem we, as a Congress, face is one we keep avoiding: The spending side of our Federal budget.

Our budgetary problems are not on the revenue side. Even with the tax rate cuts already in place, revenues to the Federal Government are larger this year than in 1981. It is clear to the American taxpayer that he is not undertaxed; his Government spends too much.

With the lack of courage in Congress to address the spending side of the ledger, my suggestion has been an across-the-board freeze to allow revenues to catch up. If that had been done in the budgets for fiscal year 1982 and fiscal year 1983, projections show revenues would have caught up by 1984. Instead, we are looking at budget deficits in excess of $100 billion.

Perhaps our actions in Congress this year will give added impetus to a spending freeze. Certainly, our actions on the tax side are going to give further impetus to the flat tax rate. The American public has shown its support for both ideas, while Congress continues to turn a deaf ear. Instead, we appear to be listening to our own political rhetoric and quake in fear of damaging our chances for reelection.

I do not believe we need new taxes. I did not support the Tax Equity and Fiscal Responsibility Act of 1982. But we have it or soon will. We also have the opportunity as we address the spending measures to exercise real

equity and real fiscal responsibility. Let us not abdicate this responsibility. We must not bring forward budget busting bills that do not comply with the guidelines set forth in the First Concurrent Resolution on the Budget.

Before Congress is asked to give final approval of a conference report on a tax bill, we must show the American taxpayer some positive action to implement the spending cuts of the budget resolution.

I urge my colleagues to join in showing the American taxpayer that we can control the voracious appetite this Federal Government developed through irresponsible actions in the past. We must balance the budget—but not through new tax increases. We must not allow any increase in spending until the revenues catch up to the present levels of Government spending.●

DEVILS LAKE SIOUX RESERVATION

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DORGAN of North Dakota. Mr. Speaker, the Devils Lake Sioux Tribe in North Dakota has faced serious problems in effectively using its limited reservation lands. As a result, the tribe has lost ground in its reach for self-determination. At the unanimous request of the tribal council, I have introduced a bill to help the tribe merge and retain its tribal land.

The bill takes the same basic steps as S. 503, which was reported favorable by the Senate Select Committee on Indian Affairs.

Two major snags have hindered economic development on the Devils Lake Sioux Reservation. Since non-Indians own over three-fifths of the land within the reservation, this creates a checkerboard ownership effect and prevents the tribe from effectively managing its limited land. In addition, the tribe loses more and more land when it is inherited by a person who is not a tribal member. This erodes the tribal land base.

My bill seeks to solve these problems and to promote economic development on the reservation by giving the Secretary of the Interior—as the tribe's trustee—the right to consolidate and prevent the loss of tribal lands.

The bill includes many safeguards to protect the rights of the tribe, tribal members, and non-Indians alike. Any land sales or exchanges are limited to reservation land. The tribe must consent to all transactions. The bill also protects the rights of both member and nonmember heirs. Any money credited to the tribe from sales permitted in the bill must be held in a special account for land purchases only.

A final part of the bill clarifies who has legal jurisdiction on the reservation. By declaring the Devils Lake Sioux Reservation the tribal homeland of the Devils Lake Sioux Tribe, the bill confirms in statute the operating views of tribal, State, and Federal Governments and prevents costly lawsuits.

In sum, the bill seeks to help the Devils Lake Sioux Tribe become self-sufficient by strengthening its land base, without infringing upon anyone's rights.

I encourage anyone with concerns about this bill to contact me or to testify here in Congress when hearings are held. Any comments will be carefully reviewed.

I might underscore the fact that this bill does not appropriate any funds for tribal land purchases. Nor does the bill affect any land outside the reservation boundaries. It simply intends to help the tribe better manage land within the historic reservation boundaries and thus improve the chances of tribal self-sufficiency.●

CENTRAL AMERICA: RECOGNIZING OUR NATIONAL INTEREST

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. OBEY. Mr. Speaker, one of the serious issues facing this country is the way we defend our national interests in Central America. Unfortunately, that debate has all too often been polarized on the basis of people's stereotypes about Marxism on one hand and U.S. imperialism on the other. As a consequence, it has been very difficult to get people to differentiate between the kind of U.S. involvement which is just and sensible and prudent and the kind which is irrational, shortsighted, and counterproductive.

Mr. Pastor has written an extremely thoughtful article on the subject and I commend it to my colleagues.

[From the Atlantic Monthly, July 1982]

OUR REAL INTERESTS IN CENTRAL AMERICA

(By Robert A. Pastor)

[Robert A. Pastor is a faculty research associate at the School of Public Affairs at the University of Maryland. He served as senior staff member responsible for Latin American and Caribbean affairs on the National Security Council from 1977 to 1981. He is the author of Congress and the Politics of U.S. Foreign Economic Policy.]

In early February of 1981, as he was drawing a line publicly in El Salvador, Secretary of State Alexander Haig privately sent a strongly worded message to Omar Torrijos, the head of the National Guard of Panama and the power behind the presidency. Haig let Torrijos know that the flabbiness in U.S foreign policy had been firmed up; no longer would the U.S. government tolerate Torrijos's adventures with the Cubans. The goal of U.S. foreign policy in the hemisphere was now the containment of Cuba, replacing the half-dozen different goals that the Carter Administration had tried to pursue simultaneously. Torrijos would have to shape up, or else.

U.S. Ambassador Ambler Moss, Jr., was instructed to deliver the message to Torrijos immediately, and Moss helicoptered to the military barracks at Farallón. He found Torrijos in a hammock, swinging and mediating, and savoring his every puff of a Cuban cigar—a Cohiba, a personnel present from Fidel Castro. Torrijos had not heard from Ronald Reagan since Reagan's inauguration; before that, Reagan had referred to him as "a tinhorn Marxist dictator," and Torrijos had reserved some choice quips for Reagan, "in the spirit of reciprocity," he liked to say.

"General," Moss said, "I have a message to you from Secretary of State Haig," and he then read the message.

Torrijos listened with no visible sign of emotion, exept that he began puffing more rapidly on his Cohiba. When Moss was finished, Torrijos lifted himself out of the hammock, and asked if our ambassador would mind writing down his response. Moss took out his pad and pencil and Torrijos dictated:

"Mr. Haig, I cannot acknowlege receipt of this message. It was obviously intended for another destination. It should have gone to Puerto Rico. Omar Torrijos."

So much for the Big Stick in the 1980s.

Much has changed in Central America since Teddy Roosevelt boasted that he had taken Panama. One change is that Central America, like the late Omar Torrijos, seems to be listening to us less, while we seem to be listening to Central America more— more intensely if not with more comprehension, Another change has occurred in the national interests of the United States: we have fewer vital interests in the region, but we seem to care about them more. Last March, 792 foreign journalists, more than were in Vietnam during the height of the war, were in El Salvador to observe an election for a constituent assembly. The political, economic, and military turmoil in Central America—especially in El Salvador, Guatemala, and Nicaragua—has been on the front pages of American newspapers and on the television news shows for months. Why are we so preoccupied with the crisis? Is all this attention justified?

Americans cannot help but ask whether El Salvador might not be better off if we were a little less possessive. If we are better off today by letting the Panamanians run the Canal, and we are, why wouldn't we be better off tomorrow if we let El Salvador be El Salvador? In short, why bother?

Before I attempt to answer these questions, I would like to consider briefly the origins of the Central American crisis.

Two rather simple explanations have been offered. In his speech at the Organization of American States (OAS), on February 24, President Ronald Reagan attributed the crisis to "imported terrorism," a "new kind of colonialism" that "stalks the world today and threatens our independence. It is brutal and totalitarian. It is not of our hemisphere but it threatens our hemisphere"; it is communism, and it is exploiting the economic crisis caused by the increase in the price of petroleum and the fall in the prices of the principal exports of the region—coffee, bananas, sugar, and cotton.

Mexico's President José López Portillo had offered a different explanation in a speech in Managua, on February 21: "The

that people are driven again to a mirror-image caricature, which suggests that no security interests are at stake.

Nicaragua's neighbors do have grounds for fearing that country's military buildup, but not because Nicaragua will invade, which would probably provoke an OAS response. When combined with Nicaragua's support for insurgencies in neighboring countries, the increased military capability acts to deter any neighbor from "hot pursuit." The U.S. is not the appropriate country and the State Department is not the appropriate forum, however, to make the case on Nicaragua's military buildup; the evidence should have been presented by Central American governments, with U.S. assistance, before the OAS, where a multilateral response could be requested.

The establishment of a Soviet base that could be used to threaten other countries or even the U.S. is a legitimate security concern, and a nation in the region that was on a collision course with the U.S. would certainly have an incentive to issue an invitation to the USSR, much as Cuba did in 1962. From a U.S. perspective, the issue is how to minimize the chance of this happening, and there are two ways: reduce the probability of Marxist-Leninists coming to power in the region who would look to the USSR and Cuba for security support, or try to reduce the level of hostility with such groups if they do come to power. Although some have referred to this concern with the possible emergence of hostile regimes as a presumption of U.S. hegemony or imperialism, in fact the concern is shared by all governments of the region, whether of the right, the left, or the center. However, this concern must be kept in perspective. The emergence of a hostile regime is primarily a regional problem affecting important U.S. interests, but it isn't one that alters the global strategic balance and threatens vital interests.

The administration's third assertion is that the choice for Central America is, in President Reagan's words, between "two different futures"—a positive, democratic one and a negative, Communist one. Would that it were so. Though the phrases are reminiscent of the Truman Doctrine of thirty-five years ago—and, unfortunately, of equal subtlety—the American people are not as trusting as they were then nor as ignorant of the real choices we face in Central America. As the U.S. retreats from its defense of human rights, the black-and-white choices begin to blur into one another. The Marxist future in Central America—at least as it has evolved in Nicaragua thus far—is simply not as dark as the administration would have us believe, and the possibility of a democratic future for El Salvador and Guatemala can hardly be considered bright.

It is precisely because the likely alternatives are not very attractive that some Americans are driven to the idea that there is no choice. Others feel that the dissolution of the old oligarchical structure can present an opening for greater freedom and justice, and that it's a mistake to believe that if the left comes to power, it cannot be co-opted. Of course, U.S. policies can make revolutionaries either a little more or a little less hostile, but the probabilities argue against the chances of converting those Marxist-Leninist guerrillas, who have been fighting U.S. imperialism for a decade or so, into either democrats or friends of the U.S.

In the search for a relevant answer to the old strategic question, we have ricocheted between two caricatures—one suggesting that our most vital security interests are at stake, and the other, that there are no objective security interests, only perceptions based on a lingering desire for hegemony. In assuming that the insurgencies are not nationalistic movements but rather tools of the Soviets and therefore fixed in their hostility to the U.S., that the cause of the instability is external, that the only struggle in Central America is against the left, the Reagan Administration distorts the struggle into a confrontation with the USSR and invests the prestige of the U.S. in the outcome, over which we have considerably less than complete control. Moreover, the strategy of bringing the full weight of the U.S. against the insurgents is counterproductive, because it provides the right with a blank check to be intransigent and repressive in its war against communism and the left with a target that it can use to establish its nationalist credentials.

Those who would withdraw from Central America because they don't perceive any security interest either don't see or don't care about the covert extension of Cuban influence on behalf of Marxist-Leninist revolutionaries, or don't want to do anything about rightist terrorism, or don't think we can do anything. But they should understand that the consequence of withdrawal would be the intensification of the struggle; the right would be unshackled, and the Communist supporters of the left would be less inhibited in transferring weapons.

The question of national security interests returns at one point or another to the question of U.S. ideological interests—human rights, democratic government, a pluralistic and open international system. "International terrorism will take the place of human rights in our concern," Haig said on January 28, 1981; by this deliberate act of unilateral disarmament, the Reagan Administration not only deprived the U.S. of one of the most powerful weapons in its ideological arsenal but also betrayed U.S. history and values and placed itself in opposition to a vigorous transnational human rights movement. It is a mistake to view our security and human-rights interests as a contradictory; they are mutually reinforcing. Let me illustrate this point with two sets of examples. In the early 1970s, U.S. preoccupation with stability led us to ignore the discrediting of the democratic process in Nicaragua, El Salvador, and Guatemala, and the entire region is suffering because of the closing of those political avenues. In 1978, the U.S. placed its full weight behind democracy in Honduras and Panama, and that weight contributed to restraining the military in both countries, which are now relative paragons of stability.

Jeane Kirkpatrick, the U.S. ambassador to the United Nations, argues that the U.S. should have openly supported Somoza in Nicaragua, because the Sandinistas are worse. That same logic would lead us to resist all changes and to embrace all dictators—since the alternatives are almost always more uncertain. The Nicaraguan people had a lot more to say about whether Somoza remained in power than did the U.S., but even if the U.S. had had the choice, and backed Somoza, not only would we have backed a loser but we would have tainted our nation's values perhaps irrevocably in the area. Nothing would have weakened the U.S. security position more than to have gone down with Somoza.

What kind of system of government do we want our friends to live under? Certainly the U.S. cannot be silent on this question, and the answer must be some form of democracy, in which human rights are respected. We cannot ensure that democracy will take root everywhere, but we should never uproot it if it does, and we should use whatever influence we have to increase its chances by trying to assist those who would support social justice, restrain rightist repression, and offer an alternative to Marxist-Leninist revolutionaries. We can neither walk away from such a struggle nor take sides with the right against the left.

The U.S. also has systemic interests in contributing to a world economic and political system that is open and pluralistic. In Central America, this means that it is in the long-term interests of the U.S. to encourage greater independence and autonomy, since these would permit more balanced and respectful governmental relationships. Of course, this particular interest is generally eclipsed during a political crisis, when it is more important for the U.S. to try to influence internal political developments, but it is a mistake to ignore it totally. U.S. strength is derived from its respect for political diversity abroad and at home. We have an interest in influencing developments in Central America but not in dominating those countries as the Soviet Union dominates Eastern Europe. The U.S. would not be served by a Reagan Corollary to the Brezhnev Doctrine.

VIETNAM REDUX

Like the Americans who went to Panama in the first decade of this century to dig a canal but brought back malaria, we have gone to El Salvador to save it from communism but have found ourselves infected by that country's disease, political polarization. Of course, in Central America, the people in the middle position are attacked with guns instead of placards, but the same principle—that the middle becomes more precarious as the contest becomes more intense—governs the struggle in El Salvador and the debate in the U.S. And increasingly, the two struggles parallel each other and are drawn to each other.

Why are we psychologically involved in El Salvador today? Geographical proximity and the administration's own highly charged rhetoric partly explain the intensity of the debate. The administration has defined the issues in black-and-white terms, and this promotes polarization in the U.S. and contributes to it in Central America. But there are two other reasons why the conflict in El Salvador has the potential for polarizing the U.S.: the psychological proximity of the Vietnam trauma and the "Caribbeanization" of the U.S.

Fighting a war always leaves deep imprints on a nation's consciousness, affecting its self-perception and the way it looks at the world for at least a generation. Certainly, World War II deeply affected an entire generation of Americans. Because U.S. involvement reflected so many of our nation's most valued myths—the U.S. as supporter of the underdog; war as a struggle between democracy and dictatorship; the necessity for unconditional victory—our nation emerged with a positive feeling of unanimity, assured of its rightness in fighting and its moral and physical strength in winning. After the war, it was relatively easy to transfer this perspective to a new enemy—the Soviet Union and communism.

The Korean War partly breached this consensual view. President Eisenhower sensed this and avoided involvement in Vietnam in 1954 because he realized that the

American people were not yet prepared for "another Korea." More than a decade later, however, the total breakdown of the World War II consensus occurred in Vietnam, which divided the nation then and continues to divide it today. There is agreement that it was a mistake, but that is where the consensus ends. Two views of the Vietnam conflict seem particularly relevant to El Salvador.

The first view—that U.S. leaders lacked the will to win—was articulated by President Reagan in February of 1981, in a ceremony to present the Medal of Honor to a Vietnam war hero. Reagan said that U.S. military forces were withdrawn "because they'd been denied permission to win." Although this view appears to be shared by his secretaries of state and defense, there does not appear to be a consensus on its implications for Central America. The Defense Department appears to be reluctant to get involved militarily in the absence of broad national support, while Secretary of State Haig apparently believes that if the U.S. is to play its proper role in the world, we need to get over the Vietnam syndrome and demonstrate our resolve for both friends and adversaries. This explains why Haig was so eager to make El Salvador the key test for U.S. foreign policy; it was close to home and presumably an easy win. Of course, it didn't develop as he intended, but there is no indication that he has been diverted from a belief that the U.S. must demonstrate a willingness to apply force—as the Soviet Union has done either directly or by proxy in at least six instances since the U.S. withdrew from Vietnam—or U.S. diplomacy will become less credible. According to this view, there is no reason to re-arm America if the rest of the world doesn't believe that the U.S. has the will to use the arms.

Before Congress last March, Secretary of State Haig said that the problem in Vietnam was that the government had failed to decide whether or not our vital interests were involved. "If they had concluded negatively, then we would never have become involved in the first instance," he said. If they had decided our vital interests were at stake, "I believe they would have taken actions commensurate with that judgment. . . . Now, let me tell you," he said, "I come down on the side of, in such an assessment in Central America, that the outcome of the situation there is in the vital interest of the American people and must be so dealt with. . . . I know the American people will support what is prudent and necessary providing they think we mean what we mean and that we are going to succeed and not flounder as we did in Vietnam." In short, Haig was saying that the survival of the U.S. is at stake in Central America.

The White House reads the polls and knows how divisive is the conflict in El Salvador, and so the military option has not received any support. What the White House has apparently not recognized is that Reagan's use of the term "vital interest," as further developed by his secretary of state, commits the administration to stopping the left in Central America; the cost is irrelevant when the survival of the country is at stake.

Secretary of State Haig may be over the Vietnam syndrome because he never had it. But the view held by the majority of Americans, according to the polls, is that U.S. military involvement in a civil war like that of Vietnam is a mistake that shouldn't be repeated. The formative political experience of an entire generation—the baby-boom generation of the late 1940s and early 1950s—was marching against the war and turning the U.S. government around. In some ways, this was as heady an experience for this generation as winning World War II was for their parents. And just as the older generation enjoys recapturing the memory of its experience in movies or by marching in veterans' parades, the younger generation is ready to recapture its lost youth by marching against another war alongside a new generation ready to develop its own anti-war experience. This is part of the reason why the insertion of U.S. troops in Central America would divide America as Vietnam did.

For those whose views of the Vietnam War were shaped by watching it on television, the conflict in Central America promises to be much more riveting. Central America is more accessible, not just geographically but in its language and culture. Moreover, a large number of Central Americans are living in the U.S. today, and this helps people focus on the human consequences of the conflict.

Among journalists, there is a Vietnam generation ready to replicate the biggest story of the 1960s, and a new generation ready to cut its teeth on a new war. This partly explains why the coverage of the conflict has been so extensive, even though there are fewer than fifty U.S. military advisers in El Salvador; either the media are anticipating or they are trying to recapture the war of the past on a new battlefield. Their presence, however, serves the useful function of a self-denying prophecy; the more Americans focus on El Salvador, the more certain people are that they don't want to repeat Vietnam.

MUTUAL INTERVENTION

To understand why the struggle in Central America matters to the U.S., one must go beyond the traditional questions and answers about U.S. interests and explore the psychological relationship between the U.S. and Central America. One finds that the U.S. is so much a presence in Central America that to debate nonintervention is to elicit utter bewilderment from Central American leaders. And in the evolving debate in the U.S., which has grown more intense and polarized, one finds for the first time that the region is beginning to exert a profound impact on the U.S.

Franklin D. Roosevelt became a hero to Latin Americans just for taking seriously the principle of non-intervention that Latin jurists and diplomats have been preaching to the U.S. for generations. The second U.S. President to take that principle seriously was Jimmy Carter, but Latin Americans reserved judgment on him, since they had heard other Presidents make the pledge and then break it. Only in Central America did they take Carter seriously; there, however, they feared that he might be true to his word.

In March of 1977, before a congressional committee, Napoleón Duarte, then in exile from El Salvador, asserted that the Carter pledge was not only irrelevant but immoral.

"* * * the U.S. cannot assume that it does not intervene, because even at this moment if the U.S. decides not to intervene at all, it will mean that it sustains the structure presently existing in Latin America; it will mean the continuing existence of all the dictators imposed on the people. Therefore, there is a continuing historical interventon . . . the U.S., at this moment, has a historical duty . . . in support of those basic principles which form the basis of the so-called American way of life . . . If the U.S. starts presenting its international policy based on moral principles, on the concepts and values of the American way of life, then there is hope that the world will find a new destiny, better than the one we are living in today."

Omar Torrijos, of Panama, put the same point a little differently: "General Brown [former chairman of the Joint Chiefs of Staff] once told me that the U.S. cannot involve itself in the internal life of Latin America. I say, right . . . but the truth is that our peoples feel that the U.S. is involved and even though you believe you are not involved, the important thing is what our peoples think about you." Torrijos said that "the people of the Americas associate the Pentagon and the White House with the interests of the oligarchy and the interests of the armed forces. We are a nearsighted continent." If the U.S. is going to stand for democracy and social justice, it will have to move; to stand still is to reinforce an unjust status quo.

Mexico's great philosopher and poet Octavio Paz once wrote that North Americans "are always among us, even when they ignore us or turn their back on us. Their shadow covers the whole hemisphere. It is the shadow of a giant."

It is a presence that pervades Central America's politics, and that contorts the psychology of its leaders so much as to make it difficult at times for outsiders to understand what is happening. During the Nicaraguan insurrection, the Sandinistas repeatedly claimed that the U.S. was aiding Somoza, hoping that making such claims would further compromise the independence of Somoza and also embarrass the U.S., perhaps enough so that we would consider supporting them. At the same time, Somoza used the U.S. news media to claim that the U.S. was destabilizing him, hoping by such statements both to re-establish his independence and to press the U.S. to come to his support.

The only people in Central America who resolutely oppose U.S. involvement are those who are certain that the U.S. can't support them. Virtually everyone else tries to maneuver the U.S. into supporting them, and if they fail, they blame the U.S. for their problems. Even those who cannot decide what political path to follow blame Washington for neglecting to send a clear signal. The psychology of dependence is much more powerful than the reality.

Central Americans preach non-intervention but practice mutual interference. Ever since the Central American federation fragmented, in the early nineteenth century, a strong leader—a caudillo—has always consolidated power in one country and then tried to establish friends or overthrow enemies in neighboring countries. The U.S. has always been invited in by one side or the other or both. (A new element is that Central Americans now solicit the USSR and Cuba for military assistance and Western European governments and political parties for political support.) Even though U.S. troops have not fought in Central America since they were withdrawn from Nicaragua in 1933, the memory lingers. And even the most independent leaders—men who, like Torrijos or Somoza, appeared dependent on the U.S. but were actually manipulative—have always felt that their destinies were determined in Washington. Indeed, the greatest source of U.S. influence in the region remains the myth of control, the per-

ception that the United States shapes all events.

U.S. influence in Central America is neither new nor news; what is both is Central America's influence on the U.S. After a century of trying to shape developments in the region, the U.S. for the first time is on the receiving end—and subject to a more subtle and pervasive process of change than the blunt instrument of U.S. diplomacy.

CARIBBEANIZATION

There is a new, profound reason why U.S. interests in Central Ameraica are permanent, not transitory: the United States is becoming a Caribbean nation. The character of American society is being subtly reshaped by the most enormous influx of migrants from a single region since the turn of the century, when nearly 9 million people arrived from Southern and Eastern Europe.

Since the 1965 amendment to the Immigration and Nationality Act liberalized entry to the U.S. from the developing world, the composition of the immigrant population has changed rather dramatically. From 1900 to 1965, 75 percent of all immigrants were of European extraction, whereas 62 percent of the immigrants since 1968, when the new law took effect, have been from Asia and Latin America. By 1980, about 85 percent of all immigrants and refugees were from these two regions, while fewer than 6 percent came from Europe.

Although the new immigrants came from more countries than at any previous time in our history, the largest source of immigrants was the Caribbean Basin—Central America, the Caribbean, and Mexico. Before 1960, less than 4 percent of U.S. immigrants came from the area. Since 1960, about a third of all immigrants to the U.S., two thirds of all political refugees, and nine tenths of all undocumented workers have come from the region. The total number of people who have come to the U.S. from the region is approximately 8.5 million—more than half of the people who have come to live in the U.S. since 1960. As the numbers from Southeast Asia decline, the percentage from the Caribbean Basin can be expected to increase even further.

In large part because of immigration, the Hispanic community has become one of the fastest-growing ethnic groups in the U.S., increasing from 9 million (or 4.5 percent of the population) in 1970 to 14.6 million or (6.4 percent of the population) in 1980.

An examination of the social, demographic, economic, and poltical dynamics of the region leads to the inescapable conclusion that absent any new immigration law for the U.S., the flow will increase as dramatically over the next two decades as it has over the past two. The population of the region will nearly double by the end of the century. The economy of the region has progressed sufficiently to expose even poor Salvadorans to the material attractions of North America and to enable some of them to pay $1,000 to be smuggled into the U.S. But the economy has not been successful enough to provide jobs for a labor force expanding at 3 percent annually. Nor are the political institutions in the region flexible enough to channel the energies of a youthful and demanding population, almost half of whose members are under fifteen.

Until a few years ago, the vast majority of Basin immigrants came from Mexico and the islands in the Caribbean, but the recent political and economic turmoil in Central America has changed the composition of the immigration; most estimates now show an increasing proportion of political refugees and undocumented workers coming from Central America. El Salvador, with the highest population density in the region, was destined to become a major source of migrants even if there hadn't been a civil war. Some current estimates suggest that as many as 500,000 Salvadorans—more than 10 percent of the population—have come to the U.S. in the past three years. As many as 3,500 people every month may leave the violence of El Salvador, where at least 6,116 people were killed in 1981, for the peaceful environment of New York City, where only 1,826 people were murdered last year. And some estimates hold that 10 percent of the Nicaraguan population—about 250,000 people—have come to the U.S. in the past few years.

An increasing number of people considered migrating for economic reasons but were finally motivated to depart by political violence. These people have not only an additional reason to come but an additional excuse to stay—to claim asylum. Large numbers of such people can be expected from El Salvador, Guatemala, and Nicaragua in the years to come, particularly because the members of the first enterprising wave have already settled and adjusted to the U.S. Families and almost entire villages have been transplanted from San Salvador to Washington and Chicago, from Managua to Miami, from Guatemala City to New Orleans; these communities serve as "transnational bridges" for bringing friends and relatives to the U.S., for finding them jobs and documents, and for easing their cultural adjustment.

The full impact of this new wave of migration has not been fully grasped, and indeed its effects will become apparent only over the next two decades. The new migration occurs at a time when the U.S. fertility rate is at a historical low. In a recent study projecting the impact of this new migration on the composition of the overall population, Leon Bouvier, of the Population Reference Bureau, estimated that if the current rates of fertility and immigration are maintained, 40 percent of the U.S. population a hundred years from now "will consist of post-1980 immigrants and their descendants."

During the next two decades, the concept of an "American" is likely to be changed as much as at any previous time in our history. Those looking for a snapshot of the entire Caribbean Basin region might well find it by looking at the changing face of the U.S. One will discover that Miami and Newark airports look more like those in San Juan and Mexico City than those in Columbus and Nashville. Or a Connecticut Yankee might be shown around Boston's Faneuil Hall district by a newly arrived Guatemalan taxi driver.

Many U.S. cities increasingly resemble the small nations of the area, not only in ethnic composition but also in economic structure. These cities suffer from a weak or declining industrial base and a top-heavy, inefficient public sector oriented more toward social services than toward productive investment. If we can share problems with the region, can we share solutions? The new ties among peoples of the region may soon lead us to such questions, if not to their answers.

While some may debate whether the U.S. is the cause of the problems in Central America, it is a fact that the U.S. has come to share in the social consequences of political and economic instability in the region. The conflict in El Salvador is no longer a vague and abstract foreign-policy issue to be debated only at the State Department and in universities; it is a real and practical concern for the Department of Health and Human Services and for cities such as Miami, Los Angeles, Boston, and Chicago, which have to adjust their local services in a time of budgetary austerity to meet the growing needs of their Central American and Caribbean populations. Federal, state, and local governments spent about four times as much in resettling Cuban and Haitian "entrants" in 1980 as the U.S. spent in foreign aid to all of Latin America and the Caribbean that year.

Like all previous large migrations, the new wave from Central America, Mexico, and the Caribbean has stimulated some nativist fears and calls in Congress to limit the migration lest it lead to a problem of cultural and linguistic division comparable to the problem Canada has with Quebec. It is true that the foreign-born population has increased in the past decade to 6.2 percent after a steady decline since 1920, and that Spanish has become the second most-used language in American homes, but neither of these developments justifies any anxiety. Ninety percent of the people polled by the Census Bureau in 1980 spoke English in their homes, 5 percent spoke Spanish, and 5 percent spoke other languages. Unlike the French in Quebec, Hispanics are geographically dispersed, and although they may have a language in common, their nationalities and cultures reflect wide differences. Studies on acculturation and assimilation, although still quite preliminary, suggest that the new migrants are assimilating as rapidly as earlier migrants and that they recognize that their ticket to social and economic advancement in the U.S. is education and the English language. Moreover, as in past migrations, recent immigrants—as contrasted with refugees—utilize about the same number of social services and contribute as much to the economy as does the average U.S. citizen.

However, the fact remains that the strongest nation in the world has been powerless to manage the flow of people across its southern border. Some of the weakest nations have found in this spontaneous and largely illegal flow a source of real power—an instrument for exporting unemployment (and in the case of Cuba, its "undesirables"), an independent source of foreign exchange and welfare payments (through remittances), a means to relax social pressures, and a means for their most pervasive impact on the U.S.

"We have lost control of our borders," warns Attorney General William French Smith. It is not the phenomenon of Caribbean Basin migration that is troubling Smith and most of the country but one dimension of it—illegal migration. In 1979 and again in 1980, about a million Mexicans were apprehended while trying to cross the border illegally. Each year, at least 500,000 people elude the border patrol or enter the U.S. legally and overstay their visas, and it is estimated that 90 percent of them come from the Caribbean Basin. Although Mexicans account for the largest single group, an increasing percentage comes from other nations in the region.

The U.S. government has been wrestling with this issue since the Ford Administration. When faced with a bill sent by President Carter, Congress dodged it and established a Select Commission on Immigration and Refugee Policy to do a comprehensive and learned study. The distinguished commission, chaired first by Reubin Askew and then by the Reverend Theodore Hesburgh

of Notre Dame, submitted its report with detailed recommendations and a suggested law to President Reagan. After another study, the Reagan Administration submitted legislation to Congress. Then, last February, Republican Senator Alan Simpson, of Wyoming, and Democratic Representative Romano Mazzoli, of Kentucky, after exhaustive hearings on all of the issues related to immigration and refugee policy, submitted another bill, which is almost a synthesis of the numerous proposals that have been offered but in many ways is the best of all of them and also the most likely to pass. The bill would penalize employers who hire illegal aliens; establish a worker-identification system; legalize immigration of 425,000 per year, excluding refugees; and double admissions from Canada and Mexico to a combined total of 40,000.

Like most issues before Congress, the illegal-migration issue is subject to lobbying by groups on both sides. Unique to this issue, however, is the fact that many people find themselves on both sides of it. Liberals are sympathetic to the plight of illegal migrants but also oppose their entry because it undermines organized labor. Conservatives favor the silent invasion because either they believe in a single labor market or they sympathize with those businessmen who can't find Americans to do the work, and they oppose illegal migration for fear that the U.S. is losing control of its borders and losing its Anglo culture. Conflicting emotions as well as conflicting interests have paralyzed the policy process.

That is the reason the U.S. has not stopped the illegal flow: it serves some U.S. economic interests, and we are of two minds about what to do about it. The "push" forces from the region explain why it continues. However, while illegal migration may serve everyone's short-term interest, it serves no one's long-term interest. The illegal flow is a problem for the migrant, who is subject to exploitation first by the smuggler who brings him and then by the employer, who often keeps the migrant's illegality secret for a price. It is a problem for the U.S. because it weakens respect for the law, undermines labor unions, and, in allowing the development of an underclass of people without rights, is contrary to U.S. values. And it is a problem for the sending country because a nation that exports its economic difficulties—whether rapid population growth or unemployment—has little incentive to solve them and because it is humiliating to a nation seeking to develop a sense of nationhood when its citizens volunteer for exploitation.

Civil-rights and Hispanic groups have tried to resist attempts by the U.S. government to deport illegal aliens, and there is no federal law prohibiting employers from hiring illegals. The principal flaw in the Simpson-Mazzoli bill is that it fails to take into account the new bonds connecting the U.S. to the region. If the bill becomes law, and sharply reduces illegal migration, as it is likely to do, the pressures caused by increased unemployment and returning workers will generate social and political tensions in Central America where they don't exist and exacerbate them where they do. We will find outselves exchanging one end of the problem, illegal migration, for another end, more political instability. The Reagan Administration's Caribbean Basin Initiative could help address the broader problems of unemployment and economic development in the region, but only if it were more comprehensive and related more directly to the immigration issue than it now is.

Like members of the black community, Hispanics are mostly preoccupied by bread-and-butter domestic issues. The leaders of the community who care about foreign policy generally have views that range from virulent anti-communism to sympathy for the insurgents in Central America, with very little in between. The community in the U.S. therefore increasingly reflects the political polarization in Central America. The existence and influence of the community have heightened U.S. concern and interests in the region, but to the extent that the community's political views cluster around one ideological pole or the other, they have made a clear policy response more difficult to achieve.

Human-rights groups and the Catholic Church are playing increasingly important socio-political roles in Central America, helping the poor, the dispossessed, and the brutalized and giving them a voice and a haven in the U.S. Even if Americans were inclined to ignore the suffering in the region, the Church won't let us anymore, and that is to our nation's benefit.

Politically, the Church is as divided on Central America as our country is and almost as divided as is Central America, but those members of the Church who are opposed to repression appear the most vigorous and motivated. The White House has repeatedly been surprised by the large numbers of letters and telegrams from church groups urging the U.S. not to intervene in Nicaragua or to stop military aid to the Salvadoran government. The Church has become a political force to reckon with in Central America and in the U.S., and is strengthening the connection between the two of them.

The migration is slowly changing the way the U.S. looks at itself and at Central America and the entire Caribbean Basin. As the problems of Poland are felt more intensely by the American people because of the Polish-American community, or of Cyprus because of the Greek-Americans, or of the Middle East because of the Jewish community, and as earthquakes in Italy resonate through Italian neighborhoods in the U.S., so will the new immigrants from Central America force our nation to watch that region with more sensitivity and concern.

The U.S. will continue to have a major impact on Central America, but the nature of that impact will change as Central America's presence begins to be felt more directly in the U.S. Some of the most important U.S. interests in the world derive from the interests and concerns of our multi-ethnic population. The "Caribbeanization" of the U.S. may very well be one of our most compelling and enduring interests in Central America.

STRATEGY

Although our new, important interests appear to bring us to objectives—resisting the imposition of a hostile Marxist-Leninist regime, supporting democracy—similar to our old, vital interests, there is a key difference. In the past, we were seeking to defend in a foreign environment what we considered ours—whether the Panama Canal or U.S. investment. Today, with the increasing importance of nationalism in Central America and elsewhere in the developing world, and with the changing composition of U.S. interests, the U.S. is seeking to influence what it never can control—the political struggle in sovereign nations. The formulation of U.S. policy ought to follow logically from a definition of U.S. interests, but U.S. policy toward Central America is not made in a vacuum; it must operate within the constraints of U.S. capabilities and what is effective in Central America. I believe that we can exert our influence most successfully if our strategy takes account of the following points:

First, U.S. strength is demonstrated in the region not by military threats but by a willingness to negotiate legitimate concerns. Negotiations with Panama on new Canal treaties represented not a retreat of U.S. power but rather the preservation of U.S. interests in the Canal and an enhancement of U.S. legitimacy and influence in the area. In El Salvador, the left is not a unified, coherent Marxist-Leninist movement like that of the Viet Cong but rather a heterogeneous umbrella over five guerrilla groups, hundreds of political organizations, and disaffected Social and Christian Democrats. Sincere negotiations aimed at forging a democratic alternative would naturally separate those who are interested in democracy but want genuine guarantees if they are to participate in elections from those who are interested in imposing a Marxist-Leninist dictatorship.

Second, just as the way to protect the Canal was for the U.S. to relax, not tighten, its control, so too the way to win the struggle in Central America is for the U.S. not to fight it. Though Secretary Haig may believe that he obtains useful leverage by keeping all his options open, the unilateral use of U.S. troops is one option that should be ruled out, because it would be so internally divisive as to make the Vietnam demonstrations of the 1960s appear only a minor historical prelude to the anti-war riots of the 1980s. Moreover, U.S. troops would be landing not in the Central America of the 1930s but in the politically awakened region of the 1980s, provoking such a hostile nationalistic reaction that it would be the best gift we could ever give to the left. In short, we would lose both at home and abroad.

Third, the best way to defeat the Marxist-Leninist left in Central America is to break the hammerlock of the traditional power centers of the right. Central America is writhing in its struggle to free itself from a feudalistic past that is no longer acceptable to its expanding and demanding youthful population. The left feeds off the intransigence of the right and the repression of the military; the best way to reduce the support for violent revolution is to open the political channels for peaceful change.

Fourth, the best way to help the government in El Salvador is to be equivocal in our commitment. Secretary Haig's total support for the government in El Salvador is an inappropriate policy in Central America, where some of our enemies are potential allies and some of our so-called friends are really our enemies. By "drawing lines," Haig discarded the leverage necessary to influence the military to end the repression. In establishing its credibility against the Communists, the Reagan Administration lost its credibility against the right. The only way to restore credibility is to reduce support and aid.

Fifth, the best way to strengthen the enemy in the region is to confront him in a way that infringes on his sovereignty. Despite the unleashing of so many potent socio-economic forces in the twentieth century, the most awesome tool for mobilizing a population is still the old nineteenth-century idea of nationalism. A key concept that has apparently eluded some Americans is that the so-called retreat of U.S. power is the result not of diminution of U.S. will or capabilities but rather of the advancement

of nationalism in the developing world. The days when the Marines could take over a Central American country or the CIA could overthrow one are long gone; their involvement now is more likely to produce the opposite of U.S. objectives, by providing our adversaries with the great energizer of nationalism.

Sixth, one way to elicit support in the region is for the U.S. to demonstrate respect and understanding for the almost desperate need in the region for reciprocity. One of the arguments against the Canal treaties was that if we gave in to Panamanian demands for the Zone, the Panamanians' demands would escalate, and soon they would try to throw out the U.S. military. The opposite happened. Military cooperation became so close that in August of 1980 Torrijos accepted a parachute-jump exercise seventy miles west of the Canal by the 82d Airborne. He set only one condition: reciprocity. And so, the same day, a Panamanian airborne company parachuted into Fort Bragg. "It was," Torrijos said with evident pride. "the first time Latin Americans ever practiced an invasion of the U.S." The U.S. can go a long way in the region by recognizing the need of unequals for equality.

The parting irony of the Panama Canal treaties is that Ronald Reagan now probably wishes that he had one to negotiate with each of the other Central American nations, to bring to them the stability that the treaties brought Panama. But, alas, the political instability in Nicaragua, Guatemala, and El Salvador, the uncertainty in Honduras and Panama, and the economic crisis in Costa Rica cannot be solved by a treaty. The crisis of Central America goes back at least a decade, but the solution that might have worked then—opening the political process to new groups and forces—is unlikely to be adequate today. Still, that is the first step.

The short answer to the strategic question is that U.S. interests demand that we seek to reduce the political polarization in Central America, because it affects us even as it divides our neighbors. In part because of the gradual conversion of the U.S. to a Caribbean nation, it is no more possible for the U.S. to ignore the struggle in Central America in the 1980s than it was possible for us to ignore our racial crisis in the 1960s.

The strategic challenge the U.S. faces in Central America is difficult precisely because it has less to do with traditional concepts of national security than previous challenges did, and much more to do with trying to influence the process of political change in a sensitive Third World environment. The time when the U.S. could bring political stability to the region is long past; all we can do now is contribute to the problem or to the solution. The U.S. can contribute to the problem by demonstrating an unwillingness to negotiate, an eagerness for unproductive threats and military confrontation, a penchant for military responses to political problems, a preference for unilateralism instead of regional cooperation. Or the U.S. can seek social and economic justice even as it resists communism, condemn human-rights violations even as it denounces Cuban-supported terrorism, promote democracy, and seek to de-politicize the military. The U.S. may also find that a little more distance may mean a lot more influence.●

MORE BANK FAILURES IN OUR FUTURE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. PAUL. Mr. Speaker, the role of the FDIC and other Government insurance agencies in causing bank failures is a poorly explored issue. The Heritage Foundation has taken the lead in publishing a paper by Catherine England and John Palffey criticizing the FDIC's policy of subsidizing poor risks, thus destroying all incentive for financial institutions to correct their behavior and avoid failure.

In effect, the present Federal insurance system guarantees more bank failures, and the alternative is private insurance programs.

MORE BANK FAILURES IN OUR FUTURE?

(By Catherine England and John Palffey)[1]

When Oklahoma City's Penn Square National Bank was declared insolvent earlier this month, the Federal Deposit Insurance Corporation (FDIC) immediately rushed in to pay off depositors. To some, the FDIC came out looking like the shining knight come to rescue the victimized depositors. Others are not so sure.

It is clear Penn Square failed because it took too many risks. it concentrated 80 percent of its loan portfolio in energy-related firms, many of which fell into difficulties when drilling activity and energy prices fell last autumn. This summer when $50 million of these loans—about 15 percent of the bank's portfolio—were determined to be uncollectable, the FDIC decided to close the bank.

In hindsight, it is easy to blame the bank's management, or the FDIC, or even the larger depositors for Penn Square's demise. In all fairness, however, these actors were playing the game according to the rules as written. A different set of rules might have prevented the bank's collapse. Had private insurers, instead of the government, been keeping guard over Penn Square deposits, the entire messy episode may never have happened.

By charging insurance premiums calculated solely as a flat percentage of total deposits, the FDIC, in effect, subsidizes risky portfolios such as Penn Square's. Penn Square put together a risky portfolio because increased risk can bring higher rates of return. if risks are limited to a few loans, it may be worth taking chances since the returns on the many good loans enable the portfolio to absorb small losses on a few bad loans. However, once the portfolio becomes filled with risky loans, concentrated in a single sensitive industry, as in the case of Penn Square, the entire portfolio, indeed the entire bank, is threatened with failure. Penn Square and some of its depositors paid the price.

The trick is to devise a system that will allow bankers to take a certain amount of risk while putting the brakes on behavior such as Penn Square's. The FDIC system fails to do this because its insurance premiums remain the same regardless of the risk taken by the bank.

In theory, even without insurance, there are checks on a bank's behavior. As a bank takes on more risk, it increases the chance it will lose its assets and not be able to pay depositors. Depositors, detecting this dangerous trend, will move their funds to a safer bank.

Unfortunately, most depositors are not able to evaluate the risk their bank takes. Thus, the reason for insurance. Since their money is safe regardless of the bank's risk, and there is no reason for them to monitor the bank, an important restraint on management is lost, however.

But, you might ask, what about those depositors with funds over $100,000 which are not insured by the FDIC? Why were large banks such as Chase Manhattan, Continental Illinois, various credit unions, and savings and loans caught with their funds in Penn Square when it failed? After all, these uninsured depositors were in the best position to determine that Penn Square had taken on too much risk.

Historically, the FDIC has provided indirect insurance for these depositors by arranging for failing banks to merge with healthier institutions—especially when the failing bank is large. Thus, the FDIC has taken away much of the incentive for larger depositors to carefully monitor banks in which they deposit their funds.

If depositors lose interest in monitoring bank actions because the insurance company assumes the cost of risk, it follows that the insurance company should take on the task of restraining the bank. But, with over 14,000 banks to monitor, this task becomes practically impossible for the FDIC. On the other hand, a system of private insurance companies could monitor banks more efficiently.

A private insurer could set up a variable insurance premium structure based on risk. This would have helped prevent Penn Square's failure. A private insurer could have seen that Penn Square was taking on too much risk. Fearing that the bank might fail, the insurance company, seeking to minimize loss claims, could have raised the bank's insurance premiums. This would have forced Penn Square to "internalize" the cost of its portfolio decisions and would have limited Penn Square's willingness to take on risky loans. The higher cost of insurance would offset the interest rate gains of the riskier loans and, thus, would have stopped Penn Square's aggressive behavior before it reached the critical stage.

The FDIC is less able to take the crucial step of basing insurance premiums on risk. Unlike deposit size, risk is very subjective and, therefore, may rest substantially in the eye of the beholder. As the only agency setting the risk rating for a particular bank, the FDIC would be open to constant contention with bankers who disagreed with the assessment of the FDIC. With a competitive system of deposit insurers, however, bankers could shop around for the insurance policy they feel best reflects the risk of their banks and best suits the needs of their depositors. Since effective restraint would be tailored to individual banks, rather than through government regulation, banks would not only be safer, but also more efficient.

[1] Catherine England is an economist with the Heritage Foundation, a Washington-based public policy research institute. A former faculty member at American Unversity in Washington, Miss England is a doctoral candidate at Texas A&M University. John Palffey is a research assistant at the Heritage Foundation. He received his MBA at the University of Michigan.

Private insurance also would take away the perceived safety net for large depositors. They could no longer assume that an agency of the federal government would be there to arrange a convenient merger if necessary to save their funds. The incentive to carefully monitor a bank's behavior would thus be placed with those most suited to carry out this activity. Alternatively, large depositors could insist that a bank obtain extra insurance to cover all of their deposits.

By shifting the responsibility for monitoring banks to private insurers (motivated by profits) and their large depositors (concerned with the safety of their funds), a system of safer and better banking would probably result. As a bank begins to take on too many risky loans, or concentrate its portfolio too much in one industry, insurers and depositors could react, encouraging a movement in the other direction.

The weaknesses inherent in the current system are apparent. It's time to take a look at the alternative—before another Penn Square goes under.●

SUPPORT FOR PUBLIC LAW 94-142 AND SECTION 504 OF THE REHABILITATION ACT

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. MURPHY. Mr. Speaker, earlier this week I inserted in the RECORD a statement of support for Public Law 94-142 and section 504 of the Rehabilitation Act adopted by the President's Committee on Mental Retardation. Today I would like to call to my colleagues' attention a similar statement adopted by representatives of the Governors' Committees on Employment of the Handicapped and hand-delivered to the White House by the Chairman of the President's Committee on Employment of the Handicapped.

This resolution again emphasizes the broad-based support that exists for these statutes and their regulations, and the recognition that changes in them may threaten the progress that has been made for handicapped persons in this country.

The President's Committees represent an important link between the administration and the disabled constituency. I believe both the administration and the country would benefit if attention were given to the messages they bear.

RESOLUTION UNANIMOUSLY ADOPTED AT THE ANNUAL TRAINING CONFERENCE OF STATE CHAIRMEN AND EXECUTIVE SECRETARIES OF GOVERNORS' COMMITTEES ON EMPLOYMENT OF THE HANDICAPPED, APRIL 26, 1982 AT BETHESDA, MD.

Whereas, educational and equal access to programs and buildings are crucial to the employability of persons with handicapping conditions; and

Whereas, P.L. 94-142, Education for all Handicapped Children Act, and Section 504 of the Rehabilitation Act of 1973, as amended, represent years of struggle to create an environment in which disabled Americans can be productive, contributing citizens; and

Whereas, the states and territories of the United States of America recognize and applaud the positive effects P.L. 94-142, Education for All Handicapped Children Act, and Section 504 of the Rehabilitation Act, as amended, have had on employment of disabled persons; and

Whereas, the weight of evidence indicates the present administration may be developing regulatory changes which threaten to halt the progress that has been made through legislation; and

Whereas, regulatory changes should be developed with a view to preserving the intent of the Congress in the light of past experience to present and future national needs; and

Whereas, such congressional intent was developed with the involvement of a broad spectrum of the nation's citizenry; and

Whereas, the review and changes should be developed through a similar process; and

Whereas, the President's Committee on Employment of the Handicapped serves as a liaison between disabled Americans and the President;

Therefore, the chairpersons and executive secretaries of the states and territories, duly constituted, governor-appointed committees, councils and agencies concerned with employment of persons with handicapping conditions, call on the executive committee of the President's Committee on Employment of the Handicapped to address these issues and formally advise the President of the irreparable harm that the proposed regulating changes will have on potentially productive Americans.●

H.R. 6782, VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS OF 1982

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. ERTEL. Mr. Speaker, last week the House approved H.R. 6782, the Veterans' Disability Compensation and Survivors' Benefits of 1982. I was pleased to vote for H.R. 6782, and I would like to commend Chairman Montgomery and the Veterans' Affairs Committee for their work in putting this bill together. They have judiciously fulfilled the savings requirements of the first budget resolution. At the same time, this bill allows us to continue to meet our obligations to our disabled veterans and the survivors of those who died of service-related injuries.

The Senate had voted in May to provide no cost-of-living increase to either veterans with less than a 70-percent disability or those veterans receiving pensions. Even those with a 70-percent or higher disability rating would have received only a 4-percent increase in their benefits.

H.R. 6782, however, will give all veterans with service-connected disabilities and their eligible dependents a full 7.4-percent raise. This is the same adjustment provided this year to social security and Federal pension recipients.

This bill represents a victory for American veterans, at a time when domestic programs are under serious assault. It is incumbent upon Congress in this era to insure our contract with veterans is kept, for the Reagan administration has shown an appalling lack of respect for these obligations. The Reagan administration proposed cutting veterans programs by over $300 million in fiscal 1983, and would have accomplished this in part by cutting back on benefits to those veterans most in need—those with service-connected disabilities. The Reagan administration has put restrictions on funding for Vietnam veterans' readjustment counseling centers. The Reagan administration has so far refused to fund the Vietnam-era veterans' small business loan, established last year by Congress after hearings revealed a serious need for a loan program specifically serving this group of veterans. Perhaps most important of all, the integrity of the Veterans Administration has been damaged severely by its Reagan-appointed director. Robert Nimmo has violated Federal law, flagrantly misused VA funds and demonstrated a remarkable insensitivity to the interests he should be representing and supporting. American veterans deserve better.●

U.S. INTERESTS AND THE LAW OF THE SEA

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. LEACH of Iowa. Mr. Speaker, the President's announcement on July 9 that the United States would not sign the Law of the Sea Treaty and would limit participation in the remaining process to the technical level on certain treaty provisions, came as a keen disappointment to many of us. Apart from arms control treaties, the Law of the Sea Treaty may well prove to be the most significant peacekeeping treaty of the 20th century. As the President himself acknowledged, the treaty provisions on navigation and overflight and "most other provisions of the convention are consistent with U.S. interests." The achievements of the treaty signify "the benefits of working together and effectively balancing numerous interests." Unfortunately, in spite of such praise, his own decision fails to reflect a judicious balance among our own competing political, strategic, and economic interests. In this regard, a recent statement by former U.S. Ambassador to the Law of the Sea Conference Elliot Richardson, before the House Merchant Marine and Fisheries Committee, adds much

light to the heat which has been generated on this controversial issue. I commend it to the consideration of my colleagues:

STATEMENT BY ELLIOT L. RICHARDSON

Mr. Chairman and members of the Committee, it is a pleasure once again to appear before you in response to your longstanding interest in the Law of the Sea. Because of your familiarity with the subject my statement can be brief, and I shall then be glad to speak to your questions.

As the Committee is aware, this Administration has decided that the United States will not sign the Law of the Sea treaty adopted in New York on April 30. Although a reversal of that decision is likely to be some years away, its probability is made overwhelming by the breadth and depth of this nation's oceanic interests. We cannot long afford to isolate ourselves from multilateral arrangements vitally important to those interests.

For the time being our posture will continue to reflect a mixture of disappointed hopes and avoided realities. The disappointment stems from the fact that the text adopted in New York on April 30 did not come as close to meeting U.S. negotiating objectives as it could and should have done. Had our delegation concentrated on obtaining the best possible treaty and not been diverted by ideological pressures, it could have won significant additional concessions, particularly with respect to technology transfer and the review conference. As it was, we obtained valuable provisions for preparatory investment protection (PIP) that will give the U.S. companies that have pioneered in deep-seabed mining guaranteed access to a specific minesite of up to 150,000 square kilometers; we also gained the explicit assurance of a seat on the Council of the International Seabed Authority as well as certain other marginally useful improvements.

In deciding not to sign the treaty the President also decided not to pursue the indications from several sources that opportunities passed up in New York might still be open at the Law of the Sea Conference session scheduled for September 22-24. Our failure to take advantage of this last clear chance means that the deep-seabed mining regime that we shall eventually be obliged to join will be less satisfactory than it could have been.

It is regrettable but likely that these decisions would not have been made had the President's advisers faced up to the fact that the treaty is our only means of assured access to the strategic minerals of the deep seabed. Avoiding this reality, they clung instead to the illusion that such access might somehow be afforded by a Reciprocating States Agreement or "mini-treaty." They did so, moreover, despite the plain warnings to the contrary contained in every responsible survey undertaken by the U.S. Government, including a recent report by the General Accounting Office.

These surveys concluded that there will be no "mini-treaty" for the simple reason that our allies will not join one. They also predicted that American companies will not operate under domestic legislation. Indeed, I have yet to find a single representative of an American deep-seabed mining comany willing to state publicly that his company is prepared to take that risk.

The reason is clear. Domestic U.S. law cannot give anyone a secure legal right to exploit a defined area of the seabed. Without such a right good for at least 20 years, no rational investor will gamble $1.5 billion on a deep-seabed mining project. It will not suffice for seabed-mining claims to be recognized by a handful of like-minded countries. And even the seabed-mining states concede that international law would not require non-members to respect the reciprocal regime.

Thus, even if it were universally agreed that deep-seabed mining is a high-seas freedom, such agreement would not provide a secure legal foundation for investment; it would merely protect everyone's right to jump anybody else's claim. Only a few leading industrial countries, in any case, share the view that deep-seabed mining is a high-seas freedom. Those same countries have accepted the jurisdiction of the International Court of Justice. They would accordingly face the ever-present risk (perhaps the likelihood) that the Court will eventually declare illegal any deep-seabed mining activity that does not conform with the treaty.

Though less good than it might have been and far from perfect, the treaty's deep-seabed mining regime is not unworkable. Depending upon metal-price prospects, at least some of the deep-seabed mining companies domiciled in other Western industrial countries would be willing to operate under the treaty, and they will have the encouragement of their governments in doing so. If, therefore, we remain outside the treaty, any American company that wishes to engage in deep-seabed mining will have no choice but to proceed under the flag of a member country.

Aware of all this, responsible industry representatives have lately begun to revive the idea of a government guarantee against loss. Although previously rejected by the Congress, such a guarantee might conceivably induce investment. But it would be strange indeed if the U.S. were to subordinate the advantages of joining the treaty to free-market principles only to jettison those same principles under its own law. And since it is unlikely that the U.S. would be willing to underwrite an activity not sanctioned by the treaty after the World Court had held it illegal, the guarantee would have sharply limited value.

It is possible, of course, barring a sharp and predictably long-term increase in metal prices, that legal and political uncertainties will tip the scales against private investment in deep-seabed mining even under the treaty. In that event also some form of risk insurance would be necessary. But the risks to be insured against would be much less substantial than the risks of operating outside the treaty. And though we would be sacrificing ideological purity, we would gain in its place both consistency and the benefits obtainable only under the treaty.

As to the latter, the President's advisers avoided a second reality. They downplayed the concern that the isolation of the U.S. will result in the erosion of the very interests in freedom of navigation and overflight that led us to promote UNCLOS III in the first place. We succeeded in persuading other countries to address our navigational concerns only by agreeing to address their resource interests. It was therefore understood from the outset that the objective of UNCLOS III was a "package deal." Exactly that was accomplished on April 30. If we persist in our present course we shall be inviting the rest of the world to tell us that we cannot expect to rely on the parts of the treaty we like while at the same time rejecting the parts we don't like. The result, instead of strengthening the rule of law, will make a mess of it—at least for us.

Nor will this be the only non-mining cost of isolation. In Paris on June 6, 1982 President Reagan agreed that the United States would participate in a "global dialogue" on economic issues. Having turned our backs on the most comprehensive global dialogue thus far conducted, we will have crippled our capacity to play a leading role in the next rounds. Where shaping the multilateral institutions of the future is concerned, we cannot insist on having everything our own way and still expect to be taken seriously.

It may not yet be quite too late to seek—or at least to encourage—further improvements in the deep-seabed mining regime. It is certainly not too late, in any case, to decide to participate in the work of the Preparatory Commission that will draft the rules and regulations for deep-seabed mining. Although we cannot be a voting member of the Commission unless we sign the treaty, we can as a signatory of the final act at least participate as an observer, and that would give us some influence over the content of the rules and regulations. And even though the chances of our eventually adhering to the treaty were rated as significantly lower than I rate them, we would be foolish to renounce that influence.

As a final observation, I would note that the real importance of the Law of the Sea treaty cannot be found either in the sum of its parts or in its extraordinarily comprehensive whole. It lies rather in its demonstration of the capacity of 160 sovereign states to work out rational accommodations among vital competing interests. This is an achievement whose significance will loom ever larger as the world increasingly finds itself forced to come to grips with its own inseparability. It would be sad if the United States, whose commitment to the rule of law contributed so much to laying the foundations of that achievement, were not to be a part of it.

Meanwhile, as President Reagan has acknowledged, the treaty would clearly benefit a wide array of U.S. national interests—the mobility of air and naval forces, commercial navigation, fisheries, environmental protection, scientific research, marine mammals, dispute settlement, and more. It would also benefit our strategic interest in an alternative source of nickel, copper, cobalt, and manganese. It would be ironical if, in the name of that same interest, we handed over the exploitation of seabed minerals to our industrial competitors.

There is still time for the realities to penetrate, and I am confident that they will eventually prevail.

Thank you, Mr. Chairman and members of the Committee.●

CASTING STONES AT ISRAEL

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. SCHUMER. Mr. Speaker, many are currently debating whether or not judgments on Israeli actions in Lebanon reflect a double standard. In an effort to clarify some important issues in that debate, I am submitting the following op-ed piece that was written by Ben Wattenberg and published in the August 2 edition of the New York Post:

The article follows:

[From the New York Post, Aug. 2, 1982]

CASTING STONES AT ISRAEL

The case is being made—mostly validly I think—that Israel is being held up to a "double standard" these days.

Friends of Israel argue that a code of one-way phony moralism is applied to Israel but not elsewhere. To gain a flavor of this charge, it may be useful to put in one place a short catalog of examples:

The point has been made that Israel gets aid and arms from the U.S. and yet acts on its own, sometimes against the wishes of the U.S.

This is supposed to be a novel and outrageous situation. We are asked in mock horror: how dare an ally-client behave like that?

Well, if all our allies, clients and aid recipients listened to us and acted the way we wanted them to, then the world would look like this:

Japan would quintuple its defense spending and let us sell beef in its markets, West Germany would not be signing up for Soviet natural gas, France would not sell arms to Nicaragua, Saudi Arabia and Jordan would be part of the Camp David peace process, South Korea and Brazil would be more democratic, and most of the OPEC oil-producing nations would stop trying to screw us to the wall.

The only superpower that tries to get total obedience from its allies is the Soviet Union, and even it often fails. America heads a formal and informal alliance of free and independent nations—not a totalitarian lock-step empire.

Or take the argument that the Palestinians need a state of their own. After all, it is implied, every people must have a state.

Well, some peoples have states: the French do, the Indonesians do, the Americans do, the Israelis do.

But lots of people—maybe most of the peoples of the world—don't have their own state. Where are the states for the Kurds, Copts, Flemish, Basques, Scotch, Armenians, Azerbaijanis, Moluccans, American Indians, French Canadians, Bretons, Estonians and Tibetans—let alone the scores of African tribes, some of whom have more people than the Palestinians?

The hypocrisy is compounded when nations that do not offer their indigenous peoples either statehood or autonomy demand that Israel do just that. Is France for ever-greater autonomy for the Bretons? Is Iraq or Iran for Kurdish statehood?

All this is not to say that the Palestinians should not or will not get a state of their own. It may come to that, but history tells us that it is by no means a divine right that is automatically bestowed.

The double standard goes on and on. One hears Arabs complain bitterly that the Palestinians on the West Bank don't have free elections.

That is truly unfortunate, but where in the entire Arab world is there a country with free elections? The last democratic Arab country was Lebanon—and that was rubbed out by the PLO and the Syrians.

Or: England's reconquest of a fly-speck 8,000 miles from home was found morally justifiable on the grounds of "national honor." But Israel's combat with two armies next door on the grounds of "self-defense" is found immoral.

The English certainly did not tell the whole truth, nothing but the truth, about their military activities and goals in the Falklands while the war was going on. Nations at war rarely do.

But when the Israelis either dissembled or changed their mind to take advantage of an opening target of opportunity—usually regarded as sound military policy—they were condemned.

Israel is denounced for not giving the Palestinians a West Bank state. But who denounced Jordan when it controlled the West Bank from 1948 to 1967 for not giving the Palestinians a state?

Now, when the Israel-is-a-bad-boy proponents are challenged on the grounds of the double standard, there is one all-purpose reply: "Israel should be held to a higher standard. It was set up as 'a light unto the nations'; it was to be an idealistic state that we all cherished."

Well, maybe. But that's not what Theodore Herzl, and many other founders of modern Zionism, had in mind. They thought the Jews could establish a real state again only when, for good and for ill, they behaved like everyone else in the world.

They speculated about the idea of a Jewish state that would have not only intellectuals, mechanics and farmers, but prostitutes and criminals just like every other nation.

They might just as well have added "nationalistic, security-obsessed prime ministers and generals" to that list. Just like other nations.

All this is not to say that everything that Israel has done recently is right. I, for one, don't believe that. Nor are Begin and Sharon exactly my idea of charm school graduates.

There is, indeed, a whole other catalog of authentic geopolitical arguments—pro and con—regarding the Israeli action. These arguments stem from a single-standard view of the world as it is. They are arguments that are surely worth a thorough venting. But spare the sermon.●

INTRODUCTION OF THE NATIONAL HIGH TECHNOLOGY TECHNICIAN TRAINING ACT

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. WALGREN. Mr. Speaker, with our subcommittee's distinguished ranking minority member, MARGARET HECKLER, and a number of my Science and Technology Committee colleagues, I am introducing today the National High Technology Technician Training Act. This legislation focuses on the community college system as an important element in providing science and engineering education in this country.

People of all political persuasions have realized that the current weaknesses in our science and engineering educational system represent a serious threat to our nation's ability to compete in a modern technology-based industrial and military world. This realization, ironically, is occurring at the same time that science education programs in the National Science Foundation and elsewhere have been eliminated, after many years of decline relative to other science priorities.

However, I believe firmly that our public policy toward science and technical education is in an unstable state.

The risks of weakness in this area are too great to imagine that a passive national strategy will long sustain public or congressional approval. Thus, despite the low point at which we now see NSF and other Federal activities in science education, I feel we are at the threshold of a creative new synthesis of ideas on how to strengthen the quality and versatility of our entire science and technology education system.

The national high-technology technician training bill stresses what will certainly be an important component of that new synthesis, the community college system. The community colleges are in an ideal position to focus on the need for training and retraining a skilled work force as rapid technology change occurs, advancing constantly toward higher and higher levels of science and engineering sophistication. The community colleges are close and accessible to local workers and industry, and have a tradition of flexibility accommodating the needs and schedules of working people. They are also positioned ideally to provide a mutually supportive complement to the programs of universities and engineering schools, as the student population continues to change in age and interest profile, and students tend more and more to combine education with their local work and living environment. A large segment of the evolving new student population may well demand extremely flexible educational options, combining the traditional community college emphasis along with opportunities to tap the resources of the 4 year and university system.

Thus the intent of this bill is to emphasize the potential and importance of having the community college system effectively utilized as a key element of our overall science and technology manpower development programs. In this sense I think it is an important complement to the umbrella science and engineering education bill, H.R. 5254, introduced by Science and Technology Committee Chairman DON FUQUA and myself. It also buttresses some of the other legislative ideas being developed by Science and Technology ranking minority member LARRY WINN, Mrs. HECKLER, and others.

The bill is based on the idea that the community colleges network provides a unique resource for training the kind of skilled technicians needed so badly to keep our industries and research organizations working optimally with today's rapidly emerging technologies.

Key points of the legislation are:

Establishment of an experimental pilot program in the National Science Foundation to provide grants to accredited community colleges to train students in skills needed in growing high technology industries.

Requirement of matching funds from private industry for this program, and involvement of high technology industry representatives in planning and implementation of the bill.

Emphasis on programs that place priority on men and women needing to upgrade skills and knowledge, or who are unemployed or displaced by technological change.

Mr. Speaker, I believe the approach of this bill is a promising one in helping to meet our national educational needs for innovation, productivity, and trade competitiveness. I hope that many of my colleagues will join me in cosponsoring this legislation and in affirming our belief that the community college system will play a vital role in America's technological future.

The text of the bill follows:

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National High-Technology Technician Training Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress finds that—

(1) the United States has no national policy to stimulate the development of a pool of trained high-technology technicians needed for national self-sufficiency in strategic high-technology fields, for the improvement of productivity of the Nation's industries, for the strengthening of our industries in competitive international markets, and for the reindustrialization of declining industrial areas of the Nation;

(2) the United States has become increasingly dependent upon foreign producers for high-technology equipment needed in reindustrialization and economic renewal, reducing the capability of the United States to maintain the degree of national self-sufficiency essential to economic independence in strategic high-technology fields;

(3) industries of the United States are experiencing a decline of productivity and profitability largely due to out-dated plant, equipment, and processes and imbalances between technological possibilities and investment in technologically skilled human resources to bring possibilities to reality;

(4) imbalances exist between the availability of technically trained workers and the needs of industries for technicians to produce, operate, and service high-technology equipment, systems, and processes, while at the same time unemployed young adults do not have the technical competencies needed to fill these needs, and there is no promise of this condition being self-correcting;

(5) the Nation's workforce is in need of continual upgrading in this era of rapidly changing technology to produce, operate, and service high-technology systems and processes to increase the productivity and profitability of industry and to enable the United States to reduce its dependency upon foreign producers in strategic high-technology fields;

(6) a large pool of adults, many of whom are employed in high-technology industries, have deficiencies in basic computation, communication, and problem-solving skills essential to the development of technical competencies required to be productive in high-technology fields or to continue their employment in increasingly complex technological worksettings;

(7) the Nation's two-year community colleges have, in many areas, developed capabilities to provide competency-based training leading to an associate degree in high-technology fields and short-cycle retraining required to meet industry needs and to increase the level of technical, computational, and communications skills of technicians in high-technology occupations;

(8) although several national training programs have existed, these various Acts have not prompted unified national action to address the preparation of technicians for high-technology occupations required by the industrial complex of the United States and required to increase the productivity of the Nation's workforce.

(9) incentives are necessary to stimulate increased collaboration between community colleges and private sector industrial, commercial, and labor interests essential to the development of a pool of skilled high-technology technicians needed for economic renewal, industrial development and reindustrialization of key economic areas of the Nation;

(10) the economic vitality of the Nation's industrial complex will be strengthened through the National High-Technology Technicial Training Program by increasing the pool of skilled technicians possessing the competencies required to produce national self-sufficiency in high-technology fields, to increase national productivity, to improve the competitiveness of the United States in international trade, and to enhance the economic renewal of the United States;

(11) the national High-Technology Technician Training Program will give men and women from all backgrounds opportunities to pursue training and education programs leading to an associate degree or otherwise to upgrade their competence consistent with present and future needs of high-technology industries in the United States; and

(12) the national defense readiness of the United States will be enhanced by a National High-Technology Technician Training Program designed to produce technicians in strategic high-technology fields and to increase national self-sufficiency in these fields.

PURPOSE

SEC. 3. It is the purpose of this Act to establish a National High-Technology Technician Training Program, with matching Federal and community industrial support, to—

(1) develop the competence needed to make the Nation self-sufficient in strategic high-technology fields, to increase the productivity of our Nation's industries, and to improve the competitiveness of the United States in international trade;

(2) prepare newly-trained technicians and skilled craftsmen, retrain persons whose skills need updating and upgrade employed technicians to enable them to be productive in strategic new and emerging high-technology fields by using the training resources of the Nation's two-year community colleges; and

(3) provide industries in the United States with a highly-skilled workforce capable of producing, operating, and servicing the advanced technology needed to modernize the Nation's industrial complex and to revitalize the Nation's economy.

NATIONAL HIGH-TECHNOLOGY TECHNICIAN TRAINING PROGRAM

SEC. 4. (a) The Director of the National Science Foundation is authorized and directed, in accordance with the provisions of this Act, to carry out, on a pilot scale, a High-Technology Technician Training Program under which accredited community colleges, using matching Federal and community industrial support, will provide training in technical competencies in strategic high-technology fields. Such programs shall include emphasis on on-the-job training intermixed with technical occupational training and shall place special recruiting emphasis on attracting men and women to the program who are in need of upgrading, or who are unemployed, especially young adults, and persons who have recently completed high school or who left high school prior to graduation.

(b) Each selected community college participating in the National High-Technology Technician Training Program shall establish an associate degree training program in designated high-technology occupational fields pursuant to regulations for such Program issued by the Director of the National Science Foundation in accordance with the provisions of this Act.

(c) The Director shall—

(1) determine the specific high-technology occupational fields in which technician training is needed to meet present and future technician requirements,

(2) identify economic areas with high-technology industries in need of technician training critical to the reindustrialization, economic renewal, or economic development of such areas (which shall be designated High-Technology Industrial Development Areas), and

(3) select accredited community colleges which have a demonstrated ability to offer competency-based occupational training consistent with designated high-technology technician needs, and which are located in economic areas with a high concentration of high-technology industries, to provide training as authorized by this Act.

(d) To assure that the National High-Technology Technician Training Program is consistent with the needs of high-technology industries, the Director shall appoint a 15 member National Advisory Council on High-Technology Technician Training, which shall have the responsibility to advise the Director on the implementation of the Program, to review the effectiveness of the Program, and to report annually to the Director and the Congress on recommendations for improvement of the Program (through amendments to this Act or otherwise). The Council shall include representatives of industry, labor, the community colleges, and economic development organizations.

(e) The Director shall prepare and submit to the Congress an annual report on the National High-Technology Technician Training Program, together with—

(1) an evaluation of the Program;

(2) a determination of the feasibility of expanding the Program; and

(3) such recommendations, including recommendations for legislation, as the Director deems necessary.

(f) In carrying out his duties under subsection (e) of this section, the Director shall consult, cooperate, and coordinate with the

programs and policies of the Department of Commerce and other relevant Federal agencies such as the Departments of Labor, Education, and Defense.

DEFINITIONS

SEC. 5. For the purposes of this Act—

(1) the term "high technology" means, for example, the modernization, miniaturization, integration, and computerization of electronic, hydraulic, pneumatic, laser, nuclear, chemical, telecommunication, and other technological applications to enhance productivity in manufacturing, communication, transportation, commercial, and similar economic activity; and

(2) the term "community college" means a two-year postsecondary educational institution that has authority to award an associate degree and has the mission of offering comprehensive education and training services to meet the needs of a prescribed community, including a two-year junior college, technical college, or technical institute, but excluding a postsecondary educational institution that has as its primary mission offering baccalaureate degree programs even though it may also offer associate degree programs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There is authorized to be appropriated $5,000,000 for the fiscal year 1983 and $10,000,000 for each of the fiscal years 1984 and 1985 to carry out the provisions of this Act.●

JOB TRAINING PARTNERSHIP ACT

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1982

● Mr. ERTEL. Madam Chairman, President Reagan recently urged the American people to wait a bit longer for his supply-side economic program to be successful, and attempted to reassure us that our recession-ravaged economy will soon be on the upswing. In the meantime, in the second quarter of 1982, 51,500 Pennsylvanians were laid off from their jobs—more than in any other State. Over 10 million Americans—including 700,000 in Pennsylvania—are now out of work. Moreover, a new report from the Congressional Budget Office warns that, because of far-reaching changes in the job market, 20 percent of those now unemployed will remain jobless even when our economy does recover.

Developing an effective means for training workers and helping our labor force adapt to the restructuring of the U.S. economy is one of the most vital tasks we face. This week, the House of Representatives took a significant step toward establishing a new and more effective national employment and training policy. The House approved H.R. 5320, the Community Partnership Employment and Training Act, authorizing a system of joint public-private community employment and training programs.

Passage of H.R. 5320 demonstrates the House recognizes the importance of targeting assistance to two groups most desperately in need: dislocated workers and youth. Displaced workers, who have lost their jobs involuntarily as a result of structural changes in our economy, make up as much as 20 percent, or more than 2 million, of those unemployed nationwide. The proportion of the unemployed who are dislocated is undoubtedly even higher in Pennsylvania, where the economy is experiencing the adverse effects of declining industries on top of recession. Dislocated workers remain unemployed longer than others. They are often older and less likely, because of financial and family commitments, to change locations when laid off. They may have difficulties finding a new job with a comparable salary.

H.R. 5320 addresses this problem by authorizing a program to retrain dislocated workers and assist them in finding and adjusting to new jobs and occupations.

Unemployment among American youth, especially minority youth, has reached crisis proportions. In Pennsylvania, unemployment among all teenagers was 20.3 percent in 1981. Among the State's black youth the jobless rate in 1981 was an appalling 40.3 percent; in the first 5 months of 1982 the black youth unemployment figure jumped to 50.5 percent.

The special training and employment needs of youth require separate programs. Half the funds provided for the disadvantaged under H.R. 5320 are to be directed toward training and employment programs designed for young people under 22.

We know that investing in the human element of our economy is no less important than investing in equipment and construction and modernization. In fact, labor input may be responsible for as much as two-thirds of value added in manufacturing, compared to the 12 percent attributable to capital input. If we are to be successful in our efforts to get our economy back on the path of sustained growth, we must insure that the skills of our workforce match those required by our industries. We cannot afford to wait to establish a long-term national employment policy. We must invest now in the training and education of both young and experienced workers.●

POLITICAL ASYLUM FOR HU NA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. LANTOS. Mr. Speaker, our colleague JACK KEMP and I today introduced a concurrent resolution expressing the sense of Congress that the 19-year-old Chinese tennis champion, Miss Hu Na, be granted asylum in the United States.

While participating in a tennis tournament in California, Miss Hu decided to request permission to remain in the United States.

The Chinese Government has been putting considerable public and private pressure on our Government, demanding the return of Miss Hu. It is self-evident that she would suffer the gravest consequences were she to be returned against her will.

Our resolution is strickly humanitarian. We are sensitive to the need to improve relations with China, but it is clear that we must not sacrifice our fundamental principles in doing so. While the State Department is considering Miss Hu's fate, it is imperative that Congress speak out loud and clear for our time-honored tradition of granting asylum in instances as clear cut as that of Miss Hu.

I urge my colleagues to join Congressman KEMP and myself in cosponsoring this important resolution.

HOUSE CONCURRENT RESOUTION

Whereas the granting of political asylum in appropriate circumstances is a longstanding and valued practice of the Government of the United States—a practice which enjoys the support of the American people;

Whereas Miss Hu Na, a 19-year old tennis player from the people's Republic of China, has requested political asylum in the United States;

Whereas the Government of the People's Republic of China has publicly demanded Miss Hu's return to the People' Republic of China; and

Whereas grave consequences might befall Miss Hu upon her involuntary return to that country: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that Hu Na should be granted asylum under the immigration laws of the United States.●

THE SESQUICENTENNIAL OF ASSUMPTION GROTTO CHURCH

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. HERTEL. Mr. Speaker, on August 8, 1982 the Assumption Grotto Church of Detroit, Mich., will celebrate its sesquicentennial anniversary. This year marks 150 years of service to God and our country by this church, and I wish to salute it for its efforts.

Since 1832, when it was founded as a chapel by a group of settlers from Neustadt, Germany, this spiritual landmark has served both its parishioners and the community at large. Assumption Grotto Church is the second oldest parish in the city of Detroit; located near its cemetery is the oldest outdoor Marian Shrine in Michigan. This shrine, which was authorized for devotion in 1881 by Pope Leo XIII, has brought physical and spirtual comfort and healing to many.

From its beginnings, Assumption Grotto Church has been a shining example of how people can join together in common fellowship and create a singular body designed to serve the faith. Today, the church is a community of 2,500 families whose spirit reaches out to the surrounding community. The heritage of this church is one of life and vitality to both its members and the community. It is my wish that this valuable legacy will be carried on into the future.

It is with great pride that I share with my colleagues one of the most memorable events in the life of this congregation. I extend my heartfelt congratulations and best wishes to Assumption Grotto Church.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DERWINSKI. Mr. Speaker, this year, history was made in the signing of the Captive Nations Week proclamation by the President of the United States. President Reagan, in a Rose Garden ceremony, personally signed the proclamation which dramatizes the determination of the administration to face the threat of communism and to recognize that the defeat of international communism can come with the internal collapse as the captive peoples rebel against their Soviet oppressors.

I wish to insert the various press commentaries of this historic occasion and of the administration's strong stand on Soviet totalitarianism. The first is from the July 20 Washington Post, which is followed by a Washington Times editorial of July 21. In addition, the Chicago Tribune, July 21, and the Philadelphia, Pa., Inquirer both had stories relating to Captive Nations Week and the need for the continuation of our strong support of the Voice of America. I wish to include these articles for the Members' attention:

[From the Washington Post, July 20, 1982]

COMMISSION WARNS VOA MUST AVERT BIAS CHARGES

(By Murrey Marder)

"Greater care" should be taken to avoid casting doubt on the "accuracy and objectivity" of the Voice of America or creating the suspicion that "Project Truth" is a United States "propaganda" program, a commission reported to President Reagan yesterday.

It was an unintended coincidence that this language in a report by the United States Advisory Commission on Public Diplomacy contrasted yesterday with Reagan's pledge to expand U.S. information programs for spreading "the truth" about "the struggle between freedom and totalitarianism."

The advisory commission concurred in the need for "a bold new programming approach" in many areas of overseas information policy. The United States, the study noted, "has failed to accord the same significance to public diplomacy as have both its allies and adversaries."

While calling for a considerably greater American effort at all informational levels, however, the commission also cautioned about the special burdens that the U.S. International Communication Agency carries for maintaining the credibility and objectivity of American public diplomacy.

"Project Truth" was cited as an example of the dilemma. Initiated by this administration under USICA Director Charles Z. Wick, "to refute misleading Soviet propaganda and misinformation," it created suspicion that the communication agency itself "is engaging in propaganda," the report said.

The review commission said that it believed that suspicion "to be false," but recommended against further use of the "Project Truth" terminology. It did not suggest a specific alternative.

The commission similarly said it has found no evidence that the quality or the integrity of Voice of America broadcasts had been compromised, but urged caution "to avoid actions and policies that can be easily misinterpreted and cast doubt on VOA's commitment to accuracy and objectivity."

In describing the Fulbright Program of international educational exchanges "as among the most effective tools of public diplomacy" and recommending "that they be materially strenghtened," the advisory commission report put considerably greater weight on their value than do many administration officials.

Along with "Project Truth," another major innovation of the information program under Wick has been the use of satellites to reach foreign television audiences. The advisory commission welcomed "these promising developments" in general, but questioned the funding of the most publicized and controversial of these programs, entitled "Let Poland Be Poland."

USICA proudly reported its estimate that 184 million people overseas viewed this program, on which 13 foreign heads of government appeared.

The advisory commission, however, noting that private organizations and groups contributed "nearly $500,000" to the program's production costs, expressed concern about creating a troublesome precedent. Programs "used to articulate major statements of U.S. foreign policy," it said, "ought to be financed with appropriated funds," not contributions.

Among the panel's other recommendations were consideration of resuming VOA broadcasting to Western Europe and designating the USICA director a statutory adviser to the National Security Council.

One unusual recommendation was that the president and Congress assure "the independence, continuity, genuine bipartisan character, and broad professional composition of the commission."

Informed sources noted considerable controversy behind the scenes about politically motivated changes in the advisory commission. The Reagan administration is expected to replace all but two of its seven members.

That would leave only commission chairman Leonard L. Silverstein, a partner in the Washington law firm of Silverstein & Mullens, and Tom C. Korologos, vice president and director of legislative affairs for Timmons And Company Inc., of Washington. Both are Republicans.

Reagan has nominated Edwin J. Fuelner Jr., president of The Heritage Foundation, a conservative think tank, to the commission, where he is expected to replace Silverstein as chairman.

[From the Washington Times, July 21, 1982]

THE WORD IS STILL "FREEDOM"

The president's remarks honoring Captive Nations Week on Monday were heartening to those who had begun to wonder whatever happened to the Ronald Reagan they voted for. The man who used to be so strong for free government everywhere on earth and so clear about what stands in the way of it.

There he was again, though, spelling out the difference between a system where people create the rules their society lives by and one that has to lock its citizens in with walls and barbed wire. There he was, pledging increased support for the instruments of public diplomacy that can tell captive nations what is really going on—within their own borders as well as in the rest of the world.

Specifically, the president used the signing of the Captive Nations Week proclamation to push for congressional action on Radio Marti, the projected answer to Cuba's massive, Soviet-sponsored disinformation program beamed at the United States and Latin America. Pointing out the sorry state of all American broadcast facilities aimed at the communist countries, he fired hopes that the American world view might once again inspirit oppressed people everywhere.

This in spite of the irony of an officially proclaimed Captive Nations Week. The first such week was a kind of consolation prize for the Hungarians after they rose against the Soviet Union in 1956 and nobody from the West came to their assistance.

There had been plenty of rhetoric beforehand. The State Department was even talking about a rollback of Soviet power all over Eastern Europe. When the tanks came into Budapest, though, Washington looked the other way. The Hungarians got sanctuary for a certain number of their refugees and they got Captive Nations Week.

Jimmy Carter, dismissing "inordinate fears of communism," encouraged the view that ideology doesn't matter much when the great geopolitical questions are being decided. Ronald Reagan, the presidential candidate, seemed much more aware that, throughout history, people have shed their own blood and that of others over ideas as often as over wealth and territory. As a campaigner, he seemed to promise a new birth of American leadership in the world, based on the superiority of the American concept of freedom over the Marxist-Leninist formula that has rendered so many people poor in spirit and poor in material comforts.

Since his election, though, the president has come out with neither actions nor even much in the way of brave words on the subject of freedom as an international possibility. When the Polish workers' strikes and demonstrations burst upon the scene, there were hints of action. Nobody was asking for troops, but perhaps a few canceled credits. The president proposed a candle in the window.

Beefing up the Voice of America, Radio Liberty and Radio Free Europe as well as launching Radio Marti is not enough to place either the United States or the Reagan administration out front in a new global drive for freedom. But the president

sounds like himself again. Rather than a pious substitute for the American vision that once dominated the imaginations of oppressed millions, this may be the first manifestation of a revitalized American leadership for the Free World.

This is the defense system that doesn't cost billions. And it's the one most likely to offer real protection from the Soviet drive to power.

[From the Chicago Tribune, July 21, 1982]

CAPTIVE NATIONS WEEK

CHICAGO.—Slavery was abolished in the United States more than 100 years ago. Captive Nations Week, July 18-24, will focus on the question of when the enslavement of entire nations will be abolished. The Soviet Union continues to expand its colonial empire.

REV. JOSEPH PRUNSKIS,
Director of Information,
Lithuanian American Council.

[From the Philadelphia Inquirer, July 22, 1982]

A VOICE FOR TRUTH CREDIBILITY

The Voice of America long has been regarded by listeners overseas as a reliable, objective source of news, frequently the only such source available to them. By reporting the good with the bad, the flattering with the unflattering, the Voice of America has earned a distinguished record of reliability among its listeners.

Recently, a seven-member bipartisan commission created by the Congress to monitor the Voice of America warned the Reagan administration against transforming the radio broadcasting arm of the International Communications Agency into a mouthpiece of "stridency and propaganda."

That appears to be precisely the direction the administration is going, however. Under the leadership of ICA director Charles Z. Wick, the Voice of America is shedding its cloak of objectivity and donning one of political ideology as part of the administration's stepped-up anti-Soviet rhetoric.

"The VOA's credibility is its most precious asset," noted the commission in its annual report to the President, a report laced with criticisms of the recent programing and policy changes.

"Actions and policies which are easily misinterpreted and cast doubt on the organization's commitment to truth can seriously damage it," the report cautioned.

As the report was being released, President Reagan was addressing a gathering in the Rose Garden at which he proclaimed Captive Nations Week. He used the occasion to criticize the Soviet government and pledged to step up the propaganda campaign over the Voice of America to the Soviet Union and Eastern European nations.

That precisely is what ultimately will destroy the value of the Voice of America, and in due course, much of the good will the radio network has won for the United States.

In the end, the best propaganda is truth.

HIGH TECHNOLOGY AND HIGH SCHOOL

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DYMALLY. Mr. Speaker, I am pleased to bring to the attention of the Members the recently completed report by the California Office of Appropriate Technology entitled, "High Technology and High School: Preparing Students for California's Changing Economy." This report addresses the growth in high technology industries in California, the relationship between high school education and the skills needed to perform the wide array of jobs in these rapidly growing industries, and the status of science and math education in California and nationwide. It examines how other nations and states are preparing their young people for the technological future, describes what California is doing and identifies proposals for future action.

My colleagues on the House Committee on Science and Technology and in the Congressional Caucus for Science and Technology have long known of the critical nature of the relationship between science, mathematics, and engineering education on the one hand, and national productivity, security, and economic strength on the other. Their knowledge and concern is concurred in by my friends in the Office of Appropriate Technology; they have expressed their concern in this report by addressing such topics as students' readiness to enter into high technology industries, and the particular status of women and minorities as students and as employees.

I urge the Members to become familiar with the contents of this report because it portends the future, not only for California, but also for the rest of the Nation. We just cannot continue to rely on the amorphous forces of "the private sector" or "the Government" to repair our education-national future disjuncture. We in Congress must finally take the leadership in preparing for our country's technological maturation by seeing to the scientific and technical literacy and education for all our children, and for all our citizens.●

A BAN FOR ALL SEASONS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DORGAN or North Dakota. Mr. Speaker, you may recall the gripping scene from an old James Dean movie: Two 1949 Chevys race pellmell toward each other on some lonely road. The "winner" rushes straight ahead; the "loser" turns aside.

But sometimes a head-on crash made losers of both racers.

That activity has a parallel in the arms race. For as in the movie, the United States and the Soviet Union have chosen their own collision course by expanding their nuclear arsenals.

Three basic choices lay before us today. We can continue an unfettered arms race, which could well destroy humanity. Or we can vainly continue the arms race for an unknown time—to try to gain clear "nuclear superiority" with the Soviets. This is the arms reduction or START plan of the Reagan administration. It offers some modest future benefits, but it still carries on the deadly game of brinksmanship.

Or we can take a third course. Agree with the Soviets to pull over within sight of each other—before we each kill ourselves. In simple terms, this is what the nuclear freeze would do.

The freeze would be a bilateral and verifiable pact to stop testing, production, and deployment of nuclear arms. Having negotiated a freeze, each side could keep an eye on the other and begin to make deep cuts in their respective stockpiles.

We can reinforce the freeze right now—and force the Soviets to cut their nuclear arsenal—by approving the existing SALT II Treaty.

So the freeze plus SALT II equals a halt to the arms race plus arms cuts. House Joint Resolution 521 embodies this formula. And I strongly support it.

In so doing, I echo the views of at least 16,000 North Dakotans who have signed petitions to put the nuclear freeze on our State ballot this fall. And what's happening in North Dakota reflects a nationwide move to rein in a self-defeating arms race.

But why should we choose this third course?

STRENGTHENING NATIONAL SECURITY

A recent article by our colleague, Mr. DOWNEY, presents his expert view on why the freeze, coupled with SALT II, improves our present national security more than START does.

Perhaps most important, implementing SALT II would force immediate reductions in the Soviet bomber or missile forces. It would also limit the Soviet production and deployment of Backfire bombers, rapid reload equipment, and heavy intercontinental ballistic missiles (ICBM's).

A real plus for security now.

In addition, SALT II could take effect right now and a two-sided verifiable freeze, within 1 year. By contrast, START might require another 5 years to negotiate.

During this time, both the Americans and Soviets would have deployed

more destabilizing weapons like the SS-18, MX, and Trident II. All of these systems work against security because they put nuclear war on a hair trigger.

The freeze would curb this prospect by stopping testing, production, and deployment of a whole new generation of deadly weapons. It would reduce the confidence of both sides in their missiles' reliability and thus minimize the alleged vulnerability of our land-based ICBM's.

Naturally, our air-based and sea-based missiles are not now subject to any Soviet "first-strike" attack.

So the freeze gives another boost for security.

SOVIETS ARE NOT 10 FEET TALL

Of course, no arms pact would help us if the Soviets are ahead right now. But a balanced view shows that is not the case.

The Department of Defense Annual Report for 1982 makes that clear: "The United States and the Soviet Union are roughly equal in strategic nuclear power."

That's the Pentagon position—not a placard of peace marchers.

Reinforcing this view, generals and admirals from every military branch have testified before congressional committees that they would not trade U.S. Forces for the Soviet counterparts.

Gen. John Vessey, the new Chairman of the Joint Chiefs of Staff, said pointedly that I would not trade the overall U.S. military capability for that of the Soviets.

The Soviets have military power to spare. And we should keep our defenses strong to counter any Soviet adventurism. But the Soviets are not 10 feet tall and can only dream that they had the kind of submarine fleet that defends America.

So we need not fear the charge of freeze critics that a freeze would insure Soviet superiority. At best, a freeze does the reverse; at least, it preserves nuclear equality.

A FREEZE CAN BE—AND MUST BE—VERIFIED

Nor will it pay us to jump into an arms deal that would let the Russians cheat. I certainly do not trust the Russians or doubt their ruthless designs.

But since Hiroshima, every American President has worked on arms control with the Soviet Union. Most recently, President Reagan has wisely entered into the START process.

All have realized that in a nuclear age, the real test of national security is not how well you can fight a nuclear war—but whether you can prevent one.

Critics of the freeze hide behind a smokescreen when they say the freeze is not verifiable. The resolution I support says that both sides will negotiate a verifiable freeze. No verification, no freeze!

And military experts have pointed out that we can verify a freeze in any case. Adm. Eugene Carroll, Jr. (U.S. Navy, ret.) assures us that both sides formally committed to measures that could make a freeze verifiable. Former Central Intelligence Agency executives William Colby and Herbert Scoville echo this view.

So let us seize the chance to stop the arms race. SALT II now. The freeze soon after. And START in the future. A ban for all seasons that bolsters our national security.

In sum, I believe that we can relax world tensions without relaxing our vigil. Congressman DOWNEY argues this point persuasively in his article and I would like to insert it at this point for the benefit of my colleagues and the public.

[From the New York Times, Aug. 3, 1982]

START SALT FREEZE

(By Thomas J. Downey)

WASHINGTON.—The strategic arms reduction talks are finally under way in Geneva, but is the Administration's arms reduction proposal the holy grail of arms control, as President Reagan would have us believe?

At best, Start will take half a decade to negotiate. But we could probably have a mutual and verifiable nuclear freeze in only a year or so. And we could have the second strategic arms limitation treaty—SALT II—today, if the Administration was willing to ratify it.

Mr. Reagan's arms reduction proposal probably would do more good than harm but it isn't worth the wait. A limited and narrow proposal, it reduces each side's total deployed ballistic missiles to 850, deployed intercontinental ballistic missiles to 425 and warheads to about six per missile. That's all it does.

The freeze and SALT II, by contrast, are far-reaching solutions to a wide variety of military and arms control problems. The freeze would, immediately upon ratification, prohibit the further testing, production and deployment of nuclear weapons. Under SALT II, some nuclear weapons would be allowed limited additional production, others would be allowed limited technological improvements, some would be frozen at present levels, still others would be banned entirely.

If all three plans were available for implementation today, the United States would gain the most by adopting the arms limitation treaty, the freeze or—preferably—both. Start is a very weak third choice on its merits, let alone its negotiability.

This is not an academic question. Later this week, the House of Representatives is to vote on whether to direct the President to approve SALT II and negotiate a nuclear freeze. The Administration bitterly opposes this legislation, arguing that it would undercut the strategic arms reduction talks.

To understand why sacrificing SALT II and the freeze to save Start would be like throwing gold overboard to save brass, we can take the Administration's objections to SALT II and use them as yardsticks for measuring all three plans:

1. SALT II does not limit the Soviet Union's Backfire bomber.

This is the only specific objection to SALT II ever raised by President Reagan himself. In fact, SALT II limits production of the Backfire to 30 per year. The freeze limits it to zero. Start does not limit it at all.

2. SALT II allows the Soviet Union to retain 308 heavy intercontinental ballistic missiles.

SALT II and the freeze each allows the Soviet Union 308 heavy I.C.B.M.'s; Start allows 425. SALT II and the freeze limit the throw weight—the warheads and their vehicle—of these missiles to 16,000 pounds each; Start does not limit throw weight at all.

3. SALT II lets the Soviet Union produce on unlimited number of missiles and quickly reload their silos with them.

While SALT II does not control production of missiles, it prohibits development, testing and deployment of rapid-reload equipment. The freeze prohibits all missile production, although it has no effect on existing missiles or their reloading equipment. Start does nothing about either missile production or reloading equipment.

4. SALT II counts launchers, which do not matter. Start counts missiles and warheads, which do.

In fact, Start does not count total missiles or warheads, which cannot be verified. It counts "deployable missiles," which are the same as launchers. SALT II also counts total launchers and warheads per launcher, which by simple multiplication is the same as Start's "deployable warheads."

5. SALT II does not solve the problem of the vulnerability of United States I.C.B.M.'s.

True, but neither does Start, and the freeze does. SALT II and Start each allows the Soviet Union to have highly accurate, well-tested multiple-warhead missiles that can each destroy several American I.C.B.M. silos. But by prohibiting testing of these missiles and lowering confidence in their reliability, the freeze solves our I.C.B.M. vulnerability problem, while Start does not.

6. SALT II permits the arms race to continue.

True, but it limits the arms race more than Start does. Only the freeze ends the arms race. For example, the freeze allows no new types of I.C.B.M.'s while SALT II allows one for each side. But Start allows an infinite number of new types of missiles.

None of this is to say that Start is worthless. It would be a modest, constructive addition in the context of SALT II, the freeze or both. But in no sense is it a replacement for either.●

DEFENSE AUTHORIZATION BILL, H.R. 6030

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DeNARDIS. Mr. Speaker, the House devoted the better part of 7 legislative days in July debating the Department of Defense authorization bill, H.R. 6030. There were 25 rollcall votes on amendments to the Committee on Armed Services recommendations, as well as numerous voice votes on other amendments, before the bill was agreed to by a 290 to 73 margin. The House clearly manifested its commitment to a strong national defense by authorizing the expenditure of

$175.3 billion for the coming fiscal year, $8.2 billion less than the President had requested. Included in this reduction is the $1.8 billion resulting from adoption of the amendment calling for a 1-percent reduction in the total authorization. I supported this amendment, as well as final passage of the measure.

Like most of my colleagues in this House, I approached the defense authorization bill looking for opportunities to make economies and to find occasions for postponing expenditures which could be set aside without jeopardizing national security or the President's commitment to our allies. I should like to comment then on the amendments I supported which would have had the effect of producing additional savings. Because of the size of the projected Federal deficit, and because expenditure reductions are taking place in domestic and social programs, I felt that prudent and carefully chosen reductions in defense spending were in order.

I cosponsored and was actively involved in an amendment to defer without prejudice $1.1 billion for the procurement of the first nine MX missiles. The uncertainty and confusion over the final basing mode for the weapons which will replace the Minuteman, the country's land-based intercontinental ballistic missile, are certainly grounds for postponing actual procurement. The amendment was narrowly defeated, by a margin of three votes. Even in defeat, it represented the high water mark in dealing sensibly with the MX missile. I do not quarrel with the notion that a next generation land-based missile may be needed in the future, but I do believe that hasty decisions on billion dollar weapons systems are out of place in these times of retrenchment.

The House adopted an amendment which deleted $54 million from the bill, earmarked for the procurement of binary chemical weapons, and barring the use of any authorized funds for that program. I was pleased to support the amendment and to be active in the effort to assure its approval. It seemed to me that the United States could better spend its money to improve the capability of warding off and withstanding chemical attacks rather than buying an offensive chemical warfare component. Only if America rejects chemical and biological warfare can it take the lead in forming world opinion against those who are already engaging in such warfare.

I also supported the amendment to delete $4 billion for the procurement of the B-1 bomber. It was argued that the B-1 will be able to penetrate the Soviet Union's air defenses only a few years longer than our current B-52's. Besides there are proposals being put forward to modernize and improve the later generations of B-52's while work goes forward on the promising new "Stealth" technology. The B-1 deletion amendment was defeated by a vote of 142 to 257.

An amendment was offered to cut $108 million from the President's accelerated civil defense program, and while I joined in support of it, it was defeated 163 to 240. I voted in favor of the amendment to demonstrate my belief that a greatly accelerated civil defense program, designed to promote the notion that nuclear war is survivable, is misleading and dangerous.

Mr. Speaker, I would have hoped that more of the reduction amendments had carried so that we could present the American people with a sound defense spending bill, but one pared down somewhat to reflect the realities of the country's fiscal dilemma.●

TESTIMONY BY REPRESENTATIVE GONZALEZ ON H.R. 5651

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. GONZALEZ. Mr. Speaker, the House passed out the most extensive and comprehensive defense bill in history.

For years I have been waging the fight to prevent and control war profiteering. In 1967 I addressed the House 18 times and prevented the demise of the Renegotiation Board at that time, when it was under the jurisdiction of the Ways and Means Committee.

Unfortunately, two Congresses ago the Renegotiation Board was killed and now we are waging a greater fight with greater odds to face.

The Honorable JOE MINISH, chairman of the Subcommittee on Oversight and Renegotiation, of which I am ranking member, conducted hearings on H.R. 5651, which would reactivate the Board, and I testified as leadoff witness. I offer the substance of my testimony for the RECORD:

STATEMENT OF U.S. REPRESENTATIVE HENRY B. GONZALEZ, SUBCOMMITTEE ON OVERSIGHT AND RENEGOTIATION

I support H.R. 5651, which would reactivate the Renegotiation Board. I commend Chairman Minish for his determination to revive the one law that has been effective in deterring war profiteers.

There has never been a time when war profiteers did not exist. Those who have sought to take undue advantage of emergencies and military exigencies have always been with us. They have charged exorbitant prices for shoddy merchandise, they have delivered short measures and demanded full prices, and they have profited handsomely throughout all the ages. They are with us still, and they are richer, more powerful, and more avaricious than ever.

Today we are in the midst of an unprecedented military buildup. The amount of money going into military procurement is beyond the mind of man to comprehend. We cannot even envision the one and a half trillion dollars that will go into military expenditures in the next five years. A quantity of money so vast that we cannot comprehend is a quantity of money too vast for infallible management. Inescapably there will be fraud, there will be abuse, and there will be profiteering—all at unprecedented levels.

The Administration is fond of saying that in programs like food stamps, there is a factor of error, waste or fraud approaching 10 percent. Yet the food stamp program is tightly managed, carefully scrutinized, and constantly watched by law enforcement agencies.

Military programs do not get the same kind of scrutiny. There is not any concerted effort to weed out the cheaters and sharp operators. Law enforcement agencies almost never try to prosecute the greedy souls who prey on the riches of the Pentagon.

It is reasonably safe to say that ten percent of military procurement funds are skimmed off by profiteers. In a trillion and a half dollar program, that would be enough to wipe out the whole $150 billion deficit that we are staring at today. It would be enough to fund food stamps for fifteen years. It would be enough to fund all the Nation's housing programs for five years. It would be enough to finance student loans for decades to come.

Yet we are doing literally nothing to stop war profiteering. At the time the Renegotiation Act lapsed, there were $150 billion in defense contracts that had not even been examined. In the last twelve months of its work, the Reneotiation Board found $82 million in excess profits—and that was at a time when Pentagon spending was small, compared to the Niagara of spending that is going on today.

The Defense Authorization bill that we passed just last week carries a total program of $175 billion. Of the procurement part of that program, we can expect that two out of every three dollars will be spent on negotiated or sole source contracts—not competitive bids, no real competition. There are reasons why this happens, because military contracts involve complex and peculiar requirements. But no matter how good the arguments are for a noncompetitive contract, the fact remains that such contracts are the most lucrative, and such contracts are most likely to involve excessive profits.

Without the discipline of the marketplace, military contracting is a breeding ground for profiteering. There has to be some force to discourage that profiteering, and the Renegotiation Act is that force.

We are, as I have said, spending the greatest amount in history on national defense. We are in the midst of the fastest, broadest buildup ever. Unless we provide some defense against profiteering, history may well record of us that never before in the history of human conduct did so few spend so much on so little.

In its last years, the Renegotiation Board was hedged about with restrictions and crippled with manpower shortages. Despite all that, the Board found an average of $38 million a year in excessive profits. If it had been encouraged instead of hamstrung, if it had been supported instead of choked, there is no doubt whatever that the Renegotiation Board would have produced far more than it did—and yet what it produced is astonishing, a truly commendable record of achievement.

We constantly read that major military contracts have gone through a cost overrun. The new FA-18 aircraft, for instance, was supposed to cost $6 million a copy. The current figure is $26 million, and going up. The contractors usualy defend such cost increases by saying that the Pentagon kept adding new features to the weapon—and this is very often the case. But that cannot be the whole explanation, and the fact is, nobody is examining the books to see if profiteering might not account for some of these astounding cost overruns. If profiteering accounts for 10 per cent of the defense dollar, the sum is staggering—more than enough in any given year to pay for even a program so vast as food stamps—more than enough to finance unemployment compensation, even at today's historic high rates. If, in fact, profiteering is only one percent of the defense dollar, that would still be a staggering amount of money—it would be more than all the waste, fraud and abuse that Mr. Reagan claims exists in the whole civilian side of government put together. Yet there is no demand for rigorous examination and review of defense contracts.

On the day Ronald Reagan became President, there was an immense run-up in the stock prices of major military suppliers. The investors believed that the advent of Ronald Reagan also meant the coming of unprecedented profits for military contractors. How can we fail to see the connection?

There is no need for the nation to pretend that it cannot see the evil of avaricious contractors. There is no excuse for the Congress to wring its hands over cost overruns. We have a solution within our reach, and that is a revitalized Renegotiation Act. There is no substitute for a watchdog who can bark and bite. That is what we must have. It is what we can have, if we enact H.R. 5651, give reasonable resources to enforce it, and resist the lobbyists who swarm about the Capitol.

The fact of the matter is this, Mr. Chairman. The Reagan Administration has placed this country on a war budget. What it has failed to do is to levy wartime taxes, or to take wartime measures against profiteers. No one can argue against an adequate defense, but adequate defense is no excuse for profiteering. In truth, and in fact, defense is the last area of any economy that can withstand the ravages of avarice and corruption.

The reactivation of the Renegotiation Act would give us an instrument to recapture excessive profits. It would give our government some hope of deterring those who would otherwise take advantage of the incredibly large, noncompetitive contracts that are available in almost limitless size today. It would enable us to have more defense for fewer dollars.

The Renegotiation Act is but a small leash to place on a very large beast. We know that the Renegotiation Board did not stop profiteering—but it did discourage it, it did recover tens of millions of tax dollars, and it did serve its purpose well. The test of how well it served is this: the defense industry saw fit to put immense lobby resources into a years-long effort to kill the Renegotiation Board, and then to gut the Vinson-Trammel Act. It was good, it was effective, and that is why it was killed.

Washington today is in truth a City without shame. Today, influence peddling is open and openly advertised. Today, corporate contributions to campaigns are preposterous in size and in their universal availability. Today, there is no shame about taking huge sums of money for political purposes, and no shame about using huge sums of money to buy friends and punish opponents. It is in this kind of shameless atmosphere that we are embarking on this immense military expansion—an atmosphere that openly invites abuse and wanton misuse of public funds.

It would be bad enough if we only faced a situation in which there is little real competition for military contracts. It would be bad enough if there were wartime taxes against excess profits. But not only do we have no real competition; we have no taxes against excess profits derived from government contracts, we have no real barriers against corruption, not even the force of moral shame. Neither do we have even the slender leash of an agency empowered to review contracts and determine what kind of profit is reasonable.

We have to begin somewhere. The logical place is to enact the pending bill—and again, Mr. Chairman, I commend you for your efforts, and assure you that I will support reactivation of the Renegotiation Act with every means at my command.●

ADDITIONAL COSPONSORS TO THE NATIONAL DEVELOPMENT INVESTMENT ACT—H.R. 6100

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. OBERSTAR. Mr. Speaker, H.R. 6100, the National Development Investment Act and extension of the Appalachian Regional Development Act, will be coming to the House floor in the near future.

A number of our colleagues indicated their interest in cosponsoring the bill after it had gone to the printer for the last time.

I would therefore like to take this opportunity to publicly thank them for their support, and to place their names in the RECORD at this point. They are: JOHN J. DUNCAN of Tennessee; LAWRENCE J. DENARDIS of Connecticut; MARVIN LEATH of Texas; JAMES WEAVER of Oregon; ROBERT W. DAVIS of Michigan; JAMES L. NELLIGAN of Pennsylvania; DON BAILEY of Pennsylvania; and DAVID R. OBEY of Wisconsin.●

NUCLEAR FREEZE—A MIDDLE GROUND

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. GUNDERSON. Mr. Speaker, in a recent CBS/New York Times poll, 67 percent of the American people surveyed responded that it really does not matter which superpower, the United States or the Soviet Union, has the greatest nuclear strength because both have so much power. This statement is the real crux of the present nuclear arms question.

Currently, our Nation carries an inventory of 9,536 nuclear warheads and bombs while the Soviet Union possesses an inventory of 7,730 nuclear warheads and bombs. All of these weapons stand ready, at this moment, to be launched at various targets by intercontinental missiles, submarines, and strategic bombers.

Clearly, the issue, as the American people are well aware, no longer is which nation is superior, but what can be done to bring about the reduction of the likelihood of nuclear war. Both nations now have achieved a nuclear capability which renders meaningless the concept of superiority. Even if the Soviet Union managed to destroy all of our land-based ICBM's, all of our strategic bombers, and all of our submarines except one Trident submarine, that single submarine would be able to launch 24 Trident I missiles toward targets in the Soviet Union. In other words, over 190 missiles with an explosive power of 100 kilotons each would strike the Soviet Union in 10 to 15 minutes. The Hiroshima bomb possessed an explosive power of only 13 kilotons. As George Kennan, former Ambassador to Moscow, stated last year:

> There can be no excuse on the part of these two governments for holding, poised against each other and poised in general against the whole Northern Hemisphere, quantities of weapons so vastly in excess of any demonstrable requirements.

Two rather distinct options have been presented to us to alleviate this undesirable situation. First, is the simplistic freeze of the production and deployment of nuclear weapons. Second, is the program of an expanded American strategic capability to force the Soviet Union to begin real reductions of nuclear weapons. Both avenues, although they have the best interests of the nation in mind, are inadequate.

A simple nuclear freeze, mutual or unilateral, would leave the present situation intact. The status quo is a Soviet/American relationship of rivalry and confrontation in which neither side feels secure and thus is pressed to build more and more weapons, despite significant economic difficulties. A simple freeze, at present levels, is unacceptable.

But the alternate is equally unpalatable. The theory that an American buildup will bring the Soviets to the negotiating table with a real commitment to reductions is clearly open to debate. Such a policy has worked in a few isolated cases, the ABM treaty for example, but generally history has not confirmed its success. In actuality, American technological advances and increases in weapons inventories has brought commensurate Soviet advances and increases. The entire histo-

ry of the nuclear arms race is best characterized as a battle between American initiative and the Soviet ability to match these thrusts.

Gen. Omar Bradley described this competition as an electronic house of cards in which missiles will bring antimissiles and antimissiles will bring anti-anti-missiles until the whole house of cards will reach a point where it will be constructed no higher. This student of the art of war then asked how much further mankind could go in the pursuit of weapons which will guarantee security. General Bradley pondered in November 1957, prior to the deployment of the now antiquated Minuteman ICB's, prior to the development of the MIRV technology, prior to the neutron bomb, prior to the MX, cruise missiles, and mutually assured destruction, whether we had "already gone too far in this search for peace through the accumulation of peril?"

I chose to cosponsor the Zablocki resolution because it represented a middle ground between these two options. But I also supported this resolution because I felt that it would not compromise the security of this Nation. Throughout this document are qualifying guarantees that agreements made with the Soviet Union will not deteriorate American security interests. The resolution envisions a two-step process through the President's strategic arms reduction talks (START) initiative involving negotiations to a mutual and verifiable halt to the testing, production, and further development of nuclear weapons systems leading to the pursuit of substantial, equitable, and verifiable reductions. It is essential that these agreements be equal and verifiable. Reductions must not be concluded which will leave this Nation at a defensive disadvantage. In addition, the verification requirements insure that no actions will be agreed to nor implemented which do not provide proof of equal performance by the Soviet Union. The inclusion of these strong verification requirements will also force the Soviets to agree to adequate verification procedures if they are to follow through on their stated support for nuclear arms reductions. Prior to this, Soviet negotiators have refused to grant sufficient verification provisions in their agreements on nuclear arms control.

Several factors present themselves in my consideration of the various proposals for nuclear arms control: First, the status quo is unacceptable simply because it would maintain a Soviet/American relationship based upon nuclear rivalry and confrontation. Second, an extreme American attempt to catch the Soviet Union in terms of strategic nuclear superiority is economically unrealistic, in light of the current economic situation and due to the continued Soviet building. Third, historical merit underlying the theory that the Soviets can be compelled to negotiate real reductions by the specter of a greatly improved American nuclear/military capability is weak. Fourth, American security must not be compromised by any agreement which is not mutual, equitable, and verifiable.

Clearly, we have reached a moment in history which we must not let pass. The American people desire agreements which will eliminate the nuclear "balance of terror" while insuring that American security is well protected. I have given my support to this resolution not because it contains language calling for a nuclear freeze, but because it provides the most rational process for the real reductions of nuclear arms by both the Soviet Union and the United States. The pursuit of nuclear superiority is no longer an acceptable goal for either nation.

As former Ambassador to the Soviet Union Thomas Watson, Jr., stated last year:

So-called nuclear superiority assures no safety—not for the Soviet Union; not for us; because what counts is not superiority but sufficiency—the guaranteed power to destroy the other side under all circumstances. And we both have it.

The goal now is to reduce the likelihood of this destruction. This can be accomplished by the reduction of these weapons which have increasingly trapped each nation into a preemptive posture.

The possession of huge inventories and plans for futher increases of nuclear weapons systems no more guarantees the security of either nation than the discovery and production of the first nuclear weapon has protected the United States for the past 37 years.●

WITHHOLDING TAX ON DIVIDEND AND INTEREST INCOME

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. WORTLEY. Mr. Speaker, I am introducing a sense of the House resolution today concerning the ill-conceived provision in the Senate tax bill that imposes a 10-percent frontend withholding tax on interest and dividends.

Withholding of interest on dividend and savings income is an idea that has been rejected soundly every time it has reared its head for the last four decades. Surely, it is an idea that does not get better with age.

Although the House and Senate conferees agreed by voice vote to retain the Senate provision in this case, I still believe we have an obligation to send the conferees a message. And that message is that the 10-percent withholding is unacceptable.

The Internal Revenue Service has a document matching program that is designed to make sure all taxpayers comply with the law. It is a good program and one that makes sense. Let us use that to make certain that all taxpayers are aware of their obligation to report this kind of income. Let us not enact law that discourages savings and investment at a time when it is sorely needed.

A text of the resolution follows:

H. RES. 554

Resolved, That it is the sense of the House of Representatives that—

(1) the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 4961 should not agree to the Senate provisions in such amendment concerning withholding on interest and dividends; and

(2) a provision requiring greater efforts on the part of the Commissioner of Internal Revenue to secure taxpayer compliance through existing law so as to prevent the evasion of the payment of taxes due on income from interest and dividends should be substituted for such withholding provisions.●

A BILL FOR SELF-POLICING OF THE JUDICIARY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. FINDLEY. Mr. Speaker, law and order are basic to the constitutional rights of life, liberty and the pursuit of happiness. And certainly, the criminal justice system in our country has gone through a lot of changes over the years—many of them intended to increase protection of the rights of those accused of committing a crime. A further change is needed.

We all have heard of cases where the criminal was caught redhanded, but was let off the hook because of a technicality, or worse yet, a judge's misinterpretation of the law. Judges are expected to be impartial, efficient and free from bias and prejudice. However, there are times when they fall short of our expectations and the law.

For example, in 1979 in Fort Worth, Tex., a newly sworn in Federal judge admitted his racial prejudice in a newspaper interview. And although 21 members of the local chapter of the National Association for the Advancement of Colored People—NAACP—among others, asked for the removal of the judge, he still serves on the bench today.

In New Mexico, a Federal judge asked for more help to handle the caseload, complaining—believe it or not—that he had to work a full 8-hour day. Under questioning, this "over-

worked" judge admitted to taking 1 day off a week to visit the local golf course, though he maintained that he takes work home occasionally.

And in Pennsylvania a Federal judge served on the bench for years even though he was involved in a scheme to award large government contracts to his uncle.

Millions of Americans have grave concerns about the workings of our justice system. The fact is, Federal judges should perform their duties with integrity and honor.

Unfortunately, for all practical purposes, they are beyond discipline. They have a lifetime appointment that can be terminated only through impeachment, a cumbersome process used only in the most extreme cases.

That is why I am introducing legislation to provide self-policing of the Federal judiciary system. The bill would authorize and direct the Chief Justice of the Supreme Court to appoint a three-judge panel to investigate and decide the truth of charges that a particular Federal judge is not performing his or her duties adequately, or has brought discredit to the judiciary.

A judge's performance could be impaired by incapacity, moral problems, prejudice, inattentiveness to duty and even criminal activity. The panel could impose discipline, even removal from the bench, and the panel's decisions would be final except for possible appeal to the Supreme Court. No judge or justice could sit in review of his or her own conduct.

The entire process would occur within the judiciary, thus preserving its independence of the legislative and executive branches.

Most Federal judges are hard working, honest and capable. But my proposal would establish a practical recourse against those judges who fail to measure up to the great traditions of the judiciary.●

NUCLEAR WEAPONS AND WORLD PEACE: A RATIONAL VOICE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. RUDD. Mr. Speaker, recently, Edward N. Luttwak, senior fellow at the Center for Strategic and International Studies wrote eloquently on the dangers of unilateral nuclear disarmament in the magazine Commentary. His article addressed the problems we face when our quest for peace overwhelms rational considerations of the real world and realpolitik opponents.

In another article for the same magazine, Vladimir Bukovsky, a Russian political dissident who suffered for 12 years in labor camps and psychiatric hospitals for his political beliefs at the hands of his Soviet masters, expressed the clear result of unilateral disarmament by saying that at the moment of unilateral disarmament: "You will gradually begin to lose your freedom, being exposed to constant and unrestrained Soviet blackmail."

Mr. Luttwak, in the attached article, shows how that beginning would take place.

HOW TO THINK ABOUT NUCLEAR WAR

(By Edward N. Luttwak)

Now that the United States is belatedly acting to restore a tolerable balance in forces nuclear as well as conventional, a vast chorus of protest has been heard from those who hold that deterrence is a policy not merely dangerous but irrational, and who therefore demand an immediate "freeze." Others have made a narrower protest, against the reliance of the United States and its allies on nuclear deterrence to dissuade a Soviet invasion that might be accomplished by the great non-nuclear forces of the Soviet army. And then there has been the broadest of claims, in which pastors and priests, rabbis and bishops, have been most prominent: that nuclear deterrence, and indeed nuclear weapons as such, are in themselves immoral.

Along with the arguments and the claims there has been a great outpouring of horrific imagery of Hiroshima and its victims, of mushroom clouds and radiation burns—imagery abundantly relayed in the complacent press and in the visual media. The purpose has been to frighten those whom the arguments have not persuaded, so that the electorate which deliberately rejected Carter's strategy of weakness might now be terrorized into repudiating Reagan's strategy of strength.

Yet instead of reaffirming its strategy, the Reagan administration has for the most part responded to the arguments and the claims, to the words and the manipulative imagery, by appeasing the protesters, the churchmen, and the media. From those who once could explain quite lucidly the fundamental and unchanging reasons for the inevitable failure of arms control, we now hear much talk about the virtues of that very process. From those who started off resolutely determined to explain strategic realities, we now hear only great declarations of their love for peace, their revulsion against war, and their sincere dislike of nuclear weapons. Outside the administration, too, all manner of people once very attentive to the delicate texture of strategy have now come forward to mollify protest by offering schemes and plans designed to reduce the role of nuclear weapons in our defense, sometimes offering a non-nuclear substitute, and sometimes not.

And yet every one of the claims which sustain the protests large and small is false; each of the arguments, both strategic and moral, can be utterly refuted. The most respectable promoters of the "freeze" who claim that deterrence is irrational are guilty of a crude logical fallacy of composition; the four eminent retired officials who have called for NATO's renunciation of nuclear deterrence against a conventional attack reveal one more time their one peculiar lack of strategic understanding; and the churchmen who hold that nuclear weapons are ipso facto immoral are guilty of a crude ethical illiteracy. That is the charge-sheet; the justification follows.

The "front" that the North Atlantic Treaty Organization sustains against the Soviet Union and its client-states divides not nations but political systems. On the one side there is the system of production, of individual welfare and social amelioration, while on the other side there is a system that proclaims those same goals very loudly, even while subordinating them to the preservation of totalitarian control and the accumulation of superior military power.

If nuclear weapons were now disinvented, if all the hopes of the nuclear disarmers were fully realized, the Soviet Union would automatically emerge as the dominant power on the continent, fully capable of invading and conquering Western Europe and beyond if its political domination were resisted.

But why should that be so in a non-nuclear world? After all, our side has all the men and all the means that would be needed to outmatch the conventional forces of the other side. Already now, by the storekeeper's method of making up an inventory, the forces of NATO can appear as strong as or even stronger than those of the Soviet Union and its not-necessarily-reliable client-states.[1] Compare, for example, total manpower in uniform, on active duty: 4.9 million for NATO and the United States versus 4.8 million for the Soviet Union and its client-states (and remember that out of that total the Soviet Union must provide the large forces deployed against the Chinese). Compare total manpower in ground forces: 2.7 million for us versus 2.6 million for them (with the same Chinese qualification, to make us feel even better). Compare total ground forces in Europe itself: 2.1 million on our side and only 1.7 million on the other (and one must make allowance for Polish, Hungarian, and other client-state troops that prudent Soviet military planners would not want to rely upon except to add sheer mass to a successful offensive). In naval forces, the U.S.-NATO advantage is large in almost every category, even if ships are counted by the prow as in Homer and not by tonnage (in which Western superiority is still greater).

If one delights in these comparisons, one can come up with more numbers that are comforting. But there are also some other numbers that are less reassuring. Tanks: 17,053 for NATO in Europe (U.S. included) versus a total of 45,500 on the other side, including 32,200 in reliable Soviet hands (Hitler had only some 3,000 in 1941 for "Barbarossa," the German invasion of Russia); artillery pieces: 9,502 versus 19,446; surface-to-surface missile launchers: 355 versus 1,224 for the Soviet camp (all the nuclear warheads are in Soviet hands exclusively); antitank guns (a rather antique category by conventional wisdom): 964 versus 3,614.

As for combat aircraft in Europe, the numbers go the same way: 2,293 fighter-bombers for NATO-Europe versus 3,255 in soviet and Warsaw Pact air forces (but predominantly Soviet); fighters: only 204 on the NATO side (the U.S. Air Force believes in heavier multipurpose aircraft) versus 1,565 on the other side; interceptors (another depreciated category): 572 on the part of NATO versus 1,490 in Pact air forces.

Each set of numbers means little in itself. But ignoring all the details, there is one

[1] All the statistics following are from the 1982 edition of the "Military Balance," published by the International Institute for Strategic Studies.

very striking fact that emerges—a fact that begins to tell us the real story about the "military balance" on which there is so much controversy now that McGeorge Bundy, George F. Kennan, Robert S. McNamara, and Gerard Smith have jointly proposed in an article in Foreign Affairs (Spring 1982) that NATO should renounce the "first use" of nuclear weapons to deter a nuclear invasion. That fact, indeed very remarkable, is that the rich are seemingly armed as poor men are armed, with rifles, while the poor are armed as rich men, with heavy weapons. Recalling that comparison of "total ground forces in Europe" in which NATO is shown with 2.1 million troops on active duty versus a mere 1.7 million for the Warsaw Pact—a ratio 1.27:1 in favor of our side—we now discover that the ratios for the major weapons which modern ground forces need go the other way, in favor of the Soviet side: 2.65:1 for tanks; 2.05:1 for artillery; 3.45:1 for missile launchers; and so on.

More remarkable still, the poorer and less advanced have more combat aircraft, by ratios of 4.5:1 (bombers), 1.4:1 (fighter-bombers), 7.67:1 (fighters), 2.61:1 (interceptors), and so on. Never mind that on each side one should sort out old aircraft in each category, and never mind also that Soviet aircraft are judged inferior to their U.S. counterparts (though to take Israeli-Syrian combat outcomes as an index is totally misleading, since Soviet aircraft would do very nicely in Israeli hands, just as they performed quite well against our own fighter-bombers in Vietnam, and also in Indian hands against the Pakistanis). In spite of all qualifications large and small, the fact stands, and it is a great fact: the poor are far more abundantly armed, even in air power, which is the quintessential arm of the rich.

How can this be? What does this mean? How and why have the rich come to be poorly armed as compared with the Soviet Union (whose gross national product is now 60 percent of the American and a mere 25 percent of the U.S.-NATO total)? There is, of course, a very simple answer revealed by the statistics themselves. That famous number, the count of NATO ground forces in Europe in the amount of 2.1 million (as compared to 1.7 million for the Pact), is actually made up of 980,000 men in the armies of Western Europe and another 922,000 men in the Greek, Italian, and Turkish armies which mainly consist of lightly-armed infantry, disqualified by location, training, and equipment from fighting seriously against Soviet-style armored divisions.

But that too is no more than a circumstantial fact: it is not the ineluctable consequence of unalterable limits. NATO could have forces much larger and better equipped and in the right places, for it has a much larger population than the Pact, and also a far greater production. Why then do our richer allies in Western Europe fail to remedy the imbalance? Is it greed that dissuades them from spending enough, or is it perhaps defeatism? Both are in evidence in some degree. But the decisive reason is strategic: those in Europe who understand such matters know that an increased effort would not improve the balance unless it were truly huge, because there are two fundamental military factors at work which make NATO weak and the Soviet Union strong—and these are of such powerful effect in combination that they would nullify the benefits of any marginal increase in defense spending, just as they already outweigh every one of the disadvantages that afflict the Soviet Union, including the unreliability of some of its East European subjects, the hostility of China, and the technical inferiority of some Soviet weapons. Much more than the numbers, it is these two factors that truly determine the present military imbalance in non-nuclear stength, which is very great, and not at all the small matter that Messrs. Bundy, Kennan, McNamara, and Smith suggest (". . . there has been some tendency, over many years to exaggerate the relative conventional strength of the USSR. . . .").

The first of the two fundamental military factors is, quite simply, that NATO is a defensive alliance—not just defensive in declared intent, as all self-respecting alliances will claim to be, but rather in actual military orientation. Specifically, the forces of NATO on the "central front"—the 600-kilometer line running from the Baltic Sea to the Austrian border—are incapable of offensive operations on a large scale. There are no plans for a NATO offensive against East Germany, there has never been suitable training, or any army-sized exercises for offensive action. In spite of the abundant claims to the contrary in Soviet propaganda at its most implausible, Soviet military planners must know that NATO could not launch an offensive against their front. The notion that Belgian, Dutch, British, German, and U.S. forces would suddently march across the border to invade is quite simply fantastic.

This means that the Soviet high command can concentrate its own forces for offensive action without having to allocate significant strength for defense. To be sure, many Soviet divisions are either deployed on or assigned to the very long Chinese border. But there too the Soviet union need not disperse its forces to provide a territorial defense, since the Chinese, for all their millions of troops and tens of millions of rifle-armed militia-men, have no real capacity to mount significant offensive operations. At the very most, at a time of great opportunity such as a Soviet attack upon the West might present, the Chinese could mount a very limited and very shallow move against some segment of the Trans-Siberian railway where it runs near their territory.[2]

The Soviet army, which was greatly diminished in size during the 1950's but which has grown again during the last two decades, can now mobilize so many divisions that it can cover the Chinese border very adequately; provide more divisions to maintain a threat against Iran, Eastern Turkey, and Pakistan; keep the forces now in place in Afghanistan; and still send more divisions against the "central front" than NATO could cope with.

Not counting at all the divisions of the East European client-states (even though some at least could in fact be used), the arithmetic runs as follows: if 10 more Soviet divisions are added to the Chinese "front" (in addition to the 46 stationed there already); and if a further 18 divisions are kept in reserve to deal with all the contingencies that a prudent and well-provided military leadership can imagine; and if there is no reduction in the generous allowance of 26 divisions now deployed on the Soviet Union's "southern front" (opposite the under-equipped Turks, the chaotic Persians, and in Afghanistan); then, finally, the Soviet Union, upon mobilization, could launch 80 divisions against NATO in Central Europe—that is, against the West German border. And since NATO is a defensive-only alliance, the Soviet army could concentrate its forces in powerful offensive thrusts aimed at narrow segments of that front.

By another estimate, produced by the International Institute for Strategic Studies—nowadays a great favorite for Messrs. Bundy *et al.* owing to its far from hawkish positions—the Soviet army could send a total of 118 divisions against NATO, the greater number being obtained by assuming that no central reserve is maintained at all (the Soviet Union does after all keep 500,000 KGB and MVD troops, which are heavily armed) and that no reinforcement would be made to the Chinese "front."

As against this, NATO can claim a total of 116 divisions, only two fewer than the higher estimate of the Soviet divisions that could be sent against it—and actually 36 divisions more than the Soviet total estimated more conservatively.

But that is truly a hollow number, since NATO's 116 divisions include more than 16 American National Guard divisions that would have to be mobilized, remanned, re-equipped (with what?), trained for weeks or months, and then transported to Europe by way of ports and airfields benevolently left intact by Soviet forces. The 116 divisions include more than 29 Italian, Greek, and Turkish divisions that are stationed far from Central Europe and are neither trained nor equipped to fight on that front. And they include 9 other divisions of foot infantry of various kinds. Once all these make-weights are removed from the count, we discover that against 80 Soviet divisions, NATO might field no more than 58 divisions of its own, including more than 12 French divisions whose participation in a fight is uncertain but whose scant armament for such combat is unfortunately not in doubt.

In fact, we might estimate even more truly by measuring NATO forces in terms of Soviet division-equivalents, whereupon we obtain 35 divisions upon full mobilization and with the transfer of all earmarked U.S. forces. The numerical imbalance thus finally emerges as a sharp one indeed: 80 Soviet divisions versus 35 for NATO. And then the defense/offense asymmetry intervenes to make the true combat imbalance even greater, since the Soviet divisions can be concentrated during an offensive against a few narrow segments of the front while NATO's divisions must defend all along a 600-kilometer border.

Under any circumstances, the numerical imbalance in real capabilities would make things very difficult for NATO. But it would not be decisive were it not for the second great factor that makes NATO weak, which arises from the very nature of armored warfare. Nowdays, there is only one army in the world that has actual hands-on expertise in the reality of armored warfare, in the combined use of large numbers of tanks, troop carriers, and self-propelled artillery to stage offensives of deep penetration, whereby enemy forces are not merely destroyed piecemeal by fire-fights but are defeated by being cut off and forced into surrender—and that, of course, is the Israeli army. But if there is one army in the world that seriously strives to overcome its lack of recent and relevant combat experience, it is the Soviet army. It is the only one which stages vast army-sized exercises to educate its officers and men in the broad art and the detailed craft of armored warfare.

One reason Messrs. Bundy et al. are not much impressed by the strength of the

[2] That, incidentally, sets a firm ceiling to the strategic value of a U.S.-China alliance.

Soviet army is that they simply do not understand the meaning of armored warfare in a setting such as the NATO central front. The Soviet army would not be lined up unit by unit along the 600 kilometers of the German frontier, there to fight it out in head-on combat with the forces of NATO similarly arrayed (hence the worthlessness of inventory comparisons which imply such front-to-front combat). Instead, its 80 divisions would be formed into deep columns and multiple echelons poised to advance by swift penetrations of narrow segments of the front. Having learned the art of armored warfare in the hard school of war itself, at the hands of the best masters, and having made the method at once simpler and much more powerful by employing the sheer mass of great numbers to relieve the need for fancy German-style maneuvers, the Soviet army would not imploy its forces to launch a set-piece offensive on a preplanned line of advance (which would be detectable and vulnerable) but would instead seek to advance opportunistically, just as water flows down a slope, its rivulets seeking the faster paths. Initially, the advance regiments would probe for gaps and weak sectors through which a swift passage might be achieved. Any Soviet forces that could make no progress would be left in place, to keep up the threat and prevent the NATO commands from switching their forces to strengthen the front elsewhere. But Soviet reinforcements would only be sent where successful advances were being achieved in order to add to the momentum. First more regiments, then divisions, then entire "armies" would thus be channeled forward to keep up the pressure and push deep into the rear of the NATO front.

By feeding reinforcement echelons into avenues of penetration successfully opened, the Soviet high command could obtain the full effect of the classic *Blitzkrieg* even without having to rely on the skill and initiative of regimental officers, as the Germans once did. Instead of a fluid penetrating maneuver obtained by free improvisation, theirs would be an advance just as fast, achieved by mass and momentum directed from above.

Soon enough, advancing Soviet columns would begin to disrupt the entire defensive structure of NATO, by cutting across roads on which Western reinforcements and resupply depend, by overrunning artillery batteries, command centers, supply depots, and finally airfields—until the very ports of entry on the Atlantic shore would be reached. With NATO's front cut in several places, with Soviet forces already in their deep rear, the choices open to NATO formations in such non-nuclear combat would be either to stand and fight for honor's sake even without true military purpose, or else to retreat—thus opening further gaps in the front. In any case, the relentless advance would soon enough impose a broader choice at a much higher level of decision, for the Germans first and the others not much later, capitulation or military destruction.

Thus in the absence of nuclear weapons, it is not the numerical imbalance in itself that would bring the dismal results, but rather the fact that the Soviet army has a valid method of offensive war, while NATO for its part has no valid method of defense. For obviously the envisaged attempts to block Soviet advances by switching defensive forces back and forth along the line (right in front of Soviet forces which would have every opportunity to disrupt such lateral movement by fire and by their own thrusts) must fail. Indeed, it can be said that even if NATO had a perfect numerical equality, it would still find if impossible to match Soviet concentrations with its own, in order to block their advance right at the front line itself. The reason for this inherent defect is not any lack of military expertise on the part of NATO commanders and planners (although their unfamiliarity with modern armored warfare does show when some pronounce on the military balance by the bookkeeper's method). The defect rather is caused by the combination of NATO's defensive-only orientation and the character of large-scale armored warfare.

In the face of an offensive threat by an armored-mobile army (unless the defenders are *vastly* superior in sheer strength), one of two conditions must obtain to make a successful defense possible: either the defenders must be ready and willing to attack first, in order to disrupt an offensive preemptively; or else the defense must have considerable geographic space is which to maneuver and fight in a defense-in-depth strategy. If NATO had the political will, the training, and the organization to strike first in the face of massing Soviet forces, the latter could not safely form up in deep columns for the attack and would instead have to dilute their strength to form a defensive array of their own.

This option is purely theoretical in NATO's case. It is impossible to imagine that so many diverse governments would agree to let their national forces engage in a preemptive attack to anticipate a Soviet invasion before the outbreak of war. More likely, in the face of a Soviet mobilization and a build-up of divisions opposite NATO, there would be demands for negotiations to settle the crisis by what would no doubt be called "political means," i.e., eager concessions.

As compared with a wholly unrealistic strategy of preemptive attack, the second option, a defense-in-depth, may seem a feasible alternative; and it would offer the possibility of a very powerful defense indeed for NATO. Under such a strategy, Soviet invasion columns would not be intercepted by NATO's main defensive forces right in the border zone. Instead, advancing Soviet forces would encounter only a mere border guard along the frontier itself, thereafter being harassed, delayed, and clearly revealed by light and elusive forces as they continued to advance, being steadily weakened by the loss of momentum imposed by time, distance, breakdowns, mined barriers, multiple obstacles at river crossing points, canals, and towns—and also by successive battles with strongholds along the way. Then too, NATO air forces operating quite freely over their own territory, where Soviet air defenses would be very weak, could attack advancing Soviet forces heavily and frequently. Only then would the major combat on the ground finally take place, with fresh NATO divisions maneuvering to strike at the stretched-out and by then ill-supplied Soviet columns (air strikes would do much more damage to supply vehicles than to the Soviet armored forces themselves).

In such a setting, with a thin line of NATO covering forces on the border itself, with multiple barriers and strongholds in depth, and with the main line of resistance 100 or 200 kilometers to the rear, NATO could indeed have a very solid non-nuclear defense, and one which could moreover deter non-nuclear invasion all by itself—since any competent Soviet planner would have to estimate that defeat would be the most likely outcome. And that, of course, would be a defeat which would deprive the Soviet army of one-half of its divisions, and thus the Soviet empire of much of its gendarmerie as well as all of its prestige, no doubt triggering unrest at home and perhaps outright insurrection in the client-states.

But to imagine such a defense in depth for the NATO central front in Germany is not to consider a live option. It is, rather, to indulge in sheer fantasy—and malevolent fantasy at that. For that zone of deep combat happens to correspond to the territory where tens of millions of Germans live. Quite rightly, what the Germans demand is not merely an eventual ability to defeat an aggression at some ultimate point in time and in space, but rather an actual provision of security for themselves, their families, their homes, and their towns. The British, French, or Americans might obtain satisfaction from the defeat of an invading Soviet army in the depth of West German territory, but such a victory would be of little worth to the Germans themselves. What the European system of peaceful construction needs is a preclusive method of protection, not ultimate victory after much destruction and millions of deaths.

In the absence of an offensive capacity by NATO and a lively willingness to preempt invasion, such protection can only be assured by nuclear weapons—or more precisely, by the architecture of nuclear deterrence which is now in place. If the Soviet Union does attack, its offensive would be met in the first instance by a non-nuclear defense of the forward areas close to the border. If NATO could not hold the front by non-nuclear combat, it would warn the Soviet Union that (small-yield) nuclear weapons would be used to strike at the invading Soviet forces. And then it would strike with such weapons if the warning went unheeded.

At that point the Soviet Union would realize that the alliance was standing up to the test, that it did have the will to defend itself in its moment of truth. One Soviet reaction might be to call off the war—a quite likely response if the invasion had been launched out of some hope of gain, but much less likely if it were the desperate last act of a crumbling empire.

Another Soviet reaction might be to respond to the threat by a wider threat against the cities of Europe, or else—and more likely—to reply in kind. With its own forces weakened by nuclear attack, it might employ nuclear weapons to make its invasion easier, by blasting gaps through the NATO defenses. Or else, the Soviet Union might want to avoid the intermediate steps, and try to impose a capitulation by threatening to attack European cities if any more battlefield nuclear weapons were used.

Such a verbal threat might in turn be averted by being answered in kind, in the first instance perhaps by the British and the French—assuming that their cities had also come under the threat. But a better response to such a Soviet threat would be possible if by then NATO had acquired its own theater nuclear forces which, like the Soviet forces that already exist in considerable numbers, would be suitable to threaten not merely cities indiscriminately, but rather such specific targets as political and military command centers, airfields, nuclear storage sites, and even large concentrations of ground forces—that threat being all the more credible for being less catastrophic.

Much more complex exchanges and many more variations can be envisaged. But by far the most likely outcome is that a war would end very soon if any nuclear weapons, however small, were actually to be detonated by any side on any target. The shock effect upon leaders on both sides—but especially on the Soviet leaders who had started the war—and also the devastating psychological impact upon the forces in the field, would most likely arrest the conflict there and then. It is fully to be expected that military units whose men would see the flash, hear the detonation, feel the blast, or merely hear of such things, would swiftly disintegrate, except perhaps for a handful of units particularly elite, and also remote from the immediate scene. The entire "software" of discipline, of morale, of unit cohesion and esprit de corps and all the practices and habits that sustain the authority of sergeants, officers, and political commissars, are simply not built to withstand such terror as nuclear weapons would cause—even if at the end of the day it were to be discovered that the dead on all sides were surprisingly few.

To believe—as Jonathan Schell insists in *The Fate of the Earth*[3] and as Messrs. Bundy, Kennan, McNamara, and Smith imply—that the firing of small-yield nuclear artillery shells against an invasion force, or even the launch of some short-range battlefield missiles with kiloton-range warheads, would lead more or less automatically to successive nuclear strikes from one side and then the other, on a scale larger and larger, until finally European, Russian, and American cities would be destroyed, one has to believe that the instinct for survival would have been utterly extinguished in political leaders, and also that the armies in the field and their commanders, the air forces, the missile crews, and all the rest of mankind in uniform would behave as robots throughout. Just as a Roman legion trained to withstand all the terrors of the ancient world would surely break up and run if it came under machine-gun fire, so too a Soviet division that might otherwise fight and advance through artillery fire and close attack would almost certainly fall apart and retreat if its men came under nuclear attack. As for the politicians and the generals (who begin to resemble politicans when they reach the highest ranks), are we to believe that they would become so absorbed in the conflict-as-a-game that they would reply tit for tat, move by move, instead of stopping the war as soon as it had become nuclear, before it could destroy their own cities and their own families?

It is precisely this quality of nuclear weapons, their awesome, sinister, and only dimly known character, that makes them the fitting tools of deterrent protection in Europe. And yet Messrs. Bundy *et al.* hold that NATO should surrender its deterrent, except to deter a Soviet *nuclear* attack. They argue that NATO should renounce the first and by far the most important layer of deterrence, by repudiating its current and long-established policy whereby the alliance reserves the right to use nuclear weapons against a conventional invasion that could not be stopped by non-nuclear forces alone.

As we have seen, without a policy of "first use" there would no longer be a deterrent against a non-nuclear invasion and Western Europe would remain with only a dubious war-fighting defense which, even if greatly strengthened, could only yield at best some sort of ultimate victory—after much devastation and death.

But of course Messrs. Bundy, McNamara, Kennan, and Smith deny the bleak alternative. They do not believe that there is a gross imbalance, and indeed they confess that they have no sense of how one might estimate such a balance. Perhaps the four are too elevated to concern themselves with such lowly matters as the current Soviet method of armored warfare. And yet oddly enough a very specific technical suggestion is suddenly offered in the midst of the carefully crafted and indeed evasive political prose of their article. They suggest that the advent of "precision-guided weapons" might be weakening the Soviet army.

What Bundy *et al.* will only allude to most prudently others have proclaimed in black and white. The Soviet army, they say, is almost entirely made up of armored formations, and with the arrival of anti-armor missiles on the scene, its strength could now be nullified by the large-scale deployment of those cheap weapons—especially if the United States and NATO stop wasting their own funds of expensive and complex major weapons.

The prospect is most attractive: let the Soviet Union misuse its scant wealth on expensive tanks, obsolete playthings for nostalgic generals, since NATO can defeat their tanks, and their combat carriers too, and indeed all that relies on armor for its immunity, with cheap precision-guided weapons. Of late such things have been said or written by all manner of odd people, from a New York *Times* columnist who had never previousy claimed tactician's mantle, to that part-time physicist and full-time arms control promoter, Hans Bethe—who has for so long used his Nobel Prize to demand authority on things very much larger than the very small particles which he has investigated. And then, of course, there is the usual array of Congressmen and assorted publicists who so readily assume that ever military practice and every military choice must be the wrong-headed product of inert tradition and childish preference for large, and costly, weapons.

Reinforced by the sinking of British warships by "Cheap" Exocet missiles, still sustained by lingering memories of the shell-shocked misreporting of the first days of the Yom Kippur war, hardly deflated by the outcome of that same war (decided by Israeli armor, inexplicibly), or indeed by other experiences of missile combat before and since (the first use of anti-ship missiles dates back to 1943), the cheap-missile delusion lives on. In the new controversy over NATO's nuclear "first-use" policy, this delusion has attained an unprecedented currency by seemingly offering an alternative to the nuclear deterrence of invasion.

Imagine a Soviet tank approaching. A NATO soldier with his antitank missile can launch his weapon from three or four thousand yards away, he being well-hidden in the undergrowth while the tank stands clear as a very vulnerable target. The missile duly strikes and destroys the tank. That is the technical level of warfare—the only level that many scientists and all "tech-fix" enthusiasts readily comprehend.

But now broaden the picture somewhat. In a larger view we see more tanks and more NATO missile crews, but we also see the gathering Soviet artillery—as concentrated as the Soviet armored columns themselves to pound not all along the front but only those of its segments where breakthroughs are being attempted. Now the missile crews must see their targets through much intervening smoke (and when they cannot see them—it only for a second or two—their missiles will go off-course). But under the heavy artillery barrage many missile crews will be driven to seek refuge in the ground, or in the rear, and if not, they will be wounded or killed. They, after all, are entirely unprotected, unlike the advancing Soviet armor which can still move forward under artillery fire because of all that expensive armor protection. Now the weapon that had a 90 percent "kill-probability" in a technical estimate is revealed as much less powerful, and perhaps a 9 percent kill-probability becomes the more realistic estimate.

This is the tactical level of warfare, and one that quite a few believers in the missile illusion can still comprehend. Accordingly, they accept the analysis and merely point out that even if ten or more missiles must be purchased for each tank to be destroyed, the missile solution would still work—and would still obviate the need both for large budgets and for the "first use" of nuclear weapons. It is a matter of simple arithmetic. Armored vehicles are expensive and even the Soviet army could scarcely have more than 40,000 or 50,000 for an invasion against NATO's central front (that being a huge number indeed, ultimately constrained by road capacities). Let NATO therefore deploy half-a-million missile launchers if need be—an enormous number (now there are 5,000) and yet still easily affordable, since for every planned $2.7-million tank that we give up we could obtain instead some 150 missile launchers (and we are planning to build thousands of those tanks).

But now finally broaden the picture still more, to embrace the full width of that 600-kilometer NATO front. Let the half-a-million missile launchers be deployed, and now finally at the strategic level of war we discover the true strength of offensive armored warfare: while the Soviet army would attack the front here and there at places of its own choosing in deep columns of concentrated strength, the infantry's missile launchers would be unable to move about to match the concentration. For even if some vehicles or others might be found for the weapons and crews, they would be kept from reaching the places of need by Soviet artillery fire—against which they would lack any armor protection. Now the arithmetic is suddenly overturned. Where it really counts, at the unpredictable places where the breakthrough battles would actually take place, the expensive and scarce armored vehicles would be many (because that is where they would be concentrated), while the antitank missiles would be few indeed once the initial array were scattered, suppressed, or destroyed by the devastating barrages of the abundant and concentrated Soviet artillery.

Just as at sea the cheap missile can destroy the expensive warship only so long as the latter's space and weight, crews and power sources are not properly used to accommodate countermeasures and counterweapons, so also the cheap missile can only destroy armored forces successfully if it is used against the unprepared and the underconcentrated. Otherwise it can only serve as one more weapon on the battlefield, undoubtedly useful, but not a substitute for larger defense budgets, and still less for the necessity of nuclear deterrence.

One can be certain that Jonathan Schell and all the marching and chanting thousands would remain quite unmoved by the

[3] Knopf, 244 pp., $11.95.

revelation that "precision-guided munitions" will not evade the rules of strategy, that they will not offer a non-nuclear solution and a cheap one to boot. Schell's formula for security in our age of conflict is very simple: universal disarmament under the aegis of world government. But of course that is not a proposal seriously meant, and in fact Schell does not even bother to outline for us, not even briefly, any scheme of action whereby those great results might be achieved. The proposal that he does put forward in all seriousness is that we should immediately stop all work on the development and construction of nuclear weapons.

Now as it happens Schell knows quite well that the ability of the United States to avert war by deterrence requires on the contrary that we proceed, and rapidly, to improve our nuclear forces, in order to make up for the entire decade of the 1970's when the Soviet build-up was not offset by any adequate American response. But Schell is not concerned with the needs of deterrence because he holds deterrence to be too dangerous, and indeed irrational. The nuclear war he imagines is made of thousands of warheads unleashed upon our cities to burn, to blast, to irradiate. In such circumstances, the use of nuclear weapons for retaliation would indeed serve no purpose. From this Schell concludes that all retaliation must be purposeless, and thus all deterrence must be irrational.

Now it was always very clearly understood that if for some inexplicable reason the Soviet Union were to launch large numbers of intercontinental nuclear weapons upon our cities, then our own use of surviving nuclear weapons to destroy the Soviet population would serve no rational strategic purpose, and no moral aim. But the workings of deterrence are in no way governed by that theoretical and ultimate extreme, any more than the poisonous quality of many medicines denies their beneficial use against disease. Schell's argument that retaliation in planetary doses deprives deterrence of its purpose is of the same intellectual quality as the objections once heard against the use of fluoride in the water supply, which were motivated by the discovery that the chemical in question can kill—in large doses.

Deterrence does not rest on the theoretical ultimate of all-out population destruction. Whether nuclear or not, the workings of deterrence depend on threats of punishment that others will find believable. This requires that the act of retaliation be in itself purposeful, and less catastrophic rather than more. And indeed, contrary to what Schell and many others believe, the nuclear arsenals have become steadily less destructive than they used to be, as weapons have become more accurate. The total megatonnage of our strategic nuclear forces is nowadays perhaps one-tenth of what it was twenty years ago.

Thus, the entirety of Schell's argument rests on a logical fallacy. But what in a moral context is a good deal more serious is that Schell and his followers are in practice indifferent to the prospect of a large and very destructive non-nuclear European war. For such a war is the likely outcome of any prolonged "freeze," because a decline in nuclear deterrent forces would be inevitable, as worn-out weapons are not replaced; and without nuclear deterrence, great-power politics would resume as before 1945. Looking back on the events of the last generation, with its many and dangerous crises, it is impossible to believe that another world war could have been avoided had it not been for the terror that nuclear weapons inspire. Thus in practice Schell is ready to see untold numbers of Europeans suffer and die in countries ruined by the smashing advance of Soviet armor and by the blasting of great artillery barrages, just so long as those barrages remain non-nuclear.

In the crowds that march behind Schell's banner, many know so little of all such matters that their views do not warrant serious discussion. Many others will candidly acknowledge the abstract merit of the counterarguments, but will nevertheless assert that they have made their own incontrovertible choice. Rather than risk in any smallest way their own lives and those of their children in a nuclear conflict, however improbable, they are in fact prepared to see others and their children die in large numbers and by a certain outcome.

Those who thus frankly admit that they would abandon all the nations that now rely on our nuclear enhancement for their security, even if much war and much death would inevitably result, are the more honest members of the antinuclear camp. They have no moral pretensions and no shame to drive them into hypocrisy and false argument. But what are all those rabbis and priests, pastors and bishops, doing with them, standing in their crowds singing their songs? By what doctrine of theology, by what theory of morality, by what rule of ethics is it decreed that the small risk of nuclear war is a greater evil than the virtual certainty of the large-scale death in great-power wars no longer deterred?

The offense of the antinuclear churchmen is not strategical error, but rather a brutal attack upon the most elementary principle of morality, the most basic of religious prescriptions, by which Rabbi Hillel once summarized the entirety of the Bible: what is hateful to you, do not do unto others. The intellectual terrorism of Jonathan Schell's book notwithstanding, nuclear weapons have no special quality, either in morality or in theology, that would invalidate the elementary calculus of good and evil.

The time has come to deal forthrightly with the antinuclear agitation. To do as the Reagan administration has done, to concede and appease, is highly dangerous. Because if the false argument is admitted, sound strategy is thereby delegitimized and then in due course policies of weakness will inevitable follow through congressional decision and public pressure.

If for example, the Bundy-Kennan-McNamara-Smith proposal is accepted on the argument that it is good public relations to do so, and that only a verbal change would be involved, it will soon be discovered that once NATO's "first-use" policy is renounced it will be impossible to obtain approval for the upkeep of battlefield nuclear weapons. Why, it will be said, should we keep those nuclear-capable guns so near the border if we no longer seek to deter a non-nuclear invasion by nuclear deterrence? Thus the nuclear shells of the artilery will be withdrawn—they being the smallest of our nuclear weapons, and yet very likely the most powerful for deterrence because of their immediacy and the circumscribed effect that makes use credible.

Similarly, if the principle of arms-control negotiations for this or that class of weapons is once accepted, actually for purposes of public relations but ostensibly for the sake of peace and survival, how will the demand for more concessions be resisted? After all, it will be said, what petty diplomatic concern, what minor strategic advantage, is more important than peace and survival? Not to stand and assert the truth in the war of ideas means to suffer deligitimization now, and then eventual defeat in the practical realms of policy and strategy.●

CURBING THE AUTOMATIC DEBT CEILING INCREASE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DREIER. Mr. Speaker, sometimes we think that we Members of Congress have all the answers to the many difficult questions on the national economy which face us today. However, one of the best solutions I have heard was presented to me by Mr. F. Al Totter, publisher of the largest newspaper in my district, the San Gabriel Valley Tribune. Mr. Totter advocated an upfront approach to raising the national debt. He suggested that the House should change its procedure to require that any legislation that would increase the debt be approved by two-thirds of a quorum. I am introducing, today, a resolution to accomplish this much-needed reform.

As all of us know, the statutory limit on the public debt is set at the staggering amount of $1.143 trillion. As of June 30, our national debt had reached $1.079 trillion. We have established an outrageously high limit on the debt, and we are fast approaching that limit. If the House is planning to continue to raise the cap on the public debt, it must do so in a forthright manner.

The resolution which I am introducing amends rule XLIX of the Rules of the House of Representatives by replacing the current language of that rule with the requirement of an affirmative vote of two-thirds of a quorum to pass any "bill, resolution, or conference report which increases the statutory limit on the public debt." The present rule XLIX provides for the automatic adoption of a national debt ceiling joint resolution when a concurrent resolution on the budget is approved. My resolution would bring to an end the possibility of an automatic debt ceiling increase. It would require the Members of the House to declare specifically their position on raising the debt limit. If we are ever to stop the seemingly endless escalation of the national debt, we must take this important first step. I urge my colleagues to support my resolution.●

NEW VIEW ON BURR TREASON CASE LETTER

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. SIMON. Mr. Speaker, over the past year, I have spent some time working for the continuation of two little known but very important Federal programs: the National Historical Publications and Record Commission and the National Archives. Both of these programs require relatively small budgets in the delivery of a range of services that are valuable to the Nation and to many individuals.

We have had some success in maintaining both of these programs, and next week the House subcommittee will be considering both of these programs' fiscal year 1983 budget. I would like to bring to the attention of my colleagues a historically important project just completed that would not have occurred without the sponsorship of the National Historical Publications and Record Commission (NHPRC).

In a two-volume edition entitled "The Political Correspondence and Public Papers of Aaron Burr," the author contends that a letter, previously believed to have been penned by Mr. Burr, and instrumental in his final demise and his arrest warrant ordered by President Jefferson, was penned by another individual eventually implicated with Mr. Burr. This new scholarly work was financed by the NHPRC and, represents a very valuable addition to our understanding of the Jeffersonian times, and of one of U.S. history's most controversial figures.

I urge my colleagues to read the attached article from the New York Times, not only for its historical value, but to gain a better understanding of what we would risk losing if we do not continue funding for the NHPRC and for the National Archives.

The article follows:

[From the New York Times, July 11, 1982]

NEW VIEW ON BURR TREASON CASE LETTER

(By Edwin McDowell)

The indictment of Aaron Burr for treason 175 years ago proved to be the final blow to the former Vice President's reputation and political career, even though he was found not guilty of the charge. Now, a scholar contends that a coded letter implicating Burr and long believed to have been written by him was in fact written by an associate.

That letter, known as the "cipher letter," supposedly showed that Burr was planning to seize Kentucky, Tennessee and Mexico for his own undefined political purposes. And it was that letter that persuaded President Thomas Jefferson to issue a warrant for Burr's arrest.

Citing handwriting analysis, the scholar, Dr. Mary-Jo Kline, contends that the letter was written by Jonathan Dayton, a former United States Senator from New Jersey. Dayton, who was indicted as a co-conspirator with Burr, was also acquitted.

"Burr was probably guilty of something, but no one's absolutely sure of what," Dr. Kline said.

A NEW PERSPECTIVE

"Now that we know who really wrote the letter, historians of Jeffersonian politics and the West will be able to examine that period from a new perspective, and possibly find out what Burr was really up to," said Dr. Kline, editor of the forthcoming two-volume "The Political Correspondence and Public Papers of Aaron Burr."

Asserting that American history was influenced by what Burr is alleged to have done, she added in a telephone conversation that "you can't study American history or political institutions by judging just the noble statesmen and you can't under Jefferson, Madison and Hamilton without understanding men like Burr." She said she had checked the handwriting because of Burr's persistent denials that he had written the letter.

Dayton was a classmate of Burr at Princeton, the school where Burr's father and maternal grandfather had each been president and in whose cemetery the three family members are buried. Until now, scholars have generally believed that despite Burr's denials, the letter was written in 1806 by him to Gen. James Wilkinson, the commanding general of the United States Army.

"The more light we can get on all aspects of history the better, and I think all scholars would be delighted to reconsider any new evidence," said Dumas Malone, the noted Jefferson biographer and scholar, when told of Dr. Kline's findings. Those findings will be included in the volumes, which are scheduled for publication early next year by Princeton University Press.

The letter, now at the Newberry Library in Chicago, had been in a private collection until the early 1960's. "I think most other scholars assumed they knew that Aaron Burr had written the letter so they just didn't think it necessary to examine it," said Dr. Kline, who holds a doctorate in history from Columbia University and previously served as associate editor of the multivolume papers of John Adams published by the Massachusetts Historical Society.

"No handwriting experts were consulted, I suppose because we consider ourselves experts," said Joanne Ryan, associate editor of the Burr papers. "We deal with the documents in the search process and part of it is learning to recognize the styles of a person's handwriting. We compared the letter with many, many Dayton documents."

I WOULD TRUST THEM

Charles Cullen, editor of the 65-volume Thomas Jefferson papers at Princeton, said scholars usually do not call in handwriting specialists. "We studied Jefferson handwriting carefully and felt we knew it as well as anyone could," he said. "We sometimes date some things he wrote by his handwriting. But as historians and scholars we use all the internal evidence. Historians know that they might publish and perish, therefore the editors of the Burr papers, I should think, would be very careful in their work and I would trust them."

Dr. Kline said that Burr has been relatively neglected by American scholars, perhaps because of the notoriety attached to his public and private life, but also, she speculated, because the verifiable facts of his life were so incredible that "serious scholars have approached Burr hesitantly."

Most of that notoriety came after Burr's historic duel at Weehawken, N.J., on July 11, 1804, when he killed Alexander Hamilton, his political enemy. Each man fired a single shot, Hamilton died the next day, and Burr fled to Philadelphia.

The aftermath of that duel led to many of Burr's later troubles. Under indictment in New York and New Jersey for Hamilton's death—and having failed to win several appointments, including a diplomatic appointment from President Jefferson, who received the same number of electoral votes as he did in the Presidential election of 1800 and for whom he had served as Vice President—Burr sailed down the Mississippi River with Dayton and about 60 men recruited along the way, ostensibly to colonize the Ouachita land grant in the Orleans territory, now Louisiana.

HE WAS DESPERATE

"We don't know what Burr really meant to do," said Dr. Kline. "I don't think he knew. But he was desperate, close to a nervous breakdown from guilt and puzzlement as to why Hamilton let their differences go to a duel, and he was apparently looking for a new political base. He probably hoped for a war between the United States and Spain during which he'd seize Spanish territory for himself." Some historians have said that he hoped to lead a rebellion of Western lands against the United States to build a political empire.

Dr. Kline said that General Wilkinson, a longtime acquaintance of Burr and Dayton and the only general in the American army at the time, was in on the scheme. Dayton sent him an unsigned letter in code informing Wilkinson of their plans, she said. Dr. Kline said that it had been the tradition of the times to use cipher in correspondence, and that Wilkinson said that he and the two other men had been using the very same cipher since the 1790's. The letter was delivered to Wilkinson at Natchitoches on Oct. 4, 1806.

The Jefferson Administration resorted to diplomacy to avoid war with Spain. And, afraid of being implicated with Burr, who was on his way down the Mississippi, Wilkinson began a campaign aimed at getting Jefferson to issue a warrant for Burr's arrest. Jefferson ignored Wilkinson's communications until the general, after altering parts of the cipher letter to suit his own purposes, said he had proof of Burr's plan in the form of a letter from Burr.

"I, Aaron Burr, have obtained funds and have actually commenced the enterprise," the letter reads. It concludes: "The people of the country to which we are going are prepared to receive us; . . . The gods invite us to glory and fortune; it remains to be seen whether we deserve the boon."

TRIED IN VIRGINIA

Burr and some associates, including Dayton, were tried before Chief Justice John Marshall in 1807, in a Federal trial in Richmond, Va., that turned largely on the Constitutional definition of treason. They were acquitted after Marshall instructed the jury that "levying war" could only be established by an overt act in which the accused actually participated. Burr was 50 years old at the time of the trial.

Dr. Kline said that Dayton had refused to acknowledge his authorship of the incriminating letter for obvious reasons, and that Burr, although denying that he wrote the letter, would have gained nothing by attributing it to his friend.

The Administration could have looked more closely at the evidence against Burr, he said, except that Burr sparked automatic

distrust in some people, "even in Jefferson, who was not usually given to gut reactions."

After the acquittal, Burr, hanged in effigy in several cities, fled to Europe, where he remained until returning to America in 1812. After rebuilding his legal practice from scratch, Burr died on Staten Island on Sept. 14, 1836, insisting until the very end that he had never intended to separate the West from the Union, only to overthrow Spanish rule in its North American colonies.●

UPROAR OVER ATTORNEY GENERAL'S FIRST QUARTERLY REPORT

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mrs. HOLT. Mr. Speaker, I fail to see what the uproar is over the Attorney General's first quarterly report to the President on legal policy for women. The conclusion of the report is that "considerable progress has been made toward the goal of attaining legal equity for women in the statutes and regulations of the U.S. Government." There is an indication that the administration is aware that the fight against sex discrimination is not over yet and that there is a commitment to further effort to remove "the last vestiges of official action grounded in sex-based prejudices." The President's 50 States project is working with Governors and State legislators to correct discriminatory laws and regulations at the State level. President Reagan has appointed a total of 314 women to serve at all levels of government, about 9 percent more than the 289 appointments made by President Carter. A majority of all schedule C positions (55 percent) have been filled by women. I would urge my colleagues to turn their attention with me toward correcting by legislation existing discriminatory statutes which are identified in the task force's first report to the President. I do not care if "equality" is spelled with a capital "E" or a small "e." I will continue my efforts to eliminate sex discrimination out there in the real world as I did with equal credit opportunity legislation and in the military where discrimination was rampant and will continue to do on issues of economic importance to women.●

BILINGUAL EDUCATION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. ROYBAL. Mr. Speaker, when the Bilingual Education Act became law in 1968, this country made a commitment to insure children the right to reach their full academic potential. In authoring this landmark legislation, I believed that the act would lay the foundation for economic opportunity. Legislative and Presidential support remain crucial to the success of the Bilingual Education Act. Through the programs authorized by this act—title VII—limited English-proficient children are able to acquire English-speaking and reading skills thereby guaranteeing them a well-rounded education.

Many opponents of bilingual education contend that the act encourages children to speak only their parents' native language and discourages the mastery of English. Further, they argue that the bilingual provisions of the Voting Rights Act only nurtures separatism in this country similar to the Quebec experience.

In a recent study conducted by the National Center for Educational Statistics, Professor Calvin Veltman of the University of Quebec points out the conditions that exist in Quebec and the United States are not comparable. Professor Veltman's report concludes that "there is no basis, in fact, for the fear that the Spanish language group poses a threat to the linguistic integrity—the dominance of the English language group—of the United States." Two important elements exist that separate the Quebec experience with that of the United States. First, the French language group in Quebec comprises 80 percent of the entire population. Second, Quebec has an institutional system that supports and maintains bilingualism with French being the official language of business, government, and education. No such experience is likely to occur in the United States.

In addition, findings by the linguistic researchers who have studied trends based on the 1970 and 1980 census figures show that Latin American immigrants adopt English as the primary language at about the same rate as other immigrant groups. Nationwide 84 percent of the children in Spanish-speaking households are reported as being able to speak English, as are 80 percent of the children in California Spanish-speaking homes.

Further, recent assessments confirm the academic value of bilingual education in improving reading, math, and science skills for Hispanic children. For instance, according to the National Assessment of the Educational Progress, a nationwide test of reading abilities was administered to Hispanic children at the age of 9. Their scores increased 5.3 between 1975-80. The reading scores of these children improved at a faster rate than that of comparable students. Much of this improvement was due to the role played by federally funded programs such as title VII and title I of the Elementary and Secondary Act. The greatest gains were made by Hispanic students from big cities which receive a substantial amount of these program funds.

It is, also, important to realize that test scores do not tell the whole story. Other factors contribute to the effectiveness of title VII and title I. Studies conducted at Stanford University point to the importance of parent participation. Parents of limited English-proficient children work well with bilingual teachers and administrators in encouraging their children to learn. Through their active and positive involvement in the school system, these parents become active citizens in their communities. This is an aspect of bilingual instruction that cannot be measured through test scores.

The recent Supreme Court decision in Plyler against Doe reaffirms our faith in the economic and social value of a good education. As the court stated: "education provides the basic tools by which individuals might lead economically productive lives to the benefit of all." The Bilingual Education Act continues to provide a firm foundation for economic advancement and civic duty, and deserves our strong support here in the Congress.

ORGANIZED PRAYER AND THE CONSTITUTION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. PORTER. Mr. Speaker, few would argue that the separation of church and state, enshrined in our Constitution, can or should prevent voluntary prayer in our public schools. The issue under consideration presently in the Congress, however, is not one of our children's right to pray anywhere they choose. It is whether an organized period for prayer can be mandated and held by the public schools without crossing the constitutionally prohibited barrier. An editorial in the Herald of Libertyville has cited and addressed this issue with great clarity and I commend it to my colleague's attention:

FOR VOLUNTARY PRAYER

Truly voluntary prayer requires no constitutional amendment, for it isn't unconstitutional. It is perfectly legal—in the home, on the job, at church, in the classroom. Anyone can pray anytime he pleases, anywhere he pleases. Private communion between oneself and God is the right of all men; it needs no permission from political leaders and demands no participation by one's peers.

To propose "permitting" classroom prayer on a "voluntary" basis contradicts the private and already free nature of individual prayer. In truth it seeks to arrange for organized prayer, for publicly recited litany, for a display of piety.

President Reagan, unfortunately, has thrown his prestige behind an unneeded constitutional amendment on school prayer.

He seems most concerned with scoring political points, and public-opinion polls show that he has tapped a wellspring of support. Most parents want their children reared in an atmosphere conducive to religion, and they regard school prayer as one element in that atmosphere.

Ironically, their own clergymen think otherwise. Virtually all the mainstream religious organizations in the United States stand foursquare against organized classroom prayer. Among them are the National Conference of Churches, the U.S. Catholic Conference, the American Jewish Congress, the Baptist Joint Committee on Public Affairs, the National Coalition for Public Education and Religious Liberty—to name a few. In a joint statement issued shortly after Reagan declared support for a constitutional amendment, they said: "Religion does not need, and should not have, the sponsorship or support of government."

Are they suggesting their parishioners observe their faith on the sabbath only? Nothing of the sort. Rather, these mainline churches are saying that a governmental sanction of prayer is unnecessary and irrelevant, for it does nothing to promote genuine religion. To the parent who would instill in his children regular religious observance, the preferable alternative is spending a few moments each day in mediation or private devotional.

The same lesson is found in the Sermon on the Mount: "And when you pray, you must not be like hypocrites; for they love to stand and pray in the synagogues and at the street corners, that they may be seen by men. Truly, I say to you, they have their reward. But when you pray, go into your room and shut the door and pray to your father who is in secret; and your father who sees in secret will reward you."●

HONOR THY ELDERLY; AND KEEP A STRONG SOCIAL SECURITY SYSTEM—THEY EARNED IT

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. PATTERSON. Mr. Speaker, the present administration is launching an unprecedented assault on older Americans. At every opportunity, programs which assist senior citizens are being ripped to shreds. Decades of progress are being undermined through lopsided budget recommendations and hasty revocation of programs created to help ease the burdens of old age.

I fear these actions are just a sneak preview of the hardships to come. We must stand up now and object, lest our Nation become populated by destitute elderly. Without uncompromising support by this Congress, our commitment to the elderly could be lost.

A majority of Americans do not want to sit by and watch the aged suffer from hunger, inadequate health care, decrepit housing, or lost hope. In fact, a number of Americans polled recently, indicate they would prefer to contribute a substantial share of their personal income to insure that the elderly are well cared for. Workers today also believe Government must not be indifferent to the needs of the elderly.

I am personally inspired by these results. We have made much progress in changing attitudes and in advancing reforms in programs which serve our seniors. We must not allow this administration to take it away. Surely, there are those fortunate enough to setaside funds for retirement. But what of those who do not have the ability or those who meet unfortunate circumstances rendering them unable to prepare in advance for a handsome retirement? Should we ignore them completely? Should we provide them with a mere pittance from which to eke out an existence in their senior years? Should we force them to live frightened and frail without affordable health care? I say "no" to those who demand that we adopt legislation to slash and eliminate programs for the elderly; and I hope to remind this House over and over again until the threats to our seniors stop.

This year, seniors participating in the title V program were angered by the administration's recommendation that over 54,000 positions be terminated. The success rate of the title V program is well known, particularly to seniors who have gained self-sufficiency and who have developed on-the-job skills significant to future employment. The administration's plan to eliminate this program has been severely criticized on all counts, most recently in this House with the overwhelming approval of a resolution calling for continuation and expansion of the title V program.

Everyone knows about the deceiving tactics the administration has used to convince older Americans that they have nothing to fear. They point to the annual cost-of-living adjustment and claim credit. We all know that this administration recommended delaying this adjustment. Each of us recognizes the tradeoffs this administration has demanded. Income security, vital to those advancing in age and declining in health, is at stake. The administration continues to recommend delays in automatic cost-of-living adjustments, elimination of benefits, and increases in health care contributions. Instead of protecting the economic status of seniors, this administration is letting seniors down.

The administration's move to relax nursing home inspection regulations comes after years devoted to the establishment of safe, long-term care facilities for the aged. This is an unacceptable proposal, particularly for institutions with patterns of violation.

Methods for accelerating the periodic review of disability insurance recipients have been instituted by the present administration to make up for promised budget reductions. Hasty removal of disabled beneficiaries from the social security program has resulted in grave financial hardship for many too ill to seek work and too distraught to arrange alternative means of support. Congress has had to counter attacks by the administration by redefining procedures for review of disabled beneficiaries and insuring a phased reemployment plan for those terminated.

Like every Member of the House of Representatives, I am eager to see waste and fraud eliminated from our current system of public assistance. However, I firmly believe that the elderly should not be made to suffer the consequences of austere budget decisions. We in public service, we as American citizens, have a responsibility to the seniors of our Nation. And, we must continue to acknowledge it. After all, our elders gave us our free and strong American society, let us keep the faith with them.●

BASIC STANDARDS FOR NURSING HOMES

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. MINETA. Mr. Speaker, as a nation, we have a collective responsibility to care for the elderly and our sick. There is no excuse for avoiding this obligation.

One of the ways we carry out this responsibility is to have a set of basic standards for those nursing homes which receive Federal funds through medicare or medicaid. Earlier this year, a move to drastically weaken and relax those standards was halted by an outcry of public opposition.

Now, we are faced with a proposal to significantly change the procedures by which we insure compliance with those standards. I am very disturbed by these proposed changes, and have formally objected to them.

The Health Care Financing Administration (HCFA) has offered for comment a regulatory package that provides for sweeping changes in the process by which we inspect and certify nursing homes receiving medicare and medicaid reimbursements.

Logic and sound public policy demand that any agency making a major regulatory proposal must demonstrate:

Why the existing regulations are inadequate. The details of the problem to be solved should be spelled out;

How the proposed changes will eliminate existing problems; and

Why the proposed regulations are superior to other possible alternatives.

The proposal from HCFA fails all three of these tests.

The preamble to the proposed regulations, Federal Register, May 27, 1982, contains the statement that the existing regulations "have proven cumbersome and expensive." Where is the proof? We are presented with an unsubstantiated and unsupported opinion, which is hardly an adequate basis for a massive regulatory revision.

The administration's general philosophy is that the regulatory structure in this Nation is generally too complex and intrusive. This highly debatable notion is not, however, an alternative to the practical and legal requirements that new regulations be fully and completely justified by a factual record.

The preamble to the proposal states the current regulations are "in many aspects, either unnecessary or ineffective." Again, where is the proof? Where is the careful demonstration of the need to change the existing regulations? All we are presented with are assertions of philosophical belief, not a sound factual case.

For example, HCFA claims to have conducted an analysis and found Joint Commission on Accreditation of Hospitals' (JCAH) standards equivalent to existing Federal requirements. Moreover, HCFA says it "analyzed the JCAH decisionmaking process and determined that it is adequate." Yet as furnished by HCFA, these so-called analyses are nothing more than a moderately hard-to-read cut and paste collection of small excerpts from various documents, with no analysis at all.

We cannot jeopardize the health, safety, and well-being of our Nation's elderly for the sake of an experiment in regulatory reform which has not even been carefully thought out.

Having failed the most basic of criteria, the administration nonetheless presents its complex package of changes and modifications to the nursing home inspection standards. Although many of the provisions of the May 27 package are highly questionable, two specific proposals are the most far reaching and potentially the most destructive of the progress in nursing home regulation that we have worked so hard to achieve over the last 10 years. These two provisions relax the requirement for annual inspections and allow for acceptance of JCAH accreditation as satisfaction of Federal requirements.

ANNUAL INSPECTIONS

Under the proposal, most nursing homes would be inspected every 2 years, compared with the annual inspection requirement now in effect.

The argument on behalf of this change is that by inspecting those facilities with a history of good compliance less frequently, more resources would be free to focus on more troublesome nursing homes. There is nothing overwhelmingly wrong with this idea in principle. The problem is the proposal presented by HCFA is utterly lacking in the details required to make an informed judgment about the practical usefulness and potential efficacy of the proposed new system.

To the extent that details are available, they are not consistent with the principle of a strong public commitment to maintaining a level of quality care in our nursing homes.

How will those homes requiring more frequent inspection be identified? What will be the criteria for classification? What will be the mechanism for such classification? Who will make those decisions? Will there be an opportunity for public input and participation?

How will the regulatory structure respond to changes in conditions or management at a nursing home during the 2-year interval between regular inspections? If a facility is classified as "good," what needs to happen to bring about a reevaluation prior to the 2-year interval?

Where is the burden of proof? The proposal states homes will be surveyed more often than every 2 years when they have a demonstrated history of noncompliance. (490.10(b)). Yet in a recent letter to several Members of Congress, Secretary Schweiker said "Only those skilled nursing facilities and intermediate care facilities that have demonstrated a history of compliance without problems would be surveyed every 2 years." Which statement reflects the administration policy? The difference is critical.

These are not idle academic questions. An inspection scheme that purports to focus on facilities with a record of noncompliance must have a mechanism for identifying such facilities. Without an effective and responsive trigger mechanism, conditions at nursing homes could deteriorate significantly during the 2-year inspection interval.

The proposed regulations raise more questions than they answer. Without detailed answers to questions such as these, we are presented with an empty shell, completely lacking in the details necessary to fully evaluate a proposal of this importance.

Perhaps a case could be made for a 2-year inspection plan. These regulations, however, fail to make such an argument.

JOINT COMMISSION ON ACCREDITATION OF HOSPITALS

A key provision of the HCFA proposal is to allow States to accept accreditation by the JCAH as satisfaction of the Federal nursing home standards. This proposal is by far the most controversial portion of the May 27 package, and rightfully so.

Again, HCFA presents us with an idea that is ideologically attractive to some segments of the society. However, the proposal fails to demonstrate the nature of the problem within the existing system and how this proposal would resolve that problem. Moreover, the details of how this new proposal would actually work are so sketchy and incomplete that full evaluation and comment are impossible.

How does the JCAH operate? What are its inspection procedures? If a nursing home operator completes a self-inspection form, how many items are double checked by an JCAH inspector?

What will be the size of JCAH staff available for this program? What will the budget be? What will be the impact of the fees paid by facilities to JCAH upon patient care?

Why should we accept anything less than full public disclosure of all inspection reports? Will detailed reports be posted at facilities, or just summaries? Will reports be available in State files? Will relatives of patients be able to request copies of all reports? California has had problems in the past with JCAH's failure to accurately report its findings to the State. What steps are being taken to avoid further problems of this sort?

JCAH is in Chicago. How does a patient register a complaint with the JCAH? How many complaints of what character will be necessary to prompt a JCAH investigation? What standards and criteria will JCAH use to determine which facilities require inspections more frequently than every 2 years?

How fast will JCAH act to deny certification? Are reports of a 2-year period to process appeals accurate? Without clear statements of JCAH procedures there are dozens of such questions which must be answered before we can evaluate the true impact of this proposal.

JCAH's policy is to give facility managers extensive warning prior to conducting inspection visits. This would be a major change in the existing policy of unannounced visits. What is the justification for such a change? Would others, such as patients and local public agencies also be informed prior to such visits? Simply this one change alone is reason enough to reject the entire regulatory package.

On its face, the case for JCAH accreditation is lacking in merit. There is no clear showing that the quality of care in nursing homes would improve through the utilization of the services of the private agency, which is, after all, owned by health care providers.

SUMMARY

Our primary concern when discussing nursing home inspection and certification should be at least the maintenance, if not the improvement of care within nursing facilities. These regulations, however, seem to be designed to meet an entirely different goal, that of simply lowering administrative costs.

Reasonable attempts at cost control are, of course, highly desirable and

reasonable. These proposals however, show little signs of being fully developed or thought out, let alone reasonable. We have precious little information about how this new system would operate.

What is clear, however, is that these proposals represent a step backward. Many of the provisions in the current regulations designed to insure compliance would be dropped. Inspections would in most cases be performed at 2-year intervals, and then often by a private organization with no direct public accountability.

These regulations should be withdrawn.●

CARVER FEDERAL SAVINGS & LOAN ASSOCIATION MOVES AHEAD

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. RANGEL. Mr. Speaker, I would like my colleagues to take note today of the recent merger of the Carver Federal Savings & Loan Association, a stalwart institution that was founded in Harlem in 1940, with the Allied Federal Savings & Loan Association of Jamaica. With assets totaling $107,640,000, the new bank, which will retain the name of Carver Federal Savings & Loan Association, will be the largest black-owned savings and loan institution in the Nation.

Carver, under the leadership of its president, Richard Greene, has been a valuable institution. The bank has contributed greatly to both the economic and social development of the community. In the 1940's, before Carver was founded, it was difficult for black families to obtain homeownership loans from most existing banks and savings and loan associations.

Carver's purpose was to enable black home buyers to get mortgage money based on qualifications, not on race. A mutual institution, Carver belongs to its depositors and has always combined a commitment to community service with its dedication to prudent management and sound business principles.

I am proud that this vital association will now be able to expand its banking services for the residents of our community.●

COMMEMORATING CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. DERWINSKI. Mr. Speaker, as part of the commemoration of Captive Nations Week, the News World, in New York, carried a series of special features on those countries held captive by the Soviet Union, or on individuals who made a special impact in revealing their experiences of life in the captive nations.

I wish to include two more of these articles in the CONGRESSIONAL RECORD. The first feature tells of the subjugation of the Afghan people under Soviet military control, and the second in a continuing series, is the story of Victor Herman, an American who spent 18 years of his life in Soviet camps and eventual exile in Siberia. Following these articles, is a report that appeared in the July 19 News World, of the annual Captive National Parade in New York.

The articles follow:

[From the News World, May 14, 1982]

AFGHANS TELL OF FIGHT FOR FREEDOM

(The Soviet Union has militarily occupied Afghanistan for more than two years. Nearly 100,000 Soviet soldiers are stationed in that country.)

(More than 1 million Afghans have been killed in the struggle to free their country. Another 3 million have fled to become refugees in neighboring countries.)

(In April, two representatives of the Islamic Unit of Afghanistan Mujahideen (Freedom Fighters), a new coalition of tribal groups in Afghanistan, visited Washington at the invitation of the Free Afghanistan Committee to explain their needs and the present situation in their war-torn country.)

(In an interview with Bruce Mahen, Mohammed Siddiqui, secretary general of the coalition, and Khair Khan Ghazi, chief of the Massoud tribe and commander of 20,000 Mujahideen, talked of their need for medicine, food and military).

What is the situtation in Afghanistan? How much of the country is under control of Soviet armies and the Babrak Karmal military?

I would say more than 85 percent of Afghanistan is in the hands of the freedom fighters. The Russians and "puppet Karmal soldiers" are pinned in the cities; they have no control over the provinces. They can only venture out when accompanied by many tanks and we are attacking them everywhere, even in their encampments in the main cities.

Who are the Mujahideen?

You see, everybody in Afghanistan is a freedom fighter. Our villages across the country are being bombarded by Russian helicopter gunships. People are losing their lives, children, houses, wives and themselves. We have 100,000 freedom fighters but little medicine, food or armaments.

What kind of weapons do you have?

Some 35 percent of our own weapons are small arms coming from people's homes, and 65 percent are weapons captured from Soviet aggressor forces early in the war. Though we have captured weapons like antitank and antiaircraft weapons, we still don't have enough. On every front we have armed and unarmed freedom fighters; they have to pass the weapons among themselves. In McKhair Chazi's province there are 2,500 armed out of a force of 20,000.

There has been concrete evidence presented by the U.S. State Department showing that the Soviets are using chemical warfare in Afghanistan and Indochina. Commander Ghazi, have you seen any attacks where such weapons were used?

They have used chemical warfare in every province. In October, a group of my men had successfully stopped Soviet tanks with mines. As I was looking through binoculars two Soviet helicopter gunships flew over the area where the Mujahideen were hiding. Something was thrown from the gunship and exploded before it reached the ground and produced a yellow cloud. Later some freedom fighters tried to go see what had happened, but couldn't get too close to the area because their eyes started tearing and they got dizzy and started vomiting.

Were you able to recover any of the bodies later on?

Only one, which was accidentally left behind. You see, before it was safe to venture into the area, the Soviets came. When the tanks arrived Russians came out of the tanks with special outfits on. They were entirely covered with masks over their faces. They took the bodies away with them, all except the one I mentioned which was behind a tree, a little distance away from where the attack occurred.

Later that night, using flashlights, we found and buried the body, which was too swollen to be taken the long distance to the Pakistan border. The exposed areas, face, hands and feet, were completely blackened and the veins had ruptured. It took a while to tell who it was, he was so unrecognizable.

There were reports about two months ago of a massacre at Kandahar in western Afghanistan. What took place there?

At first the Russians attacked the city with helicopter gunships, indiscriminately killing men, women and children. Then they attacked the town with tanks, the citizens fled and many went to Pakistan are refugees.

When they first entered the town, the Russians and Karmal puppet soldiers broke the doors and windows of shops, looting anything of value and burned the buildings and houses in the area. About half the city of Kandahar was burned to the ground.

What happens to prisoners taken by the Russians?

Most are treated very badly. They are beaten, given electro-shock, buried alive and thrown down from the helicopters. But some other prisoners the Russians keep very healthy and prepare them for public displays. Whenever a foreigner comes, they show these prisoners and say, "We are feeding the prisoners like this and giving them exercise, movies and TV."

How are the leaders of religious and educational institutions treated by the Babrak regime?

Soviet news agency Tass and Radio Kabul are announcing they respect Islam and other religions. They say that they are making new mosques and repairing old ones. But it's all false. They are bombarding our mosques, destroying our religious places and killing our spiritual and educational leaders.

Many scholars holding master of arts and doctorate degrees have been singled out and murdered. Most former religious and educational leaders aren't around anymore. Some are in Pakistan and Iran. The rest have been killed or imprisoned by the Russians.

Secretary General Siddiqui, what are your plans for gaining support for the Mujahideen?

We are putting in place "Radio Free Kabul," a mobile clandestine radio station within Afghanistan, broadcasting to our people the truth about what is going on in

their country. There is an account number where individuals can donate money. If they write to P.O. Box 600, Pashawar, Pakistan, I can give the number of the account or deposit the contributions. We need to purchase more transmitters and other equipment for the project.

We are fighting for Pakistan, for Arabs, for the Persian Gulf. As you know, the Russians have a plan beyond Afghanistan. They came here in such force because they are on their way to reach the warm waters of the Indian Ocean and the Persian Gulf. They desire to be the masters of economics over all the world.

[From the News World, May 21, 1982]

AMERICAN EMERGES FROM LIFE IN GALAG

(Victor Herman was a young man when he left America in 1931 to work in the Soviet Union. He endured an existence too horrible for most Americans to comprehend. Not until 45 years later did he return to this country and write a book about his experiences called "Coming Out of the Ice.")

(Commenting on the book, William Buckley Jr. said: "Herman's tale is awful and heartening—awful that anyone should have undergone such things, and heartening that he did and endured. This book is sure to take its place alongside Solzhenitsyn and Koestler's 'Darkness At Noon.'")

(Now the book has been made into a two-hour movie to be shown Sunday night on CBS. News World reporter Patrick Martin visited Herman in his home in Southfield, Mich., for the following interview.)

Where did the title of the book come from?

We [his wife, Galina, and first-born, Svetlana] were living in a cave in Siberia for a year. I chopped a hole in the ground, covered it with branches and snow and had a fire in the middle of it. The snow turned into ice, so we had an ice cave. That's why the book's called "Coming Out of the Ice."

How did you come to be living in the Soviet Union?

I came to Russia in 1931 with my father who worked for Ford as a bodyworker. I was 16 and a mechanic. Henry Ford had sold a lot of industry to Russia, but they were not equipped to handle it, so Ford sent over workers to help out. At first we were treated with respect, but in 1936, I noticed a change in attitude from the Russians. Arrests were made of a few Americans. Others, particularly the younger ones, began to leave.

What caused the change?

The Soviets knew by that time that they would be facing a war in the near future, so they wanted to eliminate any internal threat to their power. Foreigners were considered to be part of this possible threat.

At first, I suppose it all seemed romantic to me, but everything began to change for the worse, and finally I was arrested. It was 1938 and I was 23 years old.

I didn't come out of the extermination camps until 1948. Later, after I had met my wife, I was sent back again. In all, not counting the years of restricted exile in Siberia, I was in the camps for 18 years.

What was it like in the camps?

It would take too long to fully explain, but always there were beatings. Then, when the new people starting coming in, especially from the Baltic states in 1944, the guards would shoot them and take off their clothes, sell it or wear it themselves.

In general, how did they fare?

Very bad. They were separated immediately, sent to different teams to work on so they wouldn't be together to organize. The criminals of the camp would attack them. If the guards wanted to get rid of one of them he would just call some of the criminals over and tell them "I like the coat on that guy, I like his hat." He didn't have to say any more. They'd take it off him and give it to the guard. If the person resisted, the guard would tell him to stand over there and he'd shoot him.

Did you see the movie "Reds"? What did you think of it?

As a movie it was all right, [but it is a] piece of fiction. They don't know the history. Louise Bryant came back to the states in 1918 and wrote a book "My Four Months in Russia," in which she predicted that the revolution would either bring glory that will encircle the world with quality and happiness, or it will become a monster that will trample everything that gets in its way.

So she was not a firm believer. The Soviet authorities wouldn't let her come back into Russia and eventually all the characters in her book were killed as enemies of the Soviet Union. Finally, in 1924 she was allowed back in to see [John] Reed's grave.

John Reed was in Russia until 1919 and then he came back to America to organize the Communist Party. When he returned to Russia, he was not needed anymore, so they injected him with a serum, supposedly against typhus but it was actually typhus germs. An army general personally told me that.

He personally told you? When?

In camp. He was a White guard who was trusted by the Reds. But his exam to prove himself was to kill John Reed. But for doing it, they sentenced him to the camps for 10 years. Then they sentenced him to 10 more, this time to the same camp where I was. So everyone thinks John Reed died a hero.

Why did they want to get rid of Reed?

Because they always thought that he was a dissident, because—like any American—he spoke out. For them, he was too outspoken, and they didn't like it.

How do the Russian populace view the West?

Well, I'll tell you something. Many escaped at the close of World War II and ran to the West. Then there was the "Keelhaul" operation in which English and American soldiers rounded up all the immigrants and forced them into trains and trucks and gave them up to the Russians. They were sent to Siberia where they all died, worked to death.

So the Russian people don't believe in the West so much. They'd like to be more friendly. They love the Americans especially. But they're afraid that if something should start, the Americans would do it again. If they fight on the same side, or whatever, and then run to the Americans, the Americans would send them back.

Why did the West give so many concessions to Stalin?

Stalin just twirled the Western politicians around on his finger any way that he wanted. It was surprising to see Americans, politicians and nonpoliticians, come over where the Soviet authorities would put them on television and they would try and tell the rest of the people watching how wonderful it was to see the Soviet system.

We Americans, the children that had lost their parents, and those Russians who had lost so many relatives to this system, would have torn to pieces those naive Americans who were speaking. It happened so many times.

What do you think about someone like Jane Fonda?

As an actress, I love her. I would hug her with one hand give her a spanking with the other. Jane Fonda, Redgrave [Vanessa] and others going on this path are so naive. Maybe now they don't want to admit that they're naive. Joan Baez finally did admit that she had been wrong.

Maybe they've gotten too romantic, played too many parts of revolutionaries. Maybe that's what makes them in their mind believe in all these things they support. Actually, if they were to go and see and feel it, I think—I not only think, I know for sure—they would make an about-turn.

What is the motivation for the Soviets inviting Billy Graham over there?

To try and prove that religion is allowed. But that's anti-Marxism.

What is, religion?

Of course. But they found out that during the Second World War, when the people wouldn't go and fight for Stalin, they opened the churches, dragged out the old clergymen, and the new clergymen—who were members of the Communist Party—people would go and fight for God.

Also for the motherland. The Russians have great feeling for the motherland.

What about the anti-nuclear movement?

Nuclear power is our future. When they get up there and say that they're going to petition their government, petition the whole free world, I say, first show me a petition in the Soviet Union or any of the satellites against nuclear armaments. Show me 1) a petition; 2) the signatures and I'll petition with you. What is the good of petitioning one side?

That means you don't want people to die, right? But it's worse when they're going to be in slavery, eternal slavery, horrible slavery much worse than they can even imagine. That's what the petitioners are doing if they can't get cooperation from the other side.

What are your plans for the future?

I've been trying for six years to meet the president and to shake his hand as a representative of Americans—who are as good as anyone else when it comes to survival. People from Hungary, Czechoslovakia and others who have come to America have appeared before hearings with Congress and met with the president. I have never even been debriefed. I come back after 45 years and nobody's asked me a question.

[From the News World, July 19, 1982]

CAPTIVE NATIONS REMEMBERED IN SOLEMN PARADE

(By Patrick J. Martin)

People from dozens of nations, different in customs, language and background, but held together by an overwhelming desire for freedom, marched up Fifth Ave. yesterday in the annual Captive Nations Parade. The event launches Captive Nations Week, a time of observance made into law in 1959 by the U.S. Congress that commemorates those countries "enslaved" by communism.

The parade, unlike other exuberant festivities that promote national or ethnic pride, was more in the spirit of a solemn rite. Young blonde girls of Slavic descent sang with a "Sound of Music"-like quality the old songs of their ancestral homelands.

Block after City block of flags, banners and posters filled the air above the crowds. Leading it all was a tall, stoic Cossack, Maj. Gen. Nikolas Nazarenko, dressed in high black boots and a white fur hat with a ceremonial dagger thrust firmly into his belt.

Congressman Mario Biaggi R-N.Y. and William Green R-N.Y. marched with Larry

McDonald, R-Georgia, this year's grand marshal.

Speaking for all involved, Green stated that the purpose for the event was "to remind our fellow citizens that those in the captive nations aspire to the same freedom and national existence as we in the United States."

STOP HELPING THE SOVIETS

McDonald warned that the United States must "stop the subsidies, the grants and the technology to the Soviet Union and its satellite nations."

Biaggi declared that it is "man's responsibility to see that freedom is enjoyed by all."

The banners captured the mood of the marchers: "Freedom for All Captive Nations" was followed by "Unity—We break the chain of Communism together, or none of us will." Amid the maroon flags of Latvia, a poignant poster challenged, "Communism is based on the worker—tell that to Poland."

Many were dressed in their native costumes. Most were of Slavic origin, except the Afghans and exiles from Turkestan, who wore Muslim garb.

In their black and red uniforms, the 52-piece New York Chinese School Band, sponsored by Joseph P.C. Mei and the Chinese Consolidated Benevolent Association, provided a musical backbone to the march, giving it a triumphant air of "pomp and circumstances."

OBLIVIOUS TO THE HEAT

Behind them came the Vietnamese, including a young pregnant women in pink who managed to keep up with the rest in the sweltering weather. None of the participants seemed to mind the clinging heat that soaked people's clothing with perspiration. No one even seemed to notice.

The marchers were not the only ones affected by the event. Sunday afternoon strollers on Fifth Ave. stopped and stared, some to read the slogans, others to enjoy the music.

A young women—hand across her heart—stood at attention as the flags passed by. Each captive nation bloc carried its native flag side-by-side with that of the United States.

The day's program started at 9:30 a.m. with a procession from 59th St. to Saint Patrick's Cathedral where a special Memorial Mass was celebrated at 10:00 a.m. One hour later, the parade started up Fifth Ave to the bandshell at 72nd St.

The rally began with the United States Pledge of Allegiance, the national anthem and an invocation by the Rev. Elmar Kuusler who asked divine guidance for the gathering and gave recognition for the need of God's strength.

MEMORIAL TO 140 MILLION

The president of the Captive Nations Committee, Horst Uhlich, explained the purpose for the day's activities: "We are here to commemorate the over 140 million killed by the Communist Party International."

McDonald, the main speaker, warned the gathering "of the growth of totalitarianism around the world," and referred to Vladimir Lenin as the "viceroy" of that growth. The congressman then quoted Lenin's plan for communist world domination—first Eastern Europe would have to be subjugated, then the "masses" of Asia, and finally America, which would "fall like an overripe fruit."

Biaggi predicted that communism will not be destroyed by force but "by the people of the captive nations when they finally say enough is enough. Enough of tyranny, enough of murder, and enough of the denial of freedom."●

THE 97TH CONGRESSIONAL CLASS ON SOVIET JEWRY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. SCHUMER. Mr. Speaker, I rise today as part of the 97th Congressional Class on Soviet Jewry to denounce again the treatment of the Soviet Jewish minority.

Many people seem to think that concern about Soviet Jewry has died down in this country, 7 years after the completion of the Helsinki accords. But concern for the Jewish population in the Soviet Union has not died down, and freshmen Members share the concerns of more senior Members who have spoken out about this issue for years.

The continuing repression of Soviet Jewry is exemplified by the recent treatment of Ida Nudel. Soviet authorities have made her a virtual refugee in the U.S.S.R. If any of my colleagues have doubts about the meaning and importance of Israel's struggle for existence, I urge them to look at the facts of the Ida Nudel case. She has given up all security and all the comforts of life in a 10-year struggle for permission to emigrate to Israel, rejoin her family, and live as a Jew. Because people like Ida Nudel are being denied their internationally recognized human rights, many of us in the 97th Congressional Class will continue to work on their behalf as long as we are Members of the House of Representatives.●

ARCHBISHOP HICKEY ON NUCLEAR QUESTION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1982

● Mr. SIMON. Mr. Speaker, I saw the item in the Washington Post that Archbishop James A. Hickey of the Washington Diocese of the Roman Catholic Church was sending out a pastoral letter and a special edition of the diocesan newspaper on the nuclear weapons issue.

I asked for a copy of it, and I have seen it.

I do not happen to be a Roman Catholic, but the letter that he has sent out, while it is specifically addressed to Catholics, in fact is addressed to all Americans with any sense of responsibility.

It is a real contribution, and I commend Archbishop Hickey and all those who contributed to this significant piece of work.

I am inserting in the RECORD what he wrote.

I like it because it is solid, substantial, and because it does not pretend that we have all the answers.

But it does say in no uncertain terms that we had better be searching for better answers, morally more acceptable answers than we have now.

I urge my colleagues to read this letter, and I would also urge them to contact the diocesan office here in Washington to ask for copies of the publication.

NUCLEAR WEAPONS/MORAL QUESTIONS: A PASTORAL CALL TO PEACEMAKING

My Brothers and Sisters in Christ,

This past weekend brought together our celebration of Pentecost and our observance of Memorial Day. As we ask the help of the life-giving Spirit of God and reflect upon the sacrifice of the men and women who gave their lives for the defense of our country, it seems appropriate to ask your personal prayer and reflection on one of the most serious moral issues in our world—the nuclear arms race and the growing risks of nuclear war.

GROWING CONCERN

Our world is confronted by signs of growing concern and fear over the possibility of nuclear conflict. Unprecedented grass roots movements demonstrate considerable support for some type of nuclear freeze. Our President has offered a new arms control proposal for substantial reductions in nuclear warheads. Soviet leaders have also put further proposal and indicated a willingness to talk about these issues. There is a forthcoming special session of the United Nations to discuss nuclear disarmament. More and more concern is being voiced regarding the potential medical and ecological effects of any nuclear conflict.

Within our Church community there is considerable reflection taking place. Many bishops have spoken to the question of nuclear arms. A special committee of the National Conference of Catholic Bishops is preparing a major pastoral letter on war and peace for discussion and approval at the November meeting of the American Catholic Bishops.

MY HOPES

I write today as your pastor. I am asking you to join me in a serious program of prayer, reflection, study and discussion so that each of us may be able to make judgments about nuclear armaments for a conscience truly informed by Catholic principles.

I raise these issues not as a politician or scientist, not to join some ideological bandwagon, but to meet my responsibilities as a teacher and pastor within the Catholic community which has a long-standing tradition of concern for the moral dimensions of warfare and conflict.

As a pastor, I would emphasize that these are urgent, but not simple matters. I expect this letter will raise more questions than answers. I hope to inform rather than instruct, to raise issues rather than reach definite conclusions. I specifically hope this letter and the discussion it invites will help prepare us to respond to the national pastoral letter on war and peace next fall. This national pastoral and the entire nuclear discussion touches our Archdiocese more directly than any other local Church. For

many of our people, there are intensely personal and professional issues as well as important public concerns.

OUR RESPONSIBILITIES

We cannot avoid this discussion. As our Holy Father said in Hiroshima, "some . . . might prefer not to think about the horror of nuclear war and its dire consequences . . . but there is no justification for failing to raise the question of the responsibility of each nation and each individual in the face of wars and the nuclear threat."

As Catholics, we bring to this discussion unique resources: a long tradition of disciplined thought about the moral dimensions of warfare and a religious vision which bring hope to sobering, even frightening, issues.

As Americans, we have unique responsibilities. The United States is the first nation to develop atomic weapons and the only nation to use nuclear weapons in conflict. Our nation serves as a bulwark against Soviet power and aggression, while sharing with the Soviets the power to virtually destroy civilization.

As people who live in and around Washington, we possess unique responsibility and vulnerability. Members of our community develop and implement the policies which govern our nuclear arsenal and arms control negotiations. In addition, our community would surely be one of the first targets in any nuclear exchange. As American Catholics in the Washington area we need to consider the arms race and nuclear weapons in light of faith, to evaluate our current situation with the help of Church teaching and to probe our consciences for the moral and human implications of decisions on nuclear weapons.

A TIME FOR PRAYER

At the first Pentecost, the disciples awaited the coming of the Spirit in fear and confusion. The descent of the Spirit permitted them to overcome their hesitation and to preach the Word of the Lord. That same Spirit is with us now. Pentecost invites us to open our hearts to Him—for guidance and for strength. We need to pray—to pray for peace and to pray that we can listen to one another and be heard by one another as we search for peace despite differences of political ideology, party or position in our community.

A TIME FOR REFLECTION

Our observance of Memorial Day, last Monday, reminded us again of the costs of war and price of defending freedom and justice. The long white lines of crosses which mark the graves of our honored dead tell us of their bravery and sacrifice and call us to pray that there may never again be war, although as loyal citizens we stand ready, if necessary to defend our country and ideals in a just war.

As we remember the sacrifice of those who gave their lives, I ask you to reflect on how different the next world war would likely be. A nuclear war would probably be a matter of hours, rather than years. Its victims would not be primarily soldiers, but millions of civilians. There would be no winners of a nuclear war. It is estimated that an all-out nuclear war could mean two hundred million casualties, hundreds of Hiroshimas at once.

The Pontifical Academy of Sciences and many American physicians suggest there could be no effective medical response to nuclear war.

I ask you to reflect with me on the growing risks of nuclear war—the growth in the numbers, power and sophistication of nuclear weapons; the discussion of winning or surviving nuclear war; suggestions of demonstration nuclear explositions and how to regain nuclear superiority. I ask you to reflect on what legitimate defense and national security mean in a nuclear age.

Additional nations are on the verge of developing nuclear arms. Enormous resources are fueling the "breathtaking spiral in armaments," in the words of our Holy Father—with serious consequences for the poor. Thousands upon thousands of warheads are poised for possible use. Many believe we face an accelerating arms race and a possible drift toward destruction. If we fail to contain these armaments, there is the possibility that no civilization will survive to reflect upon our mistakes.

A TIME FOR STUDY

In the face of these disturbing trends, we need to study the Church's traditional teaching on warfare and conflict, with special attention to nuclear arms. In knowing and understanding our Catholic tradition in these matters, we bring an essential conviction about the importance of the moral dimensions of public policy. Issues involving fundamental matters of life and death, cannot be settled merely with political or technical arguments, although political skill and technical competence are important. Too often the discussion of national nuclear policy has neglected ethical concerns and excluded the broad public discussion required on matters of such profound significance. Concern for the sanctity of human life, a consistent extension of our concern about abortion, hunger and other pro-life issues, should be at the center of a debate too often dominated by politics and technical points.

Can there be a war involving nuclear arms which fits the traditional moral criteria of a just war? According to Catholic teaching, there are several basic principles which govern both the choice to wage war and the choice of what actions one can rightly undertake in conducting war. The choice to wage war can only be just if the following requirements are met:

1. The decision for war must be made by a legitimate authority.

2. The war can be fought only to defend against unjust aggression.

3. War must be chosen only as a last resort, after all other proper means fail.

4. There must be a reasonable chance of achieving the objectives for which the war is waged.

5. The good to be achieved by the war must outweigh the evil that will result from it.

6. The war must be pursued with right intention—the intention to restore peace.

In waging war justly there are two cardinal principles:

military force can never be directly aimed at non-combatants, and

only proportionate force can be used in attacking legitimate military targets.

Thus, indiscriminate killing of non-combatants cannot be justified and one must avoid harming civilian and non-military sectors of society.

Since the development of nuclear armaments, the teaching of the Church has addressed the issue of nuclear weapons on numerous occasions. A few examples indicate both their tone and content.

After the Cuban Missile Crisis, Pope John XXIII declared:

"Justice, right reason and humanity, therefore, urgently demand that the arms race should cease; that the stockpiles which exist in various countries should be reduced equally and simultaneously by the parties concerned; that the nuclear weapons should be banned; and that a general agreement should eventually be reached about progressive disarmament and an effective method of control." (Pacem in Terris, 1963)

The Second Vatican Council reaffirmed the "universally binding principles of natural law governing the use of force" and the continuing right of legitimate national defense. The Council called for the Church to "undertake an evaluation of war with an entirely new attitude." In its evaluation of scientific weapons of mass destruction, of which nuclear weapons are a principal example, it issued a clear condemnation: "Every act of war directed to the indiscriminate destruction of whole cities or vast areas with their inhabitants is a crime against God and man, which merits form and unquivocal condemnation." The Council offered support for "conscientious objectors who refuse to carry arms provided they accept some other form of community service," affirming the possibility of a Christian pacifism. It called for an end to the arms race and "a real beginning of disarmament, not unilaterally indeed, but "an equal rate on all sides, on the basis of agreements and backed up by genuine and effective guarantees." (The Church in the Modern World, 1965)

The Church's leaders have clearly condemned the arms race:

"The arms race is to be condemned unreservedly. By virtue of the nature of modern weapons and the situation prevailing on our planet, even when motivated by a concern for legitimate defense, the armaments race is, in fact, a danger and injustice, a mistake, a sin and a folly." (Statement of the Holy See's Permanent Observer at the United Nations, 1976)

The U.S. Bishops have sought to apply and specify these teachings:

"With respect to nuclear weapons, at least those with massive destructive capability, the first imperative is to prevent their use. As possessors of a vast nuclear arsenal, we must also be aware that not only is it wrong to attack civilian populations, but it is also wrong to threaten to attack them as part of a strategy of deterrence. We urge the continued development and implementation of policies which seek to bring these weapons more securely under control, progressively reduce their presence in the world and ultimately remove them entirely." (To Live in Christ Jesus, 1976)

In the Bishops' testimony on the SALT II Treaty, Cardinal Krol made three fundamental points. Archbishop Bernardin summarized them in this way before the Bishops last fall:

"First, the primary moral imperative is to prevent any use of nuclear weapons under any conditions. Second, the testimony judged that the possession of nuclear weapons in our policy of deterrent framework is used to make progress on arms limitation and reductions. The third principle, a corollary of the second, is the imperative for the superpowers to pursue meaningful arms limitation aimed at substantial reductions and real disarmament. Indeed, as Cardinal Krol stated, the phasing out altogether of nuclear deterrence and the threat of mutual assured destruction must always be the goal of our efforts."

A TIME FOR DISCUSSION

Church teaching raises significant questions about the assumptions and policies of

the nuclear age. Can nuclear arms be used legitimately in war? If they cannot, are we justified in using a stockpile of nuclear armaments as deterrent? Can we make a threat that we could not legitimately carry out? How do these principles apply to the U.S. as a nuclear superpower and our dealings with a strong adversary also armed with these weapons?

The issues of nuclear war, the arms race and disarmament deserve our careful attention. Each of us is called to be a peacemaker; this is not an optional commitment. As followers of Jesus we are called to seek peace and pursue it. Through the centuries, many have done this in the armed services of their country; this is a legitimate part of our Catholic tradition. Some have followed a path of total renunciation of arms. This form of Christian pacifism is also accepted as a legitimate part of our tradition.

I am truly thankful for the sacrifices and commitment of those who serve in the military and in our government. I am also grateful to those advocates who have pushed the issue of nuclear arms into the center of national debate. All of us, concerned citizens, officials and advocates, need to open our minds and hearts, listen to each other and learn from each other without partisanship or self-righteousness. Whatever our personal situation, we are called to advance the cause of peace, as a family member, worker, and citizen.

We also need to discuss how to move toward the slowing of the arms race and the eventual elimination of nuclear arms. I am referring to mutual rather than unilateral disarmament. Our tradition is eloquent about peace and realistic about conflict. But we need to discuss what actions our country can take to encourage mutual disarmament. Some U.S. initiatives, and even some risks, may be necessary to break the spiral of armaments and the stalemate of the status quo.

For this reason, I have joined with a number of Bishops, other religious leaders, and arms control experts to support a mutual and verifiable nuclear weapons freeze tied to future reductions in nuclear arms. I do not wish to use this forum to urge others to join me in this, but I ask each of you to consider what steps are necessary to reverse the appalling growth of weapons of destruction and act on that assessment.

We should also explore how the enormous ingenuity and resources which are used to increase the sophistication and deadly effectiveness of our weapons of war can be used even more creatively in developing more effective instruments of peace—arms control agreements, alternative means of conflict resolution, cultural and personal exchanges between people or increased communication and meetings between our leaders. How can we develop and support new initiatives to contain, reduce and eventually eliminate this unprecedented threat to humankind?

ARCHDIOCESAN ACTION

We need to help each other ask these questions and carry out these responsibilities. For this reason, I am asking each person, each family, each parish and each organization to make a commitment to pray for peace regularly, to study and reflect on the Church's teaching on nuclear issues and to participate in some program of discussion and commitment on these issues.

At the Archdiocesan level, we have made a beginning, including a three day seminar on nuclear issues for Bishops, key staff and leaders of consultative bodies; a day-long Clergy Conference on the Arms Race and Nuclear Weapons (held yesterday); and the special supplement to the Catholic Standard which accompanies this letter.

I will shortly appoint a task force to help coordinate this ongoing program of prayer, reflection, study and discussion. They will be preparing balanced and useful materials for Archdiocesan parishes and organizations. We will be calling an Archdiocesan Conference on Nuclear Weapons and the Arms Race next fall to assist parish leaders in learning about these issues and developing programs of study, reflection and discussion. This task force and conference will help pastors and parish leaders convene discussions in our parishes next fall. I hope our parishes will show their concern by regular prayer for peace and programs of study and discussion in their education efforts and parish activities. I also hope parishes will share with me their concern and suggestions about how our Church and society should respond to the dangers of our nuclear age.

I am also asking Archdiocesan organizations and the consultative bodies to place this concern on their agenda and share their concerns and proposals with me. We will make special efforts next fall to assist teachers and religious educators in carrying out their responsibilities to share the Church's teaching in this area. Finally, I have asked our Archdiocesan newspaper to provide special coverage and information on issues dealing with the arms race and nuclear weapons.

I hope all of these efforts will lead to informed reflection and effective action throughout our communities on the issues of peace and nuclear arms. These activities will permit us to live up to our Holy Father's words at the United Nations: "The Catholic Church in every place on earth proclaims a message of peace, prays for peace, educates for peace."

We approach this task of peacemaking recognizing both its complexity and its urgency. Peacemaking is not some peripheral cause, it is required of each of us. It requires fervent prayer, informed reflection, diligent study, open discussion, effective action and genuine commitment.

Mary, Queen of Peace, pray for us.

In Him who is our Peace,

JAMES A. HICKEY,
Archbishop of Washington.●